Press Release

VDMA Photovoltaic Equipment:
Order situation is weakening

• PV-Industry expects sales growth of 9 percent this year
• German technology suppliers score with superior production solutions

Frankfurt, April 25, 2018 - The order situation of manufacturers of components, machines and systems for photovoltaics in Germany weakened for the industry at the end of the first quarter of 2018 compared to the very strong 2017. In the current business climate survey of the VDMA 50.8 percent of companies announce a declining and 45.1 percent a constant order book compared to the same period last year. For the current year, the industry expects sales growth of 9.2 percent. The forecast for 2019 is cautious, expecting a sales increase of 3.5 percent. "In the main Asian markets for the German PV-equipment manufacturers, especially in China and Taiwan, significant new production capacities have been built up over the past 12 months. Combined with an adaption of the funding guidelines in the largest global photovoltaic market in China, we expect only a modest build-up of new production capacities," explains Dr. Peter Fath, Managing Director of RCT Solutions GmbH and Chairman of VDMA Photovoltaic Equipment. Investments are mainly made in production technologies for more efficient cells and thin-film technology. High-efficiency technologies such as PERC, heterojunction and bifacial cell concepts are being developed in collaboration with German research institutes. Here German
machine manufacturers and technology suppliers can score with superior production solutions. Heterojunction and bifacial technologies offer considerable potential for reducing costs and, due to their physical and technical characteristics, are particularly suitable for dry and hot climates. "When high technology is in demand at competitive costs, German photovoltaic equipment suppliers are getting into the focus. Substantial investments have recently been made especially for thin-film photovoltaics. However, in the coming months, we expect lower investments in modern equipment and technology, "explains Dr. Jutta Trube, Division Manager of VDMA Photovoltaic Equipment. Although the intensity of competition is increasing, 84 percent of companies report a satisfactory price situation. 61 percent of companies are currently generating good returns, while 37 percent are posting satisfactory returns.

**High capacity utilization, stable employment situation**
In the first quarter of 2018 the capacity utilization of the German photovoltaic manufacturing industry was in the normal range for 27 percent and higher for 51 percent of the participating companies. In addition, in a large majority of companies, the employment situation is stable, in one half each the projects being completed with overtime and normal working hours. For the near future, 50 percent of companies plan normal working hours, 39 percent continue to plan overtime. No change in staffing levels is planned for 33 percent, while 44 percent plan for more employees. On the other hand, 23 percent of companies want to reduce personnel. In order to support earnings, photovoltaic suppliers focus more on increase efficiency of production, logistics, personnel and sales, as well as on reduction of procurement costs. To increase competitiveness long term investments will be made in efficiency gains as well as in research and development. "Opportunities for the German solar engineering industry are emerging in new markets such as India and the MENA region. The importance of photovoltaic has been recognized in that areas as the most cost-effective renewable energy source. Production facilities are set up in that countries with a clear preference for "Made in Germany", emphasizes Fath.