

## **FICCI CAUTIONS AGAINST ANY MOVE TO DO AWAY WITH DOMESTIC CONTENT REQUIREMENT IN SOLAR ENERGY SECTOR**

**NEW DELHI, December 4, 2010.** FICCI has expressed apprehension that any move to do away with the domestic content requirement in the solar energy sector would result in international solar technology companies shying away from investing in the Indian market.

The domestic cell manufacturers feel the ministry's recent statement in a section of the press would preclude India from cashing in on the opportunity to become a manufacturing base for solar energy and move up the value chain by adopting best technologies in collaboration with global technology leaders.

In a communication to the Secretary, Ministry of New and Renewable Energy (MNRE), FICCI, has stated that the reported statement of the Secretary in the press, viz. *"We will consider mandatory clause for photovoltaic cells only after evaluating progress on projects that have been bid in the first round. If need arises, we may postpone its implementation to allow for more global technologies to come into the Indian market,"* would be detrimental to the interests of the domestic industry.

**Without domestic content requirement, none of the international players would be interested in creating a manufacturing base in India.**

**Mr. K. Subramanya, Chairman, FICCI Solar Energy Task Force "has stated that as a result of the domestic content requirement, the Indian cell manufacturers have gone ahead and committed investments to the tune of more than US\$ 700 million, thereby increasing capacity multifold in the country".** The following are the details:

<b>Companies</b>	<b>Capacity prior to guidelines (MW)</b>	<b>Capacity expansion already underway to be implemented by 2011 (MW)</b>
TATA BP Solar	84	180
Moser Baer (including TF of 50MW)	140	280
Indosolar Ltd	80	260
Solar Semiconductors	60	100
Bharat Heavy Electricals Limited (BHEL)	8	250
XL Energy	0	120
Central Electronics Limited	10	#
Maharishi Solar Technology	3	40
WEBEL	40	100
Surana Ventures	19	#

USL Photovoltaics PVT Ltd.	6	#
Euro Multivision Ltd.	40	#
<b>Total</b>	<b>490</b>	<b>1330</b>

# Data not available

The foregoing data shows that the present capacity itself is more than sufficient to meet the requirements of Phase 1 targets of the Jawaharlal Nehru National Solar Mission (JNNSM).

Also, several leading international players are exploring the possibility of creating their manufacturing base in India and are carrying out due diligence. Without domestic content requirement, none of these international players would be interested in creating a manufacturing base in India thereby precluding India the opportunity to become a manufacturing base for solar energy and move up the value chain by adopting best technologies in collaboration with global technology leaders. The domestic content requirement would, in fact, help the country in attracting leading technology companies to establish their manufacturing base in India in a time-bound manner. The benefits accruing to the country with Domestic Content Requirement are well known and documented, based on which MNRE took this decision, supported by all.

FICCI has urged the Ministry to engage with the Industry in a dialogue before embarking on any move that would hurt the prospect of Indian solar industry and send wrong signals to the investing community.

*Note: Please find enclosed the Letter to MNRE Secretary.*

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