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Current Situation & Prospects for Copper, Nickel, Lead and Zinc

by

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International Nickel Study Group

"The views expressed are those of the author and do not necessarily reflect the views of UNCTAD"



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Presentation Outline

- **Global Trends and Outlook**
 - **Copper**
 - **Nickel**
 - **Lead and Zinc**
- **Challenges and Emerging Issues**



The Study Groups

- Three independent intergovernmental organisations set up initially within the UN system:



- **International Copper Study Group (1992)**

- 22 members



- **International Nickel Study Group (1990)**

- 16 members



- **International Lead and Zinc Study Group (1959)**

- 30 members



The Study Groups Data Provision

- **Monthly Bulletins** of Statistics on Copper, Lead & Zinc and Nickel
- Biannual/annual **reporting** on mine, smelter and refinery start-ups, closures, expansions and planned development
- Reporting on **smelting and refining capacity** and other plant details
- Publication of data on **principal end uses** of metals
- Studies on trends in **downstream metals sectors**
- **Interactive** data on lead and zinc accessible through internet
- **Historical data** series available on request
- Monthly **press releases** distributed widely



Metals Markets Key Issues

- Prices collapsed in 2008 but recovered in 2009
Nickel from \$52,000/tonne in May 2007 to below 10,000 US\$/tonne in December 2008, Copper fell from near \$9,000/tonne to \$2,770 in Dec.2008.
- Currently (March 2010) prices for nickel are ~\$22,000/t and for copper ~\$7,400/t
- Uncertainty in the market which remains volatile
- China will remain the most important market



Production and Consumption

Copper

Nickel

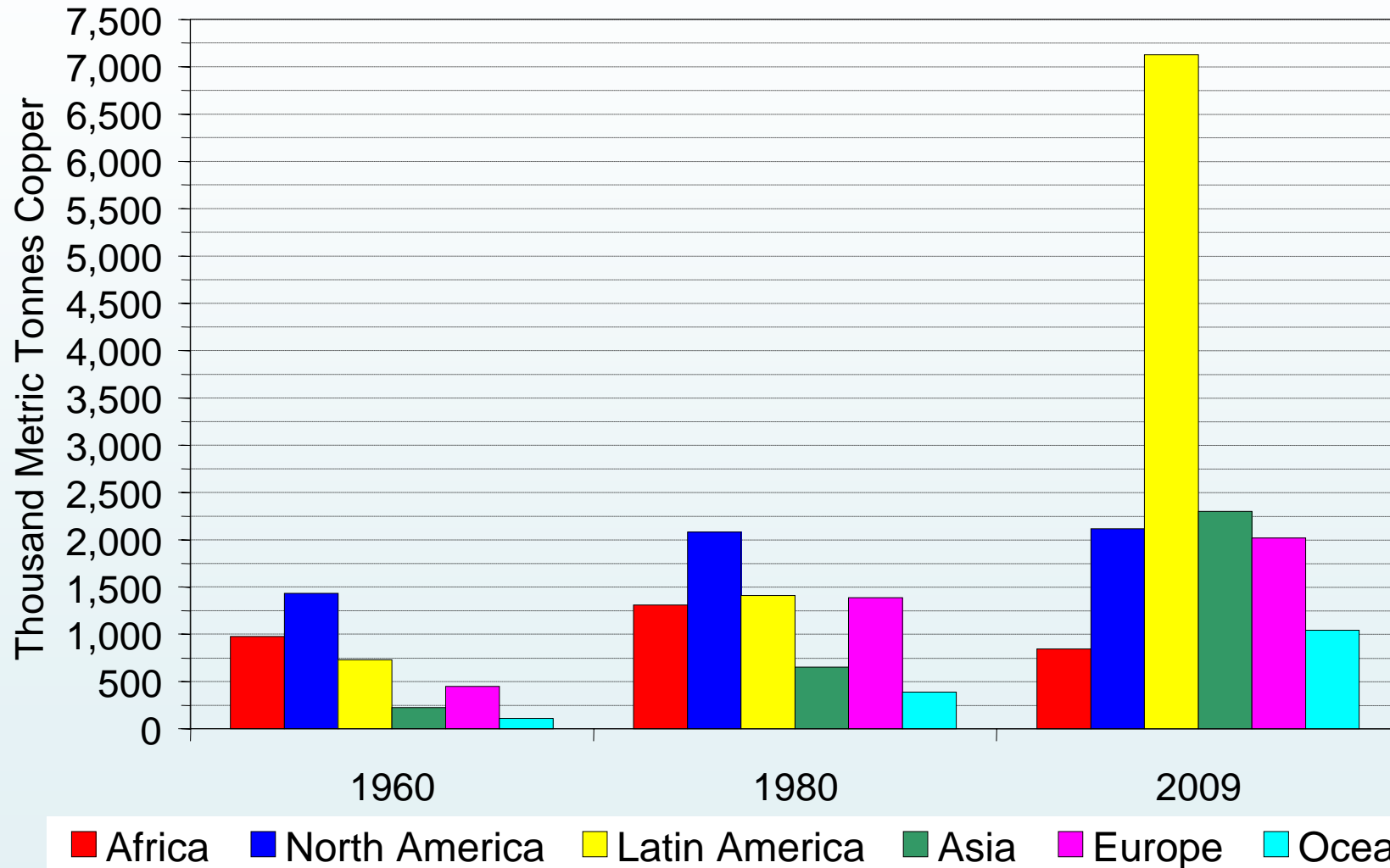
Lead

Zinc



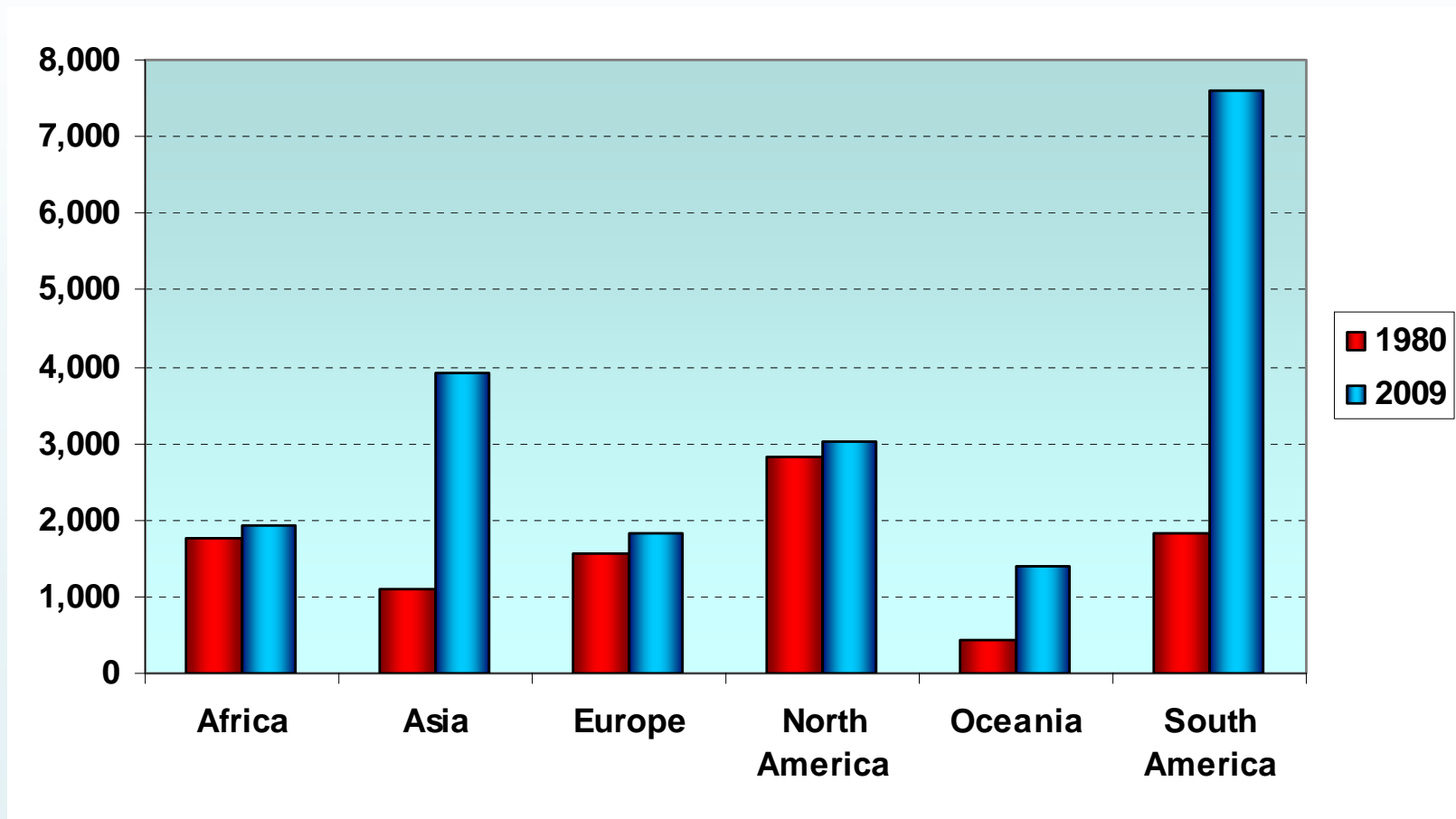
Copper Mine Production by Region

(thousand metric tonnes)





