What is Our Focus

- Status quo and development trend of China’s zinc smelting industry.
- Related national policies and their affects on industrial development.
- Status quo and trend of China zinc smelting resources and energy, and enterprises’ relative measures.
- Cost composition at China’s zinc smelters.
- Condition of major smelters.

Authorized by Shanghai Metals Market (http://en.smm.cn), China leading consulting expert with 10-year more experience and knowledge of the metals and steel industry, widely renowned for its daily published spot prices of over 100 metal types.

SMM provides a series of research reports, from weekly to annually edition, for purpose of helping you know more about the market, covering updated industry news, prices trend, review and forecast, analysis of fundamentals (i.e. cost & profit, inventory, semi & downstream demand, polls & survey, expansion, import & export, policy & regulation and etc.).
China Zinc Smelting Industry Analysis, 2011

Background

As the largest zinc manufacturer and exporter, China takes a leading position in global zinc market. Domestic zinc capacity will be restrained within 7.5 million mt during the 12th Five Year Plan. In the next few years, zinc smelting industry will be restricted by national policies, and the related policies are analyzed in the report. Domestic zinc concentrate output was 3.7 million mt, with above 30% zinc concentrate from abroad. In this context, enterprises all start integration at home or overseas in order to secure raw material supply, reduce costs and increase profits. In the report, SMM will give analysis on raw materials supply and demand recent years, and will also analyze methods of resource integration and experience with typical cases.

Costs at zinc smelters are gradually increasing due to tightening raw material supply, rising energy prices and manpower expenses. The report will give analysis on costs elements of domestic zinc smelters, and development trends of cost elements as well as their affects to profit.

Core Data

1) Capacity and output data of China’s zinc smelting industry over the past five years and forecast on capacity and output in the following five years, including capacity and output variation (by regions) and new expansion capacity statistics from 2009 to 2011.

2) Raw material supply balance data of China’s zinc smelting industry over the past five years, including domestic zinc concentrate output, zinc concentrate imports and demand for zinc concentrate.

<table>
<thead>
<tr>
<th>Year</th>
<th>China Zinc output</th>
<th>zinc concentrate demand</th>
<th>China zinc concentrate output</th>
<th>Imports</th>
<th>total supply</th>
<th>self-sufficiency rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>315</td>
<td>370.6</td>
<td>286.7</td>
<td>46.1</td>
<td>332.8</td>
<td>86.2%</td>
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<tr>
<td>2007</td>
<td>371</td>
<td>436.5</td>
<td>316.7</td>
<td>118.5</td>
<td>435.2</td>
<td>72.8%</td>
</tr>
<tr>
<td>2008</td>
<td></td>
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<td>2009</td>
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<td>2010</td>
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</tbody>
</table>

Note: the unit is metal output (zinc concentrate).

Data source: SMM

<table>
<thead>
<tr>
<th>Year</th>
<th>zinc concentrate output</th>
<th>imported ore (metal output)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
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<td>2007</td>
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</tbody>
</table>

Data source: CNIA, China Customs, SMM
China Zinc Smelting Industry Analysis, 2011

3) Costs composition of China’s zinc smelting enterprises. (Resources, energy and materials)

4) Raw material composition at domestic zinc smelters (proportion of self-owned mines and purchased mines, reserves at smelter self-owned mines and raw material self-sufficiency rate)

5) Variation of capacity, output and new expansion capacity at domestic top 10 zinc smelters.

6) Related data at zinc smelters after domestic restructuring and oversea purchases such as raw material, zinc capacity and new expansion capacity after restructuring.
We forecast a series of policies will be released during 2011- the first year of the 12th Five Year Plan to restrict new expansion capacity, set the target of energy savings and emission reduction and to levy environmental taxes in the following five years. Large and medium smelters all develop domestic resources integration to increase self-owned raw materials, mainly through investing in mines and purchasing medium and small smelters. Such move can accelerate the integration process at domestic mines and smelters, which will push forward industrial structure adjustment and upgrading. In addition, China is in favor of the development overseas, which will support mergers and acquisitions as well as getting resources overseas in policies. Integration of oversea resources can not only increase domestic raw material supplies, but also will enhance enterprises competiveness.

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About us

SMM Information & Technology Co., Ltd. (website: http://en.smm.cn) is the leading metals market information provider in China. After more than ten years’ development, SMM’s website ranks the highest online traffic in the industry with 10+ million page views by more than 200,000 daily unique visitors from over 130 countries and regions.

As an independent third-party information service provider based in Shanghai, China, SMM’s editorial and research teams provide the most reliable information and price indicators.

Published by SMM, the “SMM Spot Prices” covering more than 100 metals, has been widely used as benchmarks in both daily spot transactions, and long term contract price formulas; SMMI (Shanghai Non-ferrous Metals Price Index) is an indicator of the overall Chinese non-ferrous metals market which received the National Business Science & Technology Development Award in 2008.

Looking forward to the future, SMM will be based on China’s non-ferrous metals industry, and step up efforts in the research and development, relying on strong support from our business and information platform, and market development, so as to become a leading integrated service supplier in Asian non-ferrous metals market.

Reports Available from SMM

- China Base Metal Briefing
- China Scrap Copper Market Monitor
- China Aluminum Market Briefing
- China Lead Weekly
- China Zinc Weekly
- China Copper Industry Chain Analysis, 2010-2011
- China Aluminum Industry Chain Analysis, 2010-2011
- China Lead Industry Chain Analysis, 2010-2011
- China Zinc Industry Chain Analysis, 2010-2011
- China Nickel Industry Chain Analysis, 2010-2011
- China Silicon Industry Chain Analysis, 2010-2011
- China EMM Market Analysis, 2010-2011
- China Manganese Ore Industry Analysis
- China Steel Briefing
- China Iron Ore Weekly Monitor
- China Iron Ore Monthly
- China Steel PMI Monthly
- China Steel Capacity Forecast 2011-2015
- China Steel Demand Forecast 2011-2015
- China Steel Cost Analysis in 2011

If you are interested in China Zinc Smelting Industry Analysis, 2011, and having further questions towards our research service, please feel free to contact us via service.en@smm.cn.