Southeast Asia Industrial Motors Market Research Report 2024-2029

Market Report | 2025-02-25 | 260 pages | Arizton Advisory & Intelligence

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Report description:

The Southeast Asia industrial motors market is expected to grow at a CAGR of 5.86% from 2023 to 2029.

KEY TAKEAWAYS

-Rapid Industrialization and Urbanization: The significant expansion of manufacturing and processing sectors is driving demand for industrial motors. For example, Vietnam's manufacturing exports increased by 10% in 2023, leading to higher automation needs.
-Adoption of Automation in Key Industries: Industries such as automotive, food and beverage, and textiles are investing heavily in automation, boosting the demand for energy-efficient motors. For instance, Thailand's automotive sector saw USD 2 billion in EV manufacturing investments in 2023.
-Infrastructure Development Projects: Government-backed initiatives like Indonesia's USD 40 billion capital city relocation project are increasing the demand for motors in construction equipment, elevators, HVAC systems, and water treatment plants.
-Demand for Energy-Efficient and Sustainable Solutions: Rising energy costs and environmental regulations are pushing industries toward adopting high-efficiency motors, such as IE3 and IE4 class motors, and supporting the Southeast Asia industrial motors market growth. Malaysia, for example, aims to implement 80% energy-efficient motors by 2030 under its green industrial initiatives.
-Booming Electronics Manufacturing Sector: Southeast Asia is becoming a hub for electronics manufacturing, driving motor demand for precision equipment. Malaysia's electronics export value reached USD 100 billion in 2023, reflecting the growing market for industrial motors.
-Rising Investments in Renewable Energy: The shift toward renewable energy sources, such as wind and solar, requires industrial motors for turbines and power distribution. Vietnam invested USD 15 billion in renewable energy projects in 2023, boosting motor demand.
-Growth of SMEs and Regional Export Markets: SMEs are adopting motorized solutions to improve productivity and compete globally. The SME market in Southeast Asia contributes to 30%-50% of GDP in several countries, significantly impacting motor adoption rates and contributing to Southeast Asia industrial motors market growth.
-Increased Focus on Industrial Automation: Automation in logistics and warehousing is driving the demand for motors in conveyor

systems and robotics. For example, Indonesia's warehouse automation sector grew by 12% in 2023, reflecting a rising need for advanced motor systems.

-Advancements in Motor Technologies: The development of smart motors with IoT integration and predictive maintenance capabilities is gaining traction, enabling industries to optimize efficiency and reduce downtime.

MARKET TRENDS

The Southeast Asia industrial motors market is thriving, driven by the rapid adoption of IE3 and IE4 high-efficiency motors, which reduce energy consumption by up to 30% compared to conventional motors, offering substantial cost savings and environmental benefits. Governments in the region, such as Malaysia and Indonesia, are introducing regulations to mandate the use of these energy-efficient motors, aligning with global sustainability goals. For example, Malaysia has set a target of 80% adoption of energy-efficient motors by 2030 as part of its green industrial initiatives. The growing emphasis on industrial automation across sectors like manufacturing, mining, and energy is further accelerating the demand. Technological advancements are also making IE3 and IE4 motors more affordable, enabling wider adoption across industries and solidifying the Southeast Asia industrial motors market's expansion.

The Southeast Asia industrial motors market is experiencing a significant boom, driven by the convergence of Industry 4.0 technologies such as IoT, robotics, and machine learning, which are enhancing motor intelligence and operational efficiency. These innovations enable real-time monitoring and optimization of energy usage, leading to reduced operational costs and a smaller environmental footprint. The push toward automation across various sectors is further boosting demand for advanced motors. For example, in Malaysia, the adoption of automated production systems in manufacturing grew by 15% in 2023, with motors being integral to the success of these systems. Additionally, the mining sector in Indonesia saw a 20% increase in automation investments, requiring more sophisticated motors to power automated equipment. As industries rapidly transition to fully automated production, motors equipped with IoT capabilities are becoming indispensable, with end-users viewing them as essential to staying competitive. These trends, alongside technological advancements that make motors more efficient and affordable, are driving the robust growth of the Southeast Asia industrial motors market.