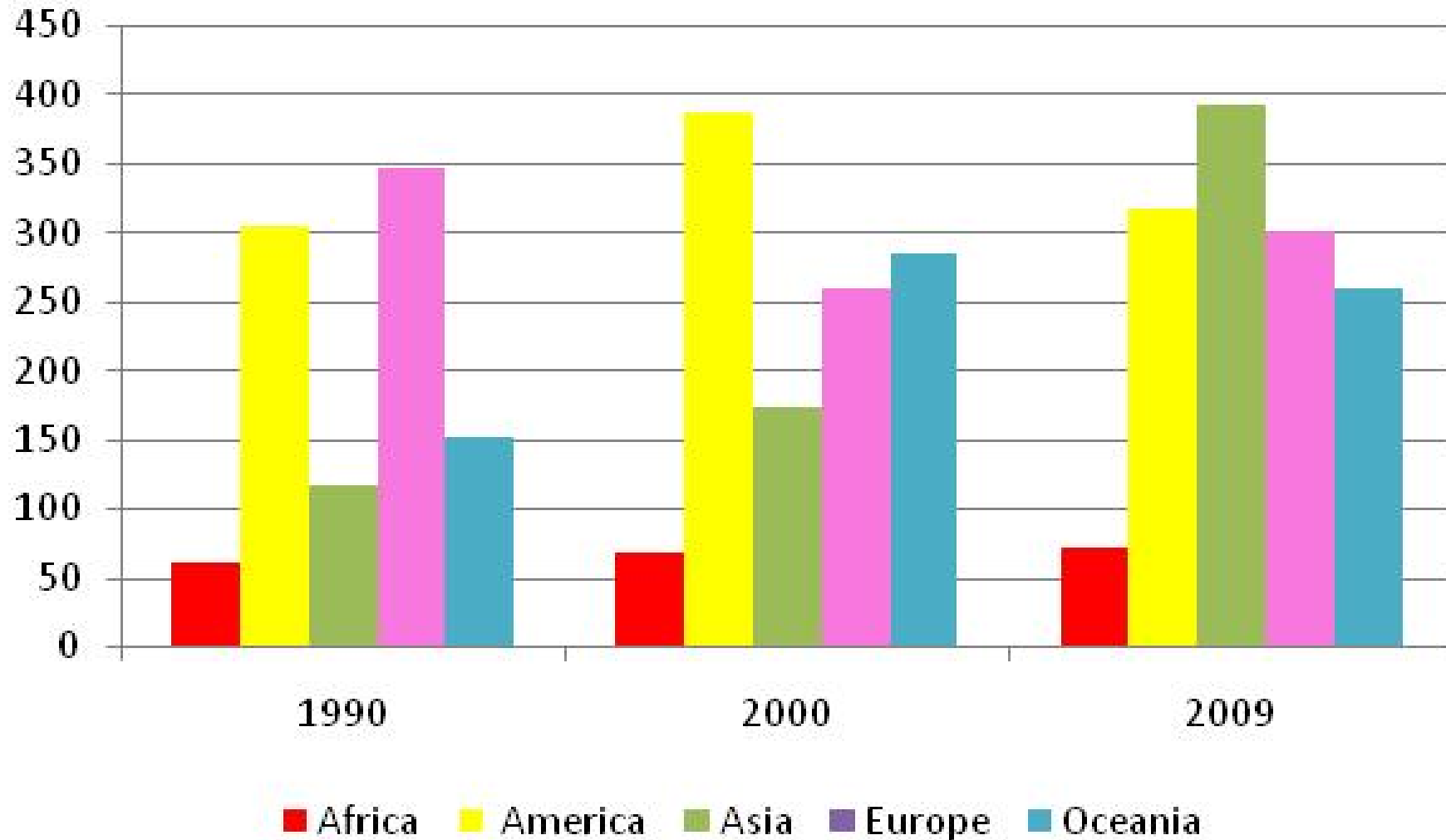
Copper Mine Capacity by Region, 1980 and 2009 (thousand metric tonnes)





Nickel Mine Production

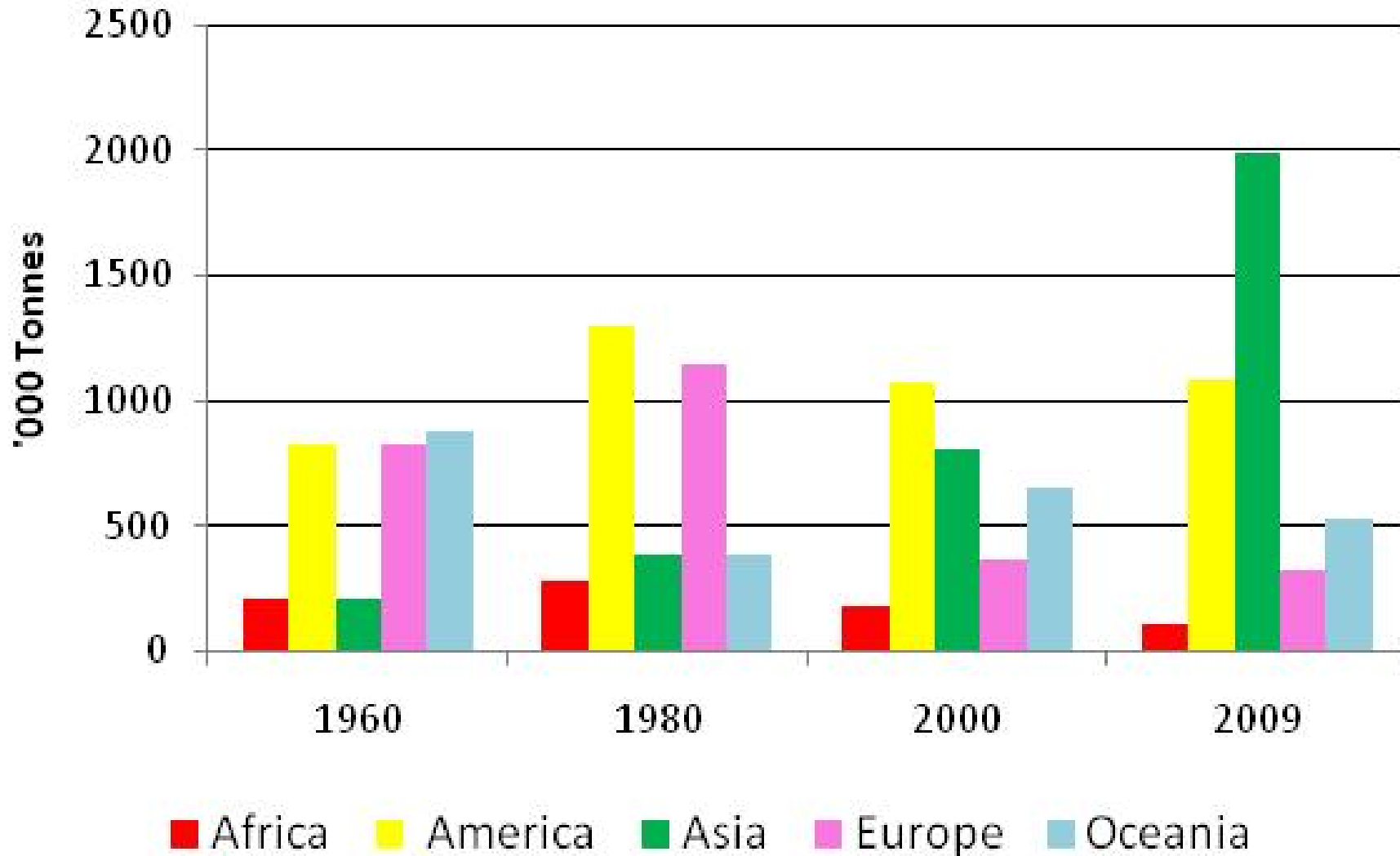
In thousand tonnes





Lead Mine Production by Region

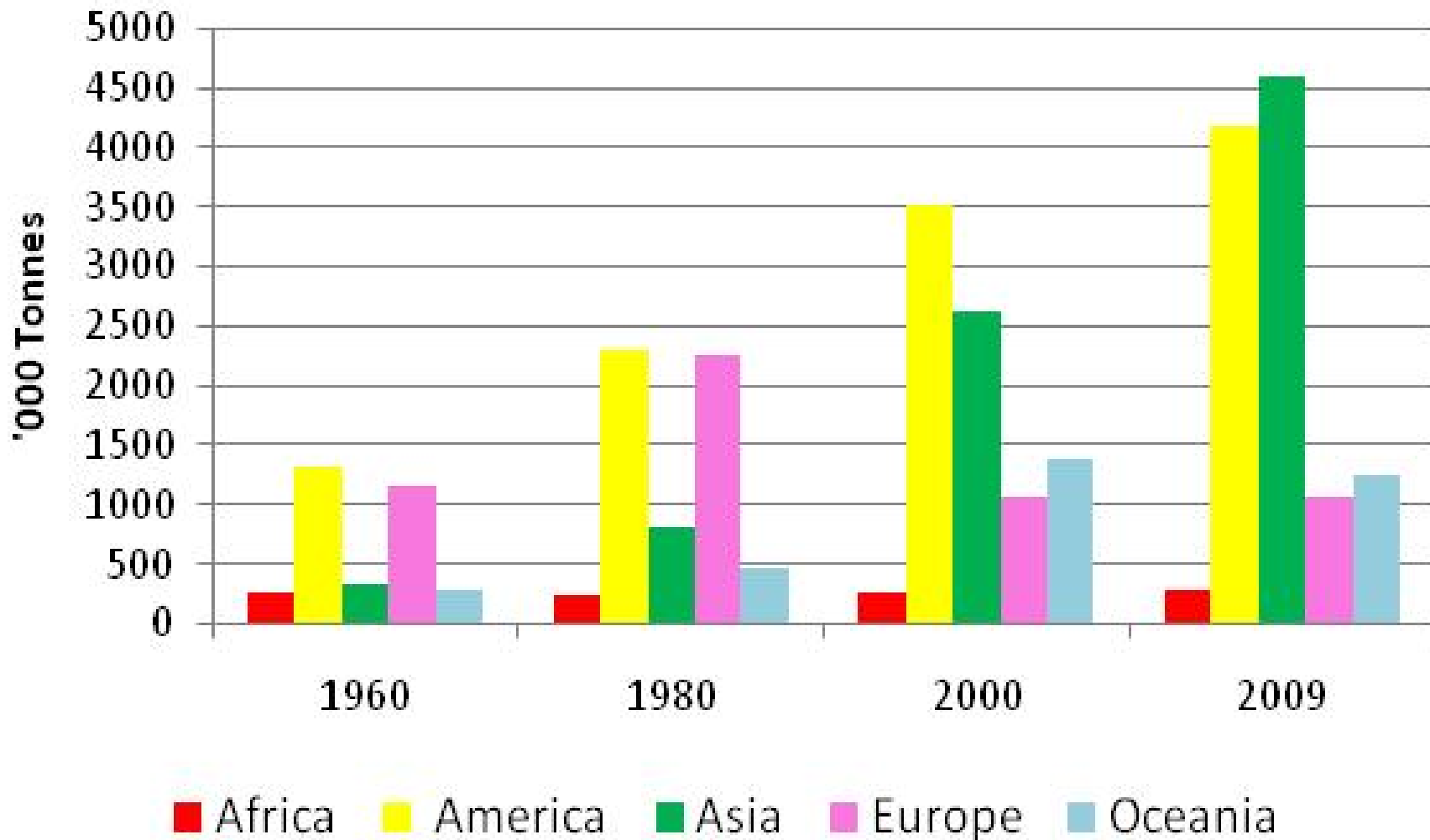
(thousand metric tonnes)





