



For Immediate Release

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Osborne's mystifying plan to seek Chinese Communist Party funding for biggest white elephant in history and kill off energy industries of the future.

Stop Hinkley predicts crazy scheme will collapse under the weight of argument.

The Chinese Premier is about to arrive in London to announce, amongst other things, a deal for Chinese firms to invest in the most expensive nuclear power plant ever which EDF is proposing to build at Hinkley Point in Somerset. However, the UK Government is only 'hopeful' that a "heads of agreement" will be signed over the next few days. The shrinking number of supporters of the Hinkley project will have to continue waiting for a final investment decision. (1)

"We remain mystified" (as does Michael Liebreich, founder of Bloomberg New Energy Finance (2)) said Stop Hinkley Spokesperson, Alan Jeffery said "about why George Osborne wants to throw good money after bad on this project. In the process, he has devastated the UK's burgeoning renewable energy industry, threatening up to 20,000 jobs in the process. He is doing his best to kill off an innovative industry of the future in order to keep alive a technology of the past. It makes about as much sense as funding a telegram service whilst killing off the mobile phone industry."

Over the past few weeks we have learnt that:

- Only 29% of the UK population support plans to go-ahead with a new nuclear power station at Hinkley Point. (3)
- Two of the world's biggest rating agencies (Moody's and Standard and Poor's) have threatened rating downgrades for EdF – if Hinkley Point ever gets the green light. The inevitability of big cost overruns and delays on the project could only have significant 'credit negative effects'. (4)
- Senior military and intelligence figures have warned ministers that plans to give China a big stake in Britain's nuclear power industry pose a threat to national security. (5)
- The United States has publicly aired its worries over Britain's increasing ties with China. (6) The Japanese nuclear companies, Hitachi and Toshiba are understood to be furious that fast-tracking an assessment for a Chinese reactor-type, as part of the Hinkley deal, could divert the resources of UK nuclear regulators. (7)
- Investments of this kind are based on the assumption that energy demand is rising. But it isn't. Since 2005, overall energy use has fallen by 18%, and in 2014 energy sales fell by 6.6%, even as GDP grew by 2.8%. The Government's own data no longer justifies the choice of nuclear power as part of the energy mix. Going for much more energy saving instead would be much cheaper, more successfully reduce greenhouse gases and provide energy security. Nuclear power only hampers the achievement of these objectives. (8)

- Almost every major newspaper has urged a re-think on Hinkley Point. (9)

Allan Jeffrey continued: “*going cap in hand to a country with such a lamentable human rights and health and safety record is bad enough, (10) but doing so to fund the biggest white elephant in history and kill off the industry which offers the UK’s best hope of tackling climate change is just insane. Surely it must only be a matter of time before this crazy scheme collapses under the weight of argument.*”

Stop Hinkley Contact:

Allan Jeffery email ajjeffery@talktalk.net 01278 425451 mob 07964376266

Notes

- (1) FT 18th October 2015 <http://www.ft.com/cms/s/fcd6a462-7578-11e5-a95a-27d368e1ddf7.html>
- (2) Bloomberg 18th October 2015 <http://www.bloomberg.com/news/articles/2015-10-17/u-k-china-poised-for-deal-on-world-s-costliest-nuclear-plant>
- (3) Business Green 19th Oct 2015 <http://www.businessgreen.com/bg/news/2430822/public-divided-over-hinkley-point-nuclear-deal>
- (4) Times 3rd October 2015 <http://www.thetimes.co.uk/tto/business/industries/utilities/article4574734.ece>
- (5) Times 16th October 2015 <http://www.thetimes.co.uk/tto/news/politics/article4587446.ece>
- (6) Times 16th October 2015 <http://www.thetimes.co.uk/tto/news/politics/article4587446.ece>
- (7) Sunday Times 18th October 2015
<http://www.thesundaytimes.co.uk/sto/business/Industry/article1620628.ece>
- (8) Together Against Sizewell C Press Release 12th October 2015
<http://www.tasizewellc.org.uk/index.php/168-secretary-of-state-amber-rudd-faces-legal-challenge-to-review-nuclear-decision>
- (9) See <http://www.ianfairlie.org/news/21-media-comments-opposing-hinkley-c/>
- (10) For further information see Stop Hinkley’s China File here:
http://www.stophinkley.org/PressReleases/pr150922China_File.pdf