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Southeast Asia's Blue Economy

Prelims: *Current events of national and international importance | Economy*

Why in News?

Recently, according to Organisation for Economic Co-operation and Development (OECD) report, Southeast Asia has emerged as the world's 4th -largest economic bloc in 2024.

- **Blue Economy –** The sustainable use and protection of ocean, sea, and coastal resources to drive economic growth, improve jobs, and protect marine health.
- **Key Sectors –** Fisheries, aquaculture, shipping, tourism, marine conservation.
- **OECD Analysis –** OECD warns the ocean economy faces rising environmental damage and poor investment, threatening sustainability.
- **Regional Impact –** The report warns that environmental and investment pressures threaten marine ecosystems and livelihoods across South east Asia.
    - **Southeast Asian nations –** Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, Timor-Leste, and Vietnam.

Challenges

- **Environmental Pressures –** Overfishing, habitat destruction, pollution eroding ocean health.
- **Climate Change –** Rising sea levels, stronger storms, warming oceans damaging mangroves, coral reefs, seagrass beds.
- **Livelihood Impact –** Threatens biodiversity, coastal protection, and economic activities.
- **Financing Gap –** Requirement is nearly 2.1 trillion dollars by 2030 for sustainable ocean management and climate adaptation.

OECD Recommendations

- **Expand Blended Finance –** Combine public + private investment to reduce risks.

- **Governance Needs –** Strong policies, institutional capacity, ecosystem-based adaptation, better coastal planning.
- **Innovative Mechanisms –**
    - Blue bonds.
    - Debt-for-nature swaps.
    - Blue carbon markets.
    - Sustainability-linked loans.
    - Guarantee mechanisms.
    - Parametric insurance.

Reference

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