Zinc Mine Production by Region

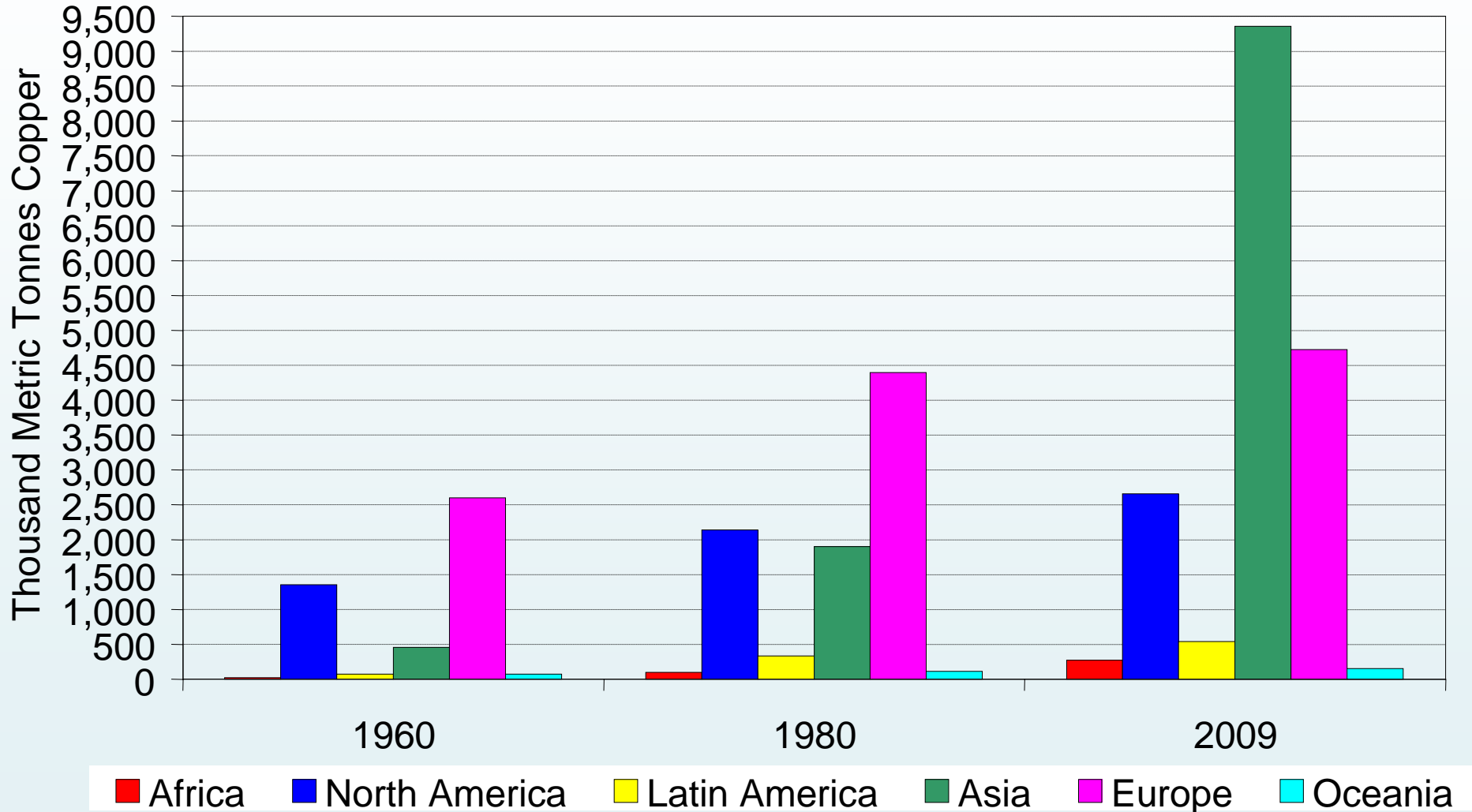
(thousand metric tonnes)





Refined Copper Usage by Region

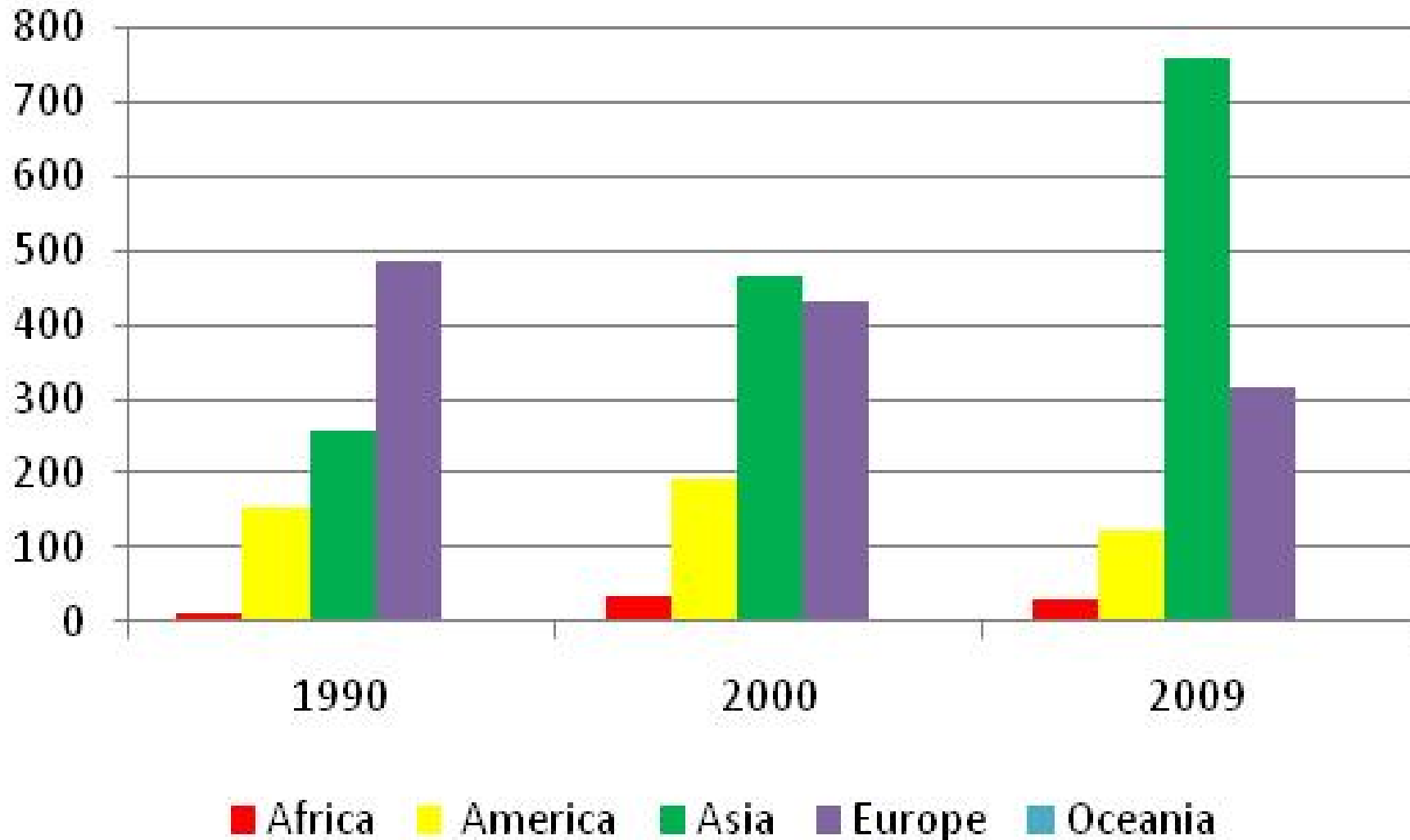
(thousand metric tonnes)





