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Modern Silk Road to Increase Copper Demand 22% by 2027

According to new research commissioned by the International Copper Association (ICA), China's Belt and Road Initiative (BRI) will likely increase demand for copper in over 60 Eurasian countries. The research—carried out by Shanghai MarchWIN Consulting—predicts the development strategy will increase copper demand to a total of 6.5 million tonnes by 2027, a 22% increase on 2017 levels. Announced in 2013 by China's President Xi Jinping, the BRI aims to increase all-directional connections between Eurasian countries. This includes policy coordination, infrastructure connectivity, unimpeded trade, financial integration and people's bond.

Wang Yadong, author of the research, explains the development of power infrastructure and transport will require a significant amount of copper. "With annual electricity consumption expected to grow to 2,024 kilowatt-hours per capita, and copper a critical material in power cables and other intensive power equipment, demand for the material will escalate."

Direct and Indirect Impact

In the first five years of the Belt and Road Initiative (2013–2017), 1.25 million tonnes of copper were used to build the network of power generation and grids, highways and railroads to develop a network of six economic corridors. This is brought by investment from China's enterprises.

The Belt and Road Initiative's direct impact on copper will continue in the coming years; however, this will increasingly be accompanied by indirect demand brought about by an improved infrastructure system and the resulting growth in local economies.

"As GDP rises across the connected nations, market growth and purchasing power will also increase," says Colin Bennett, Global Manager, Market Analysis and Outreach, ICA. "Copper-rich applications such as HVAC units and electric vehicles, and its use in construction, will further intensify the demand for copper."

Combined, the direct and indirect impact of the Belt and Road Initiative is projected to account for 2.8 million tonnes of copper between 2023 and 2027.



About the International Copper Association (ICA)

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. Headquartered in Washington, D.C., ICA has offices in four primary regions: Asia, Europe and Africa, Latin America and North America. Copper Alliance programs and initiatives are executed in nearly 60 countries through its regional offices. For additional information, please visit www.copperalliance.org.

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