



Metals Despatch

Newsletter of the International Metals Study Groups

July 2019, Issue No. 26

LEAD AND ZINC MARKET FORECASTS

The outlook for world supply and demand for lead and zinc was presented during the ILZSG meetings held in Lisbon on 8 May 2019.

Lead Usage

After declining by a marginal 0.2% in 2018, global demand for refined lead was anticipated to rise by 1.2% in 2019 year to 11.87 million tonnes.

Lead Supply

World lead mine production was forecast to rise by 1.8% to 4.75 million tonnes. World refined lead metal output would rise by 2.5% to 11.94 million tonnes.

World Refined Lead Metal Balance

The global supply for refined lead metal would exceed demand by 71,000 tonnes in 2019.

Zinc Usage

Global demand for refined zinc metal was forecast to rise by a modest 0.6% to 13.77 million tonnes in 2019.

Zinc Supply

After increasing by 1.3% in 2018, global zinc mine production was forecast to rise by 6.2% to 13.48 million tonnes. The Group anticipated a rise in world refined zinc metal output of 3.6% to 13.65 million tonnes in 2019.

World Refined Zinc Metal Balance

In 2019, the market was expected to remain in deficit with the extent of the shortage forecast at 72kt.

For further details, please contact **Joao Jorge** at joao_jorge@ilzsg.org

COPPER MARKET FORECASTS

The world balance of refined copper production and use was developed at the ICSG meetings held in Lisbon on 9 May 2019.

Copper Supply

After growth of 2.5% in 2018, world mine production, after adjusting for historical disruption factors, was expected to remain essentially unchanged in 2019 and to grow by 1.9% in 2020.

World refined production was expected to increase by around 2.8% in 2019 and 1.2% in 2020 to reach 24.78 million tons and 28.08 million tonnes respectively.

Copper Usage

World apparent refined usage was expected to increase by around 2% in 2019 and 1.5% in 2020 to reach 24.969 million tonnes and 25.33 million tonnes respectively.

World Refined Copper Metal Balance

World refined copper balance projections indicated a deficit of about 190,000 tonnes in 2019 and 250,000 tonnes in 2020.

For further details, please e-mail **Ana Rebelo** at rebelo@icsg.org

NICKEL MARKET FORECASTS

The INSG met on 7 May in Lisbon and developed its supply and demand forecasts for world primary nickel.

Nickel Supply

World primary nickel production was 2.182Mt in 2018 and was forecast to reach 2.380Mt in 2019.

Nickel Usage

World primary nickel usage was 2.328Mt in 2018. The INSG forecasted an increase to 2.464Mt in 2019.

World Primary Nickel Balance

The implicit market balances were deficits of 146kt in 2018 and 84kt in 2019 respectively.

STUDY GROUPS' NEXT MEETINGS LISBON, PORTUGAL

INSG: 21-23 October 2019

ICSG: 21-22 October 2019

ILZSG: 23-25 October 2019

**Joint Study Groups' Seminar 23 October
"Addressing the Challenge of Lower Ore Grades and
Rising Levels of Impurities in Concentrates"**

JOINT STUDY GROUPS' SEMINAR

“IMPORTANCE OF BASE METALS TO THE CIRCULAR ECONOMY”

Mr. Paul White, Common Secretary-General, International Copper Study Group, International Lead and Zinc Study Group and International Nickel Study Group, opened the seminar. He noted that a circular economy has been defined as an economic system aimed at minimising waste and making the most of resources, and that this seminar was intended to provide participants with the opportunity to provide up-to-date information on initiatives and approaches in this area being undertaken and developed both by governments and industry with regard to metals

Dr. Sabina Grund, Manager Sustainable Development, International Zinc Association made a presentation on “Importance of Zinc to the Circular Economy”.

Mr. Mark Mistry, Senior Manager, Public Policy, Nickel Institute made a presentation on “The Importance of Nickel to the Circular Economy”.

Mr. Collin Bennett, Global Manager, Market Analysis and Outreach, International Copper Association discussed “The Circular Economy and Closing the Loop: Optimizing the Copper Life Cycle for a Sustainable World”.

Mr. Hywal Jarman, Director of Communications, International Lead Association, presented a paper on “To Achieve Green Growth and a Circular Economy, the World Needs Lead”.