MARKET DRIVERS

The Southeast Asia industrial motors market is experiencing rapid growth, fueled by the surge in infrastructure development across the region. Countries like the Philippines, Vietnam, and Indonesia are investing heavily in large-scale projects such as airports, highways, and rail systems, creating a significant demand for industrial motors in construction machinery, elevators, and HVAC systems. For example, Vietnam's USD 9 billion investment in infrastructure in 2023, which includes the expansion of the Tan Son Nhat International Airport, is driving the need for high-performance motors in construction equipment and power systems. Indonesia's ongoing USD 25 billion investment in its Trans-Sumatra toll road project is also increasing the demand for motors in construction machinery and material handling systems. These projects, combined with the growing urbanization and increased demand for housing, are further accelerating the Southeast Asia industrial motors market growth.

Furthermore, the Southeast Asia industrial motors market is booming, driven by the rapid expansion of manufacturing industries across the region. Countries like Vietnam, Thailand, and Indonesia are seeing robust industrial growth, with Vietnam specializing in electronics, Thailand in automotive, and Malaysia in semiconductors. For instance, Vietnam's electronics manufacturing output grew by 12% in 2023, leading to increased demand for motors in assembly lines and production equipment. Thailand's automotive sector, which saw USD 2 billion in investments in 2023, is requiring advanced motors for robotics and automation in production plants. Malaysia, with its USD 30 billion semiconductor industry, continues to expand, driving the need for high-performance motors in precision machinery. This industrial boom is attracting both domestic and foreign investments despite global reshoring trends, making Southeast Asia a critical hub for manufacturing. As a result, the growing demand for motors across industries like automotive, electronics, and semiconductors is accelerating the Southeast Asia industrial motors market.

INDUSTRY RESTRAINTS

High Initial Investment

The Southeast Asia industrial motors market faces significant challenges due to the high initial investment required for adopting advanced motor systems and technologies. The cost of upgrading to energy-efficient motors and modernizing production facilities can be a financial burden, particularly for smaller companies with limited capital. For instance, in Indonesia, the expansion of the USD 4 billion cement market requires the installation of advanced motors for grinding and material handling, but the capital

expenditure involved can delay adoption. In the Philippines, the construction sector's USD 7 billion infrastructure push demands motors for cranes, elevators, and HVAC systems, but the high cost of energy-efficient motors presents a challenge for developers working with tight budgets. Additionally, the semiconductor market in Malaysia, valued at USD 20 billion, requires high-precision motors for assembly lines, but the investment in upgrading older machinery to meet energy standards is a costly hurdle. These high upfront costs hinder the pace at which industries in Southeast Asia can transition to more energy-efficient and technologically advanced motor solutions, limiting Southeast Asia industrial motors market expansion.

SEGMENTATION INSIGHTS

INSIGHTS BY TYPE OF PRODUCT

The Southeast Asia industrial motors market by product is segmented into AC motors and DC motors. AC motors are commonly used in manufacturing, HVAC systems, pumps, and compressors, playing a critical role in automating industrial operations and improving energy efficiency. The Southeast Asia industrial motors market is experiencing robust growth, especially in the AC motor sector, which is widely utilized in various industries due to its durability, energy efficiency, and versatility. The region's rising demand for AC motors is fueled by rapid industrialization, urbanization, and infrastructure development. AC motors dominate the Southeast Asia industrial motors market, with their adoption being robust across diverse industries in countries such as Indonesia, Vietnam, Thailand, Malaysia, the Philippines, and Singapore, driven by rapid industrialization and urbanization. Indonesia's expanding construction and infrastructure sectors, coupled with government initiatives like the National Medium-Term Development Plan, have significantly increased the demand for AC motors in HVAC systems, elevators, and heavy industrial equipment. Further, Vietnam has emerged as a major manufacturing hub in Southeast Asia, attracting global investments in the textiles, electronics, and automotive industries. This growth has boosted the adoption of AC motors in machinery and conveyor systems used in large-scale production facilities.

Malaysia's focus on renewable energy projects, such as wind farms and solar parks, along with its well-established oil and gas industry, has propelled the demand for AC motors in energy-efficient systems and high-load applications. AC motors are used in food processing machinery, including mixers, grinders, and packaging equipment. Their ability to handle high-load operations without compromising speed makes them ideal for the F&B sector. Indonesia's thriving F&B market heavily utilizes AC motors for continuous processing and packaging.

