World Tungsten

Industry Study with Forecasts for 2019 & 2024

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**Table of Contents**

**EXECUTIVE SUMMARY**

**MARKET ENVIRONMENT**

General ................................................................. 4
World Economic Overview ................................... 5
Recent Historical Trends .................................... 6
World Economic Outlook ................................. 7

World Population Outlook ................................. 9
Gross Fixed Investment ................................... 11
World Manufacturing Outlook ....................... 13
World Machinery Overview ............................. 16

World Lighting Outlook .................................... 18
Technology Trends ........................................ 20
Functional Competition ................................ 22

Pricing Patterns ............................................... 23
Legal & Regulatory Environment ........................ 25

**WORLD TUNGSTEN MINING & PROCESSING OVERVIEW**

General ................................................................. 29

Tungsten Reserves by Country ...................... 30
Tungsten Mine Production by Country ........... 31

Tungsten Ore & Concentrates
International Trade ........................................... 35

Tungsten Processing ......................................... 36
Ammonium Paratungstate .............................. 37

Tungsten Scrap .................................................. 38

**WORLD SUPPLY & DEMAND**

General ................................................................. 41

World Tungsten Demand ............................... 42

Demand by Product.......................................... 45
Cemented Carbides ....................................... 47

Cutting Tools & Inserts .................................... 49
Wear Parts & Other ......................................... 50

Tungsten Alloys ................................................. 50

Tool Steels ......................................................... 51
Other .................................................. 52

Tungsten Mill Products ................................. 53

Lighting ...................................................... 54
Other ................................................ 55

Tungsten Chemicals & Other .................... 55

Catalysts .................................................... 57

Other .................................................. 58
Processed Tungsten Shipments .................. 58

International Trade .................................... 60

**NORTH AMERICA**

Overview .......................................................... 63
Supply & Demand ............................................. 64
Tungsten Applications .................................... 67
United States ................................................ 69
Canada ................................................... 77
Mexico .................................................... 82

**WESTERN EUROPE**

Overview .......................................................... 88
Supply & Demand ............................................. 89
Tungsten Applications .................................... 92

Germany ....................................................... 94
United Kingdom ........................................... 100
Italy ........................................................ 105
France ....................................................... 111
Sweden ....................................................... 117
Spain ........................................................ 122

Other Western Europe .................................... 128

**ASIA/PACIFIC**

Overview .......................................................... 135

Supply & Demand ............................................. 136

Tungsten Applications .................................... 139

China ........................................................ 141
Japan ........................................................ 148
South Korea .................................................. 154

India ........................................................ 159
Taiwan ........................................................ 165

Other Asia/Pacific ............................................ 171

**OTHER REGIONS**

Central & South America ................................. 178

Supply & Demand ............................................. 179

Tungsten Applications .................................... 181

Brazil ........................................................ 183

Other Central & South America .................... 189

Eastern Europe ............................................... 194

Supply & Demand ............................................. 196

Tungsten Applications .................................... 198

Russia ........................................................ 199

Other Eastern Europe .................................... 205

Africa/Mideast ............................................... 210

Supply & Demand ............................................. 212

Tungsten Applications .................................... 214

**INDUSTRY STRUCTURE**

General ................................................................. 216

**COMPANY PROFILES**

Berkshire Hathaway ........................................ 235
Buffalo Tungsten ............................................. 237
China Minmetals ........................................... 239
China Molybdenum ....................................... 243
Chongyi Zhangyuan Tungsten ....................... 245

Eramet SA ..................................................... 246
Federal Carlide ............................................... 248

Guangdong Xianglu Tungsten ....................... 250

HC Stark GmbH ............................................... 251

INDUS Holding ............................................... 254
Jiangxi Rare Earth and Rare Metals Tungsten 255

Jiangxi Yaosheng Tungsten .............................. 257

Kennametal Incorporated ................................ 259

Metalico Incorporated .................................... 262
Mitsubishi Materials ....................................... 263

Nippon Tungsten ............................................. 265

Noble Group ................................................... 266

Plansee Holding .............................................. 268
Sandvik AB .................................................... 272

Sumitomo Electric Industries ........................ 275

WOLFRAM Company ..................................... 278

Xiamen Tungsten ............................................ 279

Other Companies Mentioned in Study ............. 283-284

**List of Tables/Charts**

**EXECUTIVE SUMMARY**

1 Summary Table ................................................. 3

**MARKET ENVIRONMENT**

1 World Gross Domestic Product by Region .... 5
2 World Population by Region ......................... 11
3 World Gross Fixed Investment by Region ... 13
4 World Manufacturing Value Added by Region 16

5 World Machinery Manufacturing Value Added by Region 18

(continued on following page)
List of Tables/Charts

(continued from previous page)

