

Mineral Industry Surveys

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ZINC IN FEBRUARY 2013

Domestic mine production (recoverable) of zinc in February 2013 was 55,100 metric tons (t). Average daily mine production in February was 1,970 t, 5% less than that in January 2013 and essentially unchanged from that in February 2012.

The Platts Metals Week average price for North American Special High Grade (SHG) zinc for February 2013 was 105.08 cents per pound, 5% more than the January 2013 average price and 4% more than the February 2012 average price. The average London Metal Exchange Ltd. (LME) cash price of SHG zinc for February 2013 was \$2,129.00 per metric ton, 5% more than the average price in January 2013 and 3% more than the average price in February 2012. During February 2013, U.S. located LME stocks of SHG zinc decreased by 17,575 t, and global LME stocks of SHG zinc decreased by 5,225 t to 1,200,050 t.

Update

Steel Dynamics Inc. (SDI) (Fort Wayne, IN) planned to increase its galvanized sheet capacity at its Jeffersonville, IN plant by as much as 63,500 metric tons per year (t/yr) by mid-2014. The plant was capable of coating 272,000 to 318,000 t/yr of cold-rolled sheet produced by SDI's nearby Butler, IN plant. Finished products included thin-gauge galvanized and galvalume sheet. The \$7.8 million expansion project would involve upgrading and installing new equipment, which in part could increase line speed (Riley, 2013).

On April 16, Nyrstar plc (Balen, Belgium) announced that it had reached a settlement with Glencore International plc (Baar, Switzerland) over the divestiture of Glencore's 7.79% interest in Nyrstar and cancelling Glencore's agreement for the marketing and selling of zinc metal produced by Nyrstar within the European Union. The settlement fulfilled required stipulations set forth by the European Commission in November 2012 for clearing the proposed merger between Glencore and Xstrata plc (Zug, Switzerland). Nyrstar's zinc production facilities in Europe included the Auby smelter in France, the Balen/Overpelt smelter in Belgium, and the Budel

smelter in the Netherlands. In 2012, the combined zinc production from these facilities was 668,000 t and accounted for 62% of Nyrstar's total zinc metal production. Nyrstar was considering marketing and selling the zinc output from these facilities themselves, tendering the metal to third parties, or entering into a partnering arrangement (Blamey, 2013).

Also on April 16, China's Ministry of Commerce (MOFCOM) announced that it had approved the proposed merger between Glencore and Xstrata on the condition that Glencore sells its interest in the Las Bambas copper project in Peru to a MOFCOM-approved purchaser. Glencore also would have to supply Chinese customers with a minimum of 900,000 metric tons per year of copper concentrate (equal to the average volume Glencore sold to China in 2011 and 2012) and an unspecified amount of lead and zinc concentrates through long-term and spot contracts for an 8-year period. Regulatory approval from China was the last necessary step for the merger between the two companies, which became effective on May 2. The new company, called Glencore Xstrata plc, was one of the leading global miners and producers of zinc (Burton, 2013; Glencore International plc, 2013; Hack, 2013).

References Cited

- Blamey, Andy, 2013, Nyrstar, Glencore reach agreement on zinc offtake deal: *Platts Metals Daily*, v. 2, no. 73, April 16, p. 9.
- Burton, Mark, 2013, Glencore ready to live with China's demands: *Metal Bulletin*, no. 9299, April 22, p. 6.
- Glencore International plc, 2013, Merger update—Merger complete: Baar, Switzerland, Glencore International plc news release, May 2, 2 p. (Accessed on May 2, 2013, via <http://www.glencorexstrataplc.com/assets/Uploads/Announcement-of-Merger-Completion-2.5.2013.pdf>.)
- Hack, Claire, 2013, Glencore must sell Xstrata's Las Bambas stake to satisfy Chinese regulator: *Metal Bulletin*, no. 9299, April 22, p. 5.
- Riley, Anne, 2013, SDI to upgrade Jeffersonville galvanizing line: *American Metal Market*, April 25, 1 p. (Accessed on April 25, 2013, via <http://www.amm.com/>)

TABLE 1
SALIENT ZINC STATISTICS¹

(Metric tons, unless otherwise specified)

