

# **2006 Minerals Yearbook**

## **MAGNESIUM COMPOUNDS**

### MAGNESIUM COMPOUNDS

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Domestic production of caustic-calcined magnesia and dead-burned magnesia in 2006 declined from those 2005, and imports continued to account for most of the U.S. consumption of magnesia. Consumption of refractory magnesia was about 7% less than that in 2005; imports continued to account for most of the consumption. Caustic-calcined (and other) magnesia consumption decreased slightly, with imports accounting for about 57% of total U.S. consumption. In contrast to the production of other magnesium compounds, the production of magnesium hydroxide increased. The principal reason for the production increase was an increase in consumption for environmental applications.

About 61% of U.S. magnesium compounds production came from seawater and well and lake brines. The remainder was recovered from brucite, dolomite, magnesite, and olivine. About 59% of the total consumption of magnesium compounds was for refractory applications. The remaining 41% was used in agricultural, chemical, environmental, and other applications. China (including Hong Kong) remained the dominant supplier of imports for refractory (dead-burned and fused) and causticcalcined magnesias with 83% and 86%, respectively, of the totals.

#### Production

Shipments of most magnesium compounds declined in 2006, with the exception of magnesium hydroxide (table 3). Increased use of magnesium hydroxide in environmental applications was partially responsible for the increase in production of magnesium hydroxide.

Data for magnesium compounds were collected by the U.S. Geological Survey from one voluntary survey of U.S. operations. Of the 16 operations canvassed, 75% responded, representing 70% of the magnesium compounds shipped and used, including data for some compounds that were not reportable in table 3. Data for the four nonrespondents were estimated on the basis of prior-year consumption levels.

The largest capacity magnesite processing facilities in the world are in China, North Korea, and Russia. Together, these three countries accounted for two-thirds of the world magnesite production capacity. Japan and the United States accounted for about one-half of the world's magnesium compounds production capacity from seawater or brines. Fused magnesia was produced in Australia, Brazil, Canada, China, Israel, Japan, the Republic of Korea, Mexico, Russia, the United Kingdom, and the United States. World production capacity was estimated to be about 560,000 metric tons per year (t/yr), including about 372,000 t/yr of capacity in China (Schroeder, 2006).

Fused magnesia was produced by two companies in the United States—Minco Inc. with a plant in Midway, TN, and

UCM Group PLC of the United Kingdom, which operated a plant in Cherokee, AL, through its Muscle Shoals Minerals Inc. subsidiary.

Norway is the world's principal producer and supplier of olivine. Other producers include Australia, Austria, Brazil, China, Denmark (Greenland), Greece, Italy, Japan, the Republic of Korea, Mexico, Spain, Taiwan, Turkey, and the United States. Rudi (2001) estimated that total world production of olivine averaged about 4 million metric tons per year (Mt/yr), with about 3.3 Mt/yr consumed in Europe. An additional 4 Mt/yr of dunite and serpentinite that is often commercially called olivine is produced. One company in the United States produced olivine—Olivine Corp., which operated a mine and processing plant in Washington.

Martin Marietta Magnesia Specialties LLC announced that it would nearly double production capacity for magnesium hydroxide at its Manistee, MI, plant to more than 50,000 t/yr by yearend 2007. Martin Marietta increased its production capacity because of an expected increase in magnesium hydroxide powder consumption in the flame retardant market and changes in the building and construction markets (Industrial Minerals, 2006d).

In January, Minco sold its fused magnesia operations in Midway, TN, to Mexican producer Industrias Peñoles S.A., but to avoid disruptions to its customers, maintained operations in the United States until May. Peñoles planned to move the 20,000-t/yr fused magnesia plant to its facility in Ramos Arizpe, Coahuila, Mexico. Minco sold the plant because most of its customers for electrical-grade fused magnesia were in Asia and Mexico. Minco had been importing caustic-calcined magnesia feed from Australia and Greece, and then shipping its product over similar distances, which the company felt did not make sense economically (O'Driscoll, 2006a).

#### Consumption

In 2006, environmental applications (water treatment and stack-gas scrubbing, in descending order) were the largest tonnage end use for caustic-calcined magnesia, with 35% of the total. Chemical applications was the second largest end use, with 28% of the total. The following categories, with the individual components in descending order of consumption in parentheses, were the other end-use sectors for caustic-calcined magnesia: agriculture (animal feed and fertilizers), 24%; manufacturing (fluxes, rubber, and electrical), 8%; construction (primarily oxychloride and oxysulfate cements), 5%; pharmaceuticals and nutrition and unspecified uses, each less than 1%.

