

The Hungarian government emphasized that the upgrade of Hungary's sole nuclear plant in Paks does not include state aid and that a rational investor would easily carry out such an investment as returns are expected to be higher than costs, according to a statement issued by the Prime Minister's Office late yesterday, Hungarian news agency MTI reported.

The government issued the statement after the European Commission said on its website that it will "carefully assess" Hungary's Paks deal. The EC said last week that an infringement procedure was launched to investigate the project. According to the EC, Hungary awarded Russian nuclear energy company Rosatom with the upgrade without calling a tender, which is against the EC's public procurement rules.

The ministry said in their statement yesterday that the government is committed to keeping the Paks nuclear power plant a state-owned entity to guarantee the energy security of Hungary and to provide cheap and competitive electricity to citizens and companies respectively, MTI reported.

Prior to the official announcement by the EC on Thursday, reports suggested that until the infringement procedure is wound up, the expansion could be suspended. No such announcement has been made by any of the related parties.

According to MTI, the Hungarian government welcomes the EC investigation and will provide evidence that the investment does not involve state aid, said the ministry.

Despite the EC's probe, Hungary has no intention of renegotiating its intergovernmental agreement with Russia on the expansion of Hungary's sole nuclear plant in Paks, Hungary's Foreign Minister Péter Szijjártó said on Saturday.

On Friday morning in his regular fortnightly interview with state-owned Kossuth radio, Hungary's Prime Minister Viktor Orbán said that despite an EC investigation into the no-bid contract for the project, the Hungarian government is committed to having Rosatom implement the upgrade of Paks.

Rosatom said on Friday it is following the debate on Hungary's planned upgrade of Paks, Rosatom told MTI after the European Commission announced it had initiated an infringement procedure on the expansion.

source: bbj.hu