GLOBAL SOLAR COUNCIL WEBINAR
How is COVID-19 impacting the global PV industry?

Webinar, Thu 23 Apr 2020, 14:00-15:30 CET

The view from Asia: showing how business can start again

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What’s going on

Where we were

Here we are

How we move on

Where we were

Here we are
Message from Mr. Gongshan Zu

- **APVIA Chief Chairman**,  
  Founder and Chairman of Golden Concord Holdings:

1) The solar industry has run into stiff headwinds as a result of the COVID-19 pandemic. Economy-driven demand contraction will hurt new solar installations in the short run but I believe it would be followed by a significant catch-up over the next few years.

2) To tough out this difficult time, I think the solar companies worldwide should focus on maintaining a healthy cash flow. Poor cash positions would make you more vulnerable to this downturn. We must effectively manage our cash flow to be able to survive and thrive against the backdrop of this unprecedented global health crisis.

3) Meanwhile, we should step up our efforts on technology innovations and organizational management which could greatly benefit us when the industry starts to pick up.

4) It is still too early to assess to what extent the coronavirus pandemic would disrupt the renewable energy’s progress but I am convinced that with all governments and policy makers working together to tackle this challenge, the deployment of renewable energy would be back on track or even better in no time and play an important role in the global economic recovery.
What’s going on

- Asia – ref: Asian Development Bank (ADB)
- 2019 incipient recovery, upended by COVID-19. Forecast GDP 2.2% in 2020

GDP growth forecast rest of 2020:
- People’s Rep. China (PRC) 2.3%; India 4%; South-East-Asia (SEA) 1%;
- Central Asia (CA) 2.8%; Pacific islands (PI) hard hit; West Asia (WA) its complicated; Inflation rises and trade growth weakens.

- Global cost between $2.0 and $4.1 trillion, equivalent to between 2.3% and 4.8% of global GDP.

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What’s going on

People’s Republic of China (PRC)

Ref: Analysis of PV industry export situation from January to February 2020, CPIA.  
https://mp.weixin.qq.com/s/jwbiO2_5e_msOlWL06mk4A


‘Pandemic to halt Asia’s 2020 growth for first time in 60 years’

BY LEIKA KIHARA

TOKYO: Asia’s economic growth this year will grind to a halt for the first time in 60 years, as the Covid-19 crisis takes an “unprecedented” toll on the region’s service sector and major export destinations.

While Asia is set to fare better than other regions suffering economic contractions, the projection is worse than the 4.7% zero growth this year for the first time in 60 years, the IMF said in a report on the Asia-Pacific region released yesterday.

China’s economy is expected to grow 1.2% this year, down from 6% growth in the IMF’s January forecast, on weak exports and losses in domestic activities due to social distancing steps. The world’s second-largest economy is expected to see a re-
What’s going on

- South East Asia (SEA)

AMS targets for RE growth.
Full Harvey ball = 150 GW.
Source: AFRY 2020 Apr

<table>
<thead>
<tr>
<th>Country</th>
<th>2019 GW</th>
<th>2030 GW</th>
<th>RE support</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indonesia</td>
<td></td>
<td></td>
<td>x / ✓</td>
<td></td>
</tr>
<tr>
<td>Viet Nam</td>
<td></td>
<td></td>
<td>x / x</td>
<td></td>
</tr>
<tr>
<td>Thailand</td>
<td></td>
<td></td>
<td>✓ / ✓</td>
<td></td>
</tr>
<tr>
<td>Malaysia</td>
<td></td>
<td></td>
<td>✓ / ✓</td>
<td></td>
</tr>
<tr>
<td>Philippines</td>
<td></td>
<td></td>
<td>✓ / ✓</td>
<td></td>
</tr>
</tbody>
</table>

Table 1. Growth projections for Developing Asia for 2020, in %

<table>
<thead>
<tr>
<th>Economy</th>
<th>2019 as of December (f)</th>
<th>2019 as of April (p)</th>
<th>2020f as of December (f)</th>
<th>2020f as of April (f)</th>
<th>2021f as of April (f)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developing Asia</td>
<td>5.2</td>
<td>5.2</td>
<td>5.2</td>
<td>2.2</td>
<td>6.2</td>
</tr>
<tr>
<td>Developing Asia excluding NIEs</td>
<td>5.7</td>
<td>5.7</td>
<td>5.7</td>
<td>2.4</td>
<td>6.7</td>
</tr>
<tr>
<td>China</td>
<td>6.1</td>
<td>6.1</td>
<td>5.8</td>
<td>2.3</td>
<td>7.3</td>
</tr>
<tr>
<td>Southeast Asia (incl. Timor-Leste)</td>
<td>4.4</td>
<td>4.4</td>
<td>4.7</td>
<td>1.0</td>
<td>4.7</td>
</tr>
</tbody>
</table>

Note: p – preliminary, f- forecast; NIE are Newly Industrialized Economies – Hong Kong, Korea, Singapore, and Taiwan. December forecast refer to projections in the ADO Supplement in December 2019 Forecast in December 2019 for Southeast Asia does not include Timor-Leste.
Source: Asian Development Bank Asian Development Outlook 2020 (3 April)

