

Wacker confident on China future as trade deal nears expiry



Wacker was exempted until the end of April 2016 after a price undertaking was negotiated between China's ministry of commerce and the company. Source: Wacker.

German polysilicon firm Wacker Chemie hopes to continue selling to Chinese manufacturers beyond the expiration of its existing trade agreement with Beijing.

China closed a loophole that permitted imports of materials to avoid duties if the end product, solar panels, were to be exported. A number of polysilicon firms from the US and Europe imported large volumes prior to the closure of the loophole and now face punitive duties.

South Korea's OCI was given a low tariff rate and [Wacker was exempted \(http://www.pv-tech.org/news/wacker_confirms_immunity_from_latest_china_trade_action\)](http://www.pv-tech.org/news/wacker_confirms_immunity_from_latest_china_trade_action) until the end of April 2016 after a price undertaking was negotiated between China's ministry of commerce and the company.

As that expiration date approaches, the firm is confident that it will continue to be able to sell into China.

"We are in close contact with Chinese authorities and we are confident that we will be able to deliver our polysilicon to our Chinese customers at competitive terms also in the future," a spokesman told PV Tech.

Wacker and OCI both increased their market share in China as US firms were penalised. The move was interpreted by some as a retaliation for US duties placed on Chinese module manufacturers.

Analysis: Johannes Bernreuter, Bernreuter Research

According to customs statistics, polysilicon imports from Germany into China were 31,288 metric tons (MT) in 2015. While this volume was close to 27% of all polysilicon imports into China last year, it made up 56% of Wacker's total polysilicon shipments of 56,000 MT in 2015.

Hence, the Chinese market is extremely important to Wacker's polysilicon division. However, like Wacker's minimum price agreement with Mofcom, punitive duties on polysilicon imports from the European Union are limited for two years by April 30, 2016 - unless they will be prolonged.

Although Chinese polysilicon manufacturers strongly expanded capacity in 2015, China is still far from being self-sufficient in terms of polysilicon supply. Imports from suppliers like Wacker and OCI remain an important source of high-quality feedstock for Chinese wafer producers.

I don't believe that limited polysilicon imports from the US are the root cause of the current tight supply in China as some observers state.

US imports in February were only slightly below the monthly average in 2015.

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