

## Aluminum Situation

January 2009

*This report contains information reported to the Association by the domestic producers, which is aggregated by the Association and expanded to represent the total industry. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision. For further information, contact Nick Adams, V.P., Statistics and Business Information at 1-703-358-2984 or email <nadams@aluminum.org>. © The Aluminum Association, Inc. All rights reserved.*

### Summary Aluminum demand off 7.5 percent through November

Aluminum demand in the United States and Canada (shipments by domestic producers plus imports) totaled an estimated 21,148 million pounds through eleven months of 2008, 7.5 percent below a year ago. Demand for semi-fabricated (mill) products totaled 14,218 million pounds, off 7.0 percent. Apparent consumption (demand less exports) in domestic markets totaled an estimated 18,053 million pounds, 9.4 percent below 2007.

Exports of aluminum from the U.S. and Canada (excluding cross-border trade) totaled 7,104 million pounds during eleven months of 2008, 18.0 percent higher than last year while aluminum imports totaled 3,555 million pounds, off 17.0 percent.

| November<br>(millions of pounds)                             | ---2008* ---<br>November YTD | % Chg vs 2007<br>November YTD |
|--|------------------------------|-------------------------------|
| <b>U.S. &amp; Canada Shipments<sup>1</sup></b>               |                              |                               |
| Total Demand   | 1,588 21,148                 | -20.0 -7.5                    |
| Mill Products  | 1,028 14,218                 | -18.6 -7.0                    |
| Domestic Markets   | 1,345 18,053                 | -21.6 -9.4                    |
| <b>Foreign Trade (U.S. &amp; CN less cross border trade)</b> |                              |                               |
| Exports  | 416 7,104                    | -30.2 18.0                    |
| Imports  | 258 3,555                    | -20.2 -17.0                   |

Note: 1/ U.S. & Canada producer shipments plus imports to consumers.  
 \*/ Current month figures are preliminary. Cumulative data include revisions to previous periods.  
 Source: Shipment statistics based on Aluminum Association surveys. Import and Export data are derived from reports published by the U.S. Bureau of Economic Analysis and Statistics Canada.

Supporting tables are available on the Association's website.

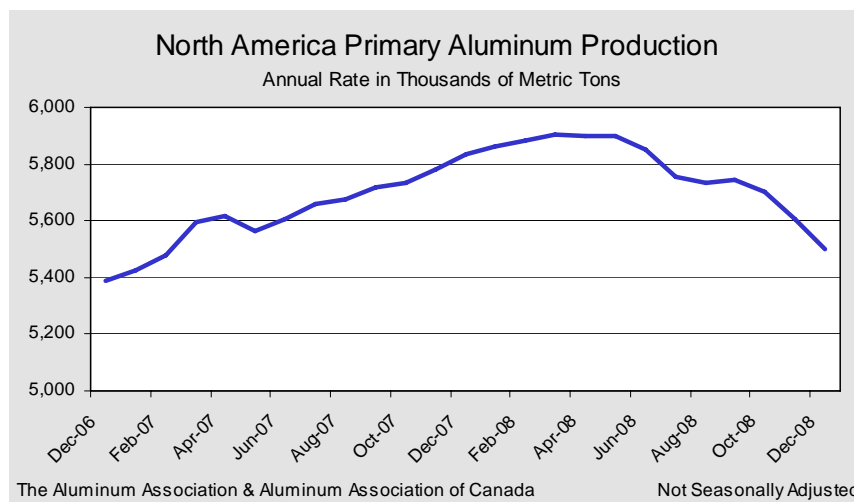
# Sample

### Primary Production North America production declines 1.9 percent in December

The Aluminum Association, in cooperation with the Aluminium Association of Canada, reported primary aluminum production in North America (U.S. and Canada) during December at an annual rate of 5,497,875 tonnes, decreasing 106,097 tpy (1.9 percent) from the previous month's rate of 5,603,972

tonnes. Compared to a year ago, the annual rate of production was 5.8 percent below the December 2007 rate of 5,835,043 tonnes. At year end, production totaled 5,777,849 tonnes, up 2.4 percent over 2007.

For additional information, [click here](#).



