Drs. O.P.C.M. (Olivier) van Paasschen
European Network of Maritime Clusters (ENMC)
Boompjes 40
3011 XB Rotterdam
The Netherlands

Brussels, May 9th 2018

Consultation on the draft of the "Annual Economy Report on the EU Blue Economy"

Dear Mr. Nikolian,

Thanks to our honorable Chairman mr Francis Vallet we became aware of the draft report and the possibility to react. We are very pleased to learn that you have the ambition to create such a report on an annual basis.
The members of the European Network of Maritime Clusters (ENMC) have the following marks in response to your consultation on the draft of the "Annual Economy Report on the EU Blue Economy" divide in comments on the process and on the content.

The content:
I have summarized their responses, point by point;

-   The European Network of Maritime Clusters (ENMC) is in its principles a confederation of national European Maritime clusters. We are therefore pleased to be included in the process of creating such Annual Economy Reports, similar to the 2014 report, to which a member state perspective is valuable. The Dutch maritime cluster, who cherishes close relations with the Dutch Ministry for Infrastructure and Water Management and Maritime Affairs, also included their perspective in this response.

-   Generally speaking, there are no major surprises in relation to the 2017 annual report on the EU Blue Economy. In that sense, the 2018 Annual report is a direct follow up of the previous one, using updated data, focused on those sectors of which data is readily available.

-   The measurement of the size of the European Blue Economy remains based on EUROSTAT SBS Data. However, ENMC wishes to point out that this would inherently leave out other, yet relevant data, as EUROSTAT SBS Data is only available in 2-year lag. For example, figures on private investment. This affects the usability of the 2018 Annual Report for businesses. ENMC would therefore like to suggest using more actively estimates of current, and future investments as it would offer an indication, i.e. market intelligence.

-   The initial summary figure, illustrates the total turnover of the EU Blue Economy. The ENMC would like to suggest to adjust the figures as to avoid double counting along the same value chain as the figures represented in the summary figure reports the total turnover over the whole economy. Next to the turnover we should have an indication of the Added Value per sector.
    (just an example; two economic sectors have the same turnover, i. e. 100; sector A is obtaining it with

Boompjes 40
3011XB Rotterdam
The Netherlands
www.enmc.eu
info@enmc.eu
+31 10 747 00 76

Added Value 80 and Intermediate Costs 20, while sector B with AV 20 and IC 80. Taking into account only the Added Value, A is four times B, but on the contrary their overall economic dimensions are the same. The paradox rather is that B, through its purchases, has a greater impact than A on the global economy). So both indicators are needed.

- The ENMC sees value in the Annual Report representing only direct impacts. However, leaving indirect impact out altogether would imply losing a large share of the added value and employment generated by the EU Blue Economy. (see also previous point) In the Report view, this is probably avoided stating also the turnover of the Blue Economy. As a matter of fact, taking into account the Added Value alone only has a sense when considering an entire economy, where all sectors add up and for each of them Intermediate Costs finally depend on the Added Value of all the upstream ones. So, while European Union GDP as a whole is equal by definition to its GVA, as stated at page 22, note 17, of the Report, when taking into account only the Blue Economy, one should consider this branch's turnover (or Production Value) too in order to have a full information. Furthermore, in our opinion this is the figure that should be correctly compared with general GDP/GVA, since Intermediate Costs are here enclosed. Consequently, Our suggestion is to consider the turnover not only in the final tables, but also in the analysis of the individual sectors, while a premise in the sense of the previous considerations (or similar ones) would be desirable in the Report Methodological Note.

- Figures on average salaries seem to exclude coastal tourism. This however, is for large parts of the EU Blue Economy a relevant part of the EU Maritime sector. ENMC therefore suggests to include these salaries in the 2018 annual report as well. Or mention the averages from coastal tourism and non-coastal tourism.

- The port activities reported for the Netherlands are lower as from the UK and Germany which looks strange if you take into account that with Rotterdam as number one port in Europe and Amsterdam ports as number four, the Netherlands is assumed as larger.

- For Inland freight transport in the Netherlands employees are reported but, ENMC notices that there are hardly no added values mentioned?

- Leisure boats and yachts building and repair must not be confused with vessels shipbuilding and repair, since they are aimed at very different markets, although they merge in statistics as it happens in the Report too: perhaps, an effort to identify each one of these activities also in sectoral analyzes can be done. As regards yachting, another observation points out that nautical tourism and the activity of the marinas are not clearly identified in the coastal tourism data: if not immediately, an evaluation of these components would be desirable in the next reports.

- As regards 'Living Resources' data, one of our national maritime clusters (the Italian one) underlines that those stated in the Report for their country look very different from those they checked with their Fishery industrial association, when in 2015 they issued their V Maritime Economy Report, while similar statistical data provided in both Reports look consistent for the other Blue Economy activities. Possibly, such a huge difference is due to your choice of including commercial activities also, as the 'Wholesale of other food

www.enmc.eu
info@enmc.eu

Boompjes 40
3011XB Rotterdam
The Netherlands
+31 10 747 00 76

etc.' (NACE 46.38), though – as far as we remember – last study Peer-Review group had a contrary opinion.

- Finally, some of our members noted that In the final part of the document, which sees a data listing by country, added value data are made available for all sub-sectors, but unfortunately they are displayed with a graphic system that makes it hard to identify the sector of interest, making the exercise almost useless. I am afraid that modifying this representation is the only thing that can be asked, given the almost definitive level of the draft of the study. For the future, anyway, it would be perhaps possible to have specific analyzes for each single NACE code used: our statisticians do not think it should be very complicated, and would make the study much more usable and useful.

The ENMC applauds the effort of the Commission to annually report on the EU Blue Economy. It provides momentum to the EU maritime private sector to continue their effort to cooperate in innovation, trade, and the creation of partnerships to the benefit of the EU maritime sector as a whole.

I would therefore like to offer our cooperation in conducting these Annual Economic Report on the EU Blue Economy in years to come.

Best regards,

Olivier VAN PAASSCHEN
Quartermaster ENMC

www.enmc.eu
info@enmc.eu

Boompjes 40
3011XB Rotterdam
The Netherlands
+31 10 747 00 76