



The International Tar Association Semi-Annual Meeting

Overview of the Aluminium and Coal Tar Pitch Markets

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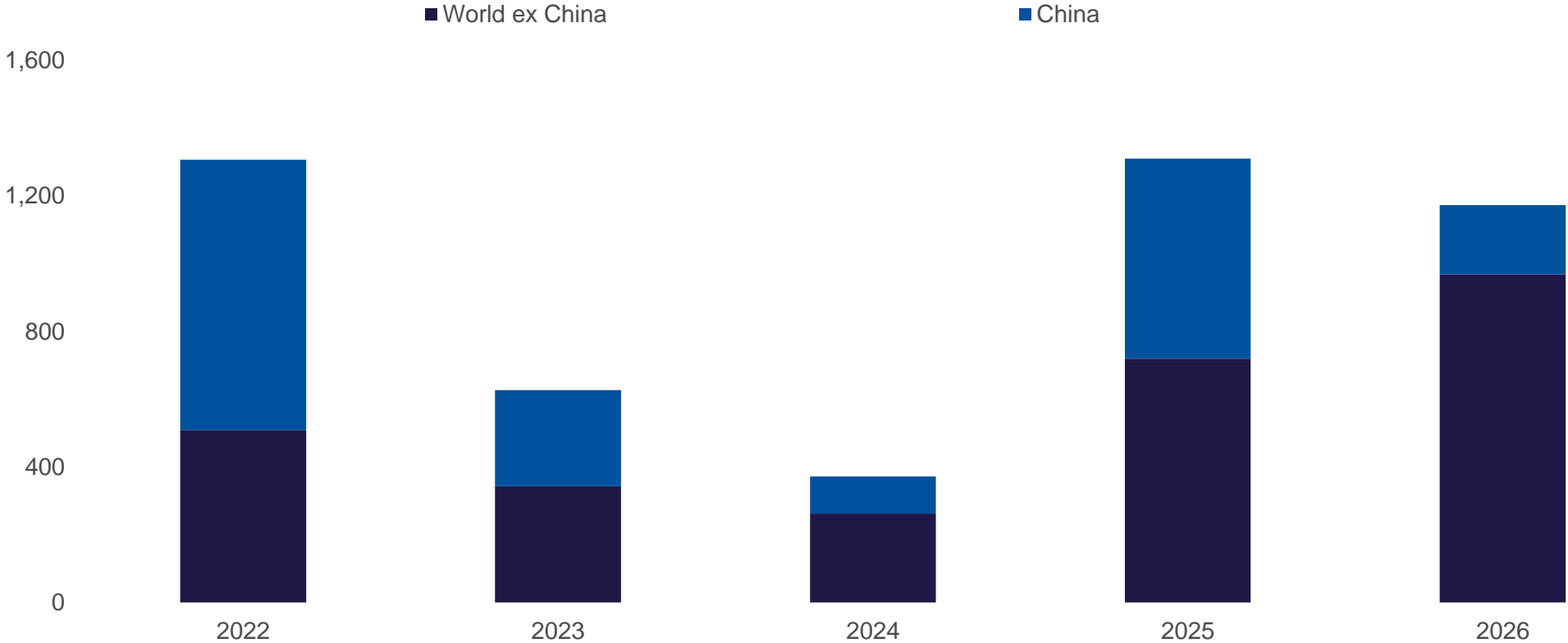
Aluminium – Top Ten Calls for 2024

-  China's appetite for scrap to keep rising. Expect more exports to China, as China eases import restrictions. Competition for scrap will intensify as investments continue globally.
-  Bauxite: fob prices will move higher as seaborne demand strengthens with more Chinese demand.
-  In carbon products, capacity expansions in India and the Middle East will reduce Chinese carbon product exports, and lower Chinese fob prices.
-  The LME price and ingot premiums will end 2024 higher than they start the year. And we expect nearly all smelters to remain profitable.
-  Demand to recover by late 2024, supported by an improving economy, and shift back to commodity-based growth. An eventual end to destocking at consumers/stockists will also aid.
-  Russian aluminium exports to EU to fall further. Expect more trade actions against Russia and further shift to Asia, especially China.
-  Demand for low carbon aluminium set to rise as decarbonisation trends advance. Expect higher low carbon premiums by H2 2024.
-  Onshoring and deglobalisation trends to continue. Further trade actions on imports in US will impact, and Section 232 will remain, irrespective of election results.
-  China: Housing sector to remain weak in 2024. However, new energy vehicles and the solar sector will continue to grow strongly. China will remain a large net importer of primary aluminium.
-  Biggest risks to the price outlook:
Upside: Yunnan power shortages could intensify leading to supply shortages.
Downside: Demand fails to recover.

