

Mineral Industry Surveys

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ZINC IN APRIL 2009

Domestic mine production (recoverable) of zinc in April 2009 was 58,400 metric tons (t), according to the U.S. Geological Survey. Average daily mine production in April was 1,950 t, 9% higher than that in March 2009 but 9% lower than that in April 2008.

The Platts Metals Week average price for North American Special High Grade (SHG) zinc for April 2009 was 65.30 cents per pound, 13% higher than the March average price but 39% lower than the April 2008 average price. The average London Metal Exchange Ltd. (LME) cash price of SHG zinc for April 2009 increased to \$1,378.44 per metric ton, 13% higher than the average price in March but a 39% decrease compared with the average price in April 2008. During April 2009, global LME stocks of SHG zinc declined by 15,500 t to 328,950 t.

Hunan Nonferrous Metals Holding Group Co., Ltd. (Hunan Province) planned to spend \$176 million to stockpile lead and zinc from its own zinc smelters over the course of the year, reportedly to support metal prices over the short term. Hunan Nonferrous Metals owns Zhuye Group, which is one of the leading producers of refined lead and zinc in China (Leung, 2009).

The Australian Government approved an alternative transaction that would allow state-owned China Minmetals Corp. to acquire the majority of OZ Minerals Ltd.'s (Melbourne, Australia) assets for approximately \$1.2 billion, including OZ

Minerals' zinc assets (the Century, Dugald River, Golden Grove, and Rosebery Mines in Australia and the Izok Lake and High Lake properties in Canada), as well as the Sepon copper mine in Laos and the suspended Avebury nickel mine in Australia. Minmetals' original takeover proposal was rejected by the Australian Federal Treasurer owing to the location of OZ Minerals' Prominent Hill copper-gold mine, which operated in an area designated for military test activities. The revised transaction would allow OZ Minerals to resolve its refinancing issues and remain a listed company, retaining its Prominent Hill Mine, Martabe gold-silver project in Indonesia, and certain exploration leases in Cambodia and Thailand. The deal was expected to be finalized later in 2009, pending approval from OZ Minerals' shareholders and regulatory approval from the Chinese Government (OZ Minerals Ltd., 2009; Platts Metals Week, 2009).

References Cited

- Leung, Joshua, 2009, Hunan Nonferrous Metals to prop up zinc prices: Platts Metals Week, v. 80, no. 16, April 20, p. 1, 6-7.
OZ Minerals Ltd., 2009, Shareholder letter: Melbourne, Australia, OZ Minerals Ltd. news release, April 17, 2 p.
Platts Metals Week, 2009, OZ-Minmetals deal gets OK: Platts Metals Week, v. 80, no. 17, April 27, p. 18-19.

TABLE 1
SALIENT ZINC STATISTICS¹

(Metric tons, unless otherwise specified)

	2008	2009		
	January- December	March	April	January- April
Production:				
Mine, zinc content of concentrate ²	778,000	57,200	60,500	245,000
Mine, recoverable zinc ²	748,000	55,200	58,400	237,000
Smelter, refined zinc ^{e, 3}	286,000	14,800 ^r	15,300	59,800
Consumption:				
Apparent, refined zinc ⁴	1,000,000	85,500 ^r	67,200	299,000
Reported:				
Refined zinc	248,000	17,400 ^r	16,500	67,900
Ores ^e (zinc content)	732	61	61	244
Zinc-base scrap ^e (zinc content)	178,000	14,800	14,800	59,300
Copper-base scrap ^e (zinc content)	148,000	12,400	12,400	49,400
Aluminum- and magnesium-base scrap ^e (zinc content)	603	50	50	201
Total ^e	575,000	44,700 ^r	43,800	177,000
Stocks of refined zinc, end of period:				
Producer and consumer ⁵	XX	34,600 ^r	35,600	XX
Shipments of zinc metal from Government stockpile	250	1	--	1
Imports for consumption:				
Refined zinc	725,000	70,500	53,000	238,000
Oxide (gross weight)	114,000	6,180	5,090	21,500
Ore and concentrate (zinc content)	63,200	--	14,000	19,400
Waste and scrap (gross weight)	17,000	884	865	2,880
Exports:				
Refined zinc	3,250	165	68	627
Oxide (gross weight)	39,900	986	1,070	4,570
Ore and concentrate (zinc content)	725,000	15,400	4,240	63,900
Waste and scrap (gross weight)	91,000	3,420	3,500	11,700
Price:⁶				
London Metal Exchange cash, average, dollars per metric ton	1,874.20	1,216.31	1,378.44	1,223.40
Platts Metals Week North American, average, cents per pound	88.93	58.03	65.30	58.43

^eEstimated. ^rRevised. XX Not applicable. -- Zero.

