DATE: Jan-Feb 2018 PUBLICATION: T&D India PAGE NO.: 49

VIEW POINT

SOLAR PANELS AND CELLS

Differential anti-dumping duty on specific countries needed: AISIA

Strongly opposing the proposed blanket safeguard duty on import of solar panels and cells, All India Solar Industries Association (AISIA) has said that the levy will badly impact solar manufacturers operating out of the Special Economic Zones (SEZ) across the country.

The SEZ units are treated on par with foreign manufacturers and any hence any Safeguard duty will be detrimental to the Indian solar industry as a whole, said Gyanesh Chaudhary, General Secretary, All India Solar Industries Association.

AISIA, however, made a strong case for specific anti-dumping duty on imports from China which is flooding the Indian market with its cheap solar modules making domestic industry unviable.

If we take the case of solar modules and cells, India has 3.1 GW of installed capacity of solar cells out of which 2 GW, more than 60 per cent is situated in SEZs. It should be noted that out of 8.3 GW of solar module manufacturing facilities of 3.8 GW are situated in SEZs. Hence, the indigenous manufactures situated in SEZ will come under the ambit any blanket duty that will be imposed on solar cells and modules which will make them uncompetitive," Chaudhary said in a statement.

In 2016-17, the estimated demand of solar modules was around 6 GW whereas the demand is expected to go up to 10 GW in 2017-18.

Under the WTO framework a member country can impose a Safeguard Duty if the increased quantity of imports may be either an absolute increase or an increase relative to domestic production which is causing serious injury or a threat of serious injury to the Domestic industry. 'Serious injury' is defined as a significant overall impairment in the position of a domestic industry.

Gyanesh Chaudhary
General Secretary, AISIA

In determining whether serious injury is present, investigating authorities must evaluate all relevant factors having a bearing on the condition of the industry, include the absolute and relative rate and amount of increase in imports, the market share taken by the increased imports, as well as changes in level of sales, production, productivity, capacity, utilization, profit and losses, and employment of the domestic industry, Chaudhary said.

India created Special Economic Zones (SEZs) in 2005 with single window clearance and tax holidays to facilitate manufacturing in India. Under the custom laws, SEZ units are considered to be outside Indian customs territories. Thus, goods manufactured in SEZ, if sold in India, are treated deemed exports with no customs duty applicable. Indigenous manufacturers located in SEZ will caught on the wrong foot in case a Safeguard Duty is imposed on all imported solar modules and cells.

The purpose of imposing Safeguard Duty should be to protect the domestic industry from goods which are being dumped at below market prices, but in case domestic manufacturers situated on SEZs the levy yields counterproductive results. This could also lead to increase in cost power that will discourage the domestic industry, Chaudhary pointed out.

The imposition of differential Anti-dumping duty - higher on solar modules and lower on solar cells - for imports from China PR, Taiwan and Malaysia will encourage growth of domestic manufacturing. This will help both solar cell and module manufacturers to compete in the local market and encourage the Make in India mission, he said.

Protective measures like safeguard duties, anti-dumping duty and basic custom duty are meant to help the domestic industry but they can cripple SEZ units and goes against the theme and spirit of the Make in India policy, Chaudhary added. ■

For illustration only

www.greenbrilliance.com

EDITION

MEDIA Magazine

LANGUAGE English