GLOBAL **MECHANICAL** INTELLIGENCE

Q3 2025 | JULY - SEPTEMBER

JABIL | MADE **POSSIBLE.** MADE **BETTER.**

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EXECUTIVE SUMMARY

Welcome to the Q3 edition of the Global Mechanicals and Subassembly report.

As we enter the second half of the year, we are witnessing a rapidly evolving global supply chain ecosystem, characterized by shifting tariffs, accelerating electrification and digitalization, and intensifying sustainability mandates. While demand remains resilient in key sectors, including electric vehicles (Evs), electronics, and healthcare, supply dynamics and pricing trends vary significantly by category and geography.

KEY MARKET TRENDS

TARIFF REALIGNMENT

U.S.–China and U.S.–Mexico trade policies are reshaping sourcing strategies, with Mexico, Southeast Asia, and India emerging as key manufacturing regions.

ELECTRIFICATION & DIGITALIZATION

AI data centers, EVs, renewable energy, and smart devices are driving demand for high-performance components—especially in batteries, displays, and die-cut.

SUSTAINABILITY

Regulatory pressure in Europe and North America is accelerating the shift to recyclable, bio-based, and solvent-free materials across packaging, resins, and die-cut components.

SECTOR HIGHLIGHTS

BATTERIES

Global demand is surging, led by EVs and energy storage. Solid-state and LFP chemistries are gaining traction. Cobalt prices are up significantly, while lithium prices have softened.

DISPLAYS

OLED and Micro LED technologies are advancing rapidly. China dominates production, but tariffs and glass substrate shortages are influencing pricing.

CABLES

AI and automation are fueling demand for high-speed and industrial cables. Supply is tight due to raw material constraints and tariff-driven shifts.

EXECUTIVE SUMMARY (CONT.)

POWER SUPPLIES

Stable pricing and lead times. Demand is strong from data centers and EV infrastructure. Southeast Asia is gaining as a production base.

OPTICAL LENSES

Mobile and automotive sectors are driving growth. Supply is stable, but geopolitical risks are prompting diversification.

METALS

- **Aluminum:** Prices stabilizing post-tariff suspension. The U.S. and India are expanding capacity.
- **Copper:** Bullish outlook due to growing green energy demand; prices are currently high.
- **Nickel:** Oversupply from Indonesia; battery demand is slowing.
- **Steel:** Prices rising in the U.S., stable in the EU, and softening in Asia. EV and infrastructure sectors are key demand drivers.

PACKAGING

- **PE:** North America sees structural growth, while China faces oversupply.
- **PET:** Demand is strong in the beverage industry; India faces shortages, while the EU is focused on rPET.
- **Paper & Linerboard:** Prices are rising in the Americas, stable in the EU, and easing in Asia.

ENGINEERING RESINS

Ranges from stable to oversupplied, with generally soft pricing, but sensitive to additives like flame-retardants, and tariffs.

DIE-CUT

Demand is strong across EVs, electronics, and medical devices. Specialty materials command premium pricing. Sustainability and innovation are key differentiators.

EXECUTIVE SUMMARY (CONT.)

STRATEGIC IMPLICATIONS

Jabil remains committed to diversifying its sourcing strategies to minimize exposure to geopolitical, regulatory, and supply chain disruptions. Through continuous monitoring of raw material pricing and regulatory developments, we manage cost fluctuations and reduce the risk associated with trading in a volatile market. We are also investing in sustainable, high-performance materials to meet the evolving requirements of our customers and to comply with global standards. Our ongoing focus remains on anticipating potential disruptions, mitigating risk and ensuring continuity across our global value chain. If you require further information or support, please do not hesitate to contact us directly.

Yours sincerely,

Keith Lapinski & Andy Van Putte

Table of Contents

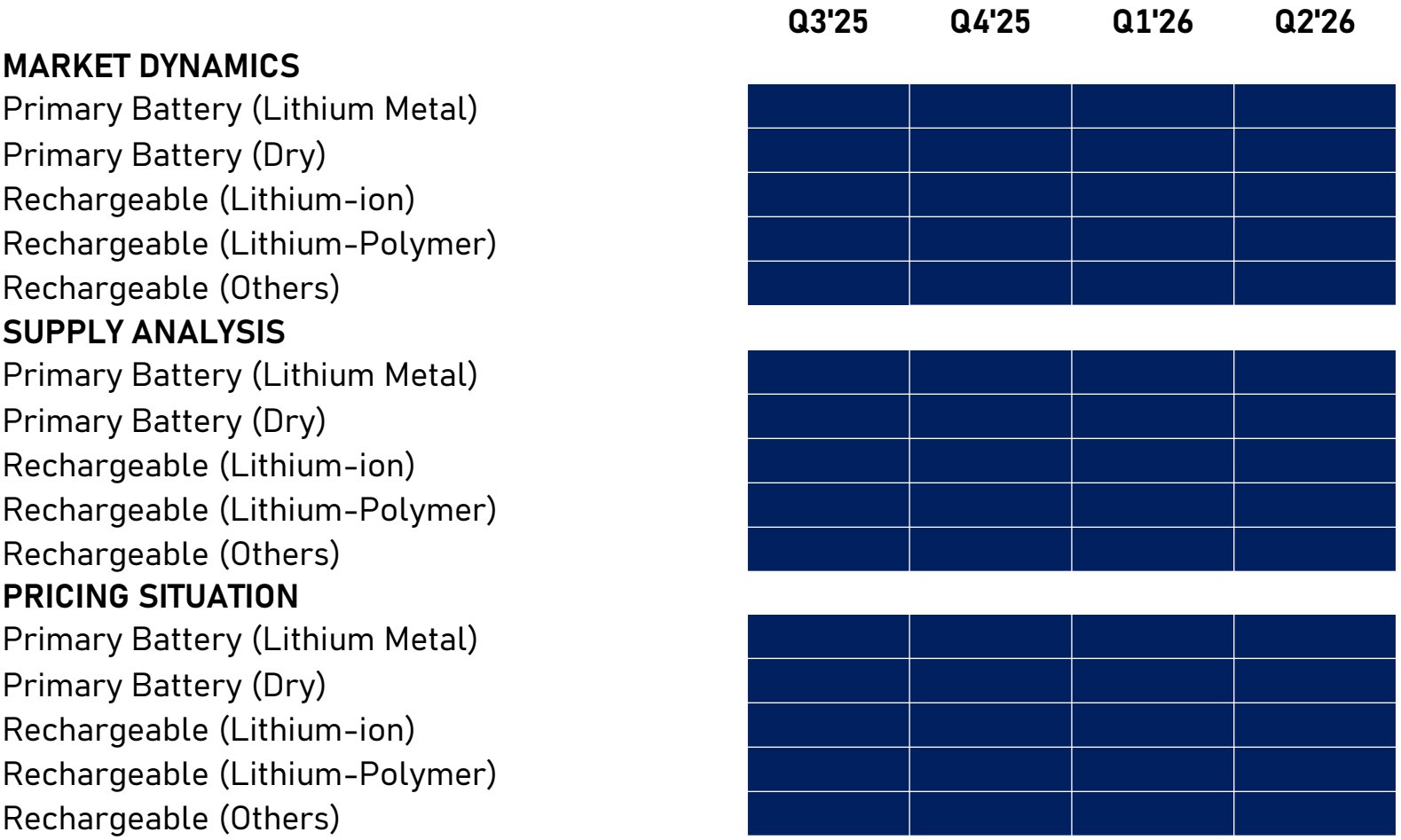
GLOBAL **MECHANICAL** INTELLIGENCE

Q3 2025 | JULY - SEPTEMBER

BATTERIES

JABIL

HEATMAP



Market Dynamics: Stable Supply Chain Risk; Potential Supply Chain Risk; High Supply Chain Risk
Pricing Situation: Decreasing Pricing; Stable Pricing; Increasing Pricing
Supply Analysis: Increasing Capacity/Supply; Stable Capacity/Supply; Decreasing Capacity/Supply

