



**INTERNATIONAL
NICKEL STUDY GROUP**
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PRESS RELEASE

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INSG SEPTEMBER 2011 MEETINGS

The International Nickel Study Group (INSG) met on 27 and 28 September 2011 in Lisbon, Portugal, under the chairmanship of Mr. Per Z. Brekke (Norway).

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

Nickel market observations for 2010, 2011 and 2012

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

2011 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. The second half is encountering modest growth.

World primary refined nickel production was 1.44 Mt in 2010 and is anticipated to increase to 1.60 Mt in 2011. 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 2012 could reach 1.74 Mt. The 2012 figure does not include any general adjustment factor for possible production disruptions.

World primary nickel usage (consumption) was 1.48 Mt in 2010, and could increase to 1.57 Mt in 2011. For 2012 an increase to around 1.67 Mt is expected.

The current INSG view for 2011 is for a small surplus and for 2012 a stock build up which could grow if projects ramp up faster than estimated in the forecast.

INSG recognizes the significant impact of the current financial and economic 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. Peter Kaumanns, ISSF, Belgium, made a presentation on latest developments in the world of stainless steel and its markets.

Mr. Katsuhito Miyajima, General Manager, Mitsui & Co., Ltd, Japan, made a presentation on “The Japanese Stainless Steel Industry”.

Mr. Sven Tollin, INSG Chief Statistician, made a presentation on “Changes in the World Nickel Markets 1999-2010”.

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, Director, Macquarie Commodities Research, made a presentation on the subject “Nickel Supply and Demand in 2011 and 2012”.

Mr. Benno Kratz, ELG, 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. Mark Midgley, Director, ENRC Marketing AG, Switzerland, made a presentation on “An Overview of the Chrome Market”.

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:

Mr Mark Mistry, EU Director for Sustainability at the Nickel Institute, on “The Latest Regulatory Developments Affecting the Nickel Industry”.

Mr Markus Moll, Managing Director, Steel and Metals Market Research GmbH, on “Stainless Steel in the Food Service Industry”.

Mr Curtis Stewart, INSG Head of Economics and Environment, on “By-product Metals of Nickel Production”.

Dates of Next Meetings of INSG

The next meetings of the Study Group will be held in Lisbon, Portugal in the period 23-24 April 2012.

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.