



UPDATE Weekly

February 24, 2012

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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 Manufacturing Sector Continues to be Squeezed by Government Tariffs Slapped on Magnesium Imports – IMG

www.metal-pages.com (22-Feb-2012)

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

<http://www.global-automotive-lightweight-materials.com> (24-Feb-12)

Articles follow below

CHINA'S LATEST

EDITOR'S CORRECTION: In IMA Weekly Update, Edition 06 we published an incorrect source for the article, "Chinese Magnesium Market Weekly Review - Prices Unchanged." The correct article source was www.metal-pages.com (10-Feb-2012).

China Magnesium Industry and Market Bulletin

www.chinamagnesium.net (20-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 Manufacturing Sector Continues to be Squeezed by Government Tariffs Slapped on Magnesium Imports – IMG www.metal-pages.com (22-Feb-2012)

The maintenance of anti-dumping duties on imports of **magnesium** continues to restrict the ability of US manufacturers to compete globally, according to International Magnesium Group (IMG).

IMG, which is owned by Florida-based CD International Enterprises, said that duties are supposed to protect against cheap foreign imports flooding the market, but in the **magnesium** industry they were having the inverse effect and “suffocating” access to **magnesium** and elevating prices.

"High artificial import taxes, like those imposed on solar and steel and imported **magnesium**, simply detract from the ability of USA downstream manufacturers to be globally competitive. We hope our government will ease and remove these constraints," said IMG director Alex Markin.

IMG, which sources its **magnesium** from four production facilities in China, said the US **magnesium** industry faces a limited supply of affordable metal and the inability to compete globally against the backdrop of cheaper **magnesium** sources available abroad.

“Should a precedent continue to be set for **magnesium**, other industries are likely to fall prey to these oppressive protectionist policies that undermine our economy and make it impossible to compete globally. Lifting anti-dumping tariffs on **magnesium** alone would pave the way for a more robust American manufacturing industry,” warned Markin.

The comments come as many downstream operators, particularly US die-casters, slammed a decision by the US Commerce Department in June to uphold a previous ruling to place an anti-dumping duty of 111.73% on **magnesium** from China’s Tianjin Magnesium International Co. Ltd. (TMI) for the period between May 1, 2007 and April 30, 2008.

It followed a decision in February by the International Trade Commission to revoke anti-dumping duties on imports of Russian **magnesium**, but Russian producers Solikamsk Magnesium Works and VSMPO-Avisma said they would not restart shipments.

Before the introduction of the tariffs in 2005, The North American Die Casting Association (NADCA) estimates that about 42 die-casters operated in the US. But this has been cut to about 24 today as the price of **magnesium** has risen to the point where domestic die-casters are not competitive.

IMG estimates that the US is forced to pay over \$5,500 per ton for **magnesium**, while Europe only has to pay \$3,200 per ton.

“This makes competition nearly impossible for US industries vying for business on global scale. US products become prohibitively expensive, while European competitors innovate through cheaper means; setting US manufacturing back even further at a time when the administration needs it to grow,” said Markin.

IMG also said that for the US to achieve recently set CAFE Standards, which are aimed at lowering vehicle emissions and raise fuel economy, the automotive industry will largely rely on **magnesium** to improve aerodynamics and weight reduction.

“Other important US industries like die-casting and parts manufacturing look to **magnesium** to lighten their products, strengthen materials and evolve their designs to advance market standards,” said IMG.

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

<http://www.global-automotive-lightweight-materials.com> (24-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

China Magnesium Industry and Market Bulletin www.chinamagnesium.net (20-Feb-2012)

Market Focus

Magnesium Market Seen Stable

From February 13th to February 17th, ex-works quotations for 99.9 minimum ingots from leading production bases continually went up as indicated in Shanxi from 16,500 – 16,600 yuan, Shaanxi from 15,950 to 16,100 yuan and Ningxia from 16,400 – 16,600 yuan. Export prices remained unchanged 2,950 - 3,000 US dollars.

In Fugu, one source reported contracts done at 15,950 yuan. "The domestic market is better than overseas," the source said. "Lately, the coal prices dropped a little and fesi market is weak. So, most possibly, **magnesium** won't go up in February." he added. And, He believes the price will climb slowly to 16,500 for the first half of 2012, and can't be higher than that.

Another Yuncheng-based manager told us that the market is stable to him. The prevailing price in Taiyun is at 16,300 to 16,400 yuan, wenxi at 16,500 to 16,600 yuan, similar to the level of the end of 2011. He said, "**Magnesium** market is really weak. Most of the producers are suffering. The recovery would be very slow." One trader of Yuncheng reported for little higher quotes last week. "Now the demand is bad. We are doing small business. **Magnesium** powders market is not good as well. Normally, February is not the season for **magnesium**, March and April will be better." he said.

Industry News

Chongqing University Obtains National Science and Technology Progress 2nd Award for "Integrated and Cyclic Application Technology of High-Performance Magnesium Alloy"

Project of "Integrated and cyclic application technology of high-performance **magnesium** alloy", led by Chongqing University has obtained 25 national invention patents with some innovation technologies reaching internationally advanced/leading level. The project, aiming at resolving the situation of china lagging behind the developed countries in **magnesium** material development and deep-processing sectors has made some breakthrough.

