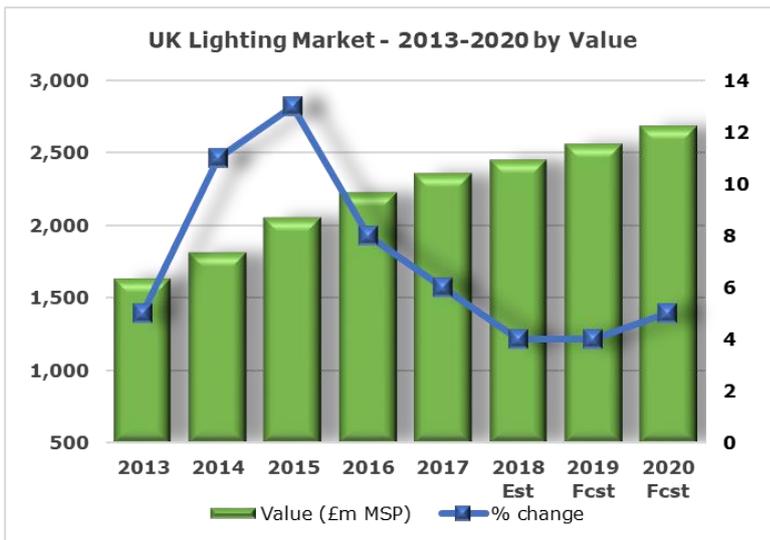




## PRESS RELEASE

### 44% increase in the UK lighting market between 2013-17

June 2018 – Cheltenham, UK



The overall lighting market in the UK was estimated to be worth £2.4 billion in 2017, having increased by 44% since 2013. The key driver for the lighting market is LED lighting which has gained significant share in the non-domestic sector and also started to make inroads into the domestic market. LED technology is likely to promote a period of innovation and expansion particularly in terms of more integrated products, control and lighting solutions. Forecasts are for growth but at a lower rate than in the period 2014-2017 as the uptake of LED's has increased.

Source: AMA Research Ltd/Trade Estimates

Retro-fitting of efficient lamp products has been crucial to growth rates within the market, and the lamps market has recorded the highest level of growth in recent years. It is expected to continue to outperform the market, due to the introduction of a wide range of replacement, higher value LED and low energy halogen products, although as the prices of these products fall considerably and penetration increases, this sector is expected to slow.

Luminaires dominate the UK lighting market, accounting for 57% share in 2017, although their overall share of the market is gradually declining in response to the high growth of other sectors. The luminaires market is more reliant on the levels of new build and refurbishment activity, particularly in the non-domestic sector. Strong luminaire market growth has been underpinned by investment in street lighting, rising levels of house completions as well as improvements in construction output for both the domestic and non-domestic sectors.

Controls also remain an important sector with high levels of growth and potential for this to continue. This reflects a sustained focus placed on efficiency and cost savings with organisations recognising the need to reduce unnecessary lighting provision. In the supply sector for controls, there has been a shift in focus towards lighting solutions and systems. This demonstrates not only the greater integration along the supply chain but also the significance of automation and control within the industry.

The UK lamps sector has been dominated by a small number of very large organisations who have all invested heavily in the LED sector in order to maintain market share through acquisition, vertical integration policies or organic and technical development. Opportunities are likely to remain within the UK lamps market for those organisations who can offer production scale and those who serve niche or specialist markets.

Home improvement multiples and department/high street stores are significant distribution channels for domestic luminaire sales with a wide range of refurbishment and decorating products under one roof. However, department stores and high street stores have lost market share recently and there has been significant share gain in the online retail sector.

*Prospects for the UK lighting market remain positive, although more muted than recent history with annual growth rates of around 4-5% to 2022” said Fiona Watts at AMA Research. “There is potential for growth from the domestic sector as the take-up of LED systems offers increased scope for a reduction in energy-use, improved controls, and as technology prices fall and awareness of benefits increases.”*

The adoption of more efficient lighting products which have boosted value underlying growth, have increased life cycle expectations which may have negative implications for the market into the longer-term. Despite the increased demand for LED technologies there has been an oversupply to the global market, especially from developing countries and China. As a result, the global prices of LEDs have fallen significantly and are likely to continue to decline to some extent as wider usage results in more competition.

The '**Lighting and LED Market Report – UK 2018-2022**' report is available now and can be ordered online at [www.amaresearch.co.uk](http://www.amaresearch.co.uk) or by calling 01242 235724.

### **Editors Note:**

Please include our web address on any press release or article published, and it would also be appreciated if a copy of the review or a link could be forwarded to AMA Research. If you would like to receive more information on the report, or would like to speak to the editor, then please contact:

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### **About AMA Research**

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