MARKET DYNAMICS

EXPLOSIVE DEMAND GROWTH

- The global battery market, valued at over $100 billion in 2024, is projected to grow at a 15–20% CAGR through 2025
- Electric Vehicles (EVs): Expected to account for 60–70% of total lithium-ion battery demand, with China leading global EV adoption
- Energy Storage Systems (ESS): The global ESS market is forecast to reach $13.13 billion by 2025, fuelled by solar and wind integration
- Consumer Electronics: Steady but slower growth, with continued reliance on lithium-polymer batteries

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RECENT DEVELOPMENTS (JULY 2024 – JUNE 2025)

Date	Battery Supplier/ Manufacturer	End User (Company 2)	Development Type	Description	Deal Value
May-25	BYD (China)	-	Product Development & Launch	BYD Energy Storage has launched its new fourth-generation home battery system the Battery-Box HVB (high voltage Blade). This residential storage solution incorporates BYD's Blade Battery technology, previously utilized in its electric vehicles, to offer higher energy density. The modular system, presented in a stacked cabinet format similar to previous HVS and HVM models, ranges from 5.9 kWh (two modules) to 29.6 kWh (ten modules) per stack, and can be expanded up to 89.07 kWh by using three systems in parallel	-

Date	Battery Supplier/ Manufacturer	End User (Compan y)	Development Type	Description	Deal Value
Apr- (Cartes (Brazil))	-	Innovation	Cartes has launched WebLess, a battery monitoring technology for heavy-duty vehicles designed to provide real-time insights while reducing fuel consumption and emissions. Announced on April 27, 2025, ahead of the ACT Expo, WebLess can reportedly reduce engine idling time by up to 40%, resulting in annual fuel savings of approximately $2,000 per vehicle. The system uses a sensor to collect battery data (voltage, current, temperature), which is processed in the Cartes cloud using AI algorithms to deliver predictive insights on battery state of charge, and is now available in the U.S. and Canada after testing in Europe.	-
Apr- (CATL (NEV/new))	-	Product Development & Launch	Chinese battery giant CATL unveiled its innovative Freevoy Dual Power Battery. This battery features a dual-core architecture that delivers an extraordinary maximum range exceeding 1500 kilometers (932 miles) on a single charge. The design divides the battery into two independent energy cores, utilizing different cell materials, and incorporates dual-core systems for enhanced safety, potentially reshaping the competitive dynamics between pure electric and hybrid vehicles.	-
Apr- (Stellantis (Netherlan ds)	Factorial Energy (US)	Partnership	Stellantis and Factorial Energy announced the successful validation of Factorial's automotive-sized FEST™ solid-state battery cells, a significant step towards commercializing next-generation EV batteries. These 77Ah cells demonstrated an energy density of 375 Wh/kg, can fast-charge from 25% to over 90% in just 18 minutes, and operate within a temperature range of -30°C to 45°C. The cells also demonstrate high power capabilities, reaching up to 4C discharge, and have achieved over 600 cycles, progressing towards automotive qualification. Stellantis plans to integrate these advanced solid-state batteries into a demonstration fleet by 2026, as part of their ongoing collaboration to optimize battery pack architecture for lighter, more efficient, and cost-effective EVs.	-

Date	Battery Supplier/ Manufacturer	End User (Example, if any)	Development Type	Description	Deal Value
Apr	LG Energy Solution (KR)/South Korea	Derichebourg (France)	Contract	LG Energy Solution and French metal waste recycling leader Derichebourg have announced a joint venture to build a state-of-the-art battery recycling plant in Bruyères-sur-Oise, France. Construction is set to begin in 2026, with operations commencing in 2027. This facility, LG Energy Solution's first such venture in Europe, will pre-process over 30,000 tons of battery scrap and end-of-life EV batteries annually. The extracted black mass will be further processed to recover key raw materials, such as lithium, nickel, and cobalt, for reuse in LG Energy Solution's battery production.	-
Mar	Panasonic Energy (JP/Japan)	Hardinger (US)	Contract	Medium-duty electric vehicle (EV) company, Hardinger and Panasonic Energy Co., Ltd. announced that Panasonic Energy is now Hardinger's official battery cell supplier. Panasonic Energy will provide its latest 2170 lithium-ion batteries, renowned for their industry-leading energy density, to power Hardinger's American-made medium-duty electric vehicles, including walk-in vans and box trucks. Initially, these cells will be supplied from Japan to Hardinger's California facility, with plans to potentially source them from Panasonic's Kansas plant in the future, enabling a fully U.S.-sourced battery pack assembly. Hardinger, which began production in early 2025 and has approximately 5,000 pre-orders, designs and manufactures its proprietary electric stripped chassis and battery systems in-house.	-
Mar	Clarios (Brazil)	-	Business Expansion	Clarios, a global leader in low-voltage energy storage, announced a $6 billion plan to expand U.S. manufacturing and accelerate American innovation through 2030. This initiative aims to bolster U.S. energy and critical mineral independence by strengthening the domestic supply of essential starter batteries for vehicles. The plan includes significant investments in advanced battery production ($2.1B), critical minerals processing and recovery ($1.7B) through its closed-loop recycling network, next-generation technologies ($0.8B), such as those for AI data centers and sodium-ion batteries, and modernizing manufacturing facilities ($600M).	$6Bn

