
Chile Sonami sees 2010 averages copper price USD 2.50 per lb

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Reuters reported that Chile's Sonami expects the average price of copper to rise by up to 19% in 2010 which might encourage the continuation of more copper projects in the South American nation.

Sonami's Mr Alfredo Ovalle said that the average copper price may rise to USD 2.50 per lb in 2010 from an average of USD 2.10 to USD 2.30 2009. Copper prices have recovered in the past 6 months. Output in Chile, the world's biggest copper producer is forecast to rise 5% to 6% in 2010 from expected production of 5.4 million tonnes of copper in 2009.

He said that "We believe prices will go up a bit in 2010, not exaggeratedly because some projects will start operations. Our prudent estimate is one at USD 2.50 per pound. Mining is the exception to the rule in this crisis. Furthermore, we see more light at the end of the tunnel than some analysts do."

He added that the current price range of copper in global markets is helping keep firms profitable and making new projects feasible. The group is eyeing the outcome of labor negotiations at copper mines and is concerned about possible strikes, whose impact would have devastating consequences in the economy.

Mr Ovalle said that 7 labor negotiations are taking place, which we are analyzing attentively hoping that managers and union leaders will take into account that we are going through a difficult moment.

(Sourced from Reuters)

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