

The Blue Economy of Cebu and Central Visayas

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Introduction: What is a ‘blue economy’ and its scope?

PSA: Ocean economy satellite accounts

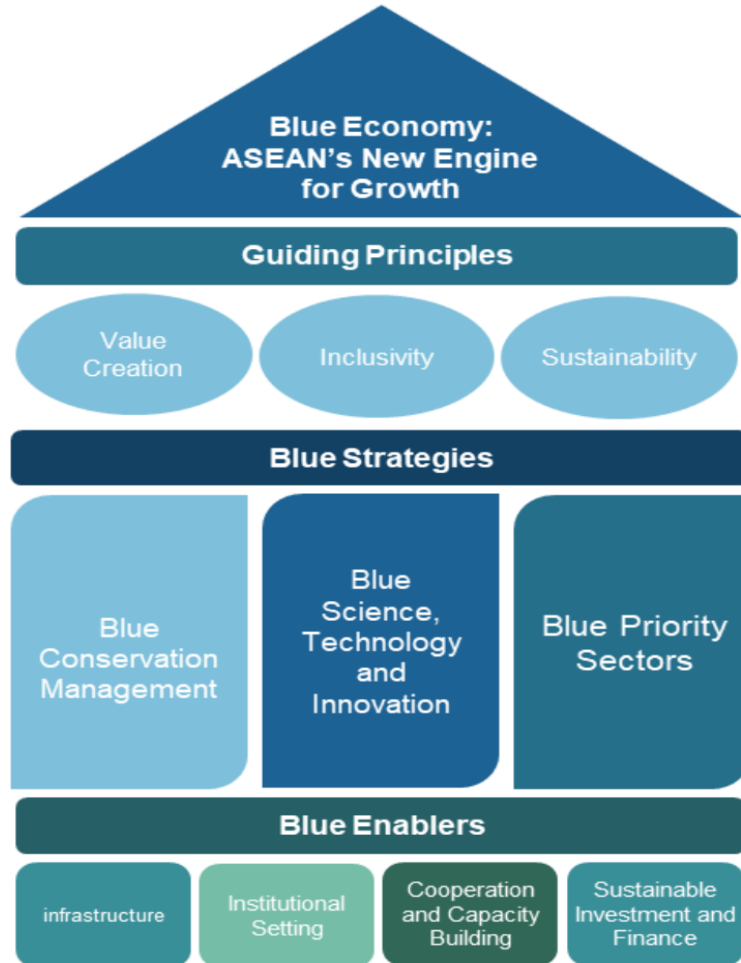
Cebu’s ocean-based economy

Initial results and discussion

The Blue Economy of Cebu and Central Visayas

Introduction: What is a ‘blue economy’ and its scope?

- *‘sustainable use of ocean resources for economic growth, improved livelihoods, and jobs while preserving the health of the ocean ecosystem’*
- *recognized by the UN Conference on Sustainable Development, Rio de Janeiro, 20-22 June 2012*
- **sustainability in ocean-based economy:** *fisheries, tourism, maritime transport, offshore renewable energy, aquaculture, seabed extractive activities, marine biotechnology and prospecting, amongst others.*



An integrated, holistic, cross-sectoral, and cross-stakeholder approach in creating value-added and value-chain of marine resources as the new engine for ASEAN's future economic growth that is inclusive and sustainable.

Source: Economic Research Institute of ASEAN and East Asia, *ASEAN Blue Economy Framework*

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‘ocean-based economy’ vs ‘blue economy’





CONSERVE AND SUSTAINABLY USE THE OCEANS, SEA AND MARINE RESOURCES FOR SUSTAINABLE DEVELOPMENT

PRESERVE THE BLUE, PROTECT THE EARTH:
URGENT ACTIONS NEEDED TO SAFEGUARD
THE PLANET'S **LARGEST ECOSYSTEM**



OCEAN EMERGENCY


COASTAL EUTROPHICATION:
CAUSING ALGAL BLOOMS AND DEAD ZONES


OCEAN ACIDIFICATION:
30% HIGHER THAN IN PRE-INDUSTRIAL TIMES


OCEAN WARMING:
SEA-LEVEL RISE AND AFFECTING MARINE ECOSYSTEMS


PLASTIC POLLUTION:
17 MILLION METRIC TONS IN 2021-2-3X MORE BY 2040


OVER-FISHING:
MORE THAN A THIRD OF GLOBAL FISH STOCKS ARE OVERFISHED

Source: UN Department of Economic and Social Affairs

Global carbon emissions and plastic pollution – biggest threats to the health of the ocean



