

**US sets new import duties on Chinese solar products**  
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The United States slapped new import duties on solar panels and other related products from China yesterday after the Commerce department ruled they were produced using Chinese government subsidies, potentially inflaming trade tensions between the two countries.

The US arm of German solar manufacturer SolarWorld AG filed a petition complaining that Chinese manufacturers are sidestepping duties imposed in 2012 by shifting production of the cells used to make their panels to Taiwan and continuing to flood the US market with cheap products.

The new complaint seeks to close that loophole by extending import duties to also cover panels made with parts from Taiwan.

In a preliminary determination, the Commerce department imposed duties of 35.21% on imports of panels and other products made by Wuxi Suntech Power and five other affiliated companies, 18.56% on imports of Trina Solar and 26.89% on imports from other Chinese producers.

China retaliated against the original US duties by introducing anti-dumping and anti-subsidy duties on imports of US polysilicon, the key raw material in solar cells, and has accused the United States of trying to curb Chinese imports.

In the United States, the complaint has pitted SolarWorld Industries America, which makes crystalline silicon solar panels at its factory in Hillsboro, Oregon, against US solar companies that mainly focus on installation and who say imposing import duties will only push up the cost of solar power.

"The ruling is a major setback for the entire US solar industry because it will immediately increase the price of solar power and cost American jobs in one of fastest-growing sectors of the US economy," said the Coalition for Affordable solar Energy.

The Solar Energy Industries Association said SolarWorld and Chinese manufacturers should try to settle the dispute before the industry was hurt.

But SolarWorld said it is not fair that Chinese solar producers benefit from government aid from their own country, including discounted loans and free utilities, making it hard for US firms to compete.

"This is a strong win for SolarWorld and the domestic solar manufacturing industry," said lawyer Tim Brightbill, from Wiley Rein LLP, representing SolarWorld.

Both the US Department of Commerce and the International Trade Commission (ITC) have to issue final rulings in favor of SolarWorld before the duties are finalised.

In 2013, Chinese imports of the crystalline silicon photovoltaic cells covered in the complaint, which typically form the basic element of solar panels and modules, were valued at an estimated US\$1.5 billion (RM4.84 billion), the Commerce Department said.

US solar installations were worth more than US\$13 billion in 2013, according to research firm GTM. About half the solar equipment installed in the United States last year was made in China. In the fast-growing rooftop solar market, that figure was 71%.

The value of imports of solar products from China fell by almost a third from 2012 to 2013, while imports from Taiwan rose more than 40%, although from a much smaller base, according to ITC data.

The SolarWorld petition includes a complaint that companies from both China and Taiwan sold solar products in the United States below cost. A preliminary decision on the anti-dumping section of the case is due by July 25. The complaint covers panels assembled in China from Taiwanese inputs or third-country cells made from Chinese inputs. – Reuters, June 4, 2014.

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