



Expansion of Pakistan's Blue Economy

by

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It is fair to say that in our quest for modernity we have demonstrated considerable ignorance covering the impact of our inventions – Gunter Pauli

The concept of Blue Economy is based on the sustainable use of marine and coastal resources, with the aim of promoting economic growth, social inclusion and environmental conservation. This approach entails a wide range of sectors, including fisheries, maritime trade and transport, coastal tourism, renewable energy, aquaculture and much more. The idea of Blue Economy gained attention worldwide and it was brought in by governments and coastal communities to the forefront as a way to rethink economic and development models and explore the potential of oceans through innovation and application of technologies, sustainable development and economic growth.

As the oceans cover 3-quarters of the earth's surface which contain 97% of the earth's water, the Blue Economy can contribute to the global economy through development of maritime sector, which helps derive 3-5% of the world's GDP. The Blue Economy has an estimated worth of \$1.5 trillion US dollars per year globally and is projected to double to \$3 trillion by 2030 potentially. It provides almost over 30 million jobs and acts a vital source of protein to over 3 billion people. Another reason for the governments' inclination towards oceans is to generate sustainable resources that are clean and green which will help in reducing the greenhouse gases and provide food security. The

United Nations set out several Sustainable Development Goals which deal with different aspects of a country's economic and social aspects. The SDG-14, *Life Below Water* deals with the conservation and sustainable use of oceans, sea and marine resources.

For a country like Pakistan, incorporating Blue Economy in the national economy is of utmost importance. Pakistan has a coastline of 1001kms, which is home to a number of different species of marine animals, plants and mineral resources. The Blue Economy of Pakistan was neglected for many years before the focus was shifted towards it. The industry had not been used up to its full potential, while it has the potential to generate a revenue of more than \$100bn but under the current situation, it is generating around \$1bn only. The year 2020 was declared as the year of Blue Economy and the government of Pakistan has shown its commitment towards the country's growth. The government's initiatives for the Blue Economy have started yielding positive results. The Ministry of Maritime Affairs is working with stakeholders to create a framework that focuses on promoting the blue related sectors of Pakistan that are seeing results.

The fishing sector makes a small contribution to the GDP of the country; however, its exports can increase the national income. The export of fishery products witnessed a rise of 4.04 percent in July-April FY2024. During FY2024, total fish production reached 720.9 thousand MT, comprising 410.9 thousand MT from marine fisheries and the rest from inland waters, a growth rate of 0.81% as compared to 0.60% of last year. Pakistan's major fish buyers during FY2024 included China, Thailand, Malaysia, the Middle East, Sri Lanka, and Japan. The port management sector of Pakistan plays a crucial role in trade and maritime transportation which in turn leads to economic growth. The trade takes place through the 3 ports of Pakistan; Karachi Port, Port Qasim and Gwadar Port. Gwadar port is the gateway to CPEC; once fully operational it will contribute to the growth of the national economy of Pakistan. Improved infrastructure, introduction to latest technologies, smart handling of goods, and following of international practices will help improve the overall quality of port management system. The Pakistan National Shipping Corporation (PNSC) is the organization that facilitates the imports and exports. The PNSC fleet consists of 12 vessels different types and sizes. Pakistan also has a functioning Ship Recycling industry. It was the first to separate shipbuilding from shipbreaking, which made Gadani one of the world's top shipbreaking facilities.

Pakistan can utilize coastal areas for commercial purposes i.e. to breed fish, which can generate around \$2bn yearly as compared to the present numbers which is estimated at around \$450 million. Pakistan's maritime tourism industry also has great potential, while currently only contributing 0.4% to the total GDP, it can contribute up to 10% to the GDP in the coming years. The government's initiatives such as the "China-Pakistan Economic Corridor (CPEC)" are expected to significantly promote and enhance Pakistan's maritime industry.

While efforts of Government of Pakistan and other stakeholders are yielding positive results, to harness the true potential of Pakistan's Blue Economy, there is need to make robust policies with effective implementation mechanism. This also requires

organizational reform and regulatory mechanism to transform the full utilization of existing resources. Development of maritime related infrastructure, purchase of new ships, latest equipment and human resource development specific to the Blue Economy should be focused to meet the challenges and make this sector more vibrant component of national economy.

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