



BLUE OCEAN ECONOMY:

Economy beyond Land based Activities

Strategies for Sunrise Andhra Pradesh



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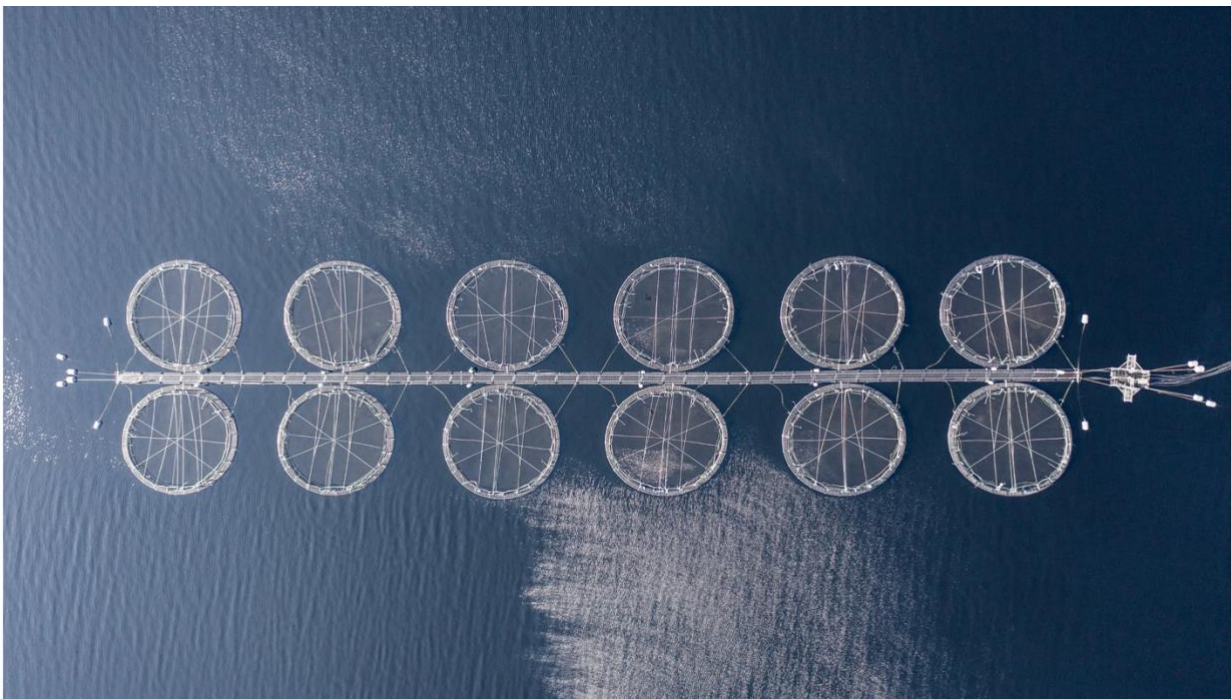
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growth and ocean development strategies, emphasizing higher productivity while conserving the health of marine ecosystems. Rooted in the principles of green economy, the Blue Economy espouses low carbon emissions, resource efficiency, and social inclusion, in line with Goal 14 of the Sustainable Development Goals (SDGs) aimed at the sustainable use of oceans and marine resources. Globally, there has been a surge in international support and cooperation for the development of the Blue Economy, recognizing its strategic significance in fostering sustainable growth and ecological sustainability.

Andhra Pradesh, with its vast coastline spanning 974 kilometres (India - 7,516.6 kilometres and about 2 mn sq. km

and environmental stewardship. Very few countries across the globe have this endowment. Moreover, AP has a geographic advantage as it is situated at the crossroads of the South East Asian corridor. United Nations estimates that the global Blue Economy generates between \$3 trillion and \$6 trillion annually, supporting approximately 260 million jobs. By tapping into even a fraction of this vast potential, Andhra Pradesh can catalyse sustainable economic growth and employment opportunities for its coastal communities.

The Government of India realising the importance of blue economy has released a draft framework of India's blue economy policy. The blue economy is considered by



Exclusive Economic Zone) stands poised to leverage the potential of the Blue Economy to drive growth, development,





the Government of India as one of the 10 core dimensions for national growth. The blue economy policy encompasses the entire ocean resources system and human-made economic infrastructure in marine, maritime, and onshore coastal zones within

India's legal jurisdiction. It aims at the production of goods and services for economic growth, environmental sustainability, and national security. The policy recognises the following 7 areas for operation.

