Latin America’s Surging Three-Phase UPS Market Projected to Reach $330 Million by 2015

Uninterruptible Power Supply (UPS) revenues grew 24% in 2010, with a spectacular 58% surge for three-phase UPS greater than 100 kVA, according to a recent study on the market from IMS Research. In 2010, high power three-phase UPS, which are typically associated with data centers, picked up nearly 3 points share of Latin America’s UPS market thanks to the staggering growth in Brazil and Mexico. Latin America’s three-phase growth is forecast to continue with the help of government and infrastructure investments particularly in Brazil and Mexico.

Much of Latin America’s growth in 2010 can be attributed to the expanding IT market. The three-phase segment is forecast to continue seeing substantial gains as capital spending is going towards data center projects across all industries. Furthermore, single-phase UPS growth is slowing as compared to three-phase UPS growth since voltage regulators and laptop computers, which eliminate the need for an UPS, are becoming more widely used in Latin America.

“Brazil presents the best opportunity for three-phase UPS growth” says IMS Research Market Analyst Lori Lewis. “With an economically healthier middle class, more individuals are able to take advantage of modern day information technology and mobile computing devices resulting in exponentially growing computing and data storage needs. Three-phase UPS going into data centers will have to grow just as fast in order to keep up with all of this increased demand.”

Mexico is also experiencing a lot of activity, with large data center builds going into medium and large businesses, banking and infrastructure advances. Mexico, in fact, boasts significant advantages for foreign investors over Brazil due to fewer import taxes, fewer local competitors, fewer barriers to entry into the market and an overall more sustainable growth. Columbia has come under the radar as a promising investment with a well-educated population. The corruption, guerilla warfare and drug trafficking that scared investors away in the past has slowly subsided, allowing the country to develop properly.

With a good mix of established and fast-growing developing economies, Latin America is seen as secure and profitable for UPS suppliers looking to enter the market or enhance their presence in the region. Since Schneider Electric’s acquisition of local manufacturer Microsol, and Legrand’s recent acquisition of the large single-phase supplier SMS Technologia, the region continues to pick up global attention and stirs up the question of who will be next.

Source URL (retrieved on *03/07/2014 - 11:45am*):
http://www.ecnmag.com/news/2011/11/latin-america%E2%80%99s-surging-three-phase-ups-market-projected-reach-330-million-2015?qt-recent_content=0&qt-

most_popular=0