



UPDATE Weekly

February 17, 2012

Edition: 07

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Below are articles and summaries of **magnesium** related stories. Members are asked to distribute the update to their employees – if their employees wish to receive the IMA Weekly Update, please send their email addresses to the IMA Head Office. We appreciate your company press releases and announcements for inclusion in the Weekly Update.

INDUSTRY CALENDAR

March 28-30, 2012

Asian Metal's World Magnesium Forum
Xi'an, Shaanxi Province, China
<http://www.asianmetal.com/Events>

April 3-5, 2012

U.S. EPA Hardrock Mining Conference 2012:
Advancing Solutions for a New Legacy
Denver, Colorado, USA
<http://www.epa.gov/nrmrl/events/event04032012.html>

April 25-26, 2012

Global Automotive Lightweight Materials Initiative
London, United Kingdom
www.global-automotive-lightweight-materials.com

May 2-3, 2012

Automotive Metals Conference
Dearborn, MI USA
www.amm.com/EventDetail/4259/5th-Automotive-Metals-Conference.html

May 20-22, 2012

IMA 69th Annual World Conference
San Francisco, California, USA
www.imaworldconference.org

July 8-12, 2012

9th International Conference on Magnesium Alloys
and their Applications
Vancouver, Canada
www.magnesium2012vancouver.com/welcome.html

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ASSOCIATION NEWS

IMA 69th Annual World Conference: Magnesium – The Dream Metal

IMA Awards of Excellence – 2012 Call for Entries, *deadline extended to February 29*

IMA Environmental Responsibility Award – 2012 Call for Entries, *deadline extended to February 29*

Articles follow below

INDUSTRY NEWS

US Magnesium Price Range Tightens Up On Steady Demand and Snug Supply
www.metal-pages.com (15-Feb-2012)

Announcing Global Automotive Lightweight Materials 2012, Business Design Centre, London, UK
<http://www.global-automotive-lightweight-materials.com> (17-Feb-12)

Articles follow below

CHINA'S LATEST

U.S. Says Visa Processing Has Quickened in China
www.travelweekly.com (13-Feb-2012)

China Magnesium Industry and Market Bulletin
www.chinamagnesium.net (13-Feb-2012)

Articles follow below

EDITOR'S NOTE: IMA makes every possible effort to substantiate the articles which appear in the Weekly Update. However, as this is not always possible IMA does not warrant the details nor accuracy of any given article. Please keep in mind that materials are attained through press releases, outside articles from numerous sources and publications. Such materials often contain opinions which are not that of the association nor should they be construed as such. We realize that in the case of some materials, the translations might often lead to less than perfect grammar, etc. It is our position however to print as submitted rather than take upon ourselves the editing of such materials which would entail potential changes unwanted by any given author.

ASSOCIATION NEWS

IMA 69th Annual World Conference: *Magnesium – The Dream Metal*

The 69th Annual World Magnesium Conference will be held in San Francisco, California, USA from May 20 – 22, 2012. Visit www.imaworldconference.org to:

- Process your online **Registration**. It's easy, safe and secure.
- Download the **Attendee Brochure** for a comprehensive outline of the Conference.
 - Check out the **Technical Program**. Review the list of Speakers and their scheduled topics of presentation.
 - Plan for your upcoming **Networking Opportunities**. Connect with Industry peers and friends.
 - Learn about the San Francisco area and read about the **Optional Tours**. **PLEASE NOTE: A minimum of 25 people must register for each tour by Monday, March 19th or the events will be cancelled:**
 - **Wine Tour and Lunch** in Yountville of Napa Valley (Monday, May 21)
 - San Francisco's **Conservatory of Flowers Tour and Lunch** (Tuesday, May 22)
 - Print and Process your **Registration** form.
 - Get important **Travel** and **Lodging** information
- Download the **Exhibitor/Sponsor Opportunity Brochure** to find out how you can get more involved.
- Reserve your accommodations at **The Fairmont San Francisco** (**Discounted prices available through April 29, 2012**).

