

2019-02-22

## PRESS RELEASE

Links:

[NBB.Stat](#)
[General information](#)

### Monthly business survey – February 2019

## Business confidence virtually stable in February

- **The business barometer has hardly shown any change in February**
- **The business climate deteriorated in the manufacturing industry and, for the second consecutive month, in trade. On the other hand, the economic situation firmed up in the building industry and in business-related services**

The decline in the manufacturing industry can be explained by a much more negative appraisal of total order books – quite the opposite to last month – and, to a lesser extent, by another downward revision of employment forecasts.

Retailers, too, are expecting to scale back their staff numbers over the next three months; moreover, they are anticipating a drop in demand.

As for the improvement observed in the building industry, this has fed through to all components of the indicator, and in particular the assessment of total order books.

In the business-related services sector, too, all the components making up the indicator have picked up, especially the outlook for general market demand.

The smoothed overall synthetic curve, which reflects the underlying economic trend, is still pointing downwards.

### Business survey indicators

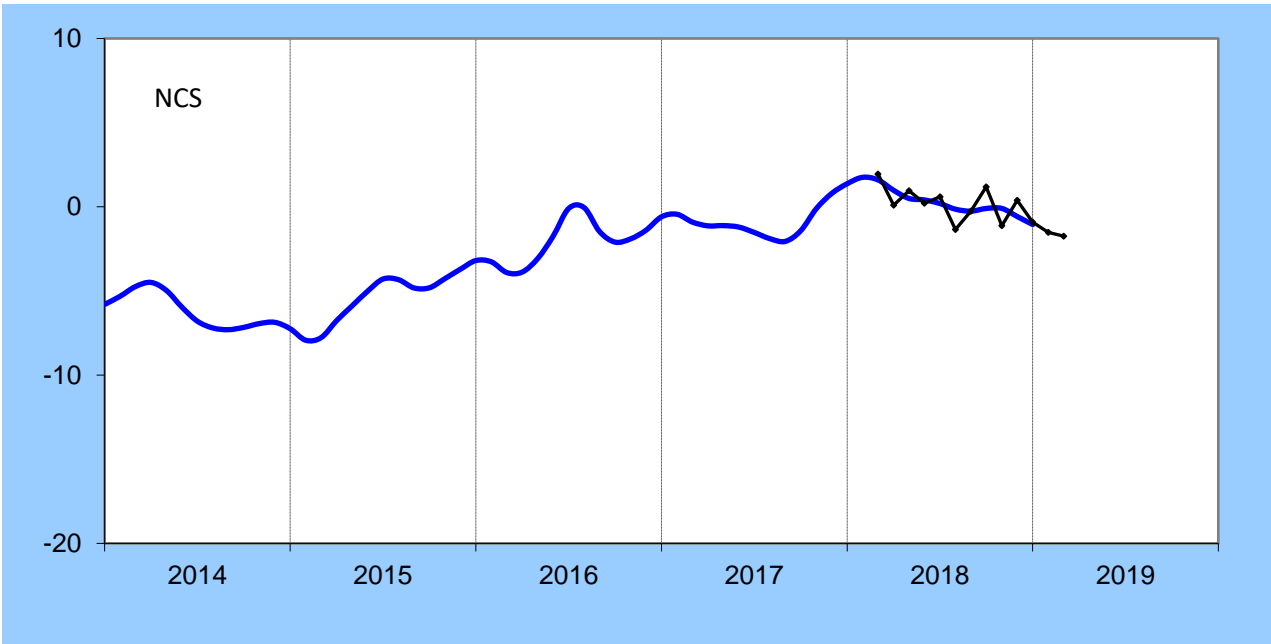
	Gross synthetic curve			Smoothed synthetic curve <sup>1</sup>
	January 2019	February 2019	Variation in points	Variation in points
Manufacturing industry	-3.1	-4.6	-1.5	-0.5
Business-related services	3.2	5.1	1.9	-0.3
Building industry	1.9	5.5	3.6	0.5
Trade	-5.4	-6.8	-1.4	0.8
<b>Overall synthetic curve</b>	<b>-1.5</b>	<b>-1.7</b>	<b>-0.2</b>	<b>-0.5</b>

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

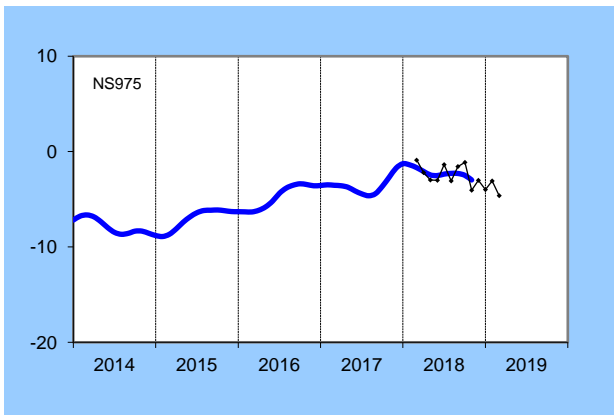
Source: NBB.