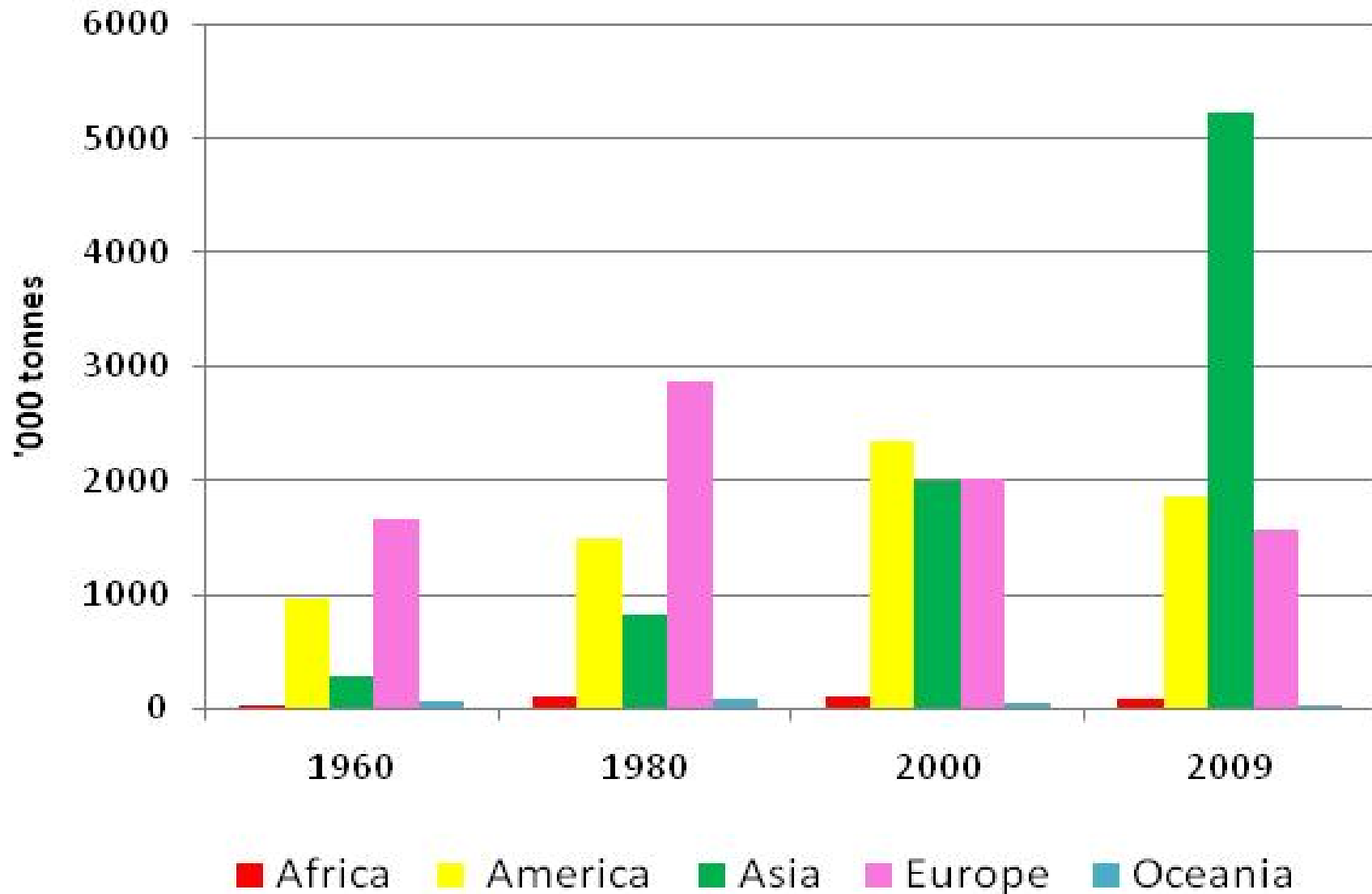
Primary Nickel Usage

in thousand tonnes



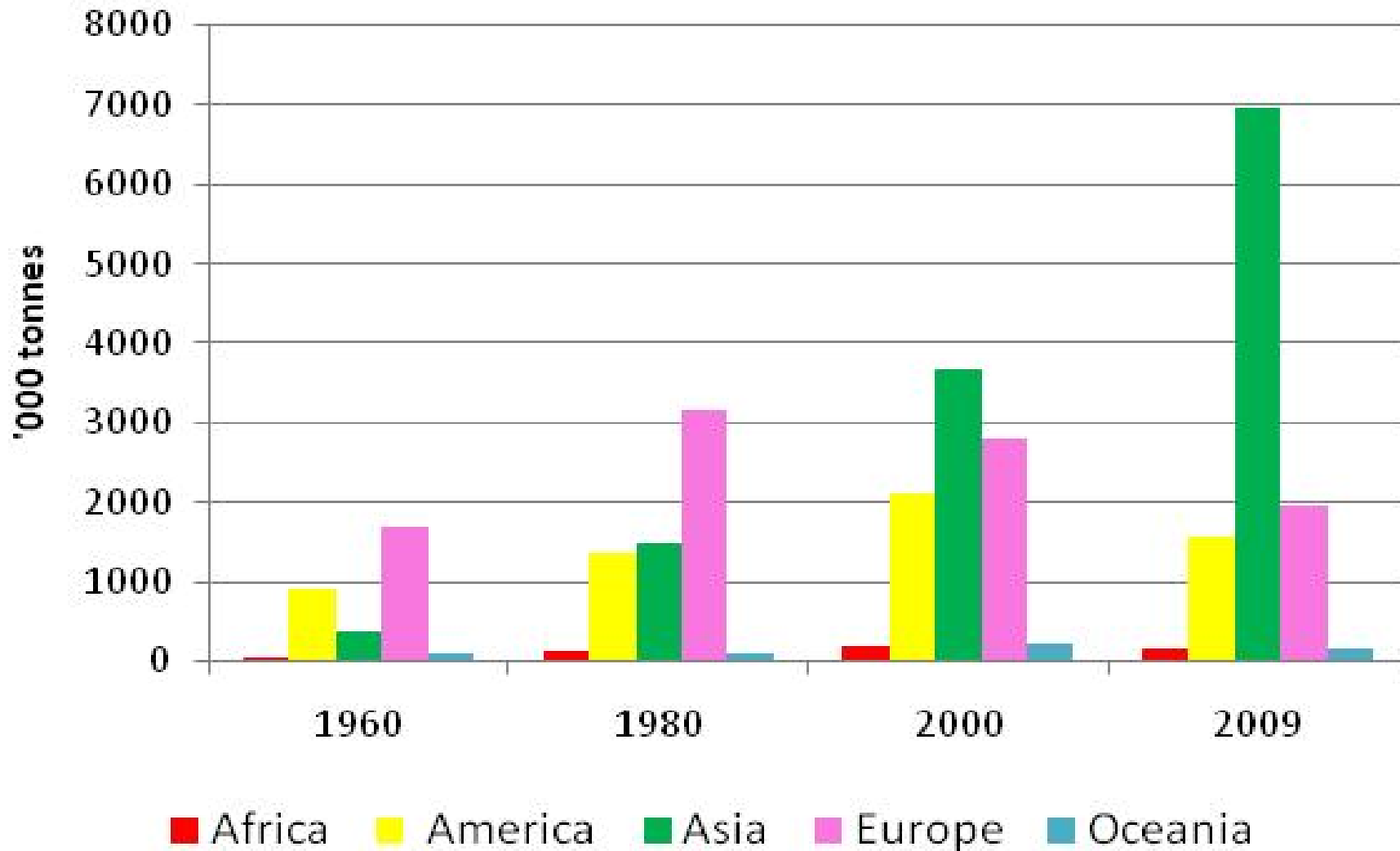


Lead Usage





Zinc Usage





Stocks, Prices and Balances

Copper

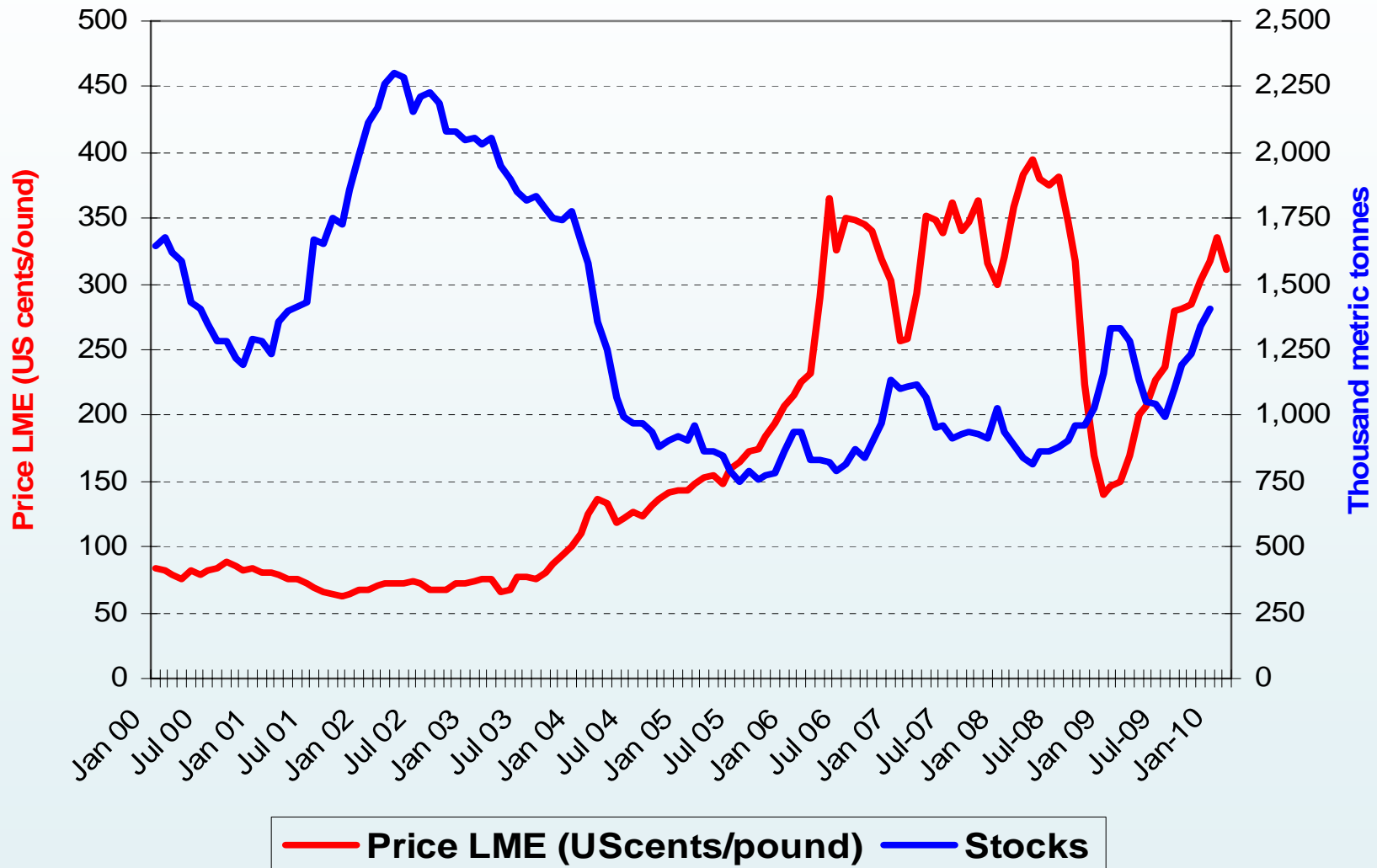
Nickel

Lead

Zinc

