Surging copper prices are prompting manufacturers to adopt aluminium, with strong demand, supply constraints and geopolitical risks supporting a structural rally in both metals.

Explained: Why aluminium is emerging as manufacturers' preferred alternative to copper

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Synopsis

Record copper prices are accelerating manufacturers' shift toward aluminium, driven by lower costs and lighter weight. Automakers are expanding aluminium use as supply shortages, energy transition demand and geopolitical disruptions keep copper prices elevated and strengthen aluminium's long-term growth prospects.

Copper's blistering rally to a record high in 2026 is beginning to reshape how manufacturers think about one of the world's most critical industrial needs. As soaring prices threaten margins, companies are increasingly turning to aluminium, a cheaper and lighter alternative, for applications that have traditionally relied on copper.

The shift comes after Copper prices surged to a record high in late January, touching nearly $15,000 per tonne, driven by supply shortages and surging demand from the green-energy transition and data centres. Aluminium, by comparison, trades at roughly a quarter of copper's price, making it an increasingly attractive substitute where technical requirements allow.

The transition is no longer theoretical. Rising copper prices are prompting automakers and manufacturers to expand the use of **aluminium wiring** as a lower-cost and lighter alternative. Companies such as Ferrari and BMW are already increasing aluminium's adoption across new vehicle models, underscoring how economics and engineering are converging to accelerate substitution

The move has been driven by a widening price gap between the two metals. The copper-to-aluminium price ratio has climbed above 4.2, making aluminium a significantly more economical option for electrical wiring. Although aluminium offers around 61% of copper's electrical conductivity, its cost allows manufacturers to reduce material pressures by using thicker aluminium cables wherever design requirements permit.

Iran conflict troubles
The Iran conflict has added another layer of pressure to an already strained supply picture. One of the less-discussed drivers behind the recent rally is the **growing shortage of sulfuric acid**, a key input in copper extraction and refining, particularly in heap leaching operations. Nearly half of the world's seaborne sulfur supply originates from the Middle East, and disruptions around the Strait of Hormuz have significantly tightened availability.