India's solar manufacturers unfazed by US' 126% tariff

SUNNY OUTLOOK. Firms are confident of domestic demand, supply chain diversification

M Ramesh
Chennai

IMPORT UPTICK. According to the US Department of Commerce, imports from India in 2024 amounted to 2.3 GW, valued at $792.64 million, up from $84 million in 2022 BLOOMBERG

The US Department of Commerce has announced a steep 125.8 per cent countervailing duty on solar cells and modules imported from India (and Indonesia and Laos) as a preliminary measure pending final determination. Indian manufacturers have, however, shrugged off the move, broadly saying they have other business options.

Yet, the US move sent shock waves through renewable energy stocks, with shares of Waaree Energies and Premier Energies dropping sharply.

US BODY BLAMES SOPS

The US action was based on a petition by the Alliance for American Solar Manufacturing and Trade, which alleged "unfair" market distorting subsidies to Indian solar manufacturers. The final determination is expected on July 6.

The National Solar Energy Federation of India has said that it "remains optimistic" as a trade deal with the US is being fine-tuned, and "these duties are likely to be superseded" by the deal. Even otherwise, Indian manufacturers have other options. "Already, the government has initiated a strategic process to allow solar manufacturing units in Special Economic Zones to sell their products in the Domestic Tariff Area (DTA)," noted Federation CEO Subrahmanyam Pulipaka, adding that it would be a "robust alternative".

BSE-listed solar manufacturer Vikram Solar said that it can sell in the US from elsewhere.

"We already operate with a diversified supply chain for that market, including sourcing from geographies with lower tariff exposure," said Gyanesh Chaudhary, Chairman and Managing Director, also noting that the company's growth strategy "continues to be firmly anchored in India".

Premier Energies, also listed on the BSE, said that the US announcement has "no material impact on us" because the company has already reduced its exports to "almost nil".

SALES STRATEGY

Vinay Rustagi, Chief Business Officer, observed that since the US investigation began in August 2025, "Indian manufacturers have had a long time to refine their sales strategy."

Emmvee Photovoltaics, which came out with its IPO in November 2025, also said that the US duties would have "no impact" as its business is "primarily aligned to domestic demand".

ANTI-COMPETITIVE

The Alliance for American Solar Manufacturing and Trade said its petition aimed to stop "the ongoing pattern of market-distorting and anti-competitive practices by solar producers in India, Indonesia and Laos".

Earlier, it said that after it successfully "addressed illegally dumped and subsidised solar panels surging into the US from South-East Asia, some Chinese-backed companies quickly shifted operations to Laos and Indonesia, and companies in India joined in to continue undercutting American producers".

According to the US National Renewable Energy Laboratory, the country imported 56 GW of modules and 13.8 GW of cells in 2024. Data portal Statista puts the value of imports that year at $15.2 billion. According to the US Department of Commerce, imports from India in 2024 amounted to 2.3 GW, valued at $792.64 million, up from $84 million in 2022.