



Analysis of enterprises in the maritime sector 2011-2016

10 April 2017

Banco de Portugal updates today the [Central Balance Sheet Study | 21 – Analysis of enterprises in the maritime sector](#) with information regarding the economic and financial situation of enterprises in the maritime sector¹ from 2011 to 2016. This study was first published in 2015, with information for the 2009-14 period.

Results are broken down by size class – microenterprises, small and medium-sized enterprises (SMEs) and large enterprises – and economic activity segment ('fishing and related activities', 'building, repair and maintenance of ships and boats' and 'sea and coastal water transport'). In addition, these are compared with results for total enterprises.

Structure and dynamics

2.7 thousand enterprises, the majority of which were microenterprises but SMEs were predominant in terms of turnover and number of employees

In 2015, 2.7 thousand enterprises (0.7 per cent of enterprises in Portugal) were associated with the maritime sector, accounting for 1.2 per cent of turnover and 0.9 per cent of the number of employees. The importance of the maritime sector was unchanged from 2011, although the number of active enterprises in the sector increased more than in total enterprises in the period under review, except for 2011 (Chart 1).

The 'fishing and related activities' segment stood for the largest share of enterprises in the sector (79 per cent), turnover (71 per cent) and the number of employees (74 per cent) (Chart 2). The weight of 'sea and coastal water transport' and 'building, repair and maintenance

of ships and boats' in the number of enterprises was similar (11 and 10 per cent respectively), although the first segment was predominant in terms of the sector's turnover and the number of employees (21 and 14 per cent respectively, compared with 8 and 13 per cent in 'building, repair and maintenance of ships and boats').

The maritime sector was mostly comprised of microenterprises (81 per cent), which, however, were less significant than in total enterprises (89 per cent) (Chart 3). Consequently, SMEs and large enterprises were more predominant in the sector (19 and 0.5 per cent of enterprises, respectively) than in total enterprises (11 and 0.3 per cent respectively). In 2015 SMEs aggregated the largest turnover and number of employees (63 per cent for both indicators), with a weight 20 p.p. and 18 p.p. above that in total enterprises respectively.

Activity and profitability

Positive contributions from the external and internal markets to an increase in turnover supported EBITDA growth

Turnover generated by enterprises in the maritime sector rose by 7 per cent in 2015 from 2014, similarly to the previous year (Chart 4). Indeed, developments in the sector's turnover were more favourable than in total enterprises in the period under review, despite a decline in the sector in 2012 (1 per cent).

In 2015, 'sea and coastal water transport' was the only aggregate whose turnover decreased from 2014 (2 per cent), in contrast to positive changes in 'building, repair

Chart 1 • Demographic indicators

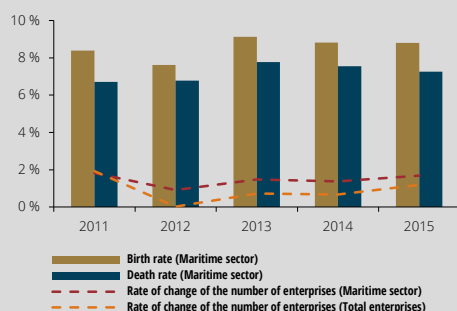
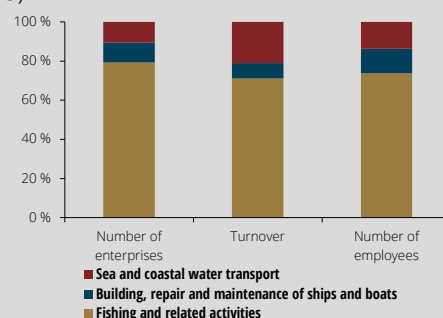


Chart 2 • Structure | By economic activity segment (2015)



and maintenance of ships and boats’ and ‘fishing and related activities’ (34 and 8 per cent respectively).

Turnover growth in 2015 was broadly based across size classes and increasingly greater with enterprise size: 5 per cent in microenterprises, 6 per cent in SMEs and 13 per cent in large enterprises.

Both the internal and the external markets contributed to an increase in the sector’s turnover in 2015, with the 4.6 p.p. contribution from the internal market being noteworthy (compared with 2.7 p.p. from the external market).

