China solar groups reject illegal subsidy complaint

(Reuters) - Yingli Green Energy and Trina Solar, two of China's largest solar equipment makers, rejected on Wednesday allegations by a group of European solar panel companies that Chinese rivals are benefiting from illegal subsidies.

In a complaint to the European Commission on Tuesday, the EU ProSun group said Chinese solar companies benefited from very low interest rates thanks to government policy.

"We receive financing at the usual market rates and act according to international accounting standards and norms," Yingli said.

The company added that the weighted average interest rates for its borrowings ranged from 6.3 percent to 7.1 percent between 2009 and 2011.

"As a publicly listed company, our funding and cost structures are fully transparent and we have been financing our activities at market rates from a range of sources, both Asian and Western, private and public," Trina Solar's European head Ben Hill said.

The China [1] Securities Journal reported on Tuesday that the China Development Bank Corp, a policy bank that lends at Beijing's behest, would prioritize loans to 12 top solar companies.

Beijing has already provided billions of dollars in credit lines and other support to its solar industry through state-run banks, prompting the U.S. government to impose import duties.

The United States in May imposed anti-dumping duties mostly of 31 percent on Chinese solar panel producers.

Some expect Europe to impose similar duties. The European Commission launched an investigation this month after the EU ProSun group accused Chinese rivals of "dumping", or deliberately selling products at below cost.

Europe is the biggest market for solar products, accounting for 74 percent of global installations in 2011, according to industry association EPIA.

(Reporting by Swetha Gopinath in Bangalore and Christoph Steitz in Frankfurt; Editing by Saumyadeb Chakrabarty and Catherine Evans)

Source URL (retrieved on *08/02/2014 - 12:03am*):
http://www.ecnmag.com/news/2012/09/china-solar-groups-reject-illegal-subsidy-complaint?qt-recent_content=0&qt-video_of_the_day=0

Links:
[1] http://www.reuters.com/places/china