

GCC states push ahead with nuclear energy programmes (page 1 of 2)

• Middle East: Wednesday, May 11 - 2011 at 12:52

It has been two months since the earthquake and tsunami in Japan. As the Fukushima nuclear crisis drags on, are renewed fears over the safety of nuclear power likely to dissuade GCC policymakers from pursuing their nuclear goals? And what will the region's energy officials have learned from the disaster?

It has been two months since the waters of the Pacific rose up and over Japan's coast, shattering tens of thousands of lives, and triggering the worst nuclear disaster since Chernobyl 25 years ago.

The International Atomic Energy Authority has graded the Fukushima Daiichi nuclear crisis as a level seven disaster, the highest in the International Nuclear Event Scale, which characterises it as "a major release of radioactive material with widespread health and environmental effects". And 5,000 miles away in Abu Dhabi, policymakers are paying close attention to the unfolding nightmare.

UAE nuclear programme online by 2017

The UAE is developing its own nuclear programme with a South Korean consortium contracted to build four nuclear reactors in the country. The first power plant is expected to come online in 2017, and the country eventually will meet 25% of its power requirements through nuclear energy.

And nor is it alone in pursuing nuclear power: each of the six nations in the hydrocarbon-rich Gulf has announced plans to splash petrodollars on what was, pre-Fukushima, considered to be the cleanest alternative to fossil fuels. Yet with the drama in Fukushima having already prompted anti-nuclear demonstrations in Europe, and plans to phase out nuclear power in Germany and Switzerland, what will Gulf policymakers have learned from the crisis?

"The Gulf is taking a realpolitik approach to the issue, simply because the geological fears are not the same in the region," says Samuel Cizuk, Senior Energy Analyst for Middle East and North Africa at IHS Global Insight, of the earthquake which triggered the Fukushima disaster.

"In Iran there could be earthquakes, but there is not the same danger in the Gulf, so they are being realistic about it," he tells AMEinfo.com. "As well as this, popular fears aren't part of the equation in the Gulf - there is no pressure to pull back on nuclear development from that respect.

"We'll be hearing some reassuring noises, but I don't think we're going to see much of a change [in nuclear safety policies]," he adds. "With the exception of Iran, which is taking its own path, all the Arab countries have tried to overtly show how they are going hand-in-hand with the International Atomic Energy Agency (IAEA). International best practice, as directed by the IAEA, is being implemented throughout the region, and that will continue."

GCC governments looks to foreign firms for nuclear expertise

Sighs of relief are likely to be audible around the globe. Each of the Gulf nations has signed high-level cooperation deals with countries including the US and Russia, to bring international expertise and so speed their programme. These agreements represent a goldmine for foreign energy firms, and an invaluable step up on the nuclear ladder, for ambitious Gulf governments with an urgent need to drive generation capacity.

Energy demand in Saudi Arabia, the world's biggest exporter of oil, is growing by approximately eight percent a year, and in April 2010 King Abdullah issued a royal order establishing the King Abdullah City for Nuclear and Renewable Energy, an organisation that will oversee all aspects of a nuclear power industry in the country. Moreover, an entire new section of the Saudi capital Riyadh will be powered by nuclear energy: a first for the Middle East.

"Fuel supply is one of the major challenges facing the power sector and the nation," says Saleh Al-Awaji, a deputy minister for electricity at the Saudi Ministry of Water.

"The policy is to work intensely on saving energy and making sure every barrel of oil that can be saved is, and is made available for export."

In Qatar, meanwhile, the government has signed a cooperation deal with France - which produces 78% of its electricity from 58 nuclear reactors, and is busy exporting nuclear generated power to its neighbours - and an agreement with Russia that will allow the two nations to work together in fundamental and applied research, R&D, the construction and operation of nuclear energy production and research reactors, radioisotope production and their use in industries, medicine and agriculture. Russia will also train personnel for Qatari nuclear power production facilities, as the Gulf country aims to add up to 5,400MW of nuclear capacity between 2011 and 2036.

Oman has also signed a deal with Russia and established its own civilian nuclear energy agency, while Bahrain has said it aims to use nuclear power by 2017. Ahmad Bishara, secretary general of Kuwait's National Nuclear Energy Committee (KNNEC), said last September that his country could build four 1,000 megawatt (MW) nuclear reactors by 2020. And in April last year, Kuwait and France signed an agreement to develop joint nuclear energy projects.

Regional unrest boosts need to keep subsidies

"The plans certainly make the Gulf stand out," says Ciszuk at IHS. "People have been talking for a few years now about a nuclear resurgence, but when it actually comes to projects starting to go ahead, we've not really seen things materialise."

"In the Gulf, however, if you look at the driver behind these projects, it will be very hard for these countries not to follow through on their plans," he continues. "They're not juggling different [energy production] alternatives, and through their subsidy-driven power demand growth, they're in desperate need of large-scale generation capacity."

In the end, the Gulf's nuclear power programmes could emerge as an unlikely beneficiary of the recent unrest which has spread across the Arab world. As the violence has spread from Tunisia to Egypt and even the Gulf, regional leaders are now unwilling to contemplate higher power prices - a move which would cut consumption but risk inflaming popular discontent.

"Last year, even in places such as Saudi Arabia, people started talking about cutting subsidies and raising power prices, but that whole idea was the first victim of the unrest in Tunisia and Egypt, because now nobody will cut subsidies for the foreseeable future," says Ciszuk.

"It puts them back to square one, and nuclear fuel is a more attractive prospect because it's the only source that could provide big jumps in the threshold of capacity, but actually lower hydrocarbon use in the country."