



# ICSG Insight

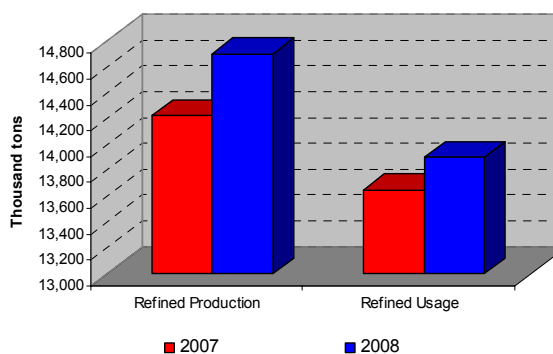
ICSG SECRETARIAT BRIEFING PAPER

April 2009 - No. 6

## ICSG Trends: Recent Indicators of Economic and Copper Sector Performance

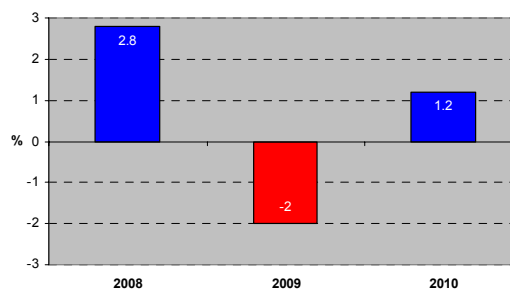
The sixth ICSG Insight in the series provides up-to-date quarterly economic and copper sector data for ICSG member countries including real GDP growth, unemployment, interest and inflation rates, industrial production, stock market performance, trade balances and exchange rates, as well as refined copper production, usage and trade data. The latest ICSG figures indicate that refined copper production in *ICSG member countries* increased 3.4% in 2008 from 2007 to reach just over 14.7 million metric tons. Refined copper usage in ICSG member countries increased 1.9% over the same period to an estimated 13.9 million metric tons.

ICSG Member Country Refined Copper Production and Usage, 2007 vs 2008



Based on the latest GDP forecast figures from the Organization for Economic Cooperation and Development, Economist Intelligence Unit and the European Commission, average real GDP in *ICSG member countries* is expected to contract 2.0% in 2009, down from the estimated 2.8% average annual GDP growth in 2008. The forecast figures indicate that average GDP growth could rebound in 2010 for ICSG member countries to 1.2%.

ICSG Member Country Estimated and Forecast Average Annual GDP Growth, 2008-2010



**Notice:** This paper is for reference purposes only. References to sites, companies, and agencies are for information purposes only. For further information regarding this document please contact Mr. Joseph Pickard, Economist, International Copper Study Group ([pickard@icsg.org](mailto:pickard@icsg.org)).

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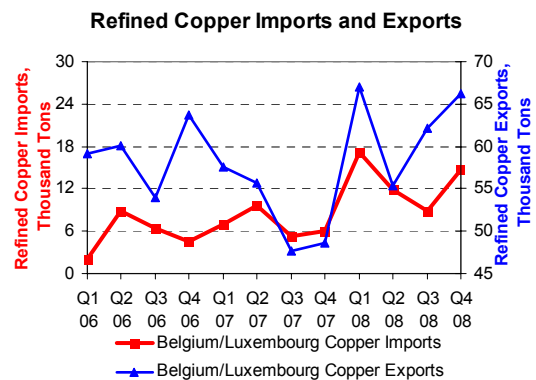
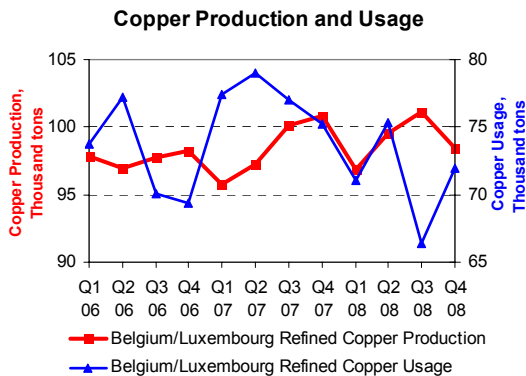
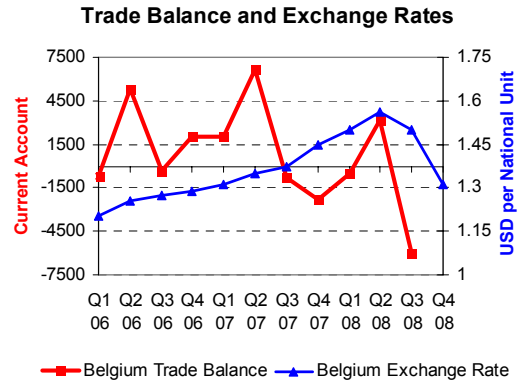
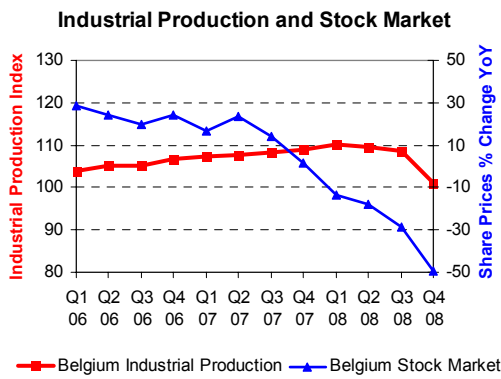
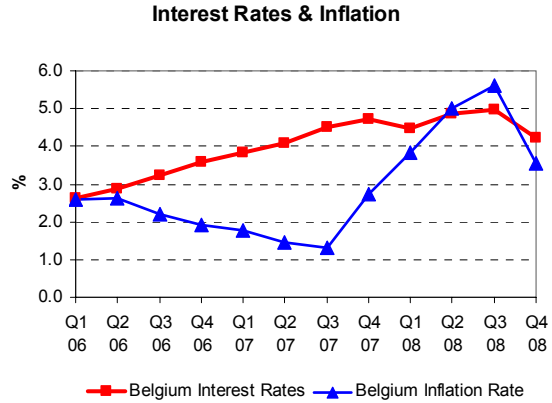
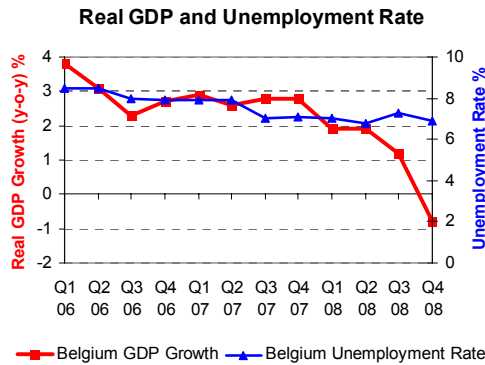
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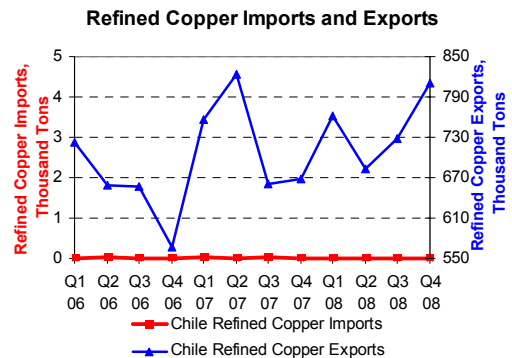
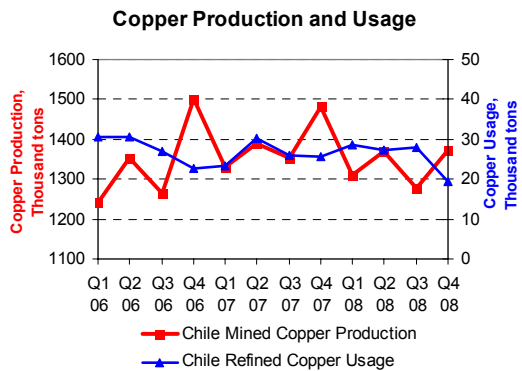
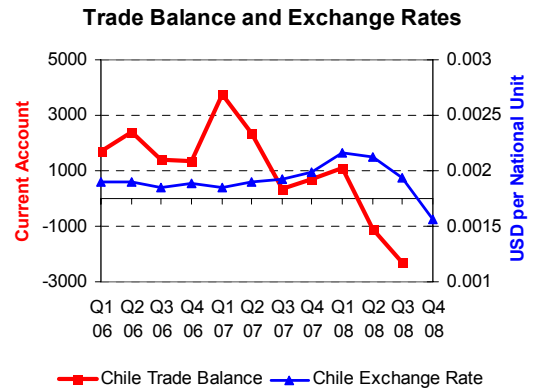
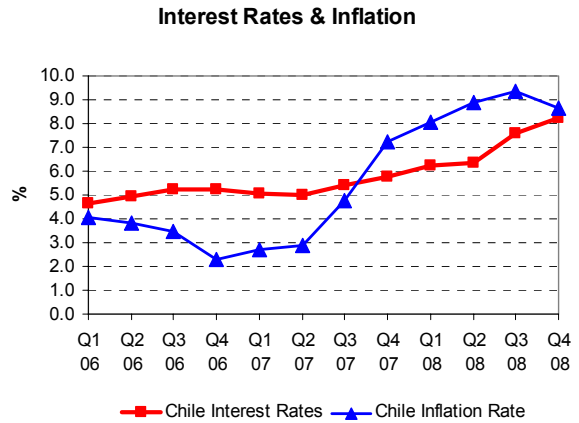
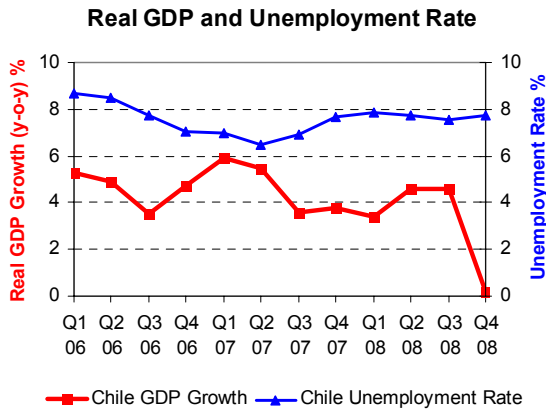
# Belgium

Two recent trends common to nearly all ICSG member countries:  
decreasing GDP growth accompanied by sluggish refined copper usage...



# Chile

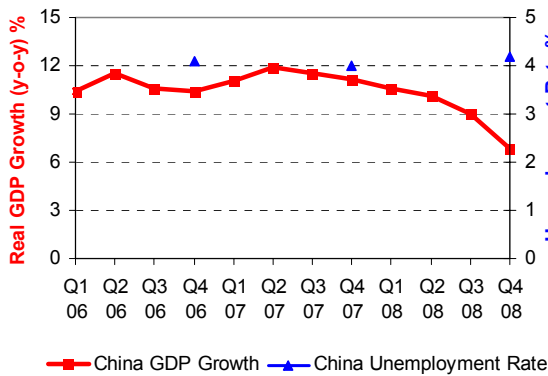
According to the Central Bank of Chile, real GDP growth (year-on-year) in Chile fell from 4.6% in 3Q 08 to 0.2% in 4Q 08.



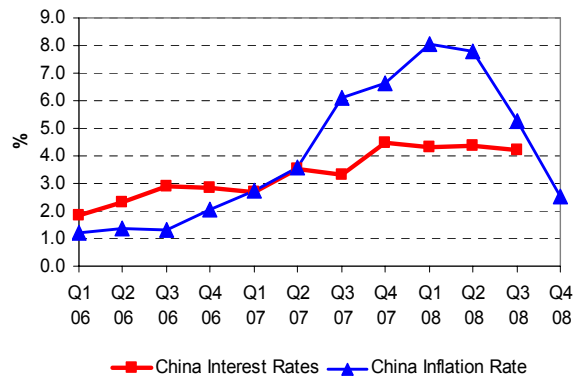
# China

Please note that China's apparent copper usage is based only on reported data (production + net trade +/- SHFE stock changes +/- industry stock changes, if reported) and does not take into account changes in unreported stocks [State Reserve Bureau (SRB), producer, consumer and merchant/trader], which may be significant during periods of stocking or de-stocking.

