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PRESS RELEASE

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Monthly business survey - July 2010

BUSINESS BAROMETER RECOVERS IN JULY

Confidence among Belgian entrepreneurs gained strength during the month of July, after having weakened over the last two months.

With the exception of business-related services, the business climate improved in all branches of activity surveyed. In the manufacturing industry, managers gave a more favourable assessment of their total order books; and they are also expecting a rise in staff numbers. In the trade sector, the recovery of the indicator is mainly attributable to a more optimistic demand and employment outlook. Business confidence continues to strengthen slowly in the building industry, this time supported exclusively by more intensive use of equipment. In the business-related services sector, where the synthetic indicator went down for the fourth month in a row, business prospects for the firms questioned and, to a lesser extent, the outlook for general market demand were revised sharply downwards.

For the fifth consecutive quarter, the pick-up in economic activity observed in the manufacturing industry has resulted in a rise in the production capacity utilisation rate. After adjustment for seasonal variations, it reached 78.8 p.c. in July, against 77.2 p.c. in April.

While it has been on an upward trend since the second quarter of 2009, the smoothed overall synthetic curve, which indicates the underlying trend in activity, has now started to fall as a result of the unfavourable economic developments over the two previous months.

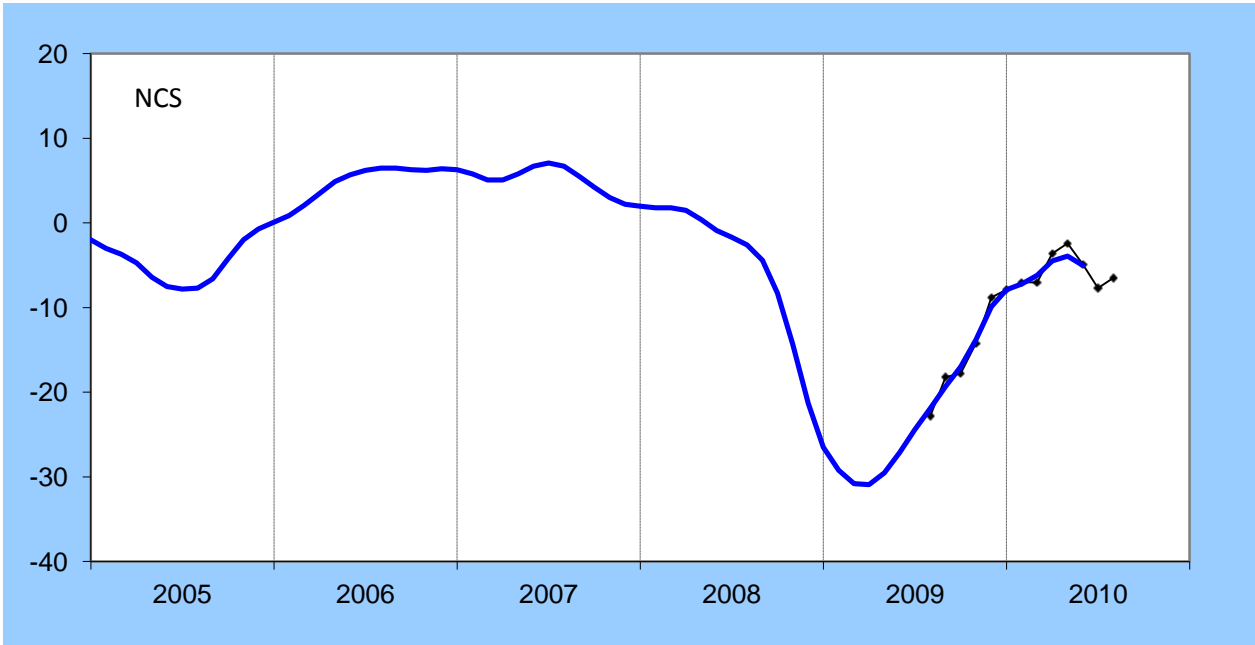
Business survey indicators

	Gross synthetic curve			Smoothed synthetic curve ¹
	June 2010	July 2010	variation in points	variation in points
Manufacturing industry	-11.2	-9.5	1.7	0.2
Building industry	-6.1	-5.6	0.5	0.9
Trade	-3.6	0.8	4.4	1.8
Business-related services	4.7	3.1	-1.6	1.8
Overall synthetic curve	-7.7	-6.5	1.2	-1.1