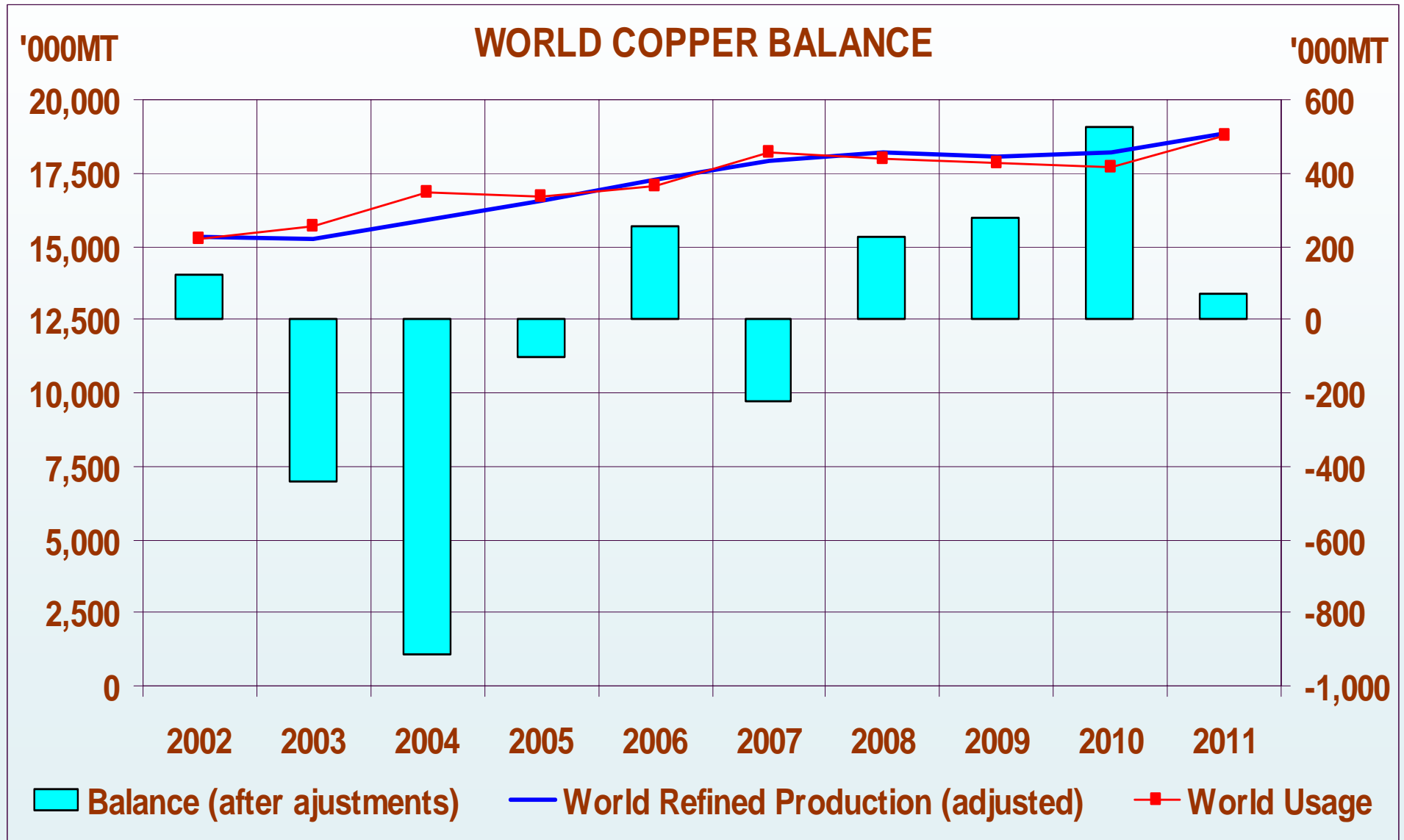


Copper Stocks and Prices 2000-2010



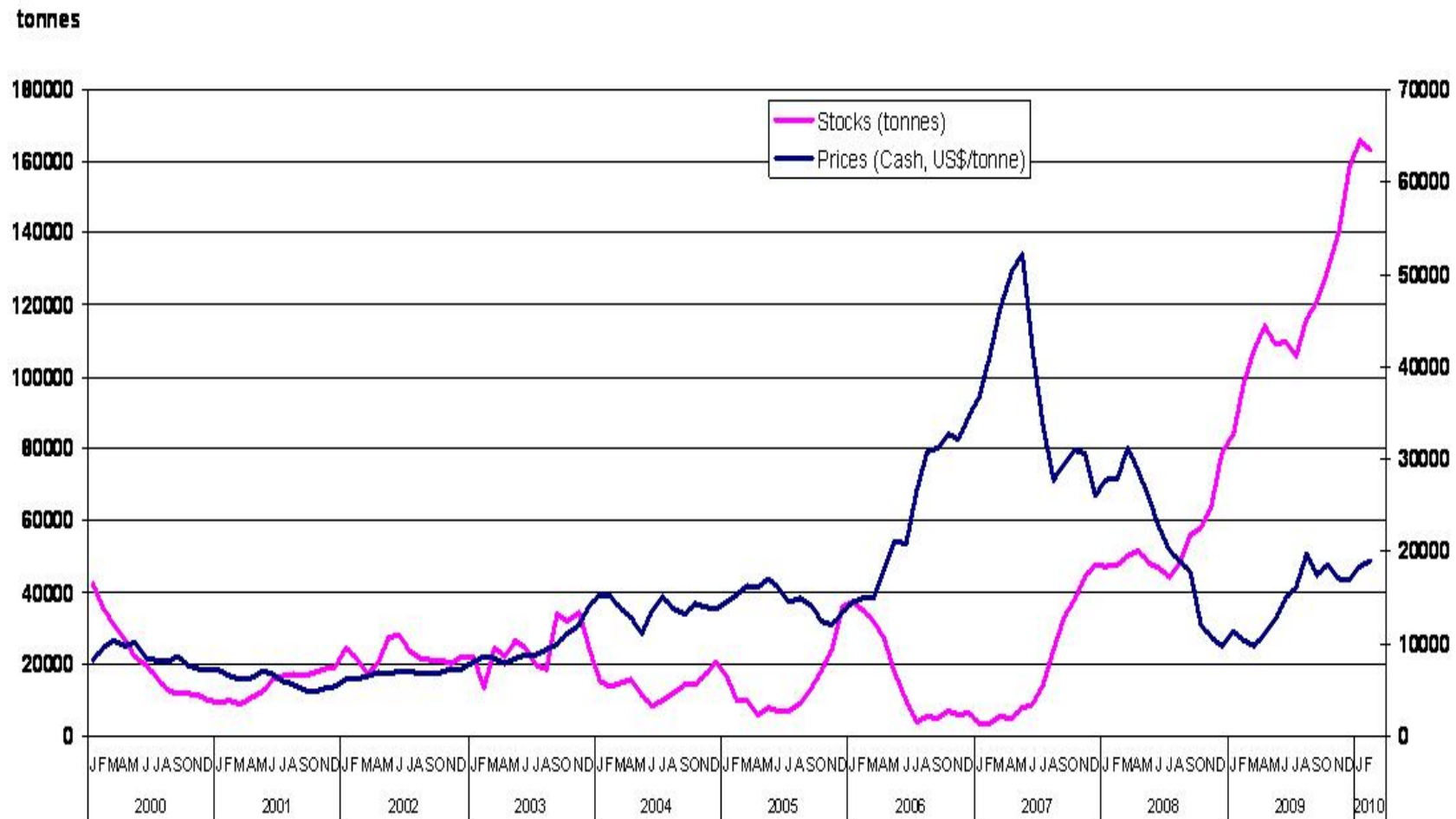


ICSG Global Refined Copper Market Balance & Forecast





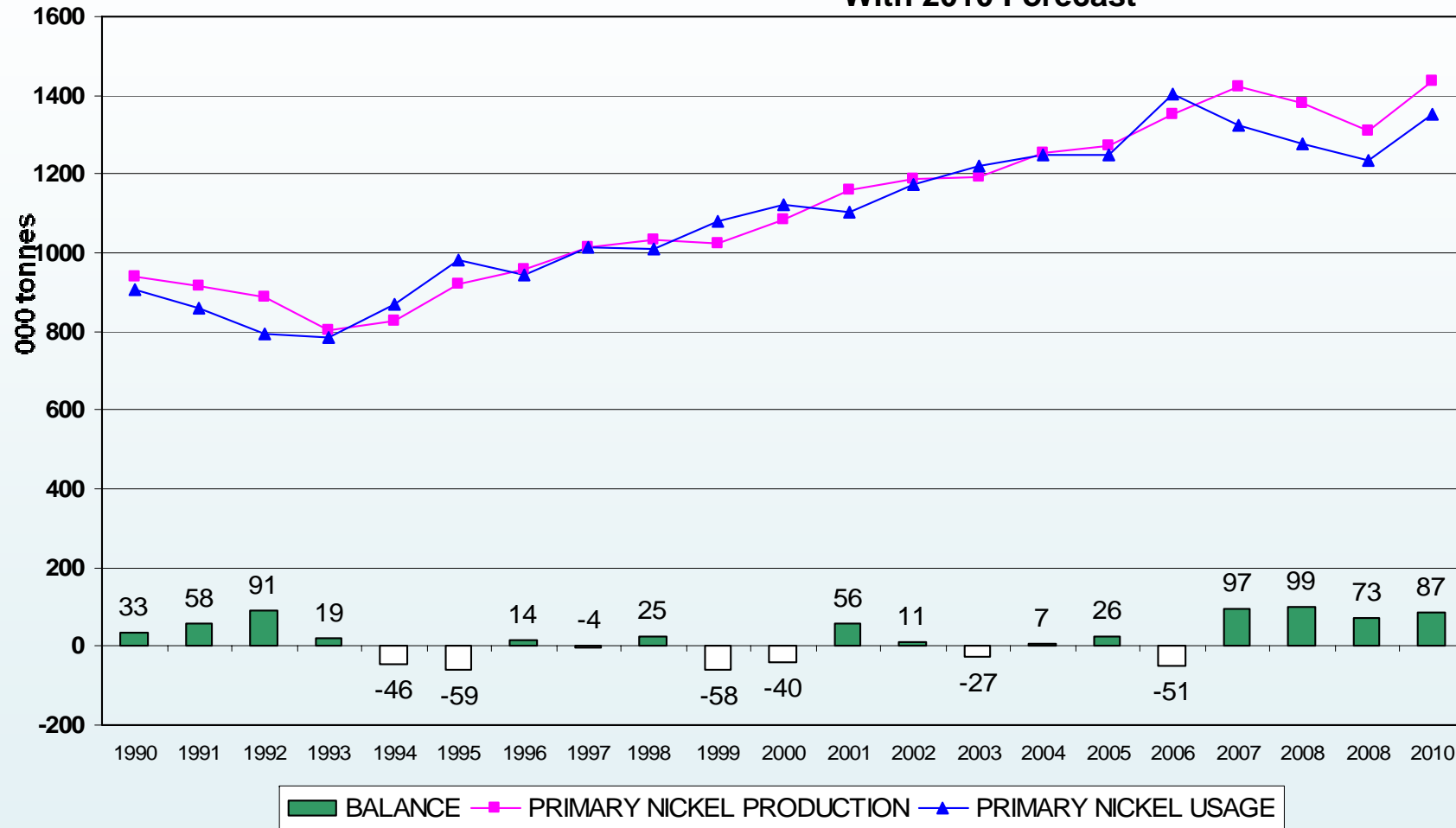
LME Nickel Prices and Stocks 2000 - 2010