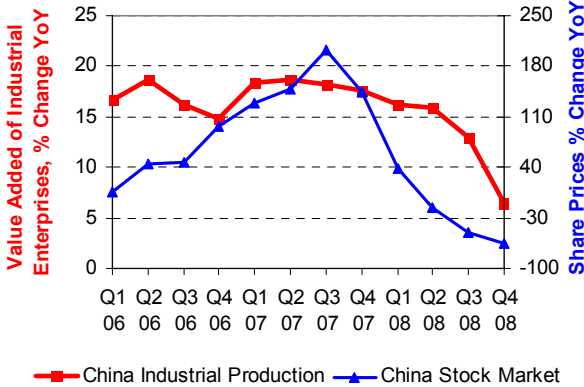
**Real GDP and Unemployment Rate**



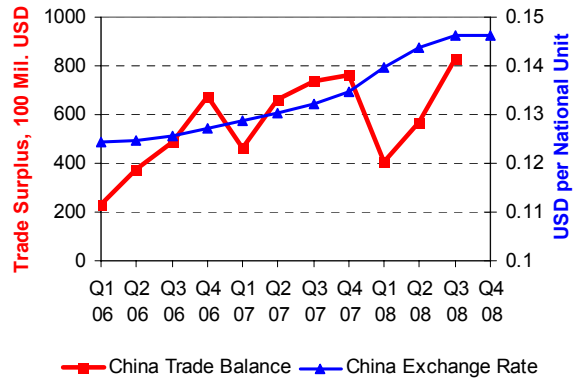
**Interest Rates & Inflation**



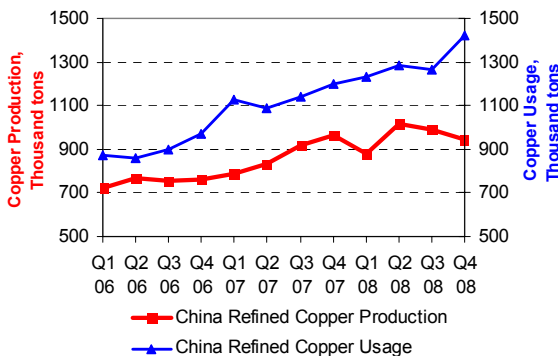
**Industrial Production and Stock Market**



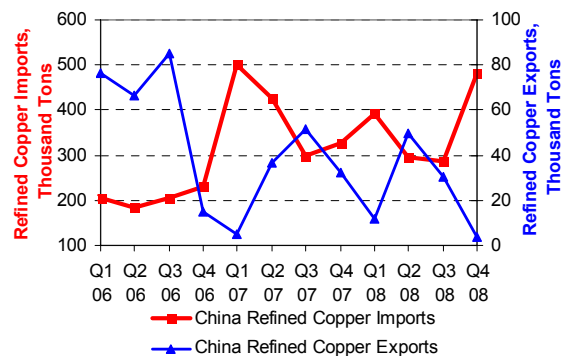
**Trade Balance and Exchange Rates**



**Copper Production and Usage**

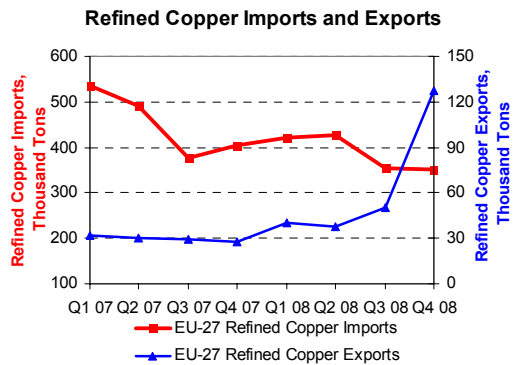
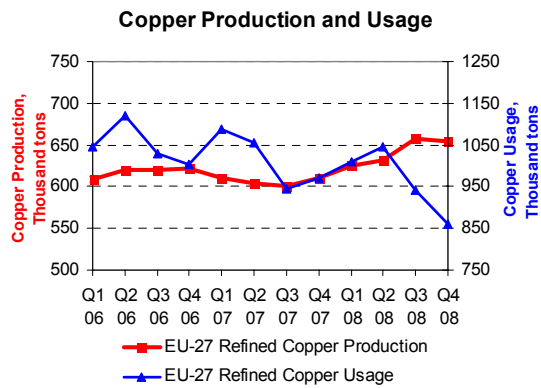
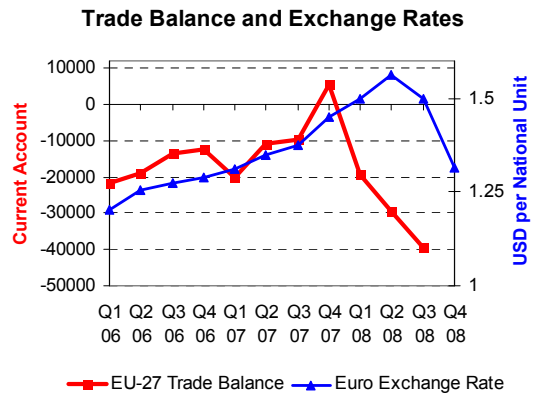
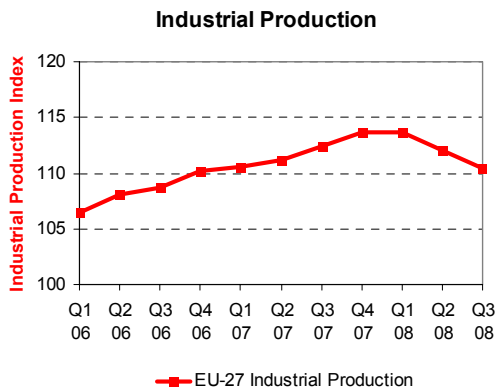
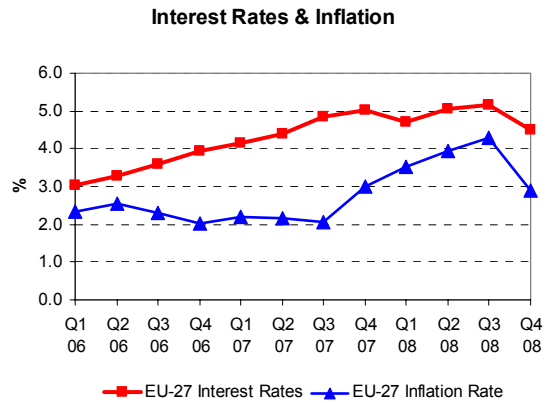
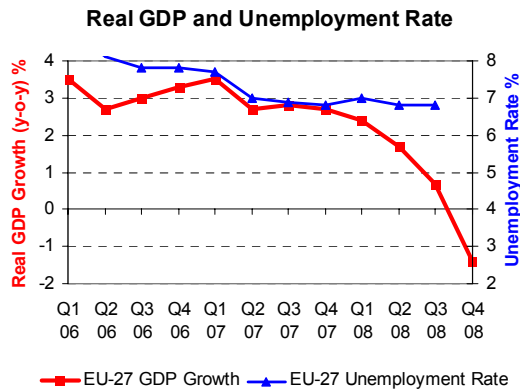


**Refined Copper Imports and Exports**



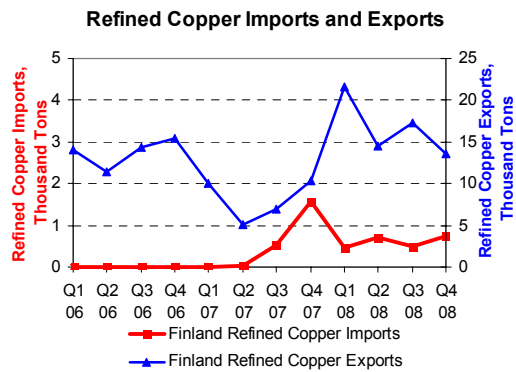
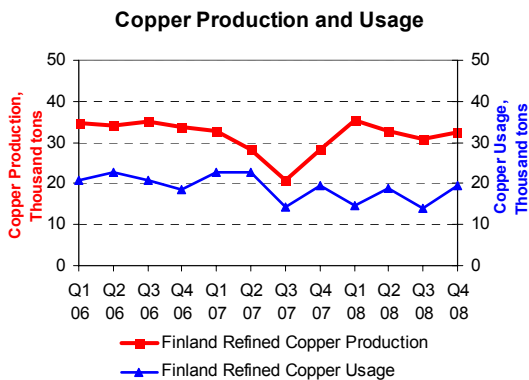
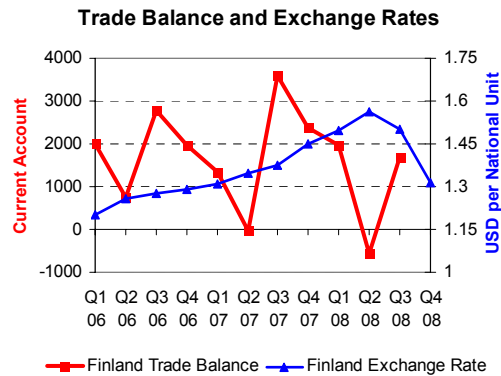
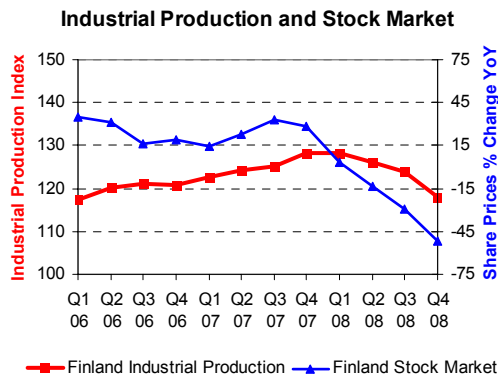
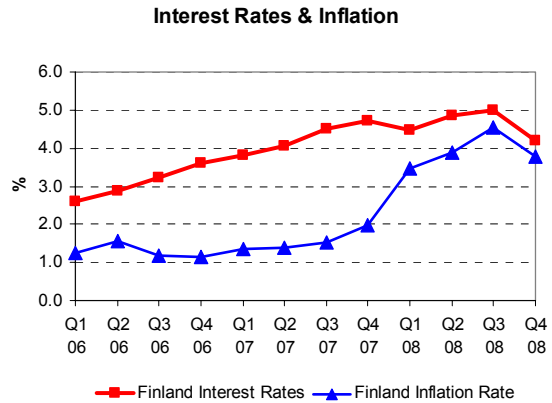
# European Union

Recently revised data show the worst contraction on record for the EU in the fourth quarter of 2008.