In 2015, 27 per cent of the maritime sector’s turnover was associated with the external market (24 per cent in 2011). However, the external trade balance was negative in the period under review and corresponded to -8 per cent of turnover in 2015 (compared with 1 per cent in total enterprises). Nevertheless, ‘building, repair and maintenance of ships and boats’ posted a positive balance of 53 per cent in 2015 (with similar balances in the period under review).

Exporting enterprises² accounted for 13 per cent of enterprises and aggregated approximately half of turnover and 42 per cent of the number of employees in the maritime sector (7 p.p., 14 p.p. and 18 p.p. more than in total enterprises, respectively).

EBITDA generated by the maritime sector’s enterprises increased by 20 per cent in 2015 (25 per cent growth in total enterprises), featuring positive growth in the whole period under review. In 2015, 56 per cent of enterprises in the sector posted an EBITDA increase from the previous year (Chart 5). Compared with 2011, and with the exception of large enterprises, the share of

enterprises with EBITDA growth increased across size classes and economic activity segments. Nevertheless, one in every three enterprises in the sector had negative EBITDA in 2015, in line with total enterprises (33 per cent).

Profitability rose across economic activity segments. ‘Building, repair and maintenance of ships and boats’ increased the most

Return on equity in the maritime sector stood at 5 per cent in 2015 (3 p.p. less than in total enterprises, but 2 p.p. more than in 2014), having increased every year in the period under review (Chart 6). Most size classes and economic activity segments posted positive profitability levels in 2015, ranging from 3 to 6 per cent. The exception were microenterprises, with negative profitability levels of 1 per cent, and ‘building, repair and maintenance of boats and ships’, with a 21 per cent profitability.

The sector’s operating margin (EBITDA/revenue) totalled 11 per cent in 2015, 1 p.p. more than in total enterprises (Chart 7). The ‘sea and coastal water transport’ segment had the best performance in this indicator (25 per cent), followed by ‘building, repair and maintenance of boats and ships’ (11 per cent) and ‘fishing and related activities’ (7 per cent). The net margin (net income/revenue) was similar in the maritime sector and in total enterprises (3 per cent), and less heterogeneous across economic activity segments than the operating margin: 7 per cent in ‘sea and coastal water transport’, 6 per cent in ‘building, repair and maintenance of boats and ships’ and 2 per cent in ‘fishing and related activities’. In 2015, ‘sea and coastal water transport’ posted the largest differential between

Chart 3 • Structure | By size class (2015)

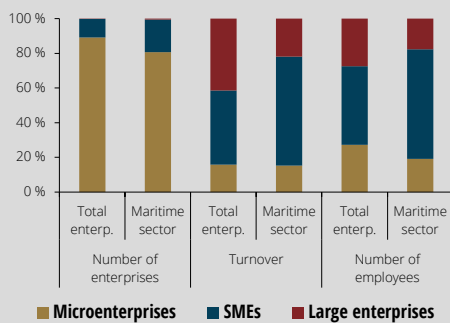


Chart 4 • Turnover | Contributions from the external and internal markets (p.p.) to the annual growth rate (per cent)

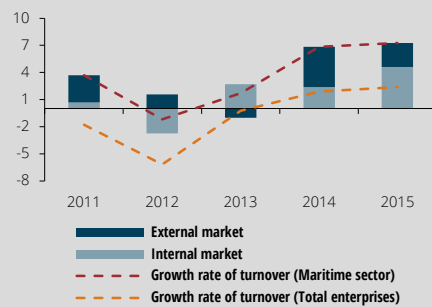


Chart 5 • Share of enterprises with EBITDA growth

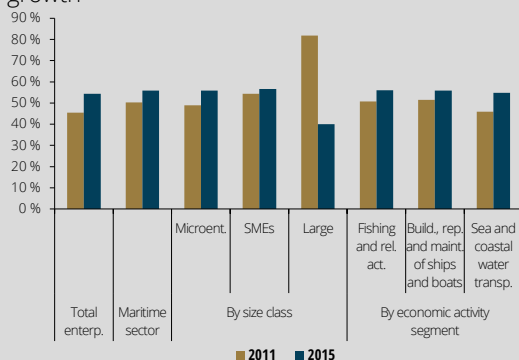
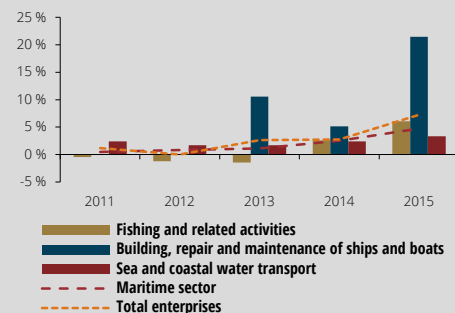


Chart 6 • Return on equity



the operating and net margins (18 p.p., compared with 5 p.p. in 'fishing and related activities' and 'building, repair and maintenance of boats and ships').

