

A2E Language Services June 2012 Developments this Month

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1 Solar Industry in defense of Chinese "Dumping"

The US Department of Justice is accusing Chinese manufacturers of unfair price competition.

Hartmut Pilch interpreted simultaneously between Chinese and English at a conference on the subject.

The participants argued passionately against the DOJ move, saying that the lack of competitiveness of the claimant side was due to their own mistakes and that the Chinese had cut costs by economies of scale in ways that helped the whole industry reach the crucial point of grid parity earlier.

German participants stressed that the German industry had greatly benefitted from the Chinese surge by joint ventures and by selling panel manufacturing equipment.

Direct investment of foreigners in the Chinese power generation industry seems to be inhibited by no regulation but only by the realities of fierce competition, low returns on investment and cultural barriers.

Grid parity is now expected to come by mid of the decade. From this point on, subsidies will no longer be needed. Another point of discussion was the rationale behind the early cut of subsidies by the German government, which seemed to make little sense given the prior exit from both carbon and nuclear.

The rejection of the US proceedings seems to be shared not only by this perhaps inherently pro-Chinese forum but by many industry players, as can be seen from the editorials of journals such as "Solar Business focus" that were lying around at the exposition.

2 Several interpreting jobs at Siemens

Hartmut Pilch interpreted simultaneously and consecutively at meetings about corporate governance systems, medical technology and solar panel production machinery for

Siemens this month. The interpreting earned great praise and led to booking by more departments of Siemens for assignments during the upcoming months.

3 World Bank Carbon Finance Conference

The World Bank prepared the Post Kyoto emission trading regime in Köln at the beginning of the month.

Hartmut Pilch interpreted simultaneously between English/French and Chinese.

The market is driven by the commitment of some industrially advanced (or deindustrializing) countries, mainly in Europe, to reduce their carbon emissions below the level of the 1990s according to specific national plans that distribute various player's emission quotas.

These duties can then be traded against certified emission reductions elsewhere.

More than half of the tradeable emission reductions were achieved by Chinese players.

The World Bank has financed various pilot projects that were aimed at showing the way for the system to move forward and players to get on board.

One major difficulty has been that it is very difficult to certify to what extent emissions were actually reduced beyond the "normal" level to which they would have been reduced without the incentives provided by the system.

Another difficulty is that due to dropping commitments and to a strong offer in certified emission reductions, especially from China, the price for these reductions has dropped. Chinese governmental authorities are trying to prohibit selling of CERs (certified emission rights) below a price of 8 EUR per ton of CO₂, but this only makes Chinese projects unviable.

The low price makes some initially planned ambitious emission reduction projects, including World Bank projects, economically unviable.

The biggest threat to the system comes from the dropping commitments of the "industrialized" (deindustrializing) countries. Japan has been talking of dropping out. The USA are not coming in. The post Kyoto system is based on unilateral national commitments. China has also been tacitly preparing to make such commitments.

Background reading of Chinese journal articles shows that there is a Carbon Trade lobby in China that argues that China must strategically prepare its role as a market-dominating leader in this area. To what the appetite of the politicians, they talk about the dominance of Europe in this area as an investment for the sake of pushing the Euro into a pivotal role as a world currency.