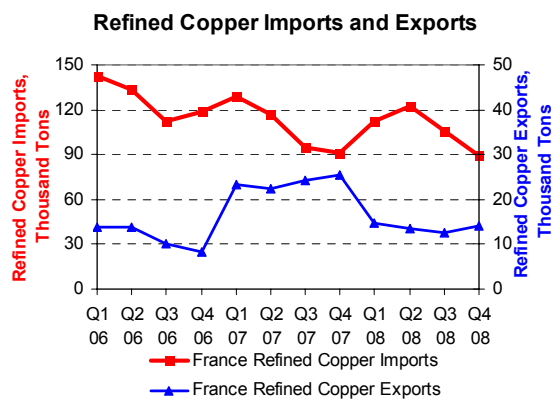
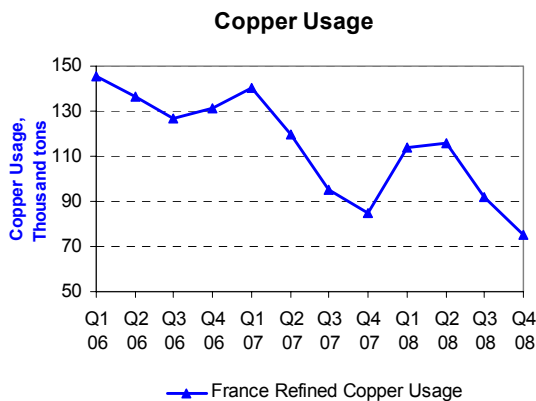
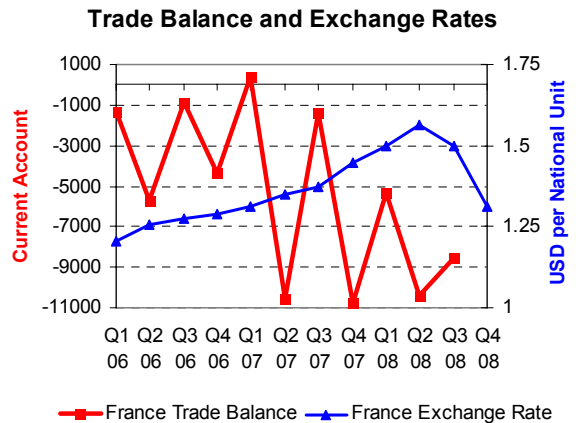
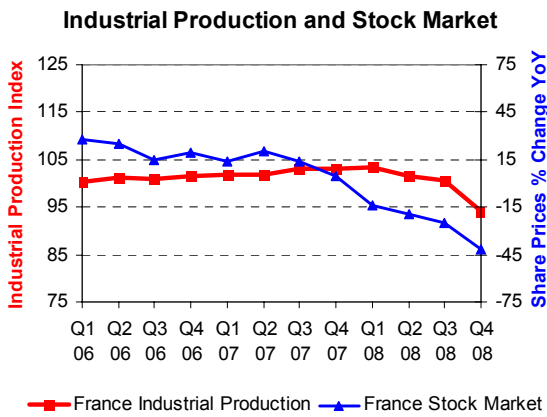
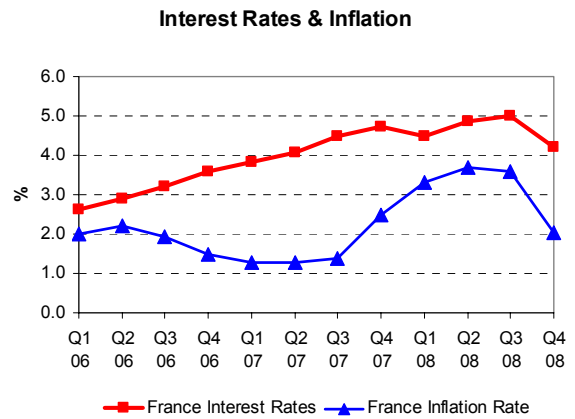
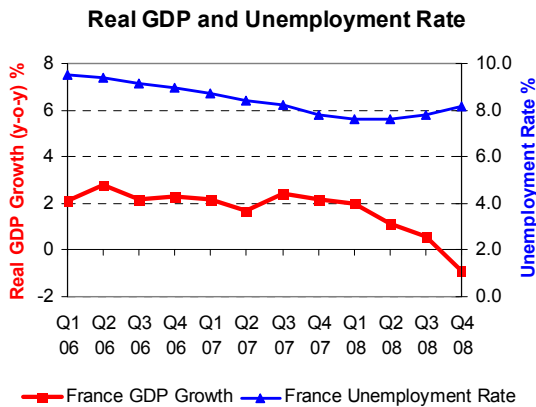
# Finland

Refined copper usage in Finland is estimated to have decreased 15% in 2008.



# France

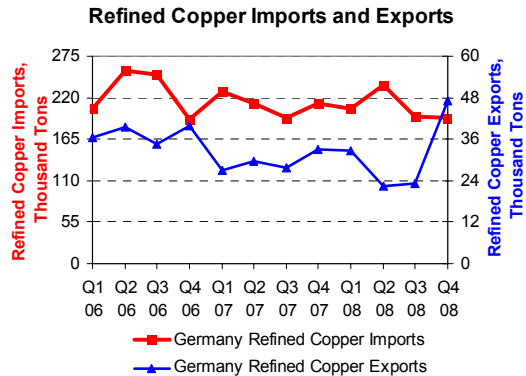
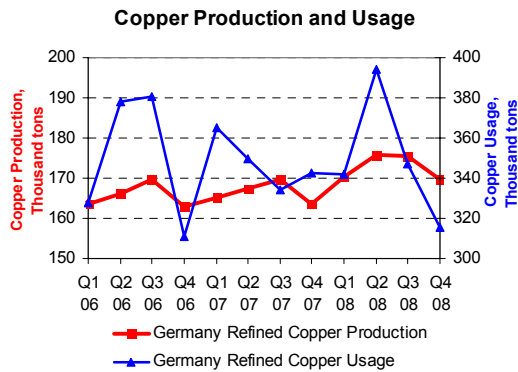
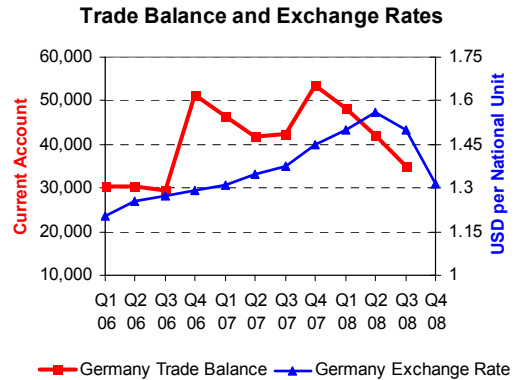
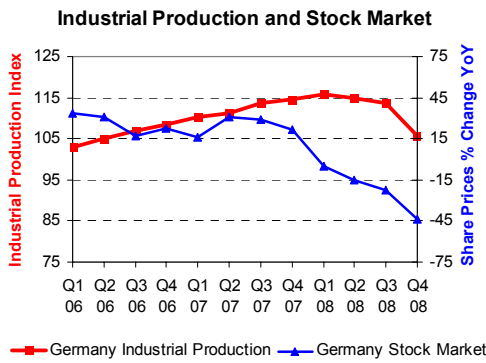
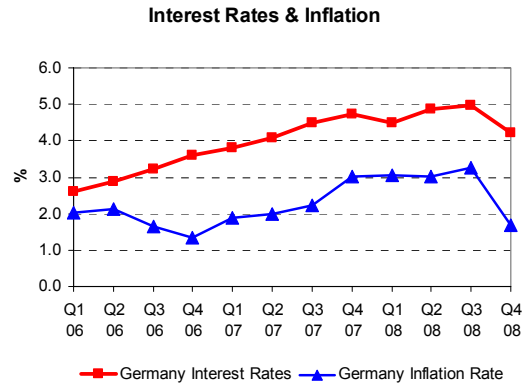
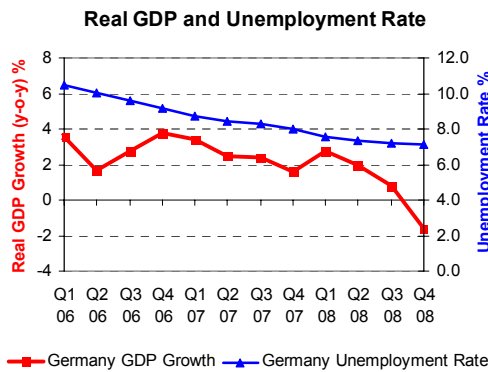
Refined copper usage in France in 4Q 08 is estimated to have decreased 18% from the preceding quarter and 12% from 4Q 07.





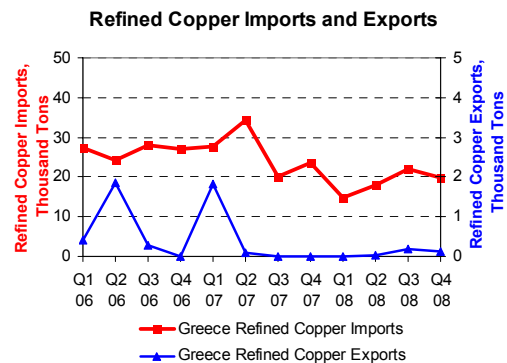
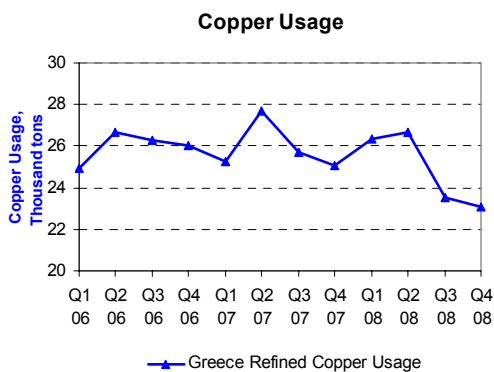
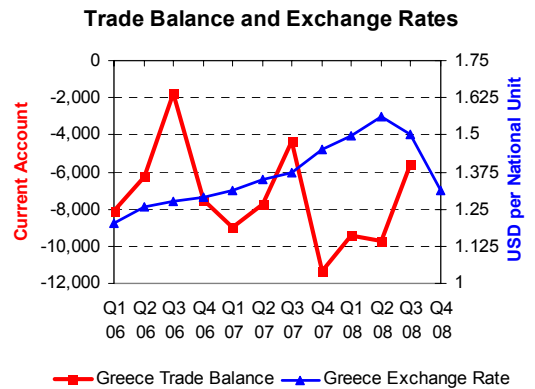
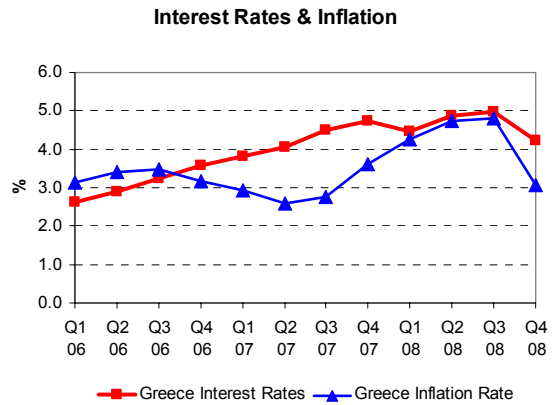
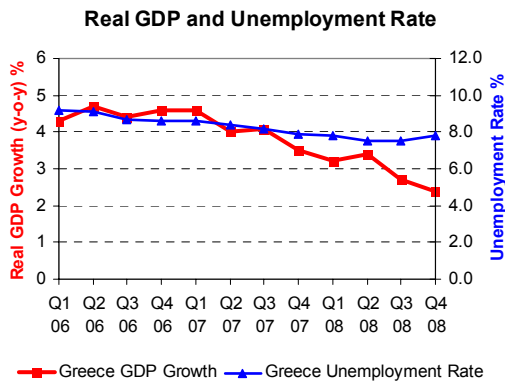
# Germany

Refined copper exports from Germany more than doubled in 4Q 08 from the preceding quarter as refined usage has been falling sharply...



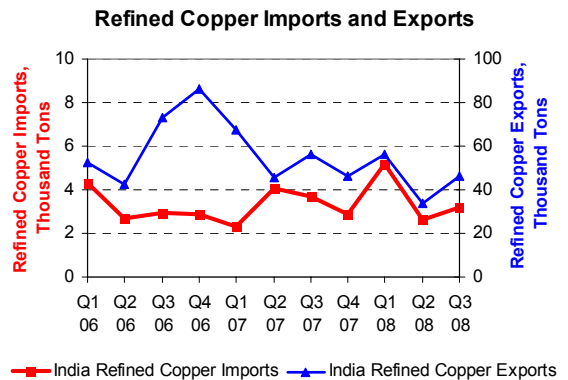
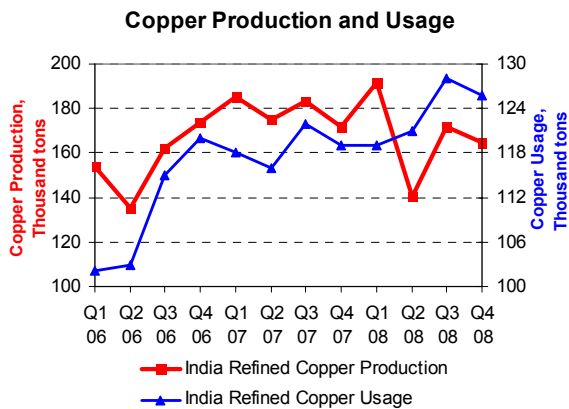
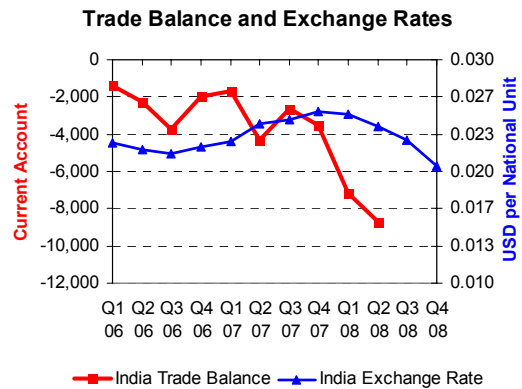
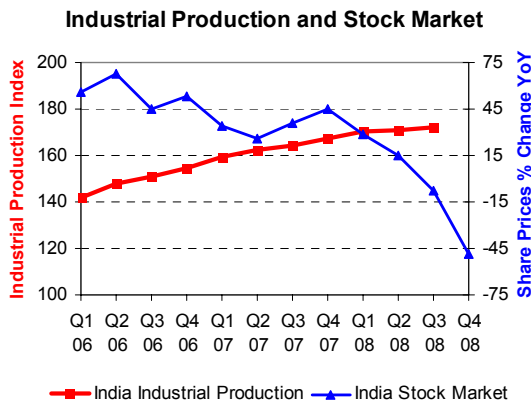
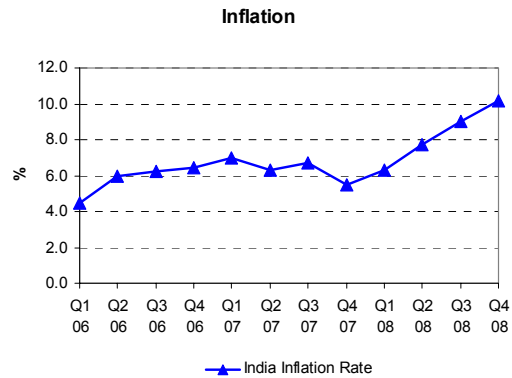
# Greece

GDP growth in Greece was relatively stable at 2.4% in 4Q 08 as compared to 2.7% in the preceding quarter.



