European MV Switchgear Market Accounts for 10% of the Global MV Switchgear Market

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- Europe has a 10% share in the global MV switchgear market with Germany as the market leader.
- According to Power Technology Research, increased penetration of renewables in the grid, especially in Western Europe, will drive the European MV switchgear market.
- The ambitious carbon emission reduction goals are expected to drive growth in the switchgear market of Nordic countries

Europe has a 10% share in the global MV switchgear market with Germany as the market leader followed by France, Spain, the UK, and the Netherlands. In this article, we discuss the MV switchgear market of Europe and how incorporation of renewable energy and grid expansion plans will affect the market in the long run.

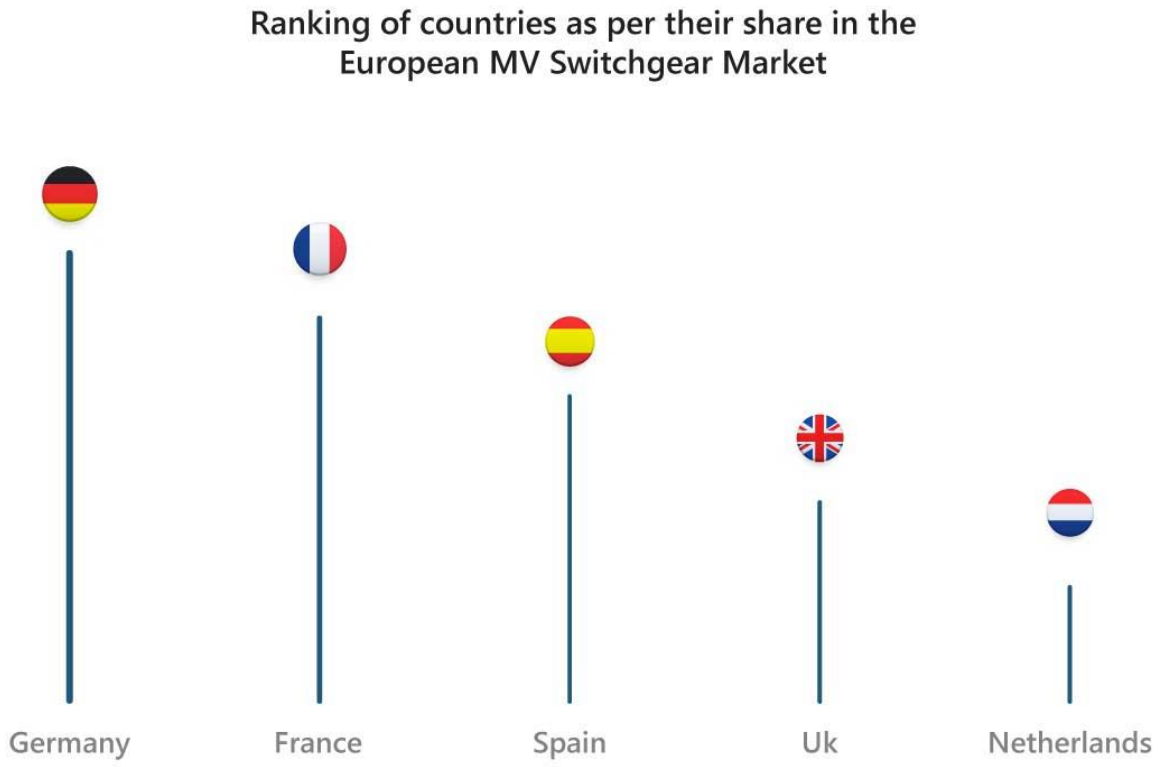

Figure 1: Ranking of countries as per their share in the European MV Switchgear Market.
Source: Power Technology Research

Key Insights of the MV Switchgear Market of Europe

According to Power Technology Research, increased penetration of renewables in the grid, especially in Western Europe, will drive the European MV switchgear market. The cumulative installed capacity of renewables in Europe has increased from 320 GW to 620 GW with onshore wind capacity increasing from approximately 82 GW to 182 GW and Solar PV increasing from 30 GW to 161 GW over a span of 10 years from 2010-2020.

