With 2012 behind us, what's next for 2013?

2012 was a challenging year.

The industry continued to see the impact of the Fukushima accident. While the Japanese were working towards a policy of complete nuclear phase out by the 2040s; and other markets were looking at reducing reliance on nuclear power; and significantly France, the most nuclear country in the world, announced it will not extend the life of its oldest plant at Fessenheim as a start towards an "energy transition" for the future. And finally, the low price of gas in North America fueled by a huge increase in unconventional gas and oil resources continued to stress the economic competitiveness of all cleaner generation alternatives, including nuclear, in North America.

But it was not a year of all negatives. Of tremendous importance was the issuance of the UNSCEAR report that has once and for all addressed the linear low dose theory stating that there is no evidence of measurable health impacts to people below 100 mSv/a. However; while the data from Fukushima continues to support that there will be no radiation health effects, Japanese people continue to suffer as many remain removed from their homes with their lives on hold.

There were a number of other high points – the first COLs allowing the first new construction to begin in three decades in the United States; the restart of Chinese approvals for new plants, albeit at a reduced level; significant movement towards new build in the UK; and importantly after a tremendously difficult year, the election of a new government in Japan that is starting to put their program back on track.

With all of that behind us, what is next for 2013? I believe most of us expect a strong year ahead for the industry although I am hesitant to forecast given my previous blog post.

So I will come to it in a different way. Here are some of the events we would like to see happen in the industry in 2013 to keep things moving forward. This is not an exhaustive list as there is just so much going on in the industry around the world; but the highlights of my own personal wish list focused on milestones for the nuclear industry.

1. A number of plants restart in Japan and, most of all, we would like to see as many people as possible able to return to their homes in the evacuation area and resume their lives.
2. A strong commitment to the in-service date for the delayed Oikiluoto project in Finland.
3. China to continue to approve new plants
4. EDF Energy to reach agreement with the UK government and commit to Hinkley Point C
5. The Czech Republic to conclude their tendering process and sign a contract for their new project
6. South Africa to formally start their process for new build
7. At least one new country move forward with new nuclear plans. (It could be Saudi Arabia, a South East Asian country like Malaysia or Vietnam, or an eastern European country like Poland).
8. Cameco to start first production from its Cigar Lake Mine
9. A higher uranium price enabling new mine financing to be arranged (such as the for the Wiluna mine in Western Australia)

But most of all, what we would really like to see is a real shift in the industry to work together on a globally integrated plan to improve public support for nuclear power. There are so many good things happening that now is the time to really work together to address the big issues on people’s minds – these being: re-enforcing the benefits, explaining the risks and mostly reducing the fear. We all know that radiation should not be feared nearly as much as it is and we need to be using the UNSEAR report as a first step to moving the needle. Climate change is here now and we need to move off fossil fuels to save our planet. Nuclear power is a key element of any strategy to reduce carbon and we need to push now and push as hard for a new vision as the oil, coal and gas industries do to maintain the status quo.

So here is my list. What I will ask you to do is first, use the poll below to vote on which of this list you agree is likely to happen this year. And then please add your own comments to add your own expectations to the list. I will then compile the top items in a future post.

[polldaddy poll=6862862]

It’s a new year and the world needs us more than ever. Let’s roll up our sleeves and get started!

The New Politics of Uranium Supply

After two weeks of modest increases, this week the uranium price jumped by $3.00 to $53.00. These few weeks of increase follow a downward trend and are in part due to recent political events that can impact future supply.

The biggest impact is due to events in Kazakhstan. It is now a few weeks since Kazakhstan announced that it is investigating past sales of the country's uranium assets to foreign companies. The former Soviet republic, which is home to a fifth of global uranium reserves, has accused a former head of state-owned uranium producer Kazatomprom, Mukhtar Dzhakishev, of illegally selling deposits to foreign companies. Dzhakishev and other executives have been removed from the company and been replaced by new government appointees.

In Africa, the President of Niger dissolved parliament in an attempt to secure a change to allow him to run for another term in office. As Kazakhstan is poised to become the world's largest supplier of uranium in 2009, and that together Kazakhstan and Niger produced about a quarter of the world's uranium in 2008, this is very troubling news for the industry.

Uranium Production by Country

	2007 TU	**2008 TU**
Australia	8,611	**8,430**
Canada	9,476	**8,980**
Kazakhstan	6,637	**8,521**
Namibia	2,879	**4,366**
Niger	3,153	**3,032**
Other	10,523	**10,601**
Total	**41,279**	**43,930**

Source: WNA

While there were modest increases in price over the last two weeks since these events started to unfold, it is interesting that this week's increase was the largest in some time. This is after Kazatomprom assured their customers late last week that production will be unchanged and that it would honour all existing agreements; and following the Uranium One announcement that the Russian ARMZ will take a 17% stake in the company for half a uranium mine in Kazakhstan.

And there are also issues for potential future production. The acquisition of Western Prospector by CNNC in Mongolia is at risk as the government of Mongolia has temporarily suspended Western Prospector's mining licenses. This is of interest as it represents a recent investment in potential future production by China.

So what does this all mean for the nuclear industry? Clearly, one of the strengths of the industry is the fact that uranium is available from very politically stable countries, primarily Canada and Australia. With production now increasing in Kazakhstan and Africa where there are deeper political issues, is there now an increased risk to future supply? Well, so far if we use the uranium price as a proxy for international concern, it appears that there is some concern. But with the need for uranium supply and demand to be in good balance for the industry to move forward and build the many new nuclear plants under consideration, as a minimum, we would suggest that the bigger nuclear markets carefully review their supply strategies and ensure that they are sufficiently diversified to minimize their risk. Each uranium producing country has different political issues – and none are immune. Therefore diversification is an essential part of long term strategic uranium supply strategy.