National Accounts Institute

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PRESS RELEASE

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2018: Economic activity and total employment continued to rise in all three Regions, albeit at a weaker pace than in 2017

Economic growth[1] slowed down in all three Regions, more so in Wallonia than in Flanders and Brussels

After the acceleration of economic growth in 2017, it rose at a less sustained pace in 2018 in Belgium's three Regions. Growth came to 1.7 % in Flanders (-0.3 percentage point), 1.3 % in Wallonia (-1.0 percentage point) and 1.0 % in Brussels (-0.2 percentage point). At country level, it reached 1.5 % (-0.4 percentage point).

In all three Regions, economic growth in 2018 was driven strongly by real estate activities (LL) and by financial and insurance activities (KK), while it was slowed down, for the second year in a row, by production and distribution of electricity and gas (DD).

In the Brussels-Capital Region, administrative and support service activities (NN) also made a vigorous contribution to growth. On the other hand, the decline in manufacture of coke and refined petroleum products[2] (CD) and, to a lesser extent, in wholesale and retail trade (GG) and specialised business services (MA) penalised general economic activity.

Industries with the greatest impact on growth of gross value added in volume per region in 2018

(contribution to growth in percentage points)

A38-Industry	Brussels	Flanders	Wallonia
Agriculture, forestry and fishing (AA)	0,00	-0,22	-0,20
Industry (C)	*-0,29*	*-0,14*	0,28
of which: : Manufacture of coke and refined petroleum (CD)	*-0,23*	*-0,23*	*-0,01*
Manufacture of chemical products (CE)	*-0,03*	*-0,05*	*-0,02*
Manufacture of pharmaceutical raw materials and products (CF)	*0,02*	*0,09*	*0,51*
Manufacture of machinery and equipment n.e.c. (CK)	*0,00*	*0,09*	*-0,17*
Production and distribution of electricity, gas, steam and cooled air (DD)	-0,27	-0,20	-0,25
Wholesale and retail trade; repair of motor vehicles and motorcycles (GG)	-0,12	0,35	0,26
Computer programming, consultancy and related activities; information service activities (JC)	0,07	0,22	0,21
Financial activities and insurance (KK)	0.44	0.11	0.17
Real estate activities (LL)	0,19	0,27	0,27
Legal and accounting services, head offices, management consultancy activities, architecture and engineering activities, technical testing and analysis (MA)	-0,12	0,35	0,07
Administrative and support service activities (NN)	0,31	0,27	0,06
Total growth in volume (%)	**1,0**	**1,7**	**1,3**
of which : Public sector	*0,08*	*0,00*	*0,07*
Private sector	*0,88*	*1,66*	*1,23*
Note: total growth at current prices (%)	**2,0**	**3,2**	**2,9**

Source : NAI.

1 On the basis of gross value added in volume.

2 In Brussels there is a firm that owns the goods bought and sold but entrusts the processing of the raw materials to a firm in the same group located in another region and operating under a processing contract.

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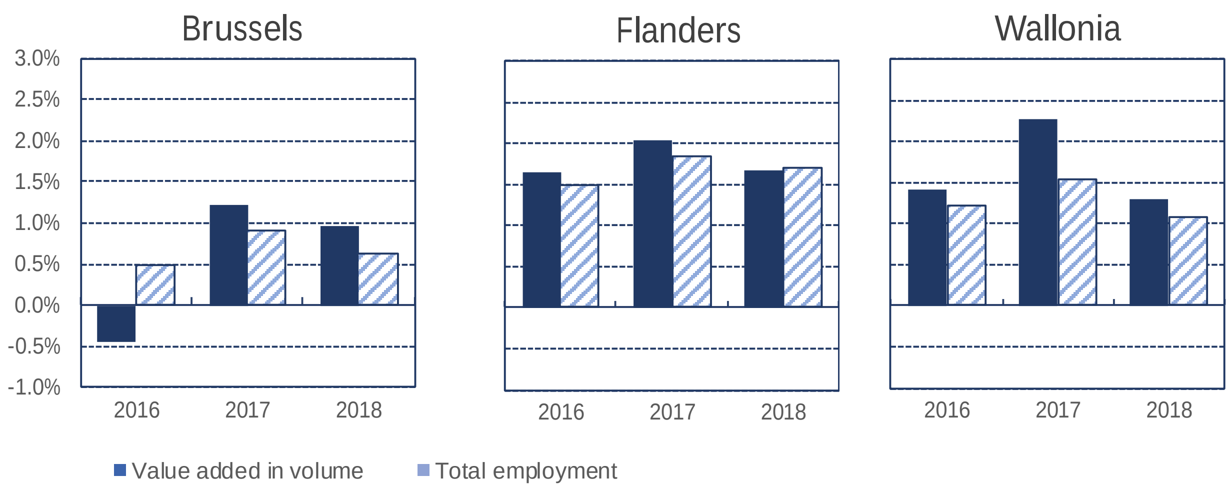
In **Flanders**, the revival in wholesale and retail trade (GG), as well as the renewed strength of specialized business services (MA), administrative and support service activities (NN) and computer programming and information service activities (JC) have made a significant contribution to regional growth. On the other hand, agriculture (AA) and manufacturing industry (C), affected by the poor performance from coking and refining (CD), have exerted the biggest downward pressure on growth.