Date	Battery Supplier/ Manufacturer	EV OEM User (Example s, if Any)	Development Type	Description	Deal Status
Jan. 20	Chemix (US)	Ford (US)	Collaboration	Chemix, the company behind SP1860 Batteries, has announced an exciting new collaboration at the pinnacle of off-road racing. The Baja Ratty, Partnering with the legendary Ford Performance team, SP1860 Batteries will be joining one of the world's most grueling off-road races to back a four-vehicle racing effort.	
Jan. 20	Panasonic Energy (Japan)	Lucid Group, Inc. (US)	Contract	Panasonic Energy Co., Ltd and Lucid Group, Inc. (NASDAQ: LCID) announced the highly anticipated Lucid Gravity Grand Touring, which will be powered by Panasonic Energy's lithium-ion EV battery cells. With an EPA-estimated range of up to 450 miles from a battery pack that is up to 40% smaller than competitors', the collaborative efforts between Panasonic and Lucid have helped deliver an SUV with a previously impossible combination of outstanding range, performance and interior space.	
Jan. 20	LG Energy Solution (South Korea)	Subaru (US), STMS (South Korea)	Partnership	LG Energy Solution announced its exclusive partnership to supply cylindrical batteries to Subaru Motors Corp. (Subaru). The agreement follows the signing of a three-party Memorandum of Understanding (MoU) between LG Energy Solution, Subaru, and STMS. The three companies will collaborate on battery supply and business development to drive future growth opportunities. Under this MoU, LG Energy Solution will exclusively supply 21700 cylindrical battery cells from 2029 to 2032 to power Subaru's solar electric vehicle, the Subaru, which is aimed to launch in the U.S. market in 2028.	
Jan. 20	Chemix (US)	Undisclosed Automotive Manufacturer	Agreement	Chemix has secured an additional contract with a major U.S. automotive manufacturer to supply its advanced 54080 batteries for a 2026 model full-size SUV series. This agreement includes some of the industry's most recognized and top-selling SUV models.	
Dec. (US), 2025(China)			Business Expansion	CAR, will enter the battery swapping market in China on a large scale starting next year. The idea behind battery swapping is to refuel quickly, much like refueling a conventional car with gasoline. Instead of waiting for the batteries to recharge, one swaps out the old ones with a bunch of fresh ones at a swap station. An EV driver pulls into a swapping station, and automated technology exchanges the low battery for a fully charged one the station has available. China-based CAR, announced plans to open 1,000 swap stations in China next year, including in Hong Kong and Macau, with a long-term goal of building 30,000 stations in partnership.	

Date	Battery Supplier/ Manufacturer	End User (Example, e. g.)	Development Type	Description	Deal Status
Jan. 20	Charmec (US)	Ford (US)	Collaboration	[illegible] Charmec, the company behind SP1MW Batteries, has announced an exciting new collaboration at the pinnacle of off-road racing. The Dakar Rally. Partnering with the legendary Ford Performance team, SP1MW Batteries will be joining one of the world's most gruelling off-road races to back a four-vehicle racing effort.
Jan. 20	Panasonic Energy, Ltd.	Lucid Group, Inc. (US)	Contract	Panasonic Energy Co., Ltd and Lucid Group, Inc. (NASDAQ: LCID) announced the highly anticipated Lucid Gravity Grand Touring, which will be powered by Panasonic Energy's lithium-ion 4H battery cells. With an EPA-estimated range of up to 450 miles from a battery pack that is up to 40% smaller than competitors', the collaborative efforts between Panasonic and Lucid have helped deliver an SUV with a previously impossible combination of outstanding range, performance and interior space.
Jan. 20	LG Energy Solution (South Korea)	Aptera (US), CTMS (South Korea)	Partnership	LG Energy Solution announced its exclusive partnership to supply cylindrical batteries to Aptera Motors Corp. (Aptera). The agreement follows the signing of a three-party Memorandum of Understanding (MoU) between LG Energy Solution, Aptera, and CTMS. The three companies will collaborate on battery supply and business development to drive future growth opportunities. Under the MoU, LG Energy Solution will exclusively supply 2170 cylindrical battery cells from 2025 to 2032 to power Aptera's solar electric vehicle, the Aptera, which is aimed to launch in the U.S. market in 2025.
Jan. 20	Charmec (US)	Undisclosed Automotive Manufacturer	Agreement	Charmec has secured an additional contract with a major U.S. automotive manufacturer to supply its advanced 540Wh battery for a 2026 model full-size SUV series. This agreement includes some of the industry's most progressive and top-selling SUV models.
Dec. (US), 2025(China)			Business Expansion	(US), will enter the battery swapping market in China on a large scale starting next year. The idea behind battery swapping is to refuel quickly, much like refueling a conventional car with gasoline. Instead of waiting for the batteries to recharge, one swaps out the old ones with a block of fresh ones at a swap station. An EV driver pulls into a swapping station, and automated technology exchanges the low battery for a fully charged one the station has available. China-based CATL announced plans to open 1,000 swap stations in China next year, including in Hong Kong and Macau, with a long-term goal of building 20,000 stations in partnership.

Date	Battery Supplier/ Manufacturer	End User (Change vs. 2)	Development Type	Description	Deal Status
Jan-25	Charmec (US)	Ford (US)	Collaboration	Charmec, the company behind SPYMAX Batteries, has announced an exciting new collaboration at the pinnacle of off-road racing. The Baja Rally, Partnering with the legendary Ford Performance team, SPYMAX Batteries will be joining one of the world's most grueling off-road races to back a four-vehicle racing effort.	
Jan-25	Panasonic Energy, Ltd. (Japan)	Lucid Group, Inc. (US)	Contract	Panasonic Energy Co., Ltd and Lucid Group, Inc. (NASDAQ: LCID) announced the highly anticipated Lucid Gravity Grand Touring, which will be powered by Panasonic Energy's lithium-ion EV battery cells. With an EPA-estimated range of up to 450 miles from a battery pack that is up to 40% smaller than competitors', the collaborative efforts between Panasonic and Lucid have helped deliver an SUV with a previously impossible combination of outstanding range, performance and interior space.	
Jan-25	LG Energy Solution (KOSDAQ: Korea)	Aptera (US), LTMS (South Korea)	Partnership	LG Energy Solution announced its exclusive partnership to supply cylindrical batteries to Aptera Motors Corp. (Aptera). The agreement follows the signing of a three-party Memorandum of Understanding (MoU) between LG Energy Solution, Aptera, and LTMS. The three companies will collaborate on battery supply and business development to drive future growth opportunities. Under the MoU, LG Energy Solution will exclusively supply 2170 cylindrical battery cells from 2025 to 2032 to power Aptera's solar electric vehicle, the Aptera, which is slated to launch in the U.S. market in 2026.	
Jan-25	Charmec (US)	Undisclosed automaker in Manufacturing sect.	Agreement	Charmec has secured an additional contract with a major U.S. automotive manufacturer to supply its advanced lithium batteries for a 2026 model hot rock SUV series. This agreement includes some of the industry's most progressive and top selling SUV models.	
Dec-24/5, 2025/Sep			Business Expansion	CATL will enter the battery swapping market in China on a large scale starting next year. The idea behind battery swapping is to refuel quickly, much like refueling a conventional car with gasoline. Instead of waiting for the batteries to recharge, one swaps out the old ones with a block of fresh ones at a swap station. An EV driver pulls into a swapping station, and automated technology exchanges the low battery for a fully charged one the station has available. China-based CATL announced plans to open 1,000 swap stations in China next year, including in Hong Kong and Macau, with a long-term goal of building 30,000 stations in partnership.	

Date	Battery Supplier/ Manufacturer	End User (Example, e.g.)	Development Type	Description	Deal Status
Jan-26	Chemix (US)	Ford (US)	Collaboration	Chemix, the company behind SPYDRI Batteries, has announced an exciting new collaboration at the pinnacle of off-road racing. The Baker Rally Partnership with the legendary Ford Performance team. SPYDRI Batteries will be joining one of the world's most gruelling off-road races to back a four-vehicle racing effort.	
Jan-26	Panasonic Energy, Lagato	Lucid Group, Inc. (US)	Contract	Panasonic Energy Co., Ltd and Lucid Group, Inc. (NASDAQ: LCID) announced the highly anticipated Lucid Gravity Grand Touring, which will be powered by Panasonic Energy's lithium-ion EV battery cells. With an EPA-estimated range of up to 450 miles from a battery pack that is up to 40% smaller than competitors', the collaborative efforts between Panasonic and Lucid have helped deliver an SUV with a previously impossible combination of outstanding range, performance and interior space.	

