

# Key Drivers Instigating Distribution Transformer Demand in the KSA





- 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.

3

## 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.



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.

#### **Network Expansions**

Network expansion plans by Saudi Electricity 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.

### The Distribution Transformer Market

KSA Distribution Transformer Market CAGR

Middle East Africa Distribution Transformer Market



- 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.