

## Key Drivers Instigating Distribution Transformer Demand in the KSA

#### Introduction



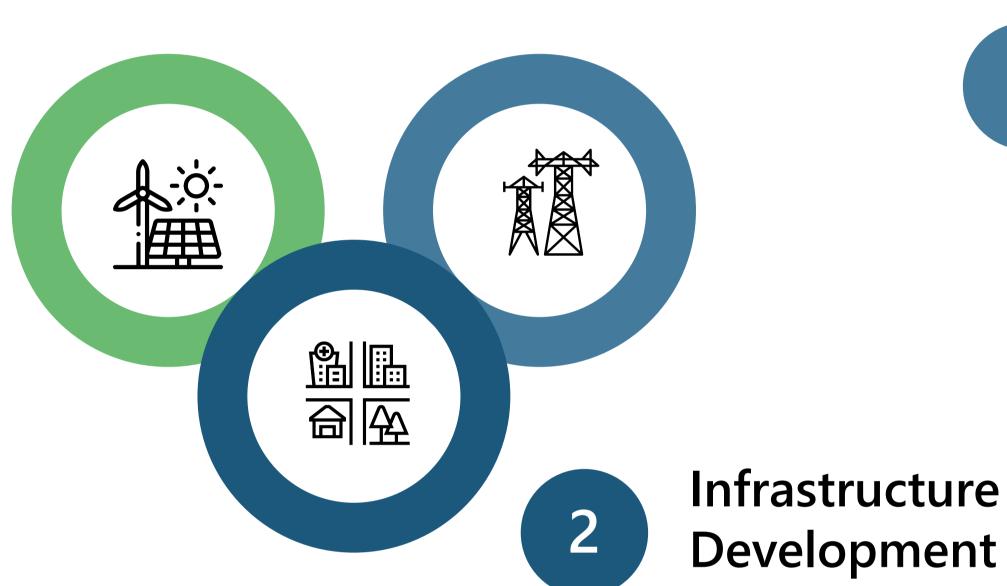
- KSA's distribution transformer market is one of the biggest in the MEA region with a lot of movement.
- Demand for transformers in the country is mainly driven by addition in generation capacity and infrastructure projects to diversify the generation mix and to promote tourism, respectively.
- Furthermore, there are several plans to add MVA capacity in the grid to meet the growing demand for electricity.
- The market is mostly dominated by local manufacturers which are preferred over international suppliers due to stringent localization policies.

### Key trends



#### Renewable Energy

Installation of wind and solar power plants by the Renewable Energy Project **Development Office** (REPDO) to achieve 58.7 GW of renewable energy by 2030 to generate 50% of KSA's electricity from renewables and the other half from gas.



# by Saudi Electricity

Network expansion plans Company (SEC) to accommodate renewables integration & infrastructure development projects e.g., Saudi Arabia will increase its transmission substations capacity by 214,000 MVAs by 2030.

**Network Expansions** 

KSA is aggressively pursuing economic diversification plans with big investments to develop mega infrastructure projects such as the high tech Neom city with a planned investment of USD 500 Billion, the King Abdullah **Economic City with USD** 59 Billion investment and the Jeddah Economic City with approx. USD 28 Billion investment.

#### The Distribution Transformer Market

## Middle East Africa Distribution Transformer Market **KSA Distribution Transformer Market CAGR** 23% 25% 2021 2027 77% **75%** Saudi Arabia Rest of MEA 2027

- 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 of legacy grid equipment including distribution transformers.
- The distribution transformer market is expected to show considerable growth and will experience a CAGR of 5% from 2021 to 2027. In that same time period, the market share of the country's distribution transformer market is expected to increase from 23% to 25% in the region.