



Poised for International Growth as Attitudes Toward the Value of Water Change

FEATURED MEMBER

Hydro International is a global company that provides local engineering solutions for controlling water quantity and improving water quality. With headquarters in the UK, in the US the company also has offices in Portland, Oregon, as well as here in Portland, Maine. Of the 130 employees, 25 work in the Maine office. Hydro International has been a MITC Member since 2004.

If you live in Maine, you expect a reliable, low cost source of clean water and enjoy an abundance of recreational opportunities in clean streams, rivers and lakes. You probably take the true value of water as a resource for granted. In many other places around the world, that is not the case.

According to Hydro International Chief Executive Officer Stephen Hides, our attitudes toward water need to change and are beginning to. He sees the international community waking up to the need to address water quality problems and looking to the U.S. for best practices.

“Today everyone is familiar with the concept of ‘environmental footprint’,” Hides said. “But we’re just starting to talk about the ‘water footprint’ of products and lifestyle choices.”

Hydro International is a leader in sustainable technologies for stormwater control and wastewater treatment. Increasing global recognition of the importance and value of water means Hydro International is well-placed for growth in the future. With products currently installed world-wide in municipal sewage treatment plants, housing developments, industrial processes and public highways, the company operates in a dynamic global water market driven by environmental legislation, increasing urbanization, and climate change.



Steve Hides joined Hydro International in 1980 as a project engineer and became Chief Executive Officer in 2000.

Hydro International's products can be grouped into three broad categories: stormwater (treatment and run off volume control); wastewater (grit removal systems for waste treatment plants), and wet weather (to prevent or reduce combined sewer overflows). The common theme is to design cost-effective, sustainable solutions to manage water quality or quantity.

"Most of our products have no moving parts and use no power," Hides noted. "We were green before it was cool."

This approach provides a key competitive advantage. For stormwater overflow management, a solution that will work when the power goes out is crucial. In addition, with no moving parts, maintenance requirements are minimal.

While the office in Portland, Oregon handles the US wastewater business sector, the Portland,

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Steve Hides (left), Chief Executive Officer, talks with Bob Andoh, Chief Technology Officer in his office in Portland, Maine.

Maine office's focus is the market for the company's stormwater products, both domestically and internationally.

Hydro International designs and sells the product, but they are not manufacturers. Due to the size and weight of most product components, the fabrication is done at the installation location. Sales to international customers are made through regional distribution or licensing arrangements. Thus a key aspect of Hydro International's

global expansion strategy focuses on identifying strong partners in each target territory.

"When we became a MITC Member years ago, we were just beginning to look at international expansion," Hides commented. "The trade research assistance that MITC provided for Japan and Mexico was valuable in forming our strategy in these new markets."

Hydro International also has established business partners in Australia, New Zealand, and Korea. In 2010, the company signed a distribution agreement to enter the Mexican stormwater market. For future international growth, Hydro International has identified priority markets in Asia Pacific, Eastern Europe, Latin America, and the Middle East.

Hides is especially excited about opportunities in Southeast Asia and



the Middle East. With growing economies and rapid urbanization, Asia Pacific is one of the fastest growing regional markets for water products. He noted an increased awareness of water quality issues and new regulations specifically in Malaysia. In Egypt, Hydro International was chosen to supply grit removal equipment to the Villages Projects (for contaminations clean up) along the Nile River. However, work has stalled due to the political uprising there.

“In the Middle East, there is growing investment in wastewater treatment, and our grit removal technology is a good fit,” Hides explained. “Sand and sediment is a major problem.”

As a result of participation in the State of Maine Trade Mission to Chile & Brazil in November 2011, Hydro International recently won their first contract in Sao Paulo, Brazil for The Downstream Defender® product, which was installed in the LEED® (Leadership in Energy and Environmental Design) certified Eldorado Towers project.



Installation of Hydro International's The Downstream Defender® product in Sao Paulo, Brazil. (Photo courtesy of Hydro International)



In the Portland, Maine location, Hydro International operates a full-scale stormwater testing lab to evaluate and refine product performance.





The Storm King®, an advanced vortex separation chamber with a self-cleansing screening system, is designed for use in municipal combined sewer overflows. Locally, this Hydro International product is in operation at the Saco Wastewater Treatment Facility located along the Saco River. Chief Operator John Hart checks the system during a heavy rain event.



According to Hides, the company is currently looking at China, using a 6-month evaluation process, but is not ready to jump in yet.

While the primary purpose of the Maine office is to serve the US market, approximately 20% of business is international. Although there are a few local installations of Hydro International products, Hides said the company keeps a rather low profile in Maine because their signature projects are designed to deal with water issues in ultra urban environments such as Kuala Lumpur, Mexico City, Tokyo, and Seoul.

When considering international growth, Hides sees the primary obstacles as either regulatory or cultural.

“The environmental sector is heavily regulated but the regulations need to be enforced and more importantly funded,” Hides explained. “There are no votes in sewers. There are votes in schools.”

Hides added, in many regions around the world, clean water is still seen as a “nice to have” rather than a necessity.

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