**Shipments & Inventory Levels**

**November semi demand off 18.6% year-over-year**

Apparent demand for aluminum semi-fabricated (mill) products in the United States and Canada (measured in shipments by domestic producers plus imports) totaled an estimated 1,028 million pounds in November 2008, down 18.6 percent from November of last year. Demand for aluminum sheet and plate totaled 634 million pounds in November, 14.6 percent below November 2007 while extruded products recorded a year-over-year decline of 25.7 percent to 222 million pounds. Through eleven months, demand for mill products totaled 14,218 million pounds, off 7.0 percent from a year ago. Estimated shipments of aluminum ingot for castings, exports and other uses totaled 560 million pounds in November,

down 22.6 percent from a year ago while year-to-date, ingot shipments are off 8.7 percent. Apparent consumption in domestic U.S. and Canada markets totaled 1,345 million pounds in November, off 21.6 percent from November 2007. Year-to-date, consumption was down 9.4 percent to 18,053 million pounds. Producer inventories totaled 2,768 million pounds in November, off 1.1 percent from the October total of 2,800 million pounds.

Note: For additional Association statistics on producer shipments, [click here](#).

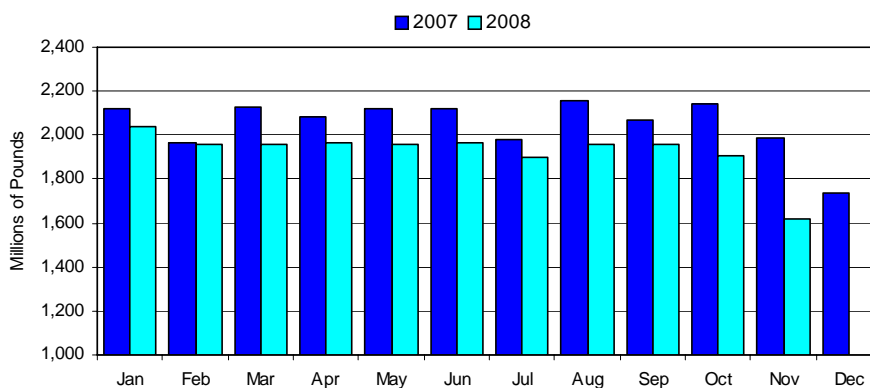
| U.S. & CANADA SHIPMENTS <sup>1</sup><br>(Millions of Pounds) | November       |                | % Chg        | Oct.           | % Chg        | Year-to-Date    |                 | % Chg       |
|--|----------------|----------------|--------------|----------------|--------------|-----------------|-----------------|-------------|
|  | 2008*          | 2007           | Nov/Nov      | 2008           | Nov/Oct      | 2008*           | 2007            | 08/07       |
| Sheet & Plate  | 633.8          | 742.2          | -14.6        | 770.9          | -17.8        | 8,492.3         | 8,731.6         | -2.7        |
| Foil   | 101.3          | 127.0          | -20.3        | 126.7          | -20.1        | 1,354.1         | 1,474.8         | -8.2        |
| Extruded Products <sup>2</sup>                               | 221.6          | 298.3          | -25.7        | 279.1          | -20.6        | 3,306.3         | 3,787.7         | -12.7       |
| Electrical Wire & Cable                                      | 42.5           | 54.4           | -21.8        | 62.0           | -31.4        | 623.3           | 734.0           | -15.1       |
| Other <sup>3</sup>   | 28.9           | 40.4           | -28.5        | 38.2           | -24.3        | 442.5           | 558.4           | -20.8       |
| <b>Total Mill Products</b>                                   | <b>1,028.1</b> | <b>1,262.4</b> | <b>-18.6</b> | <b>1,276.9</b> | <b>-19.5</b> | <b>14,218.5</b> | <b>15,286.6</b> | <b>-7.0</b> |
| Ingot <sup>4</sup>   | 560.2          | 723.6          | -22.6        | 632.2          | -11.4        | 6,929.4         | 7,586.1         | -8.7        |
| <b>Total Demand</b>  | <b>1,588.3</b> | <b>1,986.0</b> | <b>-20.0</b> | <b>1,909.1</b> | <b>-1.8</b>  | <b>21,147.9</b> | <b>22,872.7</b> | <b>-7.5</b> |
| Exports of ingot and mill prod.                              | 248.4          | 270.8          | -8.9         | 289.1          | -1.8         | 2,895.4         | 2,945.5         | 5.1         |
| <b>Apparent Consumption</b>                                  | <b>1,344.9</b> | <b>1,715.8</b> | <b>-21.6</b> | <b>1,620.0</b> | <b>-1.0</b>  | <b>18,052.5</b> | <b>19,927.2</b> | <b>-9.4</b> |
| <b>PRODUCER INVENTORIES<sup>5</sup></b>                      | <b>2,768</b>   | <b>2,806.6</b> | <b>-1.1</b>  | <b>2,809.9</b> | <b>-0.1</b>  |                 |                 |             |
| Ingot  | 560.2          | 1,036.5        | -12.6        | 619.5          | -1.4         |                 |                 |             |
| Scrap  | 531.9          | 501.7          | 6.0          | 532.6          | -0.1         |                 |                 |             |
| Other  | 1,329.9        | 1,438.4        | -7.5         | 1,347.9        | -1.3         |                 |                 |             |

