

ISOL Business Index: International Solar thermal Market Development and Outlook

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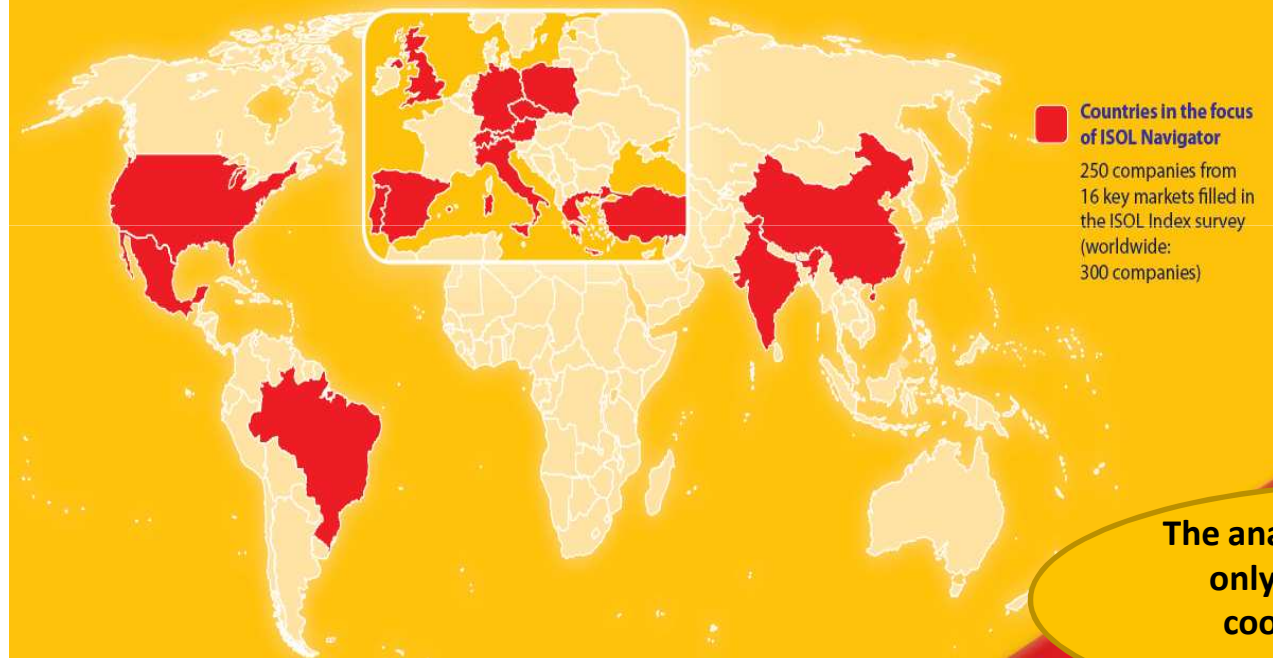


... focusing on the solar thermal sector

ISOL Navigator Study twice a year

The ISOL Navigator is an 80-page slide presentation, showing the current and future market development of 16 key solar heating and cooling markets worldwide

The ISOL Index is the only business index covering the international solar thermal sector.



The analyses in this study refer only to solar heating and cooling; pool heating is excluded!

- 1. ISOL Index - Introduction**
- 2. The global view – regional indices**
- 3. Market attractiveness**
- 4. Selected country results**
 - India
 - Czech Republic
 - USA
 - Germany
- 5. Conclusion**

1. CHAPTER: ISOL INDEX - INTRODUCTION

ISOL Index – Introduction

Why do we need a global business climate index focusing exclusively on the solar heating and cooling sector?

- ▶ Available market development indicators are unreliable
- ▶ „Roller coaster“ sector makes forecasts very difficult
- ▶ More manufacturers act on a global scale and new entries are in need for orientation
- ▶ Awaken the interest of the media and the financial sector

