

Key Findings for Manufacturers: Global Off-Grid Solar Market Report Jul – Dec 2020

Jun 10th 2021





Key Findings for Manufacturers:

Global Off-Grid Solar Market Report

Jul – Dec 2020



Agenda

- Opening remarks – Itotia Njagi, IFC
- Key Insights from the Global Off-Grid Solar Market Report:
Jul – Dec 2020 – Report content team
- Q&A

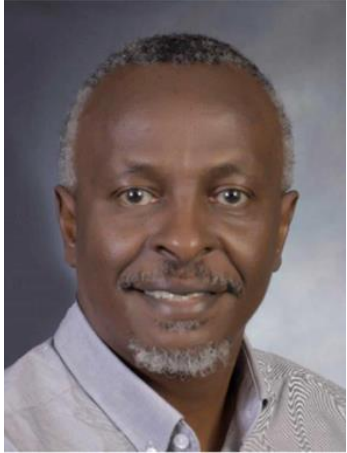
¹ Half-yearly primary sales & impact data collection conducted and led by GOGLA, in partnership with IFC Lighting Global and the Efficiency for Access coalition, with the support of UKAID.



Housekeeping

- Everyone will kindly remain muted and with camera turned off besides the moderator and the speakers.
- **Submit your questions via the “Chat” function**, shown on the bottom of your screen. Feel free to mention if it is directed to a particular speaker.
- Webinar slides will be available for download afterwards.
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Panel



Itotia Njagi
IFC



Honglin Hui
IFC
(Moderator)



Leo Blyth
IFC & ESMAP / The
World Bank



Salman Zahir
IFC



Elisa Lai
VeraSol (CLASP)

A Word from Lighting Global



Itotia Njagi
Lighting Global Program
IFC

Key Insight #1



Portable
Lanterns

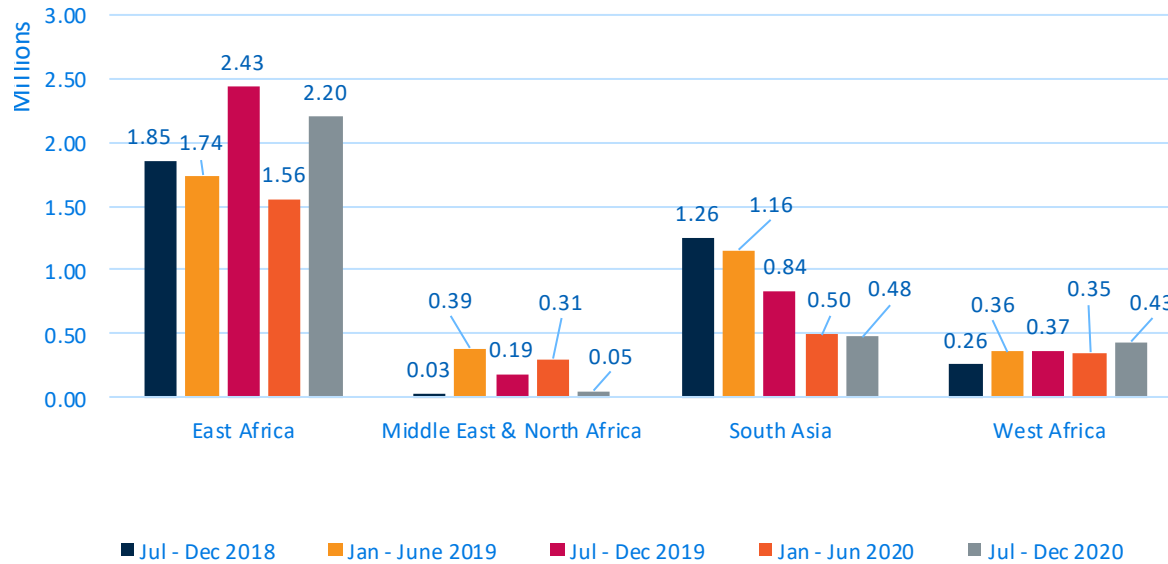


Multi-light
systems



Solar Home
System

In the second half of 2020, global sales of off-grid solar lighting products decreased 18% compared to the second half of 2019, with 3.6 million units sold. **Despite early signs of a slow recovery, 2020 sales are still at the lowest level since 2015.**



- Middle East & North Africa showed the largest decreases (-74% compared to the second half of 2019)
- East Africa saw a -10% decrease compared to the second half of 2019
- Sales in West and Central Africa increased – though there were different trajectories per country
- South Asia region showed a -43% decrease compared to the second half of 2019
- An estimated 10 - 15 million people have not been able to benefit from improved electricity access

