



# UPDATE Weekly

September 6, 2012

Edition: 28

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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

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/>

October 30, 2012

IMA Magnesium Applications Seminar North  
America (more details coming soon!)  
Ypsilanti, Michigan, USA  
[www.IMAseminar.org](http://www.IMAseminar.org)

March 3 – 7, 2013

TMS 2013  
San Antonio, Texas, USA  
<http://www.tms.org/meetings/annual-13/AM13home.aspx>

May 19 – 22, 2013

70th Annual IMA World Magnesium  
Conference (more details coming soon!)  
Xi'an, China  
[www.IMAworldconference.org](http://www.IMAworldconference.org)

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## ASSOCIATION NEWS

**IMA Announces the Magnesium Applications Seminar North America**

**Meet our New IMA President, Prof. Dr. Karl Kainer**

**The IMA Invites You to Join Our LinkedIn Group**

**Please Join Us for the 70<sup>th</sup> Annual World Magnesium Conference in Xi'an, China**

**Articles follow below**

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## INDUSTRY NEWS

**Wenxi Regal Magnesium Succeeded Patent Application for Specialized Alloy ~ Heat Resistant and Anti Creep Rare Earth Magnesium Alloy**  
**Press Release, [Wenxi Regal Magnesium](#) (25-Jul-2012)**

*Editors Correction: In Edition 27 we published errors in the article title and body. We regret the errors.*

**Tisco Joins Hands CAS to Develop Magnesium Industry**  
**[www.steelguru.com](http://www.steelguru.com) (22-Aug-2012)**

**Articles follow below**

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## CHINA'S LATEST

**China Magnesium Industry Market Bulletin**  
**[www.chinamagnesium.net](http://www.chinamagnesium.net) (17-Aug-2012)**

**China Magnesium Industry Market Bulletin**  
**[www.chinamagnesium.net](http://www.chinamagnesium.net) (24-Aug-2012)**

**Articles follow below**

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*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.*

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## ASSOCIATION NEWS

### IMA Announces the Magnesium Applications Seminar North America

The International Magnesium Association (IMA) is pleased to announce that it will again offer its Magnesium Applications Seminar North America to be held on Tuesday, October 30, 2012 at the Ann Arbor Marriott at Eagle Crest in Ypsilanti, Michigan, USA. Please save the date on your calendars!

Our newly elected IMA President, Prof. Dr. Karl Kainer, is planning to attend. He cordially invites members and non-members alike to attend.

The Magnesium Applications Seminar continues to expand on the past series of *Magnesium in Automotive Seminars* which had been popular for years but focused only on the automotive market segment. **Magnesium** has far greater capabilities, which the seminar will explore.

The tentative Seminar topics include information relative to:

- Manufacturing Automation, ABB, Reis and Fanuc robots,
- Different speed rolling and stamping,
- Fasteners,
- Finishers,
- Machine houses,
- Die casting,
- Health and safety.

Engineers, designers and technicians involved with materials specification, structural design, mechanical design, purchasing professionals, and manufacturers will all find comprehensive educational presentations and case studies by **magnesium** experts on issues geared to provide the information and answers they need. The Seminar will also feature exhibits from **magnesium** producers, suppliers and manufacturers offering technical assistance and information on designing for and manufacturing with **magnesium**. Additional details regarding attending and exhibiting can be found at: [www.IMAseminar.org](http://www.IMAseminar.org).

### Meet our New IMA President, Prof. Dr. Karl Kainer

Prof. Kainer studied Materials Science at the University of Applied Science Osnabrueck and at the Clausthal University of Technology. He obtained his Ph.D degree in Materials Science at the Clausthal University of Technology in 1985 and his Habilitation in 1996. From 1985 to 1999 he was Head of the Light Metal, P/M and Composite Group at the Institute for Materials Science and Technology at Clausthal University of Technology. 1986 he achieved the Japanese Government Research Award for Foreign Specialists and 1999 the Ford Research Award. 1999 he received the Hertha von Firnberg Fellowship, Austrian Research Centre Seibersdorf, Austria.

