



# Tin in the News

The big story this week was Tuesday's announcement that all Indonesian producers would halt exports of tin from tomorrow 1 October. Indonesia has been shipping 8,000 - 9,000 tonnes a month of tin to the rest of the world recently, so this will soon make a big difference to availability. In addition the other major tin supplier, China, is currently a big net importer, a quarter of LME warrants are cancelled and physical market premiums have increased. Quite a bullish story except for the fact that there is a significant risk for tin and all the other metals that global financial and economic problems will burst the commodity price bubble that has existed for most of the last five years. Given the fear of that, a tin price a little over \$20,000/tonne seems about right for now.

This will all be the subject of much discussion around London next week as the metals industry gathers for the LME Dinner. We hope to meet up with a few of our readers then. This will be the last issue of this newsletter in its current format, but we will be back in a brighter improved version within a week or two and all registered subscribers will be moved onto our new mailing list.

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## 30 Sep 2011 Indonesian companies plan Jakarta tin market

The deputy chairman of the Indonesian Tin Industry Association, Rudy Irawan, told The Jakarta Post its members would establish the Jakarta Tin Market (JTM) as the sole market for Indonesian tin products. "The JTM will be like a joint company with the task to market Indonesian tin products. This initiative will be led by state-owned PT Timah, the largest tin producer in the country," he said. The exchange would allow local producers to control the prices charged for their tin products - something currently controlled by foreign brokers and traders, Rudy said.

The JTM would be jointly operated by 24 Indonesian tin miners, only eight to 12 of whom were currently active in production or trading, Rudy said. "We'll no longer refer to international markets, such as the UK-based London Metal Exchange [LME], for our prices. The JTM will determine the price for Indonesian tin products," he said.

ITRI understands that the plan to establish a market in Jakarta was discussed at the meeting of Indonesian producers on Monday which agreed to halt exports of tin from 1 October. The concept of a Jakarta market has been under consideration for several years.

## 30 Sep 2011 SEC to hold conflict minerals roundtable

The US Securities and Exchange Commission will host a public meeting next month to discuss the looming "conflict metals" law. The 18 October roundtable will cover implementation of the new regulations, which require companies to disclose products that may contain conflict minerals from the Democratic Republic of the Congo and nearby countries. The roundtable will be held at SEC headquarters in Washington and is open to the public, and will be webcast live on SEC's website.

A provision of the Dodd-Frank financial reform law passed last July mandated that US companies report any purchases or use of conflict minerals, and put the SEC in charge of writing, implementing and enforcing the rule. The SEC missed an original 17 April deadline to produce such rules and indicated that it would do so between August and December.

The roundtable will provide a forum for various stakeholders to exchange views and provide input on issues related to the SEC's required rulemaking and discussions will focus on key regulatory issues such as appropriate reporting approaches for the final rule, challenges in tracking conflict minerals

through the supply chain, and workable due diligence and other requirements related to the rulemaking. "We are committed to writing an effective rule as soon as possible, and the roundtable will help us do that," said Meredith Cross, director of the SEC's Division of Corporation Finance.

At the start of this week five Democratic lawmakers pressed the regulator to finalize and implement new rules in the coming weeks - before the end of the year. Under the provision companies have to begin tracking and reporting on minerals in the first fiscal year after the rules are finalized. If the SEC fails to finish the rules by the end of the year, it could delay implementation for another 12 months, as most companies start their fiscal year in January, the lawmakers warned.

27 Sep 2011 All Indonesian producers to halt exports

Following a meeting held on Monday evening with Bangka Belitung Governor Eko Maulana Ali, all Indonesian producers have said that they will halt exports from 1 October in order to support tin prices. Exports will resume if the price recovers to \$25,000/tonne, Johan Murod, director at PT Bangka Belitung Timah Sejahtera, a group of six private smelters, told Bloomberg. According to Murod 28 companies - including PT Timah, the biggest producer, and Malaysia Smelting Corporation's 75%-owned subsidiary PT Koba Tin - agreed on the export halt. "We feel that the export ban is the best instrument at the moment that may effectively help boost prices. This is an effort to help the tin industry as well as the traditional miners." Bangka Belitung's governor will issue a decree as a legal basis for the export-halt, Rudy Irawan, deputy chairman of the Indonesian Tin Industry Association, said. PT Bangka Belitung Timah Sejahtera had to stop buying ore and halted production last week as no miners were willing to sell, Murod told Bloomberg.

State-owned tin firm Timah, which attended the meeting on Monday night, agreed to suspend shipping of tin ingot to buyers, Reuters reported. "PT Timah is giving full support to the agreed decision to temporarily halt tin exports, until its price in the market returns to a normal level," the firm's chief executive, Wachid Usman, said after the meeting. "The fall in global tin ingot prices was caused by negative sentiment in the market due to the crisis in Europe," Usman said. Global demand for metals has not declined so there is no reason for the price to fall, he said. He said the ban would be lifted only if tin prices reached between \$23,000 and \$24,000 per metric tonne.

Indonesia is by far the world's largest tin exporter. Provisional trade ministry data shows that the tonnage of tin exported had risen by 13% year-on-year to 67,990 tonnes in January-August this year. The Governor organised a similar joint plan to halt production and exports in October 2008 in response to slumping prices during the last global financial crisis. At that time all Indonesian private smelters, which account for about half of the country's tin metal production, halted sales until the following January, reducing exports in November-December 2008 to some 4,000 tpm. Last month trade ministry data indicated exports of over 8,500 tonnes.

26 Sep 2011 US may resume tin stockpile sales in 2013

The US Defense Logistics Agency (DLA) could potentially resume disposals of small quantities of tin from 2013, American Metal Market reported. The National Defense Stockpile Market Committee (MIC) has called for market comment on the impact of DLA Strategic Materials' proposed annual materials plan (AMP) for 2013, the committee said in a notice published in the Federal Register. The main planned sales in 2012 and 2013 are of ferrochrome, ferromanganese and tungsten ores and concentrates, but the 2013 list also includes 804 tonnes of tin.

The AMP sets the limit on the amount of material the agency can sell during its fiscal year, but that does not mean it will sell the full amount. "The quantity of material that will actually be offered for sale will depend on the market for the material at the time," MIC said in its filing. The deadline for written comments is 21 October.

US stockpile sales of tin were halted in August 2008 pending a review of strategy on materials management. The total tonnage of tin remaining in the stockpile is 4,020 tonnes.

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