



## International Copper Study Group

### Member Governments of the ICSG

Argentina	Belgium
Canada	Chile
China	European Union
Finland	France
Germany	Greece
India	Indonesia
Italy	Japan
Luxembourg	Mexico
Netherlands	Peru
Poland	Portugal
Russia	Spain
United Kingdom	United States
Yugoslavia	Zambia

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### Argentina Joins ICSG

Argentina is the latest country to join the ranks of the International Copper Study Group. During the Group's last General Session Ambassador Enrique Pareja announced that his country had formally notified the United Nations Secretary General of its decision to join the Group. Ambassador Pareja noted the important contribution Argentina would bring to the affairs of the Group. In 2000, Argentina mined 144,000 tonnes of copper.

### Head of Cochilco Elected as Group's Chairman for 2002

Member countries elected a new Executive for 2002 during the ICSG's 9th General Session. Mr. Patricio Cartagena, Head of Delegation for the Government of Chile to the International Copper Study Group, and Executive Vice President of the Chilean Copper Commission (Cochilco), was elected to serve as the Group's

Chairman effective 1 January 2002.

Mr. Cartagena indicated his strong commitment to advance the Group's work program, capitalizing on ICSG's unique status as an intergovernmental organization.

### ICSG: Ambassador for Science

The ICSG received the "Ambassador for Science Award" from the United States Geological Survey. The award recognizes the Group's contributions to scientific knowledge and use.

Mr. Charles Groat, Director of the U.S.G.S., thanked the Group for its "dedication and energy to the scientific community, and for seeking to integrate scientific information into sound decision-making". Mr. Groat highlighted the importance to continue enhancing the public's understanding of the critical role that science plays in our lives.

### ICSG Copper in China Seminar

Continuing its practice of promoting discussions on topics of importance to the copper sector, the ICSG held an open Seminar on Copper in China during its 9th General Session.

With China now clearly the world's second largest user of copper, it continues to be a centre of attention for the copper community.

The Seminar provided an opportunity for governments, industry advisors and other participants to obtain, first hand, experts' views and assessments of an update on the current market situation in China, including recent developments within the new China Non-Ferrous Industry Association.

Mr. Pan Wenju, Deputy Secretary General of the China Non-Ferrous Metals Industry Association led the Seminar with an overview of China's Non-Ferrous Metals Industry. An extract of Mr. Pan's presentation follows.

Mr. Pan described how China's non-ferrous metals industry has advanced due to the reforms of the last 20 years. This has resulted in a more open industry. Institutional reforms and many corresponding supportive measures have brought vigour to the Chinese metals industry.

According to partial statistics, the output of 10 major non-ferrous metals in China in 2000 reached 7.51 million tonnes, 14.6% over

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Interested in contributing an article to the next issue of InFoCus? Do you have an event or announcement of importance to the copper community? Get in touch with the ICSG Secretariat: [mail@icsg.org](mailto:mail@icsg.org)

*“Demand for metals in China is strong”*

*“The institutional reform of China’s metal sector...will help enterprises to survive in the wave of a market based economy”*

*Mr. Pan Wenju  
Deputy Secretary-  
General  
CNMIA*

## ...Copper in China Seminar

*(Continued from page 1)*

1999. The output of copper grew 26.8% to 1.33 million tonnes. Driven by macroeconomic growth and industrial restructuring, the economic returns of the metal producers increased sharply. Many smelters addressed their problems and reduced losses. Demand for metals in China is strong. There is already a solid foundation for the sustainable development of China’s non-ferrous industry.

Strong domestic demand made the import and export of non-ferrous metals even more important with exports rising to USD 4.3 billion and imports to USD 10 billion. The trade deficit of USD 5.7 billion is due mainly to imports of large amounts of copper concentrate, alumina and metal scrap that accounted for 90.4% of the total import value.

However, there are still several problems in China’s non-ferrous metal sector. Smelting capacity has expanded too fast and China now faces shortage of mineral resources (particularly copper concentrate and alumina). The sector is also too dependent on the fluctuation of metal prices. As well, a route to reduce energy and costs has to be developed. Difficulties with closing down out-of-date smelters or those that contaminate the environment have to be solved too. The need to implement measures to ensure the sustainable development of metals has also to be met.

Great importance has been given to these problems and specific plans to overcome the above

difficulties have been formulated. The institutional reform of China’s metal sector being carried out by the central government will help enterprises survive in the wave of a market economy.