The World Magnesium Conference is the premier international **magnesium** conference that highlights the industry's latest technological advances, innovative applications, and emerging developments in the global marketplace. The conference combines informative technical sessions, exhibits, networking opportunities, as well as social activities and tours for a well-rounded industry experience. In addition, winners of the 2012 Awards of Excellence—IMA's competition recognizing outstanding **magnesium** products and innovative manufacturing technologies—will be announced during the World Magnesium Conference. Additionally IMA will recognize environmentally progressive and responsible companies in the 2012 International Environmental Responsibility Award competition.

As information about the 2012 World Conference becomes available, it will be reflected on the website www.imaworldconference.org and proactively sent out via targeted emails and the IMA Weekly Update.

We look forward to seeing you in May!

Standard Cancellation Policy

Conference Cancellations received by the IMA in writing by March 25 will qualify for a refund of 80%. Cancellations received by the IMA in writing by April 22 will qualify for a refund of 40%. No refunds will be given after April 22 due to Conference contractual service arrangements.

Any cancellations due to declined Visa applications will be refunded in full if the Visa application was submitted prior to March 15, 2012. Appropriate documentation is required. Cancellations due to declined Visa applications after March 15 will follow the standard cancellation policy noted above.

IMA Awards of Excellence – [2012 Call for Entries](#), deadline extended to February 29

Note: If you submitted an award for consideration and have not gotten confirmation from us please email the Head Office at info@intlmag.org.

Established in 1962, IMA's Awards of Excellence program is an annual program open to all companies demonstrating outstanding examples of **magnesium's** use. Nominations are judged by a panel system of peer reviewers.

Fill out the entry form and submit it along with photos (digital in jpg or tif format, 300 dpi, or printed) of your entry and descriptive, supportive material. Digital materials are preferred. Original parts are not required as part of your entry. Winners will be required to supply samples for the 2012 Annual Conference.

You can download the entry form here or paste the URL in your browser:
http://intlmag.org/assets/pdfs/2012IMA_AwardsExcellBrochure.pdf

IMA Environmental Responsibility Award – [2012 Call for Entries](#), deadline extended to February 29

Note: If you submitted an award for consideration and have not gotten confirmation from us please email the Head Office at info@intlmag.org.

IMA recognizes companies that are playing an active role in reducing the **magnesium** industry's carbon footprint and that exemplify the industry's commitment to environmental responsibility. The IMA International Environmental Responsibility Award will be presented each year at the IMA Annual World Magnesium Conference.

The award(s) are presented based on the achieved and documented reduction of carbon dioxide equivalents within the calendar year preceding the Annual World Conference. It is intended to include all aspects of the **magnesium** industry from primary production through to end-user industries. Judging will be conducted by an international panel of experts.

You can download the entry form here or paste the URL in your browser:
http://intlmag.org/assets/pdfs/2012IMA_Enviro_flyer.pdf

INDUSTRY NEWS

US Magnesium Price Range Tightens Up On Steady Demand and Snug Supply www.metal-pages.com (15-Feb-2012)

The price spread of pure **magnesium** in the US continues to narrow as demand improves slightly and the supply pipeline tightens, according to trade sources.

Business activity has shown signs of life in the first several weeks of trading this year as some consumers step back into the spot market to cover their immediate needs after the year-end inventory rundown.

Prices have also narrowed as offers for cheaper, imported material dry up, traders note.

US spot pure **magnesium** min 99.9% has now closed up to a range of \$2.05-2.20/lb delivered from a previous level of \$2.00-2.20/lb delivered.

"There's been a bit of business here and there for smaller tonnages," said one trader.

"But I wouldn't say there's a lot of offers out there and I think most of that cheaper material we saw enter the market late last year as been soaked up."

The price of secondary **magnesium** 90/10 material continues to sit in a range of \$1.75-1.85/lb.

