World is crazy for copper: Anil Agarwal flags soaring demand, cites AI and defence needs

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Synopsis

Vedanta Chairman Anil Agarwal highlights the surging global demand for copper, fueled by clean energy, AI data centers, and increased military spending. He cautions that demand will soon exceed supply, emphasizing India's potential to boost domestic production and reduce reliance on imports. A proposed $53 billion mining merger underscores the industry's anticipation of rising copper needs.

Agencies
Vedanta chairman Anil Agarwal

Vedanta chairman Anil Agarwal on Thursday said the world's "insatiable demand" for copper is being fuelled not just by the clean energy transition but also by the rise of artificial intelligence and growing military expenditure.

"The World is Crazy for Copper beautifully sums up the insatiable demand for the critical metal. It isn't just the energy transition that is driving demand. Now, AI data centres which require a lot of power and cooling need a lot of copper. Cutting edge defence equipment is also a growing demand center," Agarwal wrote in a post on X.

> — AnilAgarwal_Ved (@AnilAgarwal_Ved)

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He warned that global copper demand is set to outstrip supply in the coming years, and stressed that India has the potential to reduce import dependence by boosting its own production.

Agarwal also shared a Wall Street Journal report titled “Mining Megadeal Shows the World Is Crazy for Copper”. The article highlighted how a proposed $53 billion merger between Anglo American and Teck Resources reflects the sector’s bet on rising demand for the red metal, driven by AI server farms and increased defence spending.

According to BloombergNEF estimates cited in the report, data centres alone will require more than 4.3 million metric tons of copper over the next decade, almost equivalent to a year’s supply from Chile, the world’s top producer. Rising military budgets are expected to add further pressure on supplies, with copper needed for everything from missile systems to jet fighters.

Despite efforts to develop substitutes, copper remains central to the global energy transition, the electrification of economies, and the mining sector’s biggest deals in recent years.