CHART 1 - SYNTHETIC CURVES

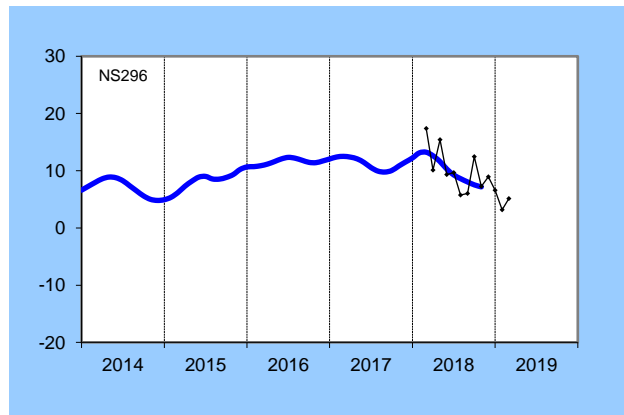
OVERALL SYNTHETIC CURVE



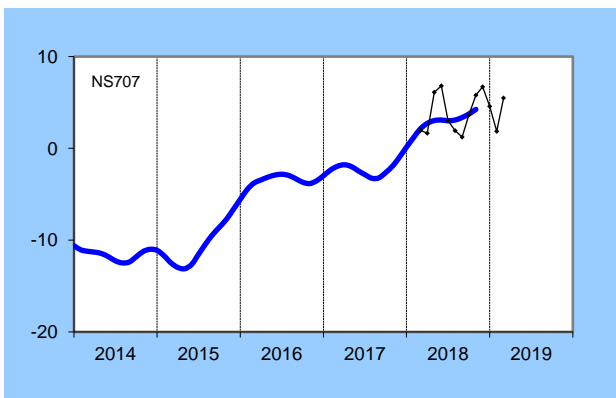
MANUFACTURING INDUSTRY



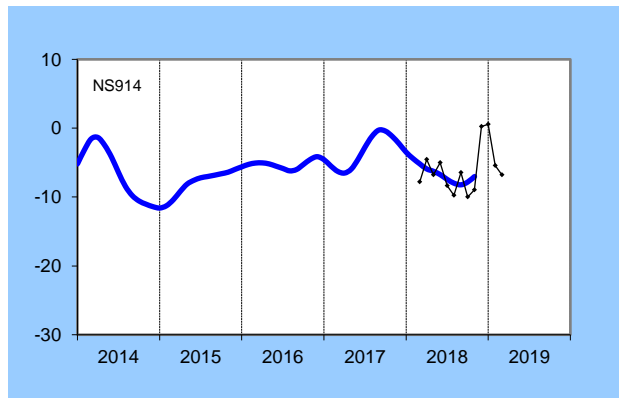
BUSINESS-RELATED SERVICES



BUILDING INDUSTRY



TRADE



— 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"(-).	1980-2019 <sup>1</sup>			Adjusted series				Smoothed series			
				2018		2019		2018			
	Min.	Max.	Avg.	Nov.	Dec.	Jan.	Feb.	Sept.	Oct.	Nov.	Dec.
<b>Overall synthetic curve</b>	- 31.8	+ 9.2	- 7.1	+ 0.4	- 0.9	- 1.5	- 1.7	- 0.1	- 0.1	- 0.6	- 1.1
<b>Manufacturing industry curve</b>	- 34.3	+ 6.0	- 10.1	- 3.0	- 4.0	- 3.1	- 4.6	- 2.5	- 3.0	.	.
Assessment of total order books	- 56.0	+ 10.0	- 21.2	- 9.9	- 12.3	- 4.9	- 14.0	- 9.2	- 9.8	.	.
Assessment of level of stocks <sup>2</sup>	- 12.9	+ 25.0	+ 5.9	+ 1.3	+ 1.8	+ 2.8	+ 0.3	+ 0.3	+ 0.7	.	.
Employment expectations	- 36.0	+ 8.0	- 8.5	- 2.5	- 0.9	- 1.8	- 2.7	- 2.9	- 2.6	.	.
Demand expectations	- 37.0	+ 15.0	- 4.8	+ 1.6	- 0.9	- 2.8	- 1.4	+ 2.6	+ 1.9	.	.
<b>Business-related services curve</b>	- 41.7	+ 34.0	+ 10.5	+ 8.9	+ 6.6	+ 3.2	+ 5.1	+ 7.5	+ 7.2	.	.
Assessment of activity	- 54.4	+ 20.0	- 4.5	+ 2.5	- 1.0	- 2.3	- 1.5	+ 1.3	+ 0.6	.	.
Activity expectations	- 32.0	+ 51.7	+ 23.0	+ 13.5	+ 10.7	+ 7.2	+ 8.5	+ 14.2	+ 13.5	.	.
Market demand expectations	- 43.0	+ 45.0	+ 14.2	+ 10.8	+ 9.9	+ 4.6	+ 8.3	+ 9.6	+ 9.8	.	.
<b>Building industry curve</b>	- 39.0	+ 24.3	- 7.2	+ 6.7	+ 4.6	+ 1.9	+ 5.5	+ 3.7	+ 4.2	.	.
Trend in orders	- 52.0	+ 40.0	- 4.4	+ 12.0	+ 9.2	- 0.0	+ 3.3	+ 9.6	+ 10.1	.	.
Trend in equipment	- 19.4	+ 24.0	+ 1.8	+ 6.2	+ 7.0	- 0.3	+ 2.3	+ 2.3	+ 2.9	.	.
Assessment of order books	- 74.0	+ 30.0	- 23.0	+ 3.5	- 1.5	+ 2.7	+ 9.7	+ 0.1	+ 1.1	.	.
Demand expectations	- 39.0	+ 21.0	- 3.0	+ 5.1	+ 3.5	+ 5.0	+ 6.6	+ 3.2	+ 3.7	.	.
<b>Trade curve</b>	- 28.6	+ 16.0	- 2.1	+ 0.2	+ 0.6	- 5.4	- 6.8	- 7.8	- 7.0	.	.
Employment expectations	- 18.4	+ 18.0	+ 1.8	+ 4.0	+ 5.0	+ 4.4	- 3.7	- 3.2	- 1.1	.	.
Demand expectations	- 40.0	+ 29.0	+ 0.0	- 1.1	+ 1.0	- 7.4	- 12.5	- 5.8	- 6.0	.	.
Intentions of placing orders	- 39.0	+ 15.0	- 7.2	- 2.1	- 4.4	- 13.4	- 4.2	- 12.3	- 10.7	.	.

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

