

## PV Module Revenues to Decline in 2011 and 2012

Wellingborough, UK – 29th September 2011: Rapidly declining PV module prices will result in the global industry revenues contracting in 2011 and 2012 according to the latest quarterly report from IMS Research. A huge oversupply of PV modules and fierce competition has led to module prices falling quickly throughout 2011; despite shipments increasing, revenues are forecast to shrink by almost 10% in 2011, and shrink yet again in 2012.

PV module production capacity is forecast to reach over 50 GW according to IMS Research's latest research; over twice the amount of likely demand in 2011. This huge oversupply has driven many suppliers to engage in a price war to win business; and current prices are now 35% lower than they were at the end of 2010.

IMS Research estimates that the PV module market generated a record \$38 billion in revenues in 2010, an increase of 74% over the previous year. It is forecast that although shipments will increase, this figure will decline for two consecutive years to \$30 billion in 2012. After a difficult two-year period for the industry, revenue growth is forecast to resume from 2013, but revenues are not forecast to return to 2010's record levels until after 2015.

"The PV industry has a tendency to focus on shipments and megawatts; however recent price collapses have caused huge financial damage to the industry, and suppliers are now increasingly looking at the real bottom line; revenues and profits - both of which will significantly decline in 2011," commented Senior Research Analyst, Sam Wilkinson. "As global demand is forecast to grow at relatively unremarkable rates for the next few years, it is unlikely that revenues and profits will recover to the levels that we saw in 2010 within the next five years," continued Wilkinson.

"Another significant consequence of declining revenues for the industry will be a sharp decrease in profits. As module prices have fallen much faster than suppliers have been able to reduce their costs, average gross margins are currently half what they were six months ago," added Wilkinson. IMS Research predicts that gross profits will fall from \$10.3 billion in 2010 to just over \$5 billion in 2012.

Detailed analysis of supply and demand dynamics in this market is available from IMS Research's [quarterly PV cell and module report](#) [1].

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**Links:**

[1] [http://www.pvmarketresearch.com/report/PV\\_Cells\\_Modules\\_Supply\\_Demand\\_Quarterly\\_Q311](http://www.pvmarketresearch.com/report/PV_Cells_Modules_Supply_Demand_Quarterly_Q311)

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