

2 New GE Ventures Worth Billions

By [The Moscow Times](#)

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General Electric formed two new joint ventures in Russia, in energy and health care, which the largest U.S. conglomerate said Friday could generate \$10 billion to \$15 billion in new revenue over the next few years.

The move is part of a broad push by the world's biggest maker of jet engines and electric turbines to expand its footprint in faster-growing economies outside its home market. GE expects to generate some 60 percent of its forecast \$147.32 billion in 2011 revenue outside the United States.

Big markets including China, India and Russia have offered multinational companies including GE, United Technologies and Caterpillar stronger growth opportunities as the U.S. and European economies have been sluggish. GE chief executive Jeff Immelt told reporters Thursday that growth in the United States was "decent," while the rest of the world was "fairly good."

Russia in particular has rising demand for the sort of heavy equipment GE makes, said

Ferdinando Beccalli-Falco, the head of GE's European and North Asian businesses.

"Russia is one of the fastest markets that we have, particularly when you are talking about building and rebuilding the infrastructure," Beccalli-Falco said in a phone interview. "It is a market that needs energy, needs health care, needs transportation, needs several different technologies where we are leaders in the market."

Connecticut-based GE signed a joint venture with Russian holding company Inter RAO and UEC to make gas turbines and another with conglomerate Russian Technologies to make CT-scan machines.

GE noted that the Russian government believes the country needs to invest about \$80 billion in power production equipment over the next decade and more than \$30 billion through 2014 on health care.

The company has also used joint ventures as a way of speeding its growth in China, another fast-growing market where the government takes a strong hand in economic policy.

"In these kinds of market it is always better to be in a joint venture rather than to be totally by yourself," Beccalli-Falco said. "It is a formula which is a good, successful formula that we know how to deal with."

GE said it would hold 50 percent stakes in each joint venture in Russia and "exercise operational control over the businesses."

Inter RAO and UEC will each hold a 25 percent stake in the joint energy venture, while Russian Technologies will hold a 50 percent stake in the joint health care venture.

GE's other recent moves to boost its presence outside the United States included relocating vice chairman John Rice to Hong Kong — a move the company said would speed decision making outside the United States — and moving the management of its X-ray business to China.

GE shares were up 1.3 percent at \$16.29 on the New York Stock Exchange on Friday.

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