

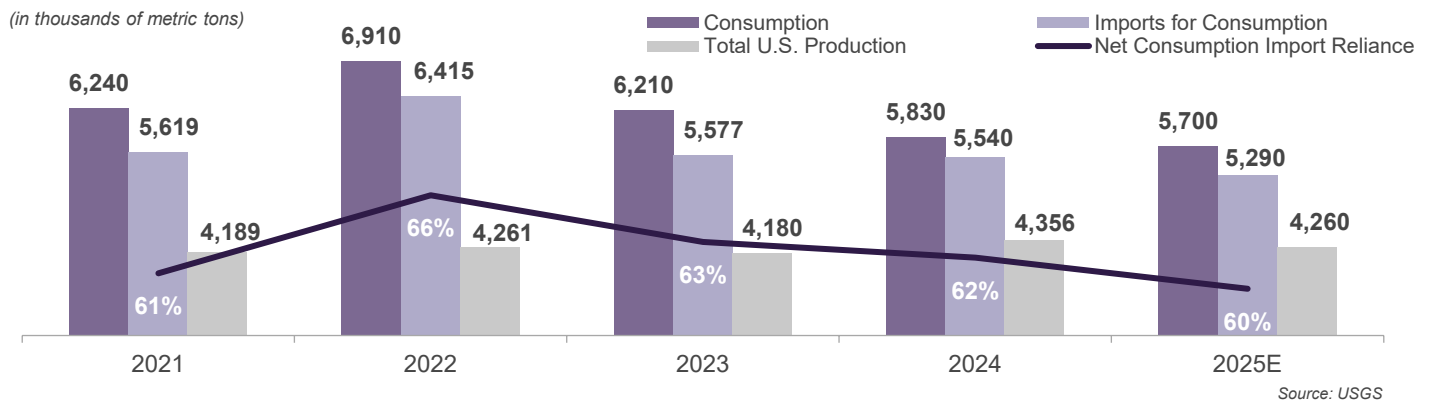
Industry Update

Tariffs, Tensions, and Aluminum's New Normal

Aluminum prices have climbed to four-year highs as geopolitical uncertainty, ongoing supply-chain disruptions, and U.S. trade policy continue to tighten the market. Escalating tensions in the Middle East, particularly risks to shipping through the Strait of Hormuz, have increased uncertainty around Gulf aluminum supplies, which represent roughly 9% of global production, raising the likelihood of delays and tighter availability. At the same time, stricter enforcement of Section 232 tariffs is pushing landed costs higher for aluminum-intensive imports, sustaining elevated pricing and adding cost volatility for manufacturers and distributors across construction, transportation, packaging, and electrical equipment end markets.

Aluminum in the United States

In 2025, U.S. aluminum supply remained tight as primary production declined to an estimated 660 thousand metric tons. While higher prices lifted the value of primary output by roughly 35% to about \$2.6 billion, this revenue growth masked lower production volumes. The market continued to depend heavily on secondary supply and imports, with recycled aluminum contributing approximately 3.6 million metric tons and imports representing about 60% of apparent consumption.



Global Aluminum Production

The Gulf region is home to several of the world's largest and most advanced aluminum smelters, including EGA (UAE), ALBA (Bahrain), Maaden (Saudi Arabia), Qatalum (Qatar), and Sohar Aluminum (Oman). On March 28, targeted attacks damaged EGA and ALBA facilities, causing disruptions with recovery timelines of up to one year, suggesting supply constraints will persist through 2027.

In 2025, GCC countries produced approximately 6.16 million metric tons of primary aluminum, about 8% of global output and 18% of U.S. aluminum imports. While China remains the top aluminum producer globally, they maintain a 45-million ton per year government mandated capacity ceiling.

Diminished supply from the Gulf and China is tightening upstream markets, increasing price volatility and material uncertainty for U.S. manufacturers, and reinforcing reliance on foreign suppliers despite ongoing tariff frictions.

