

Why does the European Union stand silent on the Russian-Hungarian nuclear power plant on the border with Serbia

EU leaders turn a blind eye to the controversial agreement between Russia and Hungary on the construction of two new nuclear reactors. These reactors will be located only 63 kilometers from Serbia.

The nuclear project known as “Paks 2” has faced only minor regulatory obstacles, and senior EU officials including European Commission President Jean-Claude Juncker and European Council President Donald Tusk, have said virtually nothing about it.

The EU silence stands in sharp contrast to its position in 2014 when Juncker’s predecessor, Jose Manuel Barroso interceded personally in halting the construction of the Russian project “South Stream”.

A no-bid contract to build the reactors was awarded to company “Rosatom”, which is owned by the Kremlin, at a time when Europe has been trying to achieve energy independence from Russia.

Some EUR 10 billion in financing for the EUR 12 billion project is being funneled through the “Vnesheconombank”, which is under EU sanctions.

The economic prospects of “Paks 2” are highly suspicious, experts say and warn that the Hungarians will have to pay more to help the government recoup the cost of the reactors. The environmental implications are ominous, green energy advocates say, with Budapest locking itself into a 50-year commitment to nuclear energy in addition to obligation to store a large amount of nuclear waste at a time when renewable technologies are advancing. At a time when Junker has made transparency and fair competition in the energy market a top priority, this project has appeared and it is anything but transparent.

Even the annual costs to Hungary’s national budget are classified as a “state secret”.

Despite all the above, the EU has shown reluctance in raising against reactors, and the reasons are probably political.

After Hungarian Prime Minister Viktor Orban clashed repeatedly with Brussels particularly over migrant policy, the EU has been tolerating him in order to avoid new problems.

The EU may fear that if Orban’s government would weaken, the far-right Jobbik party in Hungary would strengthen, and therefore a question would be raised whether Hungary might hold a referendum on leaving the European Union.

However, the most important reason is Russia, with whom the EU has strained relations after it imposed sanctions on Russia for interfering in politics in Ukraine and the annexation of Crimea.

In a time of tensions, the EU does not want to create new problems with a strong Russia.

In a statement to “Politiko” The European Commission denied any political calculation. An EC spokesman said that Juncker had not personally discussed the project with Orban and stressed out that the project “Paks 2” is compatible with the EU law.

In its response to questions of reporters from “Politiko” the EC has ignored the issue of Russia’s involvement and its growing dominance in the nuclear energy market.

- Member states are free to choose between different energy sources and decide on the general structure of their energy supply