

Mineral Industry Surveys

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TIN IN APRIL 2005

Domestic consumption of primary tin in April was estimated by the U.S. Geological Survey to be about 5% lower than that of March 2005 and about 2% lower than that of April 2004. Estimated domestic consumption of primary tin in the first 4 months of 2005 was about 2% above that of the comparable period of 2004.

The Platts Metals Week average composite price for tin in April was \$5.27 per pound, about 3% lower than that of March 2005 and 9% lower than that of April 2004.

London Metal Exchange (LME) ring dealer Natexis Commodity Markets, in its "Base and Precious Metals Review," released in early May, observed that the world tin market in 2004 absorbed a significant increase in production from China and Indonesia. Despite the production increase, LME stocks fell by 6,700 metric tons (t) in 2004, with the downtrend continuing into 2005. Natexis believed that against a background of strong underlying demand growth, the tin market would remain in deficit in both 2005 and 2006. The firm predicted that the LME average tin cash price would be \$11,000 per metric ton in 2006, up 29% from an average cash price of \$8,500 per metric ton in 2005 (Platts Metal Week, 2005b).

In mid-April, Mittal Steel Co. became the world's leading steel and tinplate producer. After protracted negotiations, the \$4.5 billion acquisition of International Steel Group Inc. was completed. The operations of International Steel were merged with the other assets of Lakshmi Mittal (India). Mittal's annual steel production is now estimated to be 70 million metric tons (Mt). Mittal's tinplate production, which includes production sites in the United States, South Africa, Algeria, and Kazakhstan, has a total annual capacity of 2.5 Mt of tinplate. Mittal has surpassed Arcelor (Europe) as the world's largest steel producer (TIN World, 2005).

Yunnan Tin Corp. (China) took a step closer to building a tin refinery in Singapore after it registered a new company in that country. Yunnan planned to build the refinery in Jurong, in the western sector of Singapore (Metal Bulletin, 2005).

The Indonesian Government was considering the establishment of a new tin company to help regulate small scale production on the tin-producing islands of Bangka, Belitung,

and SingKep. The new company could be set up as a joint venture between Indonesia's two major tin producers (PT Timah and PT Koba Tin), the provincial government, and local private interests. The new venture has been described as a smelter, although it may be a refinery which could treat the crude tin produced by about 20 small independent smelters that have started up since 2003. Since the new smelters do not have a registered brand that would allow delivery to LME warehouses or the Kuala Lumpur Tin Market, the new umbrella operation could provide such a brand (CRU Week in the News, 2005a¹).

The recent decrease in tin prices has not yet had an impact on production and sales by independent tin smelters in Indonesia. China has become a leading destination for Indonesian tin in recent months. There are 21 independent tin smelters operating on Bangka and Belitung islands, producing about 48,000 t of tin per year. If the tin price falls appreciably lower, industry sources believe that some independent smelters will become unprofitable and may close (CRU Week in the News, 2005b¹).

In Germany, the country's largest tinplate producer, Rasselstein, expects to benefit from a boost to Germany's beverage can market after retail industry investments that are designed to encourage consumers to return used cans to retail shops take hold. The beverage can market in Germany suffered a major setback in 2003 when a mandatory can deposit of about 30 cents was introduced on all recyclable drinks containers. Owing to an inadequate return system, consumers and retailers opted for refillable containers. Tinplate's 16% share of the beverage can market in 2002 plunged to around 4% in 3 years. This spring, German retailers invested about \$2 billion in reverse vending machines, and Rasselstein believed that this would revive tinplate demand (Metal Bulletin Daily, 2005).

Bluestone Tin (Australia) has become a member of the International Tin Research Institute (ITRI), which does research work on behalf of the global tin industry. By becoming a member of ITRI, Bluestone, the owner of the Renison Bell Tin Mine on the island of Tasmania, also became a member of sister

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

organization, Tin Technology. ITRI membership now includes most major producers and represents about 70% of global tin production (Platts Metals Week, 2005a).

In China, the Government reduced the export tax rebate for tin, along with other metals like aluminum and nickel. Previously, 13 percentage points of the 17% Value-Added-Tax companies must pay to import tin was reimbursed, but now that has been cut to 8%. In 2004, China exported nearly 30,000 t of tin, about 10% of the world's output. The lower rebate was expected to tighten supply in the world market (CRU Tin Monitor, 2005).

Update

On June 3, 2005, the Platts Metals Week composite price for tin was \$5.11 per pound.

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TABLE 1
SALIENT TIN STATISTICS¹

(Metric tons, unless otherwise noted)

	2005			
	2004 ^p	March	April	January- April
Production, secondary ^{e, 2}	10,800	900	900	3,600
Consumption:				
Primary	38,500	3,260	3,110	12,800
Secondary	8,200	767 ^r	764	3,060
Imports for consumption, metal	47,600	3,210	NA	NA
Exports, metal	3,650	282	NA	NA
Stocks at end of period	6,140	5,420 ^r	5,770	XX
Prices (average cents per pound): ³				
Metals Week composite ⁴	547.30	543.81	527.02	XX
Metals Week New York dealer	409.38	408.61	394.87	XX
London, standard grade, cash	385.00	382.00	369.00	XX
Kuala Lumpur	385.11	381.19	367.96	XX

^eEstimated. ^pPreliminary. ^rRevised. NA Not available. XX Not applicable.

