

The Worldwide Smart Grid Market in 2011: A Reality Check and Five Year Outlook Through 2015

Volume 3: World Market Forecast and
Assessment

NEWTON-EVANS
RESEARCH
COMPANY 

©July 2011

SAMPLE

Copyright © 2011 Newton-Evans Research Company, Inc.

The information contained in this document is the exclusive, confidential and proprietary property of Newton-Evans Research Company, Inc. and is protected under the trade secret and copyright laws of the U.S. and other international laws, treaties and conventions. No part of this work may be disclosed to any third party or used, reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying and recording, or by any information storage or retrieval system, without first receiving the express written permission of Newton-Evans Research Company, Inc. Except as otherwise noted, all trademarks appearing herein are proprietary to Newton-Evans Research Company, Inc.

4	Introduction
9	Global Summary
10	North America
13	West Europe
20	Latin America
24	Asia Pacific
29	Middle East/Africa
32	East Europe
35	South Asia
38	Vendor Survey
50	Additional Comments

Volume Three describes the smart grid-related market outlook through 2015 based on insights gathered from dozens of recently completed industry and utility surveys and secondary research activities conducted by Newton-Evans' staff. Importantly for this volume, equipment manufacturers, systems integration specialists, consultants and software developers, together with other representatives of the power industry's "supply side" were surveyed or interviewed for their outlooks and opinions on where the "smart grid" market is headed in the near term (2011-2012) and the mid-term (2013-2015).

Weighting based on six economic/electricity factors:

The breakout of smart grid expenditures and the outlook for the 2011-2015 period enables both a regional view and a country-specific assessment for major country markets.

The regional percentages of global expenditures and estimates are weight-based on eight factors related to the world totals. These are: population, GDP, GDP outlook based on World Bank and International Monetary Fund (IMF) sources, electricity production capacity; actual electric output; fleet size (number) of large power generation facilities, number of transmission substations, and the number of distribution (MV) substations.

Clearly, some world regions, and some countries in particular are growing at a faster clip than the global average growth in gross domestic output (of goods and services). The IMF has recently (June 2011) revised its GDP outlook for major countries and for each world region.

World total output growth is expected to be in the 4.3% range for 2011 and 4.5% for 2012. Western nations are expected to have lower rates of growth (below 3%), while emerging and developing economies are expected to grow at about 6.5% on average over 2011 and 2012. China, projected to grow at about 9.6%, and India, anticipating growth in the 8% range outpace other ASEAN nations. Brazil and Mexico apparently will grow at more moderate levels, between 4 and 4.7%. Sub-Saharan African growth (5.5%-5.9%) will likely outpace that of the Middle East (about 4.3%).

The next step in providing improved smoothing of our five year outlook for each region has been to factor in these varying GDP growth rates, as they certainly do have an impact on electricity production and infrastructure development in the faster growing developing nations.

The series of tables that accompanies the overview discussion of each region and major country is based on "one growth rate fits all" based on the smoothed percentages of the

eight factors mentioned above as key influencers of smart infrastructure spending. However, the research staff has also provided its own insights into the breakout for the advanced metering infrastructure component. The series of tables is further smoothed with the inclusion of International Monetary Fund (IMF)/World Bank GDP outlook information. The overview discussions for each region factor in additional influences on capital spending for major smart grid components. Keep in mind that access to capital markets and availability of human resources together with the outlook for electricity demand in each country will be vital in any estimates of likely growth of smart grid activities.

Further, the global estimates for smart grid component spending are likely to be more accurate than are the regional/country breakouts. The global estimates are thought to be reasonable based on discussions with, and feedback received from, the major stakeholders or market share leaders in each smart grid market segment. This approach can be considered a top-down assessment, based on the eight smoothing data points used to prepare “size” estimates for each world region, as discussed earlier. However, we have tempered the regional observations, where feasible, with what our studies and observations have uncovered concerning individual smart grid projects, and specific smart grid component activities in certain world regions.