Source of Images: Earth.Org

Real Economic Growth (2023):

Cebu – 7.4%

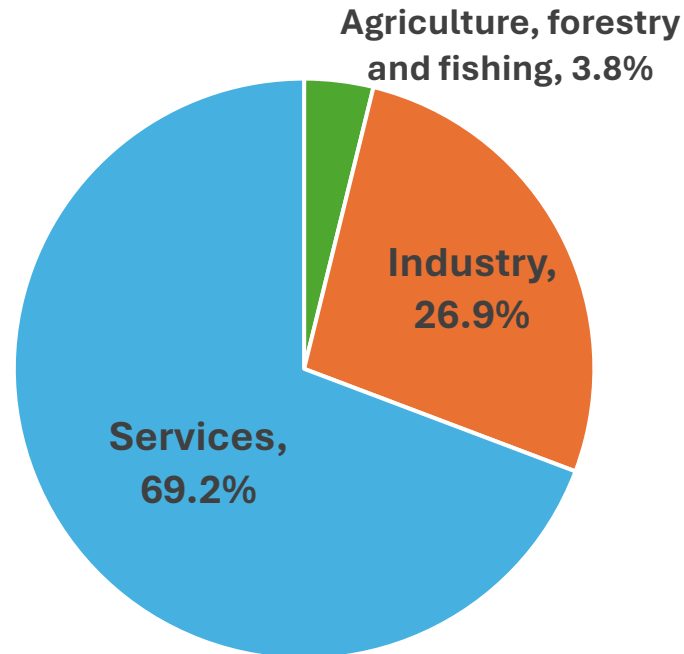
Central Visayas – 7.3%

Philippines – 5.5%

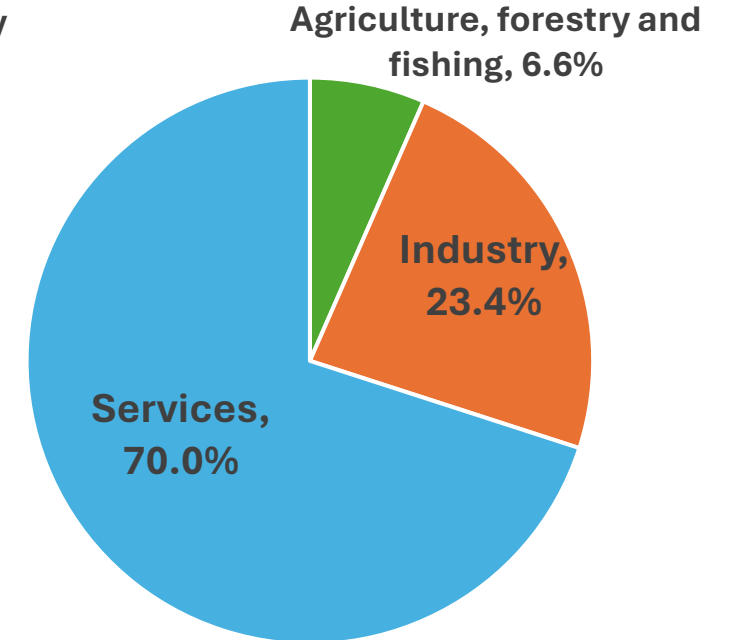
Central Visayas – fastest growing of the 17 regions in the Philippines (GDP is PHP 1.381 trillion, 7% of national GDP, **2nd smallest region in land area**)

Cebu – accounted for 73% of Central Visayas GDP, reached a trillion-peso economy in real terms in 2023 (PHP 1.008 trillion, 5% of national GDP)

