

**PRESS KIT**

**NICKEL.NC**

UN NOUVEAU NICKEL POUR UN NOUVEAU MONDE  
*A NEW NICKEL FOR A NEW WORLD*

# **NICKEL WORK CYCLE NEW CALEDONIA**

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**The New Caledonian Government is launching Nickel.nc, an innovative work cycle dedicated to nickel activity, in order to clarify and contribute to the regulatory and strategic choices of the territory with regard to this key sector of the economy.**

**It includes all actors involved in the nickel sector, institutions, the economic sphere and civil society, in a participative process where everyone is invited to express their opinions on the main issues. Caledonians will also be invited to take part in an on-line citizen's consultation. Summaries of the work sessions will be presented during a concluding day scheduled for the end of November, 2020, which will also feature contributions from external experts.**

**This approach also has the aim of positioning New Caledonia on the world map of nickel as an ethical and responsible source.**

**New Caledonia holds 7% of world nickel reserves. However Nickel remains a little known and little understood activity for most Caledonians. Nickel.nc is the opportunity to render the theme accessible to all and to provide objective data as keys to understanding, in a non-partisan approach.**

### **A broad societal consultation**

For the first time in New Caledonia all the stakeholders involved in the sector, including the population, will be consulted on the issues linked to nickel activity. Nickel.nc is not meant to be a deliberative forum; its aim is to establish a local participative process. These "assizes" seek to concentrate local and international (expert) knowledge and best practices to analyse the issues and finally to clarify the legal and strategic choices.

In this context, Nickel.nc is a step, both necessary and beneficial, as part of a much longer term approach. All voices will be able to be heard, since the task is not to seek a broad consensus but rather to constitute a foundation of reflection with contributions from all sectors present in the territory.

The following institutions and bodies will be consulted:

- Caledonian and State institutions, through the High Commission
- Organisations involved in environmental and societal issues (associations, research centres ...)
- Professional federations and organisations
- Trade union organisations
- Mining and metallurgy companies and their sub-contractors
- Relevant administrative bodies

In addition, Caledonians will also be invited to express their opinions in a citizen's on-line consultation, with the results being presented during the concluding day scheduled for the end of November, 2020.

## **“A New Nickel for a New World”**

The world nickel market is currently undergoing significant change with the development of new outlets with major consumers of the metal for electric vehicle batteries. At the same time issues of traceability have become very important, in particular for clients, both industrial and the general public, who nowadays are seeking a guarantee that the acquired ore or metal has been produced in an ethical and responsible manner. This concern has established social and environmental responsibility as an indispensable factor for the mining and metallurgy sectors.

In the market of world nickel producing countries, New Caledonia is today in competition with countries having different strategies. The territory is currently ranked 4<sup>th</sup> among world producers, generating 220,000 metric tonnes annually, behind Indonesia (800,000 MT), the Philippines (420,000 MT), Russia (270 000 MT) and ahead of Australia and Canada (180,000 MT).

Caledonian nickel is certainly more expensive to produce compared to most of its competitors but has nevertheless advantages in relation to present and future markets: its traceability, its ethical and responsible production and its proximity to the main consumer markets. With the Nickel.nc approach, it's also a question of positioning New Caledonia within this international market characterised by new demands, whether in terms of the product or of its governance. This is what the title, “A New Nickel for a New World” represents.

### **6 themes will be covered:**

A great deal of “foundation” work has been carried out in the past dealing with the nickel question in New Caledonia. This approach is therefore an extension of the “Promotion plan for the mining wealth of New Caledonia (2009)”, the “NC 2025”, or again the work undertaken by Syndex for the USOENC union in 2013 (“Nickel, a metal of the devil or a vector of development ?”).

The different stakeholders will be invited to express their opinions on the following themes:

- *Social and environmental responsibility*

The aim is to identify the practices, and best practices, concerning the environment and current community relations in New Caledonia.

France Bailly (CNRT), Catherine Ris (UNC) et Hubert Géraux (WWF)

- *Administrative accompaniment: towards a one-stop service ?*

The question of simplifying administrative procedures and the number of interlocutors for mining activities has been on the agenda for a long time. The task is to review the present situation in terms of expectations and opportunities.

