

Mineral Industry Surveys

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FLUORSPAR IN THE SECOND QUARTER 2002

Reported consumption of fluorspar in the second quarter was 125,000 metric tons (t), 19% lower than the revised figure in the previous quarter and essentially unchanged from the second quarter of 2001. Consumption of fluorspar for hydrofluoric acid and aluminum fluoride production was 98,800 t, a decrease of more than 23% from the previous quarter, and a decrease of more than 20% from the second quarter of 2001. Imports of fluorspar were nearly 33% lower compared with the previous quarter and 35% lower than in the second quarter of 2001.

Defense Stockpile

There have been no sales from the National Defense Stockpile this fiscal year, although the Defense National Stockpile Center was authorized to sell 54,400 t of metallurgical grade and 10,900 t of acid grade in fiscal year 2002. At the end of June, unsold stockpile material consisted of 6,800 t of acid grade and about 91,700 t of metallurgical grade. Material committed for sale pending shipment (as of July 31, 2002) totaled about 110,000 t of acid grade and 40,000 t of metallurgical grade.

Steel Industry News

The U.S. Trade Representative and the U.S. Department of Commerce announced 178 additional exclusions from the steel tariffs imposed by the President on March 5. Of these, 104 exclusions were over the objection of the domestic steel industry. This announcement, which will be the final list of exclusions for this year, brings the total number of exclusions from the steel safeguard relief to 727. The domestic steel industry objected to those exclusion requests that apply to product that is currently made in the United States or where domestic producers have the capability to make the product (Steel News, 2002a§¹).

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

Based on preliminary U.S. Census Bureau data, the American Iron and Steel Institute reported that through July year-to-date steel imports were 6% higher compared with the same period last year. Products showing significant year-to-date increases include:

- Semifinished steel, up 51%;
- Hot rolled strip, up 39%;
- Hot dipped galvanized sheet & strip, up 26%;
- Plate in coils, up 19%;
- Hot rolled sheet, up 17%;
- Wire rods, up 15%; and
- Hot rolled bars, up 14%.

In July, average import customs values for many steel products remained below their historic averages. Although there has been some price restoration, contract prices remain quite low, and U.S. steel companies are only now beginning to recover from the effects of these low prices (Steel News, 2002b§).

Fluorochemical News

As part of the divestiture required by U.S. and European regulatory authorities, Solvay America, Inc. and Dyneon LLC (a wholly owned subsidiary of 3M Co.) have entered into a binding letter of intent for the sale of the North America-based Solvay Fluoropolymers, Inc. to Dyneon, subject to final regulatory approvals. Dyneon currently owns the other 50% of Alventia LLC, the Solvay-Dyneon joint venture in Decatur, LA, that produces vinylidene fluoride—a building block in fluoroelastomer and fluoropolymer production (Solvay S.A., 2002§).

Halocarbon Products Corp., a producer of specialty fluorochemicals from its facility in North Augusta, SC, announced that it will be adding bisphenol AF and hexafluoroisopropanol to its line of products. Bisphenol AF is mainly used in the synthesis of specialty fluoroelastomers. Hexafluoroisopropanol is useful for preparation of fluorinated esters and as an intermediate for pharmaceuticals. These

products will be manufactured in Halocarbon's under construction semi-works plant, which is scheduled for completion in early 2003 (Halocarbon Corp., 2002§).

Ausimont USA Inc., officially opened its new fluoroelastomers plant in Thorofare, NJ, in May 2002. The plant will be the only producer of Ausimont's new Technoflon HS (high stability) grade, which is designed to reduce the process time for users of the product by as much as 75% (Chemical Market Reporter, 2002).

Three major fluorspar- and fluorochemicals-related reports have been released by consulting firms since the spring of 2002. In April, SRI Consulting released a new Chemical Economics Handbook (CEH) report titled Fluoropolymers prepared by Koon-Ling Ring, Thomas Kaelin, and Akihiro Kishi; and in July, SRI released a new CEH report titled Fluorspar and Inorganic Fluorine Compounds prepared by Ray Will (SRI Consulting, 2002§). In June, the Freedonia Group released its new report titled Fluorochemicals to 2006 (Freedonia Group, 2002§).

Reference Cited

Chemical Market Reporter, 2002, Ausimont opens new fluoroelastomers plant: Chemical Market Reporter, v. 262, no. 3, July 22-29, p. 4.

Internet References Cited

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Halocarbon Corp., 2002 (June), Halocarbon to manufacture new products—Bisphenol AF (BPAF) and hexafluoroisopropanol (HFIP), accessed September 5, 2002, at URL <http://www.halocarbon.com/productspr.htm>.

