SIA
Strategic Investment Advisors Group

Long Term Investment Fund

Newsletter

of September 2023

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Figure 1: **LTIF Classic EUR**
vs. MSCI Daily TR Net World Index EUR

Figure 2: **LTIF Natural Resources EUR**
vs. S&P Global Nat. Res. Net TR Index EUR

"A depressed stock market is likely to present us with significant advantages."

Warren Buffett & Charlie Munger

Overview of our funds

Table 1: Net Asset Value - Net assets under management of our funds

August 31, 2023	NAV	Δ 3m	Δ 12m	Annualized return (s.i.)	AUM *(in mio)*
LTIF Classic [EUR]	612.08	6.7%	12.0%	8.7%	93
LTIF Natural Resources [EUR]	139.93	-6.7%	-2.8%	2.3%	79

Source: SIA Group

I. RECESSION? NOBODY KNOWS

The macro slowdown continues

Our macroeconomic scenario, which does not form the basis of our investment decisions, but helps us avoid unnecessary risks, remains in place**: the US and Europe's growth continues to slow down, and these regions might be flirting with a mild recession by the end of the year. China, on the other hand, continues to seed an economic recovery** that has yet to materialize.

Of the 5 indicators that we have followed in detail since the beginning of the current economic slowdown, 4 are still in negative delta:

- Global PMIs keep weakening - evident signs of deceleration;
- interest rates in the US and Europe are still rising, but should soon reach their peak;
- the downward earnings revisions continue in the most cyclical sectors, such as chemical companies; and
- global liquidity keeps shrinking (fueled by rising rates, quantitative tapering and a stronger USD).

Only China (+) is in positive delta, although the recovery is slower than expected. All the above data summarize a very normal end to the upcycle. We find no major structural problems in the world's largest economies, and no systemic bubbles to correct. The only exceptions are perhaps the rising interest rates' impact on the global fixed income (and the like), which we struggle to quantify, and the structural challenges that a Chinese economy in transition presents.

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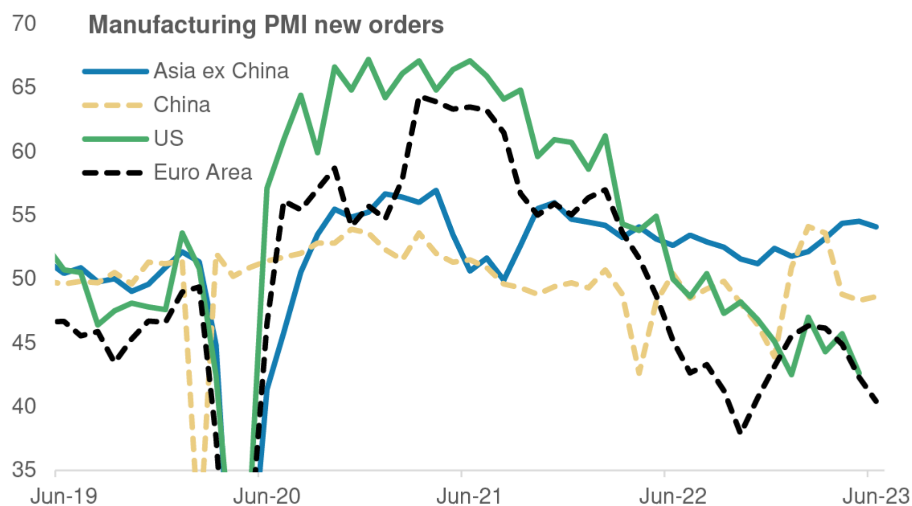
For the time being, the more recessionary theses have been proved wrong due to, in our view, the services sector's strength, which has gone somewhat unnoticed, and is due to: 1) COVID-19's base effect during the 2020-2022 period; 2) the accumulated household savings being spent in 2023; and 3) the fiscal impulses that many countries have implemented. Consequently, the labor market remains surprisingly strong and is fueled by immigration mismatches. In this context, the service sector continues to grow in 2023. We do not expect sharp drops in employment in either 2023 or 2024 but do expect adjustments in line with a mild economic slowdown. Let us not forget that employment is a lagging indicator.

PMIs moving down

The economic slowdown trend that started mid-2022 in the USA and Europe is still in place, as the Manufacturing PMI New Orders Index shows. China is stabilizing around the 50 level and only Asia ex-China continues to show growth in orders.

In our base case scenario, Europe and the US will continue to slowdown, possibly until the end of 2023 due to the increasing interest rates' delayed impact on many sectors. We are more optimistic about Asia, which we believe has started a new cycle, even as we wait for China to cement its recovery.

Weakness in industrial orders in the US and Europe. Asia better



Inflation also slowing and rates close to the peak

As we anticipated a few quarters ago, **inflation continues its course of normalization that began at the end of 2022.** The energy part has already completely normalized, while the food part has started to soften. However, we think that employment, services, and housing are the core inflation components that are going to take a little longer to adjust.

Our baseline scenario sees inflation in the order of 3,5% by the end of 2023, and lower in 2024.

