

China, Russia and India to generate most business for power transformer market

Power transmission networks across the world are being given with much-needed attention from utilities, as rising populations and economic growth encourage substantial investments in grid expansion and strengthening, according to a new report by energy experts GlobalData.

The new report* states that global power transformer markets are expected to grow considerably in the future due to growing demand, with China and India as key current markets, and Russia set to witness a significant growth in the future.

Revenue from the global power transformer market reached \$12.5 billion in 2011, with growth primarily driven by the Asia-Pacific and Middle Eastern regions. The share of China and India in the global transformers market revenues is expected to increase from 36% in 2011 to 45.6% by 2020, driven by massive transmission and distribution (T&D) investments in these countries.

China's focus previously laid with the increasing power generation capacities to meet burgeoning electricity demand, which led to under-investment in grid networks. However, the transmission sector is now receiving much-needed investment which will boost power transformer sales in the country. In India, rising electricity demands have led to increased investments in the power generation and transmission sector. The country plans to add 100,000 MW (megawatts) of installed capacity as part of the country's 12th Five-Year Plan (2012-2017), which will necessitate a large amount of investment in the transmission network, thus driving the power transformer market.

The Russian market is expected to grow considerably in the future, as improving economic conditions and increasing electricity consumption are coupled with reforms related to privatization and electricity pricing in the power sector. This has led to increased focus on reliable power transmission in the country, with the government focusing on strengthening and expanding the electricity grid in order to support the increasing electricity load. Planned grid investments under the Russian government's Energy Strategy to 2030 plan will be the major driver for the transformer market during the future, which is expected to grow from \$750m in 2011 to \$1.3 billion by 2020.

New power transformer installations in North America and Europe are comparatively lower. However, with 70% of power transformers in these regions being more than 25 years old, the replacement market will provide most opportunities for power transformer companies. Supported by strong drivers, the global power transformer market is expected to reach \$22.8 billion in 2020.

*Power Transformers - Global Market Size, Average Pricing and Competitive

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Published on Electronic Component News (<http://www.ecnmag.com>)

Landscape Analysis to 2020

Source URL (retrieved on 09/18/2014 - 12:46am):

<http://www.ecnmag.com/news/2012/05/china-russia-and-india-generate-most-business-power-transformer-market>