Mr. Peter Handley, Head of Unit, DG GROW, European Commission spoke on the topic “Circular Economy – the EU Approach”.

Mr. Nobuo Yamazaki, consultant, Metal Economics Research Institute of Japan (MERI/J) assessed “The Recycling of Base Metals in Japan – Initiatives and Incentives”.

Mr. Murat Bayram, Director and Head of European Non-ferrous, EMR European Metal Recycling, Germany analysed “Current Challenges Facing the Metal Scrap Recycling Sector”.

Mr. Li Yusheng, Director General, International Cooperation Department, China Nonferrous Metals Industry Association, made a presentation on “Current Chinese Policy Regarding the Recycling of Metals”.

Copies of these presentations are available on the Study Groups' websites.

SELECTED TAKEAWAYS FROM THE JOINT SEMINAR

1. Zinc is a young metal, and its usage can last 50, 100 and even 150 years depending on the end use sector. The International Zinc Association is undertaking work on assessing recycling rates for zinc in 2020. As part of this process both technical and commercial obstacles to zinc recycling would be addressed. “Reuse” could be considered to be a more accurate description than “recycling” in the case of zinc.

2. The notion of achieving a 100% recycling rate for nickel was not considered to be realistic since its use covered a wide range of applications including chemicals. Recovering nickel from used nickel-containing batteries was a promising opportunity, although technical breakthroughs were awaited to break down bottlenecks.

3. Recovering copper from slags was feasible since copper content in these materials tended to be quite high for historical reasons. From an economic point of view it was more viable to process slags close to mines and smelters.

4. The lead and lead battery sectors were going to work with UNEP regarding the recycling of used Lead Acid Batteries (LABs).

5. Coherence and coordination of different initiatives related to the circular economy were needed in the EU. Secondary materials were an important resource for the circular economy. Impact investment, a policy promoting best practice in industry and investment should be introduced and developed. Judgements should be made based on trend analysis. Waste and secondary material collection need to be standardized in EU.

6. It was useful to differentiate between recycling rates relative to production and consumption. When calculating recycling rates relative to consumption, exports should be excluded.

7. China's recent policy change had had a profound impact on international scrap flows. There were still some doubts as to whether India would become the next major destination for scrap. Europe lagged behind in developing scrap recycling facilities to extract more resources from waste and scrap.

8. China's resources were relatively limited in comparison to its huge domestic demand. Secondary material was therefore an important supplement to primary raw material supply. Despite a significant recent revision to national standards, China would continue to import metal scrap. However, low-metal-content scrap would no longer be imported into China. Those who wished to continue selling scrap to China were recommended to adjust their business approach accordingly.

INSG MEETINGS MAY 2019

More than 60 delegates from INSG member countries, industry and observer countries/organisations met in Lisbon on 6-7 May for the INSG meetings during which a variety of statistical, economic and environmental issues related to nickel were reviewed.

Dr. Mark Mistry, Senior Manager Public Policy, Nickel Institute, made a presentation regarding “Environmental and Social Aspects Related to Nickel in Batteries”.

Mr. Nitesh Shah, Director Research, WisdomTree Limited, United Kingdom, discussed “The Development of Battery Technology and its Impact on Commodity Prices”.

Mr. Bert Witkamp, Valuad Ltd., Belgium from the International Energy Agency on Critical Raw Materials for Electric Vehicles assessed “Electric Vehicle Developments and Raw Materials Impacts”.

Mr. Christian Jessen, Head of International Key Accounts, Cronimet Group, Germany, presented an “Update on the Stainless Steel Scrap Market”.

Mr. Kai Hasenclever, Director, Economics & Statistics and Long Products, ISSF, Belgium, gave an updated on “The Current Situation in the Global Stainless Steel Market”.

Mr. Oliver Spaltmann, Vice President Market Research, SMR – Steel & Metals Market Research, Austria, made a presented a paper discussing “Stainless Steel 2019 – A Bump Ahead”.

ILZSG MEETINGS MAY 2019

Representatives from member governments, industry associations, companies and observer governments attended the ILZSG Meetings in Lisbon, Portugal on 8 May 2019.

