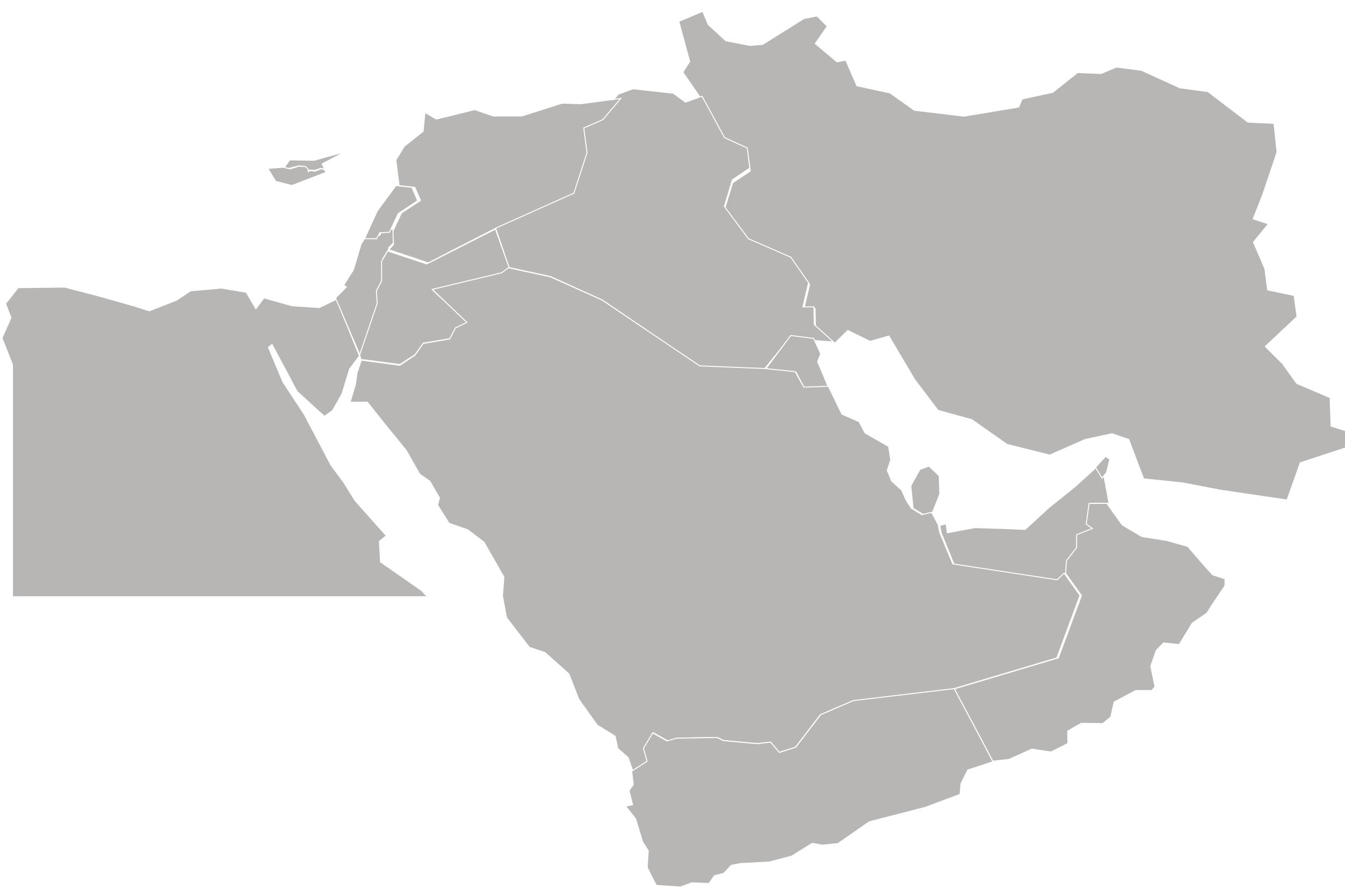


Key Drivers Instigating Distribution Transformer Demand in the Middle East

Introduction



- The Middle East's distribution transformer market is small as compared to other regions in the world; however, it is important to note that there is a lot of movement in this market currently.
- This is because the region has started focusing on increasing its renewable energy capacity and diversifying its economy.
- Furthermore, there are several plans to add MVA capacity in the grid to meet the growing demand for electricity.
- The market is emerging as a key demand instigator for distribution transformers.

