

## India - Japan nuclear deal

### Why in news?

\n\n

Japan's Parliament, the Diet, had recently approved the India-Japan civil nuclear energy deal.

\n\n

### What is the significance?

\n\n

\n

- Japanese PM believes that nuclear exports are key to kick-starting the Japanese economy.

\n

- 2008 waiver it received from the Nuclear Suppliers' Group so far has had limited tangible benefits for the country's power industry.

\n

- This deal represents hope that it might finally begin paying off.

\n

- It is also a necessity for enabling India's bilateral nuclear deals with other countries.

\n

- Key elements of certain reactors like the AP 1000 and EPR, including safety components and domes, are a near-Japanese monopoly.

\n

\n\n

### Has Japan lost significance in nuclear market?

\n\n

\n

- Circumstances in the nuclear industry are undergoing tumultuous changes.

\n

- It makes the India-Japan deal less significant than it would have once been.

\n

- Recent developments have diminished Japan's previously formidable nuclear capabilities.

\n

- The most dramatic example is that of Toshiba, once a titan of the Japanese nuclear reactor industry that is currently struggling to stay afloat following the enormous losses.

\n

- Hitachi Ltd., another nuclear heavyweight, also booked 'an estimated \$588 million write-down for fiscal 2016.

\n

- The company said 'demand for nuclear fuel in the U.S. was unlikely to grow as strongly as had been expected'.

\n

- In the aftermath of the 2011 Fukushima nuclear disaster, the nuclear industry is facing a global crisis.

\n

- Stricter safety regulations have spiked the costs of constructing plants and 'some countries have become more cautious about new reactors.

\n

- In Japan there has been no domestic construction on a new reactor for the past eight years.

\n

- Hitachi, Mitsubishi and Toshiba are all focussing on repair and maintenance of existing plants rather than on construction of new ones.

\n

- The emergence of cheap shale oil and gas has made competition in the energy sector tougher than ever.

\n

- Wind and solar power generation are also growing as viable, alternative energy sources.

\n

- According to the International Atomic Energy Agency (IAEA), just three nuclear reactors started construction worldwide last year, and only 51 were begun between 2010 and 2016.

\n

- In contrast 20 to 30 new were being built every year in the 1960s and 1970s.

\n

\n\n

\n\n

**Source: The Hindu**

\n



**SHANKAR**  
**IAS PARLIAMENT**  
*Information is Empowering*