Since 2000, Prof. Kainer has served as the Director of the Institute of Materials Research and the Magnesium Innovation Centre at Helmholtz-Zentrum Geesthacht (formerly know as GKSS) and Professor on Materials Technology, Hamburg University of Technology. In 2006 he became Visiting Professor of Chongqing University and Vice-Director of Chongqing Engineering Research Center for Magnesium Alloys, Chongqing/PR China. From 1999-2010 Karl Kainer was Chairman of the Professional Committee "Magnesium" of the German Society of Materials and 2005-2010 Coordinator of the Priority Program "Extending the Range of Magnesium Alloys" of the German Research Council. He was Chairman of the European Committee of the IMA from 2007-2012.



Karl Kainer has worked on the development of **magnesium** alloys and **magnesium** technology since 1985. His experience covers development of new creep resistant **magnesium** cast alloys and the development of more advanced **magnesium** wrought alloys. Together with the members of his

Magnesium Innovation Centre he works on the improvement of deformability of **magnesium** wrought alloys. He gave main contributions to the understanding of the role of the microstructure and twinning on the anisotropy tensile/compression anomaly of cast and extruded **magnesium** alloys. Together with members of his group he works on the improvement of the plasma electrolytic oxidation process and the introduction of functionalized polymeric coatings on **magnesium** materials for automobile and medicine application.

He has published more than 160 publications in JCR-listed journals, 400 publications in proceedings and non JCR listed journals. He has 19 pending or awarded patents. He is editor and co-editor of 15 books or proceedings.

### **The IMA Invites You to Join Our LinkedIn Group**

LinkedIn is an excellent virtual networking tool and knowledge sharing resource, allowing people to make connections without actually going out and meeting people face-to-face and exchanging business cards. The venue offers the opportunity to exchange strategic ideas with a much larger base of **magnesium** professionals from around the world. With the steady popularity and increase in social networking popularity, LinkedIn fits in perfectly with the **magnesium** business professional networking environment.

Our IMA Group community is growing very quickly. We have 282 members worldwide who use LinkedIn for connecting with current business contacts to build and develop relationships to further levels as well as meet new professional contacts. It offers group discussions that create awareness and information sharing within the thriving **magnesium** community.

We encourage all IMA members to take advantage of the opportunities for **magnesium** discussion contributions and networking expansion. Utilize the IMA Group to meet amazing professionals within the **magnesium** industry across the globe. LinkedIn provides key resources that **magnesium** professionals need to be informed and even continue to grow.

Please visit our IMA Group website on LinkedIn and join today! You can find us here:

[http://www.linkedin.com/groups/International-Magnesium-Association-IMA-107283?goback=%2Eanp\\_107283\\_1346872555081\\_1](http://www.linkedin.com/groups/International-Magnesium-Association-IMA-107283?goback=%2Eanp_107283_1346872555081_1)

### **Please Join Us for the 70<sup>th</sup> Annual World Magnesium Conference in Xi'an, China**

The World Magnesium Conference is scheduled for May 19-22, 2013. This event is the premier international **magnesium** industry conference that highlights the latest technological advances, innovative applications, and emerging developments in the global marketplace. The conference combines informative technical sessions, exhibits, networking and social opportunities for a well-rounded industry experience.

- Industry Updates
- Technical Program, provide a wealth of information for **magnesium** industry professionals and address topics ranging from an overview of the current state of the **magnesium** industry to **magnesium** process breakthroughs, applications, and business management issues.
- Social Program
- Sponsorship Opportunities
- Awards of Excellence, IMA's competition recognizing outstanding **magnesium** products and innovative manufacturing technologies
- International Environmental Responsibility Awards
- IMA Annual Membership Meeting
- Exhibit Showcase
- Spouse Program
- Tours

Xi'an today sits in the fertile Wei River valley, one of the epicenters of early Chinese civilization. The area was home to the capitals of several major dynasties (historians count 11), stretching all the way back to the Zhou in the 11th century BC. The remnants of this ancient world are everywhere – from the First Emperor's Terracotta Army to the Muslim influence that still characterizes the city. Many of the city's attractions are unique not only to the city itself, but to all of China.

