

2010-06-23

## PRESS RELEASE

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### Monthly business survey - June 2010

#### BUSINESS CONFIDENCE DROPS IN JUNE FOR THE SECOND MONTH IN A ROW

After the uninterrupted recovery shown since the second quarter of 2009, the National Bank of Belgium's overall synthetic curve dropped in June for the second month in a row.

Like the previous month, business confidence weakened in the manufacturing industry, the business-related services and trade. In construction the synthetic indicator slightly pursued its gradual increase of the four preceding months. The entrepreneurs in the manufacturing industry have mainly become more pessimistic as to the employment outlook and their present level of stocks. In the business-related services, managers expect the development of the general market demand to decline in the following months; at the same time they held the development of activity to be less favourable than the previous month. In trade in particular the prospects as to employment and to demand are assessed more gloomily. In construction, building contractors became somewhat more optimistic thanks to a further improvement of the orders books and a slight recovery of the demand expectations.

The smoothed overall synthetic curve, which reflects the underlying trend of activity with a two months' delay, still maintains an upward trend as a result of the positive developments in the previous months.

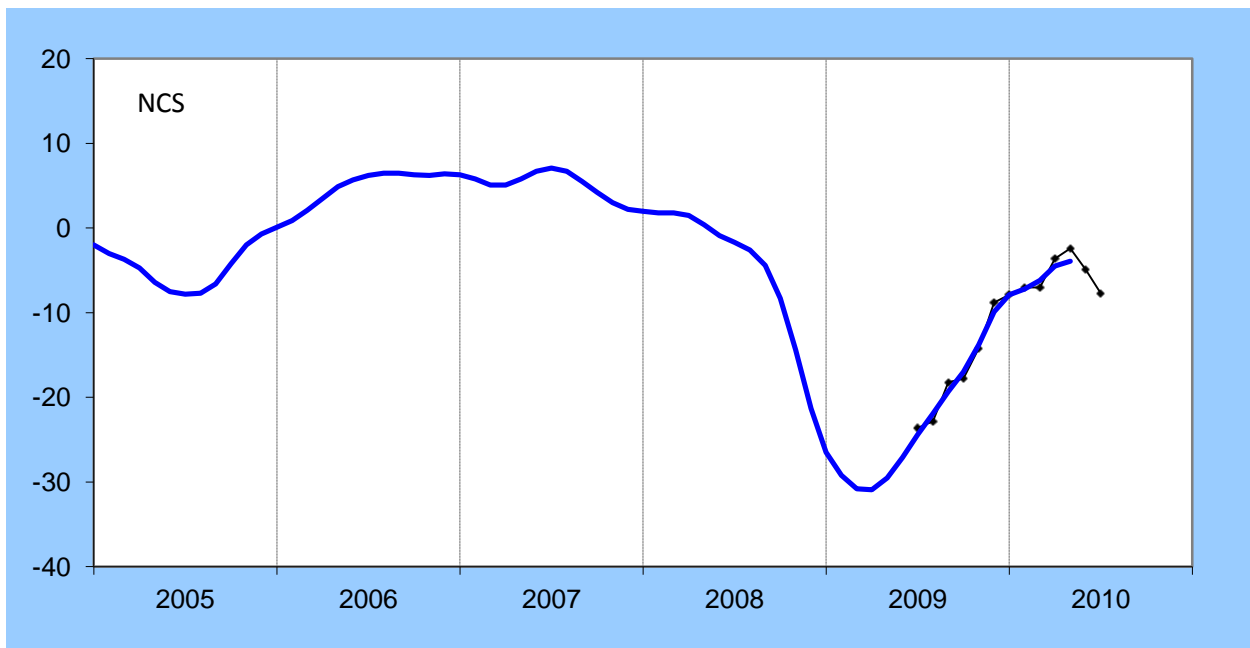
#### *Business survey indicators*

	Gross synthetic curve			Smoothed synthetic curve <sup>1</sup>
	May 2010	June 2010	variation in points	variation in points
Manufacturing industry	-7.8	-11.2	-3.4	0.4
Building industry	-6.5	-6.1	0.4	0.6
Trade	-0.1	-3.6	-3.5	2.1
Business-related services	7.9	4.7	-3.2	3.1
<b>Overall synthetic curve</b>	<b>-4.9</b>	<b>-7.7</b>	<b>-2.8</b>	<b>0.6</b>

