



Trade in Ocean-based Goods and Services: Classification and market trends

“A Sustainable Blue Economy to Support the Green
Transformation of Cities”

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David Vivas Eugui

Legal Officer, Office of the Director

Division on International Trade and Commodities

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The case for promoting trade in sustainable ocean goods and services (1)

- ▶ We have reach terrestrial limits. Oceans are a **new economic but fragile frontier due to interconnectivity**. 80 % of all trade in goods takes place via maritime transport.
- ▶ Progressive liberalization of tariffs and NTMs in **ocean-based sectors** would allow an **increase flows of natural goods and services**, particularly from developing countries and in **coastal cities**
- ▶ A freer flows of oceans-based products will provide **business, income and employment opportunities for local communities** particularly women (e.g., **Blue BioTrade products**)
- ▶ Sustainably harvested ocean can be important **substitutes to synthetic & polluting materials** (e.g., non plastic materials substitutes such as natural seaweed fibers and marine biomass)

The case for promoting trade in sustainable ocean goods and services (2)

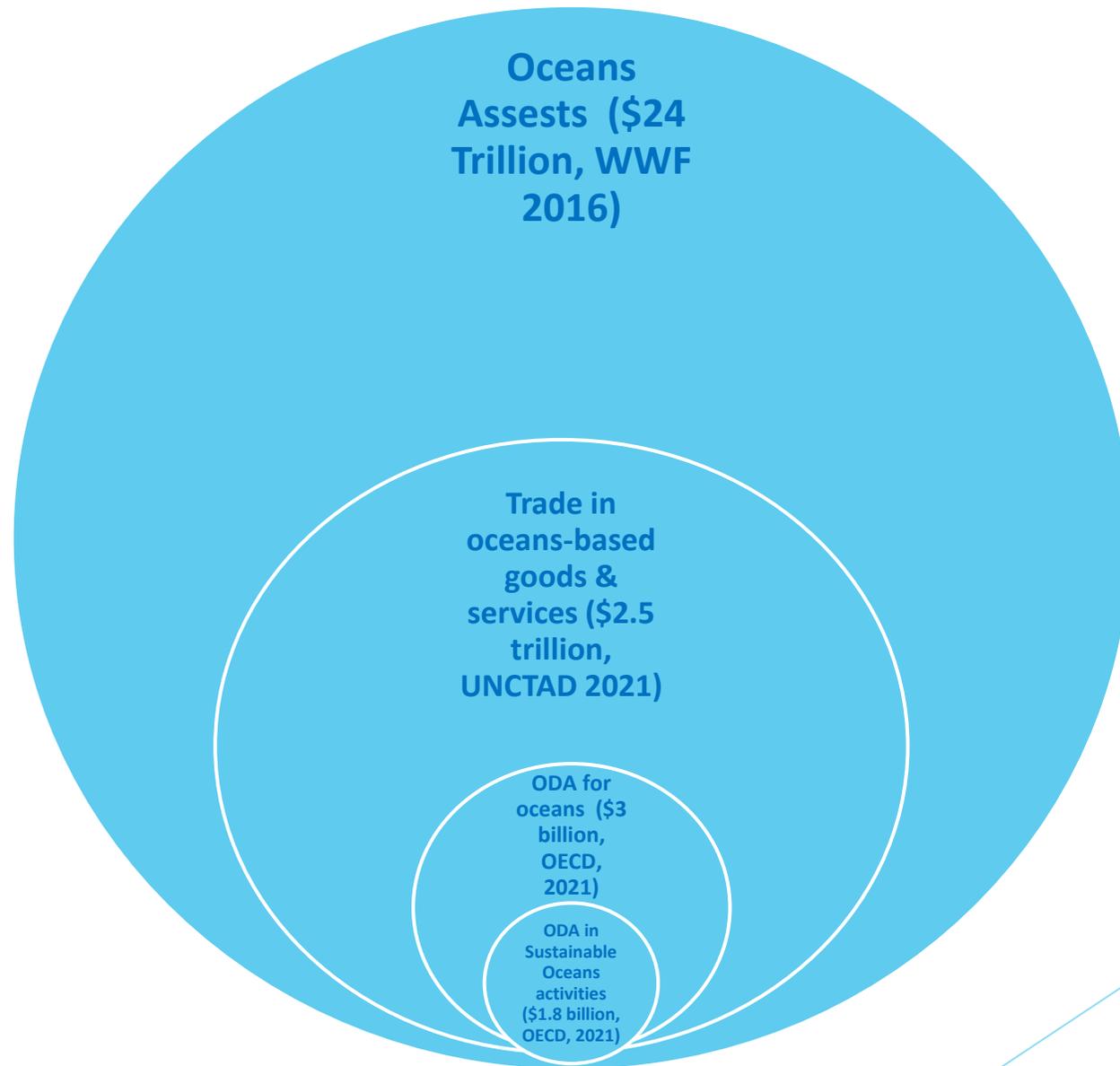
- ▶ Many ocean & biodiversity-based services can **directly contribute to:**
 - ▶ **Climate mitigation** (e.g., offshore wind energy and REDD+ schemes)
 - ▶ **Climate adaptation** (e.g., coastal protection and forest management services)
- ▶ **Nature-based Solutions (NbS) could provide up to 37% of climate mitigation needed by 2030** to keep global warming below 2° C (IPBES, 2019)
- ▶ Many natural products suffer significantly from tariff escalation, peaks, and NTMS (for example, there are **2.5 times more SPS/TBT measures in fish than in industrial goods** UNCTAD, 2016).