Indonesia leading smelter expansions ex. China

Growth in capacity to become dominated by world ex. China

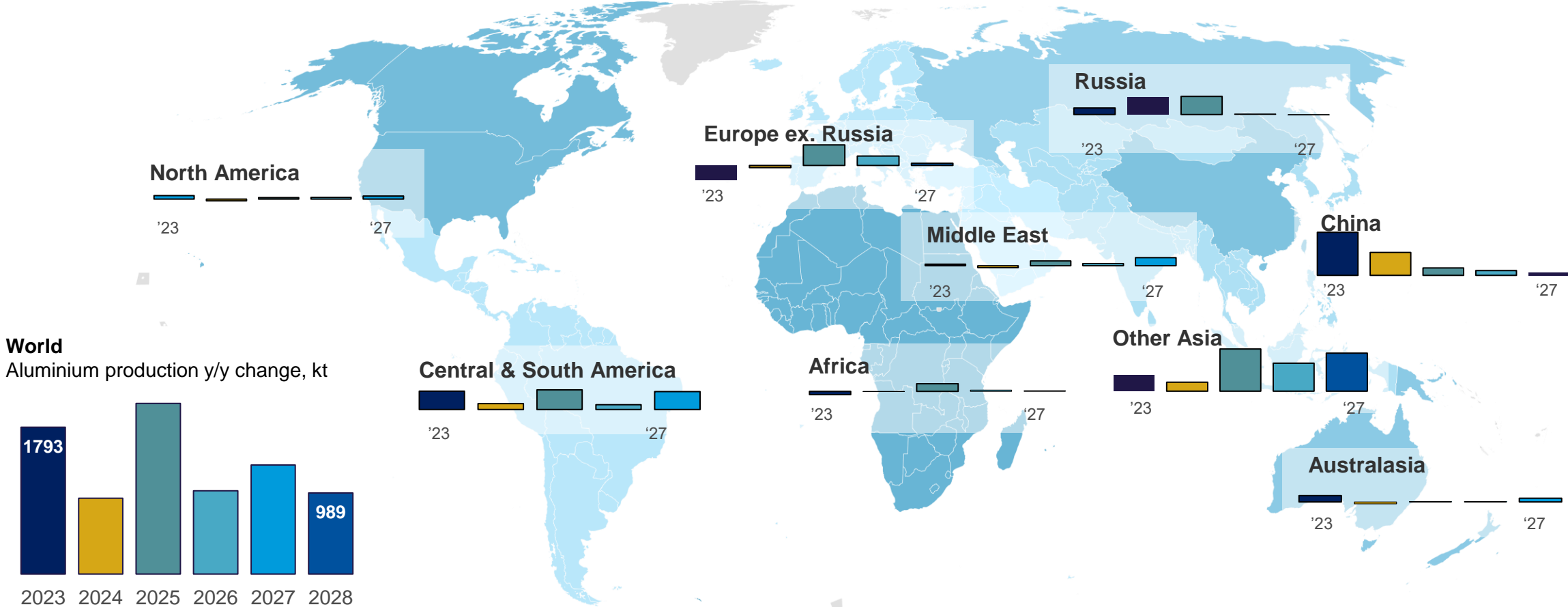
('000 Tonnes)



