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PRESS RELEASE

Economic importance of the Belgian ports: Flemish maritime ports, Liège port complex and the port of Brussels - Report 2006

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The National Bank of Belgium publishes an annual update of the study of the economic importance of the Flemish maritime ports - Antwerp, Ghent, Ostend and Zeebrugge - and the Liège port complex. In this edition, a chapter on the port of Brussels is added for the first time.

Each port's contribution to the national economy is estimated on the basis of the analysis of its economic, social and financial situation over the period from 2001 to 2006. The three variables concerned in the main developments are value added, employment and investment. This study also highlights the port sector's indirect effects in terms of value added and employment. The social balance sheet is summarised in two sections: one covering the Flemish maritime ports and the other the Liège port complex. The analysis of the financial results is based on the study of the return on equity, liquidity and solvency ratios, and a synthetic indicator of financial health.

2006 was a very good year for the Flemish ports. Freight traffic reached new record levels in Antwerp, Ostend and Zeebrugge alike. But the port of Ghent also recorded good growth. The main factor behind the strong performance was container traffic. Economic growth has a favorable impact not only on overseas trade but also on river freight traffic. This facilitated a partial recovery in the case of traffic in the Liège port complex. In the port of Brussels on the other hand, the tonnages of cargo loaded and unloaded have been more or less stable in the past two years.

Despite the good figures for the volumes handled, the direct value added of the six ports taken together remained stable (- 1.9 p.c. at constant prices). The decline in direct value added in Antwerp was offset by increases in Brussels, Ostend, Zeebrugge, Liège and, to a lesser extent, Ghent. The decline was particularly marked in the Antwerp shipping companies and fuel producers, the Antwerp chemical industry and Ghent metalworking. However, in all ports except Antwerp, the increase in traffic caused the direct value added of the maritime cluster to rise faster than that of the non-maritime cluster. The higher value added in cargo handling was particularly noticeable in Zeebrugge and Ghent. In Ostend, port construction and dredging did particularly well. In the non-maritime cluster, a number of sectors more or less compensated for the decline in fuel production, chemicals and metalworking, more specifically car manufacturing (Antwerp and Ghent), construction (Liège), the energy sector (Antwerp, Brussels, Liège and Ostend), other industry (Ghent), electronics (Ghent and Zeebrugge) and other services (Antwerp, Brussels, Liège and Ostend).

Subcontractors more than made up for the stabilisation of the direct effects, so that the total value added increased by 2.9 p.c. (+ 0.9 p.c. at constant prices). Nonetheless, the share of the total value added in Belgium's GDP dropped from 10.3 to 10.1 p.c.

Direct employment in the six ports increased by 1.3 p.c. This expansion was entirely based on traffic growth. It was therefore due to a substantial increase in the workforce in the maritime cluster. Employment in cargo handling actually increased in all six ports, with a dramatic rise in Antwerp and Zeebrugge. But the shipping agents, forwarders and shipping companies also contributed to the good result. Conversely, in the non-maritime cluster the average number of workers diminished. Declines in construction (Liège and Zeebrugge), chemicals (Antwerp, Ghent and Ostend), car manufacturing (Antwerp and Ghent) and metalworking (Liège) were mitigated to some extent by increases in trade (Antwerp and Ostend) and other services (Antwerp and Ostend). Partly thanks to the Plassendale districts, Ostend is the only port where the numbers employed in the non-maritime cluster increased, actually growing by 7.3 p.c.

The expansion of indirect employment was less marked, so that total employment increased by 0.8 p.c., resulting in the stabilisation of the share in domestic employment at 7.7 p.c.

The analysis of the social balance sheet showed that – compared to other firms in Belgium - firms in the ports employ more blue-collar workers and more males. The system of part-time working is steadily gaining ground and was most popular in the other land transport sector. Among the staff taken on, the proportion holding a certificate of primary education declined, while holders of a certificate of secondary education continued to dominate. Finally, the training policy varied greatly according to the business activity. Thus, access to training was noticeably less easy for employees in the maritime cluster than for staff in the energy sector, for example.

Following the exceptional rise in investment in 2005, it is not surprising that expenditure dropped by 28.2 p.c. (30.1 p.c. at constant prices). Antwerp and Zeebrugge shipping companies accounted for most of the decline, but as a result of the completion of the Deurganck dock, investment spending was also well down in the case of the Antwerp cargo handling firms. Brussels, Ghent and Liege are the three ports where the acquisition of tangible fixed assets exceeded the previous year's figures. Nonetheless, that increase is due entirely to the non-maritime cluster, which in fact stepped up its investment in all the ports except Ostend. The increases in the chemical industry (Antwerp) and other services (Antwerp, Brussels, Ghent, Liège and Ostend) more than offset the decline in car manufacturing (Antwerp and Ghent). The development of bio-fuels was only evident in Ghent (Ghent Bio-energy Valley) and Liège (bio-ethanol factory in the port of Statte). In Zeebrugge, the largest increase was in the energy sector.

In 2006 the ports of Antwerp and Ghent recorded a marked deterioration in their return on equity after tax. Nevertheless, in both ports this ratio remained above the average for Belgian firms. In contrast, profitability improved in Ostend, Zeebrugge and Liège. The average net operating capital was positive in all the ports except Antwerp, though in Liège there was a considerable decline compared to the year before. Ostend is the only port with average liquidity exceeding the national figure. In terms of financial autonomy, Ghent, Ostend and Zeebrugge scored better than the average for Belgian non-financial corporations, while Antwerp and Liège did worse. In all Flemish sea ports, however, there was an improvement in solvency. The analysis of the composite indicator of financial health showed that firms in the Flemish ports and the port of Liège in general were financially healthier than Belgian non-financial corporations. There has even been a further improvement in the situation in the past two years. In Flemish trade, the composite indicator of financial health had the worst score but the number of jobs concerned was still relatively small.