

2005 Photovoltaic Barometer

Once again, solar photovoltaic sector growth materialised in the European Union. With 410.5 MWp installed during the year 2004, total capacity is now established at more than 1 GWp, i.e. 69.2% growth with respect to 2003. EurObserv'ER presents the current state of this sector in its Barometer published in issue number 166 of *Systèmes Solaires* magazine.

Germany, number one world market

2004 was a very good year for photovoltaic energy in Germany. According to the Association of German Solar Sector Industrialists (BSI), approximately 363 MWp were installed in Germany. This growth has made Germany the largest photovoltaic market in the world ahead of Japan (280 MWp installed in 2004) and the USA (90 MWp).

Taking advantage of this boost, photovoltaic capacities installed in the European Union in 2004 achieved a new record with a figure of 410.5 MWp, bringing total capacity in this way up to more than 1 000 MWp. Among the other Union countries, the case of Luxembourg can be cited, which, thanks to a system very favourable to the photovoltaic sector, installed 13 MWp last year. However, 2005 risks not being as good after the stop in financial assistance at the end of 2004.

Photovoltaic capacity installed in 25 EU countries in 2004 (in MWp)

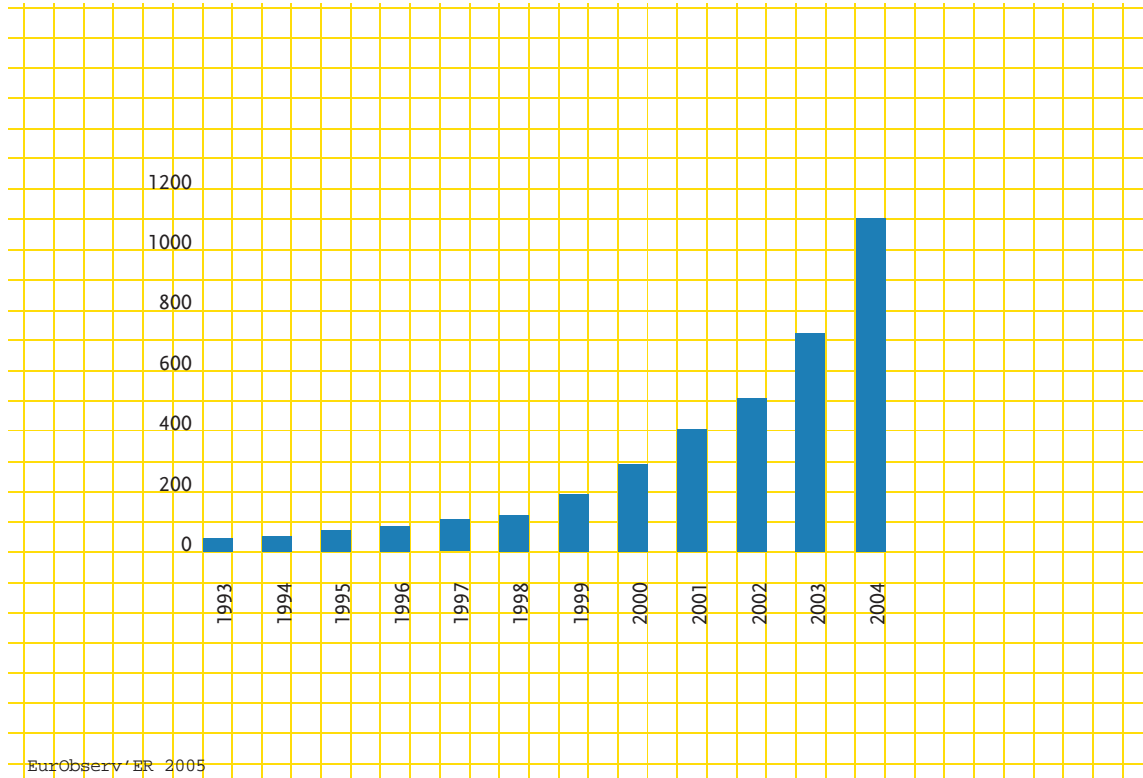
Country	2004 market
Germany	363
Luxembourg	13
Spain	11.785
France	5.874
Netherlands	4.3
Italy	4.3
Austria	3
Other EU countries	5.2
EU total	410.459

EurObserv'ER 2005

1 194 MWp produced in 2004

World cell production increased by 60.5% in 2004 to reach 1 194 MWp, i.e. the equivalent of 400 000 systems with average capacities of 3 kWp. More than ever, this growth poses the problem of silicon supplies. With demand greater than supply in 2004, this shortage could prevent the sector from achieving its plans for expansion.

