

Aluminium, alumina, bauxite (AAB)



Australia's AAB sector



9.2%

of global primary aluminium exports are Australian



\$23 billion

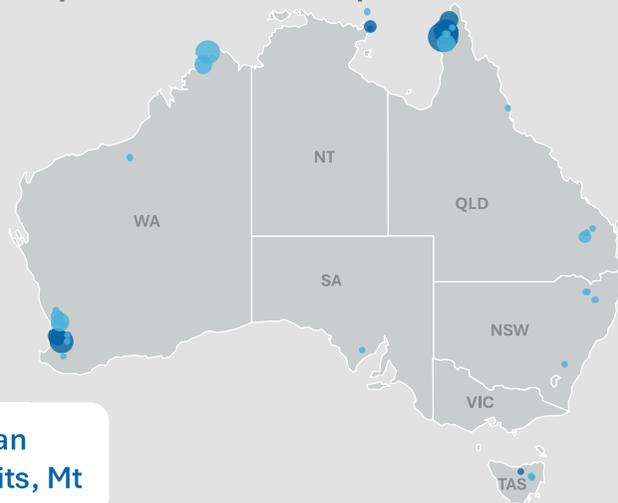
Of AAB exported in 2024–25



Over 98%

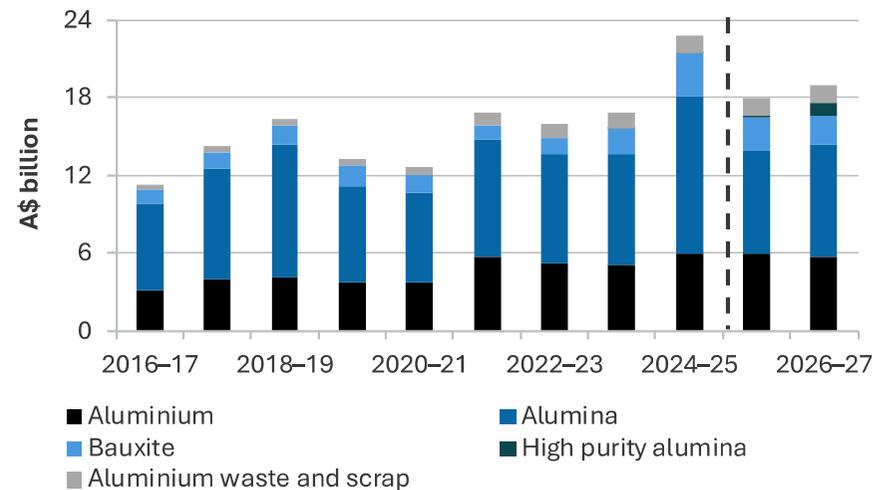
of Australian bauxite is exported to China

