



UPDATE Weekly

June 1, 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

July 8-12, 2012

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

August 21-22, 2012

Global Automotive Lightweight Materials
Detroit, Michigan, USA
<http://www.global-automotive-lightweight-materials-detroit.com/>

September 27-29, 2012

Calcium and Magnesium in Groundwater - Distribution and Significance International Seminar
Katowice, Poland
<http://camgseminar.pgi.gov.pl>

September 30 – October 3, 2012

COM 2012
Niagra Falls, Ontario, Canada
<http://www.cim.org/com2012/>

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ASSOCIATION NEWS

IMA 69th Annual World Conference: *Thank you!*

Innovative Designs Featured in 2012 IMA Awards of Excellence and International Environmental Responsibility Award

Article follow below

INDUSTRY NEWS

POSCO Eyes New Magnesium Plant in Kyrgystan
www.metal-pages.com (29-May-12)

Houston Police Department to Outfit Entire Fleet of 1,800 Police Cars with Getac B300 Rugged Notebooks
www.freshnews.com (29-May-2012)

Articles follow below

CHINA'S LATEST

China Magnesium Industry and Market Bulletin
www.chinamagnesium.net (1-June-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: *Thank you!*

We would like to thank all of our IMA Members, Sponsors, Exhibitors, Friends and Guests, who attended International Magnesium Association's 69th Annual World Conference in San Francisco, California from May 20-22, 2012. We hope that your experience was both valuable and fun! We look forward to seeing you in Xi'an City, Shaanxi Province, China for the 70th Annual IMA World Conference from May 19-22, 2013. Mark your calendars!

We would like to thank our Exhibitors and Sponsors for their generous support of the 2012 conference:

IMA 69th Annual World Conference Exhibitors:



陕西省镁工业协会
MAGNESIUM INDUSTRY ASSOCIATION OF SHAANXI



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Closing Banquet

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Closing Banquet



Advanced Magnesium Alloys Corporation

Yountville Wine Tour and Lunch

Innovative Designs Featured in 2012 IMA Awards of Excellence and International Environmental Responsibility Award

The International Magnesium Association (IMA) awarded innovative designers and engineers in the 2012 Awards of Excellence and International Environmental Responsibility Award competitions. The awards were announced at the 69th Annual World Magnesium Conference held in San Francisco, California USA in May. The Awards of Excellence competition was open to all companies demonstrating outstanding examples of **magnesium's** use as well as **magnesium** products and manufacturing technologies in three categories: Design, Process, and Application.

The Design Class encompassed one category for 2012: Cast Products. This design category recognizes unique, novel, and creative design and development of **magnesium** and applications, and exhibits a significant advance over current practice. First Place for Design – Automotive Cast Product was awarded to Aristo-Cast, Inc., Almont, Michigan for their Ultra-lightweight/High Efficiency LED Lighting. The product demonstrates extremely thin-walled sections, as thin as 0.5 mm, and is able to overcome the metal mold reaction that occurs with the **magnesium** and the silica sand shell material. First Place for Design – Cast Product – Commercial was awarded to Smiths Detection & Nexus Design, Danbury, Connecticut, for its Magnesium Die Casting Housing & Cover design. The Die Caster saved costs and improved quality of heat sink properties by using an internal lift, and was able to cast internal heat sink pins as part of the casting. Minimum draft on all features helped to keep the weight under design limits.

The Process Category recognizes innovation in manufacturing or processing technology leading to higher quality and reduced costs. First Place in the Process Category was awarded to Magnesium UK & Magnesium Elektron North America, Manchester, England, for its Development of DC Casting Technology for Aerospace and Armour Sheet & Plate Applications design. Computer simulation was utilized to redesign the casting process equipment unique to **Magnesium** alloys. The computer simulation significantly reduced the developed time to produce cast slab product, according to the company.

The Application Category recognizes significant advances resulting in a large volume potential for **magnesium**. In some cases, the products, processes, and technology must be in commercial practice and be successful. First Place for Application was awarded to Beijing Guangling Jinghua Science &

Technology Company, Ltd., Beijing, China, for its Application of Magnesium Alloy Handrail in a City Bus. The lightweight effectiveness of the product saves the weight by almost 40% compared to aluminum alloy handrail. The total weight of **magnesium** alloy handrail for one bus is 24.48kg, compared to 40.9kg for aluminum alloy.

The International Environmental Responsibility Award for 2012 was presented to Shaanxi Magnesium Association (SXMA), Shaanxi Province, China. They were awarded for their energy efficiency and emission reduction of **magnesium**-smelting production through initiating cyclic economy and using waste semi-coke gas. This process realizes the recovery of waste energy by consuming 5t less of standard coal per tons of **magnesium**. Using semi-coke gas enhances the clean level of **magnesium** production when compared to the traditional practice of using coal gas as fuel.

