

Mineral Industry Surveys

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TIN IN AUGUST 2006

Domestic consumption of primary tin in August was estimated to be slightly higher than that in July 2006 and about 11% below that in August 2005, according to the U.S. Geological Survey. Estimated domestic consumption of primary tin in the first 8 months of 2006 was 9% lower than that in the comparable period of 2005. Imports of refined tin during the first 7 months of 2006 were 24,100 metric tons (t), about 3% above that for the comparable period of 2005.

The Platts Metals Week average composite price for tin in August was \$5.48 per pound, slightly above that in July 2006 and 17% above that in August 2005.

Arcelor Mittal, the merged entity of Mittal Steel Co. NV (Rotterdam, Netherlands) and Arcelor SA (Luxembourg, Luxembourg) announced plans to sell its Weirton, WV, steel plant to satisfy antitrust conditions arising from the merger. Arcelor Mittal was required by the U.S. Department of Justice to dispose of Dofasco Inc. (Hamilton, Ontario, Canada), which was acquired as part of the purchase of Arcelor, because the Arcelor Mittal merger created a monopoly in tinplate. The company had a choice between selling its Sparrows Point, MD, steel plant or the Weirton, WV, steel plant, and has elected to part with the Weirton facility. Weirton's tinplate production is in the range of 850,000 to 900,000 metric tons per year (t/yr), ranking it as one of the largest in North America. Weirton's tinplate output accounts for almost 20% of domestic tinplate production (American Metal Market, 2006).

China reduced the export rebate on various tin and tin alloy products from 13% to 8%, effective September 15. These tin products included tin bars, rods, extrusions, thread, plates, sheets, foil, powder, and granules. The export tax rebate was removed for unwrought nonalloy tin, tin for solders, other tin alloys and tin waste and scrap. The previous export tax rebate on these items was 13% across the board. Government officials in China believed that the domestic supply of tin materials would increase and domestic prices would be pressured lower (Platts Metal Week, 2006a).

In Malaysia, Malaysia Mining Corp. (MMC), an investment holding company, announced its intention to sell its 30% stake in its tin smelting operation, Malaysia Smelting Corp. (MCS), for \$29 million. MMC said that it had entered into a conditional

sales agreement with Sword Investments and Straits Trading Amalgamated Resources. After the sale, MMC would no longer have any equity interest in MSC. The sale was part of MMC's strategy to dispose of its non-core assets; the company planned to use the proceeds to reduce debt and for working capital (Platts Metals Week, 2006b).

The reopening of the South Crofty tin mine in Cornwall, United Kingdom, moved a step closer after the county council last week approved a new environmental plan for the project. The tin mine, closed in 1998, is owned by Baseresult Ltd., which plans to invest about \$57 million in reopening it. Planned capacity of the operation, which would not start up for 4 years, is about 4,000 t/yr, twice the level at which the mine operated before it closed (CRU Week in the News, 2006§¹).

In Indonesia, PT Timah (Bangka Island, Indonesia), the country's major tin producer, announced that it has discovered 5,000 t of tin reserves in Riau Island Province, Indonesia (CRU Week in the News, 2006§).

Major expansions of tinplate capacity in China and India are underway. China's Hainan Haiwoo Tinplate increased capacity by 50% to 150,000 t/yr at its tin mill on Hainan Island. In India, the Tinplate Company of India announced plans to commission a new tinplate line at Jamshedpur, India by 2008, which is expected to cost \$45 million and increase capacity by 200,000 t/yr, bringing the company's total capacity to 380,000 t/yr. The company anticipates that the new line will increase its share of the Indian market to 60% from 40% and increase exports to Asia and Europe. The expansion can be seen as a response to competitor GPT Steel's opening of a 180,000-t/yr tinplate line in March 2006 (CRU Tin Monitor, 2006).

In Australia, Bluestone plc continued its assessment of a possible restart of the Renison Bell tin mine in Tasmania, if the tin price returns to a viable and sustainable level. Renison was closed in October 2005. In addition, the company expects to submit a development proposal and environmental plan for the redevelopment of the nearby Mt. Bischoff tin mine to the Tasmanian Government. The company also received

¹A reference that includes a section mark (§) is found in the Internet Reference Cited section.

encouraging reports from test work on its “Rentails” project, to recover historical tailings at Renison (CRU Tin Monitor, 2006).

Update

On October 6, 2006, the Platts Metals Week composite price for tin was \$5.93 per pound.

