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## PRESS RELEASE

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### 2018: Household disposable income growing at a slower pace than in 2017 and savings rate falling in all three Regions

- **The increase in household disposable income came to + 3.2 % in Flanders, and + 3.1 % in Wallonia and Brussels.**
- **Household final consumption grew faster than household income, so the savings rate dropped back in all three Regions, more so in Brussels and Wallonia than in Flanders.**

#### Household disposable income has grown in all three Regions

In 2018, disposable income (in nominal terms) grew in all three Belgian regions at more or less the same pace, by 3.1% in Brussels and Wallonia and by 3.2% in Flanders. This favourable trend was nevertheless a slowdown on the previous year, especially in the case of Flanders and Wallonia (-0.8 of a percentage point and -1.0 percentage point) which in 2017 had recorded their sharpest increase since 2008.

Net disposable income per capita was at almost identical levels in Wallonia and Brussels (respectively € 19,368 and € 19,363). In Flanders, it works out at € 22,575, 17% higher than in the other two regions.

#### Household final consumption expenditure rising faster in Brussels than in Wallonia or Flanders

In 2018, household final consumption expenditure (in nominal terms) rose by 4.8% in Brussels, 4.4% in Wallonia and 3.7% in Flanders. Compared with 2017, the rate of growth picked up in Wallonia (+0.4 of a percentage point) and in Flanders (+0.1 of a percentage point), while it stabilised at a relatively high level in the Brussels-Capital Region (+0.0%).

Four major expenditure items made a significant contribution to these trends, and in all three regions: food products, imputed rent, energy and restaurants and cafés. As for specific regional characteristics, a negative contribution from expenditure on audiovisual and computer equipment and consumer durables for leisure purposes was noted in Brussels. In Flanders, the contribution from expenditure on hospital treatment was lower than in the other two regions. Lastly, in Wallonia, the contribution from rent paid and recreational and cultural services was significantly lower than in Flanders and Brussels.

#### The savings rate has fallen back in the three regions, although the drop is smaller in Flanders

Household final consumption expenditure in the three regions expanded more strongly in 2018 than gross disposable income, leading to a contraction of the gross savings rate of households. However, this decline was more pronounced in Brussels (-1.3 percentage points) and in Wallonia (-1.0 percentage point) than in Flanders (-0.3 of a percentage point) because a bigger relative increase in household final consumption was observed in the first two regions.

The ranking of savings rates between the regions has not been overturned in relation to the previous year's hierarchy: the gross savings rate of Flemish households (14.4%) remains well above that of households in Wallonia (7.9%), which is in turn higher than that of Brussels households (5.6%).

**GROSS DISPOSABLE INCOME, FINAL CONSUMPTION EXPENDITURE AND SAVINGS RATE OF HOUSEHOLDS<sup>1</sup>, IN NOMINAL TERMS, BY REGION (2016-2018)**



Source: NAI.

<sup>1</sup> See the technical note below.

The tables below show, per region, for the most recent three years available, the key variables of household accounts as well as final consumption expenditure by institutional sector, as a whole and per inhabitant, broken down by residence. The full results for the period from 1995 to 2018 can be found on the Bank's website, by consulting the statistical database NBB.Stat.

**Technical note**

Primary income

Primary income corresponds to income that residents earn as a result of their direct participation in the production process and to income which the owner of a financial asset receives for providing financial resources. Primary income for households comprises employees' salaries, mixed income earned by the self-employed, operating surpluses and income from savings and investment, minus payments of land tenancy rents and interest payments on consumer credit or mortgage loans.

Disposable income

Disposable income is primary income plus social security allowances and non-life insurance claims, minus social security contributions, taxation and insurance premiums. Net values are converted into gross figures by adding fixed capital consumption (depreciation of asset values).

Gross savings and the gross savings rate

Gross savings are formed by the part of gross disposable income that is not spent in the form of final consumption. The gross savings rate is defined as the ratio of gross savings to gross disposable income pre-adjusted for variations in the pension rights held by members of the household.

Final consumption expenditure

Final consumption expenditure comprises actual spending by households, general government and non-profit institutions serving households (NPISH) to acquire goods and services intended to meet individual or collective consumption needs.

