

Cables Manufacturers raise alert over the increased costs of raw materials and energy and the shortage of headcount in the factories due to the health emergency: "the perfect storm" continues.

ANIE AICE asks all the players of the supply chain (utilities, telecommunications operators and wholesalers) for comprehension for the expected delays in deliveries. In addition it asks for the support of the Institutions regarding price revisions.

Milan, 3rd February 2022 - The price increase of **metals** and **plastics** and the steep rise of the gas quotation (+ 723% in December vs. the pre-crisis period) quickly spilled over into the cost of electricity in Italy.

The rises in prices are causing ANIE AICE manufacturing companies to struggle: the evident **supply difficulties** negatively affect both **packaging** and **transport costs**.

AICE (the Insulated Cable, Wire and Accessory Industry), an ANIE Federation and Confindustria Member, is the trade association representing the Italian companies producing energy cables and accessories, communication cables and winding wires, with a total turnover of 3.1 billion euros in 2020, of which 1.5 billion euros of exports.

Unfortunately, no positive signs are coming from the Government and no tangible measures to face the rises in energy are issued.

The increase in the commodities prices started at the end of 2020 is continuing. The general and widespread prices increase of raw materials is involving **the energy sector** (+ 49% is the annual increase in oil in December) and the main metals used in industrial processes (among others + 23% is the increase in copper in December; + 34% in aluminum).

In addition to metals, also the price of plastics has increased: PVC by almost 72% and Polyethylene by 79%.

In a context of strong demand, the availability of PVC at European level is nowadays a challenge.

"The Italian cable Producers have so far been able to transfer to the finished goods only part of the price increases - declared Carlo SCARLATA, President of ANIE AICE, but this situation is now becoming unsustainable".

The monthly annual price increase of **glass** (close to 20% in December), of the **different plastics** (+ 75% with peaks for some materials above 90%) and the increase in the **energy costs** are having a heavy impact on the production costs - power cables in general and communication in particular (communication cables, special coaxial cables, data cables for LAN networks, fiber optic cables).



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As a matter of fact, for fiber optic cables - used for the "Ultra Broadband project" for the digitization of the country - the production cost has increased by + 30% with respect to 2021.

Additionally, the **shortage of headcount in the factories** due to the health emergency (the specialized cable B.C.s are not easy to make flexible) and the **supply difficulties** throughout the sector can be considered significant. Some suppliers have already declared to suspend the production, as it is no longer profitable at current costs".

Carlo SCARLATA concluded with a plea: "We ask the whole supply chain and in particular the Telco's and the distributors of electrical goods to understand the possible delays in the deliveries. Additionally, we ask the Government to pay greater attention to our Industry".

ANIE Federation, with over 1.500 associated companies and about 500,000 employees, represents the most strategic and advanced industrial sector in Italy, with an aggregate turnover of 79 billion euros (of which 30 billion in exports). The companies belonging to ANIE Federation invest 4% of their turnover in Research and Development.

ANIE AICE is the Association that, within ANIE Federation, represents the companies operating in the sectors of energy cables and accessories, communication cables and conductors for electrical windings. The companies adhering to ANIE AICE are 39 (7.000 employees) with a turnover of over 3.000 million euros in 2020. In comparison with ISTAT official data, ANIE AICE represents about 85% of the national turnover of the sector.

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