

2012-07-25

PRESS RELEASE

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Monthly business survey - July 2012

Business confidence improves slightly in July

After having fallen in the previous four months, the National Bank of Belgium's business barometer reached again in July the level observed in May, reversing a marked drop in June.

Compared to the previous month, the economic climate has improved in all branches of activity surveyed. In the manufacturing industry, business improvement was moderate. In the business-related services, confidence strengthened in a more pronounced way: the entrepreneurs assessed the level of activity more positively, and they are also optimistic about demand forecasts. In the building industry, the economic climate has improved for the second time in a row. The evolution of the order book was less negative, equipment was more intensive used and the demand outlook improved. As for the retailers, they keep on being increasingly optimistic, as it was in general the case since the trough reached in March.

Due to a weakening of economic activity in the second quarter, the production capacity utilisation rate in the manufacturing industry has once more contracted in July. The seasonally adjusted rate stood at 77.3 % in July, down from 78.1 % three months earlier.

The smoothed overall synthetic curve, which reflects the underlying economic trend, is tilted to the downside for the third consecutive month.

Business survey indicators

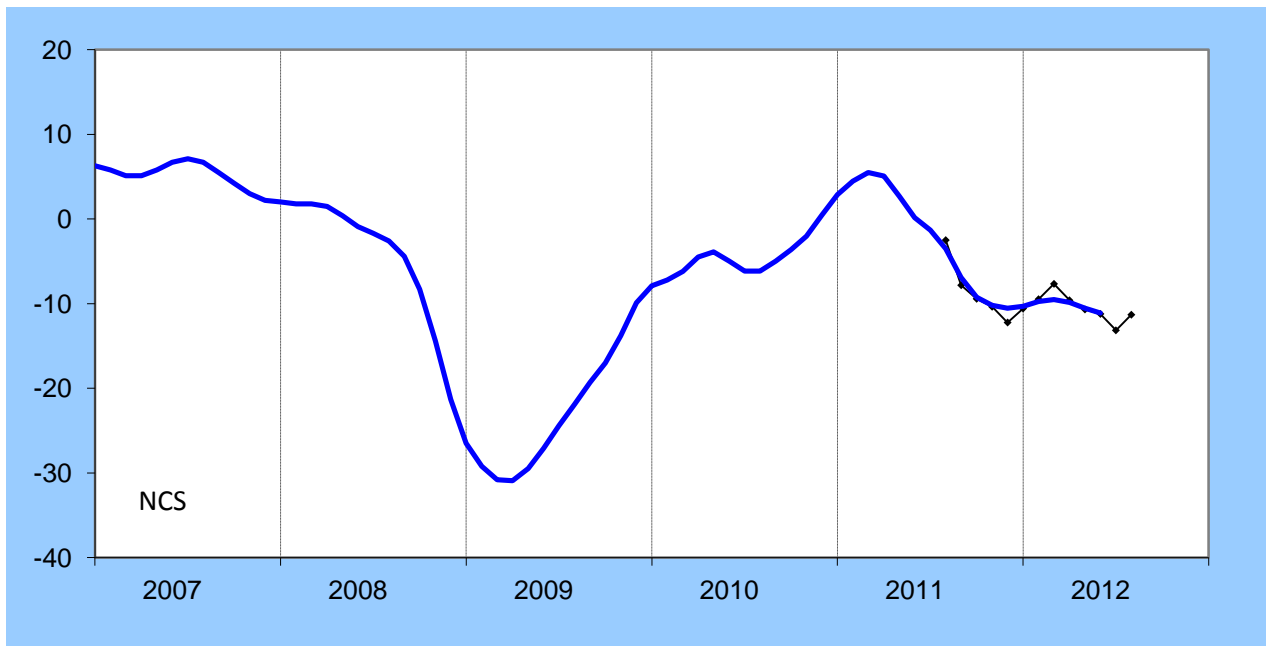
| | Gross synthetic curve | | | Smoothed synthetic curve ¹ |
|--------------------------------|-----------------------|--------------|------------------------|---------------------------------------|
| | June 2012 | July 2012 | variation in points | variation in points |
| Manufacturing industry | -15.8 | -14.9 | 0.9 | 0.3 |
| Building industry | -12.1 | -9.4 | 2.7 | -0.9 |
| Trade | -11.7 | -8.9 | 2.8 | 0.3 |
| Business-related services | -3.0 | 1.6 | 4.6 | -0.5 |
| Overall synthetic curve | -13.2 | -11.3 | 1.9 | -0.6 |

¹ The smoothed curve has a two-month delay for the overall synthetic curve and a four-month delay for the branches of activity.

