

## Chinese polysilicon producer shuts down factory due to fire

East Hope has halted production due to a fire at its factory in the Zhundong Economic and Technological Development Zone, in China's Xinjiang region. **pv magazine** recently spoke with polysilicon analyst Johannes Bernreuter about the possible consequences of the fire on the supply chain.

JUNE 29, 2022 **EMILIANO BELLINI**

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Image: Bernreuter Research

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A fire broke out on June 17 at a polysilicon factory run by Chinese manufacturer [East Hope](#), according to Bernreuter Research.

"I don't expect a major disruption because East Hope was already planning for regular maintenance, but a tangible impact was already visible in the polysilicon price increase last week," polysilicon analyst Johannes Bernreuter told **pv magazine**. "The actual impact should be a reduction in production output of around 1,500 metric tons (MT)."

This minimal output drop compares to a decline of around 21,000 MT in 2020, when three different accidents occurred at factories owned by Daqo, Xinjiang GCL, and Sichuan Yongxiang (Tongwei).

"So there is at least an order of magnitude difference between the impacts of the East Hope accident in 2022 and the three incidents combined in 2020," Bernreuter said. "However, the latter occurred at the historically lowest price point, whereas the current situation is characterized by continuing shortage and the highest prices since October 2011. In such an environment, any disturbance increases the nervousness of market participants on the demand side and spurs further price increases."

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According to Bernreuter Research, East Hope said that the post-fire production shortfall would be limited. It reportedly expects the shutdown to last about one month.

"Polysilicon manufacturers are currently running at full speed in view of the supply shortage and high prices," said Bernreuter Research. "That may loosen the attention to safety concerns."

Last week, polysilicon prices reached a high of **CNY 280 (\$41.78)/kg** in China.