

Evaluating role of commercial harbours in the regional economies

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Abstract:

A commercial harbour is a hub for many different activities including fisheries, import and export trade, transportation service, manufacturing, ship building and tourism. Traditionally harbours play a major role for businesses in the catchment area as well as city life and city identity in general. Evaluating a sector's economic importance is traditionally by applying the input-output model. A commercial harbour is a special sector due to its function as hub and transit point in the regional economy. This paper applies a new method, i.e. using an econometrical model to estimate the direct effects of harbours, thereafter the input-output model is used to calculate the derived effects.

When calculating the correlation between the employment in a particular sector and the development of a particular harbour activity, there are various methods to pursue. The project applied a 'panel data estimation', where we use a fixed factor for each combination, such as location's postal code and industry, for all the condition variables that can be observed. This can then be expanded to include whether an increase in one variable increases to the probability of an increase in the other in a different location.

The results show the economic consequences of harbours are rather greater compared with the traditional belief. The regional model then calculates the spin-offs effects based on the estimate of the direct impact on employment. The paper presents the two case studies, i.e. Køge harbour and Aalborg harbour. This enables us to make comparison between the two harbours. The different specialization of the harbour activities as well as the geographical location has given the different effects in the regional economies.

Key words: Impact evaluation, Panel data estimation, Input-output model, Commercial harbours