

'Solar power is a big opportunity for small and medium units'

Semiconductor Equipment and Materials International (SEMI) India, the Indian chapter of global trade association SEMI, which represents manufacturers of solar photovoltaic (PV), semiconductor, micro electronics, LED and flat panel display equipment, says that increasing solar adoption will open up new opportunities for small and medium enterprises (SMEs), which were hitherto confined to catering to the telecom segment. In an interview, SEMI India President **DEBASISH CHOUDHURY** tells K Rajani Kanth what the solar industry offers SMEs. Edited excerpts:

Large enterprises and MNCs outnumber SMEs in the solar industry. Why is this so?

SEMI has close to 30 registered Indian companies as members. Of these, only four to five are SMEs, which are into lighting systems for solar, small panels and street lighting businesses. This is because the solar industry is capital-intensive. So we don't have enough opportunities for SMEs.

Do you see SMEs getting part of the solar industry pie in future?

Yes. With the increasing adoption of solar power, SMEs will get a part of the pie through power electronics (inverters, batteries, micro-controllers, chargers, cable connectors). That is the space through which SMEs will enter the solar market. We have a good power electronics base in India.

When will SMEs get a level-playing field in power electronics?

There are already many new players, mainly inverter companies, in the power electronics business, which had been primarily catering to the telecom sector. Now, they are focused on solar. In solar we need storage, and a battery is the only option.



DEBASISH CHOUDHURY
India President, SEMI

Through this, our power electronics segment is going to benefit. The second opportunity is electronics manufacturing services. You will see a lot of collaborations happening in the power electronics space, with companies abroad extending technology know-how to local partners and manufacturing power electronics, especially big components like inverters.

What challenges does the Indian solar industry face?

The major challenge is the

National Solar Mission that didn't offer local manufacturers much. One reason was reverse bidding, which reduced their incentives, forcing them to look at cheaper system options. So, 95 per cent of them went for thin films. The growth rate is immense but there is pain. Our companies need to benefit from the Mission as well. Policy makers need to look at the basics and support local companies.

Is SEMI making any recommendations to the government?

SEMI is not for trade barriers. We want the best technologies

and solutions to be available in whichever market it is. We request the government to give extra incentives to developers who are using local modules. It can give an extra ₹1.5-2 on ₹10 as an incentive to those who buy local components for their projects. The electronics industry missed the bus. We don't want that to happen to solar.

IT services cannot sustain the economy in the long-run. With the National Manufacturing Policy in place, this is the right time to support the industry's growth.

When can we expect something concrete?

The government is looking at fine-tuning the National Solar Policy. I think Phase-II will have some correction and you will find a redrafted and refined policy, which will look at fine-tuning the gaps.

Once this happens, will it help SMEs enter the market?

In the next phase (2013-2017), we need to add another 2,000 Mw. This is a huge opportunity. Power electronics constitutes about 30 per cent of the total cost of the plant. Though large-scale companies will get a lion's share, SMEs can make an entry, as it will be a new business opportunity for them. Telecom allowed SMEs to grow earlier. Now, solar is a big opportunity for them.