Sample

- Note: (1) U.S. & Canadian producer shipments plus imports of mill products. Data include adjustments to published government import and export statistics.  
 (2) Extruded Products – extruded rod and bar, shapes and pipe and tube  
 (3) Other mill products – drawing stock, bare wire, forgings and impacts, and powder and paste.  
 (4) Net ingot shipments for foundry castings, export, and destructive uses.  
 (5) Inventory levels reflect U.S. and Canadian producers.  
 (\*) Figures are preliminary. Cumulative data include revisions to previous periods.

Source: The Aluminum Association Inc.

**Estimated Aluminum Demand**



Source: The Aluminum Association, Inc.

Not Seasonally Adjusted.

**New Orders**

**New Orders Index declines 2.3 percent in December**

The Association's "Index of Net New Orders of Aluminum Mill Products" recorded a decline of 2.3 percent in December. Orders for flat roll products (including can stock and foil) were down 1.3 percent while order receipts for extruded products declined 15.3 percent. Orders for "other" mill

products, including drawing stock, electrical conductor and forgings, rose 8.6 percent. Compared to December 2007, new orders were 16.5 percent below the previous year. On average, orders recorded by domestic producers during 2008 are 4.7 percent behind those of a year ago.

**INDEX OF INDUSTRY NET NEW ORDERS OF ALUMINUM MILL PRODUCTS<sup>1</sup>**

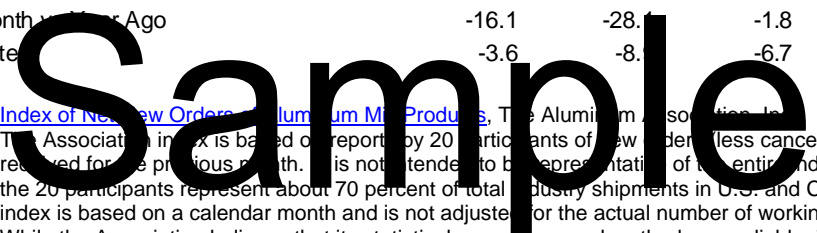
2007=100

| Year | Month    | Flat Rolled Products | Extruded Shapes & Tube | Other | Total |
|------|----------|----------------------|------------------------|-------|-------|
| 2007 | December | 90.9                 | 82.7                   | 81.4  | 88.7  |
|      | Year End | 100.0                | 100.0                  | 100.0 | 100.0 |
| 2008 | October  | 88.8                 | 84.4                   | 86.2  | 87.9  |
|      | November | 77.3                 | 70.1                   | 73.6  | 75.8  |
|      | December | 76.2                 | 59.4                   | 80.0  | 74.0  |
|      | Year End | 96.5                 | 91.1                   | 93.3  | 95.3  |