The cumulative renewable installed capacity of Germany, which is the market leader in the European MV switchgear market, increased from 62 GW to over 130 GW with onshore wind capacity increasing from 27 GW to 54 GW and Solar PV capacity rising from 18 GW to over 53 GW over from the decade of 2010-2020. By 2030, Germany plans to install an additional 189 GW of renewable capacity which will increase the overall installed capacity of Solar PV to 200 GW and wind to 101 GW. Power Technology Research believes that Germany, which has the highest share of MV GIS used in the primary and secondary topology, is expected to maintain this position due to its planned renewable additions.

It is significant to note that Germany's grid expansion plans are an integral component of its 'Energiewende' energy transformation plan. These plans were slowed down from 2017-2018 mainly due to red tapes in the country but a political breakthrough in 2019 led to a new grid expansion law and an agreement between southern states and the

federal government is expected to speed up the country's transmission grid expansion plans.

As far as Spain is concerned, its cumulative installed capacity of renewables has increased from over 45 GW to over 61 GW with an increase in onshore wind from 20.6 GW to 27 GW and an increase in Solar PV from 3.8 GW to 11.7 GW over the decade of 2010-2020. According to the estimations by the Spanish Renewable Energy Business Association, in order to achieve its climate targets, Spain needs to invest USD 115 billion dollars towards further such efforts.

According to Power Technology Research, the cumulative installed base of renewables in Spain is expected to reach 89 GW in 2030. The MV switchgear market of the country will consequently be driven by planned investments in the renewables sector.

Similarly, looking at France, UK and the Netherlands, their cumulative installed capacity of renewables increased from 50 GW to around 120 GW with onshore wind increasing from 12 GW to 35 GW and Solar PV growing from 6.4 GW to 35.4 GW over the period of 2010-2020. These countries are major MV switchgear markets of Europe which have plans to aggressively install renewables in the future as well to mitigate global warming.

Additionally, looking at the AIS/GIS market shares in France, Schneider Electric is the leading supplier in the AIS segment followed by ABB, Siemens, Eaton, and Cahors. In the GIS segment, Schneider Electric is the largest supplier followed by Siemens and Ormazabal.

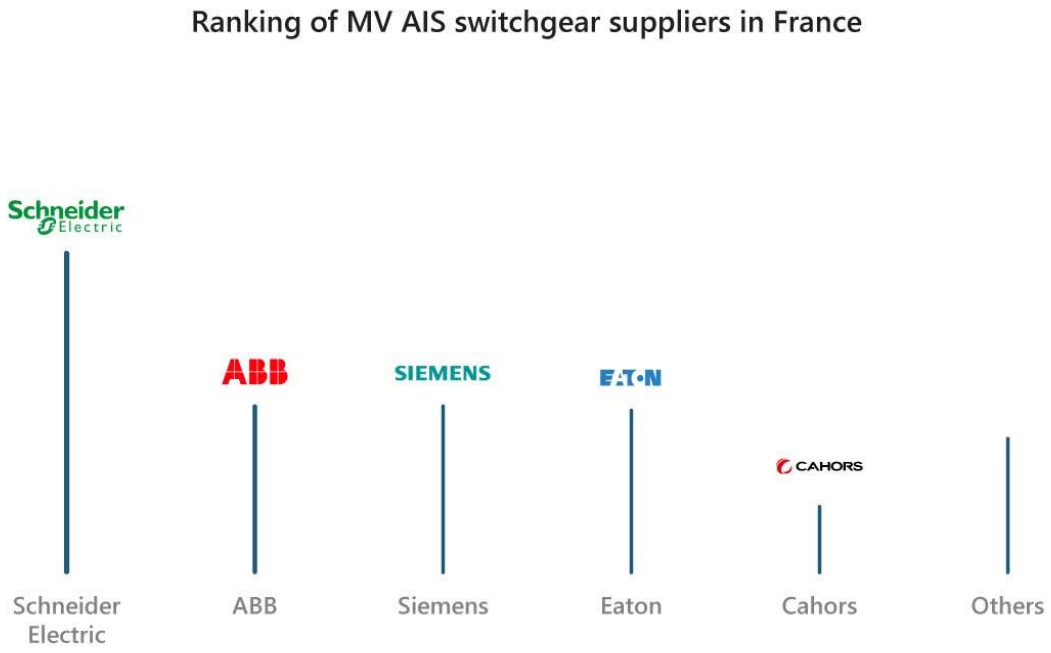

Figure 2: Ranking of MV AIS switchgear suppliers in France.
Source: Power Technology Research

