
China to provide momentum for nickel consumption in 2008

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According to a recent International Nickel Study Group announcement China's demand for nickel and nickel containing products is set to boost global primary nickel consumption by 8.9% to 1.47 million tonnes next year from 1.35 million tonnes this year.

The INSG also predicted that global refined nickel production has risen sharply from 1.36 million tonnes in 2006, to an estimated 1.47 million tonnes this year and 1.57 million tonnes in 2008. Moreover, estimates for global refined nickel production in 2007 and 2008 surpass predicted global consumption.

According to the INSG, global refined nickel consumption will fall to 1.35 million tonnes this year from 1.4 million tonnes last year, following a slump in high nickel content stainless steel production in most parts of the world, and reduced demand for refined nickel and nickel-containing scrap in the second half of this year. European countries contributed significantly to falling global nickel consumption this year, despite growing consumption from China. However, the recovery of stainless steel production around the world, particularly in China, will cause refined nickel consumption to rise in 2008.

According to China's National Bureau of Statistics China produced 81,176 tonnes of refined nickel in the first eight months of this year, up 27.3% from the same period last year.

Analysts from Beijing Antaike a leading consultancy affiliated with the China Nonferrous Metals Industry Association previously told Interfax that China produced 107,700 tonnes of nickel last year, up 13.05% YoY with production set to reach 210,000 tonnes by the end of this year, including 90,000 tonnes of nickel metal from nickel pig iron production.

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