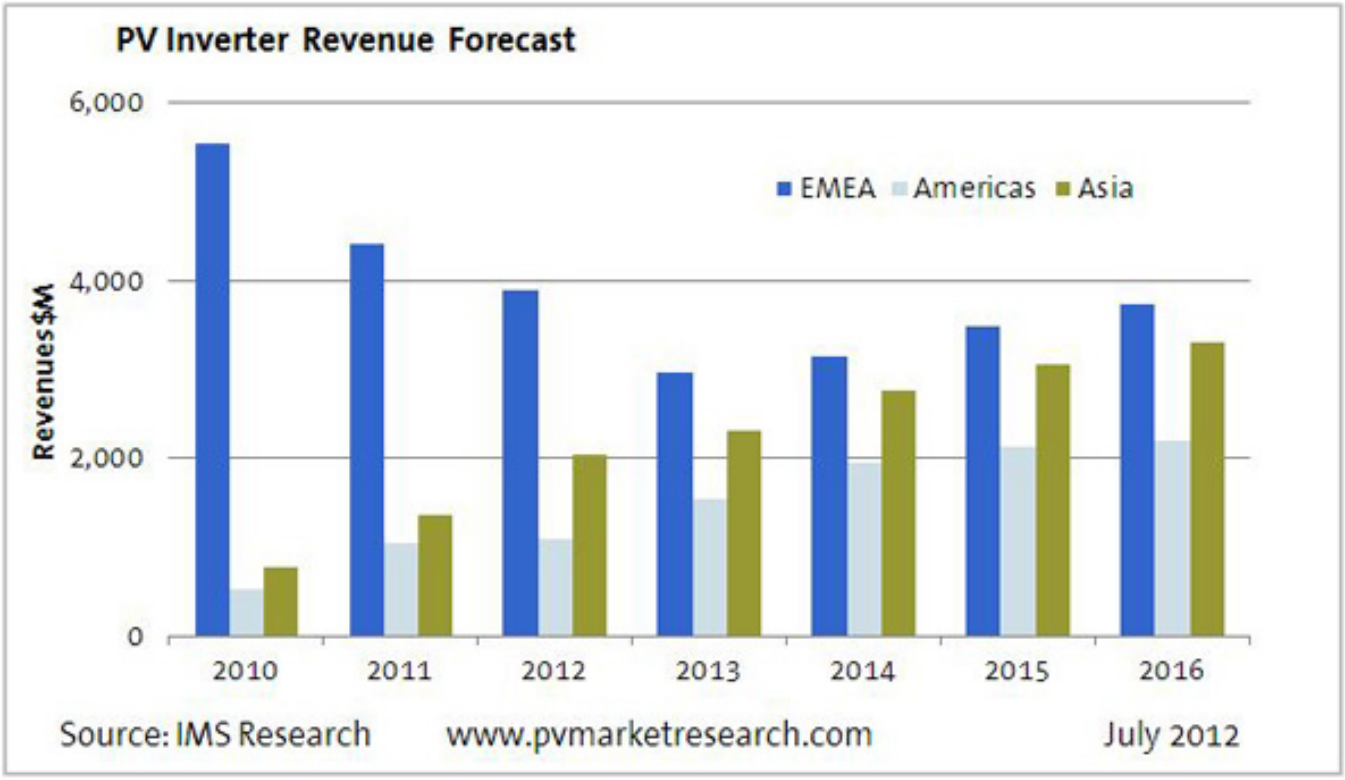
Global PV inverter market to return to growth in 2012 and exceed $7 billion, according to new IMS research report

The global photovoltaic (PV) inverter market is predicted to grow by 23 percent in 2012 and hit almost 32 GW according to the 5th edition of IMS Research [1]'s annual report on this industry. However, the report, The World Market for PV Inverters [2] provided a much more sobering outlook for industry revenues which are forecast to grow by just 3 percent in 2012 to hit $7 billion for the first time.

According to the recently released report, the global PV inverter market shrank marginally in terms of revenues in 2011, but is predicted to return to growth in 2012. Shipments are forecast to grow by almost 25 percent in IMS Research's mid-case scenario; however pricing declines will see revenues grow by just 3 percent this year. "In 2012, suppliers will continue to see high shipment growth but may struggle to see top- and bottom-line growth," commented Ash Sharma, director of the IMS Research PV practice. "Inverter prices will see another double-digit drop in 2012, partly driven by product mix change, and shifts in demand to lower cost countries, but also standard price erosion as major markets stagnate."



The analysis found that in 2011, global inverter shipments grew by more than 12 percent, despite the excess inventory overhang from the prior year, and reached 27 GW, but the European market shrank considerably. Europe's dominance of the PV inverter market is predicted to continue to wane due to its two biggest markets, Germany and Italy, facing significant reductions in their annual installations.

“Europe’s share of PV inverter shipments and revenues was over 80 percent in 2010; however we forecast this to fall to less than 40 percent in 2016 and revenues not to return to 2011 levels in the next five years. This in itself presents a huge challenge to suppliers, which are mainly European, with the majority of their facilities and customers located in that region,” commented Sharma.

Analysis showed that whilst the European outlook is not so bright, the global picture for PV inverter suppliers looks somewhat better; highlighting the fragmenting nature of the industry that now needs to look to emerging markets for future growth. Global shipments are predicted to continue growing at a double-digit rate over the next five years, with revenues exceeding $9 billion by 2016.

The report’s [2] analysis of the more than 150 active suppliers found that the suppliers in the top five remained unchanged, albeit with some slight rankings changings between them. SMA Solar Technology retained its number one position in 2011 despite losing further market share, followed by Power-One, Kaco, Fronius and RefuSOL. IMS Research found however that the biggest market share gainers in 2011 were in fact those outside of the top 10, showing that the industry may not be consolidating just yet. “Start-ups Enphase Energy and SolarEdge were two of the biggest market share gainers in 2011, whilst we also saw considerable gains from Advanced Energy and Emerson,” noted Sharma.

IMS Research’s annual analysis of the global PV inverter industry which relies on real sales and shipment data from more than 80 suppliers was published in July 2012, for more details, please contact Cormac.Gilligan@imsresearch.com [3].

www.ihs.com [4]

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Links:
[1] http://www.pvmarketresearch.com
[2] http://www.pvmarketresearch.com/report/Market_for_Photovoltaic_Inverters_World_2012
[3] mailto:Cormac.Gilligan@imsresearch.com
[4] http://www.ihs.com