



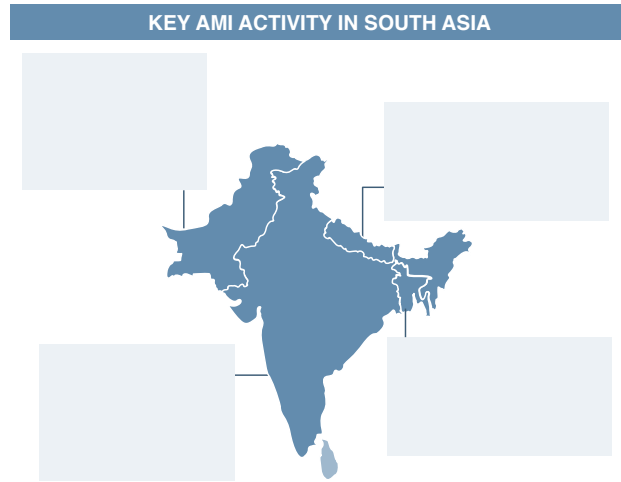
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South Asia Smart Grid: Market Forecast (2020 – 2029)

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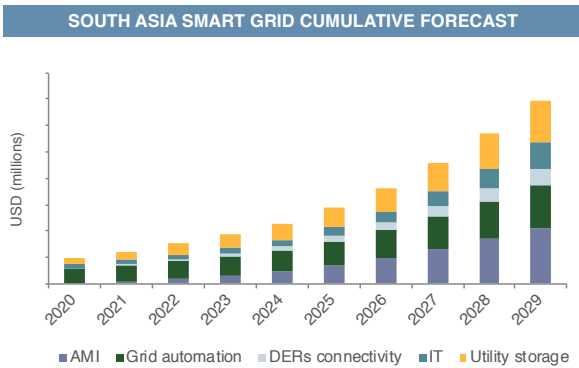
South Asia Smart Grid: Market Forecast (2020 – 2029)

South Asia is now undergoing what is arguably the most rapid turnaround of smart grid infrastructure investment in the world. Regulatory deadlock, delayed projects, and cancelled loans have given way to completed deployments and contract awards for millions of smart meters. The news is encouraging, but in a region that still faces several obstacles, it is a trend that could also be upended from several directions, not least of all the Covid-19 crisis that has reshaped the world in a matter of months. South Asia has been hit particularly hard and the entire region is still drudging through a recession, which by some estimates will not see the economy return to pre-Covid levels until 2022. That said, project slowdowns seem to have dissipated, and a slight uptick in meter deployments is forecast for 2021 and 2022 to account for lost 2020 deployments. Additionally, in the midst of a society under lockdown, the advantages of remote-controlled, two-way AMI metering have become abundantly clear.



India makes up the vast majority of the South Asia market, not surprising as it is the world’s largest metering market (excluding the insular market of China). Of the 314 million meters in the region, 245 million (78%) are in India. Multiple states in India (an important classification, as India’s smart grid development is largely determined at the state level) have smart meter markets that easily surpass those of neighboring Bangladesh, Nepal, and Sri Lanka.

Accompanying India’s numerical dominance is a national government dedicated to mass smart grid infrastructure investment, first and foremost through nationwide smart metering. This is mainly



motivated by the woeful financial condition of India’s distribution utilities (“discoms”) which collectively owe \$15.3 billion as of April 2020, the main culprit being electricity theft (or “non-technical losses”). India’s Ministry of Power has assembled a network of programs and financing mechanisms to encourage individual states and utilities to pursue massive AMI deployments. The most visible element is India’s state-run ESCO, Energy Efficiency Services Limited

(EESL) which has made headlines by releasing multiple tenders since 2017 for up to 5 million smart meters, to supply rollouts across multiple states. This bulk procurement method has also accomplished what once seemed a dubious target of India's government; bringing per-meter costs down to about \$30, a price reduction that has major implications for deployments in the rest of the region.

In Pakistan, the new government has resurrected a cancelled loan from the Asian Development Bank to deploy an initial 2.6 million smart meters. Also on the strength of ADB funding, Nepal is pursuing a national rollout that targets a total of 5 million smart meters by 2025. Both projects demonstrate the continuing necessity of external assistance in the region. Bangladesh, traditionally more committed to prepaid meter deployments, will be conducting an AMI deployment of 850,000 meters with Landis+Gyr, a prime example of an international vendor breaking into a region that mainly seeks to support domestic manufacturers. Sri Lanka remains in the exploratory phases of smart grid infrastructure development.

While Indian vendors have dominated meter hardware contracts, international vendors have a role as suppliers of AMI software and communication networks. International vendors including Itron, Landis+Gyr, Trilliant, CyanConnote, and EDF, among others, have secured contracts in the region. While risks, both including and beyond Covid-19, will continue in a region long known to struggle with corrupt business practices, the strength of India's rollouts over the next 10 years will likely make South Asia one of the largest global smart grid markets.

Key questions answered in this study:

- How large will the smart grid market be across South Asia?
- How is Covid-19 impacting the market, short and long-term?
- Which utilities are poised to begin large-scale smart meter rollouts?
- Which local and international vendors will be most active in the region?
- How will the participation of neighboring Chinese vendors impact the market?

Deliverables: 120-page PDF study + 28-slide executive summary presentation + Excel dataset

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