

SILVER

(Data in metric tons¹ of silver content, unless otherwise noted)

Domestic Production and Use: Silver produced by about 120 mines in 18 States had an estimated value of \$300 million. The following three States accounted for nearly three-fourths of the 1996 mine production: Nevada, 45%; Idaho, 16%; and Arizona, 12%. Precious metal ores accounted for approximately one-half of domestic silver production; the other one-half was recovered from base metal ores. There were 22 principal refiners of commercial-grade silver with an estimated output of approximately 2,000 tons. About 30 fabricators accounted for more than 90% of the silver consumed in arts and industry. The remainder was consumed mostly by small companies and artisans. The largest silver fabricators were principally in the Northeast. Approximately 50% of the refined silver consumed domestically in 1996 was used in the manufacture of photographic products; 20% in electrical and electronic products; 10% in electroplated ware, sterlingware, and jewelry; and 20% in other.

Salient Statistics—United States:	1992	1993	1994	1995	1996^e
Production: Mine	1,800	1,640	1,490	1,640	1,800
Refinery: Primary	2,160	1,790	1,810	(2)	(2)
Secondary	1,760	2,020	1,700	(2)	(2)
Imports for consumption ³	3,220	2,500	2,600	3,250	3,000
Exports ³	1,010	811	967	2,890	2,600
Shipments from Government stockpile excesses	356	404	186	220	—
Price, average, New York, dollars per troy ounce	3.94	4.30	5.29	5.15	5.30
Stocks, yearend: Treasury Department ⁴	775	912	882	NA	900
COMEX, CBT ⁵	9,380	10,500	10,400	6,290	5,000
Department of Defense	29	34	15	13	20
Employment, mine and mill ⁶ , number	1,600	1,100	1,000	1,200	1,400

Recycling: About 2,000 tons of silver was recovered from recycled material in 1996.

Import Sources² (1992-95): Mexico, 37%; Canada, 33%; Peru, 15%; Chile, 10%; and other, 5%.

Tariff: No duties are imposed on imports of unrefined silver or refined bullion.

Depletion Allowance: 15% (Domestic), 14% (Foreign).

Government Stockpile:

Material	Uncommitted inventory	Stockpile Status—9-30-96	Authorized for disposal	Disposals Jan.-Sept. 96
Silver	1,450	Committed inventory —	1,450	300

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Events, Trends, and Issues: Domestic silver production increased 10% following the reopening of several mines, in response to an improved silver price. It was estimated that domestic silver consumption remained essentially unchanged from the previous year.

The Government continued to dispose of the silver held in the National Defense Stockpile, using it primarily for the production of commemorative coins and the Eagle silver bullion coins. During the past 15 years, from 1982 through late 1996, the Government has reduced the quantity of silver held in the stockpile from nearly 4,300 tons to less than 1,500 tons.

In 1996, the average silver price remained essentially unchanged from the previous year. Through the first 9 months, the daily price ranged between \$4.86 and \$5.79 per troy ounce.

World Mine Production, Reserves, and Reserve Base:

	Mine production		Reserves ⁷	Reserve base ⁷
	1995	1996 ^e		
United States	1,640	1,800	31,000	72,000
Australia	920	900	29,000	33,000
Canada	1,195	1,200	37,000	47,000
Mexico	2,400	2,400	37,000	40,000
Peru	1,908	2,000	25,000	37,000
Other countries	<u>6,540</u>	<u>6,500</u>	<u>120,000</u>	<u>190,000</u>
World total (may be rounded)	14,600	14,800	280,000	420,000

World Resources: Approximately two-thirds of world silver resources are associated with copper, lead, and zinc deposits. The remaining one-third is in vein deposits in which silver is the most valuable metallic component. Although most recent discoveries have been primarily gold and silver deposits, significant future reserves and resources are expected from major base metal discoveries that contain byproduct silver.

Substitutes: Aluminum and rhodium substitute for silver in mirrors and other reflecting surfaces. Tantalum can be used in place of silver for surgical plates, pins, and sutures. Stainless steel is an alternate material used widely in the manufacture of table flatware. Nonsilver batteries being developed may replace silver batteries in some applications. Silverless black and white film, film with reduced silver content, and xerography are alternatives to some uses of silver in photography.

^eEstimated. NA Not available.

¹One metric ton (1,000 kilograms) = 32,150.7 troy ounces.

²Data under review.

³Refined bullion, plus silver content of ores, concentrates, precipitates, and doré; excludes coinage, waste, and scrap material.

⁴Balance in Mint only.

⁵COMEX: Commodity Exchange Inc., New York. CBT: Chicago Board of Trade.

⁶Source: Mine Safety and Health Administration.

⁷Includes silver recoverable as a byproduct of base metal ores. See Appendix C for definitions.