

Multinational groups in Belgium

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ABSTRACT

The objective of this publication is to provide a more accurate picture of the geographical distribution of multinational business groups by focusing on their impact in Belgium, their location and their economic importance. This publication is the second part of the analyses by Statbel, the Belgian statistical office, of multinational business groups in Belgium. The first is available on our website [here](#)².

The population studied remains multinational business groups in so far as the group is active in Belgium and in at least one other European country according to the European Group Register (EGR)³; it should therefore be emphasised that we do not deal with all groups, particularly domestic groups.

All the concepts are available in the first publication, so only the new concepts will be explained here. In the rest of the document, the term "group" refers to a group of companies.

As these statistics are not fully developed in terms of harmonisation, coverage or methodology, they are called "experimental statistics"⁴.

² <https://statbel.fgov.be/en/themes/datalab/multinational-groups-belgium>

³ <https://ec.europa.eu/eurostat/web/structural-business-statistics/structural-business-statistics/eurogroups-register>

⁴ A word of caution is in order regarding the year 2014; we remind you that these are experimental statistics and that in 2014 the registry was in its "youth" phase.

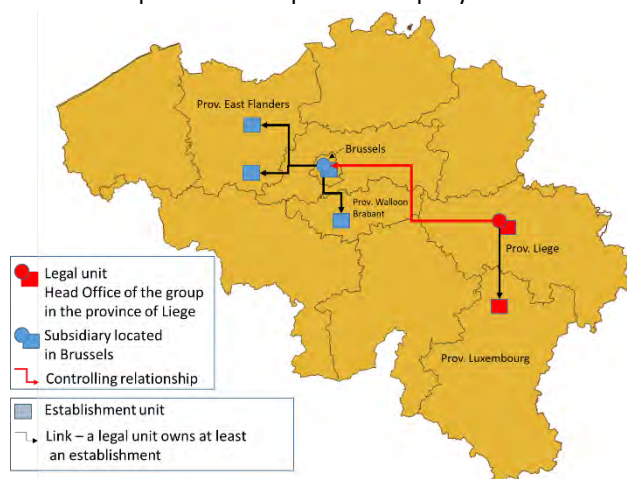
TABLE OF CONTENTS

<i>Multinational groups in Belgium</i>	1
<i>Abstract</i>	2
<i>Table of contents</i>	3
<i>1. Geographical distribution of groups in Belgium</i>	4
1.1. Geographical distribution of head offices	5
1.2. Geographical distribution of subsidiary headquarters	6
1.3. Geographical distribution of establishments (by number)	8
1.4. Geographical distribution of establishments (by employment)	9
<i>2. Analysis by activity in the largest municipalities</i>	11
<i>3. Age of groups in Belgium</i>	13
<i>4. Type of employment in a group</i>	14
4.1. Breakdown by gender	14
4.2. Breakdown by worker status	14
<i>5. Conclusion</i>	16

1. GEOGRAPHICAL DISTRIBUTION OF GROUPS IN BELGIUM

The purpose of this part is to locate the groups in Belgium. We will approach this theme according to four pillars: the location of the head office, the location of the subsidiaries' headquarters, the location of the establishments and finally the location of employment. Why consider so many concepts? Each provides information but generates a bias at the same time. The location of the head office gives the most concise information: a group with a single head office located in a given place. Most often, this location is a major city so as to take advantage of the benefits it provides. If we want to know more about the geographical presence of a group, the next level is the location of the subsidiaries. This vision gives more detailed information, by not summing up the presence of a group as a single point. This distribution may or may not be homogeneous, revealing the secondary hubs of a country, or the industrial areas or those with the resources required by the group. Despite the information provided, the geographical occupancy of subsidiaries can be biased (see the fictitious example below). Secondly, a subsidiary, which is a legal unit, usually has one establishment, but sometimes several located in different municipalities, all under the same single subsidiary. A simple map showing employment based on the location of the legal unit would distort the information by concentrating employment into a single location: the headquarters of the subsidiary.

The map opposite illustrates this point. A *circle* symbolises a legal unit (legal place) and the *rectangles* symbolise establishments (physical place). We are looking at a group composed of two legal units, its head office, in red, located in the province of Liège. The parent company has two establishments, one in the province of Liège, which is the headquarter of the parent company and therefore the group's head office, and the other in the province



of Luxembourg. The parent company controls one subsidiary, in blue, in Brussels. This subsidiary has four establishments. The first is the headquarters and three other establishments: one in the province of Walloon Brabant and two in East Flanders. In terms of employment, the parent company employs two persons (one in Liège and the other in the province of Luxembourg) and its subsidiary employs 100 persons: 10 in Brussels, 20 in Flanders (at the two sites in East Flanders) and 70 in Wallonia.

Thus, geographical distribution based on the head office will only show a presence in the province of Liège, distribution based on the subsidiaries in the broad sense⁵ will show two entities based in Brussels and in the province of Liège; the geography of the establishments will give greater importance to Flanders, as a result of the two establishments and, lastly, an analysis based on employment will highlight the province of Walloon Brabant.

The previous example demonstrates that these four points of view are complementary; with regard to the establishment-based representations, the first shows the geographical scope (a greater presence) and the second offsets the first by illustrating the influence of the presence (a greater presence).