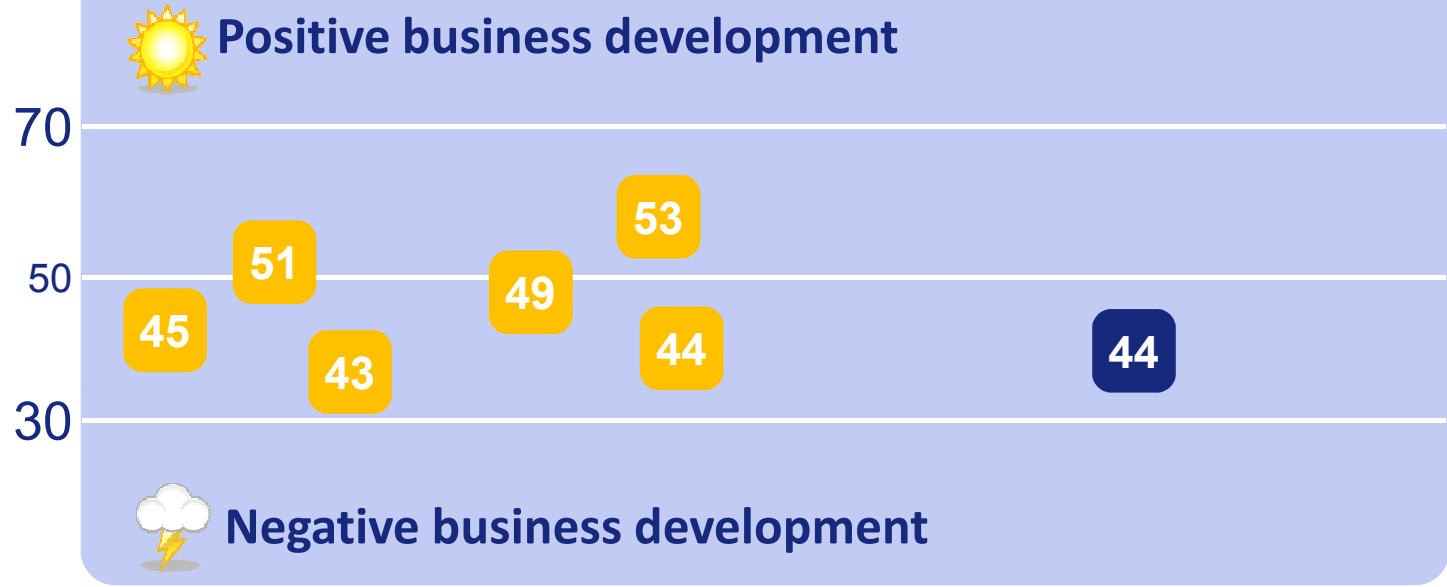
Individual ISOL Index for each company


The ISOL Index features:

- ▶ The ISOL Index survey is made up of 6 questions, 3 related to the current business climate, and 3 to expectations for the next six months
- ▶ The ISOL Index points range from 0 to 100 points for each participating company (anonymous evaluation)
- ▶ Company values are averaged to obtain country- and region-specific indices

