PRESS RELEASE

Lisbon, 26 April 2018

ILZSG SPRING 2018 MEETINGS/FORECASTS

1. The Standing Committee of the International Lead and Zinc Study Group held its Spring meetings in Lisbon on 25 April 2018. During the meeting the Committee received a review of the current outlook for trends in world supply and demand for lead and zinc during 2018.

Forecasts

Lead - Outlook for 2018

Usage

2. It is anticipated that global demand for refined lead metal will rise by 2.7% this year to 11.90 million tonnes, mainly as a consequence of increases in apparent usage in China and the United States which are forecast to grow by 3.4% and 3.1% respectively.

3. Usage of lead metal in Europe is expected to grow by 2.1%, influenced by a further 4.5% rise in Italy. A stable outlook is foreseen in Japan and the Republic of Korea.

Supply

4. After growing by a marginal 0.4% in 2017, world lead mine production is forecast to rise by 4.2% to 4.90 million tonnes in 2018, primarily a consequence of an expected increase in Australian output during the second half of the year. In Cuba, production is predicted to rise as a result of higher output at the Castellanos mine. Chinese output is expected to grow by 1.2%.

5. An anticipated increase in world refined lead metal output of 3.8% to 11.88 million tonnes in 2018 will be mainly influenced by further rises in China and the United States. Chinese output is forecast to rise by 4.7% and in the United States by 10%, recovering after a significant reduction in 2017. In Australia, output is predicted to
expand by 13.7% in 2018 and in Europe is forecast to grow by 1.6%, influenced by rises in Belgium and Italy that are expected to more than offset a reduction in Poland.

World Refined Lead Metal Balance

6. Having taken into account all of the information recently received from its member countries, the Group anticipates that global demand for refined lead metal will exceed supply by 17kt in 2018.

Zinc - Outlook for 2018

Usage

7. Global demand for refined zinc metal is forecast to rise by 2.0% to 13.97 million tonnes in 2018, after remaining stable over the past three years.

8. Zinc usage in both Europe and the United States is anticipated to rise by 2.1% in 2018. In Europe the rise will be influenced by increases in Belgium and Italy. Apparent demand in China is forecast to increase by 2.2% after declining by 0.8% in 2017.

9. Elsewhere, usage is expected to rise in India and the Republic of Korea, and to remain stable in Japan.

Supply

10. After increasing by 1.1% in 2017, global zinc mine production is forecast to rise by 5.1% to 13.62 million tonnes in 2018.

11. This will be driven mainly by an expected 2.3% rise in China and a further 3.9% increase in Peru. In India, zinc mine output is predicted to be marginally lower due to a fall in output at Hindustan Zinc’s Rampura Agucha operation.

12. In Australia, additional tonnage is forecast to be generated in 2018 mainly as a consequence of the recent opening of Dugald River mine and the expected commissioning of New Century Resources’ 262,000 tonnes per year tailings project in Queensland. The opening of Vedanta’s Gamsberg mine during the second half of the year will result in an increase in South African production. Increases are also forecast in Canada, Cuba, Greece, Namibia and the United States.

13. The Group anticipates an increase in world refined zinc metal output of 3.6% to 13.71 million tonnes in 2018, after a reduction of 2.3% in 2017. This will be mainly influenced by a further rise in Chinese output of 3.4% and a recovery in Canadian production, where output in 2017 was negatively impacted by a strike at Noranda Income Fund’s Valleyfield refinery.
14. Production in Europe is forecast to increase by 5.2%, primarily as a consequence of higher output in Belgium, Italy, the Netherlands and Norway. Australian refined zinc production is also expected to rise in 2018, benefiting from an increase in the availability of domestic concentrates. In the United States, output is forecast to decrease by 5.3%.

World Refined Zinc Metal Balance

15. Regarding the global market balance, the Group continues to anticipate that global demand for refined zinc metal will comfortably exceed supply in 2018 with the extent of the deficit forecast at 263,000 tonnes.

Recruitment of ILZSG Manager of Statistical Analysis

16. Applications are now being sought for the position of Manager of Statistical Analysis to work for the International Lead and Zinc Study Group. Applications must be received by 31st May 2018. The successful applicant would be expected to join the secretariat by August/September 2018. Further information will be made available on the Group’s website.

October 2018 ILZSG Session

17. The Study Group confirmed that it will hold its 63rd Session at the Altis Grand Hotel in Lisbon, Portugal on 4 - 5 October 2018 preceded by a Joint Study Groups’ Seminar on 3 October 2018.

Economic and Environment Issues

18. The Study Group’s Economic and Environment Committee met on Wednesday 25 April for its 34th meeting. After the adoption of the agenda, Ms. Kimberley Warner, Events and Communications Manager of the European General Galvanizers Association (EGGA), made a presentation on the outlook for general galvanizing industry from a European perspective. Mr. Erasmus Shivolo, Mining Commissioner/Deputy Permanent Secretary, Department of Mines, Ministry of Mines and Energy, Namibia, then spoke on the current situation and likely development of Skorpion zinc operation together with the outlook for the Namibian lead and zinc sector.

19. A Seminar on the topic of “The Growing Importance of Responsible Minerals and Metals Supply Chains” was held jointly by the International Lead and Zinc Study Group, International Nickel Study Group and International Copper Study Group on 25 April. Presentations providing information on and stressing the importance of building responsible minerals and metals supply chains were made by representatives from governments, intergovernmental organizations, NGOs and industry associations.

New Publications

20. ILZSG has recently published the following studies that are available from the secretariat:

- The Recycling of Lithium-ion Batteries (LIBs) and Proposals on Mitigating the Risks Posed by the Mixing of Used LIBs with Used Lead-Acid Batteries 2018
- World Directory of Lead and Zinc Mines 2018
- World Directory of Primary and Secondary Lead Plants 2018
- World Directory of Primary and Secondary Zinc Plants 2018
- Lead and Zinc New Mine and Smelter Projects 2018
- Market Research Zinc Chemicals 2017
- The Market for Zinc: Fundamentals Driving Change 2017
- Main First Uses of Lead and Zinc in Europe 2017

Studies that are scheduled to be published later in 2018 include:

- Report on the Potential Impact of Hybrid and Electric Vehicles and the Development of Lithium-Ion Batteries on Lead Demand
- Joint Report on Mine, Smelting/Refining Waste
- Report on “Lead and Zinc: National Trade Tariffs and Measures”
- End Use Industry Statistical Supplement
- World Lead Factbook 2018

ILZSG Website

21. Further information on the topics covered by this Press Release can be obtained on the ILZSG web site at www.ilzsg.org or by contacting the secretariat at sales@ilzsg.org