

GOVERNMENT OF INDIA
MINISTRY OF NEW AND RENEWABLE ENERGY
LOK SABHA
UNSTARRED QUESTION NO. 3164
TO BE ANSWERED ON 11.07.2019

SOLAR INDUSTRY

3164. Dr. Pritam Gopinathrao Munde
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Will the Minister of NEW AND RENEWABLE ENERGY be pleased to state:

- (a) whether Government has no real policy or plan in place to ensure solar panel manufacturing and if so, the response of the Government thereon;
- (b) the present share of manufacturing of solar panels in GDP as compared to 2014;
- (c) whether India is regarded by the global solar industry as one of the most promising markets and if so, the details thereof;
- (d) whether Indian imports mostly from China, accounted for 90% of 2017 sales, up from 86% in 2014;
- (e) if so, the details thereof and the response of the Government thereon;
- (f) whether India needs a solar manufacturing strategy and if so, the details thereof; and
- (g) the steps taken by the Government to encourage domestic manufacturing of solar panels to reduce the import bill?

ANSWER

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

- (a) Domestic manufacturing of solar cells and modules is supported by Government of India by way of following initiatives:
 - 1. 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).
 - 2. 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.
 - 3. Ministry of New & Renewable Energy (MNRE) vide its O.M. No. 146/57/2018-P&C dated 11.12.2018 regarding "Implementation of Public Procurement (Preference to Make in India) Order for Renewable Energy sector" has stipulated that apart from civil construction, preference shall be provided by Central Ministries/Department and Central PSUs to domestically manufactured/produced products such as solar PV modules and other components such as inverters, etc. for Grid connected solar power projects. Minimum Percentage of local content required is 100% in case of solar modules and 40% for other components such as inverter. etc.

4. Further, Ministry of Finance, through notification no. 01/2018-Customs (SG) dated 30th July, 2018, has imposed Safeguard duty on import of solar cells whether or not assembled in modules or panels.

(b) The manufacturing capacity of solar modules in the year 2014 was around 2.8 GW and the GDP of India was Rs. 2.04 lakh crore USD in the year 2014 whereas the current manufacturing capacity of solar modules is around 10 GW and the GDP of India was Rs. 2.72 lakh crore USD in the year 2018.

(c) Ernst and Young (EY) in its 53rd edition of the Renewable Energy Country Attractiveness Index (RECAI) report 2019 ranked 40 countries on attractiveness based on renewable energy investment and deployment opportunities.

India Ranks 4th in RECAI report 2019. The RECAI ranking is based on a methodology involving analysis of different parameters such as economic stability, investment climate, security and supply of energy, clean energy gap, affordability of energy, policy enablement through political stability and support for renewables, project delivery in terms of energy market access, infrastructure & finance and technology potential based on natural resource, power off - take attractiveness, political support, technology maturity and forecast growth & pipeline. The status of the country on each of the parameters is rated, to arrive at an overall RECAI ranking.

(d) and (e) As per the final findings dated 16.07.2018 of Directorate General of Trade Remedies, in the safeguard investigation concerning imports of “Solar Cells whether or not assembled in modules or panels” into India, it has been reported that the total imports of solar modules/cells during 2014-15 was 1275 MW which was around 88% of the total imports plus Indian Production taken together in that year, whereas, during 2017-18, the total imports were 4917 MW which was around 92% of the total imports plus Indian Production taken together.

(f) and (g) Same as (a) above
