



ICSG PRESS RELEASE

Copper: Preliminary Data for July 2003

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

According to ICSG data, the apparent refined copper balance for the first seven months of 2003 indicates a production deficit of 298,000 tonnes (t). This compares with a production surplus of 153,000 t for the same period of last year. Preliminary results for July 2003 show a surplus of 25,000 t. Seasonal factors, however, contribute substantially to the monthly trend in the supply/ demand balance.

The calculated (unadjusted) deficit resulted from a 3.1% increase in world copper usage and a 2% decline in world refined copper production in the first 7 months of 2003, when compared with the same period in 2002. Secondary refined production, which dropped by nearly 10%, accounted for most of the decline in refined output. The principle contributor to the recovery in copper usage was Asia, with an overall increase of 8.6% (China +16.2%, Japan +5.6%). Copper usage in the European Union for the 7-month comparative periods decreased slightly (-0.7%) after a weak July, and in the Americas, usage declined by 4.1% (Canada -9.0%, United States -6.1%). On the supply side, refined copper production decreased in the Americas (-5.2%) and in Europe (-4.6%), but increased in Asia (+8.6%). Global mine production rose by 3.3% in the first 7 months 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 September 2003, copper stocks held at the major metal exchanges (LME, COMEX, SHFE) totalled 936,212 t, a decrease of 53,194 t from stocks held at the end of August 2003. Stock levels decreased at the warehouses of the LME, COMEX and the SHFE. Since the end of last year, the exchange stocks have declined by 356,776 t. The average LME cash price for September 2003 was US\$1,789.5 per tonne, as compared with the August average of US\$1,760 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-Jul	Apr	May	Jun	Jul	
World Mine Production	11,550	12,246	12,784	13,194	13,619	13,507	7,698	7,949	1,119	1,166	1,150	1,166
World Mine Capacity	12,392	13,104	13,798	14,198	14,448	15,061	8,689	9,014	1,276	1,322	1,283	1,330
Percent Capacity Utilization	93.2	93.4	92.7	92.9	94.3	89.7	88.6	88.2	87.7	88.2	89.7	87.6
Primary Refined Production	11,383	12,021	12,446	12,650	13,759	13,511	7,867	7,801	1,092	1,125	1,107	1,153
Secondary Refined Production	2,103	2,055	2,103	2,125	1,863	1,887	1,126	1,017	148	154	137	141
Refined Production (Secondary+Primary)	13,486	14,076	14,548	14,775	15,622	15,398	8,993	8,818	1,240	1,279	1,244	1,294
World Refinery Capacity	15,439	16,063	16,839	16,966	17,697	18,271	10,857	10,857	1,536	1,591	1,543	1,599
Percent Capacity Utilization	87.4	87.6	86.4	87.1	88.3	84.3	82.8	81.2	80.7	80.4	80.6	80.9
World Usage ^{1/}	13,093	13,468	14,272	15,106	14,867	15,169	8,841	9,116	1,293	1,359	1,332	1,269
Four Weeks of World Usage	1,007	1,036	1,098	1,162	1,144	1,167	1,168	1,204	1,207	1,227	1,243	1,146
Refined Stocks, End of Period ^{2/}	1,189	1,509	1,634	1,320	2,076	2,163	2,284	1,878	1,981	1,944	1,902	1,878
Period Stock Change	373	319	126	-314	756	87	208	-285	-100	-37	-42	-24
Refined Surplus/Deficit ^{3/}	393	608	276	-331	755	229	153	-298	-53	-80	-88	25

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