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China market shines for solar, wind firms

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The solar wafer paradigm has shifted from Europe to Asia, according to Tom Zarrella, president and CEO of GT Solar Inc. in Merrimack, N.H.

Over the past few years, China has embarked on a series of initiatives aimed at making the country one of the largest suppliers and consumers of alternative energy in the world, and two local companies have been cashing in. Three weeks ago, Merrimack, N.H.-based GT Solar Inc. closed the largest single deal in the company's history, selling \$171 million worth of photovoltaic manufacturing equipment to Glory Silicon Energy Co. of Jiangsu, China. While the dollar amount is impressive, it is not the whole story. GT Solar also made a \$39.5 million deal with Jiangsu Shunda Electronic Materials and Technology in June, and closed another sale with LDK Solar Co. Ltd. in July for an undisclosed amount. Both are based in China. GT Solar, which filed regulatory papers in April to hold an IPO, established a second office in Asia last December. GT officials report that 71 percent of the company's \$63 million in 2006 revenue came from China -- the next closest region was North America, which represented 15 percent. "Traditionally, Europe has been the major maker of solar wafers, but that paradigm has shifted to Asia over the past few years," said Tom Zarrella, president and CEO of GT Solar. But GT Solar is not the only local company -- nor the only renewable-energy resource -- basking in the light of business from Chinese companies. In January, Westborough's American Superconductor Corp. paid \$12.4 million for longtime Austrian wind turbine electronics maker Windtec Systemtechnik GmbH. Since the acquisition, the company has brought in \$120 million worth of orders from Sinovel Wind Corp. Ltd., and landed additional deals with Dongfang Steam Turbine Works Corp. and Zhuzhou Electric Locomotive Research Institute, all based in China. Like GT Solar, American Superconductor counts China as its largest foreign revenue generator, according to Jason Ferdette, a spokesman for American Superconductor. "The wind market has been a very big growth product for us, particularly in the past two years," he said. "There is a ton of opportunity for new manufacturers over there, because even though there are a few up and running, they are looking for more." China's Center for Renewable Energy Development has set a goal for the country to develop 120,000 megawatts of renewable energy by 2020, which would account for 12 percent of the country's installed energy-producing capacity. It would also represent an investment of more than \$100 billion, according to the center. However, all that energy will not be focused just on China, according to Louis Schwartz, president of China Strategies LLC, a Pennsylvania-based business consulting firm for alternative-energy companies working in China. Most of the solar capacity being built is being exported in order to make China a dominant player on the world stage, while much of the wind capacity will be used to power China's growing population. That presents opportunities in both directions, he said. "One thing people can be assured of is that once the Chinese put their minds to the task of developing an industry or industry niche, they go at it with great fervor," Schwartz said.

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