

U.S. Solar Energy Trade Balance

New Report Highlights Value of Solar to U.S. Economy

- The U.S. was a net exporter of solar energy products in 2009, with **\$723 million in net exports**.
- 2009 U.S. solar installations created **\$3.6 billion in direct value**, with 74% accruing to the U.S.
- Polysilicon was the largest solar product export, with **\$1.1 billion in exports** in 2009.

Report Background

According to an independent study by GTM Research, U.S. solar installations created \$3.6 billion in direct value to the global economy in 2009. Of that, nearly \$2.6 billion stayed within U.S. borders.

Eighty-one percent of the domestic value created in the solar industry came from the photovoltaic (PV) sector, with concentrating solar power (CSP) and solar heating and cooling (SHC) making up the remaining 19 percent.

The U.S. was a net exporter of solar energy products in 2009, led by \$1.1 billion in exports of polysilicon, the primary feedstock for most PV cells.

For PV, China and Mexico contributed most to imports, while Germany, Japan and China were the most prominent export destinations.

SEIA's Interpretation: Policy Implications

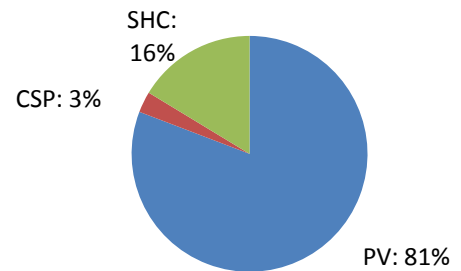
The results of this report show that U.S. trade in the solar industry is more balanced than in the overall economy, which had a trade deficit of \$374 billion in 2009. However, more can be done to maximize the value of U.S. solar installations to the domestic economy.

As the U.S. solar market grows, more manufacturers see the value in locating their manufacturing facilities domestically. In October 2010, for example, Suntech was the first Chinese company to establish a manufacturing facility within the U.S. A healthy, growing domestic demand not only creates installation value but is critical to attracting these manufacturers to the U.S. Thus, one of the best ways to ensure domestic manufacturing is to ensure stable solar demand through smart federal, state and local policy including continuation of the [grant in lieu of tax credits](#) for solar energy projects.

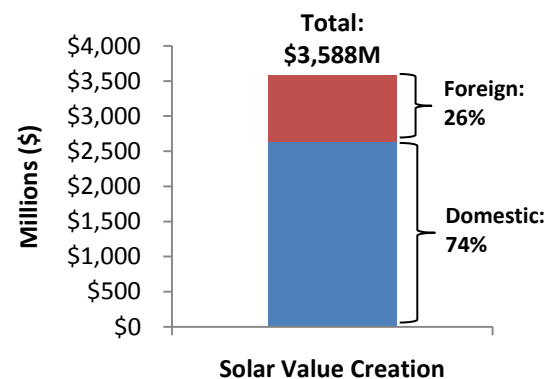
Also, although this report shows a positive trade balance for solar components, the U.S. will need to offer manufacturing incentives on par with those in European and Asian countries in order to stay competitive as a solar manufacturing center and exporter. In addition, as a net exporter, job creator, and low-carbon industry, solar deserves to compete on a level playing field with fossil fuels, which has received hundreds of billions of dollars in support from the federal government for over a century. Support for solar energy represents the federal government's investment in a technology that generates public benefits with enormous potential for the future, and such support should be increased and improved.

SEIA represents both foreign and domestic solar manufacturers, exemplifying the truly global nature of the solar industry. *The U.S. Solar Energy Trade Assessment* shows that, although the U.S. maintains a favorable balance of trade, more can be done to encourage domestic manufacturing including extending the [Manufacturing Investment Tax Credit](#) (MITC).

