

Diving into the Ocean Economy: Measuring the Ocean Economy of the Philippines

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Outline of Presentation

- I. Basic Concepts
- II. Previous Efforts
- III. Measurement Framework and Methodology
- IV. Results
- V. Ways forward

What is measured in the Ocean Economy?

BASIC CONCEPTS

- The Ocean is recognized as an indispensable resource.
- Many relies on the Ocean for food, raw materials, and livelihood.
- This is why many countries are attempting to measure the contribution of the Ocean to the Economy.

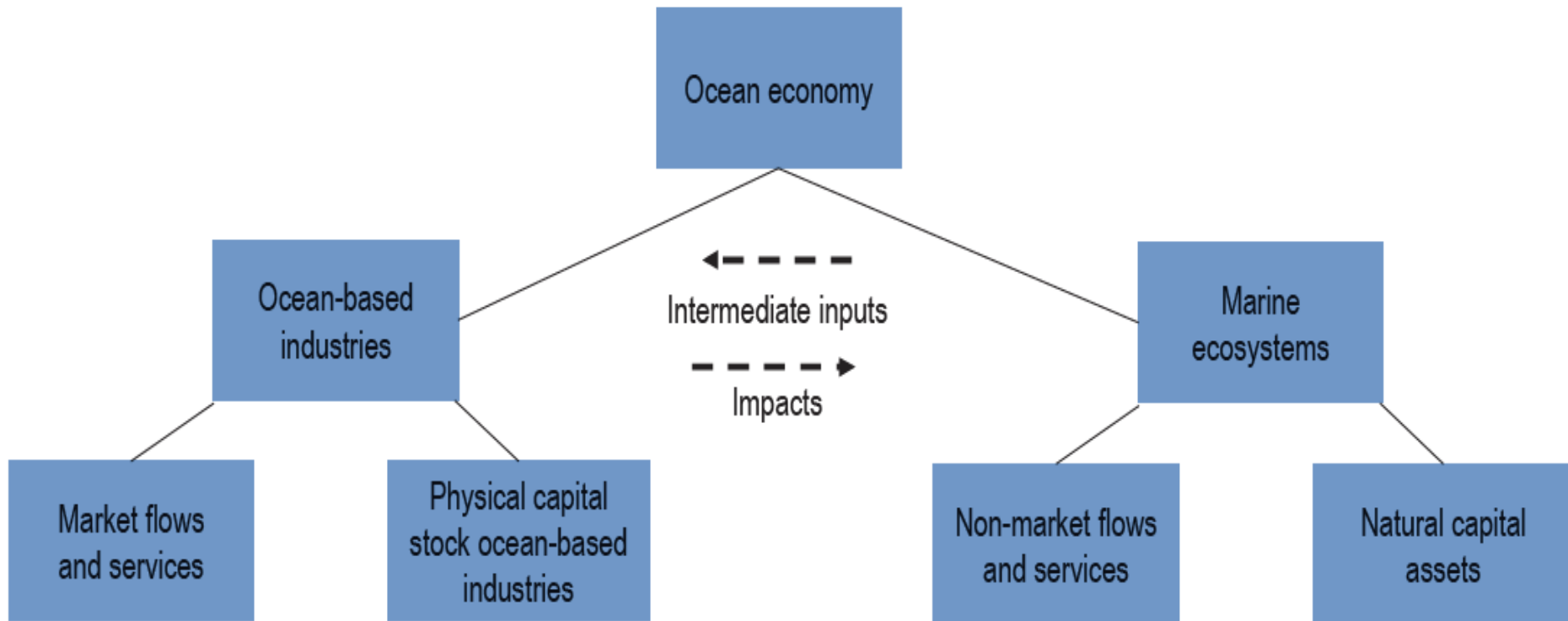


- There is no widely agreed definition of industries that comprise the Ocean Economy.
- The definition adhered to by the countries compiling the accounts is strongly influenced by relevant policy or advocacy demands.

Country	Definition
U.S.	The economic activity, which is (a) an industry whose definition explicitly ties the activity to the ocean, or (b) which is partially related to the ocean and is located in a shore-adjacent zip code.
U.K.	Those activities which involve working on or in the sea. Also those activities that are involved in the production of goods or the provision of services that will directly contribute to activities on or in the sea.
Australia	Ocean-based activity (“Is the ocean resource the main input? Is access to the ocean a significant factor in the activity?”).
Ireland	Economic activity which directly or indirectly uses the sea as an input.
China	The sum of all kinds of activities associated with the development, utilization and protection of the marine.
Canada	Those industries that are based in Canada’s maritime zones and coastal communities adjoining these zones, or are dependent on activities in these areas for their income.
New Zealand	The economic activity that takes place in, or uses the marine environment, or produces goods and services necessary for those activities, or makes a direct contribution to the national economy.
Japan	Industry exclusively responsible for the development, use and conservation of the ocean.
South Korea	The economic activity that takes place in the ocean, which also includes the economic activity, which puts the goods and services into ocean activity and uses the ocean resources as an input.

The Ocean Economy refers to economic activities, such as the production, distribution and consumption of **goods and services, related to or conducted in, near, or found in the seas.**

- Much of the previous efforts in the estimation of the contribution of the Ocean to the total economy focused on the market sector.
- Country practices in the past focused on ocean industries.



The concept of the ocean economy. This diagram was directly sourced from the OECD's 2016 report *The Ocean Economy in 2030*.

Recent developments in the international community are considering the **non-market** aspect of the ocean economy

