**Commodity Prices**



GROWTH has marginally slowed in China, the destination of most of the world’s exports of iron ore, copper and other metals, as well as increasing quantities of oil and corn. Many analysts have declared that the China-driven commodities "supercycle" has run out of steam. While global population growth is generally slowing, the number of people added each year is still increasing. Similarly, China’s economy will be 65% bigger in 2014 than it was in 2008. Macquarie, a bank, reckons that the growth of global demand for steel will slip to 3.1% a year between 2012 and 2018, compared with 3.3% in the previous six-year period, but that in absolute terms it will go from 45m tonnes a year to 50m tonnes a year. The same trend will apply to copper, aluminium, nickel, lead, zinc and tin. In terms of its impact on demand, Chinese growth of 7.5% today is equivalent to 12% growth in 2008. On top of this there is growth from other Asian economies and the recovery of the American economy. The pace of increase in commodity prices may not fixedly match that of yesteryear, but the next upward climb looks set to start in 2014.