1. National accounting framework for the blue economy and ocean governance.
2. Coastal marine spatial planning and tourism.
3. Marine fisheries, aquaculture, and fish processing.

4. Manufacturing, emerging industries, trade, technology, services, and skill development.
5. Logistics, infrastructure and shipping, including trans-shipments.
6. Coastal and deep-sea mining and offshore energy.
7. Security, strategic dimensions, and international engagement.

The Government of India during the budget speech of 2024-25 has indicated that the blue economy policy 2.0 is likely to be released very soon. Pending the release of version 2.0 of the new Blue Economy policy of the Government of India, the government of Andhra Pradesh proposes to take the following actions under points 1 to 6 above to provide growth stimulus to the state.



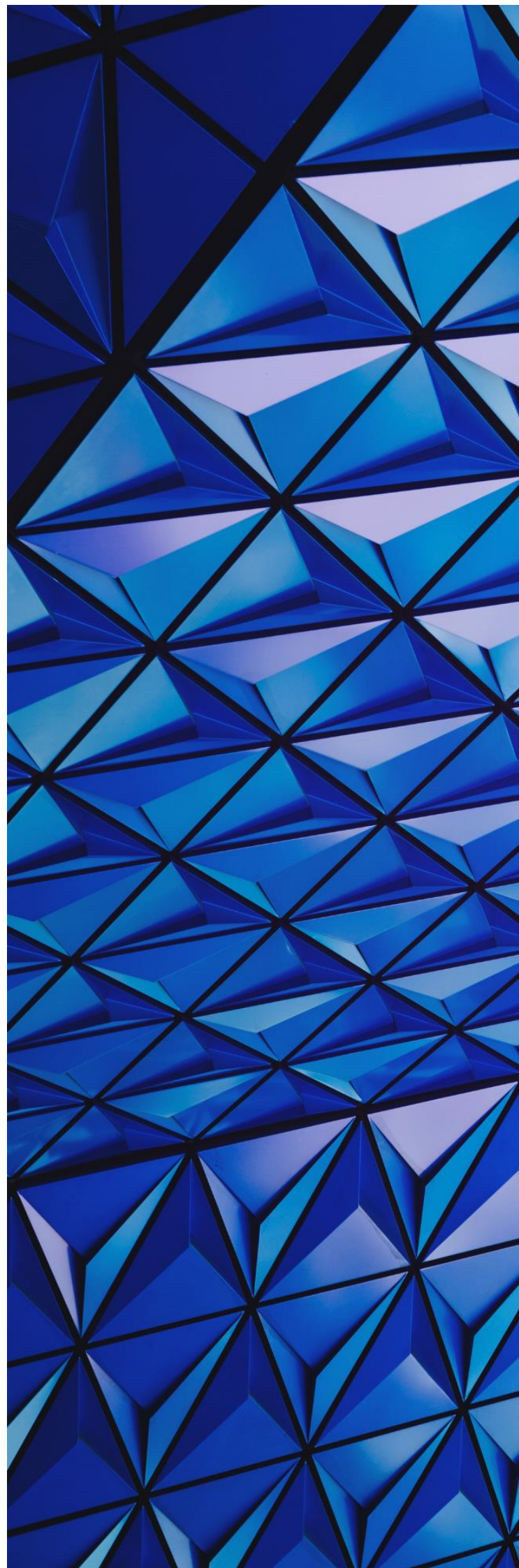
1. Governance - Blue Economy Board: It is advised that Andhra Pradesh should establish an empowered Board for Coast-Led Growth and the Blue Economy to develop a strategic plan for coast-led growth leveraging the blue economy. This Board should be multidisciplinary, comprising experts from various related domains within government and other organizations. It should oversee the implementation and monitoring of the proposed strategies.

2. Multi-Disciplinary Action Plan: In addition to strategic plans, the Board should formulate an action plan for the growth and development of the blue economy within Andhra Pradesh, including the tourism sector for both offshore and onshore areas.