Magnesium hydroxide was used mainly for water treatment, as a chemical intermediate, and in medicines and pharmaceuticals (uses are given in descending order of quantity). Smaller applications for magnesium hydroxide were in the construction industry, in rubber processing, and in pharmaceuticals. Magnesium sulfate was used mostly for chemical, fertilizer, pulp and paper, pharmaceutical, rubber, water treatment, construction, and cosmetics applications (in descending order of quantity). Magnesium chloride was used mainly for ice control. Magnesium chloride brines were used for road dust and ice control.

#### Prices

At the end of August, Chemical Market Reporter changed its name to ICIS Business Americas and stopped publishing prices for magnesium compounds. The last prices published, as of August 28, 2006, are listed in table 4 and did not change appreciably from those at yearend 2005.

#### Foreign Trade

In 2006, dead-burned magnesia exports were 20% less than those in 2005 (table 5). Canada (81%) was the principal destination. Caustic-calcined magnesia exports increased by 16% from those in 2005. France (32%) and the Netherlands and Venezuela (26% each) were the main destinations.

Imports of dead-burned magnesia were about 9% less than those in 2005, with imports from China representing 83% of the total (table 7). Imports of caustic-calcined magnesia were about 7% higher than those in 2005. China, including Hong Kong (86%) and Canada (11%) were the primary sources.

Trade data for olivine are not available separately from the U.S. Census Bureau. The Journal of Commerce Port Import/ Export Reporting Service (PIERS), however, provides data on material that travels by ship. U.S. exports of olivine were 380 metric tons (t) in 2006. Venezuela (91%) and Taiwan (9%) were the destinations. U.S. olivine imports were 172,000 t, 17% higher than those in 2005. Norway (95%) and Greenland (5%) were the sources of almost all United States olivine imports.

#### World Review

*European Union.*—In May, the European Commission (EC) extended the antidumping duty on imports of dead-burned magnesia from China that was established in 2000, with a minimum import price of €120 per metric ton. The duty had expired in January 2005, but the EC had begun a review in February 2005 that investigated market activity in calendar year 2004. As a result of its investigation, the EC concluded that prices for Chinese dead-burned magnesia had fallen by 10% in 2004 compared with those in 2003, and had fallen by 24% from 2001–04. Therefore, the EC felt that these trends would continue without an imposition of the duty (Industrial Minerals, 2006a).

*China.*—RHI AG of Germany signed a joint venture with Liaoning Jinding Magnesite Group Co. Ltd. to construct a new dead-burned and fused magnesia production plant to supply RHI's magnesia-base refractory plants in Bayuquan and Dailan in Liaoning Province. Construction of the new 100,000t/yr plant began in mid-2006, with the first line scheduled to be onstream in mid-2007. RHI would own 80% of the new company, Liaoning RHI Jinding Magnesite Co. Ltd., and its partner would own the remaining 20%. Liaoning Jinding Magnesite Group owned two magnesite mines in Lioaning Province that were expected to supply the new plant with its raw material needs (O'Driscoll, 2006b). RHI also announced that it would increase the production capacity for fired magnesia bricks at its Dalian plant by 35,000 t/yr, bringing the total capacity at the plant to 75,000 t/yr. The expansion was expected to be completed by 2007 (RHI AG, 2006).

Hong Kong Great Wall Trading Development Ltd. announced that it purchased an open pit magnesite mine at Xiuyan, Liaoning Province, close to the border with North Korea. The mine is east of the principal mining areas in Liaoning Province and has installed capacity of 100,000 t/yr of caustic-calcined magnesia production. The company began operating the calcining plant in February (Industrial Minerals, 2006b).

Several firms completed new magnesia-base refractories plants in China in 2006. Tata Refractories Ltd. of India constructed a 30,000-t/yr plant to produce magnesia-carbon bricks, which was scheduled to be commissioned in January 2007 (Industrial Minerals, 2006e). In September, Polish firm Zaklady Magnetowe "Ropczyce" S.A. completed a 45,000t/yr magnesia-carbon refractories plant in Haicheng, Liaoning Province. This plant is a 50-50 joint venture with Liaoning Xinrong Minerals Group Co. Ltd., which produced magnesia products at its six plants in Liaoning Province (O'Driscoll, 2006c). By locating the refractories plants in China, the foreign companies have significant supplies of magnesite and can sell the products to China's growing steel industry.

Price increases, an export tax, and city feuds were complicating magnesite supplies in China. In December, the four principal producers of magnesite in China agreed on a \$10-per-metric-ton price increase for their dead-burned magnesia grades. This followed \$30-per-metric-ton price increases that were announced in November. In addition, the central Government was expected to impose a new export tax of 10% on magnesia, effective January 1, 2007. Reflecting the Chinese Government's policy of protecting the country's mineral resources by limiting exports, the city of Haicheng decided to limit the quantity of magnesite leaving the city. This would cause supply constraints on the nearby city of Dashiqiao, which relies on magnesite supplied by Haicheng for its fused magnesia production, as well as for overseas customers (O'Driscoll, 2007).