Analysis and Monitoring on Finance and Socio-Economic Issues Division of the ASEAN Integration Monitoring Directorate at the ASEAN Secretariat. AMS - ASEAN Member States.
## What’s going on

- **SEA**

### Table 2. AMS GDP growth forecasts for 2020

<table>
<thead>
<tr>
<th>Country</th>
<th>Initial Forecast</th>
<th>Revised Forecast</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brunei</td>
<td>1.5% Sep 2019</td>
<td>2.0%* 3 Apr 2020</td>
<td>ADB</td>
</tr>
<tr>
<td>Darussalam</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cambodia</td>
<td>6.8% Sep 2019</td>
<td>2.3% 3 Apr 2020</td>
<td>ADB</td>
</tr>
<tr>
<td>Indonesia</td>
<td>5.3% Official target, Aug 2019</td>
<td>4.7% to 5.0% 4 Mar 2020</td>
<td>Ministry of Finance</td>
</tr>
<tr>
<td>Lao PDR</td>
<td>6.2% Sep 2019</td>
<td>3.5% 3 Apr 2020</td>
<td>ADB</td>
</tr>
<tr>
<td>Malaysia</td>
<td>4.8% Official target</td>
<td>3.2% to 4.2% Feb 2020</td>
<td>Ministry of Finance</td>
</tr>
<tr>
<td>Myanmar</td>
<td>6.8% Sep 2019</td>
<td>4.2% 3 Apr 2020</td>
<td>ADB</td>
</tr>
<tr>
<td>Philippines</td>
<td>6.5% to 7.5%</td>
<td>5.5% to 6.5% Mar 2020</td>
<td>NEDA</td>
</tr>
<tr>
<td></td>
<td>(if outbreak lasts until June)</td>
<td>-0.6% to 4.3% 19 Mar 2020</td>
<td></td>
</tr>
<tr>
<td>Singapore</td>
<td>0.5% to 2.5% Nov 2019</td>
<td>-0.5% to 1.5% 17 Feb 2020</td>
<td>Ministry of Trade and Industry</td>
</tr>
<tr>
<td>Thailand</td>
<td>2.7% to 3.7% Nov 2019</td>
<td>1.5% to 2.5% 17 Feb 2020</td>
<td>National Economic and Social Development Board</td>
</tr>
<tr>
<td>Viet Nam</td>
<td>6.8%</td>
<td>6.27% if contained in Q1; 6.09% if contained in Q2</td>
<td>Ministry of Planning and Investment</td>
</tr>
</tbody>
</table>

Analysis and Monitoring on Finance and Socio-Economic Issues Division of the ASEAN Integration Monitoring Directorate at the ASEAN Secretariat. AMS - ASEAN Member States.
What’s going on

- India – solar industry relies heavily on Chinese PV module imports

  • Solar installations are set to be hit hard by the lockdown as the industry is heavily dependent on Chinese photovoltaic (PV) module imports, which account for 80% of the total volume.

  • According to Wood Mackenzie senior analyst Rishab Shrestha, solar installations are projected to crash 60% YoY in Q1, or 1.2 GW out of 3 GW during the quarter.

  • The report is bearish about PV installations in the second half of the year, as supply and logistics bottlenecks linger.

  • Shrestha projects solar installations to fall 24.8% to 8.9 GW in 2020.

Impact on India’s solar PV installations.
https://asian-power.com/power-utility/in-focus/3gw-indias-solar-and-wind-installations-face-delays
How we move on

- **Philosophy** – do not leave anyone behind as we are in this together.
- **Global** – readjust inter-regional hurdles
- **Regional** – dress-down intra-regional facades
- **National**:
  - Accommodative policies;
  - Recuperative financial courses;
  - Business-promoting environments;
  - New-norms of working mechanics.

- **Strategies** (example):
  - Appropriate policy;
  - Markets open and fluid;
  - Innovative information management;
  - Working together across boundaries;
  - Identify urgency of essentials;
  - Innovations: (a) frontier; and (b) catch-up.
How we move on

Suggestions from ASEAN Policy Brief:

a) Mobilise macro, financial, and structural policy tools
b) Preserve the economy’s productive capacity
c) Keep the supply chains going
d) Leverage on technologies and digital trade
e) Strengthen social safety nets
f) Scale-up regional pandemic responses
g) Redouble the resolve to advance regional integration

Example of specifics:
• Renegotiate terms and price
• Lower operation cost
• Decrease manpower numbers
• Increase eff of operations via IT-based

Example SOP mechanics:
• Social distancing at workplace
• On-line meetings & presentations
• On-line applications and processing
• Daily screening of staff

Lest we not forget, our next disaster may come sooner than we think, cashing in on our lackluster respect for the environment – it will strike back – sans boundary. And there is no way to exercise movement control orders anywhere on Earth.
How we move on

- Let’s beat this together

- Leave no one behind

- New quota
- New policy
- Clearance time
- Abort levy
- Moratorium
- New SOP
- Innovate
- Education
- Digitise
- Upskill
- Tax break
- Credit
- Ease policy
- Low interest
- Payout
- Pull out

Terima kasih