

Global trade

Chinese solar groups pull out of tender after EU anti-subsidy probe

Two bidders for Romanian photovoltaic park withdraw a month after Brussels launched investigation



An employee on the production line of solar cells for export in Huzhou: European solar manufacturers say that a glut of cheaper Chinese photovoltaics is undermining their production © Xie Shangguo/VCG/Getty Images

Javier Espinoza, Andy Bounds and Alice Hancock in Brussels MAY 13 2024

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Two Chinese bidders have pulled out of a tender to supply a solar park in Romania, the latest sign that the EU's new anti-subsidy powers are having a deterrent effect on companies that Brussels claims receive financial support from Beijing.

The European Commission on Monday said it closed an in-depth investigation launched last month after two consortiums bidding for the development of a 110-megawatt [solar](#) park in Romania withdrew their bids. The project, partly funded by the EU, was being scrutinised under the bloc's foreign subsidies regulation.

Brussels in recent months has launched several such probes into alleged market-distorting subsidies received by Chinese companies, including [raids at Nuctech, a Chinese security equipment supplier](#).

The two solar consortiums that dropped out of Romania are a German subsidiary of Longi Green Energy Technology, one of the world's largest makers of photovoltaic cells and solar panels, and two European subsidiaries of the Chinese state-backed power company Shanghai Electric.

Longi confirmed that it had withdrawn from the process, adding that it was committed to its work in Europe to help the bloc with its climate goals. Shanghai Electric did not immediately reply to a request for comment.

This is the second time Chinese bidders in the EU have withdrawn from public tenders following the launch of an anti-subsidy probe, showing they would rather drop out than share information with Brussels. CRRC Qingdao Sifang Locomotive, a subsidiary of CRRC, the world's largest train manufacturer, also pulled out of a public auction in Bulgaria after the commission [launched a similar probe in February](#).

Thierry Breton, the EU's internal markets commissioner, said on Monday that the foreign subsidies regulation "is ensuring that foreign companies which participate in the European economy do so by abiding [by] our rules on fair competition and transparency".

European solar manufacturers say a glut of cheaper Chinese photovoltaics is undermining their production, with solar panels costing roughly half what they did at the same time last year due to the oversupply.

Major European solar manufacturers such as Meyer Burger have shut plants or cut their output. China supplies about 95 per cent of the panels used in the EU, according to the think-tank Bruegel.

The China Chamber of Commerce to the EU said on Monday that it remained concerned that the new rules were "a tool of economic coercion under the guise of economic security" that left Chinese companies no option but to withdraw from "troublesome, damaging, and uncertain legal procedures".

It decried "the selective transparency and potentially discriminatory application" of the EU's new legal powers, adding that other non-EU entities taking part in the bidding process for the Romanian solar park did not receive the same level of scrutiny.

