

Uranium sales to India fuel nuclear arms fears

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Critics of planned Australian uranium exports to India warn the deal will accelerate India's nuclear arms race against Pakistan.

Negotiations to launch Australian uranium exports to India have begun, a move welcomed by the industry at its annual conference in Adelaide.

However critics warn the deal will accelerate India's nuclear arms race against Pakistan - and surprisingly, a former top diplomat agrees, but says it's a fact of life.

As Karen Ashford reports the uranium industry holds developing countries as the key to its resurgence, but those opposed to nuclear power warn of potentially fatal costs.

(Applause) "Yes thankyou Dominic, yes. Um, it's a bit disappointing this year that no protestors threatened to throw yellow paint on me."

SA Mineral Resources and Energy Minister Tom Koutsantonis might have been joking, but it wasn't just the protestors who were missing from this year's Paydirt Uranium Conference in Adelaide.

Delegates were scarce too - just 35 peppered the venue, the empty chairs reflective of the post-Fukushima doldrums that have gripped the sector.

A significant number of existing and planned reactors worldwide have been shut down or delayed in response to the disaster as nations reconsider their use of atomic energy, leading to depressed uranium prices and a general industry slowdown.

But the industry stalwarts who did show up believe a resurgence is imminent, saying world energy consumption is growing faster than ever and uranium will be crucial to meeting demand.

Tom Koutsantonis agrees.

"The international Energy agency has estimated the number of people without access to electricity today is 1-point-3 billion people. That's about 20 per cent of the world's population, and there are many more people who have limited access to reliable supplies. It is my contention that Australia as a net energy exporter has a moral duty to lift people out of poverty and to meet rising living standards."

A former Australian Deputy High Commissioner to India, Rakesh Ahuja, says the rationale for nuclear is clear.

"For economic growth, energy is necessary. And to lift millions out of impoverishment, economic growth is needed. So there is a very good reason, humanitarian almost, though some people might disagree on the uranium front, to provide as much energy as possible to developing countries."

South Australia, which currently produces nearly 60 percent of the nation's uranium oxide, known as yellowcake, is banking on it.

"The commonwealth government's decision in 2011 to allow the sales of uranium to India, which was in fact moved by our Premier Jay Weatherill, has the potential to radically change our domestic uranium industry."

Tom Koutsantonis is talking about the Gillard government's decision to end a 30 year ban on uranium exports to India - a ban that was lifted by John Howard* but then briefly reinstated by Kevin Rudd*, and now looks set to stay lifted regardless of the outcome of the coming federal election.

It was India's refusal to sign a nuclear non-proliferation treaty that put its nuclear energy industry largely on ice, as it has insufficient domestic uranium reserves to keep its complement of reactors at full operation.

The Gillard government is going down the same route as the US and Canada, circumventing the treaty by instead striking a bilateral agreement containing safeguards guaranteeing how Australian uranium will be used.

Rakesh Ahuja says after about four decades of being in the nuclear wilderness, India today is all set to become a global nuclear player - due in part to the extraordinary thawing in relations he says the export breakthrough represents.

"I have to refer to a general bilateral issue regarding Australia's relations with India - they have never been comfortable, for 65 years. Something goes wrong almost every decade. The Australian government's decision to open the yellow paddock (uranium field) to India is a game changer in the relationship. This issue has held to ransom Australia's relationship and the economic interests with the world's largest democracy for 40 years. So we are at the cusp of something quite major."

Greens anti-nuclear spokesman Scott Ludlam sees it very differently.

"Well what Australia is doing in proposing to sell uranium to India is simply reward bad behaviour. India never signed up to the non-proliferation treaty - it's flawed but it's the only multilateral instrument we have for governing the proliferation and disarmament of nuclear weapons and Australia's planning to violate it in the interests of the uranium mining companies."

However Rakesh Ahuja thinks the citizens of India deserve the right to energy.

"Next to water shortage, India's most critical, severe crisis is energy insecurity. With 17 per cent of the population, India has less than one per cent of known oil and gas reserves. It is now expected India's incremental energy over the next decade is likely to be the highest in the world. This stems from obvious economic growth, population increase, scarcity of resources and most important of all, an expanding, high energy consuming middle class with rising incomes - they all want fridges these days.

Tom Koutsantonis says despite substantial progress India remains vulnerable to economic paralysis and significant health risks because of unreliable baseload power - power needs he contends cannot

be adequately met by renewable energy from sources like wind and solar, but can be delivered by uranium.

"It's easy to overlook sometimes India's amazing growth over the past decade, but what should not be overlooked is India's energy needs, and how it's factoring in nuclear energy as a critical power source. Last year, a blackout in northern India affected over half a billion people. That is half a billion people who were left without lighting, refrigeration and other essential services in the developing world. South Australia's, and the rest of the nation's uranium could help alleviate India's critical problems in the near future."

But Scott Ludlam says those profiting from uranium, that they claim is necessary to address humanitarian needs, overlook some significant issues - management of radioactive waste, reactor safety and nuclear warfare chief amongst them.

He says the world uranium price has gone from 140 U-S dollars a pound in 1997 to 40 U-S dollars a pound today, and some 150 nuclear stations in Europe are scheduled for closure... and that with nuclear in retreat worldwide, the industry is pursuing India.

The world uranium sector is in huge trouble at the moment so I think the Australian government at the behest of the mining industry who obviously are the loudest voices at the table are looking for any markets at all, because the sector is in such trouble. So they see India as an industrialising nation with a growing power sector, they see the dollar signs but they quite clearly don't seem to be interested in the risks."

Senator Ludlam says India has a history of nuclear accidents, near misses and misadventure, and it's only a matter of time until a serious incident occurs - something he thinks Australia's shouldn't want to be implicated in.

But even more troubling he says is the escalating tension between India and its neighbour Pakistan.

"India is a nuclear weapons state and they're on the record saying they're trying to buy foreign sources of uranium so they can lock up their domestic reserves for a nuclear arms race with Pakistan. So it's a very volatile and dangerous security situation into which to be selling uranium."

Former diplomat turned energy strategist Rakesh Ahuja says that's simply a fact of life.

"Any uranium we sell to India must be used for civilian purposes. (question) But doesn't that just free up uranium, domestic uranium, for military purposes? (answer) Yes, ah yes, that has always been the case, yes, I mean we sell to China, and it frees up their domestic for, yes, it's a fact of life.

The negotiations for the export of Australian uranium to India are expected to take two years; Scott Ludlam says he'll be using that time to push for an inquiry and stop the deal.