

U.S. challenges India's solar energy trade restriction at WTO

WASHINGTON, Feb. 6 (Xinhua) -- The U.S. government decided to initiate dispute settlement consultations at the World Trade Organization (WTO), challenging India's discrimination against U.S. solar equipment, said Trade Representative Ron Kirk on Wednesday in a statement.

Kirk claimed India's national solar program required solar energy producers to use Indian-manufactured solar cells and modules, which in fact put foreign solar products at a disadvantaged position.

India has favored its own solar products since Jan. 11, 2010, when it launched national solar program. India also promises solar energy developers participating in the program that the government will buy a certain amount of solar power at a highly subsidized tariff rate, provided that they use Indian made solar equipment instead of imports.

Consultations are the first step in the WTO dispute settlement process. Under WTO rules, if the matter is not resolved through consultations within 60 days, the accuser may request the establishment of a WTO dispute settlement panel.

The U.S. has now placed six complaints against India at the WTO, and while India has eight against America.

The U.S.-India rift highlighted the global competition in renewable energy, especially the solar industry, which has become a battlefield where rival countries frequently throw trade cases at each other. Many governments are encouraging their own suppliers in order to generate higher value added growth and to boost exports.

The U.S. Solar Energy Industries Association said in a statement that "the use of discriminatory localization barriers to bolster domestic interests is a growing trend within the global solar industry which must be reversed."

America itself also levies steep duties on solar products from China as an effort to protect its own solar industry. U.S. protectionism has regained momentum in recent years. Actually, under the Obama Administration, the U.S. has failed to close even one new free-trade agreement, noted Robert Zoellick, who once served as the president of the World Bank Group and U.S. trade representative.

As Zoellick pointed out, "Taking the lead on trade and open markets can enhance global security, opportunity and the prospects for liberty."