Average of the company indices

Company indices are averaged to obtain the global index

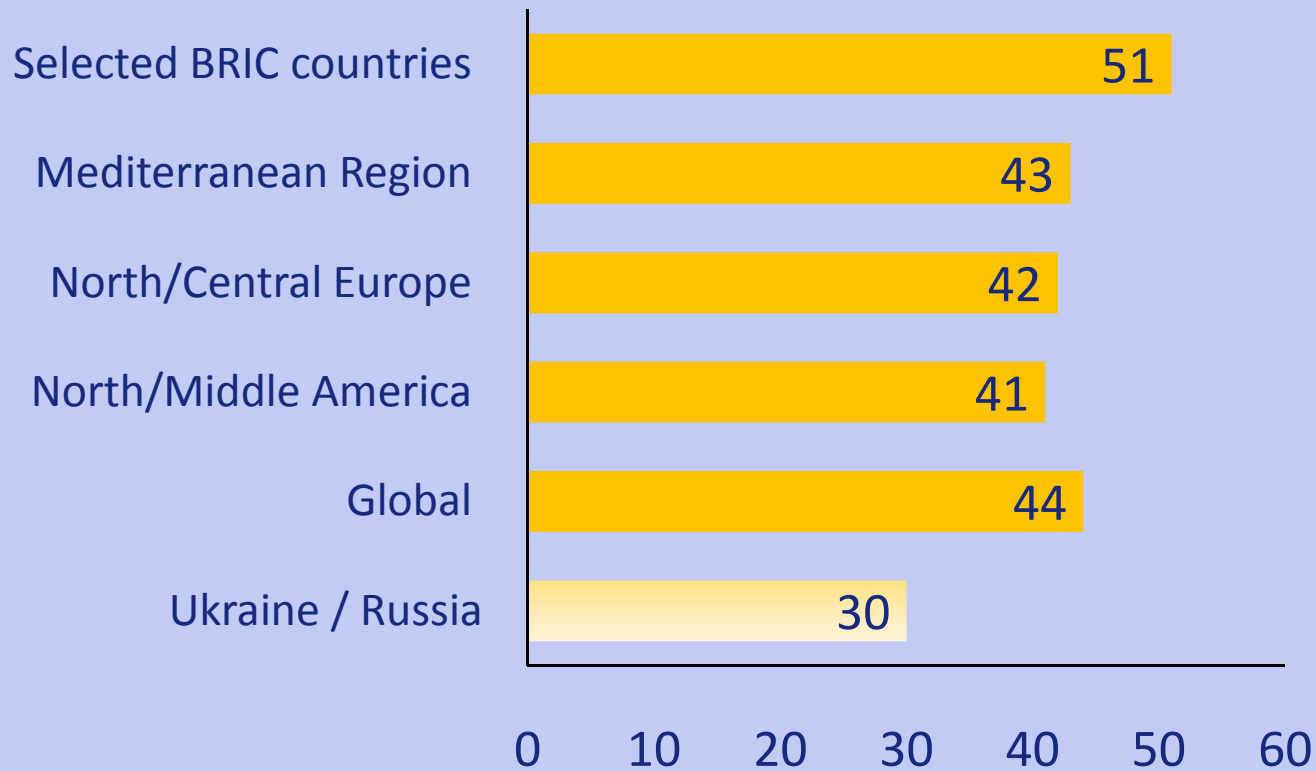


 Each company has an index between 0 and 100 points (300 companies in June 2011)

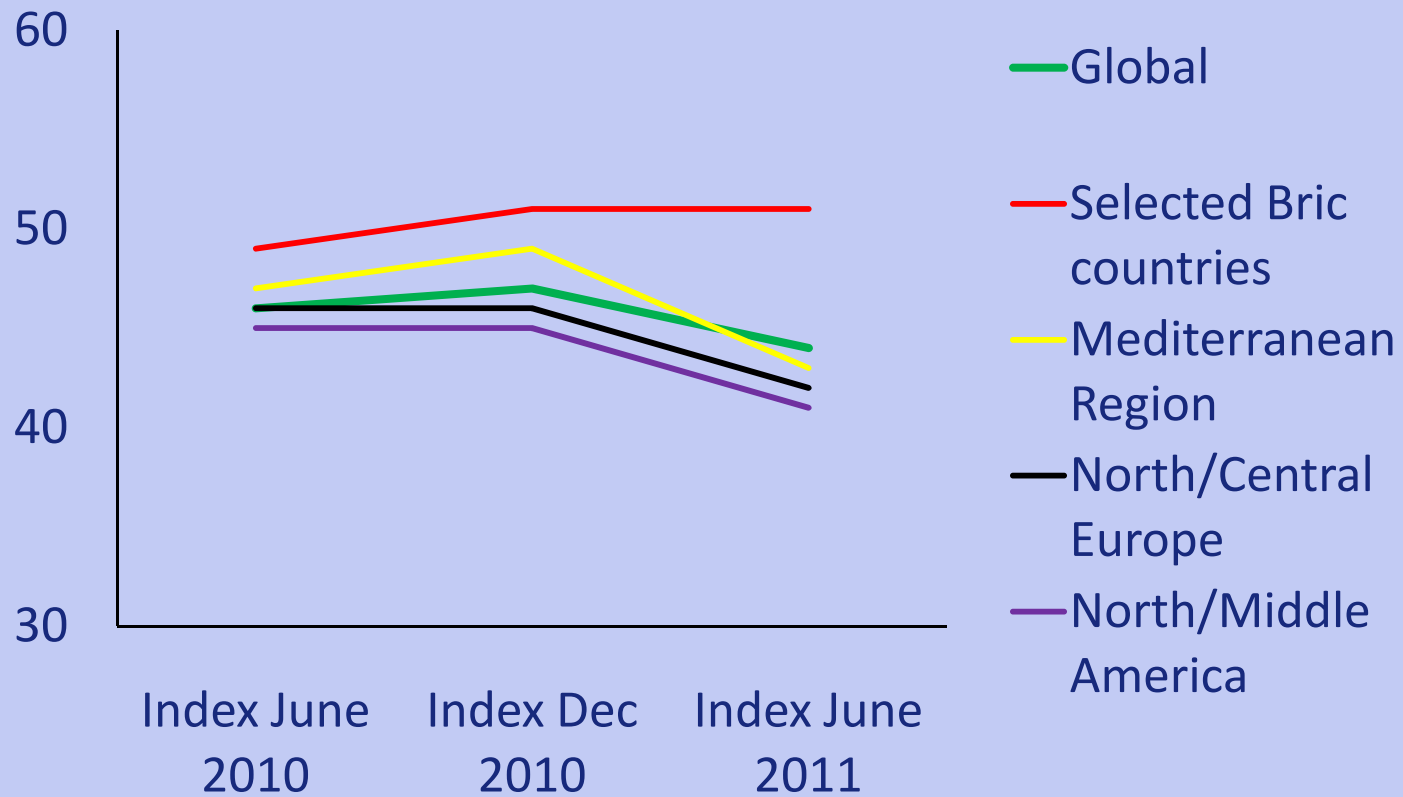
 The average of 300 company indices is the global ISOL Index

