



Metals Despatch

Newsletter of the International Metals Study Groups

January 2021, Issue No. 28

LEAD AND ZINC MARKET FORECASTS

The outlook for world supply and demand for lead and zinc was presented during the ILZSG web-meetings held on 16 and 19 October 2020.

Lead Usage

Global demand for refined lead metal was forecast to fall by 6.5% to 11.39 million tonnes this year and to rise by 4.4% to 11.89 million tonnes in 2021.

Lead Supply

The Group expected world refined lead supply to fall by 4.3% to 11.66 million tonnes in 2020. In 2021, a 3.6% rise to 12.08 million tonnes was forecast.

World Refined Lead Metal Balance

The Group anticipated that the global supply of refined lead metal would exceed demand by 276,000 tonnes in 2020. In 2021, a further surplus of 192,000 tonnes was expected.

Zinc Usage

World demand for refined zinc metal was forecast to fall by 5.3% to 12.98 million tonnes in 2020 and to rise by 4.2% to 13.52 million tonnes in 2021.

Zinc Supply

Global refined zinc metal production was forecast to increase by 0.9% to 13.60 million tonnes in 2020. In 2021, an increase in world output of 2.9% to 13.99 million tonnes was predicted.

World Refined Zinc Metal Balance

The Group anticipated that global supply for refined zinc metal would exceed demand significantly in 2020 with the extent of the surplus forecast at 620,000 tonnes. In 2021, supply was expected to continue to exceed demand resulting in a surplus of 463,000 tonnes.

For further details, please contact Joao Jorge at joao_jorge@ilzsg.org

STUDY GROUPS' NEXT MEETINGS

INSG: 23 & 26 April 2021

ILZSG: 27-28 April 2021

ICSG: 29-30 April 2021

Due to the ongoing pandemic these meetings will be held virtually

COPPER MARKET FORECASTS

The world balance of refined copper production and usage was developed at the ICSG web-meetings held on 14-15 October 2020.

Copper Supply

After a small decline of 0.2% in 2019, world copper mine production, adjusted for historical disruption factors, was expected to decline by about 1.5% to 20.45 million tonnes in 2020 and then to recover by around 4.5% to 21.79 million tonnes in 2021. World refined production was expected to increase by about 1.6% in 2020 and 2021 to reach 24.52 million tonnes and 25.66 million tonnes respectively.

Copper Usage

World apparent refined copper usage was expected to remain essentially unchanged at 24.49 million tonnes in 2020 and to grow by about 1.1% to 24.75 million tonnes in 2021.

World Refined Copper Metal Balance

World refined copper balance projections indicated a deficit of about 50,000t in 2020 and a surplus of about 70,000t for 2021.

For further details, please contact Ana Rebelo at rebelo@icsg.org

NICKEL MARKET FORECASTS

The INSG held its web-meetings on 12 and 13 October and developed its production and usage forecasts for world primary nickel.

Nickel Supply

World primary nickel production was 2.382Mt in 2019, and was forecast to reach 2.436Mt in 2020 and 2.586Mt in 2021.

Nickel Usage

World primary nickel usage was 2.403Mt in 2019. The INSG forecasted increases to 2.318Mt in 2020 and 2.518Mt in 2021.

World Primary Nickel Balance

The Group anticipated surpluses of 117kt in 2020 and 68kt in 2021.

For further details, please contact Ricardo Ferreira at ricardo.ferreira@insg.org

INSG MEETINGS OCTOBER 2020

Delegates from INSG member countries, industry and observer countries/organisations participated in the Group's first web-meetings during which a variety of statistical, economic and environmental issues related to nickel were reviewed.

Ms. Parul Chhabra, Market Development Analyst, Nickel Institute, made a presentation on "Market Development for the Metal of the Future".

Mr. Tom Butler, Chief Executive Officer, International Council on Mining & Metals (ICMM), discussed ICMM's mission and key activities related to the minerals and metals sector.

Ms. Camila Meireles, Technical officer, Extractives & Energy, the International Labour Organization (ILO), assessed the impact of COVID-19 on the world of work and how ILO has seen this affect the mining sector.

