CREATING A MORE ECO-FRIENDLY WORLD

CNPV Korea aims to be the leader in the energy industry with its state-of-the-art solar power products.

At the UN Climate Change Conference in Paris, 195 countries agreed by consensus to reduce their carbon output and greenhouse gas emissions. As such, governments are working with promising international companies who can turn this goal into reality. SeongGun Chang, Vice President of the Asia Pacific Region Division at CNPV Power, knows all too well how important it is to provide reliable and environmentally-friendly power throughout the world.

Established in China in 2006, CNPV develops, manufactures and sells solar power products including inverters, walkers, cells and primarily solar panels. The Korea branch of the company, which was founded in 2009, conducts various solar energy-related businesses, including production and sales of solar cells. CNPV Korea aims to play a leading role in the energy industry while promoting the entry of China’s solar power companies into the Korean market, most notably through its participation in the state-funded Saemangeum project in North Jeolla Province. This massive land reclamation project seeks to transform the region into Asia’s economic hub by creating an ideal environment for foreign invested companies.

What made CNPV want to establish a branch in Korea?

The first reason was to reduce risk, as establishing only one manufacturing line in China could give way to multiple risks. Korea thus seemed like an ideal place since it possesses both the ideal manufacturing environment and state-of-the-art technology.

Interview

From a long-term perspective, we also thought Korea would be a better location than Mexico, Vietnam and India, which are all countries China is heavily investing in. Some say that the cost of labor in Korea is high compared to that of China, but we merely focus on low labor costs instead of focusing on high-quality technology; we will be competing in a limited market. Currently, we are participating in the national Saemangeum project in Gunsan, and our company has paved the way for Chinese companies to more actively invest in Korea’s renewable industry. On that note, our Saemangeum power plant currently holds 10 megawatts of power, which is significantly higher than other power plants. This power plant also uses modules made by our company. Thus, you can clearly see that it is possible to achieve profits by investing in quality and not just cheap labor. At a time when companies are looking for cheaper options, we are set on differentiating ourselves from the rest of the competition.

What were some of the reasons why CNPV participated in the Saemangeum project?

Geographically speaking, we thought the location of Saemangeum was ideal as opposed to the city of Songdo (an up-and-coming “smart” city located in Incheon). The latter option was too small for us and because it is a very residential neighborhood, we didn’t think it would be ideal for our company. We also believed that our company would be able to receive a lot of support if we expanded into Saemangeum. Our company was able to receive much licensing help from SIDIA. In addition, the Saemangeum Korea-China Cooperation Complex was another major factor that affected our decision.

Speaking of the ‘Made in Korea’ premium, how will the Korea-China FTA bolster business relationships between the two countries?

In terms of tariffs, the renewable energy industry doesn’t benefit from the FTA; however, Korea does offer safer business transactions and quality of life than China. It is expected that the signing of the Korea-China FTA will boost bilateral trade and have a significant impact on other industries like household items, clothing, baby products and cosmetics. Chinese companies in these sectors are the ones aiming to expand heavily into Korea, and our company helps them from time to time. I believe the Korea-China FTA is a great opportunity to further Korea-China exchange.

How can Korea become a more ideal investment destination for Chinese companies?

Korea needs to know more about Chinese companies’ risk including diversifying the needs of Chinese companies and making offers based on an accurate understanding of goals of the companies. Currently, Korea’s promotion strategy is rather one-sided. Along with creating a stable environment, Korea should thoroughly figure out the wants and needs of target industries and companies.

Do you have any last words for Chinese companies interested in investing in Korea?

I hope that Chinese investors will seek investment in Korea more actively and make proactive suggestions, while more concrete processes are being established. I also hope that Korean companies and their relevant departments pursue more active marketing activities to attract investment from Chinese investors.