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# Global solar capacity to grow by 38 gw in 2013

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With improving market conditions, global PV installations are estimated at 38 gw for the present calendar year, said Mercom Capital, a global clean energy communications and consulting firm.

"After years of overcapacity, bankruptcies and record low prices, we are now seeing price stabilisation, higher utilisation rates and a move toward supply-demand equilibrium. Market conditions for solar look much better than they did just three months ago," Prabhu, Co-Founder and CEO of Mercom Capital Group said.

The company reiterated its global PV installation forecast of about 38 gw for 2013, a strong 23 per cent growth year-over-year.

One of the big overhangs, the China-EU trade case, which could have otherwise set off an all-out trade war, has been settled. Although trade skirmishes

will likely to continue, this settlement is a relief and brings some sorely needed certainty to the markets. China and Japan are installing at a rapid pace and making all the right policy moves giving the market confidence that they are ready to take over as the top solar markets for the foreseeable future.

The Chinese State Council has once again raised solar installation targets with the new goal of installing 35 gw by 2015, up from 21 gw. China's push towards stronger domestic demand is primarily driven by the necessity to help domestic manufacturing and address air pollution problems. It would have been inconceivable just a few years ago to think that China would look to solar as a solution to its unprecedented environmental problems. Also, strong domestic consumption will give the Chinese solar market, which has been known mainly for

low cost manufacturing, some credibility.

After the Fukushima nuclear disaster, Japan announced policies to aggressively promote renewable energy and now has one of the most generous solar tariffs in the world. There are reports of strong installations in April and May. Over 19,000 mw of non-residential PV project applications have been approved under its FiT scheme as of the end of May. However, there are some signs of problems arising from the rush and new project approvals have slowed considerably since March.

China and Japan are expected to top the capacity addition table for 2013 with their projections of 8.5 gw and 7 gw respectively for the present calendar year. PV installations in the US continue to grow and are projected to reach approximately 4.5 gw in 2013. Other major markets forecasted in 2013 are Germany at 4 gw, Italy at 2 gw, UK at 1.5 gw and India at 1 gw.

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