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LOCALIZATION AND QUALIFICATION OF SUPPLIERS – SOME OPENING REMARKS

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- PRIME MINISTER MODI, 25TH SEPTEMBER 2014: “MAKE IN INDIA”
- INDIAN UNION CABINET DECISION, 17TH MAY 2017: 10 NEW INDIGENOUS REACTORS: \$ 11 B, 33000 JOBS
- INDIA HAS 22 OPERATING NUCLEAR POWER PLANTS: 6780 MWE
- INDIA HAS 9 PLANTS UNDER CONSTRUCTION: 6700 MWE
- INDIA HAS GIVEN APPROVAL TO 10+2 NEW PLANTS (IN 2017): 9000 MWE
- INDIA EXPECTS NUCLEAR CAPACITY AT THE END OF 15TH PLAN (2037): 22,480 MWE
- NPCIL HAS AN ACTIVE OUTSOURCING PROGRAM:
 - OUTSOURCING TO 2,000 SUPPLIER FIRMS IN 10 WORK PACKAGES
- SOME NPCIL PROCUREMENTS RELATED TO NEW PLANT CONSTRUCTION:
 - MULTIPLE CONTRACTS WORTH \$500M+ FOR GORAKPUR, HR, NPP
 - MULTIPLE CONTRACTS WORTH \$300M+ FOR KUDANKULAM, TN, NPP
 - EXAMPLES OF RECENT PROCUREMENT WINNERS: BGR ENERGY SYSTEMS, BHEL, CROMPTON GREAVES POWER, GODREJ & BOYCE, KSB PUMPS, LARSON & TOUBRO, RELIANCE INFRASTRUCTURE
- HOWEVER, THERE ARE SOME DISTURBING TRENDS
 - IN THE 11TH PLAN (2007-2012), THE ELECTRICITY GENERATION BY NUCLEAR POWER WAS ONLY 109,642 MILLION UNITS (MU) AS AGAINST THE PLAN OF 163,395 MU, A REDUCTION OF 30 %
 - IN THE 12TH PLAN (2012-2017), COMPARABLE FIGURES ARE 183,488 MU VERSUS 241,348 MU, A DROP OF 24%
 - SOME OF THE PLANTS UNDER CONSTRUCTION ARE SLIPPING ON THEIR SCHEDULE
 - GOVERNMENT PUBLICLY ATTRIBUTED IT TO LACK OF ADEQUATE FUEL SUPPLY, AND DELAY IN SUPPLY OF PARTS BEING MANUFACTURED BY THE PRIVATE SECTOR, ESPECIALLY FOR KAKRAPUR 3/4 AND RAJASTHAN 7/8 REACTORS
- BUT OTHER TROUBLING SIGNS AROUND: FBR DELAYED UNTIL 2020 AND POSSIBLY UNTIL 2022, KUNDANKULUM 3/4 PAYMENTS TO PROCURE HARDWARE IN RUSSIA MOMENTARILY HELD BACK.
- SOME DOMESTIC NUCLEAR SUPPLIERS COMPLAIN OF BEING UNDER STRESS DUE TO UNDERUTILIZATION OF THEIR FACILITIES
- OVERCOMING BARRIERS TO SUPPLY CHAIN GROWTH (VIF REPORT, 2019):
 - ASSURED DEMAND SCHEDULE AND CONTINUITY OF WORK (BACKLOG)
 - SUSTAINING COMPETITION
 - TRANSPARENCY
 - BALANCING SUPPLY CHAIN INFRASTRUCTURE TO ENSURE FULL LOADING
 - TRAINED HUMAN RESOURCES, NUCLEAR SAFETY CULTURE
 - IMPROVEMENT IN MANAGEMENT SYSTEMS
- SOME QUESTIONS FOR DOMESTIC NUCLEAR SUPPLIERS:
 - STRESS CREATED BY UNDER-UTILIZATION OF DOMESTIC FACILITIES?
 - WHAT ARE PERCEIVED TO BE THE MOST PUNITIVE BARRIERS TO HEALTHY BALANCE SHEETS?
 - WHAT IS NEEDED FOR EXPANDING VENDOR CAPABILITIES IN ADVANCED MANUFACTURING ESPECIALLY IN AREAS LIKE PV, PIPING, NUCLEAR ISLAND STRUCTURES, I&C, RTC?
 - FOREIGN COLLABORATION – WILL THAT HELP?
 - FOREIGN ACQUISITION (BHEL-SKODA, 2009) – WILL THAT HELP?
 - NPCIL JV’S WITH PSU’S – ANY IMPACT ON MANUFACTURING SUPPLY CHAIN?
- DOVETAILING EXISTING SUPPLY CHAIN TO SUPPORT LOCALIZATION OF FOREIGN REACTORS CONSTRUCTION:
 - PROGRESSES TO DATE – SUCCESSES AND FAILURES?
 - PROGNOSIS FOR THE FUTURE?

THANK YOU.