Source: Press releases & company websites

DEMAND/SUPPLY OVERVIEW

DEMAND COMMENTARY

The global battery market is rapidly expanding, driven by the accelerating adoption of electric vehicles (EVs), the integration of renewable energy, and efforts to stabilize the grid. Total battery demand is projected to surpass 2,400 GWh—a fourfold increase from 2025.

- EVs remain the dominant driver, accounting for over 90% of battery consumption, with annual demand reaching 750 GWh.
- Energy Storage Systems (ESS) are scaling rapidly, with 40 GW of new capacity added, doubling the year-over-year growth.
- Lithium-ion batteries continue to lead the market, though solid-state and sodium-ion technologies are gaining traction as next-generation alternatives.

China maintains a commanding position, producing nearly 85% of global battery cells, including critical cathode and anode materials.

Technological advancements—particularly in high-nickel and silicon-carbon chemistries—significantly enhance battery energy density, cycle life, and performance.

SUPPLY ANALYSIS

Stable Lead Times

Lead times remain consistent across key battery types:

- Lithium metal batteries: 30–45 days
- Lithium rechargeable batteries: 45–60 days

This stability reflects a well-balanced supply chain with minimal disruption.

Resilient Supply Base

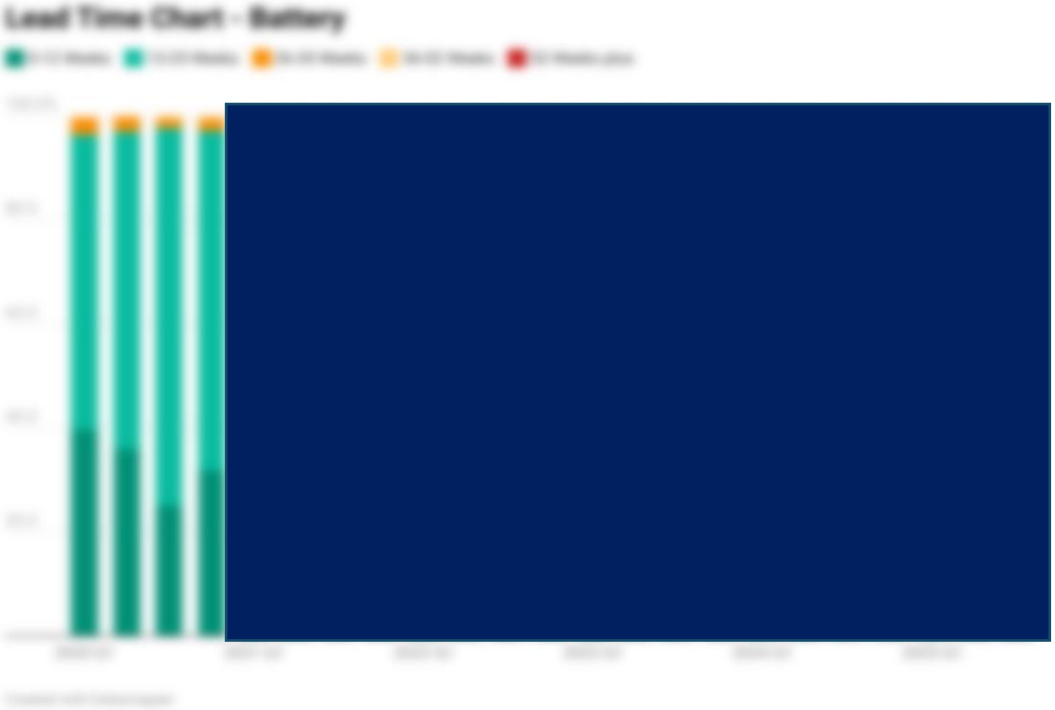
The supplier landscape remains robust, with no significant exits or consolidation trends observed. This indicates a low short-term supply risk for lithium-based battery commodities.

Material Shifts Driven by ESG

Environmental, Social, and Governance (ESG) concerns are reshaping material preferences:

- Cobalt and nickel are facing increasing scrutiny due to concerns over ethical sourcing and environmental impact.
- This is accelerating the industry shift toward LFP (lithium iron phosphate) and manganese-based chemistries, which offer safer, more sustainable alternatives with lower ESG risk profiles.

LEAD TIME CHART



PRICING SITUATION

LITHIUM MARKET CORRECTION

Lithium carbonate prices have declined below CNY 65,000 per tonne, marking a four-year low. This drop reflects a persistent supply surplus as production outpaces demand. In China, new energy vehicle (NEV) sales slowed in April, and exports contracted, signaling a deceleration in what was once the world's fastest-growing EV market.

- Top lithium producers: Chile, China, Australia, Argentina
- Major importers: China, Japan, South Korea, United States

COBALT PRICE SURGE

Cobalt prices have surged 38.7% year-to-date, reaching USD 33,700 per tonne by the end of May 2025. This rebound is driven by tightening supply and geopolitical risks, particularly in the Democratic Republic of Congo, which accounts for over 50% of global cobalt production. Other notable producers include Russia, Australia, the Philippines, and Cuba.

COST STRUCTURE AND MARGIN PRESSURE

Cathode materials (Li, Ni, Co, Mn) account for ~50% of the total cell cost, whereas anode materials (primarily carbon) contribute another 12%. While most raw material prices have remained stable, the recent cobalt rally is squeezing margins and limiting further opportunities for cost reduction.

END MARKET OVERVIEW

Industry	Battery Type(s)	Applications	Expected Demand	Supply Commentary
Automotive	Lithium-Ion (Li-ion) (NMC, LFP, NCA, LMO)	Main traction batteries for Battery Electric Vehicles (BEVs), Plug-in Hybrid Electric Vehicles (PHEVs), Hybrid Electric Vehicles (HEVs). Specific chemistries like LFP are gaining traction for cost and safety.	The automotive Lithium-ion battery cell market is projected to be worth about $130 billion in 2025. Strong growth is driven by EV market expansion.	Raw material supply (lithium, cobalt, nickel) and cost volatility remain key challenges, alongside potential overcapacity in battery manufacturing in 2024, possibly leading to price pressures in 2025.
	Lithium Polymer (Li-Po)			
	Lead-Acid	Starting, Lighting, Ignition (SLI) in Internal Combustion Engine (ICE) vehicles; auxiliary power in some EVs.	Mature market, demand influenced by ICE vehicle sales and aftermarket replacements.	Mature and stable supply chain with high recycling rates
	Lithium Metal (Emerging/ Developmental)	Potential for next-generation EV batteries (higher energy density).	Early commercialization phase, demand for 2025 is small but expected to grow significantly in the long term as technology matures for EV applications.	Supply chain is still developing; reliant on scaling new anode technologies and, in some cases, solid-state electrolytes. Availability of high-purity lithium metal is a factor.
Consumer Electronics	Lithium Polymer (Li-Po)	Smartphones, laptops, tablets, wearables (smartwatches, fitness trackers), power banks, portable audio devices, drones, digital cameras.	Continued high demand. Overall, Li-ion market growth is significantly driven by consumer electronics.	Generally mature supply for established chemistries. Subject to raw material cost fluctuations. Continuous innovation for higher energy density and faster charging. Some supply chain disruptions can occur due to geopolitical issues or specific component shortages.
	Lithium-ion (Li-ion) (LCO, NMC)			
	Dry Cell (Alkaline, Zinc-Carbon, Primary Lithium (non-button cells))	Remote controls, toys, clocks, calculators, some small medical devices, single-use electronics.	The global market is projected to be around $XX billion in 2025 (consumer electronics is a major segment).	Well-established and stable supply chain. Competition among major brands.
	Lithium Metal (Emerging)	Potential for higher energy density in premium portable devices, early adoption.	Niche demand in 2025, focused on specialized applications or premium devices if commercialized.	Limited commercial supply, manufacturers are in pilot or early production stages.

