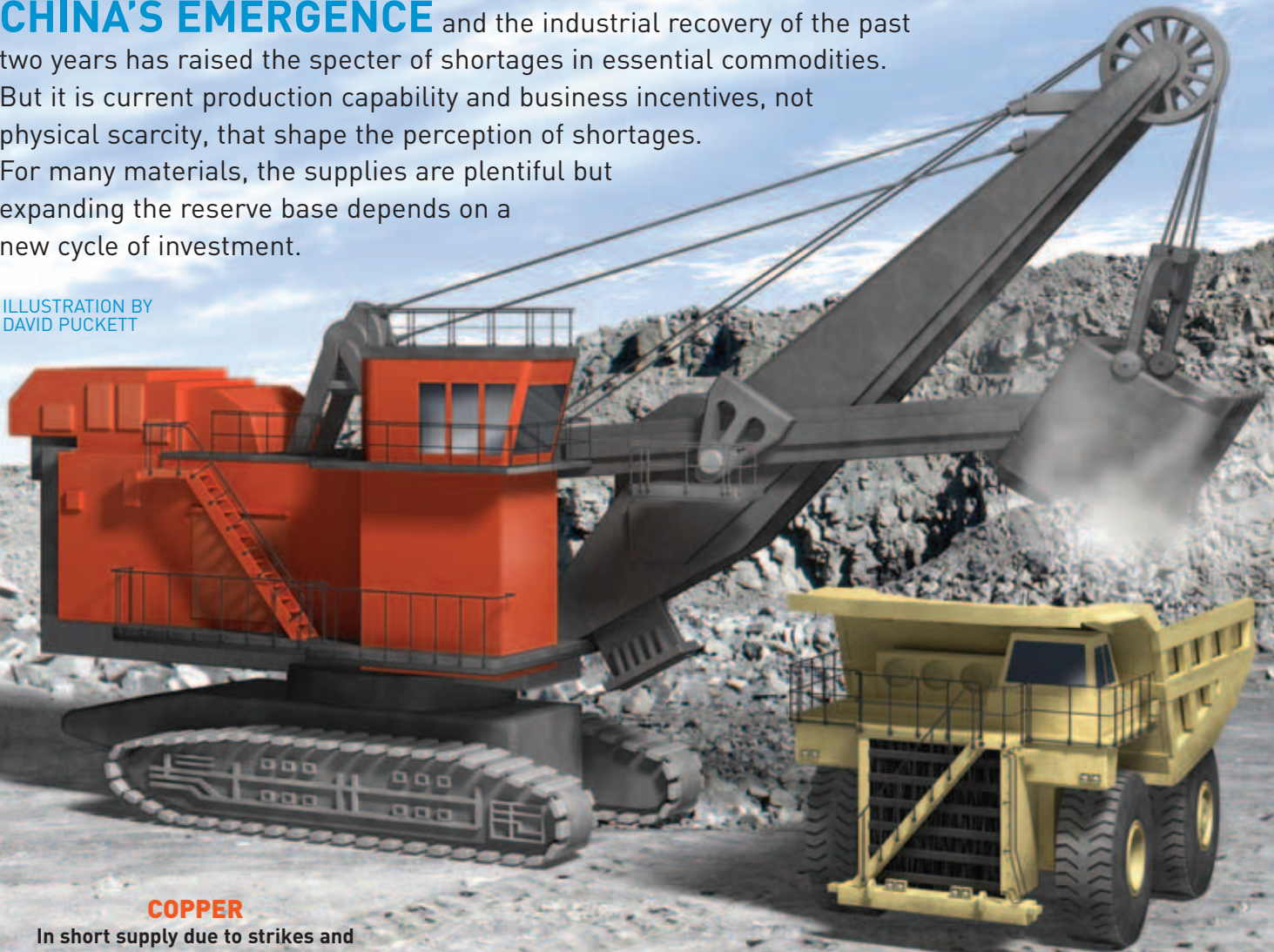


SCARCITY IN THE MIDST OF PLENTY

BY MAYA R. PAYNE

CHINA'S EMERGENCE and the industrial recovery of the past two years has raised the specter of shortages in essential commodities. But it is current production capability and business incentives, not physical scarcity, that shape the perception of shortages. For many materials, the supplies are plentiful but expanding the reserve base depends on a new cycle of investment.

ILLUSTRATION BY
DAVID PUCKETT



COPPER

In short supply due to strikes and other supply disruptions.

OIL

China and India are expected to fuel demand over the next decade.

NICKEL

Booming steel output in China and new applications have raised concerns that demand will outstrip supply until new production comes online starting later in 2006.

MOLYBDENUM

China's high levels of steel production along with expanded use of the mineral as an alloying element are spurring expanded production.

NATURAL GAS

Electric power producers and industrial users will increase usage as they switch from dirtier oil and coal.

BERYLLIUM

Strong demand from auto, industrial and telecom sectors.

IRON ORE

Chinese steel production is calling for huge amounts of the raw material and many producers are plowing their windfalls into increasing capacity.

BAUXITE

Production is being expanded as prices in 2005 soared to their highest levels in 10 years.

COBALT

Mining companies have boosted output to meet demand for uses in digital cameras, airplanes and rechargeable batteries for hybrid cars.

COAL

Electric power generators and China's industrial growth account for the bulk of increased consumption. A shortage of vessels for transport added to price increases.