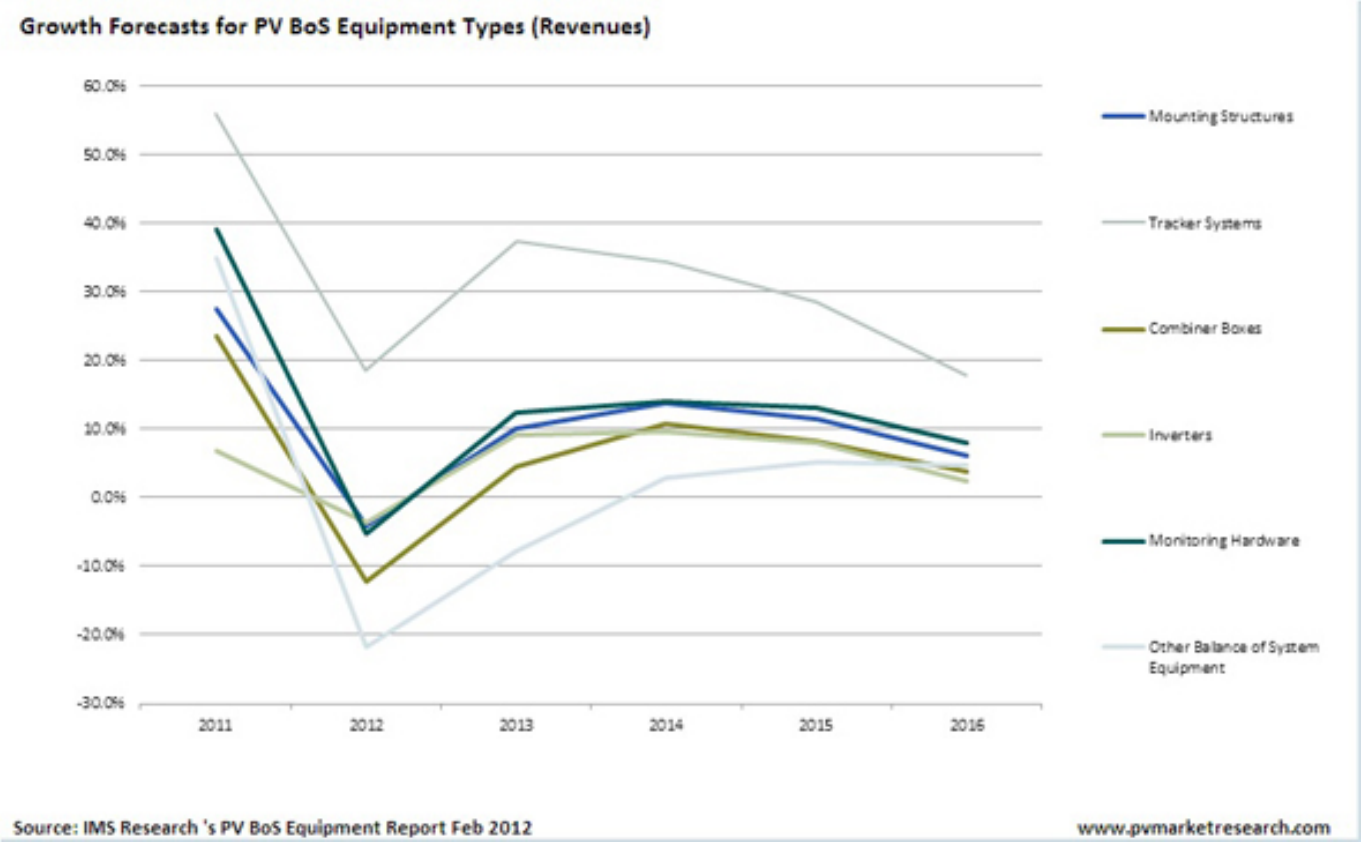
PV Balance of System Market to Reach $24 Billion in 2016, According to New IMS Research Report

