

Waste management & recycling

Longer Term Investments (LTI)

By 2050, the middle class is projected to number 3bn people. They will have sufficient disposable income to purchase products in a way comparable to people in high-income countries today. Waste volumes are expected to more than double.

Projections and opportunities

Waste collection rate

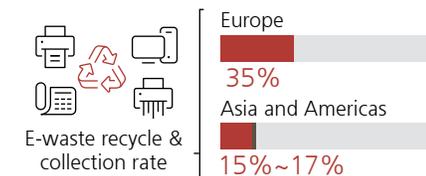
While collection rates in high-income cities have risen to 100%, the average in low-income ones is only 35%. The UN estimates that at least two billion people have no access to solid waste collection.

Source: United Nations



E-waste

Based on the latest available numbers (2016), only a small part of e-waste is collected and recycled: around 35% in Europe, and 15% to 17% in Asia and the Americas. The rest goes into landfills and incinerators or to waste traders.



Source: United Nations

Global Municipal Solid Waste

In 2010, the high income countries generated 50% of global MSW, but this will change soon. By 2030, Asia will overtake the above countries, and the UN expects that later in the century Africa could surpass Asia.



Source: United Nations

China's urbanization

Urban areas in China provide a good example of how this challenge has been met in the last 10 years. Their waste treatment ratio was only 53% in 2006, but it rose to 97% in 2016.



Source: Ministry of Housing and Urban-Rural Development, UBS as of March 2018

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"Greening"

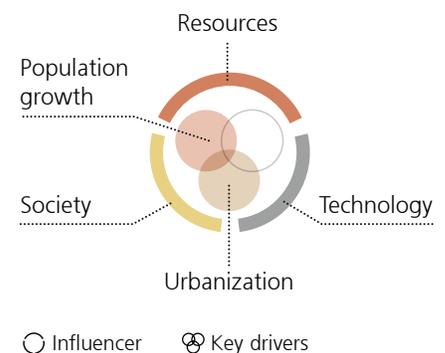
In general, tighter regulation and an emphasis on "greening" the waste sector (according to the "4R's" – recover, recycle, reuse and reduce) should lead to greater capital expenditures that benefit a broad range of companies.



Source: The World Bank (WHAT A WASTE: A Global Review of Solid Waste Management), as of June 2012



Waste management & recycling investment properties



Near-term drivers

- Higher consumer spending = more waste generation
- Stricter regulation to increase recycling, collection rates in EMS

Sustainable investing impact

- Waste management, with particular focus on emerging markets

Impact investing (UN SDGs)

- SDG 6: Clean water and sanitation
- SDG 12: Responsible consumption and production

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