



# Chinese solar companies are paying a high price for victory

Are Europe and China winning a battle over the solar industry?

Europe and China's battle over the solar industry has been going on for two decades. Chinese solar-panel makers are winning with an unassailable lead: they now account for 80 per cent of global production capacity. But the cost of that victory is now looking too high. China dominates the solar panel sector's entire supply chain.

Are Chinese solar companies more competitive on price?

Chinese solar firms have countered that their mastery of the technology makes them more competitive on price. Tariffs are a key theme in the U.S. election, with Republican former President Donald Trump proposing levies on all U.S. imports to stimulate U.S. manufacturing, including a 60% rate on any goods from China.

Is China's largest solar company evading American tariffs?

A year ago, the Biden administration accused one of China's largest solar manufacturers of evading American tariffs. Now the company is building a massive panel factory in Texas -- and it could receive more than \$1 billion in tax subsidies under President Joe Biden's signature climate law.

Does China's solar industry satiate the world's most power-hungry economy?

However, the Chinese solar industry's ambitions extend beyond satiating the globe's most power-hungry economy, China. Solar exports from China increased 34% in the first half of 2023 compared to the previous year. China's solar manufacturing industry has played a crucial role in accelerating the global deployment of renewable energy.

Why are solar companies struggling in China?

Many of China's provinces are struggling to service their debts. Solar companies must also compete for government largesse with firms in other industries that are grappling with overcapacity as China's economy slows. More than a fifth of Chinese industrial firms were unprofitable last year, according to analysis by Rhodium, another consultancy.

Will China's solar supply chain be impacted by US tariffs?

That means Chinese factories in the U.S. would likely use imported components, giving Beijing even more control over the solar supply chain, said Mike Carr, who leads the Solar Energy Manufacturers Coalition, a trade group that has called for additional tariffs on Chinese components.

What's new: China's solar manufacturers are eking out ever slimmer profits as ballooning capacity in the industry has kept photovoltaic (PV) module prices in a protracted decline, according to the head of solar-equipment maker Longi Green Energy Technology Co. Ltd. (601012.SH). "Recent "irrational" prices of PV modules have been hovering at near cost levels ...

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In December 2022, the price of silicon, the key raw material of solar panels, started to drop. From a high point of 306,000 yuan (\$45,091) per ton in October, the price of monocrystalline dense materials -- which are made from a single source of silicon -- fell last week to 176,200 yuan (\$25,964) per ton, a drop of 42.4%. In January, the price of polysilicon ...

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Duties as high as 254% will hit in June 2024 for China-linked operations in Cambodia, Malaysia, Thailand and Vietnam ... -- A U.S. government probe concluded that some manufacturers in Asia are illegally bypassing tariffs on Chinese solar equipment, exposing them to duties that threaten to boost the cost of renewable power and slow the ...

Planned European Union curbs on Chinese solar panels would last less than half as long as normal trade protection, marking a victory not just for China but also for Germany, the U.K. and other free-market proponents in the EU's biggest dispute of its kind.

China accounts for 80% of solar module production capacity after years of subsidies, driving oversupply that has triggered a collapse in global prices and provoked import duties from trading partners to stave off being swamped by low-cost equipment.

Tongwei Co., the world's largest manufacturer of a key material for solar panels, said it will build a massive new factory in northern China just as the industry struggles with a price war and a looming wave of consolidation. Tongwei has agreed with local authorities in Ordos, Inner Mongolia, to invest 28 billion yuan (\$3.9 billion) in a two-phase project that will eventually have ...

China, with around 1TW of annual capacity across the value chain in 2024, will have sufficient capacity to fulfil global demand through 2030. Leading Chinese solar module manufacturers, with overseas markets accounting for 40%-60% of their revenue in 1H23, will strive to maintain overseas market share, in the face of intensifying competition.

China already controls more than 80% of the global solar market, but the country's largest panel makers are still doubling down on their investments with expansion plans up and down the supply chain. Betting on soaring demand for clean energy, Chinese solar companies are aggressively expanding both at home and abroad.

The company attributed the surge to strong global demand for PV facilities and its efforts in coping with price



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fluctuations, exchange rates and international trade policies. JA Solar Technology Co Ltd, also a major PV company, estimated its half-year profit to reach at least 4.2 billion yuan or a minimum growth of 146.8 percent year-on-year.

2 days ago; Chinese solar companies are paying a high price for victory. Weak stock performance shows pace of growth has been much too fast. Mar 25 2024. ... Trina Solar Co Ltd is a China-based company principally engaged in research and development, production and sales of photovoltaic products.

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