

Mineral Industry Surveys

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MAGNESIUM IN THE THIRD QUARTER 2020

Total magnesium imports for consumption in the third quarter of 2020 were 13,500 metric tons (t), 9% more than imports in the second quarter of 2020, 10% more than those in the third quarter of 2019, and 8% more than those in the third quarter of 2018.

Compared with those in the second quarter of 2020, imports of alloys and scrap increased by 22% and 81%, respectively, but imports of metal decreased by 40% and imports of semifabricated products decreased slightly. In the third quarter of 2020, magnesium metal accounted for 24% of the imports, with Turkey (57%) and Russia (30%) being the leading sources (fig. 1). Scrap accounted for 46% of the imports in the third quarter of 2020, with Canada (40%), China (25%), and Mexico (20%) as the leading sources. Alloys accounted for 25% of the imports, with Taiwan (34%), the Czech Republic (19%), Hungary (18%), and Germany (10%) as the leading sources (table 1).

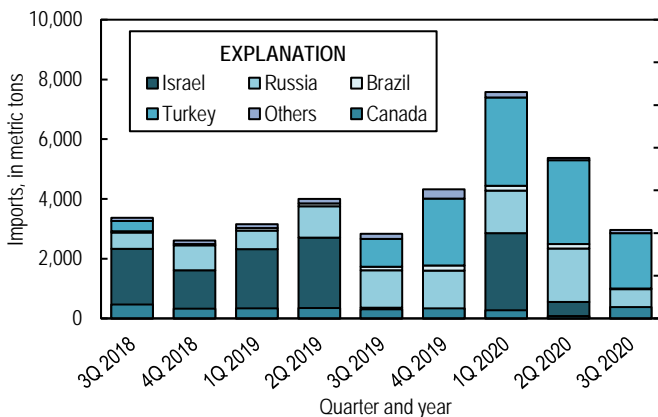


Figure 1. Quarterly imports of magnesium metal from the third quarter of 2018 through the third quarter of 2020. Source: U.S. Census Bureau.

Total magnesium exports in the third quarter of 2020 were 100% more than exports in the second quarter of 2020, 79% more than those in the third quarter of 2019 and 47% more than those in the third quarter of 2018. Canada (59%), Mexico

(16%), the Czech Republic (9%), and Serbia (8%) were the leading export destinations in the third quarter of 2020. Canada received more than 99% of metal, 51% of alloy, and 16% of semifabricated product exports. Mexico received 47% of alloy and 30% of semifabricated product exports. Serbia and the Czech Republic received 54% and 34%, respectively, of scrap exports.

Exports of metal, semifabricated products, and scrap increased by 43%, 55%, and 81%, respectively, compared with exports in the second quarter of 2020. Exports of alloys increased from 17 t in the second quarter of 2020 to 985 t in the third quarter of 2020 (table 1).

The U.S. spot Western average price for magnesium decreased by 5% in the third quarter of 2020. The average U.S. spot dealer price for imported magnesium decreased by 3% during the third quarter of 2020. In Europe, the average price was 5% less at the end of the quarter compared with that of the beginning of the quarter (table 2).

Update

Magnesium prices generally trended downward throughout the third quarter of 2020, attributed to decreased demand as a result of the COVID-19 pandemic. Many consumers in the United States have surplus magnesium contracted for delivery in 2020 and have deferred deliveries to 2021 according to industry sources. In the United States, magnesium consumption by aluminum smelters continued to be less than that in 2019. Although industry sources estimate that diecasting volumes are about 15% less for the first 9 months of 2020 compared with volumes for the same period in 2019, some diecasters report recent increased demand from customers. In Europe, prices decreased during the third quarter as producers in China had high inventory levels even though some capacity had been shut down. Several producers in China were reported to be selling inventories at lower prices to raise cash even though prices for raw materials like coal and ferrosilicon were firm (Leung, 2020; McBeth, 2020).

References Cited

- Leung, Joshua, 2020, China's magnesium output to fall 7% on year in 2020; exports to fall 18%—CNIA: Platts Metals Daily, v. 9, no. 194, October 1, p. 6.
- McBeth, Karen, 2020, US, Europe magnesium prices pause, seeking direction ahead of 2021: Platts Metals Daily, v. 9, no. 195, October 2, p. 5–6.

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

(Metric tons)

	2020				
	2019	July	August	September	January– September ²
Imports for consumption:					
Metal	15,200 ^r	1,190	1,230	815	16,400
Waste and scrap	32,100	1,980	1,890	2,290	17,700
Alloys (magnesium content)	8,210	766	1,370	1,200	11,300
Sheet, tubing, ribbons, wire, powder, and other (magnesium content)	3,220	228	271	244	2,370
Total	58,800 ^r	4,160	4,760	4,550	47,800
Exports:					
Metal	1,440	384	516	834	4,110
Waste and scrap	933 ^r	172	193	266	1,410
Alloys (gross weight)	4,460	206	356	423	1,950
Sheet, tubing, ribbons, wire, powder, and other (gross weight)	2,940	252	257	138	1,860
Total	9,770	1,010	1,320	1,660	9,330

^rRevised.

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

²May include revisions to previously published data.

Source: U.S. Census Bureau.

TABLE 2
MAGNESIUM PRICES, THIRD QUARTER 2020

		Beginning of quarter	End of quarter
U.S. spot dealer import	dollars per pound	2.20-2.35	2.15-2.25
U.S. spot Western	do.	2.35-2.55	2.30-2.35
European free market	dollar per metric ton	1,980-2,070	1,900-1,950
do. Ditto.			

Source: Platts Metals Week.