

Molybdenum Trade Rises

We looked at chrome in the last issue and cover molybdenum (moly) in this one. Moly is less easy to cover in that the processing stages vary from other raw materials used in stainless.

Moly usually occurs as a sulphide ore, often as a by- or co production of copper mines. There are also dedicated moly mines notably in the USA. The first stage of production is ore. This is usually processed at the mine site into a flotation concentrate. This may then be exported as a concentrate and this is the stage that we have counted it. At some stage it will be roasted into technical Mo oxide. It may be in the country where it is mined or may be exported and roasted elsewhere, typically where the main users are.

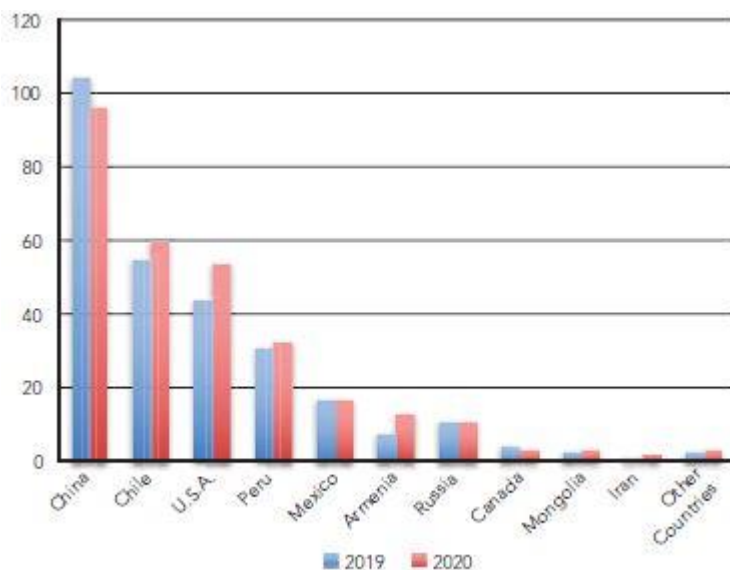


Chart 1 - Molybdenum mine production in kt Mo content

Chart 1 shows mine production in kt Mo content. Global production increased by 5% to 291 kt. China's production fell by 8% to 96 kt, but China remained the largest producer by far, accounting for a third of global output. Chile's output increased by 8% to 59 kt, or 20% global share. There was a 23% increase in US production to 53 kt. (18% of global). Peru increased production by 6% and Mexico was unchanged from the previous year. The largest percentage increases were: Armenia (+75%) and Iran (+108%).

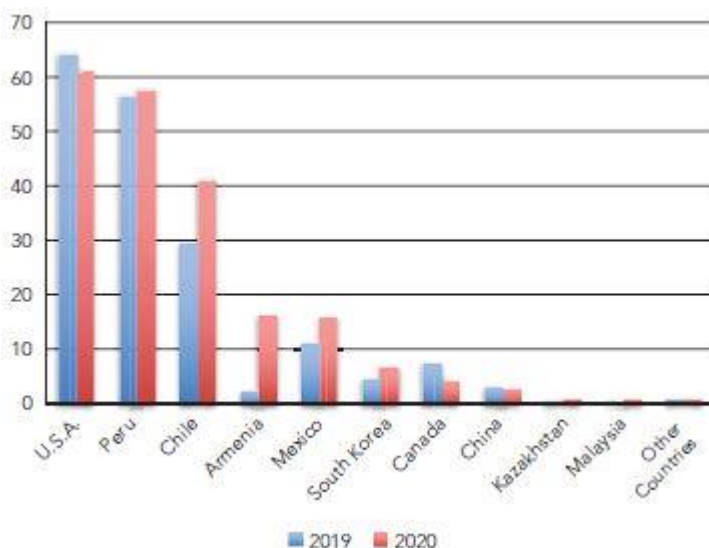


Chart 2 - Exports of Mo unroasted concs in kt gross weight

Chart 2 shows exports of Mo unroasted concentrates in kt gross weight. As you would expect, with the exception of China, this follows very closely the mine production data in table 1. The largest use of moly is high strength low alloy (HSLA) and other alloy steels, the second largest use is stainless in AISI 316 etc. So the market is largely where the stainless and other alloy steel production is, and of course by far the largest is China.

