



Tianwei powering growth in Idaho

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By Ariel Tung (China Daily)



The forum builds a direct and effective communication platform between governors in the United States and provincial officials in China."

ZHAO HONGZHU
PARTY SECRETARY OF ZHEJIANG
PROVINCE



The United States has great advantages in clean energy industries and Anhui's development needs cooperation with the country."

WANG SANYUN
GOVERNOR OF ANHUI PROVINCE



Official says investment helps create jobs and expects more businesses

NEW YORK - When Baoding Tianwei Group acquired a majority stake in cash-strapped Hoku Corp in 2009 to build a polysilicon manufacturing plant in Pocatello, Idaho, it became the most significant Chinese investment in the state, said Idaho Lieutenant Governor Brad Little.

Tianwei is a wholly owned subsidiary of China South Industries Group, a Fortune Global 500 company and a manufacturer in the renewable energy industry.

Hoku's \$390 million plant in Pocatello had come to a halt in 2009 due to lack of funding during the financial crisis. Before the year came to a close, Tianwei came in as a major investor and took over the polysilicon production plant in a \$220 million deal with Pocatello that began in January 2007.

The plant, which will begin operations later this year, will have the capacity to produce 4,000 tons of polysilicon annually.

Polysilicon is used for the production of renewable solar electricity power panels. A high demand for photovoltaic products has caused a shortage of polysilicon worldwide.

According to Hoku CEO Scott Paul, the production plant will supply polysilicon to some long-term customers in China, such as Hanwha SolarOne Co, Jinko Solar Holding Co, Hong Kong-based Solargiga Energy Holdings Ltd and Shanghai Alex New Energy Co.

Little called the investment a win-win situation for Idaho and China because he said it will create jobs for his state as well as high quality products for consumers in China.

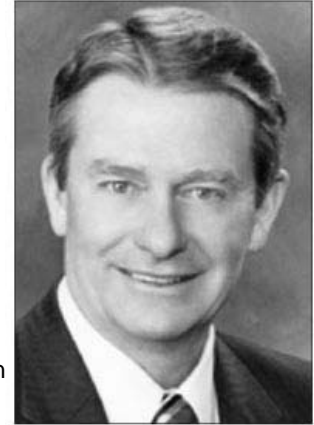
"Hoku is a good example of a trade that is mutually beneficial to both countries. Because of the technology and infrastructure we have in Idaho, we can provide high-quality products for buyers in China. China buys a lot of our products, and this is why they invest in Hoku," Little said.

Not only did the investment put Pocatello on the global map, the construction of the production site has injected \$500 million to \$700 million into Idaho with the purchase of materials such as steel and chemical reactors from Germany, said Gynii Gilliam, executive director of Bannock Development Corp.

Bannock Development is a private, nonprofit economic development organization which aims to attract businesses to Pocatello.

Hoku, based in Hawaii, is expected to create 500 construction jobs when production on the Pocatello plant begins. There is now a total of 140 staff in Pocatello.

"This partnership creates jobs, brings in capital investment and builds the energy industry. We hope to have Hoku operating here for years to come," Gilliam said.



Brad Little is the lieutenant governor of Idaho.

In January, Tianwei signed an agreement with Wells Fargo that could lead to the development and building of solar power products in the US. The cooperation includes potential financial support for Hoku's production facility in Pocatello.

Ding Qing, Tianwei's vice-chairman and president, said with Wells Fargo as a partner, they will do more clean energy projects and create more jobs in the US, according to a Tianwei press release.

Paul said Tianwei's investment in Hoku is "one of the largest investments in renewable energy in the US, with strong support from the Chinese central government".

To date, the project in Pocatello has received more than \$200 million in funding from Chinese banks, such as China Merchants Bank and Bank of China.

"Tianwei's investment in Hoku is part of their long-term strategy to grow their (photovoltaic) business in the US with the help of Hoku Solar," Paul said.

Hoku Solar, a subsidiary of Hoku, is developing photovoltaic projects in the US.

"We have absolute confidence that the production of our plants will begin this year. We are getting strong technical support from Baoding Tianwei and our sister company in China which are manufacturers of polysilicon," Paul said.

He complimented Pocatello for its low energy prices, good workforce training, pro-business attitude and strong local government support.

Poised to attract more Chinese investments, the city works closely with the Idaho Department of Commerce's office in Shanghai to help Chinese companies which are interested in breaking into the US market.

Gilliam said the state is working on two deals with Chinese companies in the energy sector but did not elaborate.

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