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## **New wave of Chinese dumping in Solar Massive overproduction in China is destroying jobs in EU solar manufacturing**

The ongoing recovery of the European solar industry is in jeopardy because of a renewed wave of dumping exports by Chinese solar manufacturers.

The current Chinese onslaught has its foundations in failed state planning and is responsible for jobs being axed in the solar sector all over the world and especially across the EU. The Chinese government abruptly cut off local funding of domestic solar energy installations for the rest of the year, and as a result, large quantities of overproduction of solar modules are again being dumped into Europe.

This in turn is leading directly to production cuts and layoffs from domestic EU solar manufacturers. This week there were 500 lay-offs in Germany alone. According to EU ProSun, a joint initiative of European solar manufacturers, Chinese producers are flagrantly violating European customs regulations to maximize their exports to the EU.

"The EU urgently needs to enforce its anti dumping and circumvention rules because Chinese manufacturers are fudging and cheating to circumvent anti-dumping measures. Their aim is simply to increase sales in Europe by all means and to push manufacturers that are not equally protected by the state out of the market," Milan Nitzschke, President of EU ProSun explains.

On Thursday and Friday, European Trade Ministers will meet in Bratislava, inter alia, to discuss the relationship with China, and how to address effectively China's illegal trade practices.

"We see a similar situation in the European solar sector as we have seen in the steel, aluminium and many other sectors; how companies in market economies suffer from misguided planning in the state-run economy of China. China is playing with Europe as though it were nothing but a ping-pong ball. It does not abide by international rules, it is encouraging and funding overcapacities, it is promoting dumping, and it is exporting unemployment to other parts of the world," states Mr Nitzschke.

Instead of reducing overcapacities, the Chinese government is actively encouraging further expansion and the construction of new solar factories funded by the state-owned banks. Existing Chinese production capacities are more than 30% greater than total global demand for solar PV products.

In an attempt wrangle its overproduction, China agreed to dramatically increase its domestic demand for solar products. The Chinese government set a target of 21 gigawatts of installed photovoltaic power for the whole of 2016, which equalled more than the combined total of both U.S. and EU markets.

However, due to huge overcapacities, China reached its domestic target after just six months. Beijing subsequently put the brakes on the funding of domestic installations, which has resulted in Chinese solar products flooding into world markets at prices below manufacturing costs. This in turn is causing huge downward price pressures, which solar producers outside China simply cannot withstand as do not have state-owned banks to back them.