

According to Russian media, nuclear energy company Rosatom has informed the Russian Government on its intentions to withdraw from the project for the expansion of Hungarian nuclear power plant Paks.

However, CEO of Rosatom's Central Europe division Zalan Bacs refuted these reports. According to him, the implementation of the NPP Paks 2 project will continue according to schedule and Rosatom is fully committed to its contractual obligations under the Russian-Hungarian intergovernmental loan agreement, including securing the financing for the project.

The media reports were also denied by Rosatom's headquarters in Russia, adding that the project is continuing as planned.

Since the start of Russian invasion of Ukraine and the introduction of economic sanctions against Russia, Hungarian opposition parties have been calling for the termination of the contract with Rosatom.

According to experts, even if Rosatom sticks with the project, it would be under immense risks as western companies would probably refrain from cooperating on a grand project with a Russian contractor. In 2018, GE Hungary, a subsidiary of General Electric, won a 793 million euros contract to manufacture and supply the turbines for two new units.

In January 2014, Hungarian Government has signed deal with Russia's Rosatom, with a goal to increase output of the power plant, from current 2,000 MW to 4,400 MW by adding two more reactors. Under the agreement, Russia will provide 10 billion euros loan for the construction of new unit in existing NPP, which is around 80 % of estimated construction cost. According to initial plan, first unit was supposed to become operational in 2023.

Currently, NPP Paks provides about a half of Hungary's total electricity generation and the new nuclear capacity will be even more significant following the closure of coal-fired TPP Matra.