TZMI Congress 2010: Renewed Optimism in the Mineral Sands and TiO2 Industries

The year 2010 has been one of renewed optimism and increased expectations within the mineral sands and TiO2 industries. TZMI’s fourth annual Congress, held at the InterContinental Hotel in Kowloon from 3-5 November 2010 and titled “Asia in Focus”, captured the change in industry outlook in its presentations and through the distinctly buoyant atmosphere evident during the event.

(PRWEB) December 3, 2010 -- The year 2010 has been one of renewed optimism and increased expectations within the mineral sands and TiO2 industries. TZMI’s fourth annual Congress, held at the InterContinental Hotel in Kowloon from 3-5 November 2010 and titled “Asia in Focus”, captured the change in industry outlook in its presentations and through the distinctly buoyant atmosphere evident during the event.

The record 300 delegates converged on Hong Kong amid several significant developments in the industry; rapidly recovering demand and trade, a buoyant investment climate and record zircon prices. These topics and more were discussed and investigated by more than 20 speakers, and while some of the finer points remained open for discussion, the consensus made on the general trends was uniform.

Oliver Ramsbottom, Partner at McKinsey & Company, set the tone of discussion in his presentation entitled “The Rebalancing of China’s Growth: Quality vs Quantity” by declaring “China’s growth story ‘stronger for longer’ remains intact”. Indeed, significant focus was placed on China throughout the Congress and its seemingly ever increasing demand for infrastructure, industrial and consumer goods. The driving force of China was strongly expressed by Oliver’s examination of the country’s economic, manufacturing and industrial growth as well as its continuing urbanisation.

Following the keynote address, Victor Hugo of Iluka Resources, Derek Folmer of Rio Tinto Iron and Titanium (RTIT) and Trevor Arran of Exxaro Resources completed the first session. Following an analysis of demand trends and drivers and what they meant to the future of the industry, Victor ended his presentation by indicating how Iluka was responding to the changing needs of the sector. Derek’s “Investing in the Future” presentation shed some light upon the QMM and tailings treatment plant projects of RTIT. Trevor’s South African perspective on the mineral sands industry gave some insight into some of the challenges Exxaro faces in the current mining industry climate as they prepare to make a decision on the future of the Fairbreeze project.

The second session directed attention to new investment and supply in the sector, as three emerging producers illustrated some of the highlights and challenges of commencing a new project in the mineral sands industry. Michael Carvill of Kenmare Resources, Tim Carstens of Base Resources and Martin Ackland of Mineral Deposits Ltd each delved into the progress and drivers of their projects. Along with the positivity, Michael gave the audience a little warning, stating that establishing a mineral sands project “often takes longer and costs more than anticipated”.

The focus then moved to Asia as Grant Smith from Australian Minerals and Trading, TZMI’s Gavin Williams and Albert Dobis from Komrowski discussed the regional market for feedstocks. Grant’s presentation gave an insight into the rapid rise of India as one of the world’s largest ilmenite producers, while Gavin spoke of the soaring feedstock demand in China and where that country’s future feedstock requirements may be sourced.
from. Albert then examined the supply of Vietnamese feedstock, a growing supply source which was stated as being “underdeveloped”.

At the end of day one the delegates received the views of three presenters in the zircon sector, given the recent activity that has occurred. Alister MacDonald from Technical Ceramic Marketing Service spoke on “The Myth of Zircon Substitution” giving a thorough overview of the various markets driving zircon demand. Jiang Dongmin of Zhejiang Shenghua Biok Biology gave his outlook on zircon demand in China and Gavin Diener expanded on this, presenting TZMI’s outlook on global zircon supply and demand. While the details varied, the key messages were clear; zircon is in short supply and will continue to be in short supply in the near future.

By the end of the first day, many interesting discussion points had been raised and the optimism did not seem misplaced. The big question of the day seemed to be “Where will the supply of titanium feedstock and zircon come from to fill the supply gap?” With this question in mind, the Congress headed into day two focussing on the upstream side of the TiO2 and titanium supply chain.