Mr. Jim Lennon, Senior Commodities Consultant, Macquarie Capital Europe, United Kingdom presented a paper on the topic of "Nickel After Covid-19: What Has Changed?"

Mr. Kai Hasenclever, Director Economics, Statistics and Long Products, International Stainless-Steel Forum (ISSF), Belgium analysed "The current situation of the global stainless-steel market".

ILZSG MEETINGS OCTOBER 2020

Representatives from member governments, industry associations, companies and observer governments attended the ILZSG web-meetings on 16 and 19 October 2020.

Mr. Louis Marechal, Section Lead, Minerals and Extractives, OECD Centre for Responsible Business Conduct updated the Group on the OECD implementation program of OECD Due Diligence Guidance for Responsible Minerals Supply Chains.

Dr Andy Bush, Managing Director, International Lead Association, presented his latest update on "The Lead Industry – Overview of Recent Development".

Mr Adam C.T. Mathews, Co-Director Investment Team (Ethics & Engagement), the Church of England Pensions Board, delivered a speech on the key social, environmental, economic and corporate governance considerations by the Church of England Pensions Board in the process of assessing mining and metals projects for investment.

Mr. Rachid Amui, Economic Affairs Officer, International Trade and Commodities, the United

Nations Conference on Trade and Development (UNCTAD), delivered an overview of UNCTAD's work in the mining sector that included highlights from a recent report on metals and minerals driving electric mobility.

Dr. Andrew Green, Executive Director of the International Zinc Association presented an "Overview of Key Initiatives for Zinc".

Mr. Tim Biggs, Partner/EMEA and UK Sector Leader, Mining and Metals, Deloitte LLP, reviewed "The Use of Artificial Intelligence in Mining".

Mr. Vijay Thangavelu, Director, VT Advisory discussed "Current Trends in Global Galvanising".

Mr. Mike Barden, Project Consultant, NQ Minerals, Australia, introduced "Latest Techniques in the Recovery of Base Metals from Tailings/Overview of the Hellyer Project".

Ms. Jane Hammarstrom, Geologist, United States Geological Survey (USGS) analysed "The USGS's Approach to the Assessment of Undiscovered Resources and the Global Distribution of Base Metal Deposits that are Known to Host Critical Minerals".

ICSG MEETINGS OCTOBER 2020

Representatives from member governments, industry associations, companies and observer governments attended the ICSG web-meetings on 14-15 October 2020.

Ms Cao Mingyue, Deputy Director, International Cooperation Department, CNIA, made presented a detailed analysis of the outlook for China's copper supply and demand in 2020 and 2021.

Mrs. Joanna Pietrasik, Commercial Executive Director, KGHM, provided an overview of the copper industry in Poland.

Ms Eleni Joannides, Principal Analyst - Copper Markets, Wood Mackenzie, provided the Group with an overview of trends in refined copper usage in the biggest copper using countries outside China.

Mr Michael Jansen, Senior Metals Trader and Analyst, Freepoint Commodities Europe LLP discussed details of possible short to medium term trends in the global copper market taking into account the impact of the COVID-19 pandemic.

Mr. Jon Barnes, Copper Expert Associate, Roskill provided an update on the situation of the copper and alloy fabrication industries in different regions of the world.

Dr. Markus Reuter, SMS-Group Düsseldorf, Germany and Helmholtz Freiberg, Germany,

delivered a presentation on the challenges and opportunities involved in integrating the copper value chain into the global circular economy over 2020-2025.

Copies of most of these presentations are available on the INSG, ILZSG and ICSG websites.

