



**INTERNATIONAL
NICKEL STUDY GROUP**
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PRESS RELEASE

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INSG October 2008 MEETINGS

The International Nickel Study Group (INSG) met on 6 and 7 October 2008 in Lisbon, Portugal, under the Chairmanship of Mr. Per Z. Brekke (Norway).

More than 70 government and industry representatives from Member Countries, including observers and several international organizations, participated in the meetings.

Nickel market observations for 2007, 2008 and 2009

The participants in INSG meetings extensively discussed current nickel market trends. Year 2007 saw strong primary nickel usage (consumption) in the first half, but demand and usage substantially declined as stainless steel production was curtailed in the latter part of the year. World primary nickel usage in 2008 started well but as the world economic upheaval continued, including tightening of credit facilities, which also resulted in lower nickel prices, demand and production of stainless steel dropped off from the middle of the year in most parts of the world, including China. Due to these reasons, it was considered unlikely that any material improvement will take place this year. Any recovery in primary nickel demand and stainless steel production is at this point of time, not anticipated for until well into 2009.

World primary refined nickel production was 1.43 Mt in 2007, and is calculated to decline to 1.41 Mt in 2008. For 2009 a substantial recovery to 1.55 Mt is anticipated, including new production facilities in Brazil, Korea Rep. and New Caledonia coming on stream. The 2009 figure does not include any adjustment factor for possible production disruptions.

World primary nickel usage (consumption) was 1.31 Mt in 2007, and is estimated to increase to 1.38 Mt in 2008. For 2009 a slow recovery of nickel usage is anticipated with main increases taking place in Asia and is forecast at 1.44 Mt. As in recent years, the key factor in the 2009 forecast remains the increase in demand from China for nickel and nickel-containing products.

Due to the current severe economical circumstances one should be careful in regard to its impact on production and usage.

Mr. Benno Kratz, ELG, 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.

Mr. Peter Kaumanns, ISSF, Belgium, spoke on the latest developments in the world stainless steel market.

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 the following presentations were made:

Mr. Salvatore Pinizzotto, Managing Director of Xida Market Research, Italy, made a presentation on Special Steels.

Mr. Xinfang Jiang, President Director of Shanghai Tsingshan Mineral Co., Ltd., China P.R., made a presentation on Nickel Pig Iron in China and its raw materials.

Environmental & Economic Issues

Discussions in the Environmental and Economics Committee focused on environmental regulation and recent international policy initiatives that may affect nickel. INSG reported that work was underway to improve the statistical coverage of downstream nickel-using sectors.

Mr. Stephen Barnett, President of Nickel Institute, Belgium, spoke on "REACH and Nickel" and provided an update on the crucial "read-across" issue.

Mr. Mickey Thompson, Chief Researcher of Intierra, Australia, spoke on "Intierra's Global Nickel Map 2008", showing the global distribution of nickel deposits, mines, smelters, refineries and concentrators.

Dates of Next Meetings of INSG

The next meetings of the Study Group will be held in Lisbon, Portugal in the week beginning 20 April 2009.

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.