



**INTERNATIONAL  
NICKEL STUDY GROUP**  
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### **INSG OCTOBER 2006 PLENARY SESSION**

The International Nickel Study Group (INSG) held its 16<sup>th</sup> Plenary Session on 2 to 4 October 2006 in Lisbon, Portugal, under the Chairmanship of Mr. Per Z. Brekke (Norway).

More than 50 government and industry representatives from Member Countries, plus the United States as observer, 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 has remained at record high levels, subsequently the usage of primary nickel increased sharply and has remained so since then.

World primary refined nickel production was 1.29 Mt in 2005, is expected to increase to 1.35 Mt in 2006, and to 1.45 Mt in 2007.

World primary nickel usage (consumption) was 1.24 Mt in 2005, is expected to increase to 1.37 Mt in 2006, and to 1.45 Mt in 2007. For 2006 Europe contributed significantly to the expected increase in demand, as did China. The key factor in the 2007 forecast remains the increase in demand from China for nickel and nickel-containing products. The Study Group noted the increase in Chinese nickel production and also noted that output of a new product in China, Ferro Nickel/Pig Iron, had expanded rapidly since the end of last year.

Ms. Vanessa Davidson of CRU spoke on nickel laterite and sulphide mine projects around the world, and looked at the implications for the likely supply/demand balance in the medium term.

Mr. Peter Kaumanns of the International Stainless Steel Forum (ISSF) presented the latest developments in stainless steel production and usage.

## **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:

Mr Masanori Ohyama, Nickel Sales and Raw Materials, Sumitomo Metal Mining, examining factors affecting nickel supply and demand both in Japan and globally

Mr Volker Pawlitzki, ELG Haniel GmbH, on the current situation and likely future trends in the stainless steel scrap market

Mr Peter Cranfield, Consultant, who analysed the wide range of issues that could influence the nickel market in the medium to long term.

## **Environmental & Economic Issues**

The Environmental and Economics Committee discussed nickel recycling and environmental legislation. Delegates reviewed the progress in filling the existing data gaps on nickel recycling. These data are essential to estimate the recycling rates for nickel and to make a better assessment of potential nickel supply from scrap. Delegates agreed on a joint meeting of the three Study Groups during 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. Jean-Pol Wiaux, RECHARGE, reviewed the impact of the new European Batteries directive on nickel-based battery technology, and reported on trends in this important downstream sector.

Mr. Hugo Waeterschoot, Secretary General of the European Nickel Industry Association elaborated on how the nickel industry is preparing for the challenges from the introduction of REACH, the Global Harmonized System, and the upcoming 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 in May 2007.

All presentations are available on the INSG website.

For further information please contact the Secretariat [insg@insg.org](mailto:insg@insg.org), or visit the website [www.insg.org](http://www.insg.org).