

# The gross profit margin of solar inverters in China is low

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Why did inverter sales decline in 2024?

GoodWe pointed out in the 2024 semi-annual report that the decline in the sales revenue of inverters and batteries with higher gross margins overseas was more than the increase in the sales revenue of residential photovoltaic systems with lower gross margins in China, resulting in a decrease in the overall gross profit of sales.

Are Chinese solar photovoltaic manufacturers losing money?

Image: iamme ubeyou, CC BY-SA 3.0, via Flickr. For Chinese solar photovoltaic (PV) manufacturers, things are going from bad to worse. Recently published third quarter reports showed that many of the largest players are posting significant losses as they continue to compete in a vicious price war.

Why are Chinese companies dispersing solar PV production facilities?

Both Europe and the USA have announced substantial new solar PV production capacities. At the same time, Chinese companies have dispersed some of their new production facilities across multiple countries to circumvent trade barriers targeting Chinese products.

Will Chinese expansions affect Southeast Asian solar markets?

Thornova Solar, Trina, and New East Solar, all Chinese-linked manufacturers, have recently announced capacity expansions in the country. However, these factory expansions may have the effect of making Southeast Asian markets less reliant on panels imported from China.

As competition intensifies, profit margins are shrinking for most key players, who struggle to maintain healthy profitability while simultaneously investing in R& D and production expansion.

The modest recovery shows that China's photovoltaic supply chain -- from polysilicon to inverters -- retains resilience, yet the volatility of pricing, policy, and demand still looms large.

China's PV industry posted sharp declines in upstream production and profit margins in the first half of 2025, even as domestic installations reached record highs and new export markets...

Since 2019, with the gradual growth of GoodWe's energy storage inverter business and the expansion of energy storage batteries and household photovoltaic systems, the revenue ...

In the past three years, the micro inverter company with the highest average gross profit margin is Homax, and

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the lowest is Sineng Electric. The gross profit margin of the first place is 6 ...

Profitability significantly improved, with a gross profit margin increasing from 24.5% in 2022 to 30.4%, and a net profit margin increasing from 9.2% to 13.3%. The company's return on ...

Once Chinese firms mastered panel production, they flooded the market with ultra-cheap supply, crushing global margins and wiping out competitors. This race to zero has repeated itself ...

Chinese manufacturers are building capacity in Southeast Asia, where they can benefit from cheap labour costs and continue exporting to the west where profit margins are higher.

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