

الطلب على مضخات المياه في دولة الإمارات
Demand of Water Pumps in U.A.E.

Water pumps – Well pumps help push water from underground water sources through pipes leading to a domestic or commercial site. A well pump uses suction and pressure to produce water from a well. Water pumps vary considerably in size, from less than one horsepower for residential use to commercial ones used for an entire community or in a factory, construction site etc. where much greater horsepower is required.

Demand for Water Pumps, Net Imports (Dubai) - 2010,

	Quantity'000 tons			Value'AED 000		
	Imports	Re-exports	Net Imports	Imports	Re-exports	Net Imports
Centrifugal	9,886	1,923	7,963	323,610	39,358	284,252
Agricultural	2,086	1,522	563	28,418	22,071	6,347
Domestic	5,377	1,881	3,496	53,995	26,968	27,027
Others	5,498	2,948	2,550	162,445	68,014	94,431
Total	22,847	8,274	14,572	568,468	156,411	412,057

Source: Dubai Trade Statistics

Demand – Demand in the region is high because of scarcity of water sources. Pumped out ground water was a key source for the much needed sweet water before desalination activity started in UAE. Trading activity in water pumps was present in UAE well before the oil boom. Key demand for water pumps is from construction, agriculture, government and to a lesser extent from manufacturing (factories) and households. Demand for pumps has recently been affected by reduced construction activity and global slowdown since 2008 is also reported to have impacted demand.

Construction – The construction industry is a major user of water pumps on its sites. The building sites, particularly the large ones, require large amounts of water which are not easily supplied through the pipelines meant for use by the inhabitants in that area. The use is only one-time, so it does not tax the ground water levels. The required size naturally varies according to the site. Construction was the key driver for demand for water pumps in the last decade.

Growth in Demand, Water Pumps, Net Imports (Dubai) - 2009-2010

	Quantity'000 Tons			Value'000 AED		
	2009	2010	Growth	2009	2010	Growth
Centrifugal	7,494	7,963	6.3%	315,777	284,252	-10%
Agricultural	195	563	188.7%	11,516	6,347	-44.9%
Domestic	3,194	3,496	9.5%	23,394	27,027	15.5
Others	8,684	2,550	-70.6%	355,639	94,431	-73.4
Total	19,567	14,572	-25.5%	706,326	412,057	-41.7

Source: Dubai Trade Statistics

Government - Government bodies and city municipalities are also major users of water pumps, as part of their brief to provide infrastructure support to communities. This could be either provision of fresh water or of water drainage facilities, particularly during the rainy season. Major government authorities using water pumps, besides the municipalities, are the Ministries of Public Works and Housing, the Public Works Departments, and the Electricity and Water authorities.

Agriculture - The total area of land under agriculture and forestry constitutes less than 1.5% of the total land area of the UAE, and agriculture makes only a small contribution to GDP. However, there has been a consistent and substantial increase in the amount of land devoted to agriculture and forestry over the past 30-35 years as the result of sustained efforts by the government to promote agricultural development employing several incentives. Among them, water wells are drilled and installed for free, and there is provision of free technical services to support such pumps. There is also availability of an agricultural credit line to grant farmers loans for farm equipment which includes purchase of water pumps.

Supply and market – The market is dominated by a large range of trading companies, many of which represent well known international brands. The domestic companies not only offer the sale but a comprehensive service with design, installation and maintenance. The range varies residential to commercial pumps for construction sites to agriculture irrigation. The activity is both wholesale and retail, with wholesale focused on exports. The larger trading companies are rarely dedicated water pump companies, but offer water pumps within a wide range of machines and engineering products. The market is dominated by a few international brands which were established early in the UAE.

Structure – Demand is overwhelmingly for what are qualified by the customs department and trade classification as “centrifugal pumps”. There is a very big group of miscellaneous pumps which are clubbed together in the “others” category. These may contain pumps which may be used for general purposes and may be meant for use on any of its key destinations, viz. construction sites, agriculture, factory or domestic use.

Trends – 2010 saw a sharp decline in demand for water pumps as represented by net import figures. The biggest decline was in the miscellaneous/other category which fell by more than 40%. This may be related to the reduced demand from construction sites. The decline in other categories was relatively small, and domestic pumps saw an increase in net imports, both by weight and value.

Growth in Re-export Demand for Water Pumps, 2009-2010

	Quantity'000 Tons			Value'000 AED		
	2009	2010	Growth	2009	2010	Growth
Centrifugal	2,183	1,923	-12.0%	45,888	39,358	-14.2%
Agricultural	1,864	1,522	-18.3%	23,502	22,071	-6.1%
Domestic	3,364	1,881	-44.1%	36,169	26,968	-25.4%
Others	3,332	2,948	-11.5 %	50,502	68,014	34.7%
Total	10,743	8,274	-23.0%	156,061	156,411	0.2%

Source: Dubai Trade Statistics

Re-exports – There is high demand for water pumps in the wide region around UAE, extending from the AGCC to Iran to East Africa and even the ex-USSR Central Asian countries. About one third of the total imports are destined for re-exports. Re-exports are more for smaller sized pumps as re-exports have a higher share by weight (36%) than value, 36% and 28% respectively in 2010. Further, there are also exports of water pumps, namely domestically assembled pumps if not manufactured.

The AGCC region is not so important as Saudi Arabia has ostensibly its own direct purchase sources, though Oman and Qatar are significant destinations. Iraq has emerged as a leading buyer for most categories. This is followed by Iran, East Africa and CIS countries. Re-exports also include domestically assembled pumps.

Assembly – Several companies have established facilities to import pumps in knocked-down conditions and assemble them as on demand. In an increasingly cost driven market, this brings benefits of lower costs, as well as provides the benefit of meeting consumer demand more timely and accurately.

Prices – The average domestic selling prices for water pumps in UAE are AED 2000 to 3000 for villas and small farms, and AED 17000-20000 for buildings (depending on the number of floors). Chinese pumps are the most competitive and thus enjoy the highest market share. For example, submersible water pumps average sales prices in Sharjah market are: Indian made AED 950, Taiwan made AED 450 and China made AED 550.

Import sources - The main sources of imports of these products are industrial countries. However, imports from Western countries (e.g. USA, Germany, UK, Australia and Japan), have been declining in keeping with international trends for most manufactured products. These traditional sources of water pumps are being replaced by those from China and India. Chinese made pumps are the leaders in every category. Japan nevertheless, still continues to maintain the second or third position in most categories.

Outlook – Demand for water pumps is fairly high in the UAE and the adjoining region and could possibly justify manufacturing activity. However, any local brand will face considerable competition from very well entrenched brands, some of whom have been present since before the oil boom. Manufacturing would have the challenge of finding the appropriate OEM parts suppliers. UAE being a small country with a modest manufacturing base, faces the big challenge that even with the region are no major OEM suppliers. In the near future, water pumps are likely to see increase in value added in form of assembly rather than manufacturing activity.