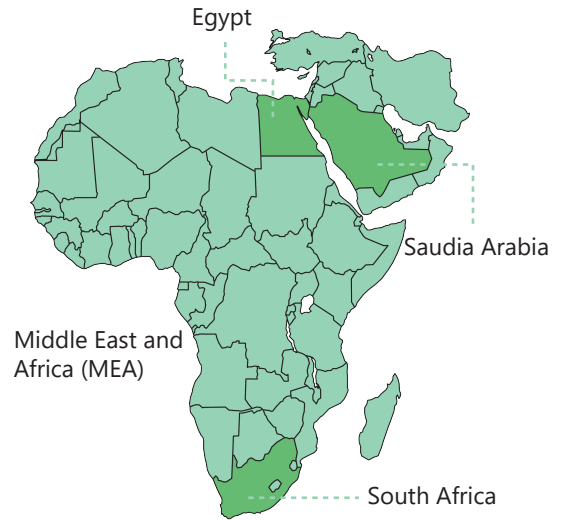




Key Drivers Instigating MV (Medium Voltage) Switchgear Demand in Middle-East & Africa (MEA)

Introduction

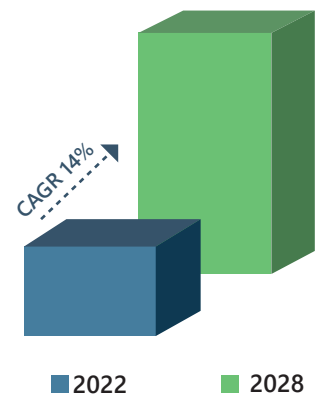
- In 2022, MEA accounted for 12% and 14% of global medium voltage (MV*) air-insulated switchgear (AIS) and MV gas-insulated switchgear (GIS) markets.
- The region's focus is predominantly on GIS at the secondary distribution level.
- MEA's MV switchgear market will see significant growth this decade, driven by increased generation capacity, infrastructure projects, and electricity demand.
- In KSA, the largest market of the region, local manufacturers dominate the market due to strict localization policies.



MV Switchgear Market Growth

- MEA is experiencing rapid growth in the MV AIS and MV GIS markets, with combined double-digit compound annual growth rates (CAGR) of approximately 14% from 2022 to 2028. This positions MEA as the fastest-growing market for MV AIS and the second fastest for MV GIS globally in terms of annual revenue.
- In the region, the MV AIS market is primarily driven by greenfield additions in the utility and generation sectors, while the industry sector comprises a mix of greenfield and brownfield projects. The MV GIS market is mainly propelled by greenfield additions across all sectors.
- Localization efforts in significant countries are expected to establish Alfanar as the leading player in the switchgear market, not only in KSA but also in the GCC region.

MEA MV Switchgear Market CAGR



Market Trends



RENEWABLE ENERGY

MEA's ambitious plan to expand utility-scale wind and solar plants from 21GW in 2022 to 82GW in 2030 will be a major growth driver for switchgear in the region

INFRASTRUCTURE DEVELOPMENT

\$500 billion Neom City Development Project in KSA, the \$28 billion Mohammed Bin Rashid Real Estate Development Project in UAE, and the construction of up to 14 additional smart cities in Egypt highlight the scale of these opportunities.

NETWORK EXPANSIONS

The rapid population growth rate of 3.5% in some MEA countries necessitates a significant expansion of electricity capacity, estimated at 25-30%. As a result, electricity grids are being expanded to meet the increasing demand, and various initiatives have been launched across all verticals, aiming to enhance the capacity of the MV grid.