Key Insight #2



Portable
Lanterns



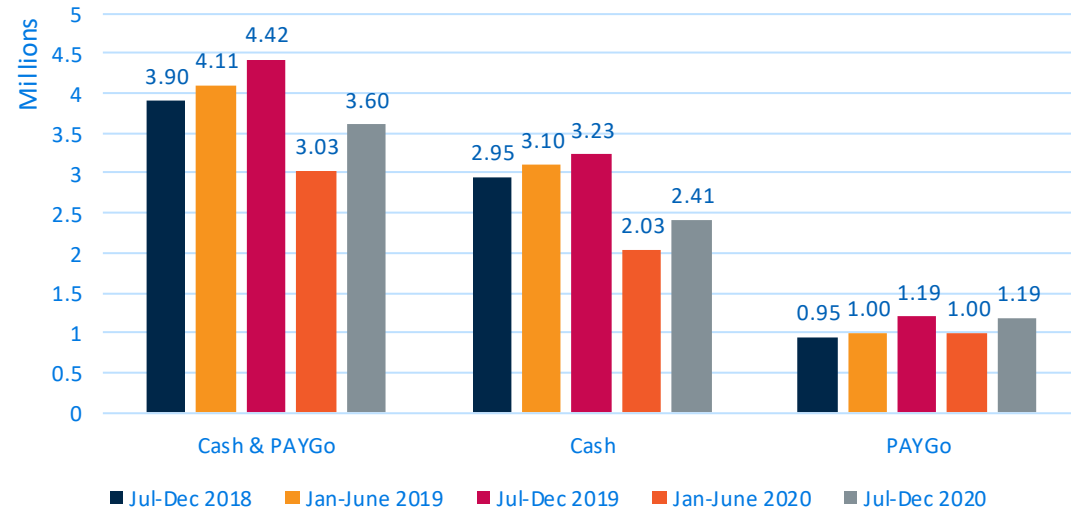
Multi-light
systems



Solar Home
System

The pandemic continued to put pressure on off-grid solar companies, and we can observe an uneven recovery across companies as well as business models.

- Two thirds of off-grid solar lighting companies reported lower sales than in the second half of 2019, with over half reporting sales decreases of over 25% and a third reporting sales reductions of more than 50%
- Cash sales – with 2.41 million units sold – are higher than in the last reporting period, but are still 25% lower than in the second half of 2019
- PAYGo sales on the other hand seems to have been more resilient. After only seeing a relatively small drop in the first half of 2020, PAYGo sales have now reached the same level as in the second half of 2019, with 1.19 million units sold



Key Insight #3



SWP



Fans

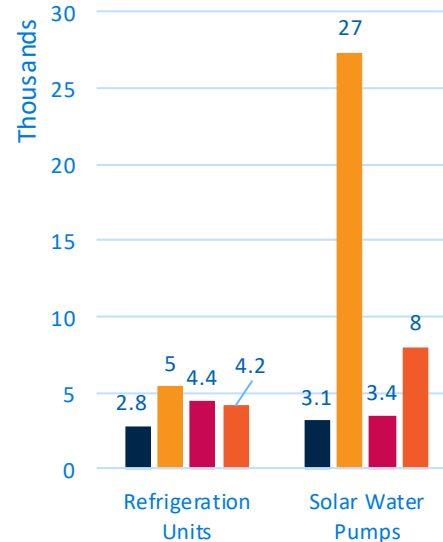
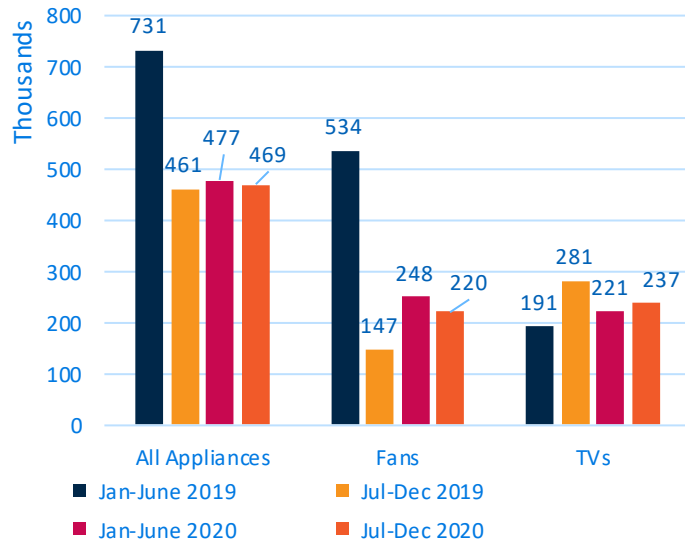


