

Anti-Dumping: A positive or negative for the solar industry?

By: Jennifer Spoelma

July 7, 2015

Phocos North America, Inc.

In December 2014 a new round of anti-dumping tariffs were instated on Chinese and Taiwanese solar panel manufacturers. These tariffs were by no means the first time the US has instated anti-dumping tariffs on the highly-subsidized Chinese solar market. Similar actions have been taken, and disputed, since 2012.

However this time, the decision seems to have been [influenced by mainly one company, SolarWorld](#). SolarWorld is a US based solar panel manufacturer. It's obvious why the tariffs are a positive for a solar panel manufacturer, but what about all of the other players in the American solar industry?

Increased prices on solar panels impact the entire US solar market from manufacturers of PV system components to PV installers. There has been [controversy and arguments](#), but the frequency of trade regulation changes in the solar industry has led to skepticism of how long these most current tariffs will actually stick around.

"I can't imagine anyone taking them seriously long term," says Lincoln Dahl from [African Energy](#).

It may be difficult to predict how long these current tariff rates will stick around, but many in the industry are reminiscing on the days of lower PV costs.

Loren Geist from [Colorado Solar, Inc.](#) comments, "It seems like things are settling down a bit at this point, I just hope prices start to fall again by the end of the year."

Dahl agrees that the anti-dumping tariffs are a hindrance for the solar industry. He says, "In any industry, trade fights aren't the way forward. They only slow down business."

Geist notes that this round of tariffs may be affecting the solar industry differently due to the impending end to utility incentive programs.

"The anti-dumping tariffs have resulted in increased prices for both domestic and imported modules, and lower pricing is the key to wide scale PV success,

especially with uncertainty regarding net metering policies and utility incentive programs being cut.”

So has solar business been slowing down? It seems so when [comparing first quarter installations for the past five years](#) in terms of megawatts installed. From 2012 to 2013, Q1 the amount of megawatts installed rose by 36% from 545 megawatts to 744 megawatts. That was followed by an extraordinary jump from 2013 to 2014 when installations went up by 82% from 744 to 1,361 megawatts installed. This year’s Q1 reports the first decline in megawatts installed in the past five years. There was a 4% drop in amount of megawatts installed from 2014 to 2015.

This change is likely because the tariffs create complex factors in the industry. Not only are PV panel prices driven up, but business is also slowed because exporting goods has become much more complicated.

“We have problems when we want to consolidate purchases. Maybe only 10% of a purchase is Chinese panels, but it still slows down the entire business and exports,” Dahl explains.

Yet there are some in the industry who are hopeful that the tariffs will help restore the US solar panel manufacturing industry and spur on economic growth.

In a [press release on SolarWorld’s website](#), Mukesh Dulani, U.S. president of SolarWorld comments, “These remedies come just in time to enable the domestic industry to return to conditions of fair trade,” he continues, “The tariffs and scope set the stage for companies to create new jobs and build or expand factories on U.S. soil.”

While that may sound nice, many PV suppliers aren’t able to purchase their panels state-side because the types their customers want aren’t manufactured here. Geist explains the situation at Colorado Solar, Inc.

“We work with a lot of industrial customers who buy a lot of small panels (5-100 W), many of which went way up due to the tariffs, even though there are no (or hardly any) US made options for these,” says Geist.

If one thing is certain, it’s that the debate over whether anti-dumping tariffs are helping or hurting the solar industry is not likely to end anytime soon.

Have an opinion on the subject of this article?

Send your comments to marketing.na@phocos.com