EXTERNAL PRESENTATIONS

- The Groups' Secretary-General, Paul White, was invited to participate in two webinars, in May and July, organised by the **Indian Lead Zinc Development Association (ILZDA)**. The titles of his two presentations were "An Initial Assessment of the Impact of COVID19 on the Global Lead Market" and "How Healthy is the Global Lead Market?"
- The Groups' Secretary-General, Paul White, delivered virtual opening remarks and made a video presentation on "World Lead and Zinc Supply and Demand for 2020 – 2021" at the **China Lead and Zinc Week 2020 organised by the China Nonferrous Metals Industry Association (CNIA) and Antaike.**
- In response to an invitation received from **The Minerals, Metals and Materials Society (TMS)**, Paul White, Secretary-General of the Study Groups, made a presentation on "The Global Zinc Market – Facts, Forecasts and Fundamentals" at the TMS 2020 Annual Meeting held in San Diego, United States in February.
- The Groups' Secretary-General, Paul White, made virtual opening remarks at the **2020 China International Copper Forum held in Xiamen, Fujian and organised by CNIA and Antaike.**
- Paul White, ILZSG/INSG/ICSG Secretary-General and Carlos Risopatron, ICSG Director of Economics and Environment delivered Zoom presentations on "The Role of the ICSG" and "Global Industrial Copper Use: Re-Shoring and Raw Materials Constraints 2020-2023" respectively at a web seminar organised by **COCHILCO and the Chilean Ministry of Foreign Affairs** in August 2020.
- Jianbin Meng, ILZSG/INSG Director of Economics and Environment made a presentation on "Key Contributors to the Circular Economy: Nickel, Lead and Zinc" on the **Circular Economy in Non-ferrous Metals Industry Forum** in Cracow, Poland, in February 2020.
- At the invitation of the **National Iranian Copper Industries Company (NiCICO)**, Carlos

Risopatron, ICSG Director of Economics and Environment made a video presentation "The Global Copper Value Chain: Recent Data and Trends in 2020" at the 3rd Iranian Non-ferrous Industries Conference in September 2020.

- Jianbin Meng, ILZSG/INSG Director of Economics and Environment presented the specific needs and challenges associated with the issue of managing mercury from non-ferrous metals mining and smelting at the Expert consultations webinar under the **UNEP Global Mercury Partnership** in April 2020.
- Carlos Risopatron, the ICSG Director of Economics and Environment provided a video presentation on the subject of "Global Copper Value Chain Trends and Complex Concentrates Processing Challenges 2020-2025" at the **ALTA 2020 Nickel, Cobalt and Copper Metallurgical Conference** in September 2020. This event is normally hosted in Perth, Australia.
- Shairaz Ahmed, the ICSG Manager of Statistical Analysis discussed recent developments in global copper usage at the **Fastmarkets International Copper Conference** held in Amsterdam in February 2020.
- Mr. Ricardo Ferreira, INSG Director of Market Research and Statistics, provided a virtual address and a paper on "The World Nickel Market in 2020 and 2021" for the **China International Nickel & Cobalt Industry Forum 2020**, 4-5 November 2020 held in Nanjing City, Jiangsu Province, China and hosted by the China Nonferrous Metals Industry Association (CNIA) and organized by Antaike.
- The ICSG was invited to make a video presentation at **The Executive Club for Steel and Metals Industry Professionals** in May 2020. This was delivered by Carlos Risopatron, the Group's Director of Economics and Environment.

Copies of these presentations are available from the Study Groups' secretariats

INSIGHTS AND ARTICLES PUBLISHED

ILZSG

- "An Analysis of the Economic Fallout of the COVID-19 Pandemic and Subsequent Stimulus Packages" published in April 2020
- "Lead and Zinc: Key Contributors to Circular Economy" published in April 2020

- “Lead and Zinc - The Supply-side Response to the COVID19 Pandemic” published in May 2020.

INSG

- “Comment on the effect of the Covid-19 pandemic on the global nickel market” published in April 2020
- “Nickel: Key Contributors to Circular Economy” published in April 2020
- “An Analysis of the Economic Fallout of the COVID-19 Pandemic and Subsequent Stimulus Packages” published in April 2020.
- “An Overview of World Stainless Steel Scrap Trade in 2019” published in June 2020
- “The world nickel market in 2019 and first quarter of 2020 – from deficit to surplus”, published in June 2020
- “The world nickel market in 2020 and 2021 – Covid-19 leading to surpluses”, published in December 2020”

ICSG

- “Impact of Lockdowns on Copper Fabrication and Recycled Copper Raw Materials” Published in May 2020
- “The Impact of the COVID-19 Pandemic on World Copper Supply” published in May 2020
- “The Impact of China’s Ban on Imports of Scrap on International Flow of Copper” prepared in response to a request from the ICSG delegation from the United States.
- “The Use of Refined Copper and Scrap Directly Melted in Intermediate Fabrication” prepared in response to a request from the ICSG delegation from Poland.

