



India to be net importer of copper by FY19 end - CARE Ratings

CARE Ratings said that India will become a net importer of refined copper by the end of FY19, after years of being a net exporter.

The country is expected to end the current fiscal with a 49.6% drop in copper production as compared to the FY18 level, following the long closure of the 400,000 tonne per annum smelter plant of Sterlite Copper in Tamil Nadu. If a country imports more than it exports, it is known as net importer.

With the Supreme Court judgment against the National Green Tribunal (NGT) verdict of remission of the Sterlite Copper smelter, it is believed that by the end of FY19, refined copper production will be around 425 KT (kilo tonne), registering a fall of 49.6%. It is estimated the domestic demand would be 480-500 KT by FY19-end and so far (April-January FY19), the production for domestic copper had been estimated at 379 KT

While the domestic production declined over 49% so far in the fiscal, the consumption has grown 1% to 366 KT (362 KT). Exports from the country fell 87.4% (against 25% growth in the same period last fiscal) to 36 KT, against 288 KT and imports went up 153.4% to 66 KT, against 26 KT in the previous fiscal

Demand for the red metal in the country is dependent largely on the electrical segment which accounts for 34%, building & construction (8%), automobiles (11%) and consumer durables segments (8%).

Impetus for increasing renewable energy capacity, demand from the automobile segment and capital expenditure activities related in the railways and defence sector are likely to boost the domestic demand for the red metal.

As the consumption of refined copper is expected to increase on the backdrop of robust infrastructure activities, there will be a further increase in the imports of the metal and India would become a net importer of the red metal by the end of FY19 after years of being a net exporter, the CARE Ratings said.

The fall in the output of copper is mainly due to the prolonged shutdown of the Sterlite's 400-KT smelter in Tuticorin that accounted for 40% of the country's copper smelting capacity. Cumulatively, the output of Hindustan



Copper and Hindalco was also low due to the maintenance of smelters during the first half of the year.

The decline in domestic production has led to a sharp increase in the country's imports and decline in exports, thus turning India into a net importer of refined copper. India used to be the net exporter of the metal.

During the nine months in FY19 (9M FY19), India imported refined copper from Japan which accounted 71% of the country's copper imports, Congo (7%), Singapore (6%), Chile (4%), South Africa (4%), Tanzania (3%), Switzerland (1%) and UAE (1%). Whereas India exported refined copper to China (75%), Taiwan (10%), Malaysia (7%), South Korea (6%) and Bangladesh (3%) during 9M FY19. Export of the metal to China rose from 59% during 9M-FY18 to 75% during 9M-FY19. Import of the commodity from Japan increased from 66% during 9M FY18 to 71% during 9M FY19. ■

Vedanta moves Madras HC for reopening Sterlite copper plant



PTI reported that Vedanta group firm Sterlite has moved the Madras high court seeking a direction to allow the reopening of its copper smelter unit at Tuticorin in Tamil Nadu which was closed last year over pollution concerns.

Filing a petition in line with the Supreme Court's recent suggestion, it

challenged the May 23, 2018 orders of the Tamil Nadu Pollution Control Board (TNPCB) refusing renewal of consent to the plant as well as permanent closure, terming them as wholly illegal, unconstitutional and ultra vires.

The apex court had on February 18 set aside the order of the National Green Tribunal allowing opening of the copper unit, but gave the liberty to the company to approach the high court against the closure order. ■