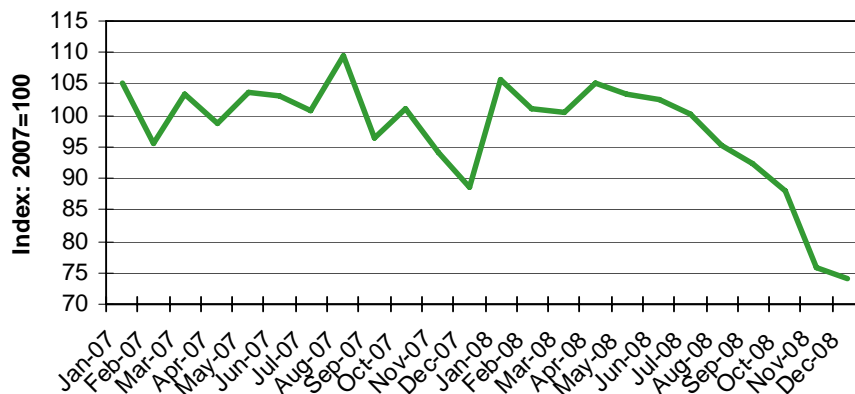
Percent Change

|                                 |       |       |      |       |
|---------------------------------|-------|-------|------|-------|
| Current Month vs Previous Month | -1.3  | -15.3 | 8.6  | -2.3  |
| Current Month vs 12 Months Ago  | -16.1 | -28.1 | -1.8 | -16.5 |
| Year-to-Date                    | -3.6  | -8.1  | -6.7 | -4.7  |

Source: [Index of Net New Orders of Aluminum Mill Products](#), The Aluminum Association, Inc.  
 Note: (1) The Association index is based on reports by 20 participants of new orders (less cancellations) received for the previous month. It is not intended to be representative of the entire industry, and the 20 participants represent about 70 percent of total industry shipments in U.S. and Canada. The index is based on a calendar month and is not adjusted for the actual number of working days. While the Association believes that its statistical procedures and methods are reliable, it cannot, of course, guarantee the accuracy or completeness of the data. All data contained herein are subject to revision. The base 100 equals the average month in 2007.



**Mill Products Order Receipts**



The Aluminum Association, Inc.

Not Seasonally Adjusted

**Imports & Exports**

**Aluminum exports up 18.0 percent through eleven months**

Aluminum imports of ingot, scrap and mill products into the U.S. and Canada (excluding cross-border trade) totaled 258 million pounds in November, 20.2 percent below the November 2007 total of 324 million pounds. Through eleven months of the year, imports totaled 3,555 million pounds in 2008, off 17.0 percent from the previous year. Aluminum exports totaled 416 million pounds in November,

30.2 percent less than in November 2007. To date, exports total 7,104 million pounds, 18.0 percent over last year. Excluding scrap, imports exceed exports by 133 million pounds during eleven months of 2008. *Statistics are derived from customs data released by the U.S. and Canadian governments.*

| U.S. & CANADA <sup>1</sup><br>(Millions of Pounds) |               | November |       | % Chg   | Oct.  | % Chg   | Year-to-Date |         | % Chg |
|--|---------------|----------|-------|---------|-------|---------|--------------|---------|-------|
|  |               | 2008*    | 2007  | Nov/Nov | 2008  | Nov/Oct | 2008*        | 2007    | 08/07 |
| <b>IMPORTS</b>                                     | Mill Products | 121.7    | 128.5 | -5.3    | 145.2 | -16.2   | 1,491.8      | 1,725.8 | -13.6 |
|  | Ingot         | 119.1    | 165.3 | -28.0   | 183.9 | -35.2   | 1,737.0      | 2,255.4 | -23.0 |
|  | Total         | 240.8    | 293.8 | -18.1   | 329.1 | -26.8   | 3,228.8      | 3,981.2 | -18.9 |
|  | Scrap         | 17.4     | 29.8  | -41.4   | 27.4  | -36.4   | 326.6        | 304.9   | 7.1   |
|  | Grand Total   | 258.2    | 323.6 | -20.2   | 356.5 | -27.6   | 3,555.4      | 4,286.1 | -17.0 |
| <b>EXPORTS</b>                                     | Mill Products | 91.0     | 92.5  | -1.6    | 110.8 | -17.8   | 1,155.5      | 1,017.5 | 13.6  |
|  | Ingot         | 152.4    | 177.7 | -14.2   | 178.3 | -14.5   | 1,939.9      | 1,928.0 | 0.6   |
|  | Total         | 243.4    | 270.2 | -9.9    | 289.1 | -15.8   | 3,095.4      | 2,945.5 | 5.1   |
|  | Scrap         | 172.2    | 325.4 | -47.1   | 271.7 | -36.6   | 4,008.7      | 3,076.6 | 30.3  |
|  | Grand Total   | 415.7    | 595.6 | -30.2   | 560.8 | -25.9   | 7,104.1      | 6,022.1 | 18.0  |
| <b>Net Imports (excl. scrap)</b>                   |               | -2.6     | 23.6  | -       | 40.0  | -       | 133.4        | 1,035.7 | -     |

