****

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER: 3195 [**NW3519E**]**

**DATE OF PUBLICATION: 20 October 2017**

**3195. Mr N F Shivambu (EFF) to ask the Minister of Finance:**

Has he found that South Africa can afford nuclear energy? NW3519E

**Reply:**

National Treasury conducted preliminary analysis on the costs and economic impact of a nuclear build on the fiscus and the economy in 2015. This was based on the 2013 pre-feasibility study undertaken by the Department of Energy to procure and build 9.6GW of nuclear generated energy, as per the 2010 Integrated Resource Plan.

With limited information available in the pre-feasibility study, the analysis show that a 9.6GW nuclear programme would have significant implications for national income, South Africa’s total debt burden, international financial position, the balance of payments, for taxpayers and electricity consumers who will bear the full costs of the programme.

The deteriorating fiscal position and increasing fiscal risks, as outlined in the Medium Term Budget Policy Statement makes it harder to finance and/or guarantee a programme of this nature. An accurate assessment of the affordability of the nuclear new build programme needs to be based on a full socio economic cost benefit analysis, which shows the price path, affordability to households, implications for inflation and national income.