<sup>2</sup> 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"(-).	1980-2019 <sup>1</sup>			Adjusted series				Smoothed series			
				2018		2019		2018			
	Min.	Max.	Avg.	Nov.	Dec.	Jan.	Feb.	Sept.	Oct.	Nov.	Dec.
<b>Manufacturing industry</b>											
Trend in production rate	- 33.0	+ 20.0	- 0.8	+ 9.7	- 0.8	- 0.1	- 0.9	+ 1.7	+ 1.4	.	.
Trend in domestic orders	- 35.0	+ 16.0	- 7.6	+ 2.6	- 4.0	+ 2.1	- 2.2	+ 0.2	+ 0.7	.	.
Trend in export orders	- 44.0	+ 30.0	- 2.5	+ 11.3	- 7.2	- 1.9	+ 1.6	+ 4.9	+ 3.4	.	.
Assessment of export order books	- 61.0	+ 10.0	- 22.7	- 11.2	- 12.1	- 11.6	- 13.1	- 11.9	- 11.9	.	.
Trend in prices	- 21.0	+ 24.0	+ 1.1	+ 4.5	+ 1.5	+ 1.5	- 1.2	+ 5.3	+ 4.7	.	.
Price expectations	- 24.0	+ 43.0	+ 6.8	+ 6.9	+ 0.3	+ 3.8	+ 1.3	+ 9.5	+ 8.5	.	.
<b>Production capacity</b>											
(in percentage of the total production capacity)	70.1	84.6	79.0	-	-	81.0	-				
Source: quarterly production capacity survey											
<b>Business-related services</b>											
Trend in activity	- 38.0	+ 37.0	+ 10.1	+ 21.5	+ 24.6	- 3.2	+ 24.3	+ 5.9	+ 9.2	.	.
Trend in employment	- 49.4	+ 34.0	+ 7.2	+ 15.0	+ 25.1	+ 7.2	+ 9.1	+ 12.0	+ 13.2	.	.
Employment expectations	- 35.0	+ 48.0	+ 17.7	+ 14.5	+ 12.9	+ 11.6	+ 18.2	+ 13.6	+ 13.1	.	.
Trend in prices	- 15.8	+ 12.0	+ 1.9	+ 8.8	+ 7.2	+ 3.4	+ 6.2	+ 5.5	+ 5.6	.	.
Price expectations	- 13.0	+ 30.0	+ 6.7	+ 14.9	+ 17.6	+ 16.2	+ 8.7	+ 14.9	+ 15.2	.	.
<b>Building industry</b>											
Trend in activity	- 44.0	+ 34.7	- 4.4	+ 10.6	+ 3.8	+ 1.8	- 3.7	+ 5.8	+ 5.3	.	.
Trend in employment	- 38.0	+ 22.0	- 5.2	- 3.8	+ 12.3	- 2.3	- 1.4	+ 0.9	- 0.3	.	.
Employment expectations	- 50.0	+ 30.0	- 4.9	+ 15.6	+ 7.3	+ 9.1	+ 6.9	+ 11.1	+ 10.8	.	.
Trend in prices	- 27.1	+ 32.0	- 2.0	+ 6.9	+ 7.1	+ 2.2	+ 3.3	+ 6.3	+ 6.7	.	.
Price expectations	- 20.6	+ 46.0	+ 5.1	+ 7.1	+ 8.5	+ 8.5	+ 15.2	+ 7.2	+ 7.3	.	.
<b>Trade</b>											
Trend in sales	- 47.9	+ 43.0	- 0.3	+ 5.3	+ 7.2	- 33.6	- 15.3	- 4.4	- 2.6	.	.
Assessment of sales	- 41.6	+ 28.0	- 9.1	- 9.5	+ 0.4	- 22.4	- 8.5	- 8.0	- 7.4	.	.
Assessment of level of stocks <sup>2</sup>	- 12.9	+ 32.0	+ 12.1	+ 13.0	+ 8.6	+ 13.0	+ 16.3	+ 13.2	+ 12.5	.	.
Trend in prices	- 20.0	+ 50.0	+ 1.9	+ 5.2	- 17.0	+ 0.1	+ 2.2	+ 4.6	+ 3.8	.	.
Price expectations	- 11.0	+ 66.2	+ 11.3	+ 4.7	+ 4.2	+ 6.2	+ 4.9	+ 6.6	+ 5.8	.	.

