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Infrastructure sector on course for growth

Infrastructure is the central nervous system of the economy. As long as stimuli and demands are processed smoothly, its existence is taken for granted. However, if traffic flows stall, supply chains are interrupted, or the power grid or energy supply fails, the entire system quickly collapses.

To meet the challenges of the future, infrastructure must be expanded globally. Climate protection, demographic change, urbanisation and digitalisation - these are four major megatrends and task areas of economic transformation. They require new infrastructure investments worth billions.



“State investments are not enough here; private funds must also be mobilised on a large scale. So-called transformative technologies are needed to shape the future with sustainable infrastructure.”

André Haagmann

Member of the Board of Managing Directors of Union Investment

Australia to USA: Climate targets that require massive investments

Climate targets must be set globally to achieve the necessary effects. An overview of the global targets helps to realistically assess the massive restructuring and investment volumes.

Canada



To date, 300 billion US dollars have been invested annually in renewable energies worldwide in order to achieve these goals. However, this sum does not do justice to the investments that are actually needed:

3.5 - 5 trillion USD



Great Transformation: Investing beyond renewables

Renewable energy and grid infrastructures are needed worldwide. In addition, **new mobility concepts** are necessary that create a charging infrastructure and transport routes that are as sustainable as possible. At the same time, investments in the **structural modernisation of cities** and in water and waste management as well as in hospitals are indispensable in order to provide for a growing and also ageing population in functioning urban structures. In recent years, the need for investment in **digital infrastructure** has also increased significantly.

Important trends in which infrastructure plays a central role

Energy transition

Green mobility

Urban solutions

Data infrastructure

Energy transition



More and more companies and governments have pledged to be CO2 neutral by 2050. This brings challenges and opportunities, such as fluctuations in power generation and the need for a robust grid infrastructure.

Volume of the "Inflation Reduction Act":

400 billion USD

Investment boom ensures more growth and higher real interest rates.

Water march - globally impossible without infrastructure

Water is nutrition, the basis for hygiene, an economic good, a productivity factor - and an excellent indicator of the need for a functioning infrastructure.



March 2023: Around

700

commitments approved in the Action Plan.

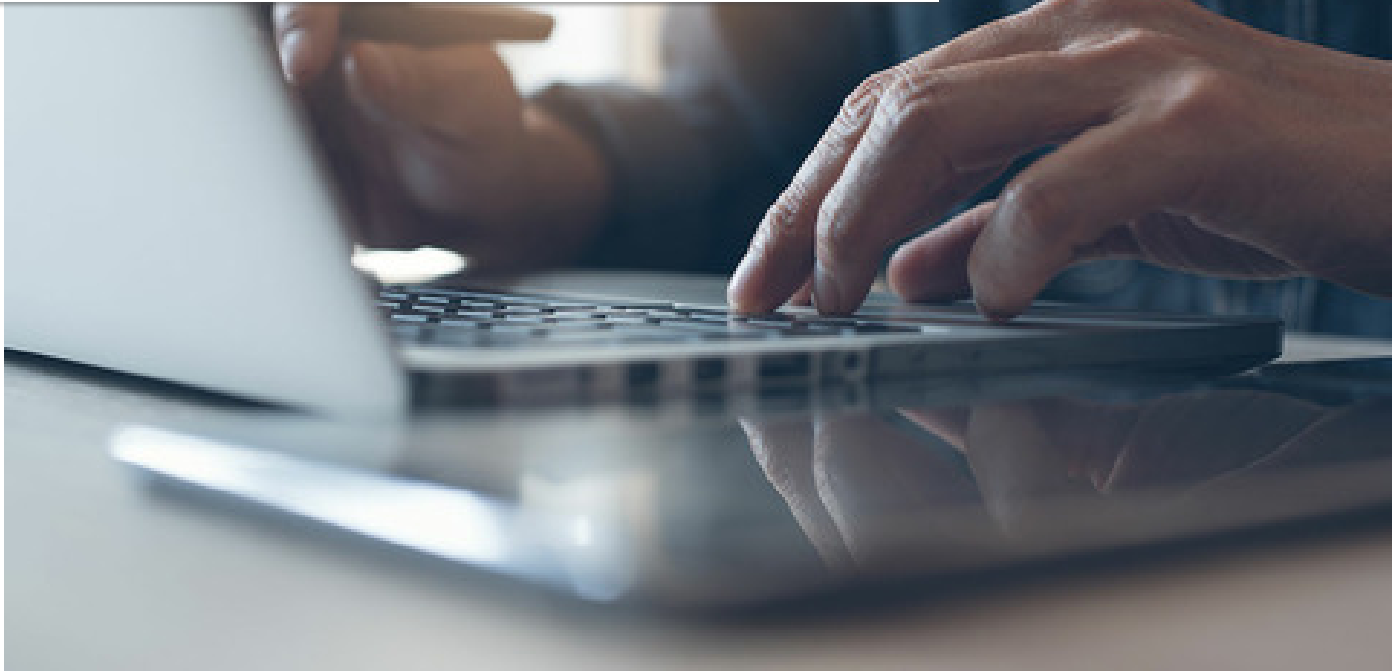
Providing people with clean drinking water is playing an increasingly important role worldwide. But even in many industrialised nations, too little has been invested in treatment plants and pipelines in recent decades. Here, too, there was a backlog of investment. In March 2023, an action plan with around 700 voluntary commitments was approved at the UN Water Conference in New York.

Water, ecosystem and climate strategies are to be interlinked to reduce greenhouse gases - from resilient infrastructure, water pipes and wastewater treatment plans to an early warning system before natural disasters. Johannes Cullmann, Vice-President for Water and President of Science at the UN General Assembly, stated that in the future, around 750 billion US dollars will be invested in the protection of the world's water resources.

750

billion USD for the protection of global water resources.

Your contact person



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