

6 October 1960

Committee III - Expansion of TradeANNEX DALUMINIUM, ALUMINA AND BAUXITE (Revised Draft)

The Committee discussed the possibilities of less-developed countries increasing their exports of bauxite, alumina and aluminium. Bauxite was recognized as a typical product of the less-developed countries; the bulk of world production already took place in those countries and because of their large reserves, future production was likely to be even more concentrated in the less-developed countries.

The pattern of trade was that bauxite was exported, largely to North America and Europe, for conversion into alumina and then into aluminium. While less-developed countries in recent years had contributed about one-half of world production of bauxite, as a whole they had produced only a very small share of world production of alumina and aluminium. However, alumina could be produced economically in the territories where bauxite was produced. Alumina was far less bulky than bauxite and savings in freight more than offset the differences in production costs. The Committee noted that in one less-developed country the establishment of bauxite processing plants and the export of alumina had considerably increased incomes and employment opportunities. It was stated that industrialized countries could make a very substantial contribution to the development of the less-developed countries producing bauxite if their tariff policies allowed those less-developed countries to carry their bauxite production at least to the stage of producing and exporting alumina.

The production of aluminium was recognized to be a complex operation which required considerable financial resources, large quantities of cheap power and technical skill. Not all less-developed countries had resources

of cheap power, but some did and were planning to carry their bauxite production through to the third stage of producing aluminium. The Committee considered that there was increased likelihood that the investment necessary for the successful development of resources in less-developed countries would be forthcoming if these countries could be assured a free or relatively unimpeded market in important consuming countries.

Other less-developed countries did not have the power to produce aluminium and therefore had to export bauxite or alumina to other countries for further processing. These processing countries, who might not themselves be less-developed, were seeking markets for this aluminium, and to the extent that tariffs in importing countries permitted this expansion, they affected equally those less-developed countries who could produce only bauxite and alumina.