

PV module prices dive again in July as German rush ends

Photovoltaic (PV) module prices continued their downward trend in July, falling by more than 2 percent over June's average prices and 44 percent down annually, according to the [latest monthly module price report](#) [1] from [IMS Research](#) [2] (recently acquired by IHS). PV module prices had enjoyed a short period of stability in June due to high demand in Germany and Italy, but have begun to decline once again in the second half of 2012.

According to the [report](#) [1], average prices of crystalline PV modules purchased from distributors increased by almost 3 percent in June, driven by high demand in Germany, the world's largest PV market. Demand peaked in Germany in June, as developers rushed to connect systems by 30th June, before the 'grace-period' under the previous and more attractive feed-in tariff (FiT) rates expired. Distributors were able to capitalize on strong demand, giving rise to higher pricing in the run up to the deadline.

The resulting slowdown in demand following Germany's 'grace-period' deadline, and the bleak outlook for demand in the second half of the year in Europe, meant that module prices slipped again in July by 2.4 percent, as shown in the results of IMS Research's [monthly survey](#) [3]. Chinese Tier-1 module prices declined by almost 3 percent, whilst the largest decline came from Western suppliers, whose prices declined by over 5 percent.

"PV module prices enjoyed a rare period of stability in June, but are once again under pressure as demand in a number of core markets has weakened in the second half of the year," commented Sam Wilkinson, senior analyst of IMS Research's PV Group. "Although the industry has seen a number of significant exits from the market in the recent months, supply of PV modules still far exceeds demand, and suppliers are continuing to engage in fierce price competition."

Despite module prices consistently declining throughout the last year, IMS Research found the outlook for prices for August to be more positive and, on average, industry buyers and sellers expected prices to increase by 0.3 percent in August.

However, expectations varied clearly by company type with module suppliers and integrators forecasting a further small decrease, whilst distributors expect a small increase. "PV module suppliers' margins are already dangerously low and in some cases negative, and their ability to lower prices any further is severely limited until they can make significant improvements to their cost structures," concluded Wilkinson.

IMS Research PV Module Price Tracker is available immediately....

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[1] http://www.pvmarketresearch.com/report/Monthly_PV_Module_Price_Tracker_Monthly_World

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[3] <http://www.surveymonkey.com/s/imsresearchpvmodulepricesurvey>

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