## KEY VARIABLES OF REGIONAL ACCOUNTS BROKEN DOWN BY RESIDENCE

	In absolute figures (€ million)	Share of each region in the total for the country (%)	Percentage change compared to the previous year (%)			Average annual growth rate
	2018	2018	2016	2017	2018	2009-2018
<b>Totals (by residence)</b>						
<b>Primary income, net</b>						
Brussels	28 608.5	9.5	3.6	3.3	3.4	2.7
Flanders	187 861.4	62.7	1.0	3.8	3.0	2.3
Wallonia	83 230.5	27.8	1.3	3.8	2.7	2.2
Belgium	299 700.4	100.0	1.3	3.7	2.9	2.3
<b>Disposable income, net</b>						
Brussels	23 306.3	9.6	5.9	3.4	3.1	2.6
Flanders	148 338.0	61.3	2.5	4.0	3.2	2.3
Wallonia	70 288.6	29.1	3.2	4.1	3.1	2.3
Belgium	241 932.9	100.0	3.1	4.0	3.2	2.3
<b>Disposable income, gross</b>						
Brussels	25 406.8	9.7	5.5	3.4	3.2	2.6
Flanders	160 655.3	61.5	2.5	4.0	3.2	2.3
Wallonia	75 110.3	28.8	3.1	4.0	3.2	2.3
Belgium	261 172.4	100.0	2.9	3.9	3.2	2.3
<b>Final consumption expenditure of households</b>						
Brussels	24 278.5	10.4	3.5	4.8	4.8	3.4
Flanders	139 291.5	59.7	3.2	3.6	3.7	3.5
Wallonia	69 909.9	29.9	2.9	4.0	4.4	2.8
Belgium	233 479.9	100.0	3.1	3.9	4.0	3.3
<b>Final consumption expenditure of general government</b>						
Brussels	11 157.5	10.5	1.9	1.7	3.9	3.1
Flanders	60 668.2	57.3	2.1	2.6	2.9	2.6
Wallonia	34 029.1	32.1	0.8	2.3	3.9	2.5
Belgium	105 854.8	100.0	1.7	2.4	3.3	2.6
<b>Final consumption expenditure of non profit institutions at the service of households</b>						
Brussels	499.4	10.5	2.6	2.5	3.3	3.9
Flanders	2 724.7	57.2	2.5	2.6	3.2	3.3
Wallonia	1 542.8	32.4	2.2	2.3	3.1	3.2
Belgium	4 766.9	100.0	2.4	2.5	3.2	3.3
<b>Gross savings</b>						
Brussels	1 433.4	4.6	33.1	-14.2	-16.7	-5.6
Flanders	23 476.9	76.1	-1.4	4.7	1.1	-2.7
Wallonia	5 957.6	19.3	4.7	2.2	-8.5	-2.7
Belgium	30 867.8	100.0	1.6	2.9	-1.8	-2.8
<b>Gross savings rate (in %)</b>						
Brussels	5.6	-	1.7	-1.4	-1.3	-
Flanders	14.4	-	-0.6	0.1	-0.3	-
Wallonia	7.9	-	0.1	-0.1	-1.0	-
Belgium	11.7	-	-0.2	-0.1	-0.6	-
<b>Average population</b>						
Brussels	1 203 634	10.6	0.7	0.5	0.7	1.2
Flanders	6 571 018	57.6	0.6	0.6	0.6	0.6
Wallonia	3 629 086	31.8	0.3	0.3	0.3	0.4
Belgium	11 403 738	100.0	0.5	0.5	0.5	0.6

1 See the technical note.

Source: NAI.

	In absolute figures (€)	Ratio in relation to the country (%)	Percentage change compared to the previous year (%)			Average annual growth rate
	2018	2018	2016	2017	2018	2009-2018
<b>Par inhabitant (by residence)</b>						
<b>Primary income. net</b>						
Brussels	23 768.5	90.4	2.9	2.9	2.7	1.4
Flanders	28 589.4	108.8	0.4	3.2	2.4	1.7
Wallonia	22 934.3	87.3	1.0	3.5	2.4	1.7
Belgium	26 280.9	100	0.8	3.2	2.4	1.7
<b>Disposable income. net</b>						
Brussels	19 363.3	91.3	5.2	3.0	2.4	1.3
Flanders	22 574.6	106.4	2.0	3.4	2.6	1.7
Wallonia	19 368.1	91.3	2.8	3.8	2.9	1.8
Belgium	21 215.2	100	2.5	3.5	2.7	1.7
<b>Disposable income. gross</b>						
Brussels	21 108.4	92.2	4.8	2.9	2.5	1.3
Flanders	24 449.1	106.8	1.9	3.4	2.7	1.7
Wallonia	20 696.8	90.4	2.7	3.7	2.9	1.8
Belgium	22 902.4	100	2.4	3.4	2.7	1.7
<b>Final consumption expenditure of households</b>						
Brussels	20 171.0	98.5	2.8	4.3	4.0	2.1
Flanders	21 197.8	103.5	2.6	3.1	3.1	2.9
Wallonia	19 263.8	94.1	2.5	3.7	4.1	2.4
Belgium	20 474.0	100	2.6	3.4	3.5	2.7
<b>Final consumption expenditure of general government</b>						
Brussels	9 269.8	99.9	1.2	1.2	3.2	1.9
Flanders	9 232.7	99.5	1.6	2.0	2.4	2.0
Wallonia	9 376.8	101.0	0.4	2.0	3.6	2.1
Belgium	9 282.5	100	1.2	1.9	2.8	2.0
<b>Final consumption expenditure of non profit institutions at the service of households</b>						
Brussels	414.9	99.3	1.9	2.0	2.6	2.7
Flanders	414.7	99.2	1.9	2.0	2.6	2.7
Wallonia	425.1	101.7	1.9	2.0	2.8	2.7
Belgium	418.0	100	1.9	2.0	2.7	2.7
<b>Gross savings</b>						
Brussels	1 190.9	44.0	32.2	-14.6	-17.3	-6.7
Flanders	3 572.8	132.0	-1.9	4.1	0.6	-3.3
Wallonia	1 641.6	60.6	4.4	1.9	-8.8	-3.1
Belgium	2 706.8	100	1.1	2.4	-2.3	-3.4

Source: NAI.