

Vedanta warns: 'Rising low-cost imports threaten India's copper security'

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Copper may be the next gold, but imports cloud India's security, says Vedanta

India's apparent copper demand is projected to grow from around 1.7 million tonnes currently to approximately 3–3.3 million tonnes by 2030, says Vedanta

As copper prices rally on global markets, Vedanta has warned that the biggest risk to India's long-term copper security is not demand growth, but rising imports of low-cost finished copper that could undermine domestic capacity creation.

"Copper is a critical mineral, often regarded as the 'next gold' because of its high intensity of use in clean energy, electric vehicles, data centers and AI, space exploration, and renewable energy storage systems & applications," a Vedanta spokesperson told Business Today.

On how Vedanta models copper demand over the coming years, the company said India is entering a phase of structurally higher domestic consumption.

"India's apparent copper demand is projected to grow from around 1.7 million tonnes currently to approximately 3–3.3 million tonnes by 2030," the company said. "Accelerating electrification and digital industrial growth are the core demand drivers for copper."

Vedanta said meeting this demand will require a sustained build-up of smelting capacity within the country. "The country needs one smelter every 4 years to meet the growing demand in the country and ensuring an Atmanirbhar Bharat

for copper," it added.

When asked about the sharp upward movement in copper prices, Vedanta linked the rally directly to global supply-demand imbalances reflected on the London Metal Exchange. "The rapid upward movement of copper prices is a function of global demand and supply dynamics, and this is reflected on the London Metal Exchange (LME)," it added. "The tightening of copper supply vis-à-vis global demand has recently exerted upward pressure on LME copper prices."

Addressing reports on tightening copper concentrate supply in 2025–26, Vedanta said the imbalance is unlikely to resolve quickly. "Tightness is driven by rising demand and it will take some time for mine production to catch up with this pace," the mining giant said. "The demand-supply gap is expected to continue in the near future."

When asked how India's supply balance has changed since the shutdown of the Sterlite smelter, Vedanta said the closure fundamentally altered the country's position in the global copper market. "Until 2017–18, India was comfortably positioned as a net exporter of refined copper, and the plan was to add another 400 kt smelter to ensure India is on top of the game and self-reliant," it said.

"Thus, the Tuticorin plant's closure, one of the country's largest copper assets, fundamentally altered this balance," the official said. "With nearly 400,000 tonnes of annual capacity going offline, India lost a significant pillar of its domestic supply and eventually was never able to fill the gap as no new production has come up in the last eight years."

Vedanta's Sterlite Copper smelter in Tuticorin was shut in 2018 following protests and regulatory action, taking nearly 400,000 tonnes of annual smelting capacity offline.

The mining major said the impact was visible in import data. "What followed was predictable but still stark: copper cathode imports surged from 39,000 tonnes in 2017 to about 304,000 tonnes in 2024," the company said. "Thus, the closure widened India's supply gap, pushing the market from surplus/refined exporter status to higher import dependence."

While domestic producers have scaled up output and new players have added capacity, Vedanta said restarting Tuticorin remains critical to restoring balance. "A green restart of the Tuticorin smelter, anchored in a 70% primary and 30%

recycled hybrid model, 100% water recycling, and world-class emission controls using leading-edge sustainable technology, can immediately augment India's copper capacity," the company said.

On India's growing dependence on imported copper concentrate, Vedanta said it has taken steps to reduce raw material risk. "Our re-acquisition of the Konkola Copper Mines has the potential to significantly minimize India's raw material supply risk by creating an integrated copper value chain."

The company also pointed to recent policy measures. "Progressive measures taken by the Government of India, such as reducing customs duty on the import of copper concentrate and copper blister will allow the Indian industry to quickly secure supply tie-ups," it stated.

However, when asked about the biggest threat to India's copper security over the next decade, Vedanta flagged finished copper imports as the most immediate concern. "In total, India has the capacity to produce 1.4 million tonnes of copper cathodes. However, current production is not even 50% of the installed capacity," the spokesperson said.

"The risk to India's copper security comes from rising low-cost finished copper imports," the official warned. "These imports from Japan, ASEAN & UAE; countries exporting their products with minimum/negligible value addition, pose a risk to India's copper security by undermining investor interest in domestic capacity creation."

Vedanta said policy action outlined in the government's Copper Vision Document is critical. "A series of import substitution measures to eliminate this risk as outlined in the Copper Vision Document (prepared by Ministry of Mines) must be implemented, including re-starting national assets such as the Tuticorin copper smelter albeit with new future-ready green technology," the spokesperson said.

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