

CHINA'S NUCLEAR ENERGY GOES INTERNATIONAL

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Executive Summary

1. China's nuclear energy industry has ambitious plans to go global. In October 2013, two Chinese nuclear enterprises, in collaboration with French energy company Électricité de France (EDF), acquired a nuclear project in the United Kingdom's Hinkley Point.
2. China also won bids to build two nuclear reactors in Romania in November 2013 and agreed to assist in the building of one reactor in Argentina during Chinese President Xi Jinping's visit to Argentina in July 2014. Chinese enterprises also tried to lay the ground work to prepare for their bids for nuclear power projects in countries such as South Africa and Brazil.
3. Global nuclear technology trade and investment are governed mainly by the international non-proliferation regime. China is a signatory to the Treaty on the Non-proliferation of Nuclear Weapons and a member of the International Atomic Energy Agency, the Zangger Committee and the Nuclear Suppliers Group.
4. At the early stage, Chinese enterprises aimed mainly to obtain technologies and uranium resources through international collaboration. The United States, France, Russia and Canada are the primary sources of nuclear technologies for China. China's uranium suppliers mainly include Australia, Canada and Kazakhstan.
5. Outbound direct investment by China's nuclear energy enterprises began to accelerate in the mid-2000s and after the announcement of the government's "going out" strategy.
6. The first overseas investment by Chinese nuclear energy enterprises was in Pakistan, which contributed to the "all-weather" partnership. Since then, direct investment has also been made in the UK and Romania, and potentially Argentina.

7. Low plant construction cost is viewed as a major competitive advantage in Chinese firms' overseas ventures. With time, the industry's technological and financial capabilities would be more important.
8. China's nuclear energy industry is still in its preliminary stage of internationalisation and is expected to continue its global expansion. Chinese enterprises have to tackle various challenges, such as waning public support on nuclear energy and fierce international competition.