Thorsten Preugschas, Managing Director of Soventix GmbH, an international developer of solar power plants, takes a position in the debate over penalty duties on Chinese modules: The current announcement of JinkoSolar leaving the EU Price Undertaking is a slap in the face for the European Commission. The announcement clearly shows that protectionist measures are the wrong way here. We should concentrate all efforts to make solar power cheaper in Europe. The low module costs from China are not only a threat but also an opportunity.

September 15, Wesel – This announcement is an eye-opener. JinkoSolar turns a cold shoulder to the European Commission. In fact, the Chinese solar module manufacturer has terminated an agreement, according to which JinkoSolar had to offer its modules at a fixed price in Europe. JinkoSolar is not just any company, but is one of the world’s largest manufacturers of high-quality and low-cost solar modules.

JinkoSolar is not alone with his critical attitude towards Europe. Already about a year ago, Trina Solar, the world’s largest module manufacturer, left the EU Price Undertaking. This is a slap in the face for the European Commission, for the companies clearly show their decisions: Minimum solar module prices are not up to date. They damage the solar investment location in Europe.

With the solar initiative “AFASE” we had already pointed out years ago that the trade restrictions in Europe are counterproductive. They make solar power in Europe expensive, hinder the energy turnaround, weaken the European market and have cost thousands of jobs at project developers, system integrators and module dealers in Europe. A small minority of solar companies in Germany have benefited from the scheme - the module manufacturers. But despite the high penalty duties on Chinese solar panels, the local manufacturers cannot keep up with the Asian competition. Protectionism in Europe no longer holds.

So will we see no more JinkoSolar modules in Europe in future? I expect the opposite. The decision shows that the agreement brings JinkoSolar no advantage because production costs have dropped so significantly, that the price including customs duty is lower than the previous price. The solar industry is in for a damn hot autumn.

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