Fastmarkets

Copper

10-year forecast

Q1 2025

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Key takeaways

Our long-term analysis of the copper market has identified six key takeaways:

1.

Copper demand to rise at a CAGR of 2.2% between 2024 and 2035:

Refined copper consumption will be driven mostly by demand from energy transition-linked sectors such as electric vehicles (EVs) and associated infrastructure, as well as solar power, wind power and associated infrastructure. Demand from these sectors will rise at a CAGR of 8.9%, while demand from more traditional sectors will rise at a CAGR of 1.1%.

2.

The copper market moved into surplus in 2024:

The market registered a surplus of 231,000 tonnes in 2024. We expect a smaller market surplus of 55,000 tonnes in 2025 and another, wider 170,000-tonne surplus in 2026. This is due to both stronger supply than previously forecast and slightly slower demand.

3.

Primary supply from concentrates (after disruption allowances) to grow at a CAGR of 1.4%:

Major concentrate producer Chile will drive growth in mine supply. Concentrate production from other key countries – such as China and Peru – will see slower volume growth.

4.

Refined supply growth to rise at a CAGR of 1.8% between 2024 and 2035:

Most of this growth will occur in the first half of the forecast period, where the project visibility is the greatest. Growth in solvent extraction/electrowinning (SX/EW) supply will be relatively low, at a CAGR of 0.6% while rising supply from the Democratic Republic of the Congo (DRC) only just offsets a decline in supply from Chile due to ore depletion. Nevertheless, this is a slightly stronger growth that we had forecast in our previous Long-Term Forecast (LTF).

5.

Refined supply from secondary sources to grow at a CAGR of 4.2%:

We expect the relatively limited supply growth from SX/EW sources, and relatively slow growth in primary production, to incentivize greater production from secondary sources.

6.

An additional 909,000 tonnes per year of capacity is needed by 2035:

This is slightly lower than in our previous LTF and is due to slightly stronger refined production growth and marginally slower demand growth. This requirement could be met by additional investment in existing production facilities, or by new projects being brought online. The undersupply could also result in copper being substituted by alternative materials where feasible.

Key takeaways

Changes in forecasts

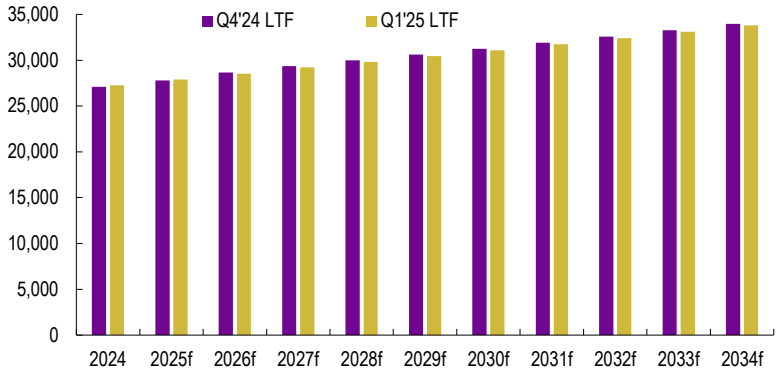
Most of our apparent demand forecasts are slightly lower than in our previous LTF.

This is due to slightly slower macro growth forecasts than previously, resulting in slightly lower demand growth rates over the forecast period, even though 2024 has been revised slightly higher, which translates into a modest upward revision to our 2025 forecast.

As a result, we now expect apparent demand to grow at a CAGR of 2.2% between 2024 and 2034, compared to 2.3% in our previous LTF. Although our forecast period has now been extended to 2035, the CAGRs only go to 2034 for comparison purposes.