We will therefore show the evolution of the geographical distribution of the groups from 2014 to 2017 via these four indicators:

- according to the location of their head office;
- according to the number of legal units (legal establishment);
- according to the number of establishments (physical location);

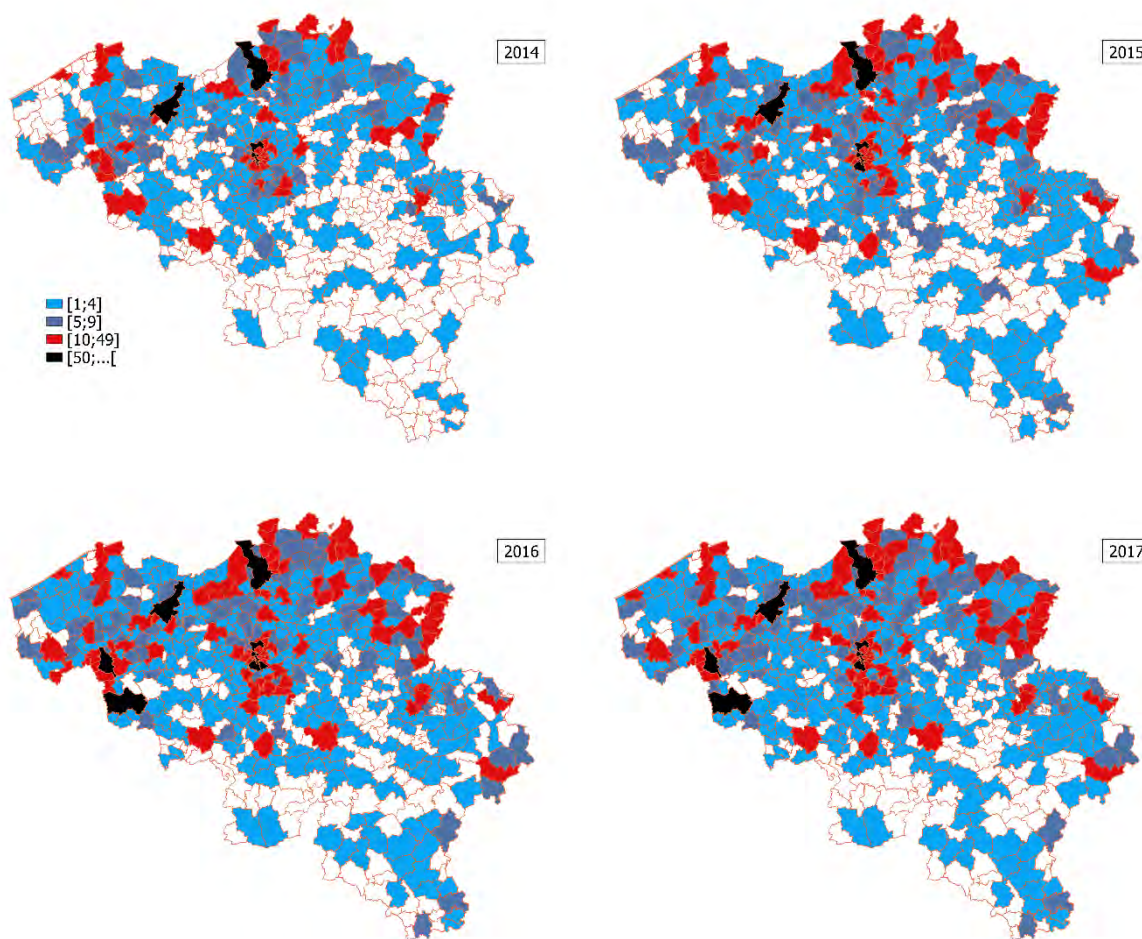
⁵ That is, including the parent company.

- and finally according to employment (physical location with an employment-oriented measure).

In addition, in the previous publication⁶, we took into account the nationality of the group and, in the case of a group controlled by a foreign unit, even explained whether the latter belonged to a particular country. Here it appears that geographical distribution is not influenced by this parameter and therefore will not be used in this case.

1.1. Geographical distribution of head offices

Figure 1: Geographical distribution of head offices from 2014 to 2017



It can be seen that the northern part of the country is home to the most head offices of multinational groups operating in Belgium. The year 2014 shows a lower density, probably due to the fact that it was the first year available and the data for it is not as complete as that for the following years. Apart from that, seven municipalities can be seen detailed in the following table. They alone account for 25% of head office locations.

⁶ <https://statbel.fgov.be/en/themes/datalab/multinational-groups-belgium>

Main municipalities hosting head offices

Year	Antwerp	Brussels	Ixelles	Ghent	Uccle	Tournai	Courtrai	Total	Percentage
2014	147	145	59	56	48	41	31	527	25%
2015	211	196	74	82	62	45	43	713	24%
2016	270	267	134	100	102	79	60	1,012	26%
2017	251	228	145	101	101	80	50	956	25%

Percentage calculated on the basis of all groups with headquarters in Belgium. The evolution between 2016 and 2017 for Antwerp and Brussels may seem to be in contrast with that observed for the majority of the other municipalities, but one should keep in mind the *first publication*, which shows a decrease in the number of groups and in employment. This is probably due to a consolidation/improvement/correction of 2016 data in 2017.

1.2. Geographical distribution of subsidiary headquarters

The geographical distribution of the groups is very useful information. The approach based on legal units makes it possible to understand the locations of the head offices; here we adopt a more legal approach.

First of all, out of the 589 Belgian municipalities⁷, almost 87% host at least one legal unit belonging to a group, while this percentage rises to 90% for establishments. These figures are high and show the significant presence of multinational groups in Belgium. Moreover, these figures are stable over the years studied (2014-2017)⁸ (If we exclude 2014, the figures rise to 89% and 91% respectively).

Number of municipalities with

Year	1 to 5 legal units	6 to 9 legal units	10 to 49 legal units	50 to 199 legal units	200 legal units and more	Total	Percentage
2014	215	68	148	36	5	472	80.1%
2015	214	75	172	47	10	518	87.9%
2016	183	85	188	61	11	528	89.6%
2017	187	72	195	61	11	526	89.3%

The occupation of the country is not homogeneous; there are municipalities with a significant presence of groups. Generally speaking, it is clear that the north of the country is home to the majority of multinational groups. Six municipalities have stood out over the years and alone account for almost 27% of all the subsidiaries present in Belgium.

