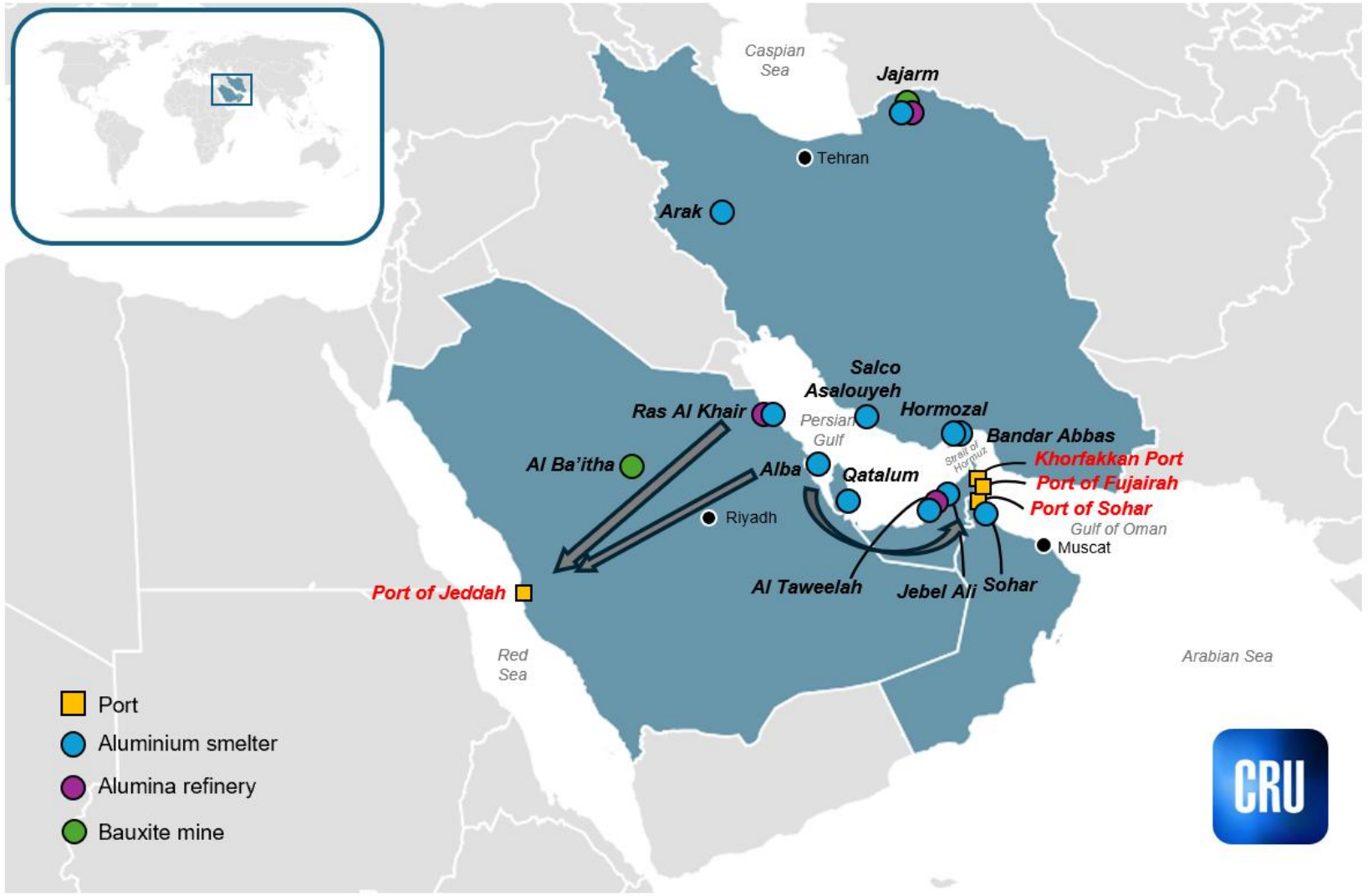
Data, Insight, Strategy & Communities

Aluminium Market Outlook: What will the upcoming supply surge mean for the industry?

Ross Strachan – Head of Aluminium Raw Materials

Brazil – November 2026

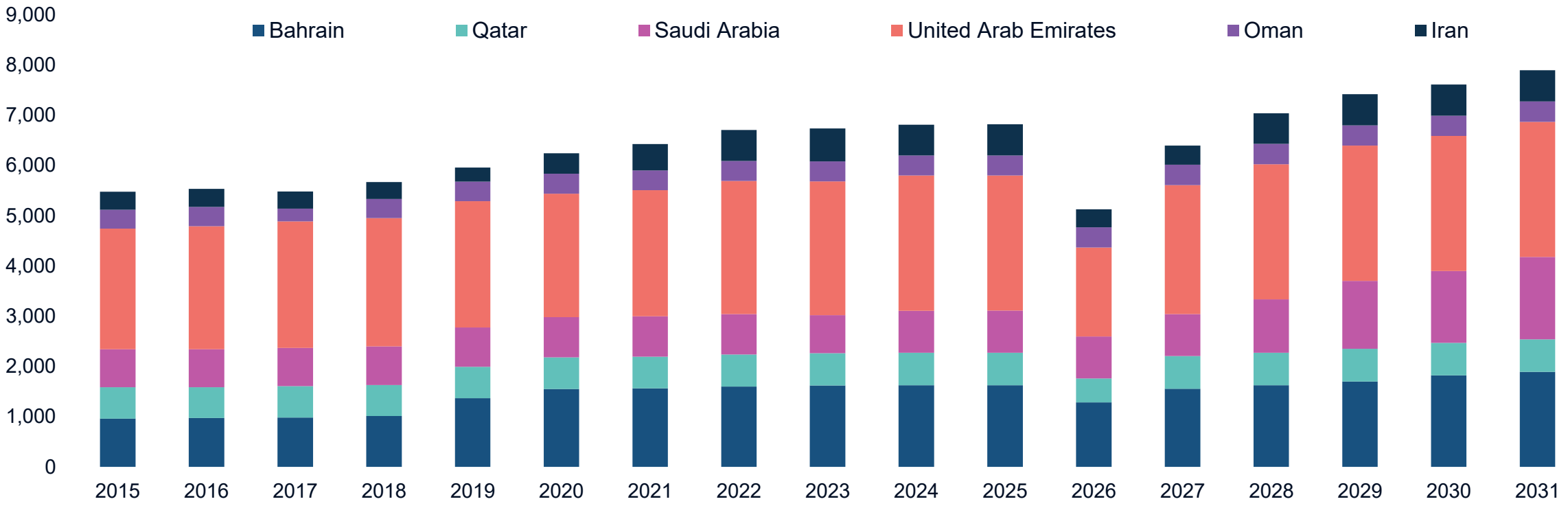
Continued GCC resilience comes at significant additional cost



DATA: CRU

Middle East: Restarts are progressing well in Bahrain and UAE

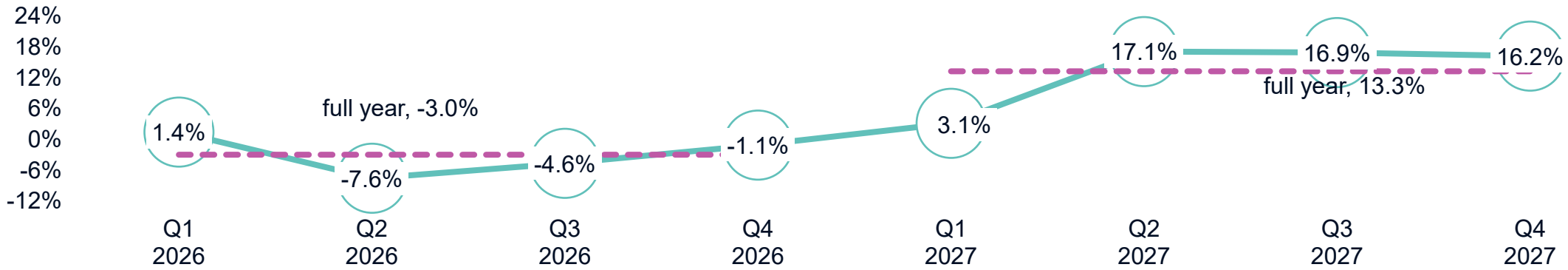
Primary aluminium output in the Middle East region, kt



