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China Global Leading Solar Energy Nation

(a model to become the winning global PV manufacturer nation within 5 years)

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"What people need to hear, loud and clear, is that we're running out of energy in America."

May 23, 2001 George W. Bush

China As Leading Global PV Energy Nation

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**Markets:** The PV (Photo Voltaic) panel market is booming. The awareness that cheap/abundant fossil energy is running out gets more and more traction. PV investments will replace a huge parts of savings and pensions in further prosperity planning of households. Companies wants a green imago and wants power redundancy by own power harvesting. Only China originated PV is economic realizable, PV production in western nations is too expensive. China has with exploring global PV product distribution a huge economic card that played out at full in the global market. Energy is 10% of the global GDP and this percentage is still rising.

**Facilities:** The global market potential for Chinese PV is beyond imaging gigantic. It only needs a set of stock/sales/finance/service facilities in the target markets to accelerate in a very short time to this levels. This set of stock/sales/finance/service facilities is what this paper is about. By these facilities all (partial) state owned manufacturers can deliver plug and play PV modules, DC to AC inverters, solar module roof connection systems and solar modules sun tracing poles in full containers per product type CIF (cost, insurance, freight) to the global distribution hubs, first starting with Rotterdam, they get export finance/insurance of the Chinese Government. The marketing will sale each product that has been shipped (even when it's not yet arrived).

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**Stock:** Third party logistics delivers independent certainty to the Chinese Government. Bounded warehousing. Custom clearing. Dedicated logistics based on deliveries per container/pallet/piece. TNT or DHL. Invoicing is done real time by the virtual branded sales engine real time. Payments: online realtime or real time covering by a factoring. In case of online payments resellers gets kickback of their margin. The Chinese Government can place a permanent auditing team that controls the logistics/stocks and financial/invoicing. An own operate logistic system is better, faster and cheaper, but is only possible if there is continuous auditing from Chinese Governments on stocks/invoicing/payments.

**Prices:** The manufacturer can adjust their prices real time based on the daily sales reports they got. This way they can balance production/shipments with market demand in the remote markets. They can even list their prices in Renminbi/Yuan. The sales engine will convert the Renminbi into the local currency of specific markets based on actual intra-day rates. This way the don't have currency value risks. Manufacturers also can turn their prices to the market maximum as it functions as a digital market place where the best product with the best price will have the highest demand and by this could make the best possible market price.

**Installation:** In the sales engine there is an education section that issues by proven knowledge a certificate. These certified installers than can be chosen by households/companies/governments that wants the products to be installed. Display of installers is based on a geo location database with a by the site user desired reach variable. Installers with a virtual site in the sales engine or with a site by API can disable this function (as they want do handle this by themselves).

**Warranty:** In a globalized product world warranty has only value by local presence. Therefore we had to solve this. In the sales engine one year warranty is mandatory (at the cost of 4%), maximum warranty term in the sales engine is 25 years (at 25 times 4% extra cost = 100% extra cost). All financiers demands a warranty, for the finance time, otherwise they don't will finance (as they otherwise will have product risk). The warranty fund will be made in cooperation with a local financial.

**Insurance:** In the sales engine households/companies/governments can notify their insurance that they will install PV, or they can chose a insurancer. Maybe this is a beautiful digital data engine based global market penetration opportunity for Ping-An Insurance.

## China As Leading Global PV Energy Nation

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**Support:** Placing capital intensive stocks in other continents is only a smart thing to do, if there established strong demand creation structures that generates demand for exactly those products and advanced finance that facilitates these demand driven transactions. There's a need for a digital and brand virtual sales engine and a digital and brand virtual finance engine.

**Marketing:** A digital sales engine that has virtual branding capabilities and displays real time stock and real time prices. Within the sales engine any company can launch their own sales site within minutes (even under their own domain name or as submap of their own existing corporate website (domainname/solar) by uploading creating an account and uploading a logo. The virtual sales engine is also accessible by the API (API: the technology of the sales engine made accessible from other websites). By the API technology any company can integrate the sales engine with real time stock status on their own website. Large companies can get their own API based PV website with the help of certified API integrators. Deals with the big market parties like technology distributors, retailchains and third party large customer bases like banks/insurancers. Exposure deals with municipals and governments. The sales engine is multi lingual and also serves media affiliating (free ads and bannering) so it can float on large media consumption volumes and user driven social media like network sites and twitter, so it can have the impact of personal reference based marketing. The sales engine delivers user comments/rating of both the products and installers.

**Finance:** Just like in transport/mobility (and all other capital intensive products): customer finance access delivers market volume. In the sales engine households/companies/governments can notify their own bank that they want to finance a PV plan (with a digital quotation in PDF attached to it). The sales engine offers also the possibility to make a not price fixed quotation which visitors can use for own finance efforts, or for place in the finance pool. The sales engine offers a tendering system for finance possibilities of domestic banks/leasecos (they can dig the finance request based on geo/credit data as they have activated in their profile.. The answers of the finance requesting party on just a few simple questions plus some credit datamining will rank each finance request. The finance tools developed by Planck Foundation can be used (for downloadable version of Energy Economics: delivering a framework for both Energy Politics and Energy Finance can be found on www.planck.org/downloads/Energy-Economics.pdf, www.planck.org/downloads/Energy-Politics.pdf and www.planck.org/downloads/Energy-Finance.pdf).

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**Reach:** The model will start in Europe and will be rolled-out this year also in the Americas (North, Mid and South), Africa, Middle East and Russia. And furthermore in each Asian market the Chinese Government it wants to be rolled-out of course.

**Results:** This framework delivers the same easy market access conditions to PV as earlier things like PC, fax and GSM had. Big corporations and small entrepreneurs in all nations will jump on these PV possibilities. In each town multiple PV install companies will grow. Phone stores in the streets will be replaced by PV/Energy equipment/installation stores. Each hardware outlet will start to sell PV. PV will become the bizz word of the next years. Within 5 till 10 years all roofs in all nations will be covered with Chinese PV panels. China will have the production income of it. China will have the imago benefits of it. China as 'savior of the world'. This PV proposal can be a crucial part of China's global awareness process. This PV proposal also will rise the importance of the Renminbi as global reserve currency baskets. Production is income. Income is assets. This PV plan can become a crucial part in the Chinese agenda for the next decade. Massive PV production also will reduce the cost price for the wanted/needed domestic energy transition in China. Delivering China more energy independence and limited wealth export by fossil energy import.

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**Future:** If this PV model runs for half a year, we can handle also other energy/automotive/telecom products like domestic solar boilers, 12V based appliances like dishwashers, washing machines and boilers, wind energy, electric cars, desert tech and geothermal installations.

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