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India, Australia sign civilian nuclear energy deal

Uranium shipments might not start before 2-5 years; supplies might be limited

Nayanima Basu | New Delhi

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Prime Minister Narendra Modi shakes hands with his Australian counterpart Tony Abbott during a ceremonial reception at Rashtrapati Bhavan in New Delhi

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Adding another feather to its foreign policy cap, the National Democratic Alliance (NDA) government under Prime Minister [Narendra Modi](#) on Friday signed a civil nuclear agreement with

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The deal, signed in the presence of Modi and visiting Australian Prime Minister Tony Abbott, officially marked an end to the ban imposed by Australia on selling uranium to India. The ban was lifted in 2012, when talks for the nuclear deal began.

This will be the first such deal signed by the NDA government. India has similar agreements with the US, Canada, the UK, South Korea and France, among other countries.

"The signing of the civil nuclear cooperation agreement is a historic milestone in our relationship. It is a reflection of a new level of mutual trust and confidence in our relationship and will open a

new chapter in our bilateral cooperation. It will support India's efforts to fuel its growth with clean energy and minimise its carbon footprint," Modi said after a meeting with his Australian counterpart.

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Abbott said the deal would "finally allow Australian uranium sales to India". He added the decision to sale uranium to India was "originally an initiative of the Howard government, now brought to fruition by the Abbott government", referring to his Liberal Party predecessor John Howard, prime minister of Australia in 1996-2007.

The memorandum of understanding (MoU) for the deal, Cooperation in the Peaceful Uses of Nuclear Energy, was signed between R K Sinha, secretary, department of atomic energy, and Patrick Suckling, Australia's high commissioner to India, following a meeting of the two prime ministers here.

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"The agreement will promote cooperation in peaceful uses of nuclear energy. It recognises India's commitment and use of nuclear energy with a view to achieving sustainable development and strengthening energy security. Australia can play the role of a long-term reliable supplier of uranium to India. It provides for supply of uranium, production of radio isotopes, nuclear safety and other areas of cooperation," the MoU stated.

Apparently, both sides also signed a parallel nuclear safeguards agreement, as India isn't a signatory to the Nuclear Non-Proliferation Treaty. This was also the case when India had signed a civil nuclear deal with Canada, a senior official told Business Standard.

Australia has about 40 per cent of global uranium reserves, of which it exports about 20 per cent, making it one of the largest exporters of the commodity. It doesn't have any nuclear power plants of its own.

However, uranium supplies from Australia, which stands to earn billions of dollars through such shipments, to India could be limited because of Australia's domestic laws. Besides, it might take four-five years for the shipments to start. According to Australian rules, uranium mining is limited to only a few mines and most are bound by long-terms contracts.

"This deal isn't that much about business; it has more to do with India being recognised as a credible, nuclear-responsible state," said the official quoted earlier.

India has 21 operational nuclear power reactors, across six power plants, with an installed capacity of 5,302 Mw; these produce 29,664.75 GWh of electricity. Seven more reactors, under construction, are expected to generate an additional 6,100 Mw, according to official statistics.

Under the nuclear power generation programme, India hopes to increase its nuclear capacity to 63,000 Mw by 2032 by adding about 30 reactors, at an estimated cost of \$85 billion.

ALSO READ: [Australia to sign civil nuclear deal to sell uranium to India](#)

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