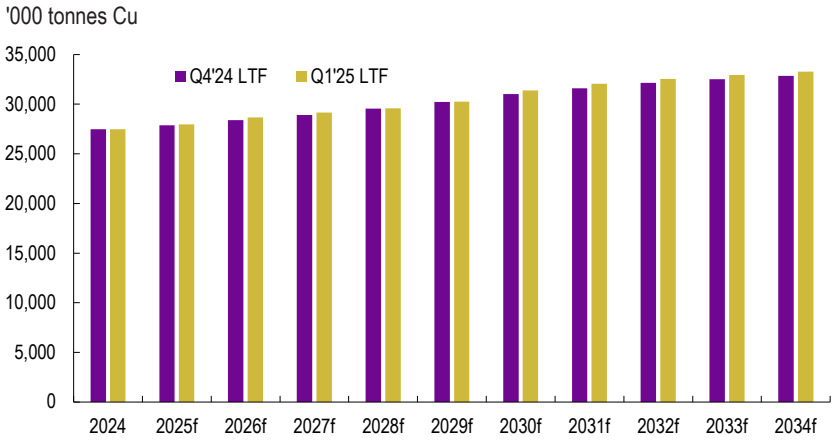
At the same time, our refined supply forecasts have been increased. There has been a very minor upward revision to 2024 supply, but our 2025 forecast is now about 100,000 tonnes higher than previously. By 2034, our refined supply is some 420,000 tonnes higher than previously, which is mostly due to stronger mine supply from the DRC. As a result, we now forecast supply to grow at a CAGR of 1.9% between 2024 and 2034, up from 1.8% in our previous LTF.

Changes in apparent demand forecast



Source: Fastmarkets

Changes in refined supply forecast



Source: Fastmarkets

Key takeaways

Apparent demand conclusions

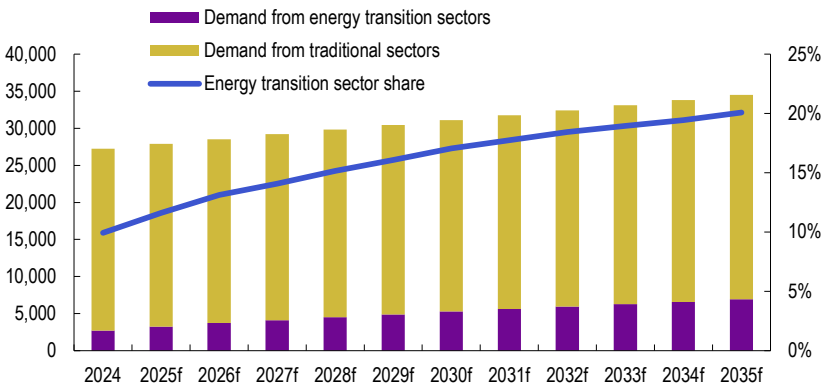
Apparent demand will rise at a CAGR of 2.2% between 2024 and 2035, to reach 34.5 million tonnes.

Consumption from energy transition sectors (solar energy, wind power, EVs and EV charging infrastructure) will rise at a CAGR of 8.9% in the next decade, while consumption from traditional sectors will rise at a CAGR of 1.1%.

In volume terms, energy transition consumption will grow by 4.22 million tonnes between 2024 and 2035, while consumption from traditional sectors will grow by 3 million tonnes.

As a result, demand from energy transition sectors will account for 20% of refined copper demand by 2035, compared to 10% in 2024.

Apparent refined copper demand forecast



Source: Fastmarkets, ICSG

Key takeaways

Supply conclusions

We forecast possible mine supply (before disruption allowances) to rise at a CAGR of 1.9% between 2024 and 2035. Chile and Peru are two significant producers, accounting for 36% of mine supply in 2024, but they have now been joined by the DRC, which overtook Peru to become the second-largest supplier of mined copper in 2024.

Together these three countries accounted for 49% of global mine supply in 2024.

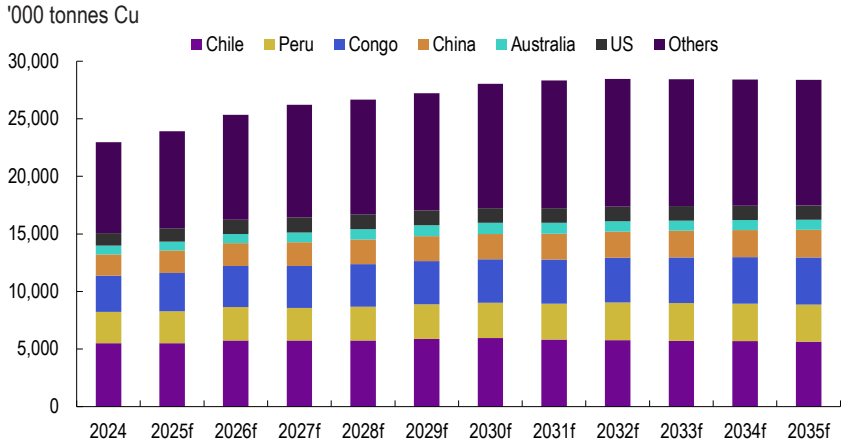
Refined copper supply will grow at a CAGR of 1.8% between 2024 and 2035.