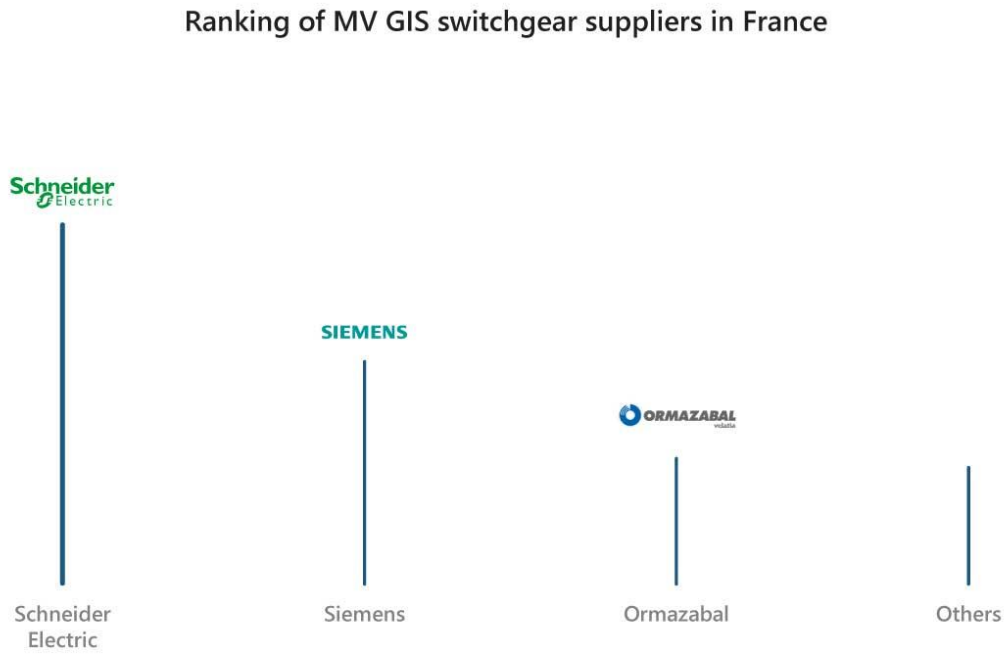

Figure 3: Ranking of MV GIS switchgear suppliers in France.
Source: Power Technology Research

Nordic Switchgear Market

In the Nordic switchgear market, its ambitious carbon emission reduction goals are expected to drive growth. Norway has plans to reduce carbon emissions by 50-55% by 2030 compared to its 1990 levels. Finland, along the same lines, plans to achieve carbon neutrality by 2035 while Denmark is aiming to achieve a 40% reduction in greenhouse gas (GHG) emissions by 2030. Iceland aims to achieve carbon neutrality before 2040 and to reduce its GHG emissions by 40% by 2030 under the Paris Agreement.

Keeping in mind the aforementioned environmental goals and the inclination of the Nordic market towards the integration of clean energy, it is expected that the market will prove favorable for SF_6-free switchgear and the OEMs of this equipment.

According to Power Technology Research, looking at the market shares in the MV AIS segment, ABB is the largest supplier followed by Siemens, Schneider Electric, and Eaton. Similarly, in the MV GIS segment, ABB is the largest supplier followed by Siemens, Schneider Electric, and Eaton.

Figure 4: Ranking of MV AIS suppliers in Nordic countries.
Source: Power Technology Research

Figure 5: Ranking of MV GIS suppliers in Nordic countries.
Source: Power Technology Research

Looking Ahead

Power Technology Research believes that the European MV switchgear market in the future will be driven by an aggressive increase in its renewable generation capacity, especially in Western European countries, followed by grid expansion plans specifically by Germany which is the market leader in the European MV switchgear industry. In addition to this, Nordic countries are expected to provide a favorable environment to the SF_6 free switchgear industry in the future while no drastic change on the supplier side is expected in the short term at least.

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