

Norilsk Nickel Looks to Popularize Palladium

By [The Moscow Times](#)

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Mining giant Norilsk Nickel's board of directors has approved a plan to promote palladium, an alternative to platinum, on the world market.

Norilsk Nickel, the world's largest producer of nickel and palladium, intends to increase global interest in the metal by promoting its use in jewelry and automobiles, a source told Kommersant.

In diversifying its sources of profit, Norilsk Nickel is aiming to reduce the impact that variations in nickel prices currently wield over the company's returns, Andrei Shenk, an analyst at Investcafe, told Kommersant.

Shenk added that while promoting palladium, which accounted for 14.27 percent of the company's revenue last year, is clearly in the company's long-term interests, the nickel producer may not be able to commit sufficient resources to the project, given its financial

obligations to shareholders. The company has pledged to invest \$2 billion a year and yield \$9 billion in dividends between 2012 and 2014.

Palladium is an effective alternative to platinum, especially in its most widespread use in automotive catalytic converters, BCS analyst Oleg Petropavlovsky said.

It is also nearly half the price — \$749 an ounce compared to platinum's \$1,520 an ounce.

Platinum has been losing ground to palladium in recent years. Only 80 percent of catalytic converters in gasoline-powered vehicles are now made out of platinum, as compared to 95 percent in 1997.

However, platinum has the benefit of competitive marketing, whereas the palladium market is essentially dominated by Norilsk Nickel. It will take a long, committed campaign to popularize palladium among the world's car manufacturers, Petropavlovsky said.

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