AM Insight: Polysilicon import volume decreases sharply, market continues to be dull

BEIJING (Asian Metal) 4 Dec 12 - The United States has finalized anti-dumping and countervailing investigation on Chinese solar products. Chinese polysilicon enterprises face greater challenge. The polysilicon market kept dull in October, and many overseas and domestic polysilicon enterprises reduced or stopped production. Furthermore, the European Union and India have initiated the "double-anti" investigation on Chinese solar products and the final results will be released early next year. Chinese polysilicon market will continue to run with difficulties.

In the recent days, many local governments published some new policies about the solar market and intended to support the local PV industry in China. However, owing to the sluggish global solar market, the Chinese polysilicon market is hard to recover in a short time. The polysilicon prices hovered at low level in October, which were around RMB130-150/kg (USD20-24/kg), and some offers were even at below RMB130/kg (USD20/kg).The polysilicon market will continue to be dull in the near future as the demand from the downstream market does not pick up.

With the China-European Union bilateral PV trade dispute heating up, the results of "anti-dumping" and "Countervailing" will directly affect the polysilicon and solar cells prices. Moreover, the polysilicon market and even the PV market will become more complex.

It cannot be denied that the global PV industry continued sluggish since 2011 owing to the European debt crisis. The global solar market is still dull for the moment. Chinese polysilicon market depends on the overseas market seriously, so the domestic polysilicon market moves down accordingly. The consumption for polysilicon decreases, and polysilicon prices go down gradually.

China imported 5,738 tons of polysilicon in October, which decreased by around 34.2% MOM. According to the customs data, China imported around 70,234 tons polysilicon from January to October, which increased by around 32.3% YOY. The prices for import polysilicon hit the new records in October, which were around USD23.02/kg, down by around 2.7% MOM. The average prices for import polysilicon were around USD26.2/kg in the past ten months 2012, which decreased by around 55.4% YOY.



According to the data, the import volume for polysilicon from Germany, U.S. and South Korea accounted for nearly 87.5% of the total volume in October. China imported around 2,029 tons of polysilicon from U.S. The import volume for polysilicon from Germany was around 1,823 tons. In October, China import volume from Germany decreased sharply as the Wacker reduced output. The country imported 1,168 tons of polysilicon from South Korea. Import volume of polysilicon from the above three major countries accounted for around 20.4%, 35.4% and 31.8% respectively of the total volume. The import prices for polysilicon from South Korea and U.S. decreased slightly to around USD21.12/kg and USD15.77/kg respectively, but the prices for Germany polysilicon increased to around USD30.48/kg.



The data represented that export volume of Chinese polysilicon was 97 tons in October, which decreased by 1.07% MOM. The export volume for polysilicon was around 1,087 tons from January to October aggregately. The export volume to Malaysia, Hong Kong

and Singapore was around 50 tons, 23 tons and 10 tons respectively in October. Export volume of polysilicon from the above three major countries accounted for around 52%, 23% and 10% respectively of the total volume.



The Chinese polysilicon import volume decreased in October, and it shows that the solar market keeps moving down and the demand from the downstream markets remains at low level. Furthermore, China begins to investigate the import solar grade polysilicon, which are imported from U.S. and European Unions, and intend to impose anti-dumping and countervailing on the import solar grade polysilicon. Therefore, the overseas exporters are cautious in selling the polysilicon in large quantities. However, although the import volume moved down in October, the operating rate for Chinese polysilicon plants was still at low level and even decreased further. Most of the deals depended on the long-term contracts, and the spot market saw few deals been concluded. It is expected that Chinese polysilicon market will continue to be sluggish in a short time under the unfavorable global solar market.