*Other presentations included:*

- *China Non Ferrous Industry Association, Mr. Bian Gang, Director, International Cooperation Division, CNIA*
- *China Copper Industry Prospects for the Next Five Years, Mr. Wang Zhongkui, Assistant Manager, Beijing Antaike Information Development Co.*
- *The Outlook of China Copper Production and Consumption, Ms. Li Lan, Beijing General Research Institute of Mining and Metallurgy*
- *Present Situation and Development Trends in Copper Fabrication in China, Mr. Wang Zhongkui*
- *China’s Influence on Market Transparency, Dr. Thomas Baack, Chief Statistician, International Copper Study Group*
- *Copper Energy Efficiency Program, Mrs. Denise Knight, Director of Strategic Programs, International Institute for Energy Conservation*

*To obtain copies of presentations contact the ICSG Secretariat (see page 5 for details).*

## ILO Develops Code of Practice

ICSG’s Secretary General, Patrick Hurens, participated in a recent meeting of the International Labour Organization (ILO), representing the Group in its capacity as an Observer Intergovernmental Organization. The purpose of this ILO Meeting of Experts was to draft a code of practice on safety and health in the production of non-ferrous metals. Recommendations set forth in ILO codes of practice are intended for the use of all those, both in the public and private sectors, who have responsibility for safety and health management in relation to specific occupational hazards, sectors of activity or equipment.

The code focuses on the production of primary non-ferrous metals, including from recycled material. It is not intended to be applied to the mining sector nor to the fabrication of commercial products made from non-ferrous metals.

The code of practice is based on principles established in international instruments relevant to the protection of workers’ safety and health.

The code addresses:

- General provisions, principles, practice and duties of the competent authorities, employers, workers and their repre-

sentatives;

- General principles for prevention and protection (safety and health policy in the enterprise, risk assessment and management, investigating and reporting procedures, training, health and workplace surveillance emergency preparedness and personal protection);
- Specific measures of prevention and protection, identifying and examining a range of physical hazards common in the production of non-ferrous metals;
- Furnaces and molten metals issues;
- Specific chapters on metals (including copper) and recycling of non-ferrous metals.

The meeting was composed of representatives from governments, employer and workers’ groups. ICSG provided comments to the ILO following consultations with ICSG member governments and industry advisors.

The code will be presented to ILO’s Governing Body and will subsequently be available on the internet ([www.ilo.org](http://www.ilo.org)).

## Highlights of ICSG 9th General Session

The International Copper Study Group held its 9th General Session from 13-15 June 2001, at its Headquarters in Lisbon, Portugal.

The following speakers provided their views and insight on various key issues of interest to governments and industry participants.

Mr. Yoshiaki Igarashi of Japan's Ministry of Foreign Affairs, presented a paper on "The Copper Concentrate Flows from Chile to Japan" in which he discussed the shift in raw materials flow to Japanese smelters. In 1990 Japan imported 3.5 million tonnes (Mt) of concentrates, only 10% of which came from Chile, while by 2000, Japan imported almost 4.5 Mt, 42% (49% on a copper content basis) of which came from Chile. Japanese company investments in four major Chilean projects, which now account for 90% of Japanese imports from Chile, spurred a growth in smelting capacity and imports. Mr. Igarashi described the mutual benefit to both countries: Chile obtains favourable project financing from Japanese Banks, risk sharing for new mine development and a stable market for its concentrates, and Japanese smelters secure a reliable source of high quality concentrate from a country with a favourable investment climate and political and economic stability.

Mr. Hiroshi Kobayashi, of Japan's Metal Economics Research Institute, presented a paper on "The Recent Trend of Copper Consumption in Japan". Mr. Kobayashi described the downward trend in Japanese consumption over the past 10 years. The strong value of Japan's currency and its economic growth led to significant investment prior to 1991. With "bursting of the economic bubble in Japan" in 1991, Japan began an unprecedented recession. In addition, many wire and cable plants and brass mills shifted their production overseas, notably to China and Southeast Asia, taking advantage of low labour

costs. He noted that in 1985, Japanese companies had invested in 40 overseas wire and cable plants, and that by 2000 the number had risen to 232. This resulted in an increase in imports of wire and cable from transplanted facilities, effectively reducing Japan's direct usage of refined copper. Mr. Kobayashi also cited substitution, miniaturization, and more efficient materials utilisation as additional factors for reduced copper usage.