What are ocean-based goods and services in UNCTAD 2020 Classification?



- ▶ **Marine or coastal origin**, harvested, or sourced from the oceans - even if processed in boats or in land
- ▶ Includes **marine living organisms in *lato sensu*** (e.g., genetic resources, species, their parts & derivatives)
- ▶ Only includes **certain minerals** such as sands and salts (but no seabed mining or offshore oil and gas)
- ▶ **Tradable goods and services** (it does not include ecosystem services).
 - ▶ Subject to measurable flows under HS; W120 and CPC codes.
- ▶ **It does not include government services** (e.g., coastguard services)
- ▶ How to differentiate from marine and coastal origin from land origin?
 - ▶ **Use of coefficients** (e.g., brine salt vs rock salt).
- ▶ Problem of single use/impact remains in many ocean-based goods

Measuring the sizes of the Oceans economy



UNCTAD's 2020 Oceans Economy Classification

The classification is structured around three categories: **Goods**, **Services** and **Energy**.

Each category is divided into chapters (A-M) and each chapter is further sub-divided into a three-digit level of detail covering a total of 52 subsectors.

The classification is reflected in Harmonized tariff System (HS) codes at 6-digit level.

This system measures flows, value and volumes but not sustainability

Sustainability is assessed by using several criteria:

UNCTAD Ocean's pillars

UN COMPACT Sustainable Oceans Principles

BioTrade Principles and criteria

Diverse Voluntary Sustainability Standards

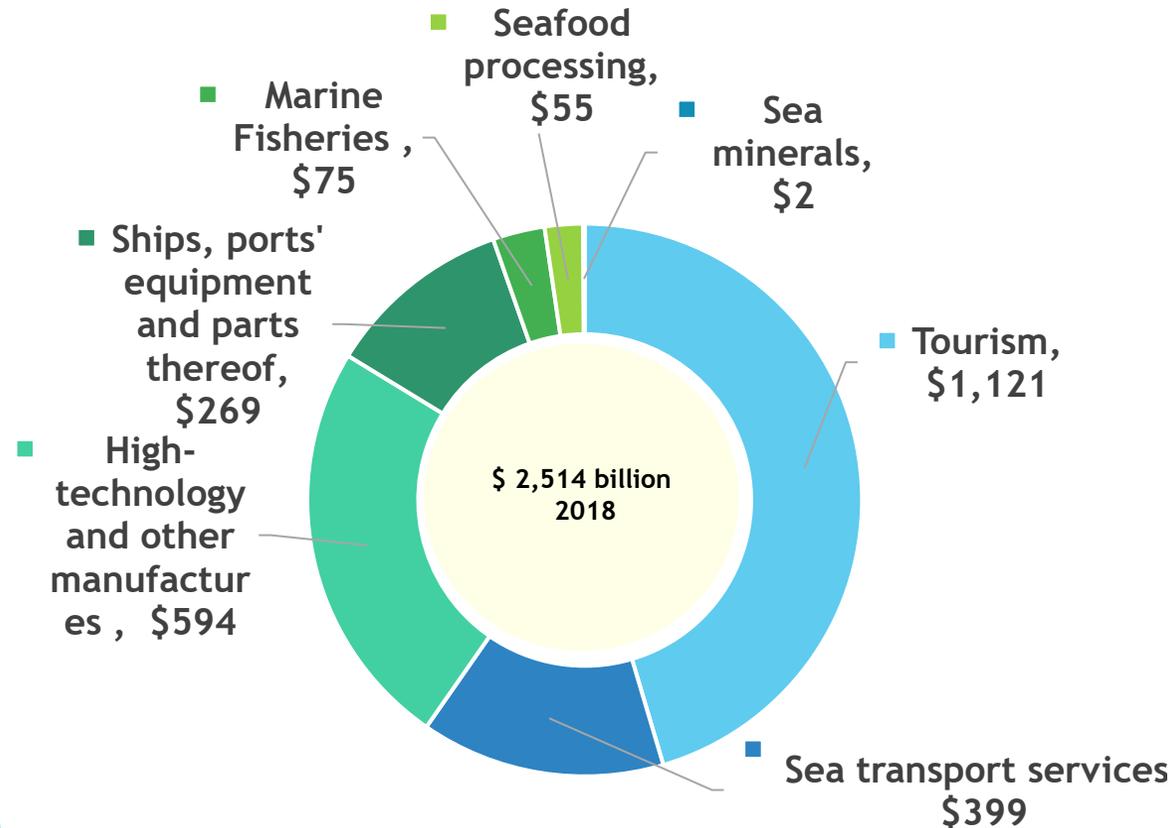
GOODS	
	A Marine fisheries
	B Aquaculture and hatcheries ^a
	C Seafood processing
	D Sea minerals
	E Ships, port equipment and parts thereof
	F High-technology and other manufactures not elsewhere classified (NEC)
SERVICES	
	G Marine and coastal tourism
	H Trade in fisheries services
	I Maritime transport and related services ^b
	J Port services, related infrastructure services and logistical services
	K Coastal and marine environmental services
	L Marine research and development and related services
ENERGY	
	M Ocean energy and renewable energy ^c

Source: UNCTAD.

^a Production only.

^b Excludes services specific to trade in fisheries that are not related to transport.

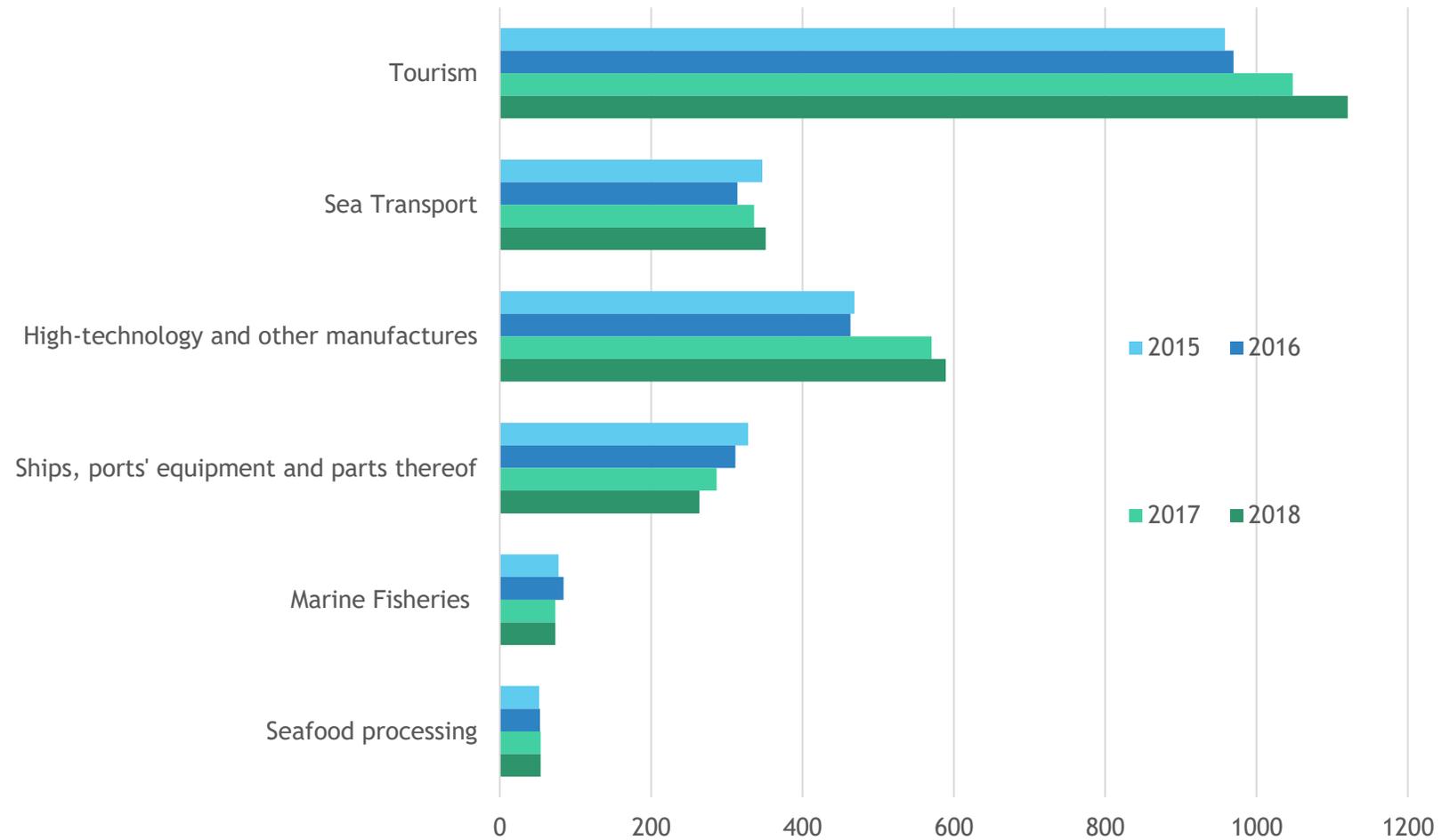
Results of the application of the classification globally



