First Look: Trump Administration's Imposition of Tariffs on Imported Solar Cells and Modules

Sets tariffs on imported solar cells and modules in order to protect American solar manufacturers.

Updated last February 2, 2018

WHAT IT DOES

On January 22, 2017, the Trump Administration announced that tariffs had been approved for imposition on imported solar cells and modules. In Year 1 of the new tariffs, importers of modules and cells would have to pay an additional 30% of their sale price in tariff duties to the U.S. government. This rate would fall 5% each year until Year 5, when the tariffs would go away. Each year, 2.5 gigawatts of module or cell capacity would be exempt from these tariffs.

The tariffs come as the result of a trade case brought by U.S.-based manufacturers of solar cells and modules that alleged China, which dominates the global solar manufacturing industry, had illegally supported Chinese solar companies by providing generous state subsidies. In addition, Chinese solar companies were alleged to have dodged previous attempts at U.S. trade regulation by relocating production facilities to other locations. These actions rendered U.S.-based manufacturers unable to compete.

With the tariffs expected to increase the cost of U.S. solar projects, various analyses predict a reduction in the growth of U.S. solar capacity and a loss of jobs at companies that construct solar installations or supply goods and services to support solar installations.

STATUS

The tariff was signed into law by President Donald Trump on January 23, 2018.

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ENERGY SUBCATEGORY

Production, Conversion, Distribution

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