We forecast refined production from secondary sources to rise at a CAGR of 4.2% between 2024 and 2035, reaching 7,390,000 tonnes in 2035 - up from 4,712,000 tonnes in 2024.

Production from primary sources will continue to dominate refined supply, reaching 21,078,000 tonnes in 2035, up from 18,001,000 tonnes in 2024 - a CAGR of 1.4%.

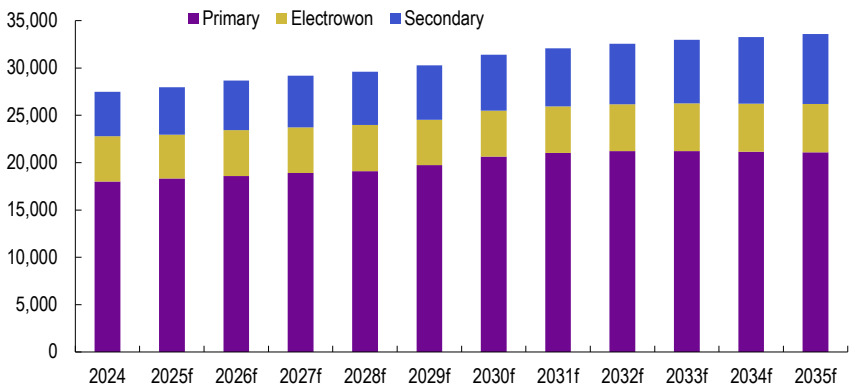
SX/EW supply will edge higher over the forecast period, with electrowon supply rising at a CAGR of 0.6% between 2024 and 2035. Rising supply from the DRC will more than offset declining production Chile.

Mine supply forecast by country (before disruption allowances)



Source: Fastmarkets, ICSG

Refined copper supply forecast by type



Source: Fastmarkets, ICSG

Key takeaways

Market balance forecast

The copper market registered a surplus of 231,000 tonnes in 2024, a downward revision to the estimate in our previous LTF, due to an increase in 2024 demand.

We expect the market to tighten in 2025, with an expected surplus of only 55,000 tonnes, but for the surplus to widen again in 2026 due to stronger supply growth than previously forecast.

A slowdown in refined supply growth from 2027 flips the market into a modest 42,000-tonne deficit, which then widens to 240,000 tonnes in 2028. In the next three years, project ramp-ups – such as the Radomiro Tomic concentrates project in Chile and the Michiquillay and Los Chancas projects in Peru, as well as expected increases in SX/EW production in the DRC – will drive supply growth, flipping the market back into surplus in 2030-3032.

From then on, a lack of new projects will result in an increasingly undersupplied market. By 2035, we see an investment requirement for an additional 909,000 tonnes of capacity.