¹Data are rounded to no more than three significant digits, except prices.

²Includes tin recovered from alloys and tinplate. The detinning of tinplate (coated steel) yields only a small part of the total.

³Source: Platts Metals Week.

⁴The Metals Week composite price is a calculated formula, not a market price, that includes fixed and finance charges and a risk factor. It is normally substantially higher than other tin prices.

TABLE 2
METALS WEEK COMPOSITE PRICE¹

(Cents per pound)

Period	High	Low	Average
2004:			
April	596.03	561.93	575.65
May	624.98	575.07	592.12
June	622.44	568.24	589.38
July	583.13	565.64	576.07
August	590.50	563.04	573.74
September	585.04	566.00	576.55
October	586.56	568.98	578.10
November	584.93	570.24	580.02
December	569.06	505.64	555.57
Year	624.98	424.94	547.30
2005:			
January	521.70	492.15	503.78
February	544.11	511.92	523.08
March	555.16	521.08	543.81
April	534.61	521.86	527.02

¹The Metals Week composite price is a calculated formula, not a market price, that includes fixed and finance charges and a risk factor. It is normally substantially higher than other tin prices.

Source: Platts Metals Week.

TABLE 3
TINPLATE PRODUCTION AND SHIPMENTS IN THE UNITED STATES¹

(Metric tons, unless otherwise noted)

Period	Tinplate waste (waste, strips, cobble, etc.) (gross weight)	Tinplate (all forms)			Shipments ²
		Gross weight	Tin content	Tin per metric ton of plate (kilograms)	
2004 ^p	W	2,550,000	7,700	3.0	2,190,000
December	W	196,000	588	3.0	198,000
2005:					
January	W	207,000	676	3.3	144,000
February	W	202,000	684	3.4	164,000
March	W	209,000 ^r	684 ^r	3.3	166,000
April	W	199,000	662	3.3	NA

^pPreliminary. ^rRevised. NA Not available. W Withheld to avoid disclosing company proprietary data.

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

²Source: American Iron and Steel Institute monthly publication.

TABLE 4
U.S. TIN IMPORTS FOR CONSUMPTION AND EXPORTS¹

(Metric tons)

Country or product	2004 ^p	2005		
		February	March	January- March
Imports:				
Metal (unwrought tin):				
Bolivia	5,060	544	643	1,530
Brazil	4,330	351	25	501
Chile	281	--	--	--
China	5,310	650	448	1,350
Indonesia	4,660	41	296	457
Japan	540	--	--	--
Malaysia	6,600	125	30	657
Peru	19,600	1,060	1,720	4,580
Switzerland	178	--	--	--
Thailand	500	--	--	--
United Kingdom	97	--	--	--
Other	472	100	55	176
Total	47,600	2,870	3,210	9,250
Other (gross weight):				
Alloys	5,180	353	1,010	1,710
Bars and rods	625	82	87	203
Foil, tubes, pipes	6	(2)	(2)	(2)
Plates, sheets, strip	509	28	38	79
Waste and scrap	1,950	120	241	550
Miscellaneous	3,330	287	234	795
Total	11,600	870	1,610	3,330
Exports (metal)	3,650	205	282	699

-- Zero.

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

²Less than 1/2 unit.

Source: U.S. Census Bureau.

TABLE 5
CONSUMPTION OF TIN IN THE UNITED STATES, BY FINISHED PRODUCT¹

(Metric tons of contained tin)

Product	2005							
	2004 ^p	March			April			January- April
		Primary	Secondary	Total	Primary	Secondary	Total	
Alloys (miscellaneous) ²	2,800	105	W	105	107	W	107	421
Babbitt	264	23 ^r	W	23 ^r	21	W	21	129
Bar tin and anodes	182	23 ^r	W	23 ^r	23	W	23	93
Bronze and brass	2,490	174	133	307	166	130	296	1,220
Chemicals	8,490	719	W	719	719	W	719	2,880
Collapsible tubes and foil	W	W	W	W	W	W	W	W
Solder	12,500	790 ^r	325 ^r	1,120	676	325	1,000	4,210
Tinning	451	63	--	63	60	--	60	243
Tinplate ³	7,700	684 ^r	--	684 ^r	662	--	662	2,710
Tin powder	W	W	--	W	W	--	W	W
White metal ⁴	W	W	--	W	W	--	W	W
Other	1,000	80 ^r	9 ^r	89 ^r	80	9	89	353
Total reported	35,900	2,660	467 ^r	3,130	2,510	464	2,980	12,200
Estimated undistributed consumption ⁵	10,800	600	300	900	600	300	900	3,600
Grand total	46,700	3,260	767 ^r	4,030	3,110	764	3,880	15,800

^pPreliminary. ^rRevised. W Withheld to avoid disclosing company proprietary data; included with "Other." -- Zero.

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

²Includes terre metal.

³Includes secondary pig tin and tin components of tinplating chemical solutions.

⁴Includes pewter, britannia metal, and jewelers' metal.

⁵Estimated consumption of plants reporting on an annual basis.