*Israel.*—Following a reorganization at Israel Chemicals Ltd., Dead Sea Periclase became Magnesia Products SBU of ICL-Industrial Products and decided to stop producing dead-burned magnesia. Prior to this decision, the company was producing only small quantities of high-purity dead-burned magnesia for niche applications. Competition from Chinese dead-burned magnesia was cited as the principal reason for the decision. The company planned to concentrate on its production of specialty caustic-calcined magnesia, which was used by the pharmaceuticals, food, transformer steel, rubber, and plastics industries (Mureinik, 2006).

*Jordan.*—According to a report from the Prime Minster's office, in June, the cabinet referred the case of the Jordan Magnesia Co. to the prosecutor general to "take the necessary legal measures over alleged corruption" in the firm. The

company's financial losses were estimated at \$185 million (Jordan Information Office, 2006). Jordan Magnesia completed a 60,000-t/yr magnesia plant at Al-Safi at the end of 2002, but the plant has not operated since December 2004.

*Russia.*—The country's leading magnesite producer, Magnezit Group, started developing the Goluboye magnesite deposit in late August, and planned to begin producing causticcalcined magnesia from the magnesite in the deposit by early 2007. The company reported that explored reserves of the Goluboye deposit were 15.5 million metric tons (Mt), but this figure may increase after additional exploration work is completed. Magnezit planned to build a 95,000-t/yr causticcalcined magnesia plant, of which 62,000 t/yr would be used as feedstock for a new fused magnesia plant that the company planned to construct, and 33,000 t/yr would be sold (Industrial Minerals, 2006c).

*Serbia.*—The Kosovo Trust Agency postponed the privatization of the area's two magnesite mines, XIM Strezoc Magnesite Mine and Goleshi Magnesite Mine. The new date for the first bids was set for March 7, 2007, with more lenient prequalification conditions. The Strezoc Mine was estimated to contain between 4.5 and 5.5 Mt of magnesite, which included higher grade ore reserves of 1.5 to 1.7 Mt. The reserves at the Goleshi Mine were estimated to be 2.4 Mt of medium- to high-grade magnesite. Although both operations produced dead-burned and caustic-calcined magnesia prior to the Balkan conflict in the early 1990s, neither had been producing since the early 2000s (Kosovo Trust Agency, 2006).

#### Outlook

According to the International Iron and Steel Institute (ISII) (2007), world steel production in 2006 increased by 8.8% from that in 2005 to reach the highest level of crude steel output in history. Production in China, the leading producer, increased by almost 18% and represented nearly 34% of total world production. In its medium-term forecast, ISII projected that steel use in China would continue to grow, but at a more moderate rate than in the past, resulting from stronger credit control and administrative measures introduced by the Chinese authorities (International Iron and Steel Institute, 2006). Increased iron and steel production in China could lead to more internal consumption of refractories (including magnesia-base refractories), which would mean that less material would be available for export. Because the United States has lost much of its refractory magnesia production capacity in recent years and China is the principal United States supplier, a shortage of supply in the United States is possible. China, however, has vast resources of magnesite, and could increase magnesite production capacity to meet its internal and export needs.

In a review of the world magnesia refractories industry, Drnek (2006) estimated that although the quantity of refractories used per ton of steel produced has decreased from 1994–2004, the quantity of magnesia-base refractories used per ton of steel produced has increased. Total refractories consumption has declined to 14.5 kilograms per metric ton (kg/t) of steel produced in 2004 from 21.6 kg/t in 1994, but magnesia-base refractories use has increased to 4.6 kg/t from 3.9 kg/t during the

same time period. Use of refractories in cement has followed a similar trend, with use of magnesia-base refractories estimated to have increased by 0.3 t from 1994–2004. Drnek projected that this trend will continue—overall declining refractories consumption in the steel and cement industries, but because of increased production and changes in furnace linings, magnesia-base refractories use will increase.

Caustic-calcined magnesia markets are fairly mature, but use of magnesium hydroxide for environmental applications is growing. Because of its superior properties, magnesium hydroxide is expected to continue to replace such material as lime and caustic soda in some environmental applications. In addition, the use of magnesium hydroxide as a flame retardant material in specialized wire and cable applications could present an area for growth.

