Cobalt market braces for change in 2014 and beyond

According to the new report—Cobalt: Market Outlook to 2018—from Roskill Information Services, London, global cobalt consumption increased at a compound annual growth rate of 5.5% between 2008 and 2013. Roskill expects future demand to grow at a similar rate, approximately 6.1% per year to 2018. Demand will be led by Asia, particularly China, South Korea, and Japan, mainly driven by battery cathode production.

The market went into oversupply in late 2009 and remains in surplus, say analysts, and supply is expected to continue to outstrip demand both this year and next. Beyond 2016, demand is forecast to grow at a faster rate than supply. However, it will take several years for the recent period of oversupply and stockpiling to reconcile, which is likely to keep prices in check over the medium term.

Developments in the Democratic Republic of the Congo (DRC), the world's largest mine producer, have the potential to significantly impact the market this year. The DRC government wants to increase domestic refining of copper and cobalt products and decrease exports of unrefined materials. However, while the proposed export ban on concentrates did not come to fruition in 2013, government rhetoric suggests that such measures could still go ahead this year. While a blanket ban remains unlikely, the 2013 increase in export taxes, from $60 to $100 per ton, could be the first of several changes.

Outside of the DRC, a number of potential mine projects could produce cobalt raw materials, although many are at an early stage of exploration or development. Additional mine supply is likely to come from expansion projects at existing producers through 2018. Future demand is expected to grow at more than 6% annually to 2018, underpinned by strong growth in China, the world’s biggest refined producer. As a result, demand is expected to reach more than 110,000 tons annually. Cobalt use in battery applications will drive consumption and is forecast to grow at 9.2% per year, say analysts.

Prices are expected to continue a slight downward trend in 2014 with the ramping up of new projects in Madagascar and the Philippines bringing additional material into the market and compounding the current oversupply situation. Thereafter, Roskill expects a modest year-on-year increase with high-grade cobalt prices increasing at roughly 3.6% per year to 2018. For more information, visit www.roskill.co.uk/cobalt.

Dream cars
In our March “Feedback” department, we asked readers about their favorite automotive memories and aspirations. Here are a few of our favorite responses:

1960 Sunbeam Alpine Roadster
My first car was a well-used Sunbeam Alpine Roadster that I bought in Norfolk, Va., when I was in the Navy. It had a convertible top, tonneau cover, and removable plastic hardtop. I tried to drive it to my job interview with Harry Chandler [author of Metallurgy for the Non-Metallurgist] in the fall of ’69, but it broke down on the New York State Thruway. I made it to Materials Park a couple of days later in my dad’s Ford. The rest is history. Now I wish I’d had the wherewithal to have the Sunbeam restored. It was a nice ride, when it ran.

Don Baxter

1967 Corvette Sting Ray
was a red, big block 427ci/435hp that I bought in late 1967 from a guy who got new ones every fall. I was working for GE in Schenectady, N.Y., in the Large Steam Turbine Dept. My monthly insurance payment was more than my loan and gas costs because the car was considered a high-powered, two-seat sports car and I was under 25. My current ’67 Sting Ray is a 327ci/350hp high performance, Goodwood Green convertible with the optional hardtop. 1967 was the last year of the original Sting Rays (1963-67) and this one is very correct and very fast from 0 to 80 mph, one power shift from first to second, and corners well with a stock/original suspension.

Ron Natole

1956 Continental Mark II
My ideal car is the Continental Mark II, the last true classic made in the U.S. It will turn heads anywhere.

Chuck Dohogne

We welcome all comments and suggestions. Send letters to frances.richards@asminternational.org.