VDMA Photovoltaic Equipment: Intermediate Low in Order Books

- Machine builders expect sales to rise by 3 percent next year
- Companies achieve good prices
- Good capacity utilization, stable employment situation

Frankfurt, 15th October 2019 – In the latest VDMA business climate survey, 69 percent of participants reported a weakening in the order situation compared with March 2019. For 29 percent of the mechanical engineering companies, however, business is better. The industry stays optimistic. While an average sales decline of 16 percent is expected for the current year, companies expect sales to rise again by 3 percent in the coming year.

"In the last 12 months, capacities in wafer, cell and module production have been strongly expanded, especially in China. In addition, investments were made in advanced single crystal technology and high-performance cell lines. At present, the market is expected to calm down, which is reflected in the order books of German solar machine manufacturers. However, manufacturers of components, machines and systems remain optimistic for 2020," says Dr. Peter Fath, Managing Director of RCT Solutions GmbH and Chairman of the Executive Board of VDMA Photovoltaic Equipment.

The current price situation is rated as good by 67 percent of the participants and even very good by 8 percent. This has brightened the mood compared to the beginning of the year. The same applies to the earnings situation, which is described as good by 75 percent of machine builders. Only 17 percent of machine builders assess the current earnings situation as satisfactory only.
"Despite the rather moderate market situation, there are still orders to be won, especially for special suppliers in coating technology, which allow good margins," explains Dr. Fath.

**Capacity utilization good, employment situation stable**

57 percent of German photovoltaic machine manufacturers described capacity utilization in the third quarter of 2019 as below normal. Capacity utilization was above the normal level for 24 percent, while only 19 percent of the participants reported a normal situation. Regarding the current employment situation, 75 percent of mechanical engineers assume normal working hours. Nearly 25 percent reported overtime. Soon, 95 percent of the participants plan to adjust their working hours by reducing overtime. In future personnel planning, 93 percent do not anticipate any change, only 7 percent plan to reduce personnel. There were no reports on the increase in personnel.

To support earnings, PV machine builders are focusing on increasing their own market share. "In addition, the measures to rationalize the product portfolio and improve efficiency in production, logistics and personnel are also being pursued," says Dr. Jutta Trube, Division Manager of VDMA Photovoltaic Equipment.

To strengthen long-term competitiveness, 92 percent of the machine manufacturers are investing in research and development. "In addition to China, other Southeast Asian markets such as Vietnam and Malaysia offer opportunities for German solar mechanical engineers. But the current market situation is highly competitive," explains Dr. Trube.

Do you still have questions? Dr. Susanne Herritsch, VDMA Photovoltaic Equipment, Phone +49 (0) 69 6603 1879, susanne.herritsch@vdma.org, is happy to answer your questions.

The VDMA represents more than 3200 companies in the medium-sized mechanical and plant engineering sector. With 1.3 million employees in Germany and a turnover of 232 billion euros (2018), the sector is the largest industrial employer and one of the leading German branches of industry overall.