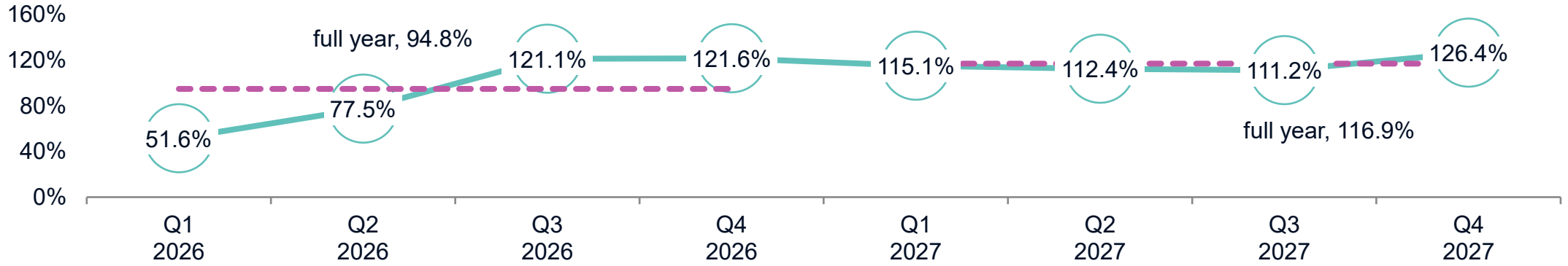
DATA: CRU

Global production starting to recover

World ex. China aluminium production, y/y % change



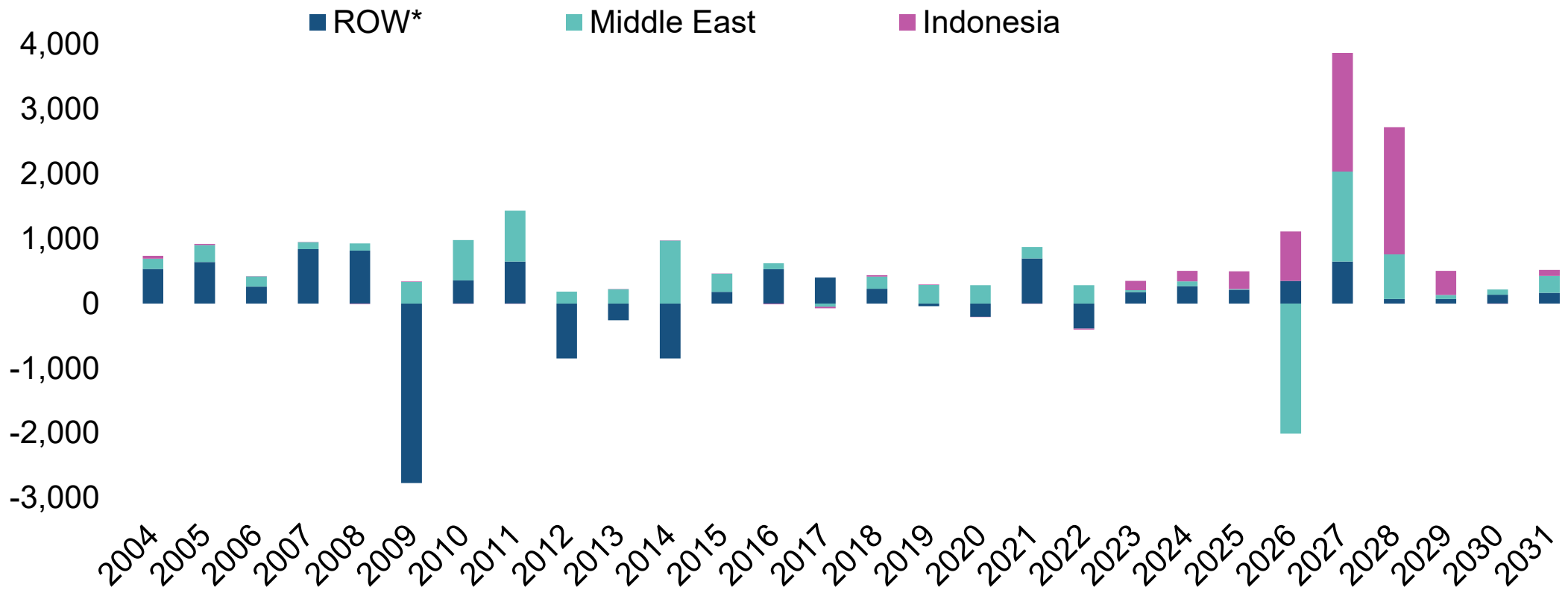
Indonesia aluminium production, y/y % change



DATA: CRU

Indonesia set to play a pivotal role in global turnaround

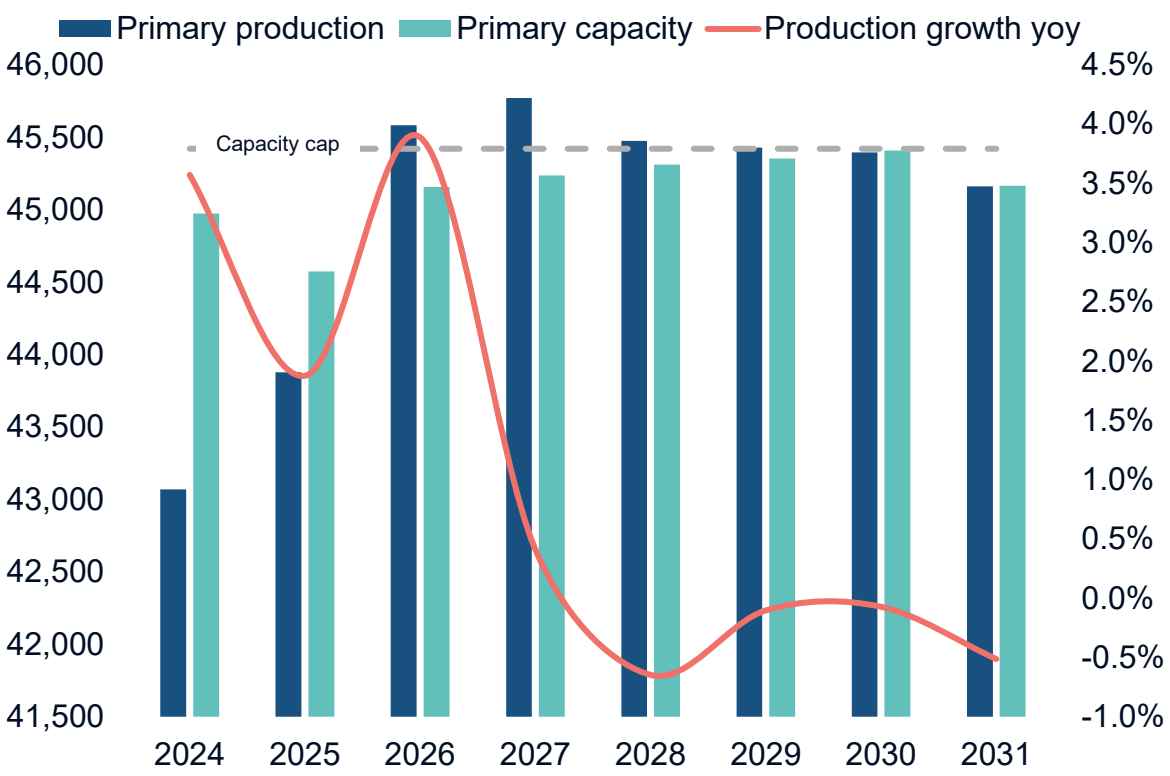
World ex. China production growth, '000 t



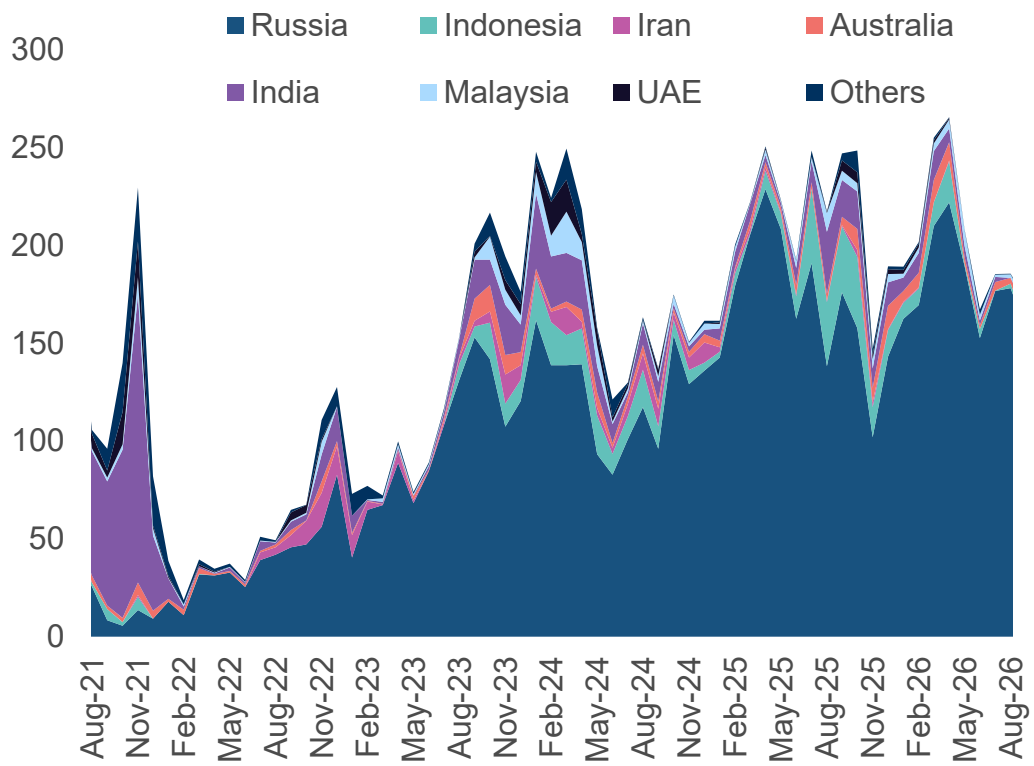
DATA: CRU. Note: * World ex. China minus Indonesia and Middle East

