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1989 deadline possible for N-plant

HONGKONG and Guangdong have agreed to formalise, by early next year, the joint venture to build the Daya Bay nuclear power station, which is expected to be completed by 1989.

The Secretary for Economic Services, Mr Piers Jacobs, said in Shenzhen yesterday that the government was considering a \$200 million loan to the Hongkong consortium, Hongkong Nuclear Investment Company (HKNIC), taking part in the \$36 billion project.

Speaking to the press after a 1½-hour meeting with

Chinese officials involved in the project, Mr Jacobs indicated that the Daya Bay station was on its way to realisation excepting for a few major hurdles.

Mr Jacobs, who headed the local delegation comprising six government officials and three representatives of the China Light and Power Company (CLP) for the Shenzhen talks on the nuclear project, declined to go into details of factors to be ironed out.

Among them were:

- The formulas to calculate the cost of Hongkong's power purchases from the nuclear plant;
- The percentage of the supply generated by the station to be allotted to the colony; and
- The tax rates on the joint venture.

The Chinese side to the talks comprises eight representatives of the Guangdong Power Company (GPC), which is the other partner in

the joint venture, headed by Mr Peng Shilu, the vice-minister of the Ministry of Water Resources and Electric Power.

Mr Jacobs said Mr Peng had reaffirmed that the nuclear plant would be built according to the highest international safety standards.

The GPC officials had been informed of the concern Hongkong people had for adequate safety standards, he added.

Liaison between the Royal Observatory and a relevant Chinese department would be established to monitor radiation levels.

"Both sides express their full support of the project and are confident that it will bring substantial mutual benefits," he said.

Asked if there was any deadline for the project, he said: "As far as the construction time of the project is concerned it is very important that it should be constructed on schedule because time is money."

"And I am confident that work will go as scheduled," he added.

Mr Jacobs said it was possible the deadline could be 1989, about the same time for the completion of the Castle Peak power station.

Mr Jacobs said various formulas had been discussed to calculate the cost of power for an off-take agreement.

"A draft is being prepared in Hongkong," he said.

Questioned whether Hongkong would take 70 per cent of the nuclear plant's output, Mr Jacobs said the exact amount had to be discussed.

Mr Jacobs was hopeful that other Hongkong investors, including the Hongkong Electric Company, would take part in HKNIC, of which the CLP is the biggest shareholder.

He said discussions had been going on with a company, but he refused to disclose its name.

Mr Jacobs said he did not think the government would participate in the equity of the joint venture company.

Earlier Mr Yeung Kaiyin, the deputy secretary for economic services told reporters on their arrival that the \$200 million loan would be made if "the environment suits a certain condition."

But, he refused to elaborate.

"We will have the opportunity to look at the site tomorrow (Sunday)," he said.

It was the first meeting between Mr Jacobs and Mr Peng, which was described as "friendly and relaxing."

Shortly before the meeting Mr Jacobs said the project would no doubt significantly contribute to the prosperity of Guangdong and Hongkong.

"In Hongkong the first tangible, bureaucratic step had been taken which is in the forming of the Hongkong partnership in the joint venture," he said.