Country	2025E Primary Aluminum Production ⁽¹⁾	% of Global Production	2025 US Imports ⁽²⁾
China	45,000	60.8%	2.6%
GCC ⁽³⁾	6,159	8.3%	17.8%
India	4,200	5.7%	4.4%
Russia	3,900	5.3%	0.0%
Canada	3,300	4.5%	48.0%
U.S.	660	0.9%	-
Rest of World	12,850	17.4%	27.2%

⁽¹⁾ Production in thousands of metric tons

⁽¹⁾ Source: USGS ⁽²⁾ Source: US Trade.gov ⁽³⁾ The Gulf Cooperation Council consists of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates

Price Updates

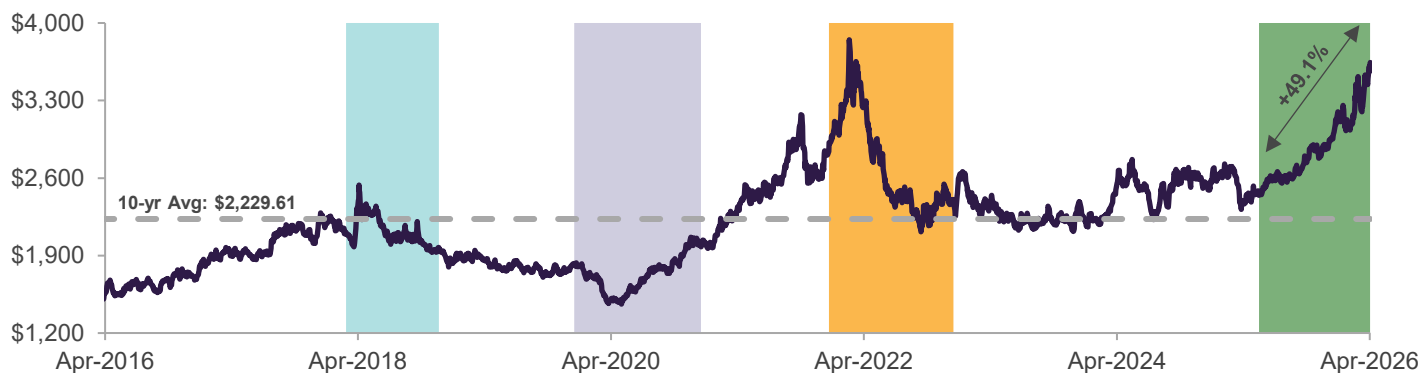
Aluminum is a core industrial cost input, with pricing highly sensitive to supply disruptions. According to ALBA, demand for Middle East produced aluminum is primarily driven by packaging, automotive, and electrical applications, end markets that also represent significant downstream exposure for U.S. manufacturers.⁽⁴⁾

In North America, Midwest aluminum pricing serves as a pricing benchmark, with fluctuations feeding directly into manufacturers' input costs and rapidly passing through to end-user pricing. Rising crude oil prices further amplify these pressures by increasing transportation, energy, and production costs, reinforcing upward momentum in aluminum prices and accelerating finished-goods inflation, with impacts expected to materialize mid-year.

Event	U.S. Sanctions on Rusal	COVID-19	Russia / Ukraine Conflict	U.S. Tariffs & Iran Conflict
Date	Mar 2018 – Dec 2018	Jan 2020 – Dec 2020	Jan 2022 – Dec 2022	May 2025 – Current

