

Copper Demand and Supply

According to the International Copper Study Group, total refined copper production for 2013 was 21.0 million metric tons, yet world consumption of refined copper stood at 21.2 million metric tons, drawing standing copper stocks down. The first quarter of 2014 saw a 5% rise in copper production, and over 8% rise in consumption, further reducing copper reserves.¹⁴

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THE YEAR WORLD COPPER PRODUCTION IS PREDICTED TO BEGIN DECLINING



Copper consumption has steadily grown along with the global economy, and it is expected to continue to grow as greater numbers of people have access to electricity, plumbing and modern appliances. The World Bank, for example, has launched lending for rural electrification in the Sub-Saharan Sahel region of Africa with the goal of providing power to an additional 60 million people who are without electricity today.¹⁵ This venture would require untold amounts of copper for implementation, yet this expansion is still dwarfed by the current scale and rate of rural electrification in India and China. China currently utilizes about 40% of the world’s copper production. China is also the global leader in copper smelting, producing nearly 6 million metric tons of refined copper in 2013 alone.¹⁶

Another factor in the increasing demand for copper is that many industrialized nations also have aging power grids. Improvements and capacity expansion of grids in the US, Europe, Japan and Australia continue. To further complicate the picture, a 2014 study published in the journal Science predicted that we may be approaching “peak copper”, the time when extraction levels begin to decline due to dwindling accessible reserves (see Figure 4).

Figure 4. ▶ Peak Copper
Source: Kerr, R.A., 2014.¹⁷

