

# Business transfer in Belgium: a map out of the companies concerned

CeFiP<sub>asbl</sub>  KeFiK<sub>vzw</sub>

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# 1. Introduction

# 1. Introduction

- The **Belgian Knowledge Centre for SME financing (BeCeFi)** is the national reference centre in Belgium for the financing of small and medium sized enterprises
- The BeCeFi has **three missions**:
  1. The centralization of essential information and human capital to become a national reference centre in the field of SME finance
  2. Putting this knowledge and information at the disposal of the authorities, to entrepreneurs and their representatives, the credit dispensers, the academic world, the media and the public, and to formulate research recommendations
  3. Credit Mediation for companies

## 2. Methodology

## 2. Methodology




- Total population:
  - 429,762 natural persons
  - 524,135 legal persons
- Available birth dates:
  - A **significantly large sample** for both legal and natural persons (Natural persons = 43.71% ; Legal persons = 54.56%)
- The sample (for both legal and natural persons):
  - Contains entrepreneurs (*whose birth date is available*) born in or before **1956**

## 2. Methodology

- Eliminated from the sample:
  - Non-commercial activities
  - Public sector
  - Financial holdings & investment funds
- The sample:
  - 69,640 natural persons
  - 89,203 legal persons
- Extrapolation (for both natural and legal persons):
  - To estimate the total number of potential business transfers in the population
  - Based on our own estimations:
    - sample 55+/total population with available birth date:
    - 37.08% for natural persons
    - 31.19% for legal persons

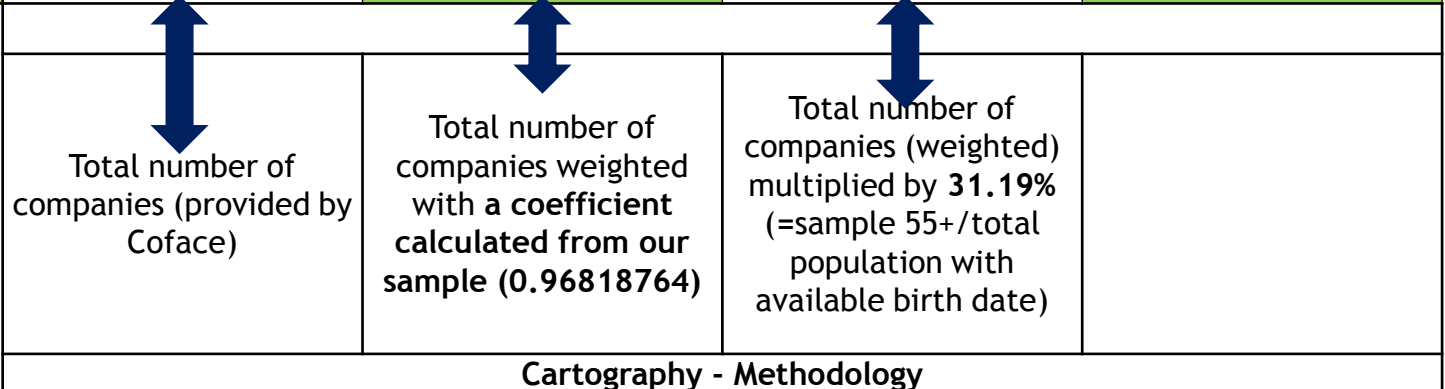
# Cartography - Natural persons

Region	Total number of natural persons	Total number of natural persons (weighted)	Total number of transferable self-employed activities	Total number of transferable self-employed activities (weighted) %
Antwerp	57,931	57,896	21,468	13.48%
Walloon-Brabant	17,135	17,125	6,350	3.99%
Brussels	31,278	31,259	11,591	7.28%
Hainaut	46,166	46,138	17,108	10.74%
Liege	41,775	41,750	15,481	9.72%
Limburg	34,500	34,479	12,785	8.03%
Luxemburg	13,604	13,596	5,041	3.17%
Namur	21,693	21,680	8,039	5.05%
East-Flanders	61,733	61,696	22,877	14.36%
Flemish-Brabant	41,859	41,834	15,512	9.74%
West-Flanders	62,088	62,051	23,008	14.45%
<b>Grand Total</b>	<b>429,762</b>	<b>429,503</b>	<b>159,260</b>	<b>100%</b>

 Total number of natural persons (provided by Coface)	 Total number of natural persons weighted with a coefficient calculated from our sample (0.999397261846675)	 Total number of self-employed activities (weighted) multiplied by 37.08% (=sample 55+/total population with available birth date)
<b>Cartography - Methodology</b>		

