

Chinese solar companies on the up

ROTTERDAM - The Netherlands, Shanghai - China, October 17, 2008. Chinese solar companies are on the up. Led by major growth strategies, Chinese solar module manufacturers are hoping to push past the competition. Only the strongest will survive under current market conditions. Ignoring an expected oversupply situation in 2009, Chinese companies are aiming for growth rates of 100-400% a year. In recent years, we have already witnessed a reshuffle among the top 10 solar manufacturers; formerly high ranking European and Japanese producers have been replaced by Chinese manufacturers claiming positions among the top 10.

Although Q-cells still heads the table and First Solar is still the leading thin film company, the Chinese will be claiming more and more top-10 positions. Solarplaza, the global solar energy business portal, has made a shortlist of some of these high-potential companies and has taken a look at their growth ambitions and strategies.

Thin film

China has been in no doubt about the marked rise in the global production of thin film over the past two years. The first dozen thin film manufacturers to surface in China appeared no less than two to three years ago. Nowadays, dozens of Chinese thin film manufacturers are expanding their factories and have either started production or else will be doing so in the near future.

One of the largest investments has been made by Best Solar. With a contract worth \$1.9 billion signed with Applied Materials they hope to grow from around 200 MW at the beginning of 2009 to almost 1 GW of thin film tandem junction production capacity by 2010, doubling this to 2GW by 2011.

The logo for Best Solar, featuring the word "Best" in yellow and "SOLAR" in blue.

To put this in perspective, First Solar (FSLR) will reach a production capacity of more than 1 GW by the end of 2009. Best Solar will start shipping products in Q1 of 2009.

Another young company with less capital but equal eagerness is QS Solar. This company is aiming to produce 500MW in thin film solar cells within 3 years (2010). QS Solar, together with companies like Nanosolar, Firstsolar, and Moserbaer, was one of the companies to present its products at the first thin film conference in Munich, June 2008 (www.thethin-filmfuture.com).

The logo for QS Solar, featuring "QS Solar" in red and black, the Chinese characters "强生光电" below it, and the tagline "Powering Your Future" at the bottom.

Crystalline

There are already hundreds of manufacturers producing solar modules in China with regard to the crystalline side of things. A dozen are listed on foreign stock exchanges, four of them are listed on the New York stock exchange: JA Solar, Suntech Power, Trina Solar, and Solarfun.

The latter has received investments from Good Energies and is showing steady growth (from 240 MW output capacity to 360 MW by the end of 2008). Unlike Trina Solar, for instance, Solarfun focuses on producing solar cells and modules.

The logo for Solarfun, featuring the word "Solarfun" in a green, cursive font.

Founded in 1997, Trina Solar's year-end goal for 2009 is to have a production capacity of 600 MW, and it plans to ship between 360 to 400 MW in 2009 as they ramp up toward 600MW capacity. Trina has pursued a vertical integration model and thus produces, or aims to produce, nearly all the components for its PV panels. To demonstrate just how committed it was to this principle, Trina actually announced plans to open a polysilicon factory. It abandoned these plans in April this year.

The company argued that the polysilicon supply would become increasingly available as new plants came online; therefore, the supply of silicon would be both sufficient and ever more affordable in the years and months to come. Trina Solar, like Suntech, will be heavily reliant on the US as a market for their products.

The logo for Trina Solar, featuring the word "Trinasolar" in blue with a red dot above the 'i'.

Apart from these stock listed companies, there are also hundreds of small but ambitious companies actively involved in the solar industry.

Take Astronergy/Chint, for example. This company, founded in 2006, has a major focus on technology and is producing solar cells as well as thin film solar modules. It is striving to be the first among its competitors to reduce PV module costs to below \$1/Wp. With a production goal of 380 MW by 2010, this company is also aiming to be one of the big players.



Bearing the scale of these ambitions and growth plans in mind, the Chinese solar industry will be able to take solar to the next level; and with prices that are almost the lowest in the industry, China will be giving European manufacturers a hard time in terms of the ability to compete.

Fully organized trade mission

For the purpose of exploring business opportunities and visiting the factories of some of the companies mentioned above, Solarplaza is organizing an open international PV trade mission to China. The program includes a brokerage event and factory visits to the companies mentioned above (Best Solar, Trina Solar, Solarfun Power, QS Solar, Chint Solar).

About SolarPlaza

Solarplaza is a global solar energy business portal with worldwide news and information on photovoltaic products and services. Solarplaza organizes solar-dedicated events and assists in large solar deals. Solarplaza has its headquarters in the Netherlands and also has offices in Spain and China.

Note for the press, not for publication:

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http://www.solarplaza.com/event/pvtourschina/Chinese_solar_companies_on_the_up.html