

EMBARGO: NOT FOR PUBLICATION  
UNTIL 0001 HOURS GMT, MONDAY  
5 SEPTEMBER 1988

GATT/1442  
31 August 1988

WORLD ZINC PRODUCTION INCREASES SLIGHTLY AS CONSUMPTION  
SHIFTS TO DEVELOPING AND CENTRALLY-PLANNED ECONOMIES

Consumption of zinc in market-economy countries rose by 2.9 per cent in 1987 to a peak level of 5 million tons. World consumption of zinc fluctuates in response to general industrial activity and has been rising steadily in recent years, not only in developed countries, who remain the major consumers, but particularly in some developing countries, according to a study published, today, by the GATT secretariat.

GATT's "Background Study on Zinc and Zinc Products"<sup>1</sup> examines developments since 1960 in the zinc industry and assesses worldwide zinc production and consumption. It also tracks developments in international trade for zinc ores and concentrates and refined zinc. The study, part of a series of GATT background papers on non-ferrous metals, was undertaken in accordance with the decision of the 1982 GATT Ministerial Meeting to examine trade-related problems in certain natural-resource products. The publication provides comprehensive information, including tables and charts, and updates materials provided in the original reports presented to a GATT working party on the subject.

According to the study, improved production processes and the exploitation of new uses for zinc have succeeded in maintaining and expanding

---

<sup>1</sup> Background study on Zinc and Zinc Products, SwF50, is currently available in English from the GATT secretariat, Centre William Rappard, 154 rue de Lausanne, 1211 Geneva 21, Switzerland. French and Spanish versions will be available shortly. Studies on Aluminium and Lead are also available. Studies on copper, nickel and tin will be published in the near future.

world zinc consumption. Zinc, however, continues to face strong competition from alternative materials such as aluminium and plastics. Furthermore, the share of developed countries in world zinc consumption from 1960 to 1986 has decreased from 71.4 per cent to 55 per cent. In the same period, the shares of centrally-planned economies and developing countries rose from 20.6 per cent to 26.4 per cent and from 8.0 per cent to 18.7 per cent respectively.

Canada ranks first in world zinc mine production, followed by the USSR, the EC (i.e. Spain, Ireland and the Federal Republic of Germany), Australia and Peru. Together, these countries accounted for 61 per cent of world zinc mine production in 1986. Though production of refined zinc still takes place mostly in developed countries, smelter capacity of developing countries has been increasing. In 1986, about 63 per cent of developing country mine production was smelted domestically.

The study further observes that there is little likelihood of significant change in the present pattern and structure of world trade in zinc and that Canada, Australia and Peru will remain major exporters of zinc concentrates to Europe and Japan. In refined metal, imports by an increasing number of developing countries, which are now consuming zinc in substantial quantities, are likely to account for a rising proportion of total trade. Larger European countries and the United States can be expected to remain major importers from countries supplying primary zinc such as Australia, Canada, Finland, Mexico, Norway, Peru and Zaire. The study finds that, in countries like Brazil, the People's Republic of China and India, where metal consumption exceeds domestic production, the expansion of mine and smelter output is designed to achieve self-sufficiency in metal supplies. The total volume of trade may continue to increase thereafter in response to rising demand in other developing countries.

The study concludes that international trade in zinc is still affected by trade barriers despite significant tariff cuts achieved in past GATT negotiations. In addition to tariff protection and tariff escalation at successive processing stages, some countries, both developed and developing, continue to apply non-tariff measures to certain zinc products. Trade in zinc and other non-ferrous metals is currently being discussed in the Group on Natural Resource-Based Products, part of the Uruguay Round of Multilateral Trade Negotiations now under way in the GATT.

END