



THE SUSTAINABLE SOLAR ENERGY INITIATIVE

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## **EU ProSun condemns Chinese tariffs on Polysilicon "Mafia behaviour from the Middle Kingdom"**

The European solar manufacturer initiative EU ProSun condemned China's tariffs on American polysilicon, the main raw material for the production of solar power modules.

Milan Nitzschke, President of EU ProSun commented: "China's reaction is highly targeted. China has broken WTO rules for as long as it has been a member. If a country like the United States asks China to abide by the rules, the immediate reaction is retaliation rather than a change of behaviour."

The Chinese Government has repeatedly threatened retaliation if Western countries took action against Chinese dumping. Such retaliation is not permitted under international law, and hence the WTO has already ruled against China's arbitrary trade measures several times.

The US has anti-dumping duties against Chinese solar products in force since 2012 which are entirely compliant with international trade law. Previously China sold solar products in the US at dumped prices below their cost of production, driving many American manufacturers into bankruptcy. Now, China punishes American manufacturers of polysilicon with tariffs.

The Chinese Government has announced, but not yet adopted, duties on European polysilicon imports as retaliation against the EU's anti-dumping measures on Chinese solar products. This announcement is obviously being used as a not very subtle threat in the context of the negotiations currently taking place in Brussels.

Nitzschke said: "China's behaviour and the on-going violations of international trade law show that the People's Republic is no real trading partner. Rather it is a permanent showdown where China continuously breaks the law, and threatens and punishes those who take legitimate action against such practices. The Chinese Government is the Al Capone of world trade."

Nitzschke concluded: "Europe must not be blackmailed. China has destroyed thousands of jobs in the European solar industry with State-financed dumping. Just before the introduction of much-needed anti-dumping duties of 47.6 per cent, China is piling up the pressure, threats and blackmail. If the EU gives into China, this would be a carte blanche for extortion and giving up one of the most important European industries of the future. Ultimately this would be a total injustice according to international trade law."

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