

Mineral Industry Surveys

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MAGNESIUM IN THE THIRD QUARTER 2008

Total exports of magnesium through September 2008 were slightly higher than those in the same period of 2007. Magnesium imports for consumption through September 2008 were about 26% higher than those through September 2007. Magnesium metal imports through September were 90% higher than those in the first three quarters of 2007, but magnesium alloy imports in the first three quarters of 2008 were 43% less than those through September 2007. China (48%), Israel (43%), and Russia (6%) were the principal sources of imported magnesium metal. Israel (34%) and Canada (26%) were the principal sources of imported alloys.

Quoted magnesium prices are shown in the table at the bottom of the page. Essentially two markets have developed in 2008—the U.S. market and the market in the rest of the world. After the significant price increase that started in late 2007, U.S. spot prices have remained high because of antidumping duties assessed on two of the leading world magnesium suppliers—China and Russia. Although some magnesium from both these countries has been imported into the United States, supplies from these countries are not as substantial as in the past. Because of weak demand in the auto industry and the global financial situation, many domestic magnesium consumers have not purchased magnesium on the open market and have been reluctant to negotiate the 2009 contracts (Jennemann, 2008).

Prices in China fell rapidly during the third quarter and reportedly have dropped below the cost of production. As a result, several plants temporarily closed or reduced production levels. Taiyuan Yiwei Magnesium Industry Co. Ltd. (Taiyuan City, Shanxi Province, China), one of the country's leading magnesium producers with a capacity of 80,000 metric tons per year (t/yr), reduced production to about 12,000 t/yr (Shair and McBeth, 2008a). Shanxi Guangling Jinhua Magnesium Industry Science and Technology Co. (Beijing, China) reportedly closed its 12,500-t/yr plant in October citing low prices. Shanxi United Magnesium Industry Co. Ltd. (Taiyuan City, Shanxi Province) reported that it had reduced its magnesium output by more than one-half to 1,200 to 2,400 t/yr because of weak demand (Shair and McBeth, 2008b).

References Cited

- Jennemann, Tom, 2008, Magnesium market slow on uncertainty: American Metal Market, October 17. (Accessed November 6, 2008, via <http://www.amm.com/>)
- Shair, Wendy, and McBeth, Karen, 2008a, China's magnesium ingot prices drop below cost level—Producers: Platts Metals Week, v. 79, no. 44, November 3, p. 2-3.
- Shair, Wendy, and McBeth, Karen, 2008b, Chinese magnesium ingot slides further on falling demand: Platts Metals Week, v. 79, no. 42, October 20, p. 12-13.

	Units	Beginning of quarter	End of quarter
Platts Metals Week U.S. spot Western	Dollars per pound	\$3.40-\$3.65	\$3.40-\$3.65
Platts Metals Week U.S. spot dealer import	do.	3.40-3.65	3.40-3.65
Platts Metals Week European free market	Dollars per metric ton	5,300-5,450	4,200-4,400
Platts Metals Week China	do.	5,400-5,600	3,950-4,000
Metal Bulletin European free market	do.	6,000-6,200	4,400-4,500
Metal Bulletin China free market	do.	6,000-6,100	4,000-4,050

TABLE 1
U.S. IMPORTS FOR CONSUMPTION AND EXPORTS OF MAGNESIUM¹

(Metric tons)

	2008					
	2007	January- June	July	August	September	January- September
Imports:						
Metal	27,200	21,500	3,080	3,390	6,970	34,900
Waste and scrap	21,200	12,600	2,160	1,720	1,870	18,400
Alloys (magnesium content)	21,900	6,770	943	829	859	9,400
Sheet, tubing, ribbons, wire, powder, and other (magnesium content)	1,490	880	197	428	326	1,830
Total	71,800	41,700	6,390	6,370	10,000	64,500
Exports:						
Metal	4,290	894	295	400	666	2,260
Waste and scrap	1,800	1,010	253	385	259	1,910
Alloys (gross weight)	7,570	2,360	955	709	926	4,950
Sheet, tubing, ribbons, wire, powder, and other (gross weight)	1,170	930	179	227	143	1,480
Total	14,800	5,200	1,680	1,720	2,000	10,600

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

Source: U.S. Census Bureau.