



U.S. Department of the Interior • Bureau of Mines

## MINERAL INDUSTRY SURVEYS

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Magnesium, Quarterly

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### MAGNESIUM IN THE FOURTH QUARTER 1990

U.S. primary magnesium production in the fourth quarter of 1990 was 30,506 metric tons, a 9% drop from that in the previous quarter and 22% less than that in the fourth quarter of 1989, according to the Bureau of Mines, U.S. Department of the Interior. Total domestic production in 1990 of 139,333 tons was 8% lower than the total for 1989. Producers' shipments in the fourth quarter of 1990 were 33,788 tons, and inventories declined to 19,595 tons.

Producer's quoted prices for primary magnesium remained at \$1.63 per pound through most of the fourth quarter. In December, Dow Chemical Co. announced that it was reducing its quoted price by 20 cents to \$1.43 per pound, effective December 3, for spot customers and as terms permit for contract customers. The company cited the need to bring quoted prices closer to the actual market prices in both the United States and abroad. Magnesium Corp. of America's (MagCorp) list price for primary magnesium remained at \$1.63 per pound through yearend. The quoted price for diecasting alloy AZ91D remained at \$1.43 per pound throughout the fourth quarter.

Imports continued to increase, and the total through November 1990 was more than double that for the same period of 1989. Exports for the first 11 months of 1990 were 10% lower than those for the corresponding period of 1989.

Dow announced that it discontinued production of its PELAMAG™ granules at the beginning of 1991. These granules consisted of a spherical core of magnesium

encased in a coating of mixed inorganic salts and were used for steel desulfurization. The capacity at the company's Freeport, TX, plant will be used to produce other magnesium products that are preferred for steel desulfurization.

In Canada, Magnesium Co. of Canada Ltd. (MagCan) reportedly increased production in December 1990 at its High River, Alberta, plant to 6,250 tons per year. However, the plant operated at this capacity for only about 2 weeks until technical problems with some of the equipment occurred, forcing MagCan to curtail production. Despite these problems, MagCan expects the plant's production rate to reach 10,000 tons per year by mid-1991.

*Update:* MagCorp decreased its list price for primary magnesium to \$1.43 per pound, effective January 1, in response to Dow's earlier price cut. In addition, Dow lowered its quoted price for diecasting alloy to \$1.34 per pound, effective February 1. Both price cuts were spurred by capacity expansions in Canada, which brought about increased magnesium supply.

**NOTE:** The telephone number for the MINES-DATA computer bulletin board is (202) 634-4637 (2400,N,8,1). Data on magnesium and other metals are available on MINES-DATA up to 3 weeks sooner than through the mail. If you should need technical assistance or would like to receive a copy of the MINES-DATA instruction manual, please leave a message with the Bureau answering machine number (202) 634-9632.

**Table 1. — U.S. imports for consumption and exports of magnesium**

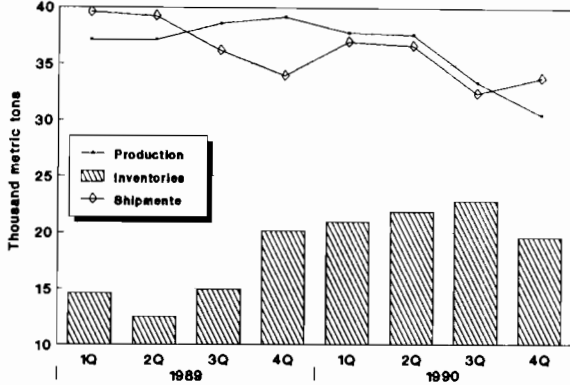
(Metric tons)

	1989 final	1990				
		Jan.- Aug.	Sept.	Oct.	Nov.	Jan.- Nov.
<b>Imports:</b>						
Metallic and scrap .....	7,652	<sup>1</sup> 12,053	2,378	2,679	1,798	18,908
Alloys (magnesium content) .....	3,830	2,895	180	277	973	4,325
Sheet, tubing, ribbons, wire, powder, and other (magnesium content) .....	808	693	134	160	130	1,117
<b>Total .....</b>	<b>12,290</b>	<b><sup>1</sup>15,641</b>	<b>2,692</b>	<b>3,116</b>	<b>2,901</b>	<b>24,350</b>
<b>Exports:</b>						
Metallic and scrap .....	44,639	28,387	3,105	4,000	3,867	39,359
Alloys (gross weight) .....	3,850	3,162	334	411	336	4,243
Sheet, tubing, ribbons, wire, powder, and other (gross weight) .....	8,145	2,850	236	429	446	3,961
<b>Total .....</b>	<b>56,634</b>	<b>34,399</b>	<b>3,675</b>	<b>4,840</b>	<b>4,649</b>	<b>47,563</b>

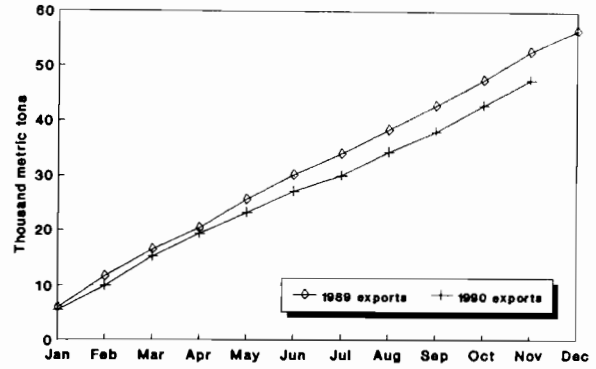
<sup>1</sup>Revised.

Source: Bureau of the Census.

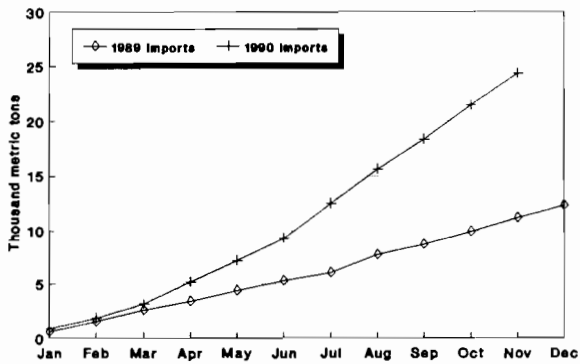
**Fig. 1 - U.S. primary magnesium production, shipments, and inventories**



**Fig. 2 - Magnesium exports 1989 and 1990 (Cumulative)**



**Fig. 3 - Magnesium imports 1989 and 1990 (Cumulative)**



**Fig. 4 - Magnesium import sources**

