



We believe rising energy demand will create investment opportunities in power and resources. (UBS)

# How can I invest in power and resources?

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**In recent years, the mixture of rising electricity consumption, decarbonization, and tech advancements has boosted electricity demand. We believe the investment opportunity in power and resources is set to grow in the years ahead.**

**CIO has identified these investment opportunities in power and resources.**

## **1. Significant investment is needed to meet rising world electricity demand.**

- Demand for electricity is projected to grow at an annual rate of 3.4% from 2024 to 2026, according to the International Energy Agency (IEA).
- This is well above overall energy demand growth of 1.4% per year observed over the past decade.
- CIO estimates the electrification of the global economy will require around USD 3 trillion in annual investments by 2030.

## **2. But this opens multiple investment opportunities across the electrification value chain.**

- We like investing in sectors that are integral to the electrification value chain, such as companies involved in the production of electrical equipment and grid infrastructure.
- Data center growth will warrant considerable investments in transmission and distribution equipment, as well as cooling technologies to maintain the low-humidity temperature required for optimal chip operation.

## **3. We also find essential materials and select metals appealing.**

- The demand for essential materials such as copper, lithium, and aluminum is set to rise thanks to electrification and energy transition demands.
- Supply bottlenecks and geopolitical factors may limit metals' availability, putting upward pressure on prices.
- We therefore like companies engaged in the extraction and processing of critical raw materials.

**Did you know?**

- In the US, data centers accounted for 4% of total electricity consumption in 2023, with projections indicating this figure could rise to 9% by 2030 (according to the Electric Power Research Institute).
- Major tech companies are expected to invest over USD 250 billion in capital expenditures (capex) to expand data center capacity by 2025, with leading firms anticipating a year-over-year growth rate exceeding 45%.
- The IEA expects global demand for certain metals to increase nearly tenfold by 2050. For example, the demand for copper alone could rise by an additional 100,000 metric tons annually due to the expansion of data centers.

**Investment View**

AI power usage, industrial electrification, and decarbonization will all spur electricity demand—we recommend investing in transmission, distribution, data centers, transport, and energy storage.

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[Original report: How can I invest in power and resources?, 9 December 2024.](#)

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