

# Import of Solar Panels 35 Times Export: Survey

China, with cheaper panels, biggest exporter of solar equipment to India with 87% market share

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**New Delhi:** India's import of solar cells and modules is more than 35 times its export, says a recent study by Mercom Capital Group which tracks the clean energy segment.

While India imported solar equipment worth \$2.17 billion (₹14,630 crore) in the 10 months between April 2016 and January 2017, its exports were just \$60.3 million (₹404 crore).

Indeed, in these 10 months, solar imports into India increased by 39% over the corresponding period the previous year, while exports dropped 56%.

"The reason is that Chinese solar panels are 10-20% cheaper than domestically manufactured modules and no developer wants to willingly pay more," says Raj Prabhu, CEO and co-founder, Mercom. "Solar tariffs in India have been going down at successive auctions largely due to cheaper Chinese modules."

China was the biggest exporter of solar equipment to India, according to Mercom's findings during the 10 month period, with 87% market share and accounting for \$1.9 billion, while Malaysia was a distant second with 8%, at a total value of \$170.42 million.

Chinese solar equipment is cheaper than Indian mainly due to economies of scale at its manufacturing units, as well as the fact that India does not manufacture polysilicon, the basic material for making solar modules, but imports it.

How does India manage to export solar equipment at all, given its lack of competitive pricing? "Indian solar exports mainly go to some European countries which have an anti-dumping ruling against Chinese manufacturers," said Prabhu. "This ruling sets the bar on how low prices can go."

Britain is the biggest importer of Indian solar modules, accounting for 31% of India's solar exports (\$18.84 million), followed by Italy and Belgium.

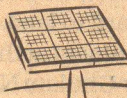
## Import Heavy

◉ Solar equipment import:

**\$2.17 billion**  
(₹14,630 crore)

◉ Exports:

**\$60.3 million**  
(₹404 crore)



\*Period: April 2016 and January 2017

◉ **39%** jump in solar imports over same period last year

◉ **56%** drop in exports

◉ **China** biggest exporter at **\$1.9 billion**



◉ **Malaysia** second with export value of **\$170.42 mn**

◉ **Britain** main importer of Indian modules at **\$18.84 mn**



Source: Mercom Capital

Within the country too, locally made solar modules account for barely 5% of the total number in use. The government sought to encourage solar manufacturing by including a domestic content requirement (DCR) in some of its solar auctions, but following a complaint from the US, the WTO ruled this practice as unfair.

"The future for Indian manufacturers is bleak as they have not invested in R&D," said Prabhu. "Many of them have old equipment and have been mostly dependent on the government to create a market for them."

India has chalked out an ambitious solar programme of setting up 100,000 MW of solar power capacity by 2022. (It had installed 12,289 MW by end March 2017.)

Is it prudent for such a major programme to be entirely dependent on imports? "I wouldn't call it a risk if you are buying from another country in this globalised world," said Prabhu. "Every country has its niche and China excels at low-cost manufacturing."