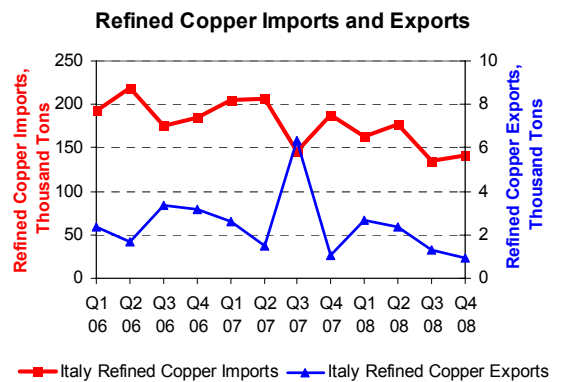
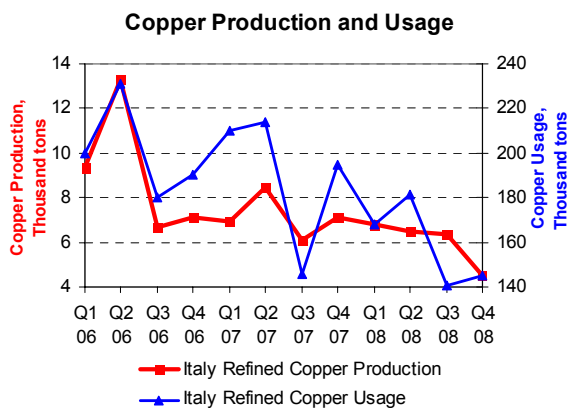
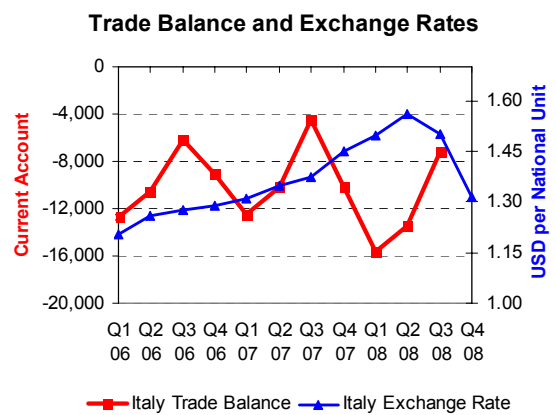
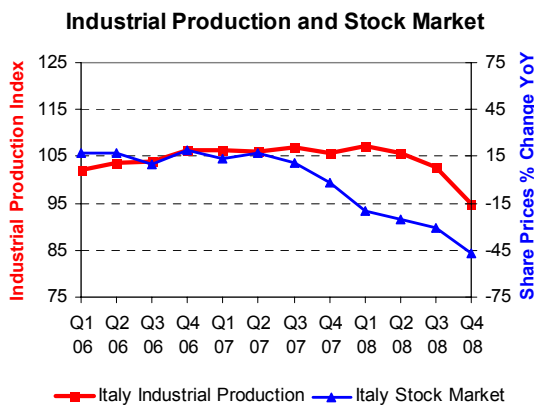
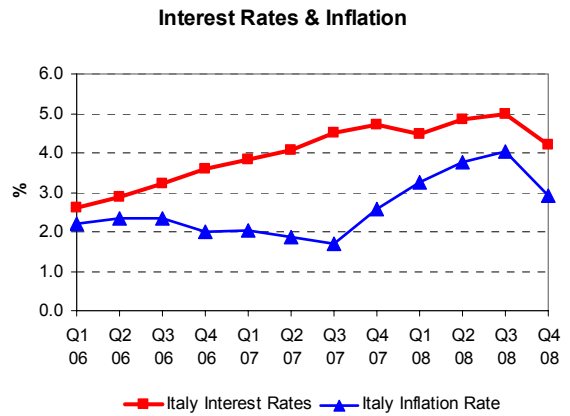
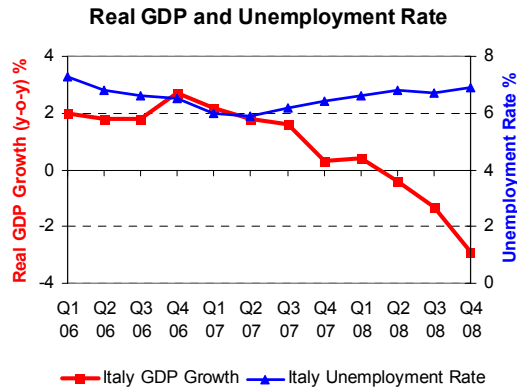
# India

Share prices have been plunging in all ICSG member countries, including India, where, according to the OECD, share prices were down 47% in 4Q 08 from 4Q 07.



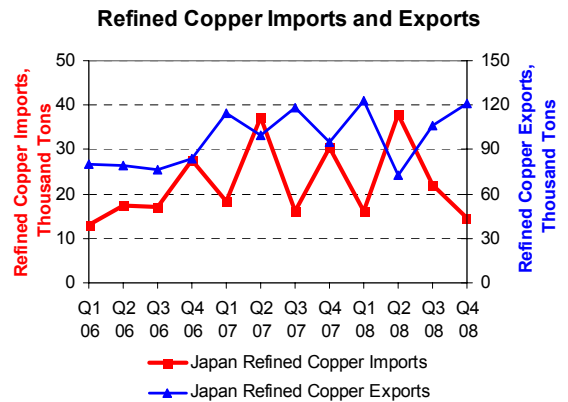
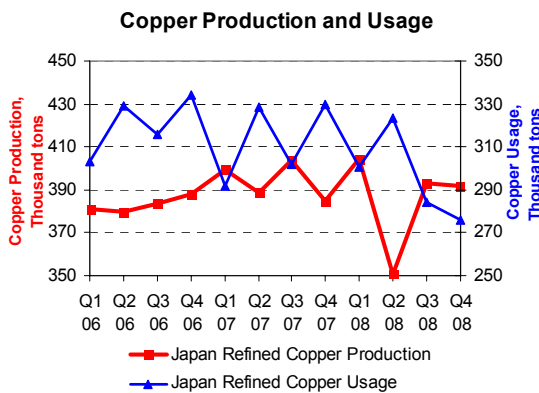
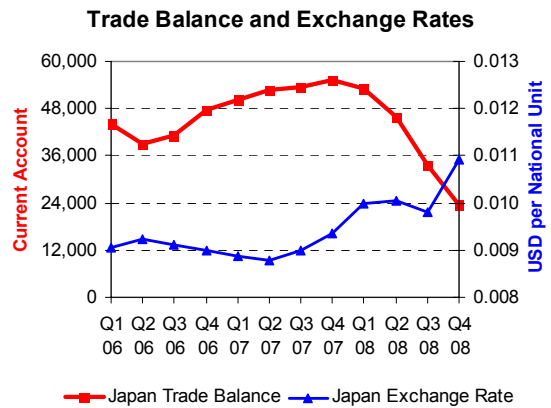
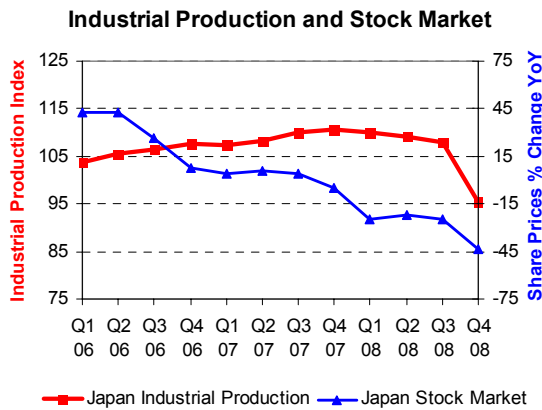
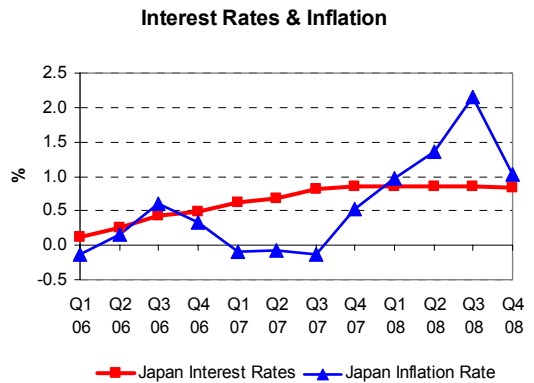
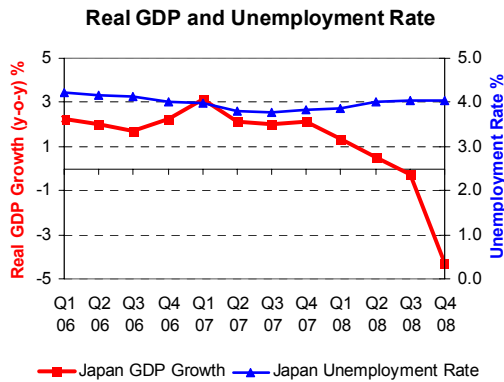
# Italy

Refined copper usage in Italy is estimated to have decreased 17% in 2008.