2. CHAPTER: THE GLOBAL VIEW: REGIONAL INDICES

Regional Indices June 2011

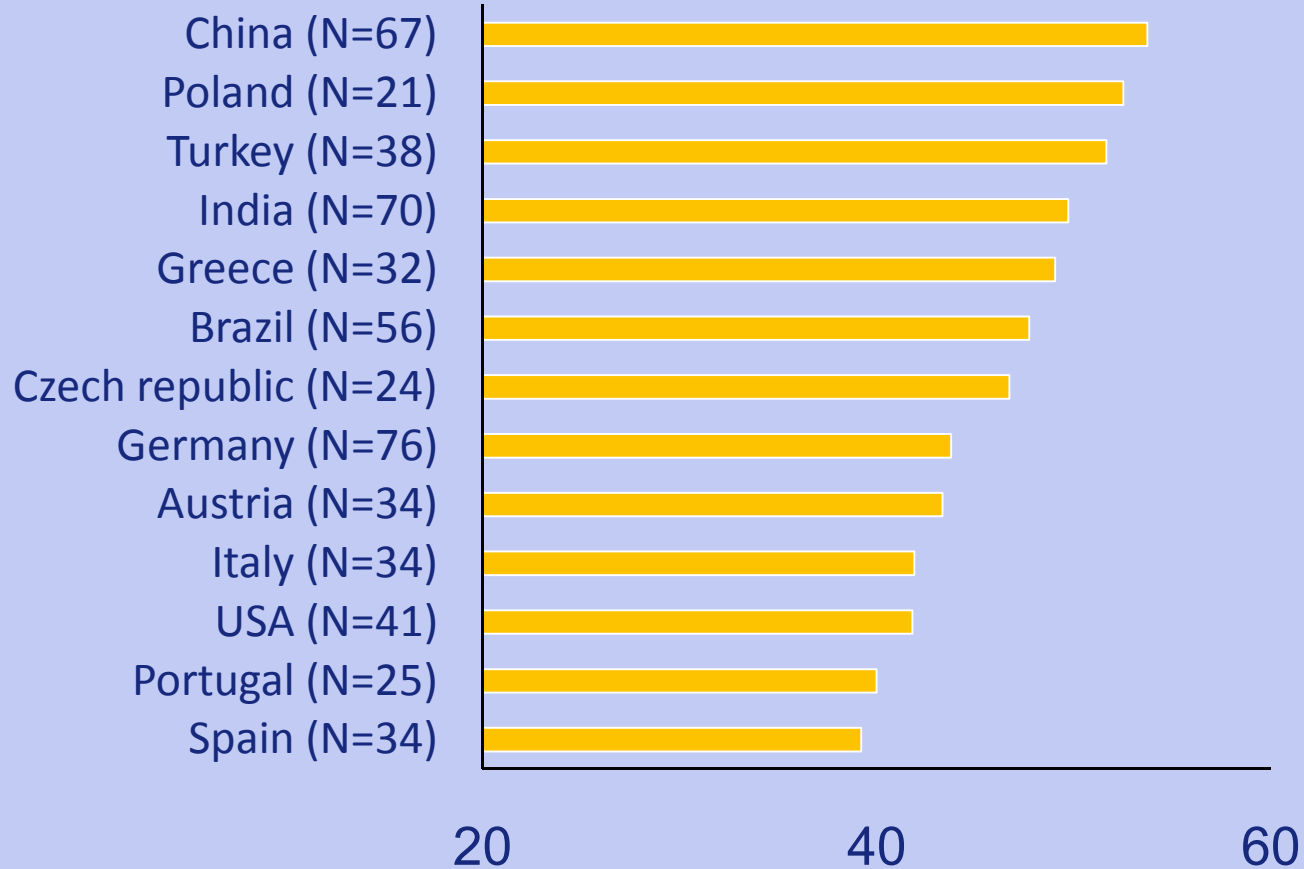


ISOL Index of the regions

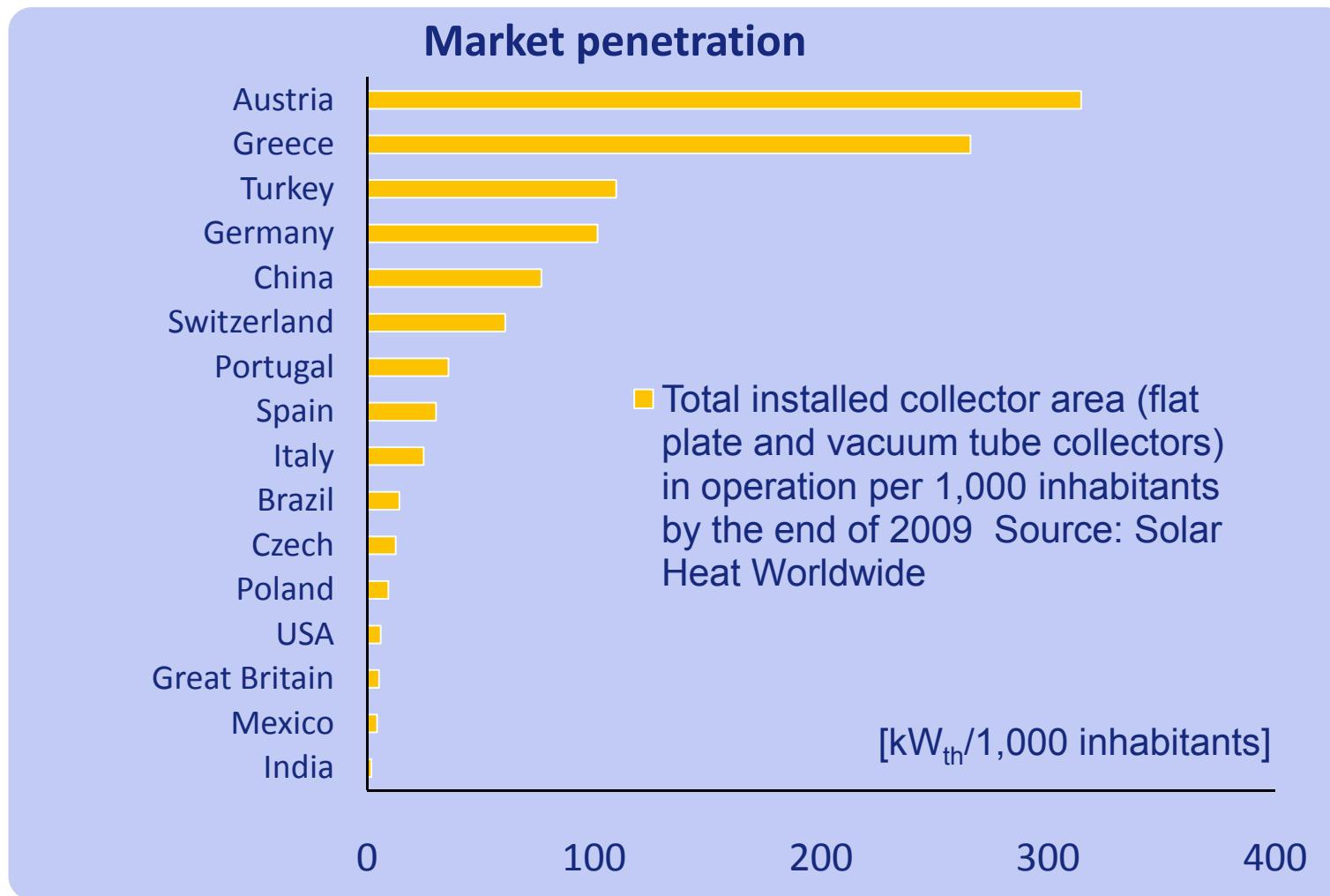


3. CHAPTER: MARKET ATTRACTIVENESS

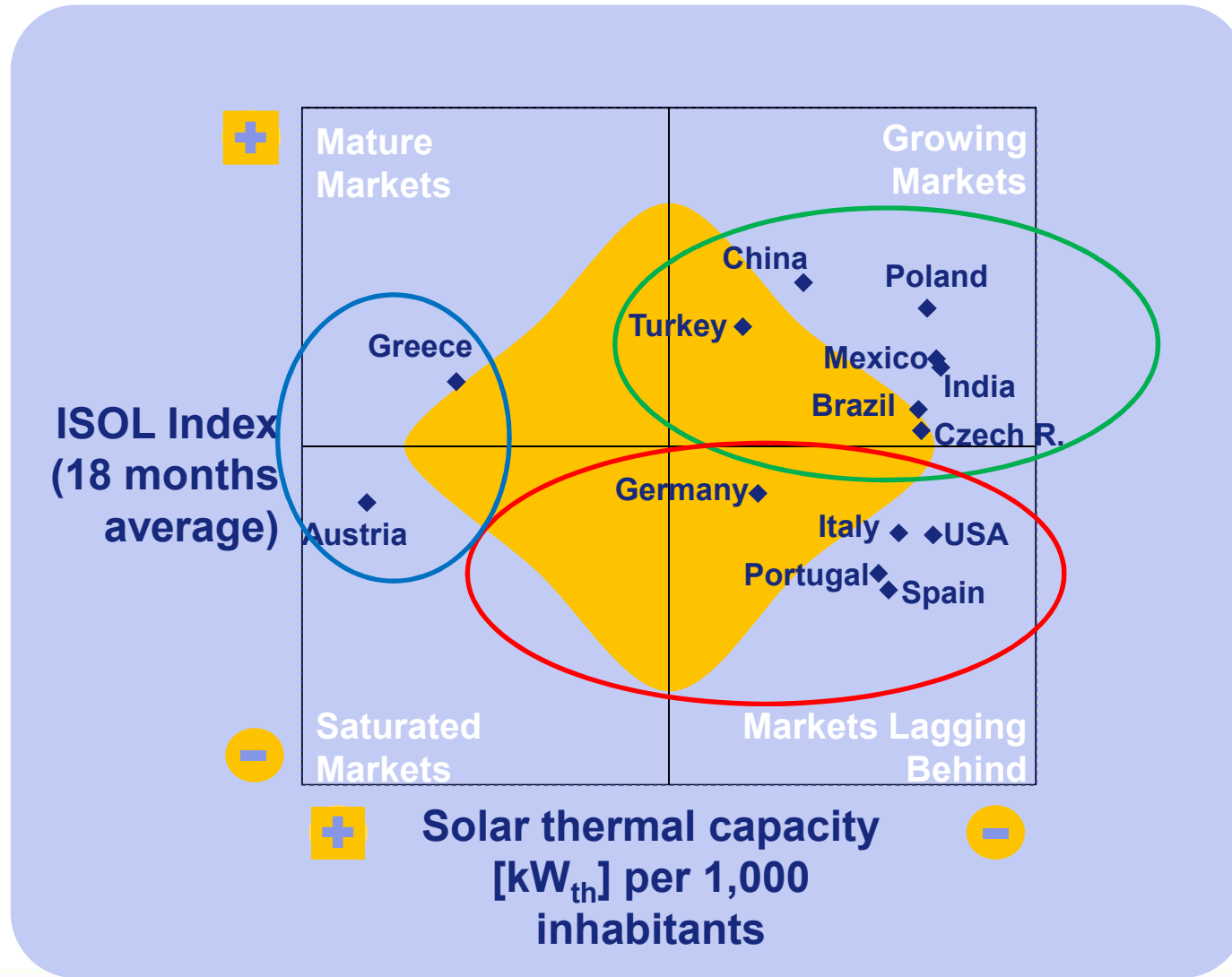
Average ISOL Index (three surveys)