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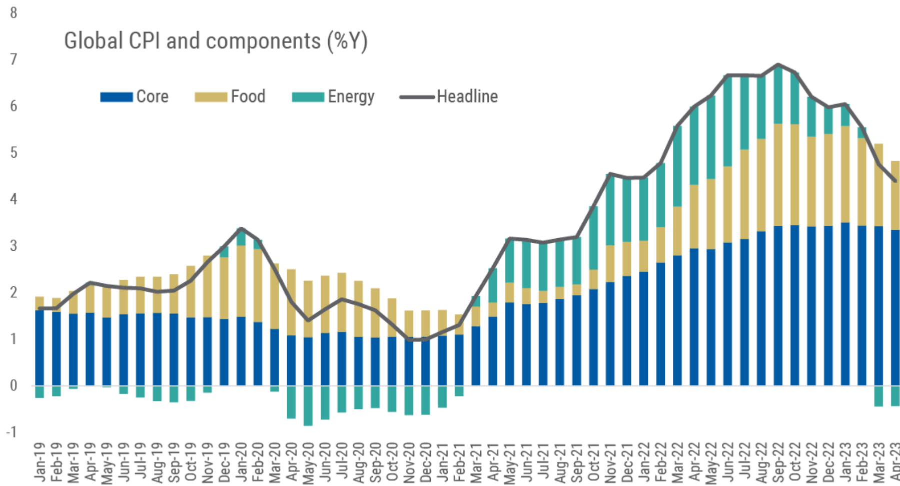
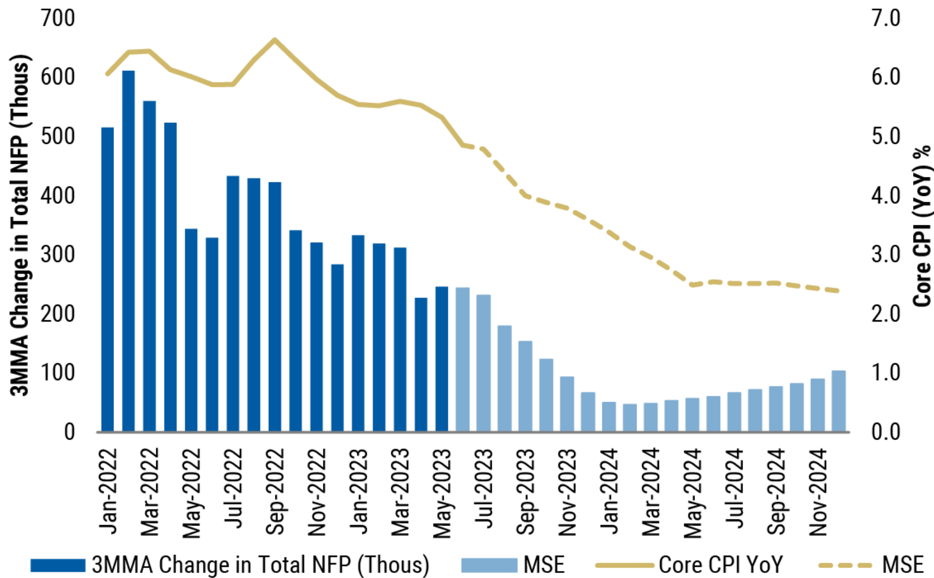
Inflation at the global level continues to normalize, as we anticipated



U.S. job creation and inflation expectations



China started a recovery phase, which is being slower than expected

After COVID closed the economy in 2022, and the opening that occurred in the December of that year, **the recovery of the Chinese economy has been somewhat slower than expected due to the property sector's and exports' weakness.** Even so, China's GDP grew by 6% in Q2 and is expected to grow by 4-5% in 2023. Contrary to many doomsayers, we continue to believe that China will strengthen its economy, as it still has many levers that can be pulled. We expect greater public investment in infrastructure, this time directed at energy transition, support for the property sector, and a renewed capacity to compete abroad, all of which the weaker currency should support.

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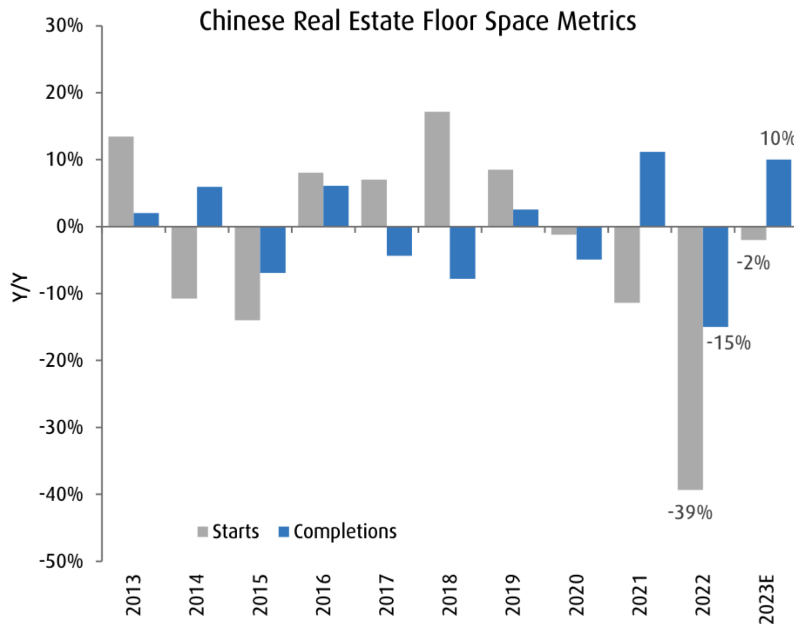
China's property sector continues to show weakness, but we anticipate an improvement.



Source: NBS, BMO Capital Markets

The stock market might or might not correct. Should it fall, we will simply buy cheaper

The macroeconomic environment is one thing, the stock market is a different one. To date, the stock market has performed well in 2023, and most indices are in positive territory. Nevertheless, the sectors diverge hugely, as the ***technology* sector accounts for most of the global indices' increase**.

Despite a significant number of financial experts trying to predict **whether the markets are going to move up or down, this is impossible to know**, because the stock market could price in the current economic slowdown, even a recession, or, on the contrary, it might reflect the expected recovery in 2024, or many other possible scenarios. Moreover, the global social-economic model is too dynamic to make predictions, since a thousand things could happen to reinforce one direction or another, such a Russia and Ukraine starting negotiations, or the lowering of interest rates in the USA occurring earlier than expected.

Since the downturn began a year ago, we have continued to be rather conservative in our management of the LTIF Classic and the LTIF Natural Resources. This means retaining some cash and a greater weighting of 1-2 categories in the funds in order to be able to hit hard if a market correction occurs. If there is no correction, we will continue on our path of making a double-digit annual return. **We regard ourselves more than investors, but as entrepreneurs, which means short-term volatility does not affect us, we use it to take advantage of higher discounts.**

The rebound in the technology sector is normal. It looks like a technical one fueled by the AI narrative

The American benchmark index, the SPX500, has risen by 16-17% in USD so far this year, but adjusted for the major technology companies, the rise is only 2-3%. Two comments: the ex-tech market is behaving normally by being in a *wait and see mode* in the context of an economic slowdown and rising rates, while technology is back to very demanding valuation levels, especially the large caps.

