

The STA joins associations from across Europe to call on the EU Commission to reject duties on Chinese manufactured solar modules

Letter to European Trade Commissioner, Karel De Gucht, demonstrates an overwhelming opposition to trade tariffs from across the industry

The STA has joined with eight other solar trade associations from across Europe in sending an open letter to European Trade Commissioner Karel De Gucht, expressing deep concerns from across the industry about the potential outcome of the European Commission's anti-dumping and anti-subsidy investigations against Chinese solar manufacturers.

The letter describes the damage the EU Commission's investigation has already had; highlighting how the new registration requirements and the threat of retrospective duties have caused orders to be cancelled, contracts to be suspended and created uncertainty that is stifling business.

Our members overwhelmingly indicate that duties at any level are already having a significant impact, dwarfing any possible benefit for European solar producers and setting back the objective for grid parity for years.

Paul Barwell, CEO of the STA said:

"The current uncertainty is undermining the industry at all levels. The allegations of dumping simply do not stack up but in the meantime we are facing real difficulties. The STA has signed this letter in an effort to bring home to the Commission the strength of the industry's views and we hope the Commission will take note."

The letter and list of signatories are available below, or via the link on the STA website.

[http://www.solar-trade.org.uk//media/PV%20industry%20association%20joint%20letter%20\(final\).pdf](http://www.solar-trade.org.uk//media/PV%20industry%20association%20joint%20letter%20(final).pdf)

April, 2013

Dear Commissioner,

Dear Mr. De Gucht,

The present letter is addressed to you jointly by several EU national industry associations representing or involved with the local photovoltaic industry, including the following:

1. Solar Trade Association (STA) of the United Kingdom,
2. Gruppo Imprese Fotovoltaiche Italiane (GIFI),
3. Associazioni di Produttori di Energia Rinnovabile (APER),

4. Associazioni Nazionale dell'Industria Fotovoltaica (Assosolare),
5. Romanian Association for Green Energy and Sustainable Development,
6. Polish Society for Photovoltaics (Polskie Towarzystwo Fotowoltaiki - PV Polska),
7. Hungarian Photovoltaic and Solar Thermal Association (Magyar Szolár Szövetség),
8. Swedish Trade Federation (Svensk Handel).
9. Slovak Association of Photovoltaic Industry (SAPI).

Our Associations are very deeply concerned by the developments in the ongoing EU anti-dumping and anti-subsidy investigations into Chinese origin photovoltaic products.

The registration of imports of photovoltaic products from China has had far-reaching effects in all of our markets whereby irreparable harm has already been inflicted to all of our members. Existing orders have been canceled, the negotiations of contracts for the construction of new photovoltaic installations have been suspended or even terminated, importers have had to face the request by customs agents to put up guarantees of virtually the full value of the goods. This has aggravated the financial situation of our members. Many of them were already struggling due to the abrupt changes in public support measures such as the decrease or withdrawal of feed-in-tariffs in many EU Member States and were still trying to adjust to these changes.

The prospect of possible anti-dumping and countervailing measures now creates significant legal uncertainty that further aggravates the situation of the industry.

We know that the EU should not impose such measures unless they are in the Union Interest. These interests encompass not only the interests of the EU producers of photovoltaic products but also those of the upstream and the downstream photovoltaic industry. In this industry perhaps more than in other segments of industries, the number of different type of players along this PV Value Chain is very large and their contribution to the EU economy very significant.

Thus, for example, the membership of our Associations is as diverse as manufacturers of production equipment used by the photovoltaic producers, suppliers of raw materials, importers, traders, installers, companies specialized in contract planning, companies that do the so-called 'Engineering, Procurement and Production' or 'EPC', engineering companies, maintenance companies, financial investors and specialized logistical companies. In fact, the European Photovoltaic Industry Association has determined that the PV Value Chain in 2012 represented no less than 265,000 jobs.

The value added that these companies contribute to the EU economy is no less than 39.4 billion EUROS. This value is commensurate to the fact that the EU content value in any given PV installation is around a staggering 70%!

In order to put this further in perspective, we understand that the companies that support the ongoing anti-dumping investigations have communicated to your services that they represent no more than a maximum of 8,700 jobs, i.e., no more than 3% of the total employment along the PV Value Chain.

Thus, any anti-dumping and / or countervailing duty would affect the 70% EU value added of a PV installation for the possible benefit of EU producers that represent only 3% of EU employment.

Our members unanimously indicate that any level of anti-dumping and / or countervailing measure will have an immediate impact on the prices which they need to charge to their customers for PV installations. Indeed, the photovoltaic market has very quickly evolved over the last 5 years whereby photovoltaic products became a commodity rather than a high-tech product (much like other electronic products such as mobile telephones). Taking into account also the objective for solar energy to reach grid-parity with electricity from fossil sources and the decreasing public support measures for solar energy, in order to stimulate demand for PV installations, the market with which our members operate has now declined rapidly.

This means that if the costs for photovoltaic products increase, our members will have to increase the price for PV installations. That will automatically mean that demand will decrease and that the achievement of grid-parity will be set-back for at least several years.

We note that economic consultancy Prognos in its study on the impact of PV duties has demonstrated that even a duty level of 5% will cause demand to decrease by 10%.

The decrease in demand will have far-reaching consequences for our members in terms of turnover, profitability and employment. Already in 2012, several tens of thousands of jobs had to be terminated in the PV industry in the EU as the immediate consequence of the decrease in public support measures. The imposition of duties will very significantly aggravate this and cause many of especially the smaller companies to have to close their books.

The impact on employment and EU value added will far outstrip any impact that the duties may have on EU photovoltaic producers, particularly because these producers are struggling with structural issues that cannot be efficiently addressed through the imposition of duties.

The European Commission has stated that

"It is important to continue to use every tool at our disposal to drive down costs to ensure renewable energy technologies become competitive and ultimately market driven."

Our Associations respectfully request the EU to remain in line with its own policy goal to contribute to the increased use of solar energy and refrain from rendering it more costly by imposing anti-dumping and / or countervailing duties on Chinese origin photovoltaic products. Ultimately, this will protect the climate and our future generations of EU consumers.

We remain at your disposal for any question you may have.

Yours sincerely,



cc:

José Manuel Barroso, President of the European Commission
Joaquín Almunia, Vice President for Competition
Antonio Tajani, Vice President for Industry and Entrepreneurship
Olli Rehn, Vice President for Economic and monetary affairs and the Euro
Janez Potočnik, Commissioner for Environment
Michel Barnier, Commissioner for Internal Market and Services
Algirdas Semeta, Commissioner for Taxation, Customs, Statistics, Audit and Anti-Fraud
Máire Geoghegan-Quinn, Commissioner for Research, Innovation and Science
Günther Oettinger, Commissioner for Energy
Connie Hedegaard, Commissioner for Climate Action
László Andor, Commissioner for Employment, Social Affairs and Inclusion
Johannes Hahn, Commissioner for Regional Policy

ENDS

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Notes to Editors

- The Solar Trade Association (STA) represents companies working in solar thermal and solar power in the UK. Established in 1978 as a not-for-profit trade association we represent a diverse membership across the solar power and solar heating industry. The STA works in conjunction with its members to achieve the right regulatory framework and incentives for solar to deliver an increasing contribution to the UK's electricity and heating needs. We undertake policy development and provide expert advice and analysis to government departments, agencies, regulators, NGOs and other stakeholders. Since 2011 the STA has been affiliated to the Renewable Energy Association. For more information, see: www.solar-trade.org.uk