APEC Region Non-Tariff Measures Affecting Trade and Investment in the Solar Industry

Submitted by: Solar Energy Industries Association (SEIA)
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Presentation Roadmap

• SEIA Overview
• Import/Export Trends
• Government Incentives
• Local Content Requirements
• Intellectual Property Policies
• Codes and Standards
• Transparency/Complexity of Government Policies
About SEIA

• Founded in 1974

• U.S. National Trade Association for Solar Energy
  – 1,100 member companies
  – Across 50 United States
  – 14 state and regional chapters
  – 93,000 U.S. solar employees
  – Members include largest solar companies in the world

SEIA’s Mission and Global Representation

• SEIA’s mission:
  – build a strong solar industry to power the U.S.
  – expand markets
  – remove market barriers
  – strengthen research and development
  – improve education and outreach

• SEIA members include leading global solar manufacturers with facilities based throughout the APEC region, including Australia, Canada, China, Chinese Taipei, Japan, South Korea, Malaysia, Philippines, Mexico, U.S., and Vietnam.
Trade Profile - Photovoltaics

- Net exports: $723 million

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Trade Profile continued . . .

- The largest U.S. solar energy product export is polysilicon (U.S. exported $1.1 billion in 2009).
- In 2009, U.S. solar energy installations created $3.6 billion in direct value, 74% ($2.6 billion) accrued in the U.S.
  - 81% ($2.1 billion) from the Photovoltaic sector
  - 16% ($431 million) from the Solar Heating and Cooling sector
  - 3% ($76 million) from the Concentrated Solar Power sector
Government Incentives

• Government support/incentives serve as an important bridge to deployment

• Production capacity, technological innovation, and capital costs

• Contribution of federal, state, and/or provincial resources increases pressure on governments to favor domestic interests

Government Incentives continued . . .

• Distinction between supply and demand policies, for example, energy production tax incentives versus manufacturing tax incentives

• Should scale of government investments matter?

• Low cost lending as a competitive advantage

• Local incentives, for example, land and building assistance
Government Incentives continue...

- Increasing need for global, regional, and/or bilateral collaboration regarding the role of government incentives in the solar energy sector

- The absence of collaboration could lead to trade disputes

- Unique opportunity for collaboration given global nature of solar energy industry

Local Content Requirements (LCRs)

- As a policy matter, SEIA opposes local content requirements wherever they arise, either within the U.S. or abroad

- LCRs discriminate against non-local goods

- Vary in degree

- LCRs create winners and losers
**Intellectual Property Policies**

- Requirement that intellectual property be registered locally
- Ownership rights
- Intellectual property enforcement
- Intellectual property licensing and dissemination

**Codes & Standards**

- Potential to increase importers’ costs and favor local products
- Solar module example
- International collaboration in both the development and utilization of codes and standards
- APEC Solar Standards Initiative
Transparency/Complexity of Government Policies

- Regulations vary widely by country, state, and province, for example, U.S. state and federal government procurement policies

- Dissemination of federal policies to local officials

- Ability to enforce private sector rights and obligations

- Public notice and opportunity for comment
Thank You!

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