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You don’t want to be on the wrong battlefield in 2023

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You don't want to be on the wrong battlefield in 2023

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"Although our intellect always longs for clarity and certainty, our nature often finds uncertainty fascinating" said **Carl Von Clausewitz,** the Prussian General**,** who in his book, 'On War' written about 200 years ago, described the basis of military strategy, which is still taught in many military schools. Eventually, those principles entered the business strategy domain. 2023 is fascinating because it is pregnant with uncertainties. His book explains that there are smart ways to deal with uncertainty. To start with, it is important to have more information to choose the battlefield that makes sense.

Tipu Sultan, the feared warrior king of Mysore, lost both his wars against the Kingdom of Travancore. On both occasions, he chose the wrong battlefields against his target kingdom without having adequate information about the lay of the land and what to expect.

Choosing the battlefield is what this year's note is about.

- **Who** did not know about the likely COVID-19 pandemic in December 2019? The **WHO and most people.**
- **Who** knows about the Omicron variant raging now in China and the likely global economic recession in 2023? The **WHO and most of us**
- **Why, then, read this note?** Well, there are surprises and opportunities in store, as usual. On almost all factors, countries are going to fall into different camps in 2023. It will help to know one from the other, irrespective of your profession. This note will explain the basic issues without jargon, graphics, and without complex charts. It will also focus less on explaining GDP projections and more on their implications for business.

What we all seem to know:

Europe and the UK are facing a long and bitter economic winter, which will stretch deep into 2023. There is fear of a recession in the US. China has slowed down. All this could pull the whole global economy further down in 2023. International trade is likely to slow down too. COVID is raging in China, and several small countries as poorly vaccinated. There is fear that the new COVID variant could impede the short global economic recovery after two crisis years. There seems to be no end in sight for the war in Ukraine. The dollar has been on the rampage as have oil and gas prices, the fear being that this may continue. Many don't see any respite in 2023 from heightened inflation, recession, and job losses.

What we don't know:

There is a lot. Let's read the tea leaves to handle 2023 with hope and more information.

Whither COVID:

The wholly expected rise in COVID cases in China after the 'severe containment and sudden relaxation' is a cause for concern, but the paucity of data from behind the bamboo curtain, on infection and mortality due to the COVID omicron BF7 variant, makes it difficult to understand its likely impact on viral resurgence. Some mathematical models currently predict between 0.5 to 1.2 million COVID deaths in China in 2023 and it is rumoured that there are over 10 million cases of infection already. The present COVID wave which spreading out of China, is expected to surge when Chinese New Year travel starts around 10 days before Jan 22, the Chinese New Year Day. Hundreds of millions of Chinese will travel within and outside China, the world will watch with bated breath. Poorly vaccinated countries are at high risk because it appears that many are far below the desirable threshold of 70% vaccination needed for herd immunity.

High-income countries with 72% average vaccination by mid-2022, will be able to deal with the Omicron B7 variant with far fewer mortalities than will low-income countries where the average vaccination is a dismal 5.5%. The African continent is particularly vulnerable, with the percentages ranging from 0.05% in Burundi to 32% in South Africa (the hot spot from where a deadly variant emerged in 2021). Hence BF7 variant will likely spread in 2023 and exact a price in poorly vaccinated countries. As for the rest, even if the infection is low to moderate, the mortality rate may be low.

But you won't be on any battlefield if you are a traveller.

The beleaguered travel industry is wary. Till there is adequate vaccination equity, more variants and more epidemics (not pandemics) may continue to emerge. This was a warning in my earlier annual notes. Why did we come to such a sorry pass? The selfishness of rich nations prevailing over compassion. They even let some vaccines expire but did not send them to poor countries.

Is the global economy entering Skid Row?

The world is not anywhere close to a meltdown which scaremongers want us to believe. There will be many skid rows across the world and some good places too, but in aggregate, there will be an economic slowdown. There is rarely a feeling of well-being when global real GDP growth falls below 3%. Though GDP growth in 2023 will only be a shade worse than the 2% recorded in 2022, it will play out differently and more severely in some countries. The nominal GDP growth rate was decimated by runaway inflation in 2022. In this note, I will try to disaggregate the likely 2023 picture while agreeing with the consensus real aggregate growth of close to 1.6 %, because therein lie the opportunities.

