World Copper

Industry Study with Forecasts for 2019 & 2024

Study #3274 | April 2015 | $6300 | 377 pages
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World demand to rise 4.2% annually through 2019

Global demand for copper metal (produced from refined copper and recycled scrap) is projected to advance 4.2 percent per year through 2019 to 36.0 million metric tons, valued at $261 billion. Robust gains in building construction expenditures are expected to boost the use of copper wire, tube, and other mill products in applications such as building wire and plumbing. Increased infrastructure investment, particularly in developing countries, will further benefit copper suppliers as updates to national power grids drive the production of wire and cable. In addition, advances in global manufacturing output are expected to bolster the use of copper metal in transportation equipment, industrial machinery, domestic appliances, and other durable goods.

India to be fastest growing major market

India is forecast to register the fastest gains of any major copper metal market through 2019. Robust increases in domestic building construction activity, driven in part by an expanding urban population and government investment, will underpin gains in local copper consumption. Advances in construction spending are also projected to fuel copper demand in North America, particularly in the US, where building construction activity will significantly accelerate from the pace of the 2009-2014 period. More moderate increases in copper metal demand are forecast for Western Europe, where construction and manufacturing output will climb at rates below the global average.

Copper mine production to rise 3.7% annually

Global copper mine production is expected to rise 3.7 percent per year to 22.6 million metric tons in 2019. Rapid annual increases are forecast for countries such as Canada, Mexico, and Zambia, where ongoing development of copper projects will propel gains. In Central and South America -- the leading regional supplier of copper ore and concentrates -- Peru is projected to post robust gains in copper mine output. Production of copper ore and concentrates in Chile, which accounted for nearly 30 percent of global output in 2014, will rise at a more modest pace, limited by the country's aging mines.

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China: Copper Markets

China is by far the leading global consumer of copper metal, counting for 42 percent of the world total in 2014 with a market total of 12.2 million metric tons. China is an intensive consumer of copper when gauged against population, supported by the country's massive manufacturing sector. Strong output of electronics, industrial machinery, appliances, and other products manufactured with copper boosts per capita copper use. The majority of copper metal consumed in China is supplied by domestic refineries. In contrast to the upstream refined copper industry, China's copper mills rely much less heavily on imports to satisfy demand. Nevertheless, the country is expected to remain a net importer of copper mill products, sourcing sizable volumes from Japan, Indonesia, and South Korea.

Demand for copper metal in China is forecast to rise 5.8 percent per year to 16.1 million metric tons in 2019, representing 14.3 million metric tons total copper/mil $ construction. Slowing demand in the building construction, electrical & electronic, and industrial product markets will restrain faster overall gains. The building construction segment is projected to remain the largest outlet through 2019, expanding 6.5 percent annually to 8.3 million metric tons total copper/mil $ construction. Robust gains in building construction expenditures per building unit, largely a result of increases in telecommunication wire, will further support growth. However, given the global slowdown in economic activity in China will post a slowdown in overall copper demand. In addition, copper tube will continue to lose share in plumbing applications, restraining overall demand advances in China.

China's Asia/Pacific Copper Demand is projected to rise 5.2 percent per year to 4.2 million metric tons in 2019, 16.6% of Asia/Pacific total demand of 23.9 million metric tons. Copper metal demand in Asia/Pacific is expected to increase 4.0% annually through 2019 to 23.9 million metric tons.

TABLE VII-8
INDIA: COPPER DEMAND BY MARKET
(thousand metric tons)

<table>
<thead>
<tr>
<th>Item</th>
<th>2004</th>
<th>2009</th>
<th>2014</th>
<th>2019</th>
<th>2024</th>
</tr>
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<tbody>
<tr>
<td>Building Construction Expend (bil 2013$)</td>
<td>363.9</td>
<td>579.0</td>
<td>760.0</td>
<td>1026.0</td>
<td>1362.0</td>
</tr>
<tr>
<td>m tons total copper/mil $ construction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing Value Added (bil 2013$)</td>
<td>488</td>
<td>766</td>
<td>976</td>
<td>1300</td>
<td>1705</td>
</tr>
<tr>
<td>m tons total copper/mil $ MVA</td>
<td>1.12</td>
<td>1.03</td>
<td>1.11</td>
<td>1.12</td>
<td>1.12</td>
</tr>
<tr>
<td>Refined Copper Demand</td>
<td>295</td>
<td>552</td>
<td>575</td>
<td>740</td>
<td>960</td>
</tr>
<tr>
<td>+ direct melt scrap</td>
<td>220</td>
<td>220</td>
<td>250</td>
<td>340</td>
<td>460</td>
</tr>
<tr>
<td>+ net imports &amp; stock change of mill prdts</td>
<td>32</td>
<td>19</td>
<td>259</td>
<td>380</td>
<td>485</td>
</tr>
<tr>
<td>Total Copper Metal Demand</td>
<td>547</td>
<td>791</td>
<td>1084</td>
<td>1460</td>
<td>1905</td>
</tr>
<tr>
<td>Building Construction</td>
<td>299</td>
<td>424</td>
<td>602</td>
<td>832</td>
<td>1125</td>
</tr>
<tr>
<td>Electrical &amp; Electronic</td>
<td>64</td>
<td>94</td>
<td>123</td>
<td>160</td>
<td>200</td>
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<td>Transportation Equipment</td>
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<td>Industrial Products</td>
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<td>Consumer &amp; Other</td>
<td>61</td>
<td>99</td>
<td>143</td>
<td>190</td>
<td>240</td>
</tr>
<tr>
<td>% India</td>
<td>5.5</td>
<td>5.9</td>
<td>5.8</td>
<td>6.1</td>
<td>6.5</td>
</tr>
</tbody>
</table>

