Voltage Transformer Market to Hit $42.1 Bn by 2032 Driven by Grid Modernization

The market grows as utilities modernize grids, renewable energy expands, and protection systems advance to ensure accurate monitoring and safety.

WILMINGTON, DE, UNITED STATES, November 19, 2025 /EINPresswire.com/ -- According to a new report published by Allied Market Research Voltage Transformer Market Size, Share, Competitive Landscape and Trend Analysis Report, by Voltage Type (Low Voltage, Medium Voltage, High Voltage), by Application (Residential and Commercial, Utility, Industrial, Others): Global Opportunity Analysis and Industry Forecast, 2022 - 2032, The global voltage transformer market size was valued at $22.4 billion in 2022, and is projected to reach $42.1 billion by 2032, growing at a CAGR of 6.6% from 2023 to 2032.

The voltage transformer market is witnessing significant growth as global power networks transition toward more efficient, resilient, and digitally enabled infrastructures. Utilities and industrial users rely heavily on voltage transformers to step down high voltages for safe measurement, monitoring, and protection across transmission and distribution networks.

Rapid urbanization, rising electricity demand, and the integration of renewable energy sources have increased the need for voltage transformers that offer higher accuracy and reliability. Technological advancements, such as smart transformers and IoT-enabled monitoring systems, further enhance grid stability and long-term asset performance.

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Growing investment in grid modernization remains a major driver of the voltage transformer market. Countries across Asia-Pacific, North America, and Europe are upgrading outdated grids to improve efficiency, reduce losses, and accommodate decentralized power generation, all of which increase transformer demand.

The expansion of renewable energy, particularly solar and wind, is reshaping transmission and distribution networks. Voltage transformers play a critical role in integrating variable energy sources by ensuring accurate measurement and protection, thereby enhancing system reliability.

Industrial automation and the rise of smart factories are further propelling market growth. Industries require precise voltage monitoring and stable power supply for machinery and automated processes, boosting adoption of advanced transformers with digital capabilities.

However, the market faces challenges such as fluctuating raw material prices, particularly for copper and electrical steel, which can impact manufacturing costs. Additionally, the complexity of installing and maintaining high-voltage equipment may limit adoption in some developing regions.

Despite these challenges, the market outlook remains strong. Increased focus on grid resilience, electrification trends, and digital substations continues to create opportunities for innovation and long-term expansion of voltage transformer solutions.

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The market is segmented by type into instrument voltage transformers, power voltage transformers, and distribution voltage transformers, with instrument transformers dominating due to their crucial role in measurement and protection. By application, the power utilities segment leads, followed by industrial and commercial users that require stable voltage monitoring for operational reliability. Technologies such as dry-type and oil-immersed transformers also contribute to market differentiation based on performance, safety, and installation requirements.

On the basis of voltage type, high voltage emerged as the fastest-growing segment in 2022. Voltage transformers are critical components in transmission networks and substations where power flows at elevated voltage levels. They are strategically installed to measure and monitor voltage for operational control and system protection. Capacitive Voltage Transformers (CVTs), which operate on the principle of capacitive voltage division, are widely used in high-voltage applications due to their lightweight, compact structure, and suitability in space-constrained environments. CVTs are extensively deployed in high-voltage substations for both metering and protection functions.

Based on application, the residential and industrial segment recorded the fastest growth in 2022. In residential settings, voltage transformers are primarily used to regulate and step down voltage from the main grid to safe, usable levels. Since electricity is transmitted at high voltages, distribution transformers reduce it before reaching households. These transformers also enhance safety by ensuring stable voltage levels, preventing overloads, and reducing the risk of electrical hazards. In industrial environments, voltage transformers support the stable operation of machinery and sensitive equipment by maintaining consistent power quality.

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Regionally, Asia-Pacific was the fastest-growing market in 2022. The region’s rapid economic

development and urbanization have significantly increased electricity demand. Additionally, Asia-Pacific's commitment to renewable energy adoption and sustainability goals has intensified the need for efficient power infrastructure. Many countries in the region are investing in smart grid technologies to improve grid reliability and efficiency. Voltage transformers play a vital role in these modernized grids by enabling real-time monitoring, control, and optimization of power distribution.

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The major players operating in the global voltage transformer industry statistics encompass ABB Group, Custom Coils, General Electric (GE), Glen Magnetics Inc, HD Hyundai Electric, MPS Industries, Inc., Pacific Transformer Corporation, PICO Electronics, Inc., Schneider Electric, and Siemens AG.

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• By voltage type, the high voltage segment is the fastest growing segment representing 6.9% of CAGR to the market in 2022.
• By application, the industrial segment was the highest revenue contributor accounting for one-third of the market share representing 6.3% of CAGR to the market in 2022.
• By region, Asia-Pacific was the highest revenue contributor and fastest growing region representing 7.0% of CAGR in 2022.

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