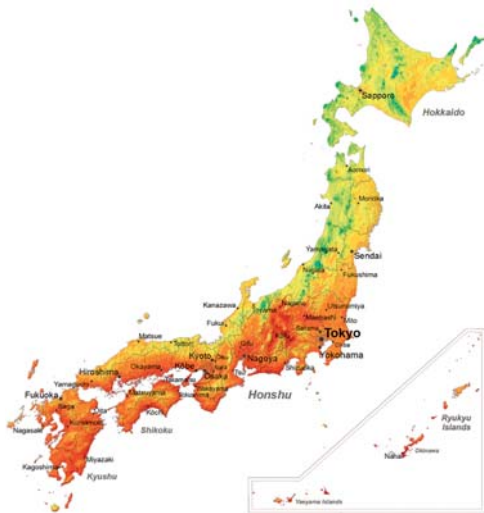




COUNTRY ANALYSIS



Growth remained subdued in 2016, driven by foreign trade and public consumption. 2016, growth in the economy has been resilient. The deflation risk persists and the public debt is still very high. All in all, growth prospects remain limited this year.

Inflation would struggle to remain positive in 2017, despite oil price is no longer falling. It will in all likelihood stay far below the central bank's 2% target.

Advantageous geographic situation in a dynamic region. Very high national savings level (around 23% of GDP) 90% of public debt held by local investors.

JAPAN	2014	2015	2016(f)
GDP growth (%)	0.0	0.5	0.5
Inflation (yearly average) (%)	2.7	0.8	0.2
Budget balance (% GDP)	-6.2	-5.2	-5.2
Current account balance (% GDP)	0.5	3.3	3.0
GDP growth (% GDP)	249.1	248.1	249.3

MARKET DESCRIPTION

The current goals for the solar PV power in Japan are 28 GW by 2020 and 53 GW by 2030. With 35,4 GW by the end of 2015 (after installing 12 GW along the year), the goal for 2020 have been already met, remaining 18 GW to meet the goal for 2030. This goal will be likely met in the first semester of 2017.

Solar power generation covers only 3.5% of the total energy supply, being necessary for the Government to update the goals in order to adapt them to the recommendations of the experts. The Ministry of Energy (METI) advises to reach around 23% of renewable energy in 2030, being 7% solar PV. Similarly, the IEEJ (The Institute of Energy Economics, Japan) suggests an energy mix weighting clean energy 25%.

The fast growth in the number of solar PV projects in some areas has led the METI to approve a rule letting the utilities disconnect the solar PV plants in those areas where it is necessary for the grid operation in the future. In practice, it involves a potential curtailment in the annual production of any plant affected by this rule. This has automatically classified the solar PV projects in 3 categories: i) projects without curtailment; ii) projects with a maximum curtailment of 360 hours per year; and iii) projects with unlimited curtailment.

The solar PV plants sell their energy to the utilities for 20-year periods under a FIT system started up in 2012 (after the Fukushima crash) being the tariff excluding tax 40 yen/kWh for non-household customers and getting decreased year by year since then. The current tariff is 21 yen/kWh.

In addition to the FIT system, the Government grants tax incentives for investors in clean energy making their investments partially deductible from their tax income.

UNIVERGY AROUND THE WORLD



01 USA · New market

02 MEXICO · 900MW

03 PANAMA · 35MW

04 COLOMBIA · 350MW

05 ARGENTINA · 260MW

06 ESPAÑA · 133 KW

07 HOLLAND · New market

08 INDIA · New market

09 SRI LANKA · New market

10 BANGLADESH · 1000MW

11 VIETNAM · 500MW

12 INDONESIA · New market

13 PHILIPPINES · 150MW

14 TAIWAN · New market

15 JAPAN · 1000MW

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