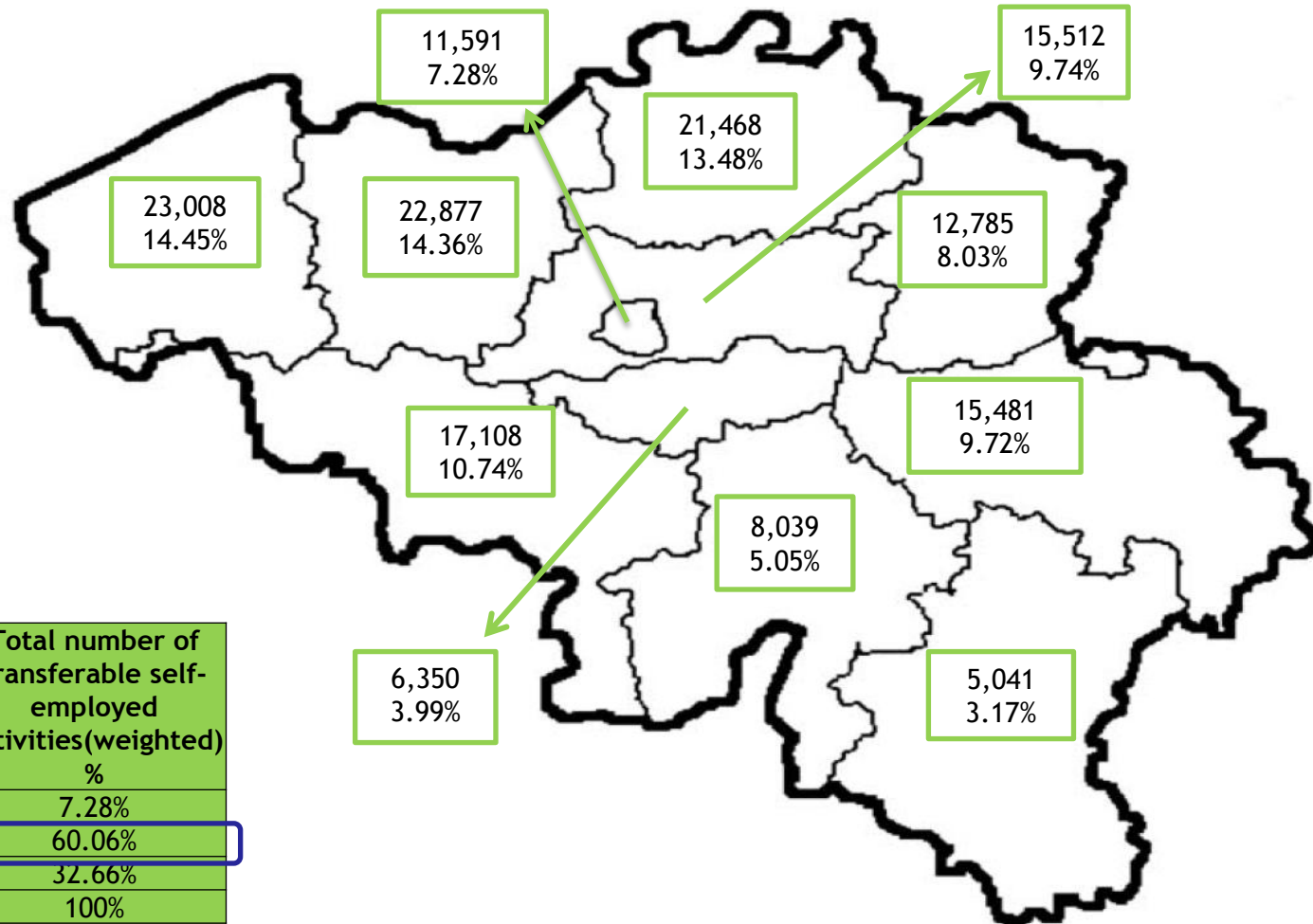
# Cartography - *Legal persons*

Region	Total number of companies	Total number of companies (weighted)	Total number of transferable companies (weighted)	Total number of transferable companies (weighted) %
Antwerp	104,514	101,189	31,561	19.94%
Walloon-Brabant	23,431	22,686	7,076	4.47%
Brussels	84,781	82,084	25,602	16.18%
Hainaut	38,134	36,921	11,516	7.28%
Liege	36,391	35,233	10,989	6.94%
Limburg	38,666	37,436	11,676	7.38%
Luxemburg	7,959	7,706	2,404	1.52%
Namur	15,845	15,341	4,785	3.02%
East-Flanders	65,439	63,357	19,761	12.49%
Flemish-Brabant	48,373	46,834	14,608	9.23%
West-Flanders	60,591	58,663	18,297	11.56%
<b>Grand Total</b>	<b>524,135</b>	<b>507,461</b>	<b>158,277</b>	<b>100%</b>



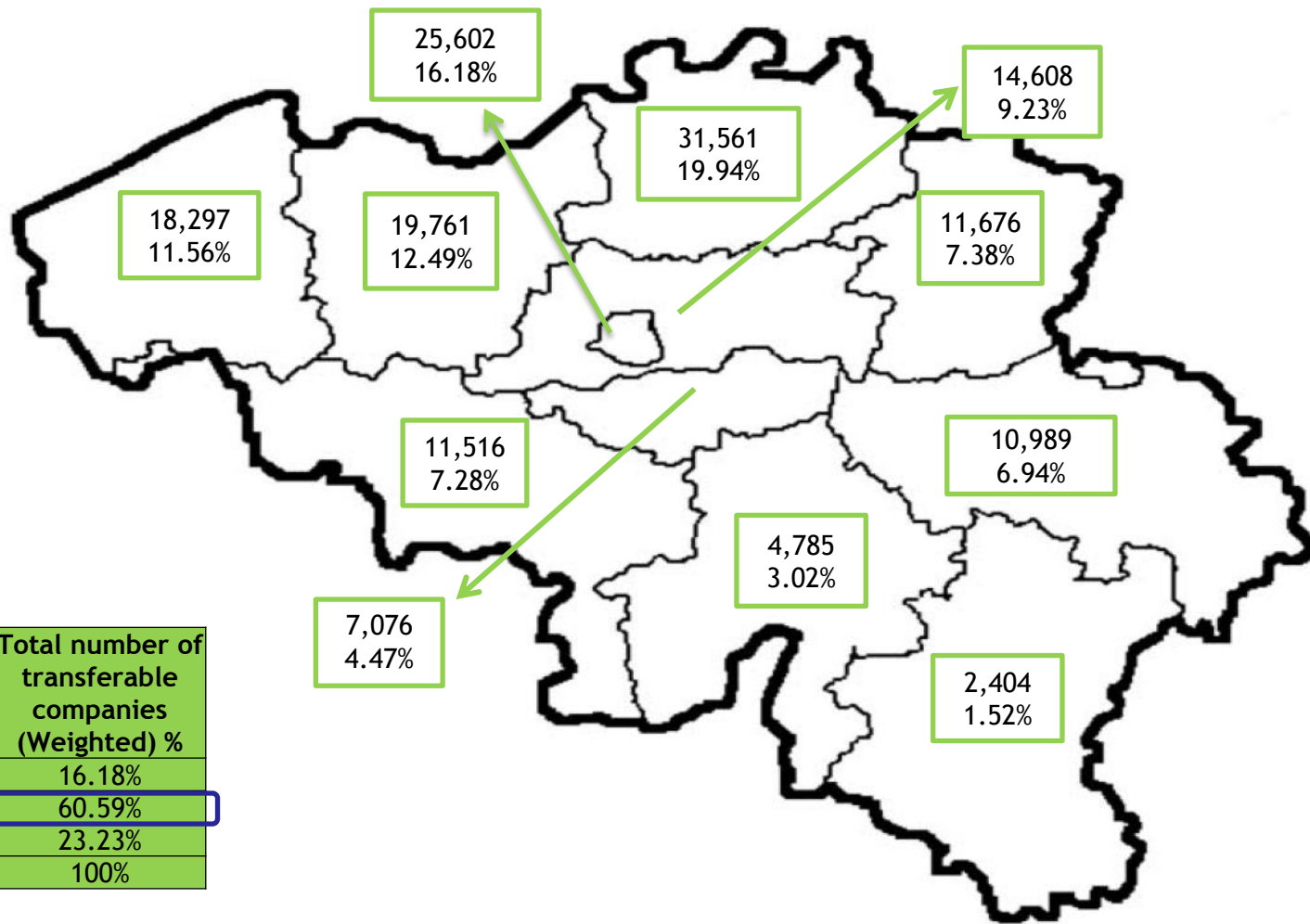
# 3. Cartography

# 3. Cartography: Natural persons



	Total number of transferable self-employed activities (weighted) %
Brussels	7.28%
Flanders	60.06%
Wallonia	32.66%
Belgium	100%

# 3. Cartography: Legal persons

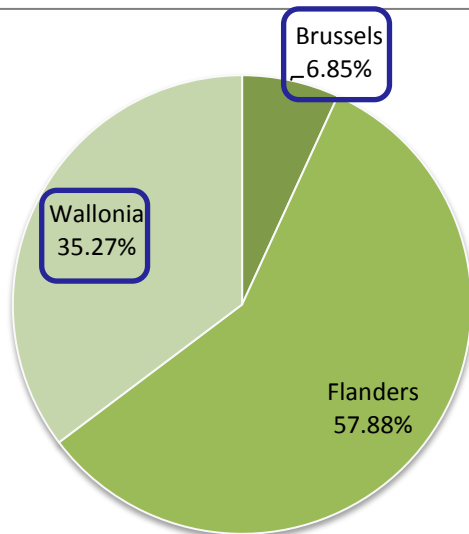


	Total number of transferable companies (Weighted) %
Brussels	16.18%
Flanders	60.59%
Wallonia	23.23%
Belgium	100%

