



ICSG PRESS RELEASE

Copper: Preliminary Data for June 2003

The International Copper Study Group (ICSG) released preliminary June 2003 data for world copper supply and demand in its September 2003 Copper Bulletin.

According to ICSG data, the apparent refined copper balance for the first half of 2003 indicates a production deficit of 271,000 tonnes (t). This compares with a production surplus of 219,000 t in the same period of last year. Seasonal factors, however, contribute substantially to the monthly trend in the supply/demand balance. These factors tend to favour demand in the first half of the year and production during the second half. Adjusting usage and production for seasonal factors would indicate a more nearly balanced supply/demand pattern for the first half of 2003.

The calculated (unadjusted) deficit resulted from a 4.5% increase in world copper usage and a 2% decline in world refined copper production in the first half of 2003, when compared with the same period of 2002. The main contributor to the recovery in copper usage was Asia, with an overall increase of 10.8% (China +21%, Japan +8%). Copper usage in the European Union increased slightly (+1.3%), and in the Americas it declined by 4.3% (Canada -17%, United States -5%). On the supply side, refined copper production decreased in the Americas (-6.5%) and in Europe (-3.2%), but increased in Asia (+3.5%). Global mine production rose by 2.6% in the first half of 2003 compared with that of the same period a year ago. Significant increases in South America and Indonesia offset production declines, principally in North America and Oceania.

At the end of August 2003, copper stocks held at the major metal exchanges (LME, COMEX, SHFE) totalled 989,406 t, a small increase of 6,547 t from stocks held at the end of July 2003. Stock levels decreased at the warehouses of the COMEX, but increased at the LME and SHFE. Since the end of last year, the exchange stocks have declined by 303,582 t. The average LME cash price for August 2003 was US\$1,760.3 per tonne, as compared with the July average of US\$1,710 per tonne.

World Refined Copper Usage and Supply Trends, 1997-2003

Thousand metric tonnes, copper

	1997	1998	1999	2000	2001	2002	2002		2003		2003	
							Jan-Jun	2003	Mar	Apr	May	Jun
World Mine Production	11,550	12,246	12,784	13,194	13,619	13,506	6,615	6,789	1,181	1,120	1,168	1,149
World Mine Capacity	12,392	13,104	13,798	14,198	14,448	15,061	7,405	7,685	1,314	1,276	1,322	1,283
Percent Capacity Utilization	93.2	93.4	92.7	92.9	94.3	89.7	89.3	88.3	89.8	87.8	88.3	89.5
Primary Refined Production	11,383	12,021	12,446	12,650	13,724	13,519	6,757	6,691	1,140	1,098	1,138	1,118
Secondary Refined Production	2,103	2,055	2,103	2,125	1,863	1,887	964	879	155	146	155	140
Refined Production (Secondary+Primary)	13,486	14,076	14,548	14,776	15,587	15,407	7,721	7,571	1,295	1,244	1,293	1,258
World Refinery Capacity	15,439	16,063	16,839	16,966	17,697	18,271	9,001	9,258	1,584	1,536	1,591	1,543
Percent Capacity Utilization	87.4	87.6	86.4	87.1	88.1	84.3	85.8	81.8	81.7	81.0	81.3	81.5
World Usage ^{1/}	13,093	13,468	14,272	15,107	14,856	15,166	7,502	7,842	1,381	1,291	1,353	1,336
Four Weeks of World Usage	1,007	1,036	1,098	1,162	1,143	1,167	1,160	1,213	1,248	1,205	1,222	1,247
Refined Stocks, End of Period ^{2/}	1,189	1,509	1,634	1,318	2,076	2,174	2,224	1,894	2,083	1,983	1,948	1,894
Period Stock Change	373	319	126	-316	757	98	149	-280	-161	-100	-35	-54
Refined Surplus/Deficit ^{3/}	393	608	276	-331	731	241	219	-271	-87	-46	-60	-78

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 European Union 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