Copies of these publications are available from the Study Groups’ secretariats.

OTHER ACTIVITIES

- ILZSG/INSG/ICSG Secretary-General, Mr. Paul White moderated a web-meeting with participation from industrial associations and corporate representatives on the topic of non-ferrous minerals and metals engagement with Minamata Convention on Mercury in May 2020.
- ILZSG/INSG/ICSG Secretary-General, Paul White participated in a virtual CEO Summit on the topic of “COVID-19 and its Impact on the Copper Market” organized by the **Centro de Estudio del Cobre y la Minería (CESCO)** and

China Nonferrous Metals Industry Association (CNIA) in November.

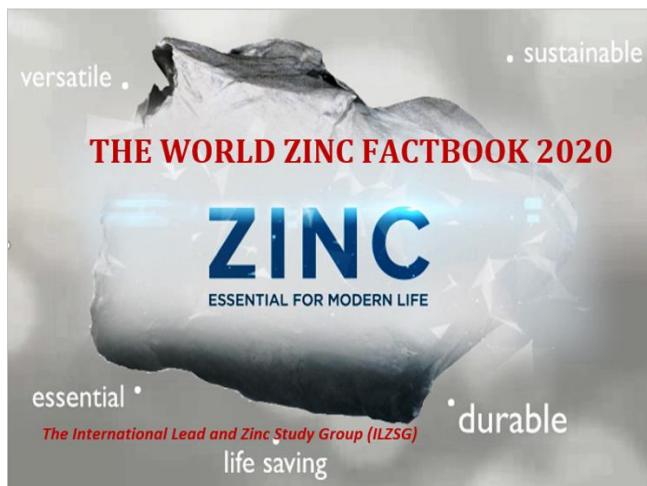
- Jianbin Meng, the ILZSG/INSG Director of Economics and Environment was invited to the teleconference with UNEP for the preparation of **UNEP’s Mercury from Non-Ferrous Metals Mining and Smelting Expert consultations webinar** under the UNEP Global Mercury Partnership in Mid-April 2020. He also convened the web-meetings with IZA and ICMM on **Minamata Convention and UNEP Engagement by Base Metals** in May and June 2020.
- The ILZSG/INSG/ICSG took part in the **International Consultative Group (ICG)** on statistical issues held in September. For the ICSG Ana Rebelo participated, for the ILZSG Joao Jorge and Juan Luis Mamani and for the INSG Ricardo Ferreira and Francisco Pinto.
- Ricardo Ferreira, the INSG Director of Market Research and Statistics, participated in the first **Team Stainless** meeting of the year that was held in Brussels in March. He also participated in virtual meetings held in June and September together with INSG staff Jianbin Meng and Francisco Pinto. Team Stainless is an informal group of associations that include the INSG, Nickel Institute, International Stainless Steel Forum, International Molybdenum Association and International Chromium Development Association.
- In October 2020, **the INSG launched a new Online Statistical Database**, as part of the project to modernize the Study Group’s website. With this upgraded functionality, Members and subscribers will have better access to data and information on nickel production, usage, trade, prices and stocks. Data can be retrieved, for example, by year, country, or by nickel product. There are also more types of data visualization on screen and more possibilities to download information in different formats. Additionally, it is more user friendly and has improved security.
- The latest extensive ICSG **“Survey of Regulatory Developments Affecting Copper”** was published and circulated to members in December 2020. For further information please contact ICSG Director of Economics and Environment, Carlos Risopatron.

For further information related to these activities, please contact the Study Groups’ secretariats.

