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Chile's Copper Prices Set to Hit Record Highs: Cochilco Predicts Historic Averages for 2025 and 2026

El Ciudadano · 20 de noviembre de 2025

Cochilco has raised its projections for the average copper price in 2025 and 2026, anticipating historically high annual levels of US$4.45 per pound in 2025 and US$4.55 per pound in 2026, driven by a tighter market with decreased supply and increased demand.

Original article: "El sueldo de Chile" en modo récord: Cochilco proyecta el mayor precio promedio del cobre en la historia

Chile's copper market is experiencing one of its most favorable periods historically. The Minister of Mining, **Aurora Williams**, alongside the interim executive vice president of the Chilean Copper Commission (**Cochilco**), **Claudia Rodríguez**, presented the Copper Market Trend Report for the third quarter, which updates the **average copper price projections** for 2025 and 2026.

In the latest outlook, Cochilco forecasts that copper will reach an average price of **US$4.45 per pound in 2025** and **US$4.55 per pound in 2026**. If realized, the 2025 price would establish the **highest average annual price** on record for the metal, and the 2026 price would surpass even that, setting a new high.

Minister Williams explained that these shifts are driven by a combination of factors pushing the market upward: **decreased copper supply**, expectations of **interest rate cuts by the U.S. Federal Reserve**, a **declining dollar**, and **ongoing geopolitical and trade uncertainty**, which enhances the appeal of copper as a strategic asset.

Cochilco projects an average copper price of US$4.45 per pound for 2025 and US$4.55 for 2026, marking the highest annual levels in recent history. (Image: Copper Market Trend Report: Chilean Copper Commission).

A Tighter and Bullish Copper Market

Interim executive vice president of Cochilco, **Claudia Rodríguez**, detailed that a **balanced global copper market is expected in 2025**, while a deficit of approximately **165,000 tons is anticipated for 2026**. The primary reason: supply is expected to grow by around 1.4%, while demand is projected to increase by about 2.1%, amidst **lower availability of scrap copper**.

According to the report, this situation—balance in 2025 and slight deficit in 2026—creates a **structurally more tense scenario** than in previous cycles. Less available copper, increased demand, and reduced contributions from secondary supply (recycled copper) translate into a **persistent upward price bias**, reinforcing the expectation of historically high average copper prices, with projections of **US$4.45** and **US$4.55 per pound** for the next two years.

Global Production: Moderate Recovery and Supply Risks

In terms of production, Cochilco forecasts that **global mine copper production** will reach **22.9 million tons in 2025**, increasing to **23.8 million tons in 2026**, indicating an annual growth of nearly 3.9%.

This progress is partially attributed to the **gradual normalization of operations** that faced significant incidents this year, including **Grasberg, Kamoa-Kakula, and El Teniente**, alongside the consolidation of projects in the **Democratic Republic of the Congo** and **China**.

However, the report warns that **weaker secondary supply dynamics** will keep the market vulnerable to unforeseen shocks, contributing to the perception of a tight market with fewer buffers.

Copper Demand: China, India, and Southeast Asia Lead Growth

On the consumption side, Cochilco estimates that **refined copper demand** will increase from **27.6 million tons in 2025** to **28.2 million tons in 2026**. Most of this growth will come from **China**, followed by **India** and **Southeast Asia**, regions where industrial, energy, and infrastructure expansion continues to require substantial volumes of the metal.

In contrast, **the United States** is expected to show more moderate growth, influenced by tariffs and financial conditions, while **Europe** will exhibit expansion primarily linked to **decarbonization projects** and **the strengthening of electrical infrastructure**.

This scenario supports Cochilco's analysis: demand will continue to exert upwards pressure in the coming years, while supply grows more slowly, further straining the market and reinforcing the projection of historically high **average copper prices**.

Chile's Copper Production: Stagnation in 2025 and Modest Rebound in 2026

In the case of Chile, Cochilco forecasts that **copper production** in 2025 will remain similar to that of 2024, around **5.5 million tons**. This stagnation is attributed to **lower production volumes at Collahuasi**, operations of **Anglo American Sur**, and the impact of **operational incidents in structural sites such as El Teniente**.

For **2026**, the outlook is somewhat more optimistic: production is expected to reach **5.6 million tons**, which represents a 2.5% increase compared to this year's forecast, linked to the **partial normalization of operations affected** in 2025.

As the world views copper as a key asset in the energy transition and electrification, Chile faces the challenge of **recovering production dynamism** amidst a period when the metal is experiencing one of its highest valuations, with an average copper price projected at **US$4.45 per pound in 2025** and **US$4.55 in 2026**, solidifying the «sueldo de Chile» in record mode.

Check out Cochilco's report presentation:

Copper Market Trend Report Presentation Q3 2025 by lahuanche

Fuente: El Ciudadano