Financial situation

Capital ratio higher than in total enterprises in 2015 despite the increase in the sector's liabilities

The maritime sector's capital ratio was 46 per cent in 2015, 15 p.p. above total enterprises (Chart 8). Although, on average, the ability of the sector's enterprises to fund their assets with equity decreased from the previous year, the sector's capital ratio increased by 2 p.p. since 2011. However, the capital ratio of half of the sector's enterprises was below 26 per cent in 2015 (27 per cent in total enterprises).

'Sea and coastal water transport' had the highest average capital ratio (59 per cent, compared with 32 per cent in 'fishing and related activities' and 'building, repair and maintenance of boats and ships'), although half of the respective enterprises had a capital ratio below 22 per cent. The share of assets funded by equity was greater in larger enterprises: 54 per cent in large enterprises, 48 per cent in SMEs and 13 per cent in microenterprises.

Sector's liabilities increased by 13 per cent in 2015, in contrast to total enterprises, which posted a -3 per cent change (Chart 9). Although all liabilities components increased in 2015, bank loans and other financing made the largest contributions to the increase in the sector's liabilities (5 p.p. and 4 p.p. respectively).

Interest-bearing debt accounted for 48 per cent of total liabilities, a share below that of total enterprises (58 per cent). Bank loans made up the largest share of interest-

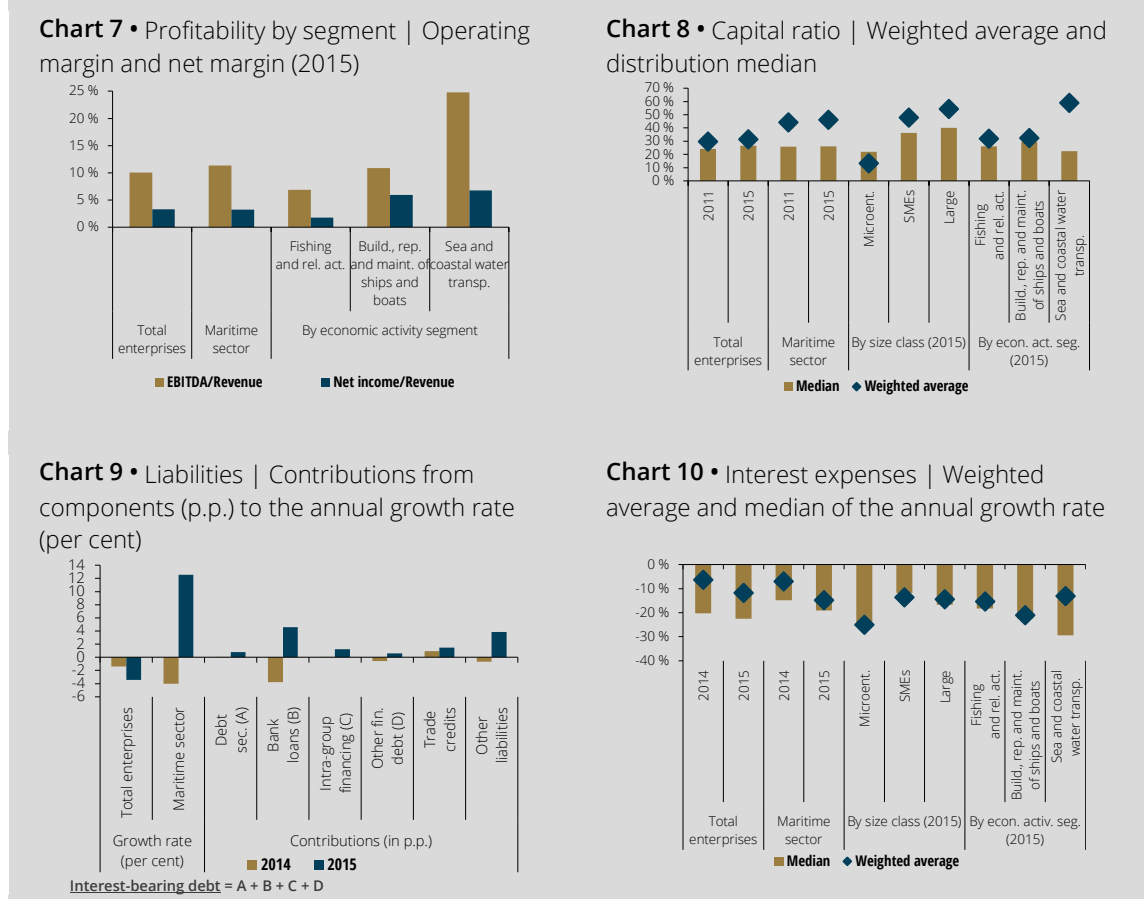
bearing debt (39 per cent of liabilities), which was higher than that of total enterprises (25 per cent), taking chiefly from intra-group financing (5 per cent in the sector, compared with 21 per cent in total enterprises). Bank loans were more significant in the 'sea and coastal water transport' (42 per cent) and 'fishing and related activities' segments (39 per cent) than in 'building, repair and maintenance of boats and ships' (12 per cent). In this segment, 42 per cent of liabilities were associated with other liabilities.

