Hemlock Laying Off 300 Of 400 Workers

The Associated Press

CLARKSVILLE, Tenn. (AP) — Hemlock Semiconductor is laying off three-fourths of its employees in Clarksville shortly before the planned start of production at its new $1.2 billion plant.

Officials of the Michigan-based company met with The Leaf-Chronicle (http://leafne.ws/WX8wuq [1]) on Monday and said the company is laying off 300 of its 400 employees in Clarksville and 100 workers at its Michigan plant.

The company announced in 2008 their plans to build the facility in Clarksville. After years of construction, officials at the plant near the Kentucky border said last fall they had plans to begin production of polycrystalline silicon in 2013. The compound is used in solar energy panels.

Hemlock President Andrew Tometich said the plant will be utilized, but he said it was unknown whether the plant would open for business at any time in 2013.

Austin Peay State University developed a chemical engineering associate degree program to support the plant and state government put $6.4 million into construction of a campus building with intricate equipment needed to educate students taking the degree program.

Training has included a combination of classroom study and hands-on experience at Hemlock's plant in Hemlock, Mich.

Company officials told the newspaper that the layoffs were in response to a significant oversupply of polysilicon and the threat of protective tariffs on its product sold into China.

During construction of the Clarksville plant, as many as 3,500 workers were at the site.

"There's no doubt there's huge disappointment in the state in the fact that we were hoping for big employment numbers there," said Gov. Bill Haslam on Monday. "The only consoling factor there is they did make the capital investment they said they would make in the state."

The announcement Monday follows delays in the construction of a polysilicon plant in Charleston. In October, Wacker Chemie announced it was delaying completion of its $1.5 billion Bradley County plant by 18 months because of high inventory and weak demand pushing down prices for silicon wafers.

Company officials had earlier said the plant could be complete in 2013. The company says it now plans to start production at the new plant by mid-2015.

"Both Wacker and Hemlock would say this book isn't finished yet," Haslam said. "The state decided three or four years ago to make a big investment to be a leader in the production in polysilicon, and that market has gotten saturated. We're sitting where we are today where two folks have made really big investments in the state, but the employment and growth hasn't happened."

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