INTERNATIONAL WROUGHT COPPER COUNCIL

PRESS RELEASE

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IWCC Short-Term Forecasts for Copper

These are unprecedented times and the copper industry is not immune from the impact of the COVID-19 pandemic. The health, safety and well-fare of everyone during the COVID-19 pandemic is the top priority for the copper industry. Copper is needed now to manufacture essential medical equipment, to keep vehicles on the road for the delivery of supplies, to keep electrical power flowing, and to ensure adequate food supply.

The economic disruption and its impact on the copper industry has resulted in greater uncertainty in the factors affecting the supply and demand for copper. With this background, the International Wrought Copper Council (IWCC) has completed its regular six-monthly review of the copper market and has finalised its forecasts for copper supply and demand.

Using publicly available information and input from the International Copper Study Group (ICSG), the supply side data shows that in 2019 copper mine production was 20.46 million tonnes. In 2020, mine output is expected to decrease by 4.0% to 19.65 million tonnes. For 2021, an increase in copper mine production of 6.7% is forecast. Refined copper production in 2019 was 23.47 million tonnes. For 2020, refined copper production is forecast to be 22.91 million tonnes and might be 24.30 million tonnes in 2021.

The demand side forecasts were prepared by the IWCC. Global reported refined copper demand in 2019 was 23.915 million tonnes, up 25 thousand tonnes on that for 2018. For 2020 the forecasts suggest that refined copper demand might be 22.625 million tonnes, a decrease of 5.4%. For 2021, demand for refined copper might increase by 4.4% to 23.625 million tonnes.

In the EU-28, demand for refined copper in 2019 was 2.967 million tonnes, down 8% compared with 2018. A further decrease in refined copper demand of 6.4% is now forecast for 2020 for this region. However, in 2021, refined copper demand might increase by 5.4% to 2.927million tonnes.

For China, in 2019 the IWCC estimates reported (or real) demand for refined copper to have increased by 2.8% to 12.209 million tonnes. For 2020, the forecasts currently suggest reported demand of refined copper in China might decrease by 2.8% to 11.87 million tonnes. For 2021, reported demand is expected to increase to 12.175 million tonnes.

In North America (Canada, Mexico and the USA) refined copper demand in 2019 was 2.387 million tonnes. The latest forecast suggests that refined copper demand for this region in 2020 might decrease by 6.9% to 2.223 million tonnes with a recovery of 5.3% in 2021.

Preparing supply and demand forecasts at the current time of economic uncertainty presents the IWCC with some challenges. The forecasts therefore have wider tolerances than would normally be the case.

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