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Mineral Industry Surveys

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TIN IN JANUARY 2004

Domestic consumption of primary tin in January was estimated by the U.S. Geological Survey to be the same as that in December and slightly more than that in January 2003.

The Platts Metals Week average composite price for tin in January was $4.33 per pound, about 7% above that in December and about 38% higher than that in January 2003.

Update

On March 12, 2004, the Platts Metals Week composite price for tin was $4.74 per pound.

International Steel Group (ISG) (Cleveland, OH) announced that it had agreed to purchase the assets of bankrupt Weirton Steel Corp. (Weirton, WV) for $255 million in cash and the assumption of liabilities. The deal represented another step in the consolidation of the North American integrated steel industry, and came after months of negotiations by ISG, first with the union representing workers at Weirton, and then the company. ISG had reportedly been keenly interested especially in the tin mill products division at Weirton Steel. Weirton was the fifth-largest integrated steel producer in the United States, and was the second largest producer of tin mill products behind U.S. Steel Corp. Shipments of tin mill products accounted for about 40% of Weirton's revenues in 2003. The deal meant that ISG, which started by assuming the assets of the former LTV Steel Corp. out of bankruptcy, has now spent more than $2.1 billion to purchase the assets of LTV Corp. ($327 million), Acme Steel Co. ($65 million), Bethlehem Steel Corp. ($1.5 billion) and Weirton Steel Corp. ($255 million) in the last two-plus years. With the addition of Weirton's approximately 3 million metric tons of total steel production capacity, ISG has upwards of 23 Mt of total capacity, making it the second-largest integrated steel producer in the United States behind U.S. Steel Corp. (Metal Bulletin, 2004b).

Baseresult Holdings Ltd., which purchased the South Crofty Tin Mine (UK) in 2001, announced that it may resume tin production within 2 years. South Crofty, the UK's last operating tin mine, ceased production in 1998. South Crofty is located in Cornwall, an historic tin mining area in southwestern England. Low tin prices caused the 1998 closure. Baseresult believed that production costs at South Crofty could be cut by 30%, and still maintain preclosure tin production levels of 2,000 metric tons per year (Platts Metals, 2004).

The assets of Australia's largest tin miner, Renison Bell, reportedly will be auctioned this spring after Allegiance Mining NL withdrew its bid for the mine's treatment facility for use on its Tasmanian nickel project. Renison's administrator decided to auction the treatment facility and associated assets rather than try to sell the northwest Tasmanian mine as a going concern. The pumps at the mine have been turned off, so it is flooded. The closure of Renison is expected to exacerbate the current world tin supply-demand situation, with demand now outstripping supply (Metal Bulletin, 2004a).

References Cited

Metal Bulletin, 2004a , End of the road for Renison as Allegiance pulls out: Metal Bulletin, no. 8830.2, February 18, p. 1.

Metal Bulletin, 2004b, ISG buys Weirton Steel for $255 million: Metal Bulletin, no. 8830.3, February 19, p. 1.

Platts Metals Week, 2004, Baseresult eyes 2006 restart for South Crofty mine: Platts Metals Week, v. 75, no. 7, February 15, p. 15.

TABLE 1
SALIENT TIN STATISTICS[1]

(Metric tons, unless otherwise noted)

	2003[p]	2003 December	2004 January
Production, secondary[e, 2]	10,800	900	900
Consumption:			
Primary	37,400	3,170 [r]	3,170
Secondary	8,460	717	716
Imports for consumption, metal	37,100	2,610	NA
Exports, metal	3,690	340	NA
Stocks at end of period	6,520	6,520 [r]	6,060
Prices (average cents per pound):[3]			
Metals Week composite[4]	339.84	404.65	432.53
Metals Week New York dealer	218.06	284.81	303.88
London, standard grade, cash	207.00	275.00	294.00
Kuala Lumpur	209.62	271.61	295.44

[e]Estimated. [p]Preliminary. [r]Revised. NA Not available.

[1]Data are rounded to no more than three significant digits, except prices.

[2]Includes tin recovered from alloys and tinplate. The detinning of tinplate (coated steel) yields only a small part of the total.