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

²Partially estimated.

³Includes zinc metal used to manufacture zinc oxide.

⁴Smelter production plus imports minus exports plus shipments from Government stockpile plus stock change.

⁵Reported for the month. Does not include an estimate for companies that report annually.

⁶Special High Grade Zinc.

TABLE 2
APPARENT CONSUMPTION OF REFINED ZINC ACCORDING
TO INDUSTRY USE AND PRODUCT¹

(Metric tons)

	2008	2009		January- April
	January- December	March ^r	April	
Galvanizing:				
Sheet and strip	438,000	38,100	30,900	135,000
Other	168,000	15,200	11,500	51,900
Total	606,000	53,300	42,500	187,000
Brass and bronze	165,000	13,700	10,900	49,800
Zinc-base alloy	149,000	13,400	10,100	45,500
Other uses ²	81,600	5,100	3,740	16,600
Grand total	1,000,000	85,500	67,200	299,000

^rRevised.

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

²Includes zinc used in making zinc dust, desilvering lead, powder, alloys, anodes, chemicals, casting, light metal alloys, rolled zinc, and miscellaneous uses not elsewhere specified.

TABLE 3
SHIPMENTS OF ZINC METAL FROM THE NATIONAL
DEFENSE STOCKPILE¹

(Metric tons)

Period	Shipments	Ending inventory ²
2008:		
March	89	7,640
April	--	7,640
May	41	7,600
June	--	7,600
July	101	7,500
August ³	--	7,500
September	--	7,500
October	8 ⁴	7,490
November	--	7,490
December	--	7,490
January-December	250	XX
2009:		
January	--	7,490
February	--	7,490
March	1 ⁴	7,490
April	--	7,490
January-April	1	XX

XX Not applicable. -- Zero.

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

²Includes only uncommitted inventory.

³On August 6, 2008, the Defense National Stockpile Center announced that sales of zinc from the National Defense Stockpile were suspended until further notice.

⁴Inventory reconciliation.

Source: Defense National Stockpile Center.

TABLE 4
U.S. IMPORTS FOR CONSUMPTION OF ZINC¹

(Gross weight, unless otherwise specified)

Material	2008		2009			
	Quantity (metric tons)	Value (thousands)	April		Year to date	
			Quantity (metric tons)	Value (thousands)	Quantity (metric tons)	Value (thousands)
Ore and concentrate (zinc content)	63,200	\$73,200	14,000	\$10,100	19,400	\$13,400
Unwrought:						
Refined (slab) zinc	725,000	1,480,000	53,000	68,300	238,000	284,000
Zinc alloys	7,170	14,900	417	560	1,090	1,460
Wrought:						
Bars, rods, profiles, wire	2,330	6,860	223	505	622	1,350
Plates, sheets, strip, foil	3,330	17,100	190	748	1,350	6,440
Other:						
Dross, ashes, fume (zinc content)	13,200	17,200	1,070	877	2,690	2,410
Powders, flakes, dust	28,500	81,200	1,910	3,220	6,830	12,000
Waste and scrap	17,000	20,300	865	687	2,880	2,260
Chemicals:						
Oxide	114,000	192,000	5,090	6,600	21,500	27,500
Chloride	462	1,780	23	63	83	301
Sulfate	41,900	45,700	4,000	2,680	11,500	8,450
Compounds, other ²	4,600	7,650	317	321	987	1,430

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

²Includes zinc sulfide (HTS 2830.90.1000 and 2830.90.1500), chromates of zinc or of lead (HTS 2841.90.4500), and lithopone and other pigments and preparations based on zinc sulfide (HTS 3206.42.0000).

Source: U.S. Census Bureau.

TABLE 5
U.S. IMPORTS OF ZINC, BY TYPE OF MATERIAL AND COUNTRY¹

(Metric tons, gross weight, unless otherwise specified)

