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Mineral Industry Surveys

For information, contact:
James F. Carlin, Jr., Tin Commodity Specialist
U.S. Geological Survey
989 National Center
Reston, VA 20192
Telephone: (703) 648-4985, Fax: (703) 648-7757
E-mail: jcarlin@usgs.gov

Elsie D. Isaac (Data)
Telephone: (703) 648-7950
Fax: (703) 648-7975
E-mail: eisaac@usgs.gov

Internet: http://minerals.usgs.gov/minerals

TIN IN JUNE 2003

Domestic consumption of primary tin in June was estimated by the U.S. Geological Survey to be 3% lower than that in May and 6% lower than that in June 2002.

The Platts Metals Week average composite price for tin in June was $3.29 per pound, virtually the same as in May and 8% higher than that in June 2002.

Weirton Steel Corp. (Weirton, WV), the second largest U.S. tinplate producer, filed for reorganization under Chapter 11 bankruptcy proceedings on May 19, 2003. The company cited weak demand, increased raw material costs, and post-retirement employee obligations as conditions that led to the bankruptcy. Weirton supplies about 25% of the domestic tin mill product market (Platts Metals Week, 2003).

In Australia, the inactive Renison Bell Mine on the west coast of Tasmania, the country's largest tin mine, was offered a $400,000 lifeline by the State Government. The six-month, fully secured loan, provided by the Tasmanian Development Board, would cover the cost of maintaining ventilation and powering pumps that de-water the mine. Renison officials stated that if the mine is not maintained, it will inevitably flood and make the cost of reopening the mine prohibitive. The mine is considered critical to the economy of Tasmania. Production at Renison was suspended in May, and the mine was placed in the hands of an administrator in June with debts of about $28 million. Efforts also are underway to find a suitable operator for the mine (Metal-Pages, 2003§[1]).

The administration status of Renison Bell is designed to allow the company enough time so that it can assess and possibly begin the financial restructuring needed to avoid bankruptcy. Renison Bell began production about 40 years ago and had a capacity of 10,000 metric tons of tin in concentrates per year (t/yr). This equates to about 4% of current world tin consumption and about 25% of the international market for tin concentrates. Murchison suspended operations at Renison Bell following a ground failure in the Huon open-stoping area that claimed the life of an employee. Officials have recommended that extraction of ore from the Huon ore body be deferred until stoping voids are filled. Although the mine has other substantial deposits, they are economically marginal at current tin prices. Consequently, Murchison decided to suspend operations, initially for six to eight weeks, and to inject fresh capital to develop higher-grade orebodies. Murchison acquired Renison Bell from RGC Ltd. in 1998 (Mining Journal, 2003).

Reports from China, the world's largest tin producer, indicate that the country's tin metal output may remain steady in 2003, but its export levels are likely to fall because concentrate supply is tight and domestic demand is rising. China's 2003 tin output is likely to stay at the 2002 level of about 65,000 t. Liuzhou China Tin Group has a capacity of 25,000 t/yr, but is expected to produce only 15,000 t in 2003. China's exports of tin in 2003 are expected to decline to about 30,000 t, down 25% compared with the 40,000 t exported in 2002. The exports expected are is less than half of the year's 65,000-t export quota for tin issued by China's Ministry of Foreign Trade and Economic Cooperation this year (Platts Metals Week, 2003b).

Indonesia's tin metal capacity has been boosted by 6,000 t/yr to 68,000 t/yr with the establishment of a new smelting company in the Bangka Regency. The new company, CV Donna Kembara Jaya, has been in operation since March. Reportedly, four other companies have submitted plans for constructing smelters (Platts Metals Week, 2003c).

In Germany, turmoil continued in the wake of a plan introduced in January for an obligatory deposit on single-use beverage cans. Many collectors of scrap beverage cans (both aluminum and tinplate) are reporting that collections are down by about 20% compared to the same period in 2002. In June, several leading German retailers removed steel and aluminum beverage cans from their shelves amid growing confusion over the implementation of a nation-wide returns system for single-use drink containers. Fines may be levied if retailers fail to comply with the deposit plan (Metal Bulletin, 2003).

Update

On August 8, 2003, the Platts Metals Week composite price for tin was $3.39 per pound.

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

References Cited

Metal Bulletin, 2003, German tinplate processing plummets: Metal Bulletin, no. 8790, July 14, p. 12.

Mining Journal, 2003, Renison Bell in administration: Mining Journal, v. 340, no. 8742, June 27, p. 433-434.

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Platts Metals Week, 2003c, New Indonesian tin smelter: Platts Metals Week, v. 74, no. 27, July 7, p. 2.

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Metal-Pages, 2003 (August 4), Renison Bell thrown lifeline, accessed August 5, 2003, at URL http://www.metal-pages.com.

TABLE 1
SALIENT TIN STATISTICS[1]

(Metric tons, unless otherwise noted)

		2003		
	2002[p]	May	June	January-June
Production, secondary[e, 2]	10,800	900	900	5,400
Consumption:				
Primary	35,800	2,990	2,910	18,500
Secondary	10,800	711	714	4,180
Imports for consumption, metal	42,200	3,600	NA	NA
Exports, metal	2,940	302	NA	NA
Stocks at end of period	7,280	6,400	6,380	XX
Prices (average cents per pound):[3]				
Metals Week composite[4]	291.97	330.58	329.44	XX
Metals Week New York dealer	194.75	225.11	223.22	XX
London, standard grade, cash	184.00	215.00	213.00	XX
Kuala Lumpur	184.35	214.20	214.32	XX

[e]Estimated. [p]Preliminary. NA Not available. XX Not applicable.
[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
2002:			
June	311.49	299.48	304.92
July	316.83	290.53	308.64
August	286.95	272.37	279.74
September	295.72	277.95	286.19
October	308.99	294.63	302.39
November	306.01	297.88	301.54
December	306.94	298.78	302.37
Year	316.83	267.12	291.97
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

[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)

		Tinplate (all forms)			
Period	Tinplate waste (waste, strips, cobbles, etc.) (gross weight)	Gross weight	Tin content	Tin per metric ton of plate (kilograms)	Shipments[2]
2002[p]	61,100	2,400,000	7,440	3.1	2,100,000
2003:					
January	2,790	216,000	642	3.0	180,000
February	2,510	214,000	640	3.0	156,000
March	W	225,000	686	3.1	156,000
April	W	217,000	704	3.2	165,000
May	1,780	215,000	536	2.5	158,000
June	W	208,000	675	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)

		2003		
Country or product	2002	April	May	January-May
Imports:				
Metal (unwrought tin):				
Bolivia	6,150	277	765	2,690
Brazil	4,840	250	400	1,390
China	7,600	559	218	2,240
Indonesia	3,340	590	60	1,270
Malaysia	122	15	40	215
Peru	19,900	2,060	2,050	8,960
Russia	21	--	--	--
United Kingdom	2	--	--	--
Other	264	--	71	261
Total	42,200	3,750	3,600	17,000
Other (gross weight):				
Alloys	3,530	228	290	1,370
Bars and rods	224	63	33	180
Foil, tubes, pipes	1	2	(2)	3
Plates, sheets, strip	128	9	5	24
Waste and scrap	561	12	40	552
Miscellaneous	7,810	316	211	1,060
Total	12,300	630	579	3,190
Exports (metal)	2,940	271	302	1,330

-- 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)

		2003						
		May			June			January-
Product	2002[p]	Primary	Secondary	Total	Primary	Secondary	Total	June
Alloys (miscellaneous)[2]	1,660	149 [r]	W	149 [r]	171	W	171	937
Babbitt	501	15 [r]	W	15 [r]	15	W	15	125
Bar tin and anodes	192	44 [r]	W	44 [r]	14	W	14	152
Bronze and brass	2,390	95 [r]	130 [r]	225 [r]	91	132	223	1,100
Chemicals	7,550	697	W	697	697	W	697	4,180
Collapsible tubes and foil	W	W	W	W	W	W	W	W
Solder	14,500	764	266	1,030	547	266	813	6,120
Tinning	411	34 [r]	--	34 [r]	44	--	44	215
Tinplate[3]	7,440	536	--	536	675	--	675	3,870
Tin powder	W	W	--	W	W	--	W	W
White metal[4]	W	W	--	W	W	--	W	W
Other	1,110	55 [r]	15 [r]	70 [r]	56	16	72	599
Total reported	35,800	2,390	411	2,800	2,310	414	2,720	17,300
Estimated undistributed consumption[5]	10,800	600	300	900	600	300	900	5,400
Grand total	46,600	2,990	711	3,700	2,910	714	3,620	22,700

[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.