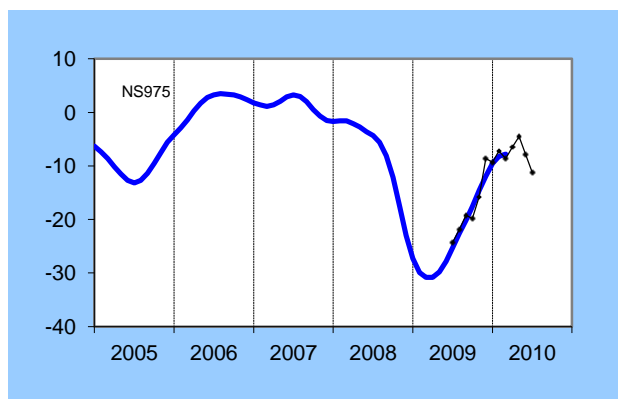
<sup>1</sup> The smoothed curve has a two-month delay for the overall synthetic curve and a four-month delay for the branches of activity.

Source: NBB.

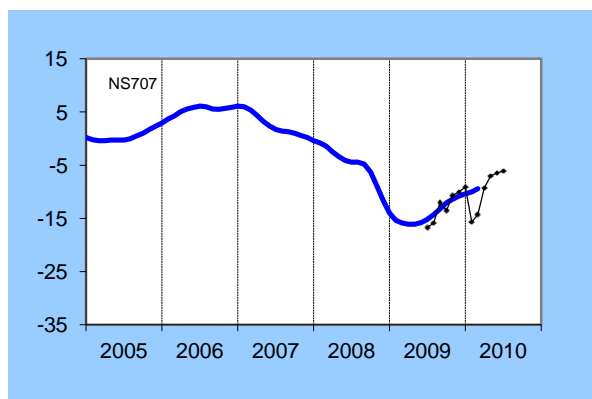
OVERALL SYNTHETIC CURVE



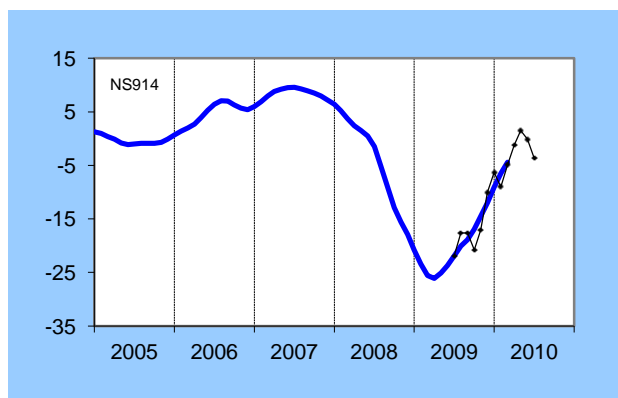
MANUFACTURING INDUSTRY



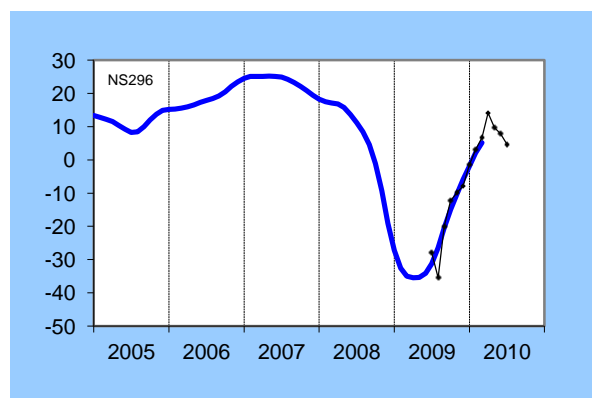
BUILDING INDUSTRY



TRADE



BUSINESS-RELATED SERVICES



— Seasonally adjusted and smoothed series  
 Source: NBB

◆◆ Seasonally adjusted series

## SYNTHETIC CURVES AND THEIR COMPONENTS

TABLE 1

Seasonally adjusted balances of "positive" answers or "higher than normal"(+) and "negative" answers or "lower than normal"(-).	1980-2010 <sup>1</sup>			Adjusted series				Smoothed series			
	Min.	Max.	Avg.	2010				2010			
				March	April	May	June	Jan.	Feb.	March	April
<b>Overall synthetic curve</b>	- 31.8	+ 9.2	- 7.8	- 3.6	- 2.4	- 4.9	- 7.7	- 7.2	- 6.2	- 4.5	- 3.9
<b>Manufacturing industry curve</b>	- 34.3	+ 6.0	- 11.0	- 6.5	- 4.5	- 7.8	- 11.2	- 8.2	- 7.8	.	.
Assessment of total order books	- 56.0	+ 10.0	- 21.9	- 31.0	- 25.8	- 31.2	- 31.3	- 34.4	- 33.2	.	.
Assessment of level of stocks <sup>2</sup>	+ 25.0	- 12.9	+ 7.2	- 9.9	- 8.0	- 5.0	- 0.3	- 9.8	- 9.6	.	.
Employment expectations	- 36.0	+ 8.0	- 9.3	- 1.3	+ 0.4	- 3.7	- 10.0	- 5.5	- 4.9	.	.
Demand expectations	- 37.0	+ 15.0	- 5.5	- 3.5	- 0.5	- 1.4	- 3.9	- 3.9	- 3.2	.	.
<b>Trade curve</b>	- 28.6	+ 16.0	- 0.9	- 1.2	+ 1.5	- 0.1	- 3.6	- 6.5	- 4.4	.	.