Source: The Freedonia Group, Inc.
Hindalco Industries Limited
Century Bhavan, 3rd Floor
Dr. Annie Besant Road
Worli, Mumbai 400 030
India
91-22-6662-6666
http://www.hindalco.com

Revenues: $14.5 billion (FY 2014)
Geographic Revenues: (FY 2014, as percent of total) India 23% and Other Countries 77%
Employment: 20,900 (FY 2014)

Key Products: copper cathodes, continuous copper rods, and copper concentrates

Hindalco Industries produces foil rolling products, alumina chemicals, primary aluminum, aluminum extrusions and rolled products, wire rods, aluminum foils, aluminum alloy wheels, and copper products. The Company operates through three segments: Aluminium, Copper, and Others. Hindalco is owned by Aditya Birla Group, one of the largest holding companies in India.

The Company is active in the world copper industry through the Copper segment, which had FY 2014 revenues of $3.0 billion. The segment operates a smelter complex in Dahej, India that manufactures copper cathodes and continuous cast copper rods. Copper cathodes from the smelter are available under the BIRLA COPPER and BIRLA COPPER II brand names and have a 99.99-percent purity. These cathodes are used to manufacture continuous copper rods for the wire, cable, and transformer industries; copper tubes for consumer durable goods; and alloys and sheets for other applications. The Dahej smelter...
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World Industrial Silica Sand
Global demand for industrial silica sand is forecast to advance 5.5 percent annually to 291 million metric tons in 2018, valued at $12.5 billion. The Asia/Pacific region will remain the largest market, while North America will grow the fastest. Glass will remain the leading outlet, while the hydraulic fracturing segment grows the fastest. This study analyzes the 223 million metric ton world silica sand industry, with forecasts for 2018 and 2023 by market, world region, and for 19 countries. The study also evaluates company market share and profiles industry participants.
#3237 .............. December 2014 ................. $6200

World Salt
Global demand for salt is forecast to climb 1.5 percent annually to 325 million metric tons in 2018, valued at $13.4 billion. The dominant Asia/Pacific region will be the fastest growing market. Trends in the production of chlor-alkali chemicals will continue to have the most significant effect on regional salt demand. This study analyzes the 302 million metric ton world salt industry, with forecasts for 2018 and 2023 by market, production method, world region, and for 22 countries. The study also evaluates company market share and profiles industry competitors.
#3199 .............. August 2014 .................. $6200

World Graphite (Natural, Synthetic & Carbon Fiber)
World demand for natural and synthetic graphite (including carbon fiber) is forecast to expand 5.8 percent annually to 4.2 million metric tons in 2018, valued at $30 billion. China will remain the largest and fastest growing market. Synthetic graphite will continue as the largest volume segment, while carbon fiber will grow the fastest. This study analyzes the 3.2 million metric ton world graphite industry, with forecasts for 2018 and 2023 by type, market, world region, and for 16 countries. The study also evaluates company market share and profiles industry players.
#3164 .............. August 2014 .................. $6100

World Specialty Silicas
Global demand for specialty silicas will rise 5.0 percent per year through 2018 to 2.9 million metric tons, valued at $6.9 billion. Rubber is the largest market and will also be the fastest growing. Precipitated silica will remain the dominant product type. The Asia/Pacific region will remain the largest and fastest growing market. This study analyzes the 2.3 million metric ton world specialty silica industry, with forecasts for 2018 and 2023 by product, market, world region, and for 16 countries. The study also evaluates company market share and profiles industry players.
#3178 .............. July 2014 ................ ...... $6300

World Kaolin
Global demand for kaolin will rise 3.3 percent yearly to 28.7 million metric tons in 2017, valued at $4.4 billion. The Asia/Pacific region will remain the largest and fastest-growing geographic market. Paper and paperboard production will remain the largest market, while ceramics will be the most rapidly growing, driven mainly by ceramic proppants. This study analyzes the 24.4 million metric ton world kaolin industry, with forecasts for 2017 and 2022 by market, world region, and for 22 countries. The study also evaluates company market share and profiles industry players.
#3147 .............. April 2014 ................ ...... $6200

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