Siemens To Give Up Loss-Making Solar Energy Business

BERLIN (AP) — Siemens AG announced plans to give up its loss-making solar business and concentrate its renewable energy business on wind and hydroelectric power.

The German industrial conglomerate, whose products range from trains to turbines, said Monday it's in talks with possible buyers, but offered no details. It said the move is part of a wider effort to increase its productivity and efficiency.

The solar power industry has been hit by falling subsidies, weaker sales and increasingly stiff price competition, especially by Chinese manufacturers.

Siemens said that "due to the changed framework conditions, lower growth and strong price pressure in the solar markets, the company's expectations for its solar energy activities have not been met."

Several German solar manufacturers, including Q-Cells SE and Solar Millennium AG, have filed for insolvency over the past year. Another German company in the solar market, SMA AG, announced last week that it will slash up to 1,000 jobs — about a fifth of its global workforce — amid falling revenues and a possible annual loss in 2013 due to the growing price pressures.

Last month, the European Union launched an anti-dumping probe into Chinese solar panels after an industry association claimed the products were being exported for less than the cost of making them.

The U.S. government introduced steep tariffs on Chinese solar panels earlier this year, with the Commerce Department saying China's government is subsidizing companies that are flooding the U.S. market with low-cost products — a tactic known as "dumping."

Siemens, based in Munich, said it will keep on offering equipment for use in solar power plants such as turbines and generators.

The company's solar and hydroelectric division has some 680 employees — far fewer than its wind power business, which has more than 7,000. Overall, Siemens has some 360,000 employees worldwide.

Siemens shares edged up 0.2 percent to €78.43 in Frankfurt trading, roughly in line with the market's overall performance.

Source URL (retrieved on *04/19/2015 - 7:26am*):
http://www.impomag.com/news/2012/10/siemens-give-loss-making-solar-energy-business