



Dedicated to promote the interests
of the Maltese maritime sector

The Imperative of Interlinkages between Blue Economy Operators to Avert Common Risks and Exploit Joint Opportunities

**Presentation to
West Med Initiative
National Event-Malta**

Malta Maritime Forum

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Blue Economy

'emphasises conservation and sustainable management based on the idea of healthy management based on the idea that health ocean ecosystems are more productive and fundamental to sustainable, ocean-based economies'.



The Malta Maritime Forum

Set up – October 2015

MISSION:

The mission of the MMF is to serve as a common platform for those Malta based entities who are involved in the maritime, logistical and transport sector in Malta. This platform will facilitate communication between the various sectors as well as with Government to assist and promote the development of this industry in general.

The MMF is a non-governmental organisation, operated on a non-profit basis and in accordance with the provisions of article 38 of the Voluntary Organisations Act (Cap.492 of the Laws of Malta), VO/1244.



The Malta Maritime Forum

OBJECTIVES:

- To promote the interests of the Maltese maritime sector;
- To assist in the development of new maritime activities;
- To promote research, education and training within the Maltese maritime sector;
- To act as a constituted body so as to consult and be consulted by government in the development of public policies that can have a bearing on the Maltese maritime sector.

THE IMPORTANCE OF THE BLUE ECONOMY AT THE LEVEL OF THE EU

Main results (2018)

Turnover - €750 billion

Gross Value Added - €218 billion representing about
2% of the EU economy

Gross Profit - €94 billion

Employment - 5 million

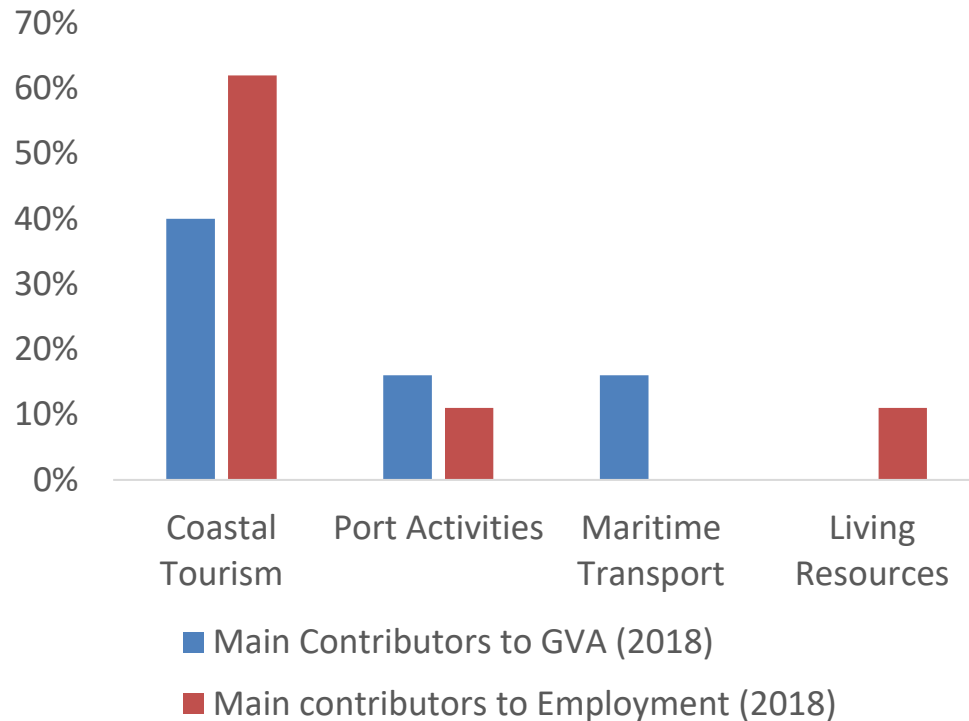
Net investment in tangible goods - €14 billion

Net investment ratio - 22%

Average annual salary - €24,700

ESTABLISHED SECTORS

- Marine Living Resources
- Marine Non-Living Resources
- Marine Renewable Energy
- **Port Activities**
- Shipbuilding and Repair
- Maritime Transport
- **Coastal Tourism**



Established Sectors Compared to 2015

Highest GVA Growth (2015 - 2018)

Coastal Tourism = + 40%

Shipbuilding = +19%

Offshore Wind = +13%

Highest Employment Growth (2015 - 2018)

Coastal Tourism = +45%

Offshore Wind = +15%

Port Activities = +5%

EMERGING SECTORS IN EUROPE

- **Blue Bio economy** - The algae sector generated an estimated turnover of over €350 million in 2018.
- **Ocean Energy** - 70% of global Ocean Energy (wave and tidal) is installed in EU waters
- **Desalination** - 1,500 plants in the EU producing 7 million cubic metres of water p/d
- **Maritime Defense** – generates over 177,000 jobs
- **Cables** - 378 cables spanning over 1.2 million km globally, 205 cables connected to EU
- **Research and Education**
- **Marine Observation**
- **Offshore Wind**

