Value of Chinese solar imports falls; recent US tariffs said to be factor

US imports of Chinese solar cells and panels decreased in dollar value for the sixth straight month in September, compared with the same corresponding months in 2011, according to a group of US solar manufacturers, which attributed the decline to tariffs imposed by the Obama administration.

Citing figures collected by the Commerce Department, the Coalition for American Solar Manufacturers said imports of Chinese solar products totaled $112.7 million in September, a 55% drop from the $249.7 million in September 2011.

Gordon Brinser, president of SolarWorld Industries America, an Oregon-based manufacturer that had banded together with other companies to form CASM, said the decline in imports shows that US solar developers are shying away from Chinese products because of the tariffs.

"Participants in the US solar industry are prudently heeding the risks and uncertainties that go along with purchasing dumped and subsidized Chinese solar imports," Brinser said in a statement.

But some US solar developers said the actual wattage of imports from China has not shown much of a decrease. Rather, the decline in the dollar value of imports is due more to plunging prices of solar cells and panels, they said.

"If you take the price drop, the volume of imports have not dropped much in terms of wattages," said Ocean Yuan, owner of Oregon-based Grape Solar, which sells residential solar kits through Home Depot, Costco and other outlets.

For example, the price of solar panels in September was 41% lower than it was a year ago, which would account for much of the drop in the total value of imports that month, Yuan said. He said solar panels are now costing him an average of 65 cents/watt, down from $1.10 a year ago.

Commerce in March imposed countervailing duties and anti-dumping tariffs from 31% to more than 250% on solar cells and panels made in China, charging that the Chinese government was illegally subsidizing their manufacture in violation of World Trade Organization rules, and that Chinese manufacturers were “dumping” them in the US at below-market prices.

The tariffs were upheld by the US International Trade Commission on November 7 (IE, 12 November, 5).

Since the tariffs went into effect in March, US imports of Chinese solar products totaled $757 million, a 52% decline from the $1.6 billion in imports for the same period of 2011, according to the Commerce data cited by CASM.

The tariffs and duties were prompted by a complaint filed last year by CASM, which alleged that China’s national and local governments have provided more than $40 billion in annual subsidies, illegal under WTO rules, to Chinese solar cell and panel manufacturers, including cash grants, loan guarantees, lower-cost inputs, discounted export insurance and other aid.

CASM has said the penalties would level the playing field and allow domestic solar manufacturers to compete in the growing US market.

However, Commerce left a potentially big loophole in its tariffs, by exempting Chinese modules made from cells manufactured in a third country. The exemption will allow Chinese manufacturers to escape the penalties by outsourcing the production of the cells, which is just one part of the panel-making process, industry observers say.

CASM noted that Commerce is set to review Chinese imports entering the US after November, to determine if the tariffs should be raised.

"With the final orders being put in place, importers may be on the hook for even higher duties for product coming into the market over coming months," Brinser said.

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