

Hamburg Institute of International Economics (HWWA) (Ed.)

Article — Digitized Version

## Raw material markets: Supply surpluses in lead and zinc expected

Intereconomics

*Suggested Citation:* Hamburg Institute of International Economics (HWWA) (Ed.) (1967) : Raw material markets: Supply surpluses in lead and zinc expected, Intereconomics, ISSN 0020-5346, Verlag Weltarchiv, Hamburg, Vol. 02, Iss. 5, pp. 140-, <https://doi.org/10.1007/BF02930369>

This Version is available at:

<https://hdl.handle.net/10419/137747>

### Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

### Terms of use:

*Documents in EconStor may be saved and copied for your personal and scholarly purposes.*

*You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.*

*If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.*

## Index Numbers of World Market Prices of Foodstuffs and Industrial Raw Materials

Index and commodity group	1966				1967		
	Feb.	May	Aug.	Nov.	Feb.	March 17	March 31
<b>HWWA-Index 1 (1952—1956 = 100) ...</b>	<b>98.8</b>	<b>96.9</b>	<b>93.5</b>	<b>92.4</b>	<b>92.0</b>	<b>91.9</b>	<b>91.9</b>
Foodstuffs .....	86.9	85.3	85.1	83.8	85.0	84.2	84.5
Raw materials other than foodstuffs ...	104.6	102.5	97.6	96.5	96.3	95.6	95.4
Fuels .....	95.6	95.5	95.4	95.6	95.2	95.1	95.1
Raw materials for consumer goods ..	92.7	96.3	95.2	91.2	92.6	91.9	92.0
Raw materials for capital goods .....	121.6	113.8	101.8	101.5	99.9	98.5	98.1
<b>Reuter's Index (18. 9. 1931 = 100) .....</b>	<b>472.0</b>	<b>463.3</b>	<b>443.0</b>	<b>425.3</b>	<b>432.5</b>	<b>424.6</b>	<b>427.2</b>
<b>Moody's Index (31. 12. 1931 = 100) ....</b>	<b>414.5</b>	<b>397.4</b>	<b>394.3</b>	<b>369.0</b>	<b>369.1</b>	<b>367.4</b>	<b>362.4</b>

<sup>1</sup> Index compiled by the Hamburg Institute for International Economics.

retarded activity. In 1967 the average GNP growth rate of all national economies (in real terms) should not grow more than 3 % vis-à-vis 1966. The employment to capacity of capital assets is therefore showing a preponderantly declining tendency, and at the same time the number of those looking for a job surpasses the number of vacancies. The cyclical pattern of forces in the world economy

is thus differing from that in previous years. An international parallelism together with small growth rates—as may currently be noticed—burdens economic policy with more responsibility. At present it can rely less on “favourable accidents” and will therefore have to form more actively the economic process, if a higher growth rate is to be achieved again.

rest of the world. Owing to the high lead price in the United States imports to this region rose considerably. Besides this, growing production, too, is beginning to intensify the pressure on US lead prices, especially as hitherto a stimulation of demand has not become visible. But in order to avoid too much pressure on the US fixed price a re-introduction of import quotas is under consideration.

## Raw Material Markets

### Supply Surpluses in Lead and Zinc Expected

During the last months lead and zinc prices at the London Metal Exchange showed only slight fluctuations. The cash price of lead was about £80/lgt; temporary rises resulted above all from producers' backings on American account. Thus the price difference of approx. £30 between the US fixed price of 14c/lb (= £112/lgt) and the London exchange price was intended to be reduced. For a longer period zinc prices fluctuated only slightly around the producers' fixed price of £102/lgt. The relative stability was also to be attributed to systematic backings by the producers. However, since early in April zinc prices have dropped to £99/lgt; for this increased supplies from the East-bloc are likely to be the main reason.

Whilst in 1966 there had still been a supply deficit of 13,000 lgt, for the current year a supply surplus of approx. 50,000 lgt is expected. Due to moderate business trends in some West European countries lead consumption in 1967 is supposed to extend only by approx. 2 % to 2.87 million lgt. The expected net imports from East-bloc countries of about 60,000 lgt would consequently more than cover the production gap.

The supply surplus will, however, be even higher if the North American stockpile offices will continue to clear their stocks in the free market. In addition to this the increasing balancing between supply and demand in the US-market will not remain without consequences for the price development in the

In the zinc market the supply surplus in 1967 will extend to approx. 128,00 lgt (1966: 38,000 lgt). A consumption increase by 5 % to 3.67 million lgt will be opposed by a production grown by 10 % to 3.65 million lgt. Net imports from the East-bloc estimated at 148,000 lgt are fully able to fill the production gap. Like in the case of lead in this estimate US stockpile releases are missing, so that an even bigger supply surplus is quite possible.

The latest price development in the zinc market has again revived the debates on the producers' fixed price. Partly total abolition is already discussed, for outside the USA producers' stocks are steadily growing. The agreed production cuts by 10 % have hardly become effective, because only a few producers complied with them. At least a reduction of the producers' fixed price can, therefore, probably not be avoided.

## INTERECONOMICS • Monthly Review of International Trade and Development

Edited by The Hamburg Institute for International Economics (Hamburgisches Welt-Wirtschafts-Archiv), Director: Prof. Dr. Heinz-Dietrich Ortlieb, and The German Overseas Institute (Deutsches Übersee-Institut), President: Prof. Dr. Dr. h. c. Andreas Predöhl. Managing Editor: Dietrich Keschull, Editor: Hubert Häping; Karl-Muck-Platz 1, Hamburg 36, published by Verlag Weltarchiv GmbH., Eppendorfer Landstraße 106, 2 Hamburg 20. Advertising Representative: Dr Hans Klemen. Printed by Otto Schwitzke, 2 Hamburg 70. Annual rate of subscription DM 48,— (US-\$ 12,—). Copyright by Verlag Weltarchiv GmbH.