Main municipalities hosting subsidiaries

Year	Brussels	Antwerp	Ghent	Ixelles	Kontich	Liège	Total	Percentage
2014	1,035	865	335	223	222	162	2,842	27.6%
2015	1,371	1,129	438	386	220	258	3,802	27.1%
2016	1,556	1,351	585	526	212	261	4,491	25.9%
2017	1,612	1,434	603	561	294	273	4,777	27.0%

The municipality of Kontich experienced significant growth between 2016 and 2017, due to improved knowledge of a group's perimeter. In 2016, this group did not appear to have certain subsidiaries. After analysis, this fact was proven in 2017, increasing the number of subsidiaries for this municipality.

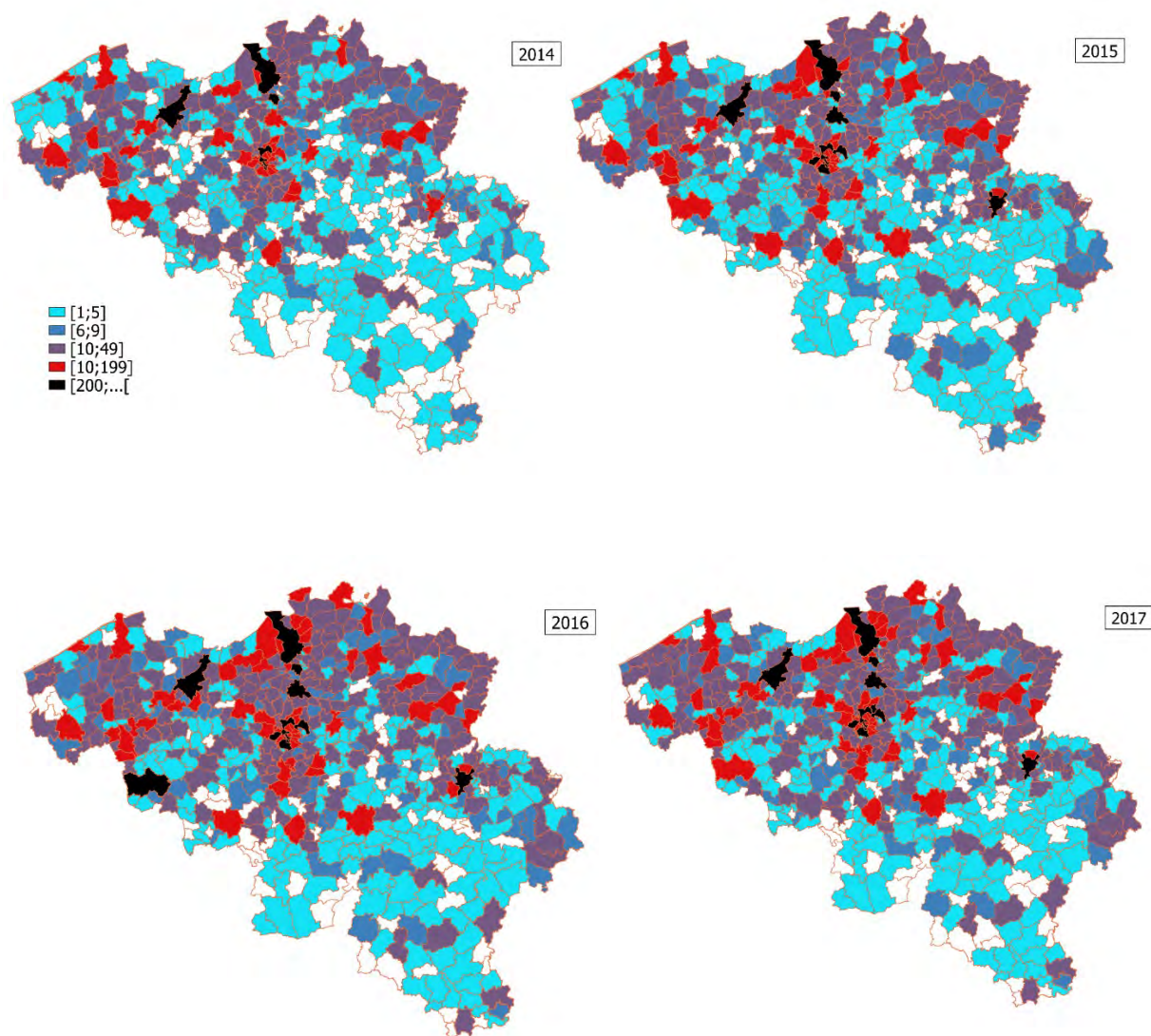
⁷ The number of municipalities listed here refers to the years 2014 to 2017. Readers can go to the following address for more information <https://statbel.fgov.be/fr/propos-de-statbel/methodologie/classifications/geographie>

⁸ It should be noted that, as stated in the previous publication, 2014 has lower values due to less coverage as a result of the introduction of the EGR.

To illustrate the heterogeneity of the distribution, we provide maps of distribution at the legal unit level for the years 2014 to 2017.

During these years, we can see the densification of occupation, illustrated on the maps by the increase in the number of municipalities hosting between 10 and 49 entities; in the first years, municipalities hosting between 1 and 5 units were the most numerous. This phenomenon is very visible in the north of the country.

