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Solar cell ASP drop will not affect profitability, says E-ton

Nuying Huang, Taipei; Esther Lam, DIGITIMES [Wednesday 10 September 2008]

Despite that contract prices for its solar cells will decline by single digits in 2009, gross margin is not going to be affected, according Chi-Yao Tsai, general manager of E-ton Solar Tech.

A 5-10% decline in solar cell average selling prices (ASPs) is expected in the contract market next year, said Tsai. The weakening price trend is driven by an affect on demand due to the expiration of the subsidy program in Spain in 2008, as well as customers' pursuit for lower cost, he explained. Given that polysilicon supply from M.Setek is set to pick up next year, the ASP decline will not affect profitability at E-ton, he noted.

Tsai added that demand patterns from different customers vary. For some customers from the building-integrated photovoltaic (BIPV) segment, will see their profitability is less affected by government subsidy programs, meaning their reaction to solar cell pricing is relatively weak. Many customers from this segment have increased their bookings, Tsai noted.

Citing bookings at a recent photovoltaic (PV) show in Spain, Tsai reiterated that demand will be consistently strong in 2009. Bookings from mid- to long-term contracts have already surpassed 300MWp, which is higher than E-ton's planned output of 240-300MWp in 2009.

Commenting on progress on amorphous silicon (a-Si) thin-film solar cell development, Tsai said the strong bookings as seen in 2008 indicate a bullish market in 2009. Despite that some industry players have argued that the thin-film solar market will only reach two billion watts in 2010, Tsai noted that expansion among many players is measured in terms of billion watts.

While some industry players are concerned about production barriers on a-Si thin-film solar cells, Tsai cited First Solar's success as an example that smooth a-Si thin-film solar cell production is achievable.



E-ton general manager expects weakening solar cell ASPs in 2009

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Photo: Nuying Huang, Digitimes, September 2008

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