



**INTERNATIONAL
NICKEL STUDY GROUP**
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PRESS RELEASE

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INSG APRIL 2011 MEETINGS

The International Nickel Study Group (INSG) met on 11 and 12 April 2011 in Lisbon, Portugal, under the chairmanship of Mr. Per Z. Brekke (Norway).

Around 60 government and industry representatives from member countries, including observers and several international organizations, participated in the meetings.

Nickel market observations for 2009, 2010 and 2011

The government and industry participants extensively discussed current nickel market trends. Nickel demand and usage accelerated in the first part of 2010, with stainless steel production increases experienced in most parts of the world, which resulted in higher primary nickel prices and high demand for secondary nickel units in the first half. A slow down was experienced in the latter part of the year in the stainless steel industry.

2011 started well with high production of stainless steel and good demand for primary nickel as well as recycled nickel products such as stainless steel scrap.

World primary refined nickel production was 1.33 Mt in 2009 and increased to 1.44 Mt in 2010. With new capacity anticipated to come into production, and ramp up of recently commissioned projects as well as more product coming from Canada following the end of the strike, production in 2011 could reach 1.60 Mt. The 2011 figure does not include any general adjustment factor for possible production disruptions in coming months.

World primary nickel usage (consumption) was 1.24 Mt in 2009, and increased to 1.47 Mt in 2010. For 2011 an increase to around 1.54 Mt is expected.

The current INSG view for 2011 is for a modest stock build up which could grow if projects ramp up faster than estimated in the forecast.

INSG recognizes that the natural disasters in Japan and to a lesser extent the political difficulties in North Africa/Middle East resulted in some financial and economic uncertainty. The impacts of the above on both the supply and demand for nickel are not fully known. The Study Group cautions that future market developments could alter the forward-looking market balance.

Statistics Committee

The Statistics Committee received valuable input to its work through a series of presentations and discussions.

Mr. Ric Deverell of Credit-Suisse, Director, Commodities Research in London, UK, made a presentation on “Non Fundamental Factors in Nickel Pricing”.

Mr. Peter Kaumanns, ISSF, Belgium, provided a presentation on global stainless steel markets.

Mr. Salvatore Pinizzotto, Managing Director, of Xida Market Research, Italy, in co-operation with Centro Inox – Italian Stainless Steel Development Association, made a presentation on “The Italian Stainless Steel Market, Outlook and Perspectives”.

Industry Advisory Panel

The Study Group received valuable input on its work program priorities from the INSG Industry Advisory Panel, comprised of representatives from the world’s nickel producing, using and recycling industries. During the meeting of the Panel the following presentations were made and discussed:

Dr. Sean Mulshaw, Senior Nickel Analyst at Brook Hunt, a Wood Mackenzie Company, UK, made a presentation on “Here comes the flood! The outlook for nickel”.

Dr. Gerhard Pariser, Director Market Research of Heinz H. Pariser Alloy Metals & Steel Market Research, Germany, made a presentation on “Global Stainless Scrap Markets Today”.

Dr. Gerhard Pariser made a second presentation on “Nickel First & End Use Markets”.

Environmental & Economic Issues

Discussions in the Environmental and Economics Committee covered a wide range of topics that impact nickel. INSG reported on work done to provide members with information on regulations covering environment, health and safety relating to nickel.

During the meeting the following presentations were made and discussed:

Mr. Pekka Perä, CEO of Talvivaara of Finland, gave a presentation, “An Overview of Talvivaara's Operations”.

Mr. Eduardo Carregueiro, Technical Manager, Böllinghaus Steel, spoke on the operations of his company in Portugal from where it exports a range of stainless steel products.

Ms. Paola di Discordia, Director for Environment, Health and Safety at the Nickel Institute, briefed members on the latest developments in European Union regulatory issues affecting the nickel industry.

Mr. Gerd Oehm, Director Raw Materials and Procurement, ThyssenKrupp briefed members on their new stainless steel plant in Alabama, United States.

Mr. Paul Anciaux of the European Commission briefed members on the new EU strategy on raw materials and commodities.

Dates of Next Meetings of INSG

The next meetings of the Study Group will be held in Lisbon, Portugal in the period 26-28 September 2011.

Presentations will be available on the INSG website. For further information please contact the Secretariat at insg@insg.org or visit the website www.insg.org.