	2012 ^P January– December	2013		
		January	February	January– February
Production:				
Mine, zinc content of concentrate ²	738,000	66,400	57,000	123,000
Mine, recoverable zinc ²	713,000	64,100	55,100	119,000
Smelter, refined zinc ^{e,3}	261,000	22,700	22,700	45,400
Consumption of refined zinc:				
Apparent ^{e,4,5}	939,000	77,600	78,300	156,000
Imports for consumption:				
Ore and concentrate (zinc content)	6,140	204	174	378
Refined zinc	655,000	55,300	57,100	112,000
Exports:				
Ore and concentrate (zinc content)	592,000	2	10,600	10,600
Refined zinc	14,100	397	1,480	1,880
Price:⁶				
London Metal Exchange cash, average, dollars per metric ton	1,947.73	2,032.86	2,129.00	2,080.93
Platts Metals Week North American, average, cents per pound	95.76	100.25	105.08	102.66

^eEstimated. ^PPreliminary.

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

²Reported zinc content in both zinc and lead concentrates.

³Includes zinc metal used to manufacture zinc oxide.

⁴Smelter production plus imports for consumption minus domestic exports plus stock change.

⁵The collection of monthly consumer stocks data is in the process of being discontinued. As of January 2013, apparent consumption is equal to smelter production plus imports for consumption minus domestic exports.

⁶Special High Grade Zinc.

TABLE 2
MINE AND SMELTER PRODUCTION OF ZINC
IN THE UNITED STATES¹

(Metric tons)

Period	Mine ²		Smelter ^{e,3}
	Zinc content	Recoverable	
2012:			
February	59,600	57,500	21,700
March	60,400	58,400	21,700
April	62,600	60,400	22,600
May	62,300	60,200	22,600
June	56,600	54,700	22,600
July	60,600	58,600	20,000
August	58,900	56,900	20,000
September	62,300	60,200	20,000
October	57,500	55,500	22,700
November	67,000	64,800	22,700
December	70,600	68,200	22,700
January–December	738,000	713,000	261,000
2013:			
January	66,400	64,100	22,700
February	57,000	55,100	22,700
January–February	123,000	119,000	45,400

^eEstimated.

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

²Includes the zinc content in both lead and zinc concentrates.

³Includes zinc metal used to manufacture zinc oxide.

TABLE 3
U.S. IMPORTS FOR CONSUMPTION OF ZINC¹

(Gross weight, unless otherwise specified)

Material	2012		2013			
	Quantity (metric tons)	Value (thousands)	February		January–February	
			Quantity (metric tons)	Value (thousands)	Quantity (metric tons)	Value (thousands)
Ore and concentrate (zinc content)	6,140	\$11,200	174	\$394	378	\$821
Unwrought:						
Refined (slab) zinc	655,000	1,320,000	57,100	122,000	112,000	237,000
Zinc alloys	20,600	41,900	792	1,810	1,510	3,310
Wrought:						
Bars, rods, profiles, wire	2,570	7,270	142	441	356	1,070
Plates, sheets, strip, foil	2,920	12,700	90	517	454	1,960
Other:						
Dross, ashes, fume (zinc content)	23,200	26,800	2,040	2,380	3,360	3,930
Powders, flakes, dust	28,200	80,500	1,590	4,920	3,430	10,400
Waste and scrap	20,000	24,600	871	1,110	1,950	2,370
Chemicals:						
Oxide	82,700	158,000	7,040	14,800	14,500	30,200
Chloride	190	1,490	8	73	28	259
Sulfate	56,300	51,100	4,540	4,000	7,950	7,040
Compounds, other ²	3,460	10,500	323	1,020	585	1,880

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 4
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		
	2012	2013		2012	2013	
		February	January–February		February	January–February
Ore and concentrate (zinc content):						
Canada	3,450	174	378	3,450	174	378
Mexico	2,680	--	--	2,680	--	--
Total	6,140	174	378	6,140	174	378
Refined (slab) zinc:						
Argentina	--	--	1,000	--	--	1,000
Australia	26,500	--	--	29,000	4,920	4,920
Brazil	7,020	401	899	7,020	401	899
Canada	463,000	36,400	75,700	463,000	36,400	75,700
China	65	21	26	65	21	26
France	52	--	--	52	--	--
Korea, Republic of	--	--	--	471	32	32
Mexico	94,400	7,940	16,800	94,400	7,940	16,800
Netherlands	1,300	--	--	1,330 ^r	--	--
Peru	58,300	7,410	13,000	58,300	7,410	13,000
Spain	1	--	--	729	--	--
Taiwan	49	6	8	49	6	8
Other	(2) ^r	(2)	(2)	(2) ^r	(2)	(2)
Total	651,000	52,200	107,000	655,000	57,100	112,000
Oxide:						
Australia	1,080	--	138	1,080	--	138
Belgium	175	7	7	175	7	7
Canada	42,500	4,350	8,600	42,500	4,350	8,600
China	675	24	112	675	24	112
Germany	3,210	340	806	3,210	340	806
Japan	3,050	27	126	3,050	27	126
Mexico	25,900	2,050	4,320	25,900	2,050	4,320
Netherlands	5,240	181	244	5,240	181	244
Peru	170	--	39	170	--	39
Turkey	355	60	100	355	60	100
Other	408 ^r	8	24	408 ^r	8	24
Total	82,700	7,040	14,500	82,700	7,040	14,500

