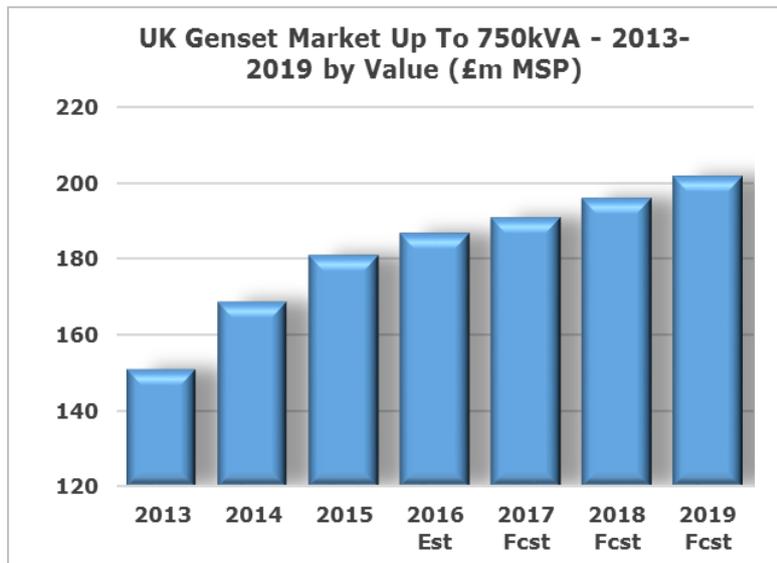




PRESS RELEASE

Increasing power requirements and recovery in construction lead to 24% growth in the generating set market since 2013

June 2017 – Cheltenham, UK



The UK generating set market, up to 750 kVA, has experienced 24% overall growth 2013-16. Whilst the growth rate slowed to around 3% in 2016, factors that fuelled significant growth in earlier years - such as improvements in residential output, recovery of the manufacturing sector and growth of data centres – all continued to stimulate demand for generating sets in 2015-16. Another significant factor underpinning demand has been the steadily increasing power requirements of office and commercial buildings.

The market also benefits from the need for emergency power generation capacity which has been exacerbated in recent years by the increasing incidence of weather related disasters such as flooding and damage to power lines leading to supply interruptions. In addition, continuing concerns regarding the shortage of grid capacity and the slow progress of some replacement generation plants have also led to increased demand for gensets, particularly in “mission critical” sectors such as healthcare and data centres.

The main focus of new product development has been around noise, engine efficiency and emissions with the development of advanced optimised engine management systems being introduced to maximise power output whilst minimising fuel consumption and emissions. An increasingly common solution to the issues of reducing fuel consumption and emissions is the use of hybrid generating sets that combine a conventional diesel engine with renewable energy sources, such as solar photovoltaic.

Other product developments have included the use of cloud computing to enable remote monitoring, the incorporation of fully bunded internal fuel tanks, and the development of gensets offering longer service and fuel replenishment intervals to minimise the cost of maintenance and site visits. The power to weight ratio of gensets has also tended to increase, whilst the footprint of the genset has tended to decrease, making them easier and less costly to install.

Into the medium-term, annual growth rates averaging of 2-4% are currently forecasts for UK genset market for the period 2016-21, reflecting continuing positive prospects for the market, although at a slower growth rate than in 2014-15. However, future prospects are difficult to predict, given the uncertainties as to how the UK economy will perform following the EU ‘Brexit’ decision. One immediate consequence of the ‘Brexit’ vote has been the decline in the value of Sterling, which has given a short-term boost to export-led industrial sectors, though the long-term implications remain unclear.

"The genset industry is likely to be supported by continued growth in the construction sector going forward, including a significant pipeline of major infrastructure projects under the Government's National Infrastructure Plan (NIP) which currently covers over £480bn of projects" said Jane Tarver at AMA Research. "Government measures to alleviate concerns over security of energy supply, including the Capacity Market and the Short Term Operating Reserve (STOR) will continue to provide opportunities for UK generator suppliers to provide standby reserve power, though concerns over the use of diesel generators for this application may lead to pressure to switch to alternative fuels."

Environmental concerns and tightening of regulations are likely to stimulate value-added product developments, focusing on emissions reduction, engine efficiency, and advanced monitoring and control systems. The hire market is also likely to benefit from increased power and lighting needs for the growing outdoor events sector such as music & sporting events, festivals, etc. In addition, the recent trend for providing additional WiFi and telephone connectivity at such events could also provide further opportunities for growth.

The '**Electricity Generating Sets Market Report – UK 2017-2021 Analysis**' report is published by AMA Research, a leading provider of market research and consultancy services with over 25 years' experience in the construction and home improvement markets. The report is available now and can be ordered online at www.amaresearch.co.uk or by calling 01242 235724.

Editors Note:

If you would like to receive more information on the report, or would like to speak to the author, then please contact Anna Eriksson on 01242 235724.

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

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