Ranking of the market penetration



Market attractiveness depending on index/saturation



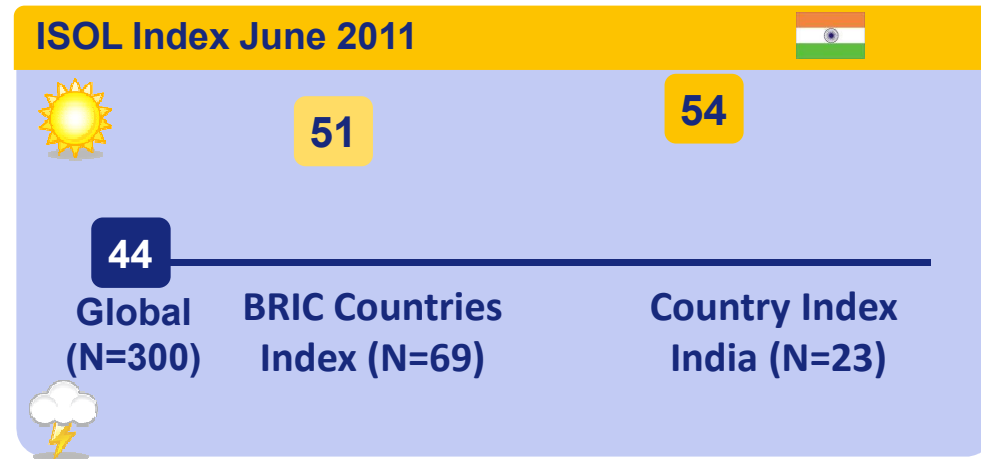
4. CHAPTER: SELECTED COUNTRY RESULTS



Business situation June 2011 in India



The Indian ISOL Index outperforms all countries



- ▶ India and China share first place with an index of 54 points, which is ten points above the global average.
- ▶ The high satisfaction of Indian manufacturers has been a result of the extremely high market growth since the publication of the Indian Solar Mission in November 2009.

