



Dear Sirs,

You have recently entered a subscription to RMR in the name of the undersigned, and the first issue has arrived today, together with a back number which I also had ordered.

It happens that there is an article on the world bauxite/alumina/aluminium industry in each of these issues. I am disappointed to note, however, what appears to be a serious discrepancy between the two.

In the 1983 article, by A Tegen and J Dryden, there is a table of "Corporate shares (percent) of world bauxite, alumina and aluminium capacity", which shows the "Big six" companies as controlling in the aggregate *33.5 per cent* of world bauxite capacity in 1982 (pages 46/47).

In contrast, the 1984 article by B.K. Campbell shows the same six companies as controlling, in 1974, *69 per cent* of world productive capacity of bauxite (page 56).

While the figures given are not for the same year, the relatively small difference of 8 years would not be sufficient to explain such an enormous disparity.

Perhaps, in the interest of credibility, you or the author of the 1984 article would wish to comment.

Very truly yours,  
Theodore Kiendl

#### The editors reply:

The figure given by Professor Campbell refers to the "Big Six" share of *western world* bauxite capacity. In 1974 the western world accounted for 85 per cent of world bauxite production capacity. The "Big six" accounted for 58.6 per cent of world bauxite capacity and thus for 69 per cent of western world bauxite capacity.

These figures correspond better with data calculated by RMR, as indicated in the table below:

#### Shares of the "Big six" of world production capacity of bauxite in 1974 and 1982 (in per cent)

Corporation	1974	1982
Alcoa	17.1	14.8
Alcan	5.7	5.6
Reynolds	8.7	4.4
Kaiser	13.1	3.2
Alusuisse	6.2	3.1
Pechiney	4.3	2.4
<b>Total "Big six"</b>	<b>55.1</b>	<b>33.5</b>

#### Sources:

Corporate annual reports and trade sources

#### Note:

We have attributed the production capacity of a producing company to a parent company in proportion to the ownership share of the latter, except when there are no other major owners of the producing company. In that case, all of the production was attributed to parent company.

For example, Alcoa has been attributed 51 per cent of Alcoa of Australia's production, equivalent to Alcoa's ownership share. If Alcoa had been considered to have full control of Alcoa of Australia, and subsequently attributed *all* production of that company, Alcoa's share of world production would have been 21.1 per cent in 1982.

As can be seen, three of the "Big six" have each lost about half of their share of the market between 1974 and 1982. Only two, Alcan and Alcoa, have retained their shares and the sixth, Kaiser, has had to cut its production capacity to a fourth.

The main explanation to this dramatic structural change is an increased production capacity by other large transnational corporations and state-owned producers.

A contributing reason to the diminishing production capacity of Kaiser is the sale in 1982 of its 45 per cent share in Comalco. Comalco accounted for 9.1 per cent of world production capacity in 1982. Most of Kaiser's share was purchased by Rio Tinto-Zinc, which between 1974 and 1982 became the third largest bauxite producer in the world, after Alcoa and the Soviet Union. ■

#### Information to authors and readers

In Vol 3 we have extended the use of the two standards for currencies and physical units introduced in the previous volumes.

We understand that this may still cause our readers some problems. But we are convinced that the two standardised systems will eventually be accepted by most international publications and thus that a systematic use of them will benefit our readers in the long run. The systems and symbols used are:

#### Codes for representation of currencies and funds (ISO 4217-1978)

#### Metric System

meter	m
kilogram	kg
ton (1000 kg)	t
liter	l
cubic meter (1000 l)	m <sup>3</sup>
ampere	A
watt	W
second	s
hour	h
day (24 h)	d

#### Multiples of the basic units are made with prefixes:

10 <sup>3</sup>	kilo	k
10 <sup>6</sup>	mega	M
10 <sup>9</sup>	giga	G