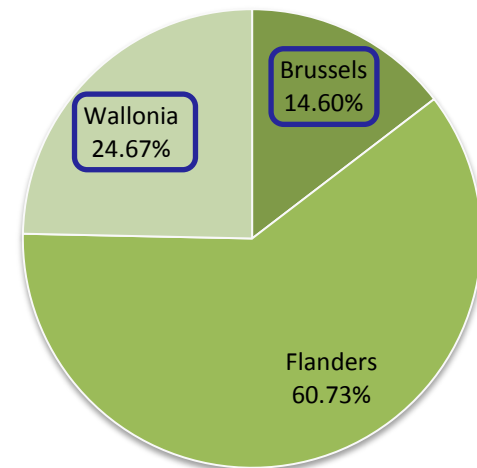
## 4. Seven Indicators

## 4. Seven indicators: Region

Natural persons

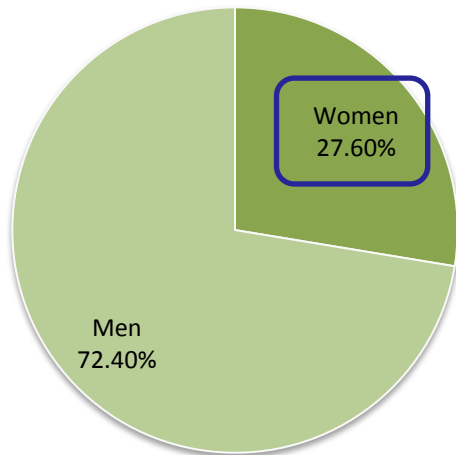


Legal persons

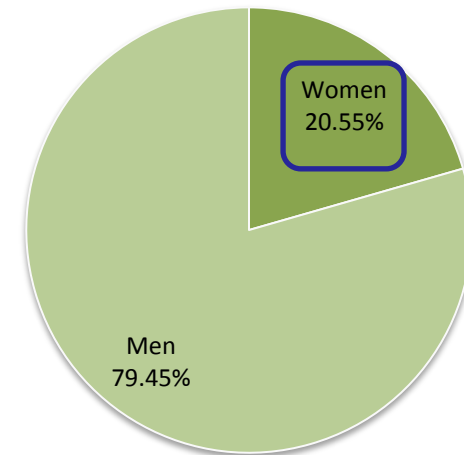


## 4. Seven indicators: Gender

Natural persons