THE IMPORTANCE OF THE BLUE ECONOMY IN MALTA

- The marine environment represents one of Malta's major resources
- The coastal area is approximately one-fifth of Malta's land area, and the marine area is around thirteen times larger
 - In view of this, Malta launched its IMP in 2014 with the scope to provide renewed focus on maritime and marine activity within a European Blue Growth Framework
- To highlight the importance of this sector, various studies have attempted to estimate the economic contribution of the Maltese maritime sector
 - According to the European Commission (EC) using 2016 data, the Maltese Blue Economy employed 10,400 people and generated €406 million in Gross Value Added (GVA)
 - The Maritime Industry including the Blue Economy represents 14% of Malta's GDP
 - EC data indicates that although Malta compares well there is still potential for further improvement especially in terms of productivity

QUANTIFYING THE MALTESE MARITIME SECTOR

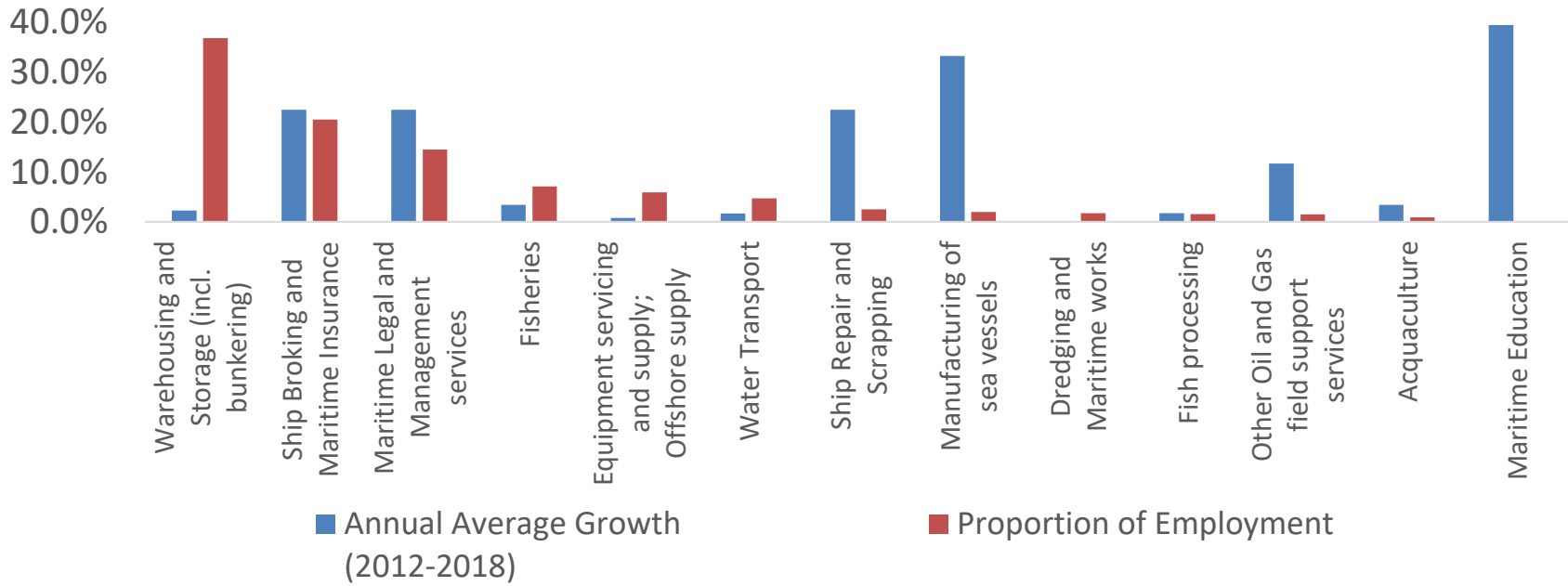
Maritime Services Sector

- Marine and coastal Tourism
- Transportation and Transhipment
- Port & maritime logistics
- Shipping services, repair & building, Oil and Gas & renewable energy
- High-tech services, R&D & Marine engineering
- Defence
- Cables and other infrastructure