Employment expectations	- 18.4	+ 18.0	+ 2.7	+ 7.6	+ 2.8	+ 1.5	- 5.0	- 3.7	- 2.2	.	.
Demand expectations	- 40.0	+ 29.0	+ 2.2	- 2.2	+ 3.6	- 0.1	- 3.4	- 3.3	- 1.2	.	.
Intentions of placing orders	- 39.0	+ 15.0	- 6.2	- 9.0	- 2.0	- 1.6	- 2.5	- 10.6	- 8.8	.	.
<b>Building industry curve</b>	- 39.0	+ 24.3	- 7.6	- 9.3	- 7.0	- 6.5	- 6.1	- 10.0	- 9.4	.	.
Trend in orders	- 52.0	+ 40.0	- 5.6	- 2.7	+ 5.8	+ 4.2	+ 4.9	- 2.3	- 1.7	.	.
Trend in equipment	- 19.4	+ 24.0	+ 3.0	- 8.7	- 4.1	- 2.4	- 3.3	- 8.5	- 8.1	.	.
Assessment of order books	- 74.0	+ 30.0	- 25.4	- 23.3	- 25.2	- 22.8	- 21.6	- 26.1	- 25.6	.	.
Demand expectations	- 39.0	+ 21.0	- 2.5	- 2.3	- 4.4	- 5.0	- 4.4	- 6.1	- 5.4	.	.
<b>Business-related services curve</b>	- 41.7	+ 34.0	+ 12.4	+ 14.1	+ 9.7	+ 7.9	+ 4.7	+ 2.1	+ 5.2	.	.
Assessment of activity	- 54.4	+ 20.0	- 4.5	- 15.4	- 9.5	- 14.1	- 17.2	- 22.9	- 18.4	.	.
Activity expectations	- 32.0	+ 47.0	+ 25.3	+ 28.3	+ 17.4	+ 17.6	+ 17.0	+ 14.4	+ 15.9	.	.
General demand expectations	- 43.0	+ 44.0	+ 16.3	+ 29.4	+ 21.1	+ 20.2	+ 14.4	+ 14.8	+ 18.0	.	.

<sup>1</sup> Minimum, maximum and average values of each indicator (adjusted series) since January 1980.

<sup>2</sup> A positive, respectively negative balance, means that stocks, according to the assessment of entrepreneurs, are higher, respectively lower than normal for the season. When synthetic curves are calculated, the sign of this indicator is therefore reversed.

