



## In the Face of Overcapacity in the Chinese Solar Photovoltaic Industry, MIIT Will Make New Standards

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China's solar photovoltaic industry is facing unprecedented pressure due to overcapacity and overseas anti-dumping lawsuits. The Ministry of Industry and Information Technology (MIIT) has begun working to regulate the development of the industry. They plan to make standards for solar photovoltaic products, carry out a certification system for relevant enterprises, and create guiding opinions for development. These efforts will help in the development of the polysilicon industry and create cooperation with enterprises concerning anti-dumping lawsuits.

As an important part of the new energy industry, solar photovoltaic technology has expanded greatly in recent years. However, lack of overall planning in the industry has become problematic. Unclear industry policy and easy entry have caused unwise investing and over-capacity production. The current model is unsustainable.

Photovoltaic cell output in China has reached a 600 fold increase within the past six years. Output rose from three megawatts in 2001 to 2,000 megawatts in 2008. Furthermore, in the past two years, generous profits have caused even more capital to pour into the photovoltaic cell industry. At present, China's photovoltaic cell output accounts for 1/3 of the world's output. However, data from the Zhongtuo Industry Advisory and Research Department (OCN) shows that 350 photovoltaic industry enterprises have recently shut down, leaving only fifty in operation.

Ninety-five percent of China's photovoltaic industry market is overseas, concentrated in Europe, especially Germany and Spain. Unfortunately, policy changes in these countries can affect overall industry development. A decrease in exports from China exacerbates over-capacity. China's photovoltaic industry has been forced to resist anti-dumping pressure from these overseas countries.

At the end of last month, two Major German solar cell manufacturers petitioned against Chinese governmental subsidies for solar panel and cell industries. The petition claimed that it was necessary to stop powerful investors from buying related products within this area. Furthermore, the German photovoltaic industry union has also persuaded the European Union to do antidumping investigations for photovoltaic products from China.

As for internal and external industry problems, MIIT has committed to performing extensive research to strengthen industry management. Internally, MIIT plans to use the work of relevant departments to finish the national photovoltaic enterprise investigation. MIIT will release

guiding suggestions for polycrystalline silicon industry development as well, and will begin research on photovoltaic industry development strategy and planning. The goal is to actively guide China's industry to sustainability. Externally, MIIT will organize the domestic photovoltaic industry in establishing a photovoltaic industry union. This will strengthen international communication and reduce overseas anti-dumping litigation.

It has been reported that after Germany's solar industry made its anti-dumping allegations, many Chinese domestic photovoltaic enterprises set up special working groups under governmental organization. Accordingly, Shi Zhengrong, Chairman and CEO of China's Suntech Power Holding Co., Ltd., traveled to Europe to serve as a representative for the China photovoltaic industry. Shi has refuted the German manufacturer's dumping accusations and stated that both German and Chinese governments were counting on the support of the solar industry. He also denied that Chinese solar companies having low cost credit and lack environmental standards.

Source: Beijing Daily, [www.sina.com.cn](http://www.sina.com.cn).