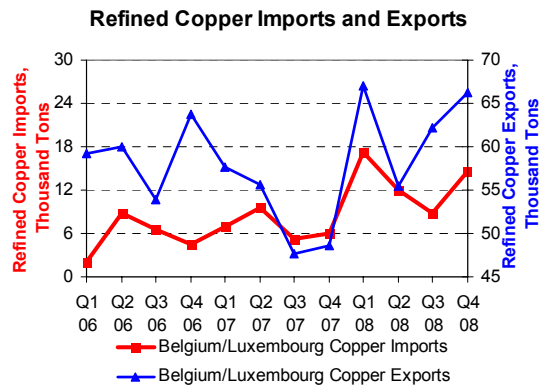
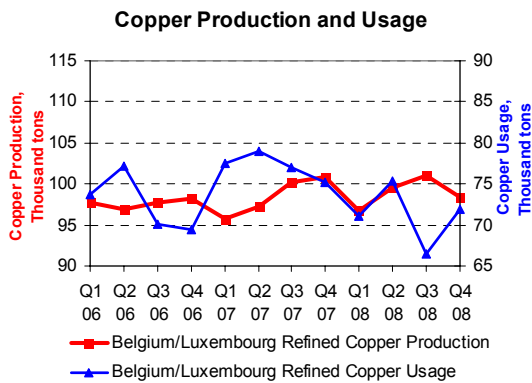
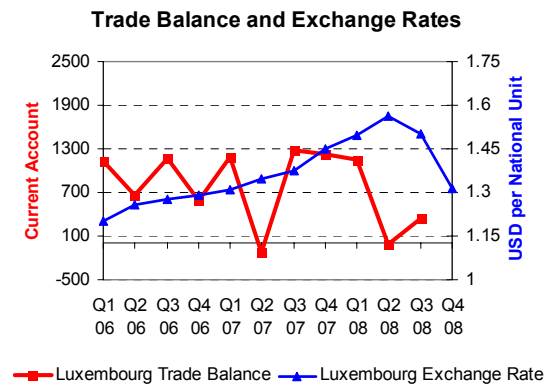
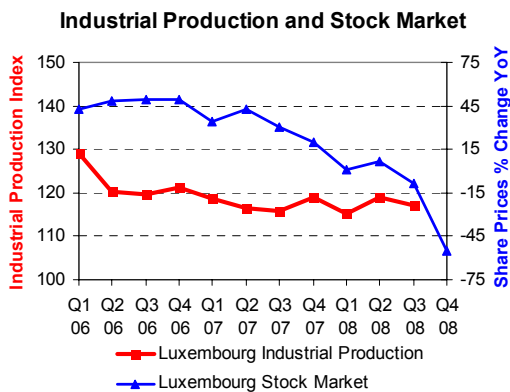
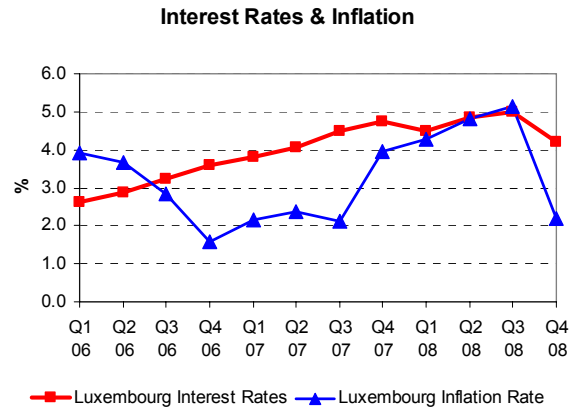
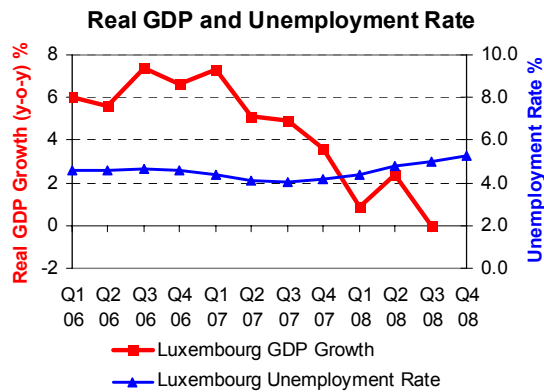
# Japan

Revised 4Q 08 data show the Japanese economy contracted 4.3% year-on-year, the second largest drop reported among ICSG member countries.



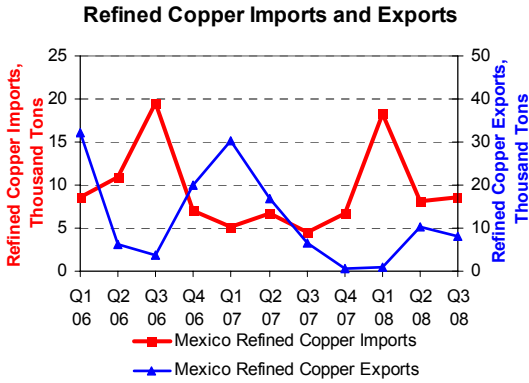
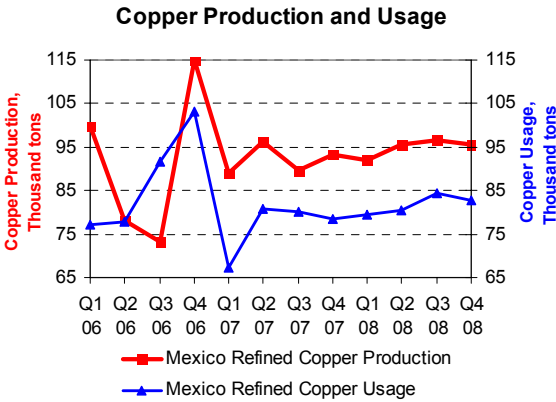
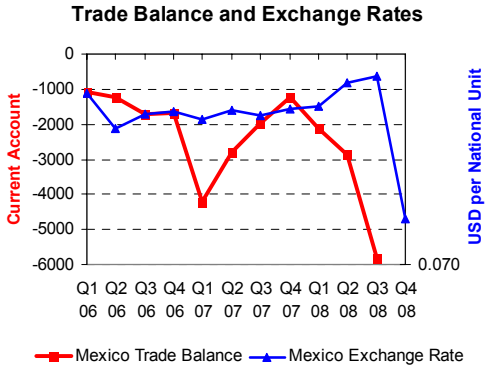
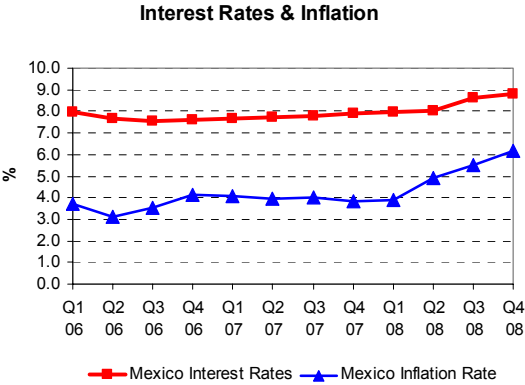
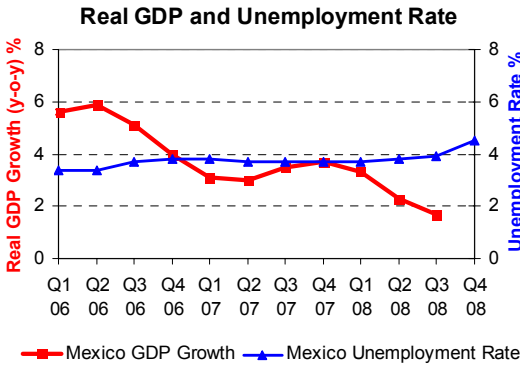
# Luxembourg

Please note that copper data are reported jointly for Luxembourg and Belgium.



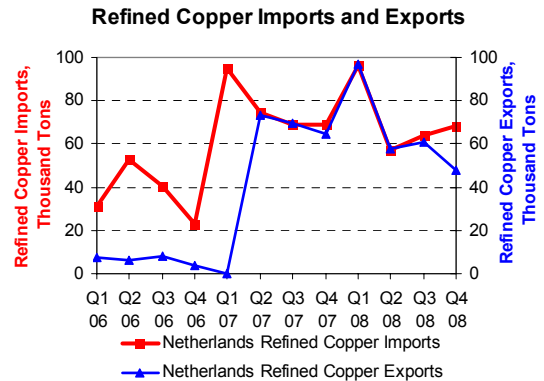
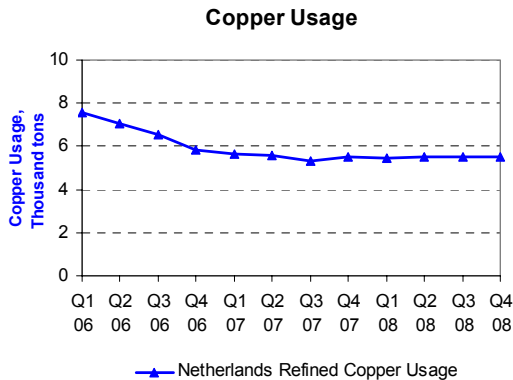
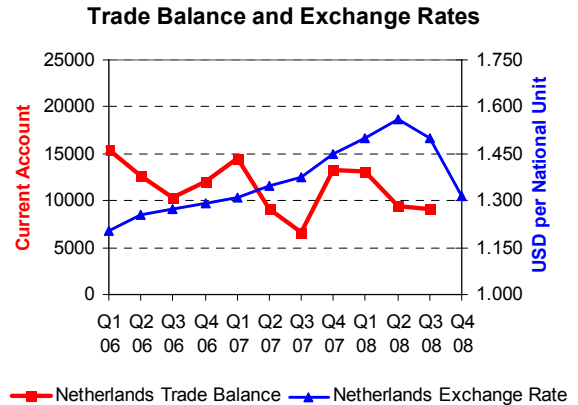
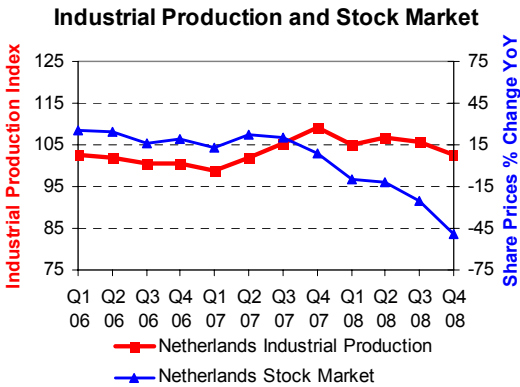
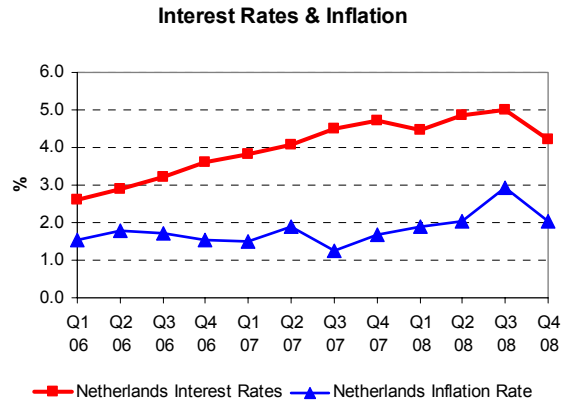
# Mexico

Exchange rates have been especially hard hit in Eastern Europe and Latin America, including Mexico...



# Netherlands

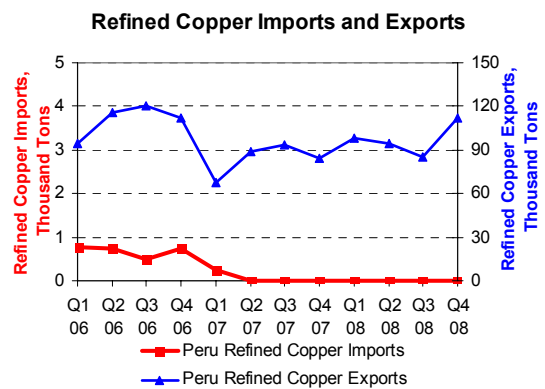
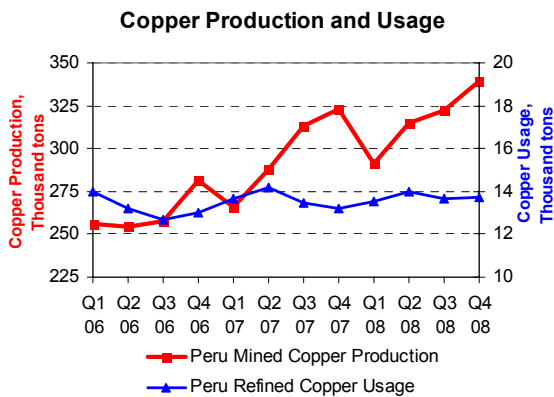
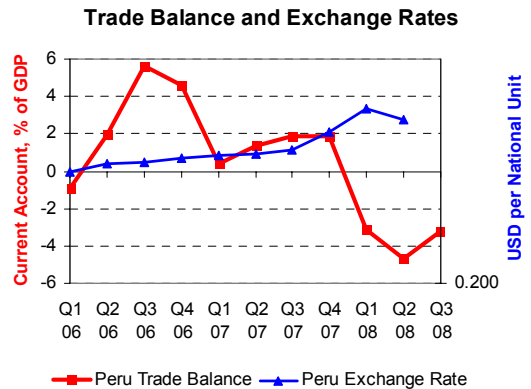
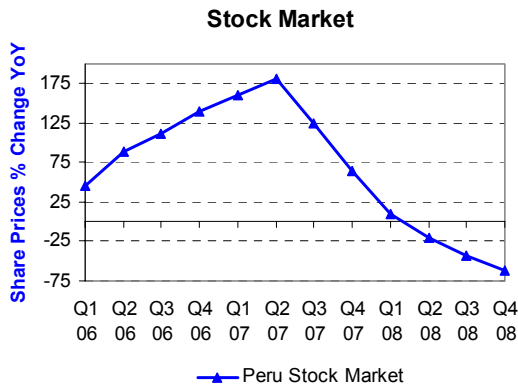
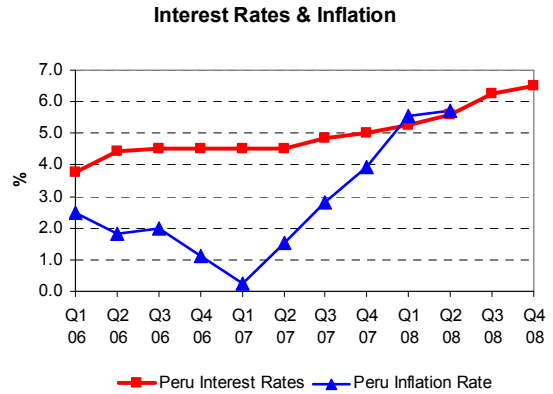
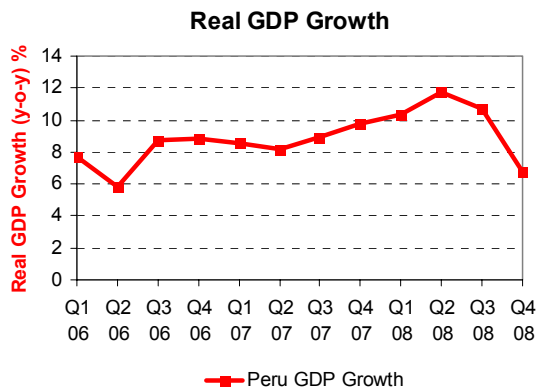
Although real GDP in the Netherlands reportedly contracted 0.6% in 4Q 08, refined copper usage has remained remarkably stable...