Tv



Refrigeration

The appliance segment was at a nascent stage prior to the start of the pandemic, and significant growth was hoped for in 2020. While this expected growth did not materialize, partly because of COVID-19 pandemic, **this segment in the off-grid solar market also showed resilience.**



- Fans saw an increase compared to the second half of 2019 – strong sales in sub-Saharan Africa
- TVs experienced increases, but large differences per region. Sales of extra-large TVs increased considerably, especially in East and West Africa
- SWPs experienced strong growth compared to last round in particularly East and West Africa because of seasonality and companies expanding in the region
- RUs experienced a slight decrease – note that this report does not reflect the main institutional market for off-grid vaccine cold chain equipment

*note the different axis of the two graphs

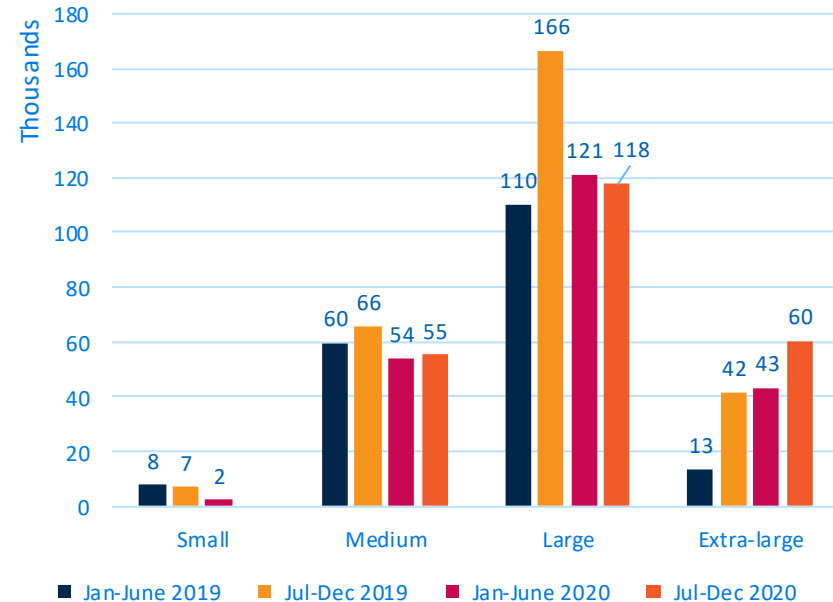
Key Insight #4



Tv

We lost sight of small TVs but good growth in the extra-large TV category – indicative of the improved energy efficiency of larger TVs and their perceived value.

- The sales of small TVs have been relatively low for several years now, and for the first time we cannot include small TVs (12-17”) as too few companies reported sales
- Sales of extra-large TVs increased considerably, predominately in East and West Africa
- A possible explanation is that larger TVs are becoming so efficient that the power consumption difference between large TVs and small TVs is minimal, while the perceived additional value is significant
- In addition, we see a reduction in price for extra-large TVs over the last few years, and companies bundling TVs with other appliances such as solar water pumps
- Anecdotal reports of an increasing amount of more wealthy customers purchasing SHS bundled with extra-large TVs during lockdown periods



