

Mineral Industry Surveys

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MAGNESIUM METAL IN THE SECOND QUARTER 2022

All forms of magnesium metal imports for consumption in the second quarter of 2022 were 25,700 metric tons (t), 158% more than the imports in the first quarter of 2022, 122% more than those in the second quarter of 2021, and 170% more than those in the second quarter of 2020 (table 1).

Compared with the imports in the first quarter of 2022, imports of metal, alloys, semifabricated products, and scrap increased by 88%, 55%, 34%, and 41%, respectively. In the second quarter of 2022, magnesium metal accounted for 34% of the imports, with Israel (57%) and Turkey (27%) being the leading sources (fig. 1). Scrap accounted for 34% of the imports in the second quarter of 2022, with Canada (22%), India (21%), Mexico (14%), and Czechia (12%) as the leading sources. Alloys accounted for 28% of the imports, with Czechia (26%), Taiwan (17%), Hungary (16%), Israel (11%), and Canada (9%) as the leading sources (table 1).

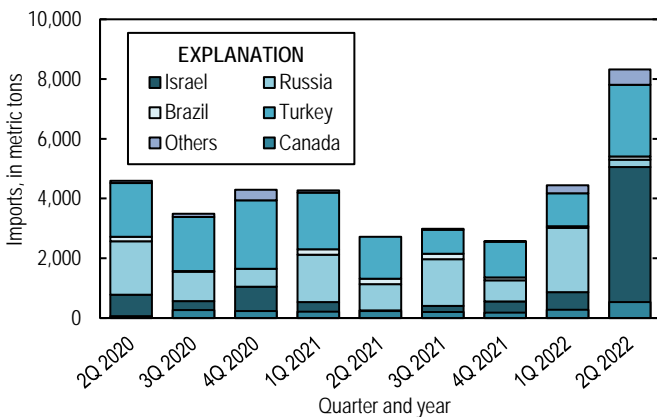


Figure 1. Quarterly imports of magnesium metal from the second quarter of 2020 through the second quarter of 2022. Source: U.S. Census Bureau, adjusted by USGS.

Total magnesium metal exports in the second quarter of 2022 were 22% more than exports in the first quarter of 2022, 3% more than those in the second quarter of 2021, but slightly less than those in the second quarter of 2020. Exports of scrap and semifabricated products increased by 171% and 36%, respectively, compared with exports in the first quarter of 2022.

These increases were offset by decreased exports of metal and alloys, which declined by 54% and 68%, respectively (table 1). Serbia (21%), Canada (16%), the Republic of Korea (12%), Mexico (10%), and the Netherlands (7%) were the leading destinations for magnesium exports in the second quarter of 2022. Canada received 29% of metal, 30% of alloys, 7% of semifabricated product, and 20% of scrap exports. The United Kingdom received 52% of metal exports. Mexico received 63% of alloy exports. The Republic of Korea and Mexico received 30% and 23%, respectively, of semifabricated product exports. Serbia and The Netherlands received 45% and 12%, respectively, of scrap exports.

The U.S. spot dealer import and the U.S. spot Western price average prices for magnesium each decreased slightly in the second quarter of 2022. At the end of June 2022, both the U.S. spot dealer import and the U.S. spot Western average prices were \$8.75 per pound compared with \$9.00 per pound at the beginning of April 2022. In Europe, the average price was 43% less at the end of the quarter compared with that of the beginning of the quarter, going to \$4,100 per metric ton from \$7,250 per metric ton (table 2). The price decline in Europe was attributed to increased exports from China and decreased demand in China (S&P Global Platts Metals Daily, 2022).

Update

Increased magnesium imports to the United States and prices remaining near recent highs were attributed to concerns about ongoing production issues at US Magnesium LLC’s smelter in Rowley, UT. On September 29, 2021, US Magnesium declared force majeure and notified customers with contracts that deliveries would be adjusted, citing an equipment failure at its 63,500-metric-ton-per-year smelter. (See Magnesium in the Third Quarter 2021.) Although the company has not commented on the situation recently, some customers have reported that deliveries have not returned to contracted levels. On July 7, 2022, Kaiser Aluminum Corp. declared force majeure and notified customers that can sheet deliveries would be decreased citing a stop of magnesium shipments from US Magnesium. Kaiser stated that US Magnesium had been delivering approximately one half of its contracted volume of magnesium until deliveries stopped. The rolling mill that is an important

source of can sheet for the beverage industry would decrease output by about 50% in the third quarter, using magnesium from other suppliers (Jonson, 2022; Lazzaro, 2022).

S&P Global Platts Metals Daily, 2022, China's magnesium hub's Jan-May output dips 7.2% on year: S&P Global Platts Metals Daily, v. 11, no. 127, June 29, p. 4.

References Cited

Jonson, Nick, 2022, US magnesium prices steady; industrial concerns looking ahead to Q4, 2023: S&P Global Platts Metals Daily, v. 11, no. 144, July 22, p. 7-8.

Lazzaro, Nick, 2022, Kaiser issues force majeure at Indiana aluminum mill on magnesium shortage: S&P Global Platts Metals Daily, v. 11, no. 134, July 8, p. 1, 11.

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

(Metric tons)

	2022				
	2021	April	May	June	January- June
Imports for consumption:					
Metal	13,400	1,510	2,890	4,460	13,600
Waste and scrap	19,000	2,820	2,890	2,960	14,800
Alloys (magnesium content)	14,100	2,000	1,930	3,160	11,700
Sheet, tubing, ribbons, wire, powder, and other (magnesium content)	3,390	245	328	497	1,870
Total	49,900	6,580	8,040	11,100	42,000
Exports:					
Metal	1,690	5	38	27	224
Waste and scrap	1,510	274	268	395	1,280
Alloys (gross weight)	2,440 ^r	50	56	64	706
Sheet, tubing, ribbons, wire, powder, and other (gross weight)	1,950	395	280	133	1,400
Total	7,590	724	642	621	3,610

^rRevised.

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

Source: U.S. Census Bureau; data adjusted by the U.S. Geological Survey.

TABLE 2
MAGNESIUM PRICES, SECOND QUARTER 2022

		Beginning of quarter	End of quarter
U.S. spot dealer import	dollars per pound	8.00–10.00	8.00–9.50
U.S. spot Western	do.	8.00–10.00	8.00–9.50
European free market	dollar per metric ton	7,100–7,400	4,000–4,200
do. Ditto.			

Source: S&P Global Platts Metals Week.