

## **Despite safeguard duty, India bought 20 per cent more solar modules and cells from China in 2019-20**

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India bought 20 per cent more solar modules and cells from China in 2019-20 compared with the previous year, in volume terms—showing that the 15 per cent safeguard duty that was applicable for that year was not effective.

India imported 405 million units last year compared with 336 million in the year before. However, because the prices of modules and cells fell, India's imports of the Chinese modules cost only \$ 123 billion in 2019-20, compared with \$1.69 billion in the previous year.

The currently applicable safeguard duty of 15 per cent would expire this month. The government has said that it would bring in basic customs duty of 25 per cent for one year and 40 per cent after one year—a level that many module Indian manufacturers, feel is inadequate.

Many developers and project building (EPC) contractors have said that it is going to be a tough task to desist from buying from China, given the compelling economics of it. Chinese prices are set to fall further, due to the glut caused by Covid-19-made slowdown.

Indian manufacturers have said that unless there is assured adequate protection for many years, it would be difficult for manufacturers to make a case for investing in module and cell manufacturing in India.

**Source: Business Line**