



Rialtas na hÉireann
Government of Ireland

Focus on Marine & Maritime

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Marine & Maritime

Description

Marine and Maritime encompasses a number of sectors within the ocean economy, including:

- Bioresources/Food: sea fisheries, aquaculture, seafood processing, seaweed, marine biotechnology and bio products;
- Energy: marine renewable energy: offshore, wind, wave and tidal, offshore oil and gas exploration and production; ¹
- Tourism and leisure activities and visits in marine & coastal areas including sea-based and coastal tourism e.g. sailing, surfing, diving, sea angling etc., international cruise industry;²
- Shipping, Maritime Transport, Shipbuilding and Maritime Commerce including international shipping services, ship leasing and ports;³
- Marine support activities: marine manufacturing, marine/water environmental services/consultancy, engineering and construction, and marine retail services; and High-Tech products/ ICT for the sea, sensors, big data, IoT, Artificial Intelligence etc.

Snapshot

Global ⁱ	Market Size		Growth Forecast (2030)		
	\$1.5trn		\$2.8tn – \$3.2trn		
Ireland ^{ii, iii}	Turnover (2019)	Gross Value Added (GVA) (2019)	GVA% Change 2016- 2018	% of GNI*	Employment (2019)
	€5.8bn	€1.97bn	11%	1%	31,000 FTEs

i) The Ocean Economy in 2030, OECD (2016).

ii) Ireland's Ocean Economy 2018 (SEMRU, Update, June 2019)

iii) Challenges and Opportunities for Ireland's Major Ocean Economy Industries, Alan Ahearne and Stephen Hynes, SEMRU, Whitaker Institute, NUI Galway (report submitted to Marine Institute and Department of the Taoiseach 29 June 2020)

¹ Marine renewable energy is covered in the Energy, Sustainability & Natural Resources Sector

² Major urban centres located on the coast are not included in the Irish definition, the EU however do include these urban areas in their statistics

³ Marine transport is covered in the Transport & Logistics Sector

The indirect activity and employment generated from ocean-based industries show markedly higher contributions to overall economic activity, typically about twice that of the direct contribution ⁽ⁱⁱⁱ⁾.

Employment figures presented are reported in full time equivalents. Taking account of part-time and seasonal aspects of many of the sectors, the ocean economy has an important role to play in regional and rural economies. In the seafood sector alone, Bord Iascaigh Mhara (BIM) report employment of 16,150 (9,187 direct and 16,150 downstream employment).

Pre-COVID-19 Position

The value of the ocean economy was increasingly recognised with high growth forecast globally but not without considerable challenges in relation to climate change, regulation and diverse demands on a natural resource.

- The OECD has forecasted the global ocean economy will double in size by 2030 to €3 trillion, with many sub-segments set to grow faster than the world economy (marine aquaculture, capture fisheries, fish processing, offshore wind, and port activities).
- Around 80% of global trade is transported by commercial shipping. The maritime industry is playing an essential role in the short-term emergency response to COVID-19 by facilitating transport of vital commodities and products.
- Employment is set to reach 40 million, outpacing overall growth of the global labour force. Marine aquaculture, capture fisheries, fish processing, offshore wind and port activities are also set to experience rapid employment growth.
- Technological change is having an impact, particularly around: Smart Ports, Big Data and ICT for the sea, autonomous vessels, cyber security, ocean observations and modelling and prediction capabilities, mapping of the seabed, and offshore renewables. Autonomous marine traffic will operate in an autonomous ecosystem with decision-making based on artificial intelligence. Roles of the on-board crew, and the remote-control crew ashore will be redefined.

The Marine and Maritime Sector is a diverse sector in Ireland that overlaps with many other sectors of the economy.

- 2019 turnover of Ireland's ocean economy was down 7% on 2018, with gross value added (GVA) and employment declining by 5% and 1%, respectively. The fall in activity across the ocean economy mainly reflects declines in the output of the three key sectors: shipping and maritime transport, marine tourism and leisure, and the seafood sector. Prior to this decline, over the previous two years the sector experienced an 11% increase on 2016, with Ireland's

'blue/ocean economy' growing at a faster pace than the general economy. Total direct and indirect value to the economy is €4.19 bn.⁴

