

Georgia

Inauguration of a representative office in a future market

▲ Aerial view on Tbilisi at sunset



▲ Norbert Schwarz (Head of ANDRITZ HYDRO in Tbilisi)

Located between the semitropical coastline of the Black Sea and the snowy heights and alpine meadows of the Caucasus, Georgia covers an area of 69,700 km² with a population of approximately 4.7 mio. people.

Georgians trace their origins back to Noah's great-great-grandson and in classical times to the two kingdoms of Colchis in the west (legendary home of the Golden Fleece) and Kartli in the east. In the early fourth century, Georgia became the second country to adopt the Christian faith after Armenia. Under

the rule of David the Builder in the twelfth century, Georgia reached its zenith and became the major Caucasian power and a center of Christian culture.

In the following centuries Georgia was controlled by Mongols, Turkish and Persians until the Russians annexed all the Georgian kingdoms and principedoms in the 19th century. Eventually, it was incorporated into the Soviet Union in 1922. On 9 April 1989 Georgia declared itself independent of the USSR. Since then the country has made major development by implementing a lot of political and economic reforms.

A country with huge potential

One of these reforms related to the energy sector when the government decided to develop the vast hydropower potential and eventually become an exporter of power to the neighboring countries. In order to cope with the huge hydropower potential, the government launched the privatization process few years ago, opening the market to domestic and foreign investors. The market is totally deregulated for new hydropower plants and all new projects are based on the Build-Own-Operate (BOO) principle with minimal bureaucracy for the developers. The estimated hydropower potential is around 20,000 GWh, with around 300 rivers significant for energy production, and so far only 18% of the potential being utilized.

Nowadays approximately 75% of the national power capacity is generated by hydropower (2,700 MW) with the aim to reach almost 100% in the future. The present development program includes seven large projects with a total installation of 1,830 MW and around 70 small and medium sized projects with capacities below 100 MW each. Presently 30 projects with a total combined capacity of 2,213 MW are under licensing or in a construction phase.



▲ Mag. Konstantin Bekos (Austrian Commercial Counselor Georgia), Norbert Schwarz (Head ANDRITZ HYDRO office in Tbilisi) & KommR. Dr. Richard Schenz (Vice-President of the Austrian Chamber of Commerce)

ANDRITZ HYDRO representative office

In order to cope with this huge investment potential and to closely follow the project landscape, ANDRITZ HYDRO decided to open a representative office in the capital city of Tbilisi by the end of 2012.

This decision was also supported by the receipt of two orders from private customers, the Compact Hydro power plant Akhmeta (2 x 4.5 MW, complete E&M package) and the engineering contract for HPP Dariali (3 x 38 MW, complete E&M package). These two projects are the first contracts since 1997, when Escher Wyss delivered a 21 MW Francis turbine for HPP Cevrula.

The official inauguration ceremony, in the presence of the Vice President of the Austrian Chamber of Commerce, the Austrian Commercial Counselor for Georgia and representatives of the Ministry of Economy of the Republic of Austria, took place in May 2013.

Our office is located in the Tbilisi Business Building in the heart of the city and is headed by Norbert Schwarz from Market Management Vienna and supported by David Kviriashvili, a young technical engineer who has been working in the Georgian power industry for more than 10 years.

Customer Day

In order to promote the products and solutions of ANDRITZ HYDRO in Georgia and to present the latest developments and technologies in the field of hydropower, ANDRITZ HYDRO was the first company to organize Customer Days. This event took place first time in April 2012 and proved to be very successful with around 100 participants from the Ministry of Energy, various project developers, customers, consulting engineers and financial institutions in attendance. Due to this success and the extremely well received response, we decided to organize a similar event in June 2013 again with around 100 participants from the hydropower business community.



▲ New ANDRITZ HYDRO office in Tbilisi

We believe that ANDRITZ HYDRO has the technical competence and tailor made solutions for the development of the hydropower sector and projects of all sizes and complexity, from small to very large, and consider Georgia as one of the most vital and prospective countries in this region.

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