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

<sup>2</sup> A positive, respectively negative balance, means that stocks, according to the assessment of entrepreneurs, are higher, respectively lower than normal for the season.

## Quarterly business survey on credit conditions – January 2019

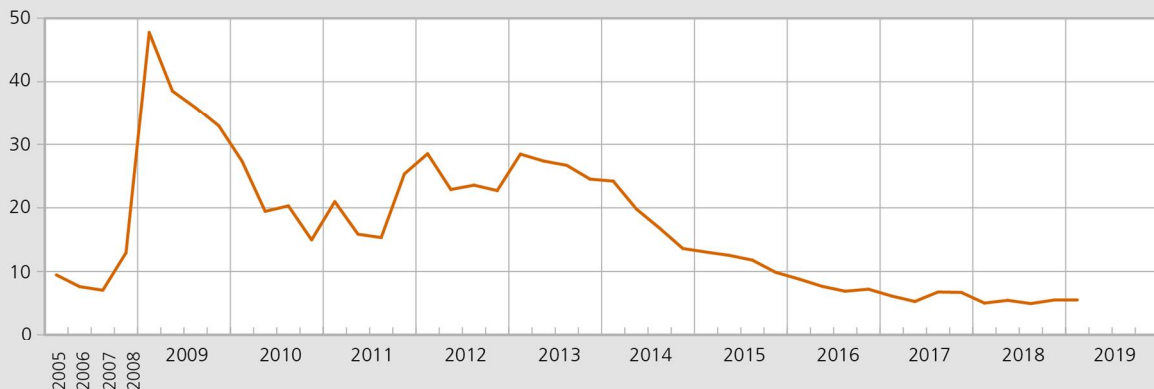
### Credit constraint perception indicator stabilises in January

According to the quarterly survey of the National Bank on the assessment by companies of borrowing conditions carried out in January 2019, general conditions for access to bank credit have remained unchanged on the previous quarter. The percentage of companies that find borrowing conditions restrictive thus stabilised at 5.5 % in January.

The breakdown by branch of activity also points up little change: the share of companies regarding credit conditions as more restrictive came to 6.7 % in business-related services, 6.2 % in the building industry and 4.5 % in the manufacturing industry.

