THE EURO-MEDITERRANEAN INVESTMENT FORUM

The Blue Economy: Financing Sustainable Development

Naples, 4-5 July 2019
Speaker: Luca Colussa, Generali Investments Partners S.p.A. SGR
The Blue Economy: Financing Sustainable Development

- Marine bio-tech
- Renewable energy
- Offshore oil & gas and deep-sea mining
- Coastal and maritime tourism
- Maritime transport & ports
- Aquaculture and fisheries
The Blue Economy: Financing Sustainable Development

Tourism travel receipts: 2018
Source: IMF, in % of GDP

- Tourism represents 83% of GVA and 79% of jobs in the Blue economy
  Source: “Blue Economy in the Mediterranean”, UfM

- 500M tourists/year by 2030
  Source: UWTO 2016: Tourism Trend Snapshot

- Don’t forget climate change: it could cut tourism revenues by 0.45% of GDP/year in EU Med countries and by 0.09-0.24% in South & Eastern Med ones
  Source: “Blue Economy in the Mediterranean”, UfM

- More than 1200 Marine Protected Areas
  Source: “Blue Economy in the Mediterranean”, UfM
The Blue Economy: Financing Sustainable Development

- **High growth potential for seaborne trade**
  - 60-70% of all international trade
  - Intra-Med traffic account for 25% of global trade
  - +140% worldwide by 2030
  - Source: “Blue Economy in the Mediterranean”, UfM

- **Ongoing shift from fisheries to aquaculture**
  - Aquaculture to growth by 100% by 2030
  - Source: “Blue Economy in the Mediterranean”, UfM

Demersal destructive fishing in the Mediterranean Sea (GRID-Arendal, 2013)
Electricity production by renewable sources
Source: IRENA, EIA, 2016 data, in % of national production

Marine and offshore wind energy generation
Source: IRENA, in % of national production of renewable energy

MED countries: Renewable energy breakdown
Source: IRENA, in % of national production of renewable energy

- **Renewable energy** up, but still high dispersion: across countries EU Med countries: 29%, other Med: 7%.
- Electricity generation from **onshore wind and solar** plants is replacing hydropower.
- **Energy from offshore wind and marine sources** (tide, current, wave) still marginal.

Source: IRENA; EIA, as of June 30, 2019
The Blue Economy: Financing Sustainable Development

- **Large offshore gas discoveries**
  - Leviathan, Aphrodite, Zohr

- **New technologies involved**
  - Geological environment, drilling and completion equipment, subsea equipment, equipment at the surface

- **New gas pipelines**
  - PCI Eastern Mediterranean Gas Pipeline (EastMed)

- **LNG facilities**
  - New opportunities for maritime transport


The Blue Economy: Financing Sustainable Development

Sustainable development
Source: Global Footprint Network, UN

Sustainability area

More effort needed!

Source: Global Footprint Network, UN Human Development Index, as of June 30, 2019
Public debt ratios at high levels, limited room to finance investments

Supranational agencies to continue to co-finance public-private partnership

The banking sector has cut credit aggressively since the Great Financial Crisis

Cross-border loans at quite depressed levels. Reduced internationalization of loan portfolios harms emerging economies
The Blue Economy: Financing Sustainable Development

ESG: Asset under management
Source: Global Sustainable Investment Alliance, Bloomberg News
in trillion USD

<table>
<thead>
<tr>
<th>Year</th>
<th>Europe</th>
<th>U.S.</th>
<th>Canada</th>
<th>Australia/New Zealand</th>
<th>Asia</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Issuance of Green Bonds
Source: Bloomberg New Energy Finance, in US$ bn

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.5</td>
<td>0.8</td>
<td>6.6</td>
<td>3.8</td>
<td>4.2</td>
<td>14.7</td>
<td>37.3</td>
<td>51.2</td>
<td>102.3</td>
<td>173.4</td>
<td>Around 180</td>
</tr>
</tbody>
</table>

Source: Global Sustainable Investment Alliance, Bloomberg News, Bloomberg New Energy Finance, as of June 30, 2019
Thank You.

The information contained in this document is only for general information on products and services provided by Generali Investments Partners S.p.A. Società di gestione del risparmio. It shall under no circumstance constitute an offer, recommendation or solicitation to subscribe units/shares of undertakings for collective investment in transferable securities or application for an offer of investments services. It is not linked to or it is not intended to be the foundation of any contract or commitment. It shall not be considered as an explicit or implicit recommendation of investment strategy or as investment advice. Before subscribing an offer of investment services, each potential client shall be given every document provided by the regulations in force from time to time, documents to be carefully read by the client before making any investment choice. Generali Investments Partners S.p.A. Società di gestione del risparmio shall in no event be liable for any damages or losses resulting from or caused by an improper use of the information contained in this press release or by defects or omissions in its contents.

Generali Investments Partners S.p.A. Società di gestione del risparmio relieves itself from any responsibility concerning mistakes or omissions and shall not be considered responsible in case of possible damages or losses related to the improper use of the information herein provided. The position and opinion of Generali Investments Partners S.p.A. Società di gestione del risparmio may change over time. More information on Generali Investments Partners S.p.A. Società di gestione del risparmio is available on our website www.generali-investments.com/.