Daniel Rubin from DuPont Titanium Technologies analysed the growth in Asia including the ever increasing demand for titanium dioxide in various industries. Tor Holtan of Jotun A/S proceeded one step further down the chain, discussing the use of pigment in paint and, with a significant amount of entertaining penguin pictures, stated that “Crisis creates opportunities”. Tor spoke of price inducement points for substitution and speculated about what some of those substitutes might be, and reminded us to “make sure the customer is there tomorrow”. Eric Bender of TZMI concluded the session by asking the question “Is 2010 a year of transition?” His presentation contained insightful forecasts of demand and an analysis of some strategic issues for the global TiO2 pigment sector.

Given the demand growth and increasing focus on developing regions, the next session was to closely examine some Asian regional developments. Wen Hongtao of Jinan Yuxing Chemical Company provided an outlook on China’s titanium dioxide market and an update and insight into the company’s new pigment plant. Francois Schmidt from Evans and Peck spoke about growth of titanium dioxide production in Asia, using Mongolia as a case study. Andre De Jong of Bateman Engineering focussed on the Xinli Nonferrous Metals TiO2 Slag project as he introduced us to Bateman’s involvement in the industry.

The final session of the day was centred around the TiO2 value chain. TZMI’s Machiel Keegel reviewed Asia-Pacific TiO2 pigment demand and explained the two tier market and how this structure affects the industry dynamics. Mike Brown of TZ Chemicals International focussed more specifically on the paint market, dividing his points into Black, White and Gray, the last one representing the unknown factors moving forward. The final presenter of the Congress, Kurt Faller of MetCon LLC, analysed the next titanium metal up-cycle providing a clear and concise view of the current market status and likely future direction.

TZMI Managing Director, Philip Murphy said “If the purpose of the TZMI 2010 Congress was to share views and gain a better understanding of the current market dynamics and challenges, then TZMI would consider our fourth annual Congress to be the best so far.”

“The ‘take home’ messages were clear:

- demand throughout the industry is very buoyant causing increasing tightness in the titanium feedstock, TiO2 pigment and zircon sand sectors
- there are important questions being asked regarding the potential sources of mineral sands required to fill the supply deficit in the near future; and
• in the short to medium term, the current trend of price increases across the industry is set to continue.”

The high standard of the presenters, feedback, contributions by the delegates, quality interaction and excellent facilities made the Asia in Focus Congress the new standard for industry conferences. TZMI looks forward to discovering what new heights can be achieved in the industry in 2011.

For industry participants unable to attend the 2010 TZMI Congress, the complete proceedings and presentation slides are available for purchase from TZMI at www.tzmi.com. Details of the 2011 TZMI Congress will be announced in January 2011.

ABOUT TZMI
TZ Minerals International Pty Ltd (TZMI) is an independent consulting and publishing company, established in 1994, with offices in Australia, the USA, Europe, South Africa and China. TZMI is comprised of four operating divisions and subsidiaries, providing specialist services to the following industries:

• Mineral sands and zircon
• Titanium dioxide pigment and titanium metal
• Iron ore and ferrous alloys
• Specialty chemicals for the global paints and coatings industry.

Two associated companies, in which TZMI has a shareholding, provide ancillary services to these industries and augment the offerings of TZMIs other divisions are:

• Allied Mineral Laboratories (AML), providing test work, product assessment and flowsheet development for mineral sands, iron ore and other heavy mineral deposits;
• Ferrum Consultants, market consultants in ferrous metallics.

The TZMI team has decades of cumulative production and consulting experience across the commodities value chain, from resource estimation to divestment, and the depth of skills enables advice to be provided ranging from high-level strategic M&A decision support to operationally-focused plant optimisation. TZMIs Publications and Data Services support its consulting activities.

From a free weekly news service to sector-specific periodicals and data matrices, multi-client studies and annual industry reviews, the TZMI Group offers a comprehensive suite of products and subscription options suitable for all industry participants. For more information visit www.tzmi.com.

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