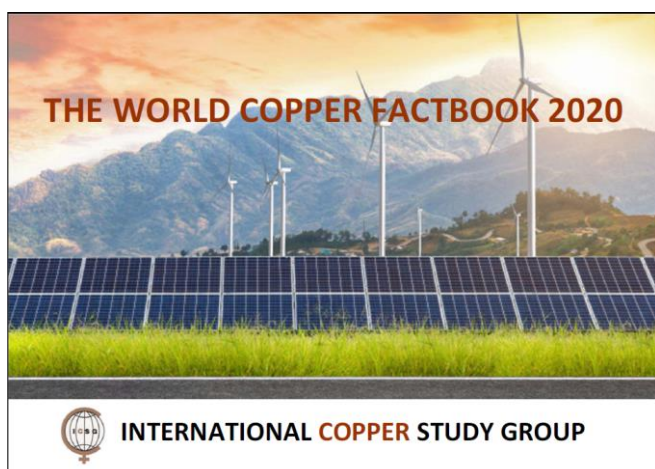


SELECTED STUDY GROUP PUBLICATIONS

1. *ILZSG World Zinc Factbook 2020*



2. *ICSG World Copper Factbook 2020*



3. *Lead and Zinc: End Use Industry Statistical Supplement 2020*

4. *Lead and Zinc: National Trade Tariffs and Measures 2021*

5. *ILZSG Lead and Zinc New Mine and Smelter Projects 2021*

6. *ILZSG World Directory of Lead and Zinc Mines 2020*

7. *ILZSG World Directory of Primary and Secondary Lead Plants 2020*

8. *ILZSG World Directory of Primary and Secondary Zinc Plants 2020*

9. *ILZSG World Lead Factbook 2019*

10. *Joint Study on Solid Wastes in Base Metal Mining, Smelting and Refining: A Comprehensive Study for the Copper, Lead, Zinc and Nickel Industries 2019*

11. *Joint Study on Responsible Sourcing Initiatives along the Minerals and Metals Supply Chains 2019*

12. *ICSG Directory of Copper and Copper Alloy Fabricators (First Use) – December 2020*

13. *ICSG Directory of Copper Mines and Plants - August 2020*

14. *ICSG Statistical Yearbook 2020*

15. *ICSG European Semi-Manufactured Copper Product Capacity 2019*

16. *ICSG Smelting and Hydrometallurgy Treatment for Copper Sulphide Ores and Concentrates 2019*

17. *Nickel Production and Usage in Indonesia 2020*

18. *INSG World Directory of Nickel Production Facilities 2020*

19. *INSG World Nickel Statistics Yearbook 2020*

20. *INSG Report on the Use of Nickel in Batteries 2018*

21. *ICSG Market Study on Industrial Use of Copper in Japan, Korean Republic, Taiwan (China) and Vietnam 2018*

22. *INSG World Nickel Factbook 2018*

23. *ILZSG Market Research Zinc Chemicals 2017*

24. *ILZSG Market for Zinc 2017*

25. *ILZSG Study on the Main End Use Markets for Lead and Zinc in Europe 2017*

26. *Joint Study on Social Acceptance of Mining 2016*

For further details, please refer to the Study Groups' websites.

International Copper Study Group (ICSG)

Mr Paul White

Secretary-General

Ms Ana Rebelo

Director of Market Research and Statistics

Mr Carlos Risopatron

Director of Economics and Environment

Mr Shairaz Ahmed

Manager of Statistical Analysis

Ms Ana Paula Calheiros

Secretary

Tel: + 351 21 351 3870

Fax: + 351 21 352 4035

e-mail: mail@icsg.org

Website: www.icsg.org

International Lead & Zinc Study Group (ILZSG)

Mr Paul White

Secretary-General

Mr Joao Jorge

Director of Market Research and Statistics

Mr Jianbin Meng

Director of Economics and Environment

Mr. Juan Luis Mamani Rodriguez

Manager of Statistical Analysis

Ms Inês Lopes

Secretary

Tel: + 351 21 359 2420

Fax: + 351 21 359 2429

e-mail: sales@ilzsg.org

Website: www.ilzsg.org

International Nickel Study Group (INSG)

Mr Paul White

Secretary-General

Mr Ricardo Ferreira

Director of Market Research and Statistics

Mr Jianbin Meng

Director of Economics and Environment

Mr Francisco Pinto

Manager of Statistical Analysis

Ms Inês Lopes

Secretary

Tel: + 351 21 356 7030

Fax: + 351 21 356 7039

e-mail: insg@insg.org

Website: www.insg.org

Common Secretariat Address

Rua Almirante Barroso 38, 5-6 Floors
1000-013 Lisbon
Portugal



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