



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

**Lisbon, 11 May 2007**

### **INSG MAY 2007 PLENARY SESSION**

The International Nickel Study Group (INSG) held its 17<sup>th</sup> Plenary Session on 10 and 11 May 2007 in Lisbon, Portugal, under the Chairmanship of Mr. Per Z. Brekke (Norway).

More than 50 government and industry representatives from Member Countries, plus observers and several international organizations, participated in the meetings.

#### **Nickel market observations for 2005, 2006 and 2007**

The INSG extensively discussed current nickel market trends. After the middle of 2005, the production of high nickel-content stainless steels declined in most parts of the world, reducing the usage (consumption) of primary nickel and nickel containing scrap in the second half of that year. Stainless steel production improved in the beginning of 2006 and ended the year at a new annual record. This led to a new record usage of primary nickel and nickel containing scrap that year. World primary nickel usage in 2007 is forecast to increase due to a continual high demand in China P.R., although demand and usage in Europe is expected to decrease, but from a very strong 2006 level.

World primary refined nickel production was 1.30 Mt in 2005, which increased to 1.36 Mt in 2006, and is forecast at 1.48 Mt in 2007.

World primary nickel usage (consumption) was 1.25 Mt in 2005, which increased to 1.39 Mt in 2006, and is forecast at 1.41 Mt in 2007. For 2006 Europe contributed significantly to the increase in usage, as did China. As in recent forecasts, the key factor in the 2007 forecast remains the increase in demand from China for nickel and nickel-containing products.

On the supply side the new product in China, Ferro Nickel/Pig Iron, expanded rapidly in 2006 and is expected to expand even faster in 2007 as demand in that country remains strong and as long as nickel prices remain near current levels.

**Mr. Jim Lennon** of Macquarie Research made a presentation on the new Chinese product - Ferro Nickel/Pig Iron - and possible market implications for the likely supply/demand balance in the short and medium term.

**Mr. Heinz H. Pariser** of Heinz H. Pariser Alloy Metals & Steel Market Research presented the latest developments in stainless steel production and possible changes in the nickel market due to the current nickel price level.

## **INSG 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, consuming and recycling industries. During the meeting of the Panel presentations were made by:

**Dr. Carlos Nogueira da Costa Junior**, Deputy Secretary of Geology, Mining and Mineral Processing of the Brazilian Ministry of Mines and Energy, and **Dr. Jones Belther**, Director of Votorantin Metais, provided an update on Geology and Mining in Brazil and Overview of the Nickel Sector in Brazil.

**Mr. Heinz H. Pariser** of Heinz H. Pariser Alloy Metals & Steel Market Research spoke on the current situation and likely future trends in the stainless steel scrap market.

## **Environmental & Economic Issues**

Discussion in the Environmental and Economics Committee focused on nickel recycling and environmental legislation. Data on the primary nickel market back to 1950 are now available, which are used as a basis to assess nickel recycling. The first results of a study on nickel use in global stainless steel production were presented.

Delegates agreed on a joint meeting of the three Study Groups in October 2007 to examine and disseminate the consistent set of recycling rates and definitions that have been prepared in cooperation with the non-ferrous metals industry.

**Mr. Sven Arvidsson** of the Geological Survey of Sweden gave an overview of nickel in Sweden.

**Mr. Stephen Barnett**, President of the Nickel Institute, elaborated on how the nickel industry is preparing for the challenges from the introduction of REACH, the Global Harmonized System, and the consideration of the Risk Assessment of Nickel in the framework of the OECD High Production Volume Program.

## **Dates of Next Meetings of INSG**

The next meetings of the Study Group will be held in Lisbon, Portugal on 2-3 October 2007.

All presentations are available 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)