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PRESS RELEASE

China must make legally acceptable offer to EU or face 47% solar dumping duties Recent Chinese proposals insulting Europe

According to press reports, China and the European Commission are at the final stages of trying to reach a negotiated settlement on solar products, following 9 months of investigation which concluded that Chinese manufacturers are guilty of massive illegal dumping which allowed them to take over 80% of the EU market in only a few years.

"China's recent proposals for a negotiated solution on WTO-conformant trade defence measures against Chinese solar manufacturers, as reported in the press, are a joke. They appear to offer a minimum price which is beneath the current dumped price, and an import volume cap around 100% of the total European solar market. China has obviously no real interest in negotiations with the EU, and simply wants to play power games and make threats. The People's Republic of China deceived the European Commission and EU member states like Germany, which had made considerable efforts towards conciliation. Europe went even so far as to give an extra special negotiation period of two months with duties lower than the level justified by the provisional findings. Chinese companies shamelessly exploited this concession to send as many container ships with dumped solar products goods to Europe as possible, with dramatic consequences for the European solar industry. Dumping by China has cost over 15,000 jobs and resulted in 60 insolvencies and plant closures in Europe. The most recent example was the insolvency of the German solar company Conergy last week," said Milan Nitzschke, President of the European manufacturer initiative EU ProSun.

On 6th June, the European Commission found Chinese producers guilty of flooding the European market with dumped solar panels, cells and wafers at prices typically 50% lower than the cost of production. Such behaviour is illegal under WTO and EU law, and has cost Europe thousands of jobs.

Nitzschke commented, "European trade law is clear. Anti-dumping duties are intended to halt unfair competition and the massive injury to European industry. In the case of Chinese solar imports, the full anti-dumping rate of about 47% will come into effect from August 6th. For different terms to be agreed, China must make a substantial offer which according to EU law can only be allowed if the injury to EU industry is eliminated. Therefore a minimum price must cover the current full cost of production, interest, transportation, and sales, and include a reasonable profit. Furthermore any duty-free import volume should not lead to continued market dominance by China. Therefore any proposals to set prices below full cost and an import volume of more than half of the total EU market are doomed to failure. A "lazy" compromise would be illegal and lead directly to a case before the European Court of Justice. European solar manufacturers fighting for their survival against China are more than willing to take their case to the Court in Luxembourg."

If the EU gives in to Chinese pressure, what remains of the EU solar industry will have disappeared in a few months under the continued onslaught of illegal Chinese dumping and subsidies.

"A negotiated settlement with China is possible, but only according to clear criteria. This is also in the interest of Chinese solar manufacturers who have made billions of euros of losses, and are calling for a quick and fair settlement. However, the Communist Chinese government continues to block substantial negotiations and a legally sound negotiated solution. If China continues to block progress, the EU must stop negotiations and focus on implementing the duties already agreed," concluded Nitzschke.

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