Cebu GDP

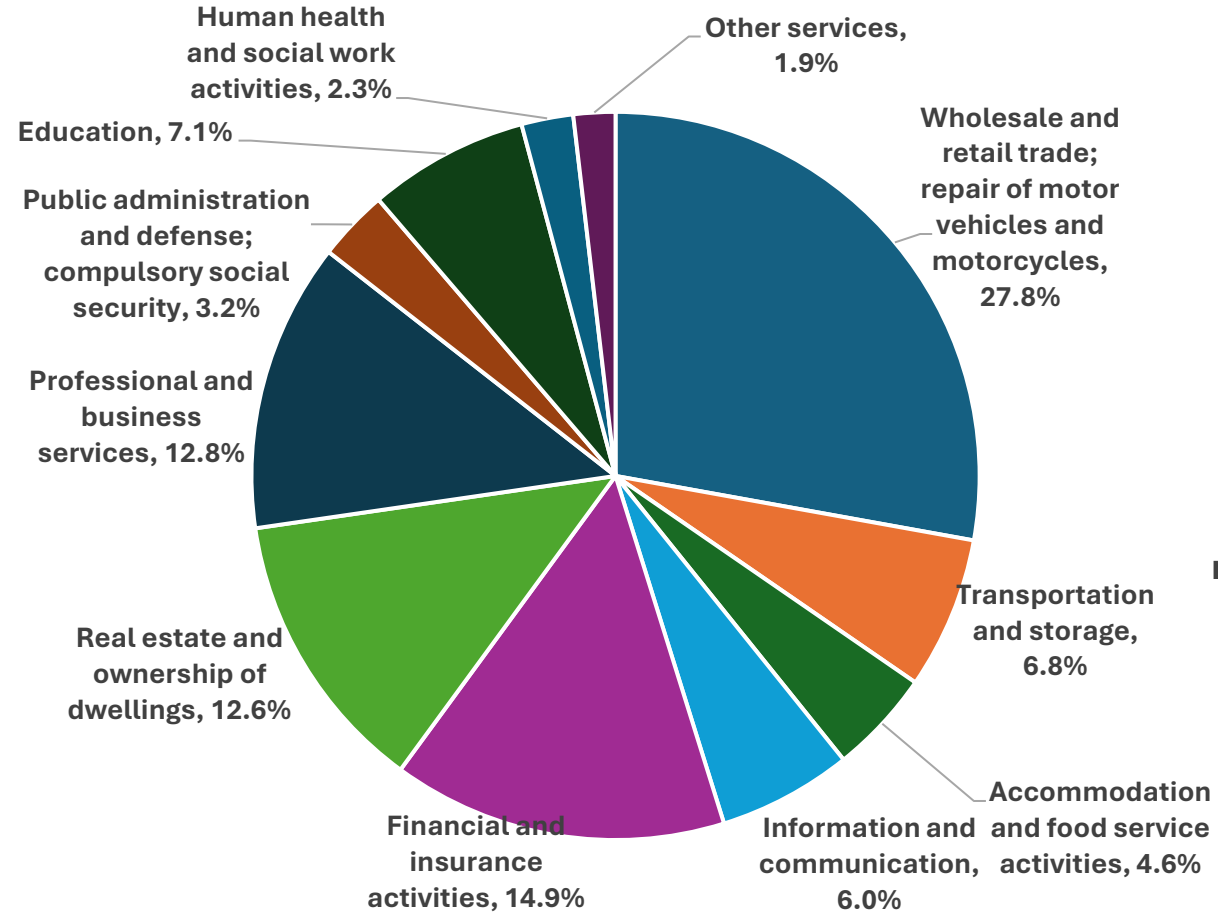


Central Visayas GDP

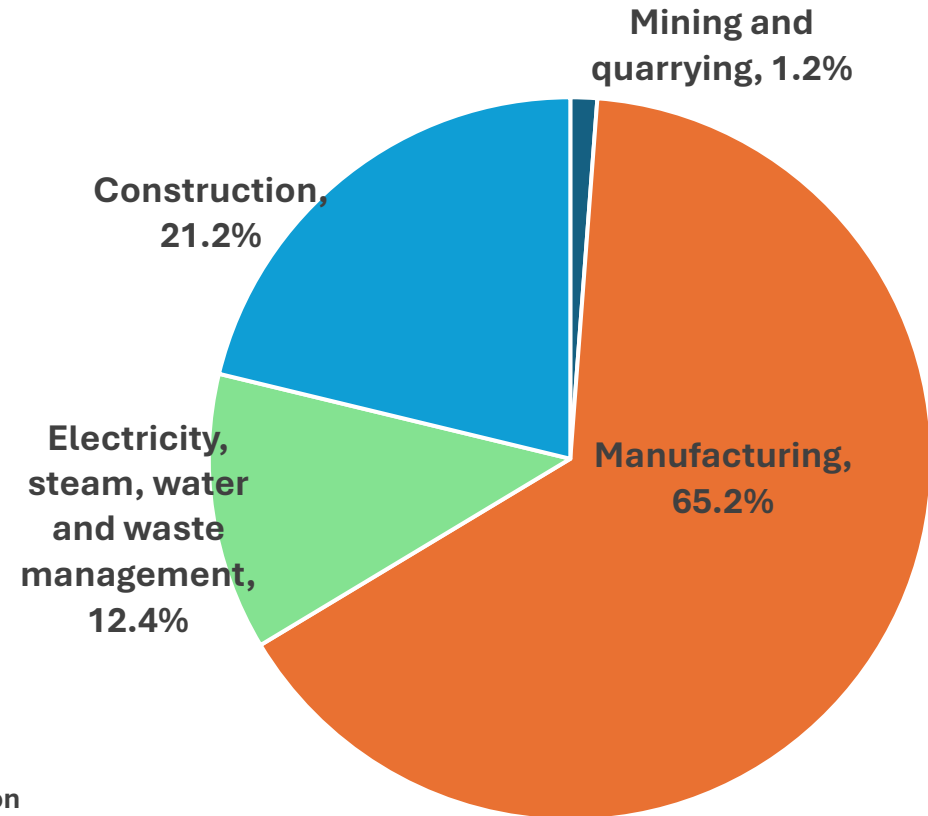


Source: Philippine Statistics Authority, Provincial Product Accounts 2024

Cebu's Services Sector, 2023



Cebu's Industrial Sector, 2023



Source: Philippine Statistics Authority, Provincial Product Accounts 2024

Philippine Ocean Economy Satellite Accounts (POESA)

