



STUDY ON BLUE GROWTH, MARITIME POLICY AND EU STRATEGY FOR THE BALTIC SEA REGION



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ANNEX 1.1:

COUNTRY FICHE GUIDE

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Country Fiche Background

Following a study on Blue Growth for the European Commission¹ which was focused on maritime activities deemed relevant for the blue economy of the EU as a whole, a specific follow-up study was requested which looks into the specifics of the blue economy potential within the Baltic Sea Region (BSR) by, among other tasks, assessing the state of play and growth potential of the maritime economy at the level of each of the eight EU BSR Member States (MS). This information is presented in a series of eight Country Fiches.

It is important to stress that this Baltic Sea Region study is part of a EU-wide exercise involving several Units of DG MARE assessing the state of play of the Blue Growth economy in all (coastal) EU MS across all European sea basins. In a carefully coordinated approach, based on the methodology developed for the aforementioned Blue Growth study - a uniform methodology was developed which defines seven maritime functions, each of which is in turn composed of several maritime economic activities (MEAs). The uniform methodology allows direct comparisons between MS and/or sea basins. At the same time, the exact methodological definitions were often a compromise between the various involved parties.

Maritime Economic Activities

The set of marine and maritime activities is highly heterogeneous and complex, mainly because of the manifold structures of the respective value chains and the mutual interdependence between them. As a starting point, the set of marine and maritime activities falls into two macro-groups:

- Marine and maritime activities that have an intrinsic economic dimension and thus generate direct profits for private subjects (e.g. maritime transport, extraction of oil and gas, etc.)
- Marine and maritime activities that are funded by the public sector (e.g. coastal protection, maritime monitoring, etc.). These are considered “transversal” to other economic activities and contribute to generating indirect profits to private subjects by creating favourable conditions for the development of economic activities.

As mentioned, based on the Blue Growth Study findings, a list of 29 maritime activities (economic and public-funded activities) was defined and grouped into 7 main functions. For each of the 29 activities, specific methodologies were elaborated to determine their correlation to the EUROSTAT NACE rev. 2 classification system. It was not always possible to define a direct link between this classification system and the maritime activities as such, as a maritime component may be present within some NACE category but it was not expressly mentioned. When such a correspondence was not possible, data for the MEA was gathered from national level sources rather than the EUROSTAT database.

Short summaries of each of the 29 activities and related correlation to NACE codes are provided in the table at the end of this document.

Analysis

Based on both EUROSTAT and national source data, gross value added (GVA) and employment figures were analysed for these 29 activities in each of the MS. Subsequently, in each country the seven largest MEAs based on GVA and employment figures for the reference year 2010 (as no later data was available on EUROSTAT) and the seven fastest growing MEAs based on compound annual growth rates (CAGR) for GVA and employment between 2008-2010 were singled out for analysis. Also analysed was the “future potential” for each of these MEAs based on scores given by the country experts for a series of indicators concerning innovativeness, competitiveness, employment, policy relevance, spill-over effects and sustainability. Definitions of these indicators are given in the table below.

¹ “Blue Growth: Scenarios and Drivers for Sustainable Growth from the Oceans, Seas and Coasts” (commissioned by DG MARE in 2012 and developed by Ecorys)

INDICATOR	DEFINITION / GUIDING QUESTIONS
Innovativeness	To what extend is the given MEA driven by constant improvements and innovation? Are there significant investments currently or foreseen in the near future in R&D for this MEA in the MS?
Competitiveness	This indicator assesses the position of a given MEA of a MS in the EU/international market. Furthermore, competitiveness is assessed also by comparing the activity of a given country to the same activities of other countries in the same area/sea basin.
Employment	Will the given MEA generate new jobs in the near future? Is the given MEA labour or technology intensive? Does it generate qualified jobs and/or attractive, long-term employment for the given regional labour force?
Policy relevance	Is the given MEA addressed by current or upcoming policy initiatives or regulatory activities in the given MS, especially taking into account EU 2020 ambitions? To what extend is the given MEA influenced by these developments?
Spill-over effects	What impact does the given MEA have on other (including non-maritime) economic activities within the MS?
(Environmental) Sustainability	To what extend is the given MEA in the respective MS influenced by current or upcoming environmental regulation or depends on a good status of the environment? Does the sector have the necessary adaptive capacity?