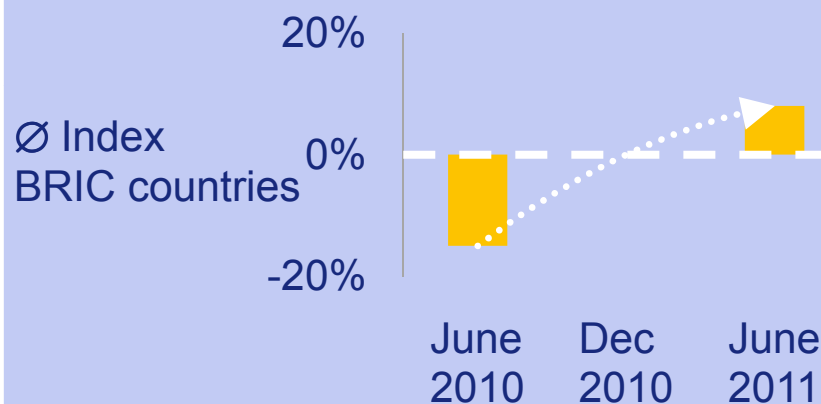


Forecast in India



Bright future: The Indian market is on the fast lane thanks to the ambitious and effective national and regional policy

18-months trend



- ▶ Steep ascent: India has caught up with the average ISOL Index among the three BRIC countries India Brazil and China.
- ▶ The strong commitment by the government and the continuous simplifications in the national subsidy scheme will guarantee high growth also in 2011.



The deep fall: From „full speed ahead“ to „market in trouble“ – a result of the sudden stop of the residential incentive programme

ISOL Index June 2011



44

Global
(N=300)



North/Central
Europe (N=96)

42

Country Index
Czech Republic (N=10)

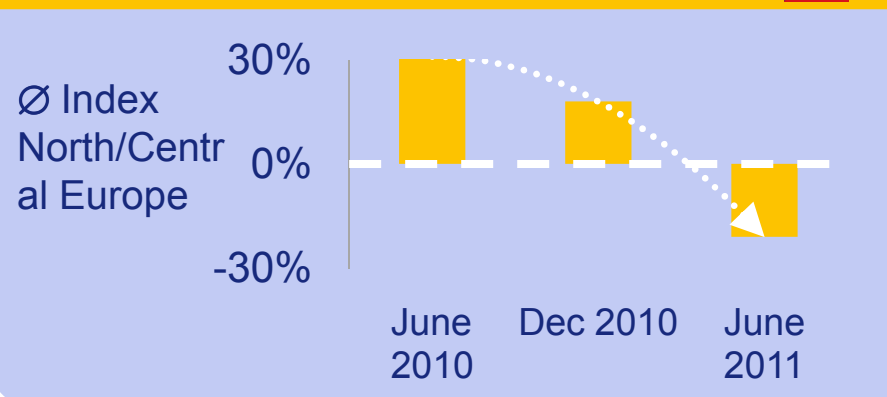
35

- ▶ With 35 points, the country index of the Czech Republic achieves the lowest score of all countries in this report.
- ▶ The stop of the incentive programme in October 2010, the vague concept for long-term support of renewable energies and a stagnating economy are the major reasons for the bad mood throughout the industry.



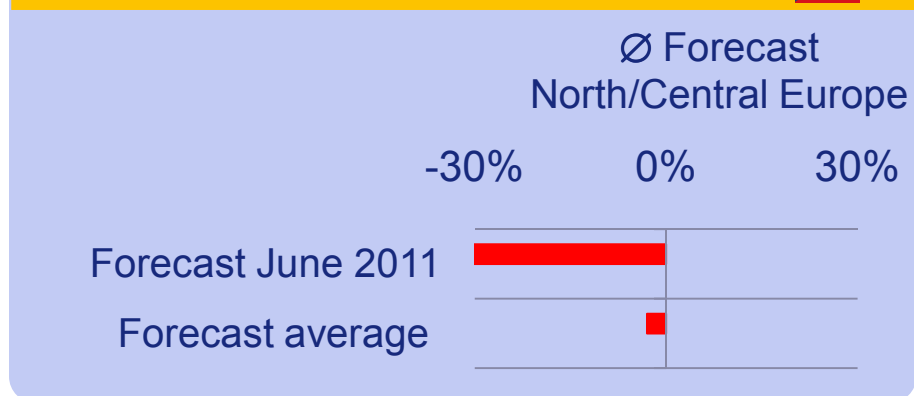
Forecast for Czech Republic

18-months trend



- ▶ From an extremely high index of 58 points in June 2010 in the busy times of the incentive programme the drop was dramatic to a low score of 35 points within 18 months.

