
SIEMENS IS LOOKING TO PROVIDE ELECTRICITY FOR 300,000 IRAQIS IN THREE MONTHS, CEO SAYS

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24.09.2018

CNBC (24 September 2018)

German conglomerate Siemens is looking to build infrastructure in three months that could generate enough electricity for 300,000 people in Iraq as part of a larger proposal, company President and CEO Joe Kaeser told CNBC on Monday.

The company said Kaeser met over the weekend with Iraqi Prime Minister Haider al-Abadi in Baghdad to discuss a proposal to help re-power Iraq and support its economic development.

Such plans include improving Iraq's power production □ Siemens said it was ready to add 11 gigawatts (GW) of power generation capacity over four years that could provide about 23 million Iraqis around the country with constant electricity. That would boost the country's current generation capacity by almost 50 percent, the company claimed in a news release.

"When I went there yesterday to see the prime minister, and his team of ministers and advisors, I said, 'Look, we're going to help you build electricity,'" Kaeser told CNBC's "Capital Connection" on Monday. "They need about 11,000 megawatts in the next three to five years, to have a stable, reliable and affordable energy provided to their people."

Experts suggest that Iraq has a wide gap between electricity consumption and supply, especially during the summer when demand is at its peak due to people using more air conditioners, according to Reuters.

Kaeser said that in order to show progress to the Iraqi people, the company would undertake short-term actions that would add to the country's power generation capacity. "I said, we're going to build in three months—we're going to build capacity to help 300,000 people have electricity."

He explained that Siemens was proposing plans that would convert flare gas into fuel power, and turn it into electricity, per the company's expertise. Kaeser also added that Iraq's efficiency rate in burning crude oil to generate electricity was lower than what the modern world is used to □ that's where Siemens could boost efficiency, he added.

"I would actually expect that it (doesn't) need more than \$5 billion, revolving, to rebuild their country and get 11,000 megawatts of modern emission-efficient electrification. That's a big deal," Kaeser said.

Additionally, Siemens' proposal also includes creating tens of thousands of jobs for locals, opening a smart health clinic that could treat up to 10,000 patients per year, and funding what the

company called a "School of the Future." It will also provide \$60 million worth of software to local universities to teach students new digital skills required in the workforce today, and provide technical and vocational training, starting with 1,000 young Iraqis.

Kaeser told CNBC that even if the company did not get the deal, Siemens would still follow through with setting up the smart hospital to provide health care and would still build schools

Still, it could take time for Siemens to get the approval to put its plans into place because Iraq is in the midst of forming a new government following elections earlier this year. Kaeser said he was not worried about the possibility that new leadership could potentially delay the company's plans.

"We made what we believe is a very comprehensive concept, and the beauty we have, the very powerful we have is, we've done it before," he said. "Remember, we went into Egypt and promised a similar thing to President (Abdel Fattah) al-Sisi, four years ago."

In 2015, the company signed a \$9.4 billion deal with Egypt to supply gas and wind power plants to add 16.4 GW of capacity to the country's power grid, according to reports.

"We've built the three biggest power plants ever built on the planet (and) we're currently, as we speak, training 6,000 young Egyptians for a better future," Kaeser said. "So, if the (Iraqi) government is ready today, we start tomorrow."

— Reuters contributed to this report.

Kaynak/Source: