

Mineral Industry Surveys

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MAGNESIUM IN THE FOURTH QUARTER 2020

Total magnesium imports for consumption in the fourth quarter of 2020 were 14,700 metric tons (t), 9% more than imports in the third quarter of 2020, 6% less than those in the fourth quarter of 2019, but 35% more than those in the fourth quarter of 2018. For the full year, total magnesium imports increased by 4% compared with those in 2019; imports of metal, alloys, and semifabricated products increased by 22%, 88%, and 5%, respectively, but imports of scrap decreased by 26% compared with those in 2019 (table 1).

Compared with those in the third quarter of 2020, imports of metal, alloys, and semifabricated products increased by 9%, 22%, and 37%, respectively, but imports of scrap decreased slightly. In the fourth quarter of 2020, magnesium metal accounted for 24% of the imports, with Turkey (66%), Russia (17%), and Kazakhstan (10%) being the leading sources (fig. 1). Scrap accounted for 42% of the imports in the fourth quarter of 2020, with Canada (51%), Mexico (17%), and China (15%), as the leading sources. Alloys accounted for 28% of the imports, with Taiwan (41%), Hungary (22%), the Czech Republic (14%), and the Republic of Korea (10%) as the leading sources (table 1).

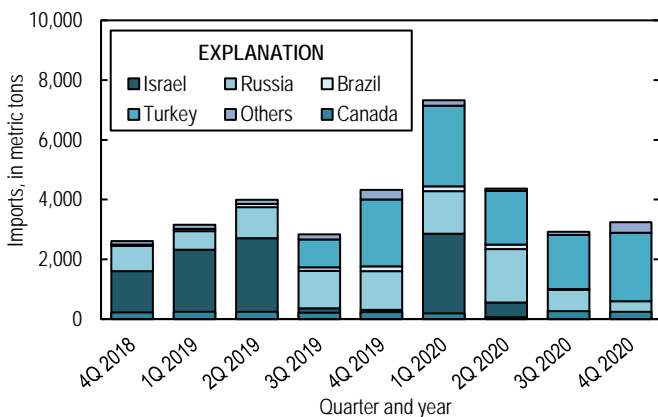


Figure 1. Quarterly imports of magnesium metal from the fourth quarter of 2018 through the fourth quarter of 2020. Source: U.S. Census Bureau.

Total magnesium exports in the fourth quarter of 2020 were 38% more than exports in the third quarter of 2020, 67% more than those in the fourth quarter of 2019 and 46% more than those in the fourth quarter of 2018. Canada (74%), the Czech Republic (7%), Serbia (6%), and Mexico (5%) were the leading export destinations in the fourth quarter of 2020. Canada received more than 99% of metal, 87% of alloy, and 13% of semifabricated product exports. Mexico received 10% of alloy and 23% of semifabricated product exports. The Czech Republic and Serbia received 43% and 37%, respectively, of scrap exports.

Exports of metal and scrap increased by 81% and 41%, respectively, compared with exports in the third quarter of 2020. Exports of semifabricated products decreased by 21% compared with exports in the third quarter of 2020. Exports of alloys were essentially unchanged from those in the prior quarter. For the full year, total magnesium exports increased by 52% compared with those in 2019; exports of metal and scrap increased by 404% and 147%, respectively, but exports of alloys and semifabricated products decreased by 34% and 19%, respectively, compared with those in 2019 (table 1).

The U.S. spot Western average price for magnesium was unchanged in the fourth quarter of 2020. The average U.S. spot dealer price for imported magnesium decreased by 6% during the fourth quarter of 2020. In Europe, the average price was 36% more at the end of the quarter compared with that of the beginning of the quarter (table 2).

Update

The Government of China announced that effective March 1, 2021, it would remove a 15% tax on magnesium produced in six jurisdictions in the western part of the country. The jurisdictions included in the exemption were Chongqing municipality, Gansu Province, Guizhou Province, Ningxia Hui Autonomous Region, Shaanxi Province, and Qinghai Province. The tax exemption was part of a policy to encourage development of the magnesium industry in the western part of China and increase magnesium consumption (Leung, 2021).

Reference Cited

Leung, Joshua, 2021, Chinese Government to end west China magnesium tax from March 1: S&P Global Platts Metals Daily, v. 9, no. 23, February 3, p. 5.

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

(Metric tons)

	2019	2020				
		January– September	October	November	December	January– December
Imports for consumption:						
Metal	15,200	15,100 [†]	1,180	1,270	1,040	18,600
Waste and scrap	32,100	17,700	2,140	1,750	2,230	23,800
Alloys (magnesium content)	8,210	11,300	989	1,510	1,570	15,400
Sheet, tubing, ribbons, wire, powder, and other (magnesium content)	3,220	2,370	281	419	321	3,390
Total	58,800	46,500 [†]	4,590	4,940	5,150	61,200
Exports:						
Metal	1,440	4,110	1,070	1,100	977	7,250
Waste and scrap	933	1,410	336	265	290	2,300
Alloys (gross weight)	4,460	1,950	341	330	318	2,940
Sheet, tubing, ribbons, wire, powder, and other (gross weight)	2,940	1,860	79	142	287	2,370
Total	9,770	9,330	1,830	1,830	1,870	14,900

[†]Revised.

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

Source: U.S. Census Bureau.

TABLE 2
MAGNESIUM PRICES, FOURTH QUARTER 2020

		Beginning of quarter	End of quarter
U.S. spot dealer import	dollars per pound	2.15-2.25	2.00-2.15
U.S. spot Western	do.	2.30-2.35	2.30-2.35
European free market	dollar per metric ton	1,900-1,950	2,550-2,700
do. Ditto.			

Source: Platts Metals Week.