

# Solar mission: US takes India to WTO, again

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The government on Tuesday said it hadn't violated global trading norms under the World Trade Organisation (WTO), even as the US filed a second case against India on the second phase of the Jawaharlal Nehru National Solar Mission (JNNSM).

In February 2013, the US had filed a similar case related to the first phase of the mission. However, it didn't pursue that case.

On Monday, US Trade Representative Michael Froman said the compulsory domestic content requirements "discriminate against US exports" by requiring solar power developers to use Indian-manufactured equipment instead of American products. "This kind of discrimination is against WTO rules and we are determined to stand up for US workers and businesses," Froman said.

Under WTO dispute-settle-

ment body norms, a complainant first seeks consultations with the target country, which typically takes 60 days. Subsequently, a panel of lawyers is constituted and the case is officially registered as a trade dispute.

Commerce Secretary Rajeev Kher said, "Now, they have come in for a second-phase challenge. It is not a surprise. It has happened earlier. They have had a consultation and now, they are going to have a consultation again. We will participate in that consultation. Our policy is WTO-compliant."

He said in JNNSM phase-II, most contracts had been awarded to American firms. Bids were invited in October 2013, when the second phase was launched. The final results of the bids will be announced on February 20.

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## NOTE OF DISCORD

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- Kher alleged the US was following restrictive policies for its local solar panel manufacturers in 13 states
- Last year, India told WTO's subsidies and countervailing measures panel the US ran a subsidies programme for local content requirements
- The matter will be raised at the India-US energy dialogue, for which US Energy Secretary Ernest Moniz is coming to India

running a subsidies programme for local content requirements, primarily in the states of Connecticut, Delaware, Massachusetts and Minnesota.

India was yet to receive an official consultation request from the US, Kher said. On Wednesday, the Ministry of New and Renewable Energy will hold a meeting, at which the matter will be discussed.

Sources indicated the US was

keen on furthering the interests of just one company from that country — First Solar Inc, the world's largest solar thin-film manufacturer. The company is promoted by the Walton family that owns Walmart stores. Apparently, their solar films were based on cadmium telluride, which was "harmful and poisonous", said an official involved in the talks, on condition of anonymity.

Some leading Indian solar photovoltaic (PV) module manufacturers such as Tata Power Solar and Moser Baer have told *Business Standard* there are various difficulties in penetrating the US market due to the support provided to the domestic manufacturers there by the government of that country. "The US seems to be completely misguided in this issue and is just showing double standards. The policy of government procurement is allowed. The US seems upset because it is not able to sell products in its market. Maybe, it is feeling threatened, as other solar panel producers from Japan and China are aggressively entering India," said Ajay Goel, chief executive officer, Tata Power Solar.

He added the matter would be raised during the India-US energy dialogue, for which US Energy Secretary Ernest Moniz was coming to India for two days. Initially, the dialogue was scheduled for January, but was delayed due to a diplomatic row between both countries.