This study provides an in-depth analysis of the low power AC drives or variable frequency drives (VFD) business in China. This study also identifies growth segments and market trends, as well as challenges that low power AC drives suppliers face in China. In addition to the quantitative assessment, this market research study provides an insightful analysis of trends and factors that will impact the low power AC drives business in the future.

Through several years of development, China’s low power AC drives market has grown to become the world’s largest for these products and has emerged as one of the most competitive. 2012 was a challenging year for China - both end user and OEM markets in China saw significant decline.

The end user market relates mainly to energy or infrastructure, with major investment from the government or state-owned companies. The end user market situation is relatively better than for the OEMs.

The OEM market saw rapid decline - main industries, including textile machinery, machine tools, and hoist machinery declined significantly; only food & beverage machinery, packaging machinery, and elevator industries continued to grow.

ARC remains optimistic about the forecast for China’s low power AC drives market in the next five years, forecasting that it will maintain moderate growth due to multiple factors: capex spending in infrastructure, energy efficiency, machinery upgrading, and the expanding domestic market.

The challenge in the low power AC drives market landscape is how suppliers can differentiate themselves and offer increasing value propositions to users and OEMs. This is especially important because the market is competitive and demand is expected to grow as users in many industries have recognized the benefits of low power AC drives. This study answers key questions, such as:

- Which high growth industries are the most attractive for suppliers to target?
- What are the major trends driving the low power AC drives business in China?
- Which special programs can help suppliers expand their market penetration?
- What type of solution offerings do end users demand?

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