

# China rejects US ruling in solar dumping case

May 18 2012, By JOE McDONALD , AP Business Writer

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(AP) -- China's government on Friday rejected a U.S. antidumping ruling against its makers of solar power equipment and Chinese manufacturers warned proposed punitive tariffs might hurt efforts to promote clean energy.

The conflict has worsened U.S.-Chinese trade tensions. The two governments have pledged to cooperate in developing renewable energy but accuse each other of violating free-trade pledges by subsidizing their own manufacturers.

"The U.S. ruling is unfair, and the Chinese side expresses its extreme dissatisfaction," said a Commerce Ministry spokesman, Shen Danyang, in a statement.

Shen warned the ruling might harm U.S.-Chinese cooperation in clean energy but gave no indication how Beijing might respond. Some American manufacturers that oppose the trade probe have warned China might retaliate against U.S. suppliers.

Thursday's preliminary ruling by the Commerce Department said Chinese producers sold solar cells and panels below fair price and hurt American producers. If that is upheld, tariffs averaging 31 percent could be imposed on Chinese solar-panel imports.

Three major [Chinese manufacturers](#) - Yingli Green Energy Holdings Ltd., Suntech Power Holdings Co. and Trina Solar Ltd. - rejected

accusations they were selling goods at improperly low prices.

Such duties "are not justified by fact," Suntech's chief commercial officer, Andrew Beebe, said in a statement.

China's producers of [solar cells](#) and equipment grew to be among the world's biggest over the past decade as they supplied demand from Germany, Spain and other markets that promoted solar power.

Foreign competitors complain Chinese manufacturers get improper government support in the form of low-cost access to land, [bank loans](#) and other resources. Beijing acknowledges giving research grants and tax breaks but says those are in line with its free-trade commitments and practices by other governments.

"Tariffs are disruptive and destructive for the entire solar industry," Yingli's chairman, Miao Liangsheng, said in a statement.

The Commerce Department launched its investigation in November following complaints by a group of U.S. producers led by Oregon-based SolarWorld Industries America Inc., a unit of Germany's SolarWorld AG.

The complaints were amplified by attention surrounding the bankruptcy of solar-panel maker Solyndra LLC after the California-based company received a \$528 million U.S. government loan. Solyndra cited Chinese competition as one of the reasons behind its failure.

"These duties are unwarranted and serve as an impediment to the broader adoption of solar energy in a time of rising fuel costs," said Trina's chief commercial officer, Mark Kingsley, in a statement.

The Chinese government responded by launching its own probe last

November into whether U.S. government support for producers of wind, solar and other renewable energy technology is an improper trade barrier.

Chinese solar equipment manufacturers warned earlier that sanctions could result in a loss of American jobs because U.S. companies are both buyers of Chinese products and suppliers of materials. They said Chinese manufacturers spend some \$2 billion a year to buy materials such as polysilicon from U.S. suppliers.

**More information:** Suntech Power Holdings Ltd.: <http://www.suntech-power.com>

Yingli Green Energy Holding Co.: <http://www.yinglisolar.com>

Trina Solar Ltd.: <http://www.trinasolar.com>

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