



Modern Silk Road to Increase Copper Demand 22% by 2027

Study Name: The Impact of China's Belt and Road Initiative
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First Presented: October 2018

Spanning more than 60 countries, the Belt and Road Initiative (BRI) announced in 2013 aims to increase all-directional connections across Eurasia. The resulting construction of highways, railroads and power grids has increased demand for copper across the region and new research, commissioned by the International Copper Association, predicts this demand is set to rise as the indirect impact begins to take hold.

Overview

The research—carried out by Shanghai MarchWIN Consulting—predicts the development strategy will increase copper demand across the countries involved to a total of 6.5 million tonnes by 2027, a 22% increase on 2017 levels.

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 (KWh) per capita by 2020, 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 was brought by investment from China's enterprises.

The direct impact will increasingly be accompanied by indirect demand brought about by the improved infrastructure systems and the resulting growth in local economies. As GDP rises across the connected nations, market growth and purchasing power will also increase. Copper-rich applications such as HVAC units and electric vehicles, and its use in construction, will further intensify the demand for copper.

- Electricity consumption across BRI-connected nations could grow to 4,166 KWh/capita by 2030.
- In the first five years of the BRI (2013–2017), 1.25 million tonnes of copper were used on infrastructure development.
- Between 2018 and 2027, the indirect impact (local economic growth) of the BRI may create a demand for 1.24 million tonnes of 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.

Key Findings

- The BRI is expected to increase copper demand across the countries involved to 6.5 million tonnes by 2027, a 22% increase on 2017 levels.

Forecast



