

Mineral Industry Surveys

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TIN IN OCTOBER 2005

Domestic consumption of primary tin in October was estimated by the U.S. Geological Survey to be slightly above that in September and about 3% lower than that in October 2004. Estimated domestic consumption of primary tin in the first 10 months of 2005 was about 1% below that in the comparable period of 2004.

The Platts Metals Week average composite price for tin in October was \$4.30 per pound, about 4% lower than that in September and about 26% lower than that in October 2004.

Over the summer and into autumn, tin prices continued to decline. The price has been in almost continual decline since February. October prices were down to levels not seen for nearly 2 years, and well below the levels of 2004, which had spurred renewed interest in the mining and exploration of tin. The tin price decline was attributed by many analysts to be the result of a large increase in tin metal being produced in Indonesia. PT Timah increased its refined tin output by over 20% in the first 9 months of 2005 compared to that of the comparable period of 2004, partly by expanding its own mining activities, but also by smelting ore from the large number of independent miners that have proliferated since deregulation of the industry (TIN World, 2005).

In Peru, Minsur SA announced plans for a tailings re-treatment plant at its San Rafael Tin Mine in 2007. The proposed new plant could treat 5,000 metric tons per day of tailings containing about 0.5% tin to produce up to 9,000 metric tons per year (t/yr) of tin (CRU Tin Monitor, 2005a).

Also in Peru, unionized workers at Funsur SA, the tin smelter owned by Minsur SA, struck the company on December 5 demanding higher pay. The Funsur tin smelter was located south of Lima in Pisco, Peru. Funsur ranked as one of the world's largest tin smelters. More than 99% of its production

was exported, with about one-half going to the United States (American Metal Market, 2005b).

Dofasco Inc. (Toronto, Ontario), a major Canadian steelmaker, accepted an acquisition offer from ThyssenKrupp AG (Düsseldorf, Germany). The German steelmaker agreed to pay \$4.1 billion for Dofasco. Dofasco produced tinplate at its steel plant in Hamilton, Ontario, Canada (American Metal Market, 2005a).

In Australia, Australia Oriental Minerals NL (AOM) announced that it had begun exploration work at two tin deposits. The Tingha property was considered a resource which could support a 4,000-t/yr operation with a 10-year life, and the Emmaville property could support a 3,000-t/yr mine with a 5-year life. Drilling programs would begin in 2006 to confirm these expectations. The major shareholder in AOM was Malaysia Smelting Corp. (CRU Tin Monitor, 2005b).

Update

On December 2, 2005, the Platts Metals Week composite price for tin was \$4.26 per pound.

References Cited

- American Metal Market, 2005a, ThyssenKrupp trumps Arcelor bid for Dofasco: American Metal Market, v. 113, no. 47, November 29, p. 1, 2.
- American Metal Market, 2005b, Workers at Funsur tin smelter in Peru walk out: American Metal Market, v. 113, no. 48, December 6, p. 8.
- CRU Tin Monitor, 2005a, Industry news: CRU International Ltd., October, p. 8.
- CRU Tin Monitor, 2005b, Industry news: CRU International Ltd., December, p. 7.
- TIN World, 2005, Tin prices sink to near two year lows: TIN World, no. 11, Autumn, p. 3.

TABLE 1
SALIENT TIN STATISTICS¹

(Metric tons, unless otherwise noted)

| | 2005 | | | |
|--|-------------------|--------------------|---------|---------------------|
| | 2004 ^P | September | October | January- October |
| Production, secondary ^{e, 2} | 10,800 | 900 | 900 | 9,000 |
| Consumption: | | | | |
| Primary | 38,500 | 3,050 ^r | 3,060 | 31,300 |
| Secondary | 8,200 | 774 | 773 | 7,680 |
| Imports for consumption, metal | 47,600 | 3,420 | NA | NA |
| Exports, metal | 3,650 | 538 | NA | NA |
| Stocks at end of period | 6,140 | 5,350 ^r | 5,330 | XX |
| Prices (average cents per pound): ³ | | | | |
| Metals Week composite ⁴ | 547.30 | 449.50 | 429.86 | XX |
| Metals Week New York dealer | 409.38 | 334.44 | 317.38 | XX |
| London, standard grade, cash | 385.00 | 307.00 | 291.00 | XX |
| Kuala Lumpur | 385.11 | 308.06 | 292.79 | 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: | | | |
| 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 |
| May | 529.88 | 521.36 | 524.53 |
| June | 514.23 | 476.28 | 497.35 |
| July | 483.46 | 462.98 | 470.82 |
| August | 482.15 | 458.34 | 469.43 |
| September | 465.96 | 433.15 | 449.50 |
| October | 441.09 | 414.42 | 429.86 |