Admittedly, my luck as an economic analyst ran out in 2022 after an unbelievable 14-year run of getting 310 forecasts right. In December 2021, I made a foolhardy assumption that Russia would not invade Ukraine ignoring data on the build-up of forces along the border with Ukraine. My basis was that Ukraine would not be a pushover due to NATO support and that Arab nations would, as usual, rally around USA's call for higher oil output and lower prices, making a prolonged war unaffordable for Russia. However, just two days after I wrote my paper and between Christmas and New Year, Biden announced rather undiplomatically, that MbS will have to be held accountable for the murder of Khashoggi. All Saudi Arabia had to do, was make MbS their Prime Minister to automatically confer diplomatic immunity on him. Two of the key tenets in my field of work, strategy consulting, are that you don't announce your intent in advance and that you take action at a time and place that suits you, after covering your bases. MbS reacted by giving the POTUS, a thumbs-down, and the world is still paying for Biden's loose statement. This ruined my expectation of manageable energy prices. High inflation was forecast but energy prices took inflation up to an unbelievable level. It is not going to make me seek refuge in soft assessments in the future, whereby my statements could be interpreted both ways. A globally accepted practice is for analysts to say that there is a 75% probability of a particular outcome and a 25% probability of the opposite. That would make the analyst right, irrespective of the outcome. I would rather be right a hundred times and be wrong a few times, than 'appear' to be always right without really being so.

The world economy is unlikely to completely collapse or even turn negative anytime soon despite what pessimists would like us to believe. Europe is going to face a long struggle till it figures out a way to live without cheap energy from Russia and without the import of cheap raw materials, to be value-added in Europe and then exported to the world. Europe and its MNCs will figure out a way. If you live in India, despite lower exports than in 2021, you will have much less cause for concern because nominal GDP growth is expected to remain high and inflation is likely to be tamed gradually over 2023.

The global economy will be patchy, and you don't want to find yourself on a poor battlefield.

Different parts of the world are likely to witness growth challenges initially followed by upward movement during 2023, but not at the same time and not to the same extent. Whilst in aggregate, the world will likely sink to 1.6 +/- 0.2% real GDP growth, there could be bright spots which will grow way faster like India (5.8%), Indonesia (4.5%), Thailand (4.0%), Philippines (5.5%), Saudi Arabia (5.8%), Rwanda (8%), etc. provided they can contain any potential COVID wave. China is expected to grow 3.8+% despite the COVID wave. It is reported (unverified) that in some Chinese factories, COVID-positive employees work on certain days while COVID-negative workers on other days, to keep the factories humming.

The US is expected to delay or even overcome a crushing recession to register between 0.5 to 0.7 % growth. The UK and the EU may be in negative territory. UK is likely to degrow (-0.6%) due to the twin blow of Brexit-led labour shortages and demand slump due to high energy costs. Germany and the Czech Republic are likely in dire straits with -0.2% growth each and a huge challenge of weaning off Russian gas. High oil prices might have helped Russia prolong the Ukraine war, but it has taken a big toll on its economy. With oil prices moderating a bit, some major buyers deserting, coupled with economic and financial sanctions, degrowth (-4.9% in 2023) is staring at Putin. This would make Russia an unattractive market to export to. Given a choice between discounting gas and oil (because the Rouble has become strong) and stopping the war, the leadership could opt for the latter; but only if a face-saving gesture is offered. This is not visible. Parts of Africa and other less developed countries will be in a sorry state.

It is not worthwhile to fight it out on the wrong battlegrounds if you are in business

The key to growth recovery in 2023, will be inflation control and not enhancing the nominal GDP growth rate by stimulating demand and supply. The latter will be taken care of by the gradual mending of supply chains. This leads our discussion to interest rates, and inflation especially, the prices of energy and commodities.

