

## Resources – Uranium

September 2008

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### Sale of Uranium to India

Australia and the United States are two of the 45 members of the Nuclear Suppliers Group (NSG). The NSG is a multinational body concerned with reducing nuclear proliferation by controlling the export and re-transfer of materials that may be applicable to nuclear weapon development and by improving safeguards and protection on existing materials.

The NSG has agreed on guidelines for nuclear export by member countries that essentially provide that listed nuclear materials can **only** be exported to countries that are signatories to the Nuclear Non-Proliferation Treaty.

Each member country has enacted national laws that give effect to the NSG guidelines. In Australia, national legislation only allows uranium miners to sell yellowcake (uranium oxide) to companies in countries that are signatories to the Nuclear Non-Proliferation Treaty as well as signatories to a bilateral safeguards agreement with the Australian Government. India is neither a signatory to the Nuclear Non-Proliferation Treaty nor a signatory to any bilateral agreement with Australia. As such, Australian uranium cannot currently be sold to companies in India.

In August 2007, the Howard government agreed in principle to sell uranium to India (despite India's refusal to become a signatory to the Nuclear Non-Proliferation Treaty) subject to strict conditions that the material be used for power generation only.

However, the new Rudd Government notified India in January 2008 that the new Government would not honour the deal, given its policy not to sell uranium to nations outside the Nuclear Non-Proliferation Treaty.

In early September this year, the United States put forward a proposal to the NSG at its meeting in Vienna for approval for the US to enter into an atomic energy deal with India. The deal would allow India to buy US dual use nuclear technology which can be used both for civilian energy generation as well as for the creation of material used in nuclear weapons.

The NSG approved the US-India deal after several days of negotiations. Australia was one of the NSG members to support the deal.

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However, despite the Australian Government's support of the US-India deal, the government has publicly confirmed this week that it will not reverse its own ban on selling uranium to India.

As such, Australian uranium producers remain prohibited from selling to India, but are permitted to sell to the 39 countries with whom Australia has bilateral agreements, including all 27 members of the European Union, Russia, Switzerland, the United States, Canada, Mexico, Argentina, New Zealand, China, Japan, South Korea, Philippines and Egypt.

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