China supply growth limited by capacity cap

Chinese primary aluminium production and capacity, '000 t/y



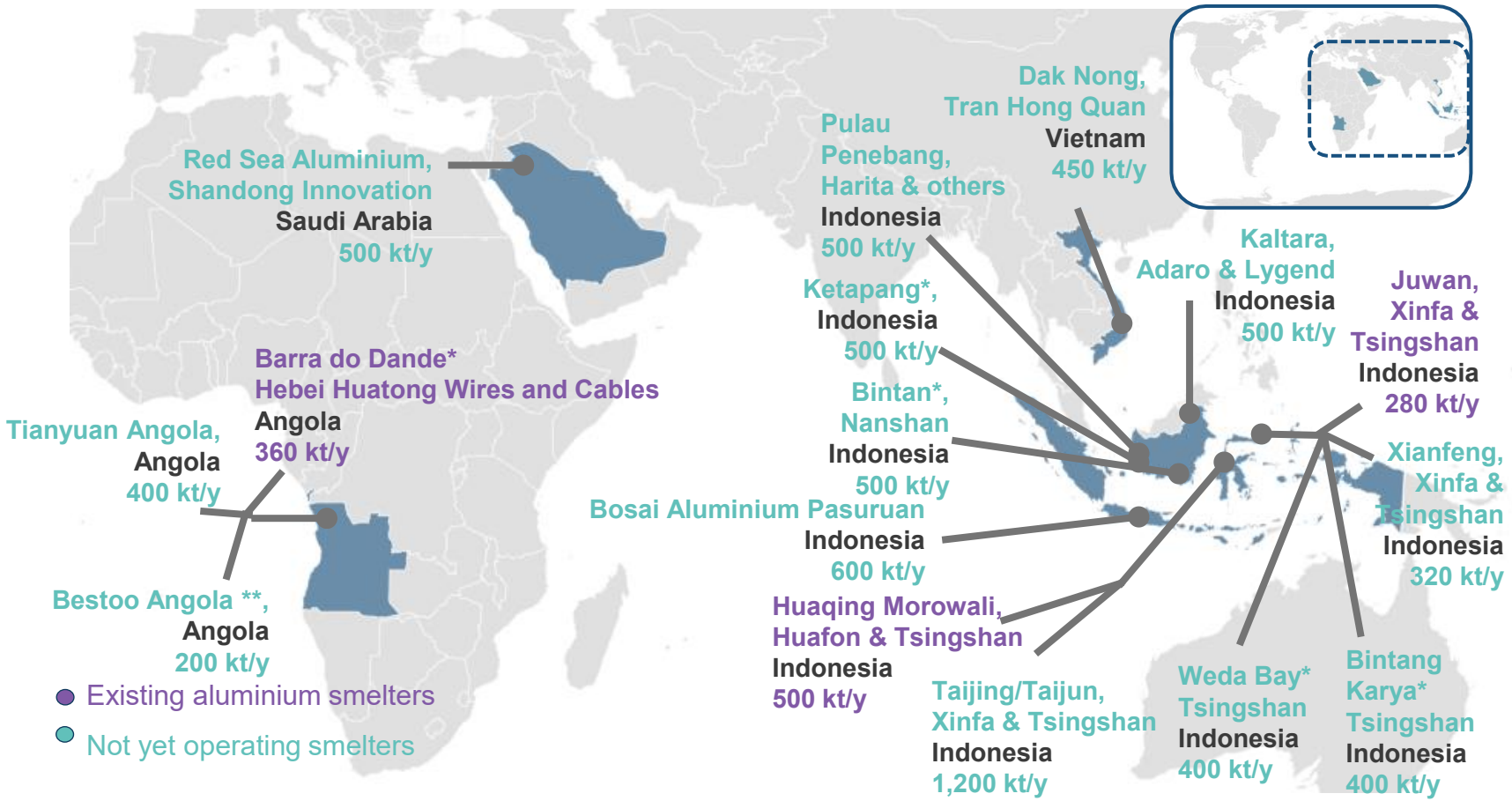
China primary aluminium imports (HS code 760110), '000t



DATA: CRU, China Customs

New smelting projects planned in Indonesia

Increased Chinese investment abroad derives from multiple companies



DATA: CRU. Overall capacity shown. All projects in the base case supply forecast to 2031. *Multiple phases included in capacity number.
** Not in CRU base case.

Most of the aluminium smelting projects in Indonesia are on track

CRU understands Taijing has ramped up around 450 kt/y aluminium smelting capacity by the time of writing.

Xianfeng smelter has started to gradually ramp up its 320 kt/y from October this year.

Weda Bay aluminium with capacity at 400 kt/y is scheduled to ramp up from end of this year.

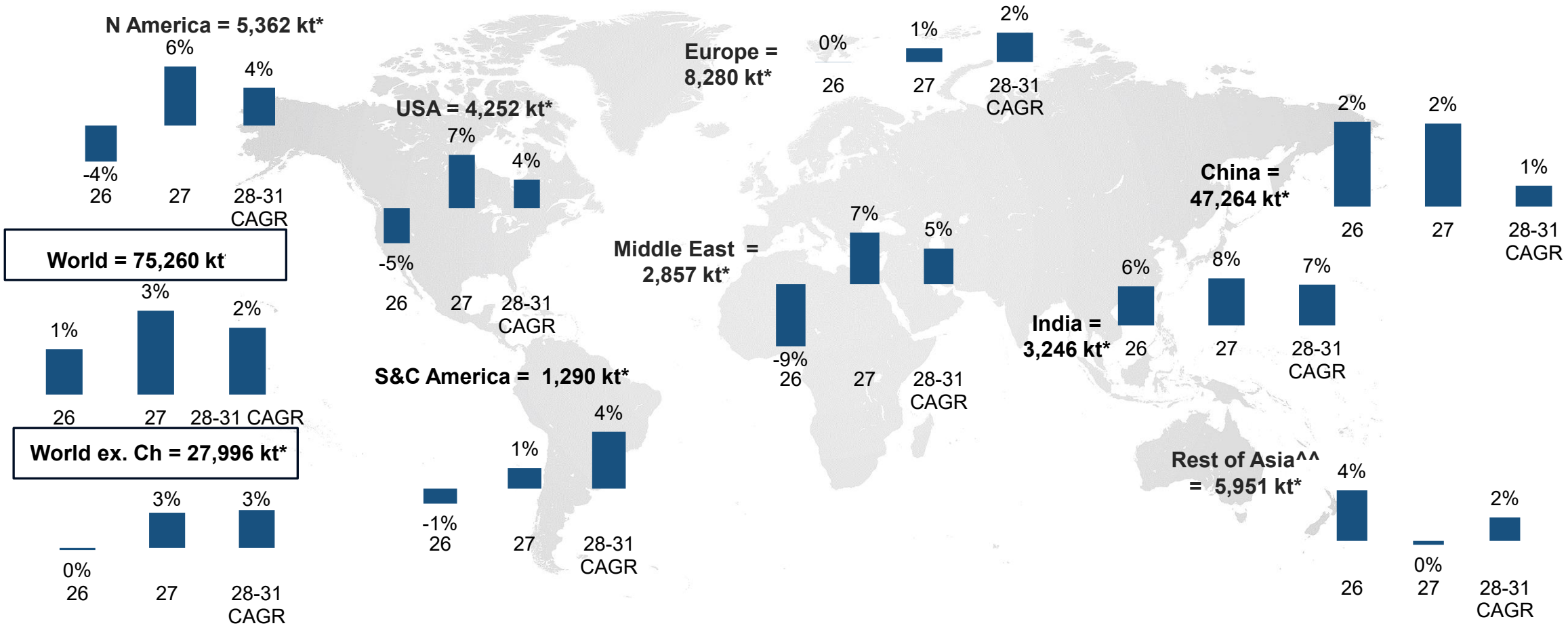
Bosai Aluminium Pasuruan is constructing a 600 kt/y, which is scheduled to come on stream from mid 2027.

Nanshan Bintan's first phase of 250 kt/y aluminium smelting project is progressing well.

Pulau Penebang project is under construction and is expected to come on stream from mid 2027.

A new smelter with capacity estimated at 500 kt/y in Ketapang of Indonesia has started construction recently.