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### TABLE 1 SALIENT MAGNESIUM COMPOUND STATISTICS<sup>1</sup>

(Thousand metric tons and thousand dollars)

|  | 2002                | 2003                | 2004                | 2005                | 2006     |
|--|---------------------|---------------------|---------------------|---------------------|----------|
| United States:   |                     |                     |                     |                     |          |
| Caustic-calcined and specified magnesias: <sup>2</sup> |                     |                     |                     |                     |          |
| Shipped by producers: <sup>3</sup>                     |                     |                     |                     |                     |          |
| Quantity   | 127                 | 154                 | 132                 | 137                 | 116      |
| Value  | 38,100              | 61,000              | 55,400              | 60,300              | 52,200   |
| Exports <sup>4</sup>                                   | 6                   | 4                   | 4                   | 5                   | 6        |
| Imports for consumption <sup>4</sup>                   | 148                 | 150                 | 157                 | 152                 | 163      |
| Refractory magnesia:                                   |                     |                     |                     |                     |          |
| Shipped by producers: <sup>3</sup>                     |                     |                     |                     |                     |          |
| Quantity   | 123                 | 84                  | W                   | W                   | W        |
| Value  | 37,800              | 23,500              | W                   | W                   | W        |
| Exports  | 73                  | 56                  | 30                  | 25                  | 20       |
| Imports for consumption                                | 394                 | 379                 | 418                 | 478                 | 433      |
| World, production of magnesite                         | 14,100 <sup>r</sup> | 14,400 <sup>r</sup> | 15,100 <sup>r</sup> | 14,100 <sup>r</sup> | 14,100 e |

<sup>e</sup>Estimated. <sup>r</sup>Revised. W Withheld to avoid disclosing company proprietary data.

<sup>1</sup>Data are rounded to no more than three significant digits.

<sup>2</sup>Excludes caustic-calcined magnesia used in the production of refractory magnesia.

<sup>3</sup>Includes magnesia used by producers.

<sup>4</sup>Caustic-calcined magnesia only.

Industrial Minerals, monthly.

#### TABLE 2

#### U.S. MAGNESIUM COMPOUND PRODUCERS, BY RAW MATERIAL SOURCE, LOCATION, AND PRODUCTION CAPACITY, IN 20061

#### (Metric tons, MgO equivalent)

| Raw material source and producing company             | Location          | Capacity | Products  |
|---|-------------------|----------|---|
| Brucite, Applied Chemical Magnesias Corp.             | Van Horn, TX, and | 25,000   | Magnesium hydroxide.  |
|   | Bullhead City, AZ |          |   |
| Magnesite, Premier Chemicals LLC                      | Gabbs, NV         | 140,000  | Caustic-calcined magnesia.  |
| Lake brines:  |                   |          |   |
| Great Salt Lake Minerals Corp.                        | Ogden, UT         | 185,000  | Magnesium chloride and magnesium chloride brines.                           |
| Intrepid Wendover-Potash LLC                          | Wendover, UT      | 45,000   | Magnesium chloride brines.  |
| Well brines:  |                   |          |   |
| Martin Marietta Magnesia Specialties LLC <sup>2</sup> | Manistee, MI      | 297,000  | Caustic-calcined magnesia, dead-burned magnesia, and<br>magnesium hydroxide |
| Rohm and Haas Co.                                     | do.               | 25,000   | Caustic-calcined magnesia and magnesium hydroxide.                          |
| Seawater:   |                   |          |   |
| Premier Chemicals LLC                                 | Port St. Joe, FL  | 107,000  | Do.   |
| South Bay Salt Works                                  | Chula Vista, CA   | 3,000    | Magnesium chloride brines.  |
| SPI Pharma Inc.                                       | Lewes, DE         | 5,000    | Magnesium hydroxide.  |
| Total   |                   | 832,000  |   |

<sup>1</sup>Data are rounded to no more than three significant digits; may not add to total shown.

<sup>2</sup>In addition to its Michigan plant, Martin Marietta owned a 15,000-metric-ton-per-year-capacity magnesium hydroxide plant in Lenoir City, TN, which used imported magnesite as a raw material.

### TABLE 3 U.S. MAGNESIUM COMPOUNDS SHIPPED AND USED<sup>1</sup>

|   | 200                  | 5                   | 2006          |             |  |
|---|----------------------|---------------------|---------------|-------------|--|
|   | Quantity Value       |                     | Quantity      | Value       |  |
|   | (metric tons)        | (thousands)         | (metric tons) | (thousands) |  |
| Caustic-calcined and specified (USP and technical) magnesias <sup>2</sup> | 137,000              | \$60,300            | 116,000       | \$52,200    |  |
| Magnesium hydroxide $[100\% \text{ Mg(OH)}_2]^2$                          | 146,000 <sup>r</sup> | 71,300 <sup>r</sup> | 158,000       | 78,300      |  |
| Magnesium sulfate, anhydrous and hydrous                                  | 51,700 <sup>r</sup>  | 16,700 <sup>r</sup> | 48,000        | 12,200      |  |
| Refractory magnesia   | W                    | W                   | W             | W           |  |

<sup>r</sup>Revised. W Withheld to avoid disclosing company proprietary data.