- 2009: Initial efforts to compile the Philippine Ocean Economy accounts by NSCB.
- 2015: PSA presented updates on the estimates during the East Asia Sea Congress, Vietnam.
- 2017: PSA presented updates on the estimates during the Blue Economy Forum, Thailand
- 2019: POESA estimates shared to the public on the PSA website

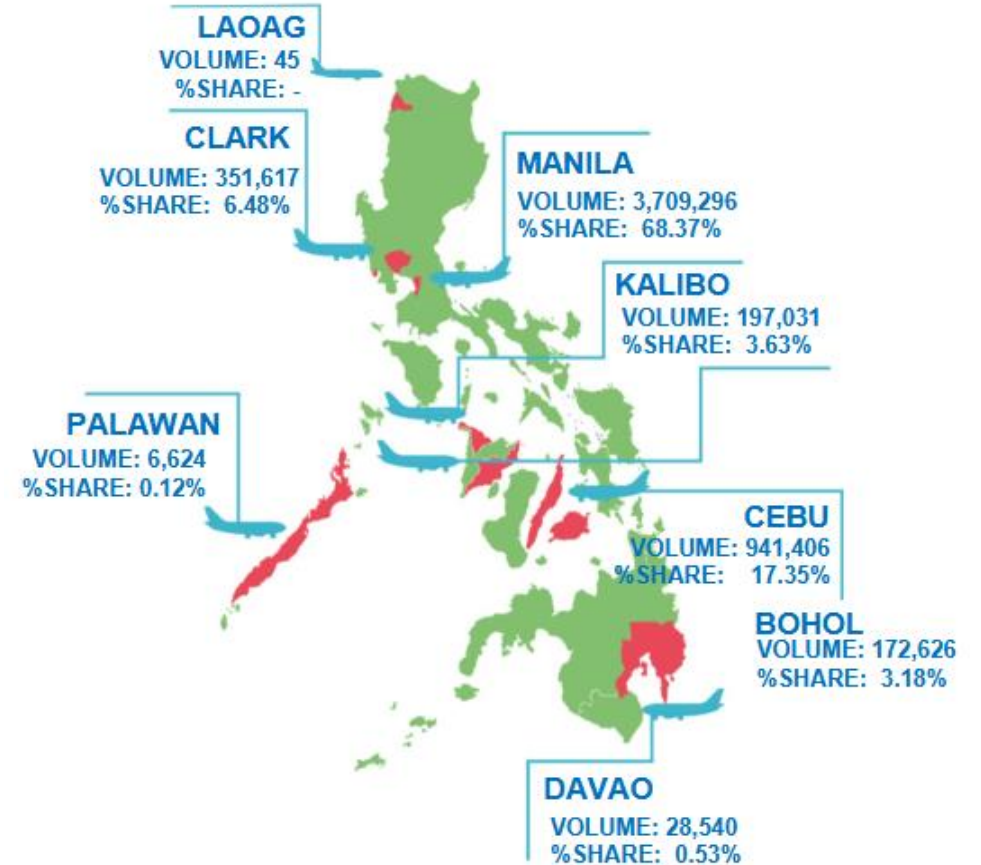
Cebu's Ocean-Based Economy: Major Industries

