



Economic potential analysis of blue sectors in Estonia and Finland

SYKE.FI/PROJECTS/PLAN4BLUE

KEY MESSAGES

Data and Methodology

- Data source: OECD Input - Output data and Amadeus database: enterprise's micro-data on resources (current and fixed assets, labor) and outputs (turnover, profit).

Economic potential analysis

1. Productivity analysis

How much output is produced per unit of input (resource)?

Method: crude partial productivity measures (single output w.r.t. single output; no benchmark comparison).

2. Efficiency analysis

How efficiently resources are utilized?

Efficiency refers to maximization of output given inputs.

Method: Data Envelopment Analysis (multiple inputs w.r.t. multiple outputs; benchmark comparison).

3. Sensitivity analysis

How variation in input quantity affects output? What will happen to output if input(s) will be increased by 1 unit?

Method: regression analysis (single output w.r.t. multiple inputs and related factors potentially affecting output).

Results

- Blue sectors' labor and current assets productivity are on average higher comparing to non-blue sectors;
- Efficiency of blue sectors is in general high suggesting that resources are on average effectively used and produce high economic returns.
- The best performing blue sectors are energy, water (cargo) transportation and marine construction in Estonia, while in Finland, the "best practice" industries are bio & subsea activities, energy, tourism, marine (passenger) transportation and marine construction. These sectors are characterized by complete efficiency and relatively high labor productivity and they are playing a crucial role in socio-economic development of maritime regions.

Tiiu Paas, Maryna Tverdostup, Gaygysyz Ashyrov. Deliverable T.1.8.1. Assessment of the role of marine industries in the region. 2019.

Suggestions for further improvements

- The common pattern of non-perfectly efficient blue sectors in both countries is the **excess of fixed assets** (in bio & subsea activities and tourism in Estonia and marine (cargo) transportation in Finland). Thus, there is still space for the improvement of economic performance of blue sectors in maritime region's development without employing additional resources and thereby increasing environmental pressure.
- Cross-border cooperation** including sharing "good practice" and developing joint infrastructure can open new possibilities for more efficient use of resources.
- The **system of cross-border statistics** should be remarkable improved. The generalization level of present statistical information is often too high and do not follow the needs of spatial planners and local authorities of border areas.

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