

Chinese copper scrap demand seen remaining robust

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Chinese demand for copper scrap is expected to remain keen, even though authorities there have taken measures to slow down the economy and there have been changes to the tax regime, Mike Bevan of the BIR Media and Metal Separation Committee said on Monday.

“China’s control of its economy is a big question – up to now they seem to have done it fairly effectively,” Bevan said at the BIR (Bureau of International Recycling) autumn convention in Brussels.

He noted that there had been another change in tax duties for copper scrap recently, and that should improve demand for material.

“We have seen a continuation of demand for copper scrap, and it will remain good,” Bevan said.

It is not just traditional end-user requirements driving copper scrap demand, either, as there are speculative influences in play as well, he said.

“In China, some scrap importers have used scrap as an ‘ad hoc’ bet on the market, by using scrap instead of the SHFE (Shanghai Futures Exchange),” he said.

Primary copper is traded on the SHFE, and there have been instances recently where copper scrap prices have equalled those of refined metal.