



## **THE WORLD MARKETS AND MANUFACTURERS OF TRANSFORMERS 2005 – 2010**

### **SUMMARY**

The global market for Transformers was valued at US\$15,085 million in 2004.

The largest national market in 2004 was that of China, which was valued at US\$3,625 million and which accounted for 24% of the overall world market.

The second largest national market was that of the USA (US\$2,929 million) followed by Japan (US\$1,446 million) and Germany (US\$739 million).

The largest regional market for Transformers in 2004 was the Far East (US\$6,062 million) followed by North America (US\$3,459 million) and Western Europe (US\$2,661 million).

The largest producer in 2004 was the Far East, with production totalling US\$5,729 million.

Reported exports of Transformers totalled US\$3,287 million in 2003.

The largest exporter in 2003 was Germany (US\$335 million), followed by Mexico (US\$238 million) and Italy (US\$205 million).

Reported imports of Transformers in 2003 totalled US\$3,228 million.

The largest importer in 2003 was the USA (US\$709 million) followed by China (US\$283 million) and Germany (US\$124 million)

ABB and Alstom remain the leading manufacturers of Transformers, although they tend to have a strong European base to their sales. In North America, Waukesha, ABB, GE, Howard and Cooper are the dominant companies, whilst in the Far East several companies dominate the market. The position of the two Japanese groups is understated in Table 15 of this report because each partner in the two j.v.'s is reported separately. The combined TMT&D group would rank second only to ABB if combined; whilst the Japan AE group would rank 5<sup>th</sup> place behind Siemens. Goulden Reports has continued to report all of these separately and it looks as though at least one of these is soon to be de-merged.

There have been a number of structural changes in the manufacturing base worldwide. In the last edition of this report it was noted that ***“VA Tech have increased market share by acquisition and organic growth and now have manufacturing in North and South America, China, France, Italy, UK and Austria.”*** A major change in the market has been the acquisition by of VA Tech by Siemens; VA Tech seen to be a

victim of their own success and in future editions of this report will probably be reported within the Siemens camp. It was also noted in the last edition that ***“Pauwels the largest specialist independent company left continues to innovate whilst riding out difficult market conditions in Europe.”*** It appears that this independent struggle has come to an end as Pauwels have joined forces with Crompton Greaves, in a merger that provides volume outside of Europe for Pauwels and a respected international arm for Crompton Greaves. And lastly, Toshiba and Mitsubishi are once again to become separate entities in the transformer world following announcements that the TMT&D j.v. is to be dissolved.

Finally, the previous Goulden Report on transformers in 2003 stated ***“China begins to dominate the transformer world. Largest producer, largest exporting country and second largest world market.”*** China now DOES dominate the world scene. With a market of \$3.6 billion China accounts for nearly one quarter of total world demand. China is the second largest importer of transformers, but at \$0.283 billion it means that China satisfies over 90% of demand domestically. Even allowing for the fact that some of this domestic production is eventually credited back to overseas j.v. partners the fact remains that this part of the world should be an important consideration in every marketing and strategic plan for the next decade.

**The World Market for Transformers, by Region, 1999 - 2004 (US\$ Million)**

<b>Region</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Western Europe	2,405.6	2,499.1	2,621.1	2,552.0	2,613.9	2,658.7
Eastern Europe	241.9	235.5	238.7	265.7	284.3	307.6
Former USSR	304.0	369.2	434.3	488.0	509.3	558.5
North Africa	161.9	142.2	150.0	148.8	173.8	183.3
West Africa	60.4	57.4	46.8	55.9	55.2	59.4
Central Africa	1.3	1.8	3.9	7.8	3.8	5.8
East Africa	22.4	19.1	20.3	29.0	25.0	32.4
Southern Africa	184.8	117.0	133.1	154.4	141.1	144.5
Middle East	400.7	437.6	428.0	439.7	522.2	526.8
South Asia	346.5	389.1	359.8	402.8	396.2	419.3
Far East	4,984.2	5,076.9	5,191.6	5,370.1	5,722.5	6,059.6
South America	508.2	395.8	412.7	413.7	441.9	455.0
Cent. America & Carib.	60.0	74.8	60.0	59.2	66.8	65.3
North America	2,756.3	2,953.2	3,280.7	3,494.2	3,419.4	3,456.8
Oceania	88.4	80.6	94.5	74.7	103.8	109.9
Other Areas	38.68	58.38	32.51	34.42	39.16	42.01
<b>Total</b>	<b>12,565.2</b>	<b>12,907.7</b>	<b>13,507.9</b>	<b>13,990.5</b>	<b>14,518.4</b>	<b>15,085.0</b>

Source: Goulden Reports