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Quote:

Petrochemical companies jumping into polysilicon production

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Since it is generally believed that the shortage of polysilicon is not going to ease in the near term, companies in the petrochemical industry are stepping into the polysilicon business by using their advantage in power generation, raw material sufficiency and close ties with solar businesses.

Taiwan's Chinese Petroleum Corporation (CPC) last week revealed that it is investing NT\$460 million from 2006 to 2010 for renewable energy research and development (R&D). CPC projected that Taiwan will demand considerable amounts of polysilicon ranging from 5,000 tons in 2007 to 11,000 tons in 2010. Thus, the company said one of its renewable energy R&D projects will be polysilicon production.

CPC indicated that it would invest NT\$1 billion in Kaohsiung for a polysilicon production plant. The company plans to inherit technology from either Hemlock Semiconductor, Renewable Energy Corporation (REC) and Tokuyama. Construction of the plant is expected to be completed by 2010, CPC said.

Given that polysilicon production consumes considerable power, CPC said it could generate cold energy from its imported liquefied petroleum gas (LPG) and deliver cost-competitive polysilicon.

Before CPC revealed details about extending its presence to the solar sector, Formosa Plastics Group (FPG) drew attention with speculation that it will also enter the polysilicon game. Industry sources noted that FPG has indeed established a new subsidiary to negotiate with REC on a potential partnership. Yet, both parties still have many partnership details under discussion and whether or not FPG shifts to partner with another polysilicon maker remains uncertain.

Lee Chang Yung (LCY) Chemical Industry, a leading petrochemical supplier in Taiwan, also announced that it plans to produce polysilicon. The company's chairman was cited by a Chinese-language Cnyes.com report as saying that the company plans to invest US\$250-300 million in polysilicon production. The company anticipates that production will officially begin in two years, though it did not disclose the location of the plant, according to the report.

Polysilicon production has five main hurdles, namely, a high entry barrier, high power consumption, need for a large plot of land, strict requirement on security and vast capital investment, according to Taiwan's Bureau of Energy.

<http://www.overclock.net/hardware-news/209980-petrochemical-companies-jumping-into-polysilicon-production.html>