GADKARI OPPOSES MOVE TO LEVY ANTI-DUMPING DUTY ON IMPORTED SOLAR CELLS
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Gadkari opposes move to levy anti-dumping duty on imported solar cells

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Union road transport, highways and shipping minister Nitin Gadkari's departments might not have anything to do with solar power generation, but he has written to Nirmala Sitharaman, minister for commerce and industry, opposing the levy of anti-dumping duty on imported solar cells.

In a letter to Sitharaman written on June 5, Gadkari said: "The last UPA (United Progressive Alliance) government just before leaving had proposed an anti-dumping duty on imported solar cells and solar panels. According to my information, the proposal is under consideration in the commerce ministry." He noted that anti-dumping duty, if imposed, would double the solar power cost.
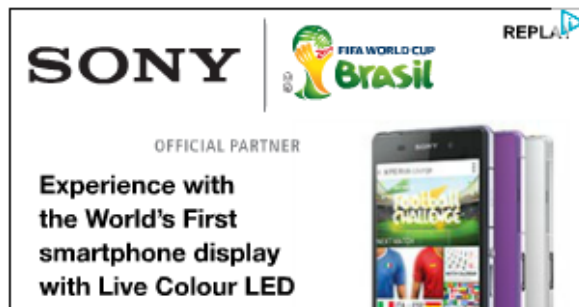
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It is not clear what prompted the senior minister in the National Democratic Alliance government and former Bharatiya Janata Party president to write the letter.

DUMPING DUTY RANGE 50-60 % of dumping margin from the United States and 100-110% from China identified by the department of commerce 60-70% of dumping margin for sampled manufacturers and 100-110% for non-sampled manufactures from China determined by the department of commerce 5-15% dumping margin kept for First Solar, a US-based solar cell manufacturer and 40-50% for all other exporters 70% dumping margin for Malaysia and 90% for Taiwan identified by the commerce ministry

Incidentally, Gadkari has business interest in biomass-based power generation and the sugar industry.

There was a likelihood of heavy anti-dumping duty on solar cells being imported from the US, China, Taiwan and Malaysia on the basis of the commerce ministry's anti-dumping investigation. The inquiry has concluded the imports are undercutting the prices of domestic industry, which has caused price underselling, suppression as well as price depression effects.

The ministry had identified 58 manufacturers, mostly from China, followed by Taiwan, Malaysia and the US. The anti-dumping duty, equivalent to the margins, needed to be notified by the Central Board of Excise and Customs.

The department of commerce identified a dumping margin range of 50-60 per cent from the US and 100-110 per cent from China. Among Chinese producers, the department has determined a dumping margin of 60-70 per cent for sampled manufacturers from China and 100-110 per cent for non-sampled, indicating an unorganised market of imports flowing in from China into India.

The dumping margin for First Solar, a US-based solar cell manufacturer, has been kept at 5-15 per cent and for all other exporters at 40-50 per cent. For Malaysia and Taiwan, the ministry determined the margin at 70 per cent and 90 per cent, respectively.

Solar power producers say anti-dumping duties will have a major adverse impact on Jawaharlal Nehru National Solar Mission (JNNSM) since about 3,500 Mw of solar power projects have been tendered out by various agencies in the country and there was no provision to absorb the increase in cost due to anti-dumping duties. Gadkari, too, said the whole purpose of aligning solar power with the main grid would be defeated if the duty is imposed. He has instead proposed compensating domestic manufacturers with "appropriate subsidy".

Although the Ministry of New and Renewable Energy has opposed the imposition of anti-dumping duty, under the first batch of second phase of JNNSM, power producers are required to meet domestic content requirement. The US has dragged India to the World Trade Organization for this clause, which seeks to incentivise domestic manufacturers. India has a cell manufacturing capacity of 1,212 Mw with Moser Baer, XL energy, Tata Solar and BHEL being among the prominent players