

PAKS II PROJECT TO BOOST ECONOMIC GROWTH

The construction of two new units for the Paks Nuclear Power Plant is the project of the century. The project may create a significant number of jobs at a number of manufacturing and service companies, as well as in education through the required training of fresh professional graduates, thereby providing a livelihood for several tens of thousands of people. The identification of potential domestic suppliers and subcontractors has begun. Nearly 400 companies have come forward so far in order to contribute to the up to 40% proportion of domestic suppliers. More than three-quarters of the population support the already operational nuclear power plant, and the managers of the identified domestic companies unanimously support the establishment of the new units.

Operating with the support of more than three-quarters of the population, the Paks Nuclear Power Plant is the most marketable electricity generator in Hungary today, accounts for more than half the electricity generated in Hungary, and helps keep the price of electricity at an affordable level. At the Paks Nuclear Power Plant, the quantity of electricity generated since its connection to the grid has recently reached 400 TWh, which corresponds to the electricity used by the whole Hungarian population over a period of 35 years. The electricity generated at the nuclear power plant is by far the cheapest in Hungary, and this will remain so with the units to be newly constructed.

‘In connection with the establishment of the new units, the Russian party has undertaken to guarantee local content of up to 40%,’ said Mrs Lászlóné Németh, Minister for National Development. ‘In practice, this results in an increase in the sales of domestic companies, which may even exceed HUF 1,200 billion and, naturally, will represent a considerable tax revenue for the state budget. In addition to its significant economy-stimulating effect, the project will create 8,000 to 9,000 new jobs. Even at present, the Paks Nuclear Power Plant is the largest employer in the region, which indirectly provides for the livelihood of several tens of thousands of people. Partially due to the operation of the facility, the unemployment rate in Tolna County is almost 50% lower than the national average.’

‘The Paks Nuclear Power Plant significantly contributes to the fact that the MVM Group is a successful, key and efficient player in the domestic and regional energy markets,’ said Csaba Baji, Chairman and CEO of MVM Hungarian Electricity Ltd. ‘In the past four years, the Group contributed to the state budget, thus to the growth of the Hungarian economy, through the payment of taxes, contributions and dividends amounting to HUF 500 billion, i.e. a sum corresponding to about one-sixth of the establishment costs of the new units. In Hungary, only the MVM Group is able to implement a project of such magnitude, since in addition to its appropriate company size, it also has several decades of experience in the construction and operation of the nuclear power plant.’

Through the establishment of the new nuclear power plant units with a design life of 60 years, affordable, safe and environmentally friendly electricity will be guaranteed in the long term, even after the shut-down of the four Paks units which will become obsolete in the 2030s. The planned total capacity of the two new units is 2,400 MW.



‘In recent months, we have organised information sessions for the representatives of domestic small, medium-sized and large enterprises in several cities in the provinces, as well as in Budapest, and we have begun to identify potential domestic suppliers and subcontractors – nearly 400 companies have come forward to contribute to the up to 40% proportion of domestic suppliers,’ said Sándor Nagy, CEO of MVM Paks II Nuclear Power Plant Development Ltd. ‘The establishment of the new nuclear power plant units may create job opportunities for several thousand highly qualified specialists and an additional several thousand skilled workers. Jointly with world-renown Hungarian nuclear specialists and professors, we have also devised plans relating to vocational training and specialised higher education in order to ensure that there will be a sufficient number of experienced engineers in Hungary for the establishment and operation in the coming decades.’

The largest project in Hungary in the 21st century is already stimulating the economy; the vast majority of companies see a specific supply and business opportunity in the project and consider themselves well prepared for participation. The 388 participants in the information programme series for suppliers entitled ‘The Company of Our Future’ have declared without exception that it is necessary to maintain the capacity of the Paks Nuclear Power Plant, and that the establishment of the new nuclear power plant units is useful for the Hungarian economy as a whole.

MVM Paks II Ltd. assesses the technical capacity of the companies, examines their available ratings and quality rating systems, and verifies the existence of the required legal and technical conditions, the available human resources, subcontractor relations, professional achievements and references. The Company also helps domestic companies prepare for the acquisition of nuclear supplier qualification; in this, it also relies on its cooperation established with the Hungarian Chamber of Commerce and Industry and the Hungarian Chamber of Engineers, which has already proved successful. Incidentally, two-thirds of the companies participating in the information sessions and completing the questionnaire already have experience in the field of energy, while 33 per cent would expand their business opportunities in a new sector.

Eighty-five per cent of the applying companies think they are prepared to participate in the project, and according to 88 per cent of the respondents, the information sessions have helped their preparation. More than 90 per cent of interested companies think that after the meeting with suppliers, they can see more specifically where and in what areas they need to carry out development in order to be able to participate in the establishment of the new nuclear power plant units. Well over the national average, the employees of almost nine companies out of 10 speak English, which will be essential in an environment of international contractors.

The economic and social importance of the project is well shown by the establishment of the operational units: prior to construction of the nuclear power plant, the population of the village of Paks was hardly 13,000; today, this municipality, which has since then been granted town status, has more than 20,000 residents. Incomes are also higher in Tolna County: the gross average pay is HUF 215,000, mainly due to the Paks Nuclear Power Plant; the gross average pay is only HUF 190,298 in the Southern Transdanubian Region. It will also have an economy-stimulating role that the effective demand of those working on the establishment and future operation of the new units will provide a livelihood for a number of service providers and companies.

The nuclear power plant has also been paying increased attention for many years to the development of the region. In 2011 it established a separate organisation for its coordination. The Energy of Our Future Regional Development Foundation received HUF 500 million from its founder, MVM Paks Nuclear Power Plant Ltd., every year between 2011 and 2014. Since its establishment, it has awarded about HUF 1.45 billion to tenderers, and these grants have generated development to a total value of HUF 10 billion in the regions concerned.