PV Inverter Market to Fall Below $6bn in 2011, But Exceed $10bn by 2015

Wellingborough, UK – 6th July 2011: Following 2010's massive increase, the global PV inverter market is predicted to decline below $6bn in 2011, a fall of more than 10% according to a new report from IMS Research. Despite the analyst firm predicting global installations to grow this year, inventory overhang from 2010 and high price pressure will drive industry revenues down this year the report reveals.

IMS Research's report "The World Market for PV Inverters [1]" which relies on revenue and shipment data from more than 100 suppliers revealed a very mixed outlook for the PV inverter industry this year. "We predict that installations will grow by 16% in 2011, driven by demand in Asia and Americas, however shipments of PV inverters will in fact fall by around 5% due to the oversupply into the market towards the end of 2010. In addition, both like-for-like and average prices will fall resulting in a decline in industry revenues", commented Ash Sharma, Senior Research Director for PV at IMS Research and co-author of the report's 4th edition.

Suppliers of inverters have faced intense pricing pressure in 1H'11 and like-for-like prices have fallen already by 10-15% in some cases, "Some major suppliers have made even steeper cuts particularly in emerging markets to buy market share. However product mix change caused by new markets gaining share, introductions of new models, such as those with reactive power capability, and shifts in some segments to smaller inverters will help maintain average prices." added Sharma. As such the research firm's report predicts that overall inverter prices will fall by only 8% in 2011.

Despite the outlook for industry revenues looking bleak, it is not all bad news according the report and industry revenues in 2011 will still be significantly higher than 2009. "2011 will still be a good year for the PV inverter industry, but of course not so good when compared to the phenomenal 2010. Shipments will still exceed 20 GW again and revenues around $6bn – more than double the amount generated back in 2009", commented Sharma.

Whilst total PV inverter industry revenues may fall this year, major growth opportunities are still possible for some suppliers: "Despite a major slowdown in some European markets in 2011, we predict robust growth in many Asian countries as well as the USA which will benefit some suppliers more than others. Furthermore we're forecasting excellent growth for large inverters used in MW-scale installations as well as small 3-phase string inverters for commercial applications" commented Sharma. "Small 3-phase string inverters grew by a massive 560% in 2010 driven by high demand in commercial systems due to their ease of installations and scalability. Their penetration is forecast to increase further in almost every geographic market", concluded Sharma.

Although it predicts industry revenues will decline this year, the report from IMS Research [2] shows a very positive long-term outlook for the industry with revenues exceeding $10bn by 2015.

Detailed analysis of global PV inverter market is available from IMS Research's 4th edition of The World Market for Photovoltaic Inverters [1] which covers more than 100 suppliers and features 50,000 data points on the industry.

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