



PRESS RELEASE

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Belgian economy grew by 1.0 % in the first quarter of 2021

Economic growth

Seasonally and calendar adjusted gross domestic product (GDP) in volume terms rose by 1.0 % in the first quarter of 2021 compared with the previous quarter. In comparison to the first quarter of 2020, which was already dominated by the COVID-19 crisis, growth worked out at -0.6 %. Economic activity is therefore not yet back to its pre-coronavirus-crisis level.

Compared with the previous quarter, value added was up by 2.1 % in industry, by 0.6 % in construction and by 0.7 % in the services sector.

Domestic demand

Households increased their consumption expenditure and investment by respectively 0.9 % and 2.7 %. The government sector also stepped up its consumption expenditure and investment by respectively 1.3 % and 4.4 %. Business investment was up by 2.2 %. These investments were positively influenced by a few specific transactions involving the purchase and sale of ships in and to foreign countries.

Foreign trade

As imports of goods and services fell more sharply (-1.3 %) than exports (-0.5 %), net exports of goods and services had a positive impact on the change in GDP (0.7 of a percentage point).

Employment

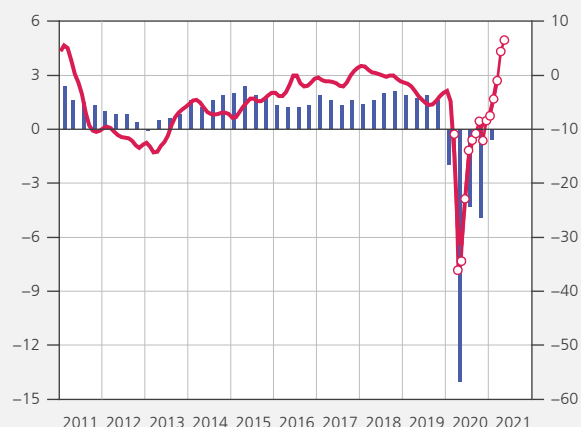
In the first quarter of 2021, domestic employment grew by 0.1 % on a quarterly basis, adding another 7 200 people. Compared with the corresponding period of 2020, the number of people in employment rose by 0.2 % (an increase of 7 500 people).

Compared with the flash estimate of 29 April 2021, the newly published growth figures are a lot more accurate. The main administrative data (namely, VAT data, industrial production statistics, etc.) were equally available, as is customary with the 60-day estimate of GDP for a given quarter. The main uncertainties stemming from the pandemic in this estimate are currently in the area of non-market production and the components of the expenditure approach, for which the available information was still fairly limited and for which traditional estimation models were not always applicable. It is here that wider revisions are possible in the future and, therefore, also at the overall GDP level. As far as seasonal adjustment of the data series is concerned, the recent [Eurostat guidance](#) on the subject has been closely followed in order to estimate the impact of COVID-19 as accurately as possible.

GDP, QUARTERLY GROWTH IN VOLUME
(data adjusted for seasonal and calendar effects)

	Percentage change compared to	
	Corresponding quarter of the previous year	previous quarter
2019 I	1.9	0.2
II	1.7	0.3
III	1.9	0.5
IV	1.6	0.6
2020 I	-2.0	-3.3
II	-14.0	-11.9
III	-4.3	11.8
IV	-4.9	-0.1
2021 I	-0.6	1.0

GDP AND THE ECONOMIC CYCLE



■ GDP growth in volume (percentage change compared to the corresponding quarter of the previous year)

— Business survey (smoothed data, right-hand scale)

○ Business survey (gross data, right-hand scale)

MAIN COMPONENTS

(percentage change in volume compared to the preceding period, data adjusted for seasonal and calendar effects)

	2019			2020				2021
	II	III	IV	I	II	III	IV	I
1. Value added								
Industry	0.1	1.2	0.2	-1.7	-12.9	11.9	5.1	2.1
Construction	-0.1	1.4	2.2	-5.2	-13.5	17.8	2.2	0.6
Services	0.4	0.3	0.5	-3.0	-11.5	10.6	-0.6	0.7
p.m. GDP	0.3	0.5	0.6	-3.3	-11.9	11.8	-0.1	1.0
2. Expenditure								
Private consumption expenditure (1)	0.6	0.8	0.6	-6.1	-12.8	17.2	-6.4	0.9
Final consumption expenditure of general government	0.7	0.5	1.4	-0.8	-3.3	4.9	0.3	1.3
Total gross fixed capital formation	0.1	0.7	0.5	-2.8	-17.1	17.1	3.7	2.5
Business	0.4	0.6	1.6	-3.4	-20.8	21.1	4.6	2.2
Housing	0.9	-1.9	0.7	-4.5	-13.9	18.1	1.8	2.7
Public administration	-3.9	6.4	-6.7	4.2	-1.5	-3.5	2.4	4.4
Domestic demand (excluding inventories)	0.5	0.7	0.7	-4.0	-11.3	13.9	-2.3	1.4
Change in inventories (2)	0.2	-0.6	0.0	0.9	-0.6	-0.8	0.8	-1.0
Exports of goods and services	-0.1	0.2	1.1	-0.9	-13.2	10.1	3.7	-0.5
Imports of goods and services	0.4	-0.3	1.3	-0.6	-13.3	11.5	1.9	-1.3
Net exports of goods and services (2)	-0.4	0.4	-0.1	-0.2	0.0	-1.1	1.4	0.7
3. Labour market								
Total number of workers	0.4	0.4	0.4	-0.3	-0.8	0.2	0.6	0.1

(1) Including non-profit institutions serving households.

(2) Contribution to the change in GDP.