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Mineral Industry Surveys

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MAGNESIUM IN THE FIRST QUARTER 2012

U.S. magnesium exports in the first quarter of 2012 were 39% more than exports in the first quarter of 2011. Canada (34%), Singapore (29%), and Mexico (24%) were the principal destinations. Magnesium imports for consumption in the first quarter of 2012 were 8% higher than those in the same period of 2011. Israel (90%) was the principal source of imported magnesium metal. China (34%) and Israel (30%) were the main sources of alloy imports. Magnesium scrap has become a substantial portion of total imports in the past several years. In the first quarter of 2012, scrap represented 45% of total imports, more than one-half of which came from Canada.

Quoted magnesium prices for the first quarter of 2012 are shown in table 2. Prices did not change appreciably in the first quarter. U.S. consumers reportedly were using magnesium that had been already delivered and drawing down inventories of magnesium that had been accumulated in 2011, so sales were minimal (Barry, 2012).

The U.S. International Trade Commission (ITC) decided to perform an expedited sunset review of antidumping duties on imports of granular magnesium from China. For an expedited review, the ITC generally does not hold a hearing or conduct further investigative activities. Commissioners base their injury determinations in expedited reviews on the facts available (U.S. International Trade Commission, 2012). Granular magnesium imports from China have had an antidumping duty of 305.56% ad valorem since 2001.

The U.S. Department of Commerce, International Trade Administration (ITA), revised the final results of its decision regarding imports of pure magnesium from Chinese firm Tianjin Magnesium International Co. Ltd. into the United States from May 1, 2006, through April 30, 2007, because the review was “tainted by fraud.” The ITA had originally calculated a dumping margin of 0.63% ad valorem, but amended the duty to 111.73% ad valorem (U.S. Department of Commerce, International Trade Administration, 2012).

CVM Minerals Ltd. (Hong Kong) resumed production at its primary magnesium plant in Perak, Malaysia, in mid-February after the plant had been shut down for maintenance in mid-2011. The company expected that production for 2012 would be 5,000 metric tons (t). The plant was expected to produce at its full capacity of 15,000 metric tons per year (t/yr) by mid-2013 (Yee, 2012).

POSCO Ltd. planned to start up its new 10,000-t/yr primary magnesium plant in Gangneung, Republic of Korea, in June. Construction of the $88 million plant began in June 2011, and POSCO planned to use dolomite from nearby mines as feedstock. POSCO has operated a 3,000-t/yr magnesium sheet plant in Suncheon for several years and expected to use a substantial portion of the magnesium from the new plant as feed material, but some magnesium may be shipped to Japan. POSCO planned to expand the primary magnesium plant’s capacity to 100,000 t/yr by 2018 (Platts Metals Week, 2012a).

China’s Shaanxi Fugu Tianyu Mineral Industrial Group Co. Ltd. planned to begin operating its newly completed 30,000-t/yr magnesium production line in the second half of 2012. The company operated a 15,000-t/yr magnesium plant in Fugu County, Shaanxi Province, and the new capacity would bring the company’s total to 45,000 t/yr (Platts Metals Week, 2012b).

According to the China Non-Ferrous Metals Industry Association, China’s reported magnesium production was 136,000 t in the first quarter of 2012, almost 13% lower than that in the same period in 2011 (Chao, 2012).

Aluminum and magnesium diecasting firm Spartan Light Metal Products Inc. announced that it planned to add two new production lines at its Mexico, MO, facility by 2017. One of the production lines would be to manufacture oil sumps and head covers for Volkswagen AG, and the other to make battery cases for General Motors Corp.’s electric vehicles. Spartan Light Metals also expected to increase production of parts for Toyota Corp.’s vehicles. The $12.5 million expansion was expected to create 42 new jobs (Long, 2012).

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TABLE 1
U.S. IMPORTS FOR CONSUMPTION AND EXPORTS OF MAGNESIUM[1]

(Metric tons)

		2012			
	2011	January	February	March	January–March
Imports for consumption:					
Metal	14,300	1,020	1,400	1,560	3,980
Waste and scrap	22,000	1,790	1,760	2,060	5,610
Alloys (magnesium content)	11,200	771	1,070	911	2,750
Sheet, tubing, ribbons, wire, powder, and other (magnesium content)	973	57	69	68	195
Total	48,400	3,640	4,300	4,600	12,500
Exports:					
Metal	5,520	670	900	601	2,170
Waste and scrap	1,680	355	192	270	817
Alloys (gross weight)	3,500	386	294	250	931
Sheet, tubing, ribbons, wire, powder, and other (gross weight)	1,620	152	137	183	472
Total	12,300	1,560	1,520	1,310	4,390

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

Source: U.S. Census Bureau.

TABLE 2
MAGNESIUM PRICES, FIRST QUARTER 2012

		Beginning of quarter	End of quarter
U.S. spot dealer import	dollars per pound	2.05–2.15	2.00–2.10
U.S. spot Western	do.	2.05–2.20	2.15–2.30
China	dollars per metric ton	3,000–3,050	2,980–3,010
European free market	do.	3,125–3,200	3,070–3,200

do. Ditto.

Source: Platts Metals Week.