Figure 2: Geographical distribution of subsidy headquarters from 2014 to 2017

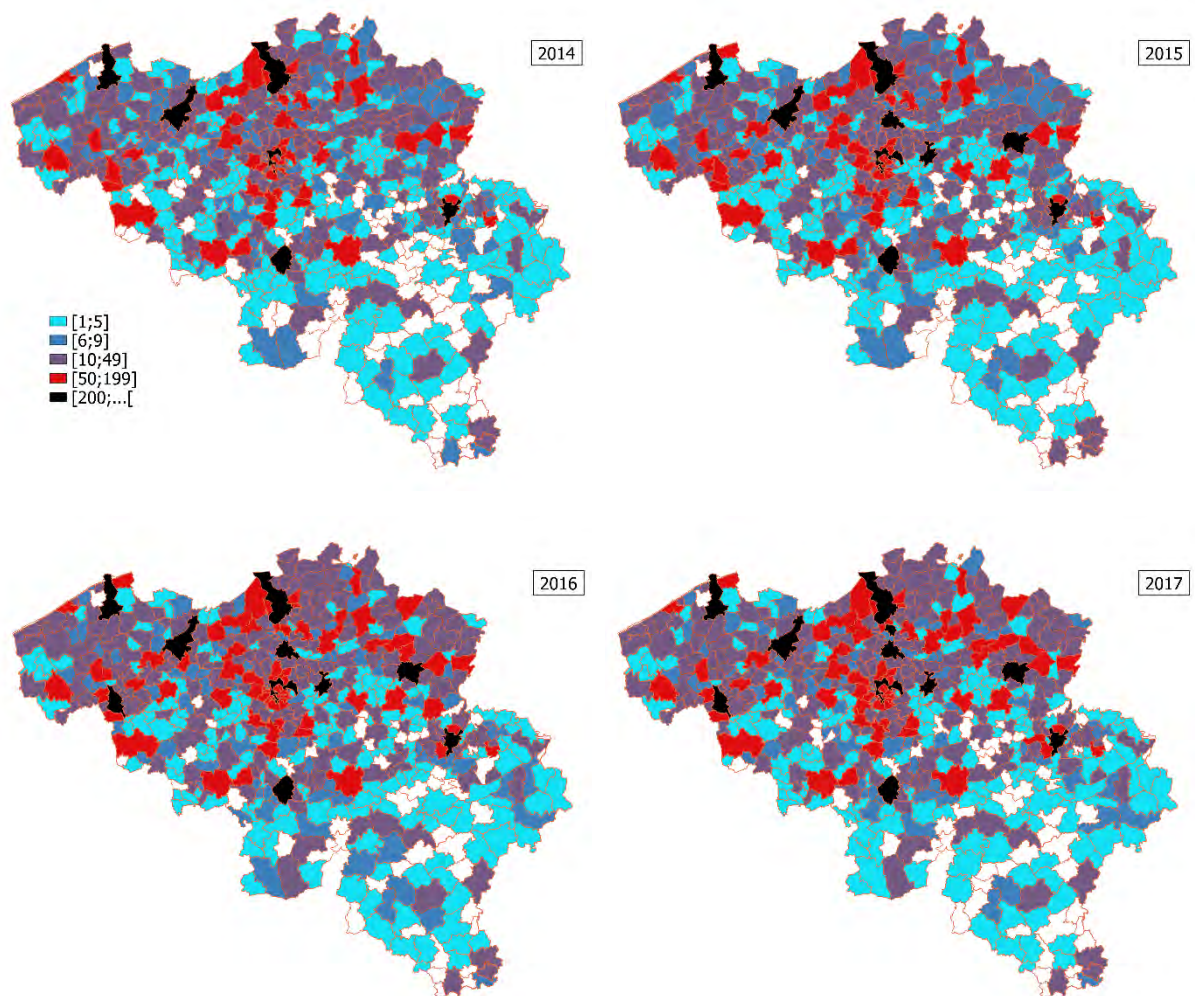


1.3. Geographical distribution of establishments (by number)

After seeing the distribution of the groups' subsidiaries, we are going to look at their distribution on the basis of employment. This approach shows the location of employment (number of establishments) and the volume of employment (employment within establishments). These two approaches are complementary, in the sense that the location of legal units must be supplemented by the location of establishments in order to gain a better understanding of reality without being altered by the location of the subsidiary when there are several establishments. But this comparison is not completely satisfactory since it ignores the volume of employment.

This first comparison gives us a better view of the geographical scope of the groups.

Figure 3: Geographical distribution of establishments from 2014 to 2017



First of all, there is a lower prevalence of the north, with areas in the south of the country appearing more frequently. This is in fact the contribution of information resulting from the location of establishments.

Number of municipalities with

Year	from 1 to 5 establishments	from 6 to 9 establishments	from 10 to 49 establishments	from 50 to 199 establishments	200 establishments and more
2014	195	89	183	45	6
2015	190	81	198	53	11
2016	169	81	210	68	12
2017	171	72	209	68	13

Another argument for the usefulness of the establishment approach is the ranking of municipalities. This ranking is modified in relation to that of the legal units.

Main municipalities hosting establishments

Year	Antwerp	Brussels	Ghent	Liège	Charleroi
2014	812	538	448	255	218
2015	995	799	526	337	293
2016	1,148	879	643	380	319
2017	1,232	968	698	381	333

Antwerp, Brussels and Ghent still occupy the top places, but the municipality of Charleroi also appears. Liège is now in 4th place instead of 5-6th place according to the legal units. This illustrates the different choices made by multinational groups for the location of their headquarters and production sites.

1.4. Geographical distribution of establishments (by employment)

To conclude, this section shows the geographical distribution of employment. This breakdown complements the information provided earlier.

First of all, we note a lower concentration, since the six main municipalities are home to nearly 27% of head offices, while the six municipalities with the most employment represent only 13% of total employment.

