

THE DEBATE ON ANTI DUMPING DUTY
JULY, 2014
[EQ MAG LIVE](#)

THE DEBATE ON ANTI DUMPING DUTY

Ajay Goel
Chief Executive Officer
Tata Power Solar
Systems Limited



EQ : Media reports confirm as per findings of GOI, Ministry of Commerce & Industry, 20 companies sold Solar Modules/ Cells in India at half the regular prices in their home markets... What is your comment on this statement.

AG : Globally, the prices of solar cells and modules have been the lowest in India. These artificially low prices have severely impacted the local manufacturing industry with several players in the Indian solar manufacturing space running either part of their capacity or having completely idle capacity. Hence, the findings of Directorate General of Anti-Dumping (DGAD) are not surprising and their recommendation to impose anti-dumping duties on import of solar cells and modules is a welcome move.

EQ : Certain Western Countries such as USA & Europe has imposed Anti-Dumping on Solar Modules/Cells & Solar Glass imports and China has imposed Anti-Dumping on Polysilicon Imports. Could you enlighten the readers about the Solar Trade Wars & various anti-dumping cases, their results and implications and provide real status update

AG : We would not like to comment on individual cases. Any policy that helps bring about a level playing field, whether in India or abroad, will help Indian manufacturers.

EQ : Is the World Solar Manufacturing market moving towards Domestic Manufacturing to avoid Anti-Dumping cases?

AG : The policies, globally, are moving towards providing a fair and level playing field to manufacturers in their own countries. Companies which operate under a level playing environment are increasingly finding demand, not only from within their own domestic market but also international markets.

EQ : India has more than 1 GW Pipeline of Solar Projects and many of them are under execution stages. What will be the impact on these projects if India imposes Anti-dumping duty on solar imports?

AG : India has a fair capacity of solar manufacturing which is bankable and meets international quality standards. Further, anti-dumping duties are only to dissuade subsidized imports and not completely stop import of solar products. Therefore, countries following

a fair process can continue to export to India without being subject to anti-dumping duties and contribute to the growth of solar energy in India.

EQ : Some developers who are bidders in the DCR category of JNNSM P2 B1 say that Domestic manufacturers have formed a cartel and have increased prices and thus making their bids not viable and some say that the quality/bankability issues keep them away from buying locally made solar gear...what are your comments on the same

AG : The DCR category of NSM is designed for developers to pay higher prices to Indian manufacturers to ensure survival of the domestic manufacturing sector. This subsidy is in the form of incremental VGF available to DCR category winners which should be passed on to the manufacturers. To that extent prices are higher, but it would be best if facts are presented wherein any integrated cell & module manufacturer or a cell manufacturer has raised prices after the bids have been submitted.

As regards quality, I can only say that as Tata Power Solar, we use European and Japanese manufacturing equipment and high

solar cells and modules to deliver quality products to our customers. We have been exporting our modules for many years to Europe and the USA and have a very strong performance history of our modules.

EQ : How much would solar energy cost more if Indian developers use only domestically produced solar gears?

AG : In the near term, the best reference would be the projects under the DCR category of JNNSM Phase 1 where the VGF difference is approx. Rs. 1.1 crs/MW. However, over the medium to long term, we feel that there will be a lot of investment in manufacturing capacity of not only solar cells and modules in India but also related parts of the value chain, leading to further cost reductions and making solar energy cost effective against other sources of conventional energy.

EQ : What will be the likely impact if the antidumping duty is imposed on the country's national & state solar programs?

AG : Given the strategic nature of this industry, the Indian government has set promotion of domestic manufacturing in the solar sector as one of the key objectives of the Jawaharlal Nehru National Solar Mission. Imposing anti-dumping duties on the country's national & state solar program will protect Indian solar manufacturers from cheap imports and help meet the objective of promoting domestic manufacturing and energy security.

If there is no support for domestic manufacturing in this critical sector, India risks being dependent on foreign countries for our entire solar energy needs, which is critical for the country.

As regards the impact of anti-dumping duty, there are many companies which operate in countries that are not subject to ADD. Therefore, it is expected that the demand for solar cells and modules may be met through these companies as well as Indian cell and module manufacturers.