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Macro Roundup Article

Headline: **Will There Be Enough Cables For The Clean Energy Transition?**

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Tweet: Demand for high-voltage cables outside China is increasingly supply-constrained which will soon start to delay major renewable energy projects.

Summary: Sending electricity at very high voltage is more efficient, if more expensive, with losses potentially as low as 3% per 1,000km for direct current systems, which have less resistance. This is about 30-40% lower than for alternating current systems. “HVDC [high-voltage direct current] becomes economic at about the 60km mark” for subsea systems, says Ian Douglas, chief executive of cable company XLCC. Demand for high-voltage cables is booming, with the market climbing from a typical $3bn of new projects awarded per year between 2015-20 to $11bn in 2022. This year, the estimated value of new orders is likely to exceed $20bn before settling at $18bn-$20bn per year, according to Massimo Battaini, incoming chief executive of Prysmian. “We are fully booked until 2026/27,” he says.

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