

Primary aluminium production remains high

We are currently experiencing the best economic climate in Western Europe in more than a decade; after a 2.2% GDP increase in 1999, a 3.4% growth rate is forecast for 2000. Demand for primary aluminium has shown a similarly strong increase, although with a small difference in timing: in 1999, primary aluminium production rose by 3.4%, while the first 11 months of production in 2000 point to a growth rate of 2.1%. From the third quarter of 2000 onwards, production growth accelerated to just under 2.5%; this level was sustained until November. The outlook remains favourable for the next few months : although production growth in the aluminium-using industries is expected to slow down slightly in 2001, it will nevertheless remain fairly strong.

Primary Aluminium Production Europe* (tonnes)			
	1999	2000	% change 00/99
January	312,915	322,449	+ 3.0
February	282,617	299,657	+ 6.0
March	315,503	319,858	+ 1.4
April	305,645	307,709	+ 0.7
May	316,822	319,132	+ 0.7
June	306,717	309,000	+ 0.7
July	315,412	320,400	+ 1.6
August	315,827	322,127	+ 2.0
September	305,623	313,356	+ 2.5
October	318,179	325,714	+ 2.4
November	309,320	316,748	+ 2.4
December	318,639		
Jan- Nov.	3,404,580	3,476,150	+ 2.1

* as reported by EAA members (including Turkey)

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Aluminium semis : strong performance

Production in the aluminium-using industries showed no signs of slowing down in 2000. The 2000 consumption growth rate for both rolled and extruded products will exceed that of 1999. Although production growth is expected to slow down in 2001, growth will nevertheless remain fairly positive. A slower increase in the automotive industry will be offset by more positive growth rates in construction, while the weak Euro will give the engineering industries a competitiveness boost. Demand for rolled products remained strong during the third quarter of 2000; a year on year increase of 4.5% has been observed. Nevertheless, growth was slower during the second half of 2000, and the forecasts for the fourth quarter are even more modest : + 0.7% compared with the fourth quarter of 1999, due to a very strong 1999 year-end. Consumption growth for rolled products for the whole of 2000 is now forecast at

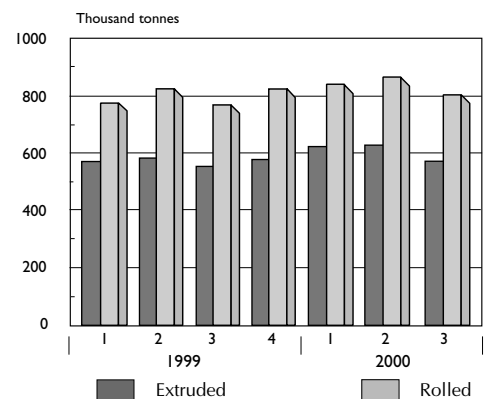
4.3% (against 3.2% in 1999), while growth for 2001 is estimated at roughly 2.7%. During the first half of 2000 there was a marked increase in demand for extrusions : more than 8% growth compared with the same period a year earlier. This growth is currently losing some of its impetus, however : during the third quarter of 2000 demand for extruded products rose by 3.4% in compari-

son with the same quarter in 1999. An increase of only 1.7% is forecast for the fourth quarter of 2000. Nevertheless, demand is expected to increase by 5.5% for the whole of 2000. For 2001, the growth of demand for extrusions is expected to slow down to 3%, although this will still be the sixth consecutive year of growth, with a yearly average of 4.8%!

Quarterly consumption of aluminium semis in Western Europe (in metric tonnes)

1999	Rolled	Extruded
Q1	774	570
Q2	823	582
Q3	767	553
Q4	824	579
Total 1999	3,188	2,284
2000		
Q1	829	629
Q2	866	619
Q3	802	571
(Q1-Q3 '00)/		
(Q1-Q3 '99)	+ 5.6%	+ 6.7%

Aluminium semis in Europe
Quarterly consumption



■ Continuing strong growth in foil demand : 2000 will be another record year

The sales statistics for the first nine months of 2000 announced by the EAFA (European Aluminium Foil Association) continue to show a very healthy situation in the European aluminium foil industry. Compared with the same period in 1999, total sales increased by 5.1%, amounting to 512,000 tonnes.

The EAFA members reported that they were operating at full capacity thanks to the continued growth in domestic market demand. This led to a slight decline in exports, which

decreased by 4.8%, totalling 73,600 tonnes. Taking this into account, sales within the European 'home' territory of the EAFA foil roller members for the first nine months of 2000 reached the level of 438,000 t, i.e. a 7% growth rate.

"So far, the figures are breaking last year's record. With full order books there is little doubt that the twelve-month statistics will take us to another peak", reported EAFA Secretary General, Stefan Glimm.

EAFA Recommendation on Good Trading Practices in Electronic Bidding Processes

In consultation with its members, and in order to provide leadership and guidance for the best use of the e-commerce tool, the European Aluminium Foil Association has prepared a set of recommendations designed to ensure fair trading practices and to avoid misuse.

