



THE SUSTAINABLE SOLAR ENERGY INITIATIVE

Press Release 6 September 2012

EU ProSun applauds launch of EU Investigation into Unfair Competition from Chinese solar manufacturers

Milan Nitzschke, President of EU ProSun, the Sustainable Solar Energy Initiative for Europe said: "The European Commission took a big step today to save Europe's green tech sector and broader manufacturing base. Chinese companies are selling solar products in Europe far below their cost of production, with a dumping margin of 60 % to 80%. This means that Chinese solar companies are making enormous losses, but are not bankrupt because they are bankrolled by the state. Such practices have led to over 20 major European solar manufacturers going out of business already in 2012 alone. If China destroys the EU solar industry where labour accounts for less than 10% of production costs, then virtually all European manufacturing sectors and jobs are under threat."

Today the European Commission announced that it will investigate China's unfair trade practices, following EU ProSun's submission of July 24th. EU ProSun represents the majority of EU solar industrial production. The sun is an unlimited, free source of energy that is available worldwide. McKinsey forecasts global annual installations of solar PV could increase 50-fold by 2020 compared with 2005. Hence, there is intense competition amongst solar manufacturers which China is winning through subsidies and dumping.

"Solar energy is a critical component of the EU's renewable energy mix and has a sunny future. The EU must stand up to China's unfair competition and threats of retaliation to save Europe's growth industries for the future such as green technology and solar manufacturing." said Nitzschke.

China formulated an aggressive strategy in its 5-year plan to take over the global solar market, and from virtually zero share in 2004 has captured over 80% of the EU market today. Chinese solar companies recently found guilty by the US government of dumping there, are taking over the EU market with the same unfair trade practices. The US Department of Energy found the same Chinese companies exporting to the EU have received more than €25 billion of illegal government subsidies including low interest loans, free land, and subsidised energy.

With technological advances, the costs of producing solar panels has come down substantially, but prices in the last three years have come down much faster due to the dumping of subsidised Chinese production. Costs and prices should

continue to decline steadily as this technology continues to develop. Hence, demand for solar systems and local installation jobs will not decrease if anti-dumping measures are imposed on unfairly traded imports from China. Trade measures would only restore fair competition with China, and prevent a monopoly over solar manufacturing that would be bad for European consumers, jobs, installers and industry.

Nitzschke concluded: "EU ProSun calls on the EU to impose anti-dumping duties to restore fair competition and create a level playing field with China as soon as possible. If the EU acts quickly, we have a chance to maintain a sustainable solar manufacturing base in Europe."

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