

Strategic Route for the Aluminum Chain in Brazil

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Abstract

Brazilian Aluminum Association (ABAL) has devised a long term plan for pushing the Brazilian aluminium industry towards growing again after stagnation in recent few years. The set of measures is wrapped up in the document named “Strategic Route for the Aluminum Chain”. For this year, expectations were that the Brazilian economy would boost its trajectory of recovery stemmed from the first signs in 2017. Nevertheless, as from the second half of 2017 the political environment has decayed, and the truck driver’s strike that emerged in the first half of 2018 has curbed that foresight. The Gross Domestic Product (GDP) will walk sideways, that is, any growth seen ahead will be minimal. This means that the aluminum industry in Brazil will keep on coping with decisive cyclic challenges led by a stagnant domestic demand, costly power prices and harsh competition with the international market.

Brazil owns one of the largest bauxite reserves in the world and is the third producer of alumina worldwide. In contrast, we are ranked as the 10th among the producers of primary aluminum, as per 2016 data, thus making us dependent upon importing, hence a dramatic shift for a country that once stood as one of the four largest producers of primary aluminum and product exporter in the segment.

ABAL has submitted a document to the Brazilian government that brings up recommended steps for giving a boost to the primary aluminum production, as an aid to leverage the aluminum production chain at large. This process, thoroughly described in the Strategic Route for the Aluminum Chain, encompasses a pack of actions gathering the companies in the sector, the Brazilian government and the market. They address matters related to the industrial policy, a reciprocal commercial relationship involving our major partners, investments in skill development and innovation, further to straightforward relationship and partnership with the communities where producing aluminum takes place.

Sustainable and environmentally-clean production processes that can foster human and economic development are increasingly needed prerequisites. In this regard, the Brazilian aluminum production has much to offer. Bauxite mining companies have adhered to the best practices for nature conservation and our aluminum has a low carbon footprint. Conversely, our largest reserves are in the Amazon, a region surrounded by huge social liabilities the whole world is looking at.

This Keynote will present the ABAL strategic plan for the Brazilian aluminium sector. It will also address the effects of China's rise in the global market, and mostly its impact on Brazil. Lastly, this lecture sheds a light on the peculiar conditions of the bauxite reserves in the country, as well as our mining process and primary product processing.

Keywords: Brazilian Aluminium Association, ABAL, Brazilian aluminium industry, strategic plan for growth of Brazilian aluminum industry.