Mr. Adam Rowley, Metals Analyst for Macquarie Bank, Australia, presented a paper on "Copper stocks – Issues and Solutions", in which he outlined the different types of stocks, their influence on the market, and the degree to which they impact market transparency. In his presentation he noted that the reporting and gathering of consumer and producer stock data are becoming less comprehensive owing to a decline in market share by "the big six" Western World countries that collect information on their non-exchange warehouse inventories. He noted that missing or unreported stocks can be attributed to: incomprehensive reporting by producers and consumers of all regions; the absence of stock data, other than the Shanghai Futures Exchange, for the rapidly expanding market in China; and "hidden stocks" by traders not under obligation to report and who may wish to deliberately hide their inventory position. Mr. Rowley indicated that the consensus view is that unreported stocks in the West may amount to 150-200,000 tonnes. He also reported on the issue of the LME not reporting stocks not on warrant at its warehouses, and some of the definitional issues surrounding their reporting. He concluded that requiring LME warehouses to report all their metal holdings would bring a significant portion of unreported stocks into the open.

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## Non Ferrous Metals Consultative Forum on Sustainable Development

The Study Groups' Non-Ferrous Metals Consultative Forum will meet in Porto, Portugal, 12-13 November 2001. The Forum, convened by governments, was established to develop an action plan to address issues relating to how non-ferrous metals contribute to sustainable development. The Forum is a multi-stakeholder initiative involving governments, industry and civil society.

Three working groups were established with a mandate to bring together existing work, share information, identify gaps and initiate activities related to the recommendations identified by the Forum for future action: Production Working Group, Product Stewardship Working Group and Science, Research and Development Working Group.

The Forum meeting in Porto hosted by the Government of Portugal, will review the output and findings of the Working Groups, discuss issues raised and how to move forward.

The ICSG provides analytical and secretarial support to the Product Stewardship Working Group. For further information, contact Mr. Martin Ruhrberg at the ICSG Secretariat ([ruhrberg@icsg.org](mailto:ruhrberg@icsg.org)) or visit the Forum's web Site: [www.nfmsd.org](http://www.nfmsd.org).



## 9th General Session

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Governments are increasingly focusing their attention on metals, including copper: How they are produced, used, traded, recycled and disposed. Many of the policies and regulations that have been adopted, or under consideration, may affect the use of copper as a material of choice. Considerable work is currently underway to improve the body of knowledge of how copper interacts with the environment and humans, how copper is used, its life cycle, the risks it may pose, and its benefits.

Speakers were invited to address various market, science, policy and regulatory aspects of copper, including current regulatory trends, industry's positioning vis à vis these, and provide examples of government initiatives.

- Mr. Lorenz-Meyer of the European Commission and Mr. Thierry Gerschel of the European Copper Institute (ECI) and assessor for the European Union delegation, provided an overview of the latest regulatory issues affecting copper within the European Union.
- Dr. Scott Baker of the International Copper Association (ICA) described the International Copper Association's scientific work program.
- Mr. Simon Payton of the International Wrought Copper Council (IWCC) provided an overview of the copper industry's voluntary risk assessment of copper.
- Mrs. Maureen Coulas of Natural Resources Canada presented Canada's approach to enhancing recycling.
- Mr. Jan Smolders, President of the ICA, presented his association's program and activities, focusing on commodity development efforts around the world.

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## Eurometaux Environment, Health and Safety Seminar

Martin Ruhrberg, ICSG's Environmental Affairs Officer, attended Eurometaux' 3rd EHS Seminar in Brussels, 13-14 September. The first day focused on the new European Product and Chemicals Policies. The second day was dedicated to briefings on EHS issues.

Issues of particular importance raised during the two days included the EU Integrated Product Policy, End of Life Directives, Chemicals Policy and OECD Waste Definition. The EU End of Life Directives, as well as the new Japanese recycling law are expected to have an impact on the use and recycling of copper contained in products and equipment.

Further information can be obtained directly from Eurometaux ([www.eurometaux.be](http://www.eurometaux.be)).

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## MMSD Life Cycle Analysis Workshop

The Mining, Minerals and Sustainable Development (MMSD) project organised a workshop on Life Cycle Analysis (LCA) and Metals in New York, 9–10 August 2001. Martin Ruhrberg of the ICSG was invited to contribute his expertise.