DATA: CRU



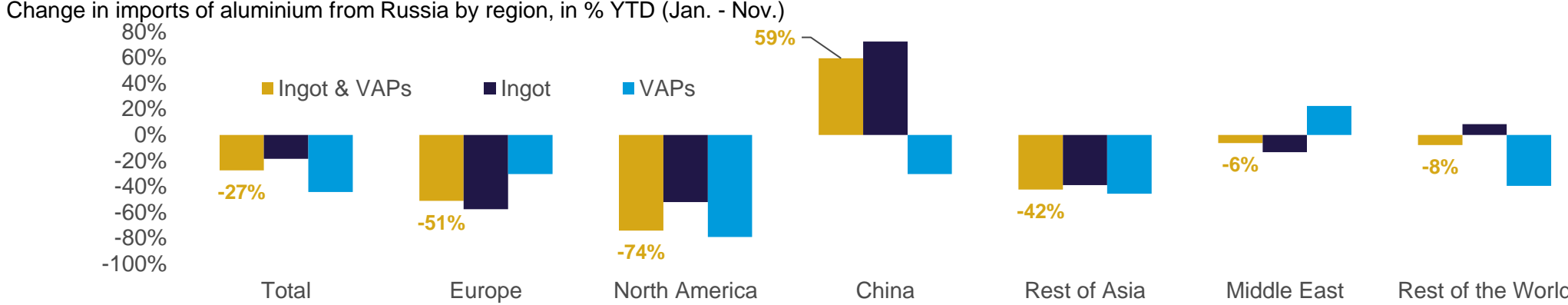
Indonesia to become the main engine of growth in the medium-term



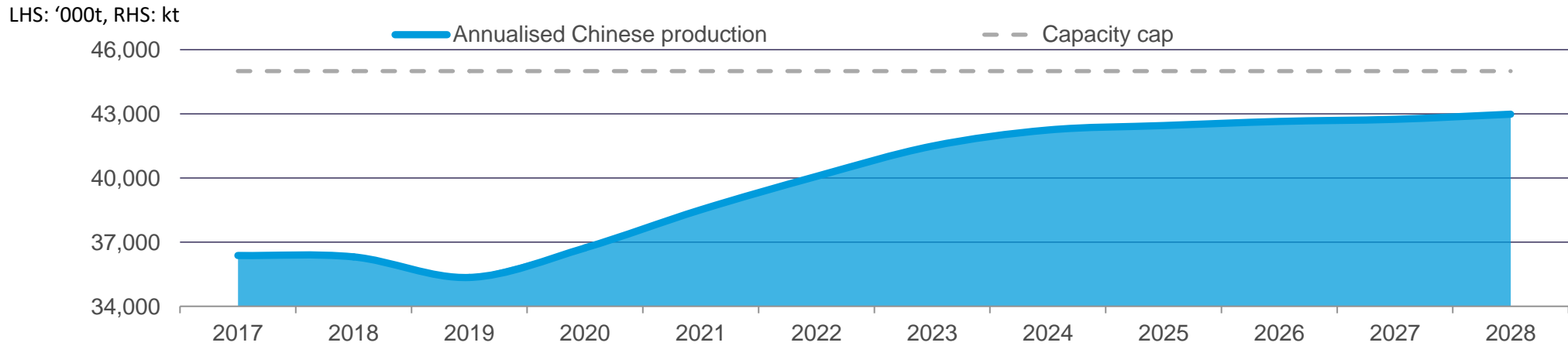
DATA: CRU Powered by Bing
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Aluminium supply chain risks rise on all points of the compass