Source: UNCTAD's calculation based on UNCTADStat and WTTC data (2020).

- ▶ Available data shows that in 2018 the **export value** of the 61 industry ocean-based clusters was **\$2,514 Billion (\$2.5 Trillion)**
- ▶ The export value of oceans-based goods in 2018 is **estimated at \$995 Billion, and oceans-based services at \$1,519 Billion**
- ▶ These values are very conservative not only because of the data gap, but because the available data does not include all products part of the 61 industry clusters.
- ▶ **Under Embargo: October 2021**

Oceans-based sector export trends, 2015 - 2018 (\$)

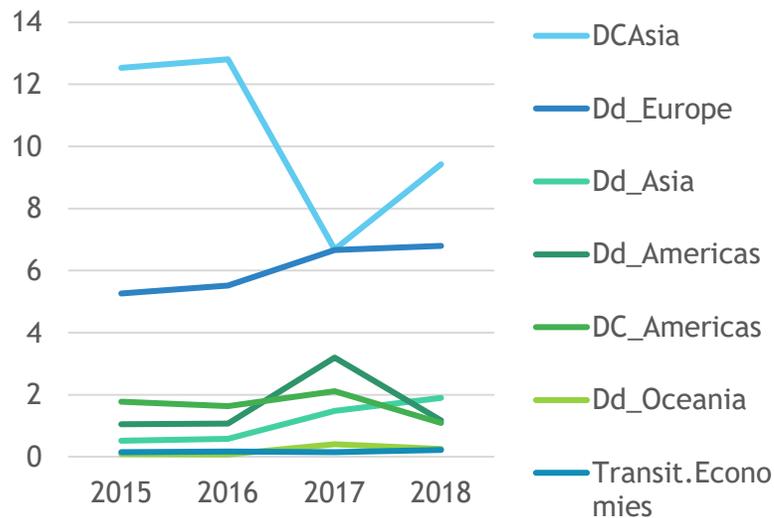


Source: UNCTAD's calculation based on UNCTADStat and WTTC data (2020).

