INTERNATIONAL WROUGHT COPPER COUNCIL

PRESS RELEASE

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IWCC Short-Term Forecasts for Copper

The COVID-19 pandemic continues to have an impact on the copper market affecting both supply and demand.

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.

The supply side data indicates that in 2020, mine output is expected to be 20.149 million tonnes, down 1.3% compared with 2019. For 2021, an increase in copper mine production of 3.0% is forecast. Refined copper production in 2020 is forecast to be 23.450 million tonnes, down 0.1% compared with 2019, and might be 23.968 million tonnes in 2021. The IWCC is grateful to the International Copper Study Group (ICSG) for its assistance in preparing the supply forecasts.

The demand side forecasts were prepared by the IWCC. Global reported refined copper demand in 2019 was 24.020 million tonnes, up 0.5% on that for 2018. For 2020 the forecasts suggest that refined copper demand might be 22.921 million tonnes, a decrease of 4.6%. For 2021, demand for refined copper might increase by 5.0% to 24.074 million tonnes. The latest forecast for refined copper demand for 2020 is 296kt higher than the forecast prepared in May 2020. The difference between the May and October forecasts for 2021 is an uplift of 449kt.

However, despite the demand forecasts for 2020 being revised upwards since May, demand in all regions in 2020 is still expected to be lower than in 2019.

In the EU-28, demand for refined copper in 2019 was 3.061 million tonnes. Demand in 2020 is forecast to be 2.816 million tonnes, down 8.0% compared with 2019. However, for 2021, refined copper demand might increase by 5.7% to 2.977million tonnes.

For China, the IWCC estimates reported (or real) demand for refined copper in 2019 to have been 12.202 million tonnes. For 2020, the forecast currently suggests that reported demand of refined copper might decrease by 0.4% to 12.155 million tonnes. For 2021, reported demand is expected to increase by 4.5% to 12.699 million tonnes.

In North America (Canada, Mexico and the USA) refined copper demand in 2019 was 2.389 million tonnes. The latest forecast suggests that refined copper demand for this region in 2020 might decrease by 5.8% to 2.250 million tonnes with a recovery of 4.7% forecast for 2021.

The forecasts for supply and demand suggest that in 2020 there might be a statistical deficit of refined copper of 241kt. For 2021 a smaller statistical deficit is expected.

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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