The slight revival in the **magnesium** sector comes as the aluminum industry experiences improved volumes due to growth in the automotive and aerospace industries.

"It's still pretty quiet on the spot and **magnesium** seems to be operating in a bit of a vacuum. But as long as auto and aerospace continue to tick along it should be okay," said another trader.

"Prices are well supported because there's really not that much metal out there."

Despite the slightly more positive tone, trade sources warn that prices could be dampened due to expectations of increased imports and an ongoing ramp up by US Magnesium LLC.

Utah-based US Magnesium is planning to increase production from about 60,000 tonnes to 63,500 tonnes by the middle of this year.

Malaysia-based CVM Minerals is also expected to up its allocation of production to the US market, while US imports from Israel's Dead Sea Magnesium could also rise.

"The problem with the **magnesium** market is that it's quite small and it doesn't take a lot for it to hit a tipping point if more material suddenly finds its way into market," said the second trader.

"The Malaysians did export some metal last year but I'm not totally convinced they will be a big factor this year. US Magnesium is certainly increasing output and a lot will depend on how much goes to their neighbor [Allegheny Technologies Inc.]"

US Magnesium confirmed to Metal-Pages in October that a large proportion of its new capacity will go to Allegheny Technologies as it raises titanium production.

Magnesium is primarily used as an alloy with aluminum, accounting for some 45% of total world consumption. Another 35% is consumed in **magnesium** alloys in structural metals, about 13% in steel making, with the rest used in electro-chemical and other sectors.

Announcing Global Automotive Lightweight Materials 2012, Business Design Centre, London, UK

<http://www.global-automotive-lightweight-materials.com> (17-Feb-12)

IMA has been invited to partner with the Global Automotive Lightweight Materials Initiative that takes place April 25-26, 2012 in Central London, United Kingdom.

Designing and manufacturing a commercially viable lightweight vehicle, whilst maintaining structural performance, remains a top priority for the automotive industry, as they battle to meet stringent carbon emissions targets and fulfill consumer demands for highly fuel efficient vehicles.

However, significant cost barriers remain across the advanced lightweight materials cycle from procurement and manufacturing processes to end of life recycling. Clearly tackling these costs will be key to mass-market applications, in tandem with resolving the remaining technical challenges to ensure optimal part performance.

At the Global Automotive Lightweight Materials Initiative 2012 you will be able to join the lightweighting community to benchmark your gram strategy, examine best practices and discover innovative, commercially viable solutions for sourcing, integrating and manufacturing advanced lightweight materials.

This is your opportunity to find out actual results being delivered in weight savings, amongst a backdrop of candid debate on collaborative opportunities to enable widespread adoption of advanced lightweight materials and finding the most feasible routes to achieving scale.

Please note that Mr. Alex Markin, Managing Director of IMG (International Magnesium Group, a wholly owned subsidiary of IMA Member China Direct Industries, Inc.) will be among the panel speakers at the event.

As an IMA Member, you can claim a 15% discount on the advertised rates. To claim this offer, please email info@london-business-conferences.co.uk or call ++ 44 (0)20 7033 4970.

CHINA'S LATEST

U.S. Says Visa Processing Has Quickened in China www.travelweekly.com (13-Feb-2012)

The State Department has already increased visa processing in China, reduced wait times, and introduced a pilot program that waives interviews for some non-immigrant applicants, according to Gary Locke, the U.S. ambassador to China.

Speaking in Beijing last week, Locke said that in 2011, the state department processed more than 1 million visa applications in China, an increase of 34% over the previous year, and that already in the first few months of fiscal year 2012, it had processed 48% more visas in China compared to the same period in 2011.

He also said that wait times for interviews had already decreased in 2012, to less than six days last week at all posts in China.

"President Obama has set a worldwide goal to interview 80% of all visa applicants within three weeks of the request for an appointment. In China, we are already meeting this goal and intend to continue to do so," Locke said according to a transcript from the embassy.