- The maritime sector is critical to the continued supply of goods in and out of the country, accounting for 90% of Ireland's international trade in volume terms.⁵
- The Irish blue economy employs between 30,000- 40,000 people (depending on definitions) directly and a further 13,000 indirectly. Ireland's 'traditional' sectors continue to be the top performing sectors of the Irish Ocean Economy, dominated by shipping and maritime transport, bioresources/seafood and tourism in marine and coastal areas.
- In terms of skills, the industry in Ireland requires technicians and general operatives as well as high-skilled technical staff and professions. The sub-sectors with the greatest demand for skills are seafood, maritime transport and shipbuilding/repair and related offshore/marine services, and marine tourism.
- Brexit poses considerable challenges for the Irish ocean economy in terms of its potential impact on the fishing industry, ports and port capacity, trade patterns, UK Landbridge, food etc., and transboundary issues.⁶
- For seafood, Ireland has a high reliance on fish landings from the UK exclusive economic zone (EEZ) and loss of access to these fishing grounds or any reduction in our share of managed stocks would have serious impacts on the fishing and fish processing sectors. It will be essential that the negotiations on the future relationship with the UK protects these interests. The EU/UK negotiations on a Future Relationship which includes a Fisheries Agreement as part of the overall agreement are continuing. To date there have been four rounds of negotiations specifically focussed on fisheries.

Impact of COVID-19

GLOBAL

- The first half of 2020 could see a 25% reduction in shipping, with a 10% annual fall in 2020.⁷
- Ocean tourism, before COVID-19, was directly valued at \$390 billion globally⁸. The socioeconomic impacts of dramatically reduced tourism activity on coastal tourism jobs and businesses are unprecedented and there are significant concerns regarding how the industry will recover in the medium and even longer term.
- COVID-19 has caused a fall in consumer demand for seafood through closures of restaurants and hotels. Global fish and seafood exports for 2020 are expected to drop by at least one third, with global demand down due to the pandemic.⁹

⁴ Socio-Economic Marine Research Unit (SEMURU)

⁵ Economic Considerations for Reinstating Economic Activity, Phase 2, DBEI

⁶ The Implications of Brexit on the Use of the Landbridge. IMDO (2018)

⁷ ILO COVID-19 and maritime shipping & fishing

⁸ World Economic Forum

⁹ COVID-19 offers opportunities to make fishing industries more sustainable, UNCTAD

NATIONAL

- The COVID-19 pandemic has dramatically affected tourism activity in Ireland and abroad, with more than half of all jobs in Ireland's ocean economy industries in marine and coastal tourism this sector is seeing the effect of the pandemic, SEMRU/NUIG estimate that total coastal tourism expenditure by domestic residents and overseas visitors was €2.6 billion in 2018, while total marine tourism generated about €1 billion. When tourism businesses do reopen, there are good opportunity for the growth of domestic tourism. Recent surveys of overseas and domestic tourist in Ireland by NUIG have shown that marine active tourists have a higher rate of expenditure than the average overseas or domestic tourist.
- Seafood has also been significantly affected by the food service collapse and the loss of key export markets. High value fish cuts go predominantly to food services.
- The Offshore Wind sector has been largely unaffected by COVID-19 and expects to be back up and running quickly. Offshore Wind projects do not expect significant delays. However, Siemens Gamesa (a global turbine manufacturer) has had to halt production because of supply chain problems with their Chinese suppliers. This may mean that large companies in the sector may look at bringing their supply chains closer – something that might benefit Ireland.
- Specialist maintenance technicians/engineers have not been able to travel from their mainland European bases to repair major faults in Offshore Wind Turbines that could not be repaired by local Operations and Maintenance technicians – this has meant that some turbines have had to be shut down until there is free movement of personnel again.
- At the request of fishing representatives, Minister Creed has introduced a Voluntary Temporary Fleet Tie-up Scheme for the polyvalent, Beam Trawl and Specific Segments for the 3 months June to August. The Scheme, which is implemented under Ireland's EMFF Programme and administered by BIM, is designed as a safety net scheme to support the fixed costs of fishing vessel owners who choose to tie-up for one-month periods due to the market disruption caused by the COVID-19 Pandemic. The Scheme provides participants with 100% of the fixed costs for various vessel sizes identified in data compiled by BIM as part of the EU Data Collection Scheme.
- The effects of the pandemic on shipping services and routes are outlined in the related brief covering the Transport and Logistics sector.

Issues, Opportunities and Challenges for the Sector

- For Maritime Transport, tourism demand is critical to roll-on/roll-off passenger routes and may require targeted investment. Re-emergence of tourism will be gradual and phased based which will create a high degree of uncertainty in terms of scheduling and service offering. The initial assessment is that the existing supports are not suited to the sector as many operators are not registered in Ireland.

- Operating at significantly reduced levels of demand for both freight and passengers cannot continue indefinitely. It is unclear for how long this reduction in demand can be sustained by the sector without an impact on overall service levels.
- The maritime sector is critical to the continued supply of goods in and out of the country, accounting for 90% of Ireland's international trade in terms of volume.
- The resilience of Ireland's maritime links is dependent over time on a return to passenger movements.
- Due to the close proximity of crew on board vessels, it is very difficult to maintain the 2-metre social distancing requirement.