Technical Guidance on Ocean Accounts 2019

OCEAN ACCOUNTS PARTNERSHIP



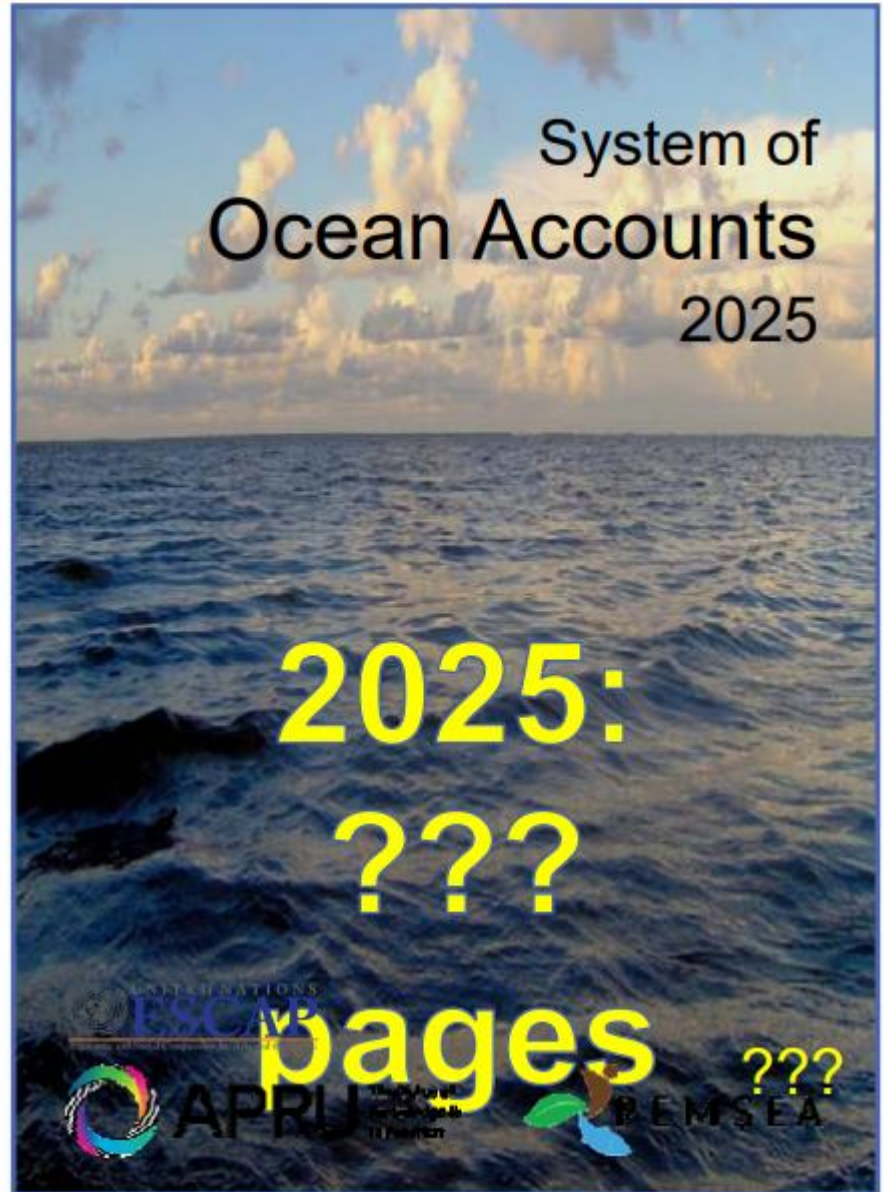
OCEAN ACCOUNTS **2019** PLATFORM



2019
75



pages



System of Ocean Accounts 2025

2025:
???



pages

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History of the Ocean Economy Satellite Accounts in the Philippines

2009

- Presented at the 2009 East Asia Seas Congress

2010

- A proposal for a “Maritime Satellite Accounts” was presented to the 11th National Convention on Statistics.

2015

- The PSA to the East Asia Sea Congress in Vietnam. The estimates covered the year 2012.

2017

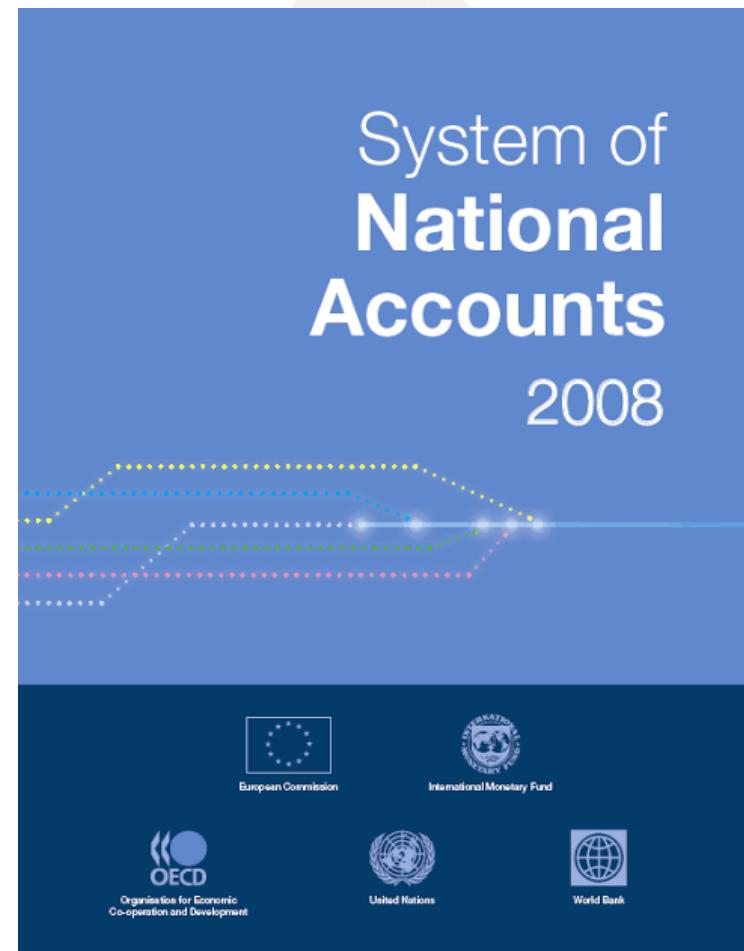
- The PSA presented to the Blue Economy Forum in Bangkok, Thailand.

2018

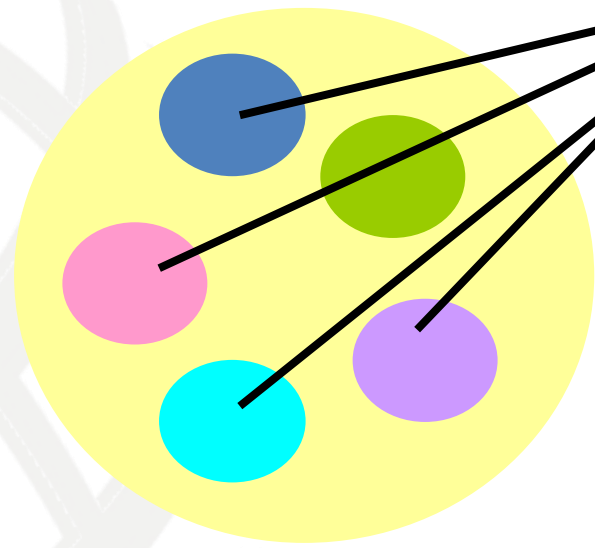
- A consultative forum was conducted by PSA to solicit comments from data providers and stakeholders

MEASUREMENT FRAMEWORK AND METHODOLOGY

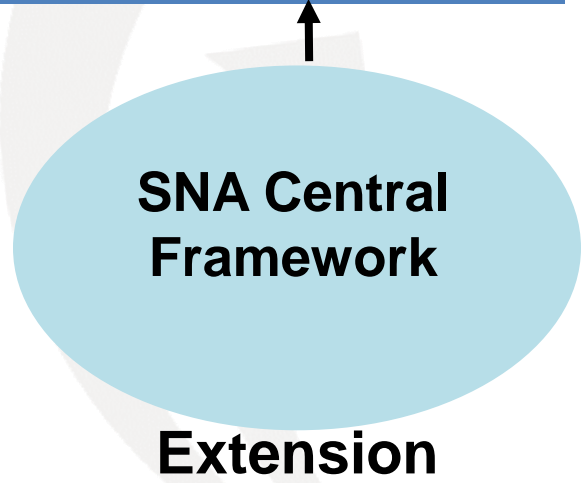
- There is a need for a consistent accounting framework.
 - Consistency across space and time
 - Avoid double counting
 - International comparability
 - Ease in interpretation
- *Ocean economy accounts already exist to some extent in SNA, but the challenge is identifying the ocean -specific components. Applying the SNA fully to ocean accounts requires additional detail in terms of economic sectors and commodities*



- Tourism
- Health
- Environment
- Education
- Science and Technology
- Ocean Economy



Satellite Accounts



Measurement Frameworks

Production Approach

**Gross Output = Gross Value Added
+ Intermediate Consumption**

GDP = \sum Gross Value Added

Three groups of Industries:

1. Industries where **data are explicitly available**:
 - Ocean Fishing
 - Offshore and coastal Mining
 - Marine Insurance
 - Maritime Safety, Surveillance and Resource Management

2. Industries where **indicators** were used:

- Ocean-based power generation
- Coastal Construction
- Coastal Hotels and Recreation
- Education

2. Industry surveys were used in the estimation

- Manufacture of Ocean-based products
- Sea-based Transportation
- Marine Renting and Business Activities