Solvay S.A., 2002 (August 27), Solvay in agreement with Dyneon to sell Solvay Fluoropolymers, Inc. in Decatur (USA), accessed September 4, 2002, at URL <http://www.solvaypress.com/pressreleases/0,6411,1142-2-0,00.htm>.

SRI Consulting, 2002, CEH reports currently available, accessed September 5, 2002, via URL <http://ceh.sric.sri.com/Public/Reports>.

Steel News, 2002a (August 22), U.S. Steel responds to latest round of 201 exclusions, accessed September 4, 2002, at URL http://www.steelnews.org/companies/producers/trade_archive.htm.

Steel News, 2002b (August 28), Year-to-date steel imports up 6% from last year, accessed September 5, 2002, at URL http://www.steelnews.org/north_american/august02/aug82.htm

TABLE 1
SALIENT FLUORSPAR STATISTICS 1/

(Metric tons, unless otherwise specified)

	2001			2002		
	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter	Year to date
Imports for consumption:	143,000	87,600	139,000	138,000	93,100	231,000
Value per ton, c.i.f. U.S. port, acid grade	\$127	\$142	\$138	\$133	\$124	\$129 2/
Value per ton, c.i.f. U.S. port, metallurgical	\$79	\$82	\$91	\$94	\$84	\$89 2/
Exports	6,020	5,290	5,310	6,740	6,170	12,900
End of quarter stocks, consumer	100,000	66,400	71,100	96,200	129,000	129,000
Fluorspar equivalent of imported hydrofluoric acid	46,200	41,000	39,500	38,100	51,700	89,800
Fluorspar equivalent of imported cryolite	2,240	1,000	1,350	1,740	1,210	2,950
Quarterly reported fluorspar consumption	152,000	139,000	99,600	155,000 r/	125,000	281,000

r/ Revised.

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

2/ Average value.

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	First quarter 2002			Second quarter 2002			2002 Year to date
	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	129,000	406	129,000	98,800	--	98,800	228,000
Metallurgical	4,990	13,900 r/	18,900 r/	4,470	13,000	17,500	36,400
Other uses or products 2/	7,280	--	7,280	8,970	--	8,970	16,300
Total	141,000	14,300 r/	155,000 r/	112,000	13,000	125,000	281,000
Stocks, end of quarter 3/	78,100	18,100	96,200	102,000	27,000	129,000	129,000

r/ Revised. -- 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					
	Second quarter		Third quarter		Fourth quarter		First quarter		Second quarter		Year to date	
	Quantity (metric tons)	Value 3/ (thousands)										
Containing more than 97% calcium fluoride:												
China 4/	93,800	\$11,700	69,600	\$9,990	81,800	\$11,800	89,900	\$12,200	60,400	\$7,930	150,000	\$20,100
France	60	20	98	33	105	37	40	13	--	--	40	13
Germany	17	8	18	11	--	--	--	--	1	3	1	3
Mexico	9,180	1,260	3,880	548	5,410	718	8,260	1,050	6,490	478	14,800	1,530
South Africa	28,700	3,650	9,900	1,300	48,300	6,100	31,700	4,000	15,000	1,730	46,700	5,740
United Kingdom	--	--	--	--	173	24	--	--	2	2	2	2
Total	132,000	16,700	83,500	11,900	136,000	18,700	130,000	17,300	81,900	10,200	212,000	27,400
Containing not more than 97% calcium fluoride:												
Canada	39	12	13	4	20	7	36	12	34	11	70	23
Japan	--	--	--	--	500	67	--	--	--	--	--	--
Mexico	11,600	891	4,080	331	2,930	240	2,930	244	11,200	927	14,100	1,170
South Africa	--	--	--	--	--	--	5,000	492	--	--	5,000	492
United Kingdom	7	14	--	--	--	--	74	9	--	--	74	9
Total	11,600	917	4,090	335	3,450	314	8,040	757	11,200	938	19,200	1,700
Grand total	143,000	17,600	87,600	12,200	139,000	19,000	138,000	18,000	93,100	11,100	231,000	29,100

-- 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					
	Second quarter		Third quarter		Fourth quarter		First quarter		Second quarter		Year to date	
	Quantity (metric tons)	Value 2/ (thousands)										
Canada	6,210	\$7,500	7,580	\$8,670	5,330	\$6,460	6,070	\$7,470	7,590	\$9,130	13,700	\$16,600
Japan	315	775	263	680	272	705	351	859	336	837	687	1,700
Mexico	24,100	22,300	19,300	18,800	20,600	19,400	18,800	17,800	26,300	24,800	45,100	42,600
Other 3/	161	189	174	250	157	258	168	236	278	382	446	618
Total	30,800	30,800	27,300	28,400	26,300	26,800	25,400	26,400	34,500	35,200	59,900	61,500

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.