Inflation will gradually slow down

OPEC+1 ensured that energy prices shot through the roof in 2022 through their 'neutral' stand on the Ukraine war; consequently, the world paid for Russia's war costs. The inflation that followed, seriously retarded the ability of several weak economies to drag themselves out of the wreckage of COVID. Imagine that 43% of the countries in the world, including most of Europe, suffered double-digit inflation in 2022! Many economically challenged countries like Zimbabwe, Venezuela, Syria, Lebanon, and Sudan suffered triple-digit inflation. Not far behind were Argentina (88%), Turkey (86%), Sri Lanka (66%), etc. India, which is the third largest net oil importer in the world, with 85% dependence on oil imports was 'advised' by the West to not buy Russian oil without offering any practical alternative. Any country whose oil import bill is 23% of its GDP will choose to buy oil at the lowest price if the alternative is to go belly up. So, India survived the rout with a mere 6.8% inflation. All through 2022, Europe continued to buy Russian oil and gas, albeit in declining quantities, but it bought more than India did. The situation in 2023 will be drastically different when the Western sanctions kick in and demand from Europe for Russian oil/gas drops. Oil has already slid off the peak. That said, much of the alternative energy supplies to Europe will entail higher costs than Russian energy and a consequent need increase in energy subsidies for their citizens. This will likely push Europe into a deeper slowdown with less ability to invest in growth policies, without loosening monetary and fiscal policies. Right now, due to inflation caused by their earlier easy-money policies to fight COVID, there is pressure to increase interest rates further until the slowdown becomes unacceptable. Hence, the EU is expected to slow down real GDP growth to a dismal 0.3% in 2023. Given their long-held underlying socially conscious policies, they could muddle through 2023 without disruptive social unrest. But clearly, imports from outside Europe will decline.

The US is expecting to get inflation within acceptable limits by the summer of 2023. However, in many parts of the world with high inflation, citizens will be thrown to the wolves. In certain countries, inflation was high in 2022, on the back of severe inflation in 2021 too, e.g., Turkey, parts of Latin America (Venezuela, Argentina, Suriname to a large extent), Iran, as well as parts of Africa and South Asia. There is a danger of social and political unrest as a result.

Africa is in a mess. In many parts of Africa where the Chinese influence is high, inflation is high and the burden of debt seems unsurmountable, there will be low growth rates in 2023. This could lead to social pressures mounting and the former European colonisers losing their economic grip. Europe needs Africa desperately for critical raw materials like cobalt, nickel, bauxite, barite, platinum group metals, etc. Europe's shift to 'green' will see a multi-fold increase in its dependence on Africa in the next 5 years. On paper, the European Green Deal (EGD), is expected to help Africa, as the world moves decisively towards a circular economy, but it is another way to secure these materials at low cost, from resource-laden poor countries while offering aid to help them. However, these countries may not forget the brutal treatment received at the hands of European colonisers and the continuing condescending treatment of Africans as 'student-apprentices'.

Fortunately for Europe, the much-lauded Chinese BRI which was supposed to liberate Africa economically has turned sour due to the exploitative terms of the 'favour' dispensed by China. Africa despite being richly endowed by nature, will remain an economic backwater for some time.

So, choose your battlefield carefully.

The implications for developing countries like India and other EMs are that

- *Exporters to Africa will need to review the credit worthiness of certain countries in 2023*.
- *Europe is going to be a declining market to export to but a good place to attract investments from, especially in manufacturing.*
- *Some parts of Africa and the ME will also be good places to establish value-added manufacturing businesses to cater to global markets, especially where raw materials and power are available in abundance and raw materials can be obtained at attractive prices. The time to act is now, because the US, Europeans, the Chinese and the Japanese will have this region on their radar.*

Interest Rates will hurt for a while

Globally the spotlight in 2023 should be on interest rates, which may keep rising globally till mid-2023 and may even start declining in Q4 CY2023, probably a bit earlier in the US, when the FED starts moves to prevent a recession, followed by Europe which is already in a recession. Core inflation would drop in the US and EU by Q2 CY2023. India is in a tricky situation because of the political and business sector's pressures to stop raising rates in Q1 CY2023.

What many might have ignored is that interest rates are sometimes linked with debt crises and the dangers of derivatives damaging the economy. The global credit crisis of 2008 was triggered by rising interest rates and falling real estate prices at a time when multiple layers of derivates built on shaky housing loans in the US, were too big to handle. It is cautionary to recognise that the gross OTC Derivatives market size in end-2007 which was USD 14.52 trillion, now stands 26% higher at USD 18.35 trillion according to stats released by the Bank for International Settlements in Nov 2022. Central bankers around the world are hopefully better prepared to prevent a crisis, having learned from their handling of the Global Credit Crisis 2008; suffice it to say that all is not hunky-dory on the fissile derivatives front though there is hardly any reportage on it. The continuing lack of transparency in the financial world and the difficulty in getting bonus-hungry bankers to comply with transparency norms are big risk contributors. It is worrisome to note that the BIS revealed on December 5, that USD 80 trillion of hidden debt, equivalent to 75% of the global GDP, has been discovered, completely off the balance sheets of banks globally- hidden with FX swaps, forwards, and currency swaps. They need to be settled but are not captured in any global risk analysis stats. If Central Banks want to, they can find ways to roll back this undeclared exposure without rocking the boat and prevent it in the future. Will they or will 2008 be allowed to repeat itself in a new Avatar, a couple of years from now? I hope that it will not be the story for my next year's note.