Ocean-based GVA

=

Industry Value Added x Ratio from CPBI/ASPBI

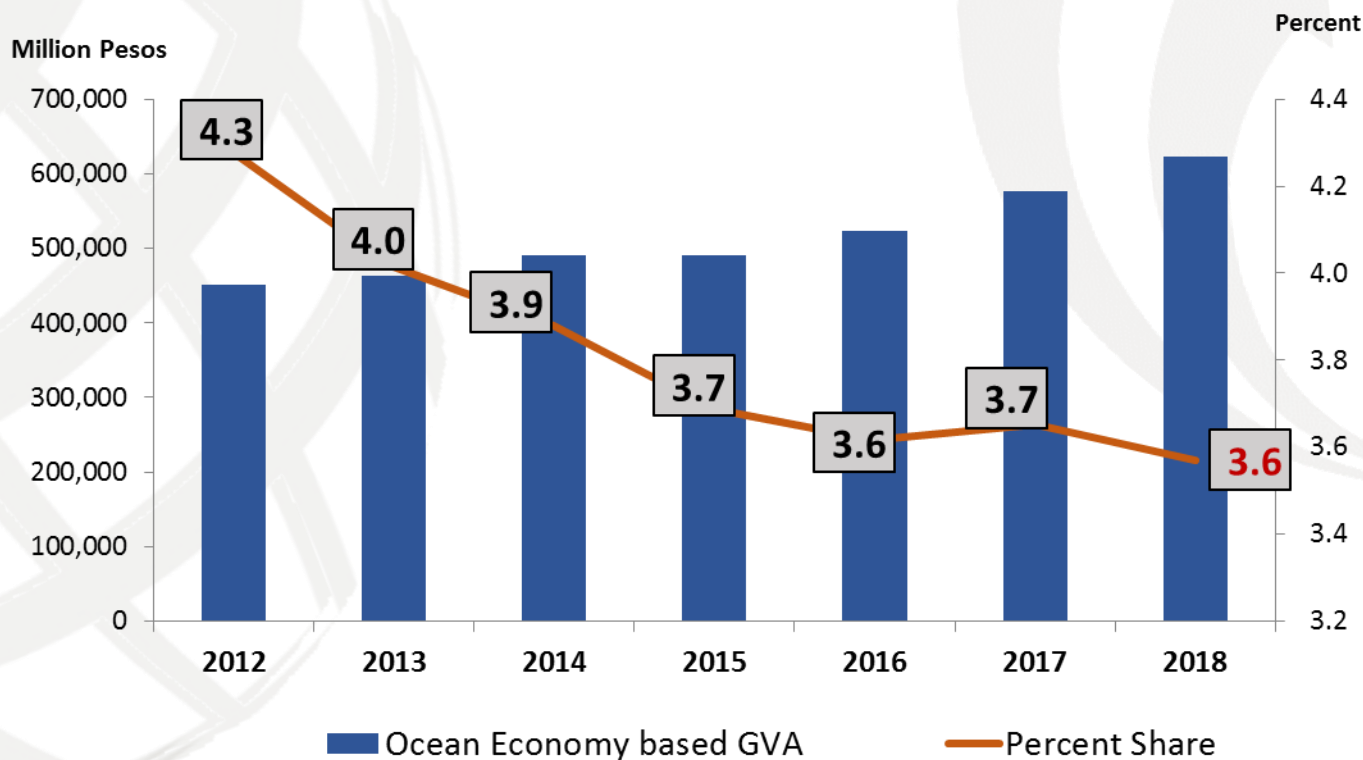


RESULTS

of the OCEAN ECONOMY ACCOUNTS

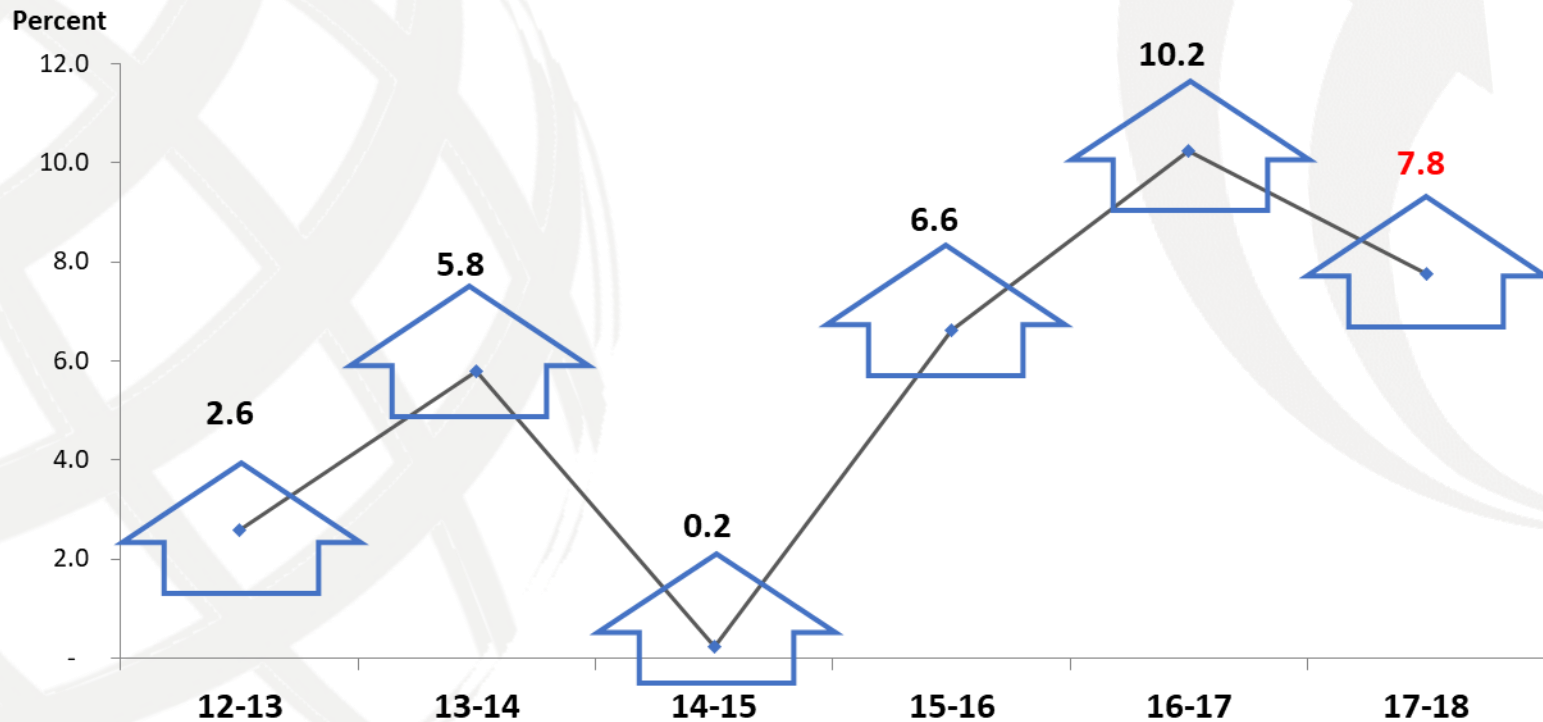
III. Results

Share of Ocean-based Activities GVA to GDP, Current Prices, 2012-2018



III. Growth rate, at current prices

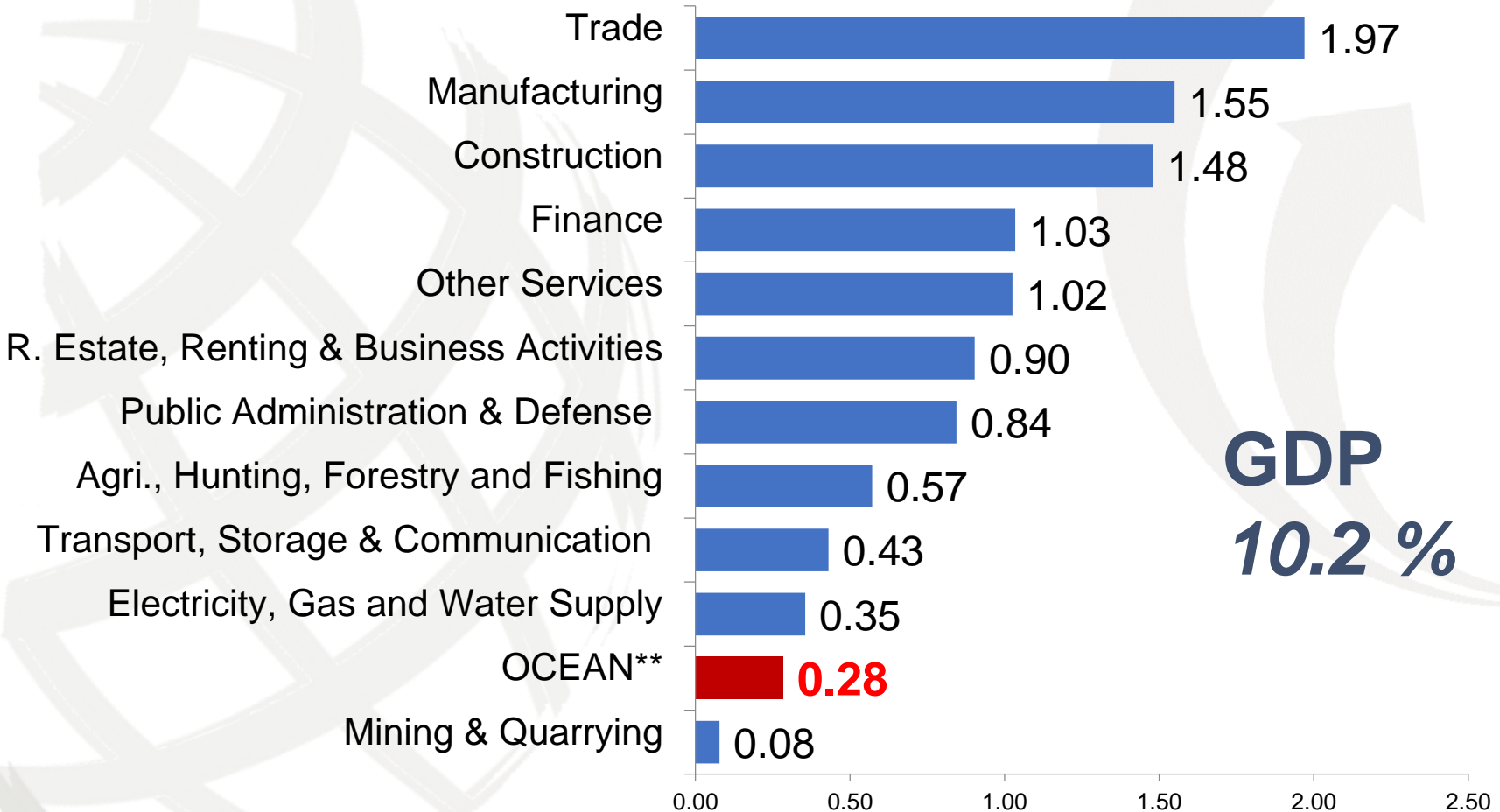
Ocean economy grew by **7.8%** in 2018



III. Gross Value Added by Industry, 2017 and 2018 *at current prices*

Industry Classification	2017	2018	Percent to Total 2018	Growth Rate 2017 - 2018
I. AGRICULTURE, HUNTING, FORESTRY & FISHING	171,589	181,110	29.1	5.5
a. Ocean Fishing	171,589	181,110	29.1	5.5
II. INDUSTRY SECTOR	193,890	213,030	34.2	9.9
a. Off-shore and Coastal Mining and Quarrying	32,049	38,422	6.2	19.9
b. Manufacture of Ocean-based Products	97,317	100,767	16.2	3.5