Founded in 1942, the International Magnesium Association is an international trade organization representing the producers, processors, fabricators, and marketers of **magnesium**, along with suppliers to the industry. The IMA's membership spans more than 30 countries on 5 continents. For more information contact IMA at 1000 N. Rand Road, Suite 214, Wauconda, IL 60084. Telephone: 847/526-2010; fax: 847/526-3993; info@intlomag.org; www.intlmag.org.

INDUSTRY NEWS

POSCO Eyes New Magnesium Plant in Kyrgyzstan www.metal-pages.com (29-May-12)

South Korean steel major POSCO is considering plans to build a new **magnesium** plant in Kyrgyzstan, according to local news agency 24.kg recently.

Emil Osmonbetov, deputy director of Kyrgyz State Agency for Geology and Mineral Resources in the capital city of Bishkek, led negotiations with executives of the multi-national steel-making company last Wednesday, the agency said in a news release.

"POSCO representatives expressed their intention to build the **magnesium** plant in Kyrgyzstan," the release said.

"They showed interest in rare-earth metals, coal, and sub-surface water for industrial needs."

Osmonbetov spoke to the South Korean delegation of the country's mineral resources and emphasized how the value a **magnesium** plant will make to the Kyrgyzstan economy, according to the release.

POSCO is the third-biggest steel maker in the world.

Early last year the South Korean government said it was advancing exploration in Vietnam, Australia, Kyrgyzstan and South Africa. The move was in response to the potential instability in rare earth supplies and as demand for rare earths in new industries is set to surge in the long term.

Houston Police Department to Outfit Entire Fleet of 1,800 Police Cars with Getac B300 Rugged Notebooks www.freshnews.com (29-May-2012)

Getac, a leading innovator and manufacturer of rugged computers that meet the demands of field-based applications, announced today that the Houston City Council has approved a contract with PCS Mobile to outfit the city's 1,800 police cruisers with Getac B300 rugged notebook computers along with in-vehicle docks and mounts. Delivery of the Getac B300 rugged notebooks will be in late May with installation beginning in June.



The Houston PD will install Getac B300 rugged notebook computers into 1,800 of its police cruisers to help officers better communicate with each other and improve public safety. (Photo: Business Wire)

As the fourth largest city with the fifth largest police department in the U.S., Houston utilized technical advisers at the Houston Police Department to evaluate several vendor solutions for quality, performance, price, and technical features that matched the need of officers to access information and remote databases from the convenience and safety of their police cars. Their decision to select PCS Mobile and Getac was based on the ability to provide customized features addressing the specific needs of the environment where the rugged notebooks will be used along with PCS Mobile's capabilities to provide services for and manage such a large project.

The Getac B300 rugged notebook computers will include a powerful 2.3GHz Intel® Core™ i7 processor, sunlight readable 1400 NITs QuadraClear™ display, fast 4G LTE certified for the Verizon Wireless network, responsive 128GB Solid State Drive, lightweight **magnesium** alloy second generation B300 vehicle-docking station and the industry's best 5-year bumper-to-bumper warranty.

"Getac takes tremendous pride in providing rugged solutions to government and law enforcement agencies that have unique needs based on product applications and geographic environments," says Jim Rimay, president of Getac. "The Houston Police Department joins several other large police departments who rely on Getac rugged notebooks including Orlando, Florida and San Jose, California."

CHINA'S LATEST

China Magnesium Industry and Market Bulletin **www.chinamagnesium.net (1-June-2012)**

Market Focus

Magnesium Market Stabilizes Continually this Week

From May 28th to June. 1st, ex-works quotations for 99.9 minimum ingots from leading production bases stabilized continually as indicated in Shanxi from 17,300-17,500 yuan, Shaanxi from 17,000 to 17,200 yuan and Ningxia from 17,300-17,400 yuan. Export process stayed at 3,100-3,150 US dollars. In Ningxia, a source told Sunlight that the week's market was quite stable. "The domestic demand is good, but the overseas was bad continually. Now, price is hard to rise. Many Fugu plants were cutting production. So, price would stay at current level for a certain period of time."

Taiyuan's situation was quite similar with Fugu. This week's market was quite quiet. Regular ingots may find buyers, whereas good quality ingot found a little harder to sell.

Industry News

Dong Guan EONTEC Raises Fund for Light Alloy Precision Die Casting Industry

Dong Guan EONTEC released prospectus yesterday, and confirmed that its share will be issued in Shenzhen Stock Exchange, with 28 mln. Shares in issuing bracket were 1/3 of its current shares and closing at 0.112 bln. Share in total upon this public offer.

EONTEC is one of the largest precision die cast company in South China. For the past three years, CAGR rate was beyond 20 percent, with net profit of 55 million Rmb for 2011. EONTEC plans to invest to light alloy precision die casting industrial projects, enhancing its leading market position.