Two years ago, I had pointed to the P&L problem that countries like the USA would face if when interest rates go up to fight inflation that will follow Quantitative Easing because even a 2% rise in interest would spoil the country's Budget Structure. India is in a similar situation due to unsustainable levels of deficit financing for many years. Well, the US protected the present, at the cost of the future; they borrowed short-term to solve a medium-term problem just because interest rates were temptingly low (cheaper than a 20-year borrowing at that time), low enough to offset the potential increase in their interest bill due to higher borrowing. They kicked the can further down the road. The FED finds itself in a situation where short-term interest rates have now risen way beyond the long-term interest rates back in 2021. When the time comes to refinance those short-term borrowings, it will hurt the government and US taxpayers substantially. Apparently, the excuse for short-termism was that there was no demand for long-term papers. How did the UK do substantial borrowing in long-term papers?

Another issue is that there does not seem to be any concerted institutional action globally to deal with the inability of 60% of the low-income countries to service their debt. An increase in interest rates is not helping them. It will foul up the global stability of countries. Spare a thought for countries like Sri Lanka, Turkey, Egypt, Hungary, Romania, Afghanistan, some African nations, and even Pakistan. They not only face low nominal growth, very high inflation, and debt service problems but also the risk of going bankrupt unless they get an infusion of foreign exchange to import essentials. 2023 will be a nightmare for them. The crisis in Sri Lanka is a warning.

These are not places where you will want to lay your eggs to hatch in 2023.

Many of these things make me wonder whether central banks in many countries are truly independent enough to perform as per their charter. Even in the Reserve Bank of India's delicate trade-off between growth and inflation, there are hints of a likely growth bias in the coming months, though not to the extent of dropping interest rates. Political pressure will be high due to the Indian general elections of 2024. Hence, getting back to the 4% to 4.5% inflation range seems like a distant dream. There is a likelihood of slowing down the increase in interest rates because inflation is expected to cool by about 100 basis points by April 2023. When the US and Europe are likely to continue raising interest rates at least till late Q2 2023, this raises the prospect of the rupee weakening further unless there are massive inward remittances of forex. India cannot afford it because the hypothesis that a rise in exports will offset the import bill has been proven false, due to India's inadequate export basket and absence of scale in manufacturing. *Hence, Indian importers and borrowers should not expect a benign foreign exchange rate situation, any time soon.*

Crypto mania stands exposed:

Cryptocurrencies are just larger-than-life speculative pretenders. All cryptos together have the same market cap as Amazon. They do not deserve much space in this note. As of now, no matter which way cryptos go (up or down), they will not impact the global economy. Their collapse is going to hurt many young investors, but the need for alternatives might be good news for the capital market and start-ups seeking funding.

Innovation and start-ups in 2023:

Innovation will get added impetus because many countries have realised that it is the key means for their economies to get ahead in a competitive world. 2023 could be a mixed year for the start-up world, including India, in terms of overall funding, due to the global tech valuation carnage, and the economic slowdown. Robust and innovative start-ups will still get funded at the seed and VC stages, but the marginal ones will not. Several countries will double down on improving the ecosystem for innovative start-ups by making it a national priority like Israel did over a decade ago.

The better-quality start-ups pitching and reduced competition amongst investors will make 2023, a great year for angel investors in India and elsewhere. This will also be an opportunity for corporates to make strategic investments in start-ups. Not just that- this is the opportunity to headhunt smart folks who migrated to the start-up world in the past three years. What they can bring to transform corporates is immense.

Start-ups need a conducive ecosystem to grow. The top two countries in terms of start-up ecosystems are the USA and the UK respectively. Tiny Israel is at number 3. India is a distant 19th despite a huge upsurge in the number of unicorns and 'soonicorns', because the start-up ecosystem is spotty, and policies are not consistent across the country. While India is dragged down because a large part of India is still stuck in cultural backwaters, Bangalore has moved up to No. 8 in the global city rankings. Start-up investing has spread from Tier 1 cities to Tier 3 cities in India, but scalable technological innovation has yet to happen there because talent migration is in the opposite direction. Early-stage investors seem to have high expectations from Estonia, South Korea, UAE, Israel, the UK and the US in 2023. Some Indian cities like Bangalore, Gurugram, Pune and Hyderabad could improve their ranking for their start-up ecosystems but unless the Central and State Governments speedily remove roadblocks, develop another 10 good urban start-up magnets, repeal unrealistic laws and rules, and learn lessons from the top 5 countries in the World, India may see more migration of Indian start-ups to foreign shores. India will not attract many foreign entrepreneurs to set up shop. It is worrisome that this opportunity is being ignored by India when the rest of the world is trying hard to attract global talent.

