AUSTRALIAN
ALUMINIUM
COUNCIL LTD

Aluminium

The Original Critical Mineral and Clean Energy Export

From mine to metal, growing regional Australia for over 65 years

November 2023

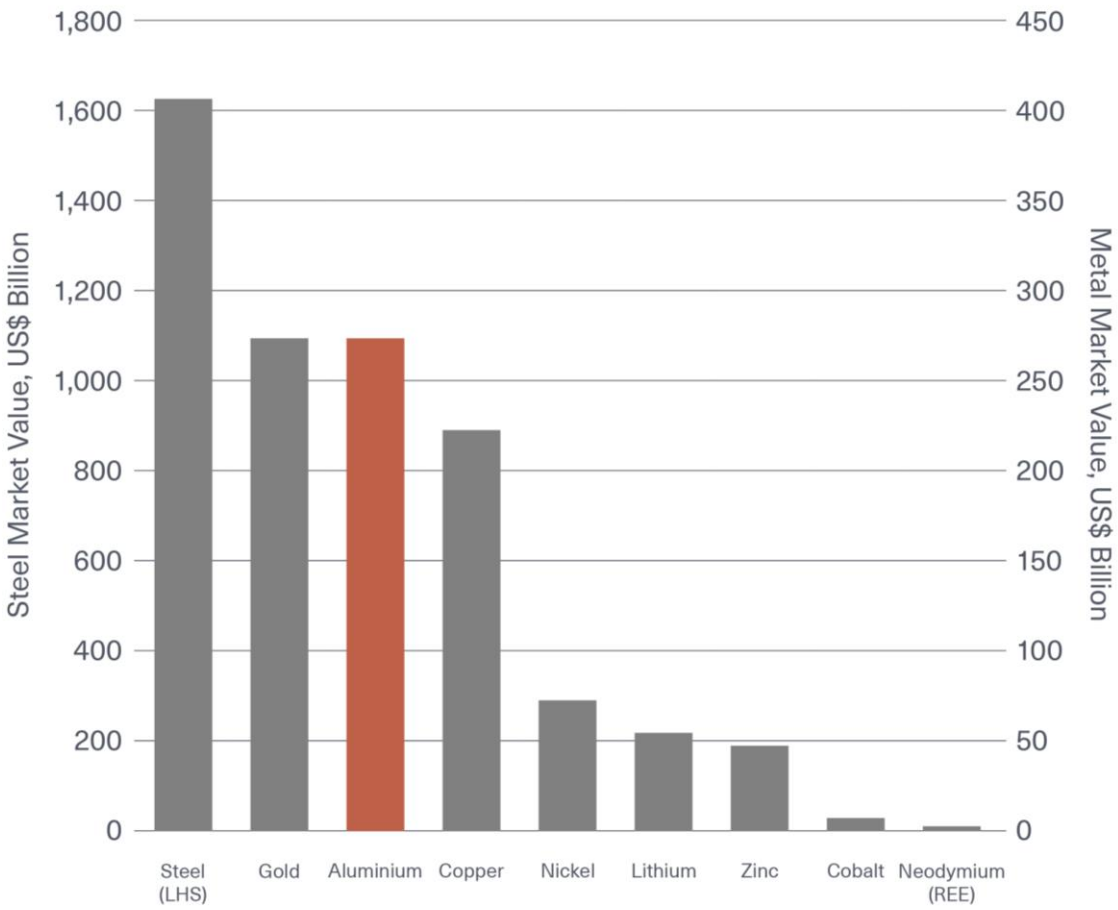
Our original critical mineral is *even more* 'critical'

Bauxite, alumina and aluminium will have a **central role in Australia's transformation to clean energy superpower**, if it has the policy support required to be commercially and environmentally sustainable.

The industry will continue to employ tens of thousands of Australians in high paying roles, while also **meeting our domestic needs and those of our strategic partners** in a rapidly changing geo-political landscape.

With a global market value of around US$270B, **aluminium is also one of the largest commodity markets** and a significant economic and strategic advantage for those nations who are able to produce it.

Metal market values, 2022



Source: Australian Aluminium Council, Department of Industry, Innovation and Science.
Note: Market value estimated as final consumption multiplied by average annual price.

