



**INTERNATIONAL  
NICKEL STUDY GROUP**  
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**Lisbon, 26 October 2016**

## **PRESS RELEASE**

### **INSG OCTOBER 2016 MEETINGS**

The International Nickel Study Group (INSG) met on 24 to 26 October 2016 in Lisbon, Portugal. More than 60 government and industry representatives from member countries, including observers and several international organizations, participated in the meetings.

#### **Nickel market observations for 2015, 2016 and 2017**

The government and industry participants extensively discussed current nickel market trends during the meetings.

Despite the challenging economic environment world nickel usage will continue to grow in both 2016 and 2017 due to the increase in production of the austenitic stainless steel grades in all main markets. According to the International Stainless Steel Forum (ISSF) world stainless steel melting production, after reaching 41.5 Mt in 2015, has recorded a 4.1% increase during the first half of 2016 setting the stage for a strong performance for the full year. China recorded a 7.9% increase driven by an increase in domestic demand and sustained export mainly to other Asian countries.

In the non-stainless steel sectors primary nickel demand will maintain a positive trend in the aerospace industry and in the battery sector.

Nickel pig iron (NPI) production in China continued to decline in 2016 due to the effect of the Indonesian ban on nickel ore exports implemented in January 2014 and a lower level of availability of nickel ore from the Philippines. In Indonesia, NPI production is expected to increase in 2016 and in 2017 due to the ramp up of new projects.

World primary nickel production was 1.973Mt in 2015, and decreased to 1.934Mt in 2016. INSG projects an increase in production which could reach around 2.047Mt in 2017. There is a degree of uncertainty in these figures in regard to Chinese and Indonesian NPI production. The estimates do not include any general adjustment factor for possible production disruptions.

World primary nickel usage was 1.881Mt in 2015 and increased to 2.001Mt in 2016. For 2017 INSG estimates an increase to around 2.113Mt.

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 program 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. **Mr. Christian Jessen**, Head of International Key Accounts, Cronimet, 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. Denis Sharypin**, Head of Market Research, NorNickel, Russian Federation, gave a presentation on “Norilsk Nickel Strategy and Major Projects Update”. **Mr. Thomas Höhne-Sparborth**, Roskill, United Kingdom, spoke on “Beyond the headline figures: Nickel supply and demand, by product”.

## **Industry Advisory Panel**

The Study Group also received valuable input for its work program from the INSG Industry Advisory Panel, comprised of representatives from the world’s nickel producing, using and recycling industries. **Mr. David Wilson**, Director Metals Research and Strategy, Citi Research, United Kingdom, gave a presentation on “Funds vs. Fundamentals, what is driving nickel pricing in 2016”. **Mr. Heinz H. Pariser**, Managing Director and Senior Consultant, Heinz H. Pariser, Alloy Metals & Steel Market Research, Germany, presented the outcome of the study undertaken for INSG “The World Nickel-based Alloys Market”. **Mr. Mike Oxley**, CEO, Brazilian Nickel Ltd., United Kingdom, gave a presentation on “Low Cost Nickel Laterite Heap Leaching at the Piauí Nickel Project - an analysis”. **Mr. Robert Fig**, Head of Physical Market Sales, London Metal Exchange, United Kingdom, gave a presentation on “Is it time to put an end to the alloy surcharge? Is it fit for purpose?”

## **Environmental & Economics Committee**

Discussions in the Environmental and Economics Committee covered a wide range of topics including economic issues and trends and changes in regulations on environment, health and safety relating to nickel. **Mr Nigel Ward**, Director, Promotion & Market Development, Nickel Institute, spoke on the Nickel Institute’s market promotion activities. **Ms. Krisztina Kalman-Schueler**, Managing Partner, DMM Advisory Group, made a presentation on “Nickel supply-demand forecasting in 2016 - embedded risk factors and their assessment”. **Ms. Jane Korinek**, Economist/Trade Policy Analyst, Trade and Agriculture Directorate, OECD, Paris, made a presentation on “The Impact of Trade Restrictions on Global Metals and Minerals Markets”.

## **Dates of Next Meetings of INSG**

The next meetings of the Study Group will be held in Lisbon, Portugal in the period 24 to 26 April 2017.

Presentations made available by speakers will be placed on the INSG website. For further information please contact the secretariat at [insg@insg.org](mailto:insg@insg.org) or visit the website [www.insg.org](http://www.insg.org).