c. Coastal Construction	623	1,609	0.3	158.3
d. Ocean-based Power Generation	63,901	72,232	11.6	13.0
III. SERVICE SECTOR	211,915	228,081	36.7	7.6
a. Sea-based Transportation	56,623	62,042	10.0	9.6
b. Marine Insurance	9,227	8,530	1.4	(7.6)
c. Marine Renting and Business Activities	53	55	0.0	3.5
d. Maritime Safety, Surveillance and Resource Compulsory Social Security	27,425	27,003	4.3	(1.5)
e. Other Services	118,588	130,451	21.0	10.0
Maritime Education	1,728	1,723	0.3	(0.3)
Coastal Hotels	78,737	88,654	14.2	12.6
Recreation	38,123	40,074	6.4	5.1
Ocean-based activities Gross Value Added	577,394	622,221	100.0	7.8

III. OCEAN ECONOMY SHARE TO GDP GROWTH, 2017-2018



**at current prices*

III. Results

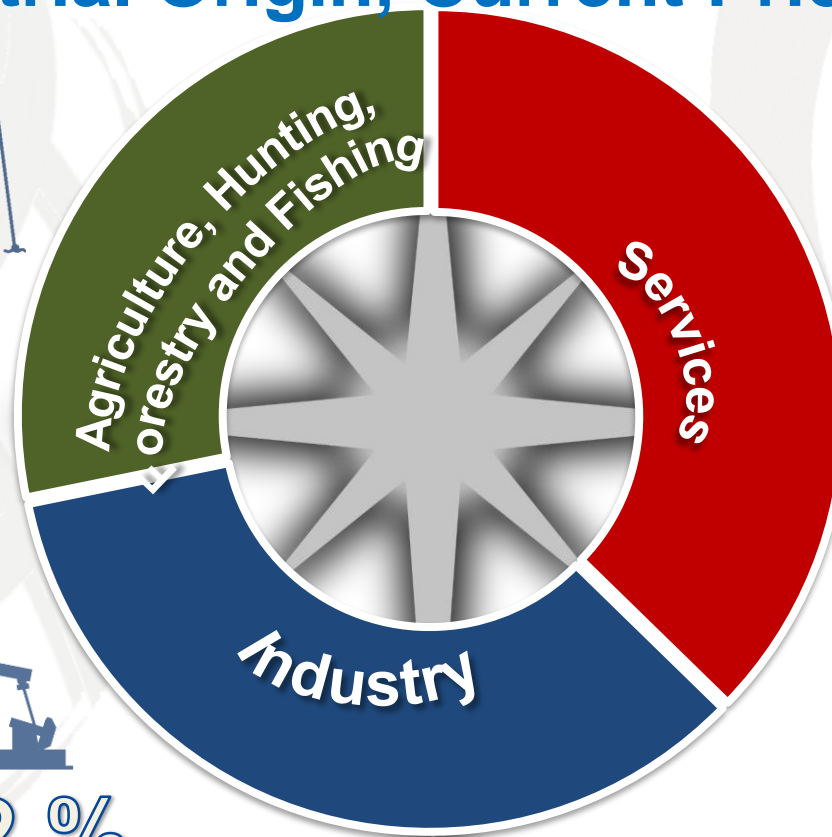
Distribution of Ocean-based GVA by Industrial Origin, Current Prices, 2018



