Press Release

ABB retains leading distributed control system market share worldwide for 2009

ARC study states that services remain at the core of future growth

Houston, TX, October 25, 2010 -- In the newest version of ARC Advisory Group’s “Distributed Control Systems Worldwide Outlook,” study, ABB retained its leading worldwide market position in this core automation market. According to the study, the DCS (distributed control system) market had suffered more than anticipated in 2009; however, ABB actually increased its worldwide market share in 2009. The study reports that the overall market for DCS (distributed control system) declined by just under 7 percent between 2008 and 2009.

ARC forecasts that market growth should accelerate after 2011, but not near the levels prior to the recent recession. The compound annual growth rate for this market through 2014 is predicted at 4%. Historically, the process automation market has experienced slow but steady growth.

The ARC report states that the global market in 2009 was affected by a decline in large automation projects, many of which were either put on hold or cancelled. Early 2010 data shows that these conditions are gradually improving for the automation suppliers.

The needs for end users in all industries to reduce energy consumption, and optimize raw materials costs, remain among the top cost pressures affecting manufacturers today. ARC stated that integrating the automation and power/energy domains of the manufacturing process, and utilizing the global IEC61850 standard to link intelligent electrical devices, can yield significant energy and operational cost savings.

“The worlds of automation and electrification are becoming increasingly entwined due to the substantial potential for energy savings, increased reliability and uptime, and reduced maintenance costs. ABB’s ability to integrate the process control, process electrification, and power distribution and management portions of a plant with System 800xA, leveraging the IEC61850 standard, offers end users significant operational benefits,” said Larry O’Brien, Research Director for Process Industries, ARC. “Typical savings can result in a 20% reduction in CAPEX (capital expenditures) and OPEX (operating expenditures).”

According to the study, ABB was also the regional market share leader for Europe/Mid East/Africa (EMEA), and the worldwide leader in key global verticals including Upstream Oil & Gas, Pulp and Paper, Cement and Glass.

The report also notes that the DCS business has primarily been a services business over the past few years, with combined project, engineering and operational services accounting for more than half of total revenues. Services and support for the installed base of DCS systems, estimated at over $65 billion worldwide, is the largest opportunity for growth in the coming years.

“ABB’s commitment to our installed base customers, dedicated global services team, and leading-edge technology, provide an unbeatable combination to help our customers get the most value out of their existing ABB control system investment today, and well into the future,” said Veli-Matti Reinikkala, head of ABB’s Process Automation division. “We provide our customers with a secure evolution path forward for their control systems to help them maintain their competitiveness while achieving their current and long-term business goals.”

Additional information on the Distributed Control Systems Worldwide Outlook, as well as other studies on the global automation market, is available at www.arcweb.com
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Founded in 1986, ARC Advisory Group has grown to become the Thought Leader in Manufacturing and Supply Chain solutions. ARC analysts have the expert industry knowledge and first-hand experience to help clients find the best answer to complex business issues. ARC focuses on simple yet critical goals: improving clients’ return on assets, operational performance, total cost of ownership, project time-to-benefit, and shareholder value. Further information can be obtained from ARC, Three Allied Drive, Dedham, MA 02026, 781-471-1000, Fax 781-471-1100, E-mail info@arcweb.com, Web www.arcweb.com.

ABB (www.abb.com) is a leader in power and automation technologies that enable utility and industry customers to improve performance while lowering environmental impact. The ABB Group of companies operates in around 100 countries and employs about 117,000 people.

For more information please contact:
ABB Process Automation Media Relations:
Laura Patrick
Office: +1.585.889.7146
Mobile: +1.585.733.4958
email:laura.m.patrick@us.abb.com