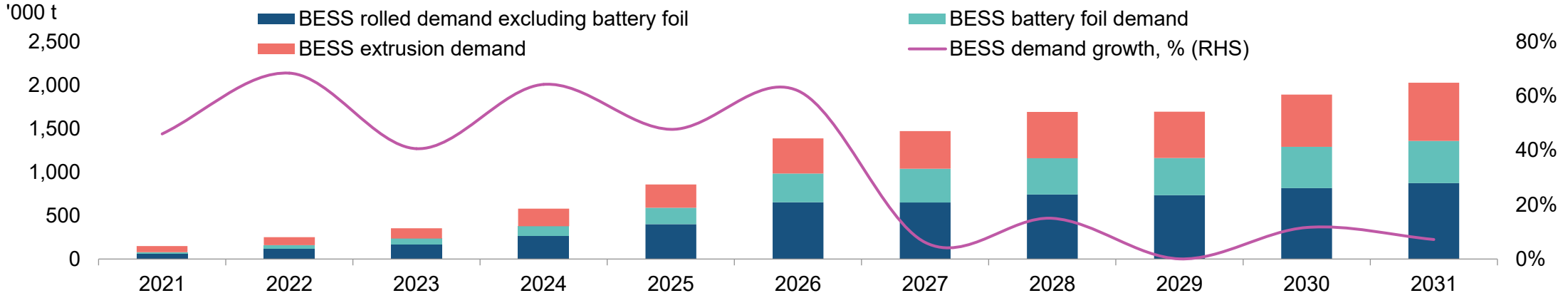
Global primary consumption growth remains soft but is set to recover in 2027



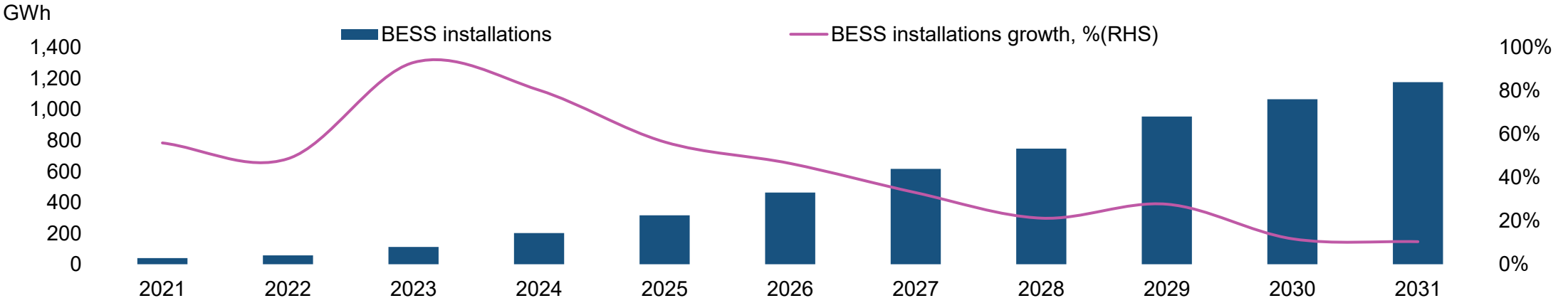
DATA: CRU. NOTE:* aluminium consumption in 2026; ^North America = Canada, Mexico and USA; ^^Rest of Asia = Asia ex. India, China, the Middle East

BESS demand growth will slow down but remains resilient

China's rolled aluminium demand for BESS



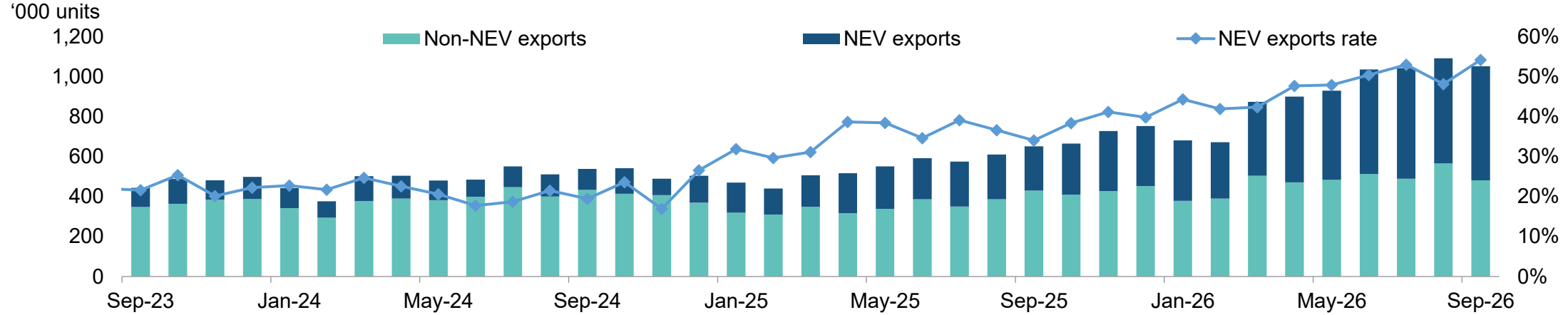
China's BESS installation maintains growing



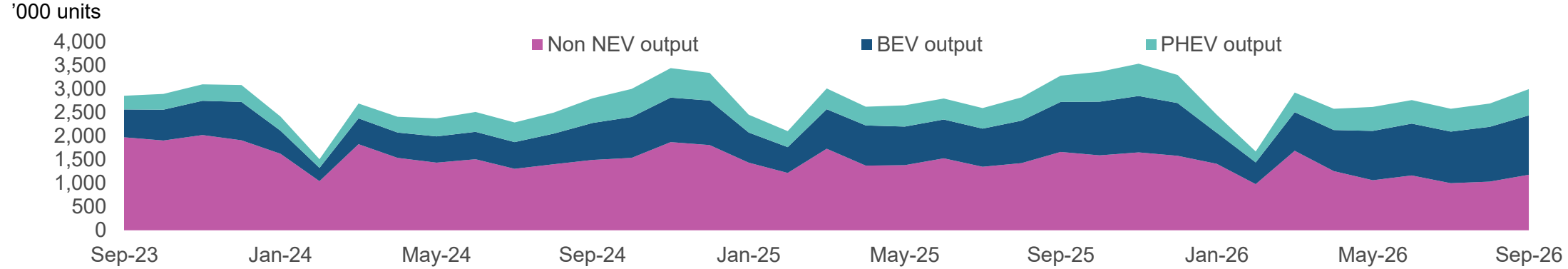
DATA: CRU

China’s BEV share has been climbing to bolster aluminium demand

China’s NEVs market share for exports broke through 50%



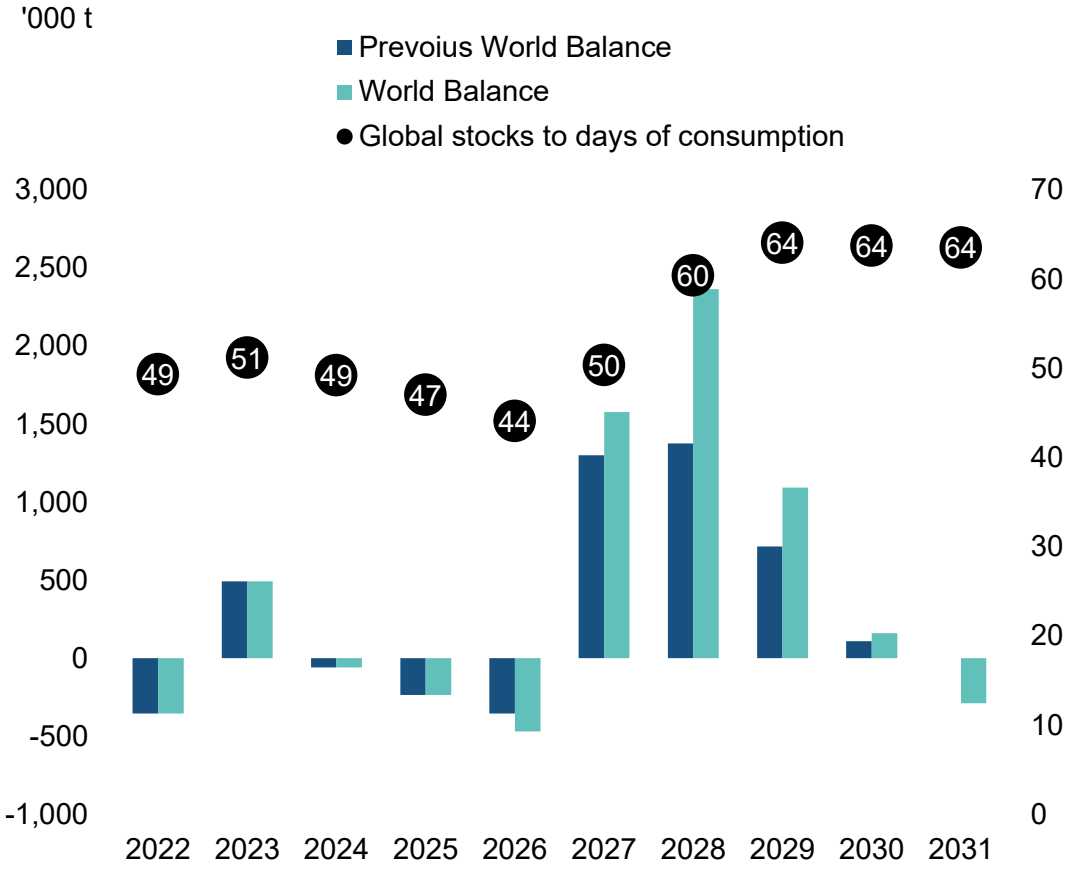
China’s auto production decreased by 4.5% y/y during Q1-Q3



