

US' solar panel tariffs draw protest across industry

Chen Weihua

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The US government announced on Monday that it would impose new tariffs on imported solar panels and washing machines, much of them from China. The move has triggered strong protests from US solar energy producers.

US Trade Representative Robert Lighthizer said in a statement that President Donald Trump approved recommendations to impose safeguard tariffs on imported large residential washing machines and imported solar cells and modules.

The USTR claims that increased foreign imports of washers and solar cells and modules are a substantial cause of serious injury to domestic manufacturers.

"The president's action makes clear again that the Trump Administration will always defend American workers, farmers, ranchers, and businesses in this regard," Lighthizer said in the statement.

The relief will include a tariff of 30 percent in the first year, 25 percent in the second year, 20 percent in the third year and 15 percent in the fourth year.

The USTR said it will engage in discussions among interested parties that could lead to positive resolution of the separate antidumping and countervailing duty measures currently imposed on Chinese solar products and US polysilicon.

Due to the time difference, China has not yet responded to the US announcement. But the Solar Energy Industries Association (SEIA), a national trade association for the US industry, protested immediately on Monday.

The SEIA said the association and its members expressed disappointment in the decision by Trump to impose 30 percent tariffs on imported solar cells and panels.

It said the decision effectively will cause the loss of roughly 23,000 American jobs this year, including many in manufacturing, and it will result in the delay or cancellation of billions of dollars in solar investments.

"While tariffs in this case will not create adequate cell or module manufacturing to meet US demand, or keep foreign-owned Sunvia and SolarWorld afloat, they will create a crisis in a part of our economy that has been thriving, which will ultimately cost tens of thousands of hard-working, blue-collar Americans their jobs," said SEIA's president and CEO Abigail Ross Hopper in a press release.

"It boggles my mind that this president - any president, really - would voluntarily choose to damage one of the fastest-growing segments of our economy," said Tony Clifford, chief development officer of Standard Solar.

"This decision is misguided and denies the reality that bankrupt foreign companies will be the beneficiaries of an American taxpayer bailout," Clifford added.

SEIA estimated that a tariff at this level will eliminate rather than add to US manufacturing jobs.

"There is no doubt this decision will hurt US manufacturing, not help it," said Bill Vietas, president of RBI Solar in Cincinnati, Ohio.

"This is a bad day for the US," said Costa Nicolaou, president and CEO of PanelClaw, a US racking company. Nicolaou accused Trump of siding with two foreign-owned companies and not listening to Americans from across the country and political spectrum.

US trade experts have played down the tariffs. "The safeguard tariffs are not a surprise. The Trump administration has often said that it will take a sympathetic view of industry complaints in safeguard cases, anti-dumping and countervailing cases, and national security cases. That's what it did," said Gary Hufbauer, a senior fellow at the Peterson Institute for International Economics.

"I expect that China and other countries that now face trade restrictions will bring complaints to the WTO and retaliate in opaque ways. Tit-for-tat is now the name of the game," he said.

Dan Ikenson, director of Herbert A. Stiefel Center for Trade Policy Studies at the Cato Institute, said Trump's decisions to impose safeguard restrictions on washers and solar cells are unlikely to trigger a tit-for-tat trade war.

"As economically shortsighted as these measures will prove to be, the duties and quotas were imposed pursuant to Section 201 of the Trade Act of 1974 (the US Safeguard law). The United States (as well as every other WTO member) is entitled to use that law provided that it is used in compliance with the WTO Safeguard Agreement," he said.

"So, in essence, the United States has not acted 'unilaterally,' or in a rogue manner here. Affected countries can challenge these measures at the WTO, but frankly there is nothing too unconventional about what Trump has done," Ikenson said.

He noted that if the Trump administration imposes duties or other penalties on China as a result of its Section 301 investigation of intellectual property and forced technology transfer policies,

then that may trigger a tit-for-tat war because the US is not permitted, under WTO rules, to do so.