Suntech Power To Close Arizona Factory

The Associated Press

NEW YORK (AP) — Chinese solar panel maker Suntech Power Holdings Co. is closing its factory in Goodyear, Ariz., in part because of higher production costs.

The broader solar industry has struggled in recent years due to a steep price drop for solar panels. Global demand for panels has languished in Europe and elsewhere, even as manufacturing capacity soared.

Suntech's solar panel manufacturing plant, which opened in October 2010, had 43 employees. The facility's peak production was 50 megawatts per year in 2011. This was scaled back to 15 megawatts per year in November.

Suntech said Tuesday that the increased production costs were made worse by import tariffs on solar cells and aluminum frames imposed by the U.S. government and global solar module oversupply.

In November the U.S. International Trade Commission voted to impose unilateral tariffs of 35.97 percent on Suntech solar cells made in China. Suntech said these solar cells are a key component used at its Goodyear factory.

The company also said that the factory's closing is in line with its restructuring efforts to rationalize production capacity and cut operating expenses by 20 percent this year.

U.S.-traded shares of Suntech fell 7 cents, or 6.1 percent, to $1.08 in midday trading. The stock has traded in a 52-week range of 71 cents to $3.68.

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