29.1 %



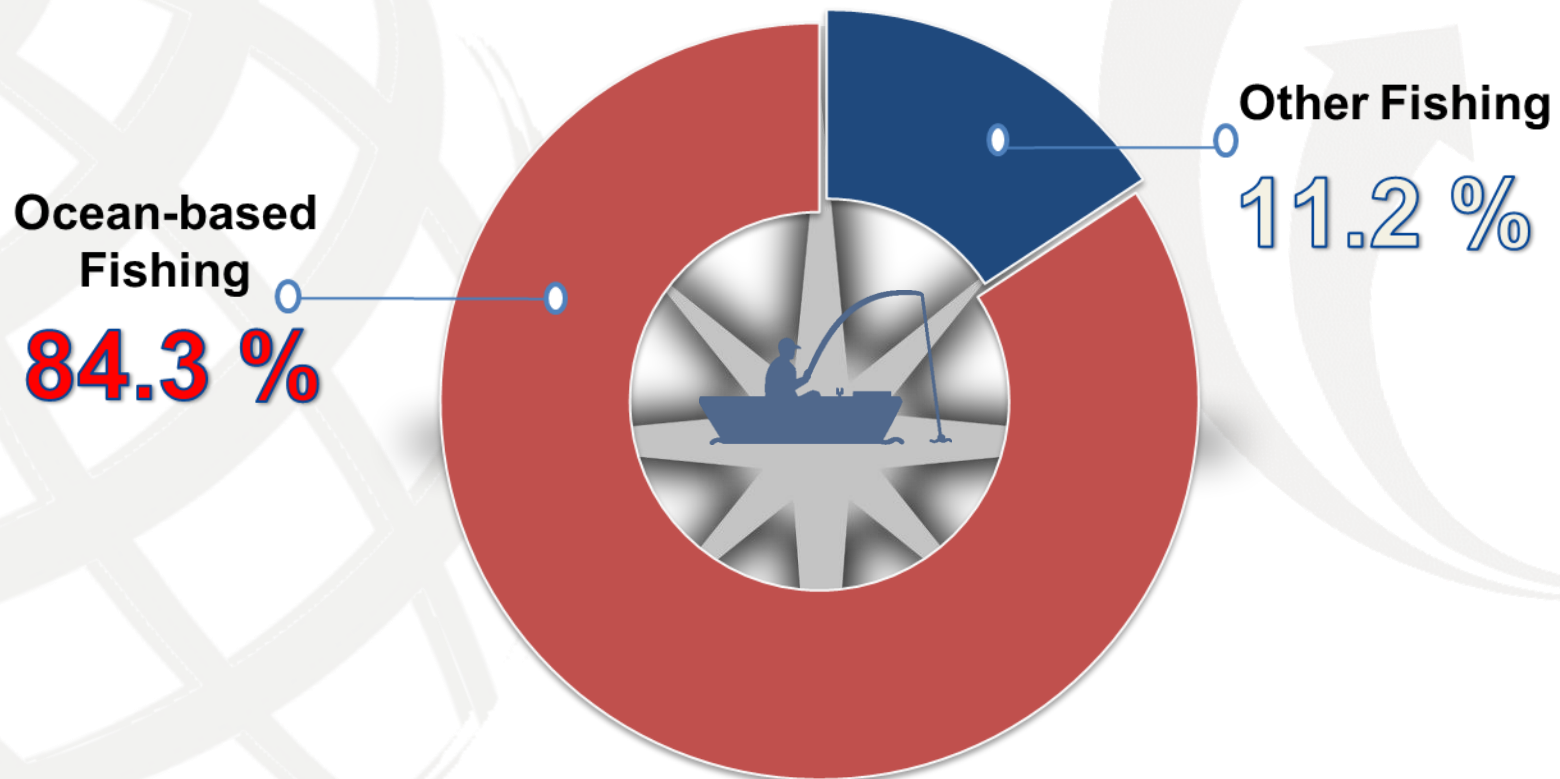
34.2 %



36.7 %

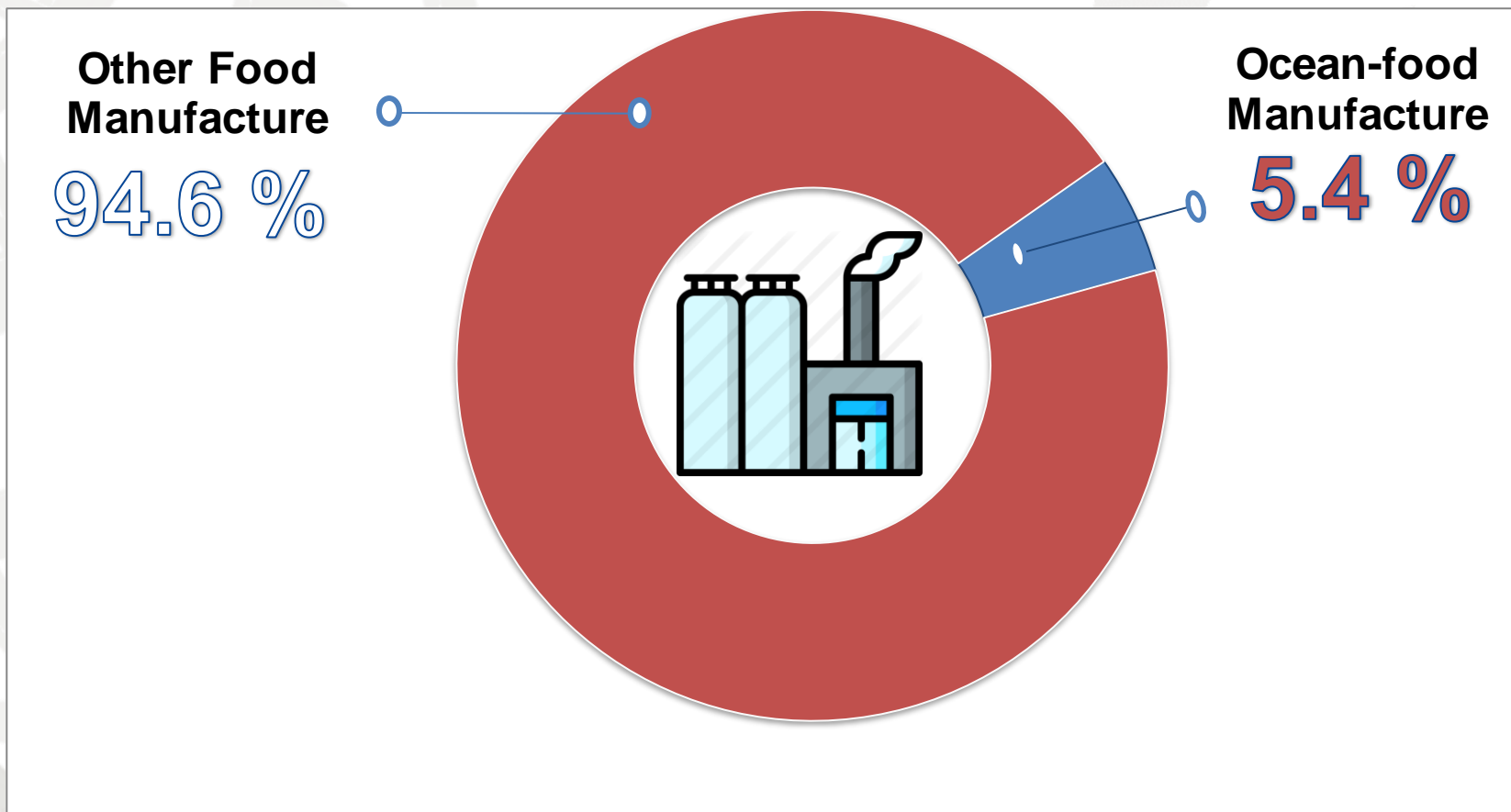
III. Results

Share of Ocean-based fishing to Total Fishing, Current Prices, 2018



III. Results

Share of Ocean food Manufacture to total food manufacture, Current Prices, 2018

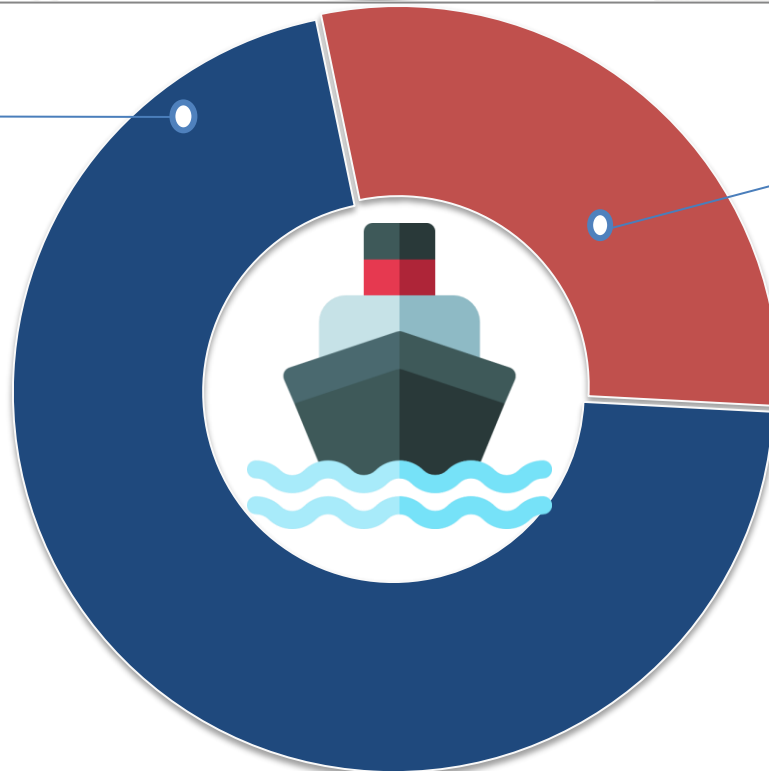


III. Results

Share of Ocean Transport and Equipment to Total Transport and Equipment, Current Prices, 2018

