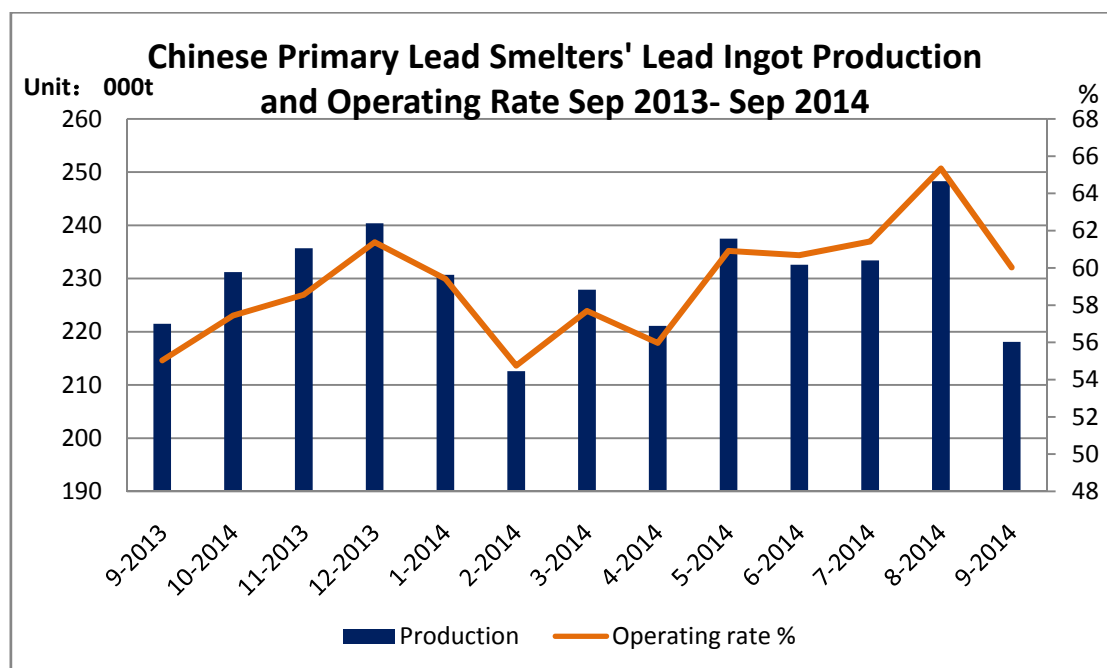


AM Statistics: Chinese primary lead smelters' operating rate declines in September

BEIJING (Asian Metal) 15 Oct 14 - Statistics published by Asian Metal about lead ingot production by the 51 lead smelters in China showed that the lead ingot output of the smelters, with combined annual capacity of 4.56 million tonnes, was 228,100t in September 2014, down by 8.14% month-on-month but up by 2.98% year-on-year. The average operating rate of the lead smelters was 60.03% in September, down from 65.34% in August 2014.



Among the 51 lead smelters, 24 are large sized producers, each with annual capacity of 100,000t or more, and combined capacity totaling 3.11 million tonnes. Meanwhile, 15 mid-sized lead smelters (capacity between 50,000-100,000tpy) have a total capacity of 1,090,000tpy; and there are 12 lead smelters (below 50,000tpy each) with total capacity of 360,000tpy.

The following table shows average operating rates for lead smelters in Henan, Hunan and Yunnan provinces.

Province	Smelters	Total capacity (KT/year)	Operating rate in Sep	Operating rate in Aug
Henan	13	1680	60.71%	71.21%
Hunan	11	950	67.95%	69.50%
Yunnan	9	605	42.25%	48.20%

According to the above table, the operating rates of lead smelters in Henan, Hunan and Yunnan provinces declined in September. The majority of large-sized lead smelters remained stable production in September in Henan and Hunan, but some smelters reduced production or halted production for maintenance, leading to the decline in operating rates. Both large-sized and small-sized lead smelters in Yunnan provinces still ran with low operation rates.

In other provinces, Anhui Tongguan and Liaoning Chengxin increased lead ingot production in September, but the increase did not offset the decline in production in other provinces.

Lead ingot and silver prices declined in September, dampening the sentiment among producers. Although lead concentrate supply increased slightly on the Chinese market in September, it was still unable to meet the strong demand from lead smelters. Therefore, most lead smelters have low intention of increasing lead ingot production in the near term. Lead ingot production in smelters may remain stable in the fourth quarter. Anyang Minshan finished maintenance and resumed production in late September, so the operation rate of lead smelters may increase in Henan province in October.