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PRESS RELEASE

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GDP was down by 3.5 % in the first quarter of 2020

- **As the first quarter progressed the impact of the covid-19 pandemic became apparent.**
- **Domestic employment declined by 0.3 % whereas the volume of labour declined more strongly by 3.2 %.**

Economic growth

The gross domestic product (GDP) in volume terms adjusted for seasonal and calendar effects was down in the first quarter of 2020 by 3.5 % against the previous quarter. Year-on-year, GDP declined by 2.4 % in the first quarter of 2020.

Compared to the previous quarter, value added declined by 2.4% in industry, 5.1 % in construction and 3.1 % in services.

Domestic demand fell sharply. Households cut their consumption expenditure and their investment in housing by 6.4 % and 5.4 % respectively. Business investment was down by 3.6 %. The government reduced its consumption expenditure and its investment by 3.5 % and 2.8 % respectively.

Exports dropped by 1.7 % while imports recorded a sharper decline (-2.5 %), so net exports of goods and services made a positive contribution to GDP (+0.7 percentage point).

Employment

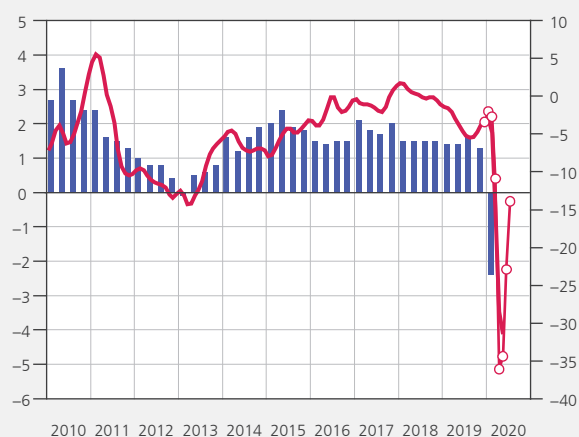
In the first quarter of 2020, domestic employment was down by 0.3 % against the previous quarter (a reduction of 14 800 persons). On an annual basis, it grew by 0.9 % (an increase of 42 400 persons).

The volume of labour of employees showed a decline of 3.2 % on a quarterly basis and 2.5 % on an annual basis. This stronger decline of the volume of labour is attributable to the fact that workers temporarily laid off are still recorded in the number of employed persons whereas their number of hours worked have been reduced because of the health crisis.

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

	Percentage change compared to	
	corresponding quarter of the previous year	previous quarter
2018 I	1.5	0.2
II	1.5	0.3
III	1.5	0.2
IV	1.5	0.8
2019 I	1.4	0.1
II	1.4	0.3
III	1.6	0.4
IV	1.3	0.5
2020 I	-2.4	-3.5

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)

	2018			2019				2020
	II	III	IV	I	II	III	IV	I
1. Value added								
Industry	-1.1	-0.2	0.7	0.4	-0.4	0.6	0.7	-2.4
Construction	0.7	1.2	1.6	0.8	0.1	0.9	1.6	-5.1
Services	0.6	0.3	0.9	0.1	0.5	0.3	0.3	-3.1
P.m. GDP	0.3	0.2	0.8	0.1	0.3	0.4	0.5	-3.5
2. Expenditure								
Private consumption expenditure (1)	0.4	0.0	0.2	0.0	0.5	0.8	0.5	-6.4
Final consumption expenditure of general government	0.9	-0.3	0.5	0.3	1.0	0.4	0.5	-3.5
Total gross fixed capital formation	0.8	0.1	3.5	-0.2	0.3	0.3	0.5	-3.9
Business	0.8	0.2	3.8	-0.9	0.5	0.7	1.1	-3.6
Housing	0.3	0.3	2.8	2.1	1.4	-2.0	1.5	-5.4
Public administration	1.9	-0.3	2.7	-0.3	-2.9	1.9	-4.9	-2.8
Domestic demand (excluding inventories)	0.6	-0.1	1.0	0.0	0.5	0.6	0.5	-5.1
Change in inventories (2)	0.3	0.4	-0.3	-0.2	0.0	-0.5	0.1	0.9
Exports of goods and services	-1.3	0.8	1.6	-0.4	0.2	-0.2	0.9	-1.7
Imports of goods and services	-0.6	1.0	1.6	-0.8	0.5	-0.6	1.1	-2.5
Net exports of goods and services (2)	-0.6	-0.2	0.0	0.3	-0.2	0.3	-0.1	0.7
3. Labour market								
Total number of workers	0.4	0.4	0.3	0.5	0.3	0.5	0.3	-0.3
Number of hours worked by employees	0.4	0.3	0.4	0.4	0.2	0.2	0.3	-3.2

(1) Including non-profit institutions serving households.
(2) Contribution to the change in GDP.