



12 July 2008

South Korea to expand metal stockpiles

The South Korean government announced on Wednesday that it will increase the budget for its Public Procurement Service, to allow it to hold 60 days supply of 22 key metals, compared to the current 19 days' supply of 12 metals. [Tin](#) and all the other LME metals are included in the current core list of 12, which will be expanded to include precious and minor metals and rare earths.

“The move is to reduce pressure on corporates in securing industrial raw materials and to help stabilise supply and demand conditions,” the Ministry of Knowledge Economy told Reuters. The Public Procurement Service is responsible for building reserve stockpiles of non-ferrous metals for local small and medium sized firms and spends around 550 billion won (\$537 million) per month to secure them.

The build-up in the stockpile capacity will be very gradual, with the target for days' supply rising to 25 days by the end of 2008, 35 days by 2009 and 60 days by 2012, an official at the state-run Public Procurement Service said. Korea consumes 16,000 – 18,000 tpy of refined tin, pointing to an ultimate [tin](#) stockpile target of around 3,000 tonnes.