

# China Law Update

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## [China Restricts Growth of Polysilicon Industry](#)

On December 31, 2010, China's Ministry of Industry and Information Technology ("MIIT"), National Development and Reform Commission ("NDRC") and Ministry of Environmental Protection issued a joint circular setting a limit on the number of new projects the government will approve in the polysilicon industry. Below is a summary of its key provisions:

- The government is working on a renewed government investment catalogue and until its release, except for selected projects that are deemed to promote energy efficiency or environmental protection, new polysilicon projects will generally not be approved.
- Any polysilicon projects must not be built within 1000 meters of places with sensitive environmental conditions, including farmland protection zones, nature reserves, source water protection areas, dense residential areas, and production areas of food, as well as vulnerable areas of key ecological function districts planned by central or local governments. Polysilicon projects already under operation in such areas will be relocated or shut down.
- Any polysilicon projects with energy consumption above 200 kilowatt hours per kilogram of solar grade polysilicon production should be phased out in the near future.

Source: [http://www.gov.cn/zwggk/2011-01/24/content\\_1791452.htm](http://www.gov.cn/zwggk/2011-01/24/content_1791452.htm)

Authored by:

Josie Shi  
86.21.2321.6000  
[jshi@sheppardmullin.com](mailto:jshi@sheppardmullin.com)

and

Jun Hua  
86.21.2321.6000  
[jhua@sheppardmullin.com](mailto:jhua@sheppardmullin.com)