The aforementioned three rankings (size, growth and future potential) formed the basis for selection of the overall 5 or 6 “most promising” maritime economic activities in each MS (Note that these top most promising MEAs were thereafter NOT ranked and are therefore NOT presented in any order that carries any indication of ranking in importance). For this selection, external factors were taken into account, such as for example the time frame of the perspective (in the study the period until 2020 was analysed). For these 5 or 6 MEAs growth scenarios were then developed.

In a further analysis, in order to highlight “growth drivers and barriers to growth” to the six most promising activities, a 2 step analysis was conducted. In a first benchmark analysis step, sector experts developed analyses of each MEA in the EU country in which they best perform. The benchmark analysis was conducted according to a value chain approach. The value chain of the benchmark instance was mapped and analysed giving a precise and detailed example of how the activity is organised in these model cases. Each country then compared its MEAs to the benchmark cases, sorting out strength points (similarities) and weaknesses (differences) and assessing if these similarities and differences could be considered as real drivers/barriers to growth or if they derive only from different contextual environments. This analysis was framed around the following functional elements: maritime research, development and innovation, access to finance, smart infrastructure, maritime clusters, education, training and skills, maritime spatial planning, integrated local development and public engagement. Subsequently, a SWOT analysis based around the same functional elements was conducted in order to take into account contextual specificities of each country.

Subsequently, the MEAs were analysed within the context of existing maritime strategies at regional and national levels in each Member State, including their links to the five Blue Growth Focus Areas highlighted in the EU Blue Growth Communication as targets for policy-making to deliver sustainable growth and jobs in the blue economy.

Function	Maritime activity	Private (pr) / public-funded activity (pf)	Short description	Allocation of NACE rev.2 / other classification	Main keys to allocation
0. Other sectors	0.1 Shipbuilding and ship repair	Pr	Building and repair of merchant vessels; building, repair and maintenance of floating structures	C 30.11 Building of ships and floating structures C 33.15 Repair and maintenance of ships and boats	Totally allocated to 0.1 Shipbuilding and ship repair
	0.2 Water projects	Pr/Pf	Construction of civil engineering projects both coastal and inland, as waterways, harbour and river works, marinas, locks, dykes and dams.	F 42.91 Construction of water projects	Totally allocated to 0.2 Water projects
1. Maritime transport	1.1 Deep-sea shipping	Pr	International freight transport operated by large vessels on intercontinental routes (both liner or tramp services).	H 50.20 Sea and coastal freight water transport H 52.10 Warehousing and storage H 52.22 Service activities incidental to water transportation H 52.24 Cargo handling N 77.34 Renting and leasing of water transport equipment	- 50.20: allocated between 1.1 and 1.2; - 52.22 and 77.34: allocated according to the share of 1.1 on 1.1, 1.2, 1.3, 1.4 and 4.3. - 52.10 and 52.24: the maritime share only has been allocated according to the share of 1.1 on 1.1, 1.2, 1.3, 1.4 and 4.3
	1.2 Short-sea shipping (incl. Ro-Ro)	Pr	National or international freight transport over relatively short distances. Short-sea shipping in the EU takes place between EU ports and between EU and neighbouring countries (Med and Black Sea, Baltic and EEA countries). Ro-Ro segment (ships for wheeled cargos) is also included	H 50.20 Sea and coastal freight water transport H 52.10 Warehousing and storage H 52.22 Service activities incidental to water transportation H 52.24 Cargo handling N 77.34 Renting and leasing of water transport equipment	- 50.20: allocated between 1.1 and 1.2; - 52.22 and 77.34: allocated according to the share of 1.2 on 1.1, 1.2, 1.3, 1.4 and 4.3. - 52.10 and 52.24: the maritime share only has been allocated according to the share of 1.2 on 1.1, 1.2, 1.3, 1.4 and 4.3.
	1.3 Passenger ferry services	Pr	National or international transport of passengers on fixed routes. Often it is combined with Ro-Ro.	H 50.10 Sea and coastal passenger water transport H 52.10 Warehousing and storage H 52.22 Service activities incidental to water transportation H 52.24 Cargo handling N 77.34 Renting and leasing of water transport equipment	- 50.10: allocated between 1.3 and 4.3; - 52.22 and 77.34: allocated according to the share of 1.3 on 1.1, 1.2, 1.3, 1.4 and 4.3. - 52.10 and 52.24: the maritime share only has been allocated according to the share of 1.3 on 1.1, 1.2, 1.3, 1.4 and 4.3.
	1.4 Inland waterway transport	Pr	Freight transport on inland waterways.	H 50.40 Inland freight water transport	- 50.40: totally allocated to 1.4; - 52.22 and 77.34: allocated according to the share of 1.4 on 1.1, 1.2, 1.3, 1.4 and 4.3. - 52.10 and 52.24: the maritime share only has been allocated according to the share of 1.4 on 1.1, 1.2, 1.3, 1.4 and 4.3.
2. Food, nutrition, health and ecosystem services	2.1 Fish for human consumption	Pr	Catching, processing and selling (both wholesale and retail) of fishery products fit for human consumption	A 03.11 Marine fishing A 03.12 Freshwater fishing G 46.38 Wholesale of other food, including fish, crustaceans and molluscs G 47.23 Retail sale of fish, crustaceans and molluscs in specialised stores G 47.11 Retail sale in non-specialised stores with	- 03.11 and 03.12: only the share for human consumption has been allocated; - 46.38 and 47.32: totally allocated to fish for human consumption; - 47.11: only the share of fish has been allocated

