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## VDMA Photovoltaic Equipment: Order situation is weakening

- **Industry expects sales growth of 4 percent this year**
- **German technology suppliers score with superior production solutions**

**Frankfurt, October 17, 2018** – The order situation of the manufacturers of components, machines and systems for photovoltaics in Germany ensures a cautious mood for the industry towards the end of the third quarter of 2018 compared to the beginning of the year. In the current business climate survey of the VDMA, 38 percent of companies report a declining and 59.9 percent a constant order book compared to the same period of the previous year. For the current year, the industry expects sales growth of 4.2 percent. For 2019, the forecast is cautious expecting a sales increase of 1.2 percent. "Significantly new production capacities were built up in 2017 in the main markets of German engineering companies in Asia, especially in China. In conjunction with an adjustment of the feed-in 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. Here German machine manufacturers and technology suppliers can score with superior production solutions. "When high technology is in demand at competitive costs, German photovoltaic equipment suppliers are getting into the focus. Substantial investments have recently been made for thin-film photovoltaics in particular. However, in the coming months, we expect lower investments in modern equipment and technology", explains Dr. Jutta Trube, Division Manager of the sector group VDMA Photovoltaic Equipment.

Although the intensity of competition is increasing, 13.5 percent of companies report a good and 62 percent satisfactory price situation. 64.7 percent of companies are currently generating good returns, while 35.3 percent are achieving satisfactory returns.

### **Capacity utilization good, employment situation stable**

For 50.6 percent of the reporting German photovoltaic manufacturing industry the capacity utilization rate was in the third quarter of 2018 below the available level, while 14 percent report a normal range where as 35.4 percent needed higher capacities. In addition, in a large majority of companies, the employment situation is stable, 65.5 percent completed their orders under normal working conditions and 34.5 percent worked overtime. For the near future, 75 percent of companies plan normal working hours, and 25 percent continue to plan overtime. No change in staffing level is planned for 48 percent, while 18 percent plan for more employees. On the other hand, 34 percent of companies want to reduce personnel.

In order to support earnings, photovoltaic suppliers are focusing more on increasing the efficiency of production, logistics, personnel and sales, as well as on reducing procurement costs. Longer-term investments to increase competitiveness will be made in terms of both efficiency gains as well as research and development. "Opportunities for German solar engineering are emerging in new markets such as India and the Middle East. There they recognized the importance of photovoltaics as the most cost-effective renewable energy source and set up production sites with a clear preference for "Made in Germany", emphasizes Fath.

Do you still have questions? Dr. Jutta Trube, VDMA Photovoltaic Equipment, Phone +49 (0) 69 6603 1879, [jutta.trube@vdma.org](mailto:jutta.trube@vdma.org), is happy to answer your questions.