INSIGHTS BY POWER OUTPUT

The Southeast Asia industrial motors market is witnessing significant growth in the IHP (Integral Horsepower) motor sector, which refers to motors with power output ranging from 1 HP to several thousand HP, commonly used in heavy-duty industrial applications such as pumps, compressors, and large machinery. IHP motors are critical in sectors requiring high power for manufacturing processes, mining, and energy production. The surge in infrastructure development and industrialization in Southeast Asia is propelling the demand for IHP motors. For example, Indonesia's USD 6 billion mining industry is driving demand for IHP motors in equipment such as crushers and conveyors. As industries in Southeast Asia continue to grow and adopt advanced technologies, the IHP motors market is expected to grow prominently, fueled by demand for high-performance motors capable of handling larger and more energy-intensive operations.

Indonesia heavily depends on IHP motors for its growing energy and industrial sectors. These motors power critical machinery in cement production, oil refineries, mining, and water pumping systems, which are essential for the country's infrastructure and resource industries. Furthermore, Vietnam's rapid industrialization and its position as a global manufacturing hub have led to extensive use of IHP motors. These motors are essential in high-capacity machinery for industries like textiles, steel processing, and food and beverage manufacturing.

Thailand's advanced automotive and petrochemical industries rely on IHP motors for robotic assembly lines, painting systems, and large-scale chemical processing equipment. Additionally, the country's growing automation sector is integrating smart IHP motors for improved efficiency. In Malaysia, IHP motors find significant applications in offshore and onshore oil and gas operations, powering drilling rigs and pumping stations. Additionally, the motors are increasingly used in renewable energy projects, such as bioenergy plants and large-scale solar farms.

The Philippines uses IHP motors extensively in construction and utilities. These motors power heavy-duty equipment for

infrastructure projects, including highways, water treatment plants, and power generation facilities, supporting the country's urbanization efforts. Singapore is adopting premium-efficiency IHP motors (IE3/IE4) to meet its sustainability targets and maintain its leadership in green technology and automation, setting a benchmark for other countries in the region.

INSIGHTS BY VOLTAGE

The Southeast Asia industrial motors market by voltage is segmented into low, medium, and high. The Southeast Asia industrial motors market is growing strongly in the low-voltage motor sector, which includes motors that operate below 1,000 volts. These motors are commonly used in industries that need lower power for tasks like heating, ventilation, air conditioning (HVAC) systems, conveyors, and small-scale manufacturing equipment. Low-voltage motors are popular because they are efficient, reliable, and cost-effective.

Thailand's strong appliance manufacturing market and its role as a regional electronics hub contribute to the high demand for low-voltage motors, especially in consumer goods and HVAC systems. Thailand has a well-established appliance and HVAC manufacturing industry, making it a major consumer of low-voltage motors for both domestic use and exports. Urbanization and rising energy efficiency standards further enhance adoption. Furthermore, Indonesia, Southeast Asia's largest economy, is witnessing growing adoption of low-voltage motors in agricultural applications due to urbanization, population growth, and infrastructure expansion.

Vietnam's reliance on agriculture and its expanding industrial base drive the demand for low-voltage motors, particularly for irrigation systems and light manufacturing equipment, to boost productivity and efficiency. Also, the Philippines is seeing rising adoption of low voltage motors in HVAC systems and appliances, driven by the urban middle class and infrastructure upgrades focused on improving energy efficiency and cooling solutions.

In Malaysia and Singapore, low-voltage motors are used in smart buildings, energy-efficient systems, and advanced manufacturing, reflecting the countries' focus on technology-driven growth and sustainability. Overall, low-voltage motors are an essential component in the Southeast Asia industrial motors market, catering to diverse applications with their energy efficiency, adaptability, and affordability.

INSIGHTS BY LOW VOLTAGE AC MOTOR BY EFFICIENCY

The Southeast Asia industrial motors market is growing quickly, especially in the IE1 (Efficiency Class 1) low-voltage AC motor sector. These motors are designed with basic efficiency and are mostly used in industries where energy efficiency isn't the main concern. They are cost-effective and used for tasks like running small pumps, fans, and conveyor belts. Furthermore, as industries in Southeast Asia continue to grow, the IE1 motor market is expected to grow significantly, as more sectors look for budget-friendly motor solutions. IE1 motors are widely accepted in countries like Myanmar, Laos, and Cambodia, where industrial sectors are cost-conscious. For example, textile manufacturers in Myanmar use IE1 motors to power looms and basic machinery, prioritizing affordability over energy efficiency.