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 |
| 2005: | | | | | |
| January | W | 207,000 | 676 | 3.3 | 144,000 |
| February | W | 202,000 | 684 | 3.4 | 164,000 |
| March | W | 209,000 | 684 | 3.3 | 166,000 |
| April | W | 199,000 | 662 | 3.3 | 136,000 |
| May | W | 174,000 | 595 | 3.4 | 186,000 |
| June | W | 186,000 | 706 | 3.8 | 169,000 |
| July | W | 168,000 | 612 | 3.8 | 136,000 |
| August | W | 166,000 | 606 | 3.7 | 167,000 |
| September | W | 171,000 ^r | 615 ^r | 3.6 | 150,000 |
| October | W | 175,000 | 612 | 3.5 | 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 | 2005 | | | |
|-------------------------------|---------------|--------------|--------------|-----------------------|
| | 2004 | August | September | January- September |
| Imports: | | | | |
| Metal (unwrought tin): | | | | |
| Bolivia | 5,060 | 20 | 929 | 5,210 |
| Brazil | 4,330 | 150 | 150 | 1,830 |
| Chile | 281 | -- | -2 | 13 |
| China | 5,310 | 338 | 192 | 3,490 |
| Indonesia | 4,660 | 600 | 362 | 2,870 |
| Japan | 540 | -- | -- | -- |
| Malaysia | 6,600 | 30 | 100 | 1,200 |
| Peru | 19,600 | 1,770 | 1,670 | 14,900 |
| Switzerland | 178 | -- | -- | 1 |
| Thailand | 500 | 10 | 10 | 45 |
| United Kingdom | 97 | -- | -- | 27 |
| Other | 472 | 2 | 10 | 184 |
| Total | 47,600 | 2,920 | 3,420 | 29,800 |
| Other (gross weight): | | | | |
| Alloys | 5,180 | 263 | 523 | 6,130 |
| Bars and rods | 625 | 109 | 109 | 764 |
| Foil, tubes, pipes | 6 | -- | 8 | 8 |
| Plates, sheets, strip | 509 | 35 | 27 | 254 |
| Waste and scrap | 1,950 | 336 | 529 | 2,590 |
| Miscellaneous | 3,330 | 423 | 460 | 2,530 |
| Total | 11,600 | 1,170 | 1,660 | 12,300 |
| Exports (metal) | 3,650 | 446 | 538 | 3,280 |

-- 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 | September | | | October | | | January- October |
| | | Primary | Secondary | Total | Primary | Secondary | Total | |
| Alloys (miscellaneous) ² | 2,800 | 100 | -- | 100 | 104 | -- | 104 | 1,040 |
| Babbitt | 264 | 17 | W | 17 | 16 | W | 16 | 237 |
| Bar tin and anodes | 182 | 23 | W | 23 | 23 | W | 23 | 228 |
| Bronze and brass | 2,490 | 177 | 140 | 317 | 177 | 139 | 316 | 3,060 |
| Chemicals | 8,490 | 719 | W | 719 | 719 | W | 719 | 7,190 |
| Collapsible tubes and foil | W | W | W | W | W | W | W | W |
| Solder | 12,500 | 650 | 325 | 975 | 672 | 325 | 997 | 10,200 |
| Tinning | 451 | 63 | -- | 63 | 63 | -- | 63 | 614 |
| Tinplate ³ | 7,700 | 615 ^r | -- | 615 ^r | 612 | -- | 612 | 6,450 |
| Tin powder | W | W | -- | W | W | -- | W | W |
| White metal ⁴ | W | W | -- | W | W | -- | W | W |
| Other | 1,000 | 81 | 9 | 90 | 77 | 9 | 86 | 891 |
| Total reported | 35,900 | 2,450 ^r | 474 | 2,920 | 2,460 | 473 | 2,940 | 29,900 |
| Estimated undistributed consumption ⁵ | 10,800 | 600 | 300 | 900 | 600 | 300 | 900 | 9,000 |
| Grand total | 46,700 | 3,050 ^r | 774 | 3,820 | 3,060 | 773 | 3,840 | 38,900 |

^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 terne 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.