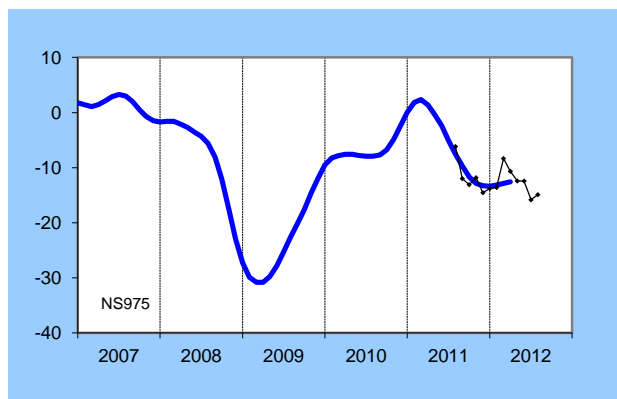
Source: NBB.

JULY 2012

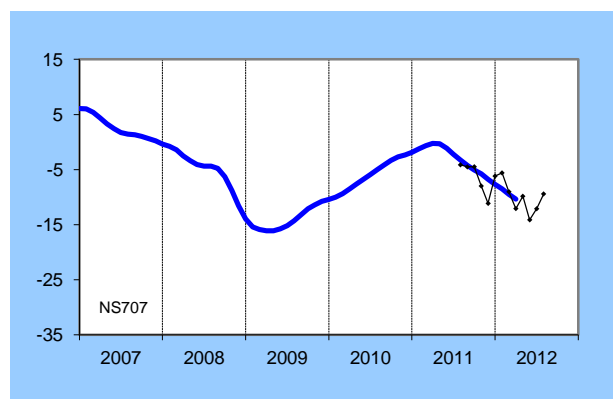
OVERALL SYNTHETIC CURVE



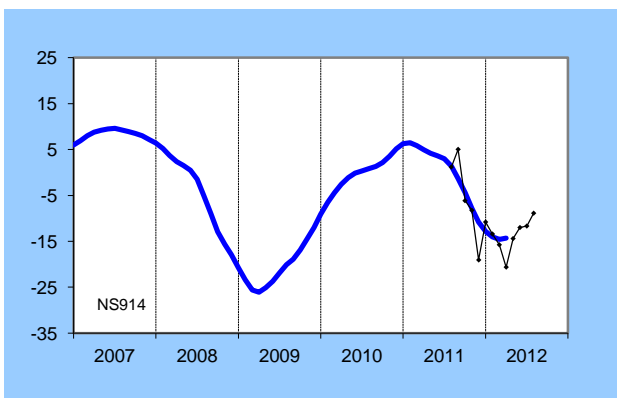
MANUFACTURING INDUSTRY



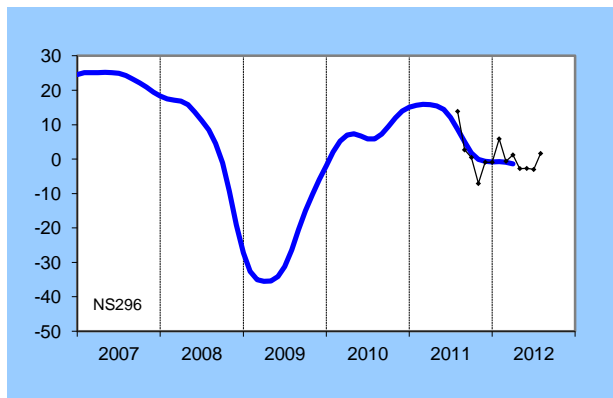
BUILDING INDUSTRY



TRADE



BUSINESS-RELATED SERVICES



— Seasonally adjusted and smoothed series
Source: NBB

◆ Seasonally adjusted series

SYNTHETIC CURVES AND THEIR COMPONENTS

TABLE 1

| Seasonally adjusted balances of "positive" answers or "higher than normal"(+) and "negative" answers or "lower than normal"(-). | 1980-2012 ¹ | | | Adjusted series | | | | Smoothed series | | | |
|---|------------------------|--------|--------|-----------------|--------|--------|--------|-----------------|--------|--------|--------|
| | Min. | Max. | Avg. | 2012 | | | | 2012 | | | |
| | | | | April | May | June | July | Feb. | March | April | May |
| Overall synthetic curve | - 31.8 | + 9.2 | - 7.6 | - 10.7 | - 11.2 | - 13.2 | - 11.3 | - 9.5 | - 9.8 | - 10.5 | - 11.1 |
| Manufacturing industry curve | - 34.3 | + 6.0 | - 10.8 | - 12.4 | - 12.4 | - 15.8 | - 14.9 | - 12.9 | - 12.6 | . | . |
| Assessment of total order books | - 56.0 | + 10.0 | - 22.0 | - 25.6 | - 32.2 | - 34.2 | - 37.2 | - 27.4 | - 27.1 | . | . |
| Assessment of level of stocks ² | - 12.9 | + 25.0 | + 6.7 | + 1.3 | + 1.8 | + 2.9 | + 1.2 | + 3.3 | + 2.4 | . | . |
| Employment expectations | - 36.0 | + 8.0 | - 8.9 | - 8.4 | - 5.2 | - 11.0 | - 11.3 | - 5.4 | - 5.8 | . | . |
| Demand expectations | - 37.0 | + 15.0 | - 5.4 | - 14.4 | - 10.6 | - 15.2 | - 9.8 | - 11.0 | - 10.8 | . | . |
| Trade curve | - 28.6 | + 16.0 | - 1.0 | - 14.4 | - 12.0 | - 11.7 | - 8.9 | - 14.6 | - 14.3 | . | . |
