Insulated Wire & Cable

US Industry Study with Forecasts for 2017 & 2022

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Building construction, particularly new housing, will drive demand for many types of wire and cable, including building, electronic, and power wire and cable products.

US demand to rise 5.8% annually through 2017

US demand for insulated wire and cable is projected to increase 5.8 percent per year through 2017 to $29.2 billion, recovering from declines during the 2007-2012 period. Building construction, particularly new housing, will drive demand for many types of wire and cable, including building, electronic, and power wire and cable products. In addition, upgrades to the aging US power transmission and distribution network will stimulate gains for power wire and cable and a turnaround in motor vehicle production will benefit advances for primary, ignition, and battery wire and cable.

Telecommunications to remain key market

The telecommunications industry, which utilizes an array of wire and cable products, was the leading market in 2012. Through 2017, growth in the number of electronic devices utilizing wireless technology will dampen demand for cable used to connect devices. However, as the number of devices grows, the computing power of the telecommunications infrastructure will need to increase, requiring the construction of new data centers and wireless cellular towers, both of which are heavy users of insulated wire and cable. In addition, continued investment in “last-mile” infrastructure upgrades by telecommunications providers will stimulate advances.

Fiber optic cable is a vital component of the telecommunications market. After bottoming out in 2003, demand for fiber optic cable picked up at a rapid rate as telecommunications providers invested heavily in laying a fiber optic network to deliver data, television, and voice signals to consumers. The majority of this backbone infrastructure was installed during the past decade. As a result, although fiber optic cable demand will continue to record strong growth, demand increases will moderate through the forecast period. A large share of demand gains going forward will come from last-mile applications, which are still primarily comprised of copper coaxial cable.

Building wire & cable to grow the fastest

Building wire and cable accounted for the largest share of product demand in 2012 as it is used in nearly all residential and nonresidential structures. As a result, the recovering US construction industry will cause demand for building wire and cable to advance at the fastest rate. Growth in the number of new housing units will provide the bulk of demand gains, although increasing construction of commercial, lodging, and office buildings will also boost gains.

Power wire and cable demand will also benefit from growth in construction expenditures, as power lines are needed to connect new housing to the nation’s energy grid. Underground cable will experience the strongest segment gains, due to its aesthetic advantages over aerial cable. As the nation’s infrastructure ages, necessary upgrades to the current power transmission and distribution network will boost aftermarket gains. In addition, greater capacity superconducting wire will also see greater use.

Study Coverage

This industry study, Insulated Wire & Cable, presents historical demand data (2002, 2007, 2012) and forecasts for 2017 and 2022 by material, product and market. The study also considers market environment factors, evaluates company market share and profiles 30 industry competitors.
Markets

Insulated Wire & Cable Demand

Demand for insulated wire and cable used in motor vehicles is forecast to increase 5.7 percent annually through 2017 to $3.6 billion. Growth will come in large part from the turnaround in motor vehicle production. In addition, continued innovations in product technology will stimulate growth, as these improvements typically require additional wiring. However, gains will lag growth that occurred between 2007 and 2012, as growing concerns on the part of manufacturers about the amount of weight vehicle wiring contributes to the overall weight of the vehicle will impact demand going forward.

Aftermarket demand will also provide some impetus for growth through the forecast period, due to the rising size and age of the US motor vehicle park. However, because many motor vehicle wire and cable products are designed to last the life of the vehicle, these opportunities will remain somewhat limited.

Motor vehicle wire and cable products include automotive primary wire, battery cable, and ignition wire, as well as various other types. (General purpose wire and cable used in these vehicles are excluded from the motor vehicle products category and instead counted under the related product categories.) Motor vehicle wire and cable products are typically used for low voltage lighting and control circuits, and for making connections between battery, starter, and other electrical system components. Due to the different operating conditions in various parts of the vehicle, wire and cable products are often tailored for specific areas of the vehicle. For example, cross-linked polyethylene jackets are typically used in underhood applications while PVC finds use in chassis wiring. Automotive wire and cable are often bundled together into wiring harnesses. (Note: this study includes the value of wire and cable sold to assemble the wiring harnesses, but excludes the harnesses themselves.)

Sample Text, Table & Chart
Sample Profile, Table & Forecast

Rea Magnet Wire Company Incorporated
3600 East Pontiac Street
Fort Wayne, IN 46803
260-421-7321
http://www.reawire.com

Annual Sales: $1.1 billion (estimated)
Employment: 1,300 (estimated)
Key Products: copper and aluminum magnet wire, and continuously transposed and transformer lead cables

Rea Magnet Wire is a manufacturer of magnet wire and nonferrous wire products. The Company is privately held.

The Company is active in the US insulated wire and cable industry through the manufacture of copper and aluminum magnet wire, and continuously transposed and transformer lead cables.

Rea Magnet Wire makes copper and aluminum magnet wire in film-, glass-, paper-, and polymer-insulated types suitable for use in the production of electric motors, transformers, generators, and coils. Film insulated magnet wire is available with the Company’s proprietary FORMVAR modified polyvinyl acetal resin; NYSOL modified polyurethane resin; REABOND S, SUPER HYSLIK 200, SUPER HYSLIK 220, and PULSESIELD SD modified polyester; and PYREML aromatic polyimide resin insulation. Glass insulated magnet wire is offered in round, square, and rectangular varieties that feature Rea Magnet Wire’s DAGLAS fiberglass insulation.

Paper insulated magnet wire from the Company is available with 100 percent kraft, manila/kraft, and other types of thermally upgraded

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Table IV-3

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Sample Profile, Table & Forecast
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