Mr. Giel Hendrik and **Dr Bobbi Schijf**, Technical Secretaries of International Cooperation at the Netherlands Commission for Environmental Assessment (NCEA) discussed “Environmental and Social Impact Assessment and Strategic Environment Assessment in the Mining and Extractive Sector”.

Mr. Dylan McFarlane, Senior Program Officer, Mines to Market Project, PACT World, United States spoke about “Responsible Sourcing of Lead and Zinc – Key Issues, Trends, and Opportunities”.

Mr. Philip Shaw, Managing Director, SureWave Technology Ltd., UK briefed the delegates on

“Technological Solutions for the Mining Industry – Particularly in the Monitoring of Tailing Dams”.

Mr. Jianbin Meng, Director of Economics and Environment, International Nickel Study Group, gave an overview of the latest development regarding the Joint Study Groups’ report on “Current Responsible Sourcing Initiatives along Minerals and Metals Supply Chains”.

ICSG MEETINGS MAY 2019

Representatives from member governments, industry associations, companies and observer governments attended the ICSG spring meeting in Lisbon, Portugal on 9-10 May 2019.

Mr. Maximilian Layton, Managing Director, Commodities Strategy at Citibank Investment Research, United Kingdom, delivered a presentation on the global copper market situation and perspectives from the point of view of investors and the financial community.

Mr. Carlos Risopatron, ICSG Director of Economics and Environment summarized ICSG research advances on different subjects related to industrial copper uses, recycled copper uses and trade in recycled copper.

Mr. David Parker, Associate, Oakdene Hollins, London, UK summarized selected findings of the advance report of an ICSG funded study on the European copper market in 2018 and perspectives to 2023.

Mrs. Monica di Cosimo, CU2 Consulting Firm, Italy, together with CU2 partner **Mrs. Roberta Novello**. **Mrs di Cosimo** delivered a detailed presentation on the European copper fabricating industry focusing on historic demand and supply of copper products, the current status and expected future trends.

Mr Piotr Ortonowski, Senior Market Analyst, Eurasian Resources Group (ERG), gave an overview on the company's copper operations and projects.

Mr. William Tankard, Principal Analyst – Global Copper Mine Costs, Wood Mackenzie, made a presentation on “Copper: 5 things to look for in 2019”.

Mr. Simon Hunt, CEO of Simon Hunt Strategic Services provide the Group with his views concerning whether it was advisable to be bullish or bearish regarding China.

Mr. Jonathan Barnes, Associate Analyst, Copper from Roskill, presented detailed information about

refined copper usage in a number of important end use countries.

Mr. Jorge Cantallopts, Director of Research and Policy Planning, COCHILCO, gave an update on the current situation of Chilean smelters vis-à-vis compliance with the new emissions norm.

Copies of these presentations are available on the websites of INSG, ILZSG and ICSG.

EXTERNAL PRESENTATIONS MADE SINCE OCTOBER 2018

- ILZSG/INSG/ICSG Secretary-General, Mr. Paul White was invited to attend “The Nickel Initiative 2019”, the first conference organised by the recently inaugurated **Philippine Nickel Industry Association (PNIA)**. The event was held in Manila from 18 to 19 March and included addresses by former President of the Philippines, the Hon. Gloria Macapagal-Arroya and Secretary Roy Cimatu of the Department of the Environment and Natural Resources. Mr. White presented an “Overview of the Current World Nickel Market”.
- Mr. Carlos R. Risopatron, ICSG Director of Economics and Environment, presented papers on “Copper Concentrate Supply and Minor Metals, Primary Smelters and Refineries Trends and Regulatory Challenges” and “Global Use and Trade of Recycled Copper and Fabrication of Copper and Alloy Products: Trends in Recent ICSG Data” at **Workshops with EU Copper Smelters** held in Hamburg and Lunen, Germany in January 2019.
- Mr. Shairaz Ahmed, ICSG Manager of Statistical Analysis presented a paper on “Global Copper Supply in 2019 and Beyond” at **CRU’s Wire and Cable Conference** that took place in, Brussels, Belgium in June 2019.
- Mr. Joao Jorge, ILZSG Director of Market Research and Statistics, made a presentation on “The Outlook for Global Lead and Zinc Mine Supply” at the **23rd Zinc and its Markets Seminar organized by Fast Markets** in London, United Kingdom in April 2019
- Mr Ricardo Ferreira, INSG Director of Market Research and Statistics, gave an update on the outlook for global nickel production and end-use as well as the latest nickel project developments at **Fast Market’s 7th International Nickel Conference** held in Amsterdam, the Netherlands during June 2019
- Mr. Carlos R. Risopatron, ICSG Director of Economics and Environment overviewed “Copper Supply, Demand and Trade: Trends”, “Copper Demand in China and the Rest of

