Solar Cells Antidumping Preliminary Determination

May 17, 2012

Today the Commerce Department announced the antidumping rates in its preliminary determination in the Solar Cells from China antidumping case and it is bad news.

The U.S. Department of Commerce on Thursday announced stiff anti-dumping tariffs of around 31 percent on crystalline silicon solar panels imported from China, leading to a new round of concerns on how the duties will impact the growing American solar industry.

In its preliminary determination, the DOC set duties at 31.14 percent for Trina, 31.22 percent for Suntech and 31.18 percent for other Chinese solar manufacturers that chose to participate in the investigation. The companies that chose not to participate were hit with a 250 percent tariff. The tariffs will be retroactive and be applied to panels that were shipped from as far back as about the middle of February 2012.

A final determination must still be made, and the tariff rates can still be adjusted upward or downward. But the ruling gave an anxious industry a better sense of the implications of the trade case. And the numbers that came out were much higher than many expected.

Thursday's announcement was for anti-dumping tariffs and it was the second of two duties set by the DOC that directly stemmed from a trade complaint filed by SolarWorld’s American subsidiary. DOC officials will now confirm the information provided by the Chinese government and the Chinese manufacturers that chose to participate. Final determinations are expected to be made for both tariffs in late July, though an annoucement may not come until September.

In March, the Department of Commerce announced a preliminary determination that set relatively modest countervailing duties that essentially measure the level of subsidies and benefits coming from the Chinese government to Chinese crystalline silicon panel manufacturers. The countervailing duties were applied on three levels: 4.73 percent applied to Trina, 2.9 percent to Suntech, and 3.59 percent to all others. That had been a welcome relief for many in the solar industry, especially the installers who have come to base their business models around low-cost panels. But the feeling was short-lived with the announcement of the countervailing tariffs, which will be added to the anti-dumping tariffs announced on Thursday.

The two together are certain to make Chinese solar panels much more expensive. The ruling could add about $0.30 a watt to the price of a panel. Chinese companies are expected to set up workarounds like tolling in which they send panels through another country, or even set up remote manufacturing facilities outside their country. Tolling is expected to add about $0.06 to $0.08 per watt.