

Middle East Ready for

Energy-Efficient Lighting

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Energy consumption in the Middle East is among the highest in the world and still increasing, leading to greater carbon emissions per capita than the world average. In the region, lighting accounts for 22 percent of energy use, compared to a global figure of 19 percent, so the opportunity to increase lighting efficiency is significant.

Despite relatively low oil prices and challenging market conditions, the Middle East market is upbeat for light-emitting diode (LED) technology and systems, as private investments continue and government investment stabilizes. Members of the Middle East Lighting Association (MELA) believe that part of the answer to the energy use challenge is increasingly found in supporting governments in their efforts to restrict demand for least-efficient lighting products and systems and to promote “LED-ification” and supply of intelligent lighting solutions that will allow cities, businesses, and individuals to personalize their lighting solutions and save energy and funds at the same time.

In the last two years, MELA members have seen a substantial increase in interest in intelligent lighting solutions by office building owners, hotels, and governments alike. This is a welcome change, and

it shows that customers of our member companies largely understand the impact of lighting on their energy footprint and the possibilities offered by other building management benefits delivered by intelligent lighting solutions.

The rate of change from conventional lighting components to energy-efficient LED lamps has been faster than predicted, as most countries in the region quickly adopt new lighting technologies for high-profile projects. Although controls are the next disruptive technology, it appears that government bodies do not have adequate liquidity to implement them. This has had a knock-on effect on the value chain, leading to project delays or cancellations. For public and private companies as well, the sticking point appears to be the initial capital cost. Fortunately, this situation had stimulated discussions about financing, and one can start to see the emergence of performance contract management in the region, a relatively new trend and service.

MELA sees a long-term trend of strong demand for lighting and controls as governments increase their spending on infrastructure (e.g., roads, schools, homes, and hospitals). Added to this is the growth in overall population in the region and a positive demand for more intelligent lighting solutions.

Lighting Market Outlooks

According to reports by International Expo Consults, “the LED market will witness a compounded annual growth rate (CAGR) of 13 percent from 2015 through 2022 in the Middle East and Africa region (MEA).”

In the same study, the lighting industry in the MEA was valued at \$2.35 billion in 2015. This growth is set to be augmented by other countries in the Gulf Cooperation Council that also aim to adopt LED

lighting in many industrial, commercial, and retail sectors as an efficient and cost-saving alternative.

According to a recent study by Transparency Market Research, a global market intelligence firm, the Saudi Arabia electrical market was worth \$4.5 billion in 2014 and is anticipated to reach a value of \$10.8 billion by the end of 2023, expanding at a CAGR of 10.4 percent from 2015 to 2023. The lighting control systems segment is projected to

grow at a fast pace, exhibiting a significant 14.30 percent CAGR between 2015 and 2023, thanks to the rapid urbanization in this region. According to the report, the LED lighting technology segment in Saudi Arabia is anticipated to register a 23.60 percent CAGR between 2015 and 2023, due to the growing demand for efficient lighting systems in this region. **ei**

Harmonizing Performance Standards

From a regional lighting-related policy perspective, regulators in the Gulf Cooperation Council (GCC) appear to be consolidating regulatory initiatives that target the lighting sector. Information revealed so far this year in discussions with various standards authorities among GCC members is that the Gulf Standards Organization (GSO) is attempting to harmonize lighting performance standards across the region. Lighting regulations adopted in “first mover countries,” such as the United Arab Emirates (UAE) and Kingdom of Saudi Arabia (KSA), are often forwarded to GSO for scrutiny and eventual adoption. The UAE’s pending Restriction of Hazardous Substances regulation is a potential candidate for this harmonization process.

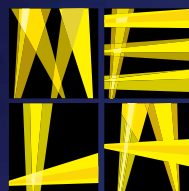
In line with other countries, national initiatives in the region aim to prohibit inefficient and low-quality light sources, control gear, and luminaires from entering the GCC markets and to set new criteria for manufacturers and marketers of lighting products. This is particularly the case in the KSA and the start of the market surveillance and compliance effort managed by the Saudi Arabian Standards Organization (SASO) in conjunction with regional customs authorities. The registration period for products within the scope of the new residential lighting regulation recently ended, signaling the formal entry into force of SASO 2870/2015 *Energy Efficiency, Functionality and Labelling Requirements for Lighting Products, Part 1*.

In the UAE, discussions are underway regarding the update of the existing residential lighting regulation (Cabinet Decision Number 34). Regional governments are giving more attention to standards development. For MELA, the priority is to offer the right expertise at the right time to support governments in their efforts to get those standards right.

It appears that the UAE is set to lead the LED marketplace in the Middle East due to the growth in the country’s large commercial establishments and entertainment sector, as well as investments in infrastructure development. ☺



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The Middle East Lighting Association (MELA) is an international non-profit association formed in 2014 by Gulf Advanced Lighting, GE Lighting, Osram, Phillips Lighting, and Tridonic. MELA is managed by Gerald Strickland and supports the development of efficient lighting policy in the Middle East region. Its principle aim is to represent the interests of the leading lighting product manufacturers in their support to legislators across the region in drafting and implementing policy (standards and regulations) for lighting-related products and services across the Middle East.

MELA currently tracks lighting policy developments in seven focus countries and links with the regional standards authority, the Gulf Standards Organization. ☺