Sarah Manzanarès (SMSP), Sandra Gayral (DIMENC) et Dominique Lefeivre (CESE)

- *Optimisation of resources and reserves*

What is a resource ? What are reserves ? How do the different actors approach this question and how can we optimise resource value today ?

Sébastien Lafargue (SMT), Wilfried Weiss (AMNC), Eddie Lecourieux (AMFNC) et Vincent Mardhel (BRGM)

- *Skills development*

The world of nickel is in the throes of change and developing new practices, such as automation. Here the task is to identify the different training and teaching branches present in New Caledonia, determine those which are promising for the future, but also those with current advantages in terms of skills in the territory.

Sylvie d'Ussel (AMD), Pascal Velasco (GIEP) et Lucia Xewe (Doctorante UNC)

- *Economic benefits of the nickel sector*

This theme will contribute to defining the real benefits of the nickel sector in New Caledonia in terms of tax returns and also societal contributions

Xavier Gravelat (SMGM), Olivier Fagnot (ISEE) et CCI

- *Fund for future generations*

Should New Caledonia set up a fund for future generations, and with what resources and what form of governance ?

Adrien Rivaton et Doriane Sanchez-Le Bris (ADECAL Technopole)

The above themes will be complemented by contributions from **external experts** so as to open up discussions in particular to international practices.

### **A process under the aegis of a steering committee**

The work process will be organised into **working groups** on the 6 main themes. These groups will be open to all stakeholders wishing to take part. Each of the working groups will be managed by an overseer, in charge of ensuring proper circulation of information and meeting animation. The groups will report regularly with their results to a steering committee.

The **Steering Committee**, chaired by the President of the Government of New Caledonia, groups together all the presidencies of Caledonian institutions, along with the two main mining and metallurgy unions, the SIM and the SEM. The steering committee will receive all the working group productions and thus ensure the transmission of working progress information towards their respective organisations.

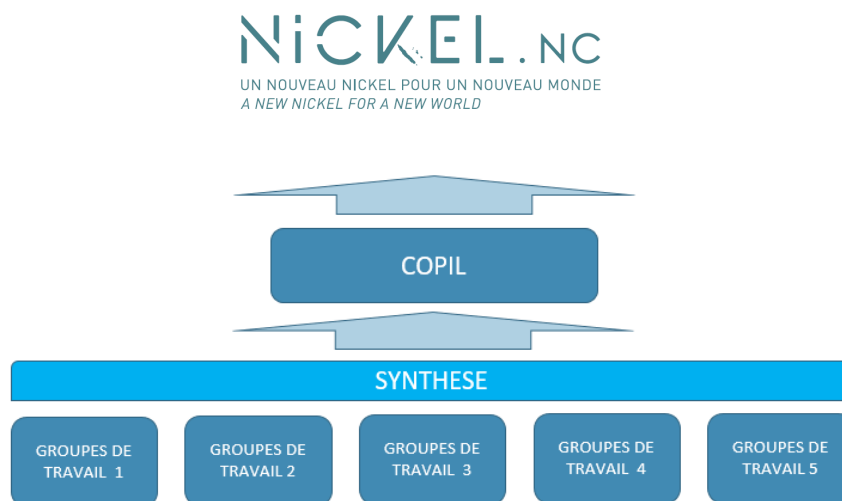
Members of the committee include:

- The President of the Government of New Caledonia
- The Vice- President of the Government of New Caledonia
- The Presidents of the Provinces, North, South and the Islands
- The President of Congress
- The President of the Traditional Community Senate
- The President of the CESE
- The President of the Union of Mining Industries (SIM)
- The President of the Union of Metallurgy Industries (SEM)

The steering committee will be the guarantor of the proper functioning of the working groups but will not have a role in selecting propositions. It will receive the different proposals. The summaries will then be transmitted to the Government for examination and will constitute a work foundation for future decisions.