Material and country	General imports			Imports for consumption		
	2008	2009		2008	2009	
		April	Year to date		April	Year to date
Ore and concentrate (zinc content):						
Canada	7,480	1,550	1,550	7,480	1,550	1,550
Mexico	2,730	--	5,410	2,730	--	5,410
Peru	53,000	12,400	12,400	53,000	12,400	12,400
Total	63,200	14,000	19,400	63,200	14,000	19,400
Refined (slab) zinc:						
Argentina	5,010	--	--	5,010	--	--
Australia	--	--	--	25	--	--
Belgium	908	--	--	908	--	--
Brazil	982	--	--	982	--	--
Canada	563,000	41,800	183,000	563,000	41,800	183,000
China	215	2	5	1,370	2	5
Germany	1	--	--	1	--	--
Italy	17	--	--	17	--	--
Japan	1,220	90	90	1,220	90	90
Kazakhstan	38,100	--	493	38,100	--	493
Korea, Republic of	--	--	--	702	--	--
Mexico	90,800	7,900	36,500	90,800	7,900	36,500
Peru	21,200	3,130	18,000	21,200	3,240	18,200
Spain	--	--	--	40	--	--
Sweden	2	--	--	2	--	--
Taiwan	18	--	1	18	--	1
Uzbekistan	2,260	--	--	2,260	--	--
Total	724,000	52,900	238,000	725,000	53,000	238,000
Dross, ashes, fume (zinc content)						
	13,200	1,070	2,690	13,200	1,070	2,690
Grand total	800,000	67,900	260,000	802,000	68,000	260,000
Oxide:						
Australia	81	--	338	81	--	338
Belgium	11,600	--	19	11,600	--	19
Canada	40,400	2,820	10,700	40,400	2,820	10,700
China	346	26	83	346	26	83
Germany	1,150	--	57	1,150	--	57
Italy	25,100	--	--	25,100	--	--
Japan	1,490	111	491	1,490	111	491
Mexico	26,100	2,110	8,390	26,100	2,110	8,390
Netherlands	5,470	--	1,280	5,470	--	1,280
Norway	3	--	2	3	--	2
Peru	1,150	20	85	1,150	20	85
Spain	681	--	--	681	--	--
United Kingdom	76	--	9	76	--	9
Other	234	--	--	234	--	--
Total	114,000	5,090	21,500	114,000	5,090	21,500

-- Zero.

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

Source: U.S. Census Bureau.

TABLE 6
U.S. EXPORTS OF ZINC¹

(Gross weight, unless otherwise specified)

Material	2009					
	2008		April		Year to date	
	Quantity (metric tons)	Value (thousands)	Quantity (metric tons)	Value (thousands)	Quantity (metric tons)	Value (thousands)
Ore and concentrate (zinc content)	725,000	\$598,000	4,240	\$3,460	63,900	\$36,600
Unwrought:						
Refined (slab) zinc	3,250	3,260	68	77	627	651
Zinc alloys	8,550	22,800	245	571	1,210	2,590
Wrought:						
Bars, rods, profiles, wire	28,100	47,500	1,590	2,820	5,340	9,510
Plates, sheets, strip, foil	4,970	20,900	476	1,310	1,520	4,500
Other:						
Dross, ashes, fume (zinc content)	10,500	5,120	678	525	2,250	1,760
Powders, flakes, dust	13,000	28,500	888	1,580	3,240	5,880
Waste and scrap	91,000	99,100	3,500	3,650	11,700	11,800
Chemicals:						
Oxide	39,900	61,700	1,070	1,870	4,570	7,820
Chloride	1,830	2,110	201	272	710	930
Sulfate	578	799	165	229	270	453
Compounds, other ²	7,210	11,900	496	891	1,480	3,770

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

²Includes zinc sulfide (Schedule B 2830.90.1000 and 2830.90.1500), chromates of zinc or of lead (Schedule B 2841.90.4500), and lithopone and other pigments and preparations based on zinc sulfide (Schedule B 3206.42.0000).

Source: U.S. Census Bureau.

TABLE 7
AVERAGE PRICES FOR SPECIAL HIGH GRADE ZINC

Period	North American ¹	London Metal Exchange cash ²	
	¢/lb.	¢/lb.	\$/t
2008:			
March	117.67	113.90	2,511.01
April	106.43	102.66	2,263.16
May	102.80	98.96	2,181.63
June	89.93	85.91	1,893.89
July	88.02	84.00	1,851.88
August	82.17	78.14	1,722.70
September	82.72	78.70	1,735.05
October	63.01	59.03	1,301.49
November	55.84	52.26	1,152.16
December	53.42	49.90	1,100.01
January-December	88.93	85.01	1,874.20
2009:			
January	56.94	53.85	1,187.11
February	53.44	50.43	1,111.75
March	58.03	55.17	1,216.31
April	65.30	62.53	1,378.44
January-April	58.43	55.49	1,223.40

¹Platts Metals Week North American price. Based on the London Metal Exchange cash price plus premiums or discounts, depending on market conditions.

²Average of the cash buyer price and the cash seller and settlement price.

Source: Platts Metals Week.