

Uranium & nuclear energy: What's past is prologue

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Daniel Greenspan, Senior Analyst & Portfolio Manager, CIBC Global Asset Management



A growing global nuclear renaissance – hastened by the ongoing war in Ukraine and the closure of the Strait of Hormuz – is accelerating the adoption of, or return to, nuclear power. These transformative tailwinds for nuclear energy, over the medium to longer term, should be a net benefit to Canada.

The nuclear renaissance

There are two key reasons to believe a nuclear renaissance is in full swing: greenhouse gas (GHG) reduction targets, and energy security.

GHG reduction targets

As countries and companies seek to achieve GHG reduction targets, we expect nuclear to play a significant role in carbon reduction plans. Nuclear is a low-carbon baseload power that can replace coal and gas, and doesn't rely on the wind blowing or the sun shining to generate electricity.

At the COP28 UN Climate Change conference (December 2023), 25 countries signed the Declaration to Triple Nuclear Energy Capacity by 2050, specifically with the goal of GHG reduction by accelerating zero and low emission technologies like nuclear.

This was the first time nuclear was explicitly endorsed within the UN process. Since then, another 13 countries have signed on. On the private side, in March 2025, 14 major corporations — including Amazon, Google, and Meta — signed the Large Energy Users Pledge supporting the tripling declaration. Clear indications that there is support for nuclear as a low carbon, GHG reducing energy option from both the public and private sectors.

Energy security

Even before Russia invaded Ukraine and the war in Iran there was an enhanced focus on internal energy security. These conflicts have sharpened this focus and we expect nuclear will play an increasingly important role in internal energy security across many countries.

With Russia, oil exports were largely redirected to Asia with minimal actual supply losses. Natural gas, on the other hand, was a different story. Because of the limited number of pipelines flowing east out of Russia, Russian natural gas exports have fallen materially since the start of the war in Ukraine.

With Iran, the closure of the Strait of Hormuz is a significant and serious disruption of a critical energy supply choke point. Prior to the closing, roughly 20 million barrels per day (mbbl/d) of crude oil (approximately 20% of global supply) traveled through the Strait. And let's not forget about liquefied natural gas (LNG). Combined, Qatar and the UAE have an export capacity of roughly 112 billion cubic meters per year (bcm/yr), that's about 20% of global LNG supply. And all of it must transit the Strait of Hormuz, there is no alternative route to market.

What this means for nuclear energy

Because history can sometimes provide insights into the future, let's go back and look at the last major oil supply disruption out of the Middle East. In fact, the parallels between the 1973 oil embargo and the situation today are quite striking. In October of 1973, Arab members of the Organization of Petroleum Exporting Countries (OPEC) imposed an oil embargo against the United States and its allies in retaliation for US support of Israel in the Yom Kippur War. Crude oil prices quadrupled, from ~US\$3 to nearly US\$12 per barrel.

At the time, oil accounted for nearly 25% of global electricity generation making it the second-largest power generation fuel behind coal. Today, natural gas is in an almost identical position accounting for about 22% of global electricity generation, again behind only coal. Then as now, a fuel critical to around a quarter of the world's power supply was disrupted.

The lesson from 1973 is applicable today: when roughly a quarter of the world's electricity depends on a fuel supply that passes through a contested chokepoint controlled by a small number of producers, the system is inherently fragile. So what happened in 1973? The French and Japanese concluded (in 1974) that the only way to eliminate this vulnerability was to move to a fuel source — nuclear — that doesn't require continuous physical fuel deliveries through contested waterways. A single uranium fuel load powers a reactor for 18-24 months, and years of fuel can be stored on-site. We believe the same calculus from the 1970s is now being applied by energy planners globally to reduce their dependence on seaborne LNG.

Before the embargo, France relied on imported oil for roughly 70% of its total energy needs and three-quarters of its energy supply came from abroad. In March 1974, France launched the Messmer Plan, a national commitment to replace oil-fired electricity generation with nuclear power. The scale of execution was impressive. France ordered 16 new reactors in 1974 alone and construction began on another 51 reactors the decade following the Plan's announcement. By 1990, the share of nuclear power in France's electricity production had risen from 8% in 1973 to 80%.

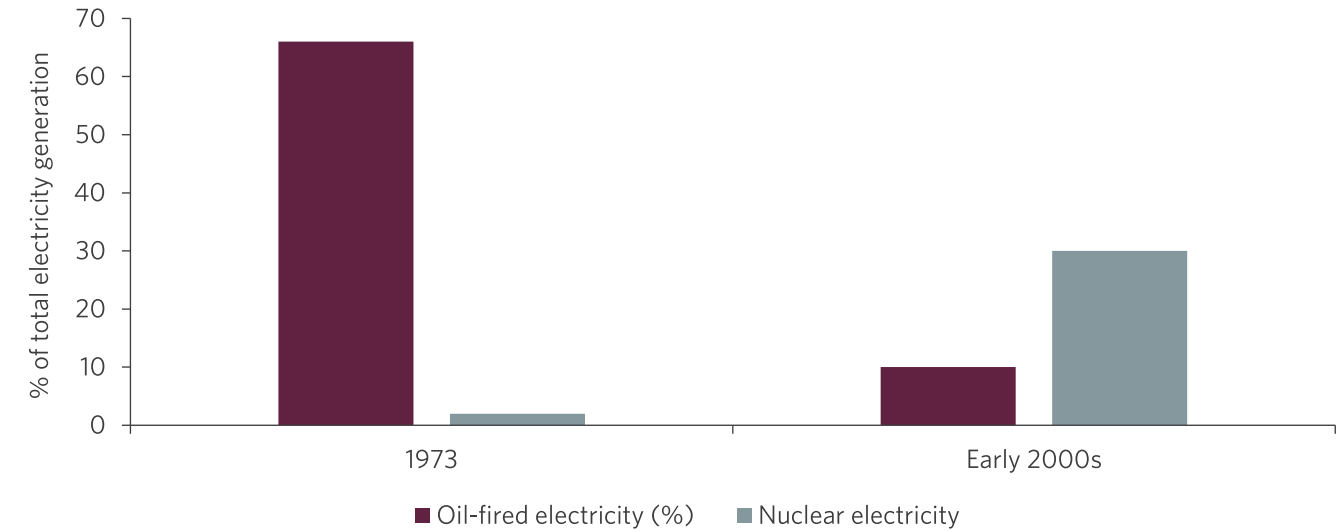
France: Electricity mix before and after the 1973 oil shock



