

AM Statistics: China's major zinc smelters' operating rate increases to 70% in February

BEIJING (Asian Metal) 9 Feb 12 - Asian Metal selected 36 sample zinc ingot producers with the annual capacity of above 40,000t to make an output data, which showed that the zinc ingot output was about 275,300t in February, and the operating rate was 70.19%, up from 67.57% in December.

The following chart shows the operating rate of zinc ingot producers with different scales: (C stands for annual capacity)

Zinc smelting capacity (10,000 tons)	Totaled capacity (ton)	Operating rate in February	Operating rate in January
$C \geq 20$ (9 companies)	2,620,000	76.94%	74.20%
$10 \leq C < 20$ (11 companies)	1,475,000	56.95%	55.62%
$4 \leq C < 10$ (16 companies)	860,000	52.74%	51.07%
Total (36 companies)	4,715,000	70.19%	67.57%

After the long Spring Festival holiday, the weather warmed up and participants turned back to the market gradually in February. Zinc prices increased slightly and the zinc demand also got better. In this case, the operating rates of zinc smelters increased. Some producers who stopped or reduced production resumed normal production after the holiday. For instance, Hunan Sanli Group resumed zinc ingot production in early February after 4 months stopping production; Yunnan Luoping Zinc & Electricity resumed production on February 16 after maintenance which lasted for one month; Yunnan Xiangyun Feilong increased the zinc ingot production to 7,000t in February from 3,000t in January, based on the full capacity of 180,000t/tpy; Danxia Smelter increased zinc ingot production by about 4,000t to 9,000t in February, based on the full capacity of 100,000t/tpy.

However, many zinc and lead smelters stopped production and sales in Guangxi Province,

especially in Hechi City due to the cadmium pollution in Longjiang River. Therefore, the production dropped sharply in Guangxi in February.

Besides, as zinc prices still fluctuated at the low level, many producers preferred to hold back from selling and maintained low operating rates in February.

The following chart shows major Chinese zinc ingot producers' output by region in February 2012:

