

Eaton Sees Russia as a Star Market

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An Eaton subsidiary produces transformers for lighting the Kremlin stars. **Igor Tabakov**

U.S. power management firm Eaton will mark its 100-year anniversary by targeting Russia in a bid to profit from the government's large-scale modernization and energy-efficiency programs over the next few decades, its chief executive said.

"If you want growth, one of the things you need is greater energy efficiency. That's what we've seen in China, in India and Brazil, and we believe we're going to see it in Russia, too," Sandy Cutler, chief executive of the U.S. group, said during a visit to Moscow last week.

The government has set a goal of slashing energy intensity by 40 percent by 2020, and Cutler is keen to advertise Eaton's services in retrofitting buildings and power lines to help achieve that goal.

Eaton joins a dash led by major firms such as France's Schneider Electric and Germany's Siemens, which have already moved to seize their slice of Russia's modernization pie.

Eaton — which operates in the electricity sector as a supplier of power distribution and power quality technology and has an industrial division that is involved in aerospace, vehicles and hydraulics — originally entered the Russian market in 2004 with the purchase of Powerware, a producer of computer equipment.

It has since signed deals with Russian Helicopters and secured contracts to supply hydraulic systems to the new Irkut MC-21 airliner and landing gear for Sukhoi's SuperJet 100.

It also boasts that the lights inside the Kremlin's red stars use transformers produced by Moeller, a German electricity firm Eaton acquired in 2008.

Cutler said the company would invest "as much as it takes" to achieve its targets, but declined to put a figure on its planned investments in Russia.

The company has set a target of having developing countries make up 30 percent of its international revenues by 2015 .

Besides selling energy-efficiency technology, which includes software that reduces electricity consumption in buildings, the company expects to cash in on a boom on earth-moving vehicles and other hardware needed to realize ambitious road- and rail-building schemes.

Other projects include renewable energy, whose share of the country's energy mix is slated to quadruple over the next decade.

Eaton, which started life as a producer of truck parts in Ohio in 1911, has grown into an international conglomerate with 70,000 employees around the world.

Editor's note: An earlier version of this article said Eaton has set a target of having developing countries constitute 30 percent of its international revenues by 2030. The target date is actually 2015.

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