

Mineral Industry Surveys

For information, contact:

Gerald R. Smith, Lead Commodity Specialist
U.S. Geological Survey
989 National Center
Reston, VA 20192
Telephone: (703) 648-4983, Fax: (703) 648-7757
E-mail: grsmith@usgs.gov

Joshua I. Martinez (Data)
Telephone: (703) 648-7961
E-mail: jimartinez@usgs.gov
Fax: (703) 648-7975

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

LEAD IN FEBRUARY 2003

Domestic mine production, based on the net quantity of lead recovered from concentrate, decreased by 11% in February compared with production in January. Secondary refinery production decreased by about 13% in February and reported consumption was down by 3% compared with the previous month.

According to Platts Metals Week published quotations, the average North American producer price and the average London Metal Exchange (LME) cash price (U.S. dollars) increased by 0.69% and 7.0%, respectively, in February.

Demand for lead in North America softened in February as an anticipated late winter surge in replacement automotive battery demand failed to materialize. Spent batteries resulting from earlier winter weather extremes were replaced largely through the continued depletion of existing replacement battery inventories. Lead demand in the industrial battery and original equipment automotive battery sectors remained soft as well, with most battery manufacturers maintaining only the inventories of lead necessary to meet immediate demands. In Europe, the supply of refined lead continued to decline as a result of recent smelter closures. Although consumers were able to secure sufficient supplies of refined lead to meet existing manufacturing demands, it was anticipated that a significant influx of lead for Europe would be required to meet demand in the months ahead. Specifically, a notable increase in imports from Australia was expected (CRU International Ltd., 2003).

The National Defense Stockpile aggregated cash disposal (sale) of lead in February under the monthly Basic Ordering Agreement, DLA-Lead-005, was 610 metric tons (t) (672 short tons). In addition, 10,980 t (12,103 short tons) were sold under a Long-Term Solicitation of Offers, DLA-Lead-004 (U.S. Defense National Stockpile Center, 2003). Sales in the first five months of fiscal year 2003 (October 2002 through February 2003) totaled 27,260 t (30,049 short tons).

Non-union miners at Doe Run Resources Corp., St. Louis, MO, voted in mid February to reject union representation by the United Mine Workers of America (UMWA) in an election sanctioned by the National Labor Relations Board (NLRB). The final result of the relatively close voting by the nearly 450 miners was not challenged by the UMWA through the NLRB.

Doe Run's miners were at one time unionized but had voted to decertify their union in 1984 (Platts Metals Week, 2003a, b). China's Yuguang Gold and Lead Group, Henan Province, announced plans to increase primary refined lead production in 2003 to 180,000 t, compared with 136,000 t in 2002. Refinery capacity had been increased to 180,000 metric tons per year (t/yr) as a result of the completion of an expansion project in May 2002. According to a company official, Yuguang could increase its exports of lead by about 15% to a level of 80,000 t in 2003, but the actual increase will be dependent upon price trends in domestic and foreign markets (Platts Metals Week, 2003d).

Also in Henan Province, Yubei Metal Smelter is expected to increase its primary refined lead output to 130,000 t in 2003 compared with 90,000 t in 2002, as a result of the installation of new smelting furnaces. With the furnaces, Yubei will have increased its production capacity to 150,000 t/yr in 2003. Yubei had doubled its lead capacity to 120,000 t/yr in 2002 with the completion of an expansion project in December 2001. However, output was limited in 2002 by a tight supply of concentrate feed (Platts Metals Week, 2003c).