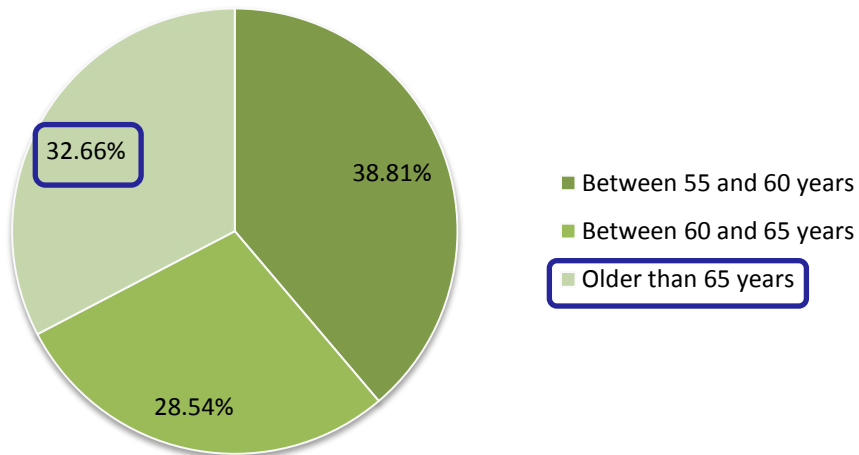


Legal persons

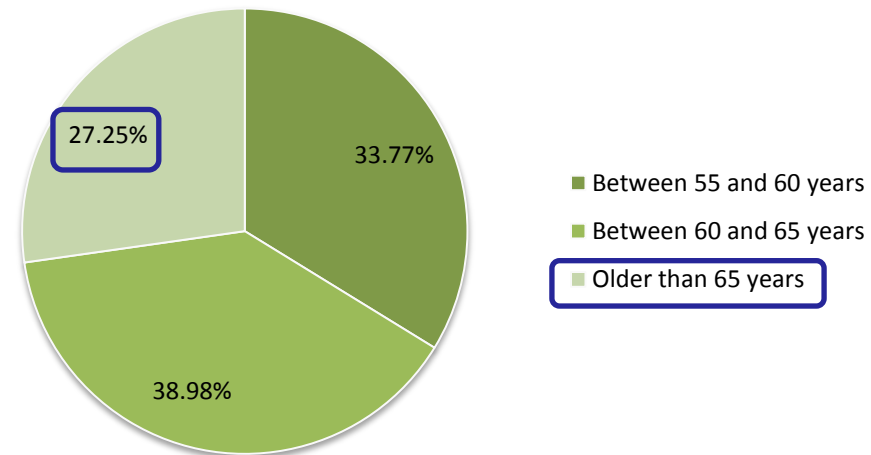


## 4. Seven indicators: Manager's age

Natural persons

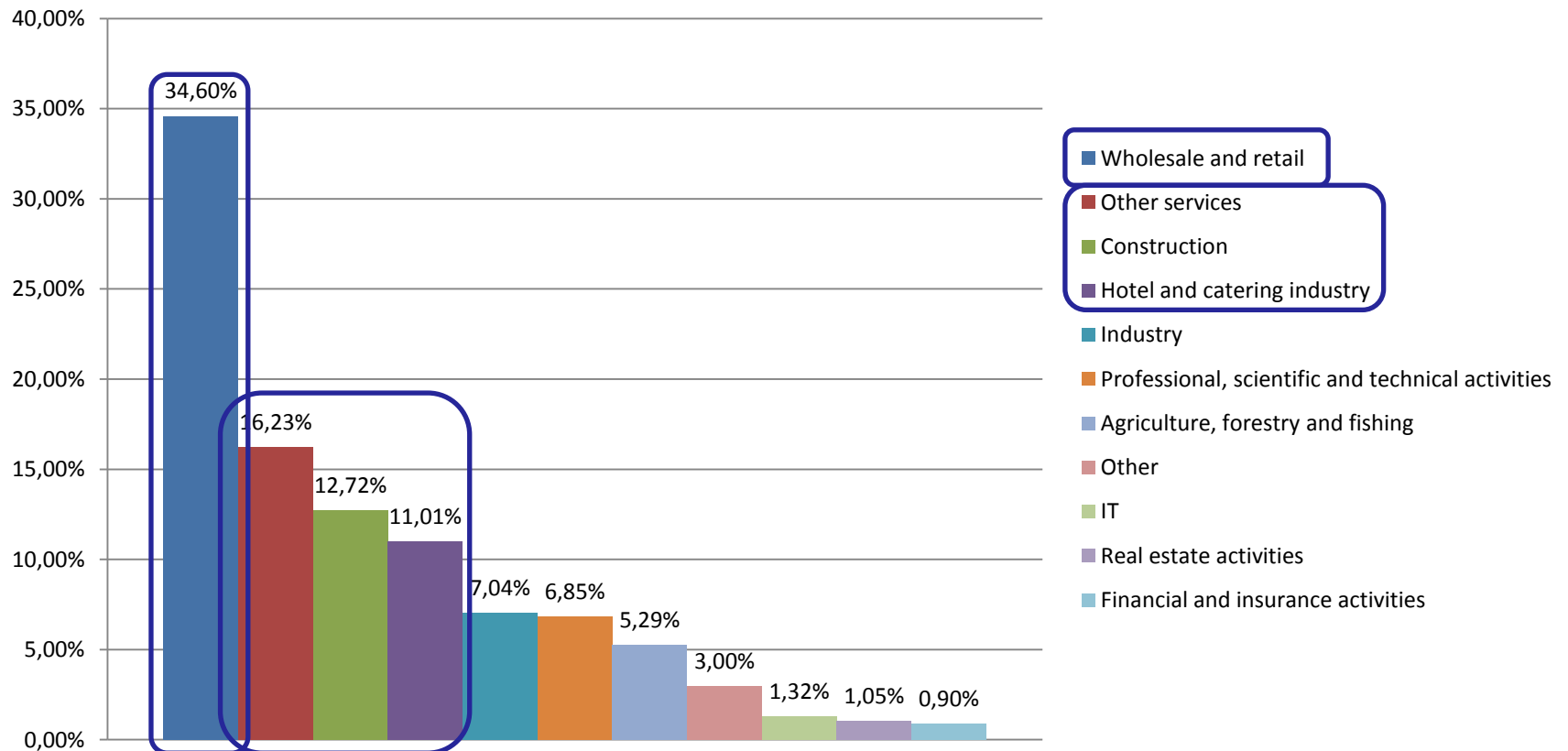


Legal persons



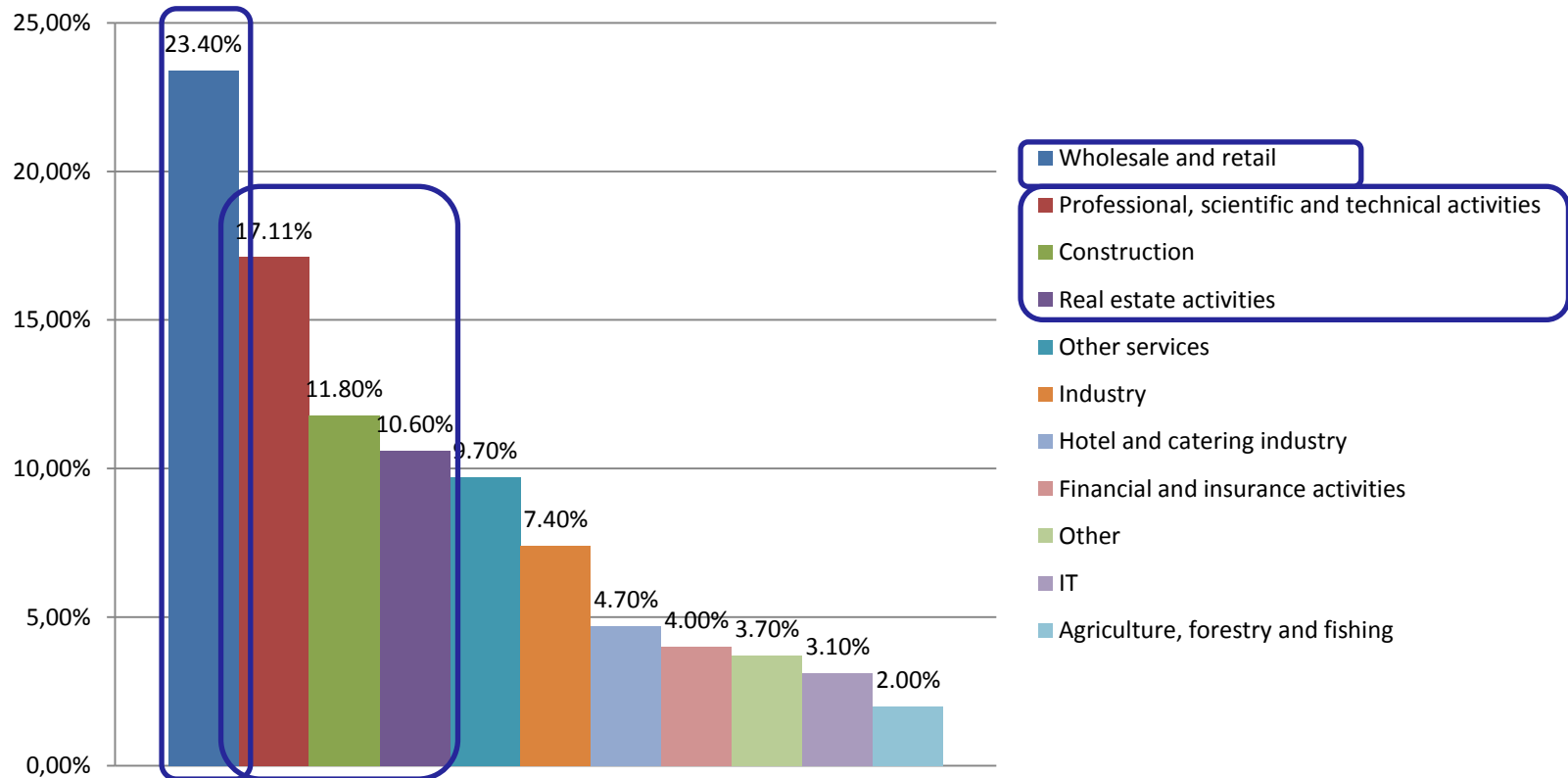
# 4. Seven indicators: Sector

Natural persons



