



**INTERNATIONAL
NICKEL STUDY GROUP**
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PRESS RELEASE

INSG OCTOBER 2012 MEETINGS

The International Nickel Study Group (INSG) met on 8 to 10 October 2012 in Lisbon, Portugal, under the chairmanship of Mr. Bard Dagestad (Norway).

Around 60 government and industry representatives from member countries, including observers and several international organizations, participated in the meetings.

Nickel market observations for 2011, 2012 and 2013

The government and industry participants extensively discussed current nickel market trends. The slowdown of the Chinese economy has affected the domestic nickel market with usage increasing slower than in recent years. Indonesian nickel ore export restrictions implemented earlier this year have reduced shipments in recent months and this trend could continue.

2012 started well with high production of stainless steel and good demand for primary nickel as well as recycled nickel products such as stainless steel scrap in the first few months. Production has been flat so far in the second half, and this could continue for the rest of the year.

World primary refined nickel production was 1.45 Mt in 2010 and increased to 1.60 Mt in 2011. With new capacity anticipated to come into production, and ramp up of recently-commissioned projects, production in 2012 is expected to reach 1.69 Mt. There is a possibility of an increase to 1.78Mt in 2013. The 2013 figure does not include any general adjustment factor for possible production disruptions.

World primary nickel usage (consumption) was 1.47 Mt in 2010, and increased to 1.59 Mt in 2011. For 2012 an increase to around 1.64 Mt is estimated. A further increase to 1.71 Mt is forecast in 2013.

The current INSG view for 2012 and 2013 is for a stock build up which could grow if projects ramp up faster than anticipated in the forecast.

INSG recognizes the significant impact of the current financial, economic and political uncertainty in many parts of the world. The effects of the above 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. Benno Kratz, Managing Director, ELG Haniel Trading, 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. Jim Lennon, Director, Macquarie Research, London, made a presentation on “The Nickel Market in 2012 and 2013”.

Mr. Peter Kaumanns, ISSF, Belgium, provided a presentation on latest developments in stainless steel and its markets, which was presented by the Chief Statistician.

Ms. Li Lan, BGRIMM, made a presentation on the study they are undertaking for INSG on “Chinese nickel usage in stainless steel production”.

Mr. Ulrich Meyn, Technical Director, MKN Technologies GmbH, Germany, made a presentation “Nickel Alloying Alternatives in Steelmaking”.

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, using and recycling industries. During the meeting of the Panel the following presentations were made and discussed:

Mr. Grant Wu, Secretary General, Asian Pacific Organization for Lateritic-Nickel-Ore (APOL), made a presentation on “A Review of Trading and Smelting of Lateritic Nickel Ore”.

Dr. Sean Mulshaw, Senior Nickel Analyst, Wood Mackenzie, UK, made a presentation on the subject “Running up that hill, Challenges for long-term nickel supply”.

Mr. Bastian Peters, Purchasing Manager, Deutsche Nickel, Germany, made a presentation on “Deutsche Nickel and its Markets”.

Environmental & Economic Issues

Discussions in the Environmental and Economics Committee covered a wide range of topics that impact nickel. The secretariat reported on work done to provide members with information on regulations covering environment, health and safety relating to nickel.

During the meeting the following presentations were made and discussed:

Dr. Adriana Oller, Senior Toxicologist, Nickel Producers Environmental Research Association (NiPERA), spoke on “Current Research Initiatives on Human and Environmental Effects of Nickel”.

Mr. Paul Dewison, Director Base Metals, Intierra RMG, spoke on “Ownership, Control and Performance in the Nickel Industry”.

Mr. John Barkas, Metalytics Pty. Ltd, in his capacity as a consultant to the Nickel Institute, made a presentation on a recent study “Socio-economic Impact Assessment of EU Nickel Compound Classifications on APEC Economies”.

Dates of Next Meetings of INSG

The next meetings of the Study Group will be held in Lisbon, Portugal in the period 22-23 of April 2013.

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.