

## Platinum 2006

Johnson Matthey's annual surveys of supply and demand of the platinum group metals continue with "Platinum 2006", published in May 2006 and reporting on the calendar year 2005.

Johnson Matthey records a world demand for platinum of 6.7 million oz in 2005, an annual rise of 160,000 oz (2 per cent). Purchases by the autocatalyst sector again grew strongly, with demand increasing by 330,000 oz to a new high of 3.82 million oz. Europe accounted for most of this growth, attributable to continued tightening of emissions rules and greater use of catalysed soot filters in light-duty diesel vehicle applications.

Purchases of platinum for jewellery manufacture fell by 200,000 oz (9 per cent) to 1.96 million oz. A strong platinum price prompted stock reductions across the trade, and encouraged the recycling of old jewellery. Chinese jewellery demand for platinum fell to its lowest for seven years. Demand in Japan and North America also contracted.

Industrial demand for platinum climbed by 9 per cent to 1.675 million oz in 2005, cited as an all-time high. In the electrical sector there was further growth in the production of data storage disks using a platinum alloy layer. Continuing expansion of liquid crystal display glass manufacturing in Asia drove demand for platinum in glass applications to a record level. Consumption of platinum for making catalysts for petroleum refining and chemical manufacture also increased.

World supplies of platinum increased by 2 per cent in 2005, rising to 6.63 million oz, primarily due to greater output from South Africa, which increased by 2 per cent to 5.11 million oz. This increase was less than anticipated, since efforts to expand output were hampered by a number of operational problems. Supplies from North America and Russia fell slightly.

Demand for palladium increased by 7 per cent to 7.04 million oz in 2005, due almost entirely to substantially greater use of the metal in jewellery. Palladium purchases for jewellery manufacture, driven by rapid market development in China, rose by 54 per cent to 1.43 million oz. Autocatalyst demand for palladium increased marginally to 3.81 million oz. Although automotive manufacturers made greater use of palladium catalyst systems than in 2004, average loadings of palladium on catalysts continued to decline.

Palladium supplies fell by 2 per cent to 8.39 million oz; growth in South African output did not offset lower production in North America and a drop in sales of Russian metal.

Purchases of rhodium expanded by 11 per cent to 812,000 oz in 2005, equalling the previous high recorded in 2000. Use of the metal in autocatalyst, glass and chemical applications increased.

A special feature, 'Other Applications for Platinum', highlights a wide range of further uses of platinum. These vary from medium-scale automotive and medical applications to many small end uses such as stationary source pollution control, gas safety sensors and cathodic protection. Each of the latter uses requires just a few thousand ounces. In the automotive sector, spark plugs and oxygen sensors account for a combined platinum consumption of more than 130,000 oz in 2005. Biomedical uses of platinum (with an estimated consumption of a little over 100,000 oz in 2005) range from anticancer drugs to devices associated with innovative treatments for heart and brain disease.

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