Blue growth - Enhancing sustainable growth in the EU's marine, maritime transport and tourism sectors

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The Commission presents a Communication on **Blue Growth**: opportunities for marine and maritime sustainable growth. This is the contribution of the EU's Integrated Maritime Policy to achieving the goals of the Europe 2020 strategy for smart, sustainable and inclusive growth. The EU's blue economy represents **5.4 million jobs and a gross added value of just under EUR 500 billion per year**. In all, 75% of Europe's external trade and 37% of trade within the EU is seaborne.

This Communication drives forward the Commission's Integrated Maritime Policy and launches a process which will **place the blue economy firmly on the agenda** of Member States, regions, enterprise and civil society. It describes how Member States and EU policies are already supporting the blue economy. It then identifies specific areas where targeted action could provide an additional stimulus. A set of initiatives will subsequently be launched to explore and develop the growth potential in these areas.

Blue Growth Focus Areas: an analysis of the job-creation potential, as well as the potential for research and development to deliver technology improvements and innovation and the need for action at EU level, has suggested that five value chains could deliver sustainable growth and jobs in the blue economy. They could therefore benefit from clear-sighted policymaking, allowing the private sector to play a leading role in helping the blue economy reach its sustainable growth potential. This list should not be considered exhaustive. Ongoing EU initiatives are already encouraging innovation in sectors such as maritime transport. Other value chains may emerge over time as suitable areas for further policy focus.

The Communication identifies five focus areas in which additional efforts at EU level could yield long-term growth and sustainable jobs:

1. Blue energy: marine energies have the potential to enhance the efficiency of harvesting the European energy resource, minimize land-use requirements of the power sector and reduce the European greenhouse gas emissions (by about 65 Mt CO2 in 2020).

- Offshore wind could meet 4% of the EU electricity demand by 2020 and 14% by 2030. This would mean 170 000 jobs by 2020, increasing to 300 000 by 2030.

- Other offshore renewable energy technologies are still at an early stage of development, with Member States planning to install only a moderate capacity of 2 to 4 GW by 2020. The challenge is to accelerate the commercialisation of ocean energy through reductions in technology costs as world-wide demand is expected to double annually in the near future. Further efforts to reinforce research and development in the field of ocean energy are needed.

- EU measures, including funding (EIB, Structural Funds), can have a crucial role in providing a framework that gives investors the confidence to invest.

- EU industry is a world leader in blue energy and can contribute to reductions in carbon emissions outside Europe through exports. In addition, synergies can also be explored with the offshore conventional energy sector, for example by tackling safety and infrastructure challenges together.

The Commission proposal for levelling up safety standards in the offshore oil and gas sector EU-wide is a key initiative. Working together with the conventional energy sector will help secure affordable energy supplies in the EU.

2. Aquaculture: globally, aquaculture has a growth rate of 6.6% per annum, making it the fastest-growing animal-food-producing sector and faster than the 1.8% annual global population increases. Fish accounts for about 15.7% of the animal protein consumed globally. The UN Food and Agriculture Organisation estimates that aquaculture provides half of this and that by 2030 it will reach 65%. It is currently 25% in the EU.

As part of the Common Fisheries Policy reform, the Commission proposes to promote aquaculture through an 'open method of coordination' based on nonbinding strategic guidelines, multiannual national strategic plans and the exchange of best practice. There is a wide scope for improving administrative practices, especially in licensing.

3. Maritime, coastal and cruise tourism: the maritime and coastal tourism sub-sector has now become the largest single maritime economic activity, employing 2.35 million people, equivalent to 1.1% of total EU employment. More than 90% of enterprises employ less than 10 people. The cruise industry is also growing. Within Europe it employs nearly 150000 people and generates direct turnover of EUR 14.5 billion. EU shipyards have been successful in serving this specialised market – both with large cruise ships and small leisure vessels.

4. Marine mineral resources: between 2000 and 2010 there has been an annual increase of about 15% in the price of many non-energy raw materials, mainly as a result of consumer demand in emerging economies. There is a risk of supply shortage for several of these, including those identified as critical to Europe's economy. By 2020, 5% of the world's minerals, including cobalt, copper and zinc could come from the ocean floors. This could rise to 10% by 2030. Global annual turnover of marine mineral mining can be expected to grow from virtually nothing to EUR 5 billion in the next 10 years and up to EUR 10 billion by 2030.

5. Blue biotechnology: the unexplored and understudied nature of much of the underwater world means that the capacity of marine organisms other than fish and shellfish to provide inputs to the blue economy is only just beginning to be appreciated, partly through new gene sequencing technologies for living organisms. While estimated current employment in the sector in Europe is still relatively low, and a gross value added of EUR 0.8 billion, the growth of the sector will offer high-skilled employment, especially if ground-breaking drugs can be developed from marine organisms, and significant downstream opportunities.

Commission plans: for each of the five activities highlighted the Commission will analyse policy options and consider further initiatives. This will involve:

- assessing the options for giving industry the confidence to invest in ocean renewable energy, taking into account the framework provided by the Strategic Energy Technology Plan, the aim being to address ocean renewable energy issues in a Communication in 2013;

- working collaboratively with Member States to develop best practice and agree on Strategic Guidelines on Aquaculture in the EU to be adopted in early 2013;

- assessing how maritime and coastal tourism can further contribute to economic growth and provide less precarious jobs whilst improving its environmental sustainability. An impact assessment will be followed by a Communication in 2013;

- assessing how European industry can become competitive in extracting minerals from the seafloor and how best to ensure that this activity does not prevent future generations from benefiting from hitherto untouched ecosystems. An impact assessment followed by a Communication will be delivered in 2014;

- assessing the options for blue biotechnology to harness the diversity of marine life. An impact assessment followed by a Communication will also be delivered in 2014.

In each of these areas, **the assessment of options will begin with consultations with Member States and industry and other relevant stakeholders** in order to develop joint approaches that will provide the extra push that the blue economy needs in order to provide a positive contribution to Europe's economic future, while safeguarding our unique marine environment for future generations.