Good days for commodities investing to continue:

Energy:

Oil and gas price forecasts are revised every month for good reasons. While these are arguably the most traded commodities, they are also the most 'financialized' commodities. Even small swings in demand-supply, inventory, sentiment, etc. can set off a torrent of activity amongst speculators and hedgers in the market, resulting in quick price changes as financial markets react much quicker than the real economy. As of now, the US EIA expects to remain prices to remain elevated in 2023 although a shade lower at USD 92 per barrel for Brent oil (USD 101.5 in 2022) due to higher expected oil production of 12.34 million barrels per day in the US versus 11.87 million BPD in 2022 and a higher year-end oil inventory than in the US.

Natural gas prices are also expected to drop to USD 5.43 per million BTU from USD 6.48 per MBTU in 2022. Many reports share this view, but all it takes for these forecasts to go awry is for OPEC+1 to cut production or a recession to start in the US and elsewhere earlier than expected, or for China's COVID situation to get more adverse.

The main takeaway for business consumers is that there is no big immediate respite on energy costs and the cost of petrochemical-based raw materials. For the public, it means that automotive fuel will remain expensive and the ability of airlines to cut fares will be limited

Other Commodities:

Commodity prices in general are expected to rise in 2023 as the dollar's play reduces. Also, if the past two years belonged to Tech Companies, 2023 is likely to belong to commodities and the brick-and-mortar world. This transition has already started in H2 2022. There could also be supply issues due to underinvestment in commodities in the past two years. Many commodities are financialised. Commodities that gave outstanding returns to financial investors in 2021 and 2022 are likely to do well in 2023 as well as the Dollar Index recedes. Gold prices are expected to rise as the Dollar Index dips and the fear of recession grips the market. It may breach the USD 1900 level before settling down to lower levels. Some even talk about USD 3000. The World Bank has a contrarian view.

India to live to fight another day:

Despite the negative trade balance in 2023, India is likely that portfolio investments by FII will see a rise after declining in 2022. December is usually a month when FIIs withdraw money from India, but this December has seen some reversals. Likewise, FDI into India is likely to see a rise in 2023 because of the sheer size and long-term growth prospects of the Indian economy, political stability, consistency in policies in 2024 and beyond, and the need for global supply chains to reduce dependence on China.

It is not that India is insulated from the woes of the world. Growth will be curtailed mainly on account of challenges on the export front. Yet a 5.8% to 6% real GDP growth could be expected (versus 6.6 to 7% in good times). The implication is that India will be a target for many MNCs especially, in areas where Indian companies have no natural advantage.

Analysis of India's declining exports in the recent quarters clearly shows that the decline is largely in low and medium-tech products whilst hi-tech exports and services (especially tech services) did better- a classic trend in recessions when mid-range brands get massacred while the high-end brands buck the trend. Clearly, companies in hi-tech products and services should double down on exports instead of getting misled by gloomy headline news on exports.

By refusing to bow down to Western pressure, India will survive to compete in 2023. Indian policies to make manufacturing in India to serve the world, attractive for Indian and International companies as has been seen in 2022.

Hi-tech

It is no surprise that AI and IoT-based devices will continue to enter homes, offices, places of entertainment, transportation, shopping, security and defence sectors, government, etc. in 2023. There is a lot of excitement about ChatGPT in 2022; there will be more in 2023. That is great progress but it is not far from the starting line of a race to Artificial General Intelligence which may take the better part of the next two decades to achieve. What is probably not commonly being realised is that a few new technologies will challenge cloud computing in and after 2023. While cloud computing will grow, it will also have a challenger in Edge computing, in which data will reside and computing will happen, close to where the action is and not in a distant computer. There are obvious cost and speed advantages. Meanwhile, one of the advancements of Cloud Computing, to deal with the need to process huge amounts of data in almost real-time, is Fog Computing. This too will catch on rapidly.

