



**INTERNATIONAL
NICKEL STUDY GROUP**
www.insg.org

Rua Almirante Barroso 38
1000-013 Lisbon
Portugal
Telephone: +351 21 356 3870
Telefax: +351 21 356 7039
Email: insg@insg.org

Lisbon, 4 April 2014

PRESS RELEASE

INSG APRIL 2014 MEETINGS

The International Nickel Study Group (INSG) met on 3 to 4 April 2014 in Lisbon, Portugal, under the chairmanship of Mr. Mattia Pellegrini (European Union).

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

Nickel market observations for 2012, 2013 and 2014

The government and industry participants extensively discussed current nickel market trends during the meetings. Nickel usage (consumption) will continue to increase this year, although at a lower rate than in recent years, with China being the main growth market. The implementation of the Indonesian export ban on nickel ore which took effect in January 2014 is expected to reduce production in that country and could result in a further increase in nickel ore exports from the Philippines.

A recovery in economic growth, in particular in the U.S. and Western Europe, has improved nickel demand in early 2014 relative to the latter part of 2013, and remains generally supportive in Asia. A possible reduction in nickel pig iron production in China, due to the lower level of nickel ore imports from Indonesia, could adversely affect worldwide nickel production despite the range of new nickel projects that will come on stream.

World primary nickel production was 1.75 Mt in 2012, and increased to 1.94 Mt in 2013. INSG projects a largely unchanged production of around 1.94 Mt in 2014. There is a degree of uncertainty in these figures in regard to Chinese nickel pig iron production, particularly in latter years. The estimates do not include any general adjustment factor for possible production disruptions.

World primary nickel usage (consumption) was 1.75 Mt in 2012 and increased to 1.77 Mt in 2013. For 2014 INSG estimates an increase to around 1.89 Mt.

According to INSG data, a significant stock build has been recorded in 2012 and 2013. Reasons for the increase in stocks include the number of new nickel projects that have started up, existing projects that have ramped up production, including nickel pig iron production in China, and disappointing usage figures outside of China and India.

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.

Ms Sheraz Neffati, Deputy Secretary General, International Chromium Development Association, France, made a presentation on “Overview of the Chromium Industry”.

Mr Heinz H. Pariser, Steel Market Research, Germany, made a presentation on “Nickel Pig Iron – Alternative to Refined Nickel?”

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

Mr Benno Kratz, Managing Director, ELG Haniel Trading, Germany, made a presentation on the latest world trends in the supply and demand for stainless steel scrap from the point of view of a large processor.

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 Sean Mulshaw, Senior Analyst, Wood Mackenzie, UK, made a presentation on the subject “Ni-volution: escalating costs, the ban and the long term nickel prices”.

Mr Thomas Höhne-Sparborth, Senior Economic Analyst at Roskill Consulting Group Ltd., UK, made a presentation on “Uncertainty in the nickel market: An outlook for supply and demand”.

Mr Karim Awad, Founder of σ^2 Commodities, Hong Kong, made a presentation on “What next following the Indonesian laterite export ban?”

Environmental & Economics Committee

Discussions in the Environmental and Economics Committee covered a wide range of topics including economic trends and changes in regulations on environment, health and safety relating to nickel. During the meeting the following presentations were made and discussed:

The Director of Economics and Environment delivered a presentation on behalf of **Mr Luís Neves**, Chairman, Global e-Sustainability Initiative (GeSI) and Group Sustainability and Climate Change Officer, Deutsche Telekom, on the GeSI Conflict-Free Smelter Initiative.

Mr Hans Regtuit, Manager, Stainless Health and Environment, EUROFER made a presentation on the work of EUROFER related to nickel-containing stainless steels.

Mr Heinz Pariser made a presentation on the Nickel Plating Study currently being undertaken for INSG.

Mr Andrea Gatti, Chief Executive Officer, OSTP, made a presentation on “Stainless Steel Welded Tubular Business and Critical Applications in Process Industry - a Ni Intensive Segment”.

Dates of Next Meetings of INSG

The next meetings of the Study Group will be held in Lisbon, Portugal in the period 13 to 14 October 2014, with a Joint Study Groups' "International Metals Recycling Seminar" to be held on Wednesday 15 October.

Presentations made available by speakers will be placed on the INSG website. For further information please contact the secretariat at insg@insg.org or visit the website www.insg.org.