



EUROPEAN COMMISSION

MEMO

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EU initiates anti-dumping investigation on solar panel imports from China

The European Commission today launched an anti-dumping investigation into imports of solar panels and their key components (i.e. solar cells and solar wafers) originating in China. EU Pro Sun, an industry association, claimed in its complaint lodged on 25 July 2012 that solar panels and their key components imported from China enter the European market at prices below market value. In terms of import value affected, this is the most significant anti-dumping complaint the European Commission has received so far: in 2011, China exported solar panels and their key components worth around €21 billion to the EU. The investigation will take 15 months in total, whereas it is possible according to trade defence rules to impose provisional anti-dumping duties within 9 months, provided there is sufficient prima facie evidence of dumping.

On what basis is the European Commission opening this investigation?

The Commission is **legally obliged** to open an anti-dumping investigation if it receives a valid complaint from a Union industry which provides evidence that exporting producers from one or more countries are dumping a particular product into the EU and causing injury to the Union industry.

Such an anti-dumping complaint was lodged on 25 July by EU Pro Sun, an ad hoc association representing more than 20 European companies producing solar panels and their key components. Their collective output represents more than 25% of Union production and the producers opposing the complaint do not represent more Union production than companies supporting the complaint. Both elements are legal requirements under the EU's anti-dumping Regulation for an investigation to be initiated.

The complainant has brought sufficient elements showing (1) possible price dumping by the exporting producers on the EU market, (2) injury suffered by the Union industry, and (3) a possible causal link between the dumped imports and the injury suffered by the Union industry. Hence, the Commission has found that there is sufficient prima facie evidence to warrant the opening of an investigation.

What products are under investigation?

The product covered by the investigation is solar panels and their key components, i.e. solar cells and solar wafers. In order to produce a solar panel, solar wafers are converted into cells and then cells are assembled together into modules, i.e. panels. Some producers have integrated production covering all three segments, whilst others produce only wafers, cells and/or modules.

What happens next?

The Commission will send out questionnaires to various interested parties (e.g. exporting producers, Union producers, importers and associations), asking for information relating inter alia to the exports, production, sales and imports of solar panels and their key components. Once the interested parties have responded to the questionnaires, the data will be verified by the Commission, often by means of on-spot verification of company data.

On the basis of the information collected, the Commission will establish if there has been dumping and whether the injury allegedly suffered has been caused by the dumped imports. This examination will also include looking at possible other factors that could also have contributed to the injury suffered.

The Commission will then within 9 months of the initiation of the investigation (in this case, June 2013) issue its **provisional findings**. There are three possible scenarios: (a) impose provisional anti-dumping duties (normally for a six months period) (b) continue the investigation without imposing provisional duties or (c) terminate the investigation.

Throughout the investigation, all interested parties have a right to provide comments to the Commission and participate in hearings to make their views and arguments heard. The Commission takes account of the comments received and will address these in the remainder of the investigation.

Before deciding on the imposition of any measures, the EU – as the only WTO Member to systematically do so - will conduct the so-called "**Union interest test**". The Commission will closely examine whether the potential imposition of measures would be overall more costly to the Union economy than the benefit of the measures would be to the complainants.

On this basis the Commission may propose to the Council (a) to terminate the case without measures or (b) to impose definitive anti-dumping measures for a duration of five years.

The Council is legally obliged to take a decision on the imposition of any definitive measures within 15 months of the investigation being started. In the present case, it would be before 5 December 2013. The final findings will be published in the Official Journal of the European Union.

The normal procedure is for the investigation to run its course. That said legal provisions exist for parties to propose solutions once the Commission has made its initial findings. The complainant also has the possibility to withdraw its complaint which he may do at any stage of the proceeding. In that case, the Commission may decide to terminate the investigation.

Under what circumstances can anti-dumping measures be imposed?

The investigation must conclusively show that:

- there is dumping by the exporting producers in the country/countries concerned
- material injury has been suffered by the Union industry concerned
- there is a causal link between the dumping and injury found
- the imposition of measures is not against the Union interest.

Some facts on the production of solar panels

China is the world's largest producer of solar panels. Approximately 65% of all solar panels are produced in China. The EU is China's main export market, accounting for around 80% of all Chinese export sales.

Further information

[Notice of initiation \(Official Journal publication\)](#)

[On antidumping procedures](#)

[Flowchart of anti-dumping investigation procedures](#)