High-power UPS to see stiff competition from static suppliers

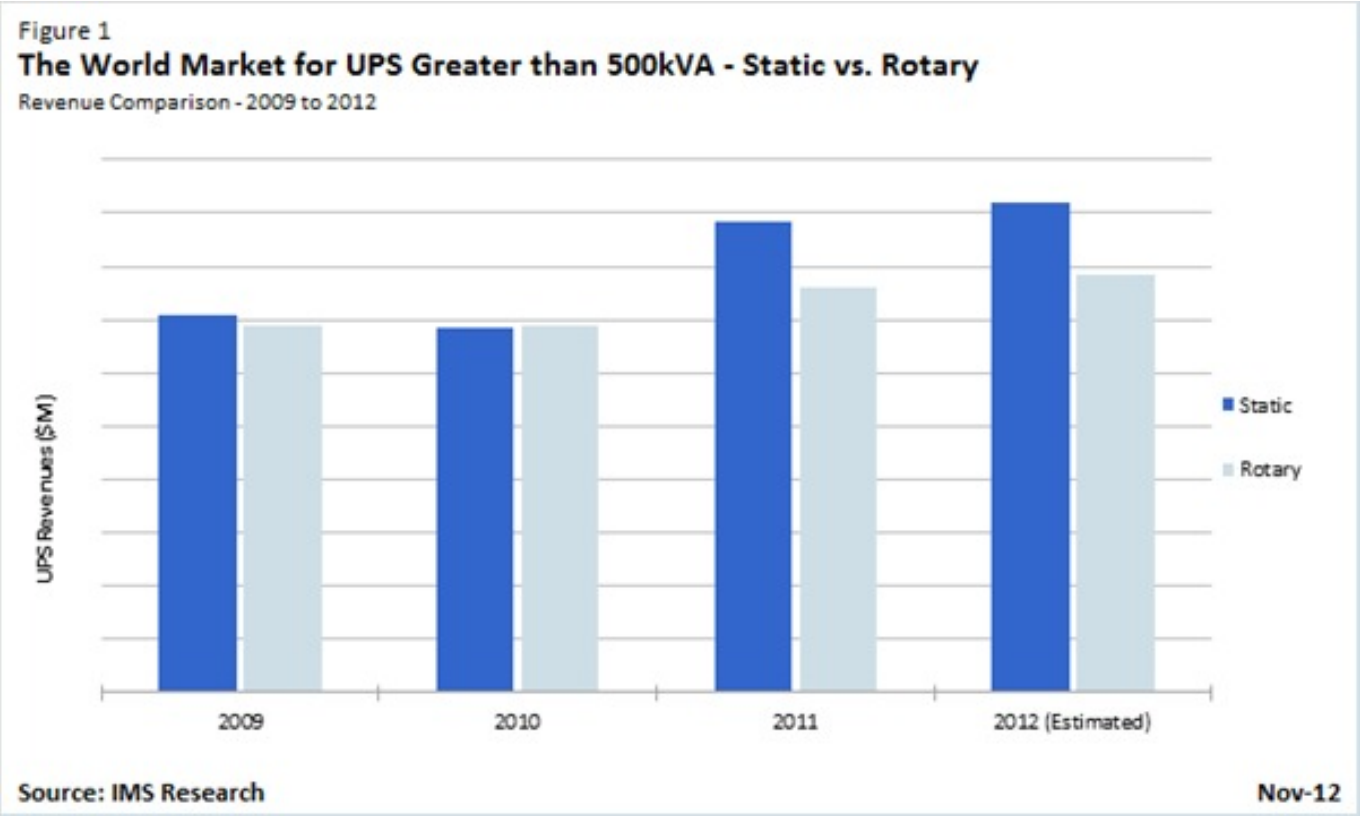
The latest study from IMS Research [1] forecasts the market for high power uninterruptible power supplies (>500kVA) will surpass $1 billion by 2016. As the fastest growing power segment, high power UPS have not only seen an uptick in sales in recent years, but also in the amount of competition, as more static UPS suppliers enter this fast-growing market once dominated by rotary suppliers. In 2010, the nearly $700 million high power UPS market was evenly split between rotary and static suppliers, but in 2011, static UPS occupied 55 percent of this market.

The shift from rotary to static has come from a combination of significant revenue potential and improved semiconductor technologies. With the amount of data storage and computing increasing exponentially in today's IT world, the number of enterprise data centers and colocations are on the rise, presenting tremendous opportunity for high power UPS over the next few years. Despite tough economic conditions in 2012 and 2013, high power UPS are still forecast to achieve a five-year compound annual growth rate of 7.8 percent. Furthermore, the semiconductor technology that has typically limited static UPS from addressing the high power market has advanced to better withstand the high currents associated with high power applications.

"The static market has come a long way in the past five years alone," explains IMS Research Senior Analyst Lori Lewis. "Rotary UPS were the only single-unit UPS above 1000 kVA available on the market, but now Emerson, Eaton, Schneider, and more recently AEG, have introduced single-unit UPS of 1000 kVA or higher into their product lines."

"What's also interesting is to see how quickly the market for high power static UPS is growing, especially considering how much longer rotary UPS have been around," Lewis adds. "The static suppliers who have high power UPS product on the market all have strong ties to the data center already, and this is the market that is driving growth for larger UPS. It is likely that the end-users are more comfortable with and slightly biased towards static UPS because of their history with static suppliers."

As the high power UPS market continues to grow, static suppliers will maintain a significant presence in this market. The question now is whether they will enter the next big power segment of 1500kVA and above. The three large rotary suppliers, Piller, Hitec and Euro-Diesel, have all launched a 3000kVA UPS so are static suppliers also setting their sights on higher power UPS as well? If enough of a market for these products exists, then the answer is undoubtedly yes.



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