



**INTERNATIONAL
NICKEL STUDY GROUP**
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Lisbon, 27 April 2017

PRESS RELEASE

INSG APRIL 2017 MEETINGS

The International Nickel Study Group (INSG) met on 25 to 26 April 2017 in Lisbon, Portugal. More than 60 government and industry representatives from member countries, observers and several international organizations participated in the meetings.

Nickel market observations for 2015, 2016 and 2017

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 a new record of 45.8 million tonnes in 2016, representing a 10.2% growth year-on-year. More robust economic activity worldwide stimulated stainless steel production, with positive growth in all regions, except for Central/Eastern Europe. China's production grew 15.7%, after declining 0.6% in 2015.

Stainless steel production is expected to continue to grow in 2017 but at a lower level compared to 2016. In the non-stainless steel sectors, including nonferrous-alloys and super alloys, electroplating and batteries, primary nickel demand will maintain with a positive trend.

Nickel pig iron (NPI) production in China continued to decline in 2016 due to prices and ore availability. In the Philippines, nickel mine production and exports declined in 2016, due to bad weather conditions and also to low prices. The country has announced the results of an environmental mine audit, ordering some mines to be suspended or closed. On the other hand, the Indonesian government loosened the ban on nickel ore exports in January 2017, which should result in more material available to feed NPI production in China. In Indonesia, NPI production will continue to increase in 2017 due to the ramp up of new projects.

World primary nickel production was 1.976Mt in 2015, and increased to 1.989Mt in 2016. INSG projects an increase in production, which could reach around 2.07Mt in 2017. There is a degree of uncertainty in these figures in regard to Chinese and Indonesian NPI production. The estimates do not include any general adjustment factor for possible production disruptions.

World primary nickel usage was 1.882Mt in 2015 and increased to 2.027Mt in 2016. For 2017 INSG forecasts an increase to around 2.11Mt.

INSG recognizes the significant impact of the current financial, economic and political uncertainties on commodity market 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.

Joint Statistics Committee / Environmental and Economic Committee / Industry Advisory Panel Meeting

The Statistics and the Environmental and Economic Committees received valuable input to its work program through a series of presentations and discussions. The Study Group also received important contributions from the INSG Industry Advisory Panel members, comprised of representatives from the world's nickel producing, using and recycling industries.

Mr. Barry Jackson, Market Intelligence Manager, Anglo American, United Kingdom, gave a presentation on "Nickel Perspectives and the Important Role of INSG"

Mr. Kai Hasenclever, Director Economics & Statistics and Long Products, ISSF, Belgium, made a presentation on "The current situation on the global stainless steel market".

Ms. Xu Aidong, Chief Analyst Nickel, Antaika, China P.R., gave a presentation on "Nickel Market Analysis of China and Southeast Asia".

Mr. Tim Biggs, UK Sector Leader Metals & Mining, Deloitte LLP, United Kingdom, gave a presentation on "Tracking the trends 2017 - The top 10 trends mining companies will face in the coming year".

Mr. Matteo Rigamonti, Director, Eurofer Specialty Steel, Belgium, made a presentation on the European specialty steel sector.

Mr. Christian Jessen, Cronimet Group, 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.

Joint Study Groups' Seminar on Meeting the Challenge of Mining and Smelting/Refining Waste

A seminar on the topic "Meeting the Challenge of Mining and Smelting/Refining Waste" was held jointly by the International Nickel Study Group, International Lead and Zinc Study Group and International Copper Study Group on 27 April.

Dates of Next Meetings of INSG

The next meetings of the Study Group will be held in Lisbon, Portugal in the period 23 to 25 October 2017, with a Joint Study Groups' Seminar to be held on Wednesday 25 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.