Shifting trade trends set to continue from Russia



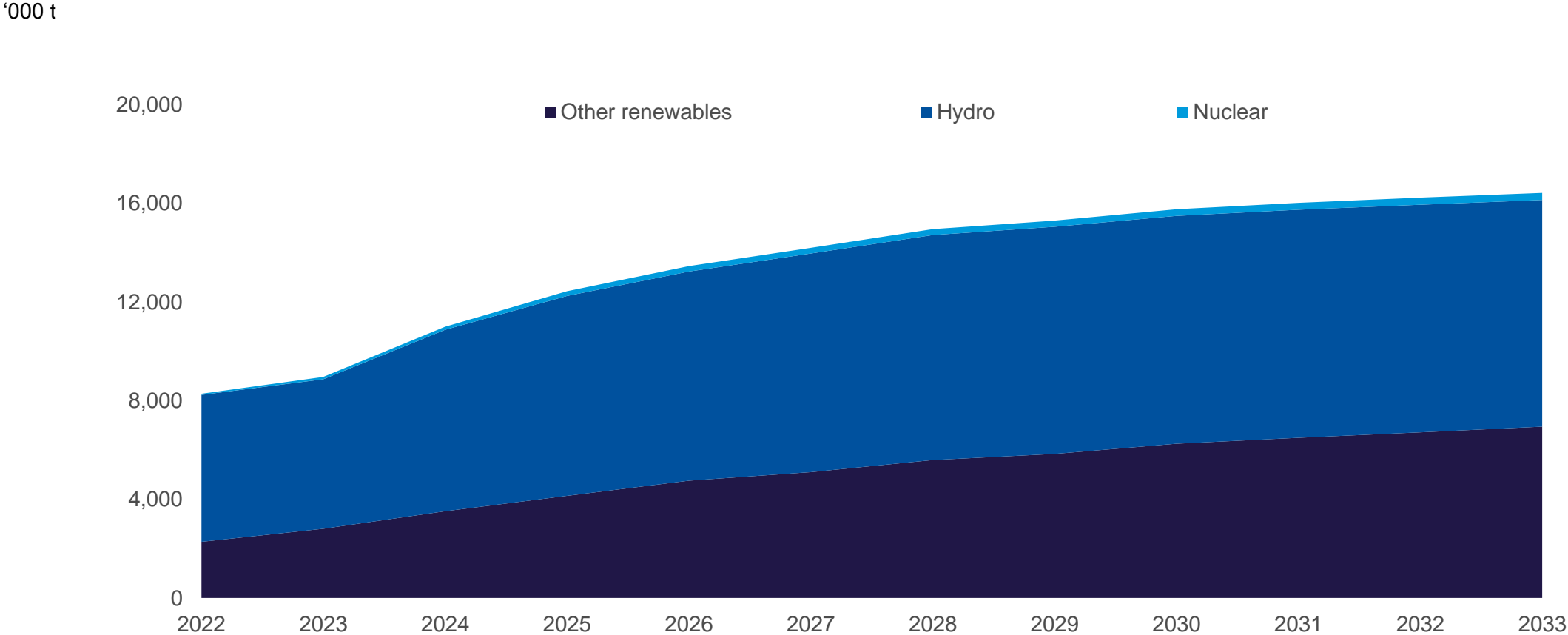
Chinese output to struggle to grow



DATA: CRU, S&P Global

China's aluminium industry accelerates decarbonisation

Smelter production from both hydro and wind/solar power to increase significantly



