



**INTERNATIONAL
NICKEL STUDY GROUP**
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PRESS RELEASE

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INSG APRIL 2012 MEETINGS

The International Nickel Study Group (INSG) met on 23 and 24 April 2012 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 2010, 2011 and 2012

The government and industry participants extensively discussed current nickel market trends, including the impact of recycled nickel units and Chinese nickel pig iron production. Attention was also given to the possibility of restrictions on exports of nickel ore from Indonesia in the future.

2012 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 in the first few months. The second half could encounter modest growth.

World primary refined nickel production was 1.45 Mt in 2010 and increased to 1.60 Mt in 2011. With new capacity anticipated to come into production, and ramp up of recently-commissioned projects, production in 2012 is expected to reach 1.69 Mt. The 2012 figure does not include any general adjustment factor for possible production disruptions.

World primary nickel usage (consumption) was 1.48 Mt in 2010, and increased to 1.57 Mt in 2011. For 2012 an increase to around 1.64 Mt is possible.

The current INSG view for 2012 is a stock build up which could grow if projects ramp up faster than estimated in the forecast.

INSG recognizes the significant impact of the current financial, economic and political uncertainty in many parts of the world. The effects 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. Austin Brown, Portfolio Manager, Caxton, UK, made a presentation on the subject “Non fundamental aspects in the pricing of nickel”.

Mr. Peter Kaumanns, ISSF, Belgium, made a presentation on latest developments in the world of stainless steel and its markets.

SMM of China provided a presentation on “China Nickel Pig Iron Market Study” that was delivered by the Chief Statistician.

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:

Mr. Nikhil Shah, Senior Analyst, CRU, UK, made a presentation on the subject “Nickel Supply and Demand in 2012 and 2013”.

Mr. Heinz H. Pariser, Managing Director of Heinz H. Pariser Steel Market Research, Germany, spoke on the latest trends in the stainless steel and stainless steel scrap markets, including Internal Stainless Steel Scrap Recycling.

Environmental & Economic Issues

Discussions in the Environmental and Economics Committee covered a wide range of topics that impact nickel. The secretariat 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. Peter Willis of Oakdene Hollins made a presentation on the draft report “Study of By-products of Copper, Lead, Zinc and Nickel” with a focus on nickel.

Ms. France Capon, Senior Advisor, Chemicals Management, Nickel Institute, spoke on the impact of REACH on the nickel industry.

Dr. Mariana Abrantes de Sousa, Financial Consultant at PPP Lusofonia, spoke on “Mining Trade and Project Finance in the Current Financial Crisis”.

Mr. Paul Anciaux of the European Union outlined the new European Innovation Partnership on Raw Materials which will cover innovation along the entire value chain (from exploration through extraction to recycling).

Dates of Next Meetings of INSG

The next meetings of the Study Group will be held in Lisbon, Portugal in the period 8-10 October 2012.

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.