There is so much more happening in almost all fields, taking off from the base created in 2022, but I will only cite a couple of examples. A single flu vaccine to deal with more than a dozen types of flu is underway as is a malaria vaccine. It is difficult to believe that a single blood test will be available soon to detect 50 different types of cancer with 99% accuracy. The FDA has already approved this test called Galleri manufactured by Grail. There is a lot that is going to happen to recover value from industrial waste due to the opportunity created by the need for sustainability.

The biggest rewards await investors in smart technologies that will promote sustainability and fight climate change, be it by creating value from waste, reuse of material resources, energy conservation, carbon capture or reducing carbon footprints, water recovery or transformation or conservation, etc.

It's a mixed bag. Which camps make the most sense?

The emerging multi-polar world, in which complex politics and economics meet, will create natural camps. Global realignments are getting stronger. India, despite professing to be neutral will join groupings featuring the USA, Israel, UAE, Australia, Japan, and the UK; it is only a matter of time before S. Korea joins them. But China, Russia, N. Korea, Myanmar, and some indebted African countries will form a separate pact. Saudi Arabia will stay neutral to protect its self-interest until the USA actively mends fences. Singapore, The Asian Tigers will stay out of the limelight to avoid provoking China. Pakistan will play both sides. Pakistan will do an arms trade with Ukraine while trying to cosy up to Russia and China, as bait to get more concessions from the West. As long as the Ukraine conflict continues, Pakistan will extract soft treatment from the West (UK, US, etc.) by providing safe passage of arms to Ukraine. They will continue to play the "best friends" game with China. They will play the Islamic card to get an economic bailout from the Saudis and get drones and two-way trade with Turkey. Therefore, the Indian Government will step up relationships with Arab countries, maintain its relationship with Russia and hope to grow its economic ties with the USA. Once the Ukraine war ends, this will be easier to execute.

But you don't want to be on the wrong battlefield if you are a corporate leader.

There is a lot to gain in 2023 by focusing on business with Arab countries, especially Saudi Arabia, and the USA, which is a natural business ally, as is Japan. South-East Asia will remain attractive.

To conclude, 2023 is going to be interesting for some businesses and countries like India, worrisome for the US, which will be trying to stave off a recession almost till the very end, challenging for Europe and somewhat disastrous for some debt-laden countries in Eastern Europe, Africa, Latin America, and South Asia. The long-term change has started. Before the end of this decade, the global economy will be on an even keel but there will be a reordering of the world in terms of new winners and losers on the economic and political power front.

Which battlefields would you want to battle on?

If winning in business against the competition is a battle, it is important to not just choose the right battles to fight but also the right battlefields and the timing. In 2023, here are some options.

- If you are a global player, you may want to make a business investment in 2023 to manufacture in Asia with India, Indonesia, Vietnam and probably, the Philippines too. China would have been high on the list for its aggressive posture towards neighbours and towards its successful businesses. Couple that with a lack of transparency, and it becomes too hot a potato for outsiders to handle. These countries are almost as cost competitive as China.
- If you are a global portfolio investor, you may have been hit by the fall in 2022 (-17% in the S&P 500) and get tempted by the increased returns in debt instruments. If you still have faith in equities, you may value investing more than growth stocks rewarding. You may also seek consumer discretionary, a few biotech and healthcare stocks besides food, logistics and renewable energy to name a few.
- If you are a country looking for inward FDI, Europe and the West in general, are where to focus due to the compelling need for a China alternative, or China+1.
- If you want to set up a resource-based business, the ME and Africa are calling out loud.
- If you are a robust start-up seeking a home, there are as many as 20 countries eager to invite you. It is angel investment that you seek, angel forums are still full of astute HNI investors with whom the process can be completed very fast and with slightly better valuation, than institutional angels which mirror processes used by VCs.

Will the Russia-Ukraine war end soon or escalate? Will China attack Taiwan? No bets by me this time. It is way above my pay grade, as I realised when the Ukraine war started. "**I'm going into an unknown future**," John Lennon said, "**but I'm still all here, and as long as there's life, there's hope."**

Our Values -
The Avalon EDGE

E — ENTREPRENEURSHIP
Enterprising ownership to transform ideas
into pragmatic and profitable solutions

D — DEDICATION TO EXCELLENCE
Commitment to premier quality and highest
standards in everything we do

G — GREAT VALUE CREATION
Focus on delivering maximum client impact
through innovation and collaboration

E — ETHICAL APPROACH
Respect, fairness, and transparency in all
our interactions

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