China Solar Makers Decry Trade Spat

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SHANGHAI (AP) — Chinese solar panel makers are urging Beijing to seek talks with the European Union over a dispute they say threatens to escalate into a trade war.

Four big solar panel manufacturers issued a joint statement Thursday appealing for both sides to resolve the disagreement over allegations they receive illegal subsidies and dump their products in the European market.

"The Chinese government should immediately seek high-level dialogue with the EU to find a way to improve the situation," said the statement by Yingli Green Energy Holdings Co., Suntech Power Holdings Co., Trina Solar Ltd. and Canadian Solar Inc.

It also urged Beijing to take any measures needed to protect the "legitimate rights and interests" of the Chinese industry.

Trade conflicts are gaining momentum as the dismal economic climate has countries sparring over jobs and business.

Germany's SolarWorld AG and other European solar panel makers filed a complaint this week seeking import tariffs on Chinese-made products.

China also faces trade sanctions from the U.S., which has imposed tariffs on Chinese made solar panels. China has fought back by investigating U.S. support for its solar industry.

The Chinese companies urged the EU to seriously reconsider its anti-dumping investigation, saying the spat could escalate into a trade war over photovoltaic products as solar panels are also known.

The group stoutly denied China was providing any illegal subsidies to its own manufacturers, but noted that the industry is in the midst of a transition as the cost of panels drops.

"This is an extremely serious problem," Zhang Qian, head of the Beijing office for Canadian Solar, one of the country's biggest solar makers, said in a phone interview. "If the anti-dumping complaint goes through it will be impossible for Chinese companies to export to Europe anymore. That would be a disaster for the Chinese solar industry."

Nearly 60 percent of China's $35.8 billion in exports of solar products went to Europe last year. Many of some 300,000 solar industry-related jobs in Europe are linked to Chinese manufacturers, the statement said.

Apart from the potential political and economic ramifications of a prolonged trade

standoff, disputes could hinder progress toward global energy saving, it said.

"The EU should be very clear that any kind of limit on market liberalization may destroy the balanced development of the photovoltaic industry," the companies said.

In May, SolarWorld's U.S. subsidiary persuaded the U.S. Commerce Department to levy tariffs against Suntech, Yingli and other Chinese manufacturers, alleging they illegally sold their products below cost.

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