

January to December 2020 METALS BALANCES

Please note that the impact of the Covid 19 pandemic has had a dramatic effect on both the supply and demand for metals worldwide. The true impact of the lockdown in many countries will emerge over the next few months. Demand for most countries is calculated on an apparent basis. Metal shipments are in transit for some weeks and stock levels are under reported and so it is likely that the demand for all metals will be overstated for the next few months.

Primary aluminium market in surplus in January to December 2020

The calculated market balance for primary aluminium for the period of January to December 2020 was a surplus of 1546kt which follows a surplus of 462 kt recorded for the whole of 2019. Demand for primary aluminium for January to December 2020 was 64.77 million tonnes, 422 kt less than in the comparable period in 2019. Demand is measured on an apparent basis and it is likely that the full effects of national lockdowns have not been fully reflected in the trade statistics. Production in January to December 2020 rose by 1 per cent. Total reported stocks fell slightly in December to close at the end of the period 110 kt below the December 2019 level. Shanghai stocks rose steadily in the early months, fell in the second quarter and closed at the end of December at 225.3 kt. This compares with 185.1 at the end of December 2019. LME stocks were 1341 kt at the end of December 2020 which compares with 1473 kt at the end of 2019. No allowance is made in the consumption calculation for large unreported stock changes especially those held in Asia.

Overall, global production rose in January to December 2020 by 1 per cent compared with the whole of 2019. Chinese output was estimated at 37080 kt based on higher availability of imported bauxite and alumina, and this currently accounts for about 56 per cent of the world production total. Chinese apparent demand was 6.4 per cent higher than in January to December 2019 and the output of semi-manufactures rose by 10 per cent. China became a net importer of unwrought aluminium in 2020. During January to December 2020 Chinese net exports of aluminium semi manufactures were 4807 kt which compares with 4265 kt for January to December 2019. Exports of semi manufactures fell by 10 per cent compared with the January to December 2019 total.

Production for January to December in the EU28 was 0.5 per cent lower than the previous year and NAFTA output increased by 4.0 per cent. EU28 demand was 1094 kt lower than the comparable 2019 total. Global demand fell by 0.6 per cent during January to December 2020 compared with the levels recorded one year previously.

In December primary aluminium production was 5757.5 kt and demand was 5594.0 kt.

Copper market in deficit in January to December 2020

The copper market recorded a deficit of 1391 kt in January to December 2020 which follows a deficit of 383 kt in the whole of 2019. Reported stocks at the end of December 2020 were 76 kt lower than at the end of December 2019. Net deliveries out of LME warehouses were 38.9 kt and Comex stocks increased by 33.5 kt. Shanghai stocks fell by 48.5 kt during the year. Demand is measured on an apparent basis and it is likely that the full effects of national lockdowns have not been fully reflected in the trade statistics. No allowance is made in the consumption calculation for unreported stock changes, particularly in the Chinese government stockpile.

World mine production in January to December 2020 was 20.79 million tonnes which was an increase from the same period in 2019. Global refined production for January to December 2020 was 23.94 million tonnes up 2.0 per cent compared with the previous year with significant increases recorded in China (up 1032 kt) and in Chile (up 60 kt).

Global demand in January to December 2020 was 25.33 million tonnes compared with 23.86 million tonnes for the whole of 2019. Chinese apparent demand for the period January to December 2020 was 14.99 million tonnes which was 17.1 per cent higher than the whole of 2019. Reported output of semi manufactures rose by 1.4 per cent which suggests that the apparent demand figure overstates real demand. EU28 production rose by 3.5 per cent and demand was 155 kt lower than the comparable 2019 total.

In December 2020, refined copper production was 2182.8 kt and demand was 2274.5 kt.

Lead market records deficit in January to December 2020

The lead market recorded a deficit of 47 kt in January to December 2020 which follows a deficit of 246 kt recorded in the whole of 2019. Total stocks at the end of December were 66.4 kt higher than at the end of 2019. No allowance is made in the consumption calculation for unreported stock changes. Demand is measured on an apparent basis and it is likely that the full effects of national lockdowns have not been fully reflected in the trade statistics.

World refined production during January to December 2020 from both primary and secondary sources was 13261 kt which was 4.6 per cent higher than in the comparable months of 2019. Chinese apparent demand was estimated at 6476 kt which was 560 kt higher than the comparable period in 2019 and represented about 49 per cent of the global total. For the USA, apparent demand has decreased by 120 kt for January to December 2020 compared to the same months of 2019.

In December 2020, refined lead production was 1298.2 kt and demand was 1300.1 kt.

Zinc market records surplus in January to December 2020

The zinc market was in surplus by 589 kt during January to December 2020 which compares with a deficit of 76 kt recorded in the whole of the previous year. Reported stocks increased by 151 kt during January to December which included a net increase in Shanghai of 4.8 kt over the period. LME stocks rose over the January to December period to close 151 kt above the December 2019 level. LME stocks represent 24 per cent of the global total with the bulk of the metal held in Asian and US warehouses. Demand is measured on an apparent basis and it is likely that the full effects of national lockdowns have not been fully reflected in the trade statistics.

Global refined production rose by 0.8 per cent and demand was 4.1 per cent lower than the levels recorded one year earlier. Japanese apparent demand was, at 367.7 kt, 29 per cent below the equivalent total for January to December 2019.

World demand was 557 kt lower than for January to December 2019. Chinese apparent demand was 6758 kt which is 51 per cent of the global total. No allowance is made in the consumption calculation for unreported stock changes.

In December 2020 slab zinc production was 1230.6 kt and demand 1227.8 kt.

Nickel market records surplus in January to December 2020

The nickel market was in surplus during January to December 2020 with production exceeding apparent demand by 53.2 kt. In the whole of 2019, the calculated deficit was 27.6 kt. Reported stocks held in the LME at the end of December 2020 were 94.7 kt higher than at the end of the previous year. Refined production in January to December 2020 totalled 2419.1 kt and demand was 2365.9 kt.

Mine production during January to December was 2273.5 kt, 321 kt below the comparable 2019 total. Chinese smelter/refinery output fell by 124 kt compared with 2019 and apparent demand was 1309.7 kt, 5 kt higher than in the previous year.

World apparent demand was 66 kt lower than the previous year. No allowance is made in the consumption calculation for unreported stock changes. Demand is measured on an apparent basis and it is likely that the full effects of national lockdowns have not been fully reflected in the trade statistics.

In December 2020, nickel smelter/refinery production was 216.7 kt and demand was 220.3 kt.

Tin market records deficit in January to December 2020

The tin market recorded a deficit of 12.2 kt during January to December 2020. Chinese demand is calculated on an apparent basis using reported stocks on the Shanghai exchange. Global reported stocks were 5.3 kt lower than at the end of 2019. Demand is measured on an apparent basis and it is likely that the full effects of national lockdowns have not been fully reflected in the trade statistics.

Global reported production of refined metal was up by 4 kt, compared with the January to December 2019 total. Apparent demand in China was 38 per cent higher than the equivalent period of the previous year.

Global tin demand during January to December 2020 was 383.6 kt which was 4.6 per cent higher than the comparable period of 2019. Japanese demand was 20.2 kt which was 19 per cent below the comparable total for January to December 2019.

In December 2020, refined production was 36.6 kt and consumption was 35.8 kt

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- ENDS-

The above data are taken from World Metal Statistics February 2021 published today.

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