

## ***Background on GMB solar glass production and the EU market situation***

In 2008 Interfloat Corporation of Liechtenstein invested more than 50 million Euro to transform the former television tube factory of Samsung in Tschernitz, Germany, into a state-of-the-art facility for the production of low-iron glass for the solar industry, a product with which Interfloat has been active since 1982. Within only three years, the Tschernitz factory of GMB Glasmanufaktur Brandenburg GmbH became the European market leader for solar glass and employed more than 300 people. Earnings were reinvested in new technologies, including more than 7 million Euro invested in equipment for the application of a highly efficient anti-reflection coating, which expanded production and also brought additional jobs.

As sales expanded, the company considered the addition of a second melting furnace with a further investment of more than 80 million Euros, generating 200 more new jobs. Until the middle of 2012, the production of GMB was entirely sold out, including inventory. But three months later, GMB suddenly had to reduce working hours.

The reason is that Chinese solar glass producers offered delivered-to-customer prices which undercut the prices of EU producers by nearly half. When the European producers tried to follow in order not to lose too many orders, their Chinese competitors continued lowering their selling price further until they reached a level at which European solar glass producers could not even cover the purchase of the raw materials. But this was not yet the floor price level; the Chinese producers continued reducing their prices.

This irrational pricing has been possible only because Chinese solar glass factories are obtaining enormous advantages from State support, including cheap long-term financing of up to 100 % without any guaranties. Other benefits include cheaply available infrastructure and subsidies for electrical energy.

Although export prices since 2011 are at levels that generate losses even for the Chinese manufacturers, their State support allows them to maintain this irrational situation. As a consequence, production capacities for solar glass have mushroomed in China during recent years to a level exceeding 400 million square meters, a quantity which is more than double the entire world demand. The excess capacity of the Chinese producers is more than eight times the total demand for solar glass in the European Union in 2012. It is understandable, therefore, that Chinese solar glass is being dumped in the EU at prices that severely undercut the EU producers, and that if no action is taken, the Chinese producers could easily take over the entire EU market.

As European market leader for solar glass, GMB is leading the initiative EU ProSun Glass which has now asked the European Commission to take action and investigate the dumped imports of solar glass from China. We hope that the prompt imposition of measures will level the playing field in the EU and give the European solar glass industry the chance to keep their factories running and maintain the jobs there sustainably.

For more information please check our homepage:  
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