



Aim

The aim of this research is to provide economic baseline information for the marine plan areas which will inform the development of the marine plans. This research is focused on the sectors' activity within the plan areas, using the categories of industry set out in the [Marine Policy Statement](#).

Introduction and methodology

Economic evidence is required by MMO to support implementation of a marine planning system that integrates the social requirements, economic potential and the environmental imperatives of our seas within a framework for managing sustainably the marine environment. Improving economic evidence to support English marine plans is in line with MMO's evidence priorities.

The research assesses employment, business and Gross Value Added (GVA) information in each of the marine plan areas. In doing so, the report follows the approaches outlined in [MMO 1050](#) and [MMO 1075](#). This approach draws heavily upon Government data and relies on sectoral definitions that use standard industrial classifications. However, in the cases of marine aggregates and renewables we have taken slightly different approaches. There is little available data on coastal protection and dredging.

The approach has been standardised as far as possible to support future assessment or replication of information. The research largely utilises standard industrial classification definitions of employment (using the Business Register and Employment Survey (BRES)) and businesses (Office for National Statistics (ONS) Enterprise Counts). The approach to calculating GVA contribution multiplies employment for an industry by GVA per worker estimates for the industry available from the ONS. Economic contribution for the Renewables and Aggregates sectors was calculated using industry information as the level of detail within government data was not sufficient.

Results

This report has provided an economic baseline for the North East, North West, South East and South West marine plan areas, which was its main objective. Across all of the marine plan areas, the marine sectors have been assessed in detail, looking at their contribution to the economy in terms of direct and indirect employment, number of businesses and GVA.

The economic contributions of the marine sectors in the four marine plan areas are as follows:

- North West: 343,000 direct and indirect jobs, £24.7 billion GVA contribution.
- South East: 419,640 direct and indirect jobs, £42.6 billion GVA contribution.
- South West: 350,250 direct and indirect jobs, £16.4 billion GVA contribution.
- North East: 67,980 direct and indirect jobs, £4.1 billion GVA contribution.



The largest contributing sectors in terms of employment and GVA across all marine plan areas are:

- Coastal Tourism
- Nuclear
- Ports & Shipping
- Oil & Gas (North West and North East)
- Defence (South West)

Conclusions and recommendations

The analysis demonstrates features of England's economic geography in all of the marine sectors which are important for marine planning activities and decision making. For example, the higher contribution of Oil and Gas in the North East and North West which is linked to the Chemicals, Oil and Gas Processing clusters in Teesside (North East) and Runcorn (North West).

The report rates the confidence in the figures and notes that not all of the outputs are in line with other industry or research reports. As such, the report highlights where confidence in the outputs (employment, business numbers and GVA) is not assured and therefore caution should be applied in using these figures.

The analysis also highlighted difficulties in assessing sector information for the following sectors;

- Coastal Protection, whereby the sector's broader contribution to Construction of water projects is utilised as a proxy for the size of the sector.
- The Dredging sector had no suitable information available with economic activity likely to be captured in Aggregates and Coastal Protection economic information.
- Carbon Capture and Storage sectors had no suitable information available due to the limited economic activity in this sector (as of 2016).

In assessing the economic activity for all of the marine sectors we draw upon a private dataset from Intelligent Data Group to provide further insight. The private datasets appears to provide further insight into the following sectors: shipping & ports, telecoms, marine recreation and nuclear. Private data could be utilised further to assess sectors where government statistics are not available at a detailed level (e.g. renewables), but more research is required to fully understand this.

MMO comments

The economic information provided in this report has been used to draft material to support the identification of issues with supporting evidence for iteration 1 of the North East, South East, North West and South West marine plans. The evidence within this report will continue to support the development of future iterations of marine plans and the evidence gaps identified will inform future evidence priorities.