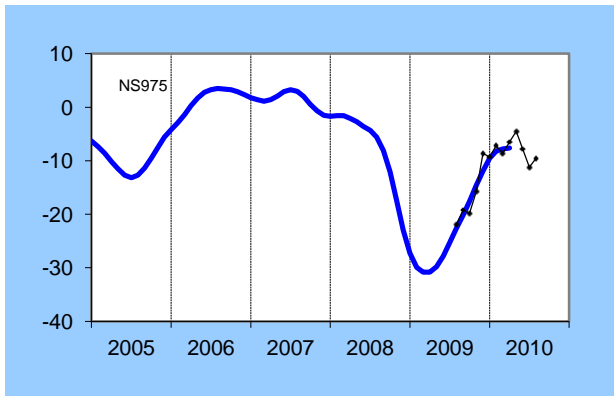
¹ The smoothed curve has a two-month delay for the overall synthetic curve and a four-month delay for the branches of activity.

Source: NBB.

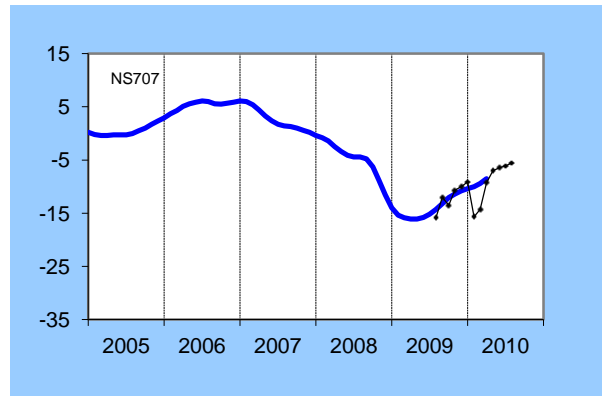
OVERALL SYNTHETIC CURVE



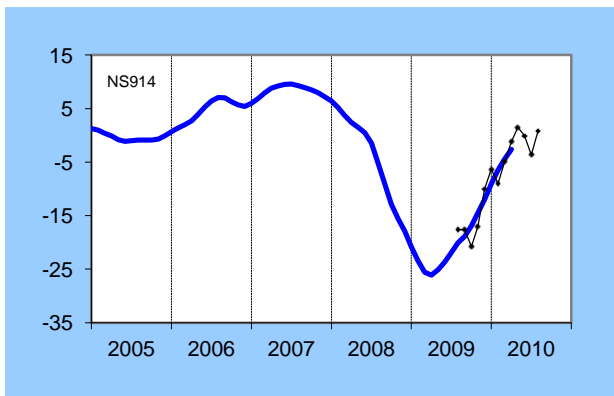
MANUFACTURING INDUSTRY



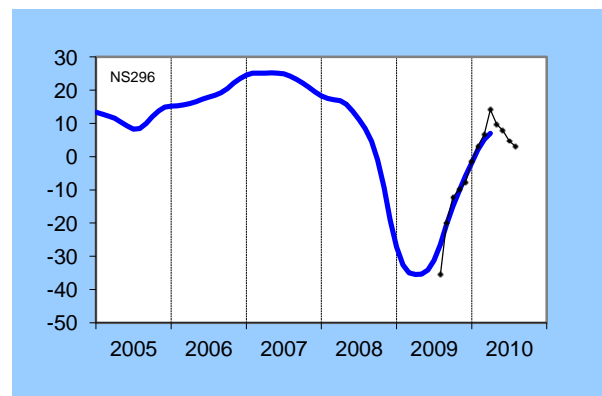
BUILDING INDUSTRY



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 ¹			Adjusted series				Smoothed series			
	Min.	Max.	Avg.	2010				2010			
				April	May	June	July	Feb.	March	April	May
Overall synthetic curve	- 31.8	+ 9.2	- 7.8	- 2.4	- 4.9	- 7.7	- 6.5	- 6.2	- 4.5	- 3.9	- 5.0
Manufacturing industry curve	- 34.3	+ 6.0	- 11.0	- 4.5	- 7.8	- 11.2	- 9.5	- 7.8	- 7.6	.	.
Assessment of total order books	- 56.0	+ 10.0	- 21.9	- 25.8	- 31.2	- 31.3	- 25.4	- 33.2	- 32.2	.	.
Assessment of level of stocks ²	+ 25.0	- 12.9	+ 7.1	- 8.0	- 5.0	- 0.3	- 0.6	- 9.6	- 8.7	.	.
Employment expectations	- 36.0	+ 8.0	- 9.3	+ 0.4	- 3.7	- 10.0	- 7.2	- 4.9	- 4.3	.	.
Demand expectations	- 37.0	+ 15.0	- 5.5	- 0.5	- 1.4	- 3.9	- 6.1	- 3.2	- 3.0	.	.