The guidelines focus on reverse auctions, i.e. bidding processes organised by users vis-à-vis their suppliers. The following criteria are covered by the recommendation: transparency, acceptance criteria, specification, security and confidentiality, and supervision. The objectives are as follows:

- To define minimum standards for reverse auctions,
- To oppose the misuse of reverse auctions,
- To stimulate and call for a discussion on fair trading practices,
- To provide the member companies with arguments for bilateral discussions with their customers.

"As the discussion on good trading practices can only be successfully influenced if a large number of organisations take up the matter, EAFA would welcome the support or even involvement of other organisations in this initiative", stated Stefan Glimm, EAFA Secretary General.

A copy of the leaflet "Good Trading Practices in Electronic Bidding Processes" can be downloaded from the EAFA website: www.alufoil.org.

■ Packaging Policy and Life Cycle Analysis - A Dangerous Combination

For some time now, Life Cycle Analysis (LCA) has been considered as a tool to measure the environmental impact of packaging applications in order to provide guidelines for policy making in this field. This is a difficult issue. Measuring the environmental impact of products, materials and production processes is complex and must be carefully distributed across various environmental impact categories.

The packaging chain has been clear in the past : LCA comparisons can be conducted only per individual impact category; an overall comparison based on a single aggregated environmental impact index is not allowed. Industrial companies successfully use LCAs to regularly check their own internal improvements. LCAs cannot be used to compare material A with material B, as:

- there is no scientific method for weighing the various impact categories. This makes comparisons strictly subjective;
- it is difficult to know whether all the various impacts have been taken into account;
- technological progress makes permanent changes in the parameters necessary.

The aluminium industry is concerned about recent developments in the use of LCA by governments in defining packaging policy. Two recent examples underline this concern : the

German LCA by the Umwelt Bundes Amt (UBA) and the latest environmental packaging tax proposals in Denmark.

Germany

On August 9, the German Environment Ministry (BMU) published, jointly with the Federal Environmental Agency (UBA), the results of a study ("UBA II") on the environmental impact potential of various packaging systems for mineral water, soft drinks and wine.

They concluded with a simple statement : "... reusable bottles manufactured from glass or plastic PET are both ecologically advantageous. In contrast, one-way glass bottles and beverage cans manufactured from aluminium or tinsplate are particularly disadvantageous in ecological terms".

This situation shows clearly how scientific results can be biased by a preconceived and implicit political preference. The actual results of the study show that, out of the 9 environ-



Aluminium for Future Generations 

mental impact categories examined, 4 categories give a better result for aluminium cans than for refillable packaging; in four others aluminium was worse, and in the last both were equal. The Federal Environment Agency and the Ministry for the Environment could only demonstrate the supposed benefits of refillable packaging by attaching priority to some categories, which makes the evaluation purely subjective. Ranking the environmental impact categories is expressly not permitted by international standards ISO14040 through 14043.

All in all, this LCA therefore gives no scientific basis for this discrimination between environmentally favourable or unfavourable packaging, neither does it justify the application of sanctions or penalties on this basis. Quite the reverse, Germany still has to open its market completely to one-way beverage packaging to comply with the EU internal market rules.

Denmark

The Danish Environmental Protection Agency has been asked to devise a method of calculating taxes on packaging based on the environmental impacts of the materials used.

The study contains many shortfalls:

- comparing one kg of material with one kg of another without taking into account each material's functional properties defies all logic and fails to respect LCA methodology;
- the distribution and use of various packaging applications are not considered;

- energy-use scenarios are old and restricted to Denmark while for aluminium production energy sources are at least Europe-wide;
- recycling potentials are not correctly evaluated.

The most important factor is, however, that an aggregated single index of environmental impacts has again been constructed, contradicting the ISO standards for LCA. We expect that the Danish authorities, which have already been taken to the European Court of Justice by the European Commission for their ban on beverage cans, will acknowledge early enough that LCA-based taxes are groundless and will lead to more discrimination between different packaging materials.

A fair approach to policy making

Industry fully recognises that the political authorities have to set goals and objectives, and is ready to set up plans to meet these objectives. It is only by means of a dialogue based on sound methodology, however, that we will make progress on the route to sustainable development, matching at the same time environmental protection, economic efficiency and social acceptance.

A broad exchange of views on the use of LCA in policy making is more than necessary.

This article was published by the EAA in the Parliament Magazine of 4 December 2000.

Aluminium for Future Generations beyond 2000

The first three years of the "Aluminium for Future Generations" initiative have been completed. This is not the end, however; on the contrary, a new phase is only just beginning! For the aluminium industry it is now time to look at the past and the results achieved in order to build the future on strong foundations.

1998-2000: developing the image of the aluminium industry as a reliable partner

Autumn 1998 marked the public launching of the "Aluminium for Future Generations" programme sponsored by seven companies – Alcan, Alcoa, Algroup Alusuisse, Corus, Hydro, Pechiney, and VAW. This pan-European initiative aimed to enhance dialogue between the aluminium industry and interested parties in both the political sphere and society at large.