Key Trends

Factors driving the transformer market

01

Renewable Energy

Less than 2% of the Middle East's energy demand is fulfilled by renewables at present. During 2019-20, the share of renewables sources increased by 35%.



02

Network Expansions

Approx. 430,000 MVAs have been planned in transmission capacity over 10 years, which will translate to capacity additions in the distribution segment in the Middle-East region as a whole



03

Infrastructure Development

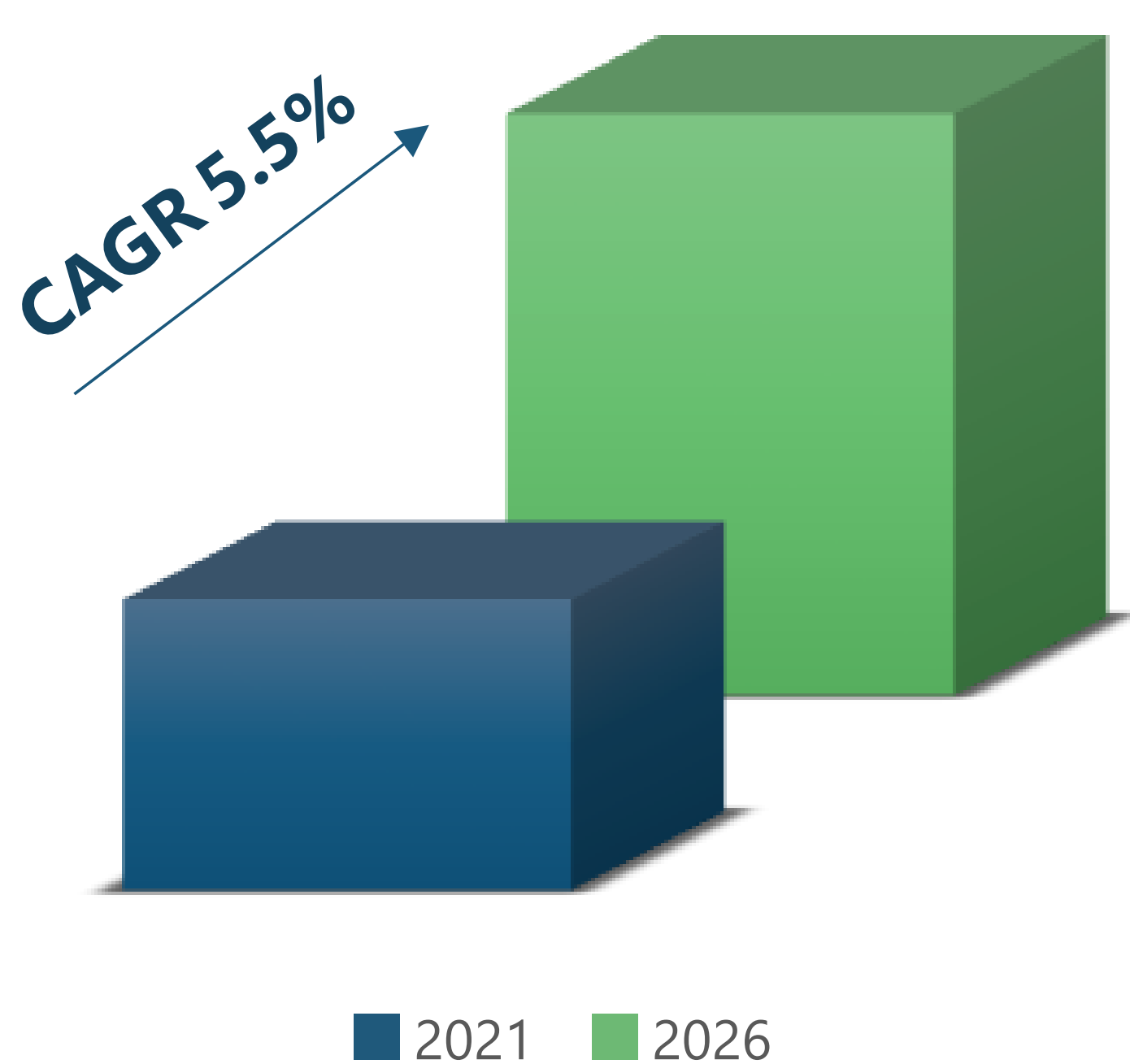
Huge investments in the infrastructure segment are planned in order to develop the Middle Eastern market as a financial and tourism hub, boosting non-oil exports and driving the T&D equipment demand going forward.



