



**INTERNATIONAL
NICKEL STUDY GROUP**
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INSG APRIL 2006 MEETINGS

The International Nickel Study Group (INSG) held its Spring meetings on 24 and 25 April 2006 in Lisbon, Portugal, under the Chairmanship of Mr. Per Z. Brekke (Norway).

More than 60 government and industry representatives from Member Countries, plus observers from Brazil, China and several international organizations participated in the meetings.

Relocation of the International Nickel Study Group

The meetings of 24-25 April were the first to be held at the new INSG Headquarters following the relocation of the Group from The Hague to Lisbon with effect from 1 January 2006. The Study Group is now co-located with the International Lead & Zinc Study Group and the International Copper Study Group with the secretariats of all three Groups under a common Secretary-General, Mr Don Smale.

Nickel market observations for 2004, 2005 and 2006

The INSG extensively discussed current nickel market trends. After the middle of 2005, the production of high nickel-content stainless steels declined in most parts of the world, reducing the usage (consumption) of primary nickel and nickel containing scrap in the second half of that year. Since the beginning of 2006 the usage of primary nickel and stainless steel scrap has increased following the improvement in stainless steel production.

World primary refined nickel production was 1.26 Mt in 2004 and increased to 1.29 Mt in 2005, and is forecast to increase to 1.36 Mt in 2006.

World primary nickel usage (consumption) was 1.25 Mt in 2004 and declined to 1.24 Mt in 2005 and is forecast to increase to 1.34 Mt in 2006. A key factor in the forecast increase of consumption is the growing demand from China for nickel and nickel products.

Mr. Bian Gang, Deputy Director General of China Nonferrous Metals Industry Association spoke about the Chinese nickel market and the country's involvement in international nickel development projects.

Mr. Francois Sauvage of Eramet informed about a new initiative to promote nickel trade liberalization from a European industry perspective and the International Stainless Steel Forum (ISSF) presented the latest developments in stainless steel production and usage.

INSG Industry Advisory Panel

The Study Group again received valuable input on its work program priorities from the INSG Industry Advisory Panel comprised of representatives of the nickel producing, consuming and recycling industries. During the meeting of the Panel presentations were made by Mr Stephane Chorlet, Marketing Manager, Eramet, examining factors affecting nickel supply and demand globally, and by Mr Volker Pawlitzki, ELG Haniel GmbH, on the current situation and likely future trends in the stainless steel scrap market.

Environmental & Economic Issues

The Environmental and Economics Committee discussed nickel recycling and environmental legislation. Delegates agreed on a work program for the committee aimed at filling the existing data gaps on nickel recycling. Data are particularly needed to estimate the recycling rates for nickel and to make a better assessment of potential nickel supply from scrap.

Ms. Barbara Reck, Yale University, provided the first results of an extensive material flow analysis for nickel. Mr Kunitomo, Director General of the Metal Strategic Group of the Japan Oil, Gas and Metals National Corporation (JOGMEG), provided an overview of the Japanese legislation on batteries recycling. The recycling rate for Nickel Cadmium Batteries in Japan is around 73.5%, exceeding the target of 60% that was set for the year 2005.

Mr. Steve Barnett, the new President of the Nickel Institute, made a presentation on the Institute's main activities and updated the participants on the industry concerns related to the EU Nickel Risk Assessment and the EU New Chemical Policy, REACH.

16th General Session of INSG

The 16th General Session of INSG will be held in Lisbon in the week commencing 2 October 2006.