In agriculture-heavy regions, IE1 motors power irrigation systems, threshers, and other equipment. For instance, farmers in Vietnam's Mekong Delta deploy these motors for water pumping, benefiting from low initial costs and minimal maintenance requirements. Also, IE1 motors are the backbone of small and medium enterprises (SMEs) in Indonesia, particularly in manufacturing hubs like Bandung and Surabaya. These motors are used for small-scale production lines in industries such as food processing and woodworking.

Countries like Cambodia and Laos rely on IE1 motors for essential industrial operations like powering mixers and grinders in food packaging facilities, where energy efficiency policies are not strongly enforced. Also, construction firms in Thailand use IE1 motors for short-term operations such as crane and hoist systems on temporary project sites. These motors are chosen for their affordability, given the temporary nature of such projects.

IE1 motors are widely used in cost-sensitive HVAC systems in Malaysia's affordable housing projects. These motors power air conditioners and ventilation systems, offering a budget-friendly solution for builders. IE1 motors are used extensively in small-scale manufacturing units in Cebu and Davao. For instance, these motors power basic conveyor belts and processing

machines in food packaging and local craft industries.

INSIGHTS BY SALES CHANNEL

The Southeast Asia industrial motors market by sales channel is segmented into direct to OEM, direct to end-user, distributor to end-user, distributor to OEM, direct to system integrator, and distributor to system integrator. The Southeast Asia industrial motors market is experiencing significant growth through the Direct to OEM sales channel. In this model, industrial motors are sold directly to manufacturers who integrate these motors into their equipment for resale. This approach eliminates intermediaries, allowing for more competitive pricing and closer customer relationships. The demand for Direct to OEM sales is growing as industries in Southeast Asia seek customized, high-performance motors for their production lines and machinery. For example, in Thailand, automotive manufacturers are increasingly sourcing motors directly from suppliers for use in assembly lines, while in Indonesia, textile companies are purchasing motors directly to power weaving and spinning machinery. The electronics market in Malaysia is also seeing growth in the demand for OEM motors for use in specialized manufacturing equipment. As Southeast Asia continues to expand its manufacturing base, the Direct to OEM segment is expected to reach USD 1.89 billion by 2029, with the continued shift towards more efficient and integrated production processes.

Segmentation by Sales Channel
- Direct to OEM
- Direct to End-User
- Distributor to End-User
- Distributor to OEM
- Direct to System Integrator
- Distributor To System Integrator

INSIGHTS BY END USERS
The Southeast Asia industrial motors market is experiencing robust growth in the mining sector, which is one of the key end users for industrial motors. In mining, industrial motors are used in a wide range of heavy-duty applications such as material handling, pumping systems, crushers, and conveyors. The demand for industrial motors in this sector is driven by the ongoing growth of mineral extraction and the need for more efficient, reliable, and powerful motors capable of operating in harsh and demanding environments. Furthermore, industrial motors play a vital role in powering critical mining equipment such as conveyors, crushers, grinding mills, and ventilation systems, ensuring seamless extraction and processing activities.
Example: In Indonesia, coal mining relies heavily on motors for conveyor belt systems that transport extracted coal efficiently from mining sites to processing facilities. Indonesia, being one of the world's largest coal exporters, drives substantial demand for industrial motors to support its vast mining operations, from open-pit mining to underground extraction. Example: Major coal mines in Kalimantan use high-power motors for excavators and draglines, essential for large-scale material removal.
The Philippines, rich in nickel, gold, and other minerals, requires durable and energy-efficient motors for ore transportation and mineral processing. Example: In Mindanao, gold processing plants employ IE3 motors to operate crushers and grinding machines, optimizing energy consumption. Further, governments in Southeast Asia are encouraging the use of energy-efficient motors to reduce operational costs and environmental impact in the mining sector.
In addition to coal, Indonesia's growing metal mining activities, particularly for tin and nickel, require high-performance motors for smelting and refining processes. Example: Smelting plants in Sulawesi rely on motors to power furnace blowers and metal casting machines. Also, ventilation systems in mines, powered by industrial motors, are critical for maintaining air quality and ensuring worker safety in both open-pit and underground mines. Example: In Vietnam, ventilation systems in bauxite mines use heavy-duty motors to ensure continuous airflow in mining tunnels. Moreover, motors in mining operations must adhere to strict safety regulations, including explosion-proof designs for hazardous environments. Example: In Brunei, oil extraction facilities employ flameproof motors for pumps and compressors to meet international safety standards.

