

Mineral Industry Surveys

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MAGNESIUM IN THE FIRST QUARTER 2005

Exports of magnesium from January through February 2005 were about 45% lower than those in the same period of 2004. Magnesium imports through February 2005 were about 23% higher than those in the corresponding period of 2004. Russia (6%) and Israel (30%) were the principal sources of imported magnesium metal, and Canada (57%) and China (15%) were the principal sources of imported alloys.

Magnesium imports for 2004 were about 18% higher than those in 2003. Primary metal represented 35% of the total magnesium imports in 2004. Russia (60%) and Israel (26%) were the principal import sources. Magnesium alloys represented 52% of the total imports in 2004. Canada (45%) and China (35%) were the principal import sources. Exports of magnesium for 2004 were 42% lower than those in 2003. Canada (70%) and Mexico (20%) were the principal destinations.

Quoted magnesium prices are shown in the table at the bottom of the page. Prices fell in the first quarter. At the end of the quarter, Metal Bulletin was evaluating its China free market price, and no prices were published after the end of the first quarter.

Final antidumping duty orders on magnesium from China and Russia were published in April. For China, the final duties for magnesium alloy were 49.66% ad valorem for Tianjin Magnesium International Co. and Beijing Guangling Jinghua Science & Technology Co. Ltd. and 141.49% ad valorem as the China-wide rate. Magnesium covered under this order is classified under Harmonized Tariff Schedule (HTS) codes 8104.19.00 and 8104.30.00. The International Trade Commission also determined that critical circumstances did not

exist. As a result of this determination, antidumping duties were assessed on any material that entered the United States from China after October 4, 2004, which was the date that the preliminary duties were published. Material that entered between July 6, 2004, and October 4, 2004, will not be subject to antidumping duties because of the negative critical circumstances finding (U.S. Department of Commerce, International Trade Administration, 2005a). An antidumping duty order was established on magnesium ingot from China in 1995 (108.26% ad valorem), and a separate antidumping duty order was established on granular magnesium from China in 2001 (24.67% and 305.56% ad valorem).

For Russia, the antidumping duties were 21.71% ad valorem for JSC AVISMA Titanium-Magnesium Works, 18.65% ad valorem for Solikamsk Magnesium Works, and 21.01% for all others. The material covered under this order is classifiable under HTS codes 8104.11.00, 8104.19.00, 8104.30.00, and 8104.90.00 (U.S. Department of Commerce, International Trade Administration, 2005b).

In China in 2004, magnesium was produced by 136 companies in 10 provinces, primarily by the Pidgeon process. Total ingot production was reported to be 248,000 metric tons (t), compared with 182,000 t in 2003. The principal use for magnesium in China was as an alloying addition to aluminum (28%). Structural uses of magnesium (cast and wrought products) accounted for 27% of total consumption, and desulfurization of iron and steel accounted for 15%. Exports of magnesium in all forms totaled 384,000 t, of which 228,000 t was ingot. Europe, Asia, and the United States, in descending order, were the primary destinations for China's magnesium

| | Unit | Beginning of quarter | End of quarter |
|-------------------------------------|------------------------|----------------------|----------------|
| Metals Week U.S. spot Western | Dollars per pound | \$1.55-\$1.60 | \$1.50-\$1.58 |
| Metals Week U.S. spot dealer import | do. | 1.40-1.55 | 1.45-1.50 |
| Metals Week European free market | Dollars per metric ton | 1,850-1,900 | 1,750-1,850 |
| Metal Bulletin free market | do. | 1,890-1,940 | 1,830-1,850 |
| Metal Bulletin China free market | do. | 1,730-1,750 | 1,650-1,680 |

exports (Beijing Antaika Information Development Co., Ltd., 2005a).

Two magnesium projects were announced in Inner Mongolia. Weixin Magnesium Co. Ltd. began construction of a 20,000-metric-ton-per-year (t/yr) magnesium facility in March in Urad Front Banner industrial zone. The plant, which will recover magnesium by the Pidgeon process, was scheduled to be completed by the end of 2005. Inner Mongolia Zhongrun Magnesium Co. Ltd. planned to construct a 30,000-t/yr plant in Wuda industrial zone. The scheduled completion date for the facility is 2007 (Beijing Antaika Information Development Co., Ltd., 2005b).

Russian Aluminium announced that it would construct a 40,000-t/yr magnesium plant in the Volgograd region using locally mined bischofite as the raw material. The project was in the early planning stages (Magnesium.com, 2005¹).

¹References that include a section mark (§) are found in the Internet References Cited section.

References Cited

- Beijing Antaika Information Development Co., Ltd., 2005a, China's magnesium industry in 2004: China Metal Market—Precious & Minor Metals Monthly, no. 62, April, p. 7-10.
- Beijing Antaika Information Development Co., Ltd., 2005b, Magnesium: China Metal Market—Precious & Minor Metals Monthly, no. 63, May, p. 7-9.
- U.S. Department of Commerce, International Trade Administration, 2005a, Notice of antidumping order—Magnesium metal from the People's Republic of China: Federal Register, v. 70, no. 72, April 15, p. 19928-19930.
- U.S. Department of Commerce, International Trade Administration, 2005b, Notice of antidumping duty order—Magnesium metal from the Russian Federation: Federal Register, v. 70, no. 72, April 15, p. 19930-19931.

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- Magnesium.com, 2005 (February 28), Rusal to build 40,000 tpy magnesium plant, accessed March 8, 2005, at URL http://www.magnesium.com/w3/news-room/news_open.php?news=1968.

TABLE 1
U.S. IMPORTS FOR CONSUMPTION AND EXPORTS OF MAGNESIUM¹

(Metric tons)

| | 2004 | 2005 | | |
|---|---------------|--------------|--------------|------------------|
| | | January | February | January-February |
| Imports: | | | | |
| Metal | 34,300 | 2,280 | 4,630 | 6,920 |
| Waste and scrap | 11,700 | 754 | 1,140 | 1,890 |
| Alloys (magnesium content) | 51,500 | 4,750 | 3,990 | 8,740 |
| Sheet, tubing, ribbons, wire, powder, and other (magnesium content) | 1,200 | 59 | 79 | 138 |
| Total | 98,700 | 7,850 | 9,840 | 17,700 |
| Exports: | | | | |
| Metal | 1,760 | 1 | 21 | 21 |
| Waste and scrap | 4,790 | 398 | 474 | 872 |
| Alloys (gross weight) | 1,750 | 35 | 27 | 62 |
| Sheet, tubing, ribbons, wire, powder, and other (gross weight) | 3,530 | 150 | 152 | 302 |
| Total | 11,800 | 584 | 674 | 1,260 |

¹Data are rounded to no more than three significant digits; may not add to totals shown.

Source: U.S. Census Bureau.