Industry	Battery Type(s)	Applications	Expected Demand	Supply Commentary
Aerospace & Defense	Lithium-ion (Li-ion) (Specialized, high-reliability) Lithium Polymer (Li-Po)	Satellites, aircraft avionics and emergency power, Unmanned Aerial Vehicles (UAVs/drones), portable military communication, and surveillance equipment.	Growing demand in a specialized, high-value segment of the overall Li-ion market.	Li-ion/Li-Po: Stringent qualification and safety standards. Focus on supply chain security and reliability. High-performance cells often have dedicated, smaller-scale production lines.
	Lithium Metal (Primary & Secondary - Emerging)	(Primary) Long-life power for remote sensors, emergency beacons. (Secondary) Emerging for high-energy density applications like high-altitude long-endurance UAVs or EVTOL.	(Primary) Niche but critical applications. (Secondary) Li-metal batteries are developmental with long-term growth potential.	Lithium Metal: Supply for primary is established for specific types. Secondary Li-metal is developmental.
	Thermal Batteries (Primary), Primary Lithium (Thru' - e.g., Li-SOCl2, Li-MnO2), Nickel-Cadmium (NiCd)	**Thermal Batteries:** Single-use, high-power for missiles, munitions, emergency systems. **Primary Lithium:** Non-rechargeable power for memory backup, sensors, munitions, emergency location transmitters. **NiCd:** Older aircraft systems (being phased out).	Demand driven by specific, mission requirements and platform lifecycles.	**Thermal Batteries:** Specialized suppliers, supply chain geared towards defense contracts. **Primary Lithium:** Mature supply for established chemistries, but specific military-grade cells may have controlled supply.
Industrial & Machinery	Lithium-ion (Li-ion) (LFP, NMC)	Material handling equipment (forklifts, AGVs), robotics, cordless power tools, uninterruptible Power Supplies (UPS), telecom backup, oil & gas equipment.	Industrial Li-ion market estimated at $XXB in 2025.	Li-ion: Increasing adoption, replacing lead-acid in many motive applications due to better performance and declining TCO. Raw material costs and availability for Li-ion are a factor. Supply chain is scaling up.
	Lead-Acid	Traditional forklifts, industrial cleaning machines, UPS, switchgear, emergency lighting.	A significant portion of the overall lead-acid market is especially for motive power and stationary backup.	Supply is Mature, with an established recycle infrastructure. Supply is generally stable, though subject to lead price fluctuations.
	Nickel-Cadmium (NiCd), Nickel-Metal Hydride (NiMH), Primary Lithium (Thru') - for specific/legacy applications	Older power tools, some backup systems. Primary Lithium: Industrial sensors, remote monitoring, asset tracking.	Mature markets, often being replaced by Li-ion in rechargeable applications.	Supply is established but demand is declining in many segments due to Li-ion.

Industry	Battery Type(s)	Applications	Expected Demand	Supply Commentary
Aerospace & Defense	Lithium-ion (Li-ion) (Specialized, high-reliability) Lithium Polymer (Li-Po)	Satellites, aircraft avionics and emergency power, Unmanned Aerial Vehicles (UAVs/drones), portable military communication, and surveillance equipment.	Growing demand in a specialized, high-value segment of the overall Li-ion market.	Li-ion/Li-Po: Stringent qualification and safety standards. Focus on supply chain security and reliability. High-performance cells often have dedicated, smaller-scale production lines.
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Industry	Battery Chemistry	Applications	Expected Demand	Supply Commentary
Aerospace & Defense	Lithium-ion (Li-ion) (Specialized, high-reliability) Lithium Polymer (Li-Po)	Satellites, aircraft avionics and emergency power, Unmanned Aerial Vehicles (UAVs/drones), portable military communication, and surveillance equipment.	Growing demand in a specialized, high-value segment of the overall Li-ion market.	Extremely high qualification and safety standards. Focus on supply chain security and reliability. High-performance cells often have dedicated, smaller-scale production lines.
	Lithium Metal (Primary & Secondary Emerging)	(Primary) Long-life power for remote sensors, emergency beacons. (Secondary) Emerging for high-energy-density applications like high-altitude long-endurance UAVs or EVTOLs.	(Primary) Niche but critical applications. (Secondary) Li-metal batteries are developmental with long-term growth potential.	Lithium Metal: Supply for primary is established for specific types. Secondary Li-metal is developmental.

IMPACT OF TARIFFS

SHARP PRICE INCREASES

Tariffs on imported lithium-ion batteries—particularly those from China—have surged, rising from 10.9% to as high as 155.9%. This has significantly increased costs for electric vehicles (EVs), energy storage systems (ESS), and other battery-reliant technologies.

STRATEGIC SHIFTS IN SUPPLY CHAINS

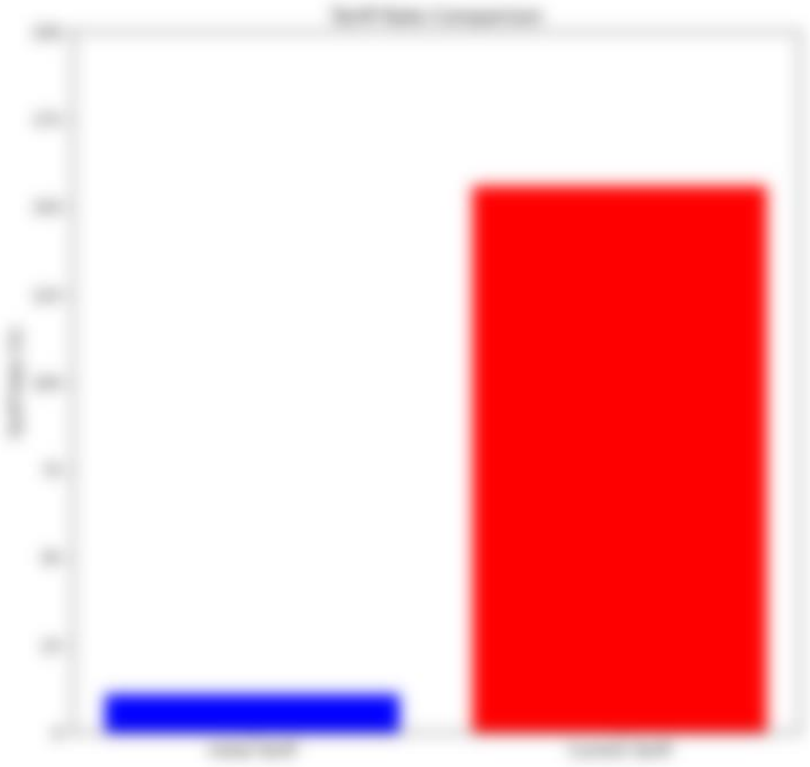
To mitigate tariff impacts, companies are:

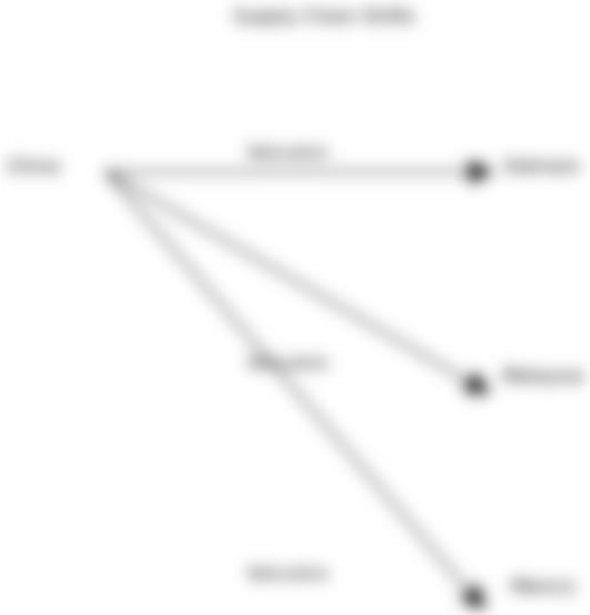
- Diversifying suppliers beyond China
- Relocating production to countries like Vietnam, Malaysia, and Mexico
- Stockpiling inventory in anticipation of further tariff hikes

COMPETITIVE PRESSURE ON U.S. INDUSTRY

The U.S. battery sector faces mounting challenges in maintaining cost competitiveness. Rising tariffs are straining domestic manufacturers and integrators, particularly in:

- EV production, where battery costs constitute a significant component.
- Grid-scale storage, where project economics are extremely sensitive to component pricing.





KEY TAKEAWAYS

- EU Battery Regulation (2023/1542): Since February 2024, this regulation has mandated a Battery Passport for all EV and industrial batteries by 2027. It aims to enhance transparency in material sourcing, carbon footprint, and end-of-life tracking.
- Shift Toward Next-Gen Technologies: Manufacturers are accelerating their investment in solid-state batteries and alternative chemistries to reduce reliance on lithium and cobalt, while improving energy density, safety, and lifecycle performance.
- Sustainability and Circular Economy: Battery recycling initiatives are gaining momentum. Governments are promoting second-life applications and closed-loop systems to reduce waste and support cleaner energy ecosystems.
- Emerging Constraints: While global battery demand remains strong, production bottlenecks, geopolitical tensions, and trade barriers may impact pricing, availability, and the resilience of the supply chain.

GLOBAL **MECHANICAL** INTELLIGENCE

Q2 2025 | APRIL - JUNE

CABLES

JABIL

HEATMAP

		Q3'25	Q4'25	Q1'26	Q2'26
MARKET DYNAMICS					
Harness	Low complexity				
	High complexity				
Molded cables					
RF-Coaxial					
LVDS					
High Speed					
FFC-Ribbon					
Power cord					
SUPPLY ANALYSIS					
Harness	Low complexity				
	High complexity				
Molded cables					
RF-Coaxial					
LVDS					
High Speed					
FFC-Ribbon					
Power cord					
PRICING SITUATION					
Harness	Low complexity				
	High complexity				
Molded cables					
RF-Coaxial					
LVDS					
High Speed					
FFC-Ribbon					
Power cord					

Market Dynamics: Stable Supply Chain Risk; Potential Supply Chain Risk; High Supply Chain Risk
Pricing Situation: Decreasing Pricing; Stable Pricing; Increasing Pricing
Supply Analysis: Increasing Capacity/Supply; Stable Capacity/Supply; Decreasing Capacity/Supply

MARKET DYNAMICS

CABLE MARKET ESTIMATES:

- The global wire and cable market is valued at USD 229.09 billion in 2025. It is projected to grow to approximately USD 395.07 billion by 2034, advancing at a compound annual growth rate (CAGR) of 6.28% during the forecast period, published by Precedence Research in April 2025.
- Artificial Intelligence and Machine Learning are driving the demand for cables in data centers. Adopting advanced technologies, real-time data processing, and increasing internet access has driven demand for data center cables. Integrating IoT and AI further enhances efficiency, making these technologies essential for businesses, especially in emerging economies.
- The growing reliance on digital tools, IoT devices, and mobile technologies has accelerated market expansion. Businesses are increasingly relying on connected solutions, contributing to the growing demand for robust data infrastructure.

RECENT DEVELOPMENTS (JULY 2024 – JUNE 2025)

Date	Cable Manufacturer	End User (Company)	Deal Type	Description	Deal Value
Apr-25	NKT (Denmark)	Hydro (Norway)	Contract	Aluminium company Hydro and power cable provider NKT have signed a long-term offtake agreement for Hydro to supply low-carbon aluminium wire rod to NKT from 2026 to 2033. This deal, the first since Hydro announced a NOK 1.45 billion investment in its Karmøy, Norway facility, guarantees NKT a supply of an estimated 270,000 tonnes of Hydro's REDUXA 4.0 primary aluminium, with an option for additional volumes, valued at approximately EUR 1 billion. The aluminium, produced with renewable energy, has a carbon footprint significantly below the industry average. This partnership aims to support Europe's efforts to upgrade its power grid infrastructure with sustainable materials, enhance supply chain security, and advance the energy transition.	-
Apr-25	Nexans (France)	Lynred (France)	Contract	Nexans has entered into exclusive negotiations to sell its industrial cable division, Lynred, to French private equity fund Latour Capital for an enterprise value of €525 million. This proposed sale marks a significant step in Nexans' strategy to become a "Pure Electrification Player." Lynred is a major player in specialty industrial cables for transportation, energy, and automation, with a global presence, 1,000 employees, and over €150 million in annual sales.	[illegible] (€525 Mn)
Apr-25	Nexans (France)	RTE (France)	Contract	Nexans has secured a major framework agreement with French Transmission System Operator RTE, valued at over EUR 1 billion. The agreement covers the supply, installation, and commissioning of 450 km of high-voltage direct current (HVDC) subsea cables and 280 km of HVDC onshore cables. These cables will connect three offshore wind farms – Centre Manche 1 & 2 and Oléron – to the French transmission network.	[illegible] (€ Unit)

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Source: Press releases & company websites

DEMAND/SUPPLY OVERVIEW

DEMAND COMMENTARY

The rapid rise of AI and automation is transforming industries and fueling soaring demand for high-performance cable assemblies to support advanced systems and connectivity.