| Employment expectations | - 18.4 | + 18.0 | + 2.8 | - 2.0 | + 0.4 | - 2.9 | - 1.2 | - 0.2 | - 1.2 | . | . |
| Demand expectations | - 40.0 | + 29.0 | + 1.6 | - 14.6 | - 21.1 | - 9.0 | - 13.8 | - 22.1 | - 20.9 | . | . |
| Intentions of placing orders | - 39.0 | + 15.0 | - 6.0 | - 26.7 | - 15.3 | - 23.1 | - 11.5 | - 24.0 | - 23.7 | . | . |
| Building industry curve | - 39.0 | + 24.3 | - 7.5 | - 9.8 | - 14.1 | - 12.1 | - 9.4 | - 9.5 | - 10.4 | . | . |
| Trend in orders | - 52.0 | + 40.0 | - 5.1 | - 5.6 | - 13.4 | - 6.2 | - 1.7 | - 2.8 | - 4.1 | . | . |
| Trend in equipment | - 19.4 | + 24.0 | + 2.7 | - 3.3 | - 10.4 | - 8.0 | - 2.9 | - 3.0 | - 4.5 | . | . |
| Assessment of order books | - 74.0 | + 30.0 | - 24.6 | - 17.5 | - 16.7 | - 18.3 | - 21.4 | - 15.1 | - 15.9 | . | . |
| Demand expectations | - 39.0 | + 21.0 | - 2.7 | - 13.0 | - 16.0 | - 15.9 | - 11.6 | - 13.6 | - 14.7 | . | . |
| Business-related services curve | - 41.7 | + 34.0 | + 11.7 | - 2.7 | - 2.7 | - 3.0 | + 1.6 | - 0.9 | - 1.4 | . | . |
| Assessment of activity | - 54.4 | + 20.0 | - 4.4 | - 17.7 | - 18.8 | - 22.7 | - 13.6 | - 12.0 | - 14.1 | . | . |
| Activity expectations | - 32.0 | + 51.7 | + 24.7 | + 6.5 | + 12.4 | + 8.4 | + 10.6 | + 12.1 | + 11.9 | . | . |
| General demand expectations | - 43.0 | + 45.0 | + 16.3 | + 2.9 | - 1.7 | + 5.3 | + 7.9 | + 0.9 | + 2.0 | . | . |

¹ Minimum, maximum and average values of each indicator (adjusted series) since January 1980.

² A positive, respectively negative balance, means that stocks, according to the assessment of entrepreneurs, are higher, respectively lower than normal for the season. When synthetic curves are calculated, the sign of this indicator is therefore reversed.

