



2016: Record Investments in Photovoltaic Energy

From a global perspective, 2015 was a good year for the photovoltaic sector. More and more countries are harnessing the power of the sun to shape their energy supply in a way that is both reliable and environmentally sound. As a consequence, the global demand for solar modules rose by 20% for the second year in succession. The positive trend can, above all, be attributed to the increasing competitiveness of solar-generated electricity and the sharply falling investment costs. 2016 already promises to be a further year of extremely positive figures for the sector.

According to estimates by the analysts at Bloomberg New Energy Finance (BNEF), an additional 57 gigawatts was added to global capacity through newly installed photovoltaic plants in the past twelve months. This was accompanied, together with wind power installations, by record investment in renewable energies of some 329.3 billion US Dollars. BNEF were not alone in their positive assessment: the market research institute IHS estimates a global PV increase of 59 gigawatts for 2015, while Mercom Capital puts the figure at 54.5 gigawatts.

These growth levels show that the market is rewarding the falling production costs for PV. In addition, the current strength of the Dollar has had a positive effect on sales. Even falling prices for fossil fuels such as oil, coal, and gas couldn't stunt the sustained upward trend of the renewable energies – a further indication of the high competitiveness of sun and wind. This is even more remarkable when one considers that in many countries reserve calls for tender have replaced what were, until now, attractive feed-in tariffs. Meanwhile, developing economies in particular are seeing renewable energies make up a sizeable and reliable segment of the energy mix while remaining successful when compared to the electricity prices of suppliers deriving their energy from fossil and nuclear fuels.

Boom forecast for China and USA

According to IHS, installation deadlines and expiring funding programs, especially in the first six months of 2016, will herald a boom period for the largest solar markets of China and the USA. This is the reason why 2016 could represent another year of record sales and a capacity ramp of around 65 gigawatts. 2017 may then see the market situation calming, albeit at what is still a high level. Globally, the PV capacity is estimated to be 300 gigawatts – good news for consumers and the environment alike.

Changes to existing funding and the introduction of new programs will nonetheless continue to open exciting markets. These include several African/sub-Saharan states as well as Jordan, Egypt, and Algeria, who have all committed to ambitious targets for the expansion of their renewable energy portfolios. Yet even without the beneficial effects of funding programs, PV will continue to establish itself. With each newly installed module, the attractiveness of solar power increases through the continued technological advances and the falling costs per watt of energy produced. Against the backdrop of the 2015 climate forecasts this is indeed positive news.

Yours,
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