

Re: Chinese Billionaire Is Existentially Morally Excellent

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Robert Cohen wrote:

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Op-Ed Columnist
China's Sunshine Boys
E-MailPrint Save By THOMAS L. FRIEDMAN
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So here's a little news quiz: Guess who's the seventh-richest man in China today, with a fortune estimated by Forbes magazine at \$1.43 billion?

Answer: Shi Zhengrong. Now guess what he does. Real estate? No. Banking? No. Manufacturing for Wal-Mart? No. Construction? No.

Mr. Shi is China's leading maker of silicon photovoltaic solar cells, which convert sunlight into electricity. Yes, the seventh-richest man in China is a green entrepreneur! It should only happen in America.

Mr. Shi thinks, as I do, that renewable clean power – wind, solar, bio-fuels – is going to be the growth industry of the 21st century, and he wants to make sure that China and his company, Suntech Power Holdings, are the leaders. Only 43 years old and full of energy himself, Mr. Shi hopes to do for solar energy what China did for tennis shoes: drive down the cost so that millions of people who could not afford solar photovoltaic panels will be able to do so.

As an environmentalist, I wish him well. As an American, I worry that if we don't start doing everything we can to develop our own clean power, we're going to miss out on the green industrial revolution. Today, most of our hybrid cars are imported from Japan. Tomorrow, if Mr. Shi has his way, most of our solar panels will come from China.

What Mr. Shi understands is that China is going to have to go green.

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Its rivers and air are becoming so polluted it has no choice. In fact, as he and I spoke in his 66th-floor office in Shanghai, the air was so dirty you could barely make out the skyscrapers down the street. America, alas, still seems to think it has a choice in going green. So while China will be compelled to move into this industry, U.S. companies may or may not, depending on whether states, or Washington, require power providers to generate energy from renewables.

For years our brain-dead Congress thought it was helping our power companies and manufacturers by not imposing tough energy-efficiency standards on them. In fact, it was just helping some of them commit suicide. Congress's idiotic decision not to impose higher mileage standards on U.S. carmakers helped Detroit miss the market and almost go bankrupt. China already has higher mileage standards for its autos than we do.

"People at all levels in China have become more aware of this environment issue and alternative energy," said Mr. Shi. "Five years ago when I started the company people said: 'Why do we need solar? We have a surplus of coal-powered electricity.' Now it is different; now people realize that solar has a bright future. But it is still too expensive."

Mr. Shi founded Suntech in Wuxi, China, near Shanghai, after earning a Ph.D. in engineering in Australia in 1992. As *The Wall Street Journal* put it in a recent profile, Suntech combines "first world technology and developing world prices" – so effectively it has become one of the world's four top solar manufacturers, along with Sharp and Kyocera of Japan and BP.

The key, Mr. Shi explained to me, is that he uses more low-cost Chinese labor, rather than high-tech machines, to make his solar modules and handle the fragile silicon, and he takes advantage of the subsidies offered by different Chinese provinces dying for him to open a Suntech factory in their region.

Roughly 90 percent of his business today is abroad. But as he brings the price down, the China market will open up, and he expects to use that to gain much greater scale and drive the price of his solar modules down further.

"If we have a market here, we feel confident we will be a cost leader," he says. "Now we are at around \$4 per watt. In 10 years time, I'm pretty sure we will be below \$2 per watt," which would make solar competitive and scalable.

Thanks to Suntech's success, "now there is a rush of [Chinese] business people entering this sector, even though we still don't have a market here," added Mr. Shi. "Many government people now say, 'This is an industry!' " To help, the Chinese government just passed a law mandating that China get 10 percent of its energy from

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renewables, like solar, by 2020.

China is setting high standards for renewables, but is still weak on enforcement. America is better at enforcement, but still weak on setting high standards. We need to get our act together, because eventually China will bring its enforcement in line with its regulations – or it won't breathe. And when that happens, China's emerging green power entrepreneurs could clean our clock in the clean power business.

Oh, well, you can always buy a share. Suntech is already listed on the New York Stock Exchange.

This article deserves a wider audience. Copyrights notwithstanding.

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Joe Legris

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