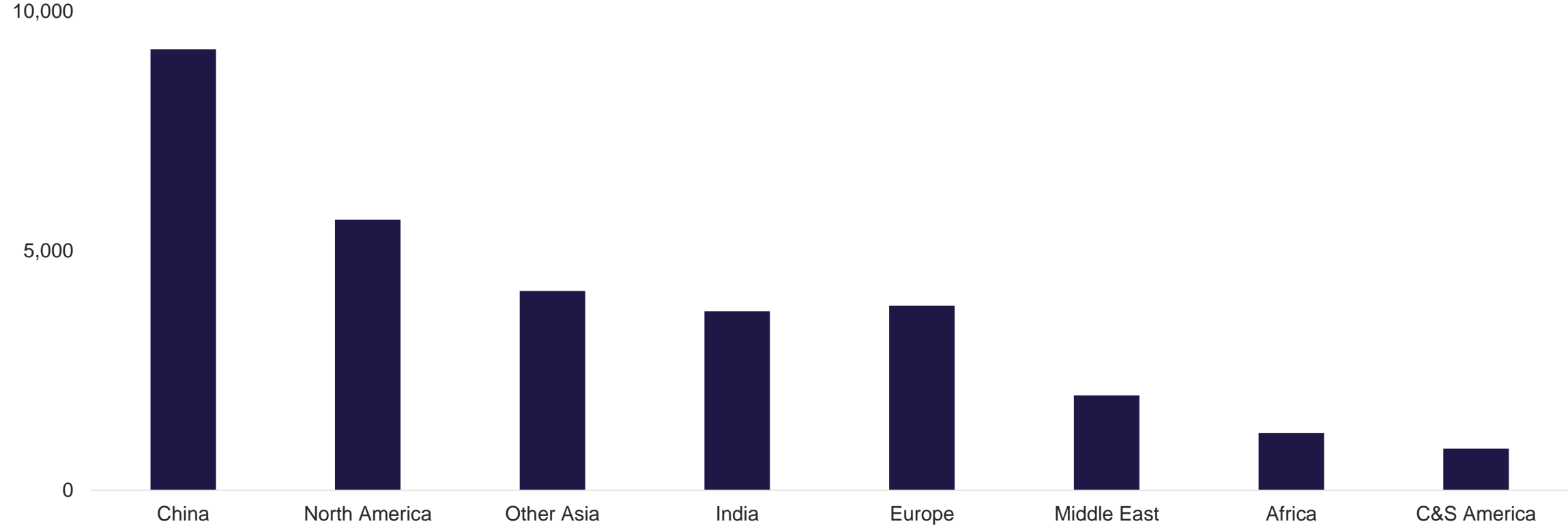
DATA: CRU



Long-term demand profile for the global aluminium industry is very positive

North America will drive growth in the West

Semis demand growth by region 2023-2033

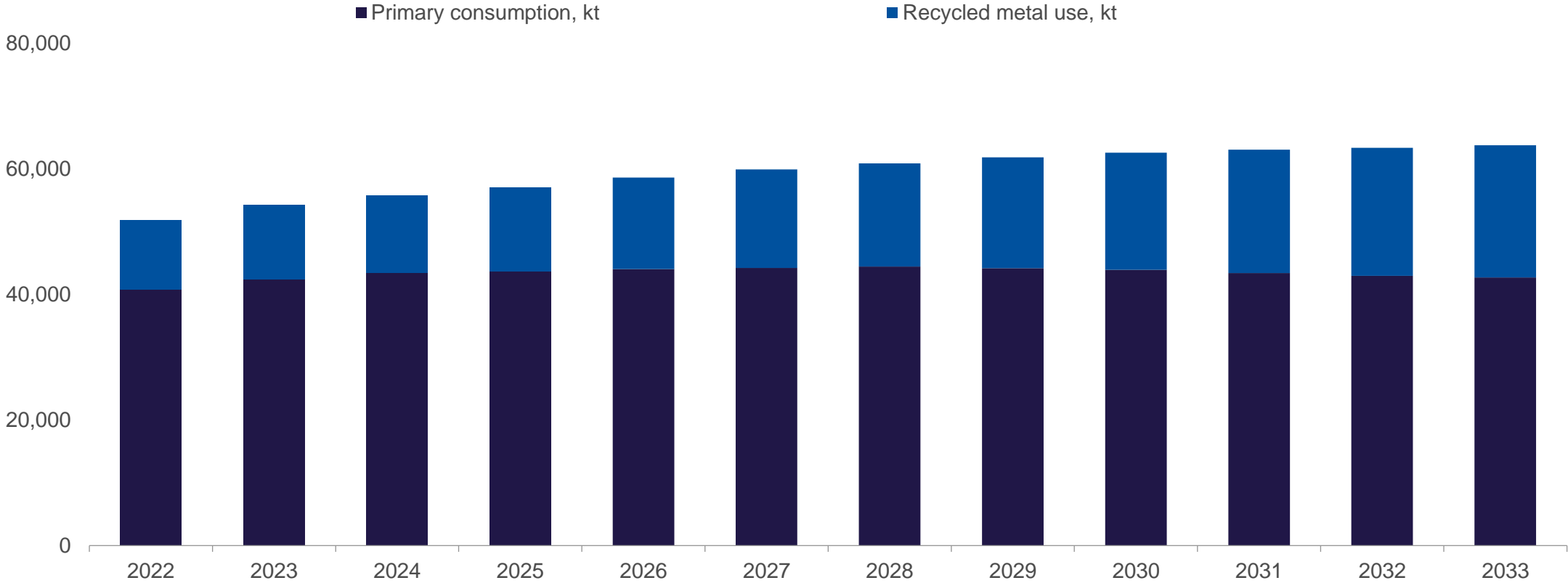


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China's recycled demand will increase substantially