Key Insight #5



Portable
Lanterns



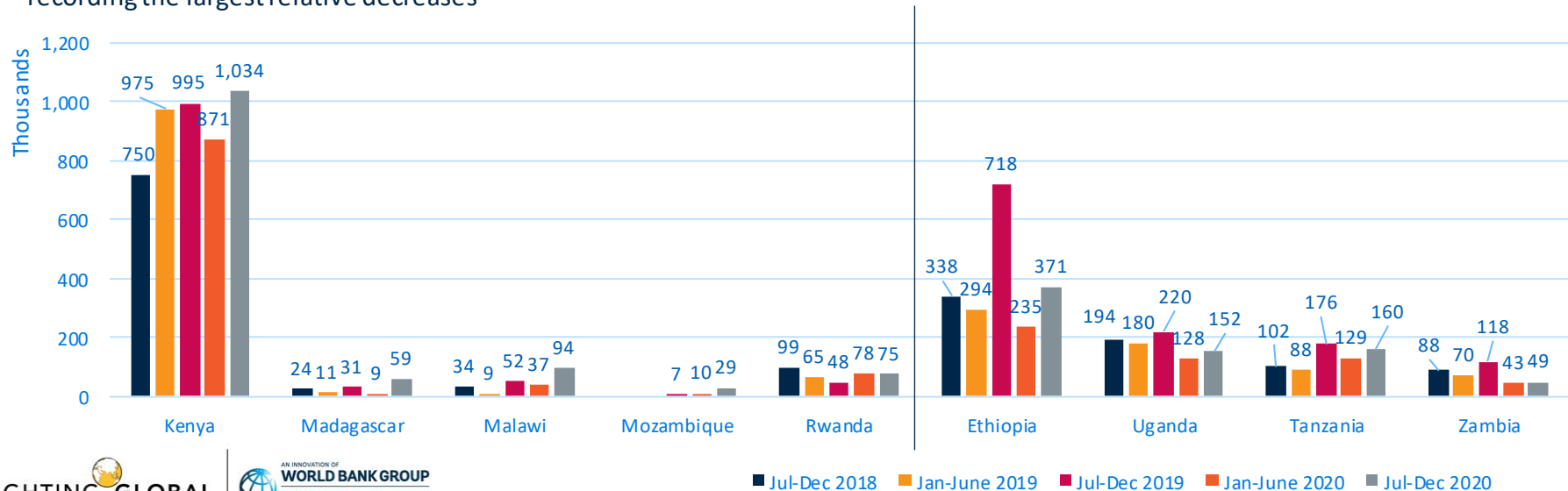
Multi-light
systems



Solar Home
System

Lighting product sales in East Africa improved in the second half of 2020, but large differences between countries.

- Sales in Kenya surpass the 1 million mark for the first time
- Growth in Madagascar, Malawi, Mozambique, Rwanda and Somalia increased compared to the second half of 2019
- While sales volumes in Ethiopia, Uganda, Tanzania, Zambia and Zimbabwe were lower, with Zambia (-59%) and Ethiopia (-48%) recording the largest relative decreases



Key Insight #6



Portable
Lanterns



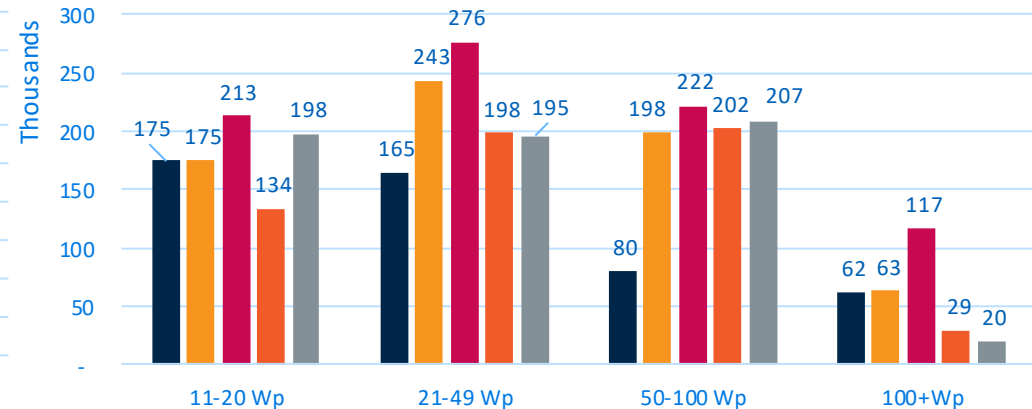
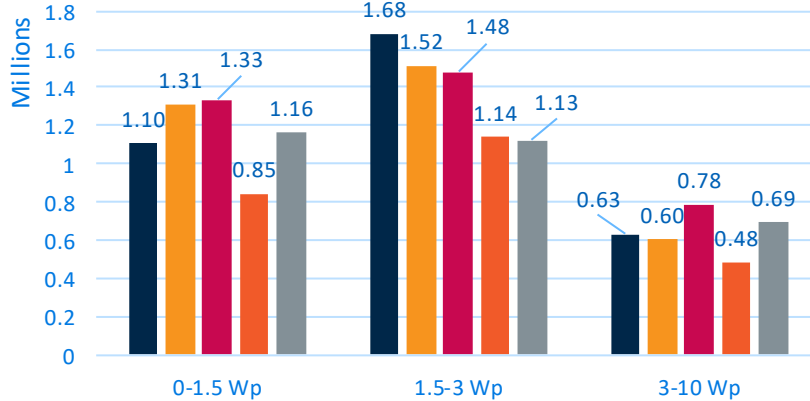
Multi-light
systems



Solar Home
System

Furthermore, we also see **very uneven patterns across the different product categories.**