OTHER BUSINESS SURVEY INDICATORS

TABLE 2

| Seasonally adjusted balances of "positive" answers or "higher than normal"(+) and "negative" answers or "lower than normal"(-). | 1980-2012 ¹ | | | Adjusted series | | | | Smoothed series | | | | |
|---|------------------------|--------|--------|-----------------|--------|--------|--------|-----------------|--------|-------|-----|--|
| | Min. | Max. | Avg. | 2012 | | | | 2012 | | | | |
| | | | | April | May | June | July | Feb. | March | April | May | |
| Manufacturing industry | | | | | | | | | | | | |
| Trend in production rate | - 33.0 | + 20.0 | - 0.9 | + 0.7 | - 6.3 | - 0.4 | - 8.9 | - 1.6 | - 0.1 | . | . | |
| Trend in domestic orders | - 35.0 | + 16.0 | - 7.8 | - 12.2 | - 15.3 | - 5.6 | - 14.0 | - 8.8 | - 9.4 | . | . | |
| Trend in export orders | - 44.0 | + 30.0 | - 3.0 | - 4.4 | - 12.1 | - 8.3 | - 5.5 | - 6.3 | - 6.0 | . | . | |
| Assessment of export order books | - 61.0 | + 10.0 | - 23.7 | - 23.5 | - 27.0 | - 38.2 | - 40.7 | - 27.9 | - 26.5 | . | . | |
| Trend in prices | - 21.0 | + 24.0 | + 1.5 | - 1.0 | - 2.7 | - 6.8 | - 9.1 | - 1.9 | - 1.8 | . | . | |
| Price expectations | - 24.0 | + 43.0 | + 7.6 | + 2.5 | - 6.0 | - 4.5 | - 3.5 | + 6.1 | + 5.0 | . | . | |
| Production capacity | | | | | | | | | | | | |
| (in percentage of the total production capacity) | 70.1 | 84.6 | 78.9 | 78.1 | - | - | 77.3 | | | | | |
| Source: quarterly production capacity survey | | | | | | | | | | | | |
| Trade | | | | | | | | | | | | |
| Trend in sales | - 46.0 | + 37.0 | + 1.0 | + 4.1 | - 3.8 | - 2.7 | + 8.6 | + 0.9 | + 1.9 | . | . | |
| Assessment of sales | - 41.0 | + 28.0 | - 7.8 | - 15.9 | - 9.5 | - 9.7 | - 2.3 | - 13.8 | - 14.5 | . | . | |
| Assessment of level of stocks ² | - 3.0 | + 32.0 | + 12.6 | + 15.4 | + 13.9 | + 9.7 | + 8.5 | + 16.6 | + 15.3 | . | . | |
| Trend in prices | - 20.0 | + 50.0 | + 2.2 | - 5.2 | - 2.7 | - 13.1 | + 2.3 | + 1.9 | + 0.8 | . | . | |
| Price expectations | - 11.0 | + 66.2 | + 12.3 | + 0.1 | + 0.3 | + 4.5 | + 7.1 | + 7.0 | + 6.2 | . | . | |
| Building industry | | | | | | | | | | | | |
| Trend in activity | - 44.0 | + 34.7 | - 5.2 | - 4.4 | - 14.6 | + 2.2 | + 1.7 | - 1.6 | - 2.7 | . | . | |
| Trend in employment | - 38.0 | + 22.0 | - 5.3 | - 9.4 | - 6.2 | - 12.7 | - 8.0 | - 5.5 | - 6.1 | . | . | |
| Employment expectations | - 50.0 | + 30.0 | - 5.3 | - 6.0 | - 5.3 | - 14.8 | - 14.3 | - 6.0 | - 6.9 | . | . | |
| Trend in prices | - 22.8 | + 32.0 | - 0.5 | - 11.5 | - 14.2 | - 13.3 | - 16.2 | - 10.6 | - 11.2 | . | . | |
| Price expectations | - 20.6 | + 46.0 | + 7.1 | - 0.3 | - 5.3 | - 5.1 | - 6.1 | - 1.8 | - 2.1 | . | . | |
| Business-related services | | | | | | | | | | | | |
| Trend in activity | - 38.0 | + 37.0 | + 11.1 | + 2.4 | - 3.6 | + 2.2 | + 2.7 | + 3.7 | + 2.3 | . | . | |
| Trend in employment | - 49.4 | + 34.0 | + 7.4 | - 1.7 | - 0.1 | - 4.3 | - 16.5 | + 2.3 | + 1.0 | . | . | |
| Employment expectations | - 35.0 | + 48.0 | + 17.6 | + 6.6 | + 3.0 | + 6.6 | + 7.0 | + 7.2 | + 7.0 | . | . | |
| Trend in prices | - 15.8 | + 12.0 | + 1.7 | + 6.3 | + 4.6 | + 3.3 | + 2.3 | + 3.2 | + 4.0 | . | . | |
| Price expectations | - 13.0 | + 30.0 | + 6.1 | + 7.4 | + 9.3 | + 7.1 | + 4.1 | + 11.3 | + 9.7 | . | . | |

¹ Minimum, maximum and average values of each indicator (adjusted series) since January 1980.

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