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Citi Indonesia

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## Citi Global Perspectives & Solutions Released **'Sustainable Ocean Economy' Report**

*Despite having their own UN Sustainable Development Goal (SDG 14), oceans received the least funding, and is the least-cited of all of the SDGs, with a funding gap of some \$149 billion per year. Ocean sustainability requires increased attention and action from businesses and financial institutions and a more integrated approach across climate change, biodiversity and ocean health.*

Jakarta, July 6, 2023 – Citi through Citi Global Perspectives & Solutions (Citi GPS) released its latest report titled *Sustainable Ocean Economy* which examines the importance of oceans to the planet, why all businesses and financial institutions should care about ocean sustainability, and how to address the mismatch between the significance of ocean sustainability and the lack of attention and investment towards the issue. To do this, Citi GPS first identify the key drivers of ocean health decline, grouped into three areas: over-exploitation and seascape change, climate change, and pollution.

Jason Channell, Head of Sustainable Finance, Citi Global Insights said, “While we all intuitively recognize that oceans are important, the fact is we underestimate how utterly critical they are to our very survival as a species. We have already inflicted untold damage to an ecosystem that sustains 25% of all marine life: marine populations declined almost 50% between 1970 and 2012; 50% of the world’s coral has already been lost; and at 2°C of warming, virtually 100% of coral reef will be lost. So, we are effectively advocating losing a quarter of all life in the oceans.”

Oceans, the world’s largest ecosystem, cover over 70% of the Earth’s surface, are home to 80% of all life, and produce 50% of the oxygen. While society devotes increasing time and energy to terrestrial drivers and impacts of climate change, many are unaware of the critical role the ocean plays in these dynamics — absorbing 30% of the CO<sub>2</sub> produced by humans and capturing 90% of the heat generated from those emissions.

Despite the ocean’s vital importance and human dependence on it, the report shows that human responsibility for the ocean remains small. In fact, about two-thirds (61%) of the oceans are outside national jurisdictions, meaning responsibility and oversight becomes an issue, and their sheer scale and depth enables an “out of sight, out of mind” attitude to prevail for many, leaving the ocean underfunded and unrecognized. Despite having their own UN Sustainable Development Goal (SDG 14), oceans received the least funding, and is the least-cited of all of the



SDGs, with a funding gap of some \$149 billion per year to the estimated required annual spend of \$175 billion.

“However, there are reasons for optimism, albeit tentative. Recognition of and attention to the ocean crisis is growing rapidly,” Jason added.

This includes the recent Kunming-Montreal Global Biodiversity framework targeting protection for 30% of the world’s oceans by 2030, the recent International Treaty on Protection of the High Seas, potential treaties on plastic pollution, and the impending introduction of the Taskforce on Nature-related Financial Disclosure, which features oceans as one of its four realms.

According to Rebuilding Marine Life journal (2020) by Carlos M. Duarte et al., the private sector and the finance community have contributed substantially to the decline of the ocean health — both directly and indirectly — but they are also vital to conserving and restoring ocean ecosystems, and according to scientists, can be successfully restored by 2050.

New forms of finance such as debt for nature swaps and blue bonds, to name but two, offer enormous potential to harness vast pools of capital. New technologies offer the potential to understand the oceans in ways we never have before. New industries and economies offer enormous economic potential. And all of this before we consider the environmental benefits of building a sustainable ocean economy.

The report also provides a new and granular assessment of impact materiality and revenue exposure for industries. Within the universe of 48,000 public companies that were assessed, Citi GPS found that \$4.3 trillion dollars (11.7% of total revenue mapped) are potentially at risk based on the impact materiality mapping by ENCORE for marine ecosystem use. If also considers indirect revenue exposure, based on impact materiality ratings for greenhouse gas (GHG) emissions and pollution stressors, \$27 trillion (63% of total revenue considered) could be indirectly at risk due to potentially negative impacts on the ocean.

The report also provides geospatial analysis to identify potential hotspots of marine natural capital loss and finds that 67% of national waters Key Biodiversity Areas (KBAs) and 55% of high seas KBAs may be impacted by multiple economic activities and are at risk of disruption or depletion.

Combined, Citi GPS believes that the analysis helps to demonstrate why a broader view of the ocean economy is needed to address all the drivers of ocean health decline and, through the lens of double materiality, why ocean health matters for all marine- and land-based businesses. It also demonstrates the need for more integrated ocean management and governance that considers the need to balance multiple ocean users along with ocean conservation.

The full report can be accessed on Citi’s website [here](#).



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### About Citi Global Perspectives & Solutions

As our premier thought-leadership product, Citi Global Perspectives & Solutions (Citi GPS) is designed to help our clients navigate the global economy's most demanding challenges, identify future themes and trends, and help our clients profit in a fast-changing and interconnected world. Citi GPS accesses the best elements of our global conversation and harvests the thought leadership of our research analysts and a wide range of senior professionals across our firm.

### About Citibank N.A., Indonesia

Citibank, N.A., Indonesia (Citi Indonesia) is a full branch of Citibank, N.A., a wholly owned subsidiary of Citigroup, Inc., which is based in New York, United States of America. Citi is a preeminent banking partner for institutions with cross-border needs, a global leader in wealth management and a valued personal bank in its home market of the United States. Citi does business in nearly 160 countries and jurisdictions, providing corporations, governments, investors, institutions and individuals with a broad range of financial products and services.

In Indonesia, Citi was established since 1968 and is one of the country's largest foreign banks. Citi operates 9 branches in four major cities – Jakarta, Bandung, Surabaya, and Medan. In Indonesia, Citi has a corporate distribution network of around 776 locations in 38 provinces. Citibank N.A., Indonesia is connected to the ATM Bersama and ATM Prima network with more than 197,000 ATM terminals spread across various locations throughout Indonesia.

In 2023, Citi Indonesia received prestigious awards as Best Bank for Sustainable Finance, Best Bond Adviser, Best Social Loan and Digital Bank of The Year from The Asset Magazine. Citibank was also named the Best Credit Card, Best Debit Card, Best Wealth Management, and 2nd Best Saving Account for Foreign Bank categories by Infobank magazine.

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