

Joint Hungarian-Russian work on building new units at the Paks Nuclear Power Plant in Hungary will start in approximately 18 months, with costs mostly covered by a Russian loan, Hungary's Minister of Foreign Affairs and Trade Peter Szijarto said Thursday.

Paks NPP was built in the 1980s and produces up 50 percent of Hungary's electricity, according to the European Commission. The Paks II project includes the construction of two new reactors to phase out the four dated reactors currently operating at the Paks site. The agreement between Russia's Rosatom and the Hungarian MVM Group on the building of the new units for the plant was reached in 2014.

"Preparation work is currently being carried out, which can take up to a year and a half. So in a year and a half, the construction of the nuclear power plant itself will start," Szijarto said at one of the sessions of the St. Petersburg International Economic Forum.

EU authorities had granted all the necessary approvals and there are no obstacles to starting work on the site, the minister explained.

"The overall volume of the investment comprises 12.5 million euros [\$14 million] and 85 percent of the cost is covered by the Russian state loan," Szijarto added.

In March, the European Commission concluded that Hungary's financial support for the construction Paks II units, to be fitted with Russian VVER-120 reactors, involves state aid, and approved this support under EU state aid rules. In April, the site for Paks II was approved by the Hungarian authorities.

SPIEF is one of Russia's major economic and business events. The 21st forum is held on June 1-3. The Rossiya Segodnya International Information Agency is the official media partner of the forum.

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