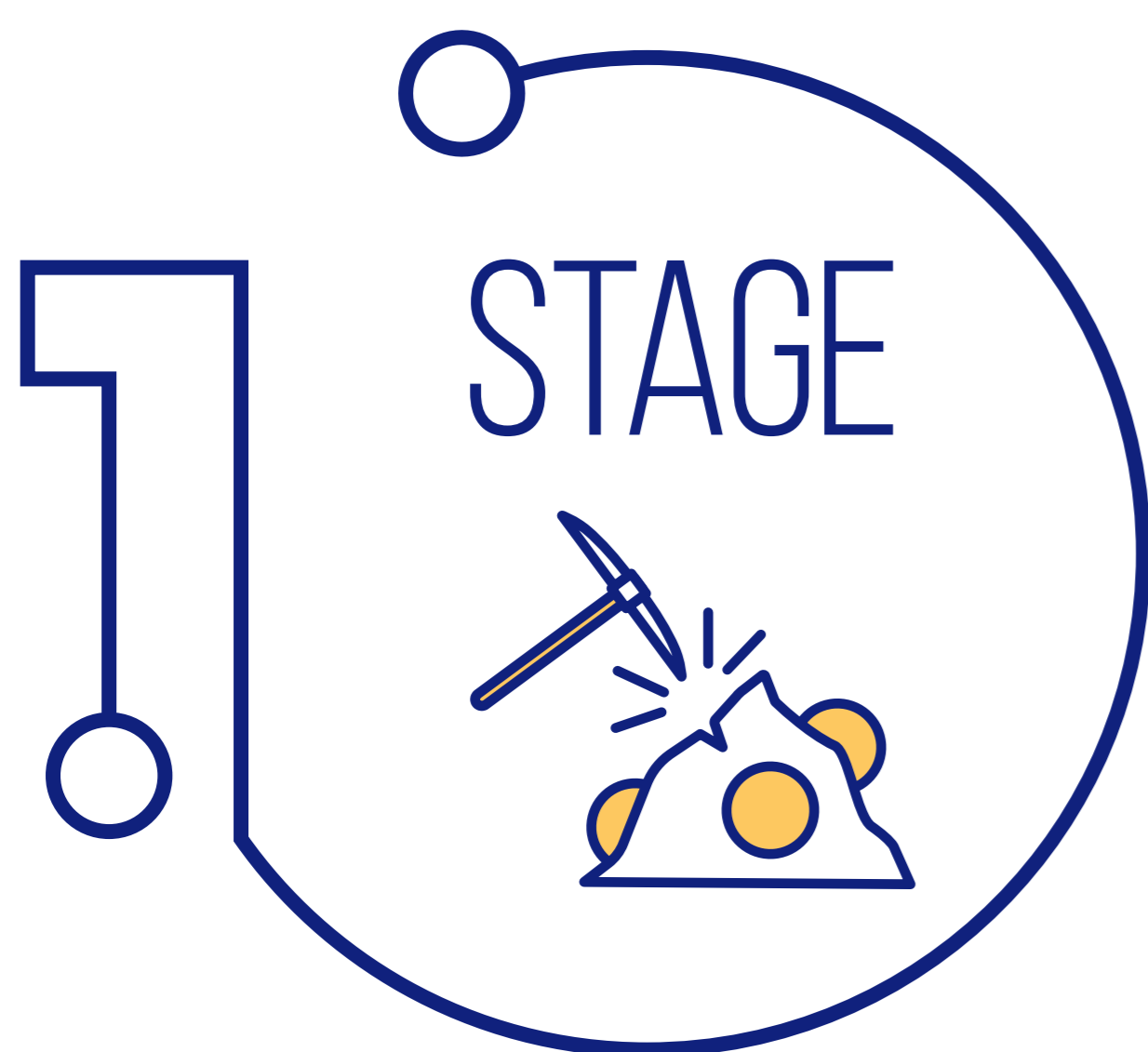


COVID-19

impact on the ELECTRICAL SUPPLY CHAIN

Electrical contractors are experiencing shortages and higher prices for copper wire, conduit, breakers, EV charging stations, panels, generators and more due to supply chain issues.