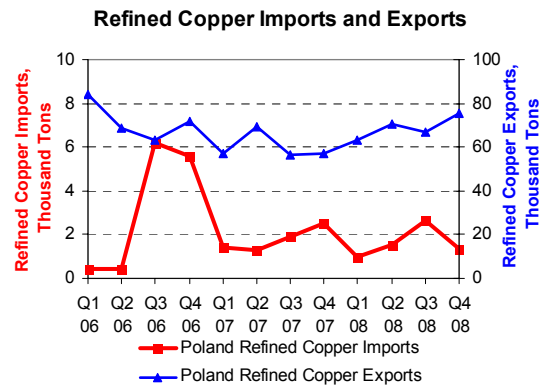
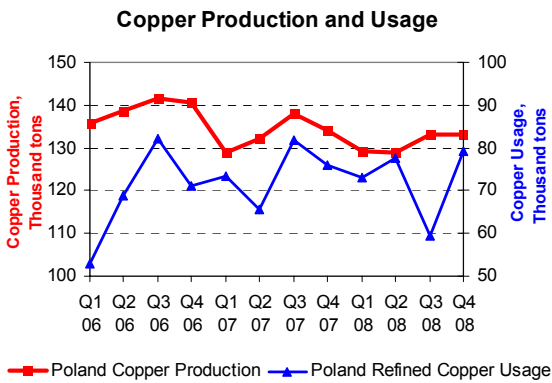
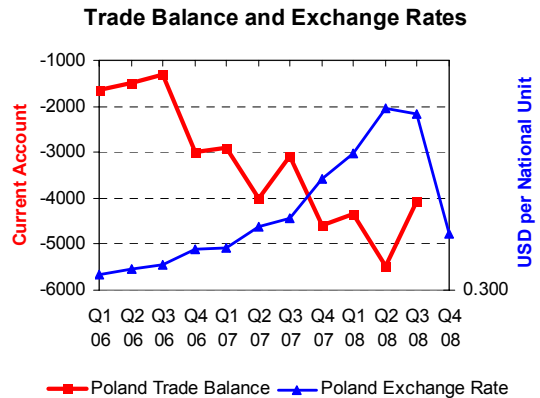
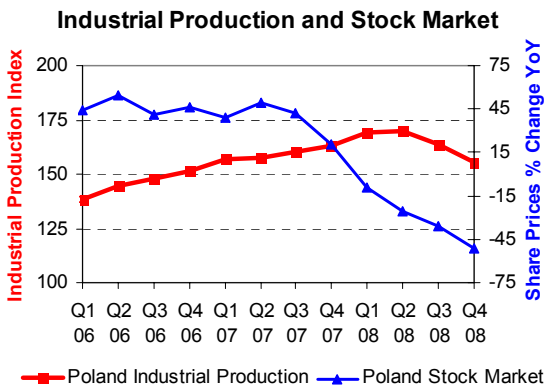
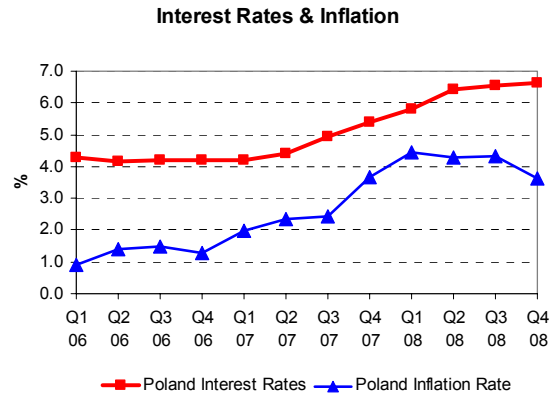
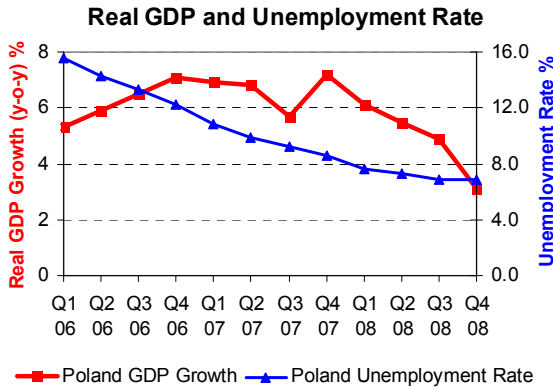
# Peru

The growth of Peru's economy, one of the fastest growing among ICSG member countries, is also slowing...



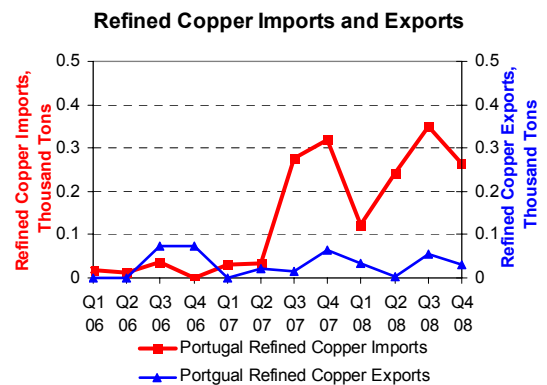
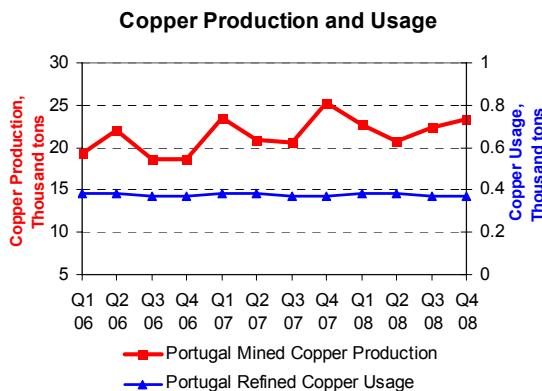
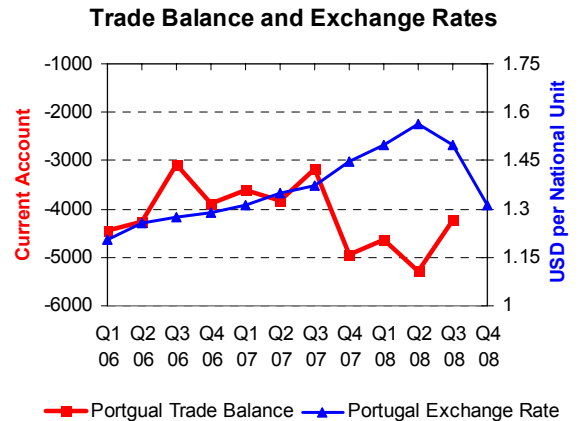
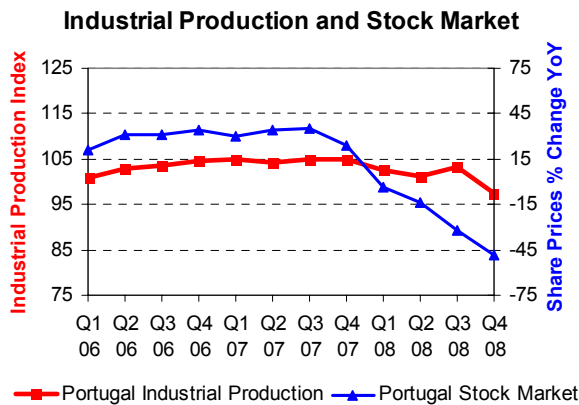
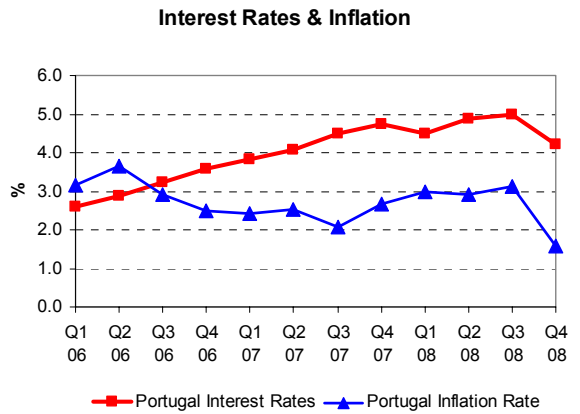
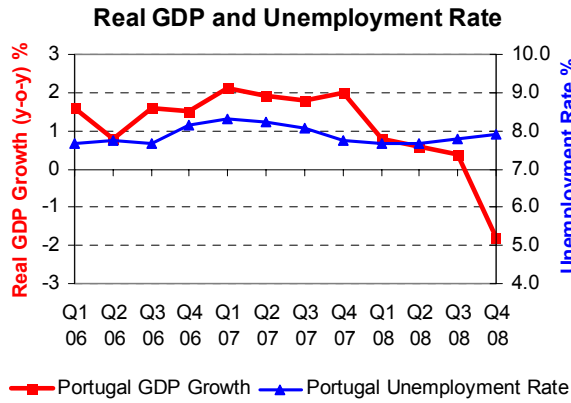
# Poland

After having plunged 23% in 3Q 08, refined copper usage in Poland rebounded sharply in 4Q 08.