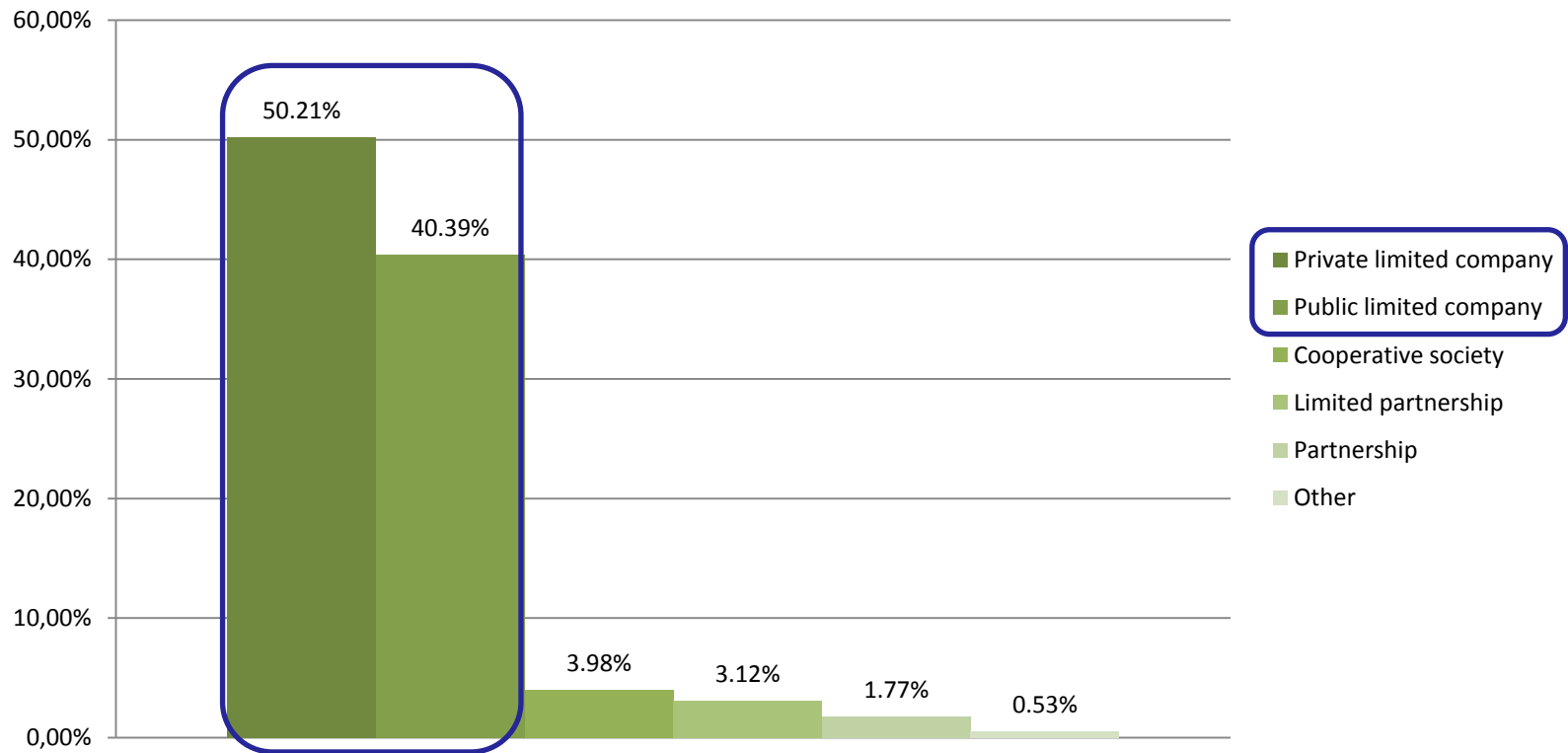
# 4. Seven indicators: Sector

## Legal persons



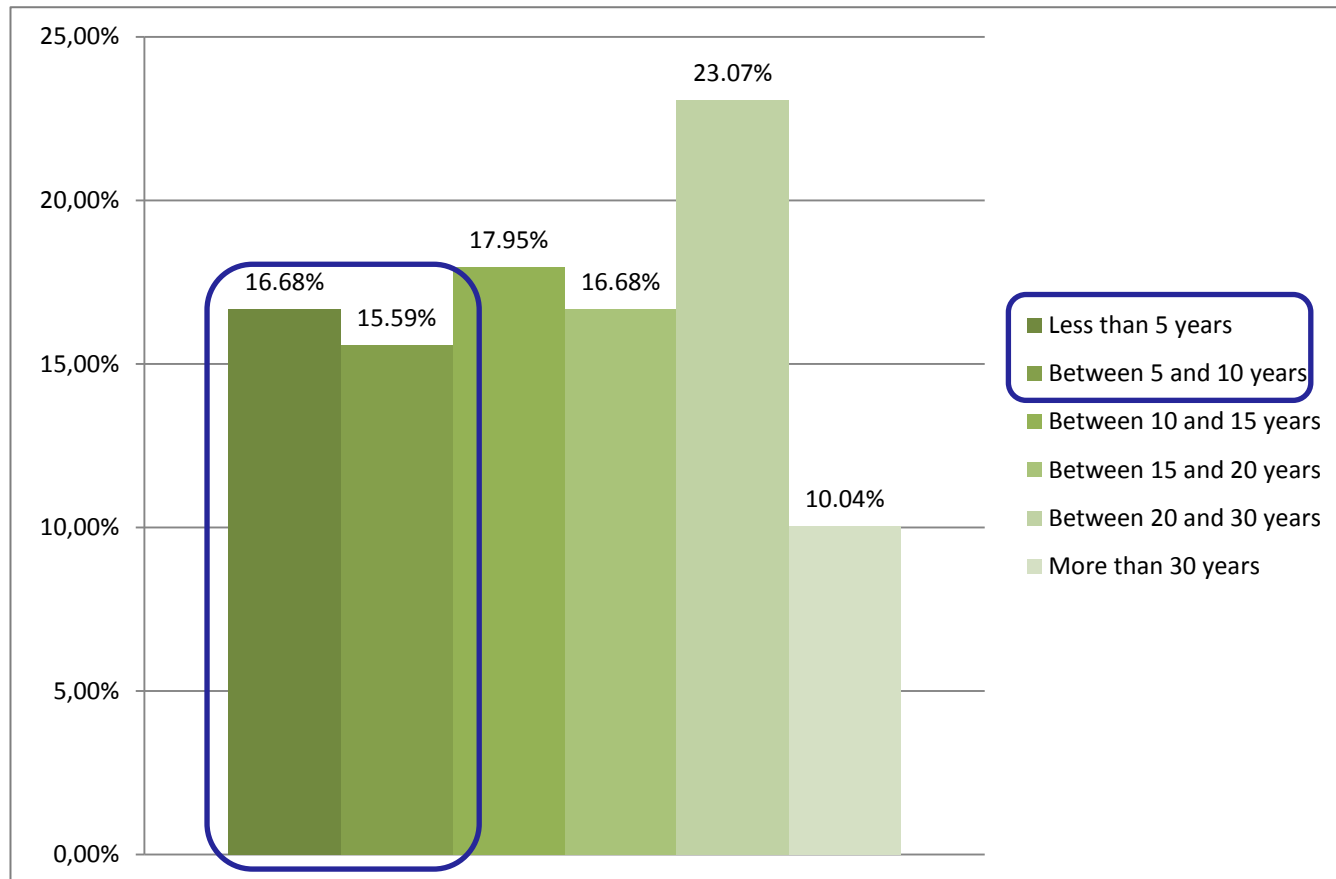
# 4. Seven indicators: Legal form

Legal persons



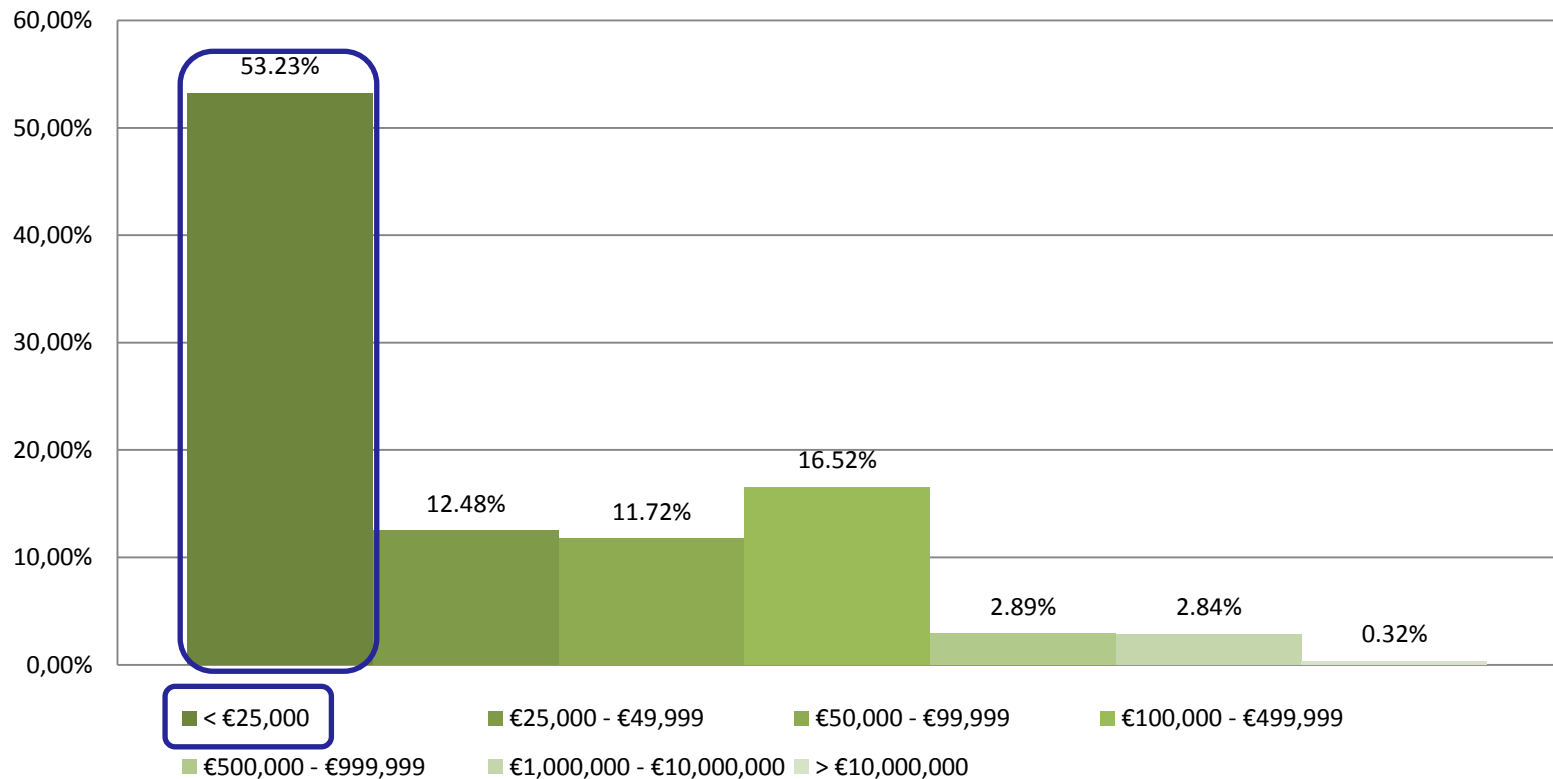
# 4. Seven indicators: Business creation date

