

Copper demand to increase as energy consumption falls

Under a scenario where global energy consumption reduces by three percent annually, copper demand would experience a cumulative increase of 17,672 Kt over ten years against a base level, according to a study by Navigant/Guidehouse Research. Based on the activity of the Three Percent Club, a collaboration of governments and supporting organizations that commit to working together to put the world on a path to three percent annual efficiency improvement, the new research found copper demand would grow in six technology groups across transport, buildings and industry sectors.

The research, which was commissioned by the International Copper Association (ICA), found that the largest opportunity for demand gains originates from increased energy efficiency in the transportation sector, driven by growth in electric vehicles and plug-in hybrids. In the three-percent scenario, demand would increase at an 11.8 percent compound annual growth rate (CAGR) in the transport sector. Transport is also the sector most likely to achieve the three percent scenario due to existing and expected transportation electrification policy in several countries.

In the building industry, AC copper demand is expected to grow at a 6.6 percent CAGR in the three-percent scenario due to increasing use of copper in a variety of components that would be required to meet higher efficiency standards. Lighting is expected to represent fastest growth in copper demand in buildings at a CAGR of 8.2 percent in the three-percent scenario due to accelerating adoption of LEDs. Within industry, the replacement of transformers with more efficient alternatives in the efficiency scenario results in growth in demand at a CAGR of 2.8 percent.

Sasha Wedekind, Research Analyst, Energy Efficiency, at Navigant Research, said, “The impact of reducing energy consumption by three percent annually would significantly increase copper demand. Our research found demand would increase across the world and within the three industries studied.”

Colin Bennett, Market Intelligence Director at International Copper Association, stated “Copper is the best nonprecious conductor of heat and electricity, which is essential to an efficient generation and delivery of electricity. This research demonstrates the value copper can deliver for the global economy by facilitating the reduction of energy consumption. The study forecasts that increased use of copper could reduce energy consumption by a very significant 24 percent between 2020 and 2030.”

About the International Copper Association

The International Copper Association’s members represent a majority of global copper production and include some of the world’s largest manufacturers of copper semi-end-use



products. ICA brings together the global copper industry to develop and defend markets for copper and to make a positive contribution to society's sustainable-development goals. ICA's status as a not-for-profit trade association provides its members with a credible, independent advocate to address challenges faced by the collective industry. ICA is headquartered in Washington, D.C. ICA and its Copper Alliance® partners are active in more than 60 countries worldwide. For additional information visit copperalliance.org

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