<sup>1</sup>Data are rounded to no more than three significant digits.

<sup>2</sup>Excludes material produced as an intermediate step in the manufacture of other magnesium compounds.

### TABLE 4 YEAREND MAGNESIUM COMPOUND PRICES

| Material  |                   | 2005        | 2006                   |
|---|-------------------|-------------|------------------------|
| Magnesia, dead-burned   | per short ton     | \$365-375   | \$365-375 <sup>1</sup> |
| Magnesia, synthetic, technical, 98% MgO                         | do.               | 490         | 490 <sup>1</sup>       |
| Magnesium chloride, hydrous, 99%, flake                         | do.               | 290         | 290 <sup>1</sup>       |
| Magnesium chloride, anhydrous, 92%, flake or pebble             | per pound         | 0.1275-0.15 | 0.128-0.15             |
| Magnesium hydroxide, powder, technical                          | do.               | 0.45        | 0.45 1                 |
| Magnesium hydroxide slurry, technical, 100% Mg(OH) <sub>2</sub> | per short dry ton | 238-250     | 238-250 1              |
| Magnesium sulfate, technical (epsom salts)                      | per pound         | 0.18-0.215  | 0.18-0.22 1            |
| Olivine, aggregate, free on board plant or mine                 | per metric ton    | 50-78       | 50-78                  |
| Olivine, foundry grade, free on board plant or mine             | do.               | 62-109      | 62-109                 |
|   |                   |             |                        |

<sup>1</sup>Price as of August 28, 2006.

Sources: Chemical Market Reporter and Industrial Minerals.

### TABLE 5 U.S. EXPORTS OF CRUDE AND PROCESSED MAGNESITE, BY COUNTRY<sup>1</sup>

|                                 | 20                 | 05               | 200           | 2006        |  |  |
|---------------------------------|--------------------|------------------|---------------|-------------|--|--|
|                                 | Quantity           | Value            | Quantity      | Value       |  |  |
| Material and country            | (metric tons)      | (thousands)      | (metric tons) | (thousands) |  |  |
| Caustic-calcined magnesia:      |                    |                  |               |             |  |  |
| France                          | 1,430              | \$846            | 1,810         | \$1,080     |  |  |
| Germany                         | 412                | 246              | 569           | 345         |  |  |
| Netherlands                     | 475                | 280              | 1,500         | 915         |  |  |
| Venezuela                       | 2,200              | 869              | 1,480         | 615         |  |  |
| Other                           | 406                | 257              | 319           | 253         |  |  |
| Total                           | 4,920              | 2,500            | 5,690         | 3,210       |  |  |
| Dead-burned and fused magnesia: | _                  |                  |               |             |  |  |
| Brazil                          | 205                | 193              | 219           | 190         |  |  |
| Canada                          | 20,800             | 7,850            | 16,200        | 7,630       |  |  |
| Germany                         | 550                | 509              | 721           | 550         |  |  |
| Mexico                          | 497                | 642              | 549           | 832         |  |  |
| Netherlands                     | 333                | 196              | 52            | 46          |  |  |
| Norway                          | 82                 | 86               | 246           | 278         |  |  |
| Poland                          | 297                | 194              | 319           | 236         |  |  |
| Taiwan                          | 237                | 168              | 242           | 162         |  |  |
| United Kingdom                  | 307                | 315              | 252           | 238         |  |  |
| Venezuela                       | 605                | 243              | 52            | 34          |  |  |
| Other                           | 1,080 <sup>r</sup> | 990 <sup>r</sup> | 1,180         | 1,160       |  |  |
| Total                           | 24,900             | 11,400           | 20,000        | 11,400      |  |  |

See footnotes at end of table.