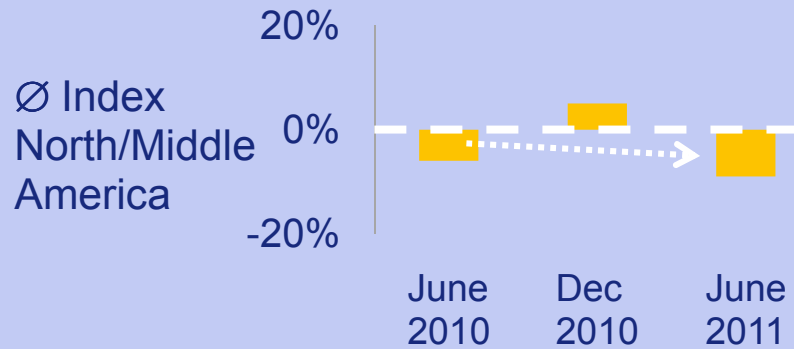
6-months forecast





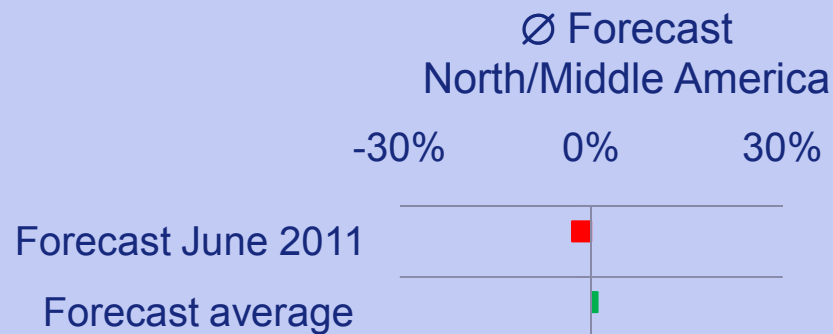
Forecast for USA

18-months trend



- ▶ The long-term trend in the USA shows a seasonal movement (down in June, up in December).
- ▶ The trend in the June values is slightly down, thus the companies judge their current business situation not much better than in June 2010.

6-months forecast

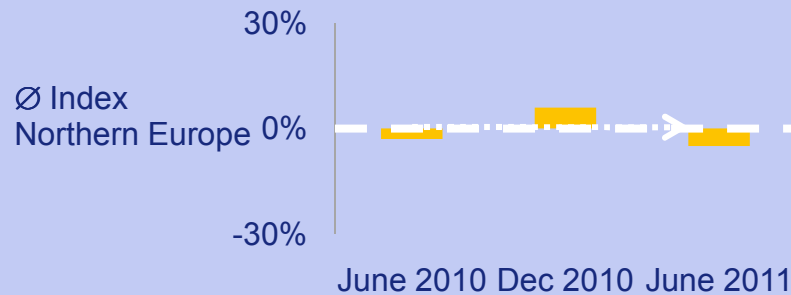




Long-term trend in Germany

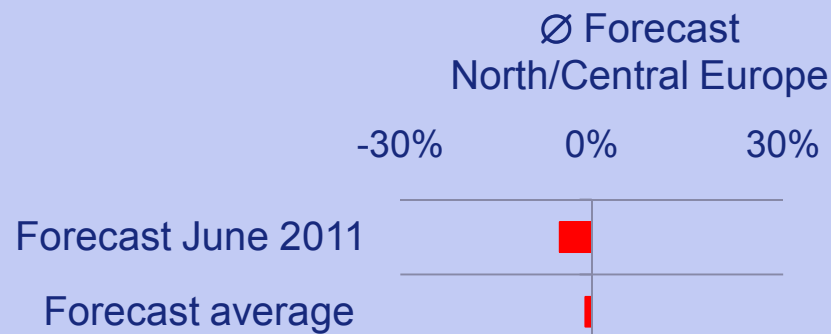
! The forecast is poor, companies lost confidence and expect stagnation rather than growth.

18-months trend



▶ The market in Germany in 2011 started slowly. The sector is cautious with optimism after two very difficult years where the collector market decreased by 26 % per year.

6-months forecast



5. CHAPTER CONCLUSION AND ACKNOWLEDGEMENT

Conclusion

- ▶ Global trends: Asia moves up, while Europe lags behind
 - India and China share first place with an index of 54 points
 - The countries with the lowest index are all located in Europe
- ▶ Enormous potential in Eastern Europe
 - Czech republic: A stop and go subsidy policy has a significantly bad effect on the business satisfaction of the market players
- ▶ USA: low demand despite high subsidies
- ▶ Pessimistic forecast in Germany: A sector lost confidence
 - The German market is in a dilemma: both schemes currently in place have their weak points

„Solar heating and cooling offers the largest technological potential of all renewable energies, but the technology is completely underestimated in politics and among the public.

If we escape this dilemma, we will be successful!“