

India Shines As New Star In Solar Power Market

The Associated Press

MUMBAI, May 21 (Kyodo) — With the global solar power market saddled with oversupply from Chinese makers while demand shrinks in Europe amid the region's debt crisis, eyes have turned to India as one of the fastest growing new markets.

For India, which is highly dependent on fossil fuel energy sources and plagued with constant power shortages, alternative energy is an attractive option. The government's goal is to achieve 20 million kilowatts of installed solar capacity by 2022.

At an investment conference in the west Indian state of Gujarat in April, electricity operators from Canada, Australia, Spain and elsewhere showered praise on India's scheme for its extensive administrative support and practical policies.

Gujarat is ambitious in leading the energy-hungry nation's solar drive, with one of its senior government officials declaring that the state will aim to achieve 10 million kilowatts of solar capacity by 2022 -- making up half the central government's target.

In April, the Gujarat Solar Park, one of Asia's largest solar power fields, was completed in Charanka village in northern Gujarat. The project, deemed by some in the industry as the largest of its kind that any country is currently engaged in, is seen as a symbol of the Indian market's promising prospects.

With the sharp drop in the price of solar panels -- down to one-third that of three years ago according to one person in the industry -- and overstocked inventories at many suppliers, competition to sell into the Indian market is intensifying.

Japanese makers such as Sharp Corp. and Solar Frontier K.K., a wholly owned Tokyo-based subsidiary of Japanese oil firm Showa Shell Sekiyu K.K., are also hoping to penetrate the Indian market, but are finding themselves outstripped by low-priced Chinese and Taiwanese makers in the race for market share.

U.S. manufacturers, benefiting from government subsidies that helped boost massive solar panel exports to India, are also strong competitors.

"There is very limited room left for Japanese companies," an official at one of the Japanese manufacturers said.

Sharp, whose solar panels are being introduced at large-scale power generation facilities in India through a major local construction company, hopes to expand sales by providing added value such as product reliability and technical support.

Meanwhile, Hitachi Ltd. plans to launch production in India of products such as

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power control equipment for use in solar power generation through merging with a local company.

The Japan External Trade Organization said it has been receiving an increased number of inquiries from Japanese companies regarding the solar market in India and plans to provide support for information-gathering such as organizing visits to regions with large-scale projects.

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