

# OPENING SPEECH

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# Mn Consumption & Production Capacities: A Structural Problem ?



# Mn Alloy Production Capacity Will Exceed Potential Demand For The Foreseeable Future

- It is costly to close plants in the World
  - Social liabilities
  - Environmental
- It is difficult to convert many idled Mn plants to other uses

**Structural Overcapacity To Remain**

- Other new plants are being converted to SiMn
- Cr → ...
- Si → Mn : HIGHLANDERS



# However Some Questions Remain For The Future

DEMAND

- IS THERE ANY HOPE THAT Mn ALLOY DEMAND COULD GROW FASTER THAN EXPECTED, LEADING TO A REDUCED OVERCAPACITY ?
- WHAT IS THE IDEAL CAPACITY vs. DEMAND ?

SUPPLY

- **WHY WASTING FINANCIAL RESOURCES ?**  
*NONE of the entries in Mn alloy smelting business by traders have been profitable : even if risk is limited and entry cost low, why taking it ?*
- **WHY DESTROYING SHAREHOLDER VALUE IN FACILITY EXPANSIONS ?**  
*Individual thinking vs global thinking among traditional producers.*
- **WHY WASTING NATURAL RESOURCES AND POLLUTING THE ENVIRONMENT ?**  
*Chinese volume-driven Mn smelters are damaging their local environment : how long is this situation sustainable ?*



# Demand/Capacity:

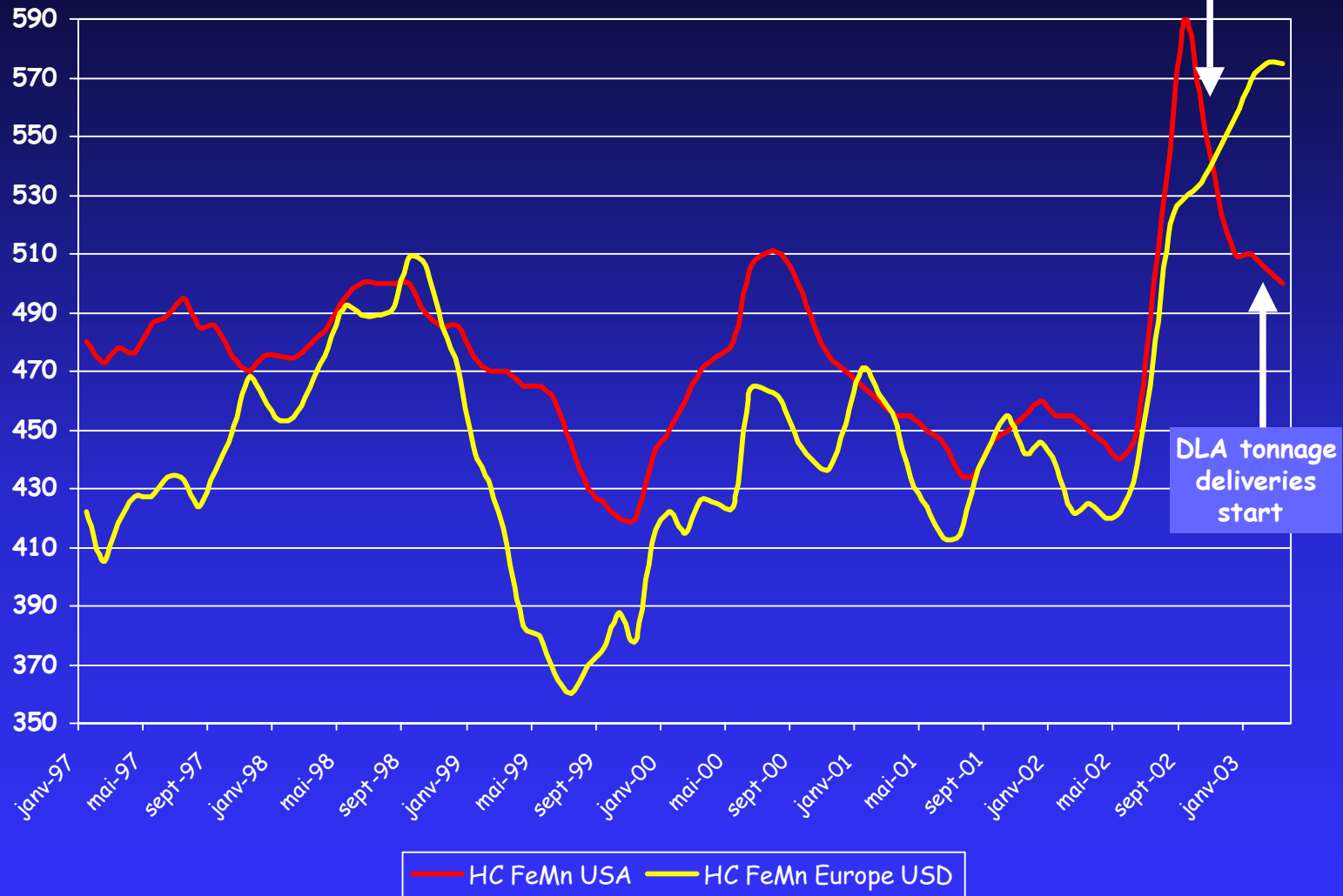
in '000 MT	Effective Capacity 2003	Demand 2003	Rate of Overcapacity 2003	Potential Capacity 2005	Demand 2005	Rate of Overcapacity 2005
HC FeMn	3 995	3 259	23%	4 038	3 359	20%
SiMn	5 229	4 334	21%	5 309	4 605	15%
MC/LC FeMn	897	698	29%	897	796	13%

