

China plans to encourage local use of solar cells

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BEIJING (Reuters) - China will consider measures to support domestic consumption of solar cells made from local polysilicon materials, while taking international demand into consideration, the government said on late Tuesday.

It did not specify what measures would be considered or when they would be unveiled.

It said the country's production capacity of polysilicon, an high energy-intensive and pollutive product used to make solar cells, had obviously exceeded demand.

China has around 80,000 metric tons of polysilicon production capacity under construction and 20,000 metric tons of capacity in operation that produced some 4,000 metric tons of polysilicon in 2008.

"Our solar power market develops slowly and 98 percent of solar cells are exported, which means large amounts of scarce energy are exported," the cabinet said.

The government will strictly curb new polysilicon projects in energy-scarce regions and encourage polysilicon producers to team up with solar cell producers to improve efficiency.

New polysilicon project must have a capacity of more than 3,000 metric tons per year while occupying less than six hectares of land for every 1,000 metric tons of polysilicon output, the government said.

It also stipulated energy consumption and other standards.

(Reporting by Jim Bai and Chen Aizhu; Editing by Chris Lewis)

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