

Asia-Pacific Solar PV Installed Capacity to Continue Significant Growth by 2025: GlobalData

Energetica India speaks to Global Data on their latest report on growth of solar installations in Asia-Pacific.

The Asia-Pacific (APAC) region will overtake Europe to become the largest contributor to global solar Photovoltaic (PV) installed capacity, increasing its cumulative installed capacity from 63.3 Gigawatts (GW) in 2014 to 345.33 GW by 2025, according to research and consulting firm GlobalData.

The company's latest report states that this increase, which will occur at a Compound Annual Growth Rate (CAGR) of 16.7%, follows a period of highly positive growth, when

the region's capacity rocketed from 1.94 GW in 2006 to 63.33 GW in 2014, at an impressive CAGR of 54.6%. Pavan Vyakaranam, GlobalData's Associate Project Manager covering Power, says: "Commitments to solar energy from the APAC region's governments have resulted in various research and development initiatives and increased solar power plant installations, which will be key to driving the market's future growth.

Among the other emerging markets in the APAC region, South Korea is a major

centre for the development of solar technologies and the manufacture of modules, although the country is not a major consumer of solar modules due to its small geographic size.

GlobalData's report adds that Japan's solar PV capacity will also experience positive growth, climbing from 21.81 GW in 2014 to 52.02 GW by the end of the forecast period, maintaining the country's position as the second largest market in the APAC region ◀◀

Energetica India talks to Mr. Pavan Vyakaranam, GlobalData's Associate Project Manager for Power

ENERGETICA INDIA: Where does India stand in Asia-Pacific's solar growth from the year 2014 to 2025?

PAVAN VYAKARANAM: India stands third in terms of capacity additions during 2015-2025. The country is expected to add around 41 GW of solar PV capacity during the period under consideration. In terms of CAGR during 2014-2025, the country stands at sixth position. The country is expected to increase its installed capacity for solar PV at a CAGR of 24.6% during 2015-2025.

ENERGETICA INDIA: On growth CAGR parameter, which will be the top 3 fastest growing solar market (countries), w.r.t solar installations? Please give drivers of growth.

PAVAN VYAKARANAM: At global level, Pakistan, Egypt and Algeria are the top three. In APAC region, the top 3 in terms of CAGR are Pakistan, Kazakhstan and Philippines.

The key drivers for growing solar PV markets are:

- Resource potential

- Land availability
- Government targets
- Policy support (tax incentives and RPOs) and incentives such as feed-in tariffs
- Tenders and competitive bidding

ENERGETICA INDIA: On growth CAGR parameter, which Asian country will be the slowest growing solar market, w.r.t solar installations? Please explain

PAVAN VYAKARANAM: Malaysia is the slowest growing solar PV market in the APAC region based on CAGR. The country is expected to increase its installed capacity for solar PV at a CAGR of 6% during 2015-2025. The major factors for slow growth are:

- Feed in tariff (FIT) program for solar will run out in 2017. The FIT program does not provide sufficient funding in order to reach targets
- The country's location in a tropical zone is a blessing, but on the other



hand, it presents a difficulty in finding suitable land for solar PV installation because Malaysia is prone to flooding. Majority of solar PV installations in the country is based on roof-top

- Lack of additional policy measures in order to reach its renewable energy targets.

ENERGETICA INDIA: Will a country's solar manufacturing capacity have an impact on country's solar installation?

PAVAN VYAKARANAM: Yes, it will. The extent to which the impact will be felt depends on government policies such as waiver on excise and custom duty. Lack of sufficient manufacturing capabilities can at times lead to project delays as signing supply contracts in high growth markets will become a challenge. Increase in lead times will have cost over-runs on projects and can impact the overall viability of the project ◀◀