

Distribution Transformer Market Growth Outlook: CAGR of 6.2% and Value Reaching USD 32.51 Billion by 2032 | ABB Ltd.

Distribution Transformer Market is estimated to valued USD 21.34 Bn in 2025 and expected reach USD 32.51 Bn by 2032, exhibiting CAGR of 6.2% from 2025 to 2032

BURLINGAME, CA, UNITED STATES,
November 17, 2025 /

EINPresswire.com/ -- The Global [Distribution Transformer Market](#) is estimated to be valued at USD 21.34 Bn in 2025 and is expected to reach USD 32.51 Bn by 2032, exhibiting a compound annual growth rate (CAGR) of 6.2% from 2025 to 2032. The market is increasingly shifting toward *smart, energy-efficient transformers*: power and distribution transformers are now being equipped with IoT-enabled sensors and digital monitoring to boost reliability, enable predictive maintenance, and reduce downtime. At the same time, a growing emphasis on **green energy integration** and government-led grid modernisation efforts is driving innovation in transformer design — encouraging low-loss cores, eco-friendly materials, and smarter, more resilient grids.

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Global Distribution Transformer Market Key Takeaways

According to Coherent Market Insights (CMI), the global distribution transformer market size is projected to grow at a CAGR of 6.2% during the forecast period, totaling USD 21.34 Bn in 2025



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Distribution Transformer Market Share

and USD 32.51 Bn by 2032.

Demand is expected to remain high for oil-immersed transformers, with the target segment accounting for 64.5% of the global market revenue share in 2025.

Three-phase segment is anticipated to account for nearly three-fifths of the global distribution transformer market share by 2025.

Based on power rating, below 500 kVA category is set to hold a prominent market share of 42.6% by 2025.

Asia Pacific is projected to remain the most lucrative pocket for distribution transformer market companies, capturing 51.3% of the global market share in 2025.

Growing Electricity Demand Fueling Distribution Transformer Market Growth

Coherent Market Insights' latest distribution transformer market analysis outlines key factors driving the industry's growth. Increasing demand for electricity is one such prominent growth driver.

Electricity consumption is increasing rapidly due to rapid urbanization and industrialization. According to the International Energy Agency (IEA), global electricity demand is set to grow 3.4% annually through 2026.

Rising electricity demand necessitates the expansion and modernization of power distribution networks. This is expected to stimulate growth of the distribution transformer market during the forecast period.

High Initial Investment Costs Restraining Market Growth

The future distribution transformer market outlook looks promising. However, high cost of distribution transformers, especially with high power ratings, might limit market growth during the forecast period.

High-efficiency and eco-friendly distribution transformers are quite expensive. This slows down their adoption in utilities with limited budgets, thereby dampening overall distribution transformer market demand.

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Renewable Energy Expansion Creating Growth Opportunities

Increasing energy needs and depletion of fossil fuels are attracting investments in renewable energy sources. Many nations are increasingly embracing renewable energy sources like solar and wind. This shift is expected to create revenue opportunities for distribution transformer manufacturers.

According to the IEA, global renewable energy capacity is projected to grow by 2.7 times by 2030. This is likely to create demand for distribution transformers capable of handling variable inputs. These transformers are essential for managing voltage levels as well as ensuring stable electricity supply from decentralized generation points to end-users.

Emerging Distribution Transformer Market Trends

Rising investment in power transmission infrastructure is expected to uplift demand for distribution transformers during the forecast period. Governments in nations like India and China are investing heavily in modernizing and expanding power infrastructure networks. For instance, China's National Energy Administration announced a 2025–2030 plan to add 200 GW of solar and wind capacity. Likewise, the Uttar Pradesh Power Corporation Limited (UPPCL) approved a ₹220 crore upgrade for Ghaziabad's power infrastructure in the financial year 2025–2026.

Growing popularity of smart distribution transformers is a key growth-shaping trend. Innovations in distribution transformer material, designs, and technologies are enhancing efficiency as well as reducing losses and enabling better integration with smart grids. Companies are integrating advanced monitoring technologies like IoT to optimize grid performance and detect issues quickly. For instance, in October 2024, Schneider Electric launched EcoStructure Transformer Expert in Ireland and the UK. This easy to deploy and cost-effective digital monitoring solution uses IoT sensors and software analytics to extend lifespan of oil transformers.

Expansion of EV charging and electrified transport is expected to boost sales of distribution transformers in the coming years. The rising popularity of electric vehicles is driving investments in EV infrastructure, leading to higher demand for distribution transformers. Leading companies are developing new solutions to meet this growing demand. For instance, Hammond Power Solutions (HPS) recently introduced a new EV charging distribution transformer.

Competitor Insights

Key companies in the distribution transformer market report include:

Siemens AG

ABB Ltd.

Schneider Electric

Mitsubishi Electric

General Electric
SGB-SMIT Group
Eaton Corporation
Toshiba Corporation
Crompton Greaves
Nexans S.A.
Hyundai Heavy Industries
Pacific Electric Wire & Cable Co., Ltd.
WEG S.A.
Kirloskar Electric Company Ltd.
Siemens Gamesa Renewable Energy
Key Developments

In June 2025, Hitachi Energy launched the Compact Line Voltage Regulator at CIRED 2025. The new integrated solution combines voltage regulation and power transformation within a single, compact product to address the controllability of distribution grids.

In May 2025, Hammond Power Solutions (HPS) launched a new EV charging distribution transformer. This novel solution is designed to meet the demanding conditions of electric vehicle (EV) industry by providing reliability as well as energy efficiency and high-performance.

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Alice Mutum is a seasoned senior content editor at Coherent Market Insights, leveraging extensive expertise gained from her previous role as a content writer. With seven years in content development, Alice masterfully employs SEO best practices and cutting-edge digital marketing strategies to craft high-ranking, impactful content. As an editor, she meticulously ensures flawless grammar and punctuation, precise data accuracy, and perfect alignment with audience needs in every research report. Alice's dedication to excellence and her strategic approach to content make her an invaluable asset in the world of market insights.

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