



Release of ICSG 2014 Statistical Yearbook

The International Copper Study Group released its 2014 Statistical Yearbook covering world copper supply and demand data for the 10-year period 2004-2013. It is an excellent tool that allows an assessment of how the market evolved in the last 10 years, and shows which countries increased or lost share in the global copper production, usage and trade. The Statistical Yearbook is included as part of the ICSG Monthly Bulletin annual subscription and is also available for sale as a separate issue (€200 for orders originating from ICSG member countries and €300 for other orders).

According to ICSG data, world copper mine production rose by 24% during the 10-year period from 14.6 million metric tonnes (Mt) in 2004 to 18.1 Mt in 2013: copper in concentrates rose by 20% while solvent extraction-electrowinning (SX-EW) production rose by 41%. The SX-EW share of total mine production increased from 18.5% in 2004 to 21% in 2013. Although the mine capacity utilization rate averaged around 86% over this period, over the 2008-2011 period, as a result of numerous factors including lower head grades, labour unrest, accidents, technical problems, and temporary shutdowns or production cuts, capacity utilization averaged 83% and mine production grew by a compound annual growth rate (CAGR) of only 1%. Mine production growth averaged 2.5%/y over the 10-year period with a significant recovery in mine output in 2013 (+8.5%). Notable changes in mine production over 2004-2013 included increases of 800,000 t in China, 760,000 t in the Democratic Republic of Congo, and between 350 and 400,000 t in Chile, Peru and Zambia respectively. The revival of the African copper belt led to an increase in African copper mine output of 1.2 Mt. Conversely, operational issues led to a decline of 330,000 t (40%) in Indonesia compared with the 2004 production level. Output from countries that were minor producers in 2004, or where copper mining production was non-existent, increased by around 620,000 t.

Over the 10-year period, annual world refined production rose by 32% from 15.9 Mt in 2004 to 21 Mt in 2013, with a CAGR of 3%. Primary (electrolytic and SX-EW) and secondary (from scrap) refined production increased by 24.5% and 84%, respectively. The share of secondary production in total refined production increased gradually from 13% in 2004 to around 18% in 2011 remaining at the same level in the last two years. Over the full 10-year period, China's annual refined production tripled, increasing to around 6.5 Mt; Chile's production declined by 3% to 2.7 Mt; and significant increases in India, Bulgaria, the Democratic Republic of Congo and Zambia together added 1.2 Mt to world refined production. In North America, production fell by 22% to 1.7 Mt due to refinery closures in the United States, Canada and Mexico. Refined production in the EU rose by 10% to 2.7 Mt over the same period.

World annual refined copper usage increased by 27% (CAGR of 3%) over the 10-year period from 16.7 Mt to 21.3 Mt. Growth was driven by China¹ where apparent usage over the 10-year period increased by around 6.2 Mt (+185%) and its share of world usage grew to 45% from 20% in 2004. Conversely, world usage excluding China decreased by 12.5% (1.7 Mt) during the period, mainly due to the decline in refined usage in three of the major copper using countries, namely the EU (-27%), Japan (-22%), and the United States (-24%). However, usage increased significantly in the MENA region (137%), in Europe ex-EU (26%) and in Asia ex-China/Japan region (7.5%).

¹ In developing its global market balance, ICSG uses an apparent demand calculation for China, the leading global consumer of copper, accounting for more than 40% of world demand. Apparent copper demand for China is based only on reported data (production + net trade +/- SHFE stock changes) and does not take into account changes in unreported stocks [State Reserve Bureau (SRB), producer, consumer and merchant/trader], which have reportedly been significant during recent periods of stocking or de-stocking and which could significantly alter supply-demand balances. Therefore, beginning with the January 2014 data release, ICSG has included in its world summary table an additional line item - Refined World Balance Adjusted for Chinese Bonded Stock Changes. As there is no officially reported data, ICSG uses an average of stock estimates provided by three consultants — based on their ongoing research and analysis of the Chinese copper market — to estimate the unreported inventory changes.

World Refined Copper Usage and Supply Trends, 2004-2013

Thousand metric tonnes, copper

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
World Mine Production	14,592	14,923	14,984	15,516	15,571	15,950	16,038	16,052	16,688	18,101
World Mine Capacity	15,881	16,587	16,857	17,851	18,481	19,126	19,368	19,581	20,167	21,064
Mine Capacity Utilization (%)	92	90	89	87	84	83	83	82	83	86
Primary Refined Production	13,848	14,411	14,678	15,163	15,388	15,401	15,749	16,131	16,573	17,243
Secondary Refined Production	2,069	2,161	2,613	2,739	2,824	2,847	3,236	3,465	3,575	3,815
World Refined Production (Secondary+Primary)	15,918	16,572	17,291	17,903	18,213	18,248	18,985	19,597	20,147	21,058
World Refinery Capacity	19,171	20,185	20,530	21,789	22,560	23,419	23,688	24,280	25,310	26,689
Refineries Capacity Utilization (%)	83	82	84	82	81	78	80	81	80	79
Secondary Refined as % in Total Refined Prod.	13	13	15	15	16	16	17	18	18	18
World Refined Usage 1/	16,748	16,564	16,934	18,049	17,896	17,903	19,138	19,705	20,403	21,331
World Refined Stocks End of Period	866	810	1,075	970	1,102	1,376	1,198	1,205	1,376	1,325
Period Stock Change	-915	-56	265	-105	132	275	-178	7	171	-51
Refined Balance 2/	-830	8	357	-147	316	345	-153	-109	-256	-272
Refined Balance Adjusted for Chinese bonded stock change 3/	NA	NA	NA	NA	NA	NA	24	-170	312	-519
LME Copper Price 4/	2,868	3,684	6,727	7,126	6,952	5,164	7,539	8,811	7,950	7,322

1/ Based on EU apparent usage. 2/ Surplus/deficit is calculated using refined production minus refined usage. 3/ For details of this adjustment see footnote one in the last paragraph of this press release. 4/ Annual average in US dollars per ton of copper.