

Defining and quantifying the sea-based economy to support regional growth strategies- Case GoB

Jenny Katila
University of Turku, Centre for Maritime Studies



Introduction

- EU strategy on blue growth does not directly affect the actual maritime economic activities at local level
- However a bottom-up approach could be useful in order to bring the strategy to practical level and develop methods to include blue growth in planning
- It is essential to understand real activities taking place in certain geographical area
- MSP could provide a framework that facilitates the sustainable development of different maritime activities
- Economic indicators are valuable also for regional strategies as a tool for decision-making
- However greater understanding of the overall economic objectives of MSP is needed



Defining blue growth and the blue economy

- Defining the industries of blue growth and the blue economy is the first step before being able to quantify the value of blue economy
- The blue economy refers more widely to all economic sectors related to the sea
- The "blue growth" label assumes including the concept of sustainable growth (long-term vision of sustainability)

The Gulf of Bothnia (GoB)

- Dominated by traditionally strong blue economy activities as shipbuilding and ship repair, transport, fisheries, and offshore activities that are located in the coastal municipalities and are economically important for the surrounding regions
- Includes three main areas: The Bothnian Bay (Perämeri), Bothnian Sea (Selkämeri) and the Kvarken (Merenkurkku), 32 municipalities along the GoB coast (2015)

Economic data and analysis

- Main goal to characterize five main segments of blue economy
- Data collected from Statistics Finland (readily available data)
- Main segments were identified by using the national standard industrial classification TOL2008 (all sectors and their content were investigated separately)
- Only industries with clear relation to the nearby Baltic Sea were included
- Also the number of blue growth businesses were searched from internet sources
- In addition a survey was made to companies identified from the official databases to find out whether the representatives of the companies considered their companies to be part of the maritime sector, and what percentage of their activity can be seen as maritime

Table 1

Sector and industries related to blue growth economy in the GoB according to national standard industrial classification TOL2008.

Sector	Industries
Manufacture and repair	<ul style="list-style-type: none"> ● Building of ships and floating structures ● Building of pleasure and sporting boats ● Manufacture of engines and turbines, except aircraft, vehicle and cycle engines ● Repair and maintenance of ships and boats
Coastal tourism	<ul style="list-style-type: none"> ● Hotels ● Motels, guest houses and similar accommodation ● Youth hostels and mountain refuges ● Holiday villages and other short-stay accommodation ● Camping grounds, recreational vehicle parks and trailer parks. ● Residential hotels, boarding houses and similar accommodation ● Farmhouse and bed and breakfast accommodation ● Renting of holiday cottages ● Provision of accommodation and other reservation-related services ● Other reservation service and related activities ● Renting and leasing of water transport equipment
Fisheries and aquaculture	<ul style="list-style-type: none"> ● Marine fishing ● Marine aquaculture ● Processing and preserving of fish, crustaceans, algae, and molluscs
Ocean energy	<ul style="list-style-type: none"> ● Production of electricity with hydropower and wind power
Water transport and warehousing	<ul style="list-style-type: none"> ● Sea passenger water transport ● Coastal passenger water transport ● Sea freight water transport ● Coastal freight water transport ● Harbours ● Other supporting water transport activities ● Cargo handling ● Forwarding and freighting ● Activities of other transport agencies
Wholesale: retail, trade and renting (fish, boats and boating activities)	<ul style="list-style-type: none"> ● Wholesale of fish ● Wholesale of boats and boating accessories ● Retail sale of fish, crustaceans and molluscs in specialised stores ● Retail sale of boats and boating accessories
Other (Construction of water projects, engineering, Research and experimental development on biotechnology)	<ul style="list-style-type: none"> ● Construction of water projects ● Civil engineering activities of water projects ● Research and experimental development on biotechnology ● Research and development on other natural sciences Inc. marine aquaculture ● Extraction of salt

Economic data and analysis

- There are approximately 176,00 jobs in the GoB area (2015) overall. The percentage of jobs related to maritime activities was approximately 4% (7,5% in private sector)
- Represent only direct employment (indirect employment was not included in the study but should be noted that there are considerable indirect employment effects)
- Most employed in the fields of ship building, maritime transport and tourism

Segment of maritime jobs of the total employment in the Gulf of Bothnia

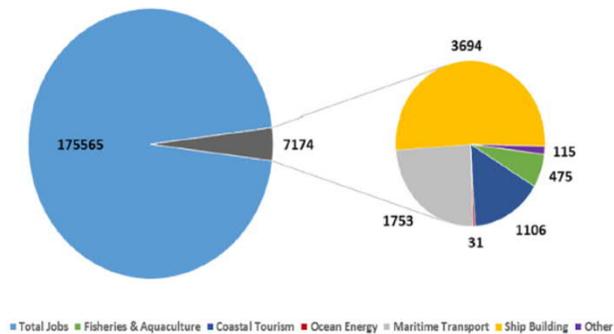


Fig. 6. Segment of maritime jobs of the total employment in the GoB in 2014.



Discussion

- Identifying the blue economy from national accounts is challenging for several reasons:
 - The national economic statistics do not explicitly contain a blue sector companies
 - Distinguishing land-based from sea-based activities is challenging
 - Not all small companies are listed in Statistics Finland database as it is not obligatory for them (The number of companies was higher in internet sources inc. Kauppalehti to Statistics Finland database)
 - In some business more profound information is important
 - Based on survey only 60% of identified their company belonging to blue economy
 - Of those the estimated share of their business in maritime was approximately 64 % (the mean answer)
- It is advisable to use several sources of information for the analysis as official database definitions do not give very accurate information
- Companies in the blue sector should be included in the MSP process
- Majority of companies in the GoB region are not aware of the blue growth concept (perhaps this point has developed since our research?)
- Blue growth innovation platform of Satakunta → ongoing project with coordinated approach of the co-operative development



For more information:
<http://smartsea.fmi.fi/>
jenny.katila@utu.fi

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Recommendations

- Economic indicators for blue economies need to be developed
- Using only official data on companies can be misleading as the national economic statistics do not explicitly contain a blue sector companies
- Multi-sector planning for MSP is required
- Companies in the blue sector should be included in the MPS process