

Russia creating a large nuclear holding

Russia's nuclear industry consolidation is finishing as the industry's largest companies are merging.

Atomstroyexport (that builds nuclear power plants in China, India, Iran and Bulgaria) and Atomenergoproekt research and design institute (that designed the Tianwan power plant for China) are merging soon. After the merger is complete, the two will turn into a large vertically integrated holding able to fulfill 'turnkey' projects.

This step is economically wise. First, vertically integrated enterprises in which different stages of production are carried out in succession are more efficient due to lower costs. Secondly, the new company will be more competitive in international markets, in particular, in Pacific countries where the US has strengthened its position. Third, Russia needs to intensify the development of the new generation WWER-1500 power units. Without a high-capacity nuclear power generating unit, Atomstroyexport lost a tender announced by Finland, and a billions-dollar contract was awarded to Framatome-Siemens.

By Kirill Lebedev