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Major nuclear accident would cost France \$580 billion: study

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By [Michel Rose](#)

SAINT-PAUL-LES-DURANCE, France (Reuters) - A nuclear accident similar to the one at Japan's Fukushima reactor would cost France about 430 billion euros (\$580 billion), or 20 percent of its economic output, French nuclear safety institute IRSN said in a study on the possible financial impact of a nuclear crisis.

A major disaster damaging one of France's 58 nuclear reactors and contaminating the environment with radioactive material would displace an estimated 100,000 people, destroy crops and create massive power outages, the study said.

"A major accident would have terrible consequences, but we would have to deal with them because the country wouldn't be annihilated, so we have to talk about it, however difficult it is," Jacques Repussard, the head of the public-funded IRSN, said on Wednesday at a presentation at the Cadarache nuclear research centre in southeastern France.

The bulk of financial losses would come from damage to France's image, the institute said. A nuclear accident would hit exports of French delicacies and the tourism industry, the world's biggest in terms of visitors, costing France about 160 billion euro (\$126 billion), the study said.

"Image costs would be considerable, as high as the radiological costs," Patrick Momal, the IRSN economist responsible for the study said.

"Tourism is an important activity for France and direct costs would not only hit the affected region, but the whole country," he said. Even if French products such as wine and agricultural products were not contaminated, consumer fear could cause sales to plummet.

The study represents the first time a French public institution calculated the possible economic cost of a nuclear disaster for the world's most-nuclear reliant nation. It comes nearly two years after a tsunami smashed into the Fukushima nuclear plant in Japan in March 2011.

IRSN estimated the Fukushima disaster cost Japan about 200 billion euros (\$270 billion). While the costs were immense, Japan fared better than France would under similar circumstances, the institute said.

"Winds were favourable to the Japanese. And in Japan, international tourism doesn't amount to much, international visitors are mainly business travelers," Momal said.

The IRSN and former World Bank economist unveiled two disaster scenarios prompting a core meltdown at a typical 900-megawatt (MW) French nuclear reactor.

A "serious" accident, rated 6 on the one-to-seven INES scale used by the International Atomic Energy Agency and one notch higher than the Three Mile Island accident of 1979 in the United States, would cost France about 120 billion euros (\$162 billion), or 6 percent of its gross domestic product (GDP).

The consequences - with up to 10,000 people ousted from contaminated zones - would be "manageable", the IRSN said.

A "major" accident, rated 7 on the INES scale and similar to the 1986 Chernobyl disaster in Ukraine and Japan's Fukushima, however, would be a "catastrophe," that would "strongly and durably traumatize the country," it said.

The health impact from the release of radioactive material would be severe, the contamination of land would be long-lasting and neighboring countries would be affected.

"We have to keep in mind that the probability of such accidents to happen remains extremely low," Momal said. "But these estimates help policy-makers put the cost of preventive measures into perspective."

France's fleet of 58 nuclear reactors is operated by state-owned utility EDF. After the Fukushima disaster, the French nuclear safety authority asked EDF to upgrade its plants in France. EDF said the updates would cost about 10 billion euros (\$13 billion).

French President Francois Hollande pledged to cut the share of nuclear energy in the country's electricity mix to 50 percent from 75 percent by 2025. He also said he wants to close the country's oldest plant at Fessenheim, near the German border, by 2017.

The worst nuclear accident in France happened at the Saint-Laurent-des-Eaux nuclear plant in 1980 and was rated 4 on the INES scale. (\$1 = 0.7387 euros)

(Reporting by Michel Rose; Editing by Stacey Joyce)

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