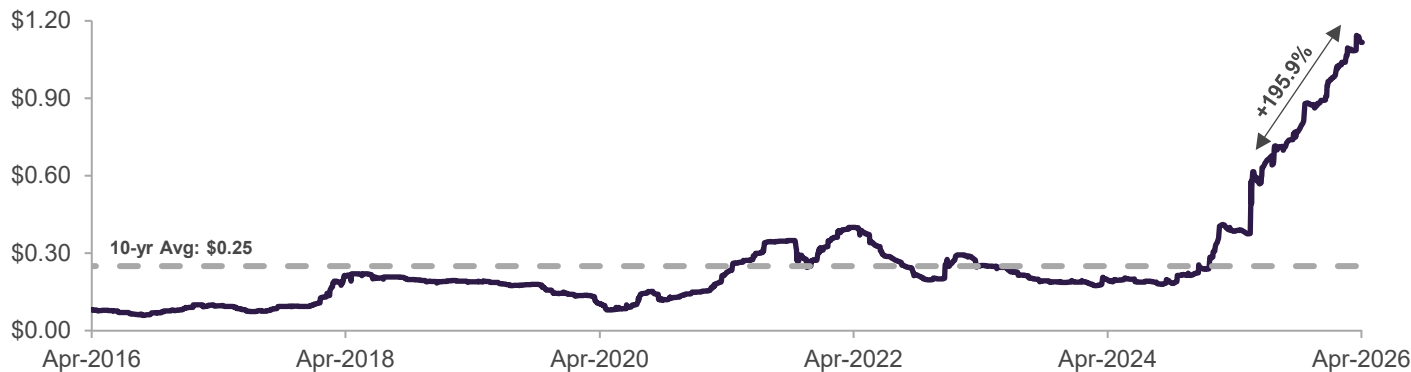
3 Month LME Aluminum Index

Global benchmark price for primary aluminum, reflecting three-months-forward futures quoted on the London Metal Exchange



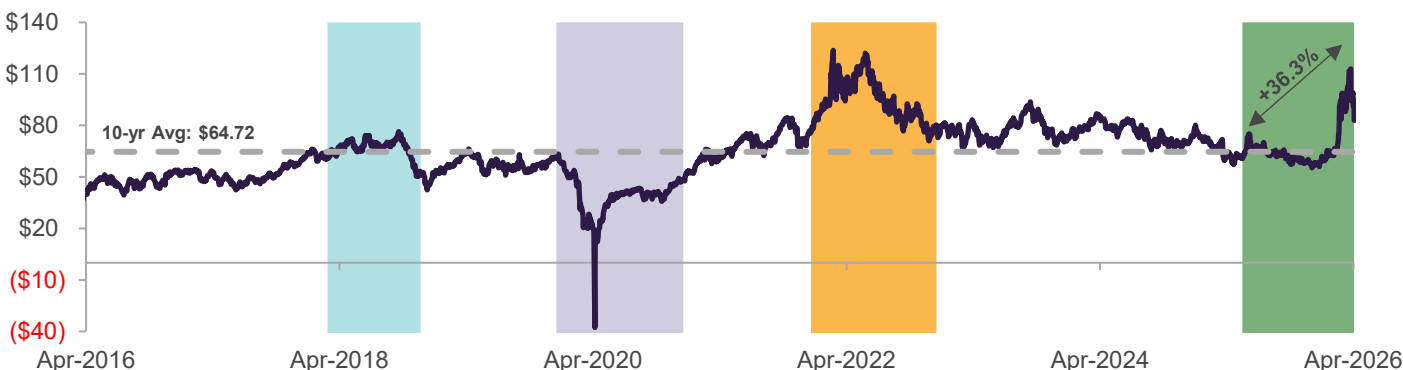
Aluminum MW U.S. Transaction Premium Platts (25MT) Futures⁽⁵⁾

North American benchmark for aluminum, reflecting the futures contract of daily cash-settled premium or discount to the LME cash aluminum price



3 Month WTI Crude Oil

Benchmark for oil pricing, reflecting three-months-forward NYMEX futures contract for West Texas Intermediate crude oil



Data as of 04/17/2026

⁽⁴⁾ ALBA (Aluminum Bahrain B.S.C.) Company Filing – Full Year 2025; ⁽⁵⁾ CME Group

Sources: Bloomberg, WSJ, whitehouse.gov, International trade Administration, International Aluminum Institute, USGS, S&P Global, Government of Canada, LME