

State of Qatar takes £85m share in Rolls-Royce mini-nuclear power station business

The State of Qatar is taking an £85 million stake in the Rolls-Royce spin-off developing a new generation of mini-nuclear power stations.

The emirate's sovereign wealth fund has signed a deal with the engineering giant to take a 10 per cent stake in the [Rolls-Royce Small Modular Reactor \(SMR\)](#) business.

[Rolls-Royce](#), which is headquartered in Derby and has a big operation in Filton, South Gloucestershire, wants the subsidiary to play a big part of the UK's Net Zero agenda.

It says a single mini power station could occupy around a tenth of the size of a conventional nuclear plant, and generate enough power for around one million homes.

It has said the plans could create 40,000 UK jobs when fully operational by 2050 and generate £52 billion in economic benefit.

Last month Rolls-Royce announced it had agreed much of the funding to develop the low cost, low carbon, **reactor** – with that money coming from the Rolls-Royce parent group, BNF Resources UK and Exelon Generation.

The consortium behind the plans – which includes Laing O'Rourke, the National Nuclear Laboratory and the Nuclear AMRC – has now secured a total of £490 million through commercial equity and through UK Research and Innovation (UKRI) grant funding.

It has started identifying sites for factories to make the modules for on-site assembly of the plants, with up to 80 per cent of the components will be made in factories in the Midlands and North of England.

It is also in talks with potential customers overseas.

The latest support from the Qatar Investment Authority (QIA) – its sovereign wealth fund.

Roll-Royce chief executive Warren East said: “I am tremendously pleased to announce that we have further strengthened our relationship with Qatar, through QIA’s investment in the Rolls-Royce SMR business.

“We have successfully raised the capital we need to establish Rolls-Royce SMR and it is encouraging to confirm that the business is now set up to succeed.”

Business and Energy Secretary Kwasi Kwarteng said: “This investment is a clear vote of confidence in the UK’s global leadership in nuclear innovation and follows the £210 million of government investment in the development in small modular reactors.

“It represents a huge step forward in our plan to deploy more home-grown, affordable clean energy – ensuring greater energy independence for the UK, highly skilled jobs and bringing cheaper, cleaner electricity to people’s homes.”

Minister for Investment Lord Grimstone said: “Although the COP26 Summit ended last month, the work to reach Net Zero and build back greener from the pandemic goes on.

“Investment will play an important role in this. By investing millions into innovative green tech, like small modular reactors, not only are we working hard to end our contribution to climate change, but we are securing thousands of highly-skilled jobs.”

Mr Mansoor bin Ebrahim Al-Mahmoud, chief executive of the QIA, said: "QIA is investing in the energy transition and funding the technologies that enable low carbon electricity generation.

"We will continue to seek out investments that align with our mandate to deliver long-term value for future generations through responsible sustainable investments."

The QIA was founded in 2005 to invest and manage state reserve funds and is among the biggest and most active sovereign wealth funds in the world.

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