Update

The Standing Committee of the International Lead and Zinc Study Group (ILZSG) held its Spring meeting in London on April 11, at which time ILZSG reported its outlook for lead in 2003. A forecast rise of 1.9% in world consumption was expected to be driven mainly by further growth in China. In the United States, a decline of about 2% is predicted owing to a continued slow recovery in the telecommunication sector and its adverse affect on demand for industrial-type lead acid batteries. Demand in Europe is expected to remain at a level similar to that of 2002. Lead mine output was projected to increase by 2.8%, after declining sharply in 2002. The forecast rise in production is attributed mainly to an increase in Australian output and to a full year of operation at the Tara Mine in Ireland following its reopening in September 2002. World production of refined lead is anticipated to decline by 1.8% in 2003 as a result of the recent closure of refineries in Canada, France and the United Kingdom. Net exports of refined lead from China to

industrialized countries in the western world are expected to remain at a level similar to that of 2002 (International Lead and Zinc Study Group, 2003).

References Cited

CRU International Ltd., 2003, Market commentary: CRU Monitor—Lead, February, p. 2.
International Lead and Zinc Study Group, 2003, ILZSG Spring meetings/forecasts: London, International Lead and Zinc Study Group press release, April 11, 4 p.

Platts Metals Week, 2003a, Doe Run miners voting on union status: Platts Metals Week, v. 74, no. 7, February 17, p. 4.
Platts Metals Week, 2003b, Union accepts Doe Run election loss: Platts Metals Week, v. 74, no. 8, February 24, p. 9.
Platts Metals Week, 2003c, Yubei plans to lift output by 44%: Platts Metals Week, v. 74, no. 6, February 10, p. 3.
Platts Metals Week, 2003d, Yuguang to lift lead output: Platts Metals Week, v. 74, no. 8, February 24, p. 9.
U.S. Defense National Stockpile Center, 2003, Stockpile accepts lead offers: Fort Belvoir, VA, U.S. Defense National Stockpile Center news release, February 26, 1 p.

TABLE 1
SALIENT LEAD STATISTICS IN THE UNITED STATES 1/

(Metric tons, lead content, unless otherwise specified)

	2002		2003		
	January - December	January - February	January	February	January - February
Production:					
Mine (recoverable)	440,000	75,100	39,000 r/	34,900	73,900
Primary refinery	NA	NA	NA	NA	NA
Secondary refinery:					
Reported by smelters/refineries	1,090,000	167,000	93,500	81,500	175,000
Estimated	11,000	1,690	944	823	1,770
Recovered from copper-base scrap e/	15,000	2,500	1,250	1,250	2,500
Total secondary	1,110,000	172,000	95,700	83,600	179,000
Stocks, end of period:					
Primary refineries	NA	NA	NA	NA	NA
Secondary smelters and consumers	88,000	84,200	89,100	78,200	78,200
Imports for consumption:					
Ore and concentrates	6	--	--	NA	-- 2/
Refined metal	210,000	32,700	14,700	NA	14,700 2/
Consumption:					
Reported	1,520,000	239,000	122,000	118,000	239,000
Undistributed e/	150,000	23,700	12,000	11,600	23,700
Total	1,670,000	263,000	134,000	129,000	263,000
Exports:					
Ore and concentrates	241,000	11,400	13,400	NA	13,400 2/
Bullion	256	82	123	NA	123 2/
Wrought and unwrought lead	43,200	4,770	6,790	NA	6,790 2/
Ash and residues	--	--	--	NA	-- 2/
TEL/TML preparations, based on lead compounds	516	70	39	NA	39 2/
Exports (gross weight): Scrap	106,000	14,300	7,940	NA	7,940 2/
Platt's Metals Week North American producer price (cents per pound)	43.56	43.70	43.54	43.63	43.60

e/ Estimated. r/ Revised. NA Not available. -- Zero.

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

2/ Includes data for January only; February data not available at time of publication.

TABLE 2
MONTHLY AVERAGE LEAD PRICES

	North American producer price cents/lb	LME		Sterling exchange rate dollars/£
		\$/metric ton	£/metric ton	
2002:				
February	43.65	479.63	337.15	1.422568
November	43.53	441.83	281.22	1.571116
December	43.54	443.22	279.41	1.586295
Year	43.56	452.29	301.96	1.503145
2003:				
January	43.54	444.30	274.68	1.617538
February	43.63	475.40	295.66	1.607947

Source: Platts Metals Week.

