



## Metals Despatch

Newsletter of the International Metals Study Groups

June 2008, Issue No. 5

### LEAD AND ZINC FORECAST

The current outlook for World and Western World supply and demand for lead and zinc was presented during the ILZSG meetings on 23 April 2008 and the following forecast was published:

- Global **lead usage** was forecast to increase 3.9% in 2008 to 8.57 million tonnes, driven by strong growth (+12.7%) in China as well as moderate growth in India, Japan and the Republic of Korea. Demand in Europe is anticipated to decline by 2% in 2008, and be flat in the United States.
- Global **lead mine production** is forecast to increase by 8.4% to 3.91 million tonnes in 2008. The principal rises will be in Australia, Bolivia, Canada, China, Iran, Mexico, Peru and the United States. European output will rise due to reopening of mines in Macedonia and Portugal.
- Driven primarily by rises in China, global **output of refined lead metal** is expected to rise by 4.3% to 8.60 million tonnes in 2008.
- Global **zinc usage** was forecast to increase 5.2% in 2008 to 11.85 million tonnes, driven by strong growth in Asia.
- Global **zinc mine output** is forecast to increase by 10.4% to 12.08 million tonnes in 2008. The opening in August 2007 of Apex Silver's San Cristobal mine significantly boosts production in Bolivia. New capacity in Australia, Canada, China, India, Peru, Portugal and the United States will contribute to increased output in 2008.
- **Global refined zinc production** was forecast to increase by 6.4% to 12.06 million tonnes in 2008. Significant increases are expected in India where Hindustan Zinc's second 170,000 tonne pa refinery was commissioned in December 2007.
- **Chinese net exports** of refined zinc metal for 2008 are expected to be significantly lower than in 2007 as a result of rising domestic demand.
- The latest forecasts supplied by the Group's member countries indicate that global supply of refined lead metal will marginally exceed demand in 2008, and that the global supply of refined zinc metal will exceed demand by 215,000 tonnes in 2008.

For further details of the outcomes of the ILZSG meetings or questions on the market outlook please email Paul White at [paul\\_white@ilzsg.org](mailto:paul_white@ilzsg.org)

### COPPER FORECAST

During the 16<sup>th</sup> Session of the International Copper Study Group in Lisbon on 24-25 April 2008 member countries reviewed the current outlook for trends in World supply and demand for copper during 2008 and 2009 and issued the following forecast:

- Global **copper usage** is forecast to rise by 2% in 2008 to 18.5 million tonnes (Mt) due in part to slower growth in apparent refined usage in China. World copper usage is expected to rise 5.2% in 2009 to 19.4 Mt.
- Global **copper mine output** is expected to rise 6.2% in 2008 to 16.4 Mt and increase a further 9.2% in 2009 to 17.9 Mt due to new mine developments and increased capacity utilization.
- Global **refined copper metal production** in 2008 is predicted to increase by 2.7% to 18.6 Mt and expand 7% in 2009 to 19.9 Mt.
- ICSG anticipates that the **copper market** will have a surplus in 2008 of around 85,000 tonnes and that the surplus will expand to nearly 430,000 tonnes in 2009.

For further details of the outcomes of the ICSG meetings or questions on the market outlook please email Ana Rebelo at [rebelo@icsg.org](mailto:rebelo@icsg.org)

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## NICKEL FORECAST

During its 18<sup>th</sup> General Session held in Lisbon on 21-22 April, INSG reviewed the current outlook for trends in World supply and demand for nickel during 2007 and 2008 and issued the following forecast:

- Global **primary nickel usage** was forecast to rise from 1.3 million tonnes in 2007 to 1.47 million tonnes in 2008 (a increase of 13%) driven largely by increasing demand for nickel containing products in China
- Global **primary refined nickel production** was forecast to rise from 1.44 million tonnes in 2007 to 1.54 million tonnes in 2008 (an increase of 6.9%)
- INSG also discussed **market trends** and noted that world primary nickel usage in 2008 is anticipated to reach a record level due to a recovery in nickel-containing stainless steel production, particularly in China, P.R.

For further details of the outcomes of the INSG meetings or questions on the market outlook please email Sven Tollin at [sven.tollin@insg.org](mailto:sven.tollin@insg.org)

## JOINT STUDY GROUPS' FORECASTING SEMINAR

The International Lead and Zinc Study Group (ILZSG), together with the International Copper Study Group (ICSG) and the International Nickel Study Group (INSG), held a Joint Forecasting Seminar 23 April. Papers on forecasting methodologies were received from the representatives of three member countries of the Study Groups; Ms. Ana Zuniga of the Chilean Copper Commission, Mr. Kazunori Fukuda and Shinya Kawamura from the Ministry of Economy, Trade and Industry, Japan, and Mr. Dan Edelstein from the United States Geological Survey and Mr. Christian Brittle from the U.S. Department of Commerce. Presentations were also made by invited guest speakers: Mr. Jim Lennon of Macquarie Bank, Mr. David Coombs of Brook Hunt, Mr. Ross Strachan of Commodities Research Unit (CRU) and Mr. Chris Welch of Bloomsbury Mineral Economics.

