

Mineral Industry Surveys

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FLUORSPAR IN THE FIRST QUARTER 2002

Reported consumption of fluorspar in the first quarter was 151,000 metric tons (t), nearly 52% higher than in the previous quarter and 4% higher than in the first quarter of 2001.

Consumption of fluorspar for hydrofluoric acid (HF) and aluminum fluoride production was 129,000 t, an increase of nearly 65% from the previous quarter, and an increase of 11% from the first quarter of 2001. Imports of fluorspar were essentially unchanged compared with the previous quarter and 9% higher than in the first quarter of 2001.

Preliminary annual totals for 2001 reveal that imports for consumption at 522,000 t were essentially unchanged from 2000. Total reported consumption increased by nearly 5% compared with 2000, but the increase was entirely the result of more complete collection of data on fluorspar going into metallurgical and other smaller markets. Reported consumption for aluminum fluoride and hydrofluoric acid actually decreased by more than 9% compared with 2000.

Steel Industry News

In a response to a spate of steel company bankruptcies (18 in the past 3 years) and complaints by steel companies of unfair trade practices, in 2001 the U.S. International Trade Commission (ITC) initiated a Section 201 investigation. Under Section 201 of the Trade Act of 1974, domestic industries seriously injured or threatened with serious injury by increased imports may petition the ITC for import relief. The ITC determines whether an article is being imported in such increased quantities that it is a substantial cause of serious injury, or threat thereof, to the U.S. industry. If the ITC makes an affirmative determination, it recommends to the President relief that would prevent or remedy the injury and facilitate industry adjustment to import competition. On December 7, 2001, the ITC announced recommendations that included tariffs on various types of steel for a period of 4 years that ranged from 20% to 40%; these recommendations were forwarded to the President.

The President makes the final decision whether to provide

relief and the amount of relief. On March 5, 2002, the President imposed tariffs for 3 years ranging from 8% to 30% on various types of imported steel, excluding imports from free-trade partners. Effective March 20, 2002, in the first year slab steel imports in excess of 4.9 million metric tons would get a 30% tariff; finished flat products, hot-rolled and cold-finished bar, and tin mill products, a 30% tariff; and six other categories, 8% to 15% tariffs. The tariffs will decrease in each of the three subsequent years (Thelen Reid & Priest LLP, 2002§¹).

These tariffs provide the domestic steel industry protection while it tries to become leaner and more competitive. Increased domestic steel production would provide the opportunity for an increase in fluorspar sales to this sector. So far, neither the tariffs or the slowly improving economy are having much affect on steel output. Through May 25, raw steel production was still down by 1.4% compared with the same period in 2001.

Fluorochemical News

DuPont Fluoroproducts announced that it had completed the \$50 million capacity expansion of its global Teflon® polytetrafluoroethylene (PTFE) fluoropolymer business. Most of the investment was directed at the company's Parkersburg, WV, facility, the world's largest fluoropolymer manufacturing facility, but upgrades were also implemented at DuPont facilities in Dordrecht, the Netherlands, and Shimizu, Japan. The program increased global capacity by 30% since its inception in 1999 (DuPont Fluoroproducts, 2002§).

An additional capacity increase was announced by Asahi Glass Fluoropolymers USA, Inc., which is making a substantial investment to increase its Fluon® PTFE dispersion capacity at its Bayonne, NJ, facility. The project will increase existing

¹References that include a section twist (§) are shown in the Internet References Cited section.

PTFE dispersion capacity by 50%; startup is scheduled for the second quarter of 2003 (Asahi Glass Fluoropolymers USA, Inc., 2001§).

Solvay S.A. completed its acquisition of Italian fluorinated specialties producer Ausimont S.p.A. from the Montedison Group and Longside International. The approval of the European Commission and the U.S. Federal Trade Commission was subject to three divestments, including Solvay's 50% shareholding in polyvinylidene fluoride producer Alventia LLC in Decatur, GA (Solvay S.A., 2002§).

Internet References Cited

- Asahi Glass Fluoropolymers USA, Inc., 2001 (October 9), Asahi Glass Fluoropolymers announces expansion of its Bayonne PTFE facility, accessed May 29, 2002, at URL <http://www.fluoropolymers.com/bayonne.html>.
- DuPont Fluoroproducts, 2002 (February 28), DuPont Fluoroproducts completes \$50 million expansion program for Teflon® PTFE, accessed May 29, 2002, at URL <http://www.dupont.com/teflon/newsroom/022002.html>.
- Solvay S.A., 2002, Solvay successfully completes acquisition of Ausimont, confirms leadership in fluorinated specialties, accessed May 29, 2002, at URL http://www.solvay.com/fluor/en/news/may2002_2.htm.
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TABLE 1
SALIENT FLUORSPAR STATISTICS 1/

(Metric tons, unless otherwise specified)

	2001				2002	
	First quarter	Second quarter	Third quarter	Fourth quarter	Total	First quarter
Imports for consumption:	152,000	143,000	87,600	139,000	522,000	138,000
Value per ton, c.i.f. U.S. port, acid grade	\$136	\$127	\$142	\$138	\$136 2/	\$133
Value per ton, c.i.f. U.S. port, metallurgical	\$76	\$79	\$82	\$91	\$82 2/	\$94
Exports	4,570	6,020	5,290	5,310	21,200	6,740
End of quarter stocks, consumer	95,800	100,000	66,400	71,100 r/	XX	96,200
Fluorspar equivalent of imported hydrofluoric acid	40,600	46,200	41,000	39,500	167,000	38,100
Fluorspar equivalent of imported cryolite	3,500	2,240	1,000	1,350	8,100	1,740
Quarterly reported fluorspar consumption	145,000	152,000	139,000	99,600 r/	536,000 r/	151,000

r/ Revised. XX Not applicable.

