



**INTERNATIONAL  
NICKEL STUDY GROUP**  
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## **PRESS RELEASE**

### **INSG APRIL 2016 MEETINGS**

The International Nickel Study Group (INSG) met on 25 to 26 April 2016 in Lisbon, Portugal. More than 60 government and industry representatives from member countries, including observers and several international organizations, participated in the meetings.

#### **Nickel market observations for 2014, 2015 and 2016**

The government and industry participants extensively discussed current nickel market trends during the meetings. According to the International Stainless Steel Forum (ISSF) world stainless steel melting production reached 41.5 Mt in 2015 a 0.3% reduction year-on-year. A reduced economic activity worldwide has had a negative impact on the stainless steel market with production in China recording a 0.6% decline last year after achieving a 21% annual growth rate in the period 2005-2014.

Despite the challenging economic environment world nickel usage is expected to grow in both 2015 and 2016 due to the increase in production of the austenitic stainless steel grades in all main markets. In the non-stainless steel sectors primary nickel demand will maintain a positive trend in the aerospace industry and in the battery sector.

Nickel pig iron (NPI) production in China continued to decline in 2015 due to the low nickel price and the effect of the Indonesian ban on nickel ore exports implemented in January 2014. A further decline is expected this year due to lower level of availability of nickel ore from the Philippines. In Indonesia, NPI production will continue to increase in 2016 due to the ramp up of new projects.

World primary nickel production was 1.989 Mt in 2014, and decreased to 1.983 Mt in 2015. INSG projects a decrease in production which could reach around 1.913 Mt in 2016. There is a degree of uncertainty in these figures in regard to Chinese NPI production. The estimates do not include any general adjustment factor for possible production disruptions.

World primary nickel usage was 1.875 Mt in 2014 and increased to 1.890 Mt in 2015. For 2016 INSG estimates an increase to around 1.962 Mt.

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 program through a series of presentations and discussions. **Mr. Kai Hasenclever**, Director, Economics & Statistics and Long Products, ISSF, Belgium, made a presentation on “The current situation on the global stainless steel market”. **Mr. Benno Kratz**, Managing Director, ELG Haniel Trading, Germany, spoke 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 also received valuable input for its work program from the INSG Industry Advisory Panel, comprised of representatives from the world’s nickel producing, using and recycling industries. **Mr. Sean Mulshaw**, Senior Nickel Analyst, Wood Mackenzie, United Kingdom made a presentation on “Nickel: Stock Decline and Production Cuts – the key for higher prices”. **Mr. Joseph Pickard**, Chief Economist and Director of Commodities, Institute of Scrap Recycling Industries Inc. (ISRI), United States of America, made a presentation on “Drivers, Trends and Outlook for the U.S. Stainless Steel and Scrap Industries”. **Mr. Michael Dixon**, Director EMEA & Americas, AME Group, United Kingdom, made a presentation on “Nickel Supply – A Critical Future: Technology and Geology”.

## Environmental & Economics Committee

Discussions in the Environmental and Economics Committee covered a wide range of topics including economic issues and trends and changes in regulations on environment, health and safety relating to nickel. **Mr. Gianclaudio Torlizzi**, Managing Director, T-Commodity, Italy, made a presentation on “Insights into the Nickel Market”. **Dr. Nia Bell**, Technical Consultant, Oakdene Hollins, United Kingdom, made a presentation on the work done on the by-product metals study for the Study Groups. **Mr. Marco Vallini**, Public Policy Specialist, Nickel Institute, Belgium, made a presentation on “Regulatory Update on Nickel and Ni Compounds”.

## Nickel in South-East Asia and China Seminar

As an initiative of the Study Group a special seminar was organized on the role of China and South-east Asian countries in the current and future development of the nickel market. **Prof. Luis Mah**, Department of Economics, ISEG – Lisbon School of Economics & Management, Universidade de Lisboa, Portugal, made a presentation on “A New Asian Economic Order?” **Ms. Xu Aidong**, Chief Analyst Nickel, Beijing Antaike Information Development Co. Ltd., China P.R. presented on “Nickel Production in Southeast Asia: Trends and Perspectives”. **Mr. Sunindyo Suryo Herdadi** and **Mr. Syamsu Daliend**, senior officials from the Ministry of Energy and Mineral Resources, Republic of Indonesia, gave a presentation on “Mineral Added Value Policy in Indonesia”. **Mr. Michael S. Carl**, International Legal Advisory, SSEK, Republic of Indonesia made a presentation on “Nickel Resource Situation and Investment Environment in Indonesia”. **Mr. Koichi Ishihara**, Vice President for Marketing & Procurement, Nickel Asia Corporation (NAC), Philippines, gave a presentation on “Historical and future nickel ore export from the Philippines”. **Mr. Oliver Spaltmann**, Senior Market Analyst, SMR GmbH, Austria, presented on “China – a ticking time bomb? Implications for stainless steel and nickel”.

## Dates of Next Meetings of INSG

The next meetings of the Study Group will be held in Lisbon, Portugal in the period 24 to 26 October 2016, with a Joint Study Groups’ Seminar to be held on Wednesday 26 October.

Presentations made available by speakers will be placed on the INSG website. For further information please contact the secretariat at [insg@insg.org](mailto:insg@insg.org) or visit the website [www.insg.org](http://www.insg.org).