

China Disguising Imported Russian Copper as Scrap to Avoid Sanctions – Reuters

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The Karabashmed copper smelter, a subsidiary of the Russian Copper Company. **Donat Sorokin / TASS**

China has begun disguising imported Russian copper wire as scrap metal to avoid taxes and the impacts of Western sanctions, Reuters [reported](#) Monday, citing customs data and anonymous sources familiar with the matter.

Copper wire rod is mainly used for making power cables, while copper scrap is a mix of used products chopped into grain-sized pieces. According to Reuters, a Chinese intermediary is shredding newly imported Russian copper wire rod in the remote Xinjiang Uyghur region, which borders Russia.

Disguising new copper as scrap allows both Russia and China to profit from differences in trade tariffs, Reuters' sources were cited as saying. The shredded metal is also harder to trace, making it easier to sell to Chinese manufacturers and keep doing business with buyers wary of Russian companies under Western sanctions, though there are no legal restrictions on buying

metal from sanctioned Russian firms.

The Russian Copper Company, Russia's third-largest copper producer, delivered at least 8,000 metric tons of copper wire rod to China in December, according to Reuters. The company was sanctioned by Western countries.

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Customs data on Chinese imports of copper wire rod is not publicly available. However, Chinese customs data showed a mismatch of “significantly more” copper scrap imports from Russia since December, while Russian commercial data obtained by Reuters showed “negligible” Russian scrap exports to China.

In December, Reuters said China declared 6,500 metric tons of copper scrap imports while Russian data showed only 73 tons exported that month. In February, copper scrap imports reached 11,600 tons after averaging around 100 tons in 2021 and 2022, Reuters said.

Before December, Russia had never been a major seller of scrap copper to China.

“This scrap from Russia is de facto copper rod, but not declared as rod,” a Chinese manufacturing source was quoted as saying.

Russia's Federal Customs Service stopped publishing trade data in April 2022 soon after Russian troops invaded Ukraine.

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