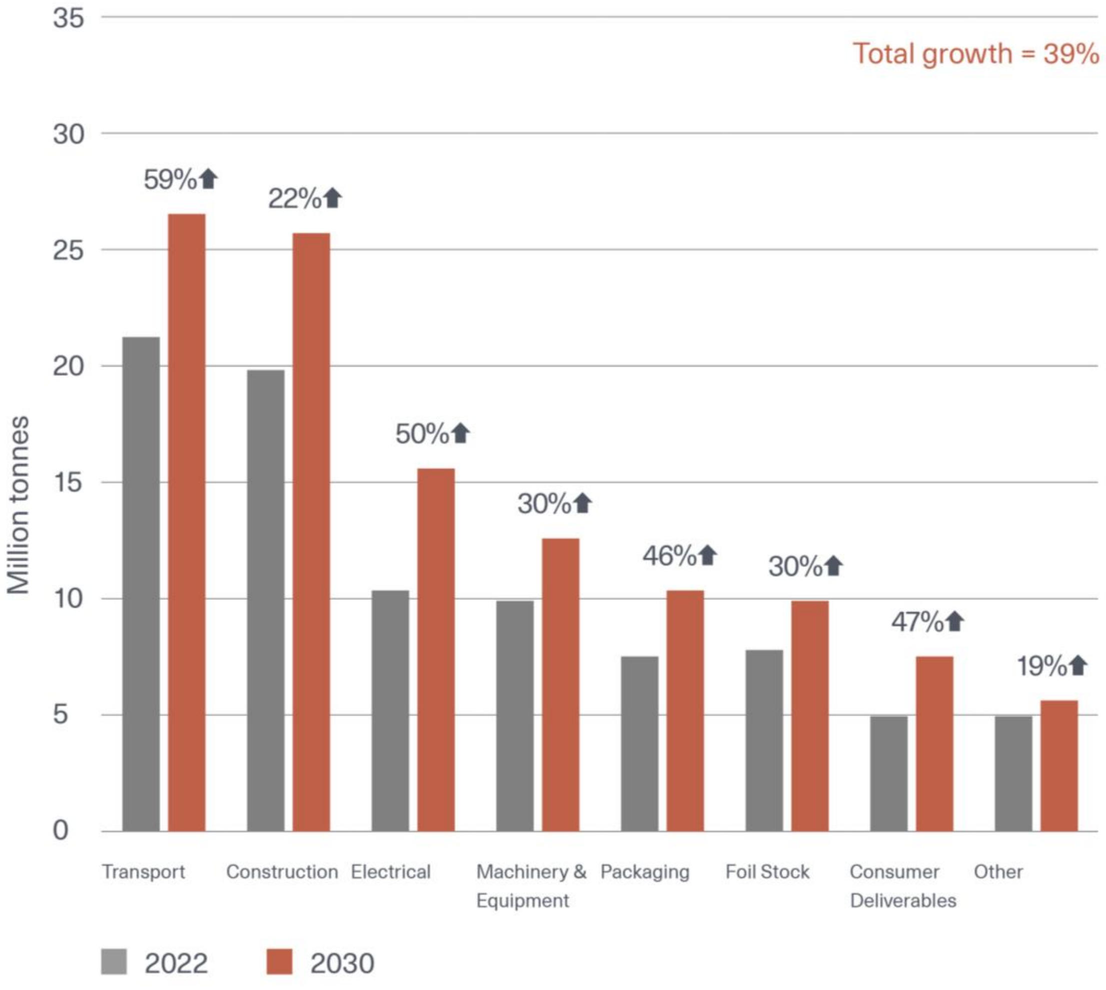
Global demand continues to grow

The outlook for aluminium consumption is *very strong*

Aluminium is the **second most used metal** on the planet with around 100 Mt consumed every year.

It is almost infinitely recyclable, however most of the market is supplied through the production of primary metal.

