ICSG PRESS RELEASE  
Date Issued: 17 March 2009

Release of the 2009 Edition of ICSG Directory of Copper and Copper Alloy Fabricators

The International Copper Study Group released its 2009 edition of the “Directory of Copper and Copper Alloy Fabricators – First Use”. This directory provides a systematic global overview of companies and plants involved in the “first use” of copper - the use of unwrought copper materials (refined copper, alloy ingots, direct melt scrap, etc.) as feed to the production of semi-fabricated products (copper wire rod; copper and copper alloy, sheet, strip, bar, rod, tube, etc.). The Directory covers wire-rod plants, brass mills, and electrodeposited copper foil mills. It also covers ingot makers, chemical plants and master alloy plants as suppliers to foundries and brass mills.

The 8.8% global expansion in the operating capacity of copper or copper alloy manufacturers observed in the 2009 Edition reveals the conclusion of investment processes and good credit conditions observed in 2004-2007. The positive trend of capacity expansions in wire rod plants continued in 2008, with 8.3% more operational wire rod capacity and a growth of 9.2% in the capacity of other first uses such as brass mills and foil mills. The future capacity in the 2009-2012 project pipeline and the capacity utilization indexes for 2006-2008 are both showing a trend to reduce the rate of growth of new operational capacity in 2009-2010. China was once again the engine of growth for first use capacity expansion in 2008, but important operational capacity was added in the Middle East, Egypt and Eastern Europe, in particular in wire rod. At a global level other uses, in particular brass mill capacity, grew strongly in 2008 but at lower levels compared with new wire rod capacity growth. The role of new capacity in India increased in 2006-2008, in particular brass mill-related capacity. The expansion of foil mills is strongly focused in East Asia.

An important part of the developing capacity that was supposed to start operation in 2009 identified in previous Directories has been delayed to 2010 or permanently suspended in recent months as a consequence of the falling final demand for copper associated with the economic crisis. If the collapse in the orders for semis products continues through 2009 we will probably witness more delays in the implementation of some of these projects. Operational capacity of copper and copper alloy fabricators expanded to 44.7 million tonnes in 2008. Future projects pipeline shows a potential growth to 47.8 million tonnes. In the short term, if we add operational capacity in 2008 and developing projects to be delivered in 2009, there is potential growth to 46.8 million tonnes this year. Operational capacity of wire rod plants in 2008 was 21.8 million tonnes, plus 22.9 million tonnes of new capacity in other uses. Semis operational capacity expanded by 2.1 million tonnes in 2008, with 1.6 million tonnes in the pipeline for 2009 and more than one million tonnes for 2010 and beyond. Most of the new capacity that started operations in 2008 is in wire rod plants (1.7 million tonnes in 2008), followed by more than 400,000 tonnes of new brass mill capacity, plus a marginal but dynamic growth of new foil mills.

Estimates of capacity utilization of 61% for 2006 for the group of countries with high production capacity shows similar levels for 2007-2008; the rest of the world presents lower capacity utilization rates: China is the country with the greatest overcapacity for the first use of copper: even when the production has been growing more than a million tonnes a year in the last three years, the capacity expansion has been growing at even higher levels. Overcapacity is also observed in Japan and in the United States since 2006, with close to a third of the capacity inactive and a negative trend in recent years. If global economic growth shows a sustained recovery, more than 2.55 million tonnes of potential capacity may be developed in the future.

The Directory is updated to reflect recent announcements and operational changes. The updated issues are published on an annual basis and available for sale. Contact the ICSG Secretariat for further information and/or purchasing details mail@icsg.org or phone to 351-213531870. International Copper Study Group, Rua Almirante Barros, 39 – 6th 1000-013 Lisbon Portugal.