- In no product category sales reached the levels we saw in the second half of 2019
- An increase was seen in the PAYGo sales for portable lanterns (1.5 – 3 Wp) with phone charging, where PAYGo now accounts for 29%
- In the multi-light segment (3-10 Wp), PAYGo sales accounted for 45% (a slight drop), while SHS (11 Wp and above) sold via PAYGo in 89% of the cases



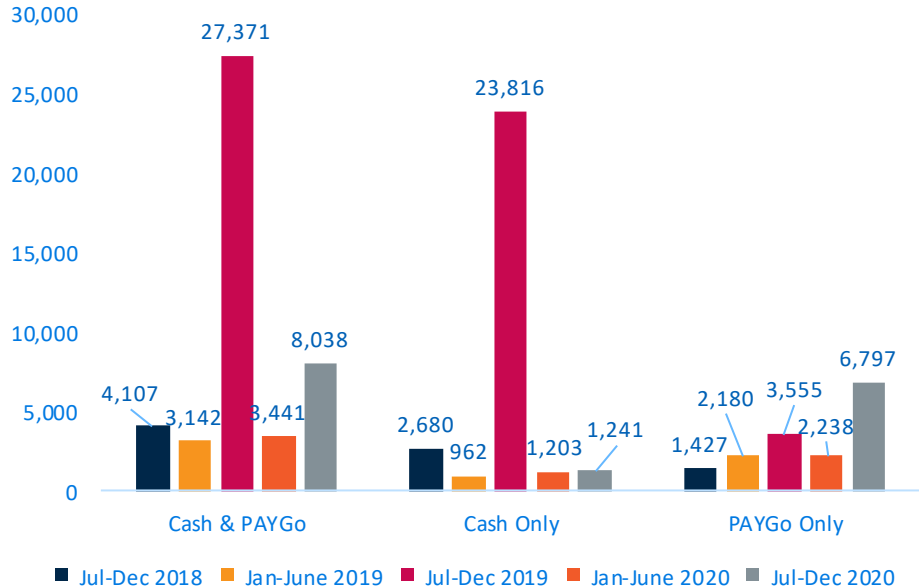
■ Jul-Dec 2018 ■ Jan-June 2019 ■ Jul-Dec 2019 ■ Jan-June 2020 ■ Jul-Dec 2020

*note the different axis of the two graphs

Key Insight #7



Strong growth of Solar Water Pump sales, particularly in West and East Africa.



*high sales in Jul-Dec 20019 due to the cash government tenders in South Asia

- SWPs experienced the largest relative increase amongst all appliance types compared to the first half of 2020
- With an average retail price of US\$ 900 for surface pumps and US\$ 1,600 for submersible pumps¹, this product usually requires consumer financing. This is also visible in the sales data, as PAYGo sales represent 85% of total SWP sales
- Sales increased primarily in East and West Africa due to seasonality and because established SWP companies are expanding in the region
- Note that due to the relatively low number of companies reporting we currently have limited visibility on the sales volumes of solar water pumps on the global and regional level

Key Insight #8



SWP



Fans



Tv



Refrigeration

An estimated 3.68 million people are currently benefiting from the use of off-grid televisions, while 5.14 million people benefit from using fans.

- The strong majority of off-grid TV sales are in sub-Saharan Africa (98%), where lockdown related school closures have impacted 250 million children. Solar powered televisions are playing a critical role in enabling households to access health information and news. 90% of off-grid TV customers reporting that their knowledge or awareness of current affairs, politics, and general knowledge has improved¹
- In contrast to television sales, the vast majority of fan sales are in South Asia (81%) where average summer temperatures are over 35 degrees Celsius and can exceed 50 degrees Celsius. Research from Bangladesh found that 92% of off-grid fan customers observed improvement in their family's health, and that - on average - fans extended customer's productive time by more than two hours²

Product Category	People Benefitting from High-performing Appliances - Cumulatively	People Benefitting from High-performing Appliances - Currently	People Using their Appliances to Support Enterprise
TVs	3.72 million	3.68 million	71,848
Fans	5.85 million	5.14 million	29,534

¹ Efficiency for Access and 60 Decibels (2020), The Use and Impact of Solar TVs.

² Efficiency for Access Coalition (2020), The Socio-Economic Impact of Super-Efficient Off-Grid Fans in Bangladesh.

Q&A time!

- Submit your questions in the Chat box
- Mention if it is for one of our speakers in particular

Want to learn more?



Visit the full report page:
<https://www.gogla.org/global-off-grid-solar-market-report>

The Future of Lighting Global:
<https://www.lightingglobal.org/news/future-of-lg/>

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