The International Copper Study Group (ICSG) held its 28th Regular Meeting on 29th September 2006 in Lisbon, Portugal. Government delegates and industry advisors from most of the world’s leading copper producing and using countries met to discuss key issues affecting the global copper community. In its meeting of the Statistical Committee, a consensus view of the world balance of refined copper production and use was developed.

According to ICSG projections, world copper mine production is expected to rise to 15.17 million tonnes (Mt) in 2006, an increase of about 290,000 tonnes (t) (+1.9%) compared with that in 2005, and to 16.20 Mt in 2007, an additional increase of about one million tonnes (+6.8%).

World production of refined copper (both primary and secondary) is projected to increase to 17.40 Mt in 2006, an increase of about 880,000 t (+5.4%) compared with that of 2005. Refined production in 2007 is projected to increase to 18.06 Mt, an increase of about 660,000 t (+3.8%) compared with that of 2006. Concentrates production in 2007 is expected to restrain the growth of refined production, with inventories of copper concentrates having been largely drawn down during 2006.

World refined copper usage decreased by 0.7% in 2005 to 16.61 Mt. In 2006, usage is projected to increase by about 550,000 t (3.3%) to 17.16 Mt. Growth is anticipated in all major consuming regions, with the European Union-15 leading the way with a growth of around 9% and Asia indicating a low growth rate of about 1.5%, due to an expected decrease in Chinese usage of 1.8%. Note that in its calculation of the refined copper balance, the ICSG does not take into account changes in China’s State Reserve Bureau (SRB) stocks, which are unreported and which might affect calculation of China’s apparent consumption (market reports suggest, however, that there may have been significant SRB stock releases during the first part of the year). World copper use in 2007 is projected to grow by 4.2%, or about 725,000 t, to 17.88 Mt.

After ending 2005 with a deficit of 100,000 t, the copper market is expected to have a modest surplus in 2006 of about 240,000 t, about 1.4% of annual usage. In 2007, the surplus is expected to fall to around 180,000 t. Preliminary projections indicate the potential for a larger surplus in 2008 due to expected new production coming on stream.