



Session 1: Market trends and policy overview

The session one was split in two parts.

The first part, “**Market trends and expected developments**” focused on the analysis of the PV market for the upcoming years.

Dr. **Hoffmann** (EPIA president) outlined the industry point of view and showed that PV market estimations for 2010 present high differences depending on the source. However, EPIA foresees a global annual market of around 7GW and estimates that PV electricity will become competitive with retail electricity prices before 2020.

The overview from the investors' side was given by Mr. **Fawer** (Sarasin Bank) who demonstrated that the strong decrease the PPVX has suffered at the beginning of 2008 is primarily linked to the volatility of global Stock markets. The PV industry presents a strong growth and therefore a positive PPVX performance is expected at the end of 2008.

The second part of the session “**Political Overview: how is policy shaping market developments?**” was dedicated to the political framework at European and national level, with experts from each national key country providing a deep insight on current and future leading markets.

Mrs. **Despotou** (EPIA Policy Director) presented the first big success in 2008, at European level: The PV sector has achieved that with the EC proposal on the new Framework Directive on the use of Renewable Energy Sources the feed-in-tariff will not be damaged. Therefore Photovoltaics can and will contribute to achieve the targets of the EU for 2020 (20% of GHG reduction, 20% energy efficiency, 20% energy from Renewable sources).

- **In Germany**, market actors are apprehensively awaiting the revision of the feed-in tariff (FiT) digression rate (revision of the EEG) that is due to happen in summer 2008 and which will become effective from 2009. The current draft foresees a decrease of over 9% of the FiT for 2009, reduced to a 7% digression in 2010 and an 8% from 2011 on. Germany has consolidated its position as a market leader reaching an annual installed capacity of 1100MW in 2007.

- **Spain** appears to represent the perfect model of unsustainable development, with 425MW installed last year and a growth surpassing 300% in 2007. The “solar” rush that Spain is experiencing is largely coming from the uncertainty which exists today on future legislative developments. Spain is expecting a revision of the current decree by the end of September 2008 that will fix the new remuneration rates.
- **In France**, the market is developing towards building integrated installations due to the design of the legislation that foresees a better remuneration (0.5719€/KWh) of this type of realizations. The market was about 45 MWp in 2007. French professionals estimate the market could reach 500 MWp in 2013 and 7 to 8 GW in 2020, enabling an annual growth of about 30% in average for the next decade.
- **Italy** presented in the last year an increase of the market of 60% in respect to 2006 with 25MW installed. The level of FiT in Italy reaches from 0,36 €/KWh up to 0,49 €/KWh and its structure is very similar to the German model (the smaller the system and the more integrated into buildings, the better remunerated is the system). Italy expects progressive growth in the same rages as France.
- Although **Greece** had a new promising FiT adopted in 2006, market take-off is yet to materialize expected. Requests for applications are huge, over 450 MW have been solicited. The main problem stands in the long administrative process. Greek experts estimate the market to explode from 2008 onwards, with the finalization of the approval processes of current requests.

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