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This is quite normal at this point in the cycle; we saw it in 1999-2000 and 2007-2008 when there was a strong technical rebound of tech stocks. This was followed by a more realistic trend with less growth and margins, increasingly tough funding, and valuations weighted to a greater extent with cash flows' reality.

Public deficits and debt, future problems

Germany has, by means of different statements, explained what one of the big challenges for most economies could be in the next few years: public deficits and debt exacerbated by the strong injection of liquidity after the 2008/2009 global financial crisis, the 2011/2012 European crisis, and the 2020 COVID-19 crisis.

We are approaching the beginning of a new cycle, which will probably be a cycle of lower growth due to the need to control deficits and debt with most of the developed world having an aging population.

Our two funds started 2023 well. Not worried about AI

The LTIF Classic's performance is in line with our target (10% per year net) as we were up 4% as of June 2023 and up 9% by the beginning of September. This may not seem much compared to the American SPX index (+16%), but if we adjust the index by the large technology stocks, performances are similar. It makes sense that, in a context of deceleration and a recession risk, the markets are not moving much. As we mentioned, the tech. rebound looks like a technical one fueled by the AI narrative.

The NR Fund is up 11% ytd., also very much in line with our targets.

Many participants in the investment world are wondering how to take advantage of the expected artificial intelligence growth. At SIA, we are aligning ourselves with a well-known manager, who stated that he **would take far more advantage of the Natural Stupidity (NS) of Mr. Market than of Artificial Intelligence (AI).** In fact, we understand that artificial intelligence is going to be a cross-cutting structural phenomenon, which is likely to affect most sectors. We will therefore first try to understand it well and thereafter identify potential winners and, more importantly, losers.

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II. *OUT OF THE BOX* by Jose Carlos Jarillo

Two years ago, in May 2021, the International Energy Agency stated that, with a daily average consumption of 100 million barrels per day (mbd), “peak oil” had been reached in 2019. It estimated that demand would drop to 75 mbd by 2030.

These estimations obviously had a very negative impact on oil producing companies’ valuation, because you pay far less for companies that are unable to grow and even less for companies in a declining business.

In its latest analysis, “Oil 2023,” the International Energy Agency **reckons that oil demand will be higher this year than in 2019 (the supposed “peak”) and will reach 105 bpd in 2028.** In fact, demand is currently on target to reach 103 mbd by the end of the current year, while GDP growth is weak in Europe and China.

Is it possible to gain some clarity about the oil market? This is extremely important, not only for energy investors (remember, nobody is forced to invest in energy), but also for the economy as a whole. When oil is expensive, this represents a huge transfer of wealth from non-producing to producing countries, i.e., for many countries 2-3% of their GDP *per year*, more than is lost in most recessions.

The future demand for any commodity does, of course, depend on many assumptions, with some being more reasonable than others**. In our *6th Natural Resources Day,* in Zurich, we will detail why we believe demand for oil will continue to grow for a long, long time.**

What really matters for an energy investor is the price, which is not only determined by demand, but also by supply. Between 2014 and 2021, the demand kept growing, while the prices crashed. The reason for this was the surge in shale oil supply. We will therefore also look in detail at the potential supply, which we anticipate will struggle to meet the demand.

As we have mentioned many times, the conclusion is that we should expect strong oil prices for many years, although the market will stay volatile in short-term periods.

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III. THE LTIF CLASSIC

The LTIF Classic is up +4.3% to June and +9% through mid-September.
Given our target of a 10% annual return, the LTIF Classic did what it had to do by the mid-year (+4%). **July and August were better for the Classic at +9% and a NAV above €600 per share.**

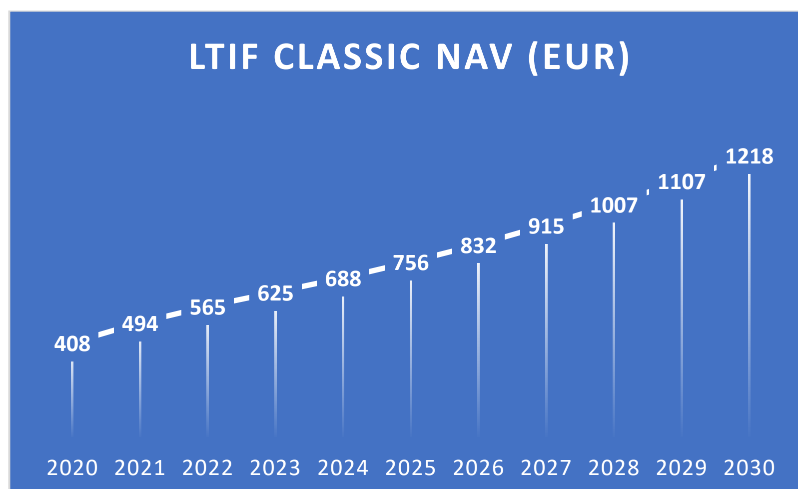
By sector, **technology (+31%; semiconductor equipment), industrials (+9%; aerospace, defense, and electrical cables), services (+12%; mainly cleaning and catering), and cement (+36%) were the best sectors, while the worst were salmon (-16%) and energy (-13%).**

Per stock, with a revaluation of more than 10%, we highlight Metso, Prysmian, Thales, Compass Group, Pandora, Sodexo, Medtronic, ASML, Buzzi, Heidelberg Materials, ING, and VISA. On the negative side, we highlight the fall of Grieg Seafood, Leroy Seafood, Mowi, Harbour, Cenovus, ConocoPhillips; EOG, Suncor, and Hudbay Minerals.

