

Mineral Industry Surveys

For information, contact:

E. Lee Bray, Magnesium Commodity Specialist
 National Minerals Information Center
 U.S. Geological Survey
 989 National Center
 Reston, VA 20192
 Telephone: (703) 648-4979, Fax: (703) 648-7757
 Email: lbray@usgs.gov

Robin C. Kaiser (Data)
 Telephone: (703) 648-7948
 Fax: (703) 648-7975
 Email: rkaiser@usgs.gov

Internet: <https://www.usgs.gov/centers/nmic>

MAGNESIUM IN THE SECOND QUARTER 2019

Magnesium imports for consumption in the second quarter of 2019 were 6% more than imports in the first quarter of 2019, and 13% and 38% more than those in the second quarter of 2018 and the second quarter of 2017, respectively. Compared with those in the first quarter of 2019, imports of metal and scrap increased by 25% and 4%, respectively, and imports of semifabricated products increased slightly, but imports of alloys decreased by 17%. Compared with those in the second quarter of 2018, imports of scrap increased by 41% but imports of alloys and semifabricated products decreased by 12% and 27%, respectively, and imports of metal decreased slightly. In the second quarter of 2019, magnesium metal accounted for 29% of the imports, with Israel (64%) and Russia (24%) being the leading sources (fig. 1). Scrap accounted for 53% of the imports in the second quarter of 2019, with Canada (28%), Mexico (20%), and China (15%) as the leading sources (table 1).

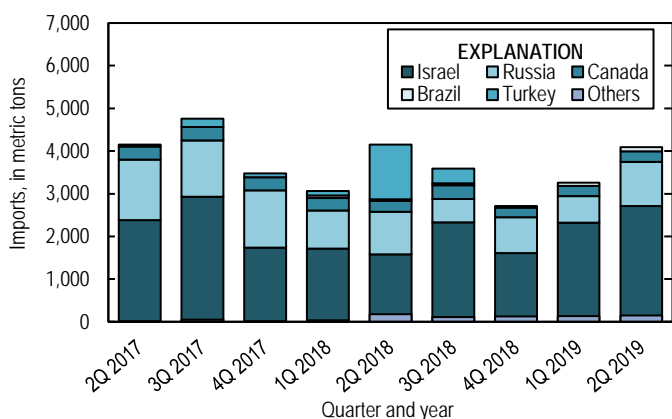


Figure 1. Quarterly imports of magnesium metal from the second quarter of 2017 through the second quarter of 2019. Source: U.S. Census Bureau.

U.S. magnesium exports in the second quarter of 2019 were 29% less than exports in the first quarter of 2019, 41% less than those in the second quarter of 2018, and 44% less than those in the second quarter of 2017. Canada (43%) and Mexico (22%) were the principal destinations. Exports of alloys decreased by

78% compared with those in the first quarter of 2019 but exports of metal, semifabricated products, and scrap increased by 8%, 97%, and 95%, respectively, compared with exports in the first quarter of 2019. Compared with those in the second quarter of 2018, exports of metal and alloys decreased by 20% and 81%, respectively, but exports of semifabricated products and scrap increased by 42%, and 61%, respectively (table 1).

The U.S. spot Western average price for magnesium increased by 4% in the second quarter of 2019. The average U.S. spot dealer price for imported magnesium increased by 8% during the second quarter of 2019. In Europe, the price decreased by 8%, during the quarter (table 2).

Update

On July 2, the U.S. International Trade Commission issued a preliminary determination that Dead Sea Magnesium Ltd. (DSM) would be subject to an antidumping duty for magnesium produced in Israel at the rate of 193.24%. In May, the Department of Commerce assigned preliminary countervailing duties of 7.48% on magnesium produced in Israel by DSM. US Magnesium LLC filed a complaint alleging dumping and subsidies of magnesium from Israel during the period of January 1, 2017, to December 31, 2017. (See Magnesium in the First Quarter 2019.) The final determination on countervailing and antidumping duties was expected in November (McBeth, 2019a; U.S. Department of Commerce, International Trade Administration, 2019).

Kar Maden San. ve Tic. A.Ş. continued the rampup of the primary magnesium plant in Eskisehir, Turkey. The 15,000-metric-ton-per-year (t/yr) smelter was restarted in May after being shut down since May 2018. (See Magnesium in the First Quarter 2019.) By mid-July the plant was producing at a rate of about 9,000 t/yr and was expected to reach a rate of about 12,000 t/yr by yearend (McBeth, 2019b).

References Cited

McBeth, Karen, 2019a, Dead Sea Magnesium hit with 193.24% preliminary US antidumping duty: *Platts Metals Daily*, v. 8, no. 128, July 2, p. 7.

McBeth, Karen, 2019b, Turkish magnesium plant sends first US shipment to offset potential supply shortfall: *Platts Metals Daily*, v. 8, no. 141, July 19, p. 1, 8–9.

U.S. Department of Commerce, International Trade Administration, 2019, Magnesium from Israel—Preliminary affirmative determination of sales at less than fair value, postponement of final determination, and extension of provisional measures: *Federal Register*, v. 84, no. 131, July 9, p. 32712–32714. (Accessed September 9, 2019 at <https://www.govinfo.gov/content/pkg/FR-2019-07-09/pdf/2019-14557.pdf>.)

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

(Metric tons)

	2018	2019				
		January– March	April	May	June	January– June
Imports for consumption:						
Metal	14,000	3,400	1,360	1,450	1,440	7,630
Waste and scrap	22,200	7,510	2,540	2,950	2,320	15,300
Alloys (magnesium content)	7,210	2,200	589	762	475	4,030
Sheet, tubing, ribbons, wire, powder, and other (magnesium content)	3,230 ^r	775	244	263	277	1,560
Total	46,600	13,900	4,730	5,420	4,510	28,500
Exports:						
Metal	1,460 ^r	273	64	107	123	567
Waste and scrap	784	182	108	132	115	537
Alloys (gross weight)	8,060	1,730	147	136	94	2,110
Sheet, tubing, ribbons, wire, powder, and other (gross weight)	1,950	423 ^r	120	277	435	1,260
Total	12,300	2,610	439	652	766	4,470

^rRevised.

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, SECOND QUARTER 2019

		Beginning of quarter	End of quarter
U.S. spot dealer import	dollars per pound	2.20-2.30	2.30-2.55
U.S. spot Western	do.	2.30-2.35	2.30-2.55
China	dollars per metric ton	2,550-2,650	NA
European free market	do.	2,650-2,750	2,420-2,550
do. Ditto. NA Not available.			

Source: Platts Metals Week.