In order to meet increasing demand in 2012 and beyond, Locke said the embassy is assigning 50 new consular officers to China and will reopen a consular facility in Beijing that will increase interviewing in the city by 50%.

Locke also said that a new worldwide pilot program is being launched in China that will permit consular officers to waive interviews for some non-immigrant applicants. The program applies only to those renewing their visa within 48 months of the expiration of their previous visa, and must be within the same classification.

"We expect that this will benefit tens of thousands of applicants in China, saving them time and money, and making it easier for them to travel to the United States more frequently," Locke said. "It will also free our resources to interview more first-time applicants, and to do so quickly."

The moves come on the heels of President Obama's Jan. 19 announcement of a new strategy to increase inbound travel and tourism.

The U.S. Travel Association commended Locke's announcement.

"The State Department is to be commended for its response to the growing demand for U.S. visa applications in China," Roger Dow, president and CEO of the U.S. Travel Association, said in a statement.

"I want to thank Secretary Clinton and Ambassador Locke for their efforts in reducing visa interview wait times, increasing the amount of visas processed and developing initiatives, such as the interview waiver pilot program, to make business and leisure travel to the United States more accessible to Chinese citizens."

China Magnesium Industry and Market Bulletin www.chinamagnesium.net (13-Feb-2012)

Market Focus

Magnesium Seen Better Demand On Increased Operational Rate

From February 6th to February 10th, ex-works quotations for 99.9 minimum ingots from leading production bases slightly increased as indicated in Shanxi from 16,400 – 16,600 yuan, Shaanxi from 15,900 to 16,100 yuan and Ningxia from 16,400 – 16,600 yuan. Export prices remained unchanged 2,950 - 3,000 US dollars.

Along with continually increased operational rate, **magnesium** producers were reporting more inquiries. Some manufactures tent to adjust higher offers, however the market was still not strong enough. In Yuncheng, Shanxi, one source told Sunlight that he had seen climbing prices since Tuesday, 50 Yuan

higher than the previous week. “ Fugu’s offers are also up by around 50 yuan, with most of the producers quoting at 16,000 yuan.” he added.

One Fugu-based source also reported higher quotations. He said that the prices in Fugu were too low, so it is reasonable to increase. Another Fugu-based producer told us that they quoted at 16,050 yuan, with contracts done at 16,000 yuan, which is still a little hard for the clients. And he believes that next week will be further better. Currently, the pressure from stocks is still high, but a large proportion of the stock was regular ingots. Whereas, the 3rd Fugu-based producer said they had deals done at 15,930 yuan with pretty satisfied volume. Now they were running with no stocks.

For fesi market, it has been quite stable for a long period, with 72# quoted at 6,100-6,300 yuan (ex-plant). Right now, supply of fesi is beyond demand, many producers were suffering.

Industry News

Li County Magnesium Industrial Park Starts Construction

10th Jan., the signing ceremony for Li county **magnesium** industrial park was signed between Shenzhen AMEI Technology and Li county government, Hunan province. The project will have an investment of 3.555 billion Rmb. The ceremony was attended by Mr Chen Xiaoyang, president of Shenzhen AMEI Technology and related leaders from Li county, Hunan province.

The **magnesium** industrial park is designed to have three phases (2014-2016). Products will be focusing on **magnesium** alloy sheet, **magnesium** alloy ingot, **magnesium** alloy large-scaled extrusion profiles and sacrificial anodes, **magnesium** alloy die-castings parts for fast trains & automobiles and Mg-based batteries.

Chongqing Sun Magnesium Will Put Its New Facility Into Operation by June 2012

Chongqing Sun Magnesium Co., Ltd. (CSMC) told Sunlight recently that the company’s new facility is under construction with an expectation to be completed by this Jun. then to produce **magnesium** alloy die-castings, **magnesium** alloy profiles and **magnesium** sheet and plate. Currently, CSMC’s main products is **magnesium** alloy ingot.