Maritime Resources Sector

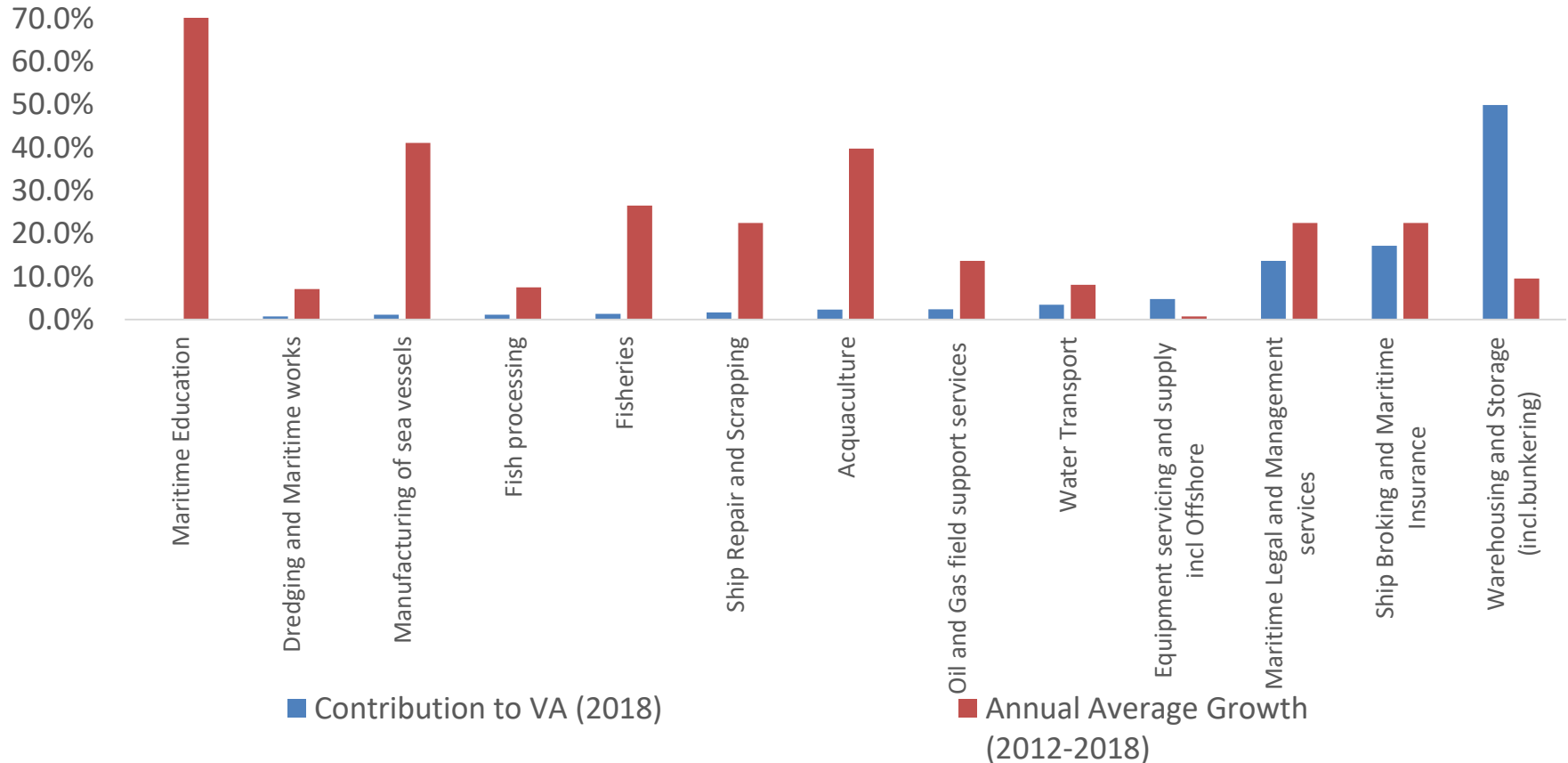
- Fisheries and aquaculture
- Biotechnology and Blue Pharma
- Food Processing
- Mining and quarrying
- The use of Marine water for waste, water Disposal and water abstraction

