Booming China Market Creates Great Opportunities for PV Inverter Manufacturers

The Chinese PV inverter market, driven by the introduction of the national FiT, grew by over 400 percent in 2011 to reach more than 2.5 GW in shipments according to a new report from IMS Research, recently acquired by IHS Inc. The report also found that the market was highly consolidated in 2011 and the ten largest suppliers, which accounted for over 80% of shipments, included only one non-Chinese manufacturer. The strong growth of the Chinese market and the dominance of domestic suppliers will lead to Chinese manufacturers gaining significant share of the global PV inverter market, the research firm concluded.

The new report, “The China Market for PV Inverters”, found that China’s release of its national FiT scheme in July, 2011 drove installations to reach some 2.4 GW in the year. As a result, this created a PV inverter market worth more than $300 million. Unlike other major PV markets however, demand for inverters is not widely spread across many model types and inverters rated at 500kW were by far the most popular last year. “500kW inverters dominated utility-scale installations last year, as they best fulfil the project developers’ requirements to install ground-mount stations quickly, beating the end of year FiT reduction. As a result they represented more than three-quarters of inverter shipments last year”, comment Frank Xie, senior analyst and report author.

According to the recent report, Sungrow Power Supply, which recently listed on the Chinese stock market was by far the largest supplier to the market in 2011, holding a share of more than one-third. Chinese suppliers dominated the domestic market last year, and Elettronica Santerno was the only western supplier ranked in the top ten in 2011. The rapid growth of the domestic market, and the strong hold Chinese suppliers have it may see the suppliers gain in the overall global market, the report concluded. “Due to the drastically growing Chinese PV market, inverters shipped to China accounted for 10% of global shipments in 2011”, added Xie.

The report also revealed that the pricing for PV inverters in China is significantly lower than the global market. “As per requirements of the project bidding rules, all inverters are required to be shipped with free installation and warrantee for five years in China. Due to the very large nature of most of the projects being developed in China, prices of the winning bids are typically very low, .” added Frank Xie

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