- **TOURISM** – Cebu accounted for 17.3% of tourist arrivals in the country in 2023 (DOT)
- **INTER-ISLAND SHIPPING** – Cebu accounts for about 80% of inter-island shipping capacity in the country (DTI).
- **SHIP BUILDING AND SHIP REPAIR** – Cebu has 22 of 124 shipyard facilities in the country (MARINA), with strong linkages with manufacturing of marine-based products
- **OCEAN-BASED POWER GENERATION, TRANSMISSION AND DISTRIBUTION** – Cebu's interconnections thru marine cables with Leyte, Negros, Panay Island, and Bohol to facility excess generation to meet Cebu's growing electricity peak demand.
- **COASTAL CONSTRUCTION AND MARINE MANUFACTURING**– Cebu coastal roads, port facilities, etc.

Tourism Sector

- *Cebu accounted for 17.4% of tourist arrivals by airports in 2023.*
- **Accommodation and food services, 34%**
- **Transportation and storage, 27%**
- **Other Services (entertainment, recreation, museums sites, gambling, etc.), 21.4%**
- **Professional and business services, 10.6%**
- **Financial and insurance activities, 8.3%**

Source: Philippine Statistics Authority, Provincial Product Accounts 2024.



Source: Department of Tourism, Inbound Tourism Update, December 2023.

Inter-Island Shipping – Passenger and Freight Cargo

- Cebu is base to over 80% of the inter-island shipping capacity in the Philippines (DTI).
- Initial estimates: at least 8-10% of Cebu's GDP.