Each stage of the supply chain is affected



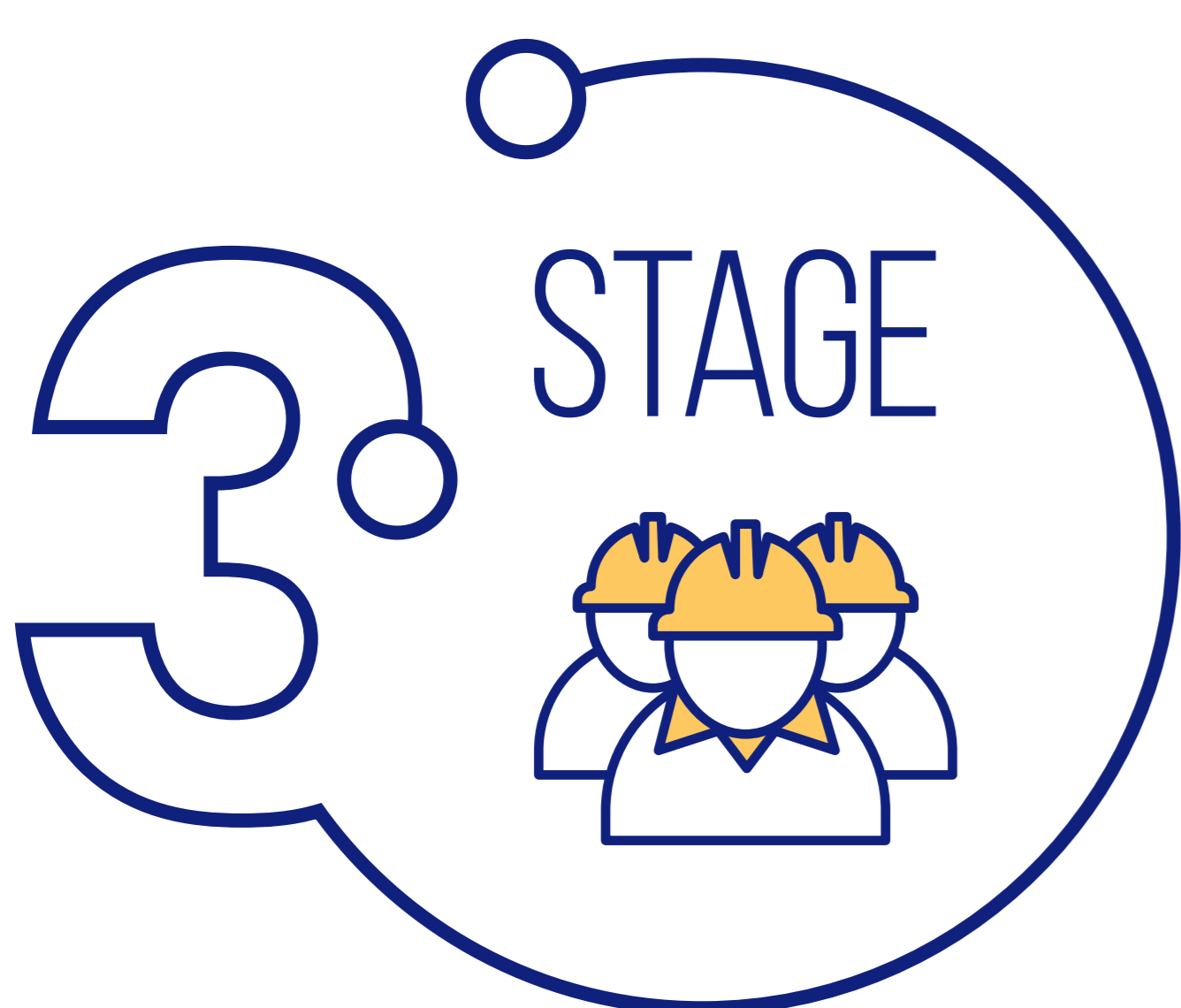
MATERIAL SHORTAGES

- Copper stocks **cover just 3.3 weeks of demand**. This is a massive shortage at a time when copper is in high demand since it conducts electricity and is needed everywhere.
- Experts **predict a bigger shortage** of wire and lighting products.
- Rigid conduit is used in many electrical projects and China is cutting back crude steel **production by 10%** and America's steel mills are struggling to resume production.
- PVC conduit is also used in electrical projects and **57% of American PVC production capacity was halted** when petrochemical facilities were shut down.



MANUFACTURING AND SHIPPING BOTTLENECKS

- **6 million+** manufacturing layoffs globally, 7% of all industry workers.
- **20% drop** in ship calls due to restrictions and lockdowns.
- **Air cargo capacity down 12%** compared to 2019.
- **90% of US trucking and trailer suppliers** believe an Original Equipment (OE) production bottleneck is in progress.



