Nickel market seen balanced through to 2010-Nickel Institute

BaseMetals.com - Martin Hayes

Supply and demand in the global nickel market is expected to remain closely balanced up during the few years, and from levels of around 1.2 million tonnes now is seen reaching some 1.6 million tonnes by 2010, Peter Cutler, director at the UK-based Nickel Institute said on Monday.

Based on data gathered from CRU International…"the market is more or less balanced over that period," Cutler said in a presentation at the BIR (Bureau of International Recycling) autumn convention in Brussels.

Global consumption growth is accelerating from around three percent in the mid-1900s to 4.1 percent now to 4.3 percent by 2010, he added.

"The very considerable growth is in China – that is where it is likely to occur," Cutler added.

"Over 320,000 tonnes more primary nickel will be required by 2011, compared with 2006."

Supply is likely to keep up with this growth in demand, with around 146,000 tonnes of year being produced from new greenfield and brownfield projects, while some 284,000 tonnes additional capacity is projected stemming from fresh laterite capacity.

"Laterite is becoming increasingly important for supply," Cutler added.

However, its takes time to bring on any new project – some five years at least in most cases.

"It is not a matter of turning the taps on – it is not as simple as that," he said.

RECYCLING BECOMING MORE IMPORTANT

Cutler said that nickel re-cycling is becoming increasingly important, as re-cycling complements primary metal production, with most metal re-cycled as alloys, unlike other base metals.

"It is not a 'one-off' use (nickel consumption). It does not disappear – it is available for re-use."

"The greater the end-of-life recovery of nickel, the greater the long-term acceptance by society of nickel and the greater the long-term need for nickel."

He said that around 80 percent of end-of-life nickel-containing products are re-cycled, with an average product life of some 25 to 35 years.