

IMS Research Raises PV Demand Forecast for 2011 to Over 22GW

Wellingborough, UK – 2nd August 2011: Despite a very weak start to the year, IMS Research has recently increased its forecast for the full year by more than 1 GW and predicts more than 22 GW of new PV capacity will be added in 2011. The market research firm cited growing demand in all major markets, most notably in Asia and the Americas, as well as a pick-up in the sluggish German market and projects that installations in the second half of the year will be nearly double that seen in the first 6 months.

A Strong Second Half

IMS Research's latest Global PV Demand report, which analyses installations rather than registrations or connections in more than 60 downstream markets predicts that despite a weak Q1 and Q2, demand will grow rapidly in the second half of 2011 due to rapidly falling module prices, incoming incentives in new markets and planned end of year cuts in existing markets. Senior Research Director for PV, Ash Sharma commented, "Although installations grew just 13% in Q2 from Q1 the results of our latest report show that there will be a huge surge in installations in the second half of the year. Several mid-sized markets like the USA are growing massively whilst markets like Germany and Italy are starting to pick up too".

Europe Flat in 2011

According to the new report, several European markets, including Germany are predicted for a major slowdown or even a fall in 2011. However, Europe overall will be only 1% down this year due to geographic diversification, with high demand coming from a number of new countries such as Slovakia and the UK. The report revealed that 11 countries in Europe will install at least 100 MW this year, with 20 countries globally installing this amount or more – up from just 13 the previous year. This increasing diversity in the market is helping to support demand and provide stability to a market that was once dependent for growth on just one or two countries.

China is Key

One significant factor in IMS Research's increased forecast is the recently introduced national FIT in China which was revealed by the NDRC this week. This FIT pays a premium for installations completed this year, but continues past the end of the year and is in addition to the country's Golden Sun scheme, "We earlier predicted the introduction of a PV FIT in China once prices had fallen to an acceptable level and we're forecasting installations of 1.3 GW this year and more than 2 GW in 2012", commented Sharma. In the longer-term, IMS Research projects that China will become a key player for PV and not just for production, with it

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becoming one of the top three global markets in 2015.

Top 10 Markets in 2011

IMS Research has also updated and released its top 10 markets for 2011 and reveals that although Europe still dominates the global PV market, only four of the 10 most important markets in 2011 will be European, with Asian markets ranking prominently. "At the same time, it's important to remember that Europe will still account for close to 70% of global installations this year and in fact the next five largest markets are all European", added Sharma.

The 10 most important PV markets in 2011, according to IMS Research, will be:

1. Germany
2. Italy
3. USA
4. China
5. Japan
6. France
7. Australia
8. India
9. Spain
10. Canada

Increasing Optimism for 2012

The market research firm is now also more optimistic about the mid-term future for the PV industry and has also raised its projections for 2012. "Despite many still predicting doom and gloom, our latest research, which analysed more than 60 downstream markets and surveys hundreds of participants through the industry and supply chain, presents a very different picture. The decision by the Chinese Government to introduce a national FIT to boost flagging demand, as well as a diversifying global market and the introduction of new incentive schemes globally presents a much more optimistic, but still very challenging future for the industry", concluded Sharma.

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