

Demand for Copper Under China's 13th Five-Year Plan.

Research Conducted by: All China Marketing Research Co., Ltd.

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In Q3 of 2016, International Copper Association released findings from a study it commissioned with the All China Marketing Research Co., Ltd to analyze the potential copper demand in China under the country's 13th, and most recent Five-Year Plan (FYP). The study looked into five key sectors that represent half of the total copper market in China: Building Construction, Power Infrastructure, Transportation, Home Appliances, Manufacturing (industry motor).

SELECT KEY FINDINGS

- The five sectors evaluated in the study will generate around 30 million tonnes of copper demand, representing a 15% increase from the 12th FYP period.
- Under the 13th FYP, China is expected to see at least 6.5% growth in GDP and double the personal income of its citizens by the end of 2020.
 - The plan requires significant investment in areas such as transportation, building infrastructure and energy – all of which provide strong opportunities for the use of copper.
- All five of the market sectors analyzed are expected to see increases in copper demand by tonnage:
 - Building Construction – 1.8 million tonnes increase.
 - Power Infrastructure – 1.4 million tonnes increase.
 - Transportation - 0.2 million tonnes increase.
 - Home Appliances - 0.13 million tonnes increase.
 - Manufacturing (industrial motors) - 0.07 million tonnes increase.

SPOTLIGHT SECTORS

- Among the five sectors in the report, the two which show greatest percent change, were renewable energy and transportation. A closer look at those findings follows.

Renewable Energy

Compared to historical averages, the renewable energy market represents a much larger portion of the new FYP.

- Wind and Solar Photovoltaic will account for 31% of new power generation installations.
- The copper demand of the power sector during 13th FYP is expected to exceed 5.4 million tonnes, which comprises 9% from power generation (wind and solar power) and 91% from the power grid.

Transportation

Due to rising concerns surrounding pollution and fossil fuel consumption, electric vehicles are expected to play a significant role in the 13th FYP.

- The number of electric vehicles will likely increase to around 5 million.
- The number of charging stations will increase to 12,000
- Charging piles will grow to 4.6 million
- Overall copper demand of the transport sector is estimated to be 4.7 million tonnes