

SAG Solarstrom May Buy Inverters in China to Offset EU Duties
2013-06-18 13:04:54.121 GMT

By Stefan Nicola and Gelu Sulugiuc

June 18 (Bloomberg) -- S.A.G. Solarstrom AG, a German developer of solar-power plants, may buy inverters in China to offset falling margins from European anti-dumping duties that have made Chinese cells and modules more expensive.

Solarstrom, which has sourced its inverters in Europe from producers including SMA Solar Technology AG, is looking at alternative suppliers including China's SunGrow Power Supply Co., Chief Executive Officer Karl Kuhlmann said today in a phone interview. The Freiburg-based company may also purchase modules in India and Korea, he said, adding that he expects a "revival" for thin-film panels.

"The German modules are too expensive and their quality doesn't justify the higher price," Kuhlmann said. "We're in the process of making arrangements to our entire cost structure so that we can offset moderate price increases."

The European Commission set provisional duties of 11.8 percent on photovoltaic products from more than 100 Chinese manufacturers on June 4, an initial rate that's set to increase more than fivefold in August should negotiations with China fail. The duties will cause uncertainty in the markets for two months and close access to some of them, Trina Solar Ltd. said last week.

Those tariffs "are not the right step," as they raise project prices and the cost of solar power for developers and consumers, Kuhlmann said. He likened them to "shooting an own goal in an empty stadium."

Inverters, which convert power from solar panels for use in the grid, are not covered by the EU's trade spat with China, nor are modules from countries such as the U.S., India or Korea.

For Related News and Information:

EU Hits China With Solar-Panel Duties in Biggest Dumping Dispute NSN MNVVS26KLVRH <GO>
Merkel Vows to Avert China Trade Row as Li Rejects EU Duties NSN MNGE7U07SXKX <GO> EU Solar Import Duties Seen Hurting China-U.K. Companies: Energy NSN MN7HQP6TTDSE <GO> Solar panel prices: SSPSMCSP <Index> GP <GO> Top renewable energy news: GREEN <GO>

--Editors: Stephen Cunningham, Amanda Jordan.

To contact the reporters on this story:

Stefan Nicola in Berlin at +49-30-70010-6246 or snicola2@bloomberg.net; Gelu Sulugiuc in Copenhagen at +45-33-45-7120 or gsulugiuc@bloomberg.net

To contact the editor responsible for this story:

Reed Landberg at +44-20-7330-7862 or landberg@bloomberg.net