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The Blue Economy

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The oceans are indispensable for the effective functioning of our economies, societies, and the environment. The UN High Seas Treaty (signed in 2023) could have marked a turning point, potentially leading to increased policy measures and investments to protect the seas.

In a recent study, we explore the emerging "[blue economy](#)," a sector that promotes investments in the sustainable use of waters, especially the oceans, within our planet. The blue economy is estimated to grow to USD 3 trillion by 2030, with investable markets in wastewater management, waste management, plastic recycling, and sustainable aquacultures contributing over USD 1.1tr. The growth of these sectors is expected to be in the mid-single-digit percentage range annually over the long term.

The oceans are indispensable for the effective functioning of our economies, societies, and the environment. The UN High Seas Treaty of 2023 is a groundbreaking agreement, aiming for 30% of the oceans to be designated as protected by 2030, in line with goals for food security and decarbonization. Despite these advancements, the United Nations acknowledges that Sustainable Development Goal (SDG) number 14, focusing on ocean conservation, remains the least well-funded among the 17 SDGs. Future regulatory measures, especially in the maritime transport sector, are likely to be adopted to curb water pollution. These include mandatory water treatment systems and restrictions on the sulfur content of fuels, creating investment opportunities in clean technologies for the maritime industry and shipping. Two critical areas for the blue economy are waste management and recycling. The plastic waste crisis in the oceans highlights the urgent need to increase recycling rates. This presents investment opportunities in companies specializing in waste management and recycling, as well as in technologies aimed at reducing plastic pollution.

Against this backdrop, the circular economy approach, closely linked to the blue economy, plays a significant role. The recycling industry, particularly battery recycling, will play a significant role due to the demand for decarbonization materials. New recycling methods are the foundation for innovative solutions with materials which have been traditionally difficult to recycle. Likewise, sustainable aquacultures are becoming a focus for investors. These help meet the rising global demand

for food and resources. While traditional aquacultures often negatively impact the environment, more sustainable practices are crucial for the industry.

In the mentioned study, we identify opportunities and challenges in waste management, recycling, and aquacultures. Companies innovating in recycling, bio-based plastics, and sustainable aquaculture are well-positioned to benefit from structural trends and the rising demand for sustainable solutions. Generally, thematic investing provides access to long-term growth drivers and, in particular, improved diversification. It aims to benefit from recognizable global trends such as population growth, aging, and urbanization, as well as technological developments like artificial intelligence. Economic sectors that leverage such secular trends can deliver above-average profit growth over a full economic cycle.

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