

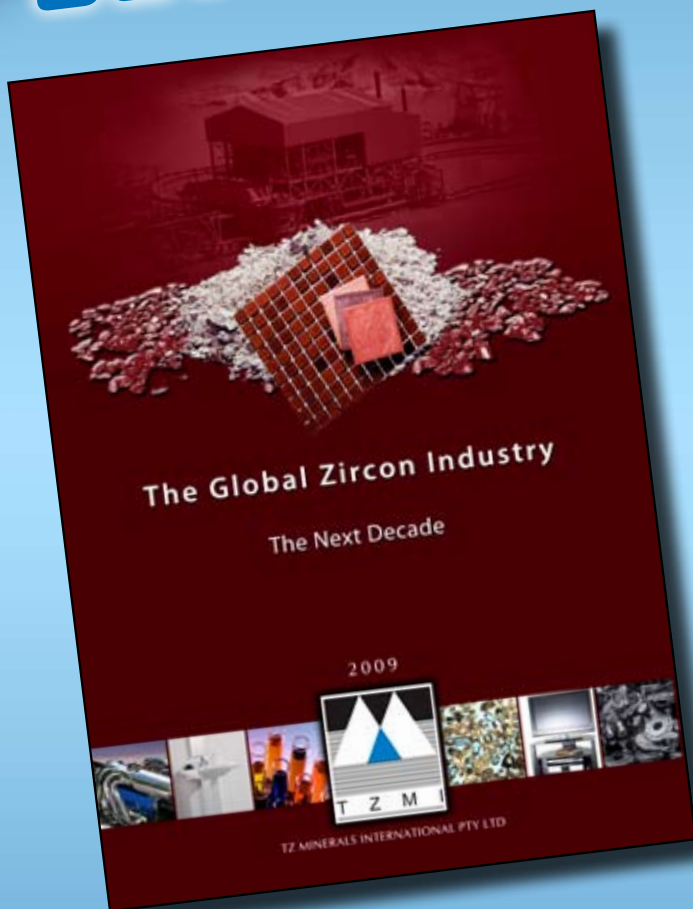


The Global Zircon Industry

The Next Decade

8th EDITION

Out Now



“ China leading the recovery as demand shifts away from traditional markets. ”

“ Global supply is forecast to plateau - leading to significant structural deficits ... ”

“ Short-term price weakness, but prices beyond US\$1,000/t, a medium-term reality ”



The Global Zircon Industry

The Next Decade

The Global Zircon Industry: The Next Decade is a 322-page document that is the eighth in a series of comprehensive reports on the zircon industry which have been published by TZ Minerals International Pty Ltd (TZMI) since 1994.

The analysis of the global zircon market presented in this publication reveals and details the expected transition from oversupply to significant structural deficit in the next decade. This shift in the market supply/demand balance holds consequences for all industry participants. TZMI expects the next decade to unfold in three phases.

The first phase, starting in 2010, will be characterised by higher than normal opening inventory levels and a supply surplus with recovering demand. This situation is expected to last until 2012.

The second phase will be one of transition and likely to occur from 2012 until around 2015. In this phase the market is expected to achieve balance with growth in zircon demand and a flat supply level. Few new projects are expected to contribute to zircon supply and some decline is predicted from existing operations.

The timing of the third phase is dependent on the relative movements of the supply and demand components of the zircon market and is likely to start before 2015. The third phase onset will be caused by significant reductions in output from existing producers and limited contribution from new projects. This phase will see the market move into structural deficit.

The zircon price is not expected to fully react to the supply/demand situation in the short term as a result of pricing discipline by some of the leading zircon producers. This should be reflected in steady to slightly declining prices despite the comparatively high inventory levels currently seen in the market. As the transition from short term surplus to structural deficit occurs it is highly likely that the zircon price will move above US\$1,000 per tonne on a nominal FOB basis. The only uncertainty in TZMI's price forecast is the timing of the price move above US\$1,000 per tonne.

The zircon book examines this outlook in greater detail with analyses of individual end-use sectors and potential new supply sources. It also includes an annual zircon price forecast out to 2015 with high, low and base case scenarios. The level of detail and breadth of coverage make this publication indispensable for all participants in the global zircon market.

The global zircon industry has encountered a period of great uncertainty as a result of the global financial crisis. Consumption in 2008 was virtually the same as in 2004 and 7.4% below the record 2007 level, due to the sudden collapse of demand in the last quarter, as uncertainty gripped all markets. This trend continued into 2009, where a further decline in demand has occurred. However, there are signs of improvement as China, the largest market for zircon, leads a now-recovering world economy out of the crisis. On the supply side, where significant stocks had been built up in late 2008 and early 2009, production had to be adjusted downwards.

About the publisher

TZ MINERALS INTERNATIONAL (TZMI) is an independent consulting and publishing company, established in 1994, with offices in Australia, Europe, the US, South Africa and China. TZMI's principals and team of consulting personnel have extensive practical experience from their involvement in the global mineral sands and TiO₂ pigment industries, since the 70's.

TZMI uses its experienced consultants to provide specialised consulting services, generally under confidentiality agreements, for the titanium minerals, zircon, titanium sponge and TiO₂ pigment industries as well as publishing specialised market studies and reports based on its comprehensive database of production and market data. The company employs research analysts who collect and analyse data, which includes up-to-date supply/demand models, technical data and operating cost data for all major titanium feedstock and pigment producers. Many and varied consulting assignments also enable TZMI to maintain an active dialogue with existing and potential participants in the industry and to keep fully aware of new developments.

TZMI's subsidiaries include TZ Pigments International (TZPI) and Allied Mineral Laboratories (AML). TZPI was established in 2006 to manage the growth of the company's technical consulting activities in the global titanium dioxide pigment industry. The company operates offices in the US, Europe, China and South Africa. AML is a testing facility located in Western Australia that specialises in product assessment and flowsheet development for mineral sands, iron ore and other heavy mineral deposits. The company was established in June 2007.

TZMI's Publications and Data Services support its consulting activities, providing clients with a range of authoritative data and informed commentary on all aspects of the titanium minerals, zircon, titanium sponge and TiO₂ pigment industries.

From a free weekly news service to sector-specific periodicals and data matrices, multi-client studies and the flagship monthly industry-wide Mineral Sands Report, TZMI 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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