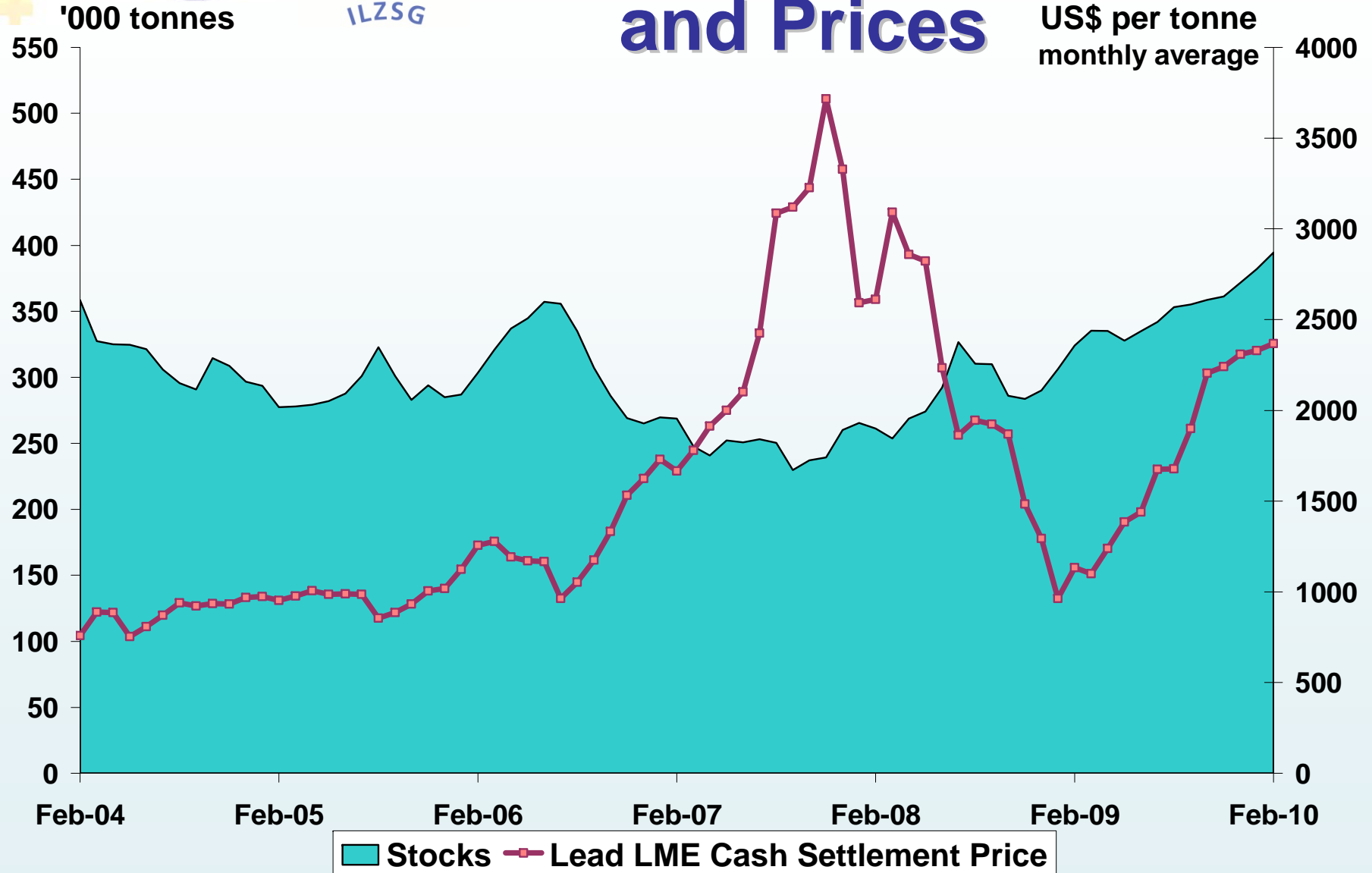
World Primary Nickel Balance – Annual Data

