

Mineral Industry Surveys

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TIN IN NOVEMBER 2003

Domestic consumption of primary tin in November was estimated by the U.S. Geological Survey to be about 1% less than that in October and the same as that in November 2002. The Platts Metals Week average composite price for tin in November was \$3.64 per pound, 1% above that in October and 21% above that in November 2002. The price of tin has increased rather steadily throughout 2003.

The 3-month tin contract price on the London Metal Exchange continued to move sharply higher in recent months, reaching a 46-month high due to frenzied fund buying and a shortage of supply. The 3-month tin price stood at \$5,750 per metric ton (t) on December 5, a level not seen since February 7, 2000, when the official bid price stood at \$5,740 per t. Industry sources attributed the price rise to a decrease in supply caused by a lingering strike action at Bolivia's Huanuni tin mine, and a halt to tin concentrate exports from Indonesia (Platts Metals Week, 2003a).

International Steel Group (ISG) announced that it was launching an initial public offering of its common stock by selling 15 million shares at an estimated offer price range of \$22-\$24 per share. ISG ranks as the second largest domestic integrated steel producer, behind U.S. Steel Corp. ISG acquired bankrupt LTV Steel Corp. 2 years ago, and bankrupt Bethlehem Steel Corp. in early 2003. ISG operates Bethlehem's Sparrows Point, MD, steel plant, a major tinplate producer (Platts Metals Week, 2003b).

The creditors of Murchison United (Australia) have voted in favor of a "deed of company arrangement" that would swap debts owed by Murchison's Renison Bell tin mine in Tasmania for shares in Murchison. The creditors would be issued one Murchison share for every Australian dollar of debt owed by Renison, which totals about \$12 million. The arrangement was expected to be finalized by the end of December 2003. Murchison appointed an administrator at Renison after placing the mine on care-and-maintenance. Renison's assets, which also include a 50% stake in the Maroochydore copper project in Western Australia, are to be sold and the proceeds used to meet the administrator's costs, employee entitlements, and a Tasmanian government loan, with the balance to creditors.

Murchison indicated that the sale of the mine was proceeding, with a number of parties having completed due diligence and currently in discussions with the administrator (Platts Metals Week, 2003d).

The Liuzhou China Tin Group in Guangxi province (China) announced plans to continue to produce tin metal at about 60% of its 25,000 metric-ton-per-year (t/yr) capacity in 2004 owing to prevailing tight feed supplies. Liuzhou has projected an output of 14,000 t for 2003, which is 40% higher than that of 2002. Concentrate has been difficult to obtain since the closure in 2001 of its Nandan tin mine which used to provide about 10,000 t/yr of the company's feed supply (Platts Metals Week, 2003c).

Malaysia Smelting Corporation Sdn Bhd. announced that it will form a wholly owned Indonesian unit which will enter a joint venture with Indonesia's PT Mitra Stania Prima to explore for and mine tin in designated areas of Indonesia's Bangka Island. Malaysia Smelting's board of directors has allocated \$1.8 million for exploration during 2004 and 2005. Malaysia Smelting, which is 38%-owned by Malaysia Mining Corporation Bhd, contributes about 15% of the world's total refined tin production (Metal-Pages, 2003§¹).

More than 60 delegates from China's canmaking industry attended the first seminar organized in Shanghai by Tin Technology Limited (United Kingdom). The forum was attended by steelmakers, canmakers, lacquer suppliers, and can fillers. Chinese annual tinplate production capacity has increased five-fold since 1996 to 1 million metric tons (Mt), with domestic consumption at about 1.2 Mt. Current collaborative technical programs between Tin Technology and Chinese canmakers include lacquer performance and optimizing tin and coatings levels on tinplate (The Canmaker, 2003a).

In Germany, turmoil continues about the Government's mandatory deposit system on one-way beverage packaging. Beverage Can Makers Europe (BCME), the organization that represents the European beverage can producers, relayed the

¹A reference that includes a section mark (§) is found in the Internet Reference Cited section.

fear that unless there is a moratorium on the deposit system, beverage cans may virtually disappear from the market. Beverage can sales in Germany declined by 80% in 2003. Germany ranks as the second largest national market in Europe for beverage cans, after the United Kingdom. In Europe, most beverage cans are made from tinplate (The Canmaker, 2003b).

Update

On January 2, 2003, the Platts Metals Week composite price for tin was \$4.38 per pound.

References Cited

Canmaker, The, 2003a, East meets west at tinplate seminar: The Canmaker, v. 16, December, p. 12-13.

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Platts Metals Week, 2003a, Fund buying rockets tin to 46-month high: Platts Metals Week, v. 74, no. 49, December 8, p. 9.
Platts Metals Week, 2003b, International Steel launches IPO: Platts Metals Week, v. 74, no. 49, December 8, p. 12.
Platts Metals Week, 2003c, Liuzhou 2004 output limited by feedstock shortage: Platts Metals Week, v. 74, no. 51, December 22, p. 13.
Platts Metals Week, 2003d, Murchison settles Renison debt: Platts Metals Week, v. 74, no. 48, December 1, p. 12.

Internet Reference Cited

Metal-Pages, 2003 (December 29), Malaysia Smelting to enter Indonesian JV, accessed January 2, 2004, at URL <http://www.metal-pages.com>.

