

# PRIMARY COPPER INDUSTRY

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**Tariff turbulence in copper: Global repercussions and India's relative insulation**

**AUGUST 2025**



## 1 Decoding Trump tariff on copper sector



## 2 US copper production and trade flows



## 3 Global demand for copper



## 4 Trade flows from Asian counterparts



## 5 Impact analysis on domestic copper entities



## 6 ICRA Ratings: Primary Non-ferrous Industry





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*The imposition of tariff on semi-finished copper products by the US is unlikely to have any material impact on India, given its position as a net importer of copper.*



- The US has imposed a 50% tariff on the import of semi-finished copper products, such as pipes, wires, rods, tubes and copper intensive components, effective August 1, 2025. However, refined copper, along with ores, concentrates, anodes and scrap, remains excluded. As the US accounts for 9-10% of global refined copper trade, this exemption is expected to limit disruptions to global copper trade flows.



- In recent months, LME copper prices surged on heightened demand from the US, as buyers accelerate inventory accumulation. However, with refined copper excluded from the tariff, surplus inventories in Comex warehouses are expected to be re-exported, thereby increasing supply in LME warehouses. This shift in trade flows has already triggered a sharp correction in US Comex copper futures, which, after rising by ~30% in July 2025, corrected sharply by ~20% following the tariff announcement on July 30, 2025.



- Higher supply inflows into LME warehouses are expected to weigh on LME copper prices in the near term, particularly amid softer US demand and weak global consumption trends. ICRA projects LME copper to average at \$9,000/MT in H2 FY2026, down from \$9,500/MT during April-July 2025.



- India's semi-finished copper exports have moderate exposure to the US market, accounting for ~17% of the total exports of ~\$1 billion in FY2025. This segment may face potential downside risk due to the tariff. China's export flows are largely insulated by diversified export destinations and limited exposure to the US.



- In India, domestic mined copper production remains negligible and refined copper imports or anode imports in India have surged in recent years, contributing to the majority of the refined copper consumption. Consequently, although LME copper prices are likely to moderate, the direct impact of the US tariff on India will be limited, given India's position as a net importer of copper.



- In FY2025, upstream copper entities saw an improvement in margins, driven by about 12% higher copper prices. However, the tariff imposition and anticipated softening of LME prices are likely to compress margins for upstream entities in FY2026. ICRA expects a 5-6% decline in OPBDITA/tonne for these entities.



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