### Work Organisation:

Each working group will have the objective of producing a summary of all proposals put forward by its members. This will respect all positions and opinions presented as such, including dissenting voices.



### The Agenda

July – August 2020	Meetings and presentation of the approach to stakeholders
September 2020	Launching of the working groups
Mid-décember 2020	Concluding day – presentation of the summaries

## NICKEL IN NEW CALEDONIA

Each year the world consumes more than 2 million tonnes of nickel.

Nickel and cobalt are quoted on the London Metal Exchange and on the metal exchange of the Shanghai Futures Exchange (SHFE). World prices depend therefore on the balance between supply and demand, but also on the global economic situation.

China and Indonesia are the main producers/consumers of nickel, and with the Philippines form a trio which directly influences the market and prices.

Nickel is used mainly in the manufacturing of stainless steels but also in the composition of various alloys, including specialised alloys for the aeronautic industry. It is also used in electro-plating processes and for the making of cathodes, required for certain batteries used in electric vehicles. This sector represents strong potential development prospects for the years to come.

A third of New Caledonia is made up of peridotite rock, the transformation of which led to the formation of ore reserves, exploitable in the present market context. Mining and metallurgy activities have fashioned the history of New Caledonia for more than a century.

There are currently 35 mines in operation in New Caledonia, directly run by 7 different sized companies which rely on a large number of sub-contractors, particularly for ore trucking.

These mines supply directly the 3 metallurgy plants established in New Caledonia along with the plant set up in South Korea. Part of their mining production is also exported to processing plants in China and Japan.

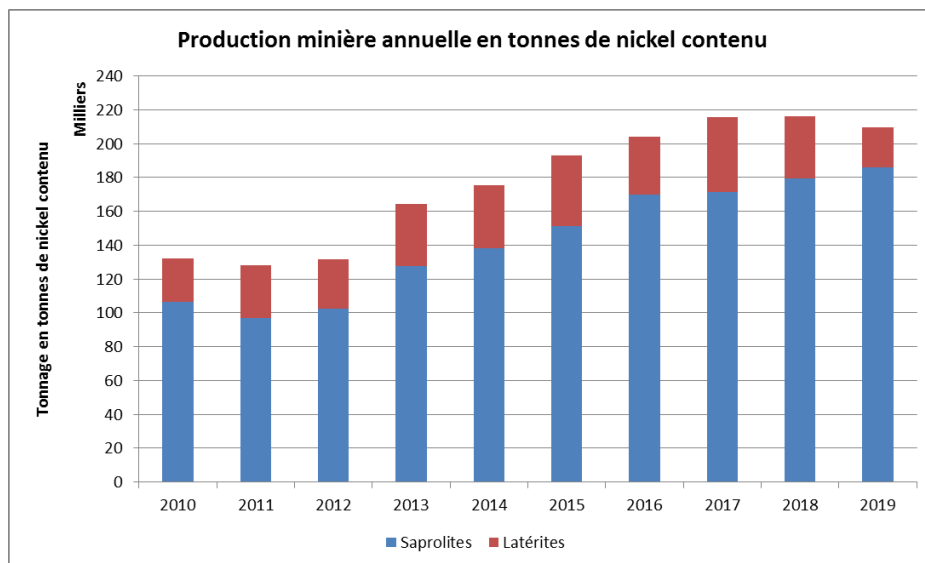
In 2019 these mines produced 15.3 million tonnes of wet nickel ore, the equivalent of 209,549 tonnes of nickel content. The plants on Caledonian territory produced 94,404 tonnes of nickel and 1,704 tonnes of cobalt.

New Caledonia is ranked 4th amongst world producers of nickel ore, and 7th amongst metal producers, way behind China, Russia or Canada.

20% of direct, indirect and induced employment in New Caledonia is linked to the nickel sector, according to a full study of the CEROM, published in 2012.

Exports of manufactured products and crude ore earned 166 billion xpf francs in 2019, including 38 billion francs for ore.

## Caledonian nickel mining production from 2010 to 2019



## Caledonian metallurgy product production from 2010 to 2019