Copper market balance forecast

Source: Fastmarkets

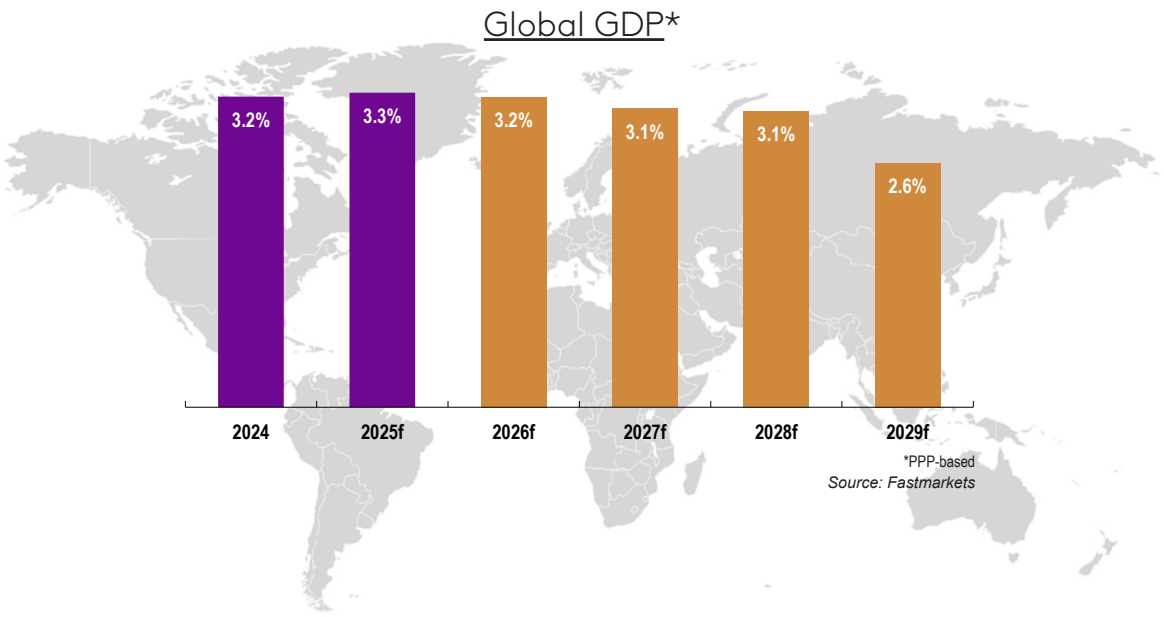
Medium-term macro-economic outlook & copper

The Fastmarkets macro-economic team sees global economic growth (measured by real GDP at purchasing power parity) at 3.29% in 2025, only slightly higher than 2024's 3.25% growth.

We expect growth to be between 3.1% and 3.3% in 2025-2028, however, with a slightly slower growth rate of 2.6% forecast in 2029.

Copper should continue to benefit from solid growth drivers, thanks to rising consumption from energy transition-linked sectors.

Key factors related to the energy transition will be mostly around the renewable energy and the electrification of transport (particularly land transportation) systems. We have seen an abundance of such policies enacted since 2021, including the US Inflation Reduction Act (IRA), the EU Green Deal, the Canadian Critical Minerals Strategy and India's FAME II Strategy. But the new administration in the US could slow down the expansion of such sectors.



FAST FACTS

- The global economy grew by 3.2% in 2024, slightly higher than in 2023
- We forecast a slight acceleration in economic growth to 3.3% in 2025, but this should be the high point
- Growth in the following years will slow, but still reach a solid 3.1% by 2028 and a slightly slower 2.6% in 2029
- Global economic growth should support consumer demand and copper consumption

Appendix

Glossary of terms

2W	Two-wheeler (e.g., motorbike)
AC	Alternating current
BEV	Battery-only electric vehicle
C&M	Care and maintenance
CAGR	Compound average growth rate
CAM	Cathode active material
CCD	Counter-current decantation
CE	Consumer electronics
CIF	Cost, insurance and freight
CJK	China, Japan and Korea
CO2	Carbon dioxide
DFS	Definitive feasibility study
DC	Direct current
eBus	Electric bus
EFTA	European free trade association
EIA	Environmental impact assessment
EoL	End of life
EPC	Engineering, procurement and construction
ESG	Environmental, social and governance
eShip	Electric ship
ESS	Energy storage system
eVTOL	Electric vertical take off
ExW	Ex works – buyer covers transport costs
FEED	Front-end engineering design
FID	Final investment decision
FS	Feasibility studies
GDP	Gross domestic product
GW	Gigawatt
GWh	Gigawatt hour
H1	First half of the year
HPAL	High-pressure acid leach
IRA	Inflation Reduction Act
ICE	Internal combustion engine
ktpy	Kilotonnes per year
LFP	Lithium ferro (iron) phosphate
LiB	Lithium-ion battery
LSEV	Low-speed electric vehicle
MHEV	Mild-hybrid electric vehicle
NCA	Nickel cobalt aluminium oxide
NCMA	Nickel cobalt aluminium manganese oxide
NCM	Nickel cobalt manganese
NCA	Nickel manganese cobalt aluminium
NGOs	Non-governmental organization
OEM	Original equipment manufacturer
PHEV	Plug-in hybrid electric vehicle
PFS	Pre-feasibility study
PPP	Purchasing power parity
PRA	Price reporting agency
Q1	First quarter of the year
RoW	Rest of world
S/D	Supply and demand
STEPS	Stated Policies Scenario
xEV	All types of electric vehicle

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