ICSG PRESS RELEASE

New Edition of 'Directory of Copper Mines and Plants'

The International Copper Study Group released its 2nd Quarter 2006 Directory of Copper Mines and Plants, which includes changes to data revealed between March 2006 and June 2006, and covers the period from 2004 to 2009 on a plant by plant basis. The Directory also presents the long-term (20-years) development of capacities on a world totals basis (broken down by production process) and 10-year summary data for each country.

Based on new information, announced project developments, and annual official revisions provided by ICSG member countries, annual mine capacity over the 2005 to 2009 period is projected to grow at an average rate of 4.3% per year (%/yr) to reach 19.6 million tonnes (Mt) in 2009, an increase of about 3 Mt (18%) from that in 2005. Of the total increase, copper in concentrate production is expected to increase by 1.7 Mt (3.1%/yr) and solvent extraction–electrowinning (Sx-Ew) production by 1.3 Mt (9.3%/yr). Included in the projected mine growth is 1.1 Mt of capacity that is still in the exploration and/or feasibility stage and has not been finally committed to development.

Smelter capacity is projected to reach 17.5 Mt in 2009, an increase of 1.2 Mt (or 8%) from that in 2005, with capacity additions mainly occurring during the first 2 years of the period. The projected average annual smelter capacity growth rate for the period 2005-2009 (1.8%/yr) is 1.3%/yr lower than the projected growth in concentrate capacity. During the first 2 years (2006-2007), however, the smelter growth rate (4.6%/yr) is projected to exceed the corresponding annual concentrate growth rate of 3.6%/yr. The situation will be reversed in 2008-2009, when concentrate capacity growth will exceed smelter capacity growth. Assuming that smelter capacity utilization rates rise from the current low level to their historical average, smelter capacity on average should be sufficient to treat any additional concentrate production. There could, however, be short-term shifts in the concentrate supply-demand balance owing to the unequal distribution of growth.

In 2009, the ICSG expects world refinery capacity to reach 23 Mt, an increase of 2.7 Mt (or 13%) from that in 2005. About 1.4 Mt of the expansion is expected to come from electrolytic refineries and 1.3 Mt from electrowinning. The average growth rate in the period 2005-2009 for electrolytic refineries is projected to be 2.1%/yr, slightly above the projected growth in smelter capacity, and the growth rate for electrowinning capacity (at the refinery level) is expected to be 9.0%/yr.

The projected developments include existing capacity at mines and plants that are currently on care and maintenance or are temporarily cutback (swing capacity). According to ICSG research, this "swing capacity" is currently minimal for mines. With the definitive closure of two US plants at the end of 2005 that had been on care and maintenance since 2001, total idled capacity for smelters declined to 180,000 metric tons (t) and idled refinery capacity fell to 370,000 t.

Projected World Capacities until 2009

000's metric tonnes Cu	*2005*	*2006*	*2007*	*2008*	*2009*	% change 2005-2009
SX-EW	3,117	3,283	3,705	4,141	4,437	42.3%
Concentrates	13,484	13,602	13,971	14,475	15,212	12.8%
Mines Total	16,601	16,884	17,676	18,616	19,649	18.4%
Smelters	16,244	16,602	16,990	17,217	17,476	7.6%
Electrolytic Refineries	16,425	16,731	17,176	17,473	17,828	8.5%
Refineries Total	20,268	20,711	21,584	22,324	22,980	13.4%
Year on Year Changes (tonnage)		***2005/06***	***2006/07***	***2007/08***	***2008/09***	***Accumulated 2005-2009***
SX-EW		166	423	436	296	1,320
Concentrates		118	370	504	737	1,728
Mines Total		283	792	940	1,033	3,048
Smelters		358	388	227	259	1,232
Electrolytic Refineries		306	445	297	355	1,403
Refineries Total		443	873	740	656	2,712

Background notes:

Economic conditions, as well as technological and business factors, will result in production levels that vary from the indicated capacity. Similarly, production levels may be affected by newly announced capacity additions, expansions, and closures or by the delay, advancement, or cancellation of projects.

Every quarter, the International Copper Study Group releases its Directory of Mines and Plants. The Directory provides basic data for all copper mining, smelting and refining operations on a world-wide basis and projects the development of future capacities for these operations. Each issue is complemented by a list of the web addresses of companies, enabling a quick and easy access to more company details.

The Directory highlights capacities for over 700 existing and planned copper mines, plants, and refineries on a country by country basis, including separate tables for SX-EW plants. Salient details for each operation are included and the Directory separates operations between Operating and Developing and Planned (Exploration and Feasibility) stages.

Each issue charts long-term development of capacities (20 years) for World totals, broken down by production process, and summary data for each country for a 10-year period. The detailed tables of operations show the capacities for a base year and the projection of capacities for 5 years. These projections can serve as a basis for forecasts of the supply side development of copper.

The database is continuously updated to reflect recent announcements and operational changes. The updated issues are published on a quarterly basis. Contact ICSG for purchasing details (mail@icsg.org).