As we don't foresee any structural change in any of these companies, but continue, as always, to reduce what rises above our targets and to buy what is below our floor levels. If our investment theses prove to be correct, **we estimate that this rebalancing exercise should add about 1 point to the year's performance. It sounds very little, but over the long term it is roughly 25% of the 4pp annual alpha that we target.**

The updated IRR of the Classic stands at 14.2% with an Intrinsic Value (IV) of EUR 920 per share.
Thanks to rebalancing and adding new companies to the portfolio, we steadily increase the Classic's Intrinsic Value, which currently exceeds 900 euros per share, with an estimated IRR on investment of 14.2%, very much in line with the historical average (range of 12-17%). **This implies that the fund is currently correctly valued and in line with our target of reaching €625 p.a. at the end of the year and €1000 per share in 5 years' time, by 2028.**

We have decided to put a chart with our NAV 10% 2020-2030, which simply assumes a 10% return per annum until 2030 (see below). We all know this is not going to happen, and there will be better years and worse years, positive years, and negative years... But **we are convinced that the end of the road will not differ too much from this extrapolation**, **highlighting something counterintuitive: the more corrections and falls the market has, the better we will perform in the long term.**



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In the future, we will provide all explanations when the Classic is clearly below or above this NAV estimate, thereby trying to learn as much as we can from these circumstances.

Let us be a little heavy handed here by again highlighting the **amazing relationship between compound return and long-term.** Some friends, investment professionals, some at top-management levels tell us that 10% is not too much: our counterargument is that **10% per year implies doubling the investment every 7 years, multiplying by 4 every 14 years, and multiplying by 8 every 21 years;** in our case, this comes with a very limited real risk and no leverage.

Nor, to give an example, do we believe that most pension funds' average return is anywhere near these levels.

42% of the Classic in 10 companies

As is customary in our Newsletters, we show a table with the **10 largest positions in the LTIF Classic fund, which currently account for 42% of the fund**, below. **The most important position, Grifols,** which we have discussed at length in previous *Newsletters,* **catches the eye with more than 7% of the portfolio.**

For once, we temporarily skipped a rule that we usually follow to the letter: **no *black dogs* in the portfolio**. *Black dogs* are dominant positions in a portfolio, companies that are well known, and *high conviction*, with which managers become obsessed. Grifols is currently 7% of Classic and this weight will only increase if the stock continues to rise. Whatever the case, a *black dog* usually appears in larger positions (>10%), which we can neither hold (UCITS limit), nor wish to hold due to risk.

As it is well known, we always seek concentration combined with structural diversification, which can be seen in the following 10 positions where there are positions of great weight and a solid business and geographic diversification.

LTIF Classic Top10 Holdings

Grifols SA	7,3%
ISS A/S	4,4%
Pandora A/S	4,0%
Unilever Plc.	3,9%
Heidelberg Materials AG	3,9%
Medtronic Plc.	3,8%
Buzzi Spa.	3,8%
Sodexo SA	3,6%
First Quantum Minerals Ltd.	3,5%
Cenovus Energy Inc.	3,4%
TOTAL	**42,0%**

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Quarterly Investment Case: Leroy Seafood (NOK 42 p.s.). Expected IRR: 20%. I.V.: NOK 90 p.s.

Leroy Seafood is one of Norway's leading salmon farming companies.
With an estimated production of Atlantic salmon (and trout) of 200,000 tons in 2025, Leroy Seafood is one of the largest salmon farmers in the world (Mowi, the n.1 produces around 400,000 tons). Over past two decades, Leroy has developed the entire value chain of the salmon industry, from egg production to the sale in value-added formats and during this period, the company has been able to grow its revenues by more than 10% per year to generate an average return on capital employed of 17%.

The sector remains very attractive
Despite tax changes in the sector, which have been somewhat eased for 2023 and will possibly be reviewed after the 2025 general election in Norway, we still believe that the sector is very attractive for *Boutique* investors such as SIA Funds. The summary is simple: the growth in the world's two largest producers' (Norway and Chile) supplies will, at best, not exceed 3-4% per year. This rate is far below the growth in demand at constant prices (around 8%); consequently, the adjustment needs to come via higher prices, a trend that has been in place for about 10 years.

Vertical integration
We like the group's vertical integration, ranging from salmon eggs to added value products including smolt farming in onshore facilities, salmon farms in sea fjords, and value-added and packaged products, such as salmon fillets. In addition, Leroy has a fishing division, which, although historically more volatile and with lower returns, could have a better future due to the global shortage.

Farms in Norway
Virtually all of Leroy's production is in Norway, a stable country despite recent tax changes, with a transparent regulatory framework. The latter is important, given that the salmon sector is a heavily regulated one and we need to keep an eye on the associated risk.

A good management team, good balance sheet, good business, and the stock is very cheap.
Leroy Seafood has quality assets, a first-class management team, and a good balance sheet, all of which clearly meet our criteria. Regarding valuation, the current share price (NOK 42.5) is very attractive, trading at a 2024 P/E of 8.4x. Our Intrinsic Value is double the current price (90 NOK per share), with an estimated IRR on investment of 20%.

Leroy Seafood. Consensus

	2023	**2024**	**2025**
PER	10,4	8,4	7,9
EV/EBIT	7,5	6,4	6,1
P/B	1,2	1,1	1,0
ROE	13%	14%	14%

Source: Bloomberg

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IV. THE LTIF NATURAL RESOURCES

Following on the heels of 2021 and 2022, the LTIF Natural Resources is doing fine in 2023

In 2023, the LTIF Natural Resources has been "*fighting*" against the much-feared recession and, in June, was only up 2%. **July and August were somewhat better, and the fund was up +11% at levels of 150 euros per share.**

By sector, Energy and Agri-Food (salmon) were the worst performers in the first half of the year, falling 7% and 16% respectively. On the positive side, Mines (+7%) and Infrastructure (+20%) had a good first half of the year.

The best stocks were Petrobras, Cameco, Ero Copper, Ivanhoe, Lundin Mining, Southern Copper, Metso, Buzzi, Heidelberg, and Prysmian, all of which were above 10%. The worst, with double-digit declines, were AkerBP, Harbour, Cenovus, ConocoPhillips, EOG, Pioneer, Suncor, Panoramic, Glencore, Hudbay, Grieg Seafood, and Leroy Seafood. A reminder: due to their low valuations, most of these companies have dividend and share buybacks of 5-10% of their market capitalization, which we do not include in our figures.

IRR of 14.3%. Intrinsic value of EUR 220 per share, always with mid-cycle numbers.