Function	Maritime activity	Private (pr) / public-funded activity (pf)	Short description	Allocation of NACE rev.2 / other classification	Main keys to allocation
				food, beverages or tobacco predominating C 10.20 Fish processing	to 2.1; - 10.20: only the share for human consumption has been allocated to 2.1
	2.2 Fish for animal feeding	Pr	Catching and processing of fishery products unfit for human consumption and used for animal feeding and agriculture	A 03.11 Marine fishing A 03.12 Freshwater fishing C 10.20 Fish processing	03.11, 03.12 and 10.20: only the share for non food use has been allocated to 2.2
	2.3 Marine aquaculture	Pr	Farming of aquatic organism in marine and brackish water, mainly for human consumption	A 03.21 Marine aquaculture	Totally allocated to 2.3
	2.4 Blue biotechnology	Pr	All possible technology applications to marine living organisms, including food, nutrition, health, environment enhancement, but also cosmetics, processing technologies, industrial applications, energy production.	It is not possible to allocate to any NACE or other classifications	
	2.5 Agriculture on saline soils	Pr	Agriculture on saline, sodic and potentially salt affected soils	20000 GVA of agriculture and farming LFR_PERS Total number of persons employed as Regular Labour force	Allocated to 2.5 according the % of agriculture surfaces on saline soil on the total agricultural area at NUTS 2 level.
3. Energy and raw materials	3.1 Offshore oil and gas	Pr	Extraction of marine fossil fuels from offshore fields. Support activities for offshore extractions are also included	B 06.10 Extraction of crude petroleum B 06.20 Extraction of natural gas B 09.10 Support activities for petroleum and natural gas extraction	Totally allocated to 3.1
	3.2 Offshore wind	Pr	Exploitation of offshore wind energy for producing electricity	No correlation to any NACE	
	3.3 Ocean renewable energy	Pr	Offshore exploitation of renewable energy resources (excluding wind) which includes: tides, waves, biomass, osmosis and ocean thermal energy conversion	No correlation to any NACE	
	3.4 Carbon capture and storage	Pr	Capture, transport and storage of CO2 originating from large fuel power plants and depositing it in underground geological formations.	No correlation to any NACE	
	3.5 Aggregates mining (sand, gravel, etc.)	Pr	Extraction of marine aggregates (sands and gravels) from the seabed	B 08.12 Operation of gravel and sand pits; mining of clays and kaolin B 09.90 Supporting activities for other mining and quarrying	Allocated according to the quantity of marine aggregates extracted in each Country
	3.6 Marine minerals mining	Pr	Deep-sea mining of minerals such as polymetallic nodules, manganese crusts and sulphide deposits	No correlation to any NACE	
	3.7 Securing fresh water supply (desalination)	Pr	Desalination of sea water for fresh water usage (agriculture and consumption)	E 36.00 Water collection, treatment and supply	Allocated to 3.7 according to the share of seawater and brackish water desalination on the total expenditure for water collection, treatment and supply
4. Leisure, working and living	4.1 Coastal tourism	Pr	Tourist and recreational economic activities related to the sea and located in coastal areas	I 55.10 Hotels and similar accommodation I 55.20 Holiday and other short-stay accommodation	55.10, 55.20, 55.30 and 55.90: allocated to MEA 4.1 according to the share of nights spent in coastal NUTS 3