Trade curve	- 28.6	+ 16.0	- 0.9	+ 1.5	- 0.1	- 3.6	+ 0.8	- 4.4	- 2.6	.	.
Employment expectations	- 18.4	+ 18.0	+ 2.7	+ 2.8	+ 1.5	- 5.0	+ 0.6	- 2.2	- 0.6	.	.
Demand expectations	- 40.0	+ 29.0	+ 2.2	+ 3.6	- 0.1	- 3.4	+ 3.6	- 1.2	- 0.7	.	.
Intentions of placing orders	- 39.0	+ 15.0	- 6.2	- 2.0	- 1.6	- 2.5	- 1.7	- 8.8	- 6.5	.	.
Building industry curve	- 39.0	+ 24.3	- 7.6	- 7.0	- 6.5	- 6.1	- 5.6	- 9.4	- 8.5	.	.
Trend in orders	- 52.0	+ 40.0	- 5.6	+ 5.8	+ 4.2	+ 4.9	+ 4.3	- 1.7	- 0.1	.	.
Trend in equipment	- 19.4	+ 24.0	+ 3.0	- 4.1	- 2.4	- 3.3	- 0.1	- 8.1	- 6.9	.	.
Assessment of order books	- 74.0	+ 30.0	- 25.4	- 25.2	- 22.8	- 21.6	- 22.0	- 25.6	- 24.8	.	.
Demand expectations	- 39.0	+ 21.0	- 2.5	- 4.4	- 5.0	- 4.4	- 4.6	- 5.4	- 4.7	.	.
Business-related services curve	- 41.7	+ 34.0	+ 12.3	+ 9.7	+ 7.9	+ 4.7	+ 3.1	+ 5.2	+ 7.0	.	.
Assessment of activity	- 54.4	+ 20.0	- 4.5	- 9.5	- 14.1	- 17.2	- 10.6	- 18.4	- 15.9	.	.
Activity expectations	- 32.0	+ 47.0	+ 25.2	+ 17.4	+ 17.6	+ 17.0	+ 10.2	+ 15.9	+ 16.8	.	.
General demand expectations	- 43.0	+ 44.0	+ 16.3	+ 21.1	+ 20.2	+ 14.4	+ 9.6	+ 18.0	+ 19.9	.	.

