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## China copper imports may drop 46pct - Pan Pacific

*Sunday, 25 Oct, 2009*

Bloomberg quoted a senior executive at Pan Pacific Copper Company as saying that copper imports by China may drop as much as 46% in 2010 as higher prices increase scrap metal supplies and curb demand growth.

Mr Yoshihiro Nishiyama director and executive officer at the Tokyo based company's marketing department said that imports of refined copper may decline to 1.5 million tonnes in 2010 after surging to an estimated 2.7 million tonnes to 2.8 million tonnes in 2009. Imports were about 1.4 million tonnes in 2008.

Declining overseas purchases may curb a climb in copper prices driven by China's economic expansion and government stockpiling. The nation may be preparing to reduce monetary stimulus after an 8.9% economic expansion in the Q3 from a year earlier boosted by CNY 4 trillion packages and record lending growth.

Mr Kazuhiko Saito chief analyst at Tokyo based commodity broker Fujitomi Company said that "This year China has bought copper and other commodities from overseas well beyond its actual needs. If the country returns to a normal import growth pace, we will see a technical correction in copper as well as other commodities."

Copper for delivery in 3 months on the LME rose to USD 6,665 per tonne on October 21 the highest since September 2008. The metal traded at USD 6,620 per tonne at 11:40 AM Tokyo time.

According to customs data, China's refined copper imports more than doubled to 2.3 million tonnes in the January to August from a year earlier.

Mr Nishiyama said that imports soared in the H1 on infrastructure investment and increasing sales of electronics and cars following the stimulus package as well as arbitrage demand between Shanghai and London amid tight copper scrap supplies.

According to company data, copper exports by Pan Pacific, Japan's largest smelter of the metal, jumped 61% to 219,841 tonnes from January to September from the same period a year earlier while its domestic sales fell 33% to 216,697 tonnes. Exports accounted for 50% of total sales compared with 30% 2008. Pan Pacific data showed that the company's overseas shipments slowed to 14,388 tonnes in September after touching a record 36,364 tonnes in March.

(Sourced from Bloomberg)

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