TABLE 1
SALIENT TIN STATISTICS¹

(Metric tons, unless otherwise noted)

	2003			
	2002	October	November	January- November
Production, secondary ^{e,2}	10,000	900	900	9,900
Consumption:				
Primary	34,000	3,100	3,060	34,200
Secondary	5,830	716	714	7,740
Imports for consumption, metal	42,200	2,220	NA	NA
Exports, metal	2,940	297	NA	NA
Stocks at end of period	9,100	6,190	6,330	XX
Prices (average cents per pound): ³				
Metals Week composite ⁴	291.97	359.21	364.20	XX
Metals Week New York dealer	194.75	248.33	251.71	XX
London, standard grade, cash	184.00	237.00	243.00	XX
Kuala Lumpur	184.35	236.42	239.92	XX

^eEstimated. NA Not available. XX Not applicable.

¹Data are rounded to no more than three significant digits, except prices.

²Includes tin recovered from alloys and tinplate. The detinning of tinplate (coated steel) yields only a small part of the total.

³Source: Platts Metals Week.

⁴The Metals Week composite price is a calculated formula, not a market price, that includes fixed and finance charges, and a risk factor. It is normally substantially higher than other tin prices.

TABLE 2
METALS WEEK COMPOSITE PRICE¹

(Cents per pound)

Period	High	Low	Average
2002:			
November	306.01	297.88	301.54
December	306.94	298.78	302.37
Year	316.83	267.12	291.97
2003:			
January	320.43	303.14	313.84
February	333.87	310.69	322.82
March	330.75	318.70	323.84
April	326.53	317.74	321.54
May	333.80	325.19	330.58
June	335.08	324.38	329.44
July	335.48	324.04	331.38
August	339.23	332.37	335.84
September	347.80	336.59	340.70
October	366.28	346.47	359.21
November	373.73	356.40	364.20

¹The Metals Week composite price is a calculated formula, not a market price, that includes fixed and finance charges, and a risk factor. It is normally substantially higher than other tin prices.

Source: Platts Metals Week.

TABLE 3
TINPLATE PRODUCTION AND SHIPMENTS IN THE UNITED STATES¹

(Metric tons, unless otherwise noted)

Period	Tinplate waste (waste, strips, cobble, etc.) (gross weight)	Tinplate (all forms)			Shipments ²
		Gross weight	Tin content	Tin per metric ton of plate (kilograms)	
2002	45,900	2,450,000	7,750	3.2	2,100,000
2003:					
January	2,790	216,000	642	3.0	180,000
February	2,510	214,000	640	3.0	156,000
March	W	225,000	686	3.1	156,000
April	W	217,000	704	3.2	165,000
May	1,780	215,000	536	2.5	158,000
June	W	208,000	732	3.5	173,000
July	W	205,000	659	3.2	176,000
August	W	199,000	692	3.5	170,000
September	W	198,000	625	3.2	169,000
October	W	203,000	635	3.1	163,000
November	W	198,000	618	3.1	NA

NA Not available. W Withheld to avoid disclosing company proprietary data.

¹Data are rounded to no more than three significant digits.

²Source: American Iron and Steel Institute monthly publication.

TABLE 4
U.S. TIN IMPORTS FOR CONSUMPTION AND EXPORTS¹

(Metric tons)

Country or product	2003			January- October
	2002	September	October	
Imports:				
Metal (unwrought tin):				
Bolivia	6,150	375	130	5,280
Brazil	4,840	200	150	2,590
China	7,600	233	372	3,680
Indonesia	3,340	210	160	2,790
Malaysia	122	40	40	405
Peru	19,900	1,040	1,190	15,700
Russia	21	--	--	--
United Kingdom	2	--	--	104
Other	264	165	181	892
Total	42,200	2,260	2,220	31,500
Other (gross weight):				
Alloys	3,530	423	201	2,910
Bars and rods	224	23	26	291
Foil, tubes, pipes	1	(2) ^r	(2)	4
Plates, sheets, strip	128	38	27	185
Waste and scrap	561	51	84	820
Miscellaneous	7,810	214	280	2,180
Total	12,300	749	618	6,390
Exports (metal)	2,940	362	297	3,000

^rRevised. -- Zero.

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

²Less than 1/2 unit.

Source: U.S. Census Bureau.

TABLE 5
CONSUMPTION OF TIN IN THE UNITED STATES, BY FINISHED PRODUCT¹

(Metric tons of contained tin)

Product	2003							
	2002	October			November			January- November
		Primary	Secondary	Total	Primary	Secondary	Total	
Alloys (miscellaneous) ²	W	141 ^r	W	141 ^r	171	W	171	1,670
Babbitt	1,310	11	W	11	11	W	11	191
Bar tin and anodes	617	16	W	16	14	W	14	227
Bronze and brass	3,040	112	139	251	98	137	235	2,270
Chemicals	8,400	697	W	697	697	W	697	7,670
Collapsible tubes and foil	W	W	W	W	W	W	W	W
Solder	13,800	767	265	1,030	755	265	1,020	11,500
Tinning	679	39	--	39	39	--	39	406
Tinplate ³	7,750	635	--	635	618	--	618	7,100
Tin powder	W	W	--	W	W	--	W	W
White metal ⁴	1,320	W	--	W	W	--	W	W
Other	2,920	86	12	98	56	12	68	1,050
Total reported	39,800	2,500	416	2,920	2,460	414	2,870	32,100
Estimated undistributed consumption ⁵	--	600	300	900	600	300	900	9,900
Grand total	39,800	3,100	716	3,820	3,060	714	3,770	42,000

^rRevised. W Withheld to avoid disclosing proprietary data; included with "Other." -- Zero.

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

²Includes terne metal.

³Includes secondary pig tin and tin components of tinplating chemical solutions.

⁴Includes pewter, britannia metal, and jewelers' metal.

⁵Estimated consumption of plants reporting on an annual basis.