Information from the papers presented as well as the subsequent discussions will be used to further develop the twice-yearly market forecasts compiled by the metals Study Groups.

For further details of about work underway by the Study Groups please email [paul.white@ilzsg.org](mailto:paul.white@ilzsg.org) (for lead and zinc), [curtis.stewart@ilzsg.org](mailto:curtis.stewart@ilzsg.org) (for nickel) and [Risopatron@icsg.org](mailto:Risopatron@icsg.org) for copper. The presentations given at the Seminar may be viewed by visiting: <http://www.ilzsg.org/presentations.asp>

## NEXT STUDY GROUPS' MEETING DATES

**The dates for the next International Study Groups' meetings in Lisbon, Portugal are:**

**INSG: 6-7 October 2008**

**ICSG: 6-7 October 2008**

**ILZSG: 9-10 October 2008**

**Joint China Non-Ferrous Metals Industry Association (CNIA)/Study Groups' Seminar on "Metals in China": 8 October 2008**

## INSG 18<sup>th</sup> SESSION: 21-22 APRIL 2008

Around 80 delegates from member countries, industry and observing countries/organisations met in Lisbon on 21-22 April at the INSG 18<sup>th</sup> Session to review statistical, economic and environment and health issues related to nickel.

Delegates reviewed the INSG primary nickel market statistics in detail, and discussed the market forecast, which was prepared by the Secretariat based on information provided by governments and industry.

Mr. Markus Moll, Managing Director and Senior Market Analyst, SMR, Austria, spoke on the world high nickel alloy market.

Mr. Peter Kaumanns, ISSFI, Belgium, spoke on the latest developments in world stainless steel markets.

Mr. Wang Ye of the Beijing General Research Institute of Mining and Metallurgy (BGRIMM) made a presentation on the Chinese nickel industry.

The INSG Industry Advisory Panel heard presentations by Mr. Benno Kratz of ELG, Germany on the latest world trends in the supply and demand for stainless scrap.

Mr. Johannes Apiess of Siemens-VAI, Austria, spoke to the IAP on developments in stainless steel production equipment and the usage of nickel pig iron, particularly in China.

The Environmental and Economic Committee of the INSG discussed environmental regulation and international policy initiatives that may affect nickel. In addition, Mr. Benno Kratz of ELG, Germany, and Council Member of the International Chromium Development Association, provided an overview of the market for chromium.

Mr. Yuki Toyama, Manager, Stainless Steel Raw Material Dept. of Mitsui & Co.Ltd., Japan, spoke on "The General Physical Flow of Stainless Steel Scrap in the Japanese Domestic Scrap Market".

### ICSG CONVENES 16<sup>th</sup> SESSION

Nearly 70 representatives from 16 member governments, six observer governments and three observer organizations attended the International Copper Study Group's 16<sup>th</sup> Session at ICSG Headquarters in Lisbon on 24-25 April 2008.

The Session included meetings of the ICSG Industry Advisory Panel, Statistical Committee, Environmental and Economic Committee, Standing and Finance Committees, and Plenary Session.

Highlights of the Statistical Committee meeting included a Forecasting Forum, a presentation on the European Union's initiative on raw materials (Mr Paul Anciaux, European Commission) and presentations on current developments in refined copper usage in key regions (Mr Andy Kireta, Copper Development Association, Mrs Wangye, Beijing General Research Institute of Mining and Metallurgy, Mr Simon Payton, International Wrought Copper Council, Mr Simon Hunt, Simon Hunt Strategic Services and Ms Ana Rebelo, ICSG).

Highlights from the Environmental and Economic Committee meeting included presentations on the ICSG copper scrap project and copper recycling survey (Mr Colin Bennett, ICA/CDA, Mr Carlos Risopatron, ICSG and Mr Joseph Pickard, ICSG), and copper market trends and regulations in China (Mr Gu Liangmin, China Minmetals Nonferrous Metals Co Ltd, Dr Jaime Solari, SGA, and Mr Carlos Risopatron, ICSG), as well as a presentation on copper markets and the global economy (Mr Daniel Hynes, Merrill Lynch Commodity Research).

All presentations may be viewed by visiting [www.icsg.org](http://www.icsg.org)

ICSG meetings provide a unique opportunity for industry people to meet and interact with government representatives from around the world.

## Forthcoming Events

**11th European Lead Battery Conference**, to be held in Warsaw, Poland, 23-26 September 2008. Organised by the Lead Development Association International. See <http://www.ldaint.org/> for details.

### ILZSG MEETS IN SPRING 2008 SESSION

The international Lead and Zinc Study Group held its Spring 2008 meeting in Lisbon on 23 April. The Standing Committee of the ILZSG received a review of the current outlook for trends in World and Western World supply and demand for 2008. Meetings of the Economic and Environment Committee and the ILZSG Industry Advisory Panel were also held.