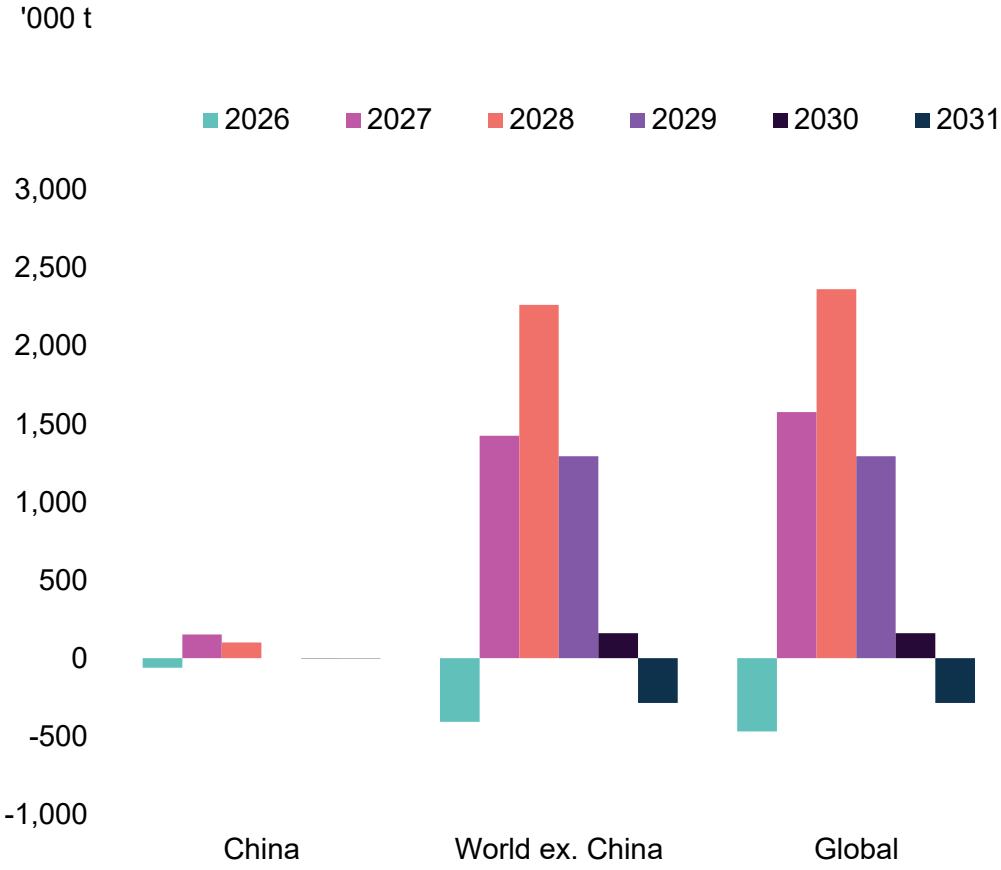
DATA: CAAM

Surplus to persist for the rest of the decade

Global balance and days stocks



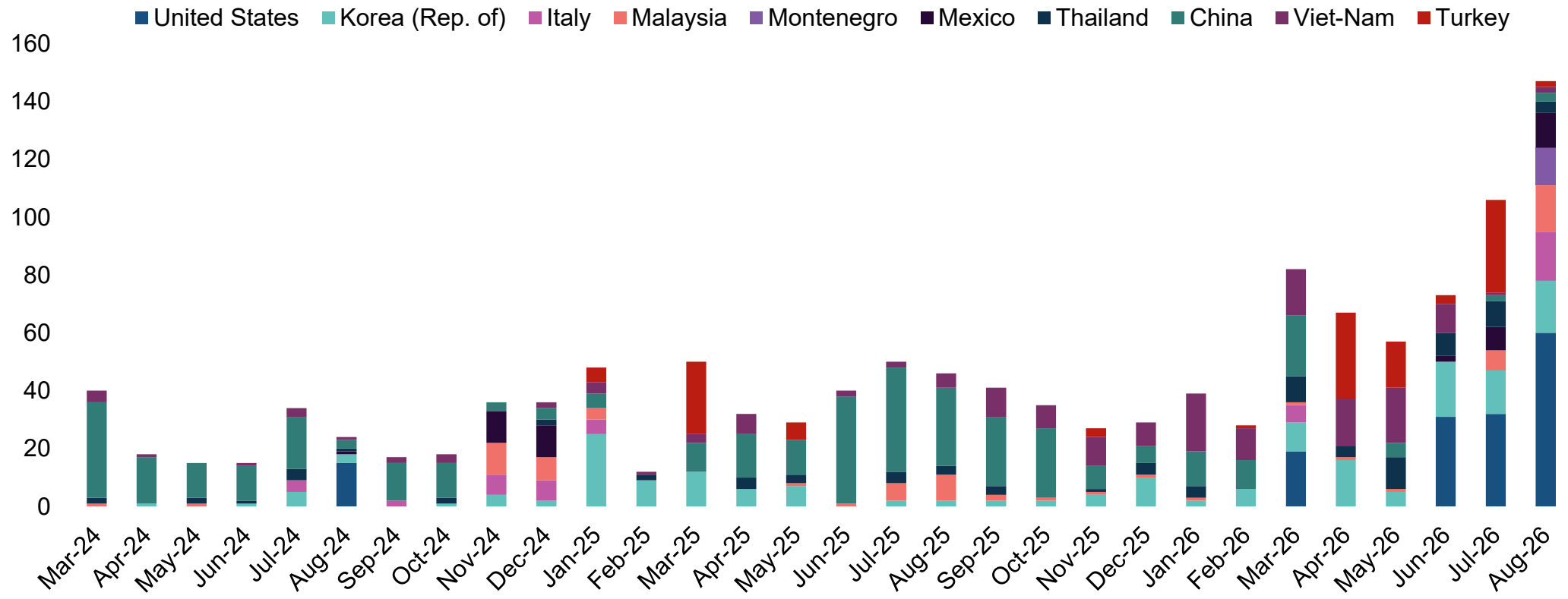
Projected world balances 2026-2031



DATA: CRU

Indonesian exports up to US & Southern Europe

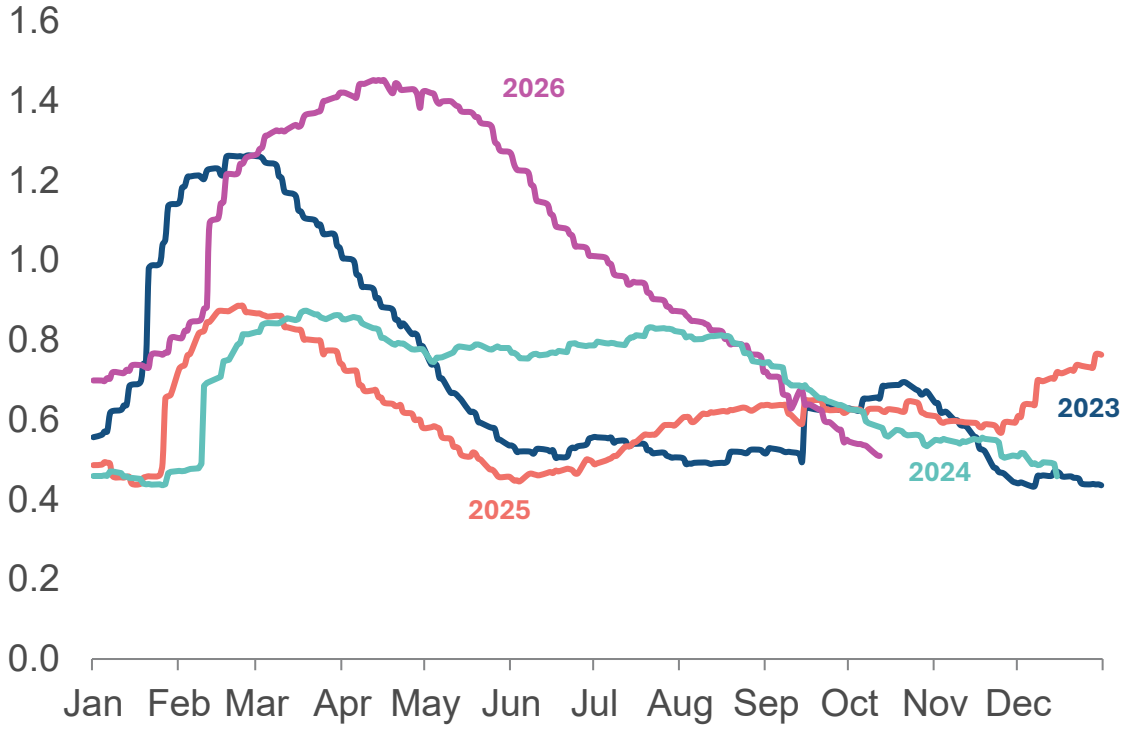
Indonesian primary exports by country (CN Code: 760110), '000 t



