

LED Bulb Prices Likely to Decline Further on Bulk Purchase by Govt

LED bulbs may get cheaper by ₹20 with government ordering 5 crore LEDs in 10 days

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New Delhi: India's lighting industry is undergoing another shakeup as prices of energy-efficient light-emitting diode (LED) bulbs have dipped to the level of compact fluorescent lamps (CFL) and are likely to fall further with the biggest ever LED lamp purchase tender expected from the government in 10 days.

CFL lamps, which had shaken up the market dominated by the filament bulb, are now facing the same challenge from energy-efficient LED lights, which are a key part of the energy-efficiency campaign of the government.

Prices of branded LED bulbs in the retail and online markets are hovering between ₹160 and ₹250, while most CFLs are selling in a range of ₹130 to ₹215.

NTL Lemnis chief marketing officer Sandeep Singh said prices of LED bulbs have crashed in the last 18

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According to Power Minister Piyush Goyal, govt to distribute 30 million LEDs under energy-efficiency campaign

months from over ₹310 per unit level. "There is no reason why consumers should not buy LEDs over CFLs." He said there is further scope of reduction of prices of LED lamps by about ₹20 as the production capacity scales up and technology improves.

Amit Kumar, partner at PricewaterhouseCoopers, which is advising the government on the LED programme, said Energy Efficiency Services Ltd (EESL) is likely to invite bids in a single tender of 5 crore LEDs in 10 days, which may add up to volumes and bring down costs further.

Orient Electric senior vice-president Puneet Dhawan said the company has moved out of manufacturing incandescent bulbs and has shifted 50% of its assembling base from CFL to LED lamps. The company will switch its assembly line fully to LED within a year. Dhawan expects prices of LED bulbs to go down to ₹120 for a 7 watt lamp, ₹140 for 9 watt, and ₹170 for a 12 watt bulb in the next six months.

He said many companies are looking to set up manufacturing bases for LED lamps and the next six months may see several such announcements.

Havells president Sunil Sikka said government's LED lighting programme, being run by EESL, has made the LED lamps industry scale a peak in 18 months. "This would have otherwise taken 3-5 years. It took CFLs 10 years to scale a certain capacity. The scale has brought down the costs of manufacturing LEDs and prices are going down every quarter," he said.

Under the programme, EESL procures LED lamps in bulk through competitive bidding and distributes them to the consumers through power distribution companies. Power minister Piyush Goyal last week announced distributing 30 million LEDs under the scheme.

Companies, however, do not foresee demand for CFLs fading away completely at least in the next three years. Consumer habits, lack of awareness and established distribution chains may force consumers in low-tier cities and rural areas to stick to CFLs and incandescent bulbs.

Incandescent bulbs sell 600 million a year in India and are popular among the rural population because of their lower prices. Their consumption has gone down from 700-800 million last year to around 400 million this year. Last year, 400 million CFLs got sold and the number is expected to be 350 million this year.