

2017-06-20

PRESS RELEASE

Economic importance of the Belgian ports: Flemish maritime ports, Liège port complex and the port of Brussels - Report 2015

by Claude Mathys

NBB Working Paper No 321 - Document Series

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 2010-2015. The three principal variables considered are value added, employment and investment. This study also highlights the indirect effects¹ 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.

With a rise of 7.9%, 2015 was a very good year for the direct **value added** created in the Belgian ports. The strongest growth came from the ports of Antwerp and Brussels, where the figures recorded were up by respectively 9.4% and as much as 58.4%. The ports of Ghent, Ostend and Zeebrugge also saw their value added increase, but the growth was a little less marked than in Antwerp which do not alter the fact that the Flemish ports saw their direct value added increase by a total of 7.6%. Conversely, in the port of Liège, value added was down by almost a tenth. **Cargo traffic**, supported by Antwerp and Ghent, also increased further in 2015.

In the port of Antwerp, shipping companies, refineries and the chemical industry made a substantial contribution to the growth of value added. In the case of the shipping companies, not all types of maritime transport prospered, and losses were also recorded. For the petroleum and chemical industry, the rise was attributable mainly to the fall in commodity prices. In the port of Ghent, although industrial restructuring distorts the results per sector of activity, it turns out that the 4.8% increase in value added is generated largely by the metalworking and chemical industry. In the port of Ostend, where maritime traffic declined by 9.5% in 2015, value added was buoyant, thanks to the dredging segment. These three ports recorded their highest value added over the period 2010-2015. Despite an almost 10% fall in maritime traffic, value added in the port of Zeebrugge nevertheless increased by 2.8% in 2015. Analysis over a longer period shows that the value added figure in this port is relatively stable at just below €1 billion. The port of Liège suffered from the fall in value added in the energy sector and a return to normal in the construction sector after exceptional results in 2014, so the decline needs to be qualified somewhat. This time it was Brussels that benefited from the exceptional performance achieved by a major international group in the context of its reorganisation, and the port posted a record 58.4% increase in its value added.

¹ A distinction is made in the study between direct and indirect effects. The direct effects refer to the variables related to companies that are based in the port district or have a business activity that is directly connected to it. The indirect effects cover the impact on suppliers that can be recorded from port activity.

But these substantial increases in value added were not enough to reverse the trend which began in 2013: direct **employment** in the ports contracted in 2015 (-1.3%). There were successful attempts in almost all the ports to boost productivity and thus improve competitive positions, which naturally has some impact on employment. In the Flemish ports, employment declined by 1.1%, but this average figure conceals divergent trends. Although employment expanded in 2013 and 2014, the port of Ghent was unable to maintain its momentum in 2015 and recorded a 1% fall. As in the case of value added, the maritime cluster² in the port of Zeebrugge saw an increase in the number of workers, which is all the more noteworthy as port traffic actually declined owing to reorganisation among the shipping companies, but the contraction in the non-maritime cluster was unfortunately greater. The port of Zeebrugge thus recorded the second largest fall at -1.9%. Direct employment declined in the port of Ostend, due to the contraction in several sectors, especially in the metalworking industry. As one might expect, the steepest decline occurred in Liège, the only port where value added was also down. Employment in the metalworking industry, a vital activity for that port, recorded a further fall. Over a three-year period, practically 1,300 jobs relating to that activity and located in the port zone have been lost.

Taking all ports together, **investment** declined by 8.1%, even though an increase was recorded in Zeebrugge, Liège and Brussels.

² Two clusters are considered: the maritime cluster and the non-maritime cluster. The maritime cluster, which includes branches of the ports themselves, and whose existence is essential to them (management and maintenance, shipping, transshipment, affreightment, storage, dredging, fishing, maritime services, etc.). The segments that do not have an immediate economic link with port activity which exhibit a close interdependence with it are known as "non-maritime" and include the segments of industry, wholesale trade, transport and logistic services.

Ports		Value added (current prices)		Employment		Investment (current prices)		Cargo traffic	
		€ million	Change 2014-2015 (in p.c.)	FTE	Change 2014-2015 (in p.c.)	€ million	Change 2014-2015 (in p.c.)	x 1,000 tonnes	Change 2014-2015 (in p.c.)
ANTWERP	Direct	10,946.0	+ 9.4	60,656	- 0.9	3,005.1	- 9.0		
	Indirect	9,746.5	+ 10.5	81,692	- 1.5				
	TOTAL	20,692.6	+ 9.9	142,348	- 1.3	3,005.1	- 9.0	208,425	+ 4.7
GHENT	Direct	3,795.7	+ 4.8	27,809	- 1.1	365.3	- 10.2		
	Indirect	4,121.8	+ 3.9	36,648	+ 2.5				
	TOTAL	7,917.5	+ 4.3	64,457	+ 0.9	365.3	- 10.2	26,362	+ 1.8
OSTEND	Direct	508.3	+ 1.6	4,993	- 1.4	61.5	- 49.4		
	Indirect	396.8	+ 6.4	4,463	- 0.1				
	TOTAL	905.0	+ 3.6	9,457	- 0.8	61.5	- 49.4	1,295	- 9.5
ZEEBRUGGE	Direct	975.7	+ 2.8	9,268	- 1.9	260.9	+ 14.4		
	Indirect	881.9	+ 2.8	9,968	- 1.9				
	TOTAL	1,857.7	+ 2.8	19,237	- 1.9	260.9	+ 14.4	38,318	- 9.9
FLEMISH	Direct	16,225.7	+ 7.6	102,727	- 1.1	3,692.8	- 9.0		
MARITIME	Indirect	14,166.9	+ 8.6	126,849	- 0.1				
PORTS	TOTAL	30,392.6	+ 8.1	229,576	- 0.5	3,692.8	- 9.0	274,400	+ 2.1
LIÈGE	Direct	1,021.0	- 9.8	7,761	- 4.0	208.0	+ 6.0		
	Indirect	1,070.2	- 11.3	11,185	- 3.7				
	TOTAL	2,091.2	- 10.6	18,946	- 3.8	208.0	+ 6.0	14,605	- 2.6
BRUSSELS	Direct	772.8	+ 58.4	4,159	- 0.5	55.0	+ 3.8		
	Indirect	471.8	+ 38.1	3,851	+ 1.3				
	TOTAL	1244.6	+ 50.0	8,011	+ 0.3	55.0	+ 3.8	4,364	- 1.7
BELGIAN	Direct	18,019.5	+ 7.9	114,647	- 1.3	3,955.7	- 8.1		
PORTS	Indirect	15,148.8	+ 7.8	137,747	- 0.2				
	TOTAL	33,168.3	+ 7.8	252,394	- 0.7	3,955.7	- 8.1	293,369	+ 1.7

Source: NBB (calculations based on the Belgian accounts filed with the Central Balance Sheet Office, and the Belgian input-output tables). 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.