A senior official of the project told Sunlight that part of the technology of the project and some optimized/upgraded **magnesium** alloy products. The project was led by experts like Mr. Pan Fusheng, Mr. Long Siyuan, Mr. Ma Ji and Mr. You Guoqiang and was supported by Chongqing University, Chongqing CHANGAN, Shanxi Wenxi Yinguang, Chongqing SinoST Company, Chongqing Boao Mg-Al Manufacturing, Chongqing Academy of Science & Technology and Chongqing University of Technology.

Ningxia Huayi Magnesium Initiates High Quality Magnesium Alloy Cyclic Project

On February 11th a signing ceremony for integrated cyclic project of high quality **magnesium** alloy in Ningxia Huayi Magnesium, with an investment of 7.2 billion Rmb was held in Wuwei city, Gansu province. The ceremony indicates that the cooperation between Huayi Magnesium and local government of Wuwei has entered into a substantial stage.

Huayi Magnesium, based on Ningxia Huayuan Metallurgy Industry is a new **magnesium** venture player invested by a strategic partner, Zhejiang Hengyi Group. It is one of the enterprises that are undertaking national **magnesium** key technology research projects. The newly-signed project for high quality **magnesium** will have 7 sub-projects for up to 100 kt capacity of high quality **magnesium** alloy.

Beijing Guangling Jinghua S&T Supplies Magnesium Alloy Handrail for City Bus Producers

Magnesium alloy handrail, Gonleer's proprietary product, now is one of commercial products applied in the city bus. As against aluminum alloy handrail, **magnesium** alloy handrail saves the weight by almost 40%. This product, of mature technology, has entered into commercial production.

This **Magnesium** alloy handrail is Gonleer's proprietary innovation. Gonleer is the first company in China to apply this product in city bus. This product not only lowers bus weight, saves energy, protects

environment, and lowers the noise, but also absorbs the shock then improves the comfort. As against with other materials, this handrail is operational cost effective, too.

Beijing Guangling Jinghua S&T Co., Ltd (Gonleer), a high-technology entity in Beijing, specializes in the **magnesium** alloy R & D, manufacture, and marketing of various **magnesium** products. Gonleer is a **magnesium** alloy supplier qualified for many auto component manufacturers. For environment protection and energy efficiency, Gonleer, following the light weight trend of automotive industry, commits to the lightweight program.

The company said that handrail made of **magnesium** alloy has entered into commercial production, and the customers, highly speaking of our product, cover such key city bus producers in China as Yutong, Zhongtong, Ankai and Foton.

The year 2011 saw 2.35 mln. units of passenger buses as output. If **magnesium** alloy was applied as handrail to all of them, this will, to large extent, enhance the application of **magnesium** alloy. "Now we are exerting ourselves to expanding its use, and hope, through the application procedure promoted by IMA to enlarge its demand in automobile sector," one manager said to Sunlight lately.



Figure 1. In Ankai bus



Figure 2. In Yutong bus



Figure 3. In Zhongtong bus

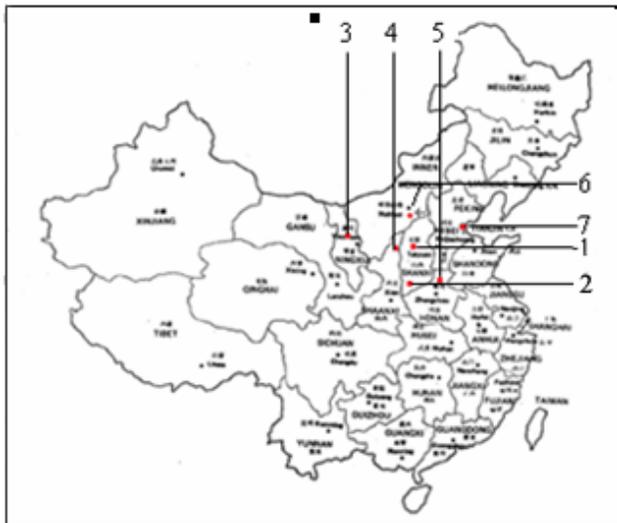
Price Indicators

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

Item		Magnesium Price	Unit
Shanxi Province	Taiyuan City,ex-works ¹	16500-16600	RMB yuan/ton
	Yuncheng City,ex-works ²	16600-16700	RMB yuan/ton
Ningxia Autonomous Region, ex-works ³		16500-16600	RMB yuan/ton
Shaanxi Province, ex-works ⁴		15950-16100	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
13-Feb.-2012		15955/	RMB yuan/ton
17-Feb.-2012		15990/	RMB yuan/ton

SHFE: Shanghai Future Exchange

(Exchange Rate of USD versus RMB is 6.2886 on Feb. 17^h 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:

1. All the ex-works prices are VAT-paid.
2. 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.
3. CIF prices are based on FOB price plus ocean freight and insurance, which will also vary time by time.
4. When getting ex-works price and FOB price, we give some weight numbers to each respondent and then get the weighted average prices.



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