JUST PUBLISHED

A NEW REVIEW ON WORLD URANIUM RESOURCES, PRODUCTION AND DEMAND

The increasing availability of secondary uranium supplies from the conversion of surplus weapons material, together with recent increases in commercial inventories, implies a continuing oversupplied, low-priced market. Low prices for uranium have impacted the production sector resulting in consolidations, mine closures, and deferment of investment. Production and exploration are likely to remain low until sufficient evidence exists that secondary supplies, particularly inventories, are being exhausted, or that significant new requirements are emerging. The lack of information on the nature and extent of secondary supplies is a source of uncertainty in the market over the mid-term.

These are some of the major findings of the just-published report Uranium 2001: Resources, Production and Demand (also known as the “Red Book”), jointly prepared by the OECD Nuclear Energy Agency (NEA) and the International Atomic Energy Agency (IAEA). This world report, the foremost reference on uranium, is based on official information from 45 countries and includes compilations of statistics on resources, exploration, production and demand as of the beginning of 2001.

At the beginning of 2001, known conventional resources recoverable at $130 per kilogram of uranium (kgU) or less amounted to about 3.93 million tU (tonnes of uranium), about the same level as in 1999. However, total known conventional resources recoverable at $40 kgU or less increased by 66% from the 1999 level, to approximately 2.1 million tU, largely because Australia reported resources in this cost category for the first time.

World uranium production totalled about 36 000 tU in 2000, up 12% from 1999, and provided about 56% of world reactor requirements. The rest of the requirements were met by secondary sources including civilian and military stockpiles, reprocessed uranium and re-enrichment of depleted uranium.

World annual requirements related to the 438 commercial nuclear power plants in operation at the beginning of 2001 were estimated at about 64 000 tonnes of natural uranium equivalent. Such requirements are projected to amount to between about 58 000 and 80 000 tonnes by 2020 depending upon the future role that nuclear power may play in contributing to electricity supply.

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When secondary supplies from excess stockpiles are no longer available, reactor requirements will need to be met through the expansion of existing production capacity, together with the development of additional production centres or the introduction of alternative fuel cycles. Significant and sustained increases in uranium market prices will be needed to stimulate timely development of that resource base. Because of the long lead-times necessary to discover new resources and develop new production capabilities, temporary shortages of uranium may occur as secondary sources become exhausted. Improved information on the nature and extent of world uranium inventories and other secondary sources would be necessary to permit a more accurate forecasting of market demand and timely production decisions.

The report provides substantial new information from all major uranium-producing centres in Africa, Australia, Eastern Europe, North America and the New Independent States and, for the first time, includes a report for Tajikistan. It also contains an international analysis of industry statistics and worldwide projections of nuclear energy growth, uranium requirements and uranium supply, as well as an analysis of the environmental aspects of uranium production.

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“URANIUM 2001: RESOURCES, PRODUCTION AND DEMAND”
OECD, Paris 2002
€ 85, £ 52, US$ 74, ¥ 9 850
ISBN 92-64-19823-7

Please quote the title and reference in any review.

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