

## **Sub-Saharan Africa's Focus on Hydropower Creates Lucrative Market for Hydro Turbines, Finds Frost & Sullivan**

CAPE TOWN – 25 February 2009 – Sub-Saharan Africa is in urgent need of additional power generation capacities to meet the rising demand for power. The region's focus on the available hydropower potential is opening up a potentially lucrative market for hydro turbine suppliers. Equipment suppliers need to partner with EPC contractors to be able to supply the turnkey projects African customers desire.

New analysis from Frost & Sullivan, the growth partnership company (<http://www.energy.frost.com>), finds that the hydro turbine market in sub-Saharan Africa earned revenues of \$120.0 million in 2007 and is estimated to reach \$425.0 million by 2013.

Africa is turning to hydropower sources to avert the rising cost of thermal power production. The fluctuating international prices of coal and oil are making electricity generation in Africa an expensive proposition. As a result, a majority of African governments are expediting their hydropower projects to diversify their energy mix.

"The hydro turbine market in Africa has embarked on a high growth trajectory owing to the region's new focus on refurbishing existing plants and building new hydropower plants," notes Frost & Sullivan Research Analyst Moses Duma. "This strategy has been aimed at reducing the region's reliance on coal and oil power generation."

Sub-Saharan Africa is expected to build additional hydropower generation capacity of at least 20,165 MW by 2014. The region has the potential to generate 1,750 TWh of energy, of which only 7 per cent has been explored. African governments are taking advantage of the readily available hydro resources to broaden their energy mix and reduce their over dependence on thermal sources, which are susceptible to international commodity prices.

However, the sizeable initial capital required to build new hydropower plants as well as the stringent requirements for environmental assessments are tarnishing the attractiveness of hydropower projects, especially for cash-strapped state utilities.

This factor is significantly affecting the growth of the hydropower market. For instance, building a new hydropower plant with a capacity of 1,000 MW would cost approximately \$2 billion as compared to \$1 billion for a similar sized thermal power plant.

"Equipment suppliers should explore the market for both small and large hydropower plants as well as the opportunities to refurbish existing old plants

in sub-Saharan Africa,” advises Duma. “A majority of state utilities view plant refurbishment as a quicker and cheaper way of getting additional capacity and hence are focusing their resources on this market.”

If you are interested in a virtual brochure, which provides manufacturers, end users and other industry participants with an overview of the hydro turbine market in sub-Saharan Africa, then send an e-mail to Patrick Cairns, Corporate Communications, at [patrick.cairns@frost.com](mailto:patrick.cairns@frost.com), with your full name, company name, title, telephone number, company e-mail address, company website, city, state and country. Upon receipt of the above information, an overview will be sent to you by e-mail.

**Hydro Turbine Market in Sub Saharan Africa** is part of the **Energy & Power** Growth Partnership Services Programme, which also includes research in the following markets: Strategic Analysis of the Nigerian Electricity Industry, Strategic Analysis of the Kenyan Electricity Industry, South African Transformer Market, Country Industry Forecast: The German Energy Industry, SADC Transmission and Distribution Equipment Markets and Africa Steam and Gas Turbine Markets. All research included in subscriptions provide detailed market opportunities and industry trends that have been evaluated following extensive interviews with market participants. Interviews with the press are available.

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