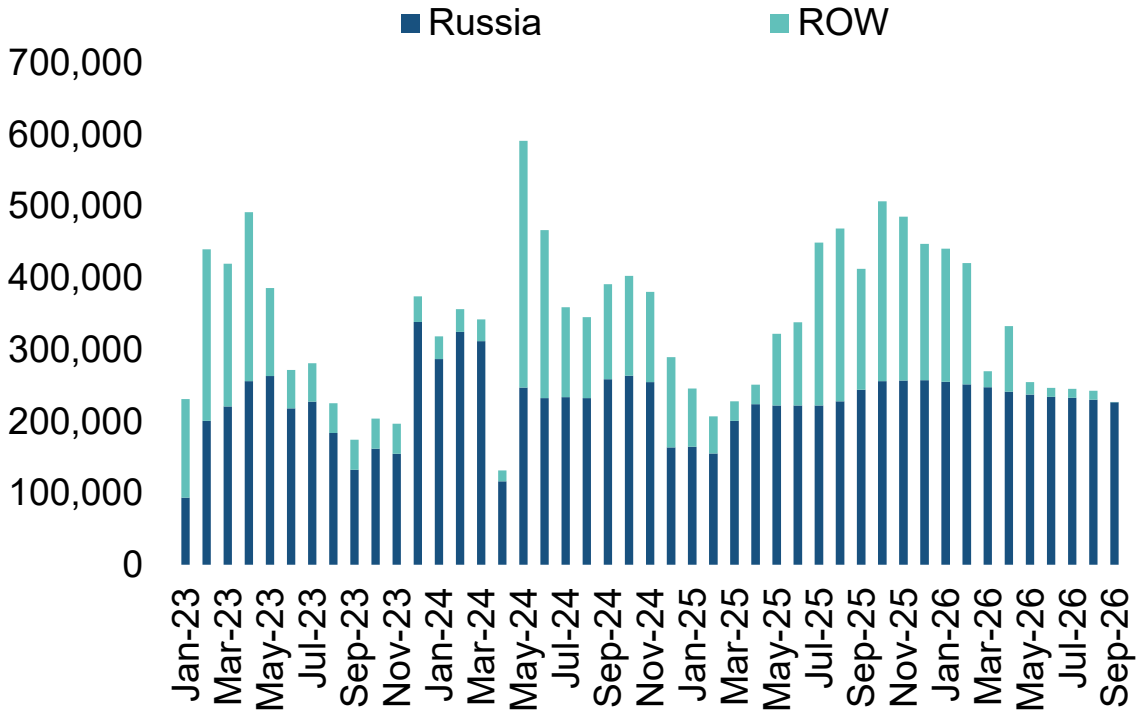
DATA: CRU, GTT

LME and China reports continued stock drawdowns

China SHFE plus unregistered warehouse inventories, million tonnes

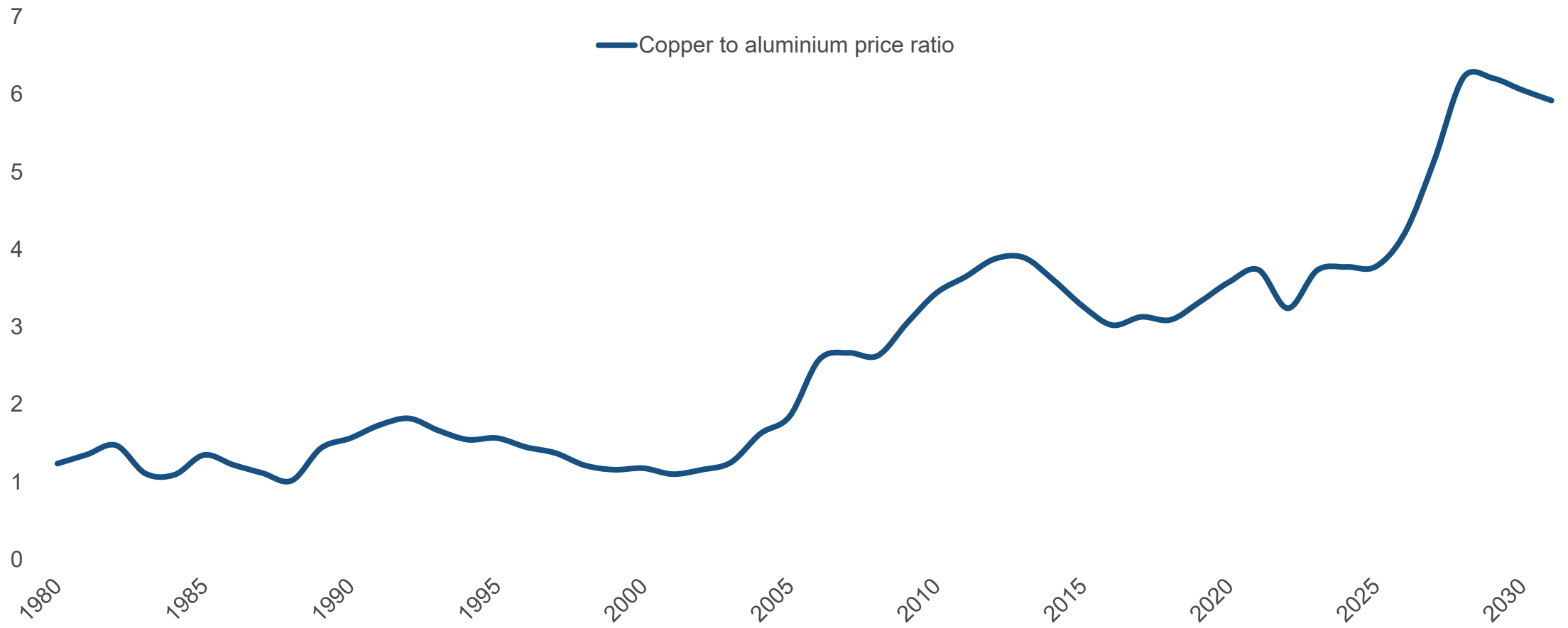


Russian metal dominating LME warehouse, tonnes



DATA: CRU, LME, SHFE

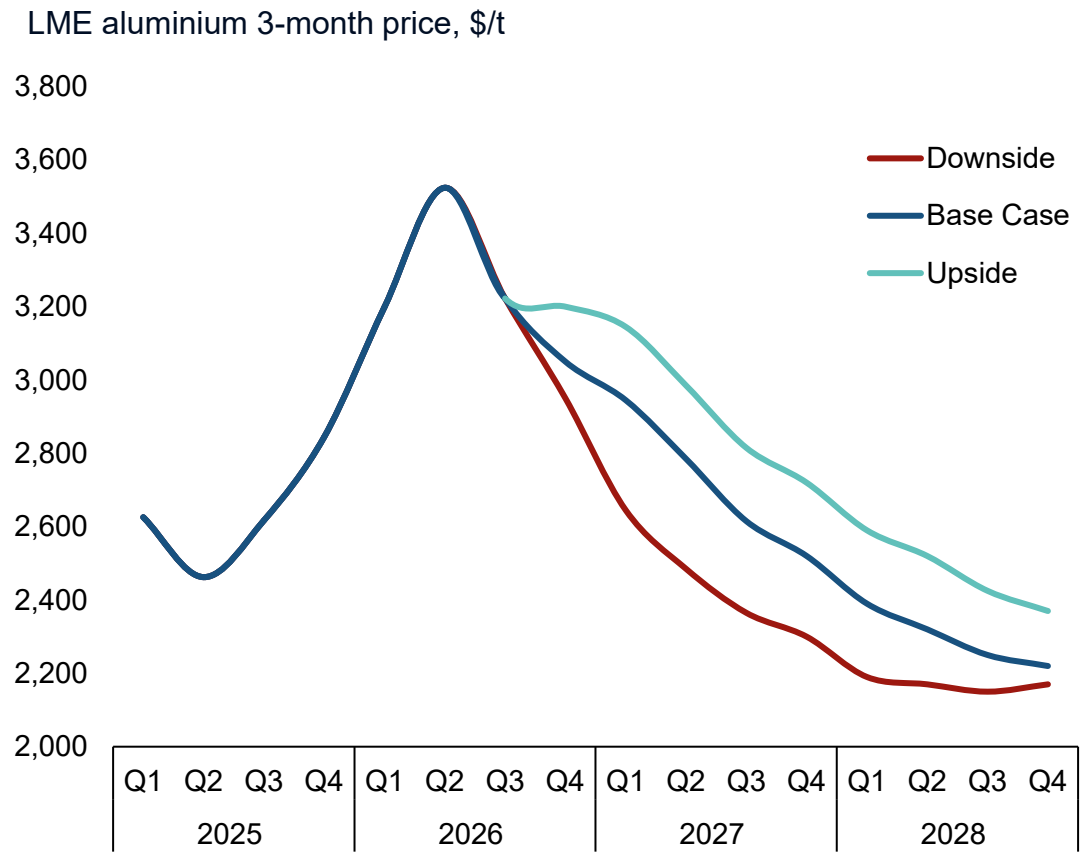
Aluminium prices to underperform copper



DATA: CRU, LME

Lacklustre demand spurring short selling may expedite price declines

Price forecast scenarios



DATA: CRU, LME

Base Case Assumptions

- Restart of EGA's Al Taweelah smelter to be completed in 2027 Q1 and Indonesian output to surge to well above 3 million tonnes
- Demand growth is lacklustre over the next six months before picking up
- Strait of Hormuz trade flows gradually return to normal enabling energy prices to fall