CSRC, on Mar. 9, approved the IPO program submitted by EONTEC.

Company specializes in **magnesium** alloy, aluminum and other light alloy precision die casting research and development, design production and sales, mainly for 3C, LED, medical equipment, auto parts, power tools and industrial parts.

Henan Beauty Bird Starts Production of Magnesium Alloy Electric Vehicles and Bikes

May 30th, Hena Beauty Bird announced the company's project of producing lithium-battery **magnesium** alloy electric vehicles and bikes with a capacity of 180,000 units had started.

Henan Beauty Bird locates in Hebi Eco-Tech Development Zone, mainly producing hi-end lithium-battery **magnesium** alloy electric vehicles and bikes. As an extension of current **magnesium** deep process chain, the project will employ **magnesium** alloy profile as rack and hub of electric vehicles and bikes, and final product, compared with ordinary bikes, is of lightweight and higher durability. As a JV between Tianjin Jinpaik and Henan Beauty Bird, the project cover 2 phases of construction, including 25 assemble lines and 10 bike-test lines. Now the first phase, equipped with 15 assemble lines ad 5 bike-test lines, goes through equipment test stage and boasts the capacity of 180,000 electric vehicles and bikes.

Managerial member of Hebi Eco-Tech Development Zone said the project indicates Hebi boasts the capacity for proprietary **magnesium** alloy and lithium bikes. It extends the current **magnesium** deep process line and means significantly for the Zone to establish Jinshan Magnesium Valley layout.

China produced 191.8 kt of Primary Magnesium for January-April, Down 7.36%

For the past four months of 2012, China's output of primary **magnesium** was 191.8 kt, down 7.36% compared with the same period of 2011, based on statistics from CNIA.

Among the output, Shaanxi contributed 91.1 kt, up 40.10% y-on-y; Shanxi 63.8 kt, down 39.19% y-on-y; Ningxia 24 kt, down 0.86% y-on-y and Jilin 0.9 kt, down 23.47% y-on-y.

For January-April, China exported 133.7 kt of Magnesium, Down 4.47%

China's export of **magnesium** for the past four months of 2012 was 133.7 kt, down by 4.47% year on year, according to the latest statistics of China Customs.

Among the exports, **magnesium** ingot was 60,429.05 tons, down by 7.38% y-on-y; **magnesium** alloy 36,126.93 kt, up by 0.64% y-on-y; wrought magnesium 2,662.94 kt, down by 49.14% y-on-y; **magnesium** articles 3,167.14 kt, down by 3.53% y-on-y.

Above data indicates **magnesium** export falls shorter from Ja. To Apr. 2012 y-on-y, but a little more export for both **magnesium** alloy and powder, while other three products (**magnesium** ingot, semis and final product) saw decline and much dropped out for **magnesium** semis. The same period in last year saw rapid growth in **magnesium** semis export, but ebbed out gradually as time goes on.

Pricing Indicators

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

Item		Magnesium Price	Unit
Shanxi Province	Taiyuan City,ex-works ¹	17300-17500	RMB yuan/ton
	Yuncheng City,ex-works ²	17400-17600	RMB yuan/ton
Ningxia Autonomous Region, ex-works ³		17300-17400	RMB yuan/ton
Shaanxi Province, ex-works ⁴		17000-17200	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		3100-3150	USD/ton
CIF, Rotterdam Port		3150-3230	USD/ton
CIF, Toronto Port		3220-3290	USD/ton

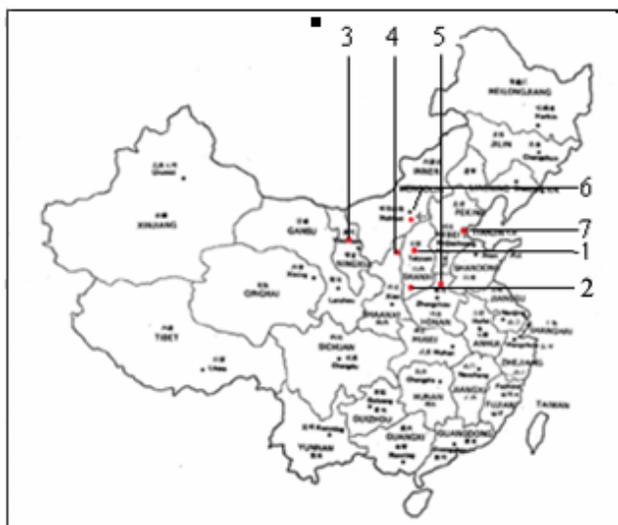
Date	SHFE Spot Aluminium	Unit
28-May-2012	16020/	RMB yuan/ton
01-Jun-2012	15960/	RMB yuan/ton

Shanghai Future Exchange

(Exchange Rate of USD versus RMB is 6.3533 on Jun. 01h based on <http://www.boc.cn/>. We placed 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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