



PRESS RELEASE

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Belgian economy grew by 1.7 % in the second quarter of 2021

Economic growth

Seasonally and calendar adjusted gross domestic product (GDP) in volume terms rose by 1.7 % in **the second quarter of 2021** compared with the previous quarter. In comparison to the same quarter of 2020, which was strongly marked by the COVID-19 crisis with a decrease of 14.0 % relative to a year earlier, economic growth worked out at 14.9 %. However the level of economic activity remains below that before the COVID-19 crisis. Indeed, compared to the fourth quarter of 2019, the trend is still negative (-2.2 %).

Compared with the previous quarter, value added was up by 1.0 % in industry, by 0.5 % in construction and by 1.7 % in the services sector.¹

Domestic demand

Household consumption expenditure and investment increased by 3.5 % and 0.8 % respectively. Government consumption expenditure and investment also rose by 3.5 % and 5.2 % respectively. Business investment grew by 1.2 %. The evolution of business investment was negatively affected by a number of specific transactions involving purchases of ships abroad in the first quarter of 2021.

Foreign trade

As imports of goods and services rose more sharply (3.1 %) than exports (2.7 %), net exports of goods and services had a negative impact on the change in GDP (-0.3 percentage points).

Employment

Compared with the previous quarter, domestic employment grew by 0.7 % during the second quarter of 2021, which represents an increase of 33 900 persons. The increase in the number of persons employed worked out at 1.7 % in comparison to the same quarter of 2020. This represents an increase of 80 700 persons. Domestic employment has returned to its pre-COVID-19 level: in comparison to the fourth quarter of 2019 the number of salaried workers grew by 0.2 % and the number of self-employed by 2.8 %.

Compared with the flash estimate of 29 July 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.

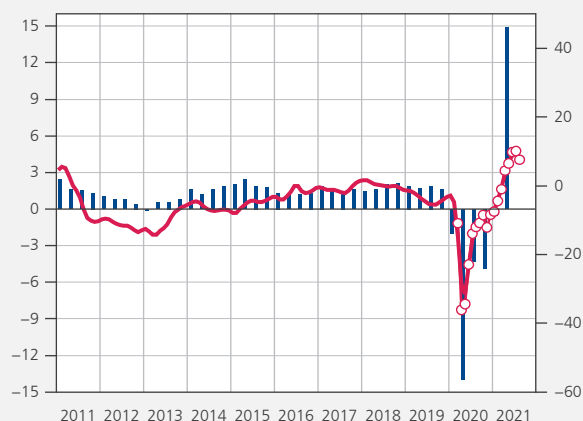
¹ GDP also depends on taxes less subsidies on products, which grew by 2.9 % on a quarterly basis.

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	-0.5	1.1
II	14.9	1.7

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	
	III	IV	I	II	III	IV	I	II
1. Value added								
Industry	1.2	0.2	-1.7	-12.9	11.9	5.1	2.2	1.0
Construction	1.4	2.2	-5.2	-13.5	17.8	2.2	0.9	0.5
Services	0.3	0.5	-3.0	-11.5	10.6	-0.6	0.8	1.7
p.m. GDP	0.5	0.6	-3.3	-11.9	11.8	-0.1	1.1	1.7
2. Expenditure								
Private consumption expenditure (1)	0.8	0.6	-6.1	-12.8	17.2	-6.4	1.1	3.5
Final consumption expenditure of general government	0.5	1.4	-0.8	-3.3	4.9	0.3	0.7	3.5
Total gross fixed capital formation	0.7	0.5	-2.8	-17.1	17.1	3.7	2.7	1.6
Business	0.6	1.6	-3.4	-20.8	21.1	4.6	2.4	1.2
Housing	-1.9	0.7	-4.5	-13.9	18.1	1.8	3.1	0.8
Public administration	6.4	-6.7	4.2	-1.5	-3.5	2.4	4.0	5.2
Domestic demand (excluding inventories)	0.7	0.7	-4.0	-11.6	13.9	-2.4	1.5	3.0
Change in inventories (2)	-0.6	0.0	0.9	-0.6	-0.8	0.8	-1.0	-0.9
Exports of goods and services	0.2	1.1	-0.9	-13.2	10.1	3.7	-0.2	2.7
Imports of goods and services	-0.3	1.3	-0.6	-13.3	11.5	1.9	-1.1	3.1
Net exports of goods and services (2)	0.4	-0.1	-0.2	0.0	-1.1	1.4	0.7	-0.3
3. Labour market								
Total number of workers	0.4	0.4	-0.3	-0.8	0.2	0.6	0.2	0.7

(1) Including non-profit institutions serving households.

(2) Contribution to the change in GDP.