As described in the LTIF Classic section, we usually take advantage of market volatility to rebalance the portfolio in order to make some extra performance. As a result, the fund's intrinsic value increases throughout the year. **The fund's NAV currently stands at 220 euros per share, with an IRR on investment of 14.3%, using mid-cycle assumptions for commodities and companies.**

The fund continues to grow, and we passed 80 million assets under management at a time when recession fears cooled natural resources investors somewhat due to the strong correlation with economic growth. It is an excellent moment to keep investing in the sector, thereby taking advantage of Mr. Market's fear.

We remain extremely bullish on natural resources—recession or no recession—because our analysis suggests that the sector is heavily under-invested at a time of structural change in the global energy market. Our analysis is, as usual, based on the supply side of the equation, not the demand side. It is clear to us that **the supply of commodities, such as oil, copper, uranium, salmon, and cement, will not be able to meet the demand in the coming years.**

Oil prices have recovered from their lows.

Brent has recovered some ground from lows to around $90 per barrel. In the short term, the two factors that have had the most influence on oil prices have been sales from US and partner countries' strategic reserves (we estimate 1-1.5m b/d in recent months) and OPEC+ cuts (which we estimate at 1.5m b/d, perhaps slightly more). Global inventories have been stable since the beginning of the year, so the market has been broadly in balance.

As we have repeated ad nauseam, **we are heading for an oil deficit in the coming years due to the lack of investment in the sector caused by two structural issues: (1) ESG / emissions and (2) *FoPD* or Fear of Peak Demand, which are having a perverse and unquantifiable effect on investment decisions.**

Looking forward to 2030, the numbers are easy: demand will be around 108-110 million barrels per day, while the supply cannot grow much beyond 104-106 million barrels in the best-case scenario.

According to the textbooks, this supply gap can only be corrected via high prices that encourage new investments. The question is, however, who is going to invest in a CO_2 emitting business for which demand is expected to start a structural decline within a few years? According to our numbers, we will

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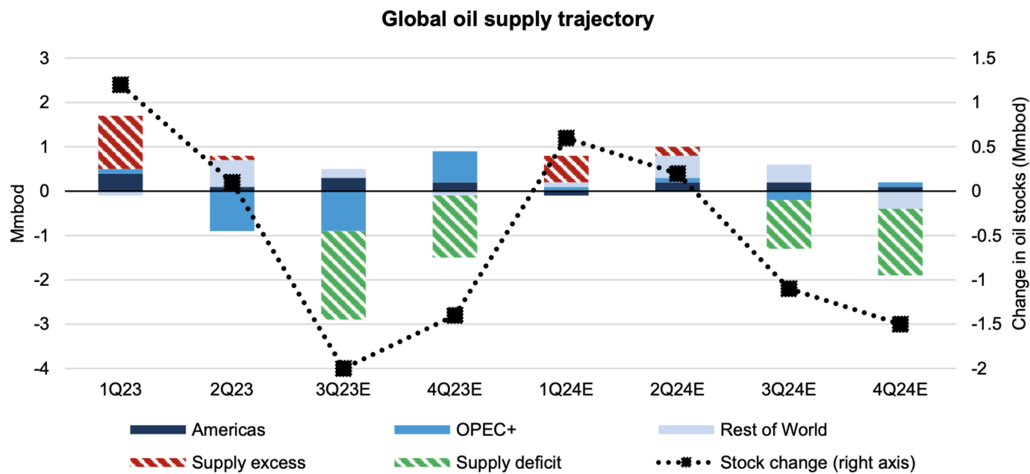
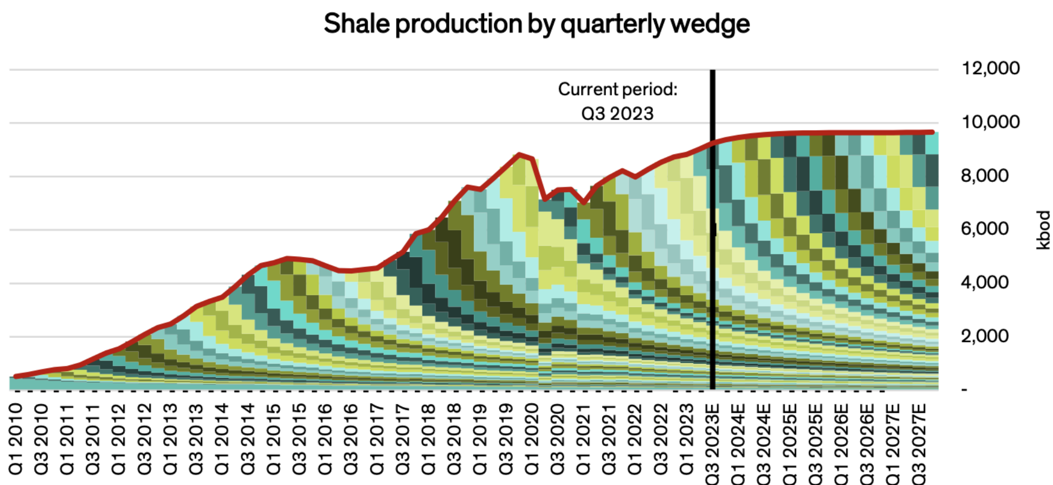
still see growth in the demand until at least 2035 and it is therefore way too early to stop investing. In addition, the expected drop in oil demand, if it happens, will be very soft with many years of stable demand.

In the short term, we are very much in agreement with Bernstein's estimates for the remainder of the year. See the attached chart, which suggest shortfalls for the remainder of 2023.



Note: Excess & deficit vs. demand
Source: IEA estimates, Bernstein analysis

In the medium term, we believe the most relevant is the end of US shale's contribution to the supply growth. Shale oil grew from zero in 2010 to 10 million b/d in 2022 (10% of world supply), on average a growth of about 1 million b/d per year. The key question is: where will we obtain the next 8/10 million that we will need over the next decade? There are, without a doubt, enough oil reserves, but they can only be developed at higher prices and if there is a radical change in the current aversion to fossil fuel investment.