Cht World Lighting Shipments by Region, 2014...20
Cht Historical Tungsten Pricing.................25

WORLD TUNGSTEN MINING & PROCESSING OVERVIEW

1 World Tungsten Ore Reserves
   by Country, 2014..............................31
2 World Tungsten Mine Production
   by Country.....................................32
Cht World Tungsten Ore & Concentrates
   Net Exports by Region, 2014..............36
3 World Ammonium Paratungstate
   Shipments by Region........................38
4 World Tungsten Scrap Demand by Region....40

WORLD SUPPLY & DEMAND

1 World Tungsten Demand by Region............44
   Cht World Tungsten Demand by Region, 2014...45
2 World Tungsten Demand by Product............46
Cht World Tungsten Demand by Product, 2014...47
3 World Tungsten Cemented Carbides
   Demand by Application & Region...........49
4 World Tungsten Alloys Demand
   by Application & Region.....................51
5 World Tungsten Mill Products Demand
   by Application & Region.....................54
6 World Tungsten Chemicals & Other
   Demand by Application & Region...........57
7 World Tungsten Shipments by Region.........60
8 World Tungsten Net Exports by Region .......62

NORTH AMERICA

1 North America: Tungsten
   Supply & Demand.............................66
   Cht North America: Tungsten Demand
      by Country, 2014..........................67
2 North America: Tungsten Demand
   by Product & Application...................69
   Cht US National Defense Stockpile Ore
      & Concentrates Stocks & Sales..........73
3 United States: Tungsten Supply & Demand74
   4 United States: Tungsten Demand
      by Product & Application................76
5 Canada: Tungsten Supply & Demand.........80
   6 Canada: Tungsten Demand
      by Product & Application...............82

ASIA/PACIFIC

1 Asia/Pacific: Tungsten Supply & Demand......138
   Cht Asia/Pacific: Tungsten Demand
      by Country, 2014..........................139
2 Asia/Pacific: Tungsten Demand
   by Product & Application...................141
3 China: Tungsten Supply & Demand...........146
   4 China: Tungsten Demand
      by Product & Application................148
5 Japan: Tungsten Supply & Demand...........152
   6 Japan: Tungsten Demand
      by Product & Application................154
7 South Korea: Tungsten
   Supply & Demand............................157

8 South Korea: Tungsten Demand
   by Product & Application...................159
9 India: Tungsten Supply & Demand............163
10 India: Tungsten Demand
   by Product & Application...................165
11 Taiwan: Tungsten Supply & Demand......169
12 Taiwan: Tungsten Demand
   by Product & Application...................171
13 Other Asia/Pacific: Tungsten
   Supply & Demand............................175
14 Other Asia/Pacific: Tungsten Demand
   by Product & Application...................177

OTHER REGIONS

1 Central & South America: Tungsten
   Demand by Product & Application...........181
2 Central & South America: Tungsten
   Supply & Demand.............................183
3 Brazil: Tungsten Supply & Demand...........187
4 Brazil: Tungsten Demand
   by Product & Application...................189
5 Other Central & South America: Tungsten
   Supply & Demand.............................192
6 Other Central & South America: Tungsten
   Demand by Product & Application...........194
7 Eastern Europe: Tungsten
   Supply & Demand.............................197
8 Eastern Europe: Tungsten Demand
   by Product & Application...................199
9 Russia: Tungsten Supply & Demand...........203
10 Russia: Tungsten Demand
    by Product & Application...................205
11 Other Eastern Europe: Tungsten
    Supply & Demand...........................208
12 Other Eastern Europe: Tungsten Demand
    by Product & Application...................210
13 Africa/Mideast: Tungsten
    Supply & Demand...........................213
14 Africa/Mideast: Tungsten Demand
    by Product & Application...................215

INDUSTRY STRUCTURE

1 Processed Tungsten Sales
   by Company, 2014............................218
   Cht World Processed Tungsten Market
      Share by Company, 2014....................219
2 Selected Acquisitions & Divestitures........225
   Cht Tungsten Material Flow...................228
3 Selected Cooperative Agreements............233

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Gains will be fueled by growth in construction, mining and manufacture of aerospace, machinery, and metal products using tungsten cutting tools, dies, drills, weights, and wear parts.

World demand to rise 4.2% annually through 2019

Global demand for processed tungsten is projected to advance 4.2 percent annually to 146,400 metric tons in 2019. Sales gains will be fueled by solid growth in fixed investment expenditures, especially in construction spending and mining activity. Higher manufacturing output will also support gains, particularly in the key aerospace, machinery, and metal products sectors. Increased production in these industries will spur demand for tungsten-containing cutting tools, dies, drills, weights, and wear parts, among others.

