

MHI Links Up with Areva of France in Nuclear Power

On October 19, Mitsubishi Heavy Industries, Ltd. (MHI) signed an agreement with Areva of France agreeing to form a partnership in the field of nuclear power. The first area of cooperation will be the joint development of third-generation 1,000MW-class plants, and later on the partnership may be expanded to include such other areas as the procurement of materials, maintenance services, the fuel cycle and the development of new types of reactors. MHI Pres. Kazuo Tsukuda outlined the policy of the cooperation as follows: "Although we now maintain cross-licensing with Westinghouse Electric (WE), we will now give preference to our new partnership with Areva."

Both Pres. Tsukuda and Areva Chairwoman Anne Lauvergeon signed the agreement on the 19th at MHI headquarters in Tokyo, at which a press conference (see photograph) was held.

At the press conference, Chairwoman Lauvergeon gave the following comments on the partnership: "In the next 25 years or so, there will be approximately 150-200 new nuclear power plants (NPPs) constructed worldwide. In particular, significant growth is expected in the market for 1,000MW-class mid-size reactors. Thanks to our joint development with MHI, we will be able to provide, in a short period of time, state-of-the-art mid-size reactors that are attractive also in terms of cost."



Pres. Tsukuda then said, "There is a growing need for 1,000MW-class reactors, and both of our companies will invest our excellent PWR resources so as to bring products to the market at an early date. We at MHI have already established a working relationship with Areva, such as supplying the reactor vessel for the European pressurized reactor (EPR) that Areva is now constructing in Finland. The fact that our corporate cultures are similar makes us look forward to the expansion of the partnership into new areas." He added, "Nuclear energy has now entered an era in which great growth can be expected in the global expansion of activities. We had explored various options, such as the acquiring Westinghouse, forming partnerships with other companies, or going it alone, but in the end we determined that it would be necessary to form a relationship with a corporation that had a definite presence in order to carry out our activities on a global scale."

In the area of large reactors of the 1,500MW-class and greater, MHI is now developing advanced pressurized water reactors (APWRs), while Areva is going ahead with EPR development. For the time being, the two companies will explore a cooperative relationship in this area on a project-by-project basis.

As far as the relationship with Westinghouse is concerned, MHI Pres. Tsukuda noted, "At present we still maintain our licensing contract with Westinghouse, and MHI will make its response to that company's AP1000 reactor on a case-by-case basis in the future. For instance, should Westinghouse place an order with MHI for equipment after receiving an order for the AP1000, we will decide upon our response after evaluating the economy of the deal." In addition, in reference to the joint bid that MHI is making with Westinghouse and others for the construction of AP1000s in China, he said, "We are now waiting for the results of the business negotiations."

Editor: Noriyuki Ishii, JAIF