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Solar PV Forecast Says Industry will Bounce Back with Adjusted Priorities

Unique report views solar from the perspective of the semiconductor industry

Scottsdale, Arizona --- May 27, 2009 --- IC Insights announced today the release of a new report, its first to examine and analyze the solar photovoltaic industry from the perspective of semiconductor industry participants. *Solar Energy: Growth Opportunities for the Semiconductor Industry* starts with the market for high-purity silicon shared with the chip industry, a market where the rapidly changing balance between supply and demand is contributing to a rethinking of priorities in the solar PV sector.

For some time, PV device makers have concentrated on reducing the amount of silicon required per watt of energy output, in part because silicon represented a large portion of the cost of a solar cell, but also because the supply of solar-grade silicon was limited. With new polysilicon plants coming on line, the supply constraint has evaporated and the cost of silicon is coming down significantly.

At the same time, demand for solar installations has plummeted due to the recession and credit crunch, as well as government incentive cutbacks in Europe. Solar panel inventories have built up, and competition has intensified for the reduced available business, driving prices down across the solar PV supply chain. IC Insights forecasts that on a megawatt basis, global installations will drop 22% this year. Average selling prices for solar panels is expected to drop 28%.

IC Insights expects demand for solar installations to come charging back in 2010 as new government incentives in the U.S., Europe, and China gain traction. Installations are forecast to rise 37% to 6.7 gigawatts, with continued growth achieving a compound annual growth rate of 25% over the 2008-2013 forecast period. The price drop of 2009, while not forecast to repeat in 2010-2013, will make solar systems more attractive in more markets even as government incentives supporting installations start to taper off starting four or five years down the road, IC Insights believes.

With the cost of silicon dropping, R&D investments in solar device design and manufacturing technology will back off the years-long push to minimize silicon consumption and center on new ways to reduce costs and boost device efficiency. For example, several solar cell makers are coming out with new back-contact cell designs, as described in the report.

Solar Energy: Growth Opportunities for the Semiconductor Industry provides a detailed forecast of the solar cell and panel market, including thin-film panels, as well as a system-level forecast and a country-by-country demand forecast. The forecast includes a unique look at the semiconductor content of solar systems, a small but very fast-growing segment, and predicts global capital spending for solar cell manufacturers over five years. The report also reviews the numerous technology approaches challenging mainstream silicon wafer PV cells.

Solar Energy: Growth Opportunities for the Semiconductor Industry comes with both a full-color three-ring binder for easy off-the shelf reference and an electronic copy on CD-ROM that includes image files of the charts and tables. The report is available for purchase at $2,975 for individual users and $5,880 for multi-user corporate situations. For more information, please visit http://www.icinsights.com/prodsrvs/specialstudies/solarenergy/solarenergy.html.

About IC Insights

IC Insights, Inc., based in Scottsdale, Arizona USA, is dedicated to providing high-quality, cost-effective market research for the semiconductor industry. Founded in 1997, IC Insights offers coverage of global economic trends, the semiconductor market forecast, capital spending and fab capacity trends, product market details, and technology trends, as well as complete IC company profiles and evaluations of end-use applications driving demand for ICs. For more information, contact +1-480-348-1133 or info@icinsights.com, or visit www.icinsights.com.