

Mr. Chairman, ladies and gentlemen

It is a great pleasure for me to address such a distinguished and international audience, with representative from so many countries.

I wish to take this opportunity to thank the IAEA for their effective work to support the awareness and the development of nuclear energy.

Yesterday, during the first round table, the increasing need of energy in the world and the challenge of climate change have been extensively discussed. The benefits of nuclear energy in this respect have been highlighted.

From the industry side, our mission is to make these nuclear energy systems available and attractive. AREVA, being a world leader, has a special duty in this respect.

[The first challenge: adapt to a changing market environment]

And one of the first challenges is to have them attractive in a fast-changing market environment.

In several countries, market liberalization is a major trend, reshaping the energy landscape.

Europe is providing a good example:

- Utilities which were vertically integrated must separate their generating assets from their transmission assets
- They are moving out of their border, often through total or partial acquisition
- Mergers, partnership, privatization are common

Accordingly, utilities are revising their goals and their strategy.

The role of the States also is changing. The States still need to care for security of supply, safety, environmental policies. But their tool is no longer the direct control of a national utility; it comes through carefully drafted regulations.

The industry has proven to be flexible enough to align its products and services to the new expectations of their customers, and to the new regulatory framework set-up by the State.

[Improved economics is a fact]

Now, one of these expectations is common to both of them, and remains of key importance: economics.

In short:

Utilities need to supply cost-competitive and reliable electricity to their end-users, industries as well as households. It is especially true in a competitive, liberalized market.

And for the State, affordable and stable supply of energy is a favorable condition to its economical development.

The industry delivered on this expectation.

I trust that improved economics is the first reason of the renewed interest in nuclear energy, before the Climate Change factor.

The US is a case in point, where better operation and upgrading of reactors have added to the grid the equivalent of more than 20 nuclear power plants !

At the same time, the expectations on safety have constantly increased.

Now safety means also reliability and higher power availability. It goes with economics, not against.

So, how are we getting such achievements?

[Innovation is key to success]

Innovation is the answer. Indeed, we are continuously developing our products, integrating the feed-back of experience, making the best use of new technologies.

To illustrate:

- the performance of fuel has significantly increased, with burn-up for LWRs reaching today more than 70,000 GWd/t and a very small failure rate ; it allows better utilization of uranium, higher load factor of the reactor and optimized cycles.
- digital technology is becoming a standard for Instrumentation and Control, translating in better operational control ; and also enhanced safety
- Now the best illustration is the recent “new build” decisions in Europe. Finland, as well as France, have taken their decision after a thorough cost / benefit analysis, where nuclear proved competitive. The EPR was an adapted answer to their needs.

[Innovation in services]

Technology is one part, but the answer is also in services. Here again, the industry is bringing innovative solutions, reacting fast to align its offers to the customers new strategy.

To illustrate: more and more utilities are contracting out globally to large vendors the performance of outage. These “win-win” solutions allow the utilities to concentrate on running the plant, while the suppliers optimize the utilization of resources and ensure the sharing of best practices between their teams.

It does allow for shorter outage and optimized maintenance, with a direct positive effect on load factor and the cost of kWh.

[Industry is preparing the future]

I highlighted the current vision of the market, taking examples from recent situations. Now, solutions are here today because we did invest to prepare the future. And this never stops.

I don't want to repeat what you heard yesterday: the hydrogen economy, desalination, etc... But I can tell you it is part of our mid-term to long-term

vision. For instance, the industry is involved today in developing the Generation IV reactors, HTR technologies being a prime example.

[A level playing field : Nuclear shall be recognized as any CO2 free energy]

Yes, it is fine to have a good product, it is even better to offer an outstanding service. But using nuclear energy remains a choice.

And, what we are calling for here is a level playing field.

The fact is that nuclear energy is CO2 free. It would be only fair that all CO2 free energies are treated the same way.

It seems obvious, but it is not the case today!

For instance, the Clean Development Mechanism of the Kyoto Protocol offers the potential of a win-win solution: it brings benefits to the receiving countries and at the same time offers a complementary action path to the developed country.

Therefore the second round of Kyoto implementation mechanisms shall, in my view, restore nuclear energy as an acceptable technology. This is

not for the only benefit of the nuclear industry but really for the benefit of the climate of the world.

[Transparency will enhance development of nuclear]

Climate change, good economics, security of supply: these are several reasons for a development of nuclear energy.

Now, to make it happen there are still some concerns to answer:

- demonstrate a solution for final waste management
- and get “public acceptance”

The industry has also a role to play here: we shall establish a dialogue with all stakeholders, in an open, transparent and honest manner.

And more broadly, I firmly believe that the more the energy and environmental debate will be a citizens' debate, the more nuclear energy will benefit.

[Conclusion]

I am positive on the future. The new challenge that our industry is facing is a nice one: the expansion of nuclear energy.

And we are investing to be there on time!