Bosch To Abandon Solar Energy Business

The Associated Press

BERLIN (AP) — German engineering company Bosch said Friday that it is abandoning its solar energy business, because there is no way to make it economically viable amid overcapacity and huge price pressure in the industry.

The solar power industry has been hit by falling subsidies, weaker sales and increasingly stiff price competition, especially by Chinese manufacturers. Robert Bosch GmbH's move came after German industrial conglomerate Siemens announced last October that it would give up its loss-making solar business.

Bosch said that it will stop making products such as solar cells, wafers and modules at the beginning of next year. It will sell a plant in Venissieux, France, and is abandoning a plan to build a new plant in Malaysia.

The solar energy division, which employs about 3,000 people, lost around 1 billion euros ($1.3 billion) last year. The company said that, despite efforts to reduce manufacturing costs, it was unable to offset a drop in prices of as much as 40 percent.

"We have considered the latest technological advances, cost-reduction potential and strategic alignment, and there have also been talks with potential partners," Bosch CEO Volkmar Denner said. "However, none of these possibilities resulted in a solution for the solar energy division that would be economically viable over the long term."

The company said that "as far as possible, individual units are to be sold quickly."

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