Chongqing Sun Magnesium Co., Ltd. (CSMC) established in March 2011 is a High-tech enterprise planning to gather **magnesium** alloy smelting and deep processing technology development and application. Registered capital of CSMC is 68,500,000 CNY. CSMC located in the beautiful tourist city of Chongqing Wansheng District (Ping Shan Industrial Park) covers 19.27 acres.

CSMC is mainly relying on National Engineering Research Center for Magnesium Alloys and Chongqing Center for Advanced Materials research technology. The annual capacities of CSMC will include **magnesium** alloy 10,000tons per year, extrusion **magnesium** 3,600 tons per year, Mg 3C die-castings 6,000 pcs per year to supply the global famous OEMs, **magnesium** alloy strip 600 tons per year. While vigorously promoting the **magnesium** plate, profiles into the transportation, aerospace, military and civilian products, keep the marketing, production and management of CSMC standing in the forefront of world industries.

Top 10 Pure Magnesium Exporter in 2011

(Note: Data herein are sourced from China Customs)

| No. | Company Name |
|-----|---|
| 1 | Shanxi International Import and Export Co.,Ltd |
| 2 | Ningxia Huiye Magnesium Co., Ltd. |
| 3 | Xiamen International Trading Group Co., Ltd. |
| 4 | Taiyuan Changxin Yiwei Trade Co.,Ltd |
| 5 | BeiAn Jinwen Tradding Co.,Ltd |
| 6 | Shanxi Credit Magnesium Co.,Ltd |
| 7 | * |
| 8 | Shanxi Xinghuacun International Trading Co.,Ltd |
| 9 | Yulin Tianlong Magnesium Co.,Ltd |
| 10 | Taiyuan Jinwei Magnesium Co.,Ltd |

Top 10 Magnesium Alloy Exporters in 2011

| No. | Company Name |
|-----|--|
| 1 | Nanjing Welbow Metals Co.,Ltd |
| 2 | Magontec Xi'an Co., Ltd. |
| 3 | Shanxi International Import and Export Co.,Ltd |
| 4 | Jinduicheng Molybdenum Group Co.,Ltd |
| 5 | GMA German Metal Automotive Accessories (Tianjin) co., Ltd |
| 6 | Shanghai Regal Magnesium |
| 7 | Shanxi Wenxi Yinguang Magnesium (Group) Co., Ltd. |
| 8 | Xiamen International Trading Group Co., Ltd. |
| 9 | Taiyuan Tongxiang Magnesium Co., Ltd. |
| 10 | Shanghai Qiushi Trading Co.,Ltd |

Top 10 Magnesium Granule Exporters in 2011

| No | Company Name |
|----|---|
| 1 | Jiangsu Wuzhong HaiLi International Trading Co.,Ltd |
| 2 | HeNan YaShun Trading Co.,Ltd |
| 3 | Hebi Victory Magnesium Co.,Ltd |
| 4 | Almamet Tianjin Magnesium Industrial Co.,Ltd |
| 5 | Hebi Qibinquin Zhanxiang Metal products Co.,Ltd |
| 6 | Beijing Zhongfang Raw Materials |
| 7 | Zhejiang Yuanshi Magnesium Alloy Technology |
| 8 | Shanxi Dajin International (Group) Co.,Ltd |
| 9 | Shanxi Dajin Machinery & Electricity |
| 10 | Tianjin Keweier Metals |

Top 10 Wrought Magnesium Exporters in 2011

| No | Company Name |
|----|--|
| 1 | Nanjing Zhihe Non-ferrous Metal |
| 2 | Nanjing Huaqun Technology |
| 3 | Tianjin Dongyi Magnesium Products |
| 4 | Shanxi Xinhuiyang Trade Co.,Ltd |
| 5 | Hebi Maifute Magnesium Technology |
| 6 | Beijing Guangling Jinghua Science&Technology Co.,Ltd |
| 7 | HeNan YaShun Trading Co.,Ltd |
| 8 | Hebi Grand Magnesium |
| 9 | * |
| 10 | Datong Procat Jinghua Technology Co.,Ltd |