Asia” and “Recycled Copper: Global Trade and Use” at **Fast Markets’s Copper Conference** in Amsterdam, the Netherlands, March 2019

- Mr. Francisco Pinto, INSG Manager of Statistical Analysis summarized the worldwide nickel market at the **International Ferroalloy and Minerals Summit** in Tianjing, China in June 2019
- Mr. Meng Jianbin, ILZSG Director of Economics and Environment, made a presentation on “Recent Dometic Policy Developments and their implications for China’s Lead Industry” at the **21st International Lead Conference** organized by Interntional Lead Association in Madrid, Spain in June
- Mr. Carlos R. Risopatron, ICSG Director of Economics and Environment, presented the “Challenges and Opportunities Across the Global Copper Value Chain: What Role for India in 2020-2030?” at the **ICDC Workshop with the Indian Copper Industry** in Mumbai, India, February 2019

Copies of these presentations are available from the Study Grousp’s secretariats

INSIGHTS AND ARTICLES PUBLISHED

ILZSG

- No. 46, “Briefing on the Second Meeting of the Conference of the Parties to Minamata Convention on Mercury” Published in January 2019

INSG

- “World nickel market: stronger production reduces the deficit in 2019”. Published in Stainless Steel World Magazine December Issue 2018
- “World nickel market: expected smaller deficit in 2019”. Published in Stainless Steel World Magazine June Issue 2019
- No. 31, “An Overview of World Stainless Steel Scrap Trade in 2017 and 2018” published in July 2019

Copies of these publications are available from the Study Groups’ secretariats.

OTHER ACTIVITIES

- **CESCO Week** organized by the Centro de Estudio del Cobre y la Minería (CESCO) was held in Santiago, Chile from 8 to 11 April. The ICSG was represented by its Secretary-General, Mr. Paul White. During the course of

the week Mr. White also attended **CRU's World Copper Conference 2019**.

- The **2019 International Wrought Copper Council (IWCC)** meeting was held in Santiago, Chile in April. Mr. Paul White, Secretary-General and Ms. Ana Rebelo, Director of Market Research and Statistics participated on behalf of the ICSG. Ms. Rebelo also visited Codelco's El Teniente mine.
- The **Second Meeting of Conference of Parties to the Minamata Convention on Mercury** took place from 19 to 23 November 2018 at the International Conference Centre in Geneva, Switzerland. Mr. Jianbin Meng, ILZSG/INSG Director of Economics and Environment participated in this meeting during which the ILZSG, ICSG and INSG were admitted as observers.
- Mr Paul White, ILZSG/INSG/ICSG Secretary-General participated in the **9th Advanced Automotive Battery Conference (AABC)** held in Strasbourg, France from 27 to 31 January 2019. The conference focused on the latest developments concerning electric vehicles (EV) and battery technology.
- The INSG hosted meetings of **Team Stainless** in January and June 2019 with a third meeting due to take place in Lisbon on 10 December. Team Stainless is an informal group of associations that include the INSG, **Nickel Institute, International Stainless Steel Federation, International Molybdenum Association and International Chromium Development Association**. The meetings were chaired by Paul White, INSG Secretary-General.

For further information related to these activities, please contact the Study Groups' secretariats.