Sources: International Atomic Energy Agency (IAEA), [Nuclear Power Reactors in the World \(RDS-2/41\)](#). International Atomic Energy Agency (IAEA), [IAEA Country Nuclear Power Profile \(CNPP\) 2022 Edition](#). World Nuclear Association, [Nuclear Power in France](#). Data as of September 2026.

Japan followed a similar logic. At the time of the 1973 oil shock, oil fueled 66% of Japan’s electricity and the country was importing a significant volume from the Middle East (~80%). The re-evaluation of domestic energy policy that followed made nuclear a national strategic priority and the country launched a major construction program. Japan built 54 light water reactors from 1970 onward and became the world’s third-largest producer of nuclear energy. By the early 2000s, nuclear was providing roughly 30% of Japan’s electricity, up from just negligible levels before the 1973 crisis.

Japan: From oil dependence to nuclear power

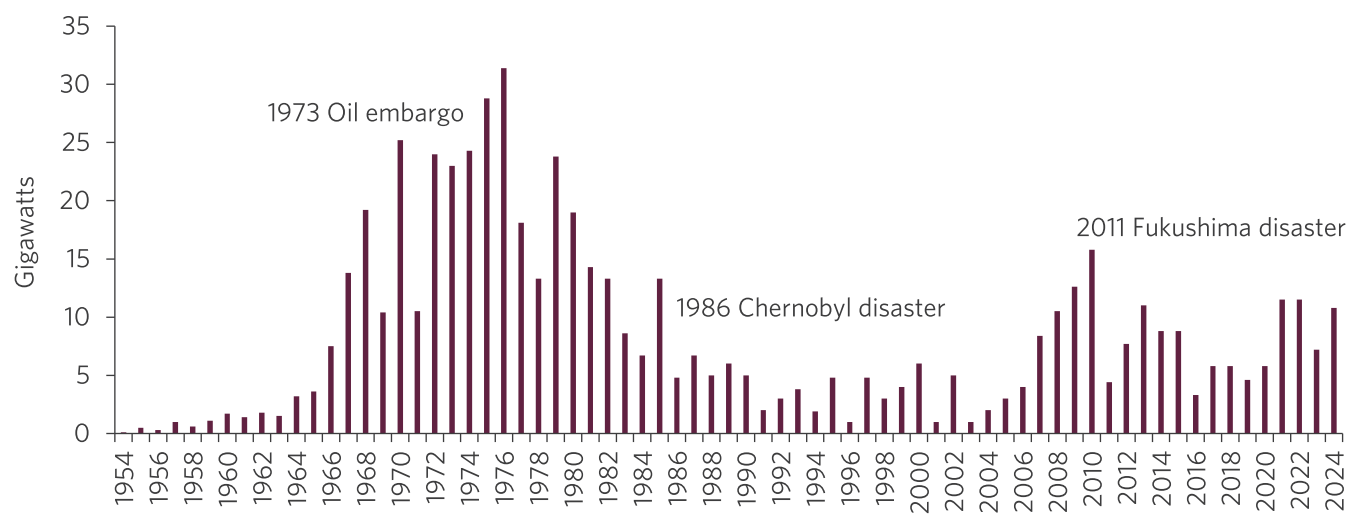


Sources: Yuhji Matsuo and Hisanori Nei, [An analysis of the historical trends in nuclear power plant construction costs: The Japanese Experience](#), ScienceDirect, Energy Policy. World Nuclear Association, [Nuclear Power in Japan](#). Ember, [Japan](#). Institute for Sustainable Energy Policies, [2024 Share of Electricity from Renewable Energy Resources in Japan](#). Wikipedia, [Nuclear power in Japan](#). Data as of September 2026.

What this means for Canada

The past has shown that energy security shocks can trigger multi-decade structural commitments and changes. The response to 1973 took 15-20 years to fully play out but once launched it was followed through. Given the similarities between 1973 and today we think we’re in an analogous cycle right now. As mentioned earlier, 38 countries have signed on to the COP28 Declaration to Triple Nuclear Capacity by 2050 and 78 GW of nuclear power is now under construction in 15 countries globally, which is the most in 30 years.

Global nuclear reactor construction starts by year in Gigawatts (GW)



Sources: International Atomic Energy Agency (IAEA), Nuclear Power Reactors in the World, [Reference Data Series No. 2, IAEA, Vienna \(2026\)](#). World Nuclear Industry Status Report, [World Nuclear Industry Status Report 2025](#). Data as of September 2026.

We see this dynamic as a significant advantage for Canada over the medium to longer term. This country has global leaders in nuclear that stand to benefit from the ongoing renaissance up and down the nuclear value chain. Upstream, the Athabasca Basin has some of the best uranium deposits in the world and are controlled by Canadian companies like Cameco and NexGen. Downstream, Cameco and Brookfield own Westinghouse, which builds and services the AP1000 nuclear reactor, and Atkins Réalis is the exclusive provider of CANDU nuclear technology. The supply chains in Canada to service these operations are robust and growing.



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