

GOVERNMENT OF INDIA  
MINISTRY OF NEW AND RENEWABLE ENERGY  
**LOK SABHA**  
**UNSTARRED QUESTION NO-683**

TO BE ANSWERED ON-13.12.2018

**CHINA-MADE SOLAR CELLS**

683. SHRI ASADUDDIN OWAISI

Will the Minister of NEW AND RENEWABLE ENERGY be pleased to state:-

- (a) whether China-made solar cells and channels are much cheaper than Indian ones, if so, the details thereof and reasons therefor;
- (b) whether Indian industry favour Chinese solar goods than Indian on the plea of being cheaper and high quality, if so, the details thereof;
- (c) whether Indian solar panel and cells manufacturing industry is dying a slow death and many have closed down their production, if so, the details thereof;
- (d) whether the Industry has asked the Government to put an anti-dumping duty on cells and panels imported from China, US, Taiwan and other countries, if so, the details thereof; and
- (e) the steps taken or being taken by the Government to save the domestic solar cells and channels manufacturers?

**ANSWER**

THE MINISTER OF STATE FOR NEW & RENEWABLE ENERGY AND POWER (I/C)  
(SHRI R.K. SINGH)

(a) As per feedback received from Central Public Sector Undertakings (CPSUs) like Bharat Heavy Electricals Limited (BHEL), Bharat Electronics Limited (BEL), Rajasthan Electronics & Instruments Limited (REIL), etc. which are involved in manufacturing of solar PV cells and/or panels, and international prices of solar panels as available on internet, the price of domestically manufactured solar PV panel with domestically manufactured solar PV cell is higher than the price of imported solar PV panel.

Some of the major reasons for China-made solar cells and panels being cheaper than Indian ones, are as follows:

- (i) The country does not have a manufacturing base for the upstream stages of solar PV manufacturing chain, i.e., Polysilicon, Ingots/Wafers, etc.
- (ii) Since the assured market available to domestic manufacturers is limited on account of World Trade Organization (WTO) restrictions restraining preferential treatment exclusively for domestic industry, they are not able to set up larger plants, thereby loosing on economies of scales.
- (iii) As per industry's views, some of the reasons for poor manufacturing capacity are high cost of land/ electricity, low capacity utilization, high cost of financing.

(b) & (c) As per the final findings dated 16th July, 2018, by Directorate General of Trade Remedies (DGTR) in the investigations concerning imposition of Safeguard duty on import of solar cells and panels, DGTR has concluded that: “The domestic industry has suffered serious injury, considering overall performance, on the basis of listed economic parameters such as market share and profitability, which have sharply declined over the injury period 2014-2015 to 2017-2018 (Annualised) whereas market share of imports have increased during the same period. This has caused significant overall impairment to the domestic industry.”

(d) Directorate General of Trade Remedies (DGTR) had initiated an anti-dumping investigation on Solar Cells whether or not assembled partially or fully in modules or panels or on glass or some other suitable substrates from China PR, Malaysia and Chinese Taipei on 21.07.2017. However, on the request of Indian Solar Manufacturers Association, representing the applicant domestic industry, the case was terminated on 23.03.2018.

(e) The solar power projects being implemented by the Central Public Sector Undertakings (CPSUs) with financial support from Government and those rooftop solar projects which are implemented with central financial assistance are mandated to source their requirement of solar cells & panels from domestic sources as per extant Guidelines, in a World Trade Organization (WTO) compliant manner.

Further, based on the final findings of DGTR, the Government, through notification no. 01/2018-Customs (SG) dated 30th July, 2018, have imposed Safeguard duty on import of solar cells whether or not assembled in modules or panels, as follows:

- i. twenty five percent. ad valorem minus anti-dumping duty payable, if any, when imported during the period from 30th July, 2018 to 29th July, 2019 (both days inclusive);
- ii. twenty percent. ad valorem minus anti-dumping duty payable, if any, when imported during the period from 30th July, 2019 to 29th January, 2020 (both days inclusive);
- iii. fifteen percent. ad valorem minus anti-dumping duty payable, if any, when imported during the period from 30th January, 2020 to 29th July, 2020 (both days inclusive);

Nothing contained in the notification dated 30th July, 2018, mentioned above shall apply to imports of subject goods from countries notified as developing countries vide notification no. 19/2016-Customs (N.T.) dated 5th February, 2016, except China PR, and Malaysia.

Further, domestic manufacturing of solar cells and panels in India is being supported by the Government of India through Modified Special Incentive Package Scheme (M-SIPS) of Ministry of Electronics & Information Technology. The scheme, inter alia, provides for:

- i. 20-25% subsidy for investments in capital expenditure for setting up of the manufacturing facility.
- ii. Reimbursement of countervailing Duty (CVD)/ Excise Duty for capital equipment for the units outside Special Economic Zone (SEZ).

\*\*\*\*\*