

Government may unveil nuclear unit sell-off plan

It's a foolish strategy because everything will have to be replaced later if Britain is to remain a world power. (Former VP of BNFL Inc.)

The Scotsman
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Britain may unveil plans this week to sell off nuclear clean-up company BNG, a unit of state-controlled British Nuclear Fuels Ltd. (BNFL), its first divestment from a batch of similar assets earmarked for sale.

"The decision is not straightforward and is intrinsically linked to the NDA's overall strategy. We expect to agree an announcement on both matters by March 31," a government spokesman said.

BNG's main customer is the Nuclear Decommissioning Authority (NDA), set up last year as part of a government plan to clean up Britain's ageing nuclear facilities.

The NDA, responsible for all civil, public-sector nuclear liabilities which analysts say could be worth up to 50 billion pounds (\$87 billion), is due to outline its strategy on Thursday.

"BNFL asked ministers to consent to the sale of British Nuclear Group (BNG) believing that to be in the subsidiary's commercial interest and, more importantly, to represent the best way of achieving improved clean-up performance for the NDA," the spokesman said.

Analysts say the sale of BNG sale could attract bids of up to 1 billion pounds, from U.S.-based companies such as Halliburton , the Washington Group , Bechtel and Fluor .

British engineering and project management firm Amec has also been tipped as a potential buyer.

Chancellor Gordon Brown said last week his government was also prepared to sell part of its majority stake in the country's biggest electricity producer, British Energy Group , among other assets.

Other than BNFL unit Westinghouse, which is already being sold, BNG, Nexia and a 33 percent stake in Urenco may be sold as well as much smaller businesses such as Energy Sales & Trading Ltd. and BIL Solutions Ltd.

Urenco Ltd., which operates enrichment facilities in England, the Netherlands and Germany, is a consortium of BNFL, Dutch government-owned Ultra-Centrifuge Nederland and two German utilities -- E.ON AG and RWE AG .

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