The decrease in interest expenses and the increase in EBITDA were reflected in a lower financial pressure

Although the sector's liabilities increased from 2014, interest expenses declined, on average, by 15 per cent, compared with a 7 per cent decrease in 2014 (Chart 10). Interest expenses fell across all aggregates in 2015, particularly in microenterprises (25 per cent) and 'building, repair and maintenance of boats and ships' (21 per cent).

The decrease in interest expenses and the sector's EBITDA growth compared with 2014 were reflected in a 5 p.p. decrease in financial pressure in 2015 (measured as the weight of interest expenses in EBITDA) (Chart 11). In that year interest expenses of the maritime sector's enterprises consumed 11 per cent of EBITDA (20 per cent in total enterprises). Indeed, the sector's financial pressure was lower than in total enterprises throughout the period under review.

All size classes and economic activity segments posted a fall in financial pressure in 2015, with the largest decrease being posted by microenterprises (16 p.p.). The weight of interest expenses in EBITDA was greater among enterprises in 'fishing and related activities'



(17 per cent) than among those in 'sea and coastal water transport' (8 per cent) and 'building, repair and maintenance of boats and ships' (3 per cent).

Following an increase in loans to the sector in 2015, information from Banco de Portugal's Central Credit Register indicates that loans granted to the maritime sector by the resident financial sector decreased by 4.2 per cent in 2016, compared with the end of 2015 (5.3 decline in total enterprises). Developments in loans granted were positive in the 'building, repair and maintenance of boats and ships' segment, but negative in 'fishing and related activities' and 'sea and coastal water transport'.

At the end of 2016, 11.7 per cent of loans granted to enterprises in the maritime sector were non-performing, below the 15.9 per cent ratio observed in total enterprises (Chart 12). However, the sector's non-performing loans ratio increased by 2.1 p.p. from the end of 2015 (0.1 p.p. in total enterprises). 'Building, repair and maintenance of boats and ships' and 'fishing and related activities' had the highest non-performing loans ratios (19.5 and 15 per cent at the end of 2016, compared with 5 per cent in 'sea and coastal water transport'), despite a 3.9 p.p. decrease in 'building,

repair and maintenance of boats and ships', compared with the end of 2015 (1.1 p.p. reduction in 'sea and coastal water transport' and 3.8 p.p. increase in 'fishing and related activities').

In 2015, 19 per cent of liabilities of the maritime sector's enterprises corresponded to trade credits, 3 p.p. more than in total enterprises. This type of financing was more important to enterprises in 'building, repair and maintenance of boats and ships' and 'fishing and related activities' (33 and 25 per cent of liabilities respectively). Only 7 per cent of the liabilities of enterprises in 'sea and coastal water transport' were associated with this type of financing.

In the maritime sector, supplier credits exceeded customer credits by approximately 3 per cent of turnover (similarly to total enterprises), reflecting the enterprises' inability to obtain this type of financing. This was broadly based across size classes and economic activity segments, excluding 'building, repair and maintenance of boats and ships', whose enterprises managed (for the first time since 2011) to obtain net trade credit financing equivalent to 1 per cent of turnover in 2015.