Click [here](#) for the 2013 IMA Annual World Magnesium Conference flyer.

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## INDUSTRY NEWS

### **Wenxi Regal Magnesium Succeeded Patent Application for Specialized Alloy ~ Heat Resistant and Anti Creep Rare Earth Magnesium Alloy** **Press Release, [Wenxi Regal Magnesium](#) (25-Jul-2012)**

*Editors Correction: In Edition 27 we published errors in the article title and body. We regret the errors.*

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Wenxi Regal currently filed application for a Heat resistant and Anti Creep Rare Earth Magnesium Alloy approved by Chinese government (Patent No. ZL201110057863.9 ), authorized validity starting July 25, 2012.

Above patented alloy belongs to AE44 series with intensified processing for anti-creeping and heat resistance.

Aluminum, Manganese and Cerium have been added into the new **Magnesium** Alloy and proven with superior strength and heat/creep resistance.

Success on this new patent demonstrated Wenxi Regal's commitment on Research and Development of **Magnesium** raw material and helps better promote application of **Magnesium** in Automotive and Aerospace industries.

### **Tisco Joins Hands CAS to Develop Magnesium Industry** **[www.steelguru.com](http://www.steelguru.com) (22-Aug-2012)**

Taiyuan Iron & Steel Co Ltd. and Chinese Academy of Sciences Yangzhou Industrial Center plan to cooperate on the construction of one-million-tonne **magnesium** and **magnesium** alloy smelting and rolling production line in Tisco.

It is estimated that this **magnesium** alloy deep processing center will gain operating revenue of CNY 50 billion and pre-tax profits of CNY 15 billion.

According to statistics, China has already been world's largest **magnesium** producer. As of 2007 about 80% metallic **magnesium** originated in China and in 2010, China produced primary **magnesium** of 650,000 tonnes and in 2011, China's primary **magnesium** output reached 660,600 tonnes.

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## CHINA'S LATEST

### China Magnesium Industry and Market Bulletin [www.chinamagnesium.net](http://www.chinamagnesium.net) (17-Aug-2012)

#### Market Focus

#### **Magnesium Price Dips Down With Up Volume But Lies Unexpectedly Ahead With Coal Mine Accident**

From August 6 to August 10, ex-works quotations for 99.9 minimum ingots from leading production bases decreased 300 yuan as indicated in Shanxi from 18,100 – 18,300 yuan, Shaanxi from 17,800 to 17,900 yuan and Ningxia from 18,100 – 18,200 yuan. Export prices stayed at 3,260 - 3,310 US dollars. This week's market has seen further lower offers. Before Thursday, many market players were expecting more much lower prices. However, there happened a coal mine roof fall accident in Fugu which aroused some uncertainties. A few traders reported that some producers suddenly stopped shipping. Now, it is hard to judge how the local government would react to the accident. Things will go clearer after 5 or 6 days.

In Shanxi, the week's quotation has seen further plunging of price, with many producers quoting at 18,200-18,400 yuan for ingot (Acid treatment and packaged). One source told Sunlight that he felt the buyers are turning back. Some producers are still having a certain stocks, however the coal mine accident in Fugu may get in some trouble, because shipping from Fugu has been stopped and the price would become unpredictable.

Whereas, in Taiyuan, a producer said people don't need to worry about the coal mine accident in Fugu. "Most workers were rescued instantly, I don't think things will go worse. The local government won't shut down all of the coal mine. To **magnesium** production, the semi coke is the key, not coal." he said, "As in Shanxi, we hope more steady prices. This week' prices are dropping greatly, we had some order from overseas, the domestic market is not good to us."

In Fugu, a source said this week saw ingot of 99.9% quoting at 17,700 yuan in cash. The accident seemed abstracted more buyers. The market will be much clearer after a while when the local government knows what to react.

