



ICSG PRESS RELEASE

Copper: Preliminary Data for December 2002

The International Copper Study Group (ICSG) released preliminary December 2002 and annual 2002 data for world copper supply and demand in its March 2003 Copper Bulletin.

According to preliminary ICSG data, the apparent refined copper surplus for the year 2002 amounted to 245,000 tonnes (t), including revised data for prior months. This compares with a surplus of 781,000 t in 2001. Preliminary results for December 2002 show a surplus of 155,000 t of refined copper. The 142,000 t disparity between the apparent surplus and reported stock changes in 2002, which have balanced closely in recent years, is likely due to unreported inventory rises.

The substantial surplus is mainly due to a marked fall in copper usage in the European Union and the United States during the second half of 2002. Usage in the EU and the US declined from the already low levels of 2001 by 5.2% and 7.9%, respectively. Usage in Asia remained stable in December with usage in the year 2002 increasing by 11.2% compared with that in 2001. World copper usage in 2002 increased by 2.0% compared with that of 2001. World mine output for the year 2002 fell 0.5% compared with that of 2001. Mining showed a strong performance in December 2002 with capacity utilisation rising to 95%; this compares to the 2002 average of 90%. The higher output towards year-end mainly resulted from South America. Capacity utilisation rates of refineries remained low at 82.3% in December compared to an annual average of 84% in 2002 and 88% in 2001. Total refined copper production in 2002 contracted by 1.6% compared with 2001.

Copper stocks held at the major metal exchanges (LME, COMEX, SHFE) at the end of February 2003 totalled 1,248,437 t, a decrease of 13,611 t from stocks held at the end of January 2003. Stock levels decreased at the warehouses of COMEX and LME but increased at the SHFE. The average LME cash price for February 2002 was US\$1,684 per tonne, as compared with the January average of US\$1,648 per tonne.

World Refined Copper Usage and Supply Trends, 1996-2002

Thousand metric tonnes, copper

	1996	1997	1998	1999	2000	2001	2001	2002	2002			
							Jan-Dec	Sep	Oct	Nov	Dec	
World Mine Production	11,127	11,549	12,236	12,757	13,186	13,653	13,653	13,585	1,137	1,159	1,152	1,241
World Mine Capacity	12,013	12,420	13,149	13,863	14,273	14,520	14,564	15,061	1,249	1,296	1,260	1,308
Percent Capacity Utilization	92.6	93.0	93.1	92.0	92.4	94.0	93.7	90.2	91.0	89.4	91.5	94.9
Primary Refined Production	10,684	11,382	12,021	12,421	12,644	13,684	13,684	13,408	1,087	1,142	1,123	1,138
Secondary Refined Production	1,996	2,093	2,044	2,117	2,122	1,893	1,893	1,923	159	155	147	152
Refined Production (Secondary+Primary)	12,680	13,475	14,064	14,538	14,766	15,576	15,576	15,331	1,246	1,297	1,270	1,290
World Refinery Capacity	14,183	15,442	16,097	16,863	16,984	17,687	17,692	18,233	1,507	1,561	1,514	1,568
Percent Capacity Utilization	89.4	87.3	87.4	86.2	86.9	88.1	88.0	84.1	82.7	83.1	83.9	82.3
Percent Scrap in Total Refined Production	15.7	15.5	14.5	14.6	14.4	12.2	12.2	12.5	12.8	11.9	11.6	11.8
World Usage ^{1/}	12,593	13,072	13,446	14,258	15,101	14,795	14,795	15,086	1,286	1,357	1,211	1,134
Four Weeks of World Usage	969	1,006	1,034	1,097	1,162	1,138	1,135	1,157	1,200	1,225	1,130	1,025
Refined Stocks, End of Period ^{2/}	817	1,189	1,509	1,634	1,318	2,109	2,109	2,212	2,252	2,148	2,151	2,212
Period Stock Change	-126	373	319	126	-316	790	790	103	-42	-104	3	62
Refined Surplus/Deficit ^{3/}	86	403	618	280	-335	781	781	245	-40	-60	59	155

Due to the nature of statistical reporting, the published data should be considered as preliminary since some figures are currently based on estimates and could change.

1/ Based on EU apparent usage

2/ Refined stocks includes those held by exchanges, producers, consumers, merchants and governments

3/ Surplus or deficit is calculated using total refined production minus refined usage