**South African president’s last ditch effort to ram through a nuclear power deal**

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South African President Jacob Zuma’s term of office has been characterised by an absence of vision and [associated initiatives](https://africacheck.org/reports/has-president-jacob-zumas-government-done-a-good-job/). Zuma is instead known for his inaction and overt [stalling tactics](http://ewn.co.za/2017/10/26/da-zuma-a-master-of-delaying-tactics). Examples include delays in setting up the [State Capture Commission of Inquiry](https://www.dailymaverick.co.za/article/2017-09-13-state-capture-inquiry-zumas-unconstitutional-delay-the-focus-of-court-action/), announcing a new board for the [state broadcaster](https://www.news24.com/SouthAfrica/News/concern-over-zuma-deliberately-delaying-sabc-board-appointment-20171009), and delaying the release of a report on the future of [university fees](https://www.timeslive.co.za/news/south-africa/2017-10-24-two-years-and-counting-university-fees-frustration-mounts/).

His recent dramatic [push to fast-track](https://www.dailymaverick.co.za/article/2017-10-31-iss-today-is-zumas-nuclear-gamble-still-in-play/#.WgMQOI-Czcs) an expensive and highly controversial nuclear power station build is therefore very much out of character. But Zuma’s advocacy of the nuclear build needs to be understood in terms of another hallmark of his presidency – [state capture](https://theconversation.com/how-the-state-capture-controversy-has-influenced-south-africas-nuclear-build-58879). This expression refers to the systematic takeover of state institutions by presidential allies and the resulting exploitation of institutions for commercial advantage and profit by his benefactors.

It’s already become clear who is likely to benefit from South Africa pursuing the option to build nuclear power stations. The list includes the [Gupta brothers](http://www.bbc.com/news/world-africa-22513410) and Zuma’s son Duduzane through their [links to the Shiva uranium mine](https://www.businesslive.co.za/rdm/politics/2017-01-18-zuma-the-guptas-and-the-russians--the-inside-story/).

And then there’s Zuma himself. Speculation about why the president appears to be favouring a deal with Russian company Rosatom ranges from allegations of grand scale [individual kickbacks](https://citizen.co.za/news/south-africa/1692639/malema-accuses-zuma-of-chasing-nuclear-deal-repaying-russia-with-new-energy-minister/) to alleged commitments linked to [funding](http://sa-monitor.com/putin-south-africas-anc-friends-troubled-times-south-african-monitor-13-october-2016/) for the African National Congress.

The controversy around the nuclear power option was precipitated three years ago when it emerged that [the government](https://mg.co.za/article/2015-02-12-exposed-scary-details-of-secret-russian-nuke-deal) had signed an agreement with Russia that paved the way for the use of Russian technology in planned new nuclear power stations. The problem was that there’d been a complete [lack of due process](https://www.fin24.com/Economy/environmentalists-sa-did-sign-nuclear-deal-with-russia-20160330) – no costing, no public consultation, no proper proclamation and no competitive bidding. It was no surprise that the courts declared the awarding of the nuclear build to Russia [illegal](https://theconversation.com/no-nuclear-energy-option-for-south-africa-for-now-at-least-76751).

On top of this a very strong case has been mounted against South Africa pursuing nuclear power. Reasons include the fact that it [can’t afford it](https://www.businesslive.co.za/bd/opinion/2016-03-29-nuclear-too-costly-and-sa-does-not-even-need-it/), and [doesn’t need nuclear](http://www.engineeringnews.co.za/article/new-study-points-to-90-renewables-mix-being-least-cost-by-2050-2017-09-15) in its energy mix.

Despite all of these developments, and the growing controversy and mounting opposition to the deal, Zuma appears determined to get it done before his term as president of the ANC ends in December. In the last of the [reshuffles](http://www.huffingtonpost.co.za/2017/10/17/strongman-david-mahlobo-key-in-cabinet-reshuffle_a_23245770/) he appointed one of his closest allies, David Mahlobo, to the energy portfolio. This is generally seen as a last ditch attempt to roll out the nuclear build in the face of now massive opposition.

[Reports](http://www.702.co.za/articles/277533/mahlobo-seems-to-be-the-russians-favourite-cabinet-minister-adriaan-basson) suggest that this reshuffle was occasioned by Russian displeasure over what they see as a broken promise to award the building contract to Rosatom.

**The energy minister’s next steps**

Mahlobo appears to have devoted his first few weeks in office entirely to furthering the nuclear project. He has been active in [the media](http://ewn.co.za/2017/10/18/listen-will-new-energy-minister-push-nuclear-deal-through) declaring the nuclear build as a given – and necessary.

