



CHINA AS A NUCLEAR EXPORTER

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China is not new to nuclear exports. It has long been sending out nuclear material, technology and even weapon designs to recipients in Pakistan, North Korea and Iran. But in the past most of this was done clandestinely and in violation of international nuclear norms. In more recent times, China has been taking steps to give a fillip to its more *legitimate nuclear power* export ambitions. Early recipients of this are the UK and Argentina who have opted to import Chinese nuclear reactors. Saudi Arabia too may become a customer soon. Meanwhile, just before President Xi Jinping was to visit India in September 2014, China expressed a desire to add India too to its list of reactor recipients.

Interesting things are at play in this new dynamics. First of all, with an indigenous Generation III nuclear reactor now ready with full intellectual property rights, China is obviously keen to exploit its export potential and garner new markets. While countries like Argentina and UK can promise no more than one or two reactors, an energy deficient nation like India has the potential to promise a whole nuclear park housing as many as 6-8 reactors. With its publicly stated and oft-repeated nuclear expansion plans, India should be an obvious choice for any nuclear exporter. So, a commercially inclined Chinese nuclear industry has acted true to its interests.

Secondly, today's China wants to showcase itself as a responsible and legitimate nuclear exporter. Until now, the only country that China has exported nuclear reactors to is Pakistan. The agreement for setting up two nuclear reactors had initially been signed between the two countries

in the 1980s before China joined the NPT and the NSG in the early 1990s. Having done so, it was debarred from undertaking nuclear supplies of any kind to countries that were not members of the NPT and which did not have full scope IAEA safeguards on their domestic nuclear programme. Hence, the nuclear relationship between Islamabad and Beijing was not sustainable post 1992. But China found a way out in the grandfather clause and has since provided two more reactors at Khushab and two more at Chashma. Both countries well realize that these agreements are in violation of NSG guidelines. But, China seeks to temper international criticism of this by collaborating with all the major nuclear reactor technology suppliers, such as France, USA, Russia or UK either as a nuclear importer or as an exporter.

After Fukushima, with the apparent dip in public confidence in safety of nuclear power operations, nuclear energy is a buyer's market one again. And, hence countries like France and Russia that have ambitious nuclear export plans, including to China, do not find it expedient to raise issues that could irk China. After all, the country has the most ambitious domestic nuclear programme, seeking to raise the generation of nuclear power from a lowly 20,000 MWe today to about 60,000 MWe before the end of this decade. 28 nuclear power plants are under construction all at the same time, which is the largest ever in the world since nuclear power made its advent.

How should India respond to the Chinese offer of nuclear reactor exports? It should accept the offer gracefully and convey that it would accord it due consideration on its merits. The Chinese proposal need neither be outrightly rejected, nor hastily accepted. Given the emerging contours of a new Sino-Indian relationship, which the National Security Advisor Ajit Doval has described as likely to experience an 'orbital shift', it would be wise to keep all options open. The offer must be studied comprehensively for its geopolitical, economic, technical, and bilateral political ramifications. Reciprocal concessions – tacit and overt – that India may be able to extract should also be sensibly thought through.

India is already capable of building 700 MW reactors. China's offer is for 1000 MW reactors. The same capacity is also on offer from Russia and South Korea, while those from France and the US are of even higher capacities. Would the Chinese reactors be comparable in performance, economics, and safety standards? Does China have the ability to build its exports capacity at the

rate at which it is filling its order books, given the ongoing boom in domestic construction too? A considered response based on an objective evaluation should be the way forward.

Meanwhile, it can only be reiterated that India has to first address domestic public concerns related to nuclear power. Unless that happens, no more reactors – whether American, French, Chinese or even indigenous, have a hope of being added to the Indian nuclear programme.

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