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Conference

Developing adapted tools to boost Blue Growth in the Baltic

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Session II: Investments in blue economy in the Baltic

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(1) Dear ladies and gentlemen

I wish to thank the Intergroup Seas, Rivers, Islands and Coastal Areas, and the CPMR with its Baltic Sea commission for this opportunity to speak you here today.

(2) The region of Southwest Finland, where I come from, is located in the heart of the Baltic Sea and the Blue Growth is in an essential role in our regional strategy. As it is in the European Union Strategy for the Baltic Sea Region.

The EU Strategy for the Baltic Sea Region gives a good framework for regions around the Baltic Sea in steering their plans for future, and especially it gives the common grounds for discussions and cooperation with neighboring regions. The strategy also deals with blue investments. According to it, a clean Baltic Sea strengthens the wellbeing of the inhabitants in the region and also provides new and sustainable business opportunities and jobs. The region of the Baltic Sea is one of the most economically competitive regions in the world.

This morning we had the CPMR's Baltic Sea Commission's Maritime Working Group meeting here in Brussels. The CPMR and the Baltic Sea Commission are, amongst other things, for their own part also aiming to enhance the investments in the Blue economy. We are happy to discuss and outline the Baltic Master Plan for Maritime Technologies in cooperation with other stakeholders.

(3) As said, I am representing the region of Southwest Finland. Our region is the major area for Finnish maritime industry and other maritime related livelihoods. 16 of our municipalities are located in the shores of the Baltic Sea, and so also seafaring has very long traditions in our region.

As many other, the region of Southwest Finland has made an up-to-date strategy for Smart Specialisation, and the Blue Growth is defined as one of its major priorities. Other smart specialization main priorities in our strategy are Innovation pedagogics, Health&Bio,

Intelligent bioenergy and sustainable and intelligent rural and city areas. From these especially the bioenergy has good synergy advantages with Blue Growth.

One of the major leading motors for the maritime industries in our region, and in the whole Finland, is the shipyard of Meyer Turku Ltd. At the moment the future of maritime industries in Southwest Finland looks bright. The order book is filled with vessels until the year 2020. We have been very happy with the commitment of the Meyer Turku to develop their shipyard. When talking about the blue economy, also the public sector can support the private investments to take place. One good example of this is that when the shipyard of Turku was taken over by the Meyer Werth, in the beginning the Finnish state joined with the ownership of 30 %. This was only at the first stage, and nowadays the Meyer owns the shipyard by 100 %.

The absolute strength of the shipyard in Turku is the vast utilization of the expertise of the subcontractors in the region. Over 80% of the ship's value is procured from the partner network. Basically all equipment and materials are procured, and over 80% of design and engineering is performed by external engineering offices. This procedure and operational model could certainly give lessons to be learned also in other fields and industries. In our region we work also for diversification of the knowhow, and supporting our local enterprises to become more international. This is one way of supplying the shipyard with the topnotch knowhow, and also a way to diminish the small businesses dependence on one big client.

The region of Southwest Finland is also a part of a three-year project that starts next March. The project is Smart Blue Regions: Smart Specialization and Blue Growth in the Baltic Sea Region, funded by the Baltic Sea Programme. The goal of the project is to spot and locate the main actors, recognize different and best ways of operating in the maritime industries and most of all, form smart, strong and blue regions cooperating in the European Union. The Lead Partner of the project is the Ministry of Economic Affairs, Employment, Transport and Technology in Schleswig-Holstein.

(4)The inception of the Sulphur directive a year ago has made the Baltic Sea region a testing ground for applying new technologies. Old vessels have been equipped with SO_x – scrubbers so that it is possible to reach the low emissions required in the directive. The new vessels on the other hand have the LNG-technology. The first LNG-ship in the Baltic Sea, the MS Viking Grace was built in Turku Shipyard. Applying the LNG distribution network around the Baltic Sea enables cleaner sea fare and it also makes the choices of energy more versatile in the region.

The digitalisation and new ways of producing services are opening new possibilities also for the investments in the blue economy. So far the actors in the marine technology have been slightly conservative in utilizing the possibilities that the digitalization could provide. With the information technologies we can still reach remarkable savings for example in the fuel costs of the sea fare as well as to improve the maintenance of the vessels and reduce their repairing costs. Technological innovations are already in use for example in navigation, predicting the weather and operating in icy environments.

(5)Whatever the new investments might be, they have to be made in an environmentally sustainable way. The Baltic Sea provides good conditions, amongst other, for utilizing and testing of wind and wave energy. Clean Baltic Sea enables also benefitting the shores and developing the tourism industry in a sustainable way. The arctic knowhow is also sustainable knowhow in our fragile environment.

In the blue economy investments in the Baltic Sea region, we have to find creative solutions. In larger investments for example the Juncker investment package or the financing of the European Investment Bank could be used. In smaller projects and experiments we should allow more risk-taking in the use of European Structural and Investment Fund (ESIF). Occasional failures are a part of a good innovation and experiment culture.

Ladies and gentlemen, as I am approaching the end of my presentation I would like to remind you of the next European Maritime Day that will be held in our region. The EMD2016 will take place in the city of Turku next May, and I am warmly welcoming you all! I am looking forward the good discussions that we have here today, to continue with the same good spirit in Turku.

(6)Thank you, and hope to see you in May!