

India is net copper importer for 5th year in a row owing to infra push, demand

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India's copper imports increased 15 per cent year-on-year during the 2022-23 fiscal. The government's thrust on infrastructure coupled with a strong rebound in economic activities in sectors ranging from real estate to consumer durables and electric vehicle manufacturing have pushed the demand for the red metal.

As per Commerce Ministry data, India imported 2,75,341 tonnes of copper in the previous financial year. These include both refined and finished copper. Refined copper is the end product where im-

purities are removed from copper ore. Finished copper, on the other hand, refers to copper that has been processed and shaped into its final form such as wires, tubes, pipes, sheets etc.

Manish Gupta, Senior Director, CRISIL Ratings Ltd, said strong domestic demand for copper and supply challenges due to nil capacity additions in the domestic market are the two factors that pushed copper imports in FY23.

He said in fiscal 2023, domestic demand for copper grew at 18-20 per cent year-on-year mainly on account of weak base since demand for the previous two fiscals was

Spiking imports

Year	Exports	Imports	Values in Tonnes
			Net
FY18	4,19,138	2,38,874	1,80,264
FY19	61,516	3,44,748	(2,83,233)
FY20	42,293	3,57,423	(3,15,130)
FY21	93,900	2,38,483	(1,44,583)
FY22	1,20,302	2,38,694	(1,18,392)
FY23	61,057	2,75,341	(2,14,284)

impacted due to Covid pandemic. He said, post Covid, strong growth was witnessed in key sectors such as power, automobile, infrastructure and construction, which have spiked the demand for copper. "Usage of copper in EVs manufacturing is 2-3 times higher as compared to fuel-

based vehicles," Gupta pointed out.

IMPORT

India's copper import in fiscal 2021 and 2022 stood at 2,38,483 tonnes and 2,38,694 tonnes, respectively. However, copper imports in FY23 were still lower than the pre-

Covid high of 3,57,423 tonnes recorded in FY20.

Copper is the third most used industrial metal after steel and aluminum. Gupta said while the demand for copper increased in the previous fiscal, there has been no capacity addition in the country.

India used to be a net exporter of copper until FY18. In May, 2018 Tamil Nadu government ordered the State pollution control board to seal and "permanently" close Vedanta's Sterlite copper smelter plant at Tuticorin in Tamil Nadu citing pollution concerns and following violent public protests. Sterlite Copper plant was catering 40

per cent of the domestic demand until its closure.

According to estimates India's total refined copper production capacity is about 7.85-lakh tonnes, out of which Hindalco has about 5-lakh tonne capacity. Sterlite Copper has four lakh tonnes per annum (LTPA) capacity but it is not operational since 2018. Hindustan Copper roughly has a capacity of about 70,000 tonnes.

While the production has come down sharply since 2018, domestic demand has been going up consistently every year due to increase in annual capacity of renewable energy, rising use of copper in smart home appliances, rapid

growth in the construction industry. According to the International Copper Association India, demand for red metal rose to 12.5-lakh tonnes in FY22 compared to 9.78-lakh tonnes in FY21. This is further set to go up in FY23

500 GW TARGET

India has set a target of 500 GW of renewable energy capacity by 2030. According to estimates, 3,000 kg of copper is required for generating 1 MW of power via the solar photovoltaic and onshore wind platforms. Power generation via offshore wind is even more copper-intensive, requiring over 8,000 kg of copper per MW.