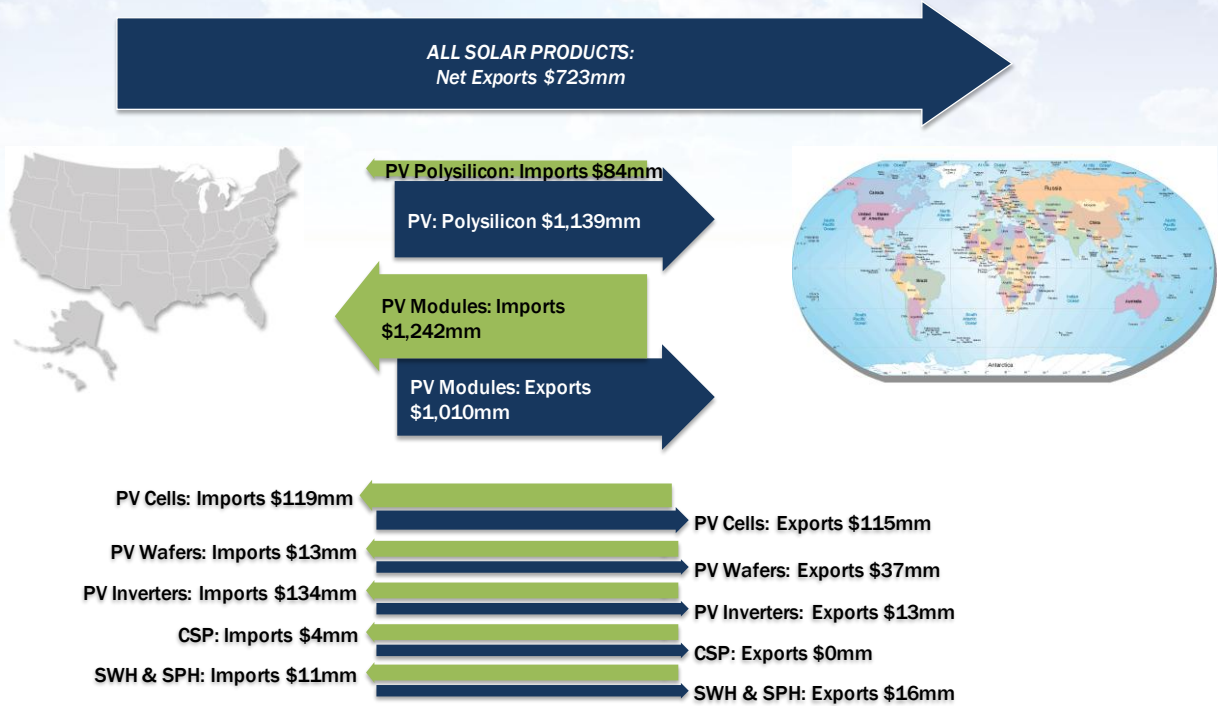
Solar Industry Domestic Value Creation by Technology, 2009
Total Domestic Value: \$2,639mm



2009 U.S. Solar Installations Value Creation

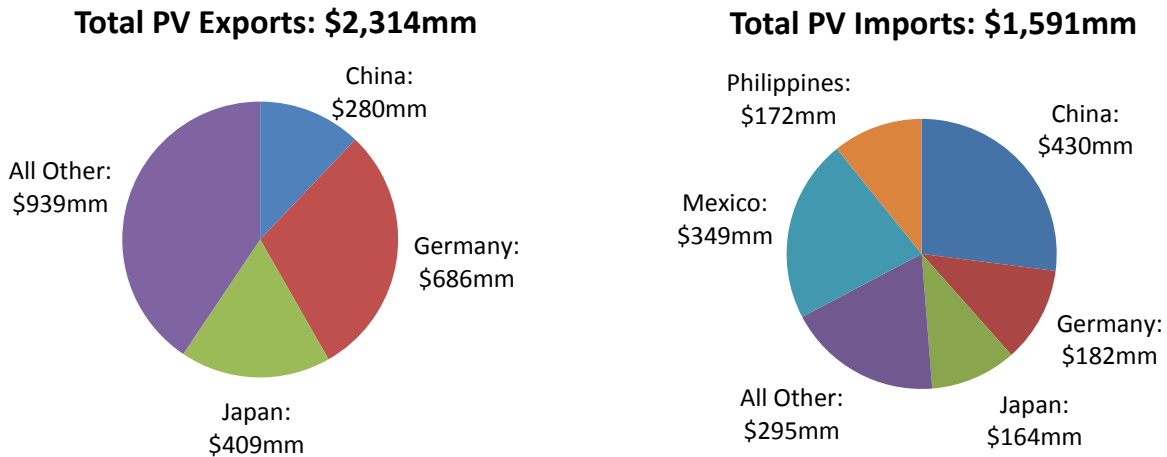


U.S. Solar Industry Trade Flows, 2009



Source: GTM Research, International Trade Commission

Solar Energy Trade Flows by Country



About the Solar Energy Industries Association

Established in 1974, the Solar Energy Industries Association is the national trade association of the U.S. solar energy industry. As the voice of the industry, SEIA works with its 1,000 member companies to make solar a mainstream and significant energy source by expanding markets, removing market barriers, strengthening the industry and educating the public on the benefits of solar energy.

For more information, please visit www.seia.org.