3. Marine Fisheries and Aquaculture: As Andhra Pradesh is the largest producer of aquaculture in the country and one of the top five sub-sectors contributing to the state's GSDP, it is anticipated that the fisheries and aquaculture subsector could grow by more than 20% CAGR over the next five years, becoming the largest contributing subsector to the GSDP. Strategies to expand this subsector should include:

a. Multifaceted Approach: Andhra Pradesh should adopt a multifaceted approach to unlock the full potential of its aquaculture sector, incorporating technological innovation, value addition, market diversification, and sustainability.

b. Export Orientation: Given Andhra Pradesh's proximity to the Southeast Asian





region, which is a major consumer of fisheries resources, it is proposed that the state should strengthen regulatory frameworks and adhere to international standards to ensure the safety, quality, and traceability of aquaculture and marine products. Setting up an adequate number of labs and certification centres will ensure quality.

c. Marine Culture Expansion: Andhra Pradesh should diversify into high-demand species such as tilapia, pangasius, seabass, and mud crabs. Establishing brood banks, hatcheries, and aquaculture zones will be essential to tap into the lucrative export market and emerging consumer preferences.

d. Research and Innovation: It is proposed that Andhra Pradesh should promote research and innovation by establishing a Center of Excellence in marine and aquaculture to foster an ecosystem conducive to innovation, entrepreneurship, and collaboration, positioning itself as a global leader in marine culture and aquaculture.

e. Trawler Investment Policy: To manage marine resources sustainably, it is advised that policies should be introduced to incentivize investment in deep-sea trawler fishing by larger companies. Consolidating fishing operations under larger entities will help achieve economies of scale, reduce costs, improve efficiency, and enhance sustainability.

f. Supporting Small-Scale Fishermen: Targeted interventions, capacity-building initiatives, and alternative livelihood opportunities should be provided to small-

scale fishermen to ensure inclusivity and social equity. Striking a balance between economic imperatives and ecological stewardship will help Andhra Pradesh move towards a more sustainable and prosperous Blue Ocean Economy.

4. Manufacturing, Emerging Industries, Trade, Technology, Services, and Skill Development Several activities are proposed under this theme-

a. **VCIC and CBIC Nodes for Industries:** The development of three nodes in the Visakhapatnam-Chennai industrial corridor and one node in the Chennai-Bangalore industrial corridor should be prioritized. Specific policies should be developed to attract investment in these nodes, focusing on industries such as automobiles, auto components, pharmaceuticals, medical devices, solar modules/batteries, energy, defense, and aerospace.

b. **Economic Cities for IT, Knowledge, and Manufacturing:** It is proposed that Andhra Pradesh should develop three economic cities of approximately 500-1000 acres along the coastline for dedicated economic activities, preferably in the knowledge and IT sectors. These cities should include spaces for retail, office, commercial, residential, and recreational activities, with connectivity to ports and airports, and integration with existing industrial corridors.

c. **Startup Hubs and Skilling Centers:** Dedicated spaces for startups and skilling centres should be incorporated within industrial nodes and economic cities to foster continuous innovation and provide an adequately skilled workforce.

5. Logistics, Infrastructure, and Shipping, Including Trans-Shipments:

Several central government schemes, including Sagarmala and Harit Sagar Greenport, are set to transform India's maritime sector, emphasizing port-led prosperity and environmental sustainability. Andhra Pradesh should align its focus on port infrastructure development with these initiatives. Proposed activities to realize this potential include:

a. **Logistics Policy:** Andhra Pradesh should issue a logistics policy to attract strategic investment, emphasizing connectivity of coastal infrastructure to other states and hinterlands through rail and road networks.

b. Completion/Renovation and Expansion of Ports and Airports:

Completing and expanding key ports and airports, such as Bhogapuram Airport and Bhavanapadu Port, should be prioritized. Expanding Krishnapatnam Port City to add value to inbound and outbound goods should also be considered.

c. Optimizing Port Infrastructure:

To enhance the efficiency and competitiveness of its ports, Andhra Pradesh should strategically allocate functions to specific ports based on their



strengths. This includes dedicating ports to handle specific cargo types to achieve economies of scale and streamline logistical operations.

d. Transshipment Hub and Connectivity: Positioning Andhra Pradesh as the premier transshipment hub of Southeast Asia will require enhancing connectivity and logistical efficiency. Investments should be made in robust road, rail, and multimodal connectivity to reduce transit times, lower costs, and enhance competitiveness.

e. Benchmarking Against Global Trends: Analyzing global container cargo trends will provide insights into improving port performance. Andhra Pradesh should benchmark against global best practices to identify areas for improvement, such as optimizing draft capacity, reducing dwell times, and improving operational efficiency.

Through proactive engagement with central government agencies, private sector partners, and local communities, Andhra Pradesh should unlock the full potential of its Blue Ocean Economy, driving economic growth, environmental sustainability, and social progress. By embracing innovation, collaboration, and foresight, the state can achieve sustainable and inclusive growth, positioning itself as a global leader in maritime commerce and conservation.





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