Source: Enverus, EIA, Baker Hughes, Primary Vision, Bernstein analysis and estimates

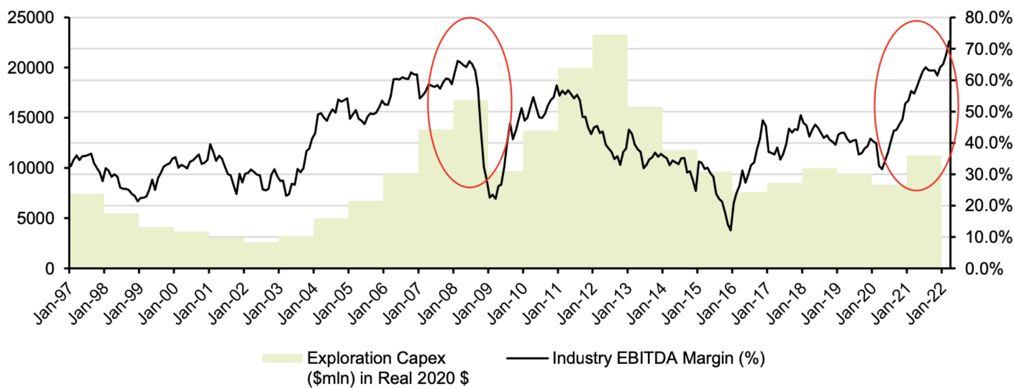
Our base case scenario: copper is set to rise sharply if China's economy recovers

Experienced CEOs, such as R. Friedland (Ivanhoe) and A. Lavandeira (Atalaya), are two important references for our understanding of the world copper market. Their statements on the prices are very

clear: due to the current under-investment in copper and the strong increase in demand expected from the economy's electrification, copper prices will rise well beyond USD 5 per pound in the coming years.

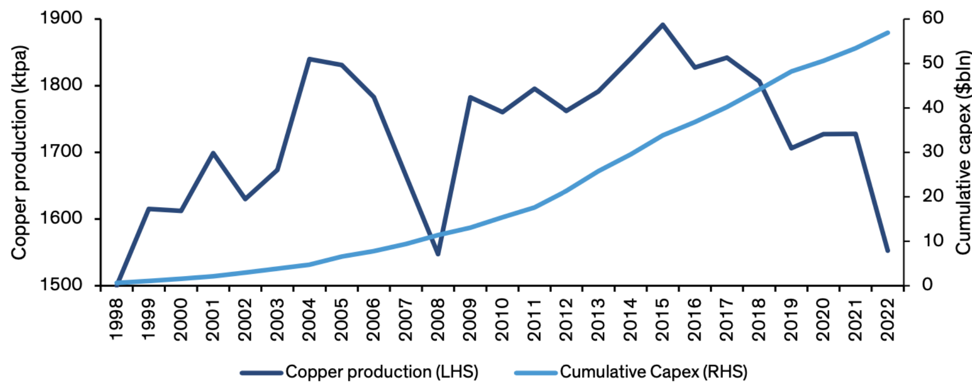
According to Freeport McMoran, copper demand will reach 50 million tons in 2035, roughly double that of 2023. Given that a new mine takes between 7-10 years to build, investments in new projects should currently be at the maximum. Nevertheless, the opposite is true.

What is happening? The difficulty with opening new mines is enormous due to 1) opposition from the local communities, 2) ESG criteria, especially with regard to the environment, 3) the resources being in high-risk geographies, 4) tax increases, and 5) the easy reserves having already been found and there is a lack of new deposits with scale.



Source: SNL, WoodMac, Bloomberg, Bernstein analysis and estimates

Consequently, we will see very high prices that will incentivize more exploration and projects, but due to the time this will require, prices will rise to copper substitution levels: aluminum electric cables could work, silver and gold cables could theoretically work, but at lower prices of course. We could also recycle more copper, we could do many things, but copper prices will remain above the theoretical incentive price for many years, perhaps decades.



Source: Codelco, Bloomberg, Bernstein analysis and estimates

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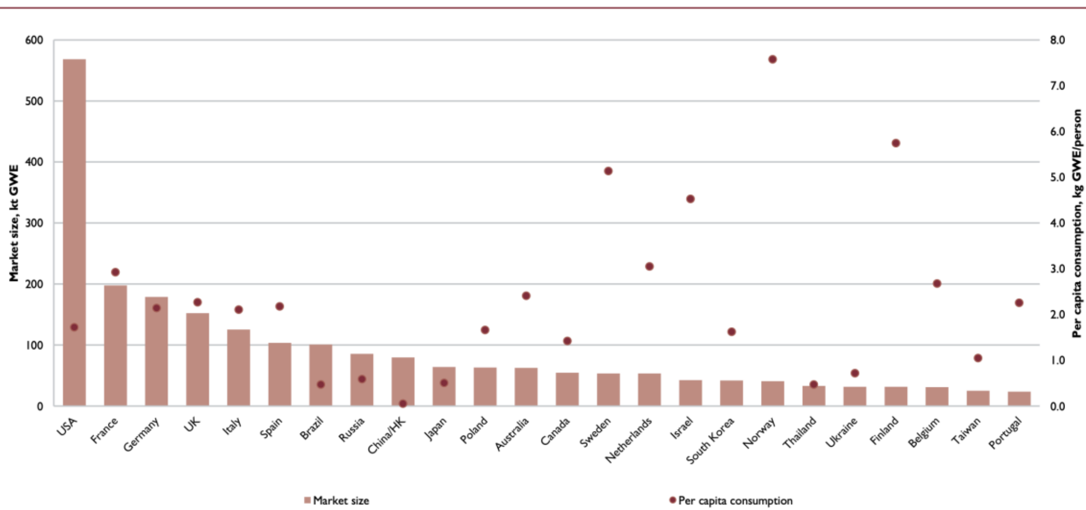
Our analysis suggests that salmon farming will continue to be a very interesting sector.
We continue to strengthen our position in salmon farmers, which, following the tax regime change in Norway, fell sharply. Our analysis suggests the taxes will have an important impact, but not to the extent that they will result in a regime change in the sector. Our conclusion is that, by affecting more than half of the supply curve, the new taxes will eventually be passed on to the prices, leaving the sector's average profitability unchanged. After the recent increase in the Faroe Islands, we also expect increased taxes in Chile.