RECENT STUDY GROUP PUBLICATIONS

1. **Solid Wastes in Base Metal Mining, Smelting and Refining: A Comprehensive Study for the Copper, Lead, Zinc and Nickel Industries 2019**
2. **ICSG Market Study on Industrial Use of Copper in Japan, Korean Republic, Taiwan (China) and Vietnam 2018**

3. **2019 edition of ICSG Global Recyclables Survey**
4. **INSG Report on the Use of Nickel in Batteries 2018**
5. **ICSG Directory of Copper and Copper Alloy Fabrication Capacity (First Use) 2018 Edition**
6. **ILZSG Market Research Zinc Chemicals 2017**
7. **ILZSG Market for Zinc 2017**
8. **INSG World Directory of Nickel Production Facilities 2018**
9. **INSG World Nickel Statistics Yearbook 2018**
10. **ILZSG Lead and Zinc New Mine and Smelter Projects 2019**
11. **ILZSG World Directory of Lead and Zinc Mines 2019**
12. **ILZSG World Directory of Primary and Secondary Lead Plants 2019**
13. **ILZSG World Directory of Primary and Secondary Zinc Plants 2019**
14. **ILZSG World Directory of Primary and Secondary Zinc Plants 2019**
15. **ICSG Directory of Copper Mines and Plants- 2nd half 2019**
16. **ICSG World Copper Factbook 2018**
17. **ICSG 2018 Statistical Yearbook**
18. **INSG World Nickel Factbook 2018**
19. **ILZSG World Directory of Continuous Galvanizing Lines 2017**
20. **ILZSG/ICSG/INSG Social Acceptance of Mining 2016**
21. **ILZSG Study on the Main End Use Markets for Lead and Zinc in Europe 2017**
22. **ICSG Manufacture and Use of Semi-Fabricated Copper in Latin America/Canada 2017**
23. **INSG World Nickel-based Alloys 2016**

For further details, please refer to the Study Groups' websites.

International Copper Study Group (ICSG)

Mr Paul White

Secretary-General

Ms Ana Rebelo

Director of Market Research and Statistics

Mr Carlos Risopatron

Director of Economics and Environment

Mr Shairaz Ahmed

Manager of Statistical Analysis

Ms Ana de Lima Calheiros

Secretary

Tel: + 351 21 351 3870

Fax: + 351 21 352 4035

e-mail: mail@icsg.org

Website: www.icsg.org

International Lead & Zinc Study Group (ILZSG)

Mr Paul White

Secretary-General

Joao Jorge

Director of Market Research and Statistics

Mr Jianbin Meng

Director of Economics and Environment

Mr. Juan Luis Mamani Rodriguez

Manager of Statistical Analysis

Ms Inês Lopes

Secretary

Tel: + 351 21 359 2420

Fax: + 351 21 359 2429

e-mail: sales@ilzsg.org

Website: www.ilzsg.org

International Nickel Study Group (INSG)

Mr. Paul White

Secretary-General

Mr. Ricardo Ferreira

Director of Market Research and Statistics

Mr. Jianbin Meng

Director of Economics and Environment

Mr. Francisco Pinto

Manager of Statistical Analysis

Ms. Inês Lopes

Secretary

Tel: + 351 21 356 7030

Fax: + 351 21 356 7039

e-mail: insg@insg.org

Website: www.insg.org

Common Secretariat Address

Rua Almirante Barroso 38, 5-6 Floors
1000-013 Lisbon
Portugal



ICSG Member States

[Australia](#), [Belgium](#), [Brazil](#),
[Chile](#), [China](#), [Democratic Republic of Congo](#),
[European Union](#),
[Finland](#), [France](#), [Germany](#),
[Greece](#), [India](#), [Iran](#)
[Italy](#), [Japan](#), [Luxembourg](#)
[Mexico](#), [Mongolia](#), [Peru](#), [Poland](#),
[Portugal](#), [Russian Federation](#),
[Serbia](#), [Spain](#),
[Sweden](#), [United States](#)



ILZSG Member States

[Australia](#), [Belgium](#), [Brazil](#),
[Bulgaria](#), [China](#), [European Union](#),
[Finland](#), [France](#), [Germany](#), [India](#),
[Iran](#), [Ireland](#), [Italy](#), [Japan](#),
[Korea](#), [Mexico](#), [Morocco](#),
[Namibia](#), [Netherlands](#), [Norway](#),
[Peru](#), [Poland](#), [Portugal](#),
[Russian Federation](#), [Serbia](#), [Sweden](#),
[Turkey](#), [United States](#)



INSG Member States

[Australia](#), [Brazil](#), [Cuba](#),
[European Union](#), [Finland](#),
[France](#), [Germany](#), [Greece](#),
[Italy](#), [Japan](#), [Norway](#),
[Portugal](#), [Russian Federation](#),
[Sweden](#), [United Kingdom](#)