LCA is one tool for tackling the environmental challenges associated with the production and use of metals. The key objective of the workshop was to discuss the usefulness of LCA as a decision-making tool in addressing the sustainable development challenges facing the minerals and metals industry and to develop recommendations for its future use, which are meant to address some of the current methodological and information deficiencies in LCA.

Participants concurred that LCA should not be the only tool for addressing policy issues. Additional tools are required to insure that socio-economic aspects are included accordingly into the assessment. For more information concerning outcomes of the workshop go to [www.iied.org/mmsd](http://www.iied.org/mmsd).

The MMSD is a project of the International Institute for Environment and Development (IIED). MMSD aims at bringing together some of the sustainable development issues facing the minerals and metals industry at the global level and propose an agenda for change in the future.



## ICSG 18th Regular Session

### International Copper Study Group

Rua Almirante Barroso, 38-6  
Lisbon, Portugal  
1000-013  
Phone: +351-21-352-4039  
Fax: +351-21-352-4035  
Email: mail@icsg.org

#### Secretariat

Patrick Hurens  
Secretary General  
hurens@icsg.org

Thomas Baack  
Chief Statistician  
baack@icsg.org

Ana Rebelo  
Statistician  
rebelo@icsg.org

Martin Ruhrberg,  
Environmental Affairs Officer  
ruhrberg@icsg.org

Fatima Cascalho  
Administrative Assistant  
cascalho@icsg.org

The International Copper Study Group will hold its 18th Regular Session in Porto, Portugal, 14 and 15 November 2001. The session is of particular interest to government and industry officials involved in copper issues, whether market-oriented, economic, trade or regulatory based.

### Schedule of Meetings

14 November (AM): Forecasting Meeting

Directed primarily at experts with an in-depth knowledge of copper markets. The purpose of the meeting is to develop ICSG's latest forecast of copper production and usage. Open to all participants.

14 November (PM): Environmental and Economic Committee

Presentations and overview of environmental and economic issues of interest to the copper community. Open to all participants.

15 November (AM): Statistical Committee

Presentations and discussions on statistical issues and market transparency. Open to all participants.

15 November (PM): Standing Committee

Review and discussion of ICSG membership and administrative issues. Open to member country delegations.

Guest speakers during meetings will include:

- Mr. Abel Abarca, General Director and Head of Delegation for Mexico: "The Mexican Copper Sector"
- Mr. Kenneth Beckman, United States Geological Survey: "Metal Market Indicators"
- Mr. Frank Almond, Sustainable Development Consultant: "Sustainable Development and the Copper Industry: Civil Society's View"

Please contact the Secretariat for further details.

## Forward Agenda

18-22 March 2002  
Chile to Host ICSG's 10th General Session

At the invitation of the Chilean Government, the International Copper Study Group will hold its next Annual General Session in Santiago. The meeting will coincide with the Annual CESCO Dinner, an international event of the copper industry.

19-20 November 2002  
20th Regular Session, Lisbon, Portugal  
The ICSG will hold its 20th Regular Session in Lisbon.

To receive further information, please contact the Secretariat.

### Other Meetings:

19-22 November 2001  
Common Fund for Commodities Regional Roundtable  
The CFC Roundtable will meet in Kochi, Kerala (India) to address various aspects associated with the production, processing, diversification and trade of the main agricultural and mineral commodities in the region. For further information email: andrey.kuleshov@common-fund.org.

## ICSG Publications

The International Copper Study Group, as a reliable and authoritative knowledge-based agency dedicated to increasing market transparency, researches and publishes intelligence relevant to copper production, usage and trade. The following publications are available:

Copper Bulletin: ICSG's flagship monthly bulletin providing the very latest statistics on copper and copper products production, usage and trade by country. Also includes stocks and exchange prices.

Directory of Copper Mines and Plants: Published every quarter, highlights current capacity and provides a five year outlook of forecasted capacity for the world's copper plants, by country.

World Copper Factbook: Provides a broad overview of all facets of copper: from how it is produced, traded, used and recycled, to health, environmental and sustainable development issues. As a basic reference guide, the Factbook contributes to raising public awareness of copper's contribution to society.

Also available are various market research reports, proceedings of ICSG World Conferences and Seminars, and custom data sets. For subscription information contact Ms. Fatima Cascalho, [cascalho@icsg.org](mailto:cascalho@icsg.org).