

Renewables to Significantly Increase Copper Demand by 2027

According to new research commissioned by the International Copper Association (ICA), global copper demand is increasing, with renewable energy sources such as wind and solar being key contributors to this trend, particularly in Asia. The study—conducted by Navigant Research—predicts increases in solar and wind energy will raise copper demand by 813 thousand tonnes annually by 2027, a 56% increase on 2018 levels.

The work suggests this increase will be brought about by increased demand for renewable energy sources, driven by policy developments in both solar and wind energy. In the Asia Pacific region alone, copper usage in solar energy will grow to 578 thousand tonnes annually by 2027, a 95% increase compared with 2018. Around 54% of the cumulative demand for copper in solar by 2027 will likely be attributed to distributed energy, with utility-scale installations (32%) and residential solar installations (14%) following suit.

Benjamin Freas, Principal Research Analyst at Navigant, explains the growth of copper use in the Chinese wind sector. “China will overwhelmingly maintain its leadership in terms of new annual installations over the next five years. As the country aims to improve installation quality and invest in more energy-efficient products, it is very likely to continue to use copper across its electrical components and cables.”

China is also forecast to continue leading wind turbine installations over the next five years, thanks to added investment from China’s enterprises as a result of the Belt and Road Initiative (BRI). It is the world’s largest copper consumer in wind energy, accounting for 42.5% of global demand in 2018.

“The Belt and Road Initiative’s impact on copper will continue in the coming years, however this will increasingly be accompanied by indirect demand brought about by improved infrastructure and the resulting growth in local economies,” says Colin Bennett, Global Manager, Market Analysis and Outreach, ICA. “As GDP rises across the connected nations, market growth and their ability to invest in renewable energy sources will also increase.”

Combined, the wind and solar energy investment in Asia is projected to account for 3.8 million tonnes of copper demand 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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