Legal persons



# 4. Seven indicators: Financial data

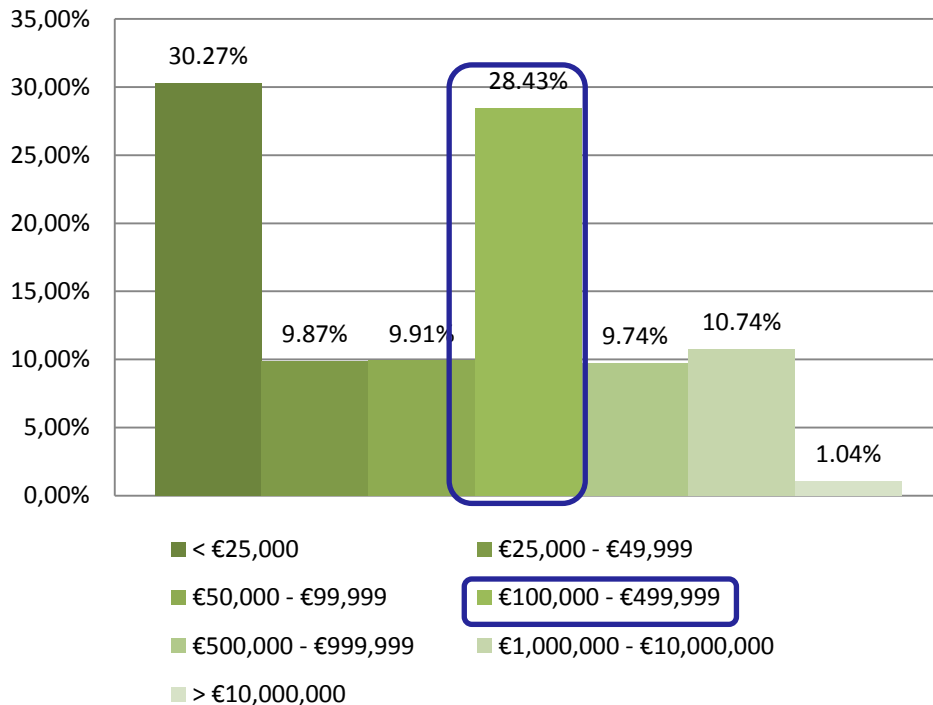
Cash (end of year situation)



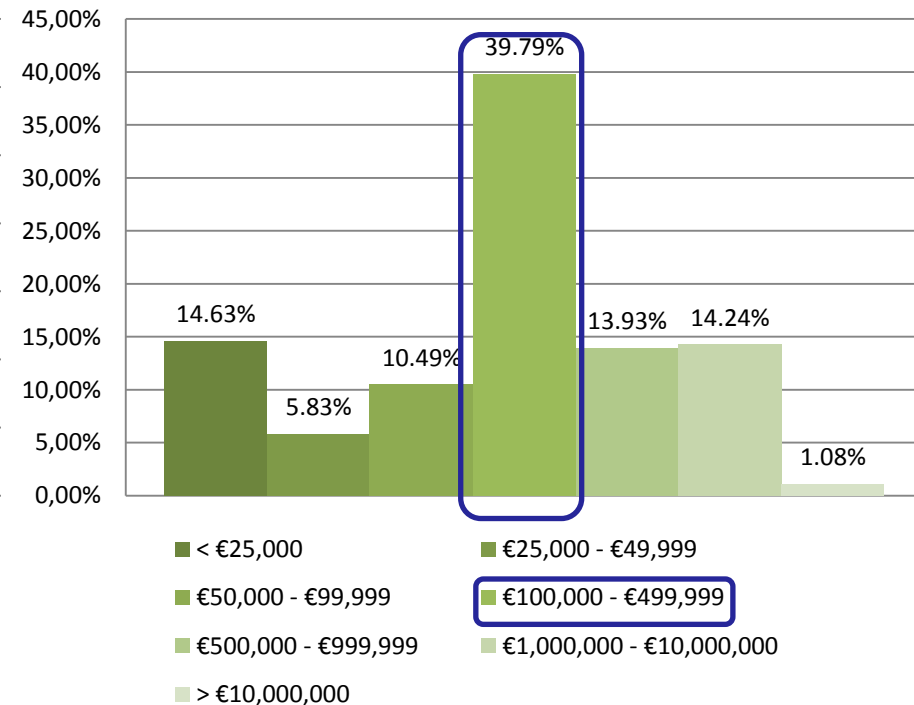
# 4. Seven indicators: Financial data

Tangible fixed assets: focus on buildings and land

### Tangible fixed assets



### Buildings and land



# 4. Seven indicators: Financial data

Tangible fixed assets: focus on land and buildings

	Land and Buildings / Tangible Fixed Assets
Brussels	53.76%
Flanders	51.28%
Wallonia	50.83%
Belgium	51.93%