Main municipalities hosting the employment of the establishments

Year	Brussels	Antwerp	Ghent	Zaventem	Leuven	Mechelen	Total	Percentage(*)
2014	32,274	30,789	20,092	15,191	10,443	10,180	100,969	11.3%
2015	35,948	35,252	22,007	13,904	11,247	11,220	129,578	13.2%
2016	36,417	37,072	25,023	18,203	12,050	13,022	141,787	13.7%
2017	42,859	43,466	27,364	18,974	12,050 (**)	14,007	146,670	13.9%

(*) Percentage calculated on total employment within multinational groups.

(**) In 2017, Leuven was outranked by Charleroi, which only ranks 7th for 2015 and 2016.

The list of the main municipalities differs depending on whether one looks at the number of establishments or the employment of the establishments. This means that the municipalities of Charleroi and Bruges have more establishments, while the municipalities of Zaventem, Leuven and Mechelen have a larger number of jobs.

A comparison of the maps in Figure 2 and Figure 3 shows that some provinces have a large number of establishments, but these establishments employ fewer staff than others. For example, the province of West

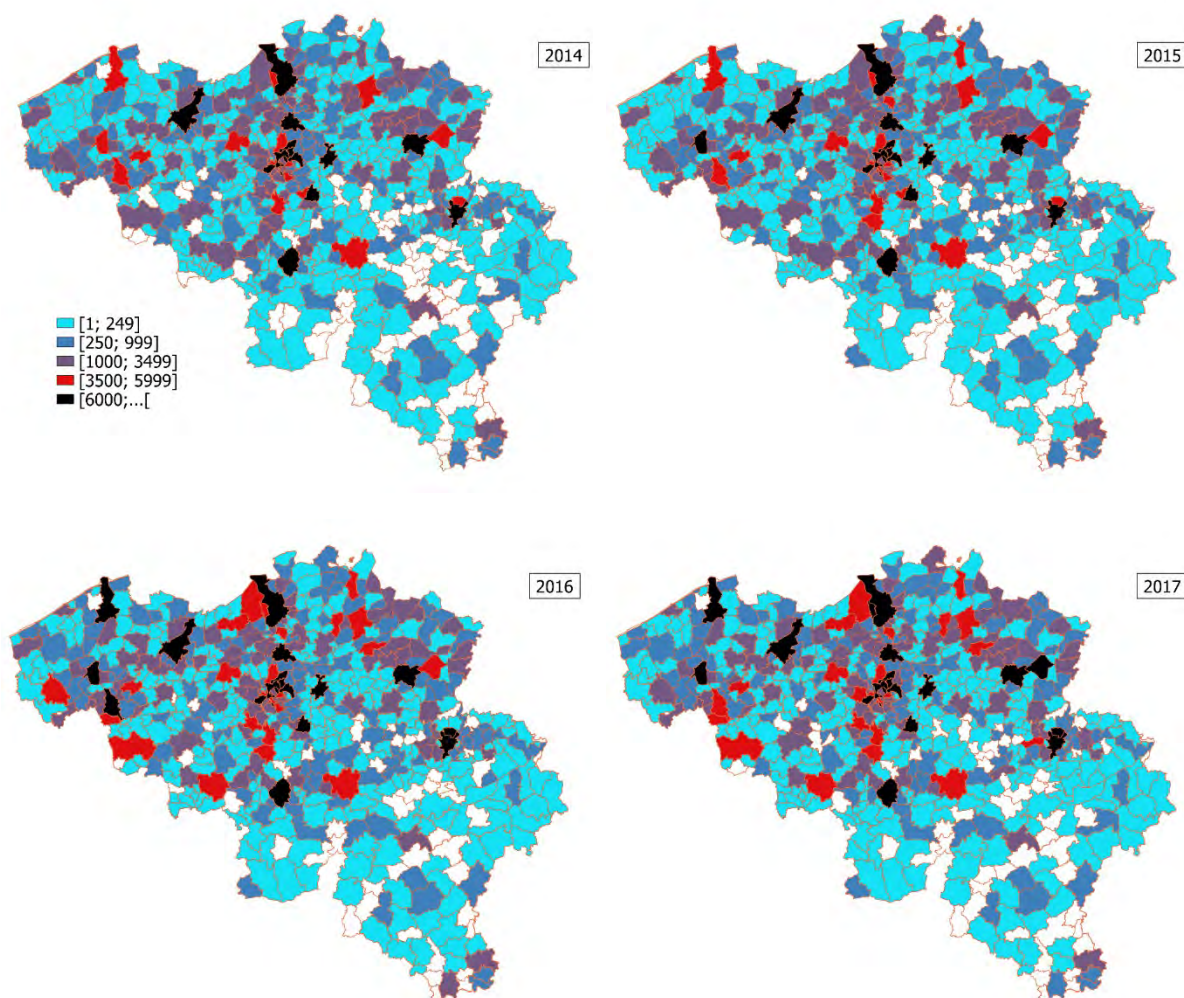
Flanders has many municipalities with between 10 and 49 establishments, but these same establishments have few jobs (less than 250).

As noted, the top six municipalities account for only 13% of the employees in the groups, so there is a lower concentration of employment and therefore a greater spread of "employment clusters".