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

² 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 ¹			Adjusted series				Smoothed series				
	Min.	Max.	Avg.	2010				2010				
				April	May	June	July	Feb.	March	April	May	
Manufacturing industry												
Trend in production rate	- 33.0	+ 20.0	- 1.0	+ 13.2	- 5.6	- 1.4	+ 4.0	6.2	5.9	.	.	.
Trend in domestic orders	- 35.0	+ 16.0	- 7.9	+ 3.9	- 1.8	- 5.1	- 1.1	-5.9	-4.6	.	.	.
Trend in export orders	- 44.0	+ 30.0	- 3.1	+ 17.0	+ 7.1	- 1.9	+ 2.9	4.6	6.6	.	.	.
Assessment of export order books	- 61.0	+ 10.0	- 23.8	- 30.0	- 29.5	- 28.5	- 26.1	-33.1	-32.0	.	.	.
Trend in prices	- 21.0	+ 24.0	+ 1.4	+ 6.5	+ 8.0	+ 9.5	+ 7.2	-1.5	2.0	.	.	.
Price expectations	- 24.0	+ 43.0	+ 7.6	+ 12.4	+ 11.0	+ 10.1	+ 6.9	-2.4	1.8	.	.	.
Production capacity (in percentage of the total production capacity)	70.1	84.6	78.9	77.2	-	-	78.8					
Source: quarterly production capacity survey												
Trade												
Trend in sales	- 46.0	+ 37.0	+ 0.8	+ 9.6	- 20.5	- 7.1	+ 7.5	- 1.7	- 2.3	.	.	.
Assessment of sales	- 41.0	+ 28.0	- 8.1	+ 0.1	- 10.8	- 13.2	+ 6.0	- 2.3	- 2.0	.	.	.
Assessment of level of stocks ²	+ 33.0	- 3.0	+ 13.2	+ 6.1	+ 6.2	+ 7.1	- 2.1	+ 2.6	+ 3.5	.	.	.
Trend in prices	- 20.0	+ 51.0	+ 4.1	+ 3.1	- 3.9	- 13.1	- 5.0	- 2.6	- 2.6	.	.	.
Price expectations	- 11.0	+ 66.2	+ 12.4	+ 4.3	+ 0.7	+ 7.8	+ 13.6	- 0.3	+ 1.0	.	.	.
Building industry												
Trend in activity	- 44.0	+ 32.0	- 5.7	+ 11.1	+ 0.6	- 1.3	- 2.6	- 11.3	- 9.1	.	.	.
Trend in employment	- 38.0	+ 22.0	- 5.3	- 10.1	- 9.7	- 20.9	- 10.1	- 11.8	- 11.5	.	.	.
Employment expectations	- 50.0	+ 30.0	- 5.6	- 6.1	- 4.7	+ 3.7	+ 2.7	- 7.2	- 6.3	.	.	.
Trend in prices	- 22.8	+ 32.0	- 0.1	- 9.4	- 8.8	- 12.0	- 7.5	- 17.5	- 15.4	.	.	.
Price expectations	- 20.6	+ 46.0	+ 7.5	- 3.2	- 1.4	- 2.6	+ 0.5	- 8.5	- 5.5	.	.	.
Business-related services												
Trend in activity	- 38.0	+ 37.0	+ 11.6	+ 19.9	+ 6.6	+ 7.5	+ 13.8	+ 2.9	+ 5.0	.	.	.
Trend in employment	- 49.4	+ 34.0	+ 7.2	- 2.3	- 5.1	+ 5.9	- 3.1	- 8.3	- 5.8	.	.	.
Employment expectations	- 35.0	+ 48.0	+ 17.7	+ 14.6	+ 18.6	+ 15.6	+ 19.4	+ 10.2	+ 13.1	.	.	.
Trend in prices	- 15.8	+ 12.0	+ 1.7	+ 7.2	+ 0.3	- 2.2	- 1.4	- 4.3	- 2.2	.	.	.
Price expectations	- 13.0	+ 30.0	+ 5.7	+ 6.7	+ 7.8	+ 2.5	+ 10.3	- 1.9	+ 2.3	.	.	.

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