ECONOMIC CONTRIBUTION OF THE MARITIME SECTOR – Employment*



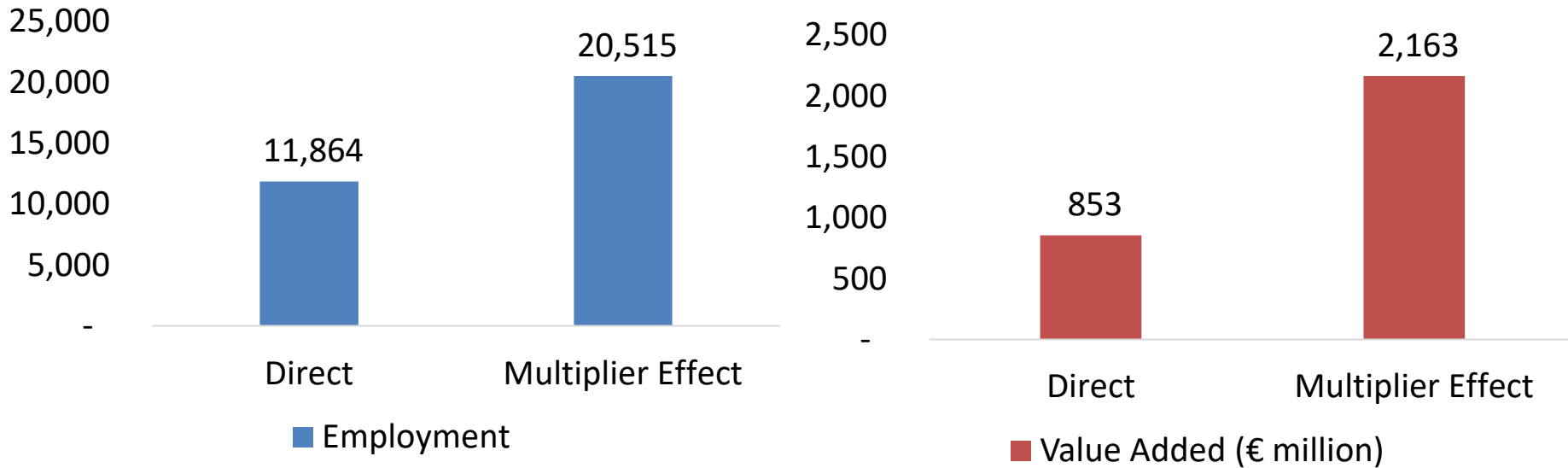
- Majority of jobs are within the warehousing and storage sector although the sector has registered minimal growth over the last few years.
- Most of the growth in employment is in the maritime education sector although the number of jobs remain relatively low compared to other sectors.
- Strong employment growth has been registered in the provision of services to the sector, ship repair and manufacturing of vessels.

ECONOMIC CONTRIBUTION OF THE MARITIME SECTOR – Value Added



- About 50% of the value added in the sector is generated through warehousing and storage.
- Strong Growth in Value added has been experienced by the maritime education sector, manufacturing of vessels, ship repair and aquaculture.

LINKAGES OF THE SECTOR



- The importance of the sector is also evident when one considers the multiple economic effects it has across other sectors within the economy.
- While the sector generates almost 12,000 jobs, when one considers the business to business activities caused by the direct expenditure of the sector as well as further expenditure rounds due to income generated by the sector, the total number of jobs increase to over 20,000.
- Likewise, the value added by the sector is about €850 million but multiple expenditure rounds generated by the sector, due its sector interlinkages, leads to an increase in value added by a factor of 2.5.

POST COVID-19 SITUATION IN THE MALTESE BLUE ECONOMY

- The vulnerability of the sector is evident by the latest impact caused by Covid 19 – highlighting the importance of enhancing the resilience of the sector.
 - Coastal Tourism will be the most effected with average loss of business over 75%
 - Cruise Line Industry down by 90 %
 - The general slowdown in maritime activity brought about losses in turnover of entities that are engaged in the local maritime industry, with these losses estimated to range from 20% to 90%.
 - The closure of the Ports for three months affect Revenue from Port Services with loss of business experienced of 50%
 - A drop of about 35% to 40% in cargo carryings resulted from reduced imports and exports
 - Transportation and Transhipment will be affected negatively by 35%
 - The total volume of containers handled by Freeport Terminals dropped by 36% in March and April when compared to same period last year.
 - Ship Repair and other services expected to contract by 60%

POST COVID-19 REBOUND OF THE MALTESE BLUE ECONOMY

- Expected rebound in 2021 in the Economy is expected to reach 6.5%
- Increase in imports will fuel increase in Port Services
- Coastal Tourism will increase and affects other trades connected in the Maritime Sector
- Yachting and Cruise Line business will increase as Covid 19 restrictions are eased
- The Fish Farming Sector is expected to register an increase in exports

POLICY RECOMMENDATIONS

- The strength of the sector strongly depends on the **development of interlinkages** between Blue economy operators
 - This allows operators to focus on their strengths as a means of averting risk and exploiting opportunities.
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- This requires effective policy which:
 - Addresses the gaps of the sector including skills gaps, infrastructural gaps and regulatory gaps
 - Develops favourable framework conditions for potential sectors
 - Supports the identification of collaborations not only across the sector but also across borders (Westmed plays an important role in this regard)
 - Addresses the changing needs of the sector particularly in terms of ensuring that the expansion of traditional activities and the deployment of new economic activities that do not pose additional pressures on the marine environment. This is particularly important in light of the European Green Deal which will see funds channelled towards addressing the objectives of the deal.



MALTA MARITIME FORUM

THANK YOU