The salmon farmers are trading at an average 2024 P/E of 8-12x, which we believe is an excellent buying level. If our strategic analysis is correct, we will – once again - make good profits in this sector. Further, we don't want to get hung up on where demand could go if China or India, and the rest of the emerging countries, start consuming salmon. The potential is huge.



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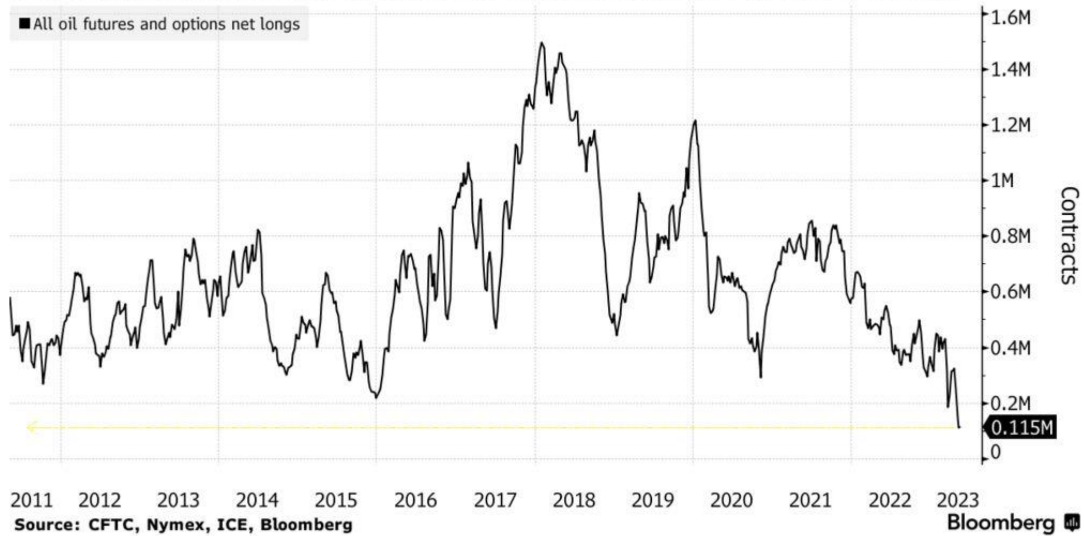
V. NATURAL RESOURCES THOUGHTS by Urs Marti

Q2 presented one of the best tactical entry points - not seen for a very long time - for our sectors. In anticipation of a global recession, financial investors (they are a contra indicator) have taken the most bearish position ever, which the chart below shows in terms of oil.



The Chinese economy is recovering from the COVID-19 lockdowns.
Q2 GDP growth was 6.3%. Commentators all agree that this percentage is disappointing, as 7% was expected. One might wonder if these figures are really all that accurate but should not forget that they still represent a massive recovery. There is further potential, since, for example, air traffic is 15% below the pre-COVID-19 levels. A booming service industry and a weak industrial part of the economy are very normal. After COVID, this happened everywhere else as well. However, we cannot grasp why this should be regarded as negative in respect of oil consumption. People ordered stuff via the internet when locked up at home, and thereafter travel, going out, etc. played catch-up. There is no better explanation for this whiplash effect. In Switzerland, bicycles are good example. Everybody bought one during the quarantine periods, because cycling was the only pastime still allowed. Consequently, bicycles sold out, the inventories disappeared, and it took a while for the production to adjust. Currently, bicycle sales have collapsed – the boom couldn't be sustained, and very few people need a new bicycle. However, within 1-3 years, their sales will normalize.

In the previous Newsletter, we explained that the worldwide monetary policy is accommodating, and that autumn last year was a time of low liquidity, which correlated with the lows in many markets. One should also not forget that most of the world is not in the same situation as the West. The debt level of emerging markets' households is very low to non-existent. Many of these economies are resource rich and have a much lower consumption. In addition, the interest rate levels in emerging markets were far higher not all that long ago, which is why these economies/consumers have low debt levels.

One can only wonder if the US government will soon have a higher cost of capital than Brazil... What a change!

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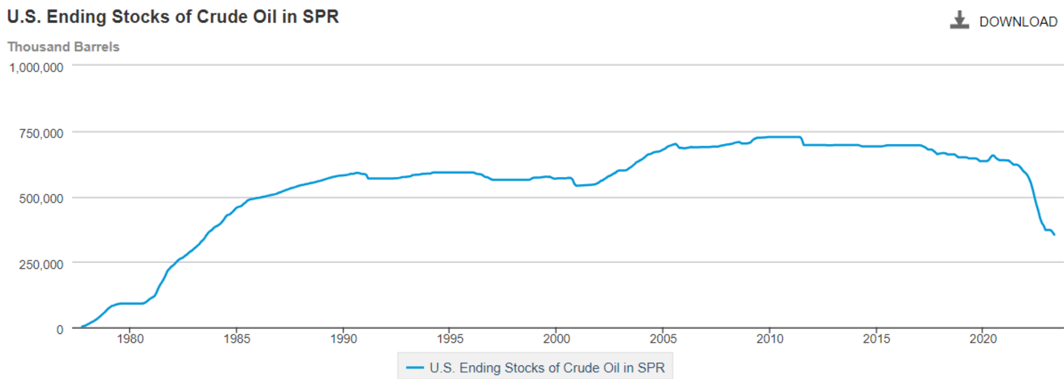
Investors in the West think that their situation applies to the whole world. It does not. The West is indebted, with the US deficit ballooning atm. The rising interest rates are very bad for sectors that are dependent on debt/external funding, such as real estate, venture capital, etc. On the other hand, the global economy is more resilient.

