



Date: 24 November 2021 Issue: 655 Source: European Commission (23-11-2021)

## European Blue Economy Report 2021

Emerging sectors are preparing the blue economy to take major role in the EU's green transformation



The EU Commission has released the fourth edition of the "EU Blue Economy Report," which provides an overview of the performance of the 27 EU countries' economic sectors related to ocean and coastal environments.

[Link to the News Story](#)

## Our Views

- Not many people know that there are several colors for the economy: white, black, grey, red, brown, green and blue, and some have alluded to three other colors: Silver, violet and yellow.<sup>1</sup> Each color is associated with a specific economic concept that is of interest to international institutions, economists, or others. It should be noted that there is no exact scientific concept for each color. Here is a brief overview of what each color generally means:
  - The term white economy<sup>2</sup> refers to all sectors that include production, research, marketing and distribution of health goods and services, university research and education activities, industrial and technology parks, and start-ups. The black and the gray economies<sup>3</sup> refer to activities that are carried out informally, including what is legal and what is illegal. The red economy<sup>4</sup> refers to the central economy controlled by central governments, while the brown economy<sup>5</sup> refers to economic activities that depend on fossil fuels as a source of energy such as coal, oil and gas. The United Nations Environment Program

---

<sup>1</sup> The three new colors that have been proposed by some scholars are:

Silver economy, which refers to activities related to the needs of the elderly population.

Violet (purple) economy, which refers to taking into account the cultural aspects of the economy.

Yellow economy, which is the economy that studies solar energy and how to benefit from it to achieve sustainable development.

<sup>2</sup> <https://tendercapital.com/en/what-is-the-white-economy-and-how-much-is-it-worth/>

<sup>3</sup> <https://www.oecd.org/tax/crime/shining-light-on-the-shadow-economy-opportunities-and-threats.pdf>

<sup>4</sup> <https://www.jordantimes.com/opinion/jawad-anani/seven-colours-economy>

<sup>5</sup> <https://thegreenmarketoracle.com/2013/10/04/environmental-implications-of-three/>

defines the green economy<sup>6</sup> as one that results in an improvement in human well-being and social equality while significantly reducing environmental risks and the scarcity of ecological resources.

- The blue economy, the subject of this news story, refers to the economy that includes all activities related to seas, oceans, and beaches, and includes two basic sets of activities: The marine-based activities group, which includes activities that take place in the oceans, seas and coastal areas, such as marine resources (fisheries and aquaculture), marine minerals, marine renewable energy, water desalination, shipping and coastal tourism. The second set includes marine-related activities, which are activities that use and/or produce products and services from the ocean or marine activities such as seafood processing, biotechnology, shipbuilding and repair, port activities, technology and equipment, and digital services, etc.
- These sectors provide great potential for sustainable economic growth as well as for job creation. The United Nations has estimated sales of ocean services between \$3 to 6 trillion, including employment and environmental system services provided by ocean and cultural services as well as contributing about 260 million jobs to the global economy. Its contribution is expected to double by 2030. In the European Union, the blue economy has created direct jobs for nearly 4.5 million people, generated sales of €650 billion and a total value added of €176 billion.

---

<sup>6</sup> <https://thegreenmarketoracle.com/2013/10/04/environmental-implications-of-three/>

- Within the framework of the EU's interest in the opportunities offered by the blue economy, the EU has issued an annual report since 2018, through which it analyzes developments in the activities included in the blue economy in the EU, explores available opportunities, and monitors the most important challenges facing these activities.
- The latest report issued in 2021 analyzed the impact of the COVID-19 pandemic on these activities within the EU, as historical data for the period 2000-2018 indicate a decline in coastal ecosystem services. The data also indicated many challenges, including protecting coastal areas at risk from all possible negative events, in addition to the rise in sea level, which exacerbates the risks of coastal floods and other natural disasters. The report also stressed the need to develop strategies to confront these challenges and reduce their risks. Although traditional methods such as solid walls and breakwaters are still effective, they are costly and tend to increase erosion, and thus reduce the efficacy of coastal ecosystem services. Unconventional methods, however, include nature-based solutions that include a variety of site-specific human interventions such as beach nourishment, etc., but in light of rising sea levels it is likely that some kind of solid protective barrier will be necessary. Thus, we can take advantage of the strengths and mitigate the weaknesses of both approaches.
- As for the Egyptian case, many activities that fall under the concept of the blue economy are major activities in the Egyptian economy, namely, for example, maritime transport, ports, coastal tourism and others. The evaluation of these activities requires separate, integrated and detailed studies. The following highlights in some detail the maritime transport activity as one of the activities that include

promising opportunities for Egypt, especially as it is the backbone of international trade. ECES has previously addressed it in more detail.<sup>7</sup>

