

Business activity in the spring of 2015

Aluminium industry starts new year with growth in production

German aluminium industry increases production in many areas in Q1/2015 / Volumes expected to move upwards during rest of year / Economic environment remains stable

Düsseldorf, Germany, 21 May 2015 – During the first quarter of 2015 there were increases in the production of raw aluminium, semi-finished aluminium products and aluminium castings. Aluminium conversion began 2015 with a slight minus. Volumes are expected to develop in an upward direction.

Increases in raw aluminium production

During the period January to March 2015 some 290,723 tonnes of raw aluminium were produced in Germany. Production was thus up 2.6 per cent year-on-year. During this period production of raw aluminium comprised 132,670 tonnes of primary aluminium and 158,053 tonnes of recycled aluminium. Compared with the corresponding period a year earlier production of primary aluminium was 3.0 per cent higher and that of recycled aluminium up 2.3 per cent. "The production of aluminium thus continues to be an important part of the value chain of the aluminium industry in Germany," is how GDA Executive Director Christian Wellner explained the development in aluminium production.

Volume growth in semis production

Production of aluminium semis in the first quarter of 2015 totalled 644,704 tonnes. Compared with the corresponding period a year earlier this was a rise of 2.9 per cent. The semis companies produce rolled products, extruded products, wire and conductor material. Aluminium semis production is quantitatively the most important sector of the German aluminium industry.

The largest customers for aluminium semis are the automotive and building and construction industries together with the packaging, mechanical engineering and electrical engineering markets. The largest share of German semis production is attributable to the aluminium rolling mills, which account for just under half of the European production of rolled products. During the period January to March 2015 production of rolled products totalled 491,033 tonnes. This was an increase of 2.7 per cent year-on-year. There was increased demand for rolled products from the automotive sector in particular. The large aluminium concerns are currently expanding their capacities for the production of body sheet in order to meet growing demand from the car industry.

The producers of aluminium extrusions reported even better figures. Their production rose 3.5 per cent during the same period to 148,258 tonnes. The most important markets for extruded aluminium products are the building and construction and the transport sectors together with industrial applications. In addition to its modern and innovative extrusion technology, one of the strengths of this sector is the development of high-grade profile applications with enhanced customer benefits. The production of wire and conductor material rose 4.4 per cent to 5,413 tonnes.

Tube and aerosol and other cans show slight decline

During the period January to March 2015, a total of 88,280 tonnes of aluminium were subjected to conversion in Germany. Production volume thus declined 2.3 per cent year-on-year. Conversion is divided into three sectors: foil and thin strip, tube and aerosol and other cans, and metal powder. While the production of tube and aerosol and other cans reported increased volumes (+4.9 per cent), the production of metal powder (-3.4 per cent) and foil and thin strip (-3.3 per cent) showed small falls.

Business expectations positive

The global economic environment has improved further since the fourth quarter of 2014, not least because of the economic development in the USA. The German economy has also profited from this. If the global economy continues to recover, this is expected to have positive effects on export-oriented customer industries like mechanical engineering and electrical engineering. Moreover the exchange rate development is adding support. According to Andreas Postler, head of Economics and Statistics at GDA, business activity in the aluminium sector in Germany is also expected to show its upside in the coming months. "The trend towards lightweight construction will foster aluminium demand worldwide, including Germany as well. Large sections of the aluminium value chain will benefit. On top of this is the fact that the growth prospects for other important downstream sectors of the aluminium industry are also positive for this year. The German aluminium industry is therefore expected to continue to gain momentum during the course of 2015."

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Production data for the German aluminium industry

| Product | Reporting month | January to reporting month | |
|-----------------------------------|-----------------|----------------------------|---------------------|
| | | Tonnes | Change year-on-year |
| Primary aluminium | March 15 | 132,670 | 3.0% |
| Recycled aluminium | March 15 | 158,053 | 2.3% |
| Total raw aluminium | March 15 | 290,723 | 2.6% |
| Rolled products | March 15 | 491,033 | 2.7% |
| Extruded products | March 15 | 148,258 | 3.5% |
| Wire and conductor material | March 15 | 5,413 | 4.4% |
| Total aluminium semis | March 15 | 644,704 | 2.9% |
| Sand castings | March 15 | 29,174 | 5.5% |
| Chill castings | March 15 | 83,556 | 12.1% |
| Die-castings | March 15 | 150,603 | 3.2% |
| Total aluminium castings | March 15 | 263,333 | 6.6% |
| Foil and thin strip | March 15 | 67,078 | -3.3% |
| Tube / aerosol and other cans | March 15 | 11,902 | 4.9% |
| Metal powder | March 15 | 9,300 | -3.4% |
| Total aluminium conversion | March 15 | 88,280 | -2.3% |

Sources: GDA, BDG and Federal Statistical Office; data partly provisional