Recycled metal will increasingly meet demand gap

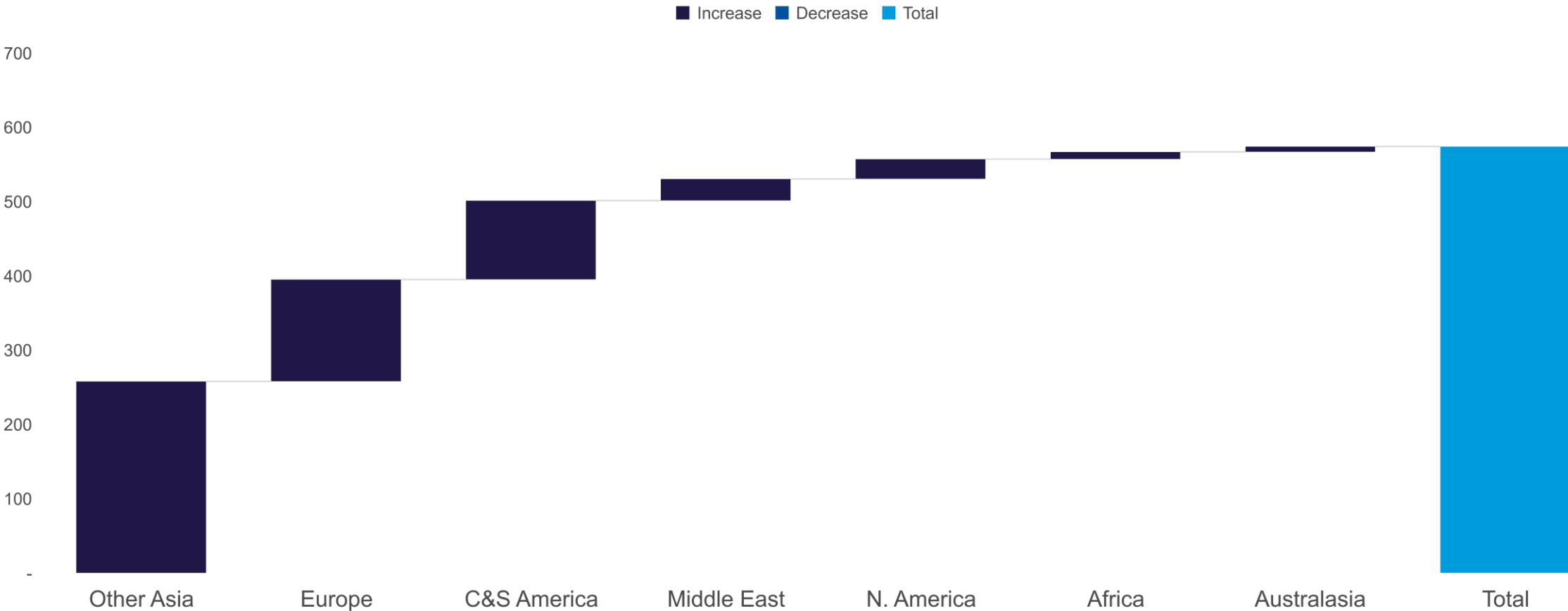


DATA: CRU



CTP demand growth driven by the “Other Asia” region

CTP demand growth in 2023 – 28



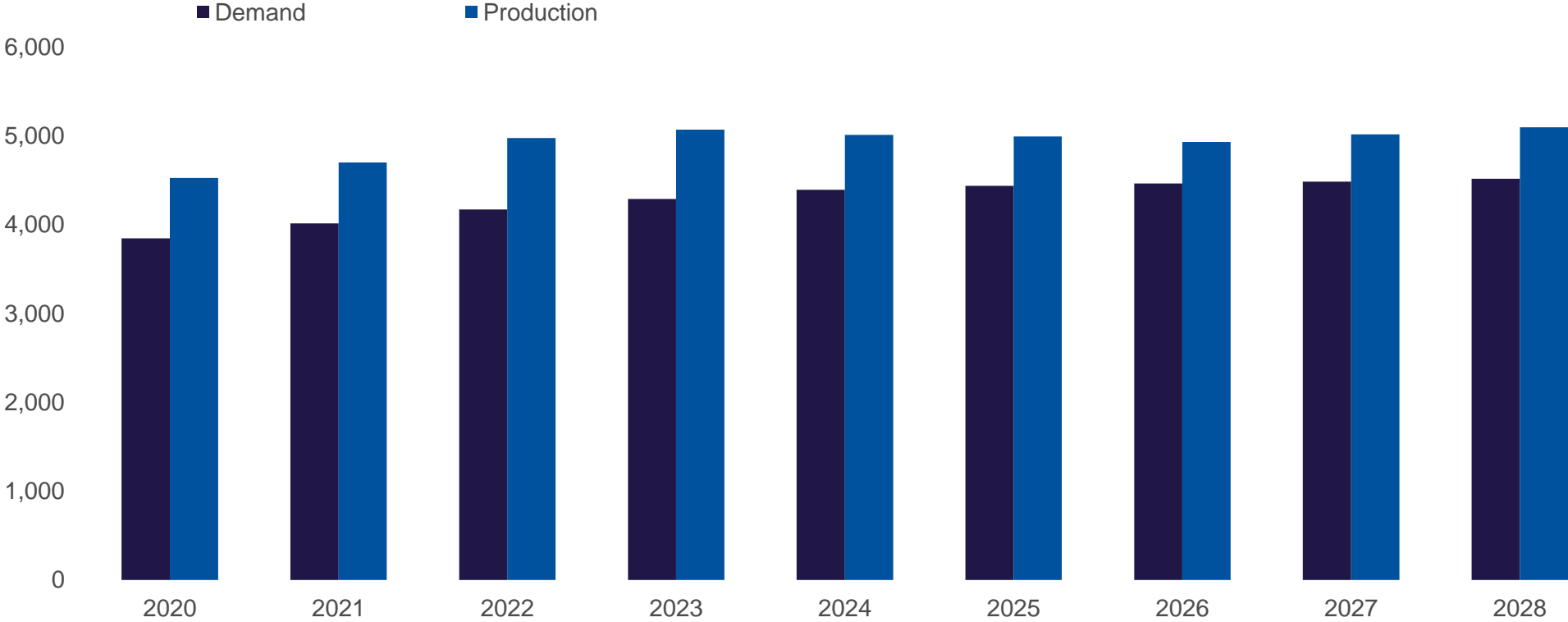
DDATA: CRU



China's CTP production and demand to remain fairly stable

China CTP remains surplus between 2023-2028

000 tonnes

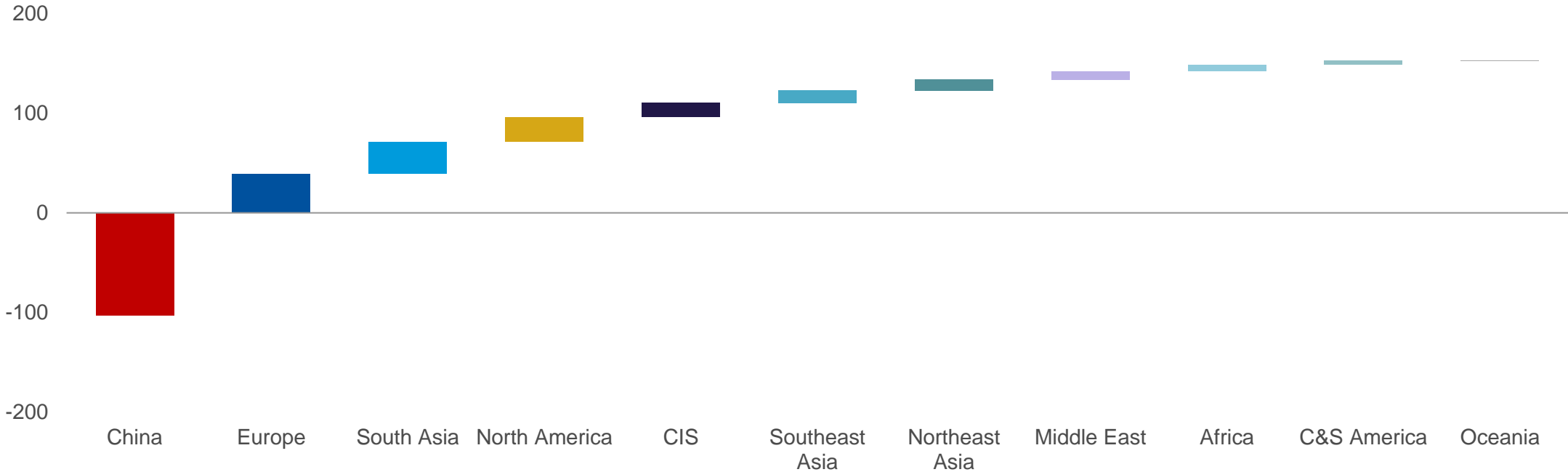


DATA: CRU



Europe, South Asia and North America will more than offset lower Chinese output

Change in carbon crude steel production by region between 2023 and 2028, Mt



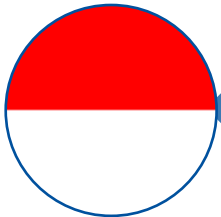
DATA: CRU, World Steel Association, NBS



Takeaways



Demand to recover by late 2024, supported by an improving economy, and shift back to commodity-based growth.



Indonesia leading smelter expansions ex. China. Chinese output to struggle to grow



Long-term demand profile for the global aluminium industry is positive



CTP demand growth driven by the “Other Asia” region

DATA: CRU



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