Global exports increased by 16% in 2020 to 207 kt. The USA accounted for 30% of global exports and the volume was down 5% on 2019. Close behind was Peru with exports up 2% and 28% of the total. Chile accounted for 20% of the total but with a 40% increase on the prior year. There was an eightfold increase in exports from Armenia or 8% of the global total. Exports from Mexico were up 44% and S. Korea +50%. Exports from Canada fell by over 40%.

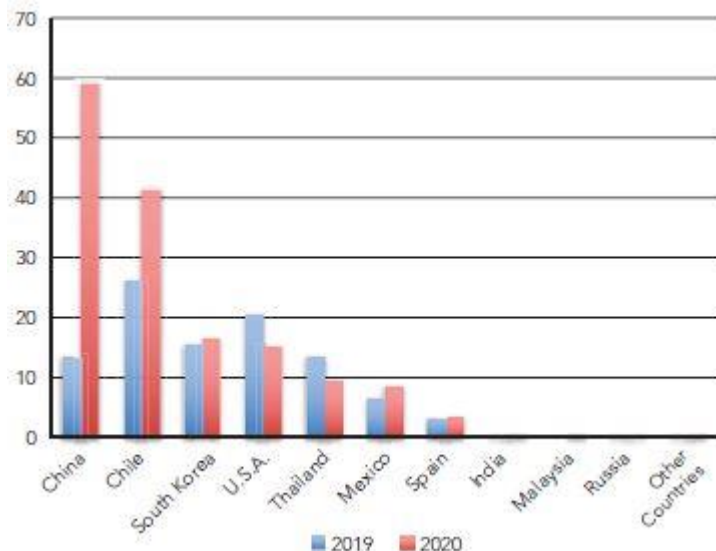


Chart 3 - Imports of Mo unroasted concs in kt gross weight

Chart 3 shows imports of Mo unroasted concentrates in kt gross weight. Global imports of unroasted concentrates increased from 99kt in 2019 to 154kt in 2020 (+56%).

There was a more than quadrupling in China’s imports of Mo contained in unroasted concentrates from 13kt in 2019 to 59kt in 2020. China accounted for 38% of global imports. Chile imported 41 kt in 2020, an increase of 58% on the previous year and 27% of global imports. Bearing in mind that Chile is not a significant producer of special steels, this material is being used for further conversion. S. Korea is a large producer of special steels and was the third largest importer, up 7% at 16.5 kt. The USA saw a 25% fall in imports to 15 kt in 2020.

We are used to global exports often exceeding imports because it tends to be the few exporting to the many. In moly there is the additional complication of unroasted and roasted concentrates. Unroasted concentrates contain around 85 to 90% MoS₂ which itself is 60% Mo and 40% S. Roasted concentrates are a minimum 57% Mo. It is the roasted concentrates that are used directly in stainless production, although about a third of these will be further processed into ferro-molybdenum.

We do not have space here to show charts for trade in roasted concentrates but will summarise them. Global exports were in 2020 were 142 kt, up 16%. Chile accounted for 85 kt or 60% of global exports, some of this from processing imported by-product of copper production in neighbouring Peru. Chile’s exports were up nearly 30% on the previous years. Belgium accounted for 15% and Mexico 14% of global exports.

Global imports of roasted concentrates were reported as 155 kt gross weight up 9%. Who were the top 3 importers? – the large special steel producers – China, Japan and S. Korea. China’s imports increased five fold to 40kt or 25% of global imports. Japan and S. Korea were 20% and 15% respectively.

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