#### Industry News

#### **The Safety Committee of the State Council Published the Notice of In-Depth Rectification for Safety Production of Aluminum and Magnesium Machining Enterprises**

Lately, in order to learn the lessons of aluminum and **magnesium** powder explosion accident in recent years and to strengthen safety production of aluminum and **magnesium** producers, the Safety committee of the State Council recently published *Notice of in-Depth Rectification for safety Production of Aluminum and Magnesium Machining Enterprises*.

In recent years, due to the lack of knowledge of danger and safety production regulations, some aluminum and **magnesium** powder producers saw quite a few safety accident and hazarders. The rectification action aims at the plants of aluminum and **magnesium** producers that easily occurs powder explosions when in die-casting, polishing and grinding process.

All **magnesium** powder producers should 1. Set up independent plant that locates out of the residential area. 2. With complete licenses. Manufacturers that fail to meet the above standards will have to shut down. Moreover, the notice made requests in many areas, from building structure, ventilation and dust control, cleaning system, fire control, equipments, electrical circuit, regulations, training, to safety inspection and emergency plan.

This time, the rectification requires for investigation and make plan by the end of Aug., followed by training in Sep. and self-examination and self-reform during Sep. to Oct. The safety committee of the State Council will organize for key inspections and notify the results during Nov. and Dec.. Sunlight Metal estimates that the action would affects part of the power producers that fail to meet the standard.

## Fugu TianYu Industry Restarts Upon Overhaul

One manager from Fugu Tianyu Industry told Sunlight that after the equipment maintenance since early August, the company is expecting to start production in late August, with capacity of 1,000 per month.

Shaanxi Fugu Tianyu Mineral Industrial Group, established in 1997, located in Fugu country of Shaanxi province, mainly focus in producing and exporting pure **magnesium** ingot, coal, Fine Coke, coal tar, calcium carbide, ferro silicon, silicon calcium, silicon manganese. The annual output is over RMB 600million. The total assets is over RMB 400million. The annual production capacity is 30,000 tons **magnesium** ingot, 450,000 tons 0-50mm coal, lump coal 200,000 tons, Fine coke 300,000 tons, coal tar 30,000 tons, calcium carbide 30,000 tons, ferro silicon 50,000 tons, silicon calcium 10,000 tons, silicon manganese 20,000 tons.

## China Magnesium Industry and Market Bulletin

[www.chinamagnesium.net](http://www.chinamagnesium.net) (24-Aug-2012)

### Market Focus

#### Magnesium Price Kept Stable with Steady Volume

From August 6 to August 10, ex-works quotations for 99.9 minimum ingots from leading production bases adjusted 100-150 yuan as indicated in Shanxi from 18,200 – 18,400 yuan, Shaanxi from 18,000 to 18,200 yuan and Ningxia from 18,200 – 18,300 yuan. Export prices stayed at 3,260 - 3,310 US dollars. In Fugu, one source said that this week's market was basically steady with volume low. The source felt negative about the future, he said, "Now, every producer's stock is relatively high, so the pressure was quite high. I think the price will go downwards." For this week, most of the contracts in Fugu were done at 17,800-18,000 yuan. As to the coal mine accident happened the previous week, it will have limited influence to the **magnesium** production, he added.

In Shanxi, a trader said, "I think the price will go steady. Although the stock pressure is there, however we received more buzzing inquiries from overseas. We sold 400 tons with price at 18,500 yuan CIF this week.

### Industry News

#### 9 Magnesium Innovation Projects Acquires Fund Subsidy

Recently, the Ministry of Science and Technology of PRC (MOST) released the list of the SME technology innovation Fund. There were 9 **magnesium** projects acquired the fund aid which is 5.85 mil. Yuan altogether.

