

Production of aluminium semi-finished products remains stable**Outlook for core markets for aluminium semis industry still positive / Increased uncertainty due to political risks**

Düsseldorf, 17 May 2019 - The German aluminium semis industry can look back on a satisfactory 2018. Although there was an economic slowdown in the second half of the year, the production of semi-finished aluminium products for the year as a whole remained stable. The reasons for the downturn were the decline in passenger car production due to the transition to the Worldwide Harmonised Light Vehicles Test Procedure (WLTP), the most standardised emissions test procedure worldwide, as well as problems with the supply of raw materials and US import duties on specific aluminium products. Düsseldorf-based Gesamtverband der Aluminiumindustrie (GDA) expects a similar development in 2019. Production is expected to increase slightly overall, but the risks are not expected to decrease: Brexit, international trade disputes, the imminent punitive tariffs on cars and developments in China could have a negative impact on production and turnover.

German production of semi-finished aluminium products (excluding wire and conductor material) totalled 2.434 million tonnes in 2018. Aluminium rolling mills account for the largest share of German aluminium semis production. As the largest producer of rolled products in Europe, Germany has an important supply function. Almost two thirds of German rolled semi-finished products are exported, mainly to other European countries. In 2018, some 1,855,000 tonnes of rolled products were "Made in Germany". Germany is also the largest European producer of extruded aluminium products. About 80 per cent of these are further processed in Germany. The remaining 20 per cent go mainly to neighbouring European countries. In 2018, Germany produced 579,000 tonnes of aluminium extrusions.

The current trend in the production of aluminium semis is stable: the production of rolled products totalled 471,000 tonnes in the first quarter of 2019; the production of extrusions during the same period amounted to 149,000 tons. Overall, this represents an increase of 0.3 per cent compared with the corresponding period of the previous year.

For the whole of 2019, GDA expects production to reach 2.5 million tonnes, a slight increase of one per cent. German aluminium semis producers' assessment of the economic development remains cautious. "Our outlook for 2019 is unsettled: it is characterised by different sector multipliers, economic multipliers that are difficult to forecast, business-environment factors that are incalculable from a global politics point of view and diversified customer behaviour," said Bernd Schäfer, chairman of GDA's Semi-finished Products division, speaking

at the annual general meeting in Düsseldorf. “The most important markets, like automotive, construction and packaging, are developing steadily, demand is rising and our capacity utilisation is good,” he added. “However, temporary factors such as international trade disputes, Brexit and imminent punitive tariffs are putting a strain on further development. In addition, the USA’s protectionist trade policy is leading to a realignment of global trade flows and increased pressure from imports in Europe. Especially in the case of rolled products, there is the threat of a strong increase in imports from China.

According to Bernd Schäfer, demand for rolled and extruded aluminium products will grow continuously in the future, and the demand forecasts from GDA’s Semi-finished Products division for the coming years are consistently positive. Above all, the automotive industry is driving the added demand for aluminium. Following the significant increase in the use of rolled products in carmaking in recent years, the next boost will come from the use of extruded products, which should benefit from new applications in the e-mobility and transport sectors. Bernd Schäfer: “The growth prospects for the German aluminium semis industry and for the metal aluminium thus continue to show promise and confirm that the young metal is a popular and superior material, especially when it comes to sustainability.”

GDA’s Semi-finished Products division is the largest producer group within the German aluminium industry. Germany is by far the largest producer of semi-finished aluminium products in Europe and one of the largest worldwide. Aluminium semis include sheet, strip, plate, profiles, rod and bar, tube, wire and forgings. The main markets for these products are the transport sector, the building and construction industry and packaging.

Your contact:

Georg Grumm
Information and Communication

Gesamtverband der Aluminiumindustrie e.V.
Phone: + 49 211 47 96 160
E-mail: georg.grumm@alinfo.de