- Deposit
- Operating Mine
- <50
- 50-100
- 100-1000
- 1000-1500
- >1500



Major Australian bauxite deposits, Mt

Australian AAB exports



Bauxite exports to reach record of 45 million tonnes in 2025–26



Australian alumina output to reach 18 million tonnes a year



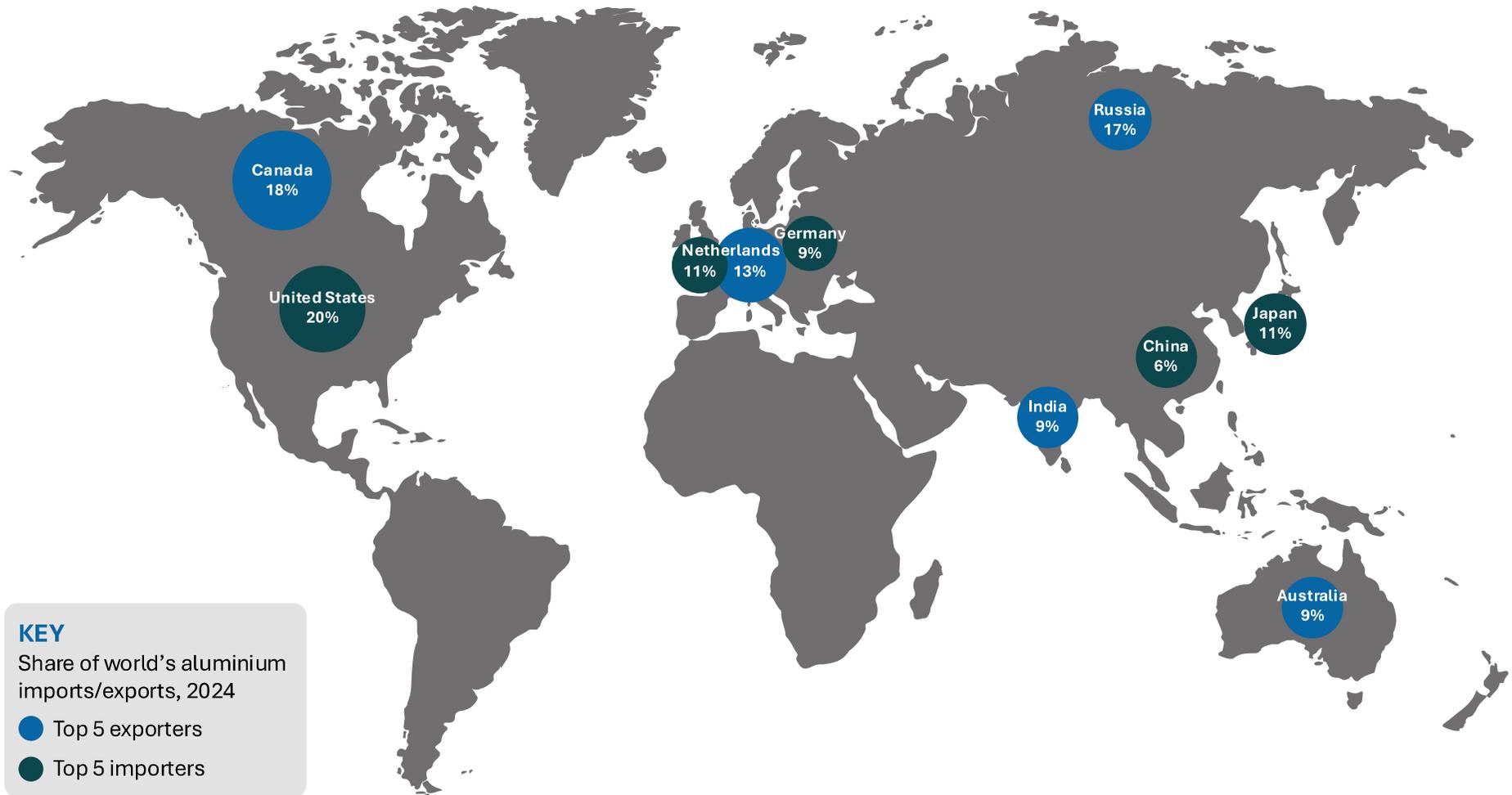
Bauxite output sets to reach a record of 108 million tonnes in 2026–27



Aluminium prices expected to remain elevated

Source: DISR (OCE)

Aluminium trade map



Source: WBMS, ABS

10.1 Prices

Aluminium prices rose over the December quarter, reaching multi-year highs

Supply constraints in China and easing US-China trade tensions drove the increase. The London Metal Exchange (LME) aluminium spot price has increased 7.3% so far in the December quarter 2025, averaging US\$2,810 a tonne – up from an average US\$2,618 a tonne in the previous quarter.

By contrast, alumina prices declined as global supply recovered, driven by higher Chinese production. The Free On Board (FOB) Western Australia alumina price has declined 12% so far in the December quarter 2025, averaging US\$319 a tonne – down from US\$361 a tonne in the previous quarter.

Aluminium price forecasts have been upgraded: up US\$70 a tonne for 2025, US\$150 for 2026, and US\$110 for 2027, compared to the September 2025 REQ.

Alumina prices for 2026 have been revised down by US\$16 a tonne from the September 2025 REQ, as supply outpaces demand.

