



ICSG PRESS RELEASE

Copper: Preliminary Data for November 2004

The International Copper Study Group (ICSG) released preliminary November 2004 data for world copper production and usage in its February 2005 Copper Bulletin.

According to the preliminary ICSG data, including revisions to data for prior months of the year, the apparent refined copper balance for the first 11 months of 2004 showed a production deficit of 832,000 tonnes (t). This compares with a production deficit of 483,000 t for the same period last year. The drawdown of all reported stocks of refined copper for January to November 2004 was 877,000 t. The refined market balance for November 2004 showed a deficit of 55,000 t. After making seasonal adjustments for world usage, however, the calculated deficit for November decreases to 43,000 t. The declining monthly deficit level over the past several months is principally the result of accelerating refined production and, to a lesser extent, slower growth in usage.

World refined usage for the first 11 months of 2004 increased by 5.7% compared with that in the corresponding period in 2003. The growth rates for the major consumers have been: United States, +6.6%; European Union, +0.3%, China, +5.4%; and Japan, +7.1%. On a seasonally adjusted basis, world refined usage increased by 7.7% in November from the relatively weak demand experienced in October.

On the supply side, mine production growth accelerated in November and for the January to November period, increased by 5.4% compared with that of the same period in 2003. Total refined production increased by 3.4% in the January to November period compared with that of the corresponding period in 2003—primary refined production rose by 2.3% and secondary refined (from scrap) by 12.2%. If November mine production were annualized, full year output would be about 2 million tonnes (Mt) higher than annualized production would have been based on output in the early months of the year. Using the same comparison, annualised refined copper production would be about 1Mt higher.

At the end of January 2004, copper stocks held at the major metal exchanges (LME, COMEX, SHFE) totalled 107,377 t, a decrease of 16,912 t from those of the previous month. Stock levels decreased at the warehouses of the LME, Comex and SHFE. Exchange stocks were down by 698,641 t compared with those held at yearend 2003. The average LME cash price for January 2005 was US\$ 3170 per tonne, as compared with the December 2004 average of US\$ 3,145.5 per tonne.

World Refined Copper Usage and Supply Trends, 1998-2004

Thousand metric tonnes, copper

	1998	1999	2000	2001	2002	2003	2003	2004	2004			
							Jan-Nov	Aug	Sep	Oct	Nov	
World Mine Production	12,250	12,788	13,212	13,626	13,579	13,675	12,520	13,199	1,246	1,229	1,299	1,278
World Mine Capacity	13,059	13,760	14,201	14,462	15,121	15,273	14,012	14,488	1,354	1,318	1,369	1,333
Mine Capacity Utilization (%)	93.8	92.9	93.0	94.2	89.8	89.5	89.4	91.1	92.0	93.2	94.9	95.9
Primary Refined Production	12,012	12,443	12,634	13,718	13,420	13,459	12,288	12,565	1,186	1,181	1,197	1,210
Secondary Refined Production	2,055	2,103	2,125	1,862	1,846	1,773	1,614	1,810	159	156	164	164
Refined Production (Secondary+Primary)	14,067	14,545	14,759	15,580	15,266	15,232	13,902	14,376	1,345	1,336	1,361	1,374
World Refinery Capacity	16,123	16,946	17,046	17,741	18,327	18,806	17,211	17,720	1,654	1,608	1,669	1,622
Refineries Capacity Utilization (%)	87.3	85.8	86.6	87.8	83.3	81.0	80.8	81.1	81.3	83.1	81.6	84.7
World Refined Usage 1/	13,461	14,271	15,122	14,893	15,139	15,618	14,385	15,208	1,277	1,407	1,364	1,429
Four Weeks of World Refined Usage 3/	1,035	1,098	1,163	1,146	1,165	1,201	1,208	1,280	1,250	1,309	1,229	1,324
Refined Stocks End of Period	1,509	1,634	1,291	1,992	2,048	1,780	1,745	903	964	934	866	903
Period Stock Change	319	126	-344	702	55	-267	-302	-877	-5	-30	-68	38
Refined Balance 2/	606	274	-363	687	128	-386	-483	-832	68	-71	-2	-55
Refined Balance Seasonally adjusted 2/ 3/	606	274	-363	687	128	-386	-390	-723	-15	-64	24	-43

Due to the nature of statistical reporting, the published data should be considered as preliminary since some figures are currently based on estimates and could change.

1/ Based on EU apparent usage

2/ Surplus or deficit is calculated using total refined production minus refined usage

3/ Seasonally adjusted for the months