World photovoltaic cell production evolution (in MWp)

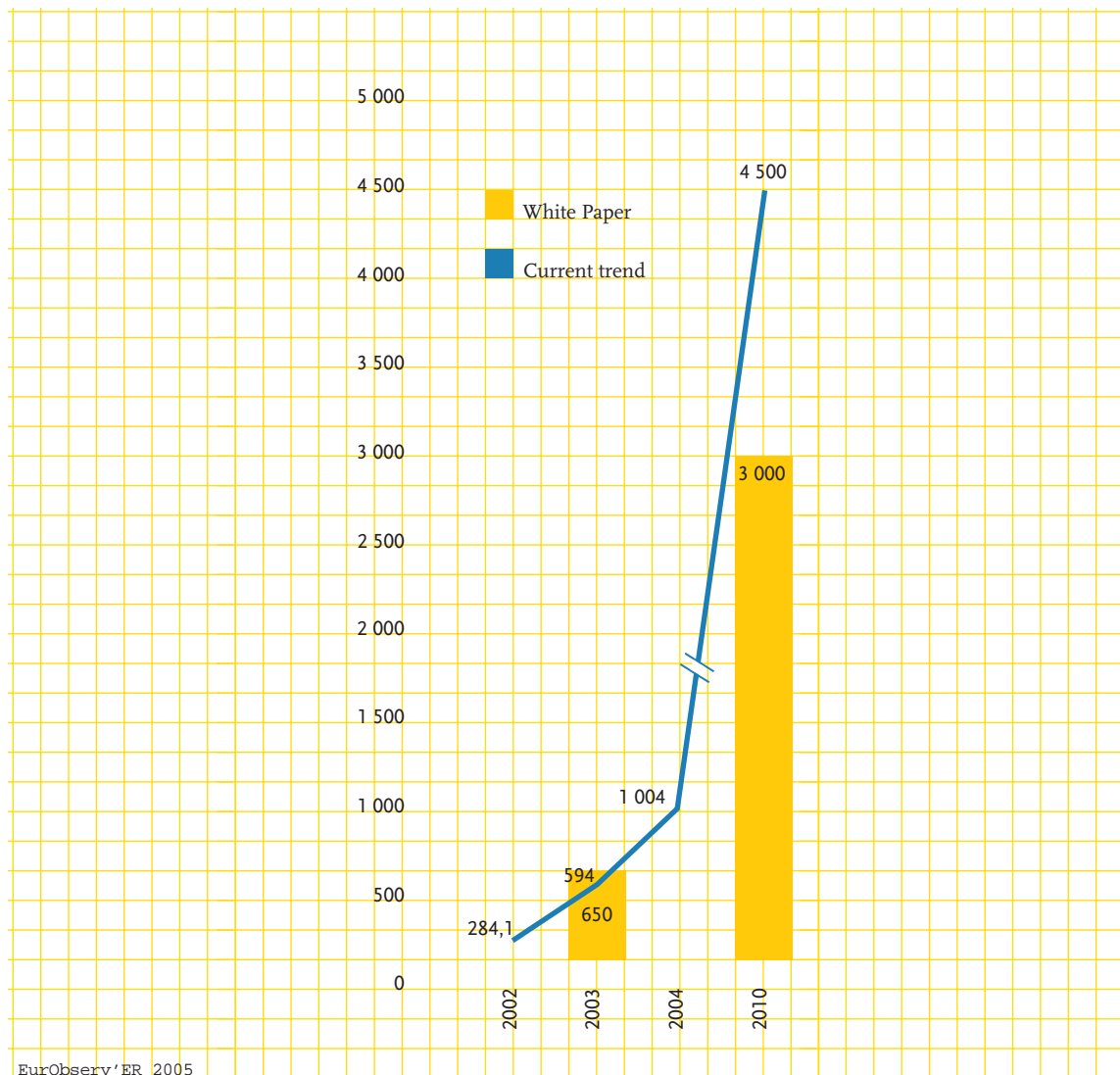


Good global growth outlook

The new German renewable energy law should make it possible to maintain the German photovoltaic market at a high level for the next two years at least. The situation continues to be very favourable in Spain as well. Even though the Spanish government must still make decisions concerning renewal of the IDEA subventions programme, the general outlook remains very positive for the next three years.

Taking these new trends into consideration, European installed capacity forecast for 2010 amounts to 4 500 MWp (vs. a goal of 3 000 MWp). This estimate is based on 20% growth in the German market in 2005 and 2006 followed by stabilisation until 2010. This growth also supposes that the photovoltaic industry will be able to ensure its silicon supplies with the manufacturers of this semiconductor.

Comparison between current trend and E.C. White Paper objectives (in MWp)



EurObserv'ER

EurObserv'ER is a consortium composed of six European organisations devoted to the promotion of renewable energies within the European Union.

These six organisations are:

- **Observ'ER**, the Observatory of renewable energies (Paris, France);
- **Eurec Agency**, the European association of renewable energy research centers (Brussels, Belgium);
- **Eufores**, European forum for renewable energy sources (Brussels, Belgium);
- **Erec**, The European Renewable Energy Council (Brussels, Belgium);
- **Jozef Stefan Institute**, Energy policy and renewable energy research center (Ljubljana, Slovenia);
- **Systèmes Solaires**, the French Magazine about renewable energies (Paris, France).

The EurObserv'ER barometer

The **EurObserv'ER barometer** consists of regular publication in the European press of indicators reflecting the current dynamics of renewable energy sectors (solar, wind, hydraulic, geothermal and biomass) worldwide and within the European Union.

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For further information on this barometer, please contact :

Frédéric Tuillé or Gaëtan Fovez

Observ'ER

146, rue de l'Université

75007 Paris – France

Tel: 33 (0) 1 44 18 00 80

Fax: 33 (0) 1 44 18 00 36

Email: observ.er@energies-renouvelables.org

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