

Suntech Cutting Solar Cell Production Capacity

The Associated Press

NEW YORK (AP) — Suntech Power Holdings Co. is reducing its solar cell production capacity in China to lower production costs and cut operating expenses. The move will impact about 1,500 workers.

The Chinese solar panel maker said Monday that most of the employees will be offered jobs at other production plants. Others will get severance packages.

Suntech is temporarily closing part of its solar cell production capacity in Wuxi, China, which will lower its operational solar cell capacity to 1.8 gigawatts for a time.

"In light of the preliminary U.S. anti-dumping tariff, the European anti-dumping investigation and oversupply of solar modules, we have decided to right-size our production capacity and continue to optimize our organization," CEO David King said in a statement.

Suntech says it is on pace to trim its operating expenses by 20 percent this year.

Suntech shares rose 6 cents, or 7 percent, to 93 cents in midday trading. The stock has traded between 71 cents and \$4.40 in the past 52 weeks.

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