Source: Eramet Comilog



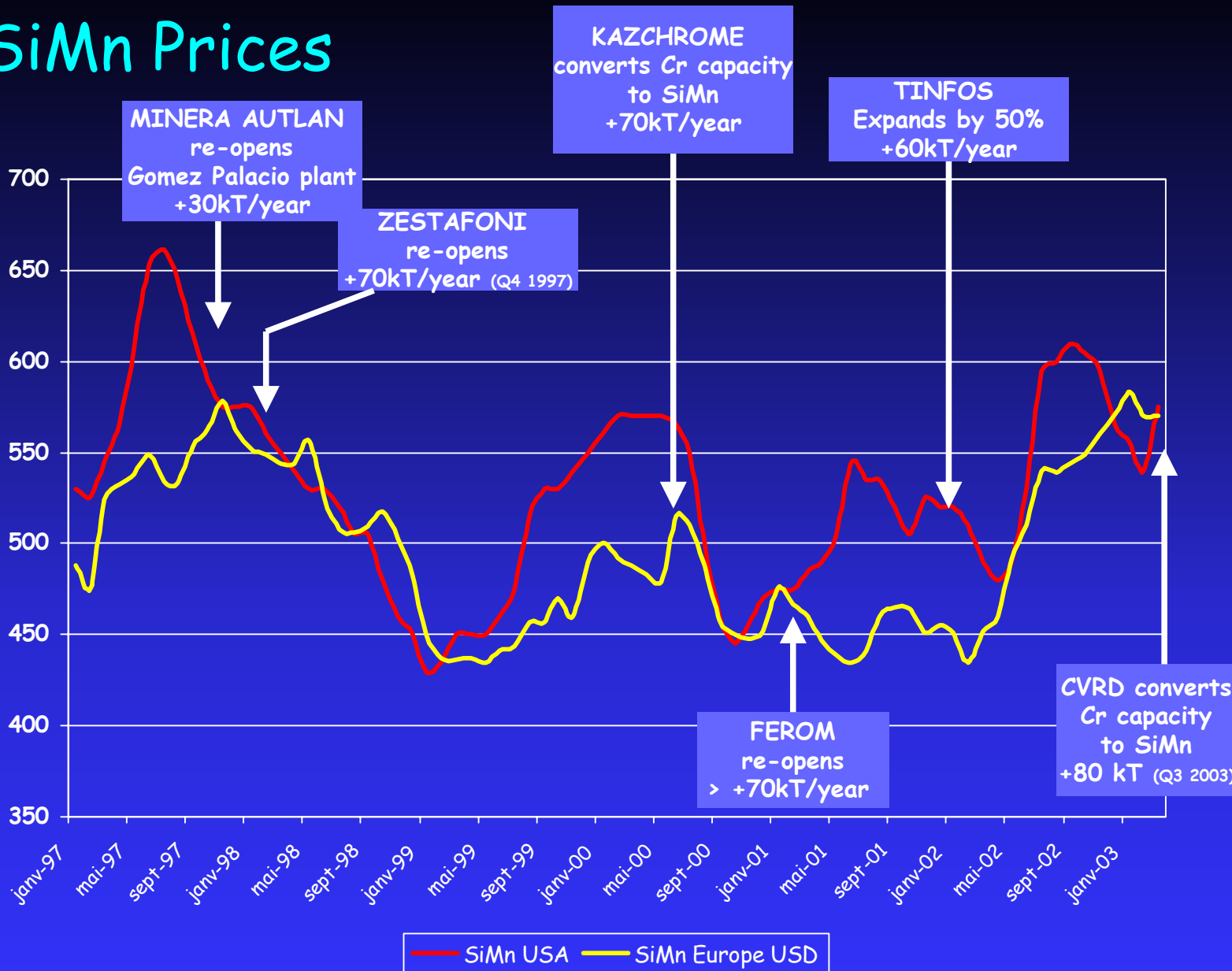
# HC FeMn Prices

Source: CRU Bulk Ferroalloys Monitor



# SiMn Prices

Source: CRU Bulk Ferroalloys Monitor



# Refined FeMn Prices

Source: CRU Bulk Ferroalloys Monitor

