

# SOLAR NAVIGATING TRENDS IN SOLAR HEATING AND COOLING

A new analysis of the global solar market reveals a mixed bag of development, with some countries surging while others are relatively stagnant in the face of uncertain support. **Bärbel Epp** outlines key findings from the latest ISOL Navigator survey.

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and down in Europe  
and North America.

WAGNER SOLAR

Designed to show current and expected market development, the ISOL Navigator is an index reflecting the solar heating and cooling sector and comes in response to the observation that currently available market development indicators are unreliable, largely because collectors do not feed into a central grid.

Ranging 0–100, company values are averaged to obtain global, country- and region-specific indices, the ISOL Index focuses on 16 countries: Austria, Brazil, China, Czech Republic, Germany, Great Britain, Greece, India, Italy, Mexico, Poland, Portugal, Switzerland, Spain, Turkey, and the USA. These key countries are divided into four regions: North/Central Europe; Mediterranean; Selected BRIC countries; and, North/Middle America.

The latest figures reveal that the international solar thermal industry is still very fragmented with only every fourth company producing more than 50,000 m<sup>2</sup> annually – equivalent to 35 MWth. By far the largest group of collector manufacturers produced less than 10,000 m<sup>2</sup> in 2009, equivalent to 7 MWth.

The selected BRIC countries of Brazil, India and China lead the rankings with the highest ISOL Index of 51 points, 7 points higher than the world average of 44. These BRICs countries are roughly even when compared with the sunbelt countries of the Mediterranean, although the BRIC Country Index is the only one with a long-term upward trend. Conversely, the Mediterranean suffered the strongest drop, whereas in 2010, it was still above the global index.

Nonetheless, the markets in the sunny southern parts of Europe, with an Index of 43, do slightly better than the northern parts, Indexed at 42, but were it not for the spreading financial crises in Portugal and Greece, the difference could have been greater.

Meanwhile, both North/Central Europe and North/Middle America run parallel to each other at a rather low level. North/Middle America shows a relatively poor performance, with a ranking of 41, as a result of the generally dissatisfying market situation in the US. However, according to this analysis, the worst mood can be found in the solar thermal industries of Russia and the Ukraine, which is at a very low level of 30 points.

## REGIONAL VARIATIONS INCREASING INDEX DIFFERENCE

In the latest survey the gap between the highest and the lowest score widened from 4 to 10 points. These contrasting trends – with the market up in Asia and down in Europe and North/Middle America – results in a slight decrease in the global index to 44 points.

The global solar thermal industry is characterised by four different technologies but the majority of the 16 key countries are dominated by flat plate collectors. Nonetheless, the share of vacuum tubes has increased over the last years in India and Mexico, reaching a share of 30% and 44%, respectively. Meanwhile, the vacuum tube share in Europe has proven to be more or less stable over the years.

Countries with a high market penetration, such as Austria and Greece, are mature and major support efforts will be necessary to grow these markets further. Conditions are reversed in countries with the lowest rankings.

BRIC and East European Countries are growing whereas European markets are lagging behind, dominated as they are by countries with a low market penetration and dissatisfying business development. Only Poland and Switzerland have an index above the average value of the North/Central region in June 2011 while the Czech Republic fares far below the regional average. Likewise, the general situation in the Mediterranean is that country indices are below the long-term trend of the region. Only Turkey has reached a higher score in the latest index.

In stagnating markets, such as US and the Czech Republic, the slowdown has hit the industry extremely hard, because manufacturers have invested significant sums of money to increase production capacity, and thus feel price pressure more than others.

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