

Voith Siemens Hydro Power Generation

The sustainable approach in hydro business



*Dr. Hubert Lienhard
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Dear readers, dear customers,

If somebody asked: "Where are the big hydro markets for the future?" the likely answer would be: "China, India, and in the not too distant future, Brazil, again."

Wouldn't it be nice to simply focus on these markets or wait for some of them to come back? China and India certainly have the most concrete energy development plans with big shares in new hydro. India is just announcing a 50,000 MW hydro program. And, of course, we are proud to be a partner in this development through our presence there. Brazil may be expected to soon offer opportunities for the new and rehab hydro business again.

In other areas of the world, however, this comeback or new development of hydro is not so clear and forecastable. If you look, for example, at the regions of the former Soviet Republics and Eastern European countries, overall development in their economies is difficult. Despite the fact that these countries very often have substantial hydropower installations in abundance, capital investment is low for hydro development.

How can we sustain new or spark redevelopment in areas like this? How can we help hydro as the most mature renewable and sustainable "fuel" in the energy mix of these countries?

Hydro investments have always been slow in coming; they are large capital projects with long life-cycles of 50 years and more, with high upfront costs. For short-term planning the return on investment of these projects is not spectacularly high. Still, we believe that we can have a sustainable approach to this market, as evidenced in the articles in this issue, showcasing the roles we play in the development of Russia, Armenia, Bulgaria and also Afghanistan, are just the beginning. What we have to offer in this issue are examples of our patience and sustainability in this business. Another fine example of long-term efforts comes from India. After many years, the Shrinagar hydro project in India is ready for development. Through our U.S. developer company, Synergics, all commercial aspects of project development have been completed and we have arrived at the phase where Tata Power has taken over as our national partner.

We have the technology, the business platform, the financial background and the expertise to get the job done.

We look forward to working with you to protect and further develop this most precious resource.

We are interested in your opinions and comments, please feel free to direct them to me personally.

Yours sincerely


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