The SME technology innovation Fund was founded by the State Council, aiming at supporting the science and technology innovation ability of small and medium-sized enterprises. Through capital allotment and interest free loan, MOST is to cultivate a group of SME with Chinese characteristics, speeding up the process of high-tech industries. The 9 **magnesium** projects are as follows:

No	Name of project	Company	Capital(thousand yuan)
1	Nano high-purity spherical Mg alloy powder	Tangshan Weihao Magnesium Powder	700 (gratis)
2	High performance rare earth Mg alloy	Linjiangcity Dongfeng Non-ferrous Metals	700 (gratis)
3	Precision forming high performance light Mg alloy wheel	Hongze Jinyu Wheel Manufacturing	700 (gratis)
4	New sunshade and folding curtain with solar energy and intelligent setting by Mg alloy	Langxi Yingzhijie Building Science and Technology	700 (gratis)
5	LED lightings by large power and single integrated rare earth-Cu-Mg-Ti aluminum alloy	Hunan Oriental rare earth Optical Company Limited	500 (gratis)
6	Ce-rich rare earth Mg alloy and hub product	Weihai Wanfeng Mangesium	700 (interest-free loan)

7	Process and industrialization of strap wheel die from melting forging Mg-Al alloy	Shiyan punch and Die Manufacturing Company Limited	600 (gratis)
8	Public technology service form for magnesium development	Chongqing Guoke Magnesium	650 (gratis)
9	Intelligent feed- and slag-discharging robot	Yinchuan Jielineg Technology	600 (gratis)

### SilMag Visits Shanxi United Magnesium

During August 13 -15, Mr. Ulf Foldvik, CEO of SilMag and its partner Mr. Jakob Bølgen Bronebakk had 3 days visit to Shanxi United Magnesium. Both parties had discussions for production of **magnesium** alloy, cost control and quality management, especially exchanging information in **magnesium** application in automobiles and its future.

For **magnesium** alloy production and auto **magnesium** alloy parts, the two companies had detail cooperation arrangement.

### Price Indicators

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

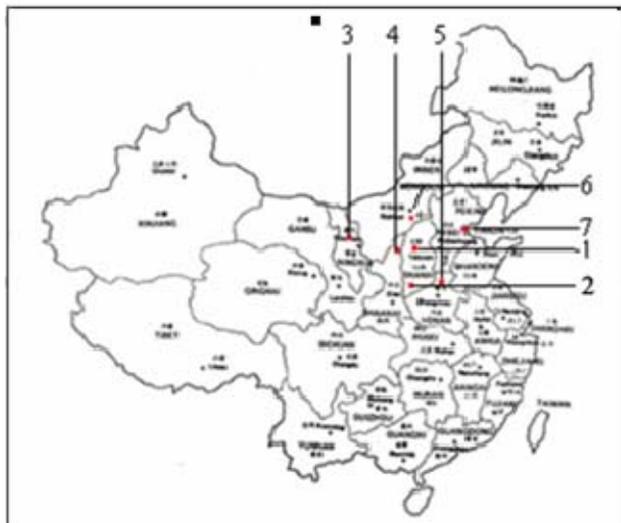
Item		Magnesium Price	Unit
Shanxi Province	Taiyuan City,ex-works <sup>1</sup>	18200-18400	RMB yuan/ton
	Yuncheng City,ex-works <sup>2</sup>	18300-18500	RMB yuan/ton
Ningxia Autonomous Region, ex-works <sup>3</sup>		18200-18300	RMB yuan/ton
Shaanxi Province, ex-works <sup>4</sup>		18000-18200	RMB yuan/ton
Henan Province, ex-works <sup>5</sup>		None	RMB yuan/ton
Inner Mongolia Autonomous Region, ex-works <sup>6</sup>		None	RMB yuan/ton
FOB Xingang, Tianjin <sup>7</sup>		3260-3310	USD/ton
CIF, Rotterdam Port		3300-3400	USD/ton
CIF, Toronto Port		3400-3420	USD/ton
<b>Date</b>		<b>SHFE Spot Aluminium</b>	<b>Unit</b>
20-Aug.-2012		15290/	RMB yuan/ton
24-Aug.-2012		15395/	RMB yuan/ton

### SHFE: Shanghai Future Exchange

(Exchange Rate of USD versus RMB is 6.3433 on August 24 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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