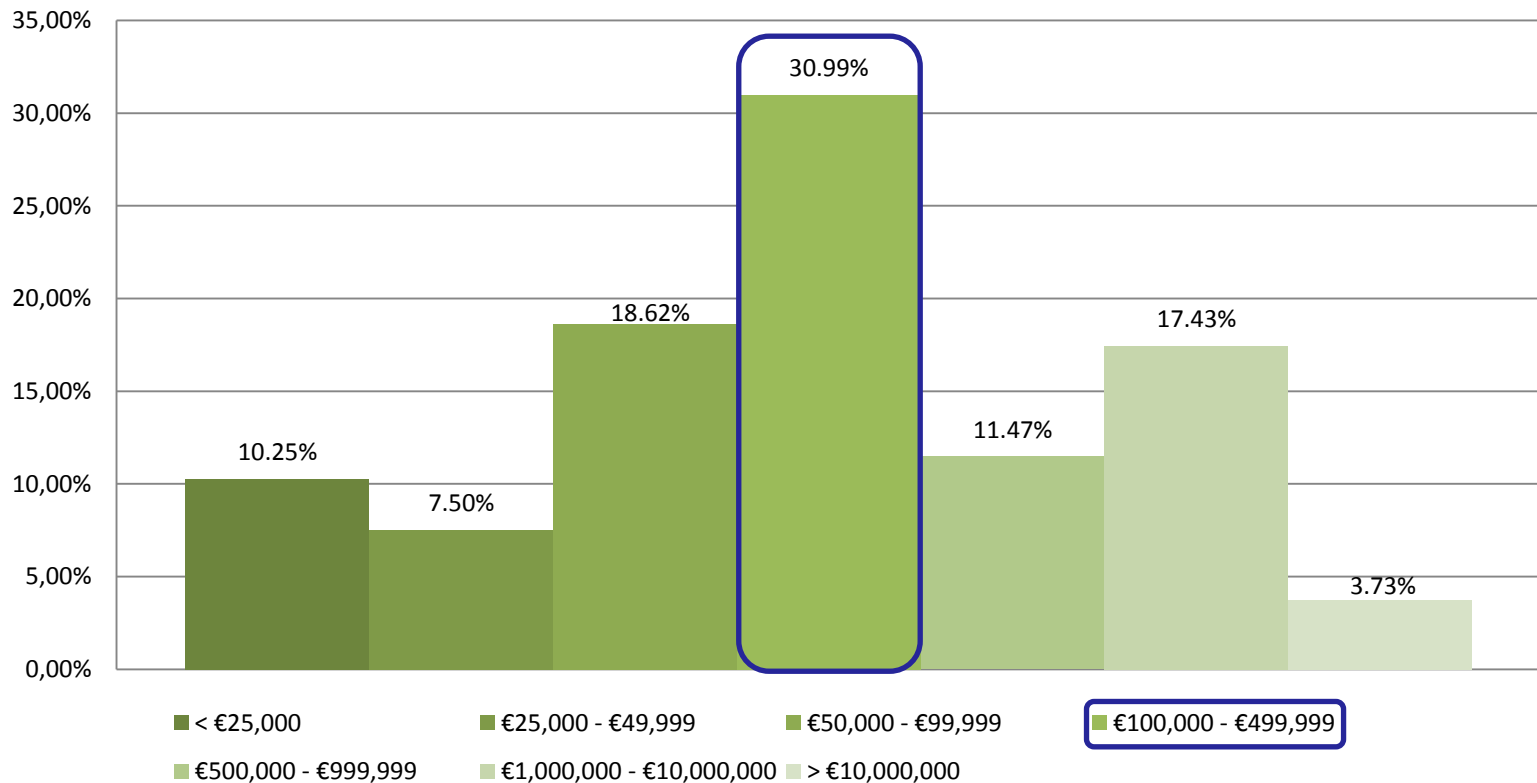


This ratio points out that land and buildings are an important part of the tangible fixed assets.

This will influence business transfers!

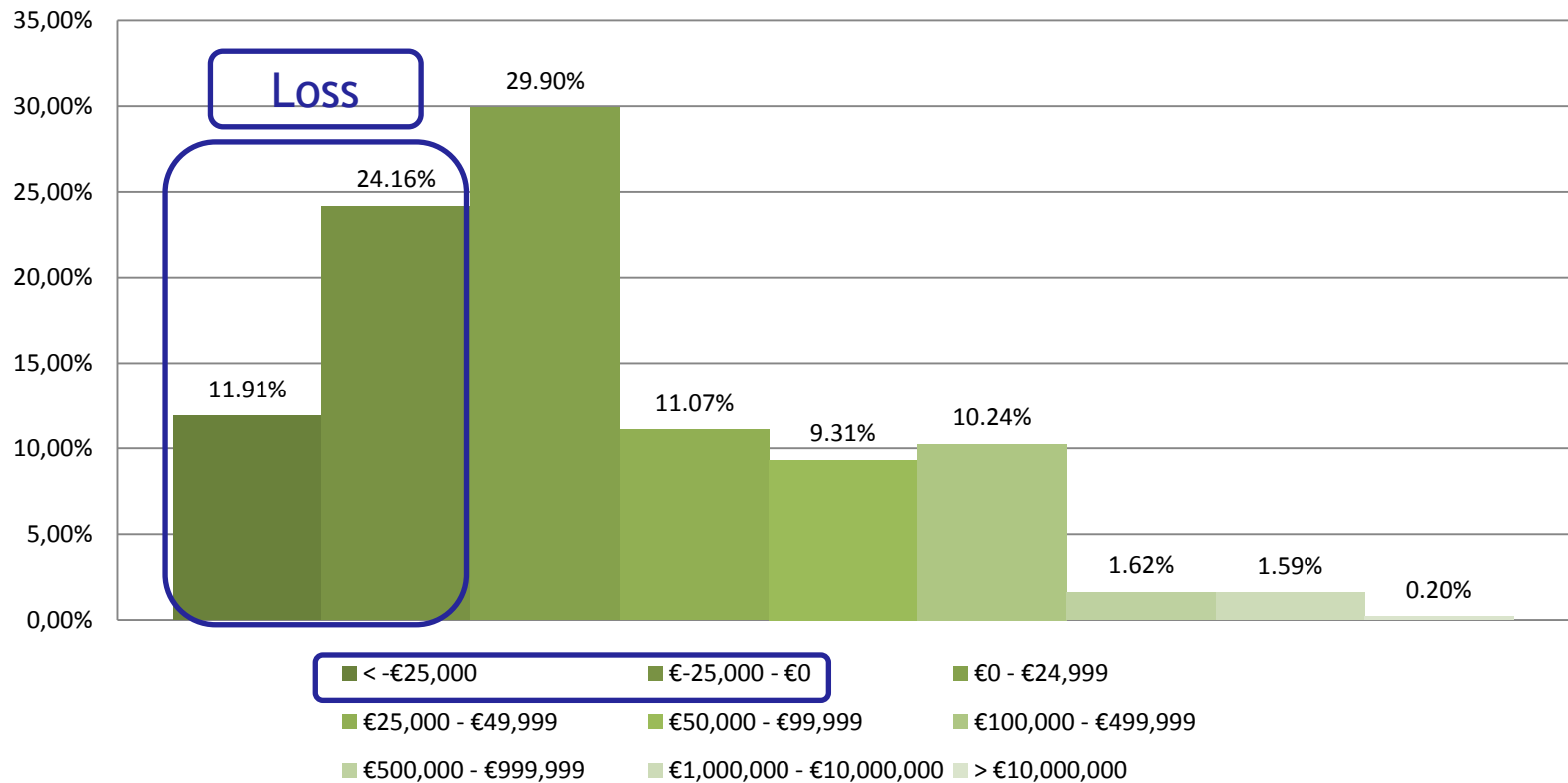
# 4. Seven indicators: Financial data

## Turnover



# 4. Seven indicators: Financial data

## Profit and Loss



# 5. Specific observations

Legal persons

# 5. Specific observations

## Sector and employment

		0 employees	1 to 4 employees	5 to 9 employees	10 to 19 employees	20 to 49 employees	50 to 99 employees	100 to 199 employees	200 to 499 employees	500 to 999 employees	More than 999 employees	Total
Other services	%	23.83%	38.45%	13.73%	9.31%	8.83%	3.02%	1.32%	1.01%	0.23%	0.27%	100%
Construction	%	24.36%	39.59%	14.46%	9.78%	7.65%	2.29%	1.03%	0.65%	0.13%	0.07%	100%
Wholesale and retail	%	24.45%	42.84%	14.27%	9.54%	6.39%	1.37%	0.58%	0.36%	0.12%	0.09%	100%
Hotel and catering industry	%	27.63%	41.82%	14.86%	9.22%	5.03%	1.02%	0.32%	0.03%	0.03%	0.03%	100%
Industry	%	17.36%	29.52%	15.12%	13.26%	13.85%	4.69%	2.88%	1.92%	0.78%	0.61%	100%
Professional, scientific and technical activities	%	39.35%	41.95%	9.11%	4.56%	3.19%	0.98%	0.32%	0.47%	0.04%	0.04%	100%
Total	%	25.73%	39.78%	13.68%	9.32%	7.35%	2.09%	0.99%	0.69%	0.21%	0.17%	100%

# 5. Specific observations

## Sector and employment

		1 to 4 employees	5 to 9 employees	10 to 19 employees	20 to 49 employees	Total (1 to 49 employees)
<b>Other services</b>	%	38.45%	13.73%	9.31%	8.83%	70.32%
<b>Construction</b>	%	39.59%	14.46%	9.78%	7.65%	71.48%
<b>Wholesale and retail</b>	%	42.84%	14.27%	9.54%	6.39%	73.04%
<b>Hotel and catering industry</b>	%	41.82%	14.86%	9.22%	5.03%	70.93%
<b>Industry</b>	%	29.52%	15.12%	13.26%	13.85%	71.75%
<b>Professional, scientific and technical activities</b>	%	41.95%	9.11%	4.56%	3.19%	59.28
<b>Total</b>	%	39.78%	13.68%	9.32%	7.35%	70.13%