#### TABLE 5—Continued

#### U.S. EXPORTS OF CRUDE AND PROCESSED MAGNESITE, BY COUNTRY<sup>1</sup>

|                      | 200                | )5                 | 2006          |             |  |
|----------------------|--------------------|--------------------|---------------|-------------|--|
|                      | Quantity           | Value              | Quantity      | Value       |  |
| Material and country | (metric tons)      | (thousands)        | (metric tons) | (thousands) |  |
| Other magnesia:      |                    |                    |               |             |  |
| Brazil               | 1,260              | \$1,540            | 805           | \$1,020     |  |
| Canada               | 5,480              | 2,960              | 5,820         | 3,350       |  |
| Germany              | 2,350              | 1,510              | 2,280         | 1,680       |  |
| Hong Kong            | 496                | 456                | 865           | 916         |  |
| Mexico               | 3,240              | 3,000              | 2,010         | 2,130       |  |
| Taiwan               | 651                | 538                | 856           | 677         |  |
| United Kingdom       | 766                | 757                | 888           | 1,170       |  |
| Venezuela            | 878                | 278                | 1,110         | 766         |  |
| Other                | 6,590 <sup>r</sup> | 7,290 <sup>r</sup> | 6,560         | 7,170       |  |
| Total                | 21,700             | 18,300             | 21,200        | 18,900      |  |
| Crude magnesite:     |                    |                    |               |             |  |
| Argentina            | 1,250              | 133                | 442           | 47          |  |
| Australia            | 5,040              | 588                | 32            | 3           |  |
| Canada               | 4,770              | 617                | 2,780         | 369         |  |
| France               | 4,570              | 489                | 983           | 105         |  |
| Germany              | 1,960              | 212                | 1,740         | 186         |  |
| Mexico               | 474                | 53                 | 385           | 45          |  |
| Sweden               | 1,090              | 117                | 1,040         | 139         |  |
| United Kingdom       | 1,120              | 120                | 41            | 4           |  |
| Other                | 1,550              | 165                | 1,580         | 177         |  |
| Total                | 21,800             | 2,490              | 9,020         | 1,080       |  |

<sup>r</sup>Revised.

<sup>1</sup>Data 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 MAGNESIUM COMPOUNDS<sup>1</sup>

|  | 2005          |             | 20            | 06          |                                   |
|--|---------------|-------------|---------------|-------------|-----------------------------------|
|  | Quantity      | Value       | Quantity      | Value       |                                   |
| Material   | (metric tons) | (thousands) | (metric tons) | (thousands) | Principal destinations, 2006      |
| Magnesium chloride, anhydrous and other              | 6,060         | \$3,750     | 7,650         | \$5,470     | Canada, 80%.                      |
| Magnesium hydroxide and peroxide                     | 13,500        | 11,100      | 14,200        | 12,000      | Canada, 58%; United Kingdom, 14%. |
| Magnesium sulfate, natural kieserite and epsom salts | 2,780         | 483         | 303           | 208         | Canada, 74%; Honduras, 21%.       |
| Magnesium sulfate, other                             | 10,300        | 4,190       | 9,600         | 4,260       | Canada, 86%.                      |

<sup>1</sup>Data are rounded to no more than three significant digits.

Source: U.S. Census Bureau.

#### TABLE 7

#### U.S. IMPORTS FOR CONSUMPTION OF CRUDE AND PROCESSED MAGNESITE, BY COUNTRY $^{\rm l}$

|                                 | 20                 | 2005             |               | 2006  |  |  |
|---------------------------------|--------------------|------------------|---------------|---|--|--|
|                                 | Quantity           | Value            | Quantity      | Value   |  |  |
| Material and country            | (metric tons)      | (thousands)      | (metric tons) | (thousands)                                   |  |  |
| Caustic-calcined magnesia:      | , , ,              | , , ,            | · · · · ·     | <u>,                                     </u> |  |  |
| Brazil                          | 5,800              | \$638            | 8             | \$2   |  |  |
| Canada                          | 40,900             | 7,390            | 18,700        | 4,260   |  |  |
| China                           | 96,300             | 13,700           | 127,000       | 16,000  |  |  |
| Greece                          | 3,000              | 759              | 3,000         | 824   |  |  |
| Hong Kong                       |                    |                  | 12,600        | 2,160   |  |  |
| Korea, Republic of              | 5,270              | 916              |               |   |  |  |
| Other                           | 837 <sup>r</sup>   | 496 <sup>r</sup> | 1,120         | 659   |  |  |
| Total                           | 152,000            | 23,900           | 163,000       | 23,900  |  |  |
| Dead-burned and fused magnesia: |                    |                  |               |   |  |  |
| Australia                       | 13,300             | 6,910            | 20,000        | 6,940   |  |  |
| Austria                         | 28,000             | 14,200           | 30,500        | 17,800  |  |  |
| China                           | 390,000            | 82,900           | 360,000       | 67,300  |  |  |
| Greece                          | 6,050              | 1,290            | 6,600         | 1,720   |  |  |
| Hong Kong                       | 20,900             | 4,310            |               |   |  |  |
| Israel                          | 2,010              | 4,160            | 2,410         | 4,540   |  |  |
| Japan                           | 3,830              | 5,520            | 8,340         | 6,870   |  |  |
| Korea, Republic of              | 6,200              | 1,380            | 1,140         | 587   |  |  |
| Mexico                          | 5,680              | 2,270            | 3,240         | 1,570   |  |  |
| Other                           | 1,860              | 909              | 1,070         | 521   |  |  |
| Total                           | 478,000            | 124,000          | 433,000       | 108,000                                       |  |  |
| Other magnesia:                 |                    |                  |               |   |  |  |
| Canada                          | 1,100              | 297              | 1,040         | 294   |  |  |
| China                           | 2,690              | 1,690            | 1,920         | 761   |  |  |
| Israel                          | 442                | 648              | 261           | 443   |  |  |
| Japan                           | 1,300              | 2,430            | 1,190         | 2,360   |  |  |
| Mexico                          | 8,120              | 3,150            | 11,800        | 5,480   |  |  |
| Netherlands                     | 1,490              | 1,230            |               |   |  |  |
| Slovakia                        | 1,890              | 654              | 1,650         | 478   |  |  |
| Other                           | 1,260              | 1,230            | 1,230         | 1,280   |  |  |
| Total                           | 18,300             | 11,300           | 19,000        | 11,100  |  |  |
| Crude magnesite:                |                    |                  |               |   |  |  |
| Brazil                          | 920                | 241              | 759           | 188   |  |  |
| China                           | 5,310              | 297              | 7,900         | 996   |  |  |
| Israel                          | 2,360              | 450              | 2,820         | 588   |  |  |
| Japan                           | 4,330              | 887              | 2,790         | 579   |  |  |
| Other                           | 2,080 <sup>r</sup> | 388 <sup>r</sup> | 893           | 196   |  |  |
| Total                           | 15,000             | 2,260            | 15,200        | 2,550   |  |  |