Other Transport and Equipment

70.9 %

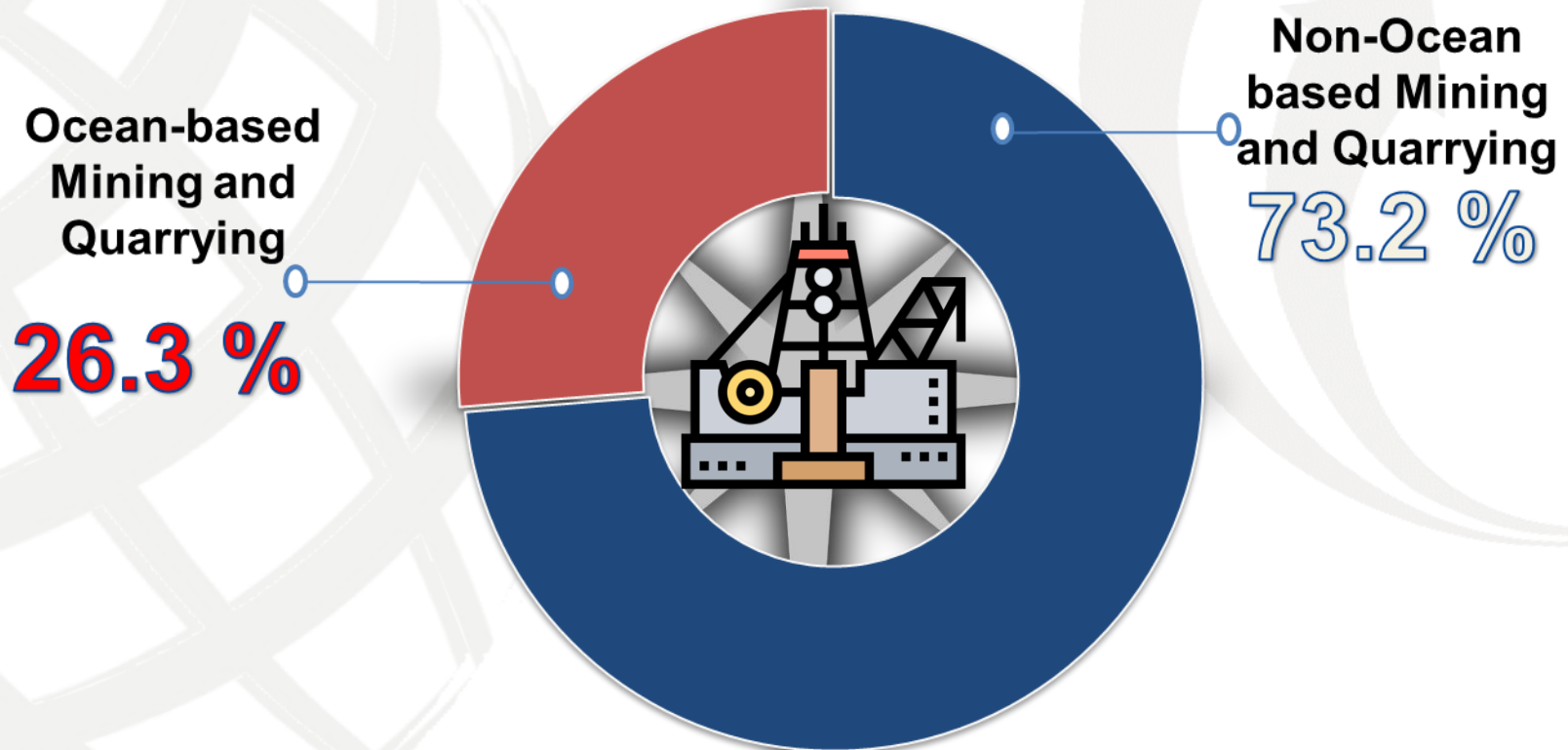


Building of Ships and Boats

29.1 %

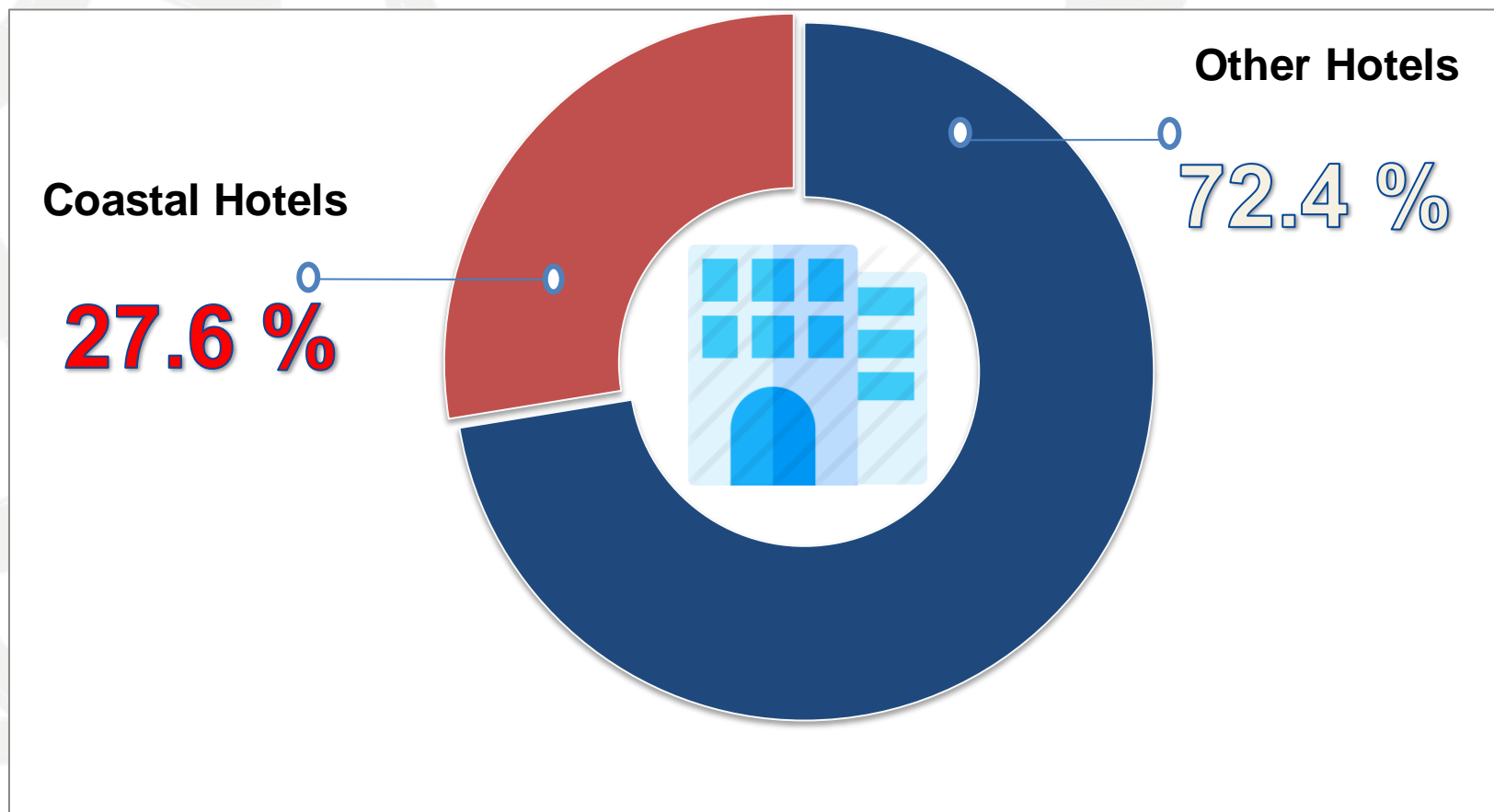
III. Results

Share of Ocean-based Mining and Quarrying to Total Mining and Quarrying, Current Prices, 2018



