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PRESS RELEASE

Economic importance of the Flemish maritime ports: report 2003

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Each year, the National Bank publishes a study on the economic importance of the ports of Antwerp, Ghent, Ostend and Zeebrugge.

Each port's contribution to the national economy is estimated on the basis of an analysis of its economic, social and financial situation over the period 1997 - 2003. The three variables forming the object of the main developments are value added (VA), employment and investment. This study highlights the indirect effects as well, in terms of VA and employment, of the sector's activity on the country's economy as a whole. A summary social balance sheet is also provided. As of this issue, the analysis of the financial results of the sectors under review has been supplemented by a bankruptcy prediction model.

In 2003, the direct VA of the Flemish maritime ports increased by 3.6 p.c. at current prices on the previous year (or +2.9 p.c. at constant prices), a higher level than observed for the economy as a whole. Cargo handling, shipping companies, trade, the oil, metal-working and electronics industries, along with inland transport, all showed significant increases, unlike the energy, chemical and car manufacturing industries. The port of Antwerp, which represents 64.6 p.c. of the VA in the four ports considered, demonstrated the most sustained growth in terms of its contribution to GDP in 2003. The ports of Ghent and Ostend also experienced growth, albeit to a lesser extent, whilst VA stagnated at Zeebrugge. Over the same year, taking into consideration the whole of the chain upstream from the companies located in the Flemish ports, estimated indirect VA fell by 0.9 p.c. at current prices (or -1.6 p.c. at constant prices). Total VA, the sum of direct and indirect VA, rose to almost 22 billion euros in 2003, or 8.4 p.c. of Belgian GDP - 4.3 p.c. if the VA of the sample companies alone is taken into account (11.5 billion euros).

In 2003, direct employment in the Flemish maritime ports fell by 0.6 p.c. whilst Belgian domestic employment rose slightly (+0.1 p.c.). This light decline was felt in most sectors, with the exception of electronics and other industries. Fishing, other logistic services and the public sector all reduced their employment levels, while all other maritime sectors and inland transport took on staff. This decline is attributable to an increase in the number of contracts terminated. Temporary staff and use of external staff, however, increased during 2003. Of the four ports under review, Ostend and Zeebrugge experienced increases in their workforce during 2003, whilst employment fell slightly at Antwerp and stagnated at Ghent. Over the same year, Antwerp accounted for 58.2 p.c. of the sector's employment. Total employment, i.e. the sum of direct and indirect employment, in the Flemish maritime ports came to an estimated 238,876 FTE, on the decline against the previous year. Total employment still represents 6.4 p.c. of Belgian domestic employment. If direct employment alone is considered, i.e. 105,419 FTE, this proportion falls to 2.8 p.c.

Alongside public investment aimed at infrastructure development, private investment plays a decisive role in the growth of port activity. Investment in the Flemish maritime ports rose in 2003 by 0.8 p.c. at current prices in relation to the previous year. But this comes down to a 0.6 p.c. decline at constant prices. Increases noted in cargo handling, the car manufacturing and metal-working industries and road transport

were offset by declines in most other maritime and non-maritime sectors. Of the four ports in question, Ostend and Zeebrugge recorded the most significant increases in investment during 2003, whilst investment stagnated at Antwerp and even fell at Ghent. Over the same year, the port of Antwerp benefited from 59.7 p.c. of the almost 2.5 billion euro invested in the sector.

Net return on equity after taxes increased considerably in 2003 for all ports except Ostend, with levels higher than the national average. The net working capital of the companies located in the Flemish ports generally became positive again, due to significant improvements at Antwerp and despite the declines noted at Ostend and Zeebrugge. Solvency declined significantly, however, with the exception of Ostend. The percentage of companies in difficulty in the Flemish maritime ports fell during 2003, in line with the bankruptcy prediction model developed by the National Bank. This decline was noted both among large companies and SMEs.