

Six polysilicon manufacturers could be wiped out by end of 2018

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A new polysilicon market outlook report from Bernreuter Research predicts a rise in competition in the market, which will drive prices down and push some manufactures out of business, in the face of falling demand from the solar industry and increasing capacities.



The report forecasts that competition in the polysilicon market will become so feverish by the end of 2018, that a number of polysilicon manufacturers will go out of business by the end of the year. www.polysiliconsupplier.com

Not always considered the most fashionable side of the solar industry, the turbulence within the polysilicon market over the last few years has made it difficult to keep all industry eyes off it. A new report from polysilicon market analyst Bernreuter Research, The Polysilicon Market Outlook 2020, predicts that the instability is set to continue, at least for the next few years, as increasing manufacturing capacity will be stung by a slight dip in demand.

The report forecasts that competition in the polysilicon market will become so feverish by the end of 2018, that a number of polysilicon manufacturers will go out of business by the end of the year. This competition, the report went on, is likely to see prices fall below USD 12 per kg in 2018, from the USD 14 per kg that is the average price today.

“We expect that some projects will be deferred, others will end up as stranded investments, and several existing manufacturers will disappear from the market,” commented Head of Bernreuter Research and author of the report, Johannes Bernreuter.

This drop will be a result of a two-pronged attack on polysilicon prices: Firstly, new manufacturing capacities of 141,000 MT are expected to go online between 2017 and 2019, of which the majority will be in China. While simultaneously, the annual growth rate of new PV installations is expected to fall below 10%, ironically, this is mainly due to China decreasing its solar PV target, and loosening its support for the clean energy technology. This is particularly important, as the PV industry consumes 90% of the polysilicon produced globally.

The industry saw a similar event take place a couple of years ago, as a surge in the solar industry resulted in an increased polysilicon manufacturing capacity, only to see demand drop off, and an oversupply push down prices. This took place in 2014 and 2015, and culminated in a record low price for polysilicon of USD 12.93 per kg in January 2016, which was then stemmed by a sudden increase in demand in China.

“Only the massive Chinese PV installation rally in the first half of 2016 saved the polysilicon industry from even more serious oversupply,” continued Bernreuter.

While this must come as concerning news for polysilicon manufacturers, those that do survive know that the demand for polysilicon is not going to diminish for long, as [current market estimates expect sustained growth in the solar PV market from 2019 onwards](#).