Japanese Nuke Plant Makers on Offensive
– Global Alliances Reshape Industry into 3 Groups –

Japanese nuclear power plant makers are enhancing their global business offensive as overseas nuclear plant construction plans are gaining momentum amid sky-high oil prices. Toshiba Corp. has acquired Westinghouse Electric Co. of the United States. Mitsubishi Heavy Industries Ltd. has agreed with France's Areva Group to jointly develop next-generation medium-sized nuclear plants. Furthermore, Hitachi Ltd. and General Electric Co. of the United States have announced a deal to effectively integrate their nuclear plant divisions.

The United States is putting an end to a freeze on nuclear plant construction plans that has lasted since the Three Miles Island accident in 1979. By 2020, some 25 new nuclear plants are expected to go on stream in that country. China is projected to construct more than 30 nuclear plants on rising electric-

ity demand amid high economic growth by 2020. Vietnam is planning to put its first nuclear plant into operation between 2017 and 2020. As well as industrial nations, Asian and East European developing countries are expected to explosively increase nuclear plant construction.

In its World Energy Outlook 2006, the International Energy Agency emphasizes the usefulness of nuclear fuel that has less impact on the environment and costs less than other fuels. It projects worldwide nuclear power plant capacity in 2030 to expand by some 40% from 2005. The world's energy policy, which had once rejected nuclear plants for safety reasons, might have reached a turning point.

Detecting the trend, Japanese nuclear plant makers have launched their acquisition and alliance strategies, reorganiz-

ing the global nuclear plant industry into three major players – the Toshiba-Westinghouse, Mitsubishi-Areva and Hitachi-GE groups. The industry now sees a three-way race on the world stage.

Photo: Kyodo News

Hitachi and General Electric leaders shake hands during a news conference announcing their alliance in the nuclear plant business.