Number of municipalities with

Year	from 1 to 249 employees	250 to 999 employees	from 1,000 to 3,499 employees	3,500 to 5,999 employees	6,000 employees and more
2014	279	128	80	16	15
2015	287	129	82	19	16
2016	267	140	88	24	19
2017	265	133	91	23	20

Figure 4: Geographical distribution of employment from 2014 to 2017



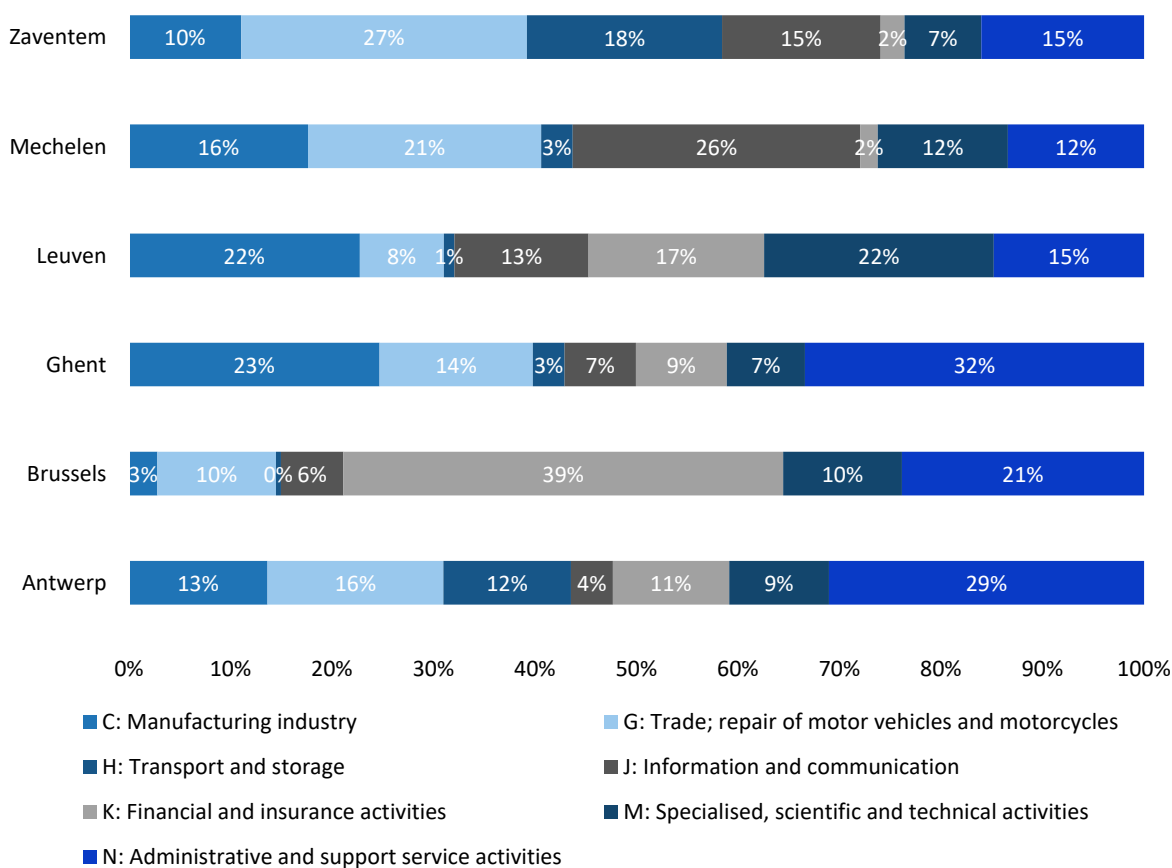
2. ANALYSIS BY ACTIVITY IN THE LARGEST MUNICIPALITIES

In this section, we will analyse economic activity in the largest municipalities. As we have seen, this order depends on the indicator of interest. We will focus here on the employment of the establishments.

Methodological choice: the size of the activity is seen here at the level of the legal unit. The employment of establishments is therefore attributed to the activity carried out by the parent legal unit even if they are individually active in other sectors. Thus, if a legal unit is active in sector 1 and has two establishments active in sector 1 and sector 2 respectively, then it will be assumed that the activity carried out in the second establishment (sector 2) has the purpose of serving the activity of sector 1.

In summary, and to emphasise our methodology, we are interested in the employment of establishments based on their locations, while looking at the activity of the parent legal unit.

Figure 5: Main sectors in terms of employment for the key municipalities



In this analysis, we take a closer look at the six municipalities with the highest employment within multinational groups.

Generally speaking, the sector with the most employees is the administrative and support services sector.

This sector employs more than 30,000 persons in the six municipalities. It is followed by two very similar sectors with around 22,000 employees. These are financial and insurance activities, and trade. They are followed by manufacturing, specialised activities such as engineering, and then information and communication activities. The last sectors are transport and storage, followed by the construction sector.