10.2 Global outlook

Global aluminium/alumina/bauxite (AAB) demand outlook is largely unchanged from the September 2025 REQ

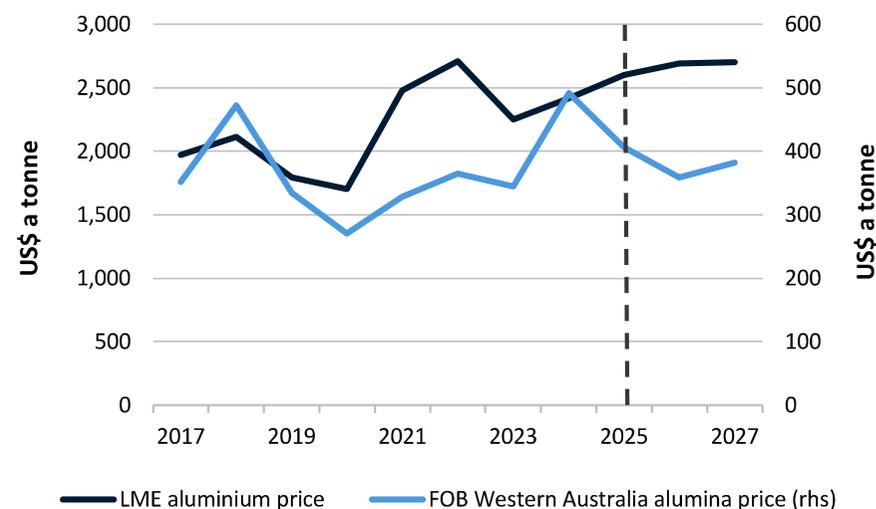
Ongoing demand to support the energy transition is expected to boost demand for aluminium and intermediary products given its use in electric vehicles, wind turbines and solar panels.

EU CBAM likely to accelerate primary aluminium imports

The European Union (EU) Carbon Border Adjustment Mechanism (CBAM) is scheduled to commence on

1 January 2026. In anticipation of higher compliance costs and administrative requirements, EU importers are likely to accelerate aluminium purchases before the end of the year.

Figure 10.1: Primary aluminium and alumina prices



Source: Bloomberg (2025); Department of Industry, Science and Resources (2025)

Global AAB supply outlook is mostly unchanged from the September 2025 REQ

Production growth in ex-China countries (Indonesia, India and Brazil) will continue to drive higher global primary aluminium and alumina production over the outlook period. In China, the government-imposed production cap of 45 Mt of primary aluminium a year is expected to be rigorously enforced.

Higher production in Australia, Indonesia and India continues to boost global bauxite output. Following a decade of uninterrupted year-on-year growth, Guinea's bauxite production is expected to plateau from 2026 onwards, as full capacity reaches.

10.3 Australia

Australia’s alumina output for 2026–27 has been revised down by 6.3%, to 17.6 Mt. On 18 November 2025, Rio Tinto announced it will reduce production by 40% at its Yarwun alumina refinery in Queensland from October 2026.

The company believes this cut will enable the refinery to continue operating until 2035. At current production rates, the Yarwun tailings facility is projected to reach capacity by 2031.

In September 2025, Alcoa announced the permanent closure of its Kwinana alumina refinery in WA. The closure was factored into the September 2025 REQ forecasts.

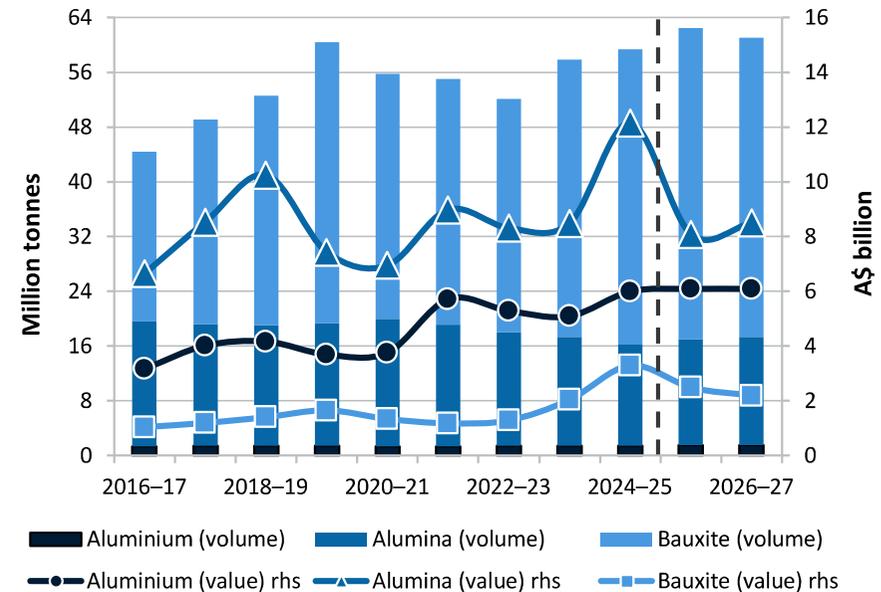
Forecasts of Australia’s primary aluminium and bauxite output are largely unchanged from the September REQ