Source: Cebu Investment Center

Shipbuilding and Ship Repair (SBSR) Sector

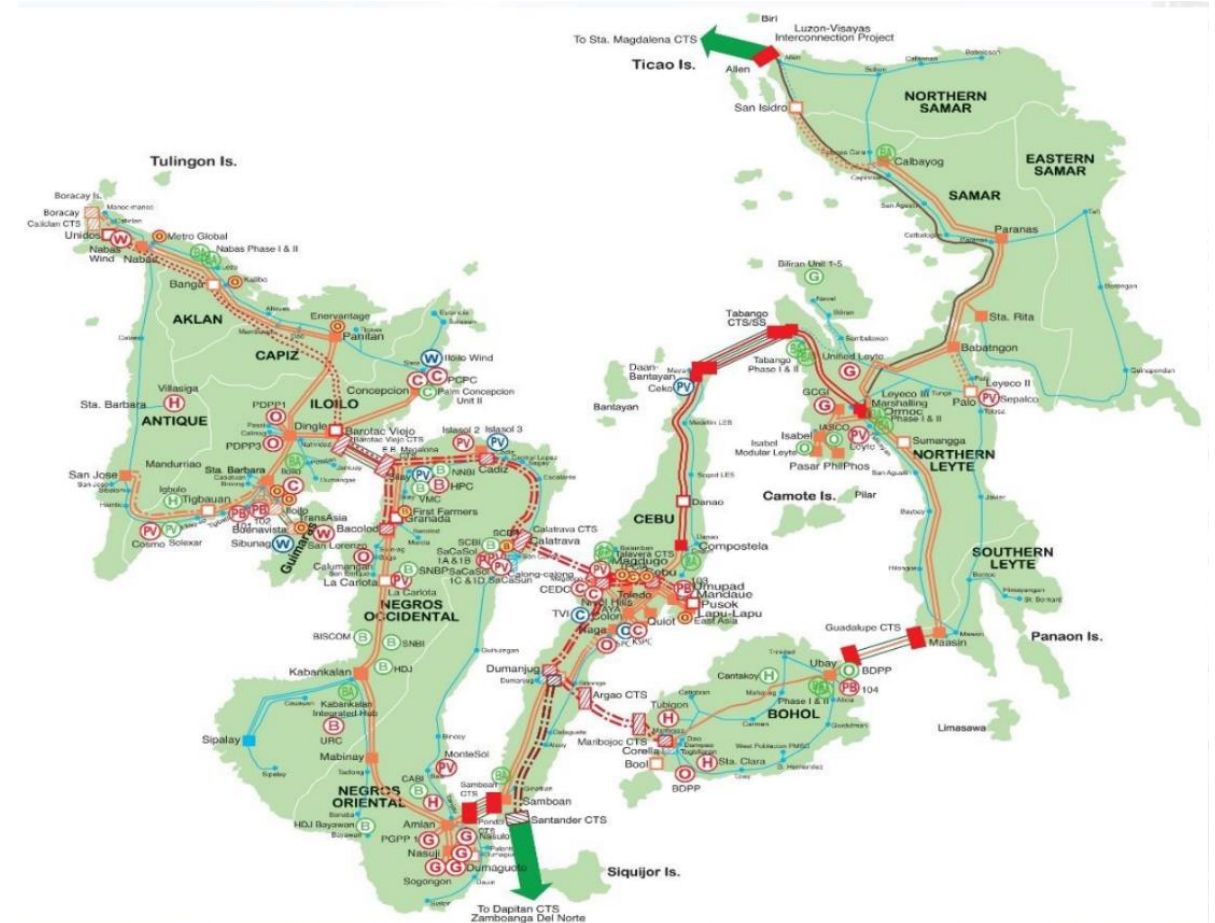
- Philippines is the fifth largest shipbuilding country worldwide; has 124 SBSR entities in 2022.
- Cebu has 22 of 124 SBSR entities;
 - Tsuneisi Cebu and Austal Philippines lead the Cebu SBSR sector.
 - *‘Shipbuilding capital of the Philippines’*



Source: Maritime Industry Association, Philippine Shipbuilding and Ship Repair Situation Report 2022.

Ocean-Based Power Generation, Transmission and Distribution Sector

Cebu's interconnections thru *marine cables* with Leyte and Negros, and ongoing transmission backbone projects from Cebu to Panay Island and Cebu to Bohol provide the capability of sharing excess generation between islands.



Source: National Grid Corporation of the Philippines, Transmission Development Plan 2022-2040, p 15.

Coastal Construction and Manufacturing of Ocean-Based Products

- *Cebu's construction sector grew at 12.7% in 2023 in real terms.*
- **Construction of ports and structures;**
- **Construction of establishments in the port cities;**
- **Manufacture of engines and turbines for marine propulsion;**
- **Building of ships and boats**
- **Manufacture of metal sections of ships and barges.**



Source: Cebu Ports Authority

Cebu's ocean-based economy is projected to contribute:

- **Coastal, aquaculture, and ocean-based fishing**
- **Manufacture of ocean-based products for shipbuilding and ship repair**
- **Coastal construction**
- **Ocean-based power generation, transmission and distribution**
- **Sea-based transportation and storage**
- **Marine insurance and related financial services**
- **Marine education**
- **Marine-based business activities**
- **Coastal accommodation and food and beverage service activities**
- **Coastal recreation**

Current State and Projections

- Philippine ocean-based economy
 - Accounts for about 4% of the country's national GDP in 2023.
 - Annual growth in nominal terms was about 10% in 2023.
- No provincial level satellite account
 - Cebu's ocean-based economy is expected to contribute far higher than the national average based on the identified industries.



Thank you.