

Policy Instruments to Support RE Industrial Value Chain Development (RE-ValuePolicies)

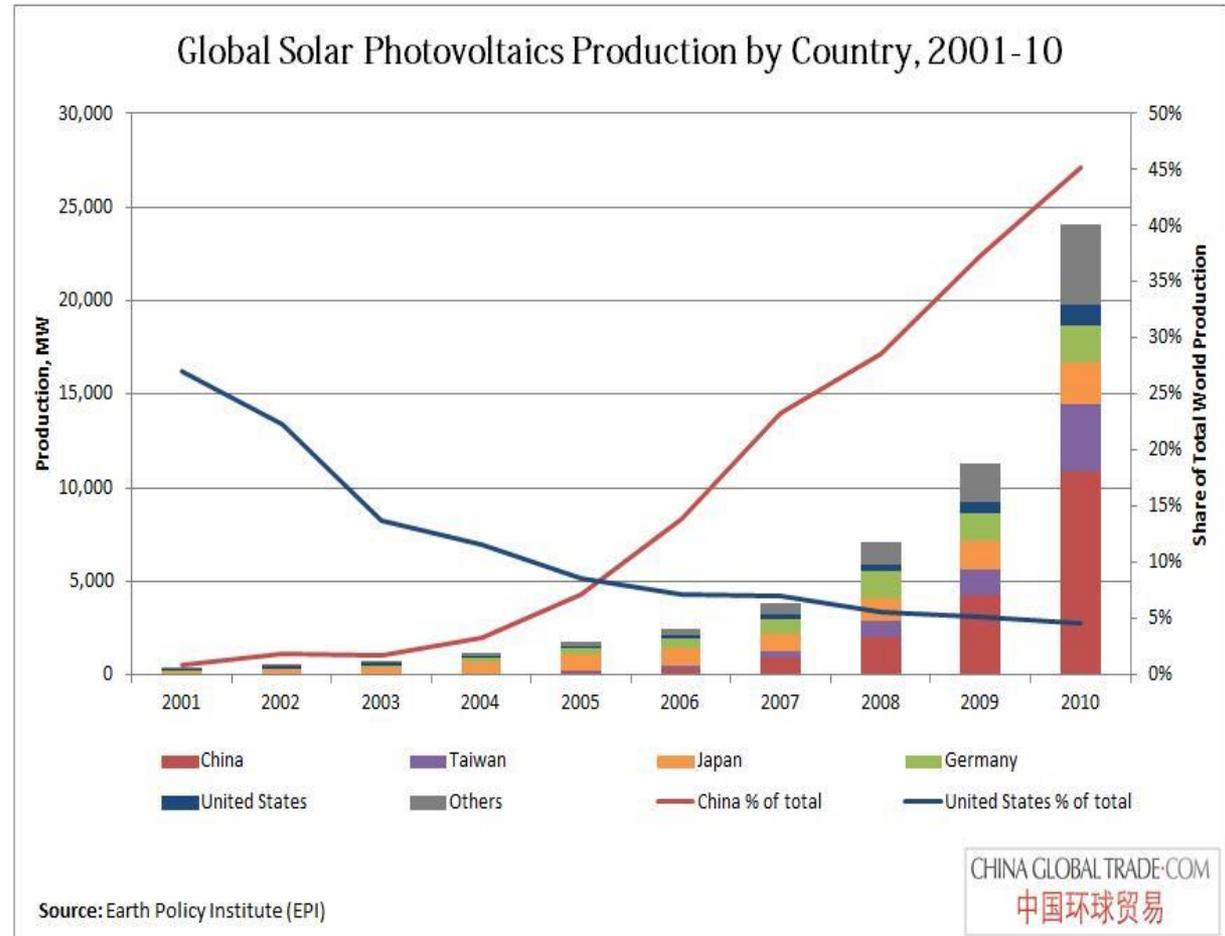
IEA-RETD Workshop on Policy Instruments to Support RE Industrial Value Chain Development (RE-ValuePolicies)

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Past RE experience: Market allowed for new entries

- Japan and US market shares of 73% (millenium)
- Europe: driven by own demand
- China/Asia: driven by global demand
- (East)Germany: in danger of de-industrializing and qualified for financial support not conflicting with EU rules



Success factors along the value chain

	Proximity to existing production	Skilled workforce	Cluster quality	Integration along the value chain
Metals	++	++	+	+
Machinery	+++	+++	+++	+
Electrical devices	++	++	+	++
Electronic parts	+++	+++	++	++
Process and controls	++	++	++	+
Construction preparation	+	+		
Installation, construction	++	+		+++
Trade, whole sale		+	+	++
Banks		+		++
Insurance		+		+
Industrial services	++	+++	++	+++

- Global production sites are distributed according to the hotspots of installation
- – with the exception of China.
- Number of players much smaller than PV
- Large players (Gamesa, GE, Vestas, and Enercon) have production sites in Europe (Spain, Germany, Denmark and Italy), the US, India and China.
- India also Suzlon, China Sinovel, Goldwind and Dongfang
- Production is more locally distributed.
- Local content regulation in tenders has led to the emergence of local producers of intermediary goods in Portugal and South-Africa.
- Easiest entry into the value chain: in construction, operation and maintenance and in the service sectors.
- Transport issues still support the creation of a local wind manufacturer

What can be learned from other sectors

	Automotive Industry	Aircraft Industry
Direct demand enhancing measures	Car scrap bonus	Military demand
Fiscal measures, direct transfers, budgetary measures	Federal rescue, tax exempts for company cars	Federal rescue
Regulatory measures	CAFE standard US	Regulation of Airlines
Labor force improvement, capacity building	Advanced skills development, Short-term compensation	Advanced skills development Vocational training, specialised
Infrastructure, Innovation, R&D support	Roads, R&D support, E-mobility platforms, supplier development programs, cluster policies	Innovation programs, R&D support, University programs focused (military) aircraft development
Market entry and market expansion measures	Local content, Tariffs, Anti-tariff policies	

Results?

- Some interventions seem only to work in certain regions
- Some work in certain industries.
- The Asian emergence of new industrial players has been triggered by central planning almost solely.
- The case of Korea and lately the success of China leave many analysts puzzled.

Questions to participants:

- Current analysis: Comprehensible?
- Future analysis:
 - More numerical examples?
 - Other sectors?
 - More technologies?

First (tentative) conclusions

- Industries spin off industries!
- Create an “industrial environment”!
- Infrastructure matters!
- LCR can only be a start!
- Governmental commitment impresses investors!
- Take all citizens with you!
- Who is worth rescuing?
- Don't wait until you have to rescue.



THANK YOU!

For additional information on RETD

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