



Time to take stock of marine and coastal assets

A new study highlights the economic importance of coastal and marine areas and the urgent need to develop concrete methods for assessing their value. Researchers say the need is especially strong now as climate change's impacts could reduce the economic value of coastal and marine environments.

While it is recognised that marine and coastal environments are important drivers of national economies, they have generally been considered less economically important than their land-based equivalents and some researchers believe that governments have failed to understand their true worth.

Hurricane Katrina in the USA and the devastating Tsunami in Asia in the past few years serve as poignant examples of how coastal damage can have widespread economic impacts. Furthermore, climate change is threatening ocean and coastal economies: sea level rise could damage coastal tourism and ocean acidification is already affecting fish stocks. Strong methods for valuing marine and coastal environments can help decision makers measure what economies could stand to lose under climate change, and minimise loss.

The authors of the new study claim that there is still no appropriate valuation data for decision making in ocean management and an international effort is needed to include ocean valuations in political and planning processes.

Many studies in different countries have already valued ocean economies based on their contribution to national economies – by looking at national accounts data. According to these studies, they contribute between 1.2 and 3.6 per cent of gross domestic product (GDP). However, the researchers point out that the national accounts approach does not consider values that cannot be accounted for in monetary terms, i.e. values for things that are not direct goods or services. For example, the impact of the depletion of fish stocks cannot be considered, because “environmental stocks” are not given a value using this approach. In fact, fisheries can sometimes generate greater monetary value if stocks are depleted as demand drives up prices.

Economists do have ways of estimating the value of environmental assets, such as estuaries, wetlands and mangroves, but these values are often ignored in the decision making process. The researchers say that it is time to prioritise the development of a framework which allows decision makers to account for these values, given the potential impacts of climate change on marine and coastal environments.

Source: Kildow, J.T. and McIlgorm, A. (2010). The importance of estimating the contribution of the oceans to national economies. *Marine Policy*. DOI: 10.1016/j.marpol.2009.08.006.

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