In **Wallonia**, the pharmaceuticals industry (CF) remains a particularly dynamic component, recording the biggest contribution to growth. It is also worth noting favorable trends in wholesale and retail trade (GG) and computer programming and information service activities (JC). The downward trend observed in agriculture (AA) and in manufacture of machinery and equipment (CK) has had the most negative impact on growth.

Total employment recorded a slightly smaller rise than in 2017 in the three Regions

In 2018, total employment rose by 1.7 in Flanders (-0.1 percentage point), 1.1 % in Wallonia (-0.4 percentage point) and 0.6 % in Brussels (-0.3 percentage point). 72.1 % of the rise in total employment (65 700 persons) took place in Flanders, compared with 20.9 % in Wallonia and 6.6 % in Brussels. The Brussels-Capital Region posted stronger growth in the number of self-employed than in the other two Regions, as was the case in the two previous years. Flanders and Wallonia registered a more marked increase in the number of employees than Brussels over the same period.

Activity and total employment
(% change compared to the previous year)



Source : NAI.

Technical note

Methodological revision
This version of regional accounts integrates all methodological changes in national accounts according to the methodological revision of october 2019. Such a benchmark revision occurs every 5 years, in line with the recommendations of Eurostat and the normal procedures to improve statistics. Additionally, a methodological revision of regional accounts itself was implemented. A leaflet explaining the nature and impact of the major changes is available on the internet site of the National Bank of Belgium.

Version of the NSSO database of establishments
For the estimates of the latest year, i.e. 2018, data from the social security office for the first and second quarter of 2018 was used. For those industries where to a great extent information from the DIBISS (Department for Special Social Security Systems) is used, the 2017 structure was retained in full.

The table below shows the regional distribution of economic activity and employment in the last three years for which figures are available. All the variables of the regional accounts broken down by place of work (including the volume of labour (broken down by employees and self-employed), compensation of employees and gross fixed capital formation) are available from the year 2015 onwards on the Bank's website, via the statistical database NBB.Stat. The regional accounts' variables broken down by place of residence (household account and final household consumption expenditure by sector) are also available on the NBB.Stat portal, from 1995/1999 onwards.

KEY VARIABLES OF REGIONAL ACCOUNTS BY WORKING PLACE[3]

	In absolute numbers (€ million or number of persons)	Share of each region in the total for the country (%)	Percentage change compared to the previous year		
	2017	2017	2016	2017	2018
Gross value added at basis prices, at current prices					
Brussels	73.386,9	18,4	1,4	2,4	2,0
Flanders	233.033,4	58,5	3,5	3,8	3,2
Wallonia	91.543,4	23,0	2,9	4,2	2,9
Belgium	398.134,6	100,0	2,9	3,6	2,9
Gross value added at basic prices, in volume – reference year 2015 – Economic growth					
Brussels	71.243,1	18,5	-0,4	1,2	1,0
Flanders	224.950,4	58,4	1,6	2,0	1,7
Wallonia	88.635,1	23,0	1,4	2,3	1,3
Belgium	384.994,1	100,0	1,2	1,9	1,5
Total employment					
Brussels	701.898,0	14,8	0,5	0,9	0,6
Flanders	2.780.037,0	58,5	1,5	1,8	1,7
Wallonia	1.267.501,0	26,7	1,2	1,5	1,1
Belgium	4.751.465,0	100,0	1,3	1,6	1,4
Number of employees					
Brussels	619.920,0	15,6	0,3	0,6	0,4
Flanders	2.296.839,0	58,0	1,5	1,8	1,7
Wallonia	1.042.433,0	26,3	1,2	1,9	1,1
Belgium	3.961.221,0	100,0	1,2	1,6	1,3
Number of self-employed					
Brussels	81.978,0	10,4	2,0	3,1	2,6
Flanders	483.198,0	61,1	1,7	2,0	1,7
Wallonia	225.068,0	28,5	1,2	-0,1	1,0
Belgium	790.244,0	100,0	1,6	1,5	1,6

Source : NAI.

3 The difference between the figure for Belgium and the sum of the three Regions is due to the extra-regional territory.