

TELLURIUM

(Data in metric tons of tellurium content unless otherwise noted)

Domestic Production and Use: In the United States, one firm produced commercial-grade tellurium at its refinery complex, mainly from copper anode slimes but also from lead refinery skimmings, both of domestic origin. Primary and intermediate producers further refined domestic and imported commercial-grade metal and tellurium dioxide, producing tellurium and tellurium compounds in high-purity form for specialty applications.

Tellurium's major use is as an alloying additive in steel to improve machining characteristics. It is also used as a minor additive in copper alloys to improve machinability without reducing conductivity; in lead alloys to improve resistance to vibration and fatigue; in cast iron to help control the depth of chill; and in malleable iron as a carbide stabilizer. It is used in the chemical industry as a vulcanizing agent and accelerator in the processing of rubber and as a component of catalysts for synthetic fiber production. Tellurium's other uses include those in photoreceptor and thermoelectric electronic devices, thermal cooling devices, as an ingredient in blasting caps, and as a pigment to produce various colors in glass and ceramics.

<u>Salient Statistics—United States:</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006^e</u>
Production, refinery	W	W	W	W	W
Imports for consumption, unwrought, waste and scrap	34	55	75	46	40
Exports	3	10	6	51	4
Consumption, apparent	W	W	W	W	W
Price, dollars per pound, 99.95% minimum ¹	7	10	13	96	100
Stocks, producer, refined, yearend	W	W	W	W	W
Net import reliance ² as a percentage of apparent consumption	W	W	W	W	W

Recycling: There is little or no scrap from which to extract secondary tellurium because the uses of tellurium are nearly all dissipative in nature. Currently, none is recovered in the United States, but a small amount may be recovered in Europe or elsewhere from scrapped selenium-tellurium photoreceptors employed in older plain paper copiers.

Import Sources (2002-05): Belgium, 29%; Germany, 21%; Canada, 18%; China, 9%; and other, 23%.

<u>Tariff: Item</u>	<u>Number</u>	<u>Normal Trade Relations</u>
Tellurium	2804.50.0020	<u>12-31-06</u> Free.

Depletion Allowance: 14% (Domestic and foreign).

Government Stockpile: None.

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Events, Trends, and Issues: Estimated domestic tellurium production increased in 2006 as compared with that of 2005 owing to a resolution of a labor strike at the one domestic producer. Though detailed information on the world tellurium market was not available, world tellurium consumption was estimated to have increased significantly in 2006. World production of tellurium, a byproduct of copper refining, was believed to have increased owing to an increase in world copper production. Russian tellurium production in 2006 reportedly was higher than in 2005. Selenium, a coproduct which was in strong demand, experienced a surge in production from waste and anode slimes that contained tellurium. With the sole U.S. producer of tellurium in bankruptcy protection, the future of American production is uncertain.

Global consumption was estimated to have increased in 2006. There was an increase in demand for high-purity tellurium for cadmium telluride solar cells. Tellurium consumption also increased in thermal cooling applications.

World Refinery Production, Reserves, and Reserve Base:

	Refinery production		Reserves ³	Reserve base ³
	2005	2006 ^e		
United States	W	W	3,000	6,000
Canada	75	75	700	1,500
Japan	22	20	NA	NA
Peru	22	33	1,600	2,800
Other countries ⁴	NA	NA	16,000	37,000
World total (rounded)	⁵ 119	⁵ 128	21,000	47,000

World Resources: The figures shown for reserves and reserve base include only tellurium contained in economic copper deposits. These estimates assume that less than one-half of the tellurium contained in unrefined copper anodes is actually recovered.

More than 90% of tellurium is produced from anode slimes collected from electrolytic copper refining, and the remainder is derived from skimmings at lead refineries and from flue dusts and gases generated during the smelting of bismuth, copper, and lead ores. In copper production, tellurium is recovered only from the electrolytic refining of smelted copper. Growth in the global use of the leaching solvent extraction-electrowinning processes for copper extraction has limited the growth of tellurium supply.

Substitutes: Several materials can replace tellurium in most of its uses, but usually with losses in production efficiency or product characteristics. Bismuth, calcium, lead, phosphorus, selenium, and sulfur can be used in place of tellurium in many free-machining steels. Several of the chemical process reactions catalyzed by tellurium can be carried out with other catalysts or by means of noncatalyzed processes. In rubber compounding, sulfur and/or selenium can act as vulcanization agents in place of tellurium. The selenides of the refractory metals can function as high-temperature, high-vacuum lubricants in place of tellurides. The selenides and sulfides of niobium and tantalum can serve as electrically conducting solid lubricants in place of tellurides of those metals.

The selenium-tellurium photoreceptors used in some xerographic copiers and laser printers have been replaced by organic photoreceptors in newer machines. Amorphous silicon and copper indium diselenide are the two principal competitors to cadmium telluride in photovoltaic power cells.

^eEstimated. NA Not available. W Withheld to avoid disclosing company proprietary data.

¹Average yearend price published by Mining Journal for United Kingdom lump and powder, 99.95% tellurium.

²Defined as imports – exports + adjustments for Government and industry stock changes.

³See Appendix C for definitions. Estimates include tellurium contained in copper resources only.

⁴In addition to the countries listed, Australia, Belgium, China, Germany, Kazakhstan, the Philippines, and Russia produce refined tellurium, but output is not reported, and available information is inadequate for formulation of reliable production estimates.

⁵Excludes refinery production from the United States.