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## Electrical Wholesale Market Report – UK 2011-2015 Analysis

New AMA report reviews the UK electrical wholesale market

“The electrical wholesale market has experienced difficult trading conditions in recent years, reflecting the poor economy and difficult construction environment. In 2010, the market was estimated to be worth £2,997m. This represents a decline of 15% on 2008. While improvement in some sectors, such as housing, is forecast for 2011/2012, recovery in the electrical wholesaler market will be slow though the market is expected to be supported by legislative changes affecting products such as lighting and increased pressure to control operational and M&E costs amongst businesses”

A brief summary of the report is included on the following page.

Priced at £665, the report is currently available from AMA Research Ltd,  
Telephone 01242 235724 or e-mail at [sales@amaresearch.co.uk](mailto:sales@amaresearch.co.uk).

### **Editors Note:**

Attached is a summary of the report. Please use brief extracts if you wish, **but we would request that references to company market shares are not published without our prior permission.**

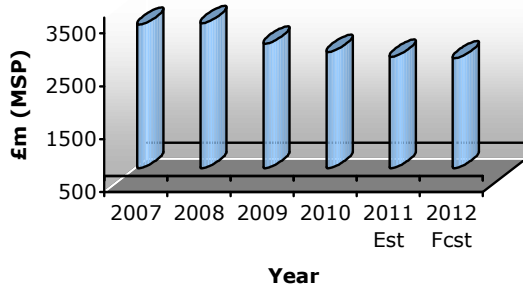
If you would like to receive an editorial review copy or would like to speak to the author of this report, please contact Keith Taylor or Chris Moore on (01242) 235724.

Please include our web address and telephone number on any review printed; it would also be appreciated if a copy of the review could be forwarded to AMA Research. Thank you.

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UK Electrical Wholesale Market and Forecast  
2007 – 2012 (£m WSP)



The electrical wholesale market has experienced difficult trading conditions in recent years, reflecting the poor economy and difficult construction environment. In 2010, the market was estimated to be worth £2,997m. This represents a decline of 15% on 2008. While improvement in some sectors, such as housing, is forecast for 2011/2012, recovery in the electrical wholesaler market will be slow and the

market value is not expected to return to its peak level during the forecast period.

Factors supporting the market include government capital expenditure in key sectors such as health and education, growth in specialist markets, product development in many sectors, demand for additional services and non-core products, and evolving legislation leading to a requirement for higher specification and new types of products. Factors negatively affecting market growth include continued low levels of construction, particularly for new build, poor exchange rate, increased price competition, a growing threat from competitive channels and longer product life-spans reducing the replacement market.

Electrical wholesalers remain market leaders in distribution of electrical products and are particularly strong in core product areas such as electrical accessories and test equipment. It is unlikely, in the short to medium term, that they will relinquish their hold on these markets. In recent years, competition has intensified within the distribution market for electrical products. The direct sales and specialist distributor channels are the most significant competitors to the electrical wholesalers at present, with electronic component distributors, trade catalogues operations and internet retailers also significant.

Over the past two years, electrical wholesalers have continued to widen their product portfolios, introduced additional services in order to add value and embraced e-commerce, in order to become more flexible and remain competitive in the present difficult trading climate. Cables, circuit protection & switchgear and lighting remain the largest product sectors within the electrical wholesale market, accounting for an estimated 54% of the value of products sold.

Product sectors experiencing relatively good performance in the current market include security & fire systems, controls and test equipment, with growth driven by increasingly tight legislation. The cables market has also experienced growth primarily due to higher raw material prices. In general, product prices have increased with the additional driver of higher cost of imports, due to the current weakness of the sterling.

The electrical wholesale market is expected to decline in 2011, although at a slower rate than in the past, as some end use markets begin to recover and trading conditions slowly improve.

Current forecasts for construction output and for the economy in general suggest that the business climate will see slow recovery. The electrical wholesaler market is likely to be negatively affected by a reduction in large projects going to tender and the spending cuts announced for the public sector, and while the market is expected to return to growth in 2012, the forecast is for a small decline over the year as a whole.

From 2013 onwards, the market is expected to display average growth levels of 4-5% resulting in a market value in 2015 forecast at £3,268m, representing a 9% increase on 2010. Growth will be driven by product development such as renewable energy solutions, the improving economy and a number of new government measures related to energy efficiency as well as other policy areas, taking effect.

**"Electrical Wholesale Market Report – UK 2011 – 2015 Analysis"** is available in hard copy or electronic format for £665 and can be ordered online at [www.amaresearch.co.uk](http://www.amaresearch.co.uk) or by calling 01242 235724.