CONTRACTORS: ELECTRICAL SUPPLY PRICES WILL REMAIN HIGH

- National Association of Home Builders (NAHB) reported that home builders are experiencing a **26% increase in building material prices**.
- Wire, insulating and jacketing materials are **up 10-25%**.
- Copper price is **up 21% this year. 27% at a peak of \$4.54/pound** this April (price per pound not seen since 2011).
- The price for a **ton of steel has increased 138%** in the last six months, the primary material used in rigid conduit.



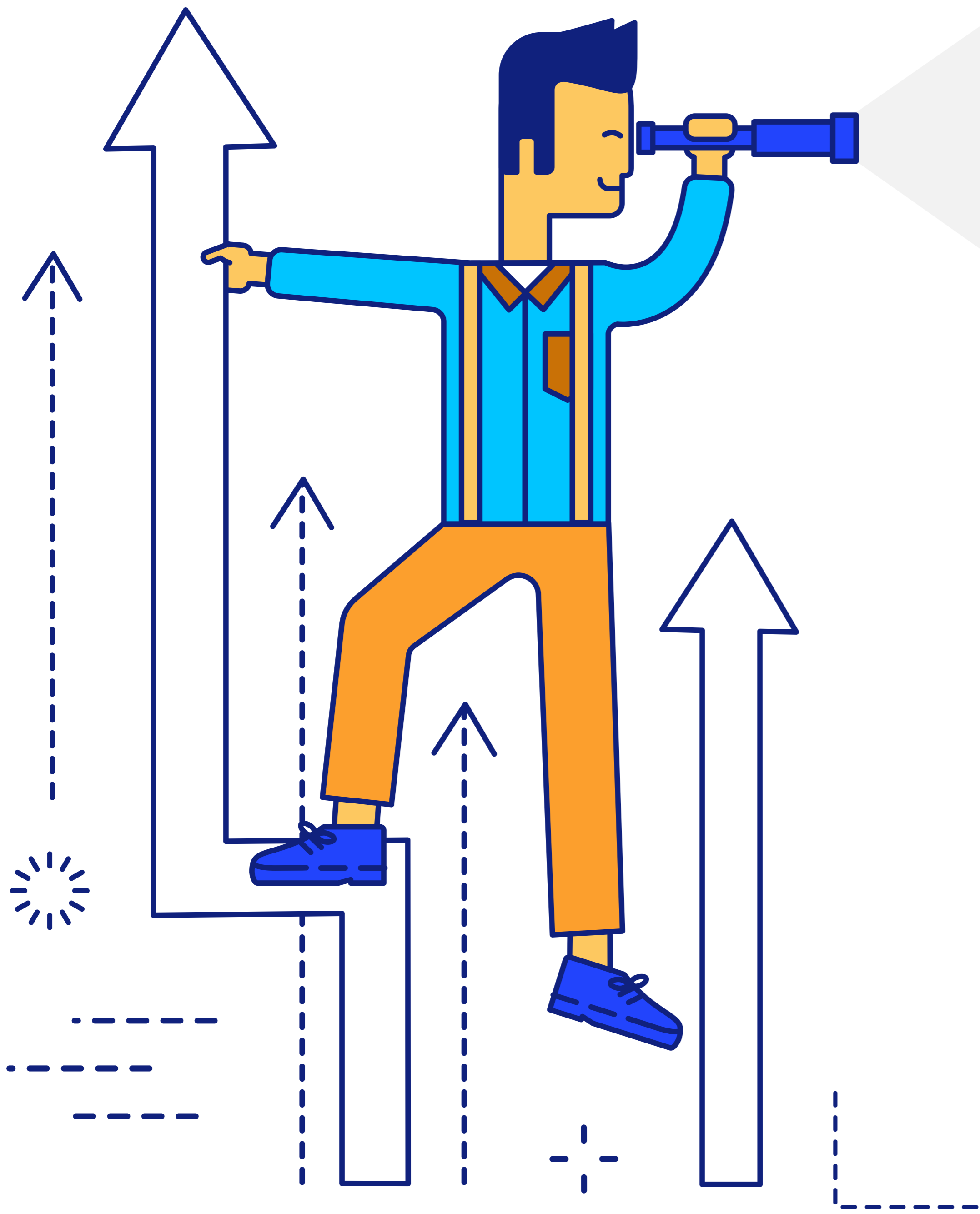
RESIDENTIAL AND COMMERCIAL CUSTOMERS

- Project timelines are getting extended because contractors are having a difficult time procuring the supplies needed to complete the jobs.
- Contractors are forced to revise previous job estimates because of significantly increased costs.
- Contractors are turning away jobs because of labor shortages.