[3]Source: Platts Metals Week.

[4]The 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 PRICE[1]

(Cents per pound)

Period	High	Low	Average
2003:			
January	320.43	303.14	313.84
February	333.87	310.69	322.82
March	330.75	318.70	323.84
April	326.53	317.74	321.54
May	333.80	325.19	330.58
June	335.08	324.38	329.44
July	335.48	324.04	331.38
August	339.23	332.37	335.84
September	347.80	336.59	340.70
October	366.28	346.47	359.21
November	373.73	356.40	364.20
December	437.61	378.77	404.65
Year	437.61	303.14	339.84
2004:			
January	439.98	424.94	432.53

[1]The 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 STATES[1]

(Metric tons, unless otherwise noted)

Period	Tinplate waste (waste, strips, cobbles, etc.) (gross weight)	Tinplate (all forms) Gross weight	Tin content	Tin per metric ton of plate (kilograms)	Shipments[2]
2003[p]	W	2,500,000	7,750	3.1	2,100,000
December	W	204,000	647	3.2	172,000
2004:					
January	W	210,000	663	3.2	NA

[p]Preliminary. NA Not available. W Withheld to avoid disclosing company proprietary data.
[1]Data are rounded to no more than three significant digits.
[2]Source: American Iron and Steel Institute monthly publication.

TABLE 4
U.S. TIN IMPORTS FOR CONSUMPTION AND EXPORTS[1]

(Metric tons)

Country or product	2002	2003 November	2003 December	2003 January-December
Imports:				
Metal (unwrought tin):				
Bolivia	6,150	120	320	5,720
Brazil	4,840	150	266	3,000
China	7,600	348	309	4,340
Indonesia	3,340	160	120	3,070
Malaysia	122	20	65	490
Peru	19,900	1,920	1,420	19,100
Russia	21	--	--	--
United Kingdom	2	--	39	143
Other	264	242	63	1,200
Total	42,200	2,960	2,610	37,100
Other (gross weight):				
Alloys	3,530	323	589	3,820
Bars and rods	224	18	28	338
Foil, tubes, pipes	1	-2	--	4
Plates, sheets, strip	128	46	39	270
Waste and scrap	561	41	61	921
Miscellaneous	7,810	265	230	2,670
Total	12,300	693	947	8,030
Exports (metal)	2,940	349	340	3,690

-- Zero.
[1]Data are rounded to no more than three significant digits; may not add to totals shown.
[2]Less than 1/2 unit.

Source: U.S. Census Bureau.

TABLE 5
CONSUMPTION OF TIN IN THE UNITED STATES, BY FINISHED PRODUCT[1]

(Metric tons of contained tin)

Product	2003[p]	2003 December			2004 January		
		Primary	Secondary	Total	Primary	Secondary	Total
Alloys (miscellaneous)[2]	1,820	145	W	145	132	W	132
Babbitt	204	13	W	13	19	W	19
Bar tin and anodes	241	14	W	14	12	W	12
Bronze and brass	2,520	101	140	241	104	141	245
Chemicals	8,360	697	W	697	704	W	704
Collapsible tubes and foil	W	W	W	W	W	W	W
Solder	12,600	848	265	1,110	849	265	1,110
Tinning	450	43 [r]	--	43 [r]	38	--	38
Tinplate[3]	7,730	647	--	647	663	--	663
Tin powder	W	W	--	W	W	--	W
White metal[4]	W	W	--	W	W	--	W
Other	1,130	66 [r]	12	78 [r]	52	10	62
Total reported	35,000	2,570	417	2,990	2,570	416	2,990
Estimated undistributed consumption[5]	10,800	600	300	900	600	300	900
Grand total	45,800	3,170 [r]	717	3,890	3,170	716	3,890

[p]Preliminary. [r]Revised. W Withheld to avoid disclosing proprietary data; included with "Other." -- Zero.

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

[2]Includes terne metal.

[3]Includes secondary pig tin and tin components of tinplating chemical solutions.

[4]Includes pewter, britannia metal, and jewelers' metal.

[5]Estimated consumption of plants reporting on an annual basis.