Downstream Demand for Copper and Substitution in ASEAN: A Perspective from the Wire & Cable Industry
• Introduction
• Global Wire & Cable industry
• ASEAN Cable market
• Substitution threats to copper
• Conclusions – questions & answer session
• Founded in 2002, Integer is a leading consultancy in the wire & cable sector. We have offices in London, Beijing, Tokyo and Detroit

• Integer has a significant level of understanding of global wire & cable markets based on many years of market research undertaken on behalf of clients

• We serve clients with a variety of methods: bespoke research commissioned by individual clients as well as regular multi-client products enabling benchmarking, competitor and market analysis. We also host an ‘Advanced Cable’ conference series, in China and the Middle East
World GDP has been turning a corner, most of Europe and USA recovering in 2013.
Eurozone manufacturing finally heads above water in Q4 2013

Markit Eurozone PMI (>50 denotes expansion)

Sentiment finally improving across Europe, even Spain out of recession

Source: Integer, Bloomberg, Markit

ICSG, Lisbon, March 2014
The **ASEAN market** is one of the most dynamic and promising wire and cable markets in the world. Integer’s **new report** tracks this important emerging market and is the essential tool to help you understand:

- The regional producers
  - Product mix
  - Market share
  - Capacities
  - Financial State
  - Their Customers

- Trade
  - Imports, Exports, Production & Consumption 2007-2018
  - Value, Gross Cable Weight & Conductor Weight

- Macroeconomics of the region

- Demand & Supply
  - Wire & Cable forecast up to 2018

ICSG, Lisbon, March 2014
ASEAN has been one of the strongest regional economies in the last 5 years.

Source: Integer, World Bank, Bloomberg

ICSG, Lisbon, March 2014
It has vast mega cities, which all consume large amounts of cable

US$ billion

Bangkok  Singapore  Kuala Lumpur  Saigon  Jakarta  Makati, Manila

Source: Integer, World Bank, Bloomberg

ICSG, Lisbon, March 2014
ASEAN consumption has increased steadily in the last five years.

ASEAN wire and cable consumption by country, 2007-2013

Source: Integer Research

ICSG, Lisbon, March 2014
we also analyze the market by gross cable weight and conductor weight

ASEAN wire and cable consumption by conductor weight, 2007-2013

Copper
Aluminium

+8%

Source: Integer Research

ICSG, Lisbon, March 2014
We provide a detailed view of products consumed and produced within the ASEAN market.

ASEAN wire and cable consumption by product, 2007-2013

US$ million

Source: Integer Research

ICSG, Lisbon, March 2014
Coverage of 70+ companies within this report with plant locations, market share and capacities by product for 2012

ASEAN wire and cable revenues by company, 2012

Source: Integer Research

ICSG, Lisbon, March 2014
Competition and falling margins are likely to lead to consolidation in some ASEAN wire and cable markets.

Indonesian insulated wire and cable producer share by company based on 2012 cable revenues

Source: Integer

ICSG, Lisbon, March 2014
.....and compare regional macroeconomics with global trends

Source: Integer, IMF

ICSG, Lisbon, March 2014
We give a view on the projects that will have a substantial impact on wire & cable demand.

Indonesia is embarking on ambitious plans to deploy a broadband network covering approximately 30% of households by 2015.

ICSG, Lisbon, March 2014
.....to help us give a 5 year forecast for the region.

We expect the ASEAN wire and cable consumption to top 1 million conductor tonnes by 2018.

Source: Integer Research

ICSG, Lisbon, March 2014
Final considerations: ASEAN cable makers face both threats and opportunities

### Opportunities
- Sustained future economic growth
- High degree of government-led investment
- Strong regional manufacturing base
- Increasingly complex demand needs
- Power cable demand
- Specialty cable demand
- Fibre optic cable demand
- Need for consolidation offers acquisition targets

### Threats
- Highly competitive markets
- Low margins in lower value products
- Growth, although still strong, is in some cases slowing down
- Delays affecting some infrastructure investments
- High copper prices and volatility
- Import competition from China
- Threat of natural disasters and political instability

ICSG, Lisbon, March 2014
Thank you for your attention