TABLE 3
CONSUMPTION OF PURCHASED LEAD-BASE SCRAP 1/

(Metric tons, gross weight)

Item	Stocks	Net receipts	Consumption	Stocks
	January 31, 2003			February 28, 2003
Battery-lead	20,300	79,600	81,400	18,500
Soft lead	W	W	W	W
Drosses and residues	1,560	4,150	4,210	1,500
Other 2/	2,140	1,890	2,210	1,810
Total	24,000	85,600	87,800	21,800
Percent change from preceding month	XX	-12.4	-10.3	-9.3

W Withheld to avoid disclosing company proprietary data; included with "Other." XX Not applicable.

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

2/ Includes solder, common babbitt, antimonial lead, cable covering, type metals, and other lead-base scrap not elsewhere classified.

TABLE 4
LEAD, TIN, AND ANTIMONY RECOVERED FROM LEAD-BASE SCRAP
IN FEBRUARY 2003 1/

(Metric tons)

Product recovered	Secondary metal content		
	Lead	Tin	Antimony
Soft and calcium lead	59,100	--	--
Remelt lead	W	W	W
Antimonial lead	21,700	W	W
Other 2/	W	W	--
Total lead-base	81,500	42	342

W Withheld to avoid disclosing company proprietary data; included in "Total." -- Zero.

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

2/ Includes cable lead, lead-base babbitt, solder, type metals, and other products.

TABLE 6
CONSUMER AND SECONDARY SMELTER STOCKS, RECEIPTS, AND CONSUMPTION OF LEAD 1/

(Metric tons, lead content)

Type of material	Stocks	Net receipts	Consumption	Stocks
	January 31, 2003			February 28, 2003
Soft lead	37,200	67,000	67,800	36,400
Antimonial lead	29,100	25,600	26,800	27,900
Lead alloys	W	14,000	22,900	W
Copper-base scrap	W	6	5	W
Total	89,100	107,000	118,000	78,200

W Withheld to avoid disclosing company proprietary data; included in "Total."

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

TABLE 7
U.S. EXPORTS OF LEAD, BY CLASS 1/

(Metric tons)

	2002		2003
	December	Year	January
Lead content:			
Ore and concentrates	6,140	241,000	13,400
Bullion	--	256	123
Materials excluding scrap	10,100	43,200	6,790
Ash and residues	--	--	--
TEL/TML preparations, based on lead compounds	102	516	39
Total	16,300	285,000	20,300
Gross weight: Scrap	8,250	106,000	7,940

-- Zero.

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

Source: U.S. Census Bureau.

TABLE 8
U.S. IMPORTS OF LEAD BY TYPE OF MATERIALS AND BY COUNTRY OF ORIGIN 1/

(Metric tons, lead content)

Country of origin	General imports				Imports for consumption			
	2002			2003	2002			2003
	Year	January	December	January	Year	January	December	January
Ore, matte, etc.:								
Other	6	--	--	--	6	--	--	--
Total	6	--	--	--	6	--	--	--
Pigs and bars:								
Australia	43,700	--	11,100	--	2,630	--	--	--
Canada	172,000	12,000	14,700	13,900	172,000	12,000	14,700	13,900
China	28,200	9,810	--	--	28,200	9,810	--	--
Germany	185	--	--	--	185	--	--	--
Mexico	7,460	38	692	865	7,460	38	692	865
Peru	--	--	--	--	--	--	--	--
Other	246	--	--	3	94	--	--	3
Total	251,000	21,900	26,500	14,700	210,000	21,900	15,400	14,700
Reclaimed scrap, including ash and residues								
	--	--	--	--	--	--	--	--
Grand total	251,000	21,900	26,500	14,700	210,000	21,900	15,400	14,700

-- Zero.

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

Source: U.S. Census Bureau.