



**INTERNATIONAL
NICKEL STUDY GROUP**
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PRESS RELEASE

INSG OCTOBER 2014 MEETINGS

The International Nickel Study Group (INSG) met on 13 to 14 October 2014 in Lisbon, Portugal. Around 60 government and industry representatives from member countries, including observers and several international organizations, participated in the meetings.

Nickel market observations for 2012, 2013, 2014 and 2015

The government and industry participants extensively discussed current nickel market trends during the meetings. Nickel usage has continued to increase as a result of the improved economic situation during the first half of the year. Growth has been recorded in China and North America along with improved conditions in Europe and Japan. The implementation of the Indonesian export ban on nickel ore which took effect in January 2014 has reduced production in China and prompted a further increase in nickel ore exports from the Philippines.

The gradual reduction in nickel pig iron production in China due to the lower level of nickel ore imports from Indonesia and technical problems in brownfield plants has adversely affected worldwide nickel production despite the range of new nickel projects that has come on stream.

World primary nickel production was 1.75 Mt in 2012, increased to 1.94 Mt in 2013 and could reach 1.93 Mt in 2014. INSG projects a production of around 1.95 Mt in 2015. There is a degree of uncertainty in these figures in regard to Chinese nickel pig iron production, particularly in later years. The estimates do not include any general adjustment factor for possible production disruptions.

World primary nickel usage was 1.66 Mt in 2012 and increased to 1.78 Mt in 2013 and could reach 1.92 Mt in 2014. For 2015 INSG estimates an increase to around 1.97 Mt.

According to INSG data, a significant stock build has been recorded in 2013 and 2014. Reasons for the increase in stocks include the number of new nickel projects that have started up, existing projects that have ramped up production, and in 2013 disappointing usage figures outside of China and India.

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. Kai Hasenclever, Director Economics, Statistics and Long Products, ISSF, Belgium, made a presentation on latest developments in the world of stainless steel and its markets.

Ms. Xu Aidong, Chief Analyst Nickel, Beijing Antaike Information Development Co. Ltd. China P.R., made a presentation on “Looking for the New Balance: Analysis of Chinese Nickel Market after Indonesia’s Mining Ban Policy”.

Dr. Tony Hart, Chairman and Managing Director, Hart Materials Ltd., United Kingdom, made a presentation on “Nickel plating can be essential – not just attractive”.

Mr. Stefano Ferrari and Mr. Paolo Viganò, Siderweb and Centro Inox, Italy, made a presentation on “Italian Stainless Steel Industry: Market and Product Outlook”.

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. Jim Lennon, Consultant to Macquarie Research, London, United Kingdom, made a presentation on the subject “The nickel roller coaster”.

Mr. Shirou Imai, Chief Representative London Office, Sumitomo Metal Mining Co. Ltd., Japan, made a presentation on “Overview of the nickel market in Japan”.

Mr. Wahyu Prasetyo, Vice Project Manager KKK Nickel Pig Iron Project Hanking Co., China P.R., made a presentation on “New Nickel Processing projects (NPI and Ferronickel projects) in Indonesia, the case of Hanking Co. Ltd”.

Environmental & Economics Committee

Discussions in the Environmental and Economics Committee covered a wide range of topics including economic trends and changes in regulations on environment, health and safety relating to nickel. During the meeting the following presentations were made and discussed:

Dr. Mark Mistry, Public Policy Manager at the Nickel Institute, made a presentation on “Regulatory developments with relevance for nickel production & use”.

Mr. David Wilson, Director for Metals Research and Strategy at Citi, made a presentation on “Nickel market overview”.

Ms. Krisztina Kalman-Schueler, Managing Partner at DMM Advisory Group, made a presentation on “Nickel, a turbulent market – What can be expected from China?”

Dates of Next Meetings of INSG

The next meetings of the Study Group will be held in Lisbon, Portugal in the period 20 to 21 April 2015, with a Joint Study Groups' Seminar to be held on Wednesday 22 April.

Presentations made available by speakers will be placed on the INSG website. For further information please contact the secretariat at insg@insg.org or visit the website www.insg.org.