



**INTERNATIONAL
NICKEL STUDY GROUP**
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Lisbon, 7 October 2015

PRESS RELEASE

INSG OCTOBER 2015 MEETINGS

The International Nickel Study Group (INSG) met on 5 to 6 October 2015 in Lisbon, Portugal, under the chairmanship of Mr. Mattia Pellegrini (European Union).

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

Nickel market observations for 2014, 2015 and 2016

The government and industry participants extensively discussed current nickel market trends during the meetings. The Chinese Government decision to lead the country's economy from an investment driven model to a more sustainable one centred on domestic consumption, innovation and price mechanism and the prospect of higher interest rates in the US are having an impact on the world economy. Growth is expected to be weaker this year with a modest acceleration expected in 2016. World primary nickel usage is expected to increase both in 2015 and 2016 with China continuing to be the main market for nickel. In Europe primary nickel stainless steel producers should benefit from the antidumping duties decided by the European Commission on imports of cold rolled stainless steel with origin from China and Taiwan.

The Indonesian export ban on nickel ore which took effect in January 2014 has reduced nickel pig iron (NPI) production in China. However, increased nickel ore exports from the Philippines enabled Chinese nickel producers to keep producing at higher levels than previously foreseen. In Indonesia, NPI production is expected to record an increase in 2016 due to the ramp up of new projects but overall progress in building up production facilities remains slow.

World primary nickel production was 1.994 Mt in 2014, and decreased to 1.954 Mt in 2015. INSG projects a decrease in production which could reach around 1.942 Mt in 2016. There is a degree of uncertainty in these figures in regard to Chinese NPI production. The estimates do not include any general adjustment factor for possible production disruptions.

World primary nickel usage was 1.863 Mt in 2014 and increased to 1.905 Mt in 2015. For 2016 INSG estimates an increase to around 1.965 Mt.

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 “The current situation on the global stainless steel market”.

Mr Christian Jessen, Head of International Key Accounts, Cronimet Group, Germany, made a presentation on the “The stainless steel scrap market - a commercial overview”.

Mr. Gerd Oehm, Director Strategic Group Purchasing, Schmolz+Bickenbach Edelstahl GmbH, Germany, made a presentation on the latest developments of the company.

Mr. Xu Xin, Senior Manager Non Ferrous Metals Markets, Shanghai Futures Exchange, P.R. China, made a presentation on “Development & Innovation of China’s non-ferrous metals futures market”.

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, Managing Director, Red Door Research Ltd., United Kingdom made a presentation on “The stainless steel raw materials and their impact on the value chain”.

Mr. Martin Antonio Zamora, Senior Vice President for Marketing & Strategic Planning and **Mr. Koichi Ishihara**, Vice President for Marketing & Procurement, Nickel Asia Corporation, Philippines, made a presentation on “Historical nickel ore supply from the Philippines to China and forecast for 2015”.

Mr. Antti Saarela, Senior Market Analyst Raw Material Procurement, Outokumpu, Finland, made a presentation on “Outlook for stainless steels and its raw materials markets”.

Mr. Emre Ege, Investment Manager, Meta Nikel Kobalt A.Ş., Turkey, made a presentation on “The Gordes Nickel Cobalt HPAL project in Turkey”.

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:

Mr. Nigel Ward, Director, Promotion & Market Development, Nickel Institute, made a presentation on the “Nickel Institute’s market development strategy & activities”.

Prof. Dr. Jani Bakallbashi, Mining Engineer, Private Consultant, made a presentation on “Nickel industry developments in the Balkan Region”.

Mr. Racket Hu, Research & Consulting Director, SMM, China P. R., made a presentation on “China NPI market, production and cost”.

Dates of Next Meetings of INSG

The next meetings of the Study Group will be held in Lisbon, Portugal in the period 25 to 26 April 2016, with a Joint Study Groups' Seminar to be held on Wednesday 27 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.