

GENERAL AGREEMENT ON TARIFFS AND TRADE

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WORKING PARTY ON THE ASSOCIATION OF THE OVERSEAS TERRITORIES WITH THE EUROPEAN ECONOMIC COMMUNITY

COMMODITY NOTE: BAUXITE AND ALUMINA

Submitted by the United Kingdom Delegation

Duty position

Both dried bauxite and alumina are in List B (i.e. not more than 3 per cent). It is not known under which list calcined bauxite comes. Neither bauxite nor alumina is included in Annex II, but there still exists the possibility of applying discriminatory quantitative restrictions in favour of the overseas territories of the Six.

Production and Trading position of the Six

The most important producer of bauxite among the Six is France (1,443,000 long tons in 1956). As far as reserves of the ore are concerned, it has been reliably estimated that France has about 60 million metric tons and Italy 6.3 million metric tons. Surinam produced in 1956, 3,427,539 long tons or about 20 per cent of total world production. Her reserves amounted to 50 million metric tons. In the same year French West Africa produced 444,000 long tons (reserves in this part of the world amount to 6 million metric tons). The overall import position of the Six is not known, but it may be presumed that in view of the relatively small production in their African Associated Overseas Territories they took very little from this source.

Importance to United Kingdom Colonies

The United Kingdom Colonies which produce bauxite and alumina in large amounts are British Guiana and the British West Indies. Between them they produced about one third of total world output in 1956. The following table gives the import position in 1956.

\$ 000's (4.8 West Indies dollars = £1 sterling)

	<u>Canada</u>	<u>United States</u>	<u>United Kingdom</u>	<u>Six</u>	<u>Other OEEC</u>	<u>Total</u>
<u>Dried Bauxite</u>						
British West Indies	8.6	22,072.3				22,080.0
British Guiana	15,402.1	2,651.2		14.0		18,188.7
<u>Calcined Bauxite</u>						
British Guiana	2,828.7	5,784.5	467.1	1,360.4	219.8	11,146.4
<u>Alumina</u>						
British West Indies	26,134.6				1,710.2	27,853.0

It emerges from the above table that the main markets for British Caribbean bauxite and alumina are Canada and the United States, but a large amount of bauxite from British Guiana is sent to the Six - 1 per cent of total exports of dried bauxite and 12 per cent of calcined bauxite. At present bauxite and alumina are important West Indian exports and the industry contributes substantially to the revenue and it forms about 39 per cent of British Guiana's total exports. There are big plans for expansion in the West Indies production of the existing alumina plant and will increase in the next few years from 210,000 tons per annum to 500,000 tons per annum. A new plant with a capacity of 270,000 tons will also be set up. In addition, the production of bauxite itself will be increased. British Guiana will also soon become an alumina producer when a plant costing about £13 million has been erected.

Danger to the United Kingdom Colonial interests

The danger to the British Caribbean industry arises from the plans for large-scale development of the production of bauxite, alumina and aluminium in French and Belgian Africa. Such expansion could clearly result in British Guiana losing its bauxite market in the Six. Further, there is an indirect danger. Canada, which takes about 70 per cent of the region's exports of bauxite and alumina, is hoping to extend its markets in the United States, the United Kingdom and Europe. The proposed increases in aluminium production

in the Overseas Territories of the Six could easily hinder the expansion of Canada's exports in all these three markets, especially if an appreciable duty is imposed on aluminium (List G).

Details of plans for expansion in French and Belgian Africa are as follows. At present the Ile de Loos is the main supplier in French West Africa, but it has been estimated that with recent discoveries of bauxite deposits at Kindi and Boki, there will be a trebling of the present annual output in French West Africa of 450,000 tons. One half of this increase will be converted into alumina and the other half into aluminium. There have also been recent discoveries of deposits in the French Sudan and in the French Cameroons. In two years' time it is expected that there will be an annual production of 45,000 tons of alumina in the Cameroons, and some years further ahead, an annual output of 160,000 tons in Guinea. It is also known that the Belgian Government is to construct an aluminium plant on River Inge in the Belgian Congo.

Other GATT Producers

Other contracting parties which produce bauxite in large quantities are the United States (1,743,000 tons); Indonesia (298,000 tons); Malaya (264,000 tons); and Ghana (138,000 tons).