

ECONOMIC ACTIVITY: WEALTH CREATION AND EMPLOYMENT

SOCIOECO 1

Producing goods and services and bringing them to market by businesses entails the consumption of natural resources. It also generates various kinds of discharges (emissions of atmospheric pollutants, waste, waste water, etc.), which can have an impact on the quality of the environment and human health.

The need for a global reference

The use of gross domestic product (GDP) or gross value added (GVA)¹ as indicators for measuring economic performance and progress is subject to a number of criticisms. The objective here is not to analyse performance or progress as such, but to have indicators calculated uniformly for the various (sub) sectors, which can be used as a reference for analysing the pressures on the environment.

The historical importance of industry, and the growth of the tertiary sector

In 2014, Walloon GDP amounted to €93,637.3 million, i.e. 23% of Belgian GDP. Over the period 2003 to 2014, average annual GDP growth (excluding price changes) was estimated at 1.2% in Wallonia, a level lower than that observed in Flanders (1.7%), but higher than that measured in Brussels (0.9%) and at the level of the EU Member States (1.1%, EU-28)².

Analysis in terms of activity sector highlights the tertiary sector as being the most important sector in terms of wealth creation (75.7% of the Walloon GVA in 2014) and employment (79.7% of total employment in 2014). It saw its GVA increase by nearly 10% between 2004 and 2014 (excluding price changes). Growth in manufacturing industry was slightly weaker (+8.7%), although the situation varies by sub-sector. Manufacturing industry has of course undergone restructuring over the last few decades, with the

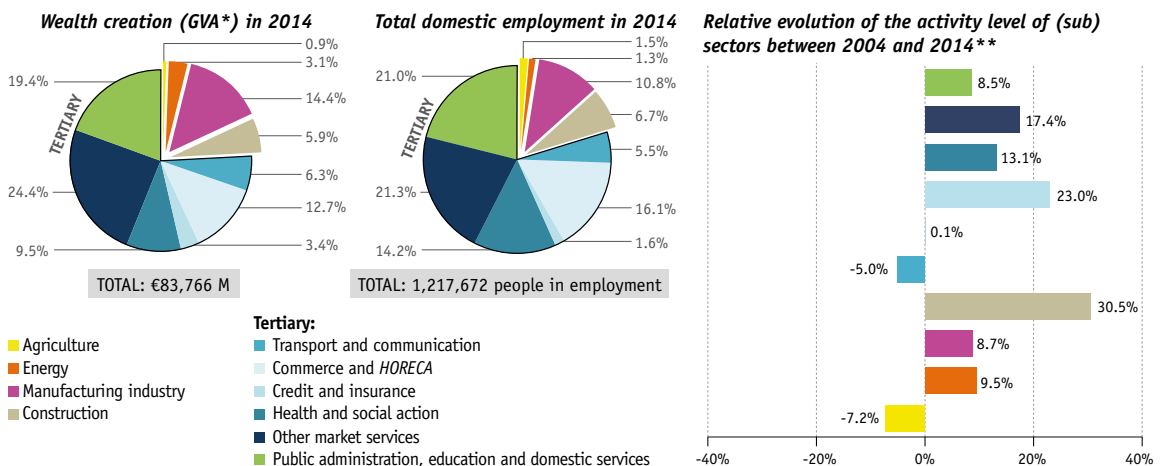
development of high value-added activities (biotechnology, chemistry, aeronautics and telecommunications) and a slowdown in certain sectors of heavy industry (such as metallurgy). The construction sector, meanwhile, experienced the largest increase (+30.5%).

Environmental impacts depend on multiple factors

Industrial production, which mobilises significant quantities of materials and energy³, generates greater environmental pressures than (tertiary) service activities. The trend observed in Wallonia (the predominance of the tertiary sector) would therefore suggest a reduction of certain environmental impacts. However, other parameters must also be taken into account, including the strengthening of environmental legislation, the evolution of production technologies, progress made in the treatment of emissions and the control of point source pollution (Directive 2008/1/EC known as IPPC) or the high energy needs of the tertiary sector for transport and infrastructure (heating, electricity, etc.)⁴.

^[1] GVA is the difference between the value of production and intermediate consumption (excluding depreciation). It is valued at base prices, i.e. excluding taxes and minus subsidies on products (mainly VAT, excise duties and customs duties net of subsidies on products). However, GDP, established at market prices, incorporates these net taxes. | ^[2] IWEPS, 2016 | ^[3] → INDUS 1 | ^[4] → TERT 1

Fig. SOCIOECO 1-1 Economic activity in Wallonia



SOERW 2017 – Source: FPB, BISA, IWEPS, SVR (HERMREG model)