Mexico Power Epc Market - Growth, Trends, Covid-19 Impact, and Forecasts (2023 - 2028)

Market Report | 2023-01-23 | 95 pages | Mordor Intelligence

AVAILABLE LICENSES:

- Single User License $4750.00
- Team License (1-7 Users) $5250.00
- Site License $6500.00
- Corporate License $8750.00

Report description:

The Mexican power EPC market is expected to register a CAGR of more than 3.5% during the forecast period, 2022-2027. The COVID-19 pandemic has drastically impacted the Mexican power EPC market by creating supply chain bottlenecks and delays in constructing power projects like the solar photovoltaic (PV) project in Sonora, which led to an increase in the overall costs of the projects. Factors such as the increasing need for clean power and upcoming power generation projects, particularly going parallel with the pace of urbanization, are expected to drive the demand for Mexico's power EPC market during the forecast period. However, the government's intentions to reduce private investments and make the sector more state-owned can pose a significant threat to market growth during the forecast period.

Key Highlights
The thermal power generation segment is expected to witness significant growth during the forecast period due to the country's current plans to revive the fossil-fuel-based power sector.
Emerging markets, including distributed power generation, smart grids, and energy storage in Mexico, are expected to create vital opportunities for the EPC players in the future.
The new and upcoming transmission projects are expected to drive the Mexican power EPC market in the coming years.

Mexico Power EPC Market Trends

Thermal Power Generation Segment to Witness Significant Growth

The thermal power plants, which consist of oil-based, coal-based, and natural-gas-based power generation in Mexico, accounted for more than 75% of the electricity generated in 2020. It is expected to maintain its dominance during the forecast period.
In March 2021, the Mexican government passed an energy bill favoring government-owned generating plants that majorly run on fossil fuels. The priority given to the thermal power plants in the country can be expected to see an increase in the share of thermal-based power generation in the coming years.
Further, Mexico was among the several other countries to announce the phase-out of coal-fired plants by 2030. However, the government has retracted these plans and currently does not have any coal power phase-out policy.
Though wind and solar power generation have replaced coal technology in the last five years, thermal power generation is likely to dominate the power EPC sector, mainly supported by natural gas-based power generation EPC activities.
Several thermal power EPC projects are either in the construction or planning phase. For instance, in December 2021, the construction of Merida Combined Cycle Power Plant-Stage IV started in Yucatan, Mexico. The project includes the fourth power generating station, a gas-fired combined cycle power plant with a capacity of 500MW, and it is expected to be commissioned by 2023.
Further, in November 2021, the technology group Wartsila announced that it would supply Mexico's state-owned electricity utility, Comision Federal de Electricidad (CFE), with two sizeable multi-fuel power plants with a combined output of 600 MW. Wartsila is expected to deliver the projects on full engineering, procurement, and construction (EPC) basis, and it is also one of the most significant EPC contracts ever awarded to Wartsila.
Moreover, in July 2020, favoring the coal technology, a Mexican state-owned power utility announced plans to buy 2 million tons of coal for power plants after the government's directive to push for fossil fuel-based power generation. The deal happened with the coal producers of the northern border state of Coahuila.
Hence, such a scenario in the country's power sector is expected to offer robust growth to Mexico's thermal-based power EPC market during the forecast period.

New and Upcoming Transmission Projects Driving the Market Demand

The transmission network of the power industry in Mexico has seen a steady development over the last decade to respond to the growing power demand and accessibility issues. In 2020, the country's power transmission reached 1,05,885 km of line length and 1,14,807 MVA of transformer capacity at the voltage levels of 115 kV to 400 kV.
Further, to expand the National Transmission network, Mexico has plans to add 1,072 circuit km of line length and 2,875 MVA of capacity under 19 expansion projects and 14 modernization projects by 2035, which is likely to witness significant developments in the coming years.
In August 2021, the CFE (Federal Electricity Commission) announced plans to construct Mazatlan II Junction - La Higuera LT2, a 400kV overhead line of 2 km from Mazatlan Potencia, Sinaloa, Mexico, to La Higuera, Jalisco, Mexico. The project is expected to be commissioned by 2024.
Furthermore, in 2021, some other vital projects were also planned for 2021-2035. One of them is the modernization of the Tecamachalco-Tlacotepec transmission line project in Tlacotepec and neighboring towns in Puebla. The project comprises a 33 km transmission line with a voltage of 115kV, and it is expected to be completed by 2024, involving major EPC activities.
Therefore, owing to the developments in the Transmission and Distribution (T&D) segment of power EPC, it is anticipated that the new transmission plans are expected to boost the power EPC market in Mexico during the forecast period.

Mexico Power EPC Market Competitor Analysis

The Mexican power EPC market is moderately fragmented. Some of the major players in the market include Siemens Gamesa Renewable Energy SA, Vestas Wind Systems AS, SENER Engineering Group, Tecnicas Reunidas SA, and Acciona SA.

Additional Benefits:

The market estimate (ME) sheet in Excel format
3 months of analyst support

Table of Contents:

SCOTTS INTERNATIONAL

Mexico Power Epc Market - Growth, Trends, Covid-19 Impact, and Forecasts (2023 - 2028)

Market Report | 2023-01-23 | 95 pages | Mordor Intelligence

To place an Order with Scotts International:

- - Print this form
- - Complete the relevant blank fields and sign
- - Send as a scanned email to support@scotts-international.com

ORDER FORM:

Select license	License	Price
	Single User License	$4750.00
	Team License (1-7 Users)	$5250.00
	Site License	$6500.00
	Corporate License	$8750.00
	VAT	
	Total	

*Please circle the relevant license option. For any questions please contact support@scotts-international.com or 0048 603 394 346.

** VAT will be added at 23% for Polish based companies, individuals and EU based companies who are unable to provide a valid EU Vat Numbers.

Email*		Phone*	
First Name*		Last Name*	
Job title*			
Company Name*		EU Vat / Tax ID / NIP number*	
Address*		City*	
Zip Code*		Country*	
		Date	2026-03-02
		Signature