



**INTERNATIONAL
NICKEL STUDY GROUP**
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PRESS RELEASE

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INSG April 2010 MEETINGS

The International Nickel Study Group (INSG) met on 26 and 27 April 2010 in Lisbon, Portugal, under the Chairmanship of Mr. Per Z. Brekke (Norway).

About 60 government and industry representatives from Member Countries, including observers and several international organizations, participated in the meetings.

Nickel market observations for 2008, 2009 and 2010

The government and industry participants extensively discussed current nickel market trends. World primary nickel usage in 2009 started off extremely weak, but a recovery was evident in the second half, when stainless steel production improved in many markets. Nickel demand and usage accelerated in the first part of 2010, with stainless steel production increases experienced in most parts of the world. This resulted in higher primary nickel prices and high demand for secondary nickel units, such as stainless steel scrap.

World primary refined nickel production was 1.38 Mt in 2008, and declined to 1.33 Mt in 2009. As supply adjusts to current demand, production is expected to slowly increase to almost 1.40Mt in 2010. The 2010 figure does not include any adjustment factor for possible production disruptions.

World primary nickel usage (consumption) was 1.29 Mt in 2008, and decreased to 1.22 Mt in 2009. For 2010 a robust increase to 1.39Mt is expected.

The current INSG view for 2010 is for a broadly balanced market.

INSG recognizes that the current global economic crisis has eased from a year ago, but there is still a degree of uncertainty in the global market, and its impacts 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. Makoto Inaba of Sumitomo Corporation made a presentation on the Ambatovy Nickel Project in Madagascar.

A presentation on latest developments in the world stainless steel market was provided by **Mr. Peter Kaumanns**, ISSF, Belgium, and was delivered by the secretariat.

Mr. Sven Tollin, INSG Chief Statistician, made a presentation on CBI China's Nickel Pig Iron Report on China. There was strong interest in this report which was commissioned by INSG.

INSG 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, consuming and recycling industries. During the meeting of the Panel the following presentations were made and discussed:

Ms. Vanessa Davidson from CRU discussed the global nickel supply and demand situation.

Mr. Benno Kratz from 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. Heinz H. Pariser, Managing Director Heinz H. Pariser Alloy Metals & Steel Market Research, Germany, made a presentation on "World Stainless Steel Scrap".

Environmental & Economic Issues

Discussions in the Environmental and Economics Committee covered a wide range of topics that impact nickel. INSG reported on work done to provide members with information on developments in nickel production, including the use of heap leaching in the nickel industry. The secretariat updated members on the compilation of Environmental, Health and Safety (EHS) regulations relating to nickel.

Also during the meeting the following presentations were made and discussed:

Mr. Bruce Wedderburn, Principal at Malachite Process Consulting, gave a presentation on the use of heap leaching in the production of nickel. There was strong interest in this report which was commissioned by INSG.

Dr. Nicole Kinsman, Technical Director at the International Molybdenum Association, spoke on the use of stainless steel in architecture.

Mr Rafael Sánchez of Acerinox spoke on the "Use of Stainless Steel in Solar Energy Projects in Spain".

Mr. Rouben Indjikian, Deputy Head of the UNCTAD Special Unit on Commodities spoke on "The Global Commodities Forum", a new initiative by UNCTAD.

Dates of Next Meetings of INSG

The next meetings of the Study Group will be held in Lisbon, Portugal on 5-6 October 2010.

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.