

**Institute for Decentralized Electrification,
Entrepreneurship and Education**

“Value Chain of Pico PV Systems“

Rural Energy Access
Addis Ababa Dec 2013



Sales/Installation

Importer/ Country distributor		Lokal Distributor		Dealer/ Installer
15-35% surcharge		15-25% surcharge		10-30% surcharge

Total surcharge 60-100%
(without taxes and logistic cost)

Monetarily Value Chain

Know How /Investment	Production	Sales
Europe	Mainly Asia	Africa
Asia	Europe	Asia
US	Africa	Latin America
Australia		

Value Chain & Component cost

Components	Production/ Assembly	Sales/ Installation
Battery	20-30%	Mainly Asia Africa
Solar Module	20-25%	Europe Asia
LEDs	10-20%	Africa Latin America
Others (e.g. Cable Housing, Electronics)	25-50%	

Value Chain from Components to Sales

Components	Production/ Assembly	Sales/ Installation
41%	18%	41%
Battery	Mainly Asia	Africa
Solar Module	Europe	Asia
LEDs	Africa	Latin America
Others (e.g. Cable Housing, Electronics)		

Value Chain for Cost of Ownership

Components	Production/ Assembly	Sales/ Installation	After Sales/ System extension
	25%	10%	25%
Battery	Mainly Asia	Africa	Africa
Solar Module	Europe	Asia	Asia
LEDs	Africa	Latin America	Latin America
Others (e.g.Cable Housing, Electronics)	<p>Local assembly can help to increase market share and to improve after sales service</p>		

- To develop less developed countries it is important to leave there a bigger part of the value chain
- Local Assembly can increase the local value share by increasing the market penetration including the after sales service
- Example: First Assembly lines in Asia have not been set up to use cheap labor but to reach and develop the local markets
- Local component production is usually the last step to complete the local value chain

Thank you very much for your attention!

For additional information, please visit our homepage:

www.id-eee.net



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