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Centre Imposes 25% Safeguard Duty on Import of Solar Cells

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The Centre has put a safeguard duty of 25% on import of solar cells from China and Malaysia from July 30, 2018.

- The safeguard duty on imports would be applicable for two years. It would be reduced in the second year to 20% for six months and would be charged at 15% for the next six months.
- Imports of the cells from these countries account for more than 90 per cent of the total inbound shipments in the country.

Note: The (Directorate General of Trade Remedies) DGTR is mandated to investigate the existence of serious injury or threat of serious injury to the domestic industry as a consequence of increased import of an article into India. It comes under the ministry of commerce.

- This comes following recommendations by the Directorate General of Trade Remedies (DGTR), under the commerce ministry.
- DGTR in its investigations has concluded that the increased imports of solar cells in India have caused "serious injury" and "threaten to cause serious injury" to the domestic producers.
- The imports of the cells have jumped to 9,790 MW in 2017-18 from 1,275 MW in 2014-15.
- The move is aimed at helping the domestic solar cell manufacturing sector, however, it could affect existing projects dependent on cheap imports because imported solar modules are 8-10% cheaper than those made in India, and solar modules comprise about 60% of total project costs. About 88% of module requirements are met through imports.