



**INTERNATIONAL
NICKEL STUDY GROUP**
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PRESS RELEASE

INSG APRIL 2013 MEETINGS

The International Nickel Study Group (INSG) met on 22 to 23 April 2013 in Lisbon, Portugal, under the chairmanship of Mr. Mattia Pellegrini (European Union).

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, 2012 and 2013

The government and industry participants extensively discussed current nickel market trends during the meetings. There are some indications that slower Chinese economic growth is affecting the domestic nickel market with usage increasing more slowly than in recent years. Indonesian nickel ore export restrictions implemented in 2012, in the form of an export ban, have not materially reduced supply to China so far in 2013. Further, nickel ore exports from the Philippines have seen increased use for nickel pig iron production in China.

Nickel demand in early 2013 improved relative to the latter part of 2012. With new nickel projects recently coming on stream nickel production so far this year has increased and will likely continue to increase in coming months.

World primary nickel production was 1.45 Mt in 2010, increased to 1.61 Mt in 2011 and reached 1.76 Mt in 2012. INSG projects an increase to 1.86Mt in 2013. These indicative production figures include uncertainty in regard to Chinese nickel pig iron production, particularly in latter years. The 2013 figure does not include any general adjustment factor for possible production disruptions.

World primary nickel usage (consumption) was 1.47 Mt in 2010, and increased to 1.58 Mt in 2011 and 1.65 in 2012. For 2013 INSG estimates an increase to around 1.77 Mt.

According to INSG data, 2012 saw a stock build up. A major reason for the increase in stocks is the number of new nickel projects which will start up, or existing projects which will ramp up production this year, including nickel pig iron production in China.

The macro picture has not changed materially from last year's October meeting and 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. Heinz H. Pariser, Managing Director of Heinz H. Pariser Steel Market Research, Germany, made a presentation on “Challenges for the Nickel Industry” (delivered by Mr. Benno Kratz and Mr. Sven Tollin).

Mr. Peter Kaumanns, ISSF, Belgium, made a presentation on latest developments in the world of stainless steel and its markets (delivered by Mr. Sven Tollin).

Mr. Keith Dunleavy, Managing Director, Stratton Metals Resources Ltd, UK, made a presentation on the subject of “What is the traders’ role in today’s nickel market”.

Mr. Mark Selby, Senior Vice President, Business Development, Royal Nickel Corporation, Canada, made a presentation on Royal Nickel Corporation’s new nickel project.

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. Dmitry Kuznetsov, Chief Analyst, JSC Normetimpex, a Norilsk Nickel Group company, Moscow, made a presentation on the subject “Nickel Market Outlook 2013”.

Mr. Benno Kratz, Managing Director of ELG Haniel Trading, Germany, made a presentation on the latest world trends in the supply and demand for stainless steel scrap from the point of view of a large processor.

Mr. Mikael Sthaalros, Managing Director and CEO of Damstahl, Denmark, made a presentation on “Distribution of Stainless Steel”.

Environmental & Economics Issues

Discussions in the Environmental and Economics Committee covered a wide range of topics including economic trends and changes in regulations relating to environment, health and safety relating to nickel. The secretariat presented the work program for the coming year.

During the meeting the following presentations were made and discussed:

Dr. Kevin Bradley, President, Nickel Institute, made a presentation on “The Regulatory and Public Policy Challenges Facing Nickel”.

Mr. Stephen Briggs, Senior Metals Strategist, BNP Paribas, made a presentation on the global nickel markets.

Mr. David Weight, General Manager, Cobalt Development Institute, made a presentation on cobalt, an important by-product of nickel.

Secretariat Presentation: Southeast Asia Nickel Laterite Study: An update was provided on this study that has been contracted to SMM.

Dates of Next Meetings of INSG

The next meetings of the Study Group will be held in Lisbon, Portugal in the period 30 September to 2 October 2013, with a Joint Study Groups' Seminar on "By-products of copper, nickel, lead and zinc" to be held on Wednesday 2 October.

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.