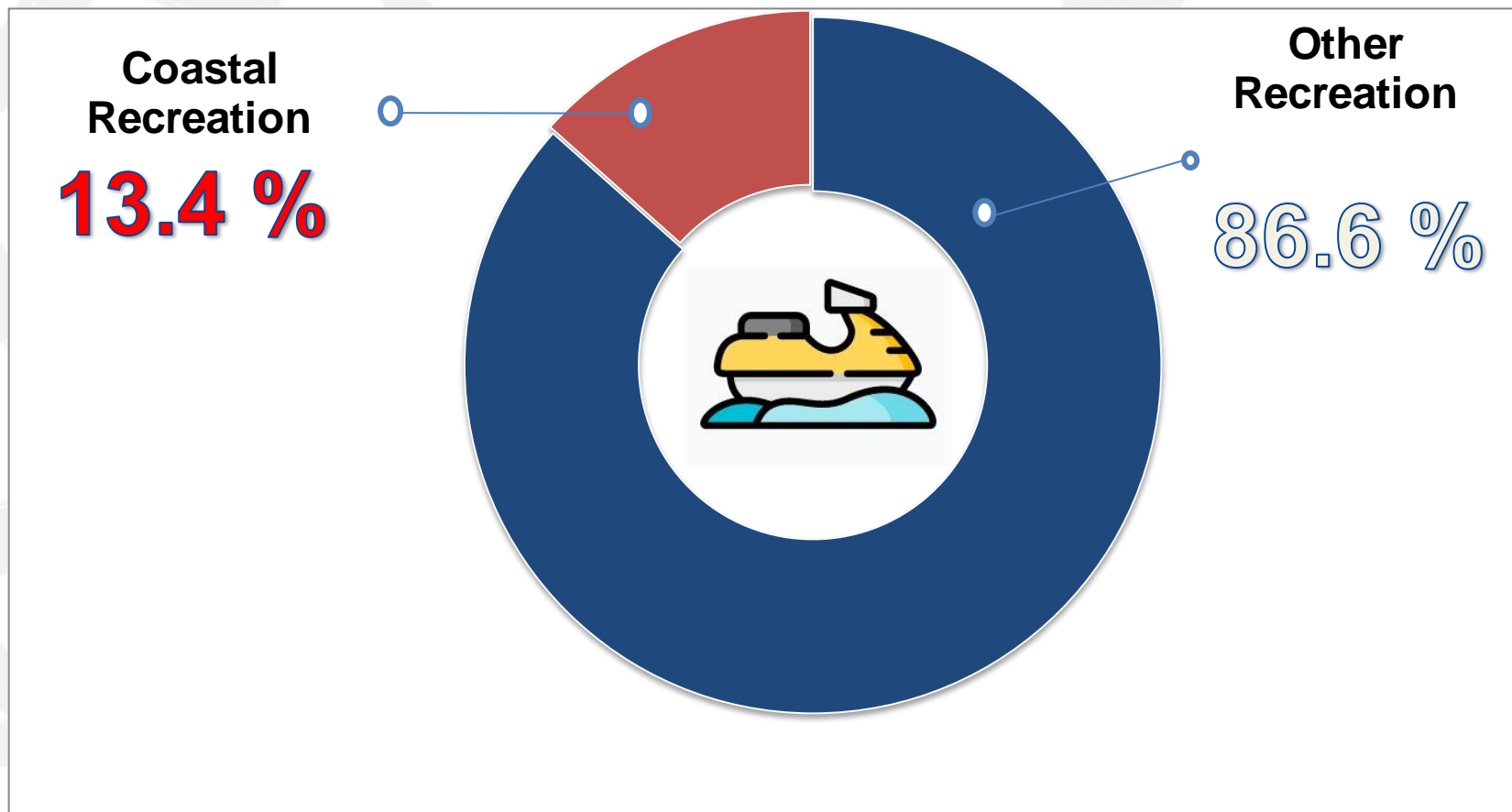
III. Results

Share of Ocean-based Hotels to Total Hotels, Current Prices, 2018



III. Results

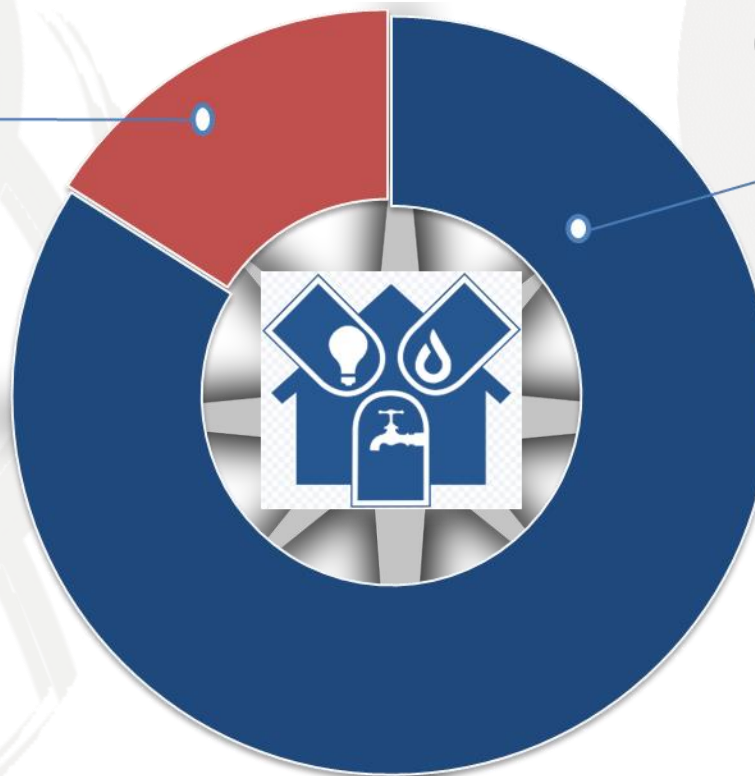
Share of Ocean-based Hotels to Total Hotels, Current Prices, 2018



III. Results

Share of Ocean-based Electricity to Total Electricity, Current Prices, 2018

Ocean-based
Electricity
16.0 %

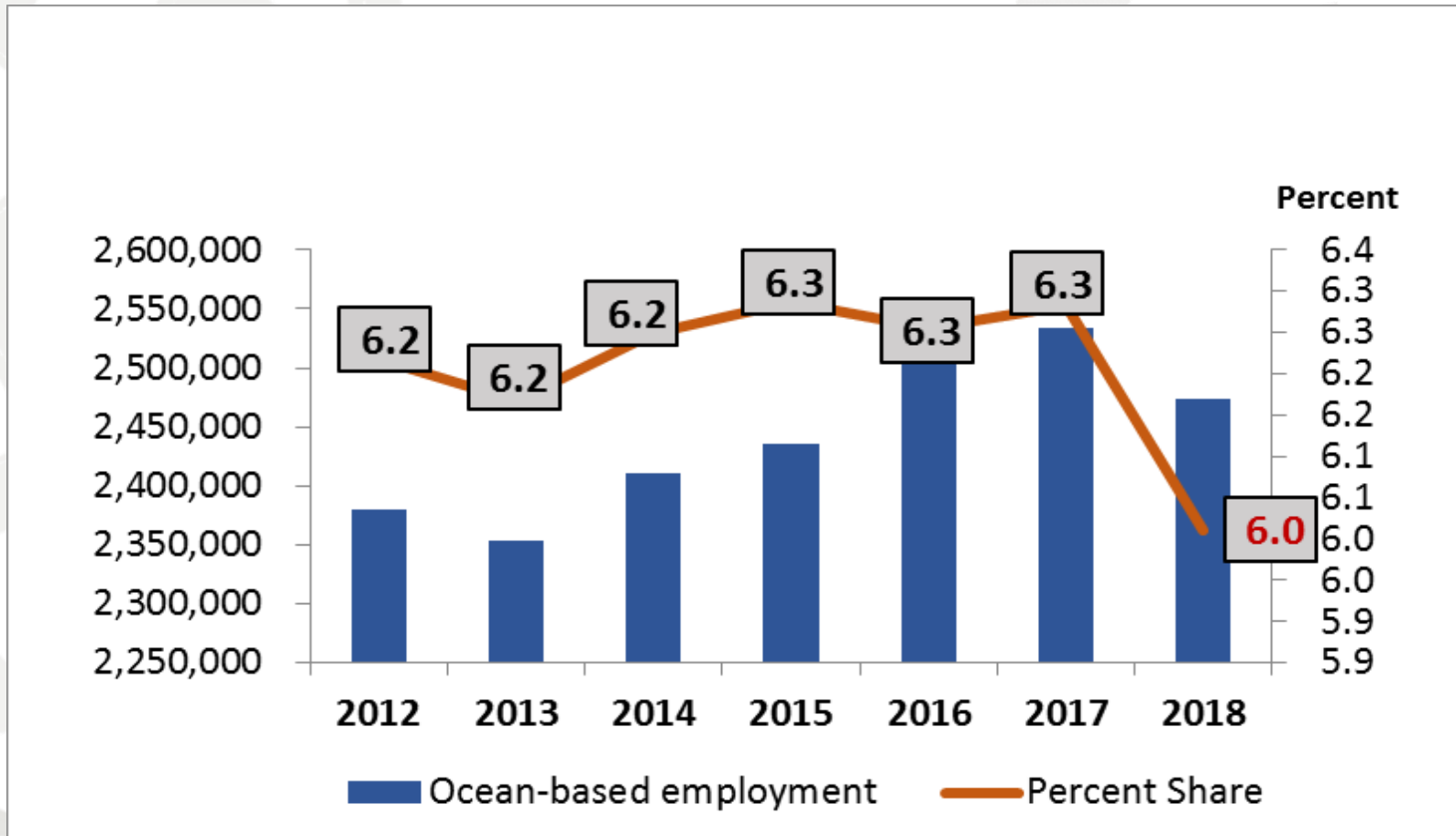


Other Electricity

84.0 %

III. Results

Share of Ocean-based Employment to Total Employment, 2012-2018



III. Results

Distribution of Ocean-based Employment by Industry, 2018

