January to November 2007 METALS BALANCES

Primary aluminium surplus in January to November 2007

The calculated market surplus for primary aluminium for January to November 2007 was 341 kt which compares with a surplus of 398 kt registered in the first ten months of the year. Demand for primary aluminium was 34.38 million tonnes, 2942 kt more then the equivalent total for January to November 2006. Production rose by 3753 kt to 34.72 million tonnes during the same period. Total stocks at the end of November stood at just under 2.69 million tons, equivalent to just over 4 week’s demand. Total stocks held in the three exchanges in London, Shanghai and Tokyo rose to 1.043 million from the December 2006 total of 745 kt. No allowance is made in the consumption calculation for unreported stock changes.

Overall, global production increased by 12 per cent compared with January to November 2006. Chinese output rose by 2991 kt and currently accounts for one third of the world production total. Net exports of unwrought aluminium from China were, at 237 kt, 64 per cent below the total recorded in the first eleven months of 2006. Output of Aluminium semis rose by 44 per cent which was matched by a similar increase in Chinese apparent demand for primary metal.

Production in the EU27 was up by less than 1 per cent and NAFTA output increased by 5.6 per cent. Global demand rose by 9.4 per cent to 34.38 million tonnes. EU27 demand continues to be stronger although the year on year increase was just over 4 per cent.

In November, primary aluminium production was 3267.8 kt and consumption was 3194.1 kt.

Copper market records a smaller deficit again in January to November 2007

The copper market recorded deficit of 175 kt for the first ten months of 2007 which compares with a deficits of 334 kt and 207kt respectively for the January to September and January to October periods. Reported stocks decreased by 25 kt between the beginning of January and the end of November 2007. No allowance is made in the consumption calculation for unreported stock changes.

Mine production for the eleven month period was, at 13.98 million tonnes, 1.98 per cent higher than in January to November 2006. Refined production rose by 2.7 per cent to 16.26 million tonnes. Chinese output rose by 452 kt, Indian, Japanese and Chilean production rose by 103 k t, 49 kt and 134 kt respectively compared with January to November 2006. Zambian output stabilised at the 2006 level.

Consumption in January to November 2007 was 16.43 million tonnes which was 4.5 per cent higher than the same period of the previous year. Chinese consumption increased to 4397 kt from 3251 kt in the same period of the previous year. The calculated apparent demand data excludes any changes in government stockpiles or any other unreported stocks. EU27 demand was, at 3695 kt, 7.4 per cent below the January to November 2006 total.

In November, refined copper production was 1486 kt and consumption was 1430 kt.

Lead market records deficit in January to November 2007

The lead market recorded a deficit of 228 kt during the first eleven months of 2007 which compares with the January to November 2006 deficit of 47 kt. Reported stocks were 15 kt lower than they were at the end of 2006. LME stocks rose by 4 kt during November and stood at 44 kt at the end of the month. No allowance is made in the consumption calculation for unreported stock changes.

Lead mine production was 3468 kt with Chinese output dominating the global supply. Refined production from both primary and secondary sources was 0.3 per cent below the equivalent figure recorded one year earlier.
Global demand was about 2.2 per cent higher than the previous year reaching a total 7567 kt with increases in India and Malaysia contributing to the growing dominance of Asia in global demand. EU27 demand totalled 1709 kt, a decrease of 2.3 per cent compared with January to November 2006. China consumed 2462 kt of lead in the first eleven months of 2007 with the November figure at 220 kt.

In November, refined lead production was 665.1 kt and consumption was 690.0 kt.

**Zinc market in surplus in January to November 2007**

The zinc market was in surplus by 148.5 kt during January to November 2007 despite a reduction in reported stocks of 9 kt. LME stocks rose to almost 80 kt which is still 10kt short of the end 2006 total.

Mine production was, at 10.1 million tonnes, 8.8 per cent higher than the January to November 2006 total. Refined production rose by 610 kt to 10264 kt with Asian countries (especially China) contributing an additional 548 kt to the world output. EU27 production rose by 1.7 per cent and NAFTA output was unchanged.

World demand was 197 kt higher than in the first eleven months of 2006 with the most significant increase recorded in China. Chinese demand was 3269 kt which is 33 per cent of the global total. No allowance is made in the consumption calculation for unreported stock changes

In November, slab zinc production was 965 and consumption 961.7 kt.

**Nickel market records surplus in January to November 2007.**

The Nickel market recorded a surplus of 10.8 kt during January to November 2007 and reported stocks, held mainly in the LME, were 38 kt higher. The supply and demand data include low grade ferro nickel produced in China from imported ores which had previously been excluded from the WBMS data. The quantity of this material produced in the last three months has fallen due to lower availability of imported feed materials,

Mine production in January to November 2007 was, at 1384 kt, 6.1 per cent above the comparable 2006 total. Refined production was 9.6 per cent above the 2006 total with output increases in China, Finland and Canada accounting for most of the higher output.

World demand was 78 kt higher than the previous year. No allowance is made in the consumption calculation for unreported stock changes

In November, nickel smelter production was 118.6 kt and consumption was 113.6 kt.

**Tin market records deficit for January to November 2007**

The tin market recorded a deficit of 2.9 kt during January to November 2007 after allowing for reported DLA deliveries. Total stocks held at DLA warehouses were 8.3 kt and other stocks were virtually unchanged from December 2006.

Reported production of refined metal was up by 2.4 kt, compared with the first eleven months of 2006 and DLA deliveries were 7.1 kt bringing the total availability to 330.2 kt. Production in Indonesia is estimated at 70.6 kt which is only 1 kt below the comparable figure for 2006. Global demand totalled 333.1 kt which represented a decrease of 4.5 kt compared with January to November 2006 with reduced consumption in Japan and lack of significant growth in China responsible for most of the market weakness.

At the end of November, LME stocks stood at 13.2 kt which compares with the end December 2006 figure of 13.0 kt.

Tin mine production was 293.1 kt which was slightly below the January to November 2006 total.

In November, refined tin production was 32.0 kt and consumption was 32.4 kt.

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The above data are taken from World Metal Statistics January 2008 published today.
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