Commodity inventories have been reduced

After its oil supplies were interrupted during the 1973-74 oil embargo, the US started its petroleum reserve in 1975 to mitigate future supply disruptions. This reserve has a capacity of 714 million barrels. When Biden took office, it stood at 638 million barrels. Currently, the reserve is down to 346 million barrels, of which 346 million barrels, roughly 200 million, are sour crudes that cannot be used to suppress WTI/Brent prices, which was not the SPR's original purpose anyway. West Texas Intermediate is a light sweet crude that is easy to refine, and which is one of the highest quality oils in the world. Oils with more than 0.5% sulphur content are called sour crude. These impurities need to be removed before sour crude can be refined, thereby increasing the processing's cost. The US only sells its sweet crude because it wants to keep the WTI prices down. This cannot, however, continue forever, as there are only 147 million barrels of sweet crude left.



Iron ore is a good proxy for natural resources' inventory level, while steel consumption correlates closely with the global GDP. Global steel production was down 4% last year, which was probably a good proxy for the actual real GDP. Nevertheless, there is no sense in following inventory levels of more

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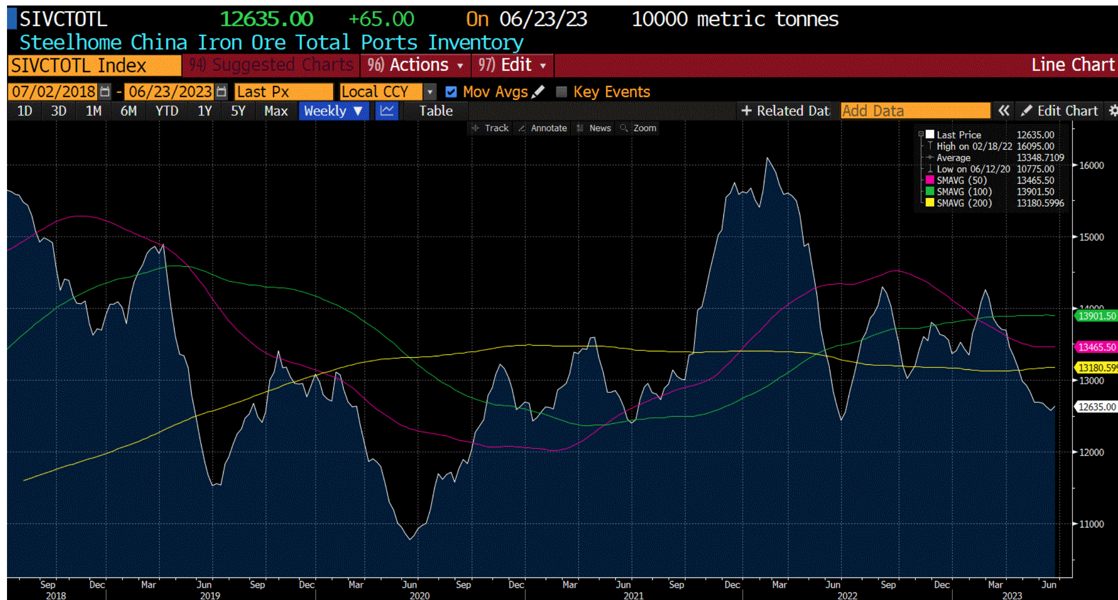
valuable products like copper, since these products have many hidden inventories, such as those of ore, refined products, manufactured cables, etc. that cannot be tracked. Further, valuable commodities are easy to stockpile/transport, but this does not apply to iron ore, as it is too bulky. The inventories are mainly held at importing countries' ports. As you can see in the chart below, the inventories have already been reduced in anticipation of a lower demand/recession.



The global rerouting of natural resources continues unabated.
Emerging markets want a higher standard of living and pursue higher consumption instead of exporting their wealth. Indonesia is a good example of how export bans (nickel) result in a local processing industry being developed - thanks to Chinese investment, of course. Export bans keep a higher share of added value in the country, create jobs, and make the end-product available for local industries/consumers.

This strategy applies to many countries/commodities, especially to countries with a large population such as Indonesia, Brazil, Mexico, etc. We should, for example, remember that a bit more than 20 years ago, China was still a net exporter of crude oil. This development and its spread are interesting to follow, as they have already reached Africa. As a continent, Africa has the largest mineral wealth, but very little internal consumption, which means it also has the lowest standard of living. We have often explained the correlation between the available energy and the standard of living. In fact, there is no energy available for Africa's population, even though the continent is one of the largest exporters of natural resources.

After Kazakhstan and Canada, Africa (specifically Namibia and Niger) is one of the largest exporters of Uranium, and also has one of the largest reserves/resources. Namibia, Niger, Mali, Gabon, DRC, Malawi, Botswana, Zimbabwe, CAR, SA, etc. hold an estimated 18% of the world's uranium resources. Nevertheless, the entire continent only has one (1!) nuclear power plant, namely Koeberg in SA.
[2023 Update: Who in Africa is Ready for Nuclear Power? - Energy for a Growth Hub]
Within the next 20 years, Africa will see the same growth (from zero) in nuclear power that China has seen.

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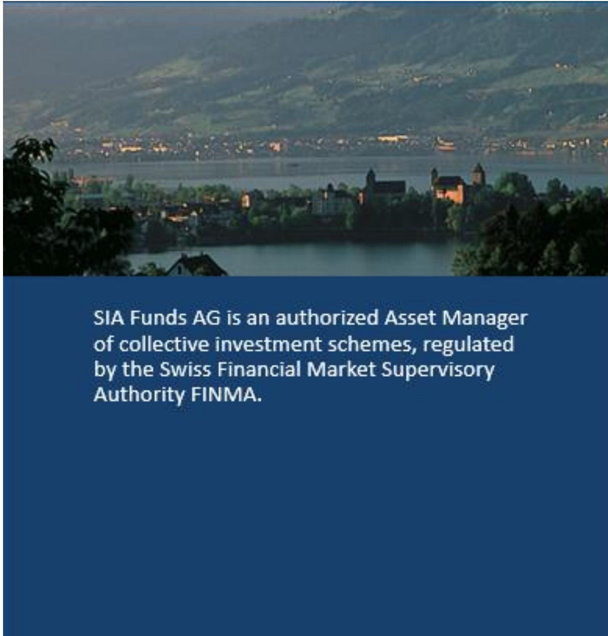

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