Function	Maritime activity	Private (pr) / public-funded activity (pf)	Short description	Allocation of NACE rev.2 / other classification	Main keys to allocation	
				I 55.30 Camping grounds, recreational vehicle parks and trailer parks I 55.90 Other accommodation		
	4.2 Yachting and marinas	Pr	Services related to recreational shipping (yachting, sailing, etc.) and marinas related services Building and repair of leisure boats	C 30.12 Building of pleasure and sporting boats		
	4.3 Cruise tourism	Pr	It is a form of travelling, involving an all-inclusive holiday on a cruise ship according to a specific itinerary in which the ship calls at different ports.	H 50.10 Sea and coastal passenger water transport H 52.10 Warehousing and storage H 52.22 Service activities incidental to water transportation H 52.24 Cargo handling N 77.34 Renting and leasing of water transport equipment	- 50.10: allocated between 1.3 and 4.3; - 52.22 and 77.34: allocated according to the share of 4.3 on 1.1, 1.2, 1.3, 1.4 and 4.3. - 52.10 and 52.24: the maritime share only has been allocated according to the share of 4.3 on 1.1, 1.2, 1.3, 1.4 and 4.3.	
	4.4 Working	Not applicable (and was therefore dropped from the tables)				
	4.5 Living	Not applicable (and was therefore dropped from the tables)				
5. Coastal protection	5.1 Protection against flooding and erosion	Pf	Monitoring, maintaining and protecting coasts against flooding and erosions	GF05 Environmental protection (COFOG). This was merged with 5.2 and is presented as "Coastal protection"	Public expenditure partially allocated to MEA 5.1 according to the share of annual expenditure in coastal protection over the total environmental protection (EUROSTAT COFOG)	
	5.2 Preventing salt water intrusion	Pf	Adoption of measures focused at preventing salt water intrusion into freshwater aquifers	No correlation to any NACE. This was merged with 5.1 in the presentation of results.		
	5.3 Protection of habitats	Pf	Protection of natural habitats in coastal areas (excluding marine protected areas)	GF0504 Protection of biodiversity and landscape (COFOG)	Public expenditure partially allocated to MEA 5.3 according to the % of regional/national coastal internal protected area over the total regional/national internal protected area	
6. Maritime monitoring and surveillance	6.1 Traceability and security of goods supply chains	Pf	Organisations, systems, practices, equipment and services used for surveillance (security and safety) purposes in the field of maritime transportation	No correlation to any NACE		
	6.2 Prevent and protect against illegal movement of people and goods	Pf	Monitoring and surveillance of the coastal borders using a variety of services, technologies and dedicated equipment for preventing against illegal movements of goods and people	No correlation to any NACE		
	6.3 Environmental monitoring	Pf	Monitoring of environmental assets	No correlation to any NACE		