



**EUROPEAN COMMISSION**

**MEMO**

Brussels, 29 July 2013

## **Statement by EU Trade Commissioner Karel De Gucht on the amicable solution in the EU-China solar panels case**

Good morning ladies and gentlemen,

On 4 June, I announced the decision to impose provisional antidumping duties on Chinese solar panels of 47.6% as of 6 August 2013.

In view of the exceptional circumstances of the market and to underline our willingness for negotiations, we allowed for a two months period in which the duties were set at 11.8% only.

Just before the end of this period, over the weekend, I have reached an amicable solution with my Chinese counterpart Minister Gao and the Chinese Chamber of Commerce. The Commission has received signed commitments from a large number of Chinese solar panel exporters. Today I have tabled a draft decision to accept these. I hope the European Commission will adopt my proposal on 2 August.

This case has been special both because of its size, but also because of the sector concerned.

On the one hand, we could not accept a situation where Chinese dumping would destroy the European solar panel industry. On the other hand, we were not interested in a solution leading to a shortage of supply in Europe and to overly negative effects on downstream industry - and on consumers.

Solar panel deployment is important for Europe's ambition to reduce CO2 emissions. Exactly because of the ambitious climate policy in Europe over the previous years, European demand was world leading and exceeded the capacity of European supply.

In short: Europe will continue to rely on solar panel imports to an important extent also in the future, even when the injurious effects of the dumping will be eliminated and the EU industry will have fully recovered.

In the negotiations with my Chinese counterpart, I have consistently kept these two objectives in mind: How can we remove the injury to European industry caused by illegal dumping, and at the same time ensure that European users and customers benefit from cheap supply of solar panels?

The solution we have found is targeted and innovative:

The Chinese suppliers have agreed to a voluntary price undertaking where they commit to stop dumping and keep prices above a certain floor. In return, those companies who participate in this engagement do not have to pay the anti-dumping duties.

This undertaking will apply only for an annual volume that covers part of the overall European market. For the rest, so for any Chinese exports exceeding this annual volume, the average anti-dumping duty of 47.6% will have to be paid as of 6 August.

What does this mean?

It means that on one segment of the market, which cannot be satisfied by European supply, a minimum import price applies for Chinese imports. By setting a floor price, the downward pressure on prices should come to an end.

In the other segment of the market, European suppliers will have to compete with competitors from the rest of the world, but as far as Chinese imports are concerned, are protected by the 47% anti-dumping duty.

I have heard some voices arguing that we have given in to China and that this agreement will destroy the European solar panel industry.

I disagree.

When the undertaking enters into force, European suppliers will see the shield against Chinese dumping go up from 11.8% in force today to 47.6% for those exporters who are not participating in the undertaking. These exporters make up to 30 % of the current Chinese exports.

The other 70 % of Chinese suppliers participating in the undertaking will save the anti-dumping duties for a significant volume of sale. However, this relates to a market segment which European suppliers could not cover in any event.

According to economic prognosis, the future market for solar panels in Europe will grow. Consequently, the annual import volume for which the undertaking applies relates to a market share in Europe which is considerably less than the current 80 % held by China. That constitutes an important safeguard of protection for European suppliers.

So let me be clear: the price undertaking is not only about price. Rather, it covers imports within an associated annual level and in addition an ad valorem provisional duty levied on imports above the annual level.

I believe that this solution will remove the injury for European industry. It is equivalent to imposing provisional duties for all Chinese exporters. The effect will be that the European industry will have the space to regain its previously held market share. We restore stability with a sustainable price level in the European market.

We will need such a constructive approach between China and the EU also for other cases affecting our trade. And I sincerely hope that the solution we found in the solar panels case will set the tone for these discussions.

### **For further information**

[MEMO/13/729 on the amicable solution in the EU-China solar panels case, 27 July 2013](#)

[Video link to Commissioner De Gucht's press conference of 29 July 2013](#)