References Cited

American Metal Market, 2006, Arcelor Mittal opts to hang a “for sale” sign on Weirton: American Metal Market, v. 114, no. 38-4, September 28, p. 1, 4.

CRU Tin Monitor, 2006, Industry News: CRU International Ltd., August, p. 8.
Platts Metals Week, 2006a, China cuts export tax rebate to 8%: Platts Metals Week, v. 77, no. 38, September 18, p. 7.
Platts Metals Week, 2006b, MMC to sell its 30% smelter stake: Platts Metals Week, v. 77, no. 36, September 4, p. 8.

Internet Reference Cited

CRU Week in the News, 2006 (September 14), Tin, accessed September 14, 2006, via URL <http://www.crumonitor.com>.

TABLE 1
SALIENT TIN STATISTICS¹

(Metric tons, unless otherwise noted)

	2005	2006		
	January- December ^p	July	August	January- August
Production, secondary ^{e,2}	10,800	900	900	7,200
Consumption:				
Primary	35,900	2,780	2,790	22,900
Secondary	10,800	695	680	5,580
Imports for consumption, metal	37,500	4,510	NA	NA
Exports, metal	4,330	351	NA	NA
Stocks at end of period	5,400	5,400	5,700	XX
Prices (average cents per pound): ³				
Metals Week composite ⁴	483.04 ^r	545.14	548.13	XX
Metals Week New York dealer	329.69	401.53	404.66	XX
London, standard grade, cash	304.00	381.00	385.00	XX
Kuala Lumpur	301.83	382.00	383.72	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
2005	496.08	469.82	483.04
2006:			
January	521.70	492.15	503.78
February	517.39	499.65	507.70
March	533.89	508.89	517.91
April	605.47	508.89	569.88
May	609.29	527.83	572.77
June	533.94	504.15	516.34
July	570.52	521.54	545.14
August	572.74	538.14	548.13

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)	
2005 ^P	W	2,270,000	7,670	3.4	1,860,000
2006:					
January	4,890	183,000	584	3.2	166,000
February	4,640	174,000	591	3.4	138,000
March	4,870	185,000	626	3.4	166,000
April	4,640	169,000	602	3.6	144,000
May	4,860	179,000	604	3.4	166,000
June	4,820	189,000	639	3.4	165,000
July	4,660	177,000	602	3.4	152,000
August	W	169,000	585	3.5	NA

^PPreliminary. 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	2006		January- July
		June	July	
Imports:				
Metal (unwrought tin):				
Bolivia	5,400	661	1,880	5,880
Brazil	2,150	50	93	494
Chile	20	--	--	--
China	4,510	492	560	2,760
Indonesia	5,220	135	377	3,160
Malaysia	1,530	25	5	199
Peru	18,300	1,240	1,270	9,850
Thailand	45	20	--	60
United Kingdom	67	(2)	226	623
Other	264	299	103	1,060
Total	37,500	2,920	4,510	24,100
Other (gross weight):				
Alloys	7,460	473	578	5,130
Bars and rods	1,030	216	289	1,150
Foil, tubes, pipes	8	--	(2)	1
Plates, sheets, strip	324	4	--	133
Waste and scrap	3,530	76	44	1,040
Miscellaneous	3,310	206	320	1,680
Total	15,700	975	1,230	9,130
Exports (metal)	4,330	552	351	2,860

-- 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			2006				
	January December ^p	July			August			January- August
		Primary	Secondary	Total	Primary	Secondary	Total	
Alloys (miscellaneous) ²	1,240	178	--	178	180	--	180	1,210
Babbitt	276	38 ^r	W	38 ^r	12	W	12	176
Bar tin and anodes	275	27	W	27	26	W	26	208
Bronze and brass	3,700	99	136	235	120	121	241	2,080
Chemicals	8,680	616	W	616	616	W	616	5,210
Collapsible tubes and foil	W	W	W	W	W	W	W	W
Solder	12,200	555 ^r	250	805 ^r	573	250	823	6,880
Tinning	740	34 ^r	--	34 ^r	37	--	37	334
Tinplate ³	7,670	602	--	602	585	--	585	4,820
Tin powder	W	W	--	W	W	--	W	W
White metal ⁴	W	W	--	W	W	--	W	W
Other	1,070	32 ^r	9	41 ^r	37	9	46	390
Total reported	35,900	2,180	395	2,580	2,190	380	2,570	21,300
Estimated undistributed consumption ⁵	10,800	600	300	900	600	300	900	7,200
Grand total	46,700	2,780	695	3,480	2,790	680	3,470	28,500

^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.