

Finland should build sixth nuclear reactor –Report

Finland leads Europe.

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Mauri Pekkarinen (centre), the Finnish trade and industry minister, said in a statement Tuesday that preparatory work for a possible sixth nuclear power station was unambiguously the responsibility of the companies in the market.

Mr Pekkarinen was responding to a report by Matti Purasjoki, appointed by the ministry to investigate Finland's electricity market, which recommends the building of a sixth nuclear power station.

Finland's fifth nuclear reactor is being built in Olkiluoto in western Finland.

Mr Pekkarinen added that he supported Mr Purasjoki's proposals to build more hydroelectric power generation capacity and to increase the use of renewable domestic sources of energy.

The report also says that utility Fortum should sell its stake in Teollisuuden Voima in order to curb the former company's dominant position in power generation.

Mr Purasjoki would also reassess Fortum's ownership of hydroelectric power generation capacity and proposes the setting up of a new state-owned enterprise that would build more capacity.

The report was commissioned by the Ministry of Trade and Industry, which owns 51.05 per cent of the shares in Fortum. The company and its majority owner have been widely criticised for Fortum's generous stock option schemes, the value of which has soared in step with rising electricity prices.

Mr Pekkarinen said in his statement that he had hoped for concrete reform proposals that could be implemented by the end of the current legislative period.

NO IMMEDIATE ACTION –PM

Matti Vanhanen (centre), the Finnish prime minister, told the Finnish News Agency (STT) that Mr Purasjoki's list of suggestions did not feature any measures that could be put into practice immediately.

"Considering there were no such measures, it tells of the fact that Finland, in the final analysis, has the best-functioning market in the world," Mr Vanhanen said.

"Building extra capacity is up to the companies and it takes a lot of time. At the moment, I am not inclined to get excited about the proposal regarding the chopping up of Fortum."

The prime minister added that many of Mr Purasjoki's recommendations would cost the state dearly.

"It would be more realistic to keep functioning companies intact."

Maarit Feldt-Ranta, the party secretary of the Social Democratic Party (SDP), told STT that the report was an important basis for discussion. However, Ms Feldt-Ranta did not wish to comment on the proposals themselves, apart from saying that the suggestion to increase the use of renewable energy sources was commendable.

Jyrki Katainen, the chairman of the opposition Conservatives, said he supported Mr Purasjoki's proposals. He added that securing domestic power generation was important from the point of view of a functioning electricity market and in order to maintain Finland's competitiveness.