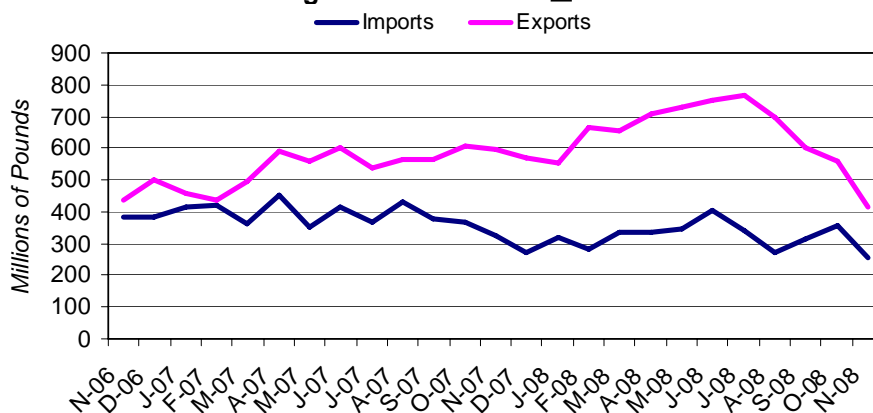
Source: U.S. Bureau of the Census and Statistics Canada

Note: (1) Excludes cross-border trade.

(\* Current month figures are preliminary. Cumulative figures include revisions to previous periods.

# Sample

Foreign Trade - U.S. and Canada



U.S. Bureau of the Census and Statistics Canada

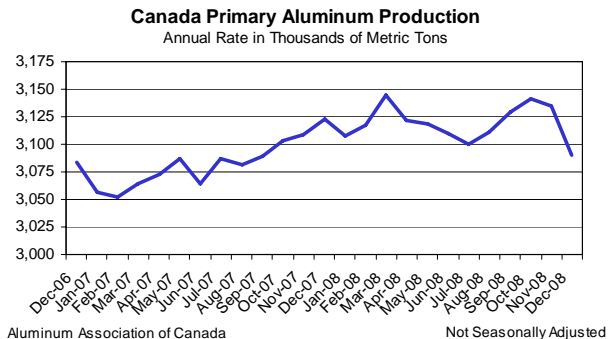
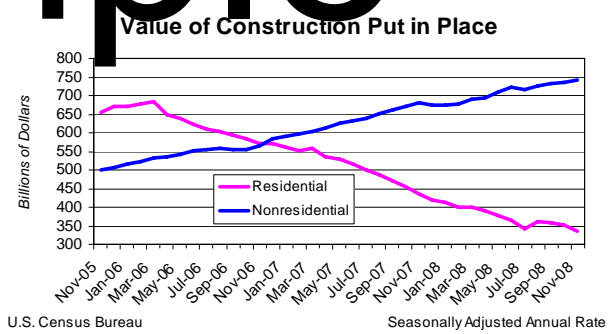
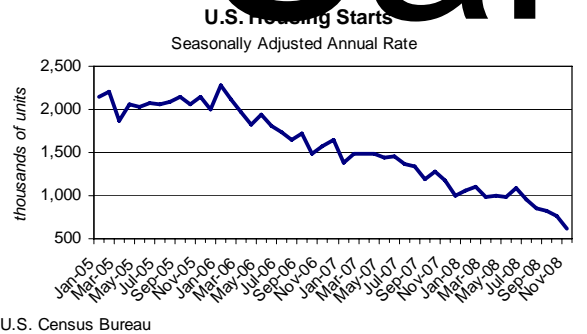
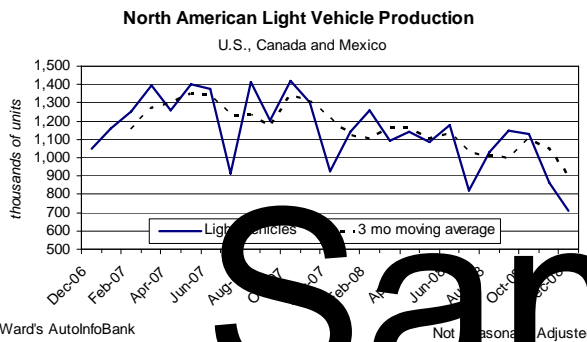
Not Seasonally Adjusted