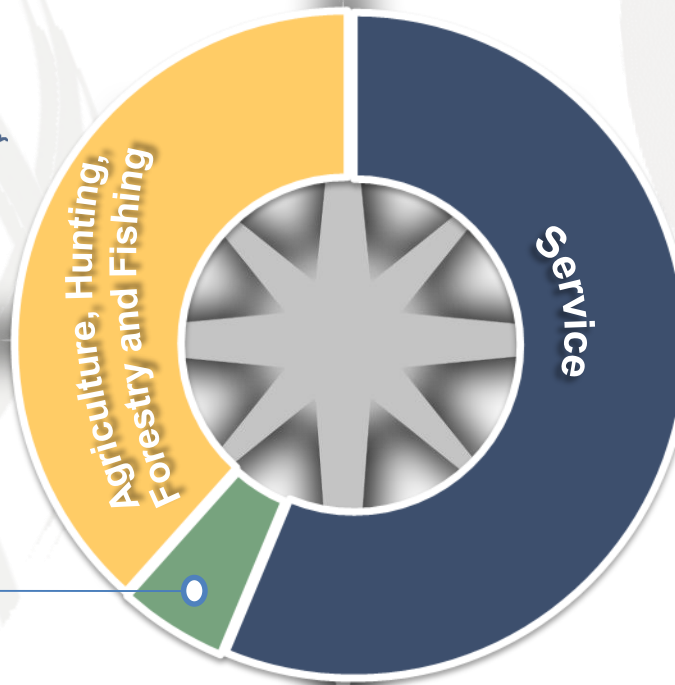


40.4 %



Industry

5.0 %



54.6 %

Ways forward:

- The integrated framework for the compilation of the System of Ocean Accounts is currently being developed by the UNESCAP. The Technical Guidelines for the compilation of Ocean Accounts is set for release this year.
- Continuous dialogue with data sources stakeholders for the improvement of the methodology.
- Constant prices
- Possible official release of the Philippine Ocean Economy Satellite Accounts.

Thank you!



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