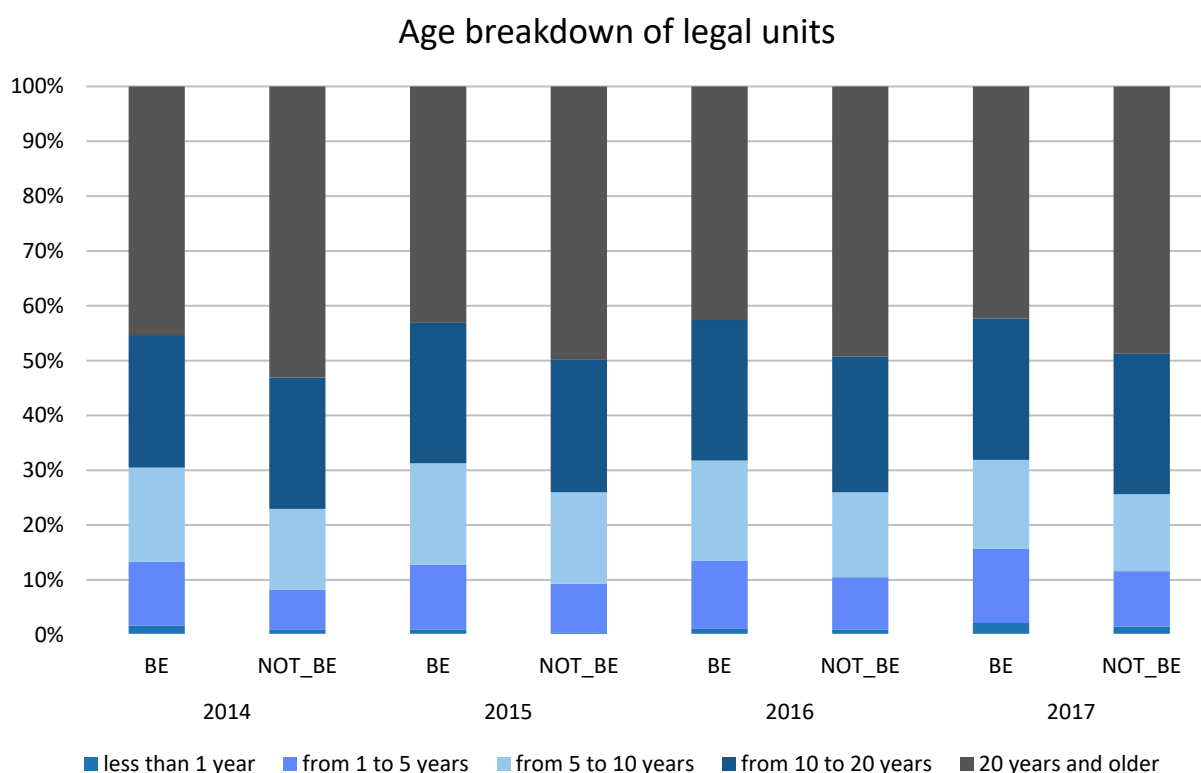
This distribution obviously varies depending on the municipality; for Brussels, the main activities are financial and insurance-related activities. As expected, it can be seen that transport and storage activities can mainly be

found in Zaventem and Antwerp. However, it should be noted that this is not the main activity for Zaventem, as the sector providing the most jobs is trade. For Antwerp, it is the administrative services sector. For the municipality of Ghent, the manufacturing industry is the largest.

3. AGE OF GROUPS IN BELGIUM

In this section, we look at the age of the groups. By this we mean the age of the legal units in the groups. We will then break down this data according to whether or not the group is Belgian. We chose the 0-1 year classes to determine the percentage of new groups, then traditionally 1-5 years, 5-10 years, 10-20 years and 20 years and over.

Figure 6: Evolution of the age breakdown of the legal units in a group



It can be seen that these proportions are fairly stable over time. However, the nationality of the group has a slight influence, as the units in Belgian groups are "younger" than those in non-Belgian groups. The younger the legal unit, the greater the difference. If we look at the variation between the proportion of legal units in a Belgian group compared to the same proportion in a non-Belgian group. There are +83% young units (less than 1 year old) in a Belgian group, while this gap falls to +38% for the 1 to 5 year old bracket, and +15% for the 5 to 10 year old bracket, the difference is very small for the 10 to 20 year old age group (a difference of +2% in favour of the Belgian groups) and, finally, there is a +13% difference in the number of units over 20 years of age in the groups headed by units outside Belgium.

4. TYPE OF EMPLOYMENT IN A GROUP

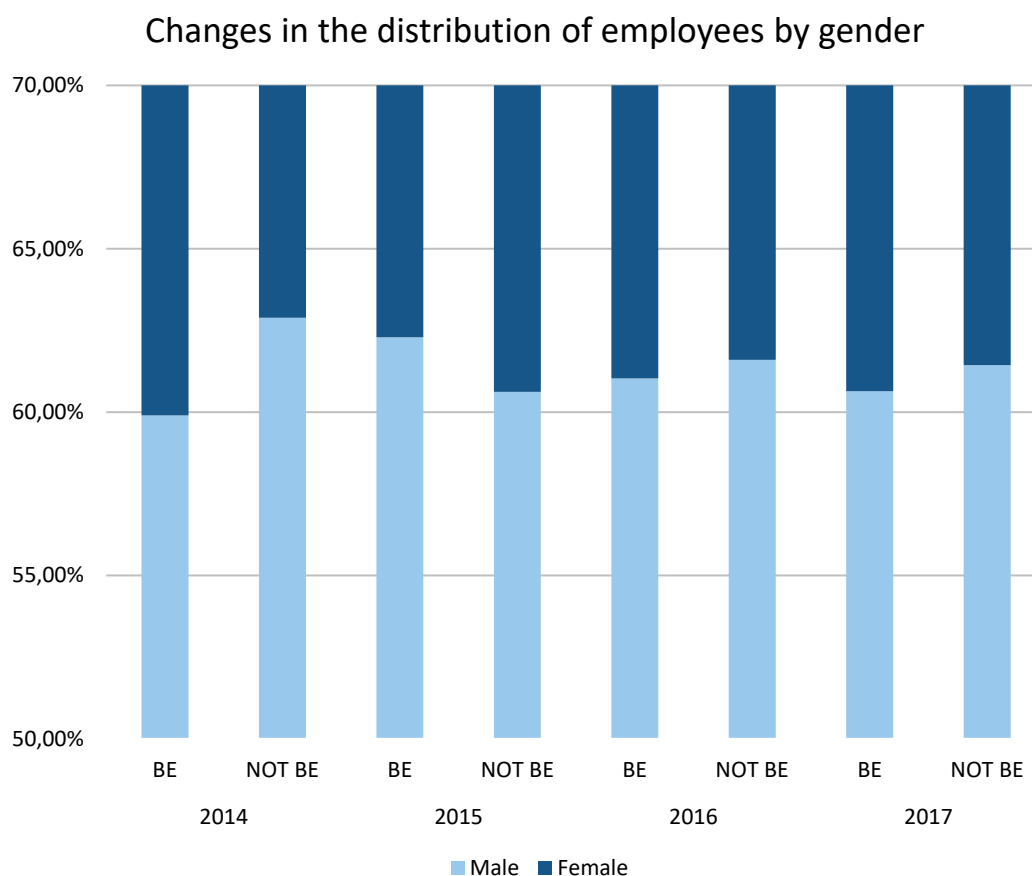
In this section, we look at the typical "profile" of a group employee. The breakdown will be by gender or by the "worker/employee" typology, always according to the nationality of the group.