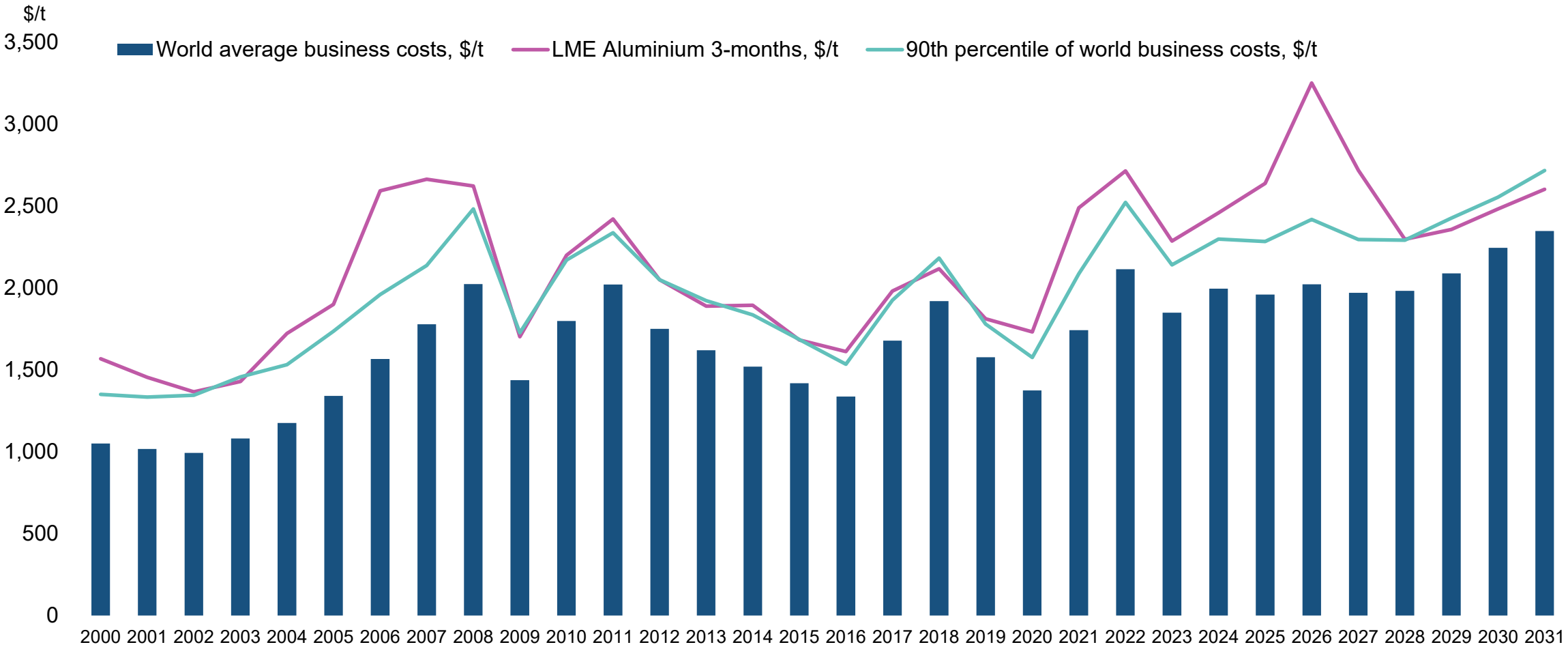
Downside scenario

- Investors increasingly short the market in anticipation of future surpluses
- Demand does not accelerate to the extent expected in the world ex. China

Upside scenario

- The surplus does not emerge at all on the LME or other exchanges as new Indonesian metal is not yet registered on LME and this masks the growing glut of metal.
- A setback to ramp-ups at Indonesian or Gulf smelters
- A fresh wave of investor buying, perhaps on the back of rising copper prices and the potential gains to demand from substitution that prevent deeper declines in say 2027 H2

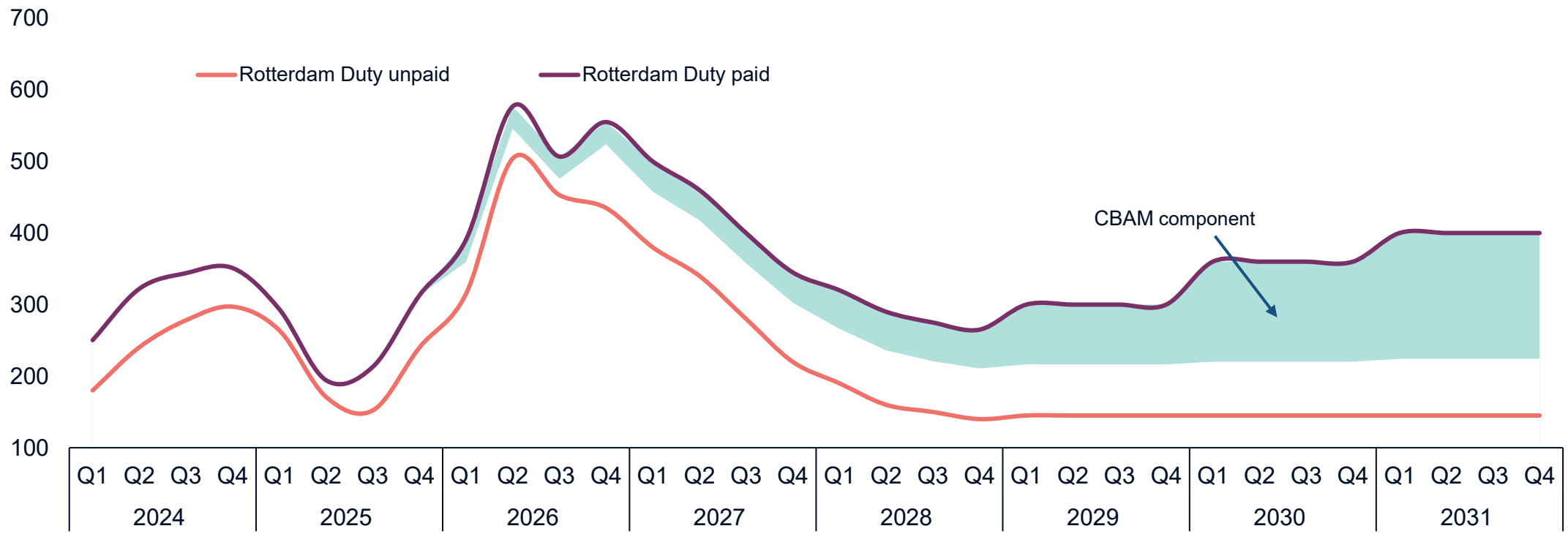
Stunning profit margins prove unsustainable



