



# Tin in the News

Our news round-up this week includes forecasts of rising prices, a reported fall in Indonesian exports in the first half of this year and a major political development: the US financial reform bill includes stringent measures to regulate trade in minerals from DR Congo.

During the summer vacation period, there will be no e-mail report from us for the next three weeks. Normal service will be resumed on 18 August.

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21 Jul 2010  
**Analysts see rising tin prices**

Reuters yesterday published the results of its latest survey of analysts' price forecasts for the LME metals in 2010 and 2011. Over 50 companies participated in the poll, of which 26 provided tin price projections for this year and 23 for 2011. The averages of the tin price forecasts for the two years were \$17,376/tonne for 2010, rising to \$18,767/tonne in 2011. The actual average LME cash settlement price in the first half of this year was \$17,529/tonne.

Mitsui Bussan Commodities commented that "tin is performing quite well this year, and it also has a supply constraint," while Metal Bulletin Research cautioned that "stocks are still falling, but with concerns about the economic outlook the trend may be fragile." Virtual Metals noted that tin was the only one of the LME metals for which a physical supply deficit was expected in 2010.

19 Jul 2010  
**Indonesian exports fall again**

Indonesian exports of refined tin are likely to have fallen again in June, according to preliminary data released by the trade ministry. It reported that 8,030 tonnes of tin was checked by surveying companies prior to export, 7.3% lower than in June 2009. The cumulative volume for the first half of this year was 43,263 tonnes, down 14.5% from 50,575 tonnes in the first six months of 2009.

"Exports fell because tin resources in onshore mines have been depleted, cutting production," an official at the trade ministry told Reuters. "Based on technology and financial capability, only PT Timah and PT Koba Tin are able to explore offshore mining."

"Indonesia's exports fell in the first half of the year as there was a big drop in tin export contribution from private smelters," Johan Murod, director at private tin consortium Bangka Belitung Timah Sejahtera (BBTS), told Metal Bulletin. "The police continued to crack down on allegedly illegal miners and their collectors, and consequently, many artisan tin miners stopped mining totally. Two out of seven BBTS smelters, Donna Kembara Jaya and Duta Putra Bangka, have already closed down due to lack of tin ore for production."

Exports may pick up in the second half of the year during the dry season, but the depletion of tin reserves means that exports are still likely to be lower than in previous years, a physical trader in Singapore said. "We have come to a period where easily recoverable high-grade tin reserves have gone," the trader said.

16 Jul 2010  
**US financial regulation bill may lead to African minerals trade embargo**

Reuters reports that "buried inside the US financial reform bill passed on Thursday by the US Senate is a little noticed amendment aimed at regulating a market far from Wall Street - international trade in minerals from the Democratic Republic of Congo and neighbouring countries." The amendment, starting on page 2,279 of the bill, requires companies that engage in the trade and use of "conflict minerals", defined as coltan, cassiterite (tin ore), wolframite, gold and their derivatives, to file an annual report with the Securities and Exchange Commission to declare if they are sourcing their supply chain from the DRC, or an adjoining country.

However due diligence, audit and disclosure requirements are detailed and complex, leading to the risk that manufacturers of global electronics brands will be forced to avoid using minerals from African countries, thereby damaging their economies.

John Kanyoni, head of the North Kivu exporters association, argued that the new US regulations cut across a wide range of existing initiatives to bring transparency in the mining sector in eastern DRC. "By asking all the manufacturers to track every piece of metal in every single item they make, it is just telling them don't buy from DRC and adjoining countries - which is an embargo de facto. The consequence of the US regulations will be that thousands of Congolese will be jobless and might most probably be joining the armed groups". He also pointed out that taxes collected on the minerals trade currently account for more than 30% of the provincial government's budget.

The amendment to the bill, which is likely to be signed into law by President Obama in the next few days, requires disclosure of due diligence measures taken, independent audits performed, list of 'non DRC conflict-free' products made, conflict mineral processing facilities, the mineral country of origin and the efforts made to determine the mine of origin. Meanwhile the US State Department will be drawing up a strategy to address the link between human rights abuse and mining and producing a map of mineral rich zones under the control of armed groups.

The bill only allows for a period of up to nine months before the regulations on companies come into force and the first disclosure will be required for the first full fiscal year beginning after that. Meanwhile the State Department has six months to carry out its tasks. Stringent demands, combined with this short timescale, make an embargo on Africa more likely.

16 Jul 2010

### **NQM looks for copper/tin project partners**

While fighting off a hostile takeover bid, North Queensland Metals Ltd says it is looking for partners to help it develop the Baal Gammon copper-tin project. NQM also operates the Pajingo gold mine in the Australian state with joint-venture partner Heemskirk Consolidated Ltd . It is currently subject to rival offers from Heemskirk and Conquest Mining Ltd and today urged shareholders to reject the latter bid.

In the letter to shareholders it noted that it "has an interest in partnering to develop the Baal Gammon copper/tin mine in the Herberton area. The mineral field includes historic tin and base metal mines with rich credit metals such as silver and indium." A feasibility study on a planned 500,000 tpy open pit mine was completed in 2008. Probable ore reserves grade 0.96% copper and 0.22% tin, suggesting annual tin production of some 600 - 700 tonnes. NQM also recently pulled out of a deal to sell other tin properties in the area to Consolidated Tin Mines.

16 Jul 2010

### **Kazakhstan tinsplate production rises**

Kazakhstan's State Statistics Agency reported that the country's tinsplate production rose by 16.3% year-on-year to 110,102 tonnes in the first half of 2010. ArcelorMittal Temirtau is Kazakstan's sole tinsplate producer, whose output last year climbed by 15.5% to 201,000 tonnes. ArcelorMittal Temirtau has three tinning lines with a combined capacity of 375,000 tpy. Apart from supplying CIS markets it is also a major exporter, particularly to Middle East markets.

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