WHAT

you should expect from

CONTRACTORS IN 2022:



Home and building owners should brace for higher prices and project delays in 2022

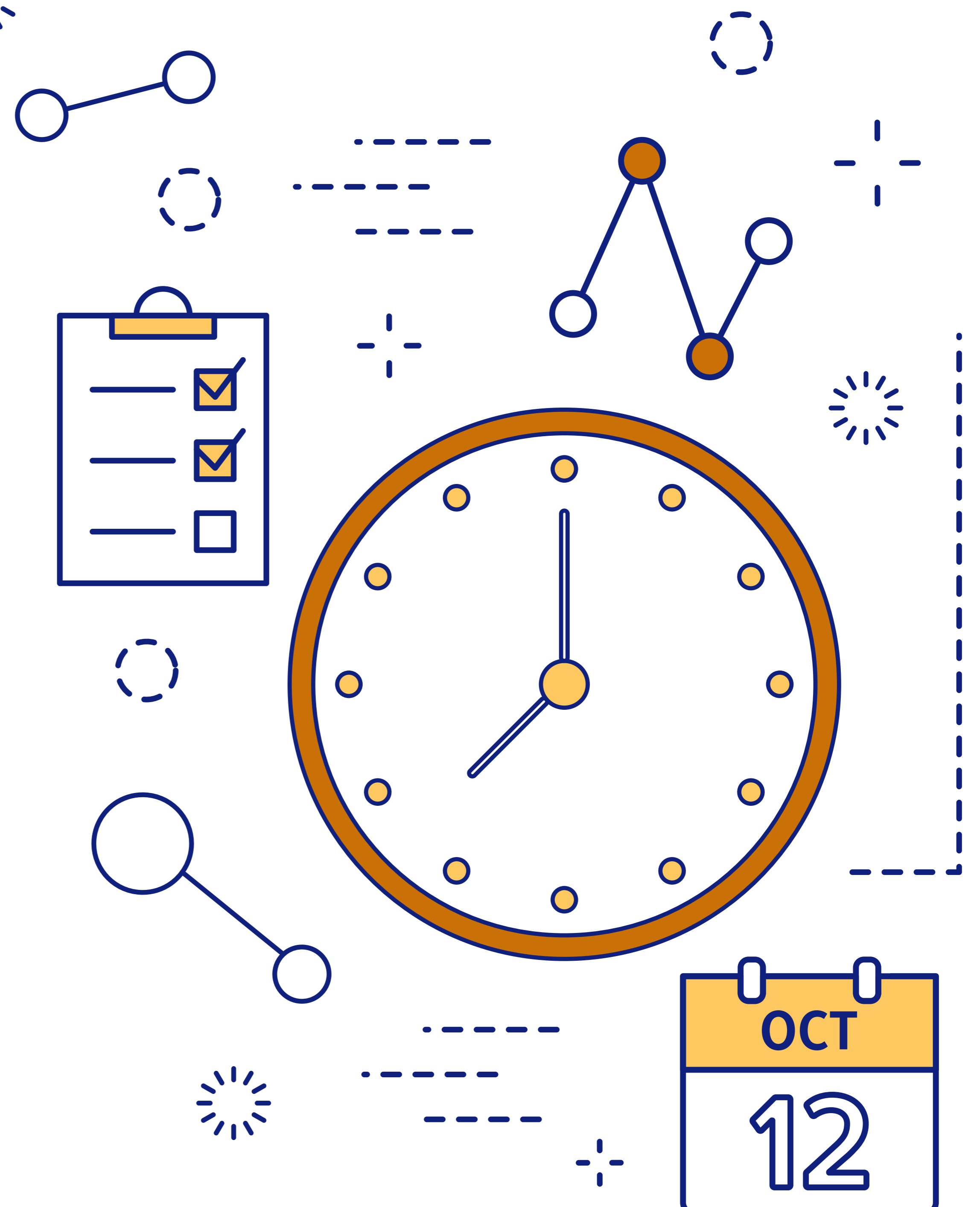
- + **Shortages and price increases** spreading to other areas of the supply chain and adjacent industries.
- + **Increased difficulty securing contractors** to complete projects.
- + **Significant price increases on supplies** needed to complete projects.
- + **Project delays** because of limited contractor availability.

WHAT CAN YOU DO?

If you have a new project don't delay. Call contractors now so you get on their schedule.

Work with your existing contractor relationships to jointly plan out your projects based on today's reality.

Be patient, contractors are managing supply chain issues the best they can.



BUY SMARTER AND MORE EFFICIENTLY

Our software and purchasing program saves you money while helping your employees make the best and quickest purchasing and sourcing decisions.

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