The Study Group's Economic and Environment Committee was briefed on recent initiatives undertaken by the International Zinc Association to expand the market for zinc in agricultural uses and to bring power to rural communities in Africa using zinc-air batteries in combination with solar cells.

Also discussed were the moves by the United Nations Economic Commission for Europe (UNECE) and the United Nations Environment Programme (UNEP) to regulate trans-boundary emissions of lead. Preparations for the 2010/11 United Nations Commission on Sustainable Development (UNCSD) discussion on mining and metals, as part of the Johannesburg World Summit on Sustainable Development process, were also considered.

Updates on the formation of consortia to handle the registration requirements for lead and zinc compounds that arise from REACH, the EU's chemicals policy, were presented.

### LEAD – A CHANGE IN DYNAMICS

ILZSG Head of Forecasting and Statistics, Paul White, presented a paper entitled "Lead – A Change in Dynamics" at Metal Bulletin's International Lead Conference which was held in London, England from 3 to 5 March. The paper provided an overview of recent trends and developments in the lead market from a fundamental perspective including price and stock fluctuations, the principal drivers of demand growth, changes in the geographical distribution of supply and demand, and trends in secondary production. For copies of the paper please contact the Secretariat at [paul\\_white@ilzsg.org](mailto:paul_white@ilzsg.org)

### BRAZIL JOINS ILZSG



Brazil joined ILZSG in early 2008, raising total membership to 30 countries. In 2007, Brazil was the second largest producer of zinc in South America, and also has significant lead production.

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## Publications



### **ICSG Directory of Copper & Copper Alloy Fabricators (First Use) 2008 Edition**

This directory provides a systematic global overview of companies and plants involved in the first use of copper. First users are mainly semi-fabricators that process refinery shapes into semi-finished copper and copper alloy products. The Directory covers wire rod plants, ingot makers (for castings), master alloy plants, brass mills, and electrodeposited copper foil mills. Powder and chemical plants are not included. The 2008 Edition of the ICSG Directory includes data through the end of 2007 for most of the existing, developing and planned first use plants located in more than 75 countries.

*Published March 2008*



### **The Lead Fact Book 2008**

This report, written thanks to a unique joint initiative between government and industry, identifies the key role lead contributes to society, and is intended to provide policy makers with an objective assessment of the economic, environmental and health issues relating to lead consumption. Each section is accompanied by key messages answering the major questions associated with lead usage today.

*Published February 2008.*

### **New Edition of ICSG Directory of Copper Mines and Plants**

The December 2007 edition highlights current capacity and provides a five year outlook of forecasted capacity for over 700 existing and planned copper mines, plants and refineries on a country by country basis, including separate tables for SX-EW plants. Salient details for each operation are included and the Directory separates operations between Operating & Developing and Exploration & Feasibility stages.

*Published December 2007*



### **Principal Uses of Lead and Zinc 2008**

This report updates the short term review of trends in the main uses of lead and zinc to include trends during 2004 and 2005 and in all the major industrialized countries and many developing ones. It includes revisions to previously published data for 1998-2003. 67 pages including graphs and diagrams.

*Published January 2008.*

### **INSG World Directory of Nickel Production Facilities**

Comprehensive directory lists nickel mines, smelters and refineries as well as new nickel industry developments (committed, likely and potential) together with recent closures in more than twenty countries.

*Published October 2007*

### **The World Copper Factbook 2007**

The World Copper Factbook provides the latest information regarding all facets of copper: from how it is produced, traded, and used, to health, environmental, and sustainable development issues. The 2007 edition contains detailed information on global copper recyclables use



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**More Publications**

and copper semis capacities, production and trade. Filled with facts, figures and explanations, ICSG's World Copper Factbook is a useful reference guide to raise public awareness of copper's importance and its contribution to society.

*Published November 2007*

#### ***Environmental and Health Controls on Zinc 2008***

A comprehensive review has been prepared of current and proposed regulations controlling zinc in works, zinc in the atmosphere, zinc in water and recommended daily dietary allowances for humans and animals. Available in PDF or spreadsheet form. *Published January 2008.*



#### ***ILZSG Lead & Zinc New Mine & Smelter Projects Mines***

A principal source of information on new developments in the lead and zinc industries for 44 years. This 85 page report contains comprehensive data gathered from ILZSG's extensive network of sources worldwide. In total, 200 entries from 47 countries are listed. The report includes extensive details of new projects in China.

*Published January 2008*

***World Directory: Primary and Secondary Zinc Plants 2008. To be published later in 2008.***

To place an order or for further information about the above and other publications published by the International Metals Study Groups please contact: [sales@ilzsg.org](mailto:sales@ilzsg.org) for ILZSG reports, [mail@icsg.org](mailto:mail@icsg.org) for ICSG reports, and [insg@insg.org](mailto:insg@insg.org) for INSG reports.