The outlook for aluminium consumption, by application, 2022-2030

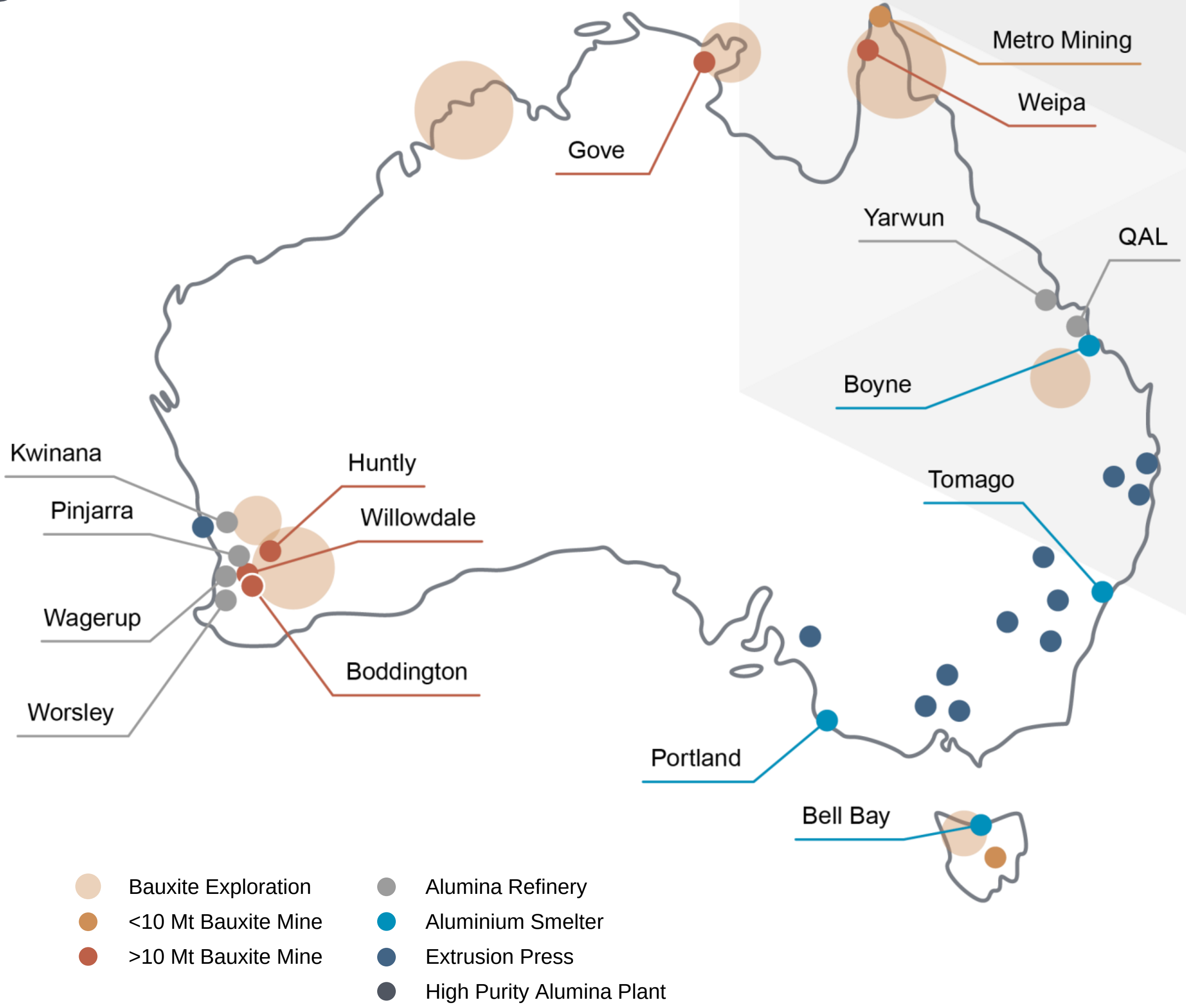


Source: CRU, Opportunities for aluminium in a post-Covid economy, 2022.

Australia's unique advantage – the entire value chain

Australia is one of the very few nations that supplies aluminium across the whole supply chain from mining to fabrication.

