
Indonesia to limit tin output to extend mine life

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Bloomberg reported that Indonesia is planning to cap production of 5 minerals including tin to extend mine life and try to control prices.

Mr Bambang Setiawan director general of coal & mineral resources said that the government will cap output of tin at 90,000 tonnes a year from 2008. He added that the government also plans to cap the output of copper, gold, nickel and iron ore.

According to figures from researcher ITRI Limited, the ceiling by Indonesia may help to sustain a rally in the price of tin, the best performing contract on the London Metal Exchange in 2008.

Indonesia accounted for about a third of global tin in concentrate production last year. Indonesia produced 103,100 tonnes of tin in concentrate in 2007, second only to China's 118,300 tonnes. Global production was 317,700 tonnes in 2007. Indonesia's output of the metal, used to make beverage cans and for soldering, may be 79,000 tonnes in 2008.

Indonesia has boosted control of the nation's tin industry since February 2007, when the government required all exporters to acquire a permit to ship the metal overseas. To date, at least 19 permits have been issued, including PT Timah and PT Koba Tin.

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