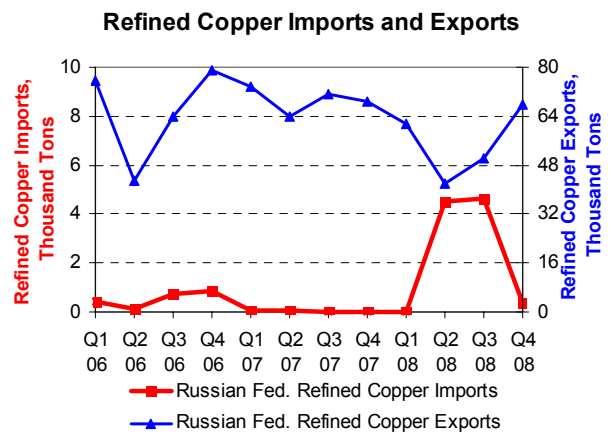
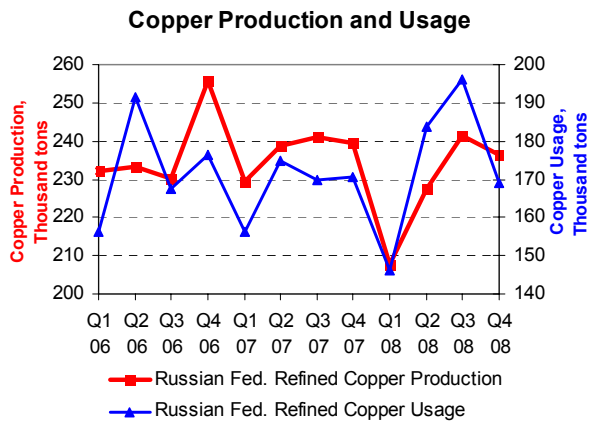
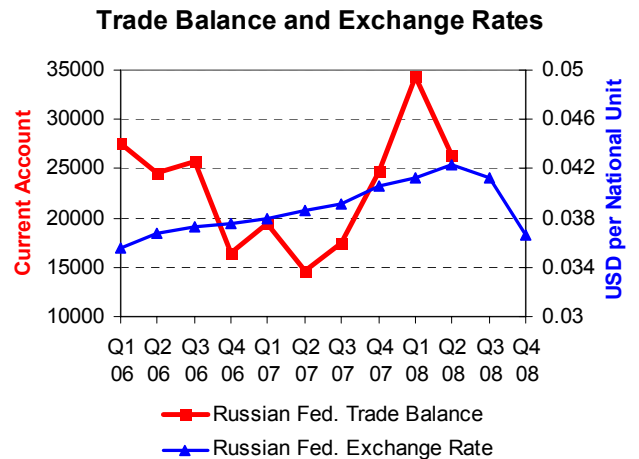
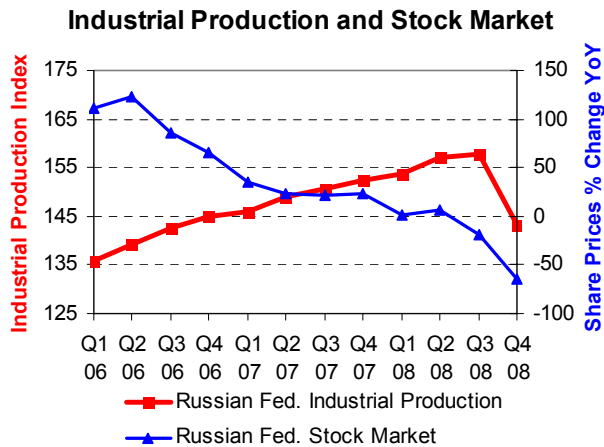
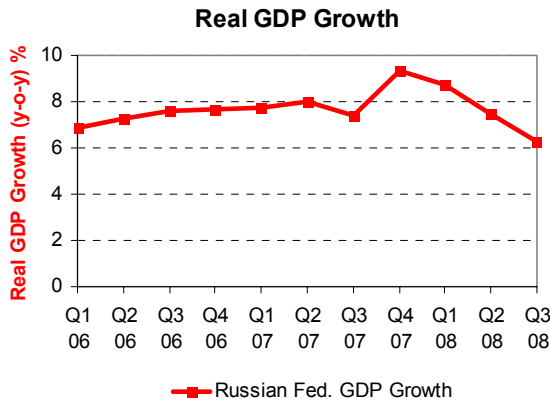
# Portugal

Copper mine production (shown here) in Portugal has held firm as of late, increasing in each of the last two quarters...



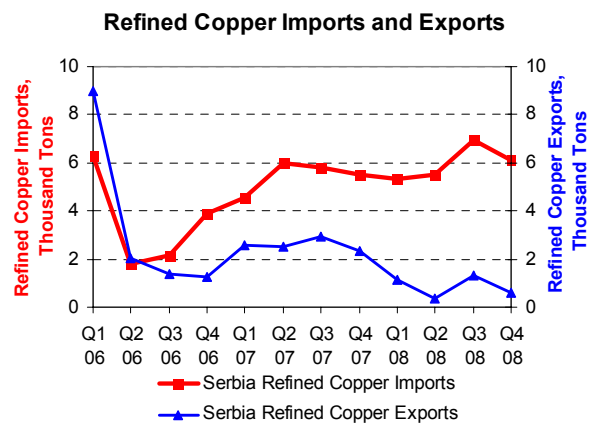
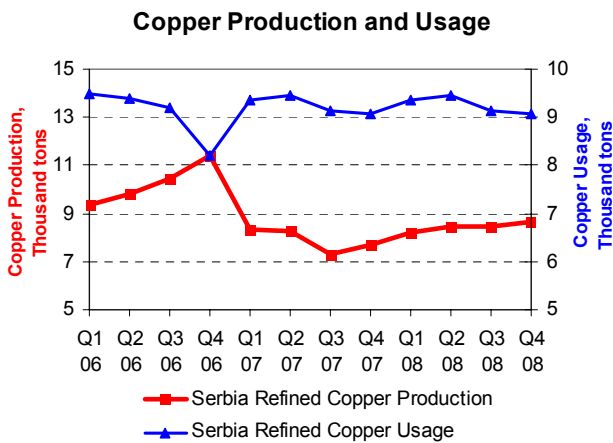
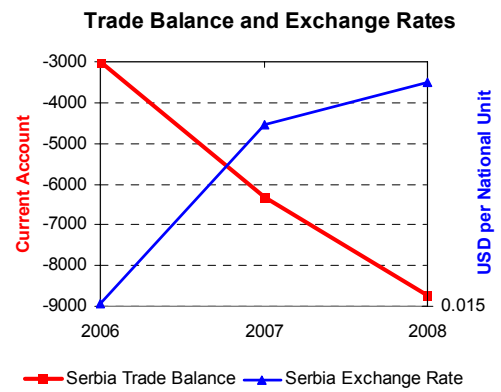
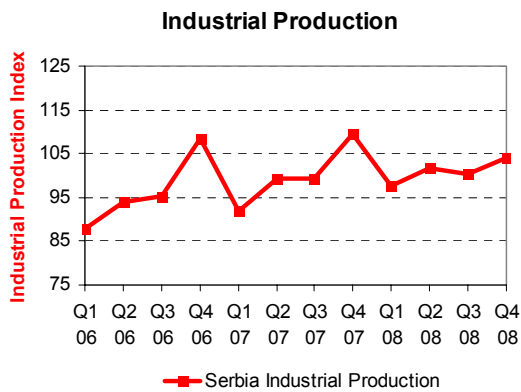
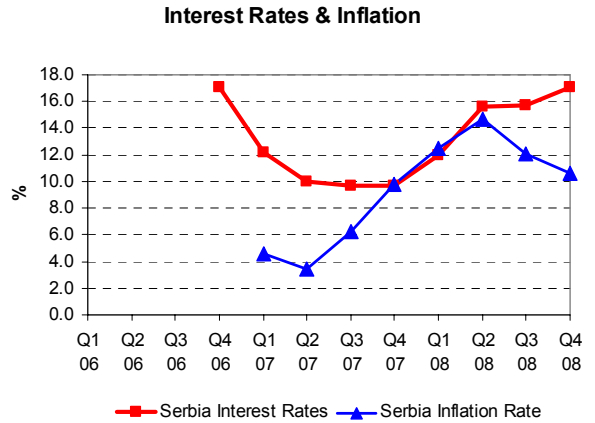
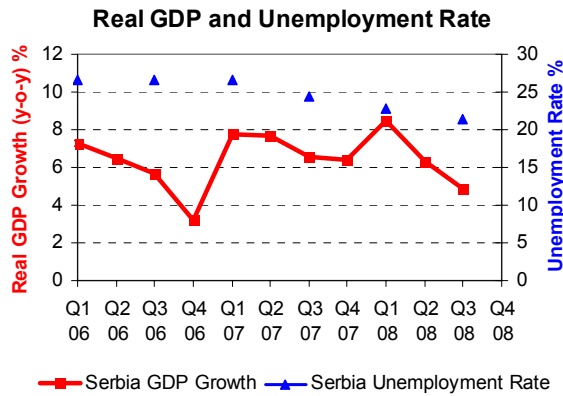
# Russian Federation

After a strong start to the year, refined copper usage in the Russian Federation decreased by an estimated 14% in 4Q 08 from the preceding quarter.



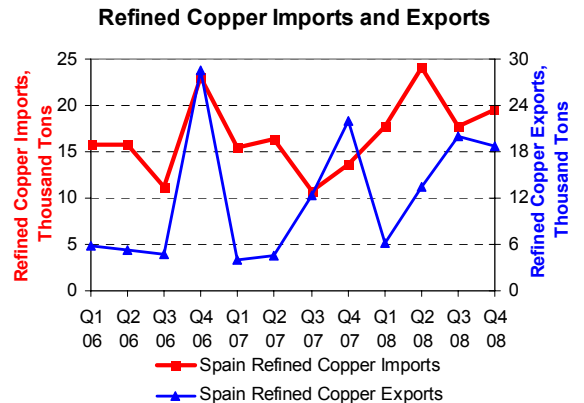
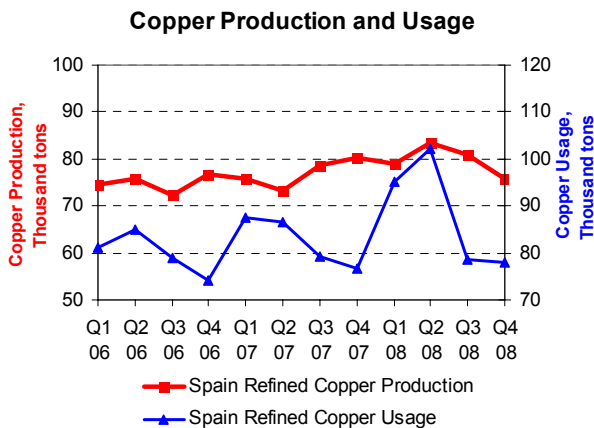
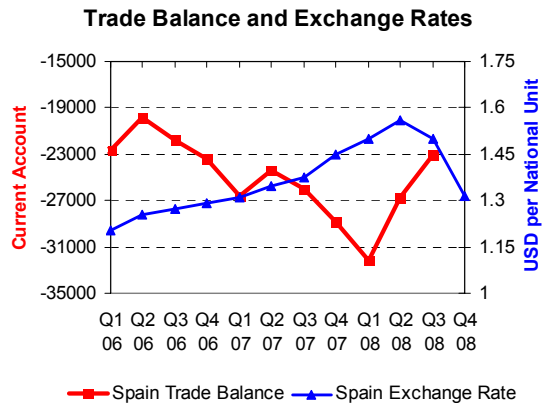
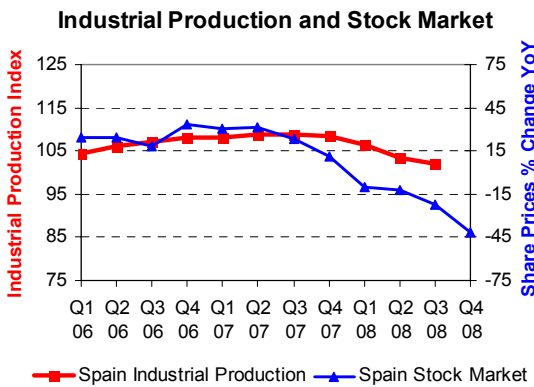
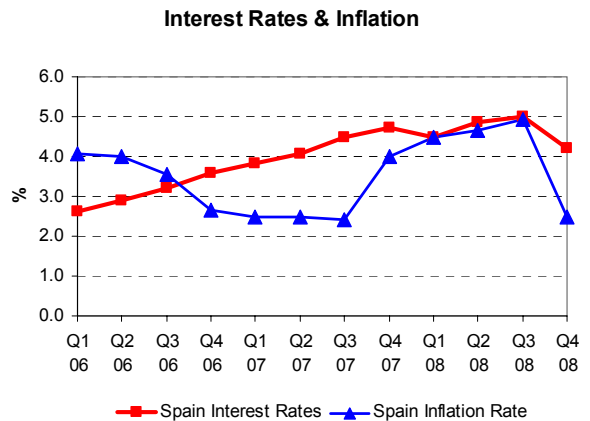
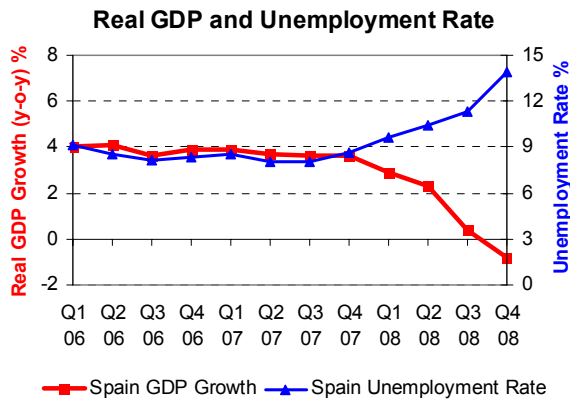
# Serbia

Despite double digit inflation and unemployment, industrial production and refined copper usage in Serbia has been holding steady as of late...