Chart 11 • Weight of interest expenses in EBITDA

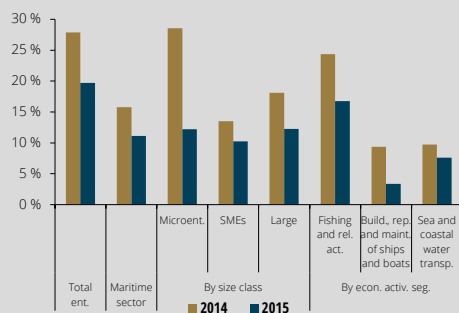
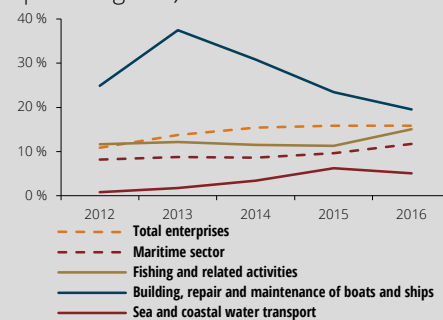


Chart 12 • Non-performing loans ratios (end-of-period figures)



¹ For the purposes of this analysis, the maritime sector includes subclasses 03111, 03112, 03210, 08931, 10201, 10202, 10203, 10204, 46381 and 47230 ('fishing and related activities'), 30111, 30112, 30120 and 33150 ('building, repair and maintenance of boats and ships'), 50101, 50102, 50200, 52220, 77340 and 93292 ('sea and coastal water transport') of CAE-Rev.3.

² The definition of exporting enterprise is detailed in *Central Balance Sheet Study No | 22 - Analysis of enterprises in the export sector in Portugal*, of June 2015.

Additional information available at:

[Statistical domain of Central Balance Sheet Database statistics in BPstat | Statistics online](#)

[Supplement to the Statistical Bulletin 2/2013 on statistics on non-financial corporations of the Central Balance Sheet Database](#)

[Central Balance Sheet Study No 26 on non-financial corporations](#)

[Central Balance Sheet Study No 21 on enterprises in the maritime sector](#)

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Annex – Main indicators of the maritime sector

