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PRESS RELEASE

Economic Importance of air transport and airport activities in Belgium

by Franziska Kupfer and Frédéric Lagneaux

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This study is a publication issued by the Microeconomic Analysis service of the National Bank of Belgium, in partnership with the Department of Transport and Regional Economics of the University of Antwerp (UA).

It is the outcome of a first research project on the Belgian airport and air transport sector. The former relates to the economic activities within the airports of Antwerp, Brussels, Charleroi, Kortrijk, Liège and Ostend, while the latter concentrates on the air transport business as a whole. In the past few years, the logistics business has come to play a significant part in income creation in our country, whose economy is to a large extent driven by services. Air transport and airports in particular are driving forces in this context, not only in terms of business generated within the air transport cluster, but also in terms of airports' attractiveness.

On world scale an overall growth of cargo and passengers could be observed in the last ten years. However, the air transport sector has undergone a major crisis during the 2001-2003 period, when passenger traffic numbers first fell sharply and then stagnated. Only after 2003 this activity has picked up again and this until the third quarter of 2008. Cargo traffic on its part recovered already in 2002. In Belgium, a similar evolution can be observed. It should be stressed however that between 1997 and 2007 cargo volumes grew much faster than passenger traffic did. The rankings of European airports underline the importance of cargo traffic for Belgium: In 2006 Brussels, Liège and Ostend-Bruges respectively occupy ranks 6, 8, and 20 in the European cargo airport top 20, while for passenger airports, Brussels can only be found at the end of the top 20.

In this study, a sectoral approach has been followed by focusing, for every airport, on two major economic activity components: the air transport cluster on the one hand and other airport-related sectors on the other hand. In that respect, annual accounts data from the Central Balance Sheet Office were used for the calculation of direct effects, the social balance sheet analysis and the study of financial ratios. Due to an inevitable time lag in the data provision, the analysis was limited to 2006 except for the Brussels Airport for which data until 2007 were available. Like in other sectoral studies published by the Bank, indirect effects have also been estimated on the basis of data from the National Accounts Institute.

In 2006, the total activities under review –direct and indirect, inside and outside airports- accounted for roughly 6.2 billion euro of value added and 77400 FTE, i.e. 2 p.c. of Belgium's GDP and domestic employment. Considering the direct effects only, these percentages both amounted to 0.8 p.c. *The three major airports, i.e. Brussels, Charleroi and Liège, alone account for 95.2 p.c. of the direct value added generated by the six airports under review. They represent 0.5 p.c. of Belgian GDP and, taking account of the indirect effects, 1.1 p.c. of the national income.* Furthermore, *it has to be pointed out that, while Brussels-Zaventem is by large the most important airport for all activities, the other Belgian airports are considerably specialised.* While the airports of Liège and Ostend focus on air cargo, Charleroi Airport deals mostly with low-cost passenger transport. Moreover, the smaller regional airports like Antwerp and Kortrijk focus on business travel.

The analysis was completed in December 2008.