



Australian Government
**Department of Industry,
Innovation and Science**

Mr David Sullivan
Committee Secretary
Foreign Affairs, Defence and Trade Committee
Department of the Senate
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Mr Sullivan

I refer to your letter to Ms Glenys Beauchamp PSM, Secretary of the Department of Industry, Innovation and Science concerning the Civil Nuclear Transfers to India Bill 2016. I offer the following to assist the Committee's deliberations.

India does not have sufficient indigenous uranium reserves to meet its demand for civilian nuclear fuel and currently sources the majority of its uranium supply from Russia, Kazakhstan and Canada, and has entered into a number of agreements with other countries to secure supplies. Australia hosts approximately a third of the world's reasonably assured uranium reserves recoverable at less than US\$130/kg.

In 2015, India generated 6219 MWe of electricity from 22 operable nuclear reactors, representing 3.5 per cent of its electricity requirements.

Currently, India has an additional five reactors under construction with a capacity of 3,300 MWe, a further 20 with 18,600 MWe planned and expected to be in operation within 8-10 years, and a further 44 with 51,000 MWe proposed for the longer term. India's nuclear power programme forecasts that the country will aim to supply 25 per cent of electricity from nuclear power by 2050 and expects to have 14.6 GWe nuclear capacity on line by 2024 and 63 GWe by 2032.

This trajectory of development may be advantageous to the Australian uranium industry and the development of potential new mines. It is estimated that India will require around 1,176 tonnes of uranium oxide in 2016. As new reactors come online from the early 2020s, Australia could expect to supply a reasonable portion of the 2,000 tonnes that India will require each year.

In August this year, the Indian Department of Atomic Energy stated that it would like to take 1,500 tonnes of Australian uranium over the next five years. It has also commenced preliminary discussions with Australian exporters to supply uranium.

I trust the Committee finds this information useful. For any further correspondence on this matter, please contact _____ or at _____

Yours sincerely

Bruce Wilson
Head of Division
Resoures Division
17 November 2016