

No guarantee against military use of India uranium

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SAFEGUARD agreements with India for the use of Australian uranium cannot prevent the use of domestically-sourced uranium for military purposes, a former Australian diplomat admitted today.

Speaking to the Paydirt Uranium Conference in Adelaide, Rakesh Ahuja, former deputy high commissioner to India, said any agreement with India could only cover the use of Australian uranium.

“What India does with its domestic uranium, we can’t control,” he said.

Ahuja said the implications for Australia of India’s quest for energy security could not be ignored.

He warned that Australia’s uranium industry “needs to stop being the missing link and prepare itself for the Indian opportunity” presented by the thawed Federal Government attitude to exporting Australian yellowcake to India.

“India is actively scouting for uranium imports to feed its expanding atomic power infrastructure and for prospective investments in related assets overseas,” Ahuja said.

“It has already signed supply agreements with Canada, Russia, Mongolia, Kazakhstan and Namibia. Major western players and Japan are negotiating the transfer of state-of-the-art nuclear energy technology to India.

“Australia has now approved the sale of uranium to India subject to a rigorous bilateral Safeguards Agreement, which is under negotiation. There is no doubt that once the agreement is signed, opportunities for Australian uranium exports to India, and for attracting Indian inward investment in this sector, will rise dramatically.

“Australia’s uranium sector has several factors in its favour in this regard including competitive pricing, commercial transparency and proven logistics – but the local uranium industry needs to recognise the emerging opportunities.

“India has the need – you have the uranium.”

Ahuja said India’s economic growth remained vulnerable to energy insecurity.

“By 2030, India’s energy import dependency is expected to exceed 53 per cent of total energy consumption. It already imports 75 per cent of its oil needs, 20 per cent of its gas and 20 per cent of its coal – the latter including billions of dollars worth of coal from Australia.

“If the plausible target of 6-7 per cent GDP growth is to be met, increased power generation is an imperative.

“India sees nuclear power as a vital alternative to its massive fossil fuel dependency. It aims to increase nuclear power generation from 4780MW to 20000MW by 2020.

“India has an impressive civilian nuclear power program. However, its existing nuclear power plants are operating at below average capacity because of uranium shortages – and yet more are coming on stream.”

Ahuja said Australia possessed more than 42 per cent of the world’s proven low-cost uranium reserves.

“The Australian uranium industry can play a major role in satisfying India’s hunger for energy resources – and thus promote Australia’s long-term economic and political interests in a country of increasing significance in the Indo-Pacific region,” he said.