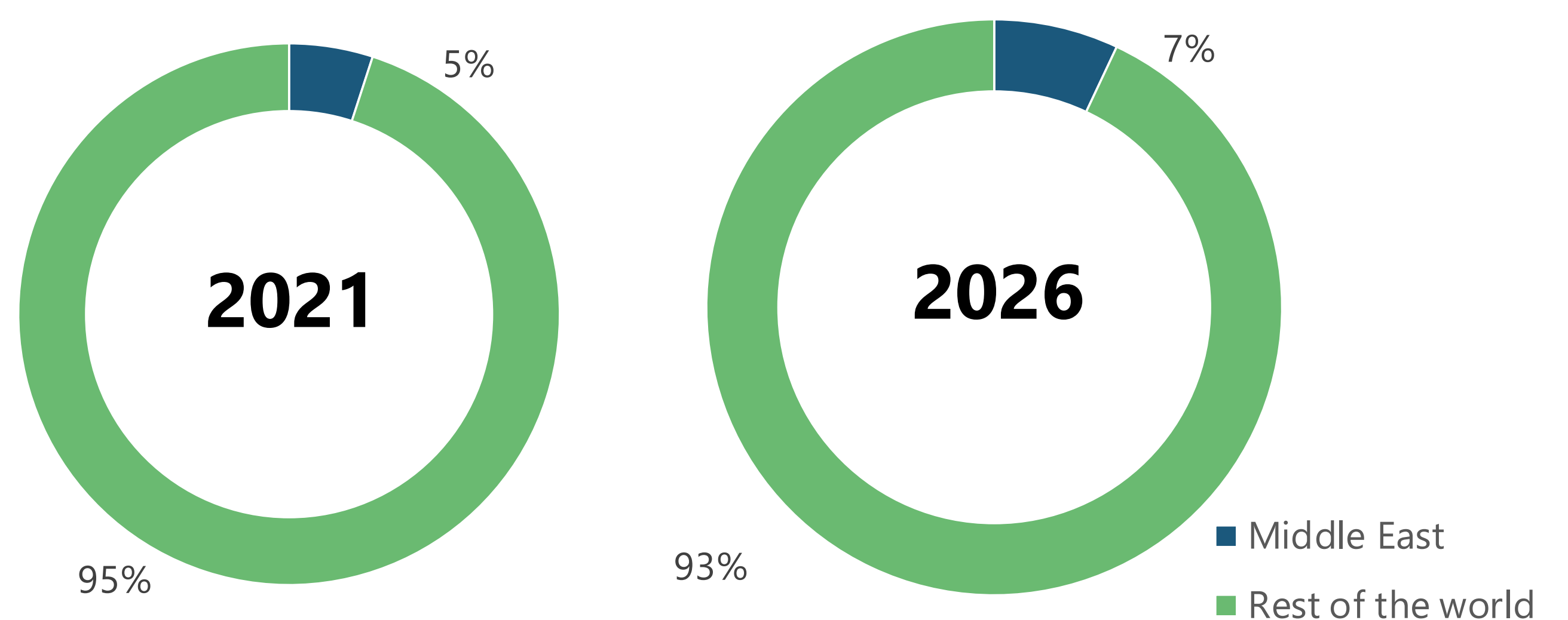
Distribution Transformer Market

The market is expected to grow considerably in the next 5 years and experience an increase in its global share.

CAGR of the Middle East's Distribution Transformer Market



Middle East Distribution Transformer Market Share



- Additions in renewable capacity, network expansion plans, and infrastructure development are going to drive the expansion and modernization of the T&D grid, giving rise to the demand for legacy grid equipment, including distribution transformers.
- The distribution transformer market is expected to show considerable growth and is projected to experience a CAGR of 5.5% from 2021 to 2026. In that same time period, the market share of the region's distribution transformer market is expected to increase from 5% to 7%.