



**INTERNATIONAL
NICKEL STUDY GROUP**
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PRESS RELEASE

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INSG OCTOBER 2007 MEETINGS

The International Nickel Study Group (INSG) met on 2 and 3 October 2007 in Lisbon, Portugal, under the Chairmanship of Mr. Per Z. Brekke (Norway).

More than 60 government and industry representatives from Member Countries, plus observers and several international organizations, participated in the meetings.

Nickel market observations for 2006, 2007 and 2008

The INSG extensively discussed current nickel market trends. Year 2006 saw a record in primary nickel usage (consumption), which continued into the beginning of this year. After the middle of this year, 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 this year. World primary nickel usage in 2008 is forecast to increase again due to a recovery in stainless steel production around the world and particularly in China P.R.

World primary refined nickel production was 1.36 Mt in 2006, which is estimated to increase to 1.47 Mt in 2007, and is forecast at 1.57 Mt in 2008. The 2007 and 2008 figures do not include any adjustment factor for possible production disruptions.

World primary nickel usage (consumption) was 1.40 Mt in 2006, which is estimated to decrease to 1.35 Mt in 2007, and is forecast at 1.47 Mt in 2008. For 2007 Europe contributed significantly to the decrease in usage, although China's usage continued to increase. For 2008 a general recovery of nickel usage is anticipated with Europe expected to increase above the world average. As in recent forecasts, the key factor in the 2008 forecast remains the increase in demand from China for nickel and nickel-containing products.

Mr. Magnus Ericsson of the Raw Materials Group, Sweden, gave a presentation on trends in investment in the world nickel industry.

Mr. Peter Kaumanns of the International Stainless Steel Forum (ISSF), Belgium, presented the latest developments in stainless steel production and summarized the effects of the nickel price level and volatility on the industry.

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 several presentations were received:

Mr. David Wilson of Norilsk, UK, made a presentation on global nickel supply & demand.

Mr. Benno Kratz of ELG, Germany, spoke on the latest developments in the world stainless steel scrap market.

Mr. Constantine Thanasoulas, Chief Executive Officer of LARCO, provided an excellent overview of the company's nickel activities in Greece.

Environmental & Economic Issues

Discussions in the Environmental and Economics Committee focused on nickel recycling, environmental regulation and recent international policy initiatives that may affect nickel. INSG reported that global data on the primary nickel market from 1950 have been compiled and verified. Work is now underway to improve the statistical coverage of downstream nickel-using sectors beginning with a study on nickel use in global stainless steel production.

Mr. Michel Vander Straeten, Manager EU Policy of the European Nickel Industry Association, briefed the meeting on the main environmental, health and safety (EHS) issues that are likely to affect European nickel production and usage over the medium term. He briefed the Study Group on the nickel industry's preparations for risk reduction, REACH (the EU's new chemicals policy), and the EU's emerging sustainability agenda.

Dates of Next Meetings of INSG

The next meetings of the Study Group will be held in Lisbon, Portugal in the week beginning 21 April 2008.

Presentations will be available on the INSG website.

For further information please contact the Secretariat at insg@insg.org or visit the website www.insg.org