

# Investment opportunities in transition infrastructure

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With the construction and operation of infrastructure accounting for 79% of global emissions<sup>1</sup>, climate change, alongside resource scarcity, population growth and urbanisation, is driving the shift to greener, smarter, and socially inclusive infrastructure assets.

Three principal transitions must occur, all closely interrelated and each offering significant investment opportunities.

1. **Energy and environmental:** Energy demand is expected to increase by 30% by 2045<sup>2</sup>. With net-zero targets announced or considered by 140 countries accounting for 90% of global emissions<sup>3</sup>, clean energy will be critical. Some USD 30 tn must be invested in the energy transition infrastructure by 2040<sup>4</sup>, mostly in wind and solar capacities, storage and transmission facilities, grid improvement, other clean energies like green hydrogen, and above all energy efficiency. The decarbonisation of the economy will also require massive investments in industry, district heating and cooling, construction sectors, and water and waste management.
2. **New mobility:** Demand for decarbonised transport is rising. The EU is aiming for a 90% reduction in transport-related emissions by 2050 and has banned the sale of new fossil fuel cars from 2035. Huge investments are required in the electrification of transports, charging stations, urban mobility, traffic management and public transportation, as well as in greener heavy transportation.
3. **Digital:** Digitalisation has enhanced the essential nature of connectivity. Remote working, IoT, AI, cloud computing, and smart cities are increasing the need for wireless connectivity, fibre optics, 5G, and data centres to face huge demand for data transport and storage.

Overall, the transition to a green, circular, and more inclusive economy offers ample opportunities for investments in new-generation infrastructure, supported by public incentives, new regulations, private capital and citizen initiatives.



1 Source: Infrastructure for climate action. UNOPS 2021  
 2 Source: Infrastructure 2022 Market Outlook. Carlyle, December 2021  
 3 Source: Climate Action Tracker: climateactiontracker.org/global/cat-net-zero-target-evaluations  
 4 Source: The Shift to Clean Energy. Goldman Sachs. 2019.

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