
Chinese nickel imports in 2008 likely to remain flat due to substitution

Sunday, 27 Jan, 2008

It is reported that Chinese nickel imports are expected to remain flat in 2008, as a weaker global economy keeps nickel demand in check while nickel pig iron continues to provide stainless steel makers with an alternative raw material.

Ms Xu Aidong an analyst with state consultancy Antaika said that "The gap between nickel demand and supply will continue to be around 100,000 tonnes. We expect China to import about 100,000 tonnes in 2008. He said that slower global economy will put pressure on metal prices, which will make nickel pig iron less attractive to produce. She forecast nickel prices will average USD 27,000 per tonne in 2008.

A Shanghai based analyst said that "Imports will fall because the macro economy and industry are both weak."

Mr Hao Peigang a senior economist at Taiyuan Iron and Steel said that "Since nickel pig iron has become a major source of nickel for the stainless steel industry in China, the impact of the possible merger of VALE and Xtrata wouldn't very significant, unlike that of BHP Billiton and Rio Tinto on iron ore. He said that thanks to nickel pig iron, we have felt a lot better in nickel price negotiations in recent years."

Official customs data showed recently that China's refined nickel and alloy imports rose by 8% YoY in 2007 to 105,300 tonnes, while exports fell by 25% YoY to 16,930 tonnes. Chinese import of nickel matt also rose by nearly 8% YoY.

For more news visit at www.steelguru.com