Segmentation by End Users
-Mining
-Power Generation
-Metal Processing
-Oil & Gas
-HVAC
-F&B
-Paper & Paperboard
-Automotive
-Chemical
-Packaging
-Warehousing
-Machine Tools
-Elevator & Escalator
-Pharmaceutical
-Others
GEOGRAPHICAL ANALYSIS
Indonesia holds a dominant position in the Southeast Asia industrial motors market and is growing rapidly, driven by various sectors like manufacturing, mining, construction, and energy. These industries rely on industrial motors for automation, material handling, and operating machinery. Indonesia's industrial growth is boosted by large infrastructure projects and expanding manufacturing. As Indonesia continues to grow and develop its economy, the industrial motors market is expected to reach USD 846.17 million by 2029, with more investments in infrastructure, manufacturing, and energy sectors.
Indonesia is heavily investing in infrastructure and industrial development, which increases the demand for industrial motors. The government's "Making Indonesia 4.0" initiative aims to modernize industries and promote automation, further raising the need for motors. The country is also focused on renewable energy projects, including geothermal and hydropower, driving the demand for energy-efficient motors. Additionally, Indonesia plans to produce 3 million vehicles annually by 2030, as part of its industrialization efforts. This growth in the automotive sector will lead to greater demand for industrial motors, particularly energy-efficient and smart motor systems used in vehicle manufacturing.

Segmentation by Geography
-Southeast Asia
oIndonesia
oThailand
oSingapore
oMalaysia
oVietnam
oPhilippines
oRest of Southeast Asia
VENDOR LANDSCAPE
The Southeast Asia industrial motors market is highly competitive, driven by rapid industrialization, urbanization, and infrastructure developments. Key players in the Southeast Asia industrial motors market are focusing on energy-efficient motors due to increasing environmental regulations and a push for sustainability. The market is witnessing strong demand from industries like manufacturing, oil & gas, chemicals, and construction.
The market in Southeast Asia has seen a surge in demand for smart motors integrated with IoT and Industry 4.0 capabilities, allowing for real-time monitoring, predictive maintenance, and improved operational efficiency. This shift aligns with the industrial sectors' drive toward automation and enhanced energy management.m Furthermore, leading companies like ABB Ltd., Siemens AG, and Mitsubishi Electric are engaging in strategic partnerships and joint ventures in the region to innovate new motor

technologies, particularly focusing on energy efficiency and automation to meet the regulatory and operational demands of industries such as manufacturing, oil & gas, and chemicals.

Key Company Profiles

-ABB Ltd
-Siemens AG
-WEG S.A.
-Mitsubishi Electric Corporation
-TECO Electric & Machinery Co., Ltd

Other Prominent Company Profiles

-Nidec Corporation
-Regal Rexnord Corporation
-Hyosung Corporation
-Toshiba Corporation
-Fuji Electric Co., Ltd
-Hitachi, Ltd
-Schneider Electric SE
-Emerson Electric Co
-Baldor Electric Company
-Leroy-Somer
-SEW-Eurodrive GmbH & Co. KG
-Oriental Motor Co., Ltd.
-Sumitomo Heavy Industries, Ltd
-Johnson Electric Holdings Limited
-Hoyer Motors
-Brook Crompton Holdings Ltd
-Hong Ky Company Limited
-Winston Engineering
-Dolin M&E Technology Manufacture Co., Ltd

KEY QUESTIONS ANSWERED:

1.How big is the Southeast Asia industrial motors market?
2.What is the growth rate of the Southeast Asia industrial motors market?
3.Which region dominates the Southeast Asia industrial motors market share?
4.What are the significant trends in the Southeast Asia industrial motors market?
5.Who are the key players in the Southeast Asia industrial motors market?

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