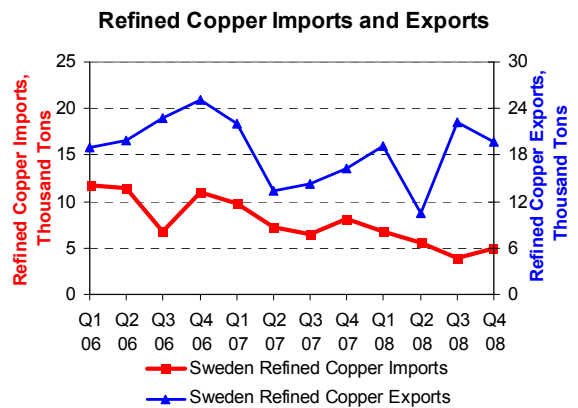
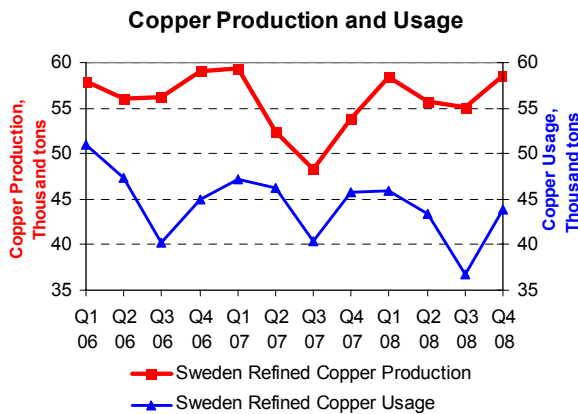
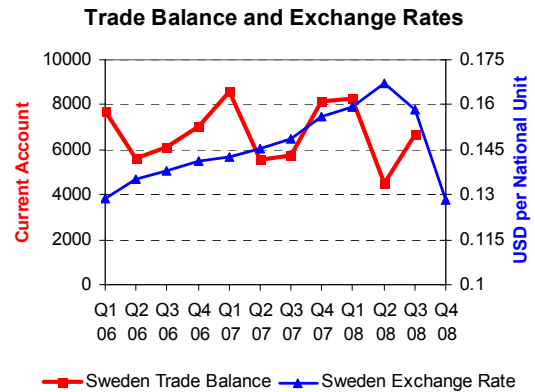
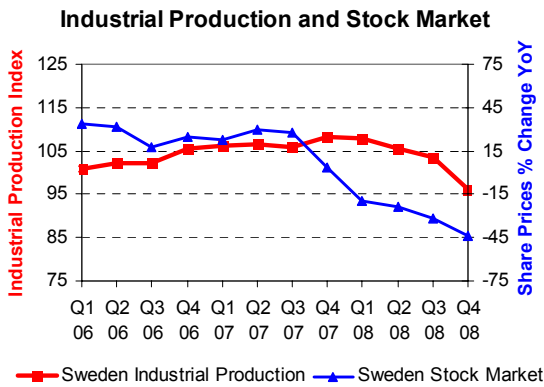
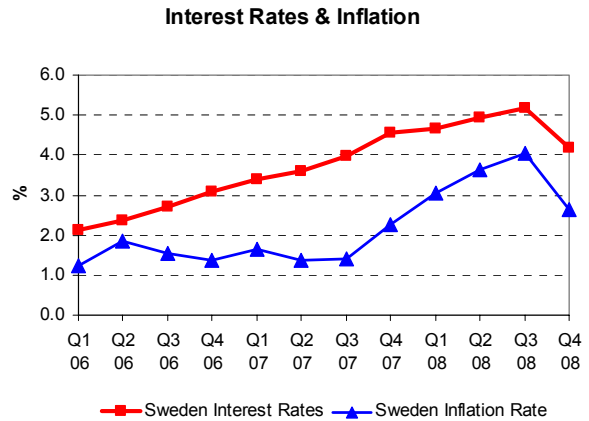
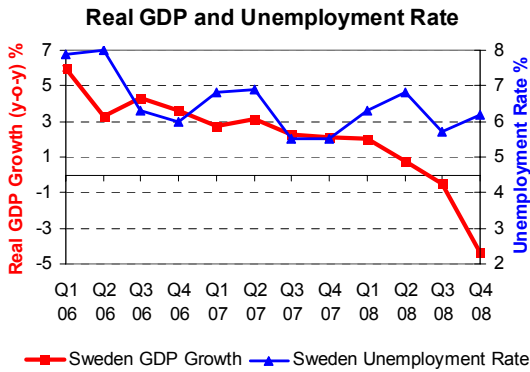
# Spain

After a steep decline in 3Q 08, refined copper usage steadied in Spain in 4Q 08 and was up slightly from the corresponding period in 2007.



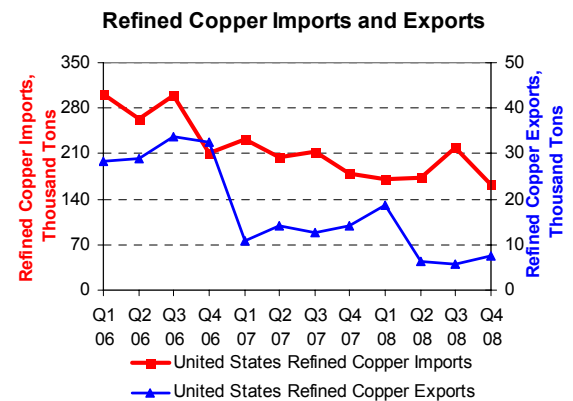
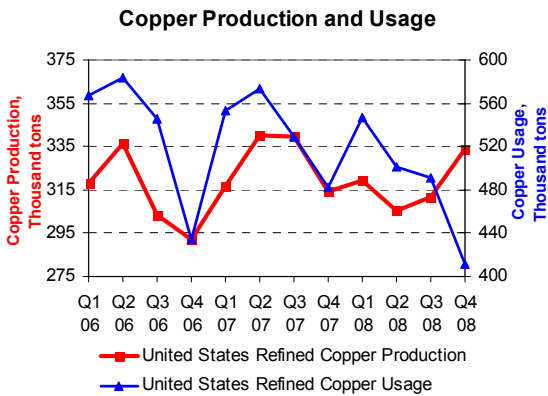
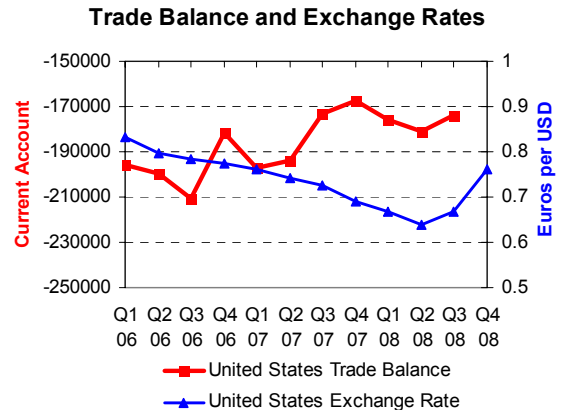
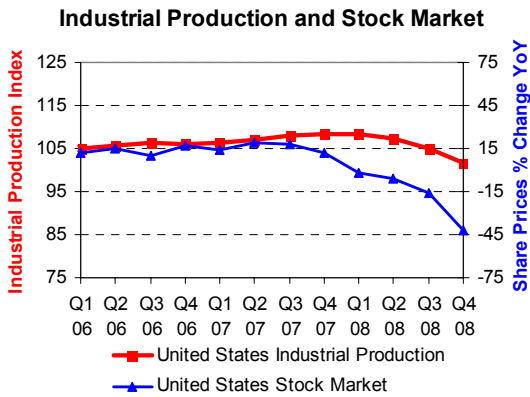
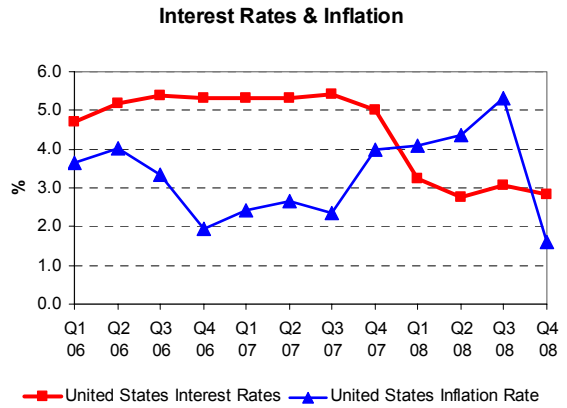
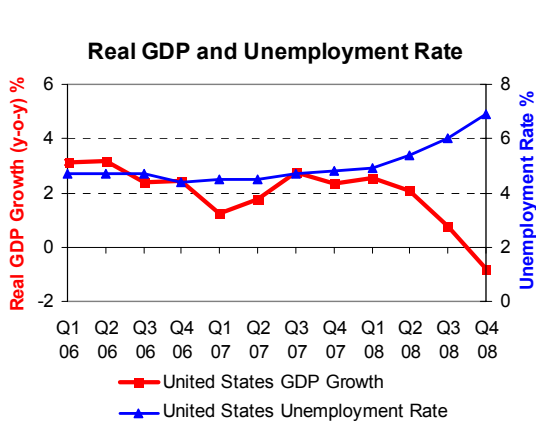
# Sweden

While real GDP in Sweden reportedly contracted 4.4% in 4Q 08, refined copper usage and production rebounded in the fourth quarter.



# United States

Refined copper usage in the U.S. is estimated to have decreased 16% in 4Q 08, the third consecutive quarter of decline.





## Sources and Technical Notes

Data Sources: Central Bank of Chile, Central Reserve Bank of Peru, the European Commission, Eurostat, Instituto Nacional de Estadística e Informática (INEI), Peru, Instituto Nacional de Estadísticas, Chile, International Copper Study Group, International Monetary Fund, Japan Bureau of Statistics, National Bank of Serbia, National Bureau of Statistics of China, Organization for Economic Cooperation and Development, United States Bureau of Economic Analysis and Yahoo! Finance.

Gross Domestic Product. Quarterly real GDP percentage change from the corresponding period in the previous year.

Unemployment rate: Quarterly unemployment rate. China: registered urban unemployment rate.

Interest Rates: Average of monthly short term interest rates. Europe: Average of monthly 3-month Euro area interest rates. Chile: average of monthly Monetary Policy Rates. China, Japan, Mexico, Russian Federation and the United States: Short-term interest rates as defined by OECD. Peru: average of monthly Policy Interest Rates. Serbia: average of end of month Key Policy Rates.

Inflation: Europe: HICP, all items, average of monthly changes from corresponding period in the previous year. Chile, China, India, Japan, Mexico, Peru, Russian Federation, Serbia and the United States percentage change CPI from the corresponding period in the previous year.

Industrial Production: Index of industrial production unless otherwise noted. China: average monthly percentage change over the corresponding period in the previous year of the Value Added of Industrial Enterprises above Designated Size.

Stock Market: percentage change of share prices as defined by OECD from corresponding period in the previous year unless otherwise noted. Chile: average of monthly changes in IPSA index price from corresponding period in the previous year. Peru: percentage change in LSE index from corresponding period in the previous year.

Exchange Rate: average USD per national unit rate. United States: average Euros per USD.

Trade Balance: Total quarterly current account balance in national currency unless otherwise noted. China: sum of monthly trade surpluses, 100 million USD. India, Japan, Mexico, Russian Federation and the United States, USD millions. Peru: current account balance as a percentage of GDP.

Copper Production, Usage and Trade: All figures for refined copper in thousand metric tons, except for production in Chile, Peru, and Portugal, which represents copper mine production.