With 2010 Forecast



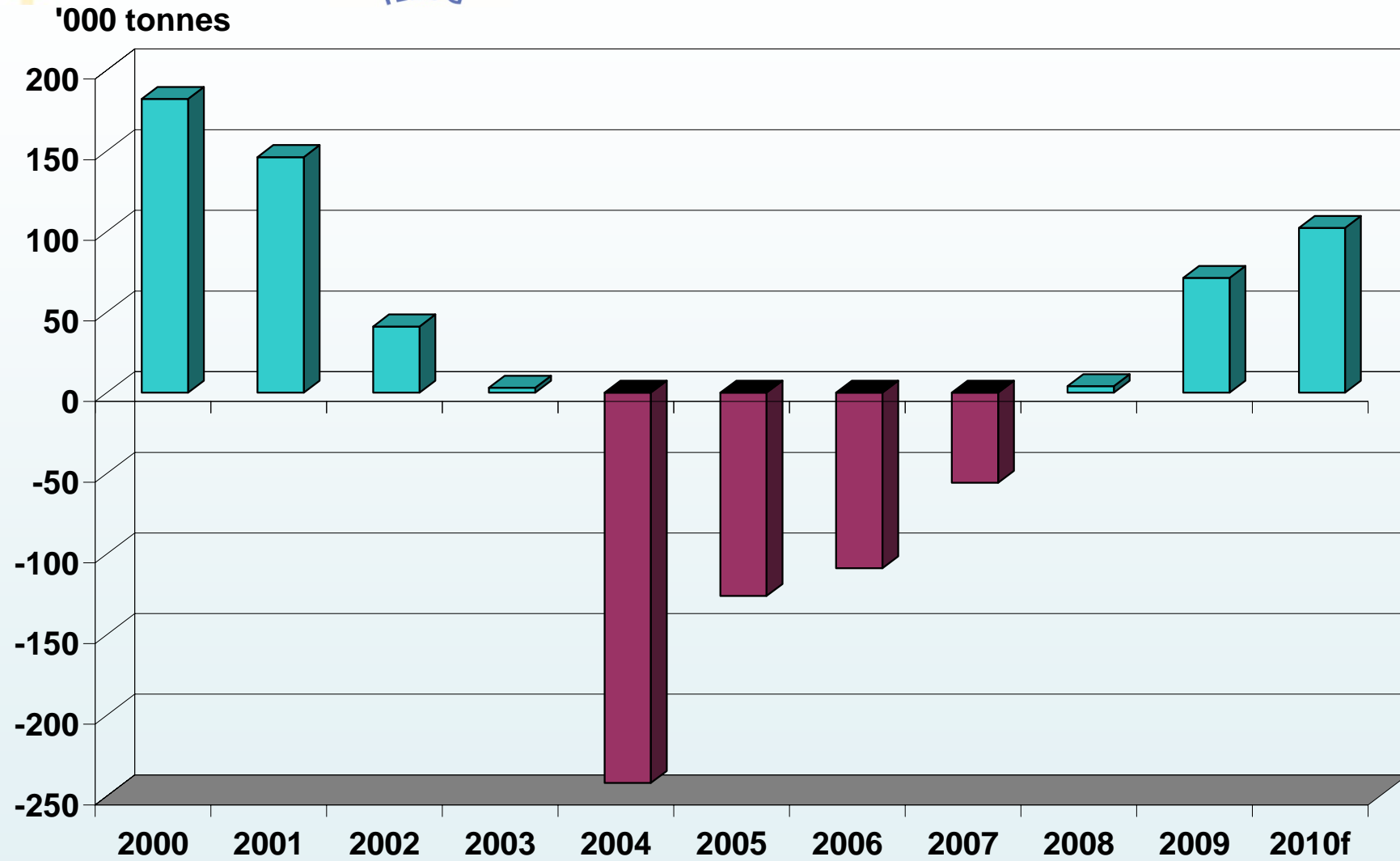


Lead Stocks and Prices





Lead Balance



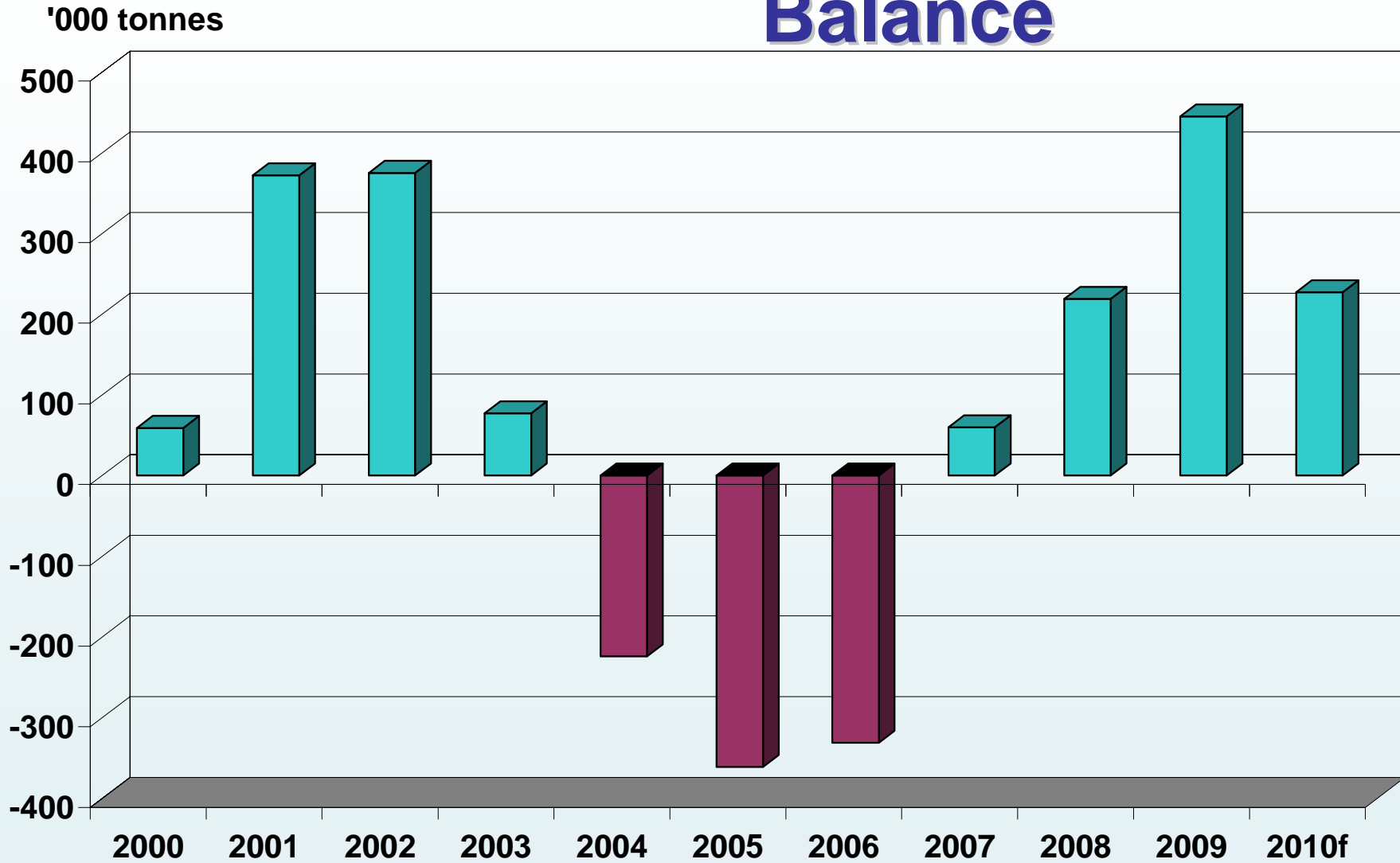


Zinc Stocks and Prices





Zinc Metal World Balance



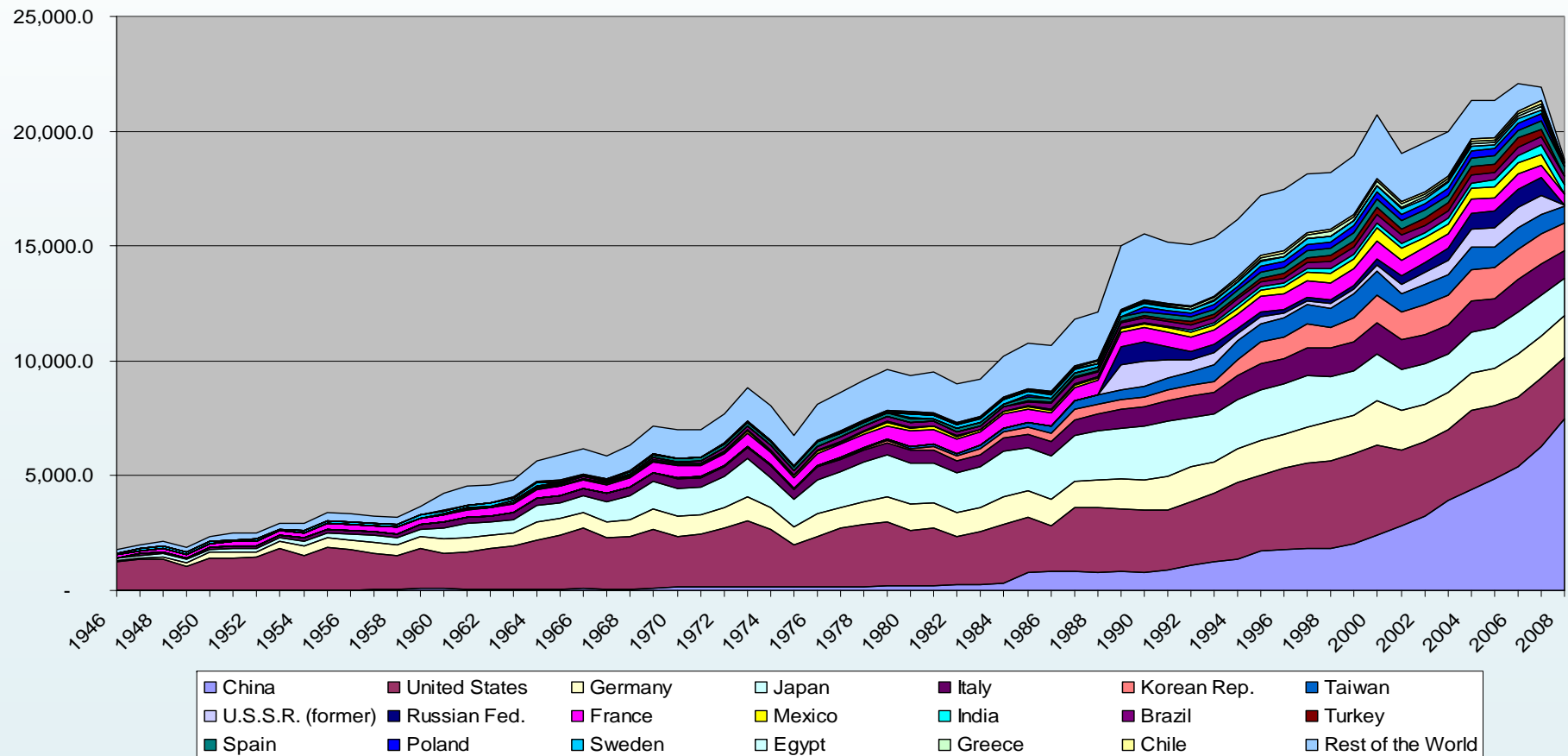


China



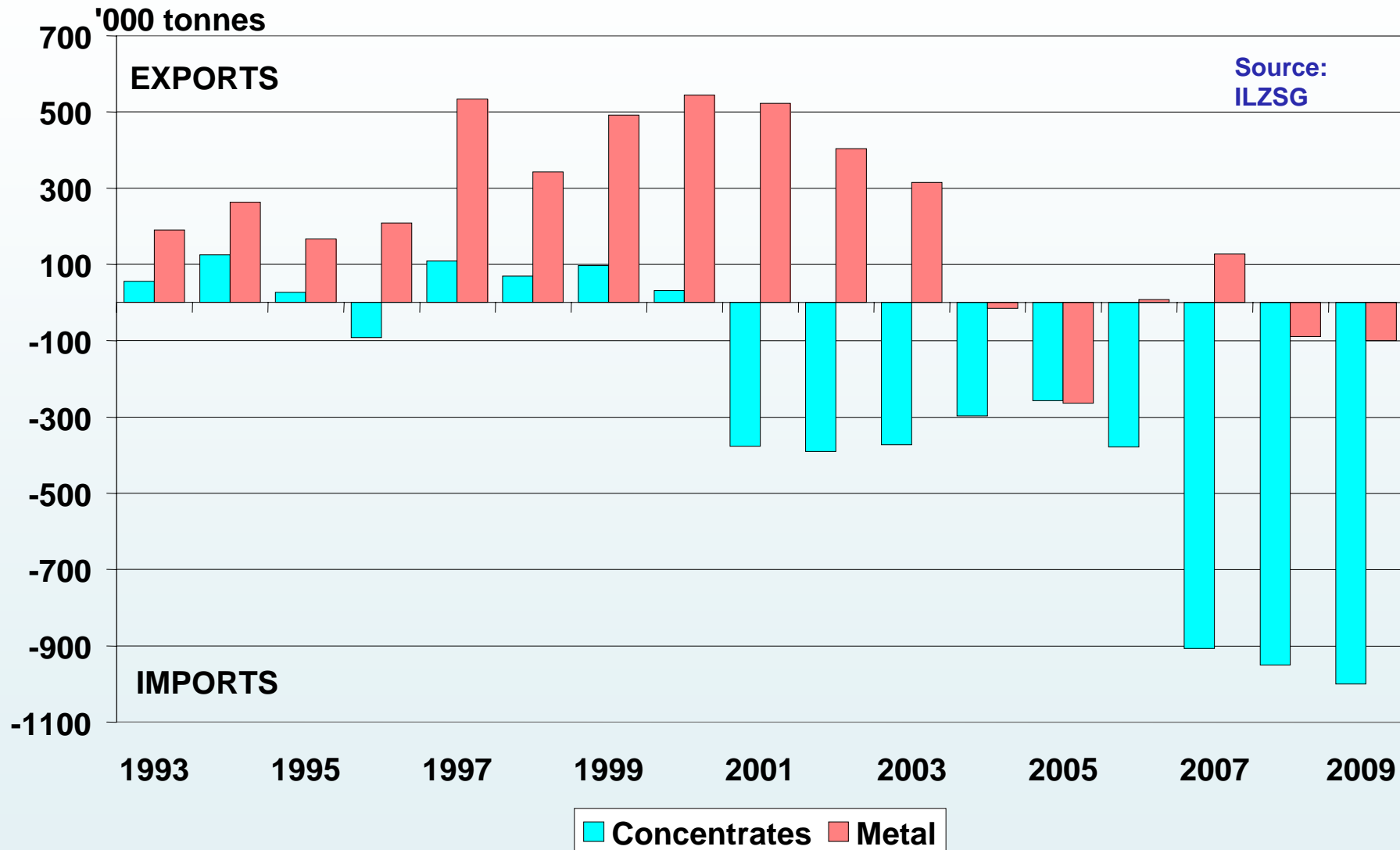
Global Copper Use sustained by Chinese Growth

Copper and Copper Alloy Semis Production 1946- 2008 (2008 Not Fully Reported) by Country
Gross Weight, Thousand Metric Tonnes





