



THE SUSTAINABLE SOLAR ENERGY INITIATIVE

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EU investigation proves massive trade violations by China European solar manufacturers relieved by provisional EU anti-dumping duties

Provisional anti-dumping duties on Chinese solar imports into Europe will apply from tomorrow. Today the European Commission published its findings in the anti-dumping investigation of imports from China of PV solar modules and key components. The results are clear: Chinese manufacturers violate international trade law by selling below their own production costs in the European market, causing severe damage to local producers. Therefore the Commission will impose provisional anti-dumping duties from 37 to 68 percent on dumped solar imports from China. Starting from August these duties will affect solar modules, cells and wafers. To give China a final deadline for negotiations, the Commission will set duties at 11.8 percent until August. If by then no negotiated settlement is reached, the full duty amount will apply. In December the EU Member States will have to decide on definitive trade defence measures.

"Today is the first high point after three years of Chinese dumping which caused thousands of Europeans to lose their jobs, and 60 European factory closures of which 30 were in Germany alone. The final outcome of the investigation will be either effective tariff measures or a negotiated settlement with China. It is crucial that China stops dumping. As soon as illegal dumping is halted, the European solar industry can be fully competitive again," says Milan Nitzschke, President of EU ProSun.

European solar manufacturers see negotiations foreseen between China and the EU Commission as a positive step. "In the coming two months, China has to make substantial offers, including the cessation of destructive dumping permanently. Otherwise, higher tariffs will apply automatically," Nitzschke concludes.

After a nine month investigation, the European Commission concluded in its 43-page document that Chinese solar manufacturers sell at approximately half of total production costs. Strictly speaking the EU anti-dumping duty should therefore be calculated at nearly 100 percent but the Commission has imposed duties from August of only around 50 percent due to the EU's lesser duty principle. Nitzschke said: "Such a low duty means that China gets off lightly, but crucially it is enough to allow the European solar industry back into the game, and this time the game has to be fair."

The Commission rejects fears that anti-dumping measures could slow the solar market or harm European installers or suppliers. On the contrary, the EU expects fair competition to be restored, and therefore a greater variety of manufacturers and long-term job growth in Europe's solar industry. In the USA, the introduction of anti-dumping measures against China last year did not lead to a decline in the market, but rather a market expansion. Real competition, rather than dumping, has led to lower prices and more jobs in the US solar industry.

Nitzschke commented: "Chinese-backed lobby groups' arguments are absurd and insult Europe's real technological capabilities. To say that a shift toward solar energy is only possible with dumped goods is tantamount to saying sports performance is only possible with doping. Dumping is fraud, and dumping destroys competition and markets. With a market share of over 80 percent today China is already far too close to a monopoly."

For further information: Site www.prosun.org

Email info@prosun.org