



THE SUSTAINABLE SOLAR ENERGY INITIATIVE

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EU ProSun calls on the EU to impose urgent anti-dumping duties on Chinese solar products to save European industry, innovation and jobs.

"According to press reports, the EU is proposing relatively moderate duties of around 47% on imports of Chinese solar products while dumping of up to nearly 90% is taking place in Europe. We call on the EU to impose tariffs urgently that reflect the illegal practices of subsidized Chinese producers in the European market, where they sell far below their own production costs," said Milan Nitzschke President of EU ProSun.

EU ProSun advocates urgent measures, to prevent a Chinese monopoly which would be the sole beneficiary of future market growth in the EU. Without trade measures, major EU investments in R&D, innovation and production will have been completely wiped out by illegal trade practices, while the imposition of measures would allow the industry to recover and flourish like in the United States. The use of trade defence measures is not illegal: on the contrary, it is a rightful measure to combat illegal trade practices of other countries and ensure a level playing field.

Since 2010 EU solar manufacturers have incurred huge losses, closed more than 60 factories, shed jobs and been forced to restructure as a result of massive dumped Chinese imports. EU ProSun assumes the number of subsidies China put into the solar industry to be about 200 billion Euro. To compare, the value of the installed solar modules in China is about 10 billion Euro and the share of solar in the Chinese electricity mix is about 0,5 percent.

EU anti-dumping measures are necessary in the absence of restructuring by Chinese producers who are artificially kept alive with state support. "We support constructive discussion with China after the imposition of provisional anti-dumping duties. According to the European law, the imposition of duties is a necessary condition to start any negotiations." said Nitzschke. "Without provisional measures we would otherwise be overrun by the absurd Chinese build-up of monstrous production overcapacity which is twice the volume of the entire world demand. They have already seized more than 80% of the EU market. It is only a small step to obtain the full 100% if dumping is allowed to continue. It goes without saying that a monopolist can dictate prices: nobody in Europe would be helped by that situation; not industry nor installers or consumers."

The Chinese officials are currently visiting European decision makers making intensive efforts to prevent the anti-dumping duties. "Europe can not succumb to blackmail – dumping is illegal and the EU is obliged to defend itself by applying the international trade law with the aim to restore fair competition and a level playing field. Trade defence instruments are

compensatory, not protectionist measures – to keep healthy global free trade, we need legal instruments to ensure everybody sticks to the rules.” said Nitzschke.

Commenting on a recent funeral march financed by AFASE (a lobby front group of Chinese companies and their importers), Nitzschke said, “Chinese dumping is the fundamental poison in the EU solar market, costing European jobs and undermining political support for the adoption of solar energy. This distasteful publicity stunt is a slap in the face for thousands of European solar workers who have lost their jobs due to Chinese dumping. AFASE is systematically misleading European installers by claiming that their jobs are at risk and making outlandish claims in the so-called Prognos study.”

‘The Prognos study contains major flaws in methodology and content, as well as contradictory evidence. The US imposed tariffs on photovoltaic products in 2012. As in Europe, a study commissioned on the possible effects of tariffs forecast an alarming crash of demand and job losses in the US. However, after the introduction of tariffs, demand increased and 14,000 new solar jobs were created. We should not believe alarming studies which are based on vague data and questionable assumptions. Indeed it is reasonable to conclude that the introduction of tariffs will have a net positive effect on employment in Europe.’ said Dr Wolfgang Nothhelfer, author of a new PwC study on the EU solar market.

“European solar manufacturers care about other members of the solar PV value chain, and indeed surveys have shown that the majority of installers recognize the need for measures on imports of modules and key components in the face of unsustainable and illegal dumping. They simply are not interested in having only a single country source of supply,” concluded Nitzschke. “EU ProSun members also welcome the competition and innovation that come from having a variety of EU supply sources, including imports from countries other than China, but for the moment no one can survive in a market terrorised by the illegal trade practices of Chinese producers.”

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