Top 10 Magnesium articles exporters in 2011

| No | Company Name |
|----|--|
| 1 | Zhejiang Yuanshi Magnesium Alloy Technology |
| 2 | Tianjin Dongyi Magnesium Products |
| 3 | Guangyu Technology(Linyi) Co.,Ltd |
| 4 | * |
| 5 | Fei County Yinguang Magnesium |
| 6 | Shanxi Golneer Chemical Group |
| 7 | General Research Institute For Nonferrous Metals |
| 8 | Changsha Yingjie Industrial Technology |
| 9 | Datong Procat Jinghua Technology Co.,Ltd |
| 10 | Shandong Changyu New Materials Co.,Ltd |

Price Indicators

Sunlight's Price, Pure Magnesium (>99.8%) and Aluminum

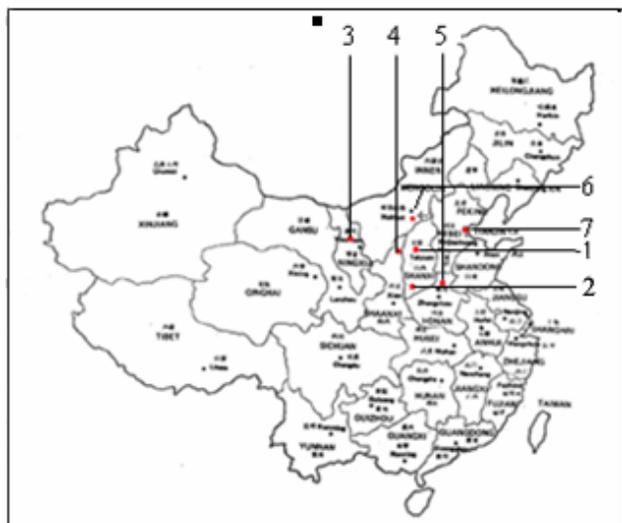
| Item | | Magnesium Price | Unit |
|---|-------------------------------------|-----------------|--------------|
| Shanxi Province | Taiyuan City,ex-works ¹ | 16400-16600 | RMB yuan/ton |
| | Yuncheng City,ex-works ² | 16500-16700 | RMB yuan/ton |
| Ningxia Autonomous Region, ex-works ³ | | 16400-16600 | RMB yuan/ton |
| Shaanxi Province, ex-works ⁴ | | 15900-16100 | RMB yuan/ton |
| Henan Province, ex-works ⁵ | | None | RMB yuan/ton |
| Inner Mongolia Autonomous Region, ex-works ⁶ | | None | RMB yuan/ton |
| FOB Xingang, Tianjin ⁷ | | 2950-3000 | USD/ton |
| CIF, Rotterdam Port | | 3030-3080 | USD/ton |
| CIF, Toronto Port | | 3070-3120 | USD/ton |
| Date | SHFE Spot Aluminium | Unit | |
| 6-Feb 2012 | 16000/ | RMB yuan/ton | |
| 10-Feb 2012 | 15965/ | RMB yuan/ton | |

SHFE: Shanghai Future exchange

(Exchange Rate of USD versus RMB is 6.2891 on February 10th based on <http://www.boc.cn/>. We place a Chinese map here to mark the major production bases and Xingang Port of Tianjin for your reference.)

Note:

- All the ex-works prices are VAT-paid.
- The FOB price is based on ex-works basis, plus inland freight and miscellaneous expenses at Xingang Port of Tianjin. Because the distance from these six production bases to Xingang Port is different, their land freights also vary. FOB price includes 10-percent exports tariff from Jan. 1, 2008.
- CIF prices are based on FOB price plus ocean freight and insurance, which will also vary time by time.
- When getting ex-works price and FOB price, we give some weight numbers to each respondent and then get the weighted average prices.





Marketplace

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