

US import duties on Indian solar panels may hit domestic OEMs

Experts caution that if export volumes are redirected to the domestic market, pricing pressures could further intensify

Written by: [Pratyush Deep](#) 4 min read New Delhi Feb 26, 2026 12:58 AM IST



Industry experts cautioned that restricted access to export markets such as the US could intensify pricing pressures within India. While a few others said it will have limited impact on businesses

Make us preferred source on Google



The US' decision to impose preliminary countervailing duties (CVD) of 126% on solar imports from India comes at a critical juncture. The country's solar module manufacturing capacity has expanded rapidly and now exceeds 140 gigawatts (GW) per annum.

Industry experts warn that restricted access to export markets such as the US could intensify pricing pressures within India.

Ankit Jain, Vice President and Co-Group Head, Corporate Ratings at ICRA Ltd, said the proposed duties and regulatory uncertainty in the US are likely to dampen export volumes from India, which stood at around 3 GW in the last calendar year.

“This could potentially exert pricing pressure on domestic OEMs and impact profitability of solar module manufacturers,” Jain said.

He cautioned that if export volumes are redirected to the domestic market, pricing pressures could intensify further.

“These volumes, if redirected back in India, can result in pricing pressure in the Indian market, which is already oversupplied with solar module manufacturing capacity at more than 140 GW as on date which is expected to increase to over 165 GW by March 2027. Against this, ICRA expects annual solar capacity installation of 45-50 GWdc,” he said.

“Further, there has been a slowdown in project award activity along with delays in signing of the power purchase agreements (PPA) and this along with transmission connectivity constraints, if continued, pose near term challenges in the solar project implementation,” he added.

Rishabh Jain, Fellow, Council on Energy, Environment and Water (CEEW) termed the quantum of the preliminary duty a “severe disruption.”

“Going forward, India needs a decisive pivot: aggressively scaling up domestic deployment to accelerate energy transition and cultivate alternative export markets. All this, while shifting our US strategy from exporting products to exporting capital to build localised manufacturing units,” he added.

Solar imports from India were valued at \$792.6 million in 2024, a more than nine-fold increase compared with 2022 levels, according to the Commerce Department. Between 2021 and 2024, over 90% of India’s solar photovoltaic module exports were shipped to the US, according to the data from India’s Ministry of Commerce.

Industry response

Piyush Goyal, the Co-Founder and Chief Executive Officer of Volks Energie, said 126% preliminary countervailing duty on Indian solar imports will have “widespread

consequences.”

“While the immediate focus will understandably be on manufacturers, the real impact will extend beyond export numbers to project execution and the broader economics of the power sector,” he said.

According to Goyal, the tariffs could alter key assumptions overnight, affecting financing structures, project timelines, and ultimately the price at which electricity is delivered. With renewable energy demand in India growing at an exponential pace, he stressed that manufacturing capacity must keep up.

“Any disruption will not only slow deployment but also put project viability into question,” he said, adding that restrictions in major export markets could create near-term supply-demand imbalances given India’s rapid manufacturing capacity build-up.

However, some industry players maintained that the duties will have limited or no impact on their businesses.

Vinay Rustagi, Chief Business Officer of Premier Energies, said the company has already reduced exports to nearly negligible levels.

“There is no impact of any US duties on our business. US policy has been steadily moving towards restricting imports, and this investigation was announced in August 2025. Indian manufacturers have had sufficient time to refine their sales strategies and business models,” he said.

Rustagi noted that India’s exports to the US declined by more than 50% in 2025, and are currently estimated at just 5-7% of the total Indian production.

“The announcement therefore has no material impact on us,” he added.

Similarly, Abhishek Pareek, Group Head, Finance at Waaree Energies, said the company does not anticipate any material adverse impact on its US order book.

Meanwhile, domestic demand has not kept pace. Annual solar capacity installations in India are expected to be around 45-50 gigawatt direct current (GWdc), creating a substantial supply-demand gap.

The US’ decision follows the department’s countervailing duty investigations into crystalline silicon photovoltaic cells — whether or not assembled into modules — from India, Indonesia,

and the Lao People's Democratic Republic.

CURATED FOR YOU



**ED attaches Anil Ambani's
Rs 3,716-crore Mumbai
residence in Pali Hill**



**Tata Sons: Why Noel Tata
has set conditions for
Chandrasekaran's...**