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PRESS RELEASE

GLOBAL CABLES GROWTH STEADY AMID DIVERGENT TRENDS ACROSS POLYMERIC MATERIALS, REGIONS AND APPLICATIONS

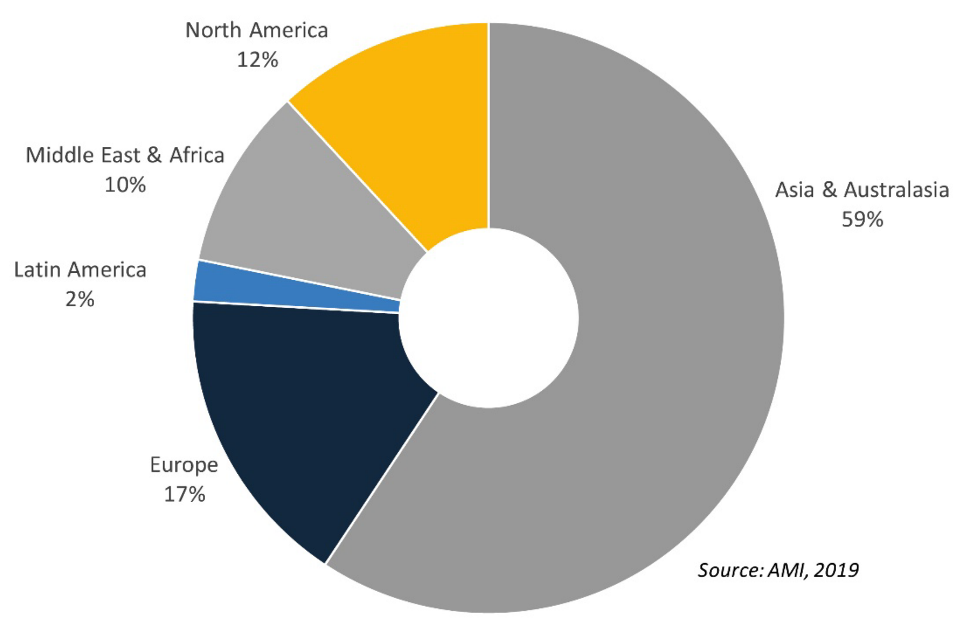
AMI Consulting, Bristol, 21/03/2019 – Global polymeric material usage in the insulation and jacketing of cables is forecast solid if not spectacular growth over the medium term, although a multiplicity of trends are at work driving quite different prospects by geography, material and cable end-use.

This is the key finding of the new report published by AMI Consulting, “Polymeric materials in the Global Cable Industry 2019.”

Evolving regulations, greater concerns and differing interpretations over cable safety, the development of telecommunication networks and investment in renewable energy are just some of the factors driving change. All the while in the background, globalisation, economic and political developments also continue to influence the market.

The report identifies the tonnage of polymeric materials used in cable extrusion by geography, compound and end-use application and provides growth forecasts for the medium term. Global growth of in excess of 4% per annum is expected to 2023. It also identifies the top 10 extruders by region in terms of polymeric material consumption, in addition to the top 5 in key countries.

FIGURE 1:
GLOBAL USAGE OF POLYMERIC MATERIALS BY REGION 2018



An AMI Consulting report – Polymeric Materials in the Global Cables Industry 2019

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Across geographies, differing prospects for cable manufacturers are being fundamentally driven by differences in construction, infrastructure and transportation sector investment. While for many countries investment is broad-based, certain countries are highly reliant on the success of specific industries. For example, the fortunes of Chilean and Peruvian extruders are strongly tied to the success of their mining sectors.

China, as the world's largest producer of cable, is also the largest market for compound demand. Asia and Australasia accounted for 59% of global polymeric demand 2018, compared with 17% in Europe and 12% in North America. China is however expected to lose market share over the forecast horizon at the expense of faster growing markets such as India and certain South East Asian markets.

As for the demand for different polymeric materials, evolving legislation is particularly influencing growth forecasts by material within Europe and certain Asian countries. The most important material trend is ongoing substitution of PVC compounds, primarily for XLPE, PE and LSF0H/HFFR compounds, with each compound's share of overall tonnage differing across regions. The evolution towards non-halogenated cables to answer concerns raised by the toxicity of fumes in the event of a fire is particularly driving demand for HFFR compounds, though again, growth rates and uptake varies by region.

Application exposure is also influential for material trends. For instance, there is a growing need for extra high voltage (EHV) cables and submarines cables to carry electricity ashore from offshore wind farms or from remote photovoltaic installations to centres of consumption. This is necessitating greater use of XLPE compounds for insulation, but it is clear that renewables investment is not expanding uniformly across regions. The advance of fibre optic cable networks is also altering traditional demand patterns.

Overall, there are evidently a plethora of trends affecting the cable industry's consumption of polymeric materials. AMI Consulting's report gives a clear exposition of what the upshot is for material demand at present and expectations going forward.

Polymeric materials in the global cable industry 2019 provides current and forecast information and is intended to support the strategic decisions that are required of industry participants to ensure they keep abreast of developments. It will assist in anticipating change, formulating strategies, directing R&D investment, and proactively managing threats and opportunities.

AMI Consulting has previously published several multi-client studies on in the European cable market. On the back of customer demand, this is the first expanded study with global coverage.

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