- Egypt possesses 48 ports, including 15 commercial ports. Their design capacity varies in terms of area, maximum capacity, berths and container berths. The volume of cargo handling in those ports reached nearly 156 million tons in 2020, a decline of 7% compared to 2019. The volume of containers handled in the same year reached about 7.24 million containers.
- Despite the distinctive location that Egypt enjoys and the length of its marine coasts (representing 0.36% of the total coastal area globally) as well as the efforts made by the state in recent years to develop ports and the maritime transport system, its competitiveness and attractiveness for investments are still lower than many neighboring countries, which do not enjoy the same potential. Egyptian ports ranked low in the list of the 100 most important container ports globally. UNCTAD data for the year 2020 also showed a high average time taken for all types of ships in Egyptian ports, reaching 1.47 days compared to the global average of 0.99 days, while it amounted, for example, in countries such as Guinea, Cyprus, and Morocco to about 0.32, 0.66, and 1.02, respectively. It is clear that there is still a need to reduce the time spent by ships in ports, especially in the case of dry bulk ships, which currently take 4.1 days, almost double the global average for those ships.
- The sector faces many challenges, especially in the institutional aspect. For example, the multiple governing

---

<sup>7</sup> [http://www.eces.org.eg/cms/NewsUploads/Pdf/2020\\_8\\_10-14\\_8\\_43%D8%AA%D9%82%D8%B1%D9%8A%D8%B1%20%D8%A7%D9%84%D9%86%D9%82%D9%84%20.pdf](http://www.eces.org.eg/cms/NewsUploads/Pdf/2020_8_10-14_8_43%D8%AA%D9%82%D8%B1%D9%8A%D8%B1%20%D8%A7%D9%84%D9%86%D9%82%D9%84%20.pdf)

bodies and therefore the different regulatory framework for each port, the multiple legislations, laws and decisions regulating maritime transport and investment in related fields, and the delay in issuing the general plan for Egyptian ports, so projects needed by each port are identified to ensure integration between Egyptian ports rather than competition for the same projects.

- Therefore, it is necessary for the state to adopt a clear and publicized strategy for the development of the Egyptian naval fleet . The dynamism of the maritime transport system and its connection with developments in the global system, and performance of other countries and their development methodologies require policy makers to take into account such developments when upgrading the national system. The absence of this thinking and weak governance reduce the attractiveness of private investment in all areas of development and limit appropriate financing opportunities.

Worthy of Note:

The Egyptian Center for Economic Studies issued a detailed report on the transport and maritime transport sector and the impact thereon of the Corona crisis, explaining the institutional weaknesses in the sector and offering proposals for solutions. The report is dated August 4, 2020, and can be viewed through the following link.

[http://www.eces.org.eg/cms/NewsUploads/Pdf/2020\\_12\\_7-9\\_25\\_39Views%20On%20News%20\(Views%20On%20The%20Crisis\)%20-%20Edition%2019%20Transportation%20Sector.pdf](http://www.eces.org.eg/cms/NewsUploads/Pdf/2020_12_7-9_25_39Views%20On%20News%20(Views%20On%20The%20Crisis)%20-%20Edition%2019%20Transportation%20Sector.pdf)

[Previous Issues](#)

[Other Reports](#)



## Disclaimer

This report was prepared for distribution to members of the Egyptian Center for Economic Studies only and may not be published or distributed without the written consent of ECES management. The data, analyses or information contained in this report do not constitute any form of recommendation or assurance of the commercial feasibility of the activity subject of the report or its ability to achieve certain results.

The data and investment analyses contained in this report were prepared based on the viewpoint of ECES, and rely on information and data obtained from sources we believe in their validity and integrity. We believe the information and conclusions contained in this report are correct and fair at the time of their preparation, and should not be considered as a basis for taking any investment decision. ECES is not responsible for any legal or investment consequences as a result of using the information contained in this report. Any errors that may have occurred at the time of preparing these data are accidental and unintentional.

Egyptian Center for Economic Studies (ECES)  
All rights reserved

