

THE EUROPEAN UNION'S MEASURES AGAINST DUMPED AND SUBSIDISED IMPORTS OF SOLAR PANELS FROM CHINA

Last updated: 29 February 2016

Trade

Measures against dumped and subsidised imports of solar panels

BACKGROUND

1. WHAT TRADE DEFENCE MEASURES DOES THE EU HAVE IN FORCE AGAINST SOLAR PANELS FROM CHINA?

On 5 December 2013 the European Union imposed **anti-dumping and anti-subsidy duties** on imports of solar cells and solar panels from China.

These duties were imposed following investigations that showed that solar cells and solar panels were being imported into the EU at dumped prices and were being subsidised. These imports were causing injury to the European producers of solar cells and solar panels. The duties were therefore imposed to increase the price of these imports to a level where European manufacturers could compete on price.

The duties were imposed for a period of 2 years. **They remain in force** while the Commission carries out the expiry and other reviews published on 5 December 2015.

Click here to read the 2013 Regulation imposing the anti-dumping duties.

Click here to read the 2013 Regulation imposing the anti-subsidy duties.

2. Why do you have two regulations for the same product?

The Commission has to deal with dumping and subsidy differently because the law regarding dumping is different to the law regarding subsidy. When the Commission receives a complaint against both dumping of a product, and subsidy of that product, it has to open two investigations and publish two regulations.

For more information on dumping, click here.

For more information on subsidy, click <u>here</u>.

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THE UNDERTAKING

3. What is the undertaking that has been agreed?

The European Commission has accepted an undertaking, that is to say a commitment from some Chinese producers, whereby the Chinese producers have agreed to sell solar cells and solar panels to the European Union at a price above a Minimum Import Price ('MIP').

In return for selling at or above the MIP, the anti-dumping and anti-subsidy duties are not charged.

The European Commission is constantly monitoring the implementation of the undertaking. The European Commission also adapts the MIP from time to take account of market price developments.

The Decision accepting this undertaking is available here.

The undertaking remains in force while the Commission carries out its reviews.

4. What are the benefits of the undertaking?

This is an amicable solution that has restored stability to the European solar panel market at a sustainable price level. This price undertaking works towards removing the injury that the dumping and subsidies has caused to the European industry.

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THE EXPIRY REVIEWS

5. WHAT IS AN EXPIRY REVIEW?

General information on expiry reviews can be found here.

Given that the Commission has opened expiry reviews into the measures in force on imports of solar panels from China, then the duties, the undertaking and the Minimum Import Price **will remain in force** until the reviews are finished.

Click <u>here</u> for the Notice opening the expiry review to look at the anti-dumping measures in force.

Click <u>here</u> for the Notice opening the expiry review to look at the anti-subsidy measures in force.

6. How long does it take to finish an expiry review?

Normally the Commission will finish its work within 12 months, but an expiry review can take up to 15 months.

7. WHAT CAN THE EXPIRY REVIEW DO?

Expiry reviews can only do two things: keep the measures in force exactly as they are (including the undertaking) or remove the measures altogether.

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THE PARTIAL INTERIM REVIEW

8. WHAT IS THIS REVIEW FOR?

Expiry reviews can only do two things: keep the measures in force exactly as they are (including the undertaking) or remove the measures altogether. The Commission has decided to open an interim review at the same time, to look at changing the measures in force.

This review is limited to looking at whether it is in the interest of the European Union to maintain the measures currently in force on **solar cells**.

Click <u>here</u> for the Notice opening this review.

The Commission has opened this review because some EU cell producers have ceased production and some EU module producers are dependent on imports of cells.

A possible outcome of this review is that measures may be maintained, but only for modules imported from China **and not for cells** imported from China.

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OTHER ISSUES

9. WHAT ELSE IS THE EUROPEAN COMMISSION DOING?

9.1. Monitoring the undertaking

As a result of our monitoring, the Commission has withdrawn the undertaking from several Chinese exporting producers, because the terms of the undertaking were not complied with, or the exporter withdrew on its own initiative. For these companies, their exports to the EU will be now subject to the anti-dumping and anti-subsidy duties in force.

The Commission will continue to monitor the undertaking to ensure that companies breaching the terms of the agreement do not benefit from the arrangement.

The companies breaching their commitments act against both the EU and Chinese interests. They also act against interest of companies that follow the rules. This requires swift and targeted action by the authorities.

9.2. Looking at how the MIP is adapted to take account of market price trends

On 15 March 2015 the Commission opened an investigation into how it should adapt the Minimum Import Price to take account of price changes in the market for photovoltaic modules ('PV modules').

The review was closed on 6 January 2016 without changing the Minimum Import Price adaptation mechanism. The Regulation can be read here.

9.3. Ensuring that the measures are not being circumvented

On 29 May 2015 the Commission opened two investigations into claims that the duties in force are being circumvented via Taiwan and Malaysia.

Circumvention has been found and the Commission extended the duties in force against China on 11 February 2016 to solar panels and solar cells consigned from Taiwan and Malaysia.

You can read the two Regulations <u>here</u> and <u>here</u>.

Both Regulations contain a list of genuine producers of solar panels and solar cells in both Taiwan and Malaysia. Solar panels and solar cells made and sold by these companies are not subject to the extended duty.

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Any producer in Taiwan or Malaysia not listed, but who wishes to claim exemption from the duty, may do so by writing to the Commission:

European Commission Directorate-General for Trade Directorate H Office: CHAR 04/39 1049 Brussels BELGIUM