Chart	Series	2011	2012	2013	2014	2015	2016
1 Demographic indicators	Maritime sector						
	Birth rate	8.4	7.6	9.1	8.8	8.8	
	Death rate	6.7	6.8	7.8	7.6	7.3	
	Rate of change of the number of enterprises	1.8	0.9	1.5	1.4	1.7	
	Rate of change of the number of enterprises / Total enterprises	1.9	0.0	0.7	0.7	1.2	
2 Structure By economic activity segment	Fishing and related activities						
	Number of enterprises	78.9	79.0	79.0	79.2	79.3	
	Turnover	74.0	74.1	72.4	70.7	71.1	
	Number of employees	72.9	73.8	73.0	72.9	73.7	
	Building, repair and maintenance of boats and ships						
	Number of enterprises	11.1	11.2	10.8	10.6	10.1	
	Turnover	6.6	6.5	6.9	6.4	7.9	
	Number of employees	13.3	12.0	11.9	12.2	12.6	
	Sea and coastal water transport						
	Number of enterprises	10.0	9.8	10.2	10.2	10.6	
	Turnover	19.4	19.3	20.8	22.9	21.0	
	Number of employees	13.8	14.2	15.1	14.9	13.7	
	3 Structure By size class	Share of microenterprises (number of enterprises)					
Total enterprises		88.0	88.9	89.4	89.4	89.1	
Maritime sector		80.0	79.9	80.3	81.2	80.7	
Share of microenterprises (turnover)							
Total enterprises		15.4	15.5	15.6	15.7	15.8	
Maritime sector		17.2	16.0	14.8	15.5	15.2	
Share of microenterprises (number of employees)							
Total enterprises		27.5	28.1	28.1	27.8	27.2	
Maritime sector		19.1	18.8	19.0	19.2	19.2	
Share of SMEs (number of enterprises)							
Total enterprises		11.7	10.9	10.4	10.3	10.6	
Maritime sector		19.5	19.7	19.3	18.3	18.7	
Share of SMEs (turnover)							
Total enterprises		42.6	42.1	42.0	42.1	42.7	
Maritime sector		64.5	63.2	64.9	63.7	62.8	
Share of SMEs (number of employees)							
Total enterprises		46.6	46.1	45.6	45.4	45.4	
Maritime sector		63.3	67.3	67.9	63.9	63.1	
Share of large enterprises (number of enterprises)							
Total enterprises		0.3	0.2	0.2	0.2	0.3	
Maritime sector		0.5	0.5	0.4	0.5	0.5	
Share of large enterprises (turnover)							
Total enterprises		42.0	42.4	42.3	42.2	41.5	
Maritime sector		18.3	20.8	20.3	20.8	22.0	
Share of large enterprises (number of employees)							
Total enterprises		25.8	25.8	26.3	26.8	27.5	
Maritime sector		17.6	13.9	13.1	16.8	17.8	
4 Turnover Contributions from the external and internal markets (p.p.) to the annual growth rate (per cent)		Growth rate of turnover / Maritime sector	3.7	-1.2	1.7	6.8	7.3
	Contribution from the external market	3.0	1.6	-1.0	4.4	2.7	
	Contribution from the internal market	0.7	-2.8	2.7	2.4	4.6	
	Growth rate of turnover / Total enterprises	-1.8	-6.2	-0.2	1.9	2.4	
5 Share of enterprises with EBITDA growth	Total enterprises	45.4	44.6	53.7	54.2	54.4	
	Maritime sector	50.3	46.8	49.8	53.8	55.9	
	Microenterprises	49.0	47.2	49.3	53.3	55.8	
	Small and medium-sized enterprises	54.3	45.9	51.2	54.7	56.5	
	Large enterprises	81.8	33.3	63.6	84.6	40.0	
	Fishing and related activities	50.7	46.6	48.3	53.4	56.0	
	Building, repair and maintenance of boats and ships	51.5	48.1	58.5	51.1	55.9	
	Sea and coastal water transport	45.9	47.5	52.4	58.8	54.8	
6 Return on equity	Total enterprises	1.2	0.0	2.7	2.7	7.2	
	Maritime sector	0.5	0.8	1.1	2.5	4.7	
	Fishing and related activities	-0.4	-1.2	-1.4	2.6	6.1	
	Building, repair and maintenance of boats and ships	N.A.	0.0	10.6	5.2	21.5	
	Sea and coastal water transport	2.4	1.7	1.7	2.4	3.3	
7 Profitability by segment Operating margin and net margin	EBITDA / Revenue						
	Total enterprises	7.9	7.6	8.4	8.3	10.1	
	Maritime sector	8.7	9.2	9.6	10.2	11.3	
	Fishing and related activities	5.2	5.0	4.9	6.1	6.9	
	Building, repair and maintenance of boats and ships	-1.5	5.4	8.6	6.6	10.9	
	Sea and coastal water transport	23.8	24.3	24.3	22.2	24.8	
	Net income / Revenue						
	Total enterprises	0.5	0.0	1.2	1.2	3.3	
	Maritime sector	0.3	0.6	0.8	1.9	3.3	
	Fishing and related activities	-0.1	-0.3	-0.4	0.8	1.8	
	Building, repair and maintenance of boats and ships	-11.9	0.0	3.4	1.6	5.9	
	Sea and coastal water transport	5.6	4.1	4.0	5.0	6.8	

