



**Copper: Preliminary Data for 2012**

The International Copper Study Group (ICSG) released preliminary data for December 2012 world copper supply and demand in its March 2013 Copper Bulletin. The Bulletin is available for sale upon request.

According to preliminary ICSG data, the refined copper market balance for December 2012 showed a production surplus of around 170,000 metric tonnes (t) as refined usage was weak in major consuming regions during the yearend holiday period. For the full-year 2012, the world apparent refined copper balance, including revisions to data previously presented, indicates a production deficit of 340,000 t mainly due to constrained growth in refined production and significant growth in China's apparent usage\*. Anecdotal evidence, however, supported by high import levels during the first half of the year, suggests that unreported inventories held in bonded warehouses in China increased significantly during 2012, and that industrial use of copper in China might have been significantly less than apparent use calculated using only reported inventories. Accounting for this inventory increase would significantly alter the calculated market balance.

In 2012, world usage of refined copper grew by around 3.1% (608,000 t) to 20.5 Mt, as compared to 2011, principally owing to strong growth in Chinese apparent usage\*. World usage without China declined by 2.2%. A growth of 11% in China's apparent usage\* more than offset an aggregated decline of 3.8% in usage in Japan, the European Union and the United States. China's apparent usage growth was based on a 17% increase in net imports of refined copper. On a regional basis, usage grew by 7.5% in Asia (0.9% in Asia ex-China region) and 1% in the Americas but declined by 6% in Oceania, 6.3% in Europe, and 13.5% in Africa.

In 2012, mine production levels improved gradually, recovering from constrained output in 2011. For the full-year, world mine production increased by around 4.5% (715,000 t) compared with 2011 production; 2<sup>nd</sup> half 2012 mine production was 6.5% higher than 2<sup>nd</sup> half 2011 production and almost 10% higher than production in the first half of 2012. In 2012, concentrate production increased by 4.2% while solvent extraction-electrowinning (SX-EW) production was up by 5.4%. Increases in Chile (3%), China (26%), Democratic Republic of Congo (DRC) (21%), Mexico (18%) and Peru (5%) more than offset declines in Australia (4%) and Indonesia (26%). On a regional basis, production rose by 9% in Africa, 4% in the Americas, 7% in Asia, and 3% in Europe, but declined by 4% in Oceania. The average world mine capacity utilization for 2012 increased to 82% from around 80.8% in 2011.

World refined production increased by 2.5% (485,000 t) in 2012 compared with refined production in 2011: Primary production was up by 2.3% due to the increase in electrowinning production, and secondary production (from scrap) increased by 3.3%. The main contributors to growth were China (+11% due to expanded capacity), Japan (+14% due to a recovery from impact of earthquake/tsunami in 2011) and the DRC (28% due to ramp up of production at several operations), with production declining by 6% in Chile, 3% in the United States (owing in part to a series of smelter maintenance shutdowns), and by 45% in the Philippines (owing to a fire at the sole smelter). The average world refinery capacity utilization rate for 2012 was 79% compared with 80.6% in 2011.

The average LME cash price for February 2013 was US\$8,070.48 per tonne, up from the January 2013 average of US\$8,049.27 per tonne. The 2013 high and low copper prices through the end of February were US\$8,242.50 (on 5 Feb) and US\$7,785.00 per tonne (on 26 Feb), respectively, and the annual average was US\$8,059.37 per tonne. As of the end of February, copper stocks held at the major metal exchanges (LME, COMEX, SHFE) totalled 734,545 t, an increase of 145,123 t from stocks held at the end of December 2012 and an increase of 86,193 t from stock levels at the end of January 2013. Compared with the January levels, stocks were up at all three exchanges.

Please visit the ICSG website [www.icsg.org](http://www.icsg.org) for further copper market related information.

\* 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.

**World Refined Copper Usage and Supply Trends, 2007-2012**

Thousand metric tonnes, copper

	2007	2008	2009	2010	2011	2011		2012			
						Jan-Dec	2012	Jan-Dec	Sep	Oct	Nov
World Mine Production	15,482	15,531	15,898	16,020	16,023	16,023	16,740	1,430	1,495	1,489	1,545
World Mine Capacity	17,900	18,551	19,254	19,560	19,824	19,824	20,380	1,697	1,761	1,712	1,776
Mine Capacity Utilization (%)	86.5	83.7	82.6	81.9	80.8	80.8	82.1	84.3	84.9	87.0	87.0
Primary Refined Production	15,190	15,416	15,431	15,753	16,168	16,168	16,537	1,381	1,408	1,406	1,527
Secondary Refined Production	2,738	2,823	2,841	3,250	3,481	3,481	3,596	308	316	326	309
World Refined Production (Secondary+Primary)	17,928	18,239	18,272	19,003	19,649	19,649	20,132	1,689	1,724	1,732	1,836
World Refinery Capacity	21,787	22,588	23,457	23,839	24,385	24,385	25,489	2,114	2,196	2,135	2,217
Refineries Capacity Utilization (%)	82.3	80.7	77.9	79.7	80.6	80.6	79.0	79.9	78.5	81.1	82.8
World Refined Usage 1/	18,196	18,053	18,070	19,346	19,865	19,865	20,472	1,737	1,684	1,704	1,668
World Refined Stocks End of Period	970	1,102	1,376	1,199	1,205	1,205	1,405	1,120	1,237	1,259	1,405
Period Stock Change	-105	132	275	-177	6	6	200	98	117	22	147
Refined Balance 2/	-268	186	202	-343	-216	-216	-340	-48	40	28	169
Seasonally Adjusted Refined Balance 3/								-35	-27	21	65

Due to the nature of statistical reporting, the published data should be considered as preliminary as some figures are currently based on estimates and could change  
 1/ Based on EU apparent usage. 2/ Surplus/deficit is calculated using refined production minus refined usage. 3/ Surplus/deficit is calculated using seasonally adjusted refined production minus seasonally adjusted refined usage.