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Massive violation of EU trade deal by Chinese solar manufacturers

EU ProSun submits over 1,000 suspected trade violations to the European Commission

Today, the European solar industry initiative EU ProSun submitted over 1,000 pages of documentation to the Directorate-General for Trade of the European Commission, containing about 1,500 proposals by Chinese solar companies offering prices below the minimum level agreed by the EU Commission and China.

Milan Nitzschke, president of EU ProSun said: "EU trade rules are being systematically violated by Chinese manufacturers. Not one Chinese manufacturer seems to follow the agreed minimum prices for imports into the EU. Dumped Chinese solar products continue to flood the EU market, destroying European industry and jobs. The Commission must act fast to stop these violations and implement sanctions."

The EU imposed anti-dumping duties on Chinese solar imports in mid-2013, after state-subsidized dumping from China drove dozens of European solar companies to ruin. In order to circumvent these duties of around 50 percent, over 100 Chinese solar manufacturers offered the EU a contractual undertaking to only import above a minimum price of 56 cents per watt. The European Commission and the European Council agreed to this minimum price offer. However, it is obvious that Chinese companies are neither paying duties, nor observing the minimum price agreement.

"Chinese manufacturers never cease to trick, deceive and circumvent their own undertaking and EU rules," says Nitzschke. "Chinese tricks range from kickback payments camouflaged as 'marketing grants', to false product shipments massively under-declaring the quantities actually imported into the EU. It is like a Chinese fish market - anyone who thinks the price is not low enough simply gets another crate of solar modules for free!" According to EU ProSun, the majority of Chinese companies use shady middlemen for these deals who work as a buffer between the Chinese companies and the European authorities.

According to EU ProSun, whoever takes part in such minimum price and customs violations risk severe punishment. Milan Nitzschke said: "The contract between the EU Commission and the Chinese companies clearly states: The affected manufacturer will be barred from the minimum price agreement for even minor violations of the requirements. The duty of around 50 percent of the import price is then due immediately." This duty must be paid by the European importer, even after the fact when applicable. In the case of grave customs violations, criminal prosecution is also possible.

Now the entire minimum price agreement between the EU and China must be reviewed. Nitzschke said: "The minimum price agreement that the European Commission negotiated with China is unworkable. There is still no end in sight for Chinese dumping and the EU must impose duties across the board in the face of such illegal and flagrant trade violations."

Since its inception in 2012, EU ProSun has supported fair competition and the sustainable expansion of solar renewable energy.