<sup>r</sup>Revised. -- Zero.

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

Source: U.S. Census Bureau.

| TABLE 8  |
|--|
| U.S. IMPORTS FOR CONSUMPTION OF MAGNESIUM COMPOUNDS <sup>1</sup> |

|   | 2005          |             | 200           | )6          |  |
|---|---------------|-------------|---------------|-------------|--|
|   | Quantity      | Value       | Quantity      | Value       |  |
|   | (metric tons) | (thousands) | (metric tons) | (thousands) | Principal sources, 2006                    |
| Magnesium chloride, anhydrous and other | 72,900        | \$15,100    | 64,400        | \$12,100    | Israel, 71%; Netherlands, 15%; China, 12%. |
| Magnesium hydroxide and peroxide        | 6,240         | 12,100      | 10,300        | 17,100      | Israel, 31%; Japan, 24%; Austria, 16%.     |
| Magnesium sulfate, natural epsom salts  | 1,310         | 349         | 1,150         | 268         | India, 64%; Germany, 17%; China, 15%.      |
| Magnesium sulfate, natural kieserite    | 13,900        | 1,030       | 8,920         | 373         | Germany, 100%.                             |
| Magnesium sulfate, other                | 24,500        | 6,140       | 22,200        | 5,980       | Germany, 63%; Canada, 21%; China, 11%.     |

<sup>1</sup>Data are rounded to no more than three significant digits.

Source: U.S. Census Bureau.

# TABLE 9 WORLD MAGNESIUM COMPOUNDS ANNUAL PRODUCTION CAPACITY, DECEMBER 31, 2006<sup>1, 2</sup>

#### (Thousand metric tons, MgO equivalent)

|                    | Magn     | esite  | Seawater | or brines |        |
|--------------------|----------|--------|----------|-----------|--------|
|                    | Caustic- | Dead-  | Caustic- | Dead-     |        |
| Country            | calcined | burned | calcined | burned    | Total  |
| Australia          | 78       | 110    |          |           | 188    |
| Austria            | - 197    | 268    |          |           | 465    |
| Brazil             | - 83     | 351    |          |           | 434    |
| Canada             | 50       |        |          |           | 50     |
| China              | 275      | 2,940  |          | 10        | 3,230  |
| France             |          |        | 30       |           | 30     |
| Greece             | 120      | 100    |          |           | 220    |
| India              | - 20     | 296    |          |           | 316    |
| Iran               |          | 30     |          |           | 30     |
| Ireland            |          |        |          | 90        | 90     |
| Israel             |          |        | 10       | 60        | 70     |
| Italy              | - 25     |        |          |           | 25     |
| Japan              |          |        | 50       | 250       | 300    |
| Jordan             |          |        | 10       | 50        | 60     |
| Korea, North       |          | 1,100  |          |           | 1,100  |
| Korea, Republic of |          |        |          | 40        | 40     |
| Mexico             |          |        | 15       | 95        | 110    |
| Netherlands        |          |        | 10       | 150       | 160    |
| Poland             |          | 10     |          |           | 10     |
| Russia             | 100      | 2,400  |          |           | 2,500  |
| Serbia             | 40       | 160    |          |           | 200    |
| Slovakia           |          | 465    |          |           | 465    |
| South Africa       | - 12     |        |          |           | 12     |
| Spain              | 145      | 60     |          |           | 205    |
| Turkey             | 15       | 404    |          |           | 419    |
| Ukraine            |          | 120    | 20       | 80        | 220    |
| United States      | 140      |        | 201      | 195       | 536    |
| Total              | 1,300    | 8,810  | 346      | 1,020     | 11,500 |

-- Zero.