DATA: CRU

CBAM set to raise European costs

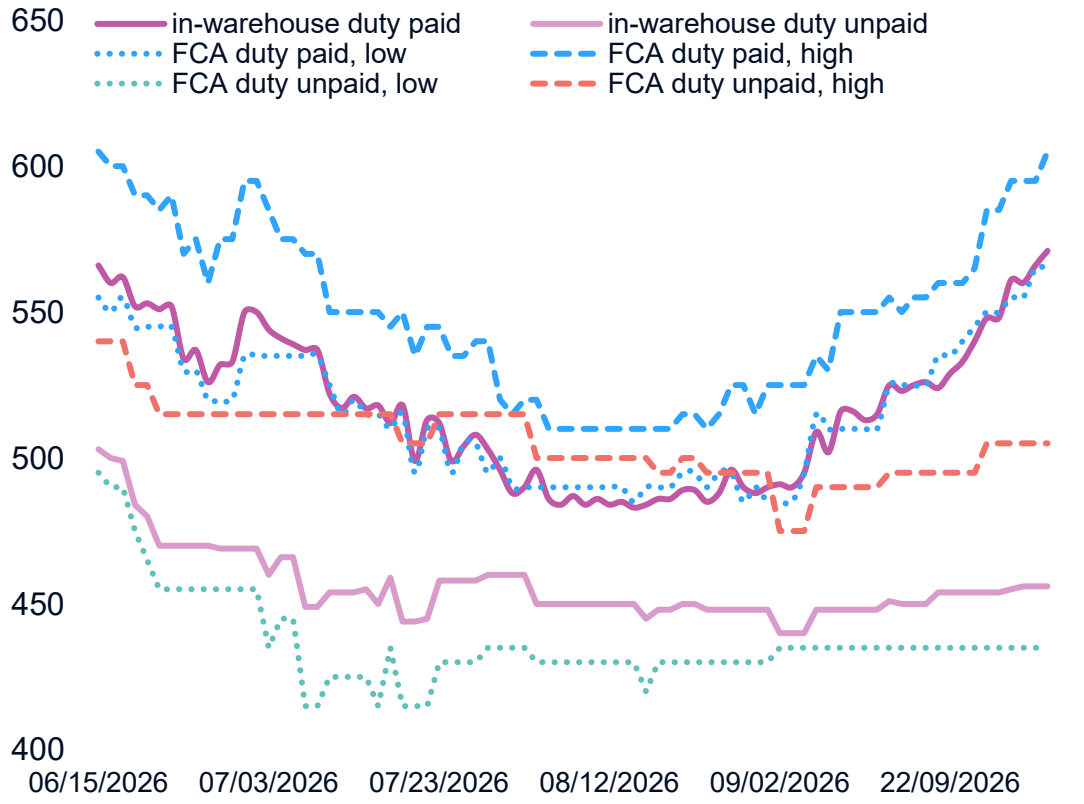
Rotterdam premiums forecast, $/t



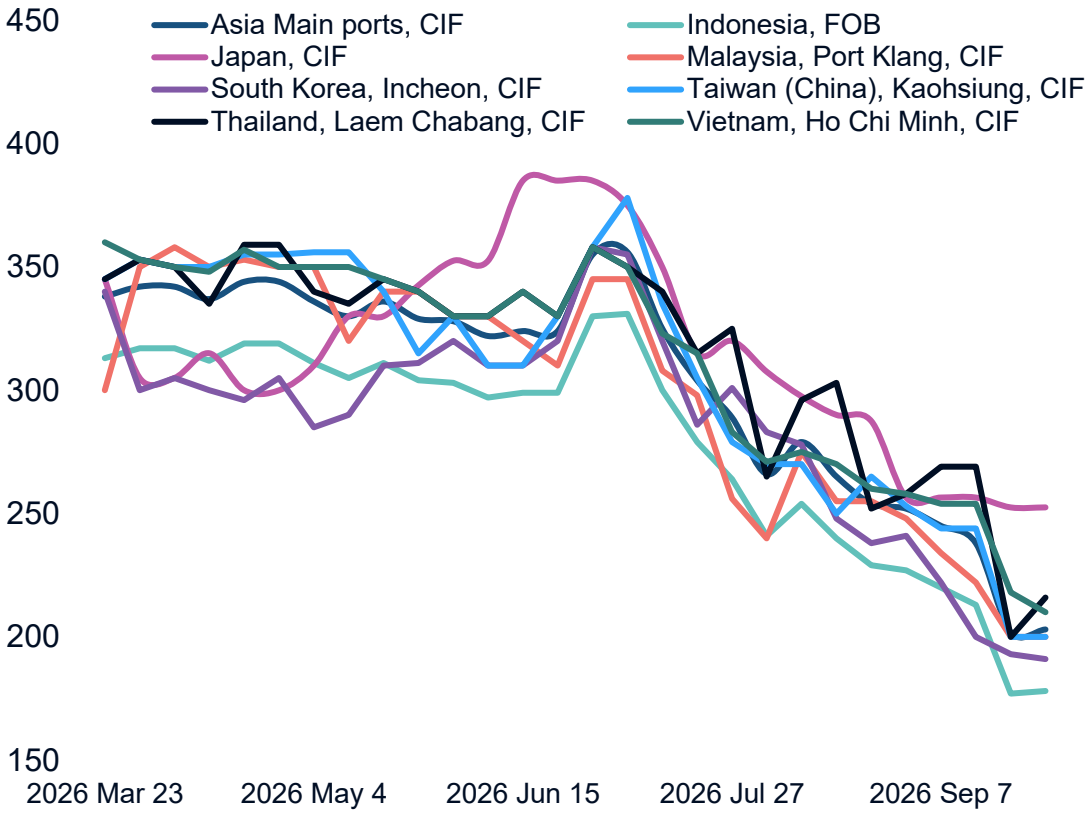
DATA: CRU

New assessments for a changing market

CRU's in warehouse and FCA European aluminium premium, $ /t



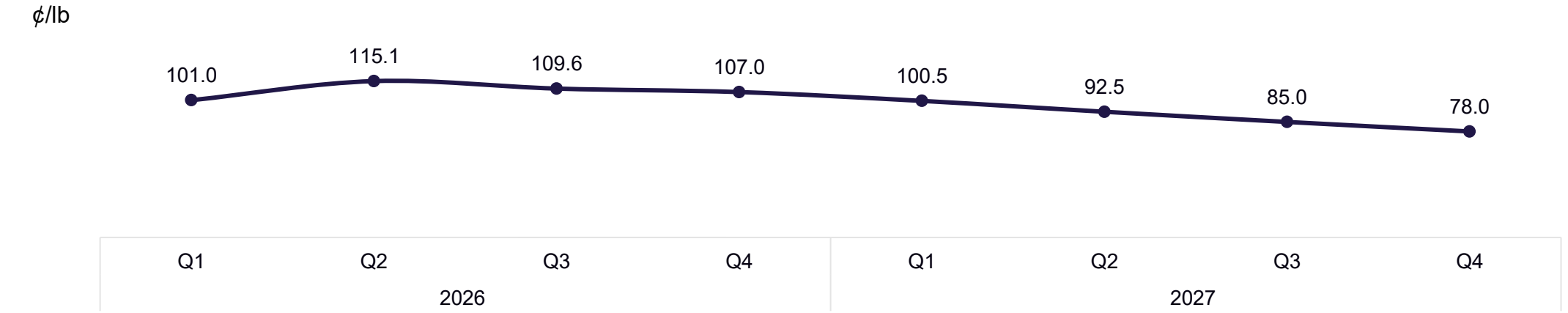
CRU's Asian aluminium premiums, $ /t



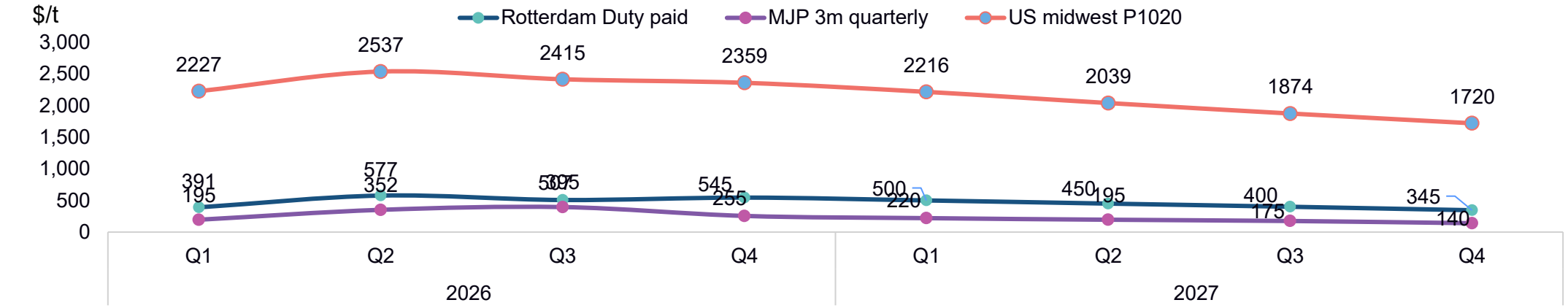
DATA: CRU

Premiums to continue downward trend in 2027

US MW premium forecast, ¢/lb



Rotterdam, Japan, and US MW premium forecasts, $/t



DATA: CRU

Key takeaways



We have moderated our demand expectations for the next six months as rising energy prices and interest rates put a squeeze on businesses and consumers. Demand is likely to still recover in the middle of next year, given much lower prices and premiums



Rapidly rising aluminium production is set to turn around the market so that in the second half of next year the aluminium market is in a large global surplus and we forecast a surplus of 2.4 million tonnes in 2028. Given this backdrop, prices will drop sharply towards marginal costs



We expect substantial production cuts will be necessary at marginal smelters in Europe and Australasia and prices will have to stay low to cause this



While we have lowered our forecasts for consumption in the short term, in the medium term, we expect primary consumption to be aided by the low aluminium price leading to primary retaining more market share compared to recycled metal than we were expecting

CRU Communities

Co-hosts: International Aluminium, asi Aluminium Stewardship Initiative

32nd

World Aluminium Summit

London, UK // 27 - 29 April 2027

Continue the conversations that matter in 2027

Join global leaders setting the direction for the *future* of aluminium

Book your place *now*

CRU *Legal Notice*

This presentation is private and confidential. It must not be disclosed in whole or in part, directly or indirectly or in any other format without the prior written permission of CRU International Limited.

CRU International Limited's responsibility is solely to its clients and its liability is limited to the amount of the fees actually paid for professional services.

Although reasonable care and diligence has been used in the preparation of this presentation, we do not guarantee the accuracy of any data, assumptions, forecasts or other forward-looking statements. CRU cannot be held responsible for the views of third parties or any associated data and charts provided. Where references are made to CRU Prices, our methodologies are available on www.crugroup.com We accept no liability to third parties, howsoever arising.

CRU follows all applicable information security compliance and the relevant laws and regulations on personal information protection. Our privacy policy can be viewed at https://www.crugroup.com/privacy-policy/

Copyright CRU International Limited 2026. All rights reserved.



Data, Insight, Strategy & Communities

Thank you. Any questions?

CRU London Head Office
1st Floor, MidCity Place
7 High Holborn
London WC1V 6EA
United Kingdom

CRU. Independent *expert* intelligence