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## Press Release

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### **Off-Grid Photovoltaics as a compelling alternative for the PV industry**

Against the backdrop of current developments within the photovoltaic markets, including the introduction of a cap in Spain, reduction of the feed-in tariff in Germany, the largest PV market, as well as the increasing module surplus, market participants are searching for alternatives for the future. A great deal of focus is being placed upon the off-grid segment.

Bonn. Once, the most important market segment, the off-grid market made up 90 percent of the total installed capacity worldwide. In recent years, off-grid has become less important. Because of the present developments within the market, regions like Africa, Asia or Latin America are returning to the spotlight as areas of high potential. According to Florian Schmidt, project manager of the study "Global Off-Grid PV Markets", published by EuPD Research, the leading market researcher for solar energy, "The rapid population growth as well as a high proportion of the rural population with no access to the grid is causing the attractiveness of the technology to increase." According to estimations by Greenpeace, more than two billion people will receive electricity from off-grid PV systems by 2030.

#### **Study reports the highest development potential in Africa**

In 1995, twenty-five percent of the photovoltaic capacity worldwide was installed in Africa. Yet as the demand for photovoltaic applications experienced dramatic increases in many parts of the world, it stagnated in Africa. According to the new EuPD Research study, Africa is still considered to be the continent with the highest potential for development for off-grid PV – particularly South Africa, which in 2008 had an installed capacity of approximately 20MW. Small PV plants with a power output of less than 100W make up more than 50 percent of the market, according to survey participants. These plants are mainly employed in rural regions by private customers. Off-grid plants are also used for industrial applications like machine operation, water pumps or desalination plants. Systems for public buildings such as hospitals, schools and tourist facilities, as well as small mobile systems like radios or mobile phones are also very important. Those who participated in the study expect a further increase in the near future particularly within the segment of small plants in the private or public sector; by 2012 this sector is expected to have a market share of 75 percent. Moreover small mobile applications as well as PV systems for infrastructure are likely to gain importance in South Africa.

#### **Overcoming the challenges**

The results of the study show that prices for PV modules and PV systems in Africa, Asia and Latin America clearly exceed those for on-grid technology in Europe – in Asia and Latin America the price difference is more than 20 percent. It is caused primarily by difficulties in distribution in the various regions and the small number of intermediaries. "The purchase power of the population within the analyzed countries is clearly less than in industrial nations. In order to make it possible for the population to use PV plants, several financing instruments must be made available, from micro credits, to micro leasing or social programs", says Florian Schmidt. With the help of off-grid PV-based electric supply or hybrid systems, the framework for the sustainable development of the economy

could be built up in disadvantaged regions. What is required is the creative use and optimization of financing options, an increase in awareness of off-grid photovoltaics, and also making low-priced, high-quality and customizable photovoltaic plants available.

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### **About the study**

For the new study “Global Off-Grid PV Markets” EuPD Research identified the key regions relevant to the technology, and evaluated them using specific criteria including: purchase power of the population or public promotion for off-grid photovoltaics. Next, 46 interviews with wholesalers, system providers, turnkey providers and installers from the key regions Africa, Asia and Latin America were completed to obtain statements regarding framework conditions, market segmentation as well as market drivers and hindrances. Interviews with module and inverter manufacturers of off-grid PV applications were also conducted. The result is the first comprehensive primary data-based study of the global markets for off-grid photovoltaics.

To learn more about the study “Global Off-Grid PV Markets “ please follow the link:  
[http://shop.eupd-research.com/product\\_info.php/info/p72\\_Global-Off-Grid-PV-Markets.html](http://shop.eupd-research.com/product_info.php/info/p72_Global-Off-Grid-PV-Markets.html)

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