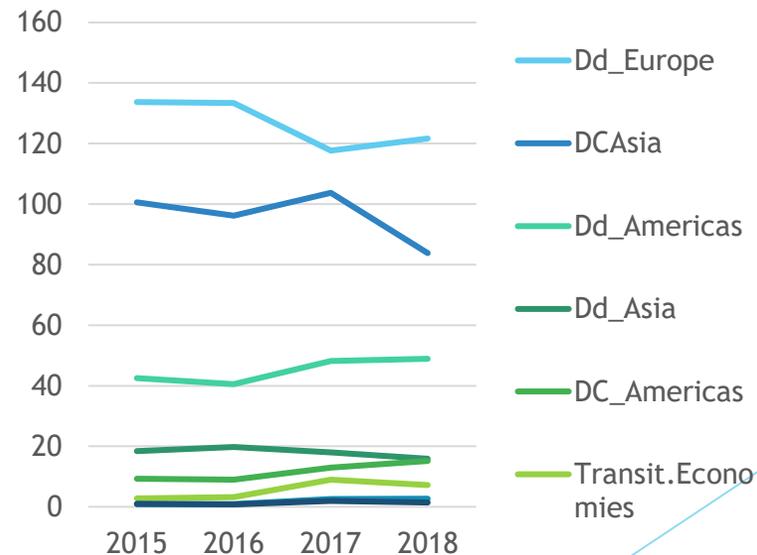
Main Oceans based goods exporters:

- ▶ Developed Europe and Asian Developing countries, even without China, followed by the Americas (developed and developing economies) are among the leading exporters considering all ocean-based goods sector. But it all depends on the sectors:

Leading exporters of prepared and preserved fish, crustaceans and molluscs, 2015 - 2018 (\$billion)
By region



Leading exporters of high technology manufacture for environment sustainability and clean energy, 2015-2018 (\$billion)
By region



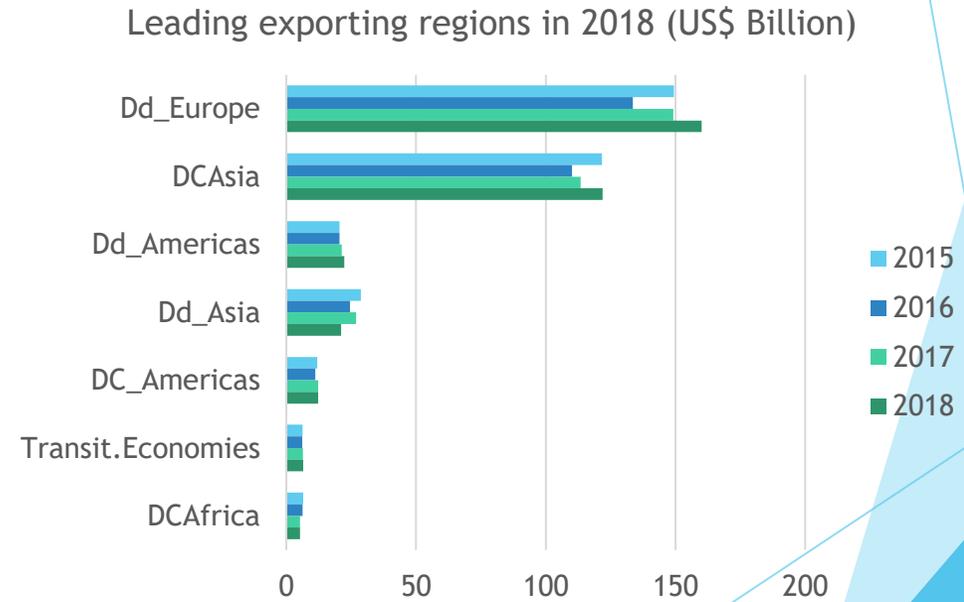
Main Oceans based services exporters:

- ▶ Developed Europe and Asian Developing countries, even without China, followed by the Americas (developed and developing economies) are among the leading exporters considering all ocean-based services. But it all depends on the sector:

Tourism sector, export trends by region, 2015-2018 (\$billion)



Maritime transport and related services export trends by region, 2015-2018, (\$billion)



Source: UNCTAD's calculation based on UNCTADStat and WTTC data (2020).

Note: Data for Sea minerals is not presented in the figure because its low value. Exports from this sector went from \$1 million in 2015 to \$2 million in 2018.

Conclusions

- ▶ Due to **SDG 14**, the Oceans Economy is becoming a key development issue for all countries
- ▶ The understanding of the blue economy while not new, **still is incipient**
- ▶ There are a several systems to define the size and content what the oceans economy (assets, industries and trade flows). These are not incompatible but complementary
- ▶ The **2020 UNCTAD Oceans Economy Classification** provides a clear set of economic sectors that can be measurable with high level of accuracy

YOU CANNOT PROTECT WHAT YOU CANNOT MEASURE.....