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

<sup>2</sup>Includes capacity at operating plants, as well as at plants on standby basis.

### TABLE 10 MAGNESITE: WORLD PRODUCTION, BY COUNTRY<sup>1, 2</sup>

#### (Metric tons)

| Country                                   | 2002                 | 2003                    | 2004                    | 2005                    | 2006 <sup>e</sup>    |
|---|----------------------|-------------------------|-------------------------|-------------------------|----------------------|
| Australia                                 | 484,498              | 472,668                 | 473,983 <sup>r</sup>    | 474,000 r               | 475,000              |
| Austria, crude <sup>e</sup>               | 728,000 <sup>r</sup> | 767,000 <sup>r</sup>    | 715,000 <sup>r</sup>    | 694,000 <sup>r</sup>    | 700,000              |
| Brazil, beneficiated                      | 302,230              | 306,444                 | 366,174                 | 386,759 <sup>r</sup>    | 386,800 <sup>p</sup> |
| Canada <sup>e, 3</sup>                    | 180,000              | 180,000                 | 180,000                 | 180,000                 | 180,000              |
| China <sup>e</sup>                        | 4,560,000            | 4,600,000               | 4,650,000               | 4,700,000               | 4,750,000            |
| Colombia <sup>e</sup>                     | 10,500               | 10,500                  | 10,500                  | 10,500                  | 10,500               |
| Greece, crude                             | 553,700 <sup>r</sup> | 549,000 <sup>r</sup>    | 499,500 <sup>r</sup>    | 475,700 <sup>r</sup>    | 500,000              |
| India <sup>e</sup>                        | 380,000              | 380,000                 | 370,000                 | 380,000 r               | 370,000              |
| Iran                                      | 128,565              | 87,795                  | 88,194                  | 88,000 °                | 90,000               |
| Korea, North <sup>e</sup>                 | 1,000,000            | 1,000,000               | 1,200,000               | 1,200,000               | 1,200,000            |
| Pakistan                                  | 4,637 <sup>r</sup>   | 2,645 <sup>r</sup>      | 6,074 <sup>r</sup>      | 3,029 <sup>r</sup>      | 4,000                |
| Poland, concentrate                       | 22,100               | 22,000                  | 22,000 <sup>e</sup>     | 20,000 <sup>e</sup>     | 20,000               |
| Russia <sup>e</sup>                       | 1,000,000            | 1,200,000               | 1,200,000               | 1,100,000               | 1,200,000            |
| Serbia and Montenegro, crude <sup>e</sup> | 33,000               | 25,000                  | 25,000                  | 25,000                  | 25,000               |
| Slovakia, concentrate                     | 929,630              | 993,900                 | 930,000 <sup>r</sup>    | 397,259 <sup>r</sup>    | 400,000              |
| South Africa                              | 87,200               | 86,100                  | 65,900                  | 54,800 r                | 55,000               |
| Spain                                     | 637,024 <sup>r</sup> | 517,030 <sup>r</sup>    | 567,504 <sup>r</sup>    | 485,800 <sup>r</sup>    | 500,000              |
| Turkey, run-of-mine                       | 3,044,440            | 3,224,278               | 3,732,952               | 3,400,000 e             | 3,200,000            |
| United States                             | W                    | W                       | W                       | W                       | W                    |
| Zimbabwe                                  | 2,366                | 1,333                   | 749                     | 893                     | 900                  |
| Total                                     | 14,100,000 r         | 14,400,000 <sup>r</sup> | 15,100,000 <sup>r</sup> | 14,100,000 <sup>r</sup> | 14,100,000           |

<sup>e</sup>Estimated. <sup>P</sup>Preliminary. <sup>r</sup>Revised. W Withheld to avoid disclosing company proprietary data; not included in "Total."

<sup>1</sup>World totals, U.S. data, and estimated data are rounded to no more than three significant digits; may not add to totals shown.

<sup>2</sup>Figures represent crude salable magnesite. In addition to the countries listed, Bulgaria produced magnesite, but output is not reported quantitatively, and available information is inadequate for formulation of reliable estimates of output levels. Table includes data available through May 15, 2007. <sup>3</sup>Magnesitic dolomite and brucite. Figures are estimated on the basis of reported tonnage dollar value.