Mahlobo’s next steps are likely to be:

* He is [reported](https://www.news24.com/SouthAfrica/News/mahlobo-rushes-nuclear-deal-20171105-2) to be planning to release – in record time – a new energy plan. This, some suspect, will be [biased towards nuclear](https://www.iol.co.za/business-report/fast-track-sas-energy-plan-with-immediate-effect---david-mahlobo-11801614).
* Heightened public lobbying. This could include [verbal attacks on nuclear critics](https://www.iol.co.za/capetimes/news/zuma-slams-critics-of-his-nuclear-plan-foreign-agents-11872687) as already initiated by the President.
* The issuing of a request for proposals to build the nuclear plants to potential developers like Rosatom. Most observers expect the evaluation to favour Rosatom regardless of the merits of the other bidders.
* Signing an agreement with Rosatom. This could mirror the USD$30 billion deal Russia signed with [Egypt](https://www.reuters.com/article/us-egypt-russia-nuclear/russia-to-lend-egypt-25-billion-to-build-nuclear-power-plant-idUSKCN0YA1G5) which, on the surface, will appear attractive because it would offer favourable terms such as annual interest of only 3% and the commencement of repayments after 13 years. But when scaling the 4.8 GW Egyptian agreement up to the 9.6 GW envisioned for South Africa, the total cost then already exceeds R1 trillion. Annual repayments from year 14 to year 35 then amount to about 5% of South Africa’s annual fiscus. Any cost overruns, which are common in many [other nuclear builds](https://www.theguardian.com/uk-news/2017/jul/03/hinkley-point-c-is-22bn-over-budget-and-a-year-behind-schedule-edf-admits), would vastly increase the debt further.

**What’s changed**

The global energy landscape has changed dramatically since South Africa first mooted the idea of supplementing its power mix with more nuclear. Major developments and changes include:

* Growing [mistrust in nuclear energy](http://news.world.edu/?p=24718) in the wake of the 2011 Fukushima disaster;
* A dramatic fall in the [cost of renewable energy](https://www.theguardian.com/environment/2017/jun/06/spectacular-drop-in-renewable-energy-costs-leads-to-record-global-boost) and;
* [Lower than expected growth](https://www.dailymaverick.co.za/article/2015-11-15-eskom-from-a-crisis-of-capacity-to-a-crisis-of-rising-prices-declining-demand-and-funding/#.WgMWOo-Czcs) in energy demand in South Africa.

Not even government’s own recent energy plans have promoted nuclear.

A 2013 draft energy plan argued against immediate nuclear growth. (The plan was [never formally adopted](http://www.politicsweb.co.za/news-and-analysis/anc-misrepresenting-irp-2013-to-aid-russian-nuclea)).

The last [draft plan released in 2016](https://theconversation.com/south-africas-new-energy-plan-has-sparked-strong-emotions-heres-why-69383) went as far as declaring new nuclear unnecessary until 2037.

**Will it happen?**

Nuclear plants are major long term investments, and these projects will not survive lengthy construction and operation periods without broad public support. There is definitely a lack of public support in South Africa.

The Zuma-Mahlobo work plan will face major opposition by other parties, civil society and even critics within the ruling party. Lengthy [court challenges](https://www.fin24.com/Economy/threat-of-court-action-if-govt-steps-out-of-line-with-nuclear-plans-20171022) will query the validity of the energy plan process, the public consultation, the regulatory aspects, the site selection and the constitutionality of the entire process. Public [protests](https://mg.co.za/article/2015-10-23-sas-students-take-on-union-buildings) highly effective in other spheres would now be directed against the nuclear build. The ruling party would probably abandon the scheme if it proves politically costly.

The danger is, however, that huge funds will have been wasted in coming to this realisation.

The stakes are high. Zuma’s efforts to promote this unpopular nuclear project are [weakening him politically](https://mg.co.za/article/2016-11-24-news-analysis-zumas-waning-power-exposed-by-stalled-nuclear-plan). Even party comrades perceived to be in his inner circle – like newly appointed Finance Minister Malusi Gigaba – recognise that going ahead with the programme at this stage would [cripple the country economically](https://www.iol.co.za/business-report/economy/nuclear-build-programme-is-unaffordable--gigaba-11721499). Repeated [ministerial reshuffles](http://ewn.co.za/2017/10/17/zuma-s-cabinet-reshuffle-rocks-political-fraternity) to side-line his critics has further damaged Zuma’s standing in the ruling party and in broader society.