Between 1998 and 2000, "Aluminium for Future Generations" consisted of several consultation events (such as round tables and plant visits) both at EU level and in various European countries - initially in Belgium, France, Germany, Italy, the Netherlands, and the UK, and subsequently in Denmark and Switzerland.

Government officials, parliamentarians and non-governmental organisations (NGOs) were part of this consultation process,

and demonstrated strong interest in the role of aluminium in everyday life and in sustainable development. At the same time, the consultation process opened up channels for a constructive review of the aluminium industry's operations and activities.

Five key issues of particular concern to audiences across Europe emerged : energy use, recycling, climate change, research and development, and future markets. These were all tackled with openness and transparency. This approach brought on the one hand a growing awareness among stakeholders that the aluminium industry is a reliable partner, in addition to helping the industry to position itself for the years to come. For more information on the key issues and the consultation process, you can visit the EAA website : www.aluminium.org.

The present : momentum generated

On 28 November 2000 the European aluminium industry organised an internal event entitled "Aluminium for Future Generations: Looking to 2001 and beyond".

The objectives were:

- to share experiences;
- to issue information about the achievements and ongoing challenges of the initiative;

- to provide continuous momentum for “Aluminium for Future Generations”;
- to motivate and inspire greater efforts for the coming years.

Sixty-eight participants from various European countries took part in the event, where they showed a great deal of enthusiasm, involvement, and motivation to continue the initiative with even greater conviction and openness.

The success of the event demonstrated that significant momentum - both internally and externally – had been generated. Internally, because the industry is now fully committed and interested in continuation. Externally, because stakeholders are now interested in developing the dialogue and receiving information on the industry’s developments and efforts.

The future : a commitment to be maintained

Following the positive results achieved during the first three years of “Aluminium for Future Generations”, as well as the successful event organised on 28 November 2000, the European aluminium industry decided to go further with the exchange of ideas initiated with interested stakeholders. The time has now come for the industry to build on a common, continuous and ever-growing contribution to sustainable development and future generations.

The most visible manifestation of this decision is the process of integrating “Aluminium for Future Generations” into the structure of the associations: i.e. into EAA at European level, and into the existing aluminium organisations at national level.

The objective of “Aluminium for Future Generations beyond 2000” is to position the industry more specifically and to further improve its image vis-à-vis political audiences and non-governmental organisations. In this context, “Aluminium for Future Generations” will be developed as a brand phrase of the European aluminium industry. The meaning behind this brand phrase is dialogue, sustainability and commitment to continuous improvement. Branding will be supported vis-à-vis politicians, non-governmental organisations, media, the scientific community, customers and the general public.

“Aluminium for Future Generations beyond 2000” will continue to develop dialogue activities at EU level as well as in the countries already involved in the first three years of the initiative: Belgium, France, Denmark, Germany, Italy, the Netherlands, Switzerland and the UK. The initiative is also open to participation on the part of other countries. Sustainable development will be the overall valuable framework, with its economic, environmental and social dimensions. Industry considers both corporate and social responsibility and health matters as very important issues which are likely to be tackled in the forthcoming discussions. Concrete results have been achieved during the first three years. The EAA is confident that even greater results will be achieved beyond 2000. When we speak of results, we refer not only to the European aluminium industry, but also to the environment in which we all live, the environment which is so important for Future Generations.

■ Aluminum by Design : Jewelry to Jets

From its first appearance in the 19th century, when its rarity made it as highly prized as gold, aluminium has inspired creativity and sparked innovation in the design of furniture, jewelry, architecture, fashion, and consumer and industrial products. Precious objects produced in the 1850s, the model of a 1902 architectural façade, fabrics, coffee pots, sports equipment, and automobiles – all tell the story of a multi-faceted metal that has transformed our daily lives for more than 150 years.

The international exhibition “Aluminum by Design : Jewelry to Jets” explores aluminium not only from the viewpoint of art, architecture, and design, but also as a major contributor to the shaping of 20th century culture and society. The brilliance, strength, beauty and versatility of aluminium provide an unparalleled medium for design and engineering. It reminds us that art and design enhance our day-to-day lives in the most unexpected ways. The exhibition includes works by Otto Wagner, Marcel Breuer, Isamu Noguchi, Philippe Starck, and many others.

This travelling exhibition, organised by the Carnegie Museum of Art, Pittsburgh, USA, was inaugurated in October 2000 and



*Lockheed lounge 1985,
riveted sheet aluminium over fiberglass and rubber,
Marc Newson, designer.*

will first be touring North America, before coming to Europe in 2002. You can already note the following dates for this unique opportunity to visit the exhibition:

6 October 2002 – 3 January 2003, The Design Museum, London, UK.

From March 2003, Art Media, Hôtel Wielemans, Brussels, Belgium.

For more information : www.aluminumbydesign.org