- The rapid adoption of AI and automation across industries boosts demand for high-performance cable assemblies. AI-driven machines, such as robotic arms, rely on numerous sensors and actuators, requiring robust and reliable cable connections for both data and power. Advanced robots require specialized cables that can handle high currents, withstand extreme temperatures, and maintain cleanroom compatibility. Applications like self-driving cars require high-bandwidth, shielded cables to handle real-time data from multiple sensors. AI workloads rely on data centers, driving soaring demand for high-density, high-bandwidth cable assemblies to handle growing data and connectivity needs.
- Key Cable Types in Demand:
    - Industrial Ethernet cables: For real-time machine communication
    - Sensor cables: Transmit data from vision systems, lidar, proximity, and ultrasonic sensors.
    - Power cables: Deliver energy to robots and AGVs in harsh environments.
    - Coaxial cables enable high-frequency, low-loss data transfer.
    - Fiber optic cables: Provide high-speed, EMI-resistant data transmission over long distances.
    - High-Speed Cables: Specifically used in Data Center: Direct attach cables, PCIe Gen 7 cable that doubles the data transfer rate of PCIe Gen 6.
- As AI, automation, and IoT expand, the cable assembly market will grow, driven by the need for faster, more durable, and flexible connectivity solutions.

SUPPLY ANALYSIS

Supply Landscape Overview

- Global Cable Supply Under Strain: The supply of cables—encompassing exceptionally high-performance, high-voltage, and fiber optic types—is struggling to keep pace with surging global demand driven by AI, automation, renewable energy, and electrification trends.
- Manufacturing Concentration: Most cable production remains concentrated in Asia, with China, India, and South Korea leading the way in output. However, geopolitical tensions and a push for localized manufacturing are shifting dynamics.

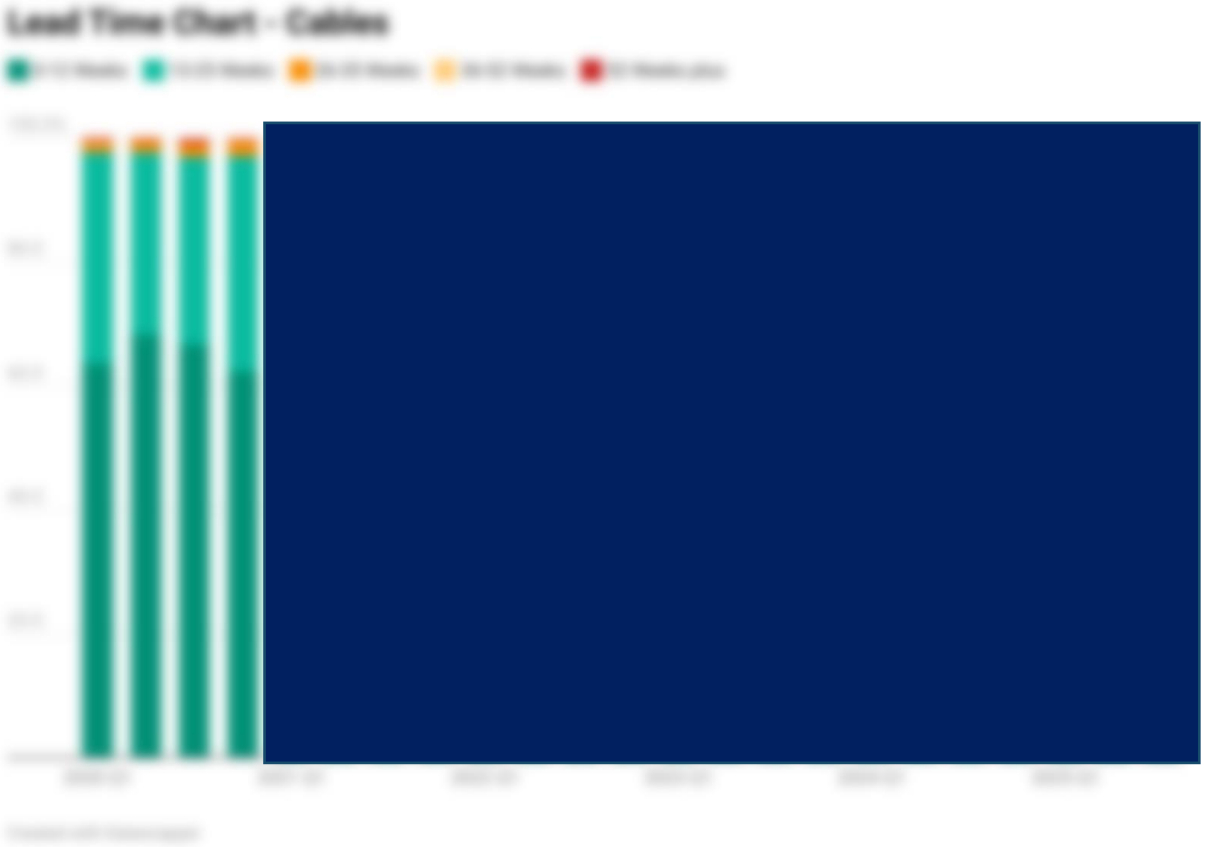
Key Supply Chain Challenges

- Raw Material Constraints:
  - Copper & Aluminum: Supply volatility due to mining disruptions, export restrictions, and increasing demand from green technologies.
  - Polymers & Plastics: Used for insulation and sheathing, facing supply tightness due to refinery and petrochemical capacity issues.
- Production Bottlenecks:
  - Limited capacity expansion in recent years, especially for specialized cable types.
  - High lead times for new equipment and facilities delay the supply ramp-up.
- Logistics & Distribution Issues:
  - Port congestion and freight rate volatility continue to impact delivery timelines.
  - Heavy, bulky cables require specialized transportation, adding complexity.

Regional Supply Trends

- Asia-Pacific: Continues to dominate production but faces export slowdowns due to trade restrictions and growing domestic consumption.
- Europe: Scaling up domestic production for strategic autonomy, especially in energy and defense cables.
- North America: Reinvesting in cable manufacturing to support grid modernization, data center growth, and EV infrastructure.
- Middle East & Africa: Emerging as a strategic production and export hub, particularly for aluminum-based cables.