In November 2025, the Rio Tinto announced that it had secured a 12-month power deal to keep its Bell Bay aluminium smelter running until 31 December 2026. Negotiations for a new 10-year power supply agreement are ongoing.

The Tomago aluminium smelter in NSW is expected to continue operating over the outlook period, as its current energy supply contract with AGL Energy remains effective until December 2028.

Australia’s AAB export values have been revised up to \$18.2 billion for 2025–26 and \$19.2 billion for 2026–27, reflecting higher aluminium prices and an expected alumina price recovery.

Figure 10.2: Australia’s AAB exports



Note: Excluding high purity alumina and aluminium waste and scrap exports.

Source: ABS (2025); Department of Industry, Science and Resources (2025).

Table 10.1: Aluminium, alumina and bauxite outlook

World	Unit	2024	2025 ^a	2026 ^f	2027 ^f	Annual percentage change		
						2025 ^a	2026 ^f	2027 ^f
Primary aluminium								
Supply	kt	71,572	74,332	75,821	76,540	3.9	2.0	0.9
Demand	kt	71,963	74,498	76,102	76,831	3.5	2.2	1.0
Prices aluminium^c								
– nominal	US\$/t	2,419	2,600	2,690	2,700	7.5	3.5	0.4
– real ^d	US\$/t	2,487	2,600	2,559	2,522	4.5	-1.6	-1.4
Prices alumina								
– nominal	US\$/t	492	407	358	383	-17.3	-11.9	6.8
– real ^d	US\$/t	506	407	350	366	-19.6	-14.1	4.5
Australia	Unit	2023–24	2024–25	2025–26^f	2026–27^f	2024–25	2025–26^f	2026–27^f
Supply								
Primary aluminium	kt	1,568	1,573	1,619	1,634	0.3	2.9	0.9
Alumina	kt	18,255	16,740	17,389	17,550	-8.3	3.9	0.9
Bauxite	Mt	100.2	101.4	103.4	107.9	1.2	2.0	4.4
Demand								
Primary aluminium	kt	186	168	153	130	-9.6	-8.9	-15.5
Exports								
Primary aluminium	kt	1,432	1,460	1,513	1,552	2.0	3.6	2.6
– nominal value	A\$m	5,092	5,989	6,084	6,083	17.6	1.6	0.0
– real value ^e	A\$m	5,393	6,193	6,084	5,915	14.8	-1.8	-2.8
Alumina	kt	15,877	14,718	15,488	15,795	-7.3	5.2	2.0
– nominal value	A\$m	8,486	12,155	8,084	8,498	43.2	-33.5	5.1
– real value ^e	A\$m	8,989	12,569	8,084	8,262	39.8	-35.7	2.2
Bauxite	kt	40,497	43,178	45,445	43,651	6.6	5.3	-3.9
– nominal value	A\$m	2,039	3,291	2,487	2,188	61.4	-24.4	-12.0
– real value ^e	A\$m	2,160	3,404	2,487	2,128	57.6	-26.9	-14.5
Total value								
– nominal value	A\$m	16,799	22,819	18,218	19,226	35.8	-20.2	5.5
– real value ^e	A\$m	17,793	23,597	18,218	18,694	32.6	-22.8	2.6

Notes: **c** LME cash prices for primary aluminium; **d** In 2025 calendar year US dollars; **e** In 2025–26 financial year Australian dollars; **f** Forecast; **s** Estimated. Total value includes export values of primary aluminium, alumina, bauxite, high purity alumina, and aluminium waste and scrap.

Sources: ABS (2025) International Trade in Goods and Services, 5368.0; Bloomberg (2025); London Metal Exchange (2025); Department of Industry, Science and Resources (2025); World Bureau of Metal Statistics (2025); Wood Mackenzie (2025).