

Solar Tariffs Slapped On Chinese Manufacturers Lead To Challenge And Opportunity At Home

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The price of solar panels has fallen 80 percent the past two years and more than 50 percent in the last year alone, according to an [article](#) in the Los Angeles Business Journal.

But recently the Chinese, who control about half of the US solar panel market, were hit with tariffs of up to 250% by the US Commerce Department for allegedly dumping their product in the US. The question is what impact this is likely to have on US businesses in the solar panel industry.

Tariffs are, of course, supposed to help level the playing field, and give US businesses an opportunity to compete fairly with foreign goods, when a foreign competitor is competing unfairly.

But in this case, based on interviews reported in the article referenced above, the impact of tariffs remains unclear. For some US based solar panel manufacturers, the tariff may help, since they have had to deal with the ongoing challenge of explaining to customers why panels from China cost 50% less than those they produce. The tariffs present them with a new opportunity.

But others expect less business overall as prices rise due to less competition. Also, the global nature of the economy is likely to dampen any benefit to US companies, since solar panel manufacturing could be shifted to other countries in East Asia with low labor costs, such as Malaysia and the Philippines.

Finally, the residential market for solar panels may not benefit from the tariffs because residential projects tend to use higher priced and more efficient solar panels which the Chinese do not manufacture. <http://bit.ly/PsA2fz>

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