Chart	Series	2011	2012	2013	2014	2015	2016
8 Capital ratio Weighted average and distribution median	Capital ratio (weighted average)						
	Total enterprises	29.7	29.3	29.8	29.6	31.5	
	Maritime sector	44.3	47.5	46.7	48.7	46.3	
	Microenterprises	23.3	20.6	17.7	19.6	13.4	
	Small and medium-sized enterprises	51.6	51.4	51.8	53.8	47.9	
	Large enterprises	34.8	48.8	47.3	48.8	54.4	
	Fishing and related activities	31.3	31.7	32.0	32.0	31.9	
	Building, repair and maintenance of boats and ships	-18.3	30.6	31.9	31.1	32.3	
	Sea and coastal water transport	62.3	60.6	58.5	62.8	59.0	
	Capital ratio (median)						
	Total enterprises	24.1	23.3	23.6	25.0	26.6	
	Maritime sector	25.9	26.3	25.0	24.1	26.1	
	Microenterprises	23.7	22.2	20.4	19.6	21.9	
	Small and medium-sized enterprises	31.9	32.4	34.6	36.7	36.3	
	Large enterprises	38.8	45.6	35.9	35.0	40.1	
	Fishing and related activities	26.1	26.5	25.3	24.2	26.2	
	Building, repair and maintenance of boats and ships	23.2	21.0	23.4	26.2	29.5	
Sea and coastal water transport	29.9	30.5	23.8	22.5	22.4		
9 Liabilities Contributions from components (p.p.) to the annual growth rate (per cent)	Growth rate of liabilities / Total enterprises	1.4	-1.9	-1.8	-1.4	-3.4	
	Growth rate of liabilities / Maritime sector	1.9	-5.2	4.4	-4.0	12.6	
	Contribution from debt securities	-0.4	-0.6	-0.4	0.0	0.8	
	Contribution from bank loans	0.0	-1.8	4.9	-3.8	4.6	
	Contribution from intra-group financing	0.5	-1.7	-1.1	0.0	1.2	
	Contribution from other financial debt	0.7	-3.1	-0.8	-0.6	0.6	
	Contribution from trade credits	0.1	0.1	-0.2	0.9	1.5	
	Contribution from other liabilities	1.1	1.9	2.0	-0.7	3.9	
	10 Interest expenses Weighted average and median of the annual growth rate	Growth rate of interest expenses (weighted average)					
Total enterprises		26.2	4.7	-6.4	-6.3	-11.8	
Maritime sector		44.8	-5.6	-1.5	-7.0	-14.8	
Microenterprises		24.5	-16.1	-20.8	17.0	-25.1	
Small and medium-sized enterprises		25.4	7.9	-5.5	-14.8	-13.6	
Large enterprises		85.2	-20.0	8.9	0.7	-14.4	
Fishing and related activities		40.7	-0.8	0.8	-6.2	-15.4	
Building, repair and maintenance of boats and ships		79.1	-83.2	14.4	-20.6	-21.0	
Sea and coastal water transport		40.0	23.4	-6.5	-7.4	-13.1	
Growth rate of interest expenses (median)							
Total enterprises		-9.3	-22.4	-31.5	-20.2	-22.5	
Maritime sector		-2.3	-16.2	-24.5	-14.8	-19.0	
Microenterprises		-17.4	-23.8	-32.5	-23.5	-24.0	
Small and medium-sized enterprises		13.3	0.5	-14.6	-4.0	-11.7	
Large enterprises		62.6	10.1	1.1	-3.3	-16.6	
Fishing and related activities		0.0	-15.4	-23.8	-15.8	-18.3	
Building, repair and maintenance of boats and ships		-31.3	-18.5	-23.8	-15.6	-22.4	
Sea and coastal water transport	-4.5	-22.8	-31.6	-5.8	-29.5		
11 Weight of interest expenses in EBITDA	Total enterprises	30.5	35.5	30.0	27.9	19.7	
	Maritime sector	22.4	20.3	19.1	15.8	11.1	
	Microenterprises	35.2	132.5	30.6	28.5	12.2	
	Small and medium-sized enterprises	16.4	16.5	15.3	13.5	10.3	
	Large enterprises	35.5	25.9	27.2	18.1	12.2	
	Fishing and related activities	31.0	32.1	33.4	24.4	16.8	
	Building, repair and maintenance of boats and ships	N.A.	13.3	8.9	9.4	3.4	
	Sea and coastal water transport	10.4	12.7	11.2	9.7	7.6	
12 Non-performing loans ratios (end-of-period figures)	Total enterprises	7.2	10.8	13.8	15.4	15.8	15.9
	Maritime sector	6.3	8.1	8.7	8.6	9.6	11.7
	Fishing and related activities	9.3	11.6	12.2	11.5	11.3	15.0
	Building, repair and maintenance of boats and ships	4.5	24.9	37.5	30.8	23.4	19.5
	Sea and coastal water transport	0.5	0.7	1.7	3.4	6.2	5.0

NOTES: The aggregates 'Microenterprises', 'Small and medium-sized enterprises', 'Large enterprises', 'Fishing and related activities', 'Building, repair and maintenance of boats and ships' and 'Sea and coastal water transport' refer to components of the maritime sector, except where indicated. Similarly, contributions shown always refer to contributions to the total of the sector under review. All figures are shown as a percentage, except where the indicator refers to contributions (p.p.). Shaded cells are not represented in the charts. Non-calculated indicators are signalled with 'N.A.'. Figures for Chart 12 refer to December in each period.