**Drivers, etc.**

|  | Oct.<br>2008 | Nov.<br>2008 | Dec.<br>2008 | Percent Change   |         |              |
|--|--------------|--------------|--------------|------------------|---------|--------------|
|  |              |              |              | Current Month vs |         | YTD<br>08/07 |
|  |              |              |              | Last Mo          | Last Yr |              |
| North Amer. Light Vehicle Production (thous.) <sup>1</sup> | 1,132        | 861          | 712          | -17.3            | -22.8   | -16.1        |
| Housing Starts (thous.) <sup>saar 2</sup>                  | 771          | 625          | -            | -18.9            | -47.0   | -32.0        |
| New Construction (\$bil.) <sup>saar 2</sup>                | 1,085        | 1,078        | -            | -0.6             | -3.3    | -5.2         |
| Industrial Prod. Index (1992=100) <sup>sa 3</sup>          | 107.1        | 105.7        | 103.6        | -2.0             | -7.8    | -1.7         |
| U.S. Primary Alum Prod (000 MT) <sup>ar 4</sup>            | 2,561        | 2,469        | 2,408        | -2.5             | -11.2   | 3.9          |
| Canadian Primary Alum Prod (000 MT) <sup>ar 5</sup>        | 3,141        | 3,135        | 3,090        | -1.4             | -1.0    | 1.2          |

Source: (1) [Ward's AutoInfoBank](#) (U.S., Canada and Mexico)  
 (2) [U.S. Bureau of the Census](#)  
 (3) [Federal Reserve Board](#)  
 (4) [The Aluminum Association](#)  
 (5) [Aluminium Association of Canada](#)

Note: (ar) Annual Rate  
 (sa) Seasonally adjusted  
 (saar) Seasonally adjusted, annual rate



[The Aluminum Association](#), based in Arlington, Virginia, represents U.S. and foreign-based primary producers of aluminum, as well as recyclers, and producers of semi-fabricated products, and suppliers. Member companies operate over 200 plants in North America and many conduct business worldwide.

### **Statistical Reports and Publications**

The Aluminum Association's statistical programs provide industry information on primary aluminum production, new orders of mill products, industry shipments, end use market estimates, inventories, recycling and foreign trade on a monthly, quarterly and annual basis. Special surveys provide data on specific subjects such as primary capacity, flat roll capacity, safety, inventories and castings shipments. The Association's foreign trade reports are based on government customs data.

### **Industry Overview**

Aluminum Statistical Review (Annual Fact Book)  
Aluminum Highlights (Monthly)  
Aluminum Situation (Monthly)  
Summary of Producer Shipments and Inventories (Monthly)

### **Primary Aluminum**

Primary Aluminum Production (Monthly)  
Primary Installed Capacity (Annual)  
Shipments of Primary Aluminum by Form (Quarterly)

### **Mill Products**

Index of Net New Order Receipts for Aluminum Mill Products (Monthly)  
Can Stock Shipments (Monthly)  
Electrical Conductor Shipments (Monthly)  
Extruded Products Shipments and Press Utilization (Monthly)  
Flat Roll Capacity (Annual)  
Foil Shipments (Monthly)  
Forging and Impact Shipments (Monthly)  
Rod, Bar, and Wire Shipments (Monthly)  
Sheet and Plate Shipments - Including Can Stock (Monthly)  
Sheet and Plate Shipments (Sheet and Plate only) (Monthly)

### **End Use**

Extrusion Shipments by End Use (Quarterly)  
Fin Stock Shipments by End Use (Quarterly)  
Foil Shipments by End Use (Quarterly)  
Sheet and Plate Shipments by End Use (Quarterly)

### **Castings**

U.S. Foundry Castings Shipments (Quarterly)  
Canada Foundry Castings Shipments (Annual)

### **Recycling**

New Can Stock (Class) Scrap Receipts (Monthly)  
Used Beverage Can Reclamation (Monthly)

### **Foreign Trade**

Summary of U.S. Imports and Exports (by Commodity), Monthly  
Foreign Trade Online Database - U.S., Canada and Mexico Exports & Imports of Aluminum (By Commodity, by Country)

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