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Net Copper Substitution Losses Decline to 0.9% - New Study Shows

New York, NY, March 8, 2017 – Research released today by International Copper Association (ICA) found that net material substitution losses for copper fell to 240 kilo tonnes (kt), or 0.9% of the market in 2016, following a decline in losses for five consecutive years.

The research was commissioned by ICA to MetalsPlus Research and Consulting, which looked at substitution across copper's many applications to develop an overall analysis of copper substitution worldwide. The study also revealed preliminary research on the potential impact of regulatory issues in the market as they relate to copper.

“Substitution is trending in a favorable direction with a decline in losses over five consecutive years and greater increases in substitution gains,” said Colin Bennett, Market Analysis and Outreach, ICA.

Additional findings from the study showed that of the total 240 kt substituted globally in 2016, China accounted for 40%, followed by other Asia and Oceania countries at 23%, Europe and Africa with 19%, and the Americas at 17%.

Further, the research revealed decreases in material substitution across all of the product applications examined in the report. Those categories, and the percentage they represent of the total net substitution, include copper tube (12%), power cable (19%) and other mill and non-mill products (29%).

Copper's substitution gains in 2016 totaled 84 kt among the categories outlined in the study, which include power cable (8%), copper tube and copper/copper alloy plate, sheet, strip and foil (31%) and wire and cable (43%). The net substitution figure for copper incorporates gains as well as losses.

The study also shows that regulation could play a much more important role in copper and its end-use markets going forward. Regulations are becoming more stringent. This will mean

materials substitution gains for copper as well as losses, and will also impact on materials use in total through to 2025. The research found that there is the potential for a direct positive impact for copper in certain areas of energy efficient equipment such as the development of carbon-neutral buildings and minimum efficiency performance standards (MEPS) for motors and transformers.

Regulatory impact on greenhouse gas reduction was also examined in the report and it showed a positive impact for copper in renewable energy systems and automobiles.

“The preliminary study results found that as regulations evolve, it is likely there will be a growing element of resource conservation as well as a ‘social licence’ that will require a greater audit of the supply chain. At the same time, there is a willingness among manufacturers to go beyond the requirements of the law. Companies are doing this to future proof the areas of the business subject to regulation and to eliminate future uncertainty in their supply chain. It is also in their interest to be seen to be following ‘best practice’,” said Paul Dewison, Managing Director, MetalsPlus Research and Consulting.

An in-depth look at the results will be delivered during the [World Copper Conference 3–5 April 2017 during CESCO Week in Santiago, Chile.](#)

About 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 New York, 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 copperalliance.org.