



**INTERNATIONAL
NICKEL STUDY GROUP**
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PRESS RELEASE

Lisbon, 6 October 2010

INSG October 2010 MEETINGS

The International Nickel Study Group (INSG) met on 5 and 6 October 2010 in Lisbon, Portugal, under the chairmanship of Mr. Per Z. Brekke (Norway).

About 50 government and industry representatives from member countries, including observers and several international organizations, participated in the meetings.

Nickel market observations for 2009, 2010 and 2011

The government and industry participants extensively discussed current nickel market trends. World primary nickel usage in 2009 started off very weak, but a recovery was evident in the second half, when stainless steel production improved in many markets. Nickel demand and usage accelerated in the first part of 2010, with stainless steel production increases experienced in most parts of the world. This resulted in higher primary nickel prices and high demand for secondary nickel units such as stainless steel scrap in the first half. A slower improvement is anticipated in the second half of this year and also in 2011.

World primary refined nickel production was 1.35 Mt in 2009 and is estimated to increase to 1.43 Mt in 2010. With new capacity anticipated to come into production, and ramp up of recently commissioned projects as well as more product coming from Canada following the end of the strike, production in 2011 could reach 1.61 Mt. The 2010 and 2011 figures do not include any general adjustment factor for possible production disruptions.

World primary nickel usage (consumption) was 1.24 Mt in 2009, and estimated to increase to 1.43 Mt in 2010. For 2011 an increase to around 1.53 Mt is expected.

The current INSG view for 2010 is for a broadly balanced market and a stock build up is expected in 2011.

Again, INSG recognizes that the global economic crisis has eased, but there is still a degree of uncertainty in the global market, and its impacts 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.

Statistics Committee

The Statistics Committee received valuable input to its work through a series of presentations and discussions.

Mr. Oliver Spaltmann, Senior Market Analyst, SMR - Steel & Metals Market Research, Austria, made a presentation on "Duplex Stainless Steels".

Mr. Sven Tollin, INSG Chief Statistician, made a presentation on the CBI China report on Chinese Nickel Stocks. There was strong interest in this report which was commissioned by INSG.

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 and discussed:

Mr. Khayyam Jahangir, Manager Alloy Metals, Roskill Information Services, made a presentation on "Nickel Supply and Demand in the Next Five Years".

Mr. Benno Kratz, ELG, Germany, spoke on the most significant world trends in the supply and demand for stainless steel scrap from the point of view of a large processor.

Mr. Barry Jackson, Corporate Business Intelligence, Outokumpu Oyj, made a presentation on Outokumpu's activities.

Mr. Denis Lencou-Bareme, Marketing & FeNi Product Manager of Eramet, made a presentation on differences between conventional FeNi products and nickel pig iron produced in China.

Environmental & Economic Issues

Discussions in the Environmental and Economics Committee covered a wide range of topics that impact nickel. INSG reported on work done to provide members with information on developments related to the nickel industry, including the upcoming review of mining by the UN Commission on Sustainable Development.

During the meeting the following presentations were made and discussed:

Mr. Yasuhiro Suzuki, Fellow at the International Stainless Steel Forum (ISSF), made a presentation on "Stainless Steel and CO2".

Mr. Jurgen Albracht, Director for Sales and Projects of the Cronimet Group, made a presentation on "Stainless Steel Scrap in China".

Mr. Paul W. Kleffmann, Federal Ministry of Economics and Technology, German INSG representative, made a presentation on "The Nickel Industry in Germany".

Mr. Kevin Bradley, Director for EU Affairs, Nickel Institute, made a presentation on "REACH, Regulatory and Other Issues Affecting Nickel".

Dates of Next Meetings of INSG

The next meetings of the Study Group will be held in Lisbon, Portugal on 11-12 April 2011.

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.