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The Blue Economy in Poland and the Baltic States

The blue economy is a concept of sustainable use of marine, ocean, and coastal resources aimed at supporting economic development while caring for the environment. In Poland, Lithuania, Latvia, and Estonia, this part of the economy generates over 5 billion EUR of annual value added and employs over 200,000 workers. The blue economy also plays an important role in achieving the goals of the European Green Deal, in line with the idea of Putting the Blue into the Green.

The blue economy includes economic activities related to marine, ocean, and coastal resources, regardless of whether they are undertaken directly in the marine environment or on land. In European Union statistics, they are presented as seven sectors: marine living resources, marine non-living resources, shipbuilding and repair, coastal tourism, port activities, maritime transport, and offshore wind energy¹.

According to the latest data from the EU Blue Economy Observatory², available for 2020, the blue economy in the European Union generated a total value added³ of 129 billion EUR, employing 3.34 million people. It is worth emphasising that compared to the previous year, the value added decreased by 30% and related employment by 26%. These declines were the result of the impact of the COVID-19 pandemic, particularly on the coastal tourism and maritime transport sectors. Thus, the value added generated by the blue economy in 2020 accounted for 1.1% of the EU's total value added (1.5% in 2019), and employment in this area corresponded to 1.8% of total employment in the Union (2.4% in 2019).

The Blue Economy in Poland and the Baltic States – value added. Within the blue economy in 2020, over 12 thousand enterprises operated in Poland, 1,100 each in Estonia and Latvia, while 900 operated in Lithuania. These enterprises generated value added in the analysed year amounting to: in Poland – 3.2 billion EUR, in Estonia and Lithuania – 0.8 billion EUR each, and in Latvia – 0.5 billion EUR. Although Poland achieved the highest value added, the share of the blue economy in the total national value added was the highest in Estonia, where it amounted to 3.3%, while in Lithuania, it was 1.6%, in Latvia – 1.5%, and in Poland – 0.7%. In terms of the share of the blue economy in the value added of the national economy, Estonia also took a high fourth place among all EU countries (second only to Denmark, Croatia, and Malta). In this ranking, Latvia was sixth, Lithuania seventh, and Poland twentieth.

An analysis of the structure of value added in the blue economy indicates that in Poland, the largest contribution was made by enterprises conducting activities related to marine living resources and port activities (0.9 billion EUR each). In Estonia and Latvia, coastal tourism and port activities dominated in this respect (approx. 0.1-0.2 billion EUR each). On the other hand, in Lithuania, the highest value added was generated by enterprises conducting activities related to marine living resources and shipbuilding and repair activities (approx. 0.2 billion EUR each).

The Blue Economy in Poland and the Baltic states – employment. The blue economy in Poland and the Baltic States not only generates significant value added but also plays an important role in the labour market, offering employment in sectors related to the use of marine and coastal resources. In 2020, 142,000 people worked in

¹ The analysis for Poland, Lithuania, Latvia, and Estonia covers six sectors – excluding offshore wind energy due to a lack of source data.

² *EU Blue Economy Observatory, Sustainable Blue Economy* <https://blue-economy-observatory.ec.europa.eu/>, date accessed: 16.05.2024.

³ The analysis used the gross value added (GVA) indicator, calculated as the difference between output and intermediate consumption.

these sectors in Poland, 29,000 each in Estonia and Latvia, and 27,000 in Lithuania. As with value added, the highest share of employment in the blue economy sector was recorded in Poland but in relation to the total number of employed, first place is occupied by Estonia – 4.8%, followed by Latvia – 3.4%, Lithuania – 2.1%, and Poland – 0.9%.

In addition, an analysis of the employment structure in the blue economy sector indicates that in Poland, the largest number of people were employed in activities related to marine living resources (39,700 people). This value accounts for 7% of all those employed in this sector in the EU, which puts Poland in fifth place (behind Spain, Italy, France, and Germany). The next largest employment was recorded in coastal tourism (39,000 people), port activities (31,200 people), and shipbuilding and repair activities (27,700 people). In both Estonia and Latvia, the largest employment was recorded in coastal tourism (16,500 people and 14,700 people, respectively). On the other hand, in Lithuania, shipbuilding activities (8,600 people) and activities related to marine living resources (8,200 people) dominated.

Conclusions and perspectives

- The concept of the blue economy is of key importance for the European Union in the context of achieving the objectives of the European Green Deal, in line with the idea from one of the European Commission's communications – Putting the Blue into the Green⁴. This includes achieving climate neutrality goals primarily through the development of offshore renewable energy, the decarbonisation of maritime transport and the greening of ports as well as the transition to a circular economy, due to the updating of standards for the design of fishing gear, ship recycling and the decommissioning of offshore platforms, and actions to reduce plastic pollution.
- In the European Union, the transition to a sustainable blue economy is supported by the European Maritime, Fisheries and Aquaculture Fund and the BlueInvest Fund. According to the European Commission's position, taking investments in this area into account in national recovery and resilience plans and national operational programs concerning EU funds until 2027 is crucial for the success of this process. In Poland, Lithuania, Latvia, and Estonia, where the blue economy contributes to generating significant value added and employment, a strategic approach to this sector is particularly important. It is also worth noting that among the analysed countries, Estonia stands out with the highest share of the blue economy in both the total national value added and total employment.
- Moreover, in the analysed countries, an increase in the importance of the blue economy can be expected, especially in Poland. Firstly, this is indicated by a clear improvement in the performance of Polish seaports. According to Action Forum data, in total in 2022, 133.2 million tons of cargo were transhipped among them (an increase of 17.8% compared to the previous year), and in the first half of 2023 – 74.2 million tons (an increase of 20.5% compared to the first half of the previous year). As a result, in the ranking of the ten largest Baltic ports in 2022, as many as three were Polish, including the port of Gdańsk in second place, Szczecin-Świnoujście in sixth place, and Gdynia in ninth place (of the Baltic countries, the Lithuanian port of Klaipėda is seventh and the Estonian port of Tallinn is tenth). Secondly, shipbuilding activities are also developing. An example is the Miecznik Program, which is the result of a partnership between Poland and Great Britain under which three frigates for the Navy will be built in Polish shipyards, equipped with modern radar, artillery, and missile systems. Thirdly, the importance of offshore wind energy is also growing in the entire Baltic Sea region. In the case of Poland, an example may be the investments of the Danish company Vestas, a leader in the production of wind turbines, which is opening two factories in Szczecin – the first in the second half of 2024, and the second planned for 2026. After launching both productions, the Danish company will employ approx. 2,500 people.

⁴ *Putting the Blue into the Green*, https://oceans-and-fisheries.ec.europa.eu/publications/putting-blue-green_en, date accessed: 16.05.2024.

- In the shadow of the Russian-Ukrainian war, however, one cannot forget about the threats in the Baltic Sea area, both of a military and unconventional nature, which pose challenges to the political, economic, social, and ecological security of the countries of this region.