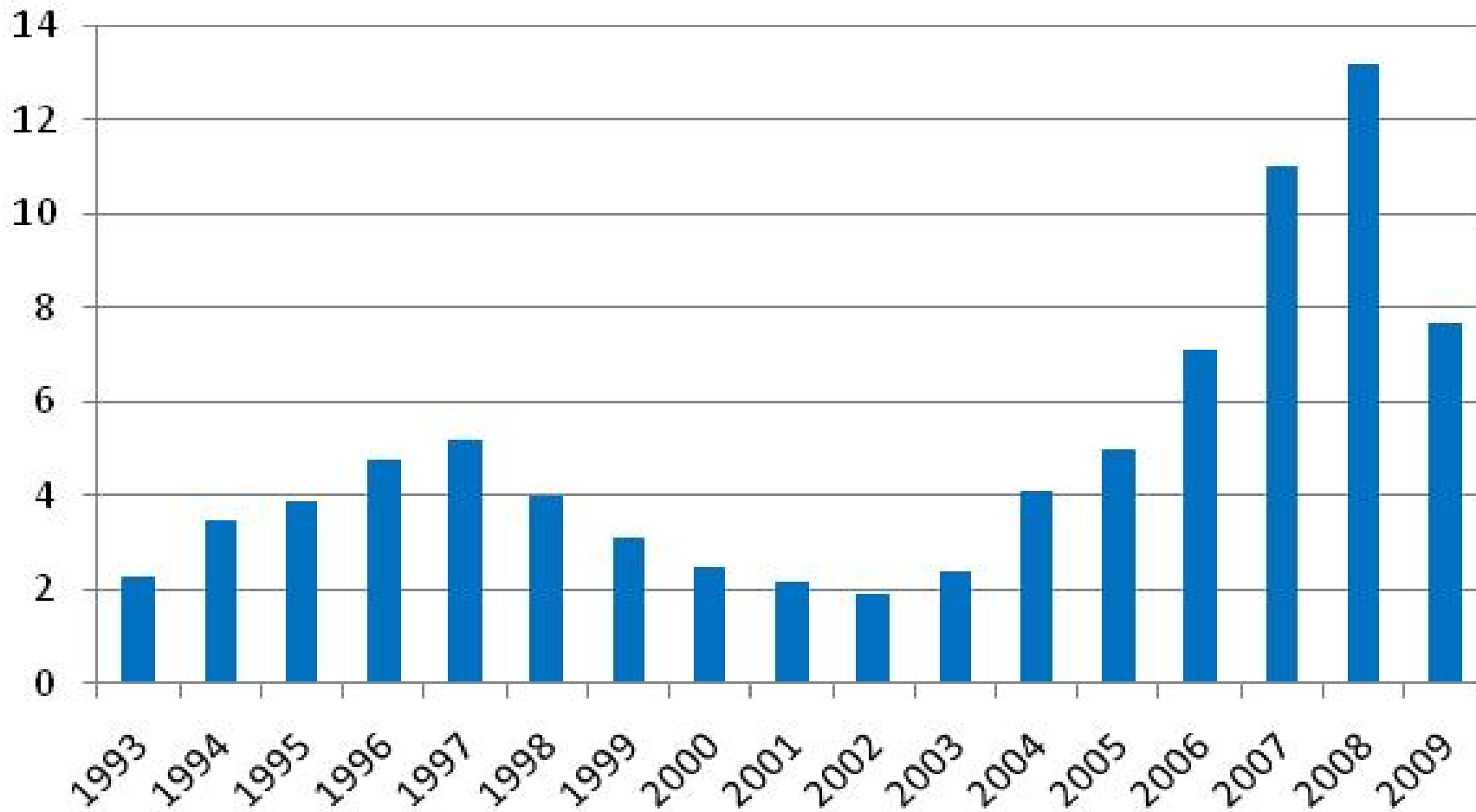
Chinese Zinc Trade





Estimated Worldwide Exploration Budgets

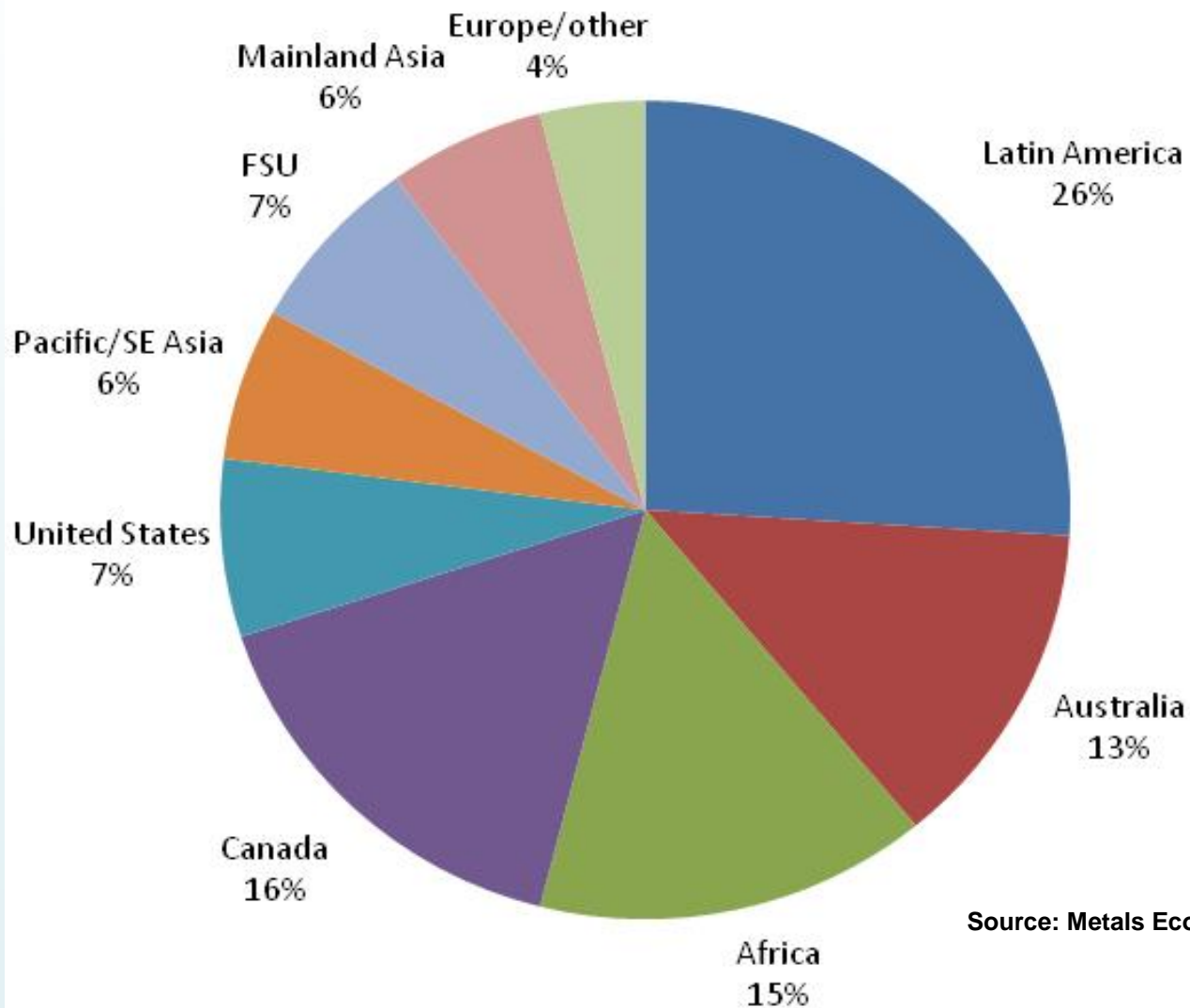
(in Billion US \$)



Source: Metals Economics Group



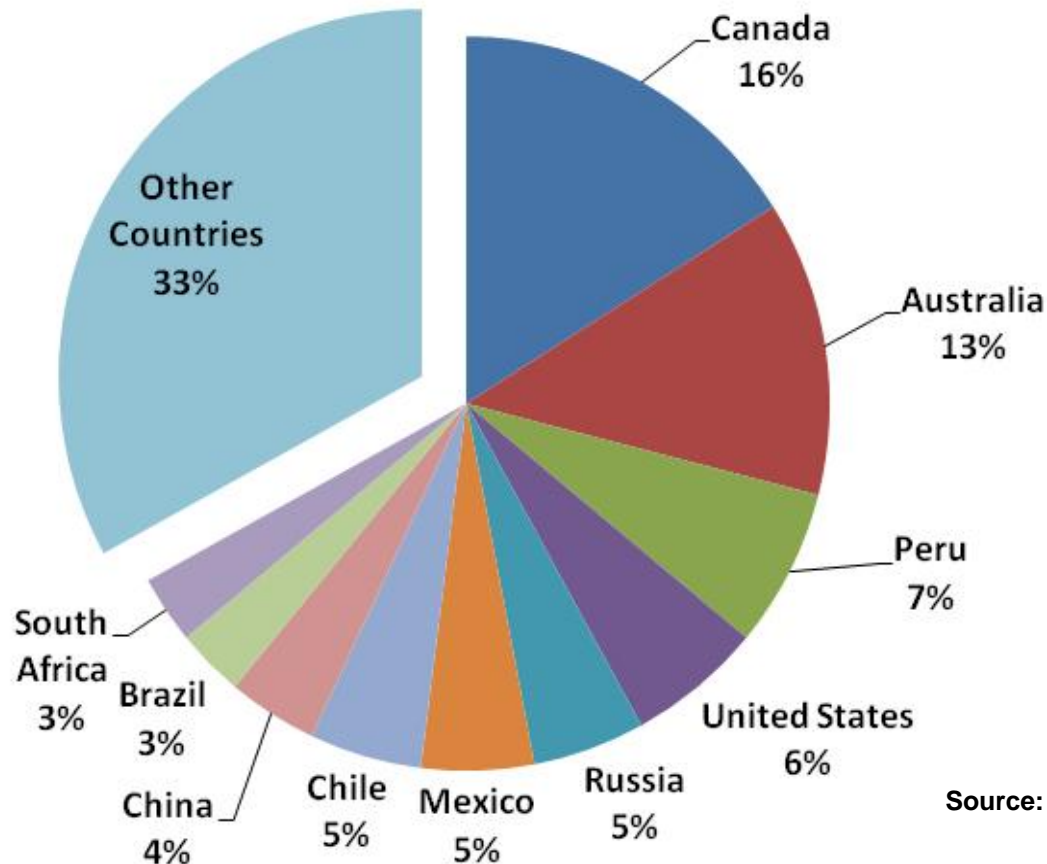
Exploration by Region 2009



Source: Metals Economics Group



Top 10 Countries for Exploration 2009



Source: Metals Economic Group



Long Term Trends

- Prices have been volatile, but adjusted for inflation, have tended to the level of 50 years ago or to fall slightly
- In general, no physical lack of metals
- Production from lower grade ores
- Improved mine restoration technology
- Growing recycling, 'urban mining'



Challenges for the Non-ferrous Metals Industry

- Provide supply to meet evolving demand, both near term and long term
- Respond to changing demand and remain competitive and profitable
- Develop new technologies to enhance environmental performance and reduce energy intensity
- Ensure transparency and efficiency in the markets



Challenges for the Non-ferrous Metals Industry

- Possible trade restrictions, i.e. new carbon border tariffs and ‘carbon levies’
- Sustainable Development – economic, environmental and social impacts
- Changes in investment flows and relocation of operations in response to changing costs



To learn more about the Groups:



www.icsg.org



www.insg.org



www.ilzsg.org



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