

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

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

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In March 2017, the International Copper Association released findings from a study it commissioned All China Marketing Research Co., Ltd to undertake, analyzing potential copper demand in China under the country's 13th, and most recent Five-Year Plan (FYP). The study looked into six key sectors that represent 60% of the total copper market in China: Building Construction, Power Infrastructure, Transportation, Home Appliances, Manufacturing (industrial motors), and Electronic Information.

Key Findings

- The six sectors evaluated in the study will generate approximately 32 million tonnes of copper demand, representing an estimated 16% increase from the 12th FYP period.
- Electronic information is expected to see a 30% increase in copper demand from 2.4 to 3.1 million tonnes.
- The 13th FYP requires significant investment in areas such as transportation, building infrastructure and energy – all of which provide strong opportunities for the use of copper.
- All six 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.
 - Electronic Information – 0.72 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 six sectors in the report, three showed areas of significant increases in copper demand as a result of the latest FYP. A closer look at those findings follows.

Power Infrastructure

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.
- Copper demand in the power sector during the 13th FYP is expected to exceed 5 million tonnes, which comprises 9% from power generation and 91% from the power grid.

Building Construction

The building construction market is forecast to increase 14% from 12.6 to 14.4 million tonnes.

- Non-electrical applications (such as heating, ventilation, and air conditioning, hardware, and water and gas) will account for 75% of the anticipated copper demand.
- Completed floor space of residential buildings is expected to increase 21%.
- China's urbanization ratio is expected to reach 60% by 2020.

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 for the transport sector is estimated to be 4.7 million tonnes.

For additional information about copper or the International Copper Association please visit www.copperalliance.org or www.sustainablecopper.org.

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