

# Copper demand up 13% y-o-y at 1.7 mt in FY24

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India's copper demand increased by 13 per cent year-on-year in the 2023-2024 fiscal, touching 1.7 million tonnes (mt), says a study on annual copper demand undertaken by the International Copper Association India (ICAI). The growth has been attributed to overall economic expansion.

According to the study, a notable feature of the growth in demand for copper is that post-pandemic the average annual demand increased by 21 per cent between 2020-2021 and 2023-2024.

A statement from ICAI said strong demand from the construction and infrastructure sectors continued to drive copper demand in India.

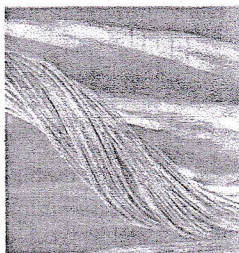
Traditionally, the construction and infrastructure sectors account for 43 per cent of the copper demand while contributing 11 per cent to the GDP.

## FLAT OUTPUT GROWTH

The domestic production of copper cathodes rose by 8 per cent and net imports of various forms of copper increased by 13 per cent during the same period.

Mayur Karmarkar, Managing Director, International Copper Association India, said, "The (copper demand) growth is fuelled by public and private sector investments, higher consumer spending and advancements in key sectors like construction, infrastructure, transportation, industrial and consumer goods wherein copper demand grew by double-digits."

While demand has increased, the growth in India's domestic refined copper production has largely remained flat for many years due to the closure of Vedanta's Tuticorin smelter.



Post-Covid, the average annual copper demand rose by 21% between 2020-2021 and 2023-2024

With only Hindalco's smelter operating, domestic cathode production fell by 7 per cent in 2023-2024, mainly due to major plant maintenance in first quarter of the fiscal. Net cathode imports grew by 103 per cent in FY24.

## RISE IN SCRAP SUPPLY

ICAI said India generated 4,68,000 tonnes of end-of-life and process copper and alloy scrap, which was further supplemented by the net imports of an additional 1,92,000 tonnes of copper and alloy scrap during the fiscal. The overall secondary scrap supply increased by 15 per cent.

Currently, India primarily relies on the direct melting of scrap, resulting in variable copper purity due to the use of diverse scrap types.

The direct remelting of copper in semi-fabrication units raises quality concerns, especially regarding tramp elements (elements that cannot be removed easily by the direct remelting process) in electrical conductivity applications.

## QUALITY ISSUES

The implementation of the quality control order (QCO) for copper products is expected to address the quality issues in the long run by ensuring that copper used in India adheres to strict standards, said the ICAI Managing Director.