# 5. Specific observations

## Sector and creation date

		Less than 5 years	Between 5 and 10 years	Between 10 and 15 years	Between 15 and 20 years	Between 20 and 30 years	More than 30 years	Total
Other	%	14.44%	21.60%	26.41%	15.07%	17.24%	5.23%	100%
Other services	%	17.92%	14.58%	18.99%	16.56%	21.42%	10.52%	100%
Construction	%	15.86%	15.59%	15.84%	16.74%	22.90%	13.07%	100%
Real estate activities	%	8.02%	12.95%	16.00%	22.06%	33.64%	7.33%	100%
Financial and insurance activities	%	8.46%	14.45%	23.98%	18.30%	24.91%	9.90%	100%
Wholesale and retail	%	12.55%	13.61%	17.19%	17.28%	25.26%	14.11%	100%
Hotel and catering industry	%	21.75%	19.28%	17.84%	16.84%	18.81%	5.47%	100%
Industry	%	10.79%	12.41%	14.15%	14.53%	26.21%	21.91%	100%
IT	%	20.06%	19.24%	23.45%	13.47%	19.28%	4.49%	100%
Agriculture, forestry and fishing	%	20.02%	18.47%	16.12%	17.10%	21.97%	6.31%	100%
Professional, scientific and technical activities	%	20.34%	19.01%	21.20%	16.25%	19.34%	3.86%	100%
<b>Total</b>	%	14.97%	15.62%	18.39%	17.08%	23.65%	10.28%	100%

# 5. Specific observations

## Sector and creation date

		Less than 5 years	Between 5 and 10 years	Between 20 and 30 years	More than 30 years
Other	%	14.44%	21.60%	17.24%	5.23%
Other services	%	17.92%	14.58%	21.42%	10.52%
Construction	%	15.86%	15.59%	22.90%	13.07%
Real estate activities	%	8.02%	12.95%	33.64%	7.33%
Financial and insurance activities	%	41.03%	14.45%	24.91%	9.90%
Wholesale and retail	%	12.5%	13.61%	25.26%	4.11%
Hotel and catering industry	%	21.75%	19.28%	18.81%	5.47%
Industry	%	10.79%	12.41%	26.21%	21.91%
IT	%	20.06%	19.24%	19.28%	4.49%
Agriculture, forestry and fishing	%	20.02%	18.47%	21.97%	6.31%
Professional, scientific and technical activities	%	20.34%	19.01%	19.34%	3.86%
<b>Total</b>	%	14.97%	15.62%	23.65%	10.28%

# 5. Specific observations

Sector and tangible fixed assets: focus on land and buildings

	Land and Buildings / Tangible Fixed Assets
Finance and insurance activities	63.62%
Real estate activities	86.02%
Professional, scientific and technical activities	69.40%
Agriculture, forestry and fishing	72.47%
Other	72.50%
Other services	38.32%
Wholesale and retail	60.57%
Construction	73.20%
Hotel and catering industry	75.28%
Industry	23.12%
IT	46.29%
Grand Total	51.75%

# 5. Specific observations

## Sector and Profit & Loss

		< €-25,000	€-25,000 - €0	€0 - €24,999	€25,000 - €49,999	€50,000 - €99,999	€100,000 - €499,999	€500,000 - €999,999	€1,000,000 - €10,000,000	> €10,000,000	Total
Other	%	10.16%	20.46%	28.47%	14.22%	12.00%	12.76%	0.94%	0.90%	0.10%	100%
Other services	%	13.47%	23.92%	31.17%	10.33%	8.27%	9.16%	1.87%	1.65%	0.16%	100%
Construction	%	9.78%	22.32%	32.54%	11.47%	9.36%	10.71%	1.87%	1.82%	0.11%	100%
Real estate activities	%	12.21%	26.60%	29.62%	10.79%	8.81%	9.42%	1.48%	1.05%	0.03%	100%
Financial and insurance activities	%	9.31%	26.61%	29.69%	12.17%	10.71%	9.09%	1,15%	1.00%	0.28%	100%
Wholesale and retail	%	11.16%	22.75%	29.63%	11.61%	9.50%	11.74%	1.78%	1.68%	0.15%	100%
Hotel and catering industry	%	13.13%	33.74%	36.46%	8.09%	4.83%	3.12%	0.31%	0.26%	0.06%	100%
Industry	%	17.18%	17.91%	21.69%	9.59%	9.60%	14.33%	3.53%	5.02%	1.15%	100%
IT	%	13.37%	28.49%	30.28%	9.29%	7.83%	6.96%	1.62%	1.75%	0.42%	100%
Agriculture, forestry and fishing	%	15.71%	26.14%	32.09%	11.01%	8.00%	6.17%	0.37%	0.51%	0.00%	100%
Professional, scientific and technical activities	%	10.97%	24.56%	30.26%	11.65%	10.63%	9.99%	1.06%	0.85%	0.04%	100%
<b>Total</b>	%	<b>11.90%</b>	<b>23.99%</b>	<b>29.94%</b>	<b>11.10%</b>	<b>9.34%</b>	<b>10.30%</b>	<b>1.63%</b>	<b>1.61%</b>	<b>0.20%</b>	<b>100%</b>

# 5. Specific observations

## Sector and Profit & Loss

		< €-25,000	€-25,000 - €0	€50,000 - €99,999	€100,000 - €499,999	€500,000 - €999,999	€1,000,000 - €10,000,000	> €10,000,000
Other	%	10.16%	20.46%	12.00%	12.76%	0.94%	0.90%	0.10%
Other services	%	13.47%	23.92%	8.27%	9.16%	1.87%	1.65%	0.16%
Construction	%	9.78%	22.32%	9.36%	10.71%	1.87%	1.82%	0.11%
Real estate activities	%	12.21%	26.60%	8.81%	9.42%	1.48%	1.05%	0.03%
Financial and insurance activities	%	9.81%	16.61%	10.71%	9.09%	1.15%	1.00%	0.28%
Wholesale and retail	%	11.1%	22.75%	9.50%	11.74%	3.17%	1.68%	0.15%
Hotel and catering industry	%	13.13%	33.74%	4.83%	3.12%	33.63%	0.26%	0.06%
Industry	%	17.18%	17.91%	9.60%	14.33%	3.53%	5.02%	1.15%
IT	%	13.37%	28.49%	7.83%	6.96%	1.62%	1.75%	0.42%
Agriculture, forestry and fishing	%	15.71%	26.14%	8.00%	6.17%	0.37%	0.51%	0.00%
Professional, scientific and technical activities	%	10.97%	24.56%	10.63%	9.99%	1.06%	0.85%	0.04%
Total	%	11.90%	23.99%	9.34%	10.30%	1.63%	1.61%	0.20%

# 6. Conclusion

## 6. Conclusion

- 159,260 natural persons (B : 7.28% F : 60.06% W : 32.66%)
- 158,277 legal persons (B : 16.18% F : 60.59% W : 23.23%)
- 32.66% NP & 27.25% LP older than 65 years
- Main sector : wholesale & retail
- 53.23% less than 25,000€ Cash (end of year position)
- Tangible fixed assets : 28.43% between 100,000 and 499,000 euros
- Land & buildings / Tangible fixed assets : 51.93%
- Turnover : 30.99% between 100,000 and 499,000 euros
- 36% are non profitable
- Industry : more employment, older, more profitable

The full report will be available in the  
course of November 2011