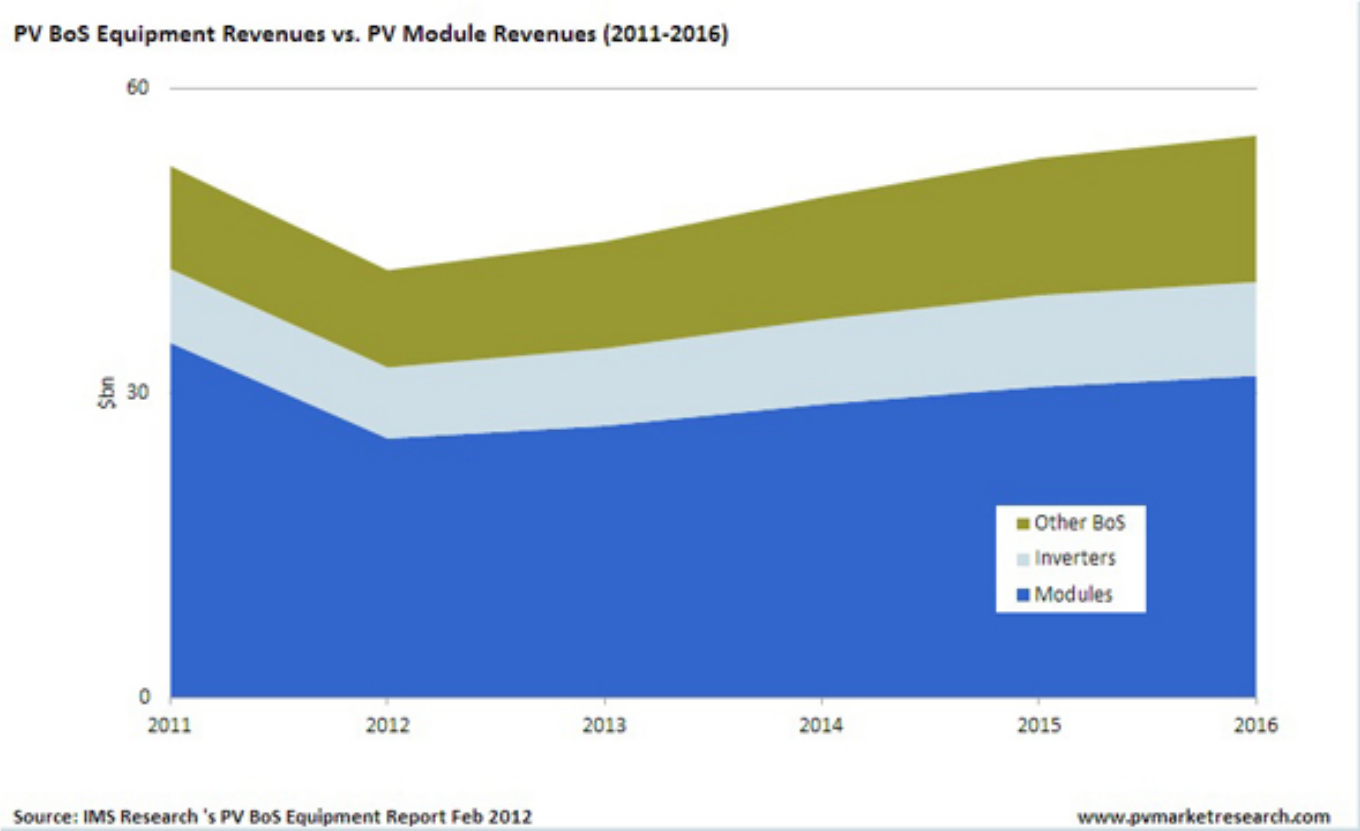
PV balance of system (BoS) equipment revenues are projected to increase from $17 billion in 2011 to close to $24 billion in 2016 according to a new market report from IMS Research. The report found that whilst inverters will continue to be the largest part of the market, monitoring hardware, mounting structures and tracker systems will outpace the rest of the market to capture an increasing share.

IMS Researchs report "The World Market for PV Balance of System Equipment [1]" which analysed volumes, pricing and revenues for eight BoS products, revealed that market revenues would fall by 5% this year from 2011s peak of $17 billion. Ash Sharma, Senior Research Director commented, "Flat installations and shipments will inevitably lead to a fall in BoS equipment revenues this year due to price erosion, most notably for inverters and mounting structures. However the longer-term prospects for the market are still very positive with a $24 billion market size forecast in 2016."



The report also found that whilst inverters formed the largest part of the market, accounting for more than 40% of revenues in 2011, the fastest growing segment will be tracker systems, with revenues for these products predicted to grow by close to 30% per annum up until 2016. Falling prices for these products is expected to

boost penetration, particularly in high irradiation regions, such as California, South Africa and the Middle East which are all predicted to see high growth in PV deployment over the next few years. "Although the tracker market fell off a cliff at the end of 2008 when the Spanish market collapsed, its now facing a major resurgence as falling prices and more efficient motor control allows for a much more cost-effective system", added Sharma.



According to the report, depending of the type of installation and the equipment used, BoS costs can sometimes outweigh the PV module costs. This means that customers are increasingly focusing on the BoS components to find cost savings and suppliers are experiencing price pressure that was previously reserved for module suppliers. Despite this, PV modules are still predicted to remain the largest single hardware cost in a PV system and will account for more than 50% of total PV hardware revenues in 2016. Intensifying competition particularly for PV combiner boxes and mounting systems, especially from Chinese suppliers means that prices are forecast to continue to decline. However, price declines of BoS components will not be as severe as those experienced by module suppliers "Although there will remain great pressure on suppliers to reduce prices as incentives fall, new products such as enhanced monitoring hardware, smarter inverters and a shift towards ground-mount mounting structures will help maintain average prices." added Sharma.

Detailed analysis of the global PV balance of system market is available from IMS Researchs study The World Market for PV Balance of System Equipment which includes country-level forecasts, as well as analysis of revenues, shipments, pricing and technical trends for 8 different product types.

Source URL (retrieved on *07/11/2014 - 9:37am*):
http://www.ecnmag.com/news/2012/02/pv-balance-system-market-reach-24-billion-2016-according-new-ims-research-report?qt-recent_content=0

Links:
[1] http://www.pvmarketresearch.com/report/PV_Balance_of_System_Equipment_World_2012