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### **Economic importance of the Belgian ports: Flemish maritime ports, Liège port complex and the port of Brussels - Report 2013**

by *Frank Van Nieuwenhove*

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Every year the National Bank of Belgium publishes an update of the study on the economic importance of the Flemish maritime ports - Antwerp, Ghent, Ostend and Zeebrugge - the Liège port complex and the port of Brussels.

Each port's contribution to the national economy is estimated by examining the economic, social and financial situation of the port over the period 2008-2013. The three principal variables considered are value added, employment and investment. This study also highlights the indirect effects regarding value added and employment, as well as the main social balance sheet data. The analysis of the financial results is based on the study of the return on equity, liquidity and solvency ratios and the financial health model developed by the Bank.

The downward trend in direct value added, which began in 2011, persisted in 2013 though the decline was very small (-0.1 % compared to the previous year). However, if we consider total value added, i.e. including the indirect effects, then an upward trend is evident since 2010 which was maintained in 2013 (+0.7 %). The total value added created in that year by the Belgian ports as a whole came to € 30.4 billion, or 7.7 % of national GDP. Except for Antwerp (-2.1 %) and Brussels (-10.7 %), direct value added increased in all the ports in 2013. The strongest growth was achieved by the port of Ghent (+6.7 %); Zeebrugge and Ostend followed with growth of 3.8 and 1.0 % respectively. Following a contraction in 2012, the Liège port complex saw its value added edge upwards again by 0.4 %. In the port of Brussels, the decline was due mainly to the specific situation in some individual firms. The value added developments exhibited marked differences between the maritime and the non-maritime cluster. In the maritime cluster, value added decreased by an average of 3.8 % per annum between 2008 and 2013, whereas the non-maritime cluster saw growth averaging 0.8 % per annum over the same period. The year 2013 was no exception to this trend, with year-on-year growth of 0.7 % for the non-maritime cluster and a 2.2 % decline for the maritime cluster.

The growth of direct employment in 2012, following a contraction in 2010-2011, was partly negated again in 2013, with a 0.7 % drop in that year. However, as in the case of value added, this trend was offset by a steady rise in indirect employment, so that the total in 2013 was still up very slightly, by 0.1 %. Taking direct and indirect jobs together, the six ports employed 259,168 full-time equivalents in 2013, representing 6.5 % of domestic employment. Ghent (+1.3 %) and Antwerp (+0.3 %) were the only ports to see the workforce expand in 2013; in the port of Ghent this was due mainly to car manufacturing. In the ports of Ostend and Zeebrugge, the number of jobs fell by 0.7 and 1.9 % respectively, but the Liège port complex (-7.3 %) and the port of Brussels (-9.6 %) experienced the biggest reductions in their workforce. In Liège, the job losses were due mainly to the metalworking industry, while Brussels not only had to contend with the relocation of a large business away from the defined port area, but also suffered staff cuts and bankruptcies in several sectors. Taking the maritime and non-maritime clusters separately, it is clear that employment is decreasing in both clusters, and that the non-maritime cluster is experiencing the sharpest fall (averaging -1.3 % per annum, compared to -0.8 % per annum for the maritime cluster). Both clusters again recorded a decline in 2013.

Since 2008 there has been a systematic decline in investment in tangible fixed assets in the Belgian ports: the amount invested has fallen year by year, dropping to € 3.3 billion in 2013, 38 % lower than in the first year in the series. This downward trend shows in all ports, although the trend is broken in some years by individual ports. In Antwerp, the decrease is continuous, while both Ghent and Ostend saw a modest revival in 2012. Zeebrugge was unable to maintain the surge in investment seen in 2010, while in Liège the 2011-2012 upturn came to an end in the following year. Only the port of Brussels recorded increased investment in 2013 compared to the previous year (+34.5 %), but as in the case of Ostend the amounts involved are relatively small. The port of Antwerp, which in 2008 accounted for 68.7 % of the total investment in all

Belgian ports, represented a similar share again in 2013 (70.0 %). If a distinction is made between the maritime and the non-maritime cluster, it is evident that investment was higher in the maritime cluster than in the non-maritime cluster up to 2010, after which the situation was reversed. In the maritime cluster, investment has fallen steadily since 2008 (-14.0 % in 2013), whereas in the non-maritime cluster it began rising again from 2012 (+6.0 % in 2013).

Following a general decline in 2012, the total maritime traffic handled by the Flemish maritime ports increased again by 1.7 % in 2013, but that rise was entirely attributable to the port of Antwerp (+3.7 %). The other sea ports decreased in varying degrees: Ghent -1.3 %, Zeebrugge -1.6 % and Ostend -43.1 %. This last figure was due to the termination of the roll-on/roll-off service to and from Britain in 2013. The ports of Brussels and Liège were no exception to the general Belgian picture, and also recorded a fall in traffic of 6.1 and 9.3 % respectively, the latter figure being due mainly to the termination of the warm-phase activities of the ArcelorMittal steel group.