- **19,000 jobs** predominantly in regional Australia,
- **> $2** billion in wages, and
- **$15** billion in annual **export revenue.**



Aluminium production is now a geo-political consideration for Australia

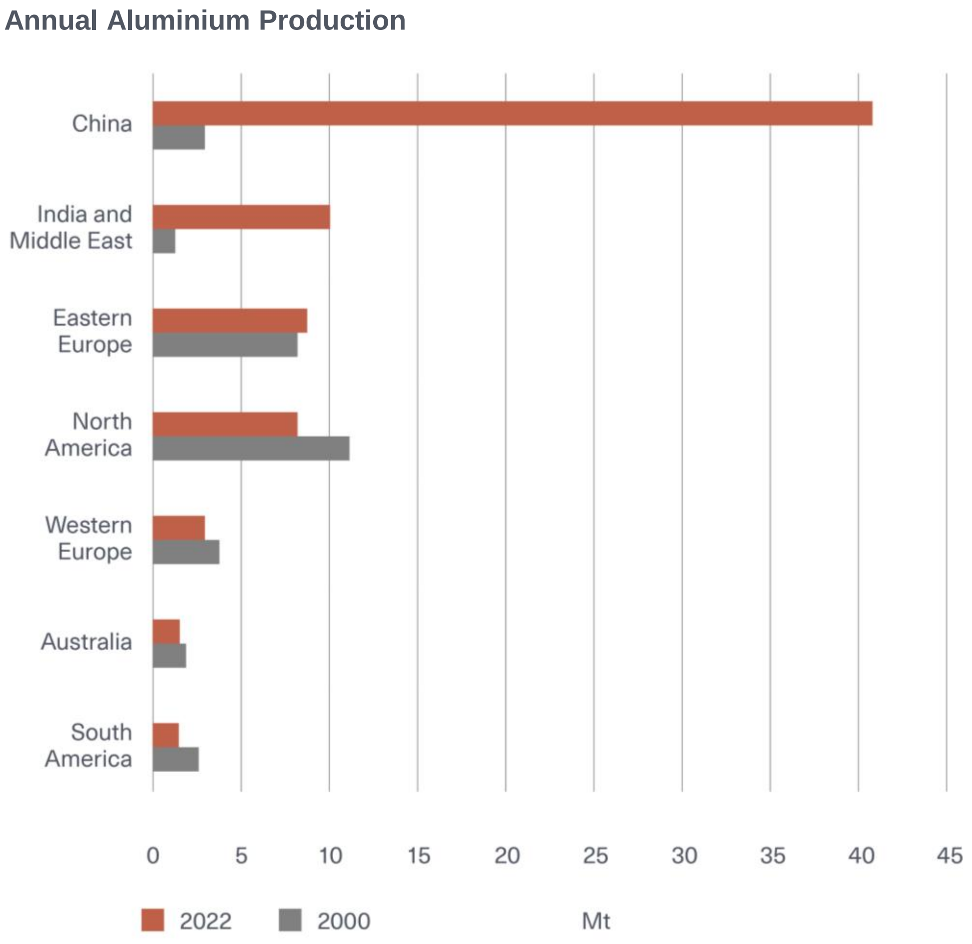
- Securing supplies of bauxite, alumina and aluminium is an increasingly important objective for many nations – particularly Australia's valued Quad Allies.

- The **global market balance has shifted** away from traditional producers in North America and Europe.

- The global strategic dynamic has been altered - **China, Middle Eastern nations, and Russia now account for over 70% of global production.**

- We **must not replicate the United States' experience** of enabling a decline in aluminium production and giving up our strategic advantage.

The shifting geographic distribution of primary aluminium production, 2000-2022



Sources: International Aluminium Institute, Department of Industry, Science and Resources, USGS.

Role of Australian Governments will make the difference

Australian governments should **assign priority status to bauxite, alumina and aluminium.**

Prioritising the aluminium chain within critical minerals and manufacturing policies is a helpful and efficient first step while progressing policy in five other focus areas:

1. **Deliver internationally competitive supplies of clean energy**;

2. Use of
   a. **Production Tax Credits** and a
   b. **Transformational Infrastructure and Technology Fund** to enable Australia to be sufficiently competitive to be able to attract global decarbonisation investment;

3. **Prioritise the Australian aluminium value chain** within industry development policies;

4. **Environmental approval processes** across the supply chain that appropriately balance the environmental rigour and protection with timelines that reflect commercial needs; and

5. Development of **long-term strategic partnerships** with likeminded countries.