The Blue Economy report: Europe leads and AI applications beckon

The new report from Startup Genome looks at the current state of startup activity and related investment in the blue economy.

Temps de lecture : minute

The Global Startup Ecosystem Report (GSER) Blue Economy Edition from Startup Genome and the Global Entrepreneurship Network launched at the beginning of the month. The blue economy report looks at the current state of startup activity and related investment in the Blue Economy, and the rankings are a reflection of which global ecosystems are currently driving innovation.

The Blue Economy is widely defined as the sustainable use of ocean resources for economic growth, improved livelihoods, and job creation while preserving the health of the ocean ecosystem.

In August 2022, the United Nations' Sustainable Blue Economy Investment Forum saw governments, banks, and corporations gather at the UN Ocean Conference and commit to investing billions of dollars in the Blue Economy.

There is undoubtedly growing global interest in developing technologies that restore marine health, make more responsible use of ocean resources, and fight climate change. However, in the startup world, there is currently a huge amount of untapped potential. As a sub-sector that intersects with Cleantech, AI & Big Data, Agtech & New Food, Transportation, and others, the Blue Economy has ample room for innovation and room for investors to both drive change and reap fair

returns.

The report at a glance

For the first time in a Startup Genome global ranking, Silicon Valley is not in the #1 spot. Singapore takes the lead thanks to strong scores in Performance, Funding, and Experience.

Europe is the global leader in Blue Economy startups, holding 39% of the share. It has also produced the highest number of early-stage deals each year since 2020 and is home to three of the top five ecosystems: Oslo, Amsterdam-Delta, and London.

Blue Economy startups that secure early investment have a much higher chance of success in comparison to other sub-sectors. The attrition funnel over 2016 to 2021, shows that 17% of recorded VC-funded Blue Economy startups that received seed investment went to Series B, and 6% exited at a value of over $50 million.

Under the surface: the potential for AI in the Blue Economy

The report argues that AI can help to make sense of the ocean, and uses the company DeepSense as an indicator of this potential. DeepSense is an organisation focused on driving growth through increased comprehension and adoption of artificial intelligence in the ocean sector. They have already worked with over 250 companies doing just that. Their main contention is simple: the amount of data generated from the ocean is vast – including shipping manifests, wind speeds, underwater images and acoustic data – and if used meaningfully, much more AI leveraging is necessary.

Two straightforward examples were provided: DeepSense worked with a

partner to identify and count fish passing through their hydroelectric dams. In many cases, the mechanism to count fish is very manual. We connected our team of graduate students with the company and together they built a neural network to automate the process.

Another project involved acoustic data generated by surveys conducted in relation to tidal turbines that use Nova Scotia's highest tides in the world to generate clean energy. The traditional method to clean and process data involved human effort to manually edit out bad data that results from choppy water or other disturbances. DeepSense instead helped to build out a machine learning neural network that cut out the bad data automatically. Now data can be generated and efficiently processed from evolving subsea platforms.

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