

Aluminium industry cautiously optimistic for 2017

German aluminium industry remains confident / GDA expects light increase in production in 2017

Düsseldorf, 29 November 2016 – Developments in business activity in the German aluminium sector have been mixed so far this year. Producers of semi-finished aluminium products increased production by 6.1 per cent during the period January to September 2016, but aluminium producers (- 0.5 per cent) and converters (- 1.8 per cent) reported declines. The expectations for 2017 tend to be positive. According to Christian Wellner, Executive Member of the Board of GDA Gesamtverband der Aluminiumindustrie, Düsseldorf: “Although the economy is currently characterised by considerable uncertainty, the business outlook for the coming year is nevertheless positive. Demand for aluminium worldwide will continue to increase, in Germany as well. Furthermore, the past has shown that the German aluminium industry can assert itself very well despite increasingly more intensive competition and cooling demand. This good performance by German companies is largely attributable to their high innovation potential and good competitive position.”

Development in production mixed in 2016

During the period January to September 2016 some 870,400 tonnes of aluminium were produced in Germany. This meant production was 0.5 per cent below the level of the previous year. During the period, aluminium production comprised 408,800 tonnes of primary aluminium and 461,600 tonnes of recycled aluminium. Year-on-year, production of primary aluminium rose 1.2 per cent, while production of recycled aluminium fell 1.9 per cent.

The production of aluminium semi-finished products rose 6.1 per cent to 1,971,500 tonnes during the period January to September 2016. The sector produces rolled products, extrusions, conductor material and wire for the automotive sector, the building and construction industry, mechanical engineering and the packaging industry, etc.

Rolling mills account for the largest share of German aluminium semis production. The production of rolled aluminium products totalled 1,508,100 tonnes during the period. This represents an increase of 7.9 per cent year-on-year. GDA expects this positive trend for semi-finished aluminium products to continue. German aluminium rolling mills account for a third of European production capacity.

Aluminium extruders reported stable production during the period January to September 2016 (445,200 tonnes). The two most important markets for aluminium extrusions are building and construction and the transport sector. Besides modern and innovative extrusion technology, one of the sector's strengths is the development of high-grade profile applications with enhanced customer benefits.

The remaining production of semi-finished aluminium products (conductor material and wire) rose 14.4 per cent to 18,200 tonnes.

German aluminium converters processed 263,100 tonnes of aluminium during the period January to September 2016. The production volume was thus 1.8 per cent lower than the corresponding period a year earlier. Conversion is divided into three sectors: foil and thin strip, tube / aerosol and other cans and metal powder. While the foil and thin strip and metal powder sectors reported similar declines of 1.1 and 1.3 per cent respectively, the decline reported by the tube / aerosol and other cans sector was more pronounced at 6.5 per cent.

Underlying economic conditions and outlook for 2017

“Economic uncertainty has increased during the course of the year to date and Donald Trump’s election victory in the USA has aggravated the situation still further,” says Christian Wellner. “It could lead to corrections having to be made to the slightly positive economic forecasts currently being predicted for 2017. This will especially be the case if trade barriers are introduced. Macroeconomic risks are therefore considered to be high. Nevertheless, sentiment in the German aluminium industry is still positive at the moment and we expect a light increase in production in 2017.”

Your contact:

Dr. Andreas Postler
Head of Economic and Statistics
Gesamtverband der Aluminiumindustrie e.V.
Tel.: (49) 2 11 - 47 96 118
Fax: (49) 2 11 - 47 96 408
Email: andreas.postler@aluinfo.de

Production data for the German aluminium industry (in tonnes)

	2014	2015	Change year-on- year	Jan.-Sept. 2016	Change year- on-year
Primary aluminium	530,700	541,400	2.0%	408,800	1.2%
Recycled aluminium	599,400	620,100	3.5%	461,600	- 1.9%
Total raw aluminium	1,130,100	1,161,500	2.8%	870,400	- 0.5%
Rolled products	1,952,400	1,857,300	- 4.9%	1,508,100	7.9%
Extrusions	591,500	586,900	- 0.8%	445,200	0.0%
Conductor material + wire	21,600	20,900	- 3.2%	18,200	14.4%
Total aluminium semis	2,548,500	2,448,300	- 3.9%	1,971,500	6.1%
Foil and thin strip	270,600	274,100	1.3%	207,400	- 1.1%
Tube / aerosol and other cans	42,900	44,400	3.5%	31,800	- 6.5%
Metal powder	35,800	32,100	- 10.3%	23,900	- 1.3%
Total aluminium conversion	349,300	350,600	0.4%	263,100	- 1.8%

Sources: GDA and Federal Statistical Office; data partly provisional.