4.1. Breakdown by gender

The issue of gender occupation within multinational groups is an important one. The data available in the EGR for the years 2014 to 2017 shows stable figures.

A group employee is male in 61% of cases and female in 39% of cases, regardless of the nationality of the decision-making centre. As an extreme case, we find the construction sector, where more than 89%, on average over the years 2014-2017, are male; in contrast, the trade, financial and insurance activities and support activities sectors show a gender balance.

Figure 7: Changes in the distribution of employees by gender



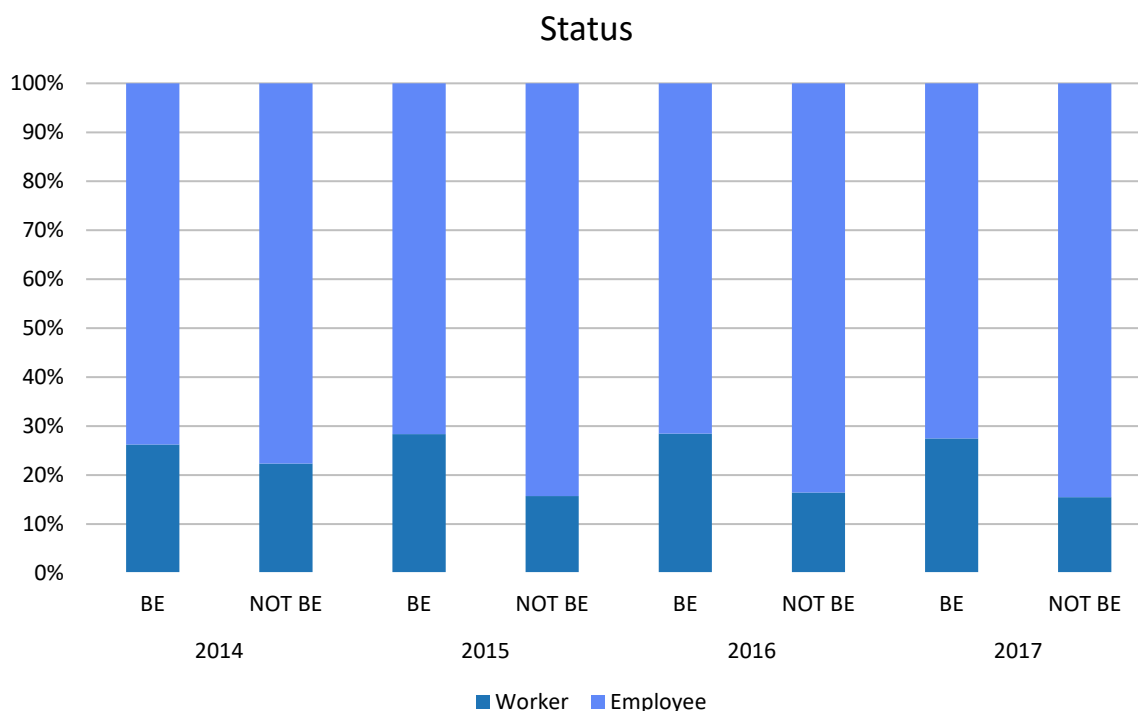
We must point out that our scale zooms in on the values from 50% to 70% in order to show the small differences.

4.2. Breakdown by worker status

To conclude, we look at breakdown by worker status. For this purpose, we consider the three statuses defined by the NSSO (National Social Security Office) "worker, employee and civil servant"⁹. The third status is of no

interest to us because only statutory employees of public law employers are called civil servants. The vast majority of multinational groups are not governed by public law. Thus, we only look at the two statuses of "worker" and "employee".

Figure 8: Evolution of employee status within a group



The numbers are stable over time¹⁰. Overall, we note the dominance of employee status within the legal units belonging to groups, regardless of the nationality of the decision-making centre. In fact, within a Belgian group, 28% are workers and 72% are employees; on the other hand, if the group has a non-Belgian decision-making centre, the proportions change, since workers represent only 15% of cases and employees 85%. The extreme cases¹¹ are the financial sectors, where more than 99% are employees, while the support activities sector (such as security), on the other hand, employs an average of 60% workers.

¹⁰ Readers may wish to refer to the NSSO's 2019 publication (https://www.rsz.fgov.be/sites/default/files/binaries/assets/statistics/employment/employment_full_FR_20194.pdf) on page 12 (Classification Criteria/Service-related Criteria).

¹⁰ A word of caution is in order regarding 2014; we remind you that these are experimental statistics and that for the 2014 the registry was in its "youth" phase.

¹¹ The extreme cases are only studied for the nine most important sections.

5. CONCLUSION

The purpose of this publication was to provide a more detailed picture of the geographical distribution of multinational business groups. The north of the country is home to the most subsidiaries of multinational groups. These groups tend to be based on entities that have been established for many years, moreover Belgian groups see more new creations than foreign groups and, lastly, the profile of an employee is male in 60% of cases and an employee rather than a worker.

ABOUT STATBEL

Statbel, the Belgian statistical office, collects, produces and publishes objective and relevant figures on the Belgian economy, society and territory.

Statbel produces scientific statistics based on administrative data sources and surveys. The statistical results are published in a user-friendly way, and are available to everyone at the same time.

The data collected are used by Statbel for statistical purposes only. As statistical office, we guarantee at all times the privacy and the protection of confidential data.

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