Ports		Value added (current prices)		Employment		Investment (current prices)		Cargo traffic	
		€ million	Change 2012-2013 (in p.c.)	FTE	Change 2012-2013 (in p.c.)	€ million	Change 2012-2013 (in p.c.)	x 1,000 tonnes	Change 2012-2013 (in p.c.)
ANTWERP	Direct .....	9,844.5	- 2.1	61,496	+ 0.3	2,314.3	- 0.7		
	Indirect .....	9,129.8	+ 0.7	88,218	+ 1.8				
	<b>TOTAL .....</b>	<b>18,974.2</b>	<b>- 0.8</b>	<b>149,714</b>	<b>+ 1.2</b>	<b>2,314.3</b>	<b>- 0.7</b>	<b>190,972</b>	<b>+ 3.7</b>
GHENT	Direct .....	3,417.9	+ 6.7	27,368	+ 1.3	424.7	- 7.4		
	Indirect .....	3,285.9	+ 6.0	33,353	+ 3.3				
	<b>TOTAL .....</b>	<b>6,703.7</b>	<b>+ 6.4</b>	<b>60,720</b>	<b>+ 2.4</b>	<b>424.7</b>	<b>- 7.4</b>	<b>25,956</b>	<b>- 1.3</b>
OSTEND	Direct .....	492.1	+ 1.0	5,156	- 0.7	75.9	- 22.0		
	Indirect .....	470.7	- 2.7	5,375	- 2.3				
	<b>TOTAL .....</b>	<b>962.8</b>	<b>- 0.8</b>	<b>10,532</b>	<b>- 1.5</b>	<b>75.9</b>	<b>- 22.0</b>	<b>1,819</b>	<b>- 43.1</b>
ZEEBRUGGE	Direct .....	988.1	+ 3.8	9,720	- 1.9	212.3	- 11.9		
	Indirect .....	871.7	+ 10.4	10,495	+ 0.1				
	<b>TOTAL .....</b>	<b>1,859.9</b>	<b>+ 6.8</b>	<b>20,215</b>	<b>- 0.9</b>	<b>212.3</b>	<b>- 11.9</b>	<b>42,832</b>	<b>- 1.6</b>
FLEMISH	Direct .....	14,742.6	+ 0.3	103,739	+ 0.3	3,027	- 3.2		
MARITIME	Indirect .....	12,774.9	+ 2.2	129,261	+ 1.8				
<b>PORTS</b>	<b>TOTAL .....</b>	<b>27,517.5</b>	<b>+ 1.2</b>	<b>233,000</b>	<b>+ 1.1</b>	<b>3,027.1</b>	<b>- 3.2</b>	<b>261,578</b>	<b>+ 1.7</b>
LIÈGE	Direct .....	1221.8	+ 0.4	8,905	- 7.3	211.0	- 13.2		
	Indirect .....	1312.6	+ 2.8	13,214	- 4.4				
	<b>TOTAL .....</b>	<b>2534.4</b>	<b>+ 1.6</b>	<b>22,119</b>	<b>- 5.6</b>	<b>211.0</b>	<b>- 13.2</b>	<b>14,947</b>	<b>- 9.3</b>
BRUSSELS	Direct .....	481.9	- 10.7	4,079	- 9.6	67.6	+ 34.5		
	Indirect .....	412.0	- 12.0	4,238	- 13.9				
	<b>TOTAL .....</b>	<b>894.0</b>	<b>- 11.3</b>	<b>8,317</b>	<b>- 11.8</b>	<b>67.6</b>	<b>+ 34.5</b>	<b>4,324</b>	<b>- 6.1</b>
<b>BELGIAN</b>	Direct .....	<b>16,446.3</b>	<b>- 0.1</b>	<b>116,724</b>	<b>- 0.7</b>	<b>3,305.7</b>	<b>- 3.3</b>		
<b>PORTS</b>	Indirect .....	<b>13,962.2</b>	<b>+ 1.6</b>	<b>142,444</b>	<b>+ 0.8</b>				
	<b>TOTAL .....</b>	<b>30,408.5</b>	<b>+ 0.7</b>	<b>259,168</b>	<b>+ 0.1</b>	<b>3,305.7</b>	<b>- 3.3</b>	<b>280,849</b>	<b>+ 0.9</b>

Source: NBB (calculations based on the Belgian accounts filed with the Central Balance Sheet Office, and the Belgian IOTs). For ports with economic linkages between them, a portion of the indirect effect calculated by port is cancelled out when the calculation is done at a more aggregate level, i.e. for a group of ports. The sum of the indirect effects by port is thus greater than the total indirect effects calculated for the ports as a whole.