

Mineral Industry Surveys

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MAGNESIUM IN THE FOURTH QUARTER 2018

Magnesium imports for consumption in the fourth quarter of 2018 were 13% less than imports in the third quarter of 2018 but 11% and 9% more than those in the fourth quarter of 2017 and the fourth quarter of 2016, respectively. Compared with those in the third quarter of 2018, imports of metal and scrap decreased by 23% and 17%, respectively, but imports of alloys increased by 23%, and semifabricated product imports increased slightly. Compared with those in the fourth quarter of 2017, imports of metal decreased by 18%, but imports of alloys, semifabricated products, and scrap increased by 154%, 9%, and 8%, respectively. For the full year, total magnesium imports increased by 11% compared with those in 2017; imports of alloys and scrap increased by 36% and 31%, respectively, but imports of metal and semifabricated products decreased by 15% and slightly, respectively, compared with those in 2017. In the fourth quarter of 2018, magnesium metal accounted for 26% of the imports with Israel (57%), Russia (29%), and Canada (8%) being the leading sources (fig. 1). Scrap accounted for 48% of the imports in the fourth quarter of 2018, with Canada (37%), Mexico (26%), and Spain (10%) as the leading sources (table 1).

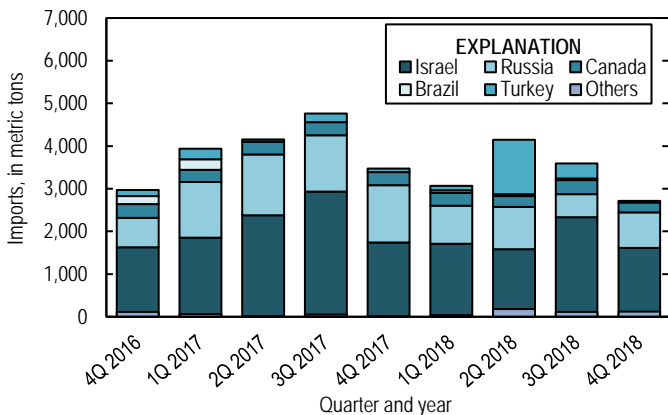


Figure 1. Quarterly imports of magnesium metal from the fourth quarter of 2016 through the fourth quarter of 2018. Source: U.S. Census Bureau.

U.S. magnesium exports in the fourth quarter of 2018 were 40% more than exports in the third quarter of 2018, 32% more

than those in the fourth quarter of 2017, but 37% less than those in the fourth quarter of 2016. Canada (47%), Mexico (31%), and Brazil (7%) were the principal destinations. Exports of metal, alloys, and scrap increased by 21%, 44%, and 295%, respectively, but semifabricated product exports decreased by 7% compared with exports in the third quarter of 2018. Compared with those in the fourth quarter of 2017, metal exports decreased by 9%, but exports of alloys, semifabricated products, and scrap increased by 40%, 11%, and 68%, respectively. For the full year, total magnesium exports decreased by 10% compared with those in 2017; exports of metal, alloys, and scrap decreased by 21%, 9%, and 35%, respectively, but exports of semifabricated products increased by 17% compared with those in 2017 (table 1).

The U.S. spot Western average price for magnesium increased by 5% in the fourth quarter of 2018. The average U.S. spot dealer price for imported magnesium increased by 23% during the fourth quarter of 2018. Outside of the United States, average magnesium prices in China increased by 14%, but in Europe, the price decreased slightly, during the quarter (table 2). The 2018 average annual U.S. spot Western average price for magnesium increased slightly and the U.S. spot dealer price increased by 8% compared with prices in 2017. The 2018 average annual prices for magnesium in China and Europe increased by 11% and 13%, respectively, compared with prices in 2017.

Update

On December 7, 2018, the U.S. International Trade Commission (USITC) voted to continue the antidumping and countervailing duty investigations that were initiated on November 15, 2018, to determine if magnesium imported from Israel was sold at less than fair value or unfairly subsidized. US Magnesium LLC filed a complaint alleging dumping and subsidies of magnesium from Israel. (See Magnesium in the Third Quarter of 2018.) The decision was cited for the increase in magnesium prices in the United States during the fourth quarter of 2018 and tight supplies in the first quarter of 2019. Initially, a preliminary countervailing duty determination was

expected by January 17, 2019, and the preliminary antidumping determination was expected by April 2, 2019, but Dead Sea Magnesium Ltd., the subject of the investigation, was granted extensions and the determinations were not expected until early May 2019 (McBeth, 2018, 2019a, 2019b).

References Cited

McBeth, Karen, 2018, US magnesium prices rise after ITC continues case: Platts Metals Daily, v. 7, no. 247, December 14, p. 9–11.

McBeth, Karen, 2019a, US Commerce Dept expected to issue first Israel Mg decision in May: Platts Metals Daily, v. 8, no. 45, March 5, p. 5–6.
McBeth, Karen, 2019b, US magnesium prices steady as supply tightens: Platts Metals Daily, v. 8, no. 49, March 11, p. 5–7.

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

(Metric tons)

	2017	2018				
		January– September	October	November	December	January– December
Imports for consumption:						
Metal	16,500	11,100	887	987	970	14,000
Waste and scrap	16,900	16,900	1,520	2,100	1,640	22,200
Alloys (magnesium content)	5,290	5,180	266	582	1,180	7,210
Sheet, tubing, ribbons, wire, powder and other (magnesium content)	3,270	2,480	243	248	255	3,220
Total	41,900	35,700	2,920	3,920	4,040	46,600
Exports:						
Metal	1,890	1,170	86	104	129	1,490
Waste and scrap	1,200	476	120	37	151	784
Alloys (gross weight)	8,900	5,340	772	847	1,100	8,060
Sheet, tubing, ribbons, wire, powder and other (gross weight)	1,660	1,510	195	113	136	1,950
Total	13,700	8,480	1,170	1,100	1,520	12,300

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

Source: U.S. Census Bureau.

TABLE 2
MAGNESIUM PRICES, FOURTH QUARTER 2018

		Beginning of quarter	End of quarter
U.S. dealer import	dollars per pound	1.52-1.57	1.85-1.95
U.S. spot Western	do.	2.10-2.20	2.20-2.30
China	dollars per metric ton	2,600-2,630	2,970-3,000
European free market	do.	2,650-2,750	2,575-2,700
do. Ditto.			

Source: Platts Metals Week.