

Mineral Industry Surveys

For information, contact:

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

Paula R. Neely (Data)
Telephone: (703) 648-7949
Fax: (703) 648-7975
E-mail: pneely@usgs.gov

Internet: <http://minerals.usgs.gov/minerals>

MAGNESIUM IN THE FOURTH QUARTER 2012

U.S. magnesium exports in 2012 were 49% more than exports in 2011. Canada (32%), Mexico (26%), and Singapore (20%) were the principal destinations. Exports of alloys more than doubled, accounting for most of the increase of magnesium exports. Magnesium imports for consumption in 2012 were 5% more than those in 2011. Israel (82%) was the principal source of imported magnesium metal. China (33%) and Israel (28%) were the main sources of alloy imports. In 2012, scrap accounted for 41% of the total imports, 48% of which came from Canada.

The quoted U.S. magnesium price ranges (table 2) remained unchanged during the fourth quarter of 2012, while those in China and Europe decreased slightly during the quarter. The yearend U.S. dealer price range was slightly lower than at the beginning of 2011, while the spot Western price range increased slightly. Through November, magnesium production in China of 653,000 metric tons (t) was slightly less than that in the same period of 2011 (Yee, 2013b).

The U.S. Court of International Trade (CIT) reinstated an antidumping duty of 15.77% ad valorem assessed on magnesium metal imported into the United States from Russia by VSMPO-Avisma Corp. during the period of April 1, 2006, through March 31, 2007. In the original ruling on the case, the 15.77% rate had been imposed, but VSMPO-Avisma appealed and the rate was subsequently lowered to 8.51% ad valorem by the CIT. However, that ruling was appealed to the U.S. Court of Appeals for the Federal Circuit which ordered the CIT to reinstate the 15.77% rate (U.S. Department of Commerce, International Trade Administration, 2012).

In 2011, the European Union, Mexico, and the United States filed a complaint with the World Trade Organization (WTO) concerning Chinese export taxes on several mineral products, including magnesium. The WTO ruled that the export taxes violated international trade agreements, and on January 1, 2013, the Chinese Government removed the 10% export tax on magnesium ingot and alloys (American Metal Market, 2012; Yee, 2013b).

Exports of magnesium from China were expected to increase during 2013 compared with exports in 2012 after the export tax was removed, as producers expanded capacity and restarted capacity idled during shortages of coke gas during 2012. However, export growth was expected to be limited by continued weak demand from overseas markets.

Tianyu Mineral Industrial Group completed expansion of its magnesium smelter in Fugu County, Shaanxi Province, during the fourth quarter of 2012. Capacity increased to 45,000 metric tons per year (t/yr) from 15,000 t/yr and Tianyu planned to complete the ramp up in the first quarter of 2013 (Yee, 2013c).

Taiyuan Yiwei Magnesium Co. Ltd. planned to increase magnesium production to 40,000 t in 2013 from 30,000 t in 2012. Although Taiyuan Yiwei had 134,000 t/yr of magnesium ingot capacity, shortages of coking gas, low magnesium prices, and weak demand for magnesium exports hampered production in 2012 (Shair, 2013).

CVM Minerals planned to restart production from its smelter in Perak, Malaysia, in March 2013. The 15,000-t/yr smelter produced less than 7,000 t in 2012 because of work to improve efficiency (Yee, 2013a).

References Cited

- American Metal Market, 2012, Asian giant nixes export taxes targeted in WTO case: American Metal Market, v. 119, no. 51-3, December 19, p. 11.
- Shair, Wendy, 2013, Yiwei plans 2013 magnesium output at 40,000 mt: Platts Metals Daily, v. 2, no. 8, January 11, p. 7-8.
- U.S. Department of Commerce, International Trade Administration, 2012, Magnesium metal from the Russian Federation—Notice of reinstated final results of administrative review pursuant to court decision: Federal Register, v. 77, no. 239, December 12, p. 73979-73980.
- Yee, Alvin, 2013a, Malaysia's CVM eyes March restart after plant upgrades: Platts Metals Daily, v. 2, no. 14, January 21, p. 7.
- Yee, Alvin, 2013b, Spot FOB China magnesium trades thin, inquiries slow: Platts Metals Daily, v. 2, no. 12, January 17, p. 6.
- Yee, Alvin, 2013c, Tianyu eyes tripling of magnesium ingot output in 2013: Platts Metals Daily, v. 2, no. 17, January 24, p. 6.

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

(Metric tons)

	2012					
	2011	January– September	October	November	December	January– December
Imports for consumption:						
Metal	14,300	11,600	1,340	1,810	1,530	16,200
Waste and scrap	22,000	16,700	1,390	1,620	1,200	20,900
Alloys (magnesium content)	11,200	9,650	1,010	954	1,120	12,700
Sheet, tubing, ribbons, wire, powder, and other (magnesium content)	973	712	54	85	29	882
Total	48,400	38,600	3,790	4,470	3,880	50,800
Exports:						
Metal	5,520	5,310	624	483	604	7,020
Waste and scrap	1,680	2,020	37	38	6	2,100
Alloys (gross weight)	3,500	5,210	1,020	498	586	7,310
Sheet, tubing, ribbons, wire, powder, and other (gross weight)	1,620	1,420	152	127	174	1,870
Total	12,300	14,000	1,830	1,150	1,370	18,300

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 2012

		Beginning of quarter	End of quarter
U.S. spot dealer import	dollars per pound	1.90–2.00	1.90–2.00
U.S. spot Western	do.	2.15–2.25	2.15–2.25
China	dollars per metric ton	3,230–3,280	3,150–3,190
European free market	do.	3,250–3,350	3,100–3,300
do. Ditto.			

Source: Platts Metals Week.