

Speech of Mr. João Aguiar Machado at the conference The European Sea

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The challenges facing the European blue economy

Minister of the Sea, Ana Paula Vitorino

Prof. Dr. José Ferreira Machado, Vice-Rector of the Universidade Nova of Lisbon

Prof. Dra. Regina Salvador, Jean Monnet Chair holder

Ladies and Gentlemen,

It is a great pleasure for me to be here with you today, and an honour to take part in the opening conference of the first Jean Monnet Chair dedicated to maritime policy and the blue economy.

This was an invitation I could not refuse: as a convinced European, as the European, Commission's Director-General for Maritime Affairs, and not least as a native of this proud maritime nation.

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I recently read an article about a coral reef off the coast of Cancún. It is the first reef in the world to be protected by an insurance policy. In the event of storm damage, the insurance premiums paid by local hotels and the government will pay for the reef to be restored.

To me, this example perfectly illustrates the challenges facing the blue economy – and how we will only be able to address those challenges by looking for original

solutions that create a link between environmental conservation and economic activity.

But what are the challenges facing the maritime economy in the European Union today?

In my view, they fall into three main categories: Keeping our oceans *competitive*. Keeping our oceans *productive*. And keeping our oceans *healthy*.

Let me briefly outline what I mean by each.

First, the global blue economy is experiencing a dramatic expansion. Maritime tourism is expected to triple in the next 15 years. By 2025, the global market for marine biotechnology could be worth up to EUR 5.2 billion. There is huge potential for food production or renewable energy.

In fact, the OECD has calculated that the blue economy could double in size by 2030. For Europe, this would mean 10.8 million jobs and almost EUR 1 billion (GVA, Gross Value Added).

Make no mistake: when it comes to the blue economy, Europe can hold its head high. We currently construct over half of all cruise liners in the world. More than 90 % of installed offshore wind power capacity is in European waters.

So we are ahead in some areas. But we all know that our competitors – in China, in developing countries – are not sitting on their hands.

If we want our global lead to continue, we need to work even harder. We cannot leave an economy to stagnate that already employs over five million people and is two and a half times larger than the aeronautical and defence industries combined.

Second, we need to keep our oceans productive. Fish and seafood are an indispensable part of a healthy, nutritious diet. In some parts of the world, food from the oceans is people's only source of protein.

Yet as early as 2006, National Geographic sounded the alarm, warning that the food resources produced by the sea could be exhausted by 2048. Since then, the global population has passed the 7 billion mark, and this question has only become more urgent.

Third, we all know that the current health of the oceans is deeply worrying. Whether its climate-related pressures like warming waters, ocean acidification, and eutrophication. Or environmental pressures like marine pollution from single-use plastic bottles, microplastics or discarded fishing nets. Our oceans are deteriorating – and the oceans, while big, are not too big to fail.

Together, these three challenges give rise to one question: How can we ensure that the EU's maritime economy is competitive, and creates jobs and economic growth, while respecting the very environment on which it depends?

It is a question that my colleagues at the Commission and I are grappling with every single day – the question at the very heart of what we do.

And we need to find an answer. Because we will not solve our competitiveness challenge or our productivity challenge without solving the sustainability challenge as well.

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So what is our strategy at European level? How are we addressing the three challenges I just outlined?

First, on the competitiveness side, we are doing our utmost to encourage research and innovation. The European Commission research and innovation programme Horizon 2020 allocates EUR 260 million a year to marine research.

Thanks to this funding, a company in Wales is using jellyfish – which plague certain marine areas – to manufacture a form of collagen used to treat wounds.

Unilever is testing an environmentally friendly alternative to bleach using algae that prevent bacteria from adhering to dirty surfaces.

A pharmaceutical company in Spain has developed an antiviral drug from marine animals known as ascidians.

And right here in Portugal, an EU loan of EUR 10 million is helping a Finnish company build a first-of-its-kind demonstration unit that converts wave energy into electrical power.

These examples wonderfully illustrate innovation in action!

In addition to boosting innovation, we are also developing a strategy to promote investments in the blue economy.

The needs are huge. Worldwide, renewable energy at sea will need EUR 690 billion of investments between now and 2040. The European offshore wind industry alone will have to attract between EUR 90 and 123 billion by 2020 in order to achieve its 40 GW target.

We will not reach these gigantic amounts with traditional methods of EU funding. So we in the European Commission need to be innovative ourselves and change our approach.

In particular, we will have to get better at combining private and public investments to promote innovation and help commercialisation. We also need to get better at talking to financial institutions who are not traditionally in the blue economy business. My services are currently designing such a funding scheme.

I would also like to point out that a competitive blue economy is only as strong as the skills and qualifications of the men and women who work in the maritime sector.

Shipyards are constructing increasingly automated and computerised vessels. Offshore renewable energy is booming, while the oil and gas industries are in decline.

We need to anticipate the jobs of tomorrow, help people to obtain new skills, and update the skills of those already working in the maritime sector.

So we will be setting up platforms for closer cooperation between the worlds of business and education. And are looking into how we can remedy the skills deficit and make maritime careers more attractive.

Taken together, all of this should help us keep Europe's competitive edge.

Second, we are making sure our oceans stay productive – and we're even boosting productivity where we can.

Last year, Commissioner Vella asked the European Commission's High Level Group of Scientific Advisors how we can get more food from the oceans. And not only how we could get more food. But how we can do it *sustainably*, in a way that does not deprive future generations of the ocean's benefits.

Their findings confirm that our oceans can indeed provide enough nutritious food for all, even in the long term. If – and this is a big if – we take good care of them, at home and abroad.

This tells us that we need to continue down the path we are already taking. Whether it's setting responsible catch limits for Europe's fishing industry. Or boosting sustainable aquaculture – making sure our fish are farmed according to the world's highest environmental, health and safety standards.

And our work is slowly but surely paying off. In the North Sea and the Atlantic, once overfished stocks have returned to good health. And in recent years, EU fish farmers registered a record value of more than 4 billion euros.

This also shows that productivity and sustainability go hand and hand.

Which brings me to my third and final point: healthy oceans, the backbone of sustainable blue growth.

Of course, much of this goes well beyond Europe. Climate change is a global issue, not just a European one. So is marine pollution.

And there is plenty that the European Union is doing to foster global action. Whether it's the Paris Climate Agreement or our work on better international ocean governance.

But of course we are supporting this action at European level as well.

For instance by boosting Maritime Spatial Planning – and I would like to take this opportunity to thank Minister Vitorino for Portugal’s active role on this, and for recognising maritime spatial planning as one of the key conditions for a sustainable blue economy.

Another area the Commission is currently focusing on is marine litter. The Plastics Strategy which we adopted in January proposes a number of actions in this regard – and we are looking to complement it with measures tackling single use plastics and fishing gear.

The approach behind it is simple: tackle marine litter at the source and prevent it from even reaching the sea.

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Ladies and Gentlemen,

I have given you a very quick and impressionistic tour of how the European Union is making our blue economy fit for the future. A future that is competitive, productive and environmentally sustainable.

And I hope it has become clear that, in our view, a successful blue economy does not necessarily mean making *greater* use of the sea and its resources, but making *better* use of them.

I am firmly convinced that the future of the European blue economy is bright. But achieving that bright future is not in the European Commission’s hands alone.

That is why I am so pleased to be here today, and to welcome you as allies of our work. I am greatly looking forward to the valuable contributions that the Jean Monnet Chair in EU Integrated Maritime Policy and Blue Growth will make, under the excellent guidance of Professor Salvador, to this debate.

For our oceans. And for our future.

Thank you.