^rRevised. -- Zero.

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

²Less than ½ unit.

Source: U.S. Census Bureau.

TABLE 5
U.S. EXPORTS OF ZINC¹

(Gross weight, unless otherwise specified)

Material	2012		2013			
	Quantity (metric tons)	Value (thousands)	February		January–February	
			Quantity (metric tons)	Value (thousands)	Quantity (metric tons)	Value (thousands)
Ore and concentrate (zinc content)	592,000	\$806,000	10,600	\$19,700	10,600	\$19,700
Unwrought:						
Refined (slab) zinc	14,100	14,900	1,480	1,530	1,880	1,930
Zinc alloys	17,900	46,000	2,350	6,120	4,280	11,000
Wrought:						
Bars, rods, profiles, wire	17,700	28,900	585	1,100	1,290	2,460
Plates, sheets, strip, foil	6,040	20,600	607	1,990	972	3,180
Other:						
Dross, ashes, fume (zinc content)	34,900	19,900	2,950	2,080	3,570	3,040
Powders, flakes, dust	14,200	33,200	940	2,500	1,530	4,200
Waste and scrap	90,500	107,000	7,170	8,540	11,500	13,700
Chemicals:						
Oxide	41,800	50,200	3,840	4,310	5,260	6,270
Chloride	902	1,590	12	20	219	289
Sulfate	774	1,160	30	130	63	175
Compounds, other ²	8,690	15,000	728	1,450	1,900	3,250

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 6
AVERAGE PRICES FOR SPECIAL HIGH GRADE ZINC

Period	North American ¹	London Metal Exchange cash ²	
	¢/lb.	¢/lb.	\$/t
2012:			
February	100.57	93.34	2,057.86
March	99.54	92.27	2,034.21
April	97.82	90.56	1,996.47
May	94.79	87.53	1,929.68
June	91.43	84.16	1,855.49
July	91.30	83.95	1,850.82
August	89.77	82.26	1,813.46
September	98.31	90.80	2,001.81
October	94.88	86.70	1,911.42
November	93.88	86.36	1,904.01
December	99.93	92.41	2,037.18
January–December	95.76	88.35	1,947.73
2013:			
January	100.25	92.21	2,032.86
February	105.08	96.57	2,129.00
January–February	102.66	94.39	2,080.93

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.

TABLE 7
LONDON METAL EXCHANGE (LME) STOCKS OF SPECIAL HIGH GRADE ZINC, END OF PERIOD¹

(metric tons)

Period	United States				Europe	Other	Total LME
	Detroit, MI	New Orleans, LA	Other	Total			
2012:							
February	82,300	550,000	46,800	679,000	33,300	155,000	867,000
March	83,900	581,000	40,900	706,000	32,500	158,000	897,000
April	96,900	598,000	32,700	728,000	31,500	167,000	927,000
May	97,100	637,000	21,100	755,000	31,000	153,000	939,000
June	108,000	683,000	18,500	810,000	31,800	153,000	995,000
July	109,000	706,000	16,800	832,000	33,100	132,000	997,000
August	110,000	667,000	15,400	792,000	32,600	126,000	951,000
September	110,000	703,000	14,800	828,000	32,600	129,000	990,000
October	111,000	724,000	14,100	849,000	189,000	132,000	1,170,000
November	114,000	803,000	13,000	930,000	197,000	107,000	1,230,000
December	116,000	800,000	12,000	928,000	198,000	94,900	1,220,000
2013:							
January	116,000	784,000	11,400	912,000	208,000	85,500	1,210,000
February	116,000	767,000	11,300	894,000	222,000	84,300	1,200,000

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

Source: London Metal Exchange, Ltd.