

# *International Lead and Zinc Study Group*

Rua Almirante Barroso, nr 38, 5th floor, 1000-013 Lisbon, Portugal

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## **PRESS RELEASE**

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### **ILZSG SPRING 2019 MEETINGS/FORECASTS**

1. The Standing Committee of the International Lead and Zinc Study Group held its Spring meetings in Lisbon on 8 May 2019. During the meeting the Committee received a **review of the current outlook for trends in world supply and demand for lead and zinc during 2019.**

### **Forecasts**

#### **Lead - Outlook for 2019**

##### **Usage**

2. After declining by a marginal 0.2% in 2018, global demand for refined lead is anticipated to rise by 1.2% this year to 11.87 million tonnes. This will mainly be a consequence of increases in usage in India, Japan and the Republic of Korea that are expected to more than offset a reduction in China of 1.1%.
3. Usage of lead metal in the United States is expected to grow by 1.1% and in Europe by 1.8%, influenced by rises in France and Italy.

##### **Supply**

4. World lead mine production is forecast to rise by 1.8% to 4.75 million tonnes in 2019, principally due to expected increases in China and India. Output is also predicted to rise in Canada, Europe and South Africa. However, in Mexico, Peru and the United States lead concentrates supply is expected to be lower than in 2018.
5. An anticipated increase in world refined lead metal output of 2.5% to 11.94 million tonnes in 2019 will be mainly influenced by further rises in China and India. Production is predicted to expand by 14.3% in Australia in 2019, by 3.6% in the Republic of Korea and by 2.9% in Europe, influenced by rises in Belgium and Italy.

## **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 supply for refined lead metal will exceed demand by 71,000 tonnes in 2019.

## **Zinc - Outlook for 2019**

### **Usage**

7. Global demand for refined zinc metal is forecast to rise by a modest 0.6% to 13.77 million tonnes in 2019, after remaining stable over the past four years.
8. It is anticipated that zinc usage in Europe will rise by 0.7%, influenced by marginal increases in France, Italy and Poland. In the United States, usage is predicted to grow by 1%. Apparent demand in China is forecast to increase by 0.6% after declining by 1.3% in 2018.
9. Elsewhere, usage is expected to rise in India and Mexico and to remain stable in Japan and the Republic of Korea.

### **Supply**

10. After increasing by 1.3% in 2018, global zinc mine production is forecast to rise by 6.2% to 13.48 million tonnes in 2019. This will be driven mainly by an expected 29.4% rise in Australia and a further 3.3% increase in China. Output is also predicted to expand in South Africa, as a result of higher output at Vedanta's Gamsberg mine, and in Canada, Cuba, India and Namibia.
11. In Australia, the additional tonnage will be generated mainly as a consequence of higher production at the Dugald River, McArthur River and Lady Loretta mines together with increases at the recently commissioned Century and Woodlawn tailings projects.
12. In Europe, lower output is expected in Poland and Finland, where First Quantum's Pyhasalmi mine is due to cease production during the second half of 2019. This will partially offset rises in Greece, the Russian Federation and Spain, resulting in an overall predicted increase in the European supply of zinc concentrates of 1.1% this year.
13. In Peru and the United States, mine production is forecast to fall by 1.4% and 2.3% respectively in 2019. In Mexico, output is likely to be negatively affected by the recent suspension of production at Goldcorp's Penasquito mine for environmental reasons.

14. The Group anticipates a rise in world refined zinc metal output of 3.6% to 13.65 million tonnes in 2019. This will be mainly influenced by a recovery in Chinese output of 5.3% after a reduction of 3.1% in 2018.
15. Production in Europe is forecast to decline by 0.8%, primarily as a consequence of a significant fall in Russian output due to the permanent closure of ElectroZink's 100kt per year capacity Vladikavkaz plant in October 2018. This will more than offset predicted rises in France, Italy and Norway. Mexican refined zinc production is expected to increase in 2019, benefiting from a recent 120kt per year expansion of capacity at Industrias Penoles' Torreon plant. Rises are also forecast in India, Japan and Namibia.

### **World Refined Zinc Metal Balance**

16. Regarding the global market balance, the Group continues to anticipate that global demand for refined zinc metal will exceed supply in 2019 with the extent of the deficit forecast at 121,000 tonnes.

### **October 2019 ILZSG Session**

17. The Study Group confirmed that it will hold its 64<sup>th</sup> Session at the Altis Grand Hotel in Lisbon, Portugal on 24 - 25 October 2019 preceded by a Joint Study Groups' Seminar on 23 October 2019.

### **Economic and Environment Issues**

18. The Study Group's Economic and Environment Committee met on Wednesday 8 May for its 36<sup>th</sup> meeting. Mr. Giel Hendrik and Dr. Bobbi Schiif of the Netherlands Commission for Environmental Assessment (NCEA) discussed "Making Impact Assessment Work for Mining". Mr. Dylan McFarlane, Senior Program Officer, Mines to Market Project, PACT World, United States then assessed "Responsible Sourcing of Lead and Zinc – Key Issues, Trends, and Opportunities". Mr. Philip Shaw, Managing Director, SureWave Technology Ltd., UK introduced the recent development of Tailings Dams Monitoring Technology. The Group's Director of Economics and Environment presented an overview of the Study Groups' new "Joint Study on Current Responsible Sourcing Initiatives along Minerals and Metals Supply Chains".

## **Joint Study Groups' Seminar "The Importance of Base Metals to the Circular Economy"**

19. A Seminar on the topic of "The Importance of Base Metals to the Circular Economy" was held jointly by the International Lead and Zinc Study Group, International Nickel Study Group and International Copper Study Group on 8 May.

### **New Publications**

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

- World Directory of Lead and Zinc Mines 2019
- World Directory of Primary and Secondary Lead Plants 2019
- World Directory of Primary and Secondary Zinc Plants 2019
- Lead and Zinc New Mine and Smelter Projects 2019

Studies that are scheduled to be published later in 2019 include:

- 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 2019

### **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](http://www.ilzsg.org) or by contacting the secretariat at [sales@ilzsg.org](mailto:sales@ilzsg.org)