

ECIPE PRESS RELEASE — NEW WORKING PAPER

## **Assessing the Solar Energy Dispute between the European Union and the People’s Republic of China**

**Brussels, Belgium, 4 April 2016** - The paper assesses this recent anti-dumping case in the light of a changing world economy and the current anti-dumping framework of the European Union.

China is a major trading partner of the European Union (EU), the destination of much Foreign Direct Investment (FDI) by EU firms – and by far the most targeted country of anti-dumping investigations by the EU (and other economies like the US). In the spring of 2012, the European Union and China got embroiled in a tense dispute about trade in the novel but rapidly growing solar energy field. The surge in EU imports of such goods from China – especially of solar panels used in the last stage in the production sequence of photovoltaic energy – prompted a group of EU-located producers of solar equipment to request trade defense measures from the European Commission. After conducting investigations the Commission imposed a provisional anti-dumping duty on such imports in June 2013 while threatening to impose significantly heavier levies on solar panel imports from China if no satisfactory arrangement could be found before 6 August 2013. Close to that deadline, an amicable ‘understanding’ was reached, whereby China agreed to reduce its overall quantity of exports to the EU and put a floor price on those exports. Thus, a major trade conflict about the largest contested trade volume ever was averted.

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