LEAD TIME CHART



PRICING SITUATION

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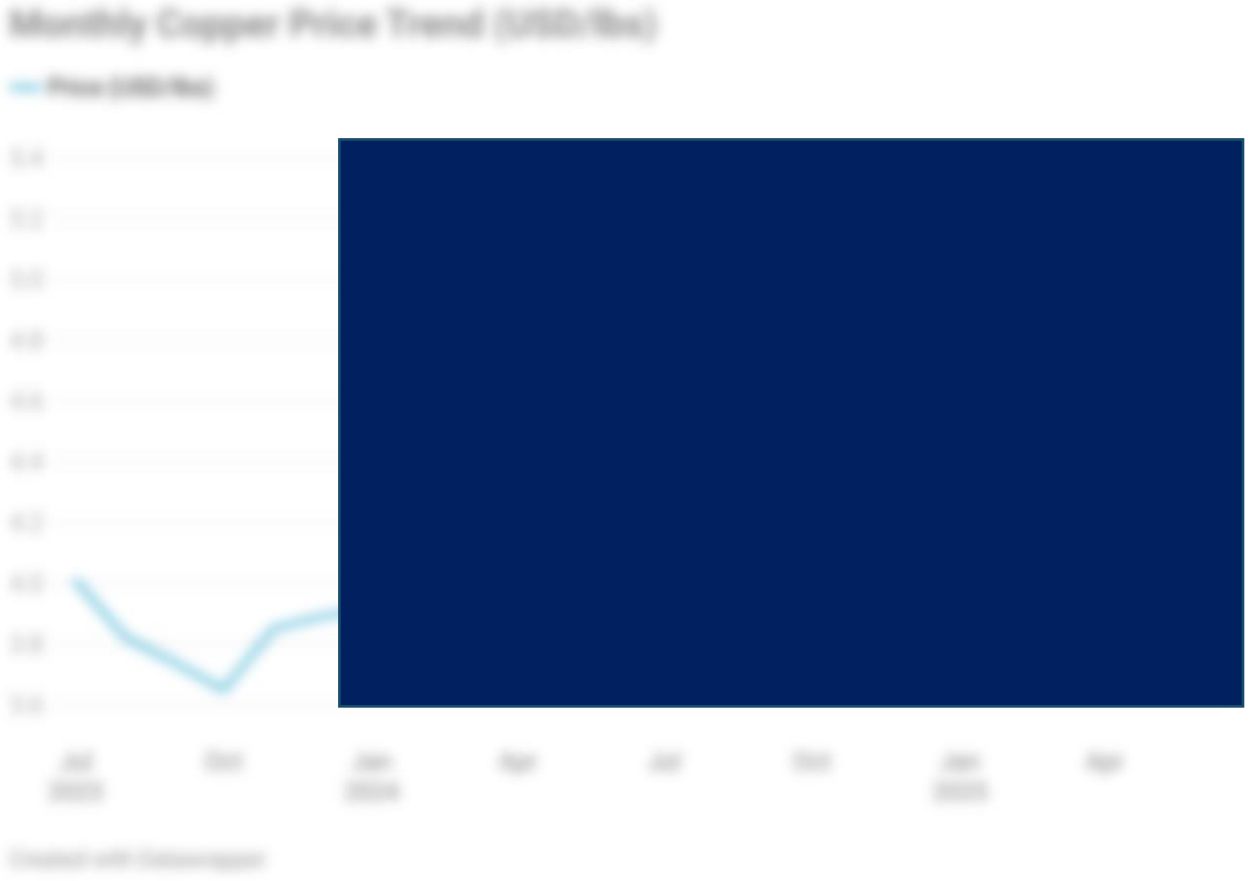

END MARKET OVERVIEW

Industry	Cable Type(s)	Applications	Expected Demand	Supply Commentary
Automotive	Harness	Main electrical distribution systems, engine control, lighting, instrument panels, door assemblies, battery management systems (BMS) in EVs.	The automotive wire harness market is significant, with steady growth expected.	Complex supply chain, often custom-designed, requiring skilled labor. Vulnerable to raw material price fluctuations (copper, plastics). Manufacturers focus on automation and regionalization to mitigate risks. Supply needs to keep pace with increasing electronic content per vehicle and EV transition.
	Shielded Cable Assemblies	Sensor cables, actuator cables, connections exposed to harsh environments (e.g., engine bay).	2025 demand driven by increasing vehicle electronics and EV production.	Reliable supply for standard components, custom molding lead times can vary.
	LVDS, High Speed (e.g., Automotive Ethernet, Coax for Infotainment)	Infotainment displays, ADAS (Advanced Driver-Assistance Systems) camera and sensor connections, in-vehicle networking.	Strong growth due to ADAS, infotainment, and connected car features. Automotive Ethernet market growth.	Requires precision manufacturing. Supply chain for specialized connectors and raw materials can be a factor. Increasing demand for higher bandwidth and EMI shielding.
	Power Cord (for EV charging)	EV charging cables (vehicle side and charging station side).	Rapidly growing demand, is aligned with EV sales.	Quality and safety standards are critical. Supply scaling up to meet EV demand, but competition is also increasing.
Consumer Electronics	High Speed (USB, HDMI, DisplayPort, internal data cables)	Internal connections between PCBs in compact devices like smartphones, tablets, laptops, cameras, printers.	Consistently high demand, driven by new device sales and upgrades to higher-speed standards (e.g., USB4, HDMI 2.1).	Rapid evolution of standards requires continuous R&D and retooling. Supply of advanced chipsets for active high-speed cables can be a bottleneck. Counterfeiting can be an issue for branded cables.
	LVDS	Display connections in laptops, monitors, TVs, data transfer (USB Type-C, Thunderbolt), internal board-to-board high-speed links.	Demand tied to production volumes of display panels and compact devices.	Precision manufacturing required. Supply generally matches device production cycles but can be impacted by component shortages affecting the broader electronics industry.
	FCC Ribbon	External connection cables for chargers, peripherals, internal reinforced connections.		

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IMPACT OF TARIFFS

Tariffs have a significant impact on the cable industry, influencing both costs and supply chain dynamics. Key effects include:

INCREASED COSTS FOR RAW MATERIALS

- Tariffs on essential materials, such as copper, aluminum, and polymers used in cable manufacturing, lead to higher input costs.
- These increased costs are often passed on to consumers, raising the overall price of finished cables.

SUPPLY CHAIN DISRUPTION

- Tariffs targeting imports from major cable-producing regions (e.g., China, India) can disrupt supply chains, causing delays and prompting companies to seek alternative sources.
- They also reduce availability, especially for specialized cables that may not be produced domestically at scale.

SHIFT TOWARD LOCAL MANUFACTURING

- In response to tariffs, many companies shift production or sourcing to domestic or tariff-exempt countries, promoting local investment and potentially increasing short-term costs due to limited local capacity.

COMPETITIVE DISADVANTAGES

- Domestic manufacturers that rely on imported materials or components may face competitive disadvantages compared to fully localized or vertically integrated competitors.

MARKET VOLATILITY

- Tariff uncertainty can contribute to price volatility, complicating budgeting and procurement for cable buyers in sectors like construction, telecom, and data centers.

ENCOURAGEMENT OF STRATEGIC STOCKPILING

- Anticipating tariffs may lead to stockpiling, temporarily distorting demand and supply, and putting pressure on inventory and logistics.

In summary, tariffs on cables and their components increase production costs, disrupt global supply chains, and drive regional shifts in manufacturing, all of which impact pricing, availability, and long-term investment strategies within the industry.

KEY TAKEAWAYS

- The global wire and cable market, valued at USD 229.09 billion in 2025, is expected to reach USD 395.87 billion by 2034, driven by rapid AI, IoT, and automation adoption.
- Demand is surging for high-performance cables—such as industrial Ethernet, sensor, power, coaxial, fibre optic, and high-speed data cables—particularly in data centers and smart manufacturing. However, supply struggles to keep pace due to raw material constraints, production bottlenecks, and logistics challenges.
- Most cable manufacturing remains concentrated in Asia, but geopolitical shifts are prompting regional diversification. Tariffs further exacerbate costs and supply disruptions, encouraging companies to reassess their sourcing strategies and consider localized production, which may lead to increased short-term costs and market volatility.
- Prices have risen sharply due to copper and aluminium volatility, energy costs, and freight disruptions, with elevated pricing expected through 2026 before potentially stabilizing as capacity expands.