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

2/ Average value for full year.

TABLE 2
CONSUMPTION OF FLUORSPAR BY END USE AND ASSAY RANGE 1/
(DOMESTIC AND FOREIGN IN THE UNITED STATES)

(Metric tons)

End use or product	Fourth quarter 2001			2001	First quarter 2002		
	More than 97% calcium fluoride	Not more than 97% calcium fluoride	Total		More than 97% calcium fluoride	Not more than 97% calcium fluoride	Total
Hydrofluoric acid and aluminum fluoride	77,200 r/	1,100	78,300 r/	430,000 r/	129,000	406	129,000
Metallurgical	3,660	3,670	7,340	65,000	4,990	9,790	14,800
Other uses or products 2/	7,360	6,620	14,000	40,700	7,280	--	7,280
Total	88,200 r/	11,400	99,600 r/	536,000 r/	141,000	10,200	151,000
Stocks, end of quarter 3/	71,100 r/	NA	71,100 r/	XX	78,100	18,100	96,200

r/ Revised. NA Not available. XX Not applicable. -- Zero.

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

2/ Includes acid grade used in enamel, glass and fiberglass, steel castings, and welding rod coatings.

3/ Beginning with the first quarter 2002 stocks data include distributor stocks (excluding National Defense Stockpile holdings) and consumer stocks for hydrofluoric acid and aluminum fluoride.

TABLE 3
U.S. IMPORTS FOR CONSUMPTION OF FLUORSPAR, BY COUNTRY AND VALUE 1/ 2/

	2001										2002	
	First quarter		Second quarter		Third quarter		Fourth quarter		Total		First quarter	
	Quantity (metric tons)	Value 3/ (thousands)										
Containing more than 97% calcium fluoride:												
China 4/	108,000	\$15,000	93,800	\$11,700	69,600	\$9,990	81,800	\$11,800	353,000	\$48,500	89,900	\$12,200
France	59	20	60	20	98	33	105	37	322	110	40	13
Germany	17	8	17	8	18	11	--	--	52	27	--	--
Mexico	9,450	1,160	9,180	1,260	3,880	548	5,410	718	27,900	3,690	8,260	1,050
South Africa	26,800	3,380	28,700	3,650	9,900	1,300	48,300	6,100	114,000	14,400	31,700	4,000
United Kingdom	--	--	--	--	--	--	173	24	173	24	--	--
Total	144,000	19,600	132,000	16,700	83,500	11,900	136,000	18,700	495,000	66,800	130,000	17,300
Containing not more than 97% calcium fluoride:												
Canada	22	8	39	12	13	4	20	7	94	31	36	12
Japan	--	--	--	--	--	--	500	67	500	67	--	--
Mexico	7,680	573	11,600	891	4,080	331	2,930	240	26,300	2,040	2,930	244
South Africa	--	--	--	--	--	--	--	--	--	--	5,000	492
United Kingdom	2	4	7	14	--	--	--	--	9	18	74	9
Total	7,700	585	11,600	917	4,090	335	3,450	314	26,900	2,150	8,040	757
Grand total	152,000	20,200	143,000	17,600	87,600	12,200	139,000	19,000	522,000	69,000	138,000	18,000

-- Zero.

1/ Imports for consumption include imports of immediate entry, and warehouse withdrawals.

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

3/ C.i.f. at U.S. ports.

4/ Data do not agree with published U. S. Census Bureau data due to adjustments made by the U.S. Geological Survey.

Source: U.S. Census Bureau.

TABLE 4
IMPORTS FOR CONSUMPTION OF HYDROFLUORIC ACID 1/

	2001										2002	
	First quarter		Second quarter		Third quarter		Fourth quarter		Total		First quarter	
	Quantity (metric tons)	Value 2/ (thousands)										
Canada	7,220	\$8,380	6,210	\$7,500	7,580	\$8,670	5,330	\$6,460	26,300	\$31,000	6,070	\$7,470
Japan	283	771	315	775	263	680	272	705	1,130	2,930	351	859
Mexico	19,000	17,800	24,100	22,300	19,300	18,800	20,600	19,400	83,000	78,300	18,800	17,800
Other 3/	514	649	161	189	174	250	157	258	1,010	1,350	168	236
Total	27,000	27,600	30,800	30,800	27,300	28,400	26,300	26,800	112,000	114,000	25,400	26,400

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

2/ C.i.f. at U.S. ports.

3/ Includes China, France, Germany, India, the Republic of Korea, and the United Kingdom.

Source: U.S. Census Bureau.