## OTHER BUSINESS SURVEY INDICATORS

TABLE 2

Seasonally adjusted balances of "positive" answers or "higher than normal"(+) and "negative" answers or "lower than normal"(-).	1980-2010 <sup>1</sup>			Adjusted series				Smoothed series			
	Min.	Max.	Avg.	2010				2010			
				March	April	May	June	Jan.	Feb.	March	April
<b>Manufacturing industry</b>											
Trend in production rate	- 33.0	+ 20.0	- 1.0	+ 7.6	+ 13.2	- 5.6	- 1.4	6.1	6.2	.	.
Trend in domestic orders	- 35.0	+ 16.0	- 7.9	- 8.1	+ 3.9	- 1.8	- 5.1	-7.0	-5.9	.	.
Trend in export orders	- 44.0	+ 30.0	- 3.1	+ 9.8	+ 17.0	+ 7.1	- 1.9	2.3	4.6	.	.
Assessment of export order books	- 61.0	+ 10.0	- 23.8	- 33.1	- 30.0	- 29.5	- 28.5	-34.2	-33.1	.	.
Trend in prices	- 21.0	+ 24.0	+ 1.4	- 6.2	+ 6.5	+ 8.0	+ 9.5	-4.6	-1.5	.	.
Price expectations	- 24.0	+ 43.0	+ 7.6	+ 1.5	+ 12.4	+ 11.0	+ 10.1	-5.7	-2.4	.	.
<b>Production capacity</b>											
(in percentage of the total production capacity)	70.1	84.6	78.9	-	77.2	-	-				
Source: quarterly production capacity survey											
<b>Trade</b>											
Trend in sales	- 46.0	+ 37.0	+ 0.7	- 3.9	+ 9.6	- 20.5	- 7.1	- 2.3	- 1.7	.	.
Assessment of sales	- 41.0	+ 28.0	- 8.1	- 4.1	+ 0.1	- 10.8	- 13.2	- 3.9	- 2.3	.	.
Assessment of level of stocks <sup>2</sup>	+ 33.0	- 3.0	+ 13.2	+ 1.9	+ 6.1	+ 6.2	+ 7.1	+ 2.5	+ 2.6	.	.
Trend in prices	- 20.0	+ 51.0	+ 4.1	- 1.7	+ 3.1	- 3.9	- 13.1	- 3.1	- 2.6	.	.
Price expectations	- 11.0	+ 66.2	+ 12.4	+ 0.9	+ 4.3	+ 0.7	+ 7.8	- 1.4	- 0.3	.	.
<b>Building industry</b>											
Trend in activity	- 44.0	+ 32.0	- 5.7	- 13.7	+ 11.1	+ 0.6	- 1.3	- 10.9	- 11.3	.	.
Trend in employment	- 38.0	+ 22.0	- 5.3	- 16.9	- 10.1	- 9.7	- 20.9	- 11.8	- 11.8	.	.
Employment expectations	- 50.0	+ 30.0	- 5.6	- 6.3	- 6.1	- 4.7	+ 3.7	- 8.4	- 7.2	.	.
Trend in prices	- 22.8	+ 32.0	- 0.1	- 17.4	- 9.4	- 8.8	- 12.0	- 18.8	- 17.5	.	.
Price expectations	- 20.6	+ 46.0	+ 7.5	- 2.1	- 3.2	- 1.4	- 2.6	- 11.7	- 8.5	.	.
<b>Business-related services</b>											
Trend in activity	- 38.0	+ 37.0	+ 11.6	+ 8.9	+ 19.9	+ 6.6	+ 7.5	+ 0.9	+ 2.9	.	.
Trend in employment	- 49.4	+ 34.0	+ 7.3	- 6.2	- 2.3	- 5.1	+ 5.9	- 11.9	- 8.3	.	.
Employment expectations	- 35.0	+ 48.0	+ 17.6	+ 19.4	+ 14.6	+ 18.6	+ 15.6	+ 6.3	+ 10.2	.	.
Trend in prices	- 15.8	+ 12.0	+ 1.7	+ 2.4	+ 7.2	+ 0.3	- 2.2	- 6.6	- 4.3	.	.
Price expectations	- 13.0	+ 30.0	+ 5.7	+ 10.1	+ 6.7	+ 7.8	+ 2.5	- 6.0	- 1.9	.	.

<sup>1</sup> Minimum, maximum and average values of each indicator (adjusted series) since January 1980.

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