Asia/Pacific region to remain dominant market

The Asia/Pacific region, led by China, will continue to dominate both tungsten supply and consumption. In 2019, China alone will account for over half of sales and three-fifths of output. The country’s outsized influence on the global tungsten market is a combination of its vast tungsten reserves (over half of known tungsten deposits in the world) and the Chinese government’s support of industries that manufacture value added tungsten products. These factors, along with China’s restrictions on exports of tungsten ore, caused a rapid spike in prices over the past decade, although this will moderate through 2019 as export restrictions are eased. China’s historically lower mining and labor costs have also played a role in the size of its market and output, although labor costs in the country are rising and increased use of scrap across the globe is making processed tungsten sourced from outside of China more attractive.

India will be the fastest growing major market for processed tungsten through 2019, fueled by a rapidly expanding manufacturing sector with increasingly advanced technological capabilities. Other nations that are expected to record above average tungsten sales increases through 2019 include Turkey, Mexico, China, and Taiwan, as demand in these countries will be driven in large part by rising output of motor vehicles and other durable goods. Demand in the US, Japan, and Western Europe will post slower growth.

Tungsten alloys to record fastest growth

Tungsten alloys will record the fastest growth of any major product category, stimulated largely by aerospace manufacturing increases. However, cemented carbides will continue to account for the largest share of processed tungsten consumption due to their widespread use in replaceable cutting tools and inserts. Mill product sales in lighting applications will shrink through 2019 due to phaseouts of incandescent bulbs across the globe. However, tungsten mill products will demonstrate steady growth, supported by demand for the metal in a number of other electrical and electronic applications.
Asia/Pacific

Japan: Tungsten Applications

Growth in demand for tungsten outpaced the regional average between 2009 and 2014, as demand in the country rebounded from a recession-impacted low point. Gains were stimulated by rebounds in fixed investment spending and manufacturing activity, and a particularly strong recovery was recorded in the key machinery production sector. Catalyst demand and lighting output continued to decline during this span, however.

Demand for tungsten in Japan is projected to climb at a 1.2 percent annual rate through 2019. This growth will represent a deceleration from the rapid gains of the 2009-2014 period when demand in the market rebounded from a recession-impacted low point. Gains will also be the slowest of any major tungsten market. Growth in fixed investment spending and manufacturing activity, machinery output are all expected to slow sharply through 2019, and motor vehicle output will continue to decline, constraining possible market gains for the metal. In addition, tungsten-containing product suppliers will continue to expand operations in faster growing markets, further limiting sales gains for processed tungsten materials.

Sales for all of the major categories of processed tungsten will expand at fairly similar rates through 2019. Cemented carbides will continue to represent an unusually large share of the market compared to other Asia/Pacific countries, accounting for 70 percent of the Japanese market. This is due to the nation’s focus on highly advanced production and tooling equipment, requiring the durability and precision of tungsten carbide tools provide. Chemical and other types of tungsten remain the second most widely used processed tungsten product, accounting for 11 percent of demand; Japan is the only major tungsten market in which chemicals make up such a large share of national tungsten sales. Alloy and mill product demand will continue to account for relatively small portions of demand.

Sample Text, Table & Chart
Sample Profile & Table, & Study Coverage

WOLFRAM Company CJSC
Slavyanskaya Square, Building 2/5/4
Moscow 103718
Russia
7-495-784-6815
http://www.wolframcompany.ru

Annual Sales: $85 million (estimated)
Employment: 100 (estimated)

Key Products: ammonium paratungstate; tungsten trioxide; blue tungsten oxide; tungsten metal and tungsten carbide powders; and tungsten bars, plates, rods, and wire

WOLFRAM is involved in mining, producing, and selling tungsten, molybdenum, and rhenium products. The Company is privately held.

The Company participates in the world tungsten industry through the mining and production of various tungsten products. WOLFRAM’s primary tungsten mining operation is the Tyrnyauz Mining & Ore-Dressing Integrated Plant JSC subsidiary (Russia), which mines and processes scheelite from Russia’s Tyrnyauz mine. According to the Company, this mine holds Russia’s largest tungsten deposit, accounting for approximately half of Russia’s tungsten reserves.

WOLFRAM manufactures tungsten products via such Russia-based subsidiaries as Hydrometallurg JSC, Unecha Refractory Metals Plant, and Pobedit JSC. Hydrometallurg operates a plant in Nalchik, Russia that makes ammonium paratungstate (APT), tungsten trioxide (WO3), and blue tungsten oxide using scheelite sourced from Mining & Ore-Dressing Integrated Plant. APT from Hydrometallurg can be used to

COMPANY PROFILES

TABLE VII-6
JAPAN: TUNGSTEN DEMAND BY PRODUCT & APPLICATION (metric tons)

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<td>% Japan</td>
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<td>9.9</td>
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<td>7680</td>
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