

SOLAR IN EUROPE

- EU is a worldwide model for the use of clean energy by setting high goals: by 2020, at least 20% of EU's energy consumption must come from renewable energy (current share in the EU is 13%).
- 300,000 jobs were created in the renewable energy sector in the last 5 years, many more will be created in the future – most of them in the photovoltaic (PV) sector.
- In 2011 Europe accounted for 21.9 GW of crystalline PV solar installations, which constitutes 75% of global new installations.
- 75% of the total global installed photovoltaic capacity is located in Europe.
- EU is a global leader in photovoltaic research, most patents in photovoltaics are registered in the EU.
- Thanks to high automation, labour accounts for only 10% of production costs in the EU, making European manufacturers globally competitive. China, a cheap labour country, has no cost advantage over European producers resulting from lower wages – its main advantage are massive subsidies, that are illegal according to international trade rules.

EU PROSUN

- EU ProSun represents the majority of European PV manufacturers. EU ProSun has European-wide support from manufacturers, but also other actors in the solar industry.
- As supporters of trade complaints can face serious retaliation, EU ProSun decided to request anonymity for its members, which is perfectly legal and understood by the European Commission.

CHINESE UNFAIR PRACTICES

- China declared photovoltaics as a key industry and emerging market and dedicated this high-technology a separate chapter in the 12th Five Year Plan of the People's Republic of China, mandating banks, local governments and other financing sources to heavily subsidise the solar industry.
- China is the world's largest producer of solar panels. Approximately 65% of all solar panels in the world are produced in China.
- More than 90% of Chinese production has been exported and most of that (80%) has gone to the EU market.
- China produces to export: in 2011, China had production capacity of 45 GW, whereas global consumption was 28 GW, EU consumption 22 GW and Chinese domestic consumption 2 GW. This means that Chinese production capacity was over 20 times higher than internal demand.
- Imports from China into EU increased massively during the past three years, from 3.7 GW in 2009 to 17.6 GW in 2011.
- Chinese products in 2009 constituted 63% of the EU market, in 2011 they secured 80% of the massively growing market.
- In 2011, China exported solar panels and their key components worth around €21 billion to the EU.
- The price of a Chinese solar module in 2008 was 3€/Wp. After introduction of the Five Year Plan and massive subsidization, the prices suddenly started dropping, today we can find price offers below 0.40€/Wp. This should be compared to the Chinese Five Year Plan goals, that set a target to limit production costs by 2015 to 0.87€/Wp (which means that current production costs are higher).
- Chinese producers are highly indebted; they are making huge losses, but still constantly increasing production. Many of the biggest Chinese companies are insolvent according to Western standards, however subsidies save them from bankruptcy. State-owned Chinese banks continue lending money to unprofitable companies in order support the PV industry. European companies do not profit from this kind of support, therefore are driven out of the market one by one due to Chinese dumped prices.

- Due to Chinese dumping, already this year over 30 European companies became insolvent, left the solar business, laid off workers or were taken over by foreign investors. Thousands of jobs were lost, many factories closed, R&D halted.

FUTURE OF RENEWABLE AND SOLAR ENERGY

- Thanks to intensive research and technology improvement, the cost of solar panels is decreasing. The average price of a PV module in Europe (disregarding dumping) in 2012 was about 60% lower than 5 years ago and it is an ongoing process.
- Global fair competition is necessary to stimulate affordability and innovation. There are major producers in the EU, but also Asia (Japan, South Korea, China, Taiwan) and in the USA.
- If China is not stopped, it will have a negative impact on solar development globally: if dumping is further allowed, most global competitors will cease to exist, and China will become a de facto monopoly. The EU would become fully dependent on Chinese production and prices.
- China is not only endangering the solar industry, other industries are also targets for Chinese dominance, such as wind power.

TRADE DEFENCE INSTRUMENTS (TDI)

- Trade defence instruments are not protectionist but rather ensure that everybody follows international rules of the World Trade Organisation (WTO) laid down in the WTO Agreement on Anti-Dumping.
- TDIs do not set any additional barriers to trade, they only ensure that products are sold at fair prices and not e.g. below production costs. If TDIs are introduced for Chinese imports, the EU will still import Chinese products, however at a fair price taking into consideration the production and other costs incurred. Chinese producers will still be welcome to compete with European manufacturers, but on a level playing field where everybody plays fairly with respect for the other players on the market.

INVESTIGATION

- On 25 July 2012, EU ProSun filed an anti-dumping complaint with the European Commission
- On 6 September 2012 the European Commission officially initiated the investigation, after having confirmed that the complaint meets the legal requirements, that the complainants represent at least 25% of EU production and that the evidence supplied is sufficient,
- The investigation into imports of solar panels will last up to 15 months. A preliminary decision is expected latest until June 2013, and a final determination by end 2013. However to save more European companies and jobs, EU ProSun hopes that the procedures will be accelerated.
- On 25 September 2012, EU ProSun filed an anti-subsidy complaint with the European Commission

WHAT HAPPENED IN THE USA

- Chinese dumping is not only a problem in the EU, American producers filed trade petitions in October 2011 and India appears now to be considering an investigation.
- Department of Commerce made its final determination on anti-dumping and anti-subsidy duties in October 2012. The duties sum up to 30,66 percent for most Chinese producers, 35,97 percent for Suntech and 23,75 percent for Trina Solar and hence go beyond the preliminary duties established in May 2012. On 7 November the International Trade Commission will make a final determination on the implementation of these duties.

Read more on: www.prosun.org