



# 2020 Copper Fabricator Industry Demand Update

Study name: Short-Term Outlook for Copper Demand  
Study author: International Wrought Copper Council (IWCC)  
First presented: October 2020

Demand for semi-fabricated end use products has grown steadily over the last few years; however, recent figures show the global pandemic has affected copper demand and supply chains. The latest research from the International Wrought Copper Council (IWCC) reveals the short-term view of demand for semi-manufactures and forecasts refined copper demand.

## Material demand in China expected to increase for both wire rod and all other semis

The IWCC Fabricator Demand Index (FDI) uses a visual traffic-light system: green = up, amber = same, red = down. The results of the latest FDI survey (Q2-20) predicts demand in China for both wire rod and all other semis is expected to increase in the rest of 2020. Demand for wire rod in Asia, Europe and North America remains depressed. For all other semis, the demand outlook in North America is optimistic, but demand is expected to remain in negative territory in Asia and Europe.

*Fabricator Demand Index (FDI) for copper wire rod / wire and all other semis (Q1 2020 & Q2 2020 survey results)*

| Product              | Region        | Q1-20 Results |               |                |                |
|----------------------|---------------|---------------|---------------|----------------|----------------|
|                      |               | Q4-19 Actual  | Q1-20 vs Q-19 | Q2-20 vs Q2-19 | Q3-20 vs Q3-19 |
| Copper wire rod/wire | ASIA          |               |               |                |                |
|                      | CHINA         |               |               |                |                |
|                      | NORTH AMERICA |               |               |                |                |
|                      | EUROPE        |               |               |                |                |
| All Other Semis      | ASIA          |               |               |                |                |
|                      | CHINA         |               |               |                |                |
|                      | NORTH AMERICA |               |               |                |                |
|                      | EUROPE        |               |               |                |                |

  

| Product              | Region        | Q2-20 Results |              |                |                |
|----------------------|---------------|---------------|--------------|----------------|----------------|
|                      |               | Q1-20 Actual  | Q2-20 Actual | Q3-20 vs Q3-19 | Q4-20 vs Q4-19 |
| Copper wire rod/wire | ASIA          |               |              |                |                |
|                      | CHINA         |               |              |                |                |
|                      | NORTH AMERICA |               |              |                |                |
|                      | EUROPE        |               |              |                |                |
| All Other Semis      | ASIA          |               |              |                |                |
|                      | CHINA         |               |              |                |                |
|                      | NORTH AMERICA |               |              |                |                |
|                      | EUROPE        |               |              |                |                |

## Reported 2020 forecasts better than predicted

The forecast for refined copper demand suggests global demand in 2020 might decrease by 4.6 percent to 22.92Mt. The current predicted decrease of 1,099MT between 2019 and 2020 is, however, a net increase of almost 300kt compared with the May 2020 forecast. For 2021, current projections continue to show an improvement in demand for global refined copper, and this uplift is expected as economies start to return to normal.

*Global refined copper demand forecast (2018-2021F)*

|              | 2018   | 2019   | %   | 2020F  | %     | 2021F  | %   |
|--------------|--------|--------|-----|--------|-------|--------|-----|
| May 2020     |        |        |     |        |       |        |     |
| Total (kt)   | 23,890 | 23,915 | 0.1 | 22,625 | (5.4) | 23,625 | 4.4 |
| October 2020 |        |        |     |        |       |        |     |
| Total (kt)   | 23,899 | 24,020 | 0.5 | 22,921 | (4.6) | 24,074 | 5.0 |

## Positive growth for 2021 across all World regions

The global forecast for refined copper demand, while remaining in negative territory for 2020, should improve significantly with a positive growth outlook in 2021 across all regions. Estimates for 2021 expect China's reported demand to increase by 4.5 percent. The EU-28 is expected to increase by 5.7 percent, while the USA's demand is expected to increase by 4 percent. Regions with smaller demand totals in tonnes will also experience an uplift with India's demand forecast increasing by 10.6 percent and Japan's by 0.2 percent in 2021. The positive demand growth across regions equates to an expected 5 percent increase globally for refined copper in 2021.

*Regional refined copper demand forecast (2018-2021F)*

|                      | 2018   | 2019   | %     | 2020F  | %      | 2021F  | %    |
|----------------------|--------|--------|-------|--------|--------|--------|------|
| Total (kt) of which: | 23,899 | 24,020 | 0.5   | 22,921 | (4.6)  | 24,074 | 5.0  |
| EU-28                | 3,233  | 3,061  | (5.3) | 2,816  | (8.0)  | 2,977  | 5.7  |
| China                | 11,872 | 12,202 | 2.8   | 12,155 | (0.4)  | 12,699 | 4.5  |
| Japan                | 1,010  | 971    | (3.9) | 842    | (13.3) | 844    | 0.2  |
| India                | 497    | 529    | 6.4   | 425    | (19.7) | 470    | 10.6 |
| USA                  | 1,811  | 1,838  | 1.5   | 1,750  | (4.8)  | 1,820  | 4.0  |