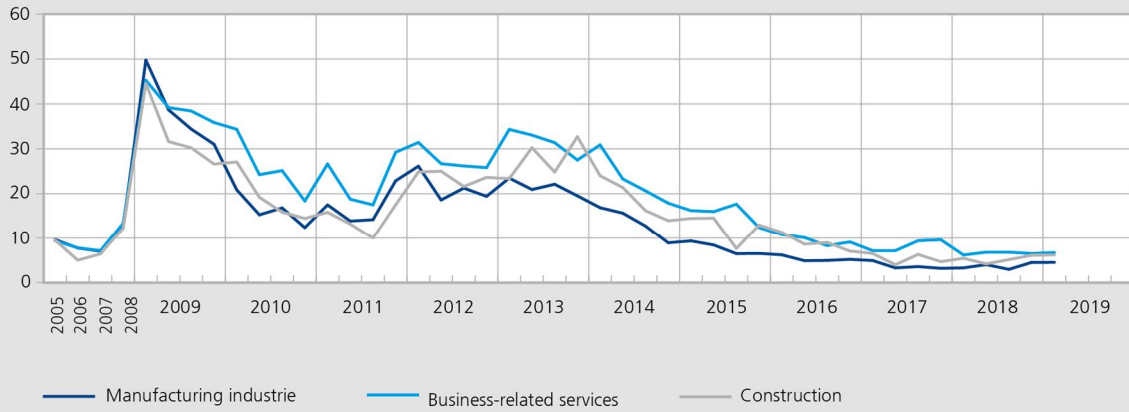
Findings on the basis of company size show that after some tightening in the previous quarter, conditions for granting bank loans have been relaxed a bit for small firms (from 7.0 to 6.5 %). For medium-sized enterprises, that found credit conditions barely more restrictive than three months ago (up from 4.7 to 5.0 %), the indicator has now reached its highest level since July 2016. For large enterprises, credit constraint perception has not changed much (from 1.4 to 1.3 %). Lastly, the percentage of companies that find borrowing conditions more restrictive picked up among very large firms (from 0.0 to 2.7 %).

CHART 2 - CREDIT CONSTRAINT PERCEPTION<sup>1</sup> - OVERALL INDICATOR



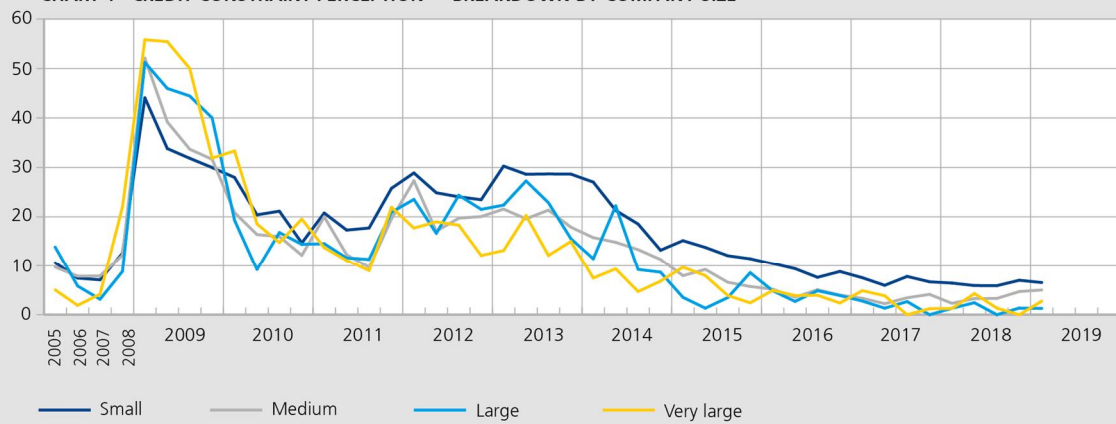
Source: NBB - quarterly survey on credit conditions.

<sup>1</sup> Percentage of firms that perceive current credit conditions as constraining.

**CHART 3 - CREDIT CONSTRAINT PERCEPTION<sup>1</sup> - BREAKDOWN BY BRANCH OF ACTIVITY**


Source: NBB - quarterly survey on credit conditions.

<sup>1</sup> Percentage of firms that perceive current credit conditions as constraining.

**CHART 4 - CREDIT CONSTRAINT PERCEPTION<sup>1</sup> - BREAKDOWN BY COMPANY SIZE<sup>2</sup>**


Source: NBB - quarterly survey on credit conditions.

<sup>1</sup> Percentage of firms that perceive current credit conditions as constraining.

<sup>2</sup> Small = 1 - 49 employees; medium = 50 - 249 employees; large = 250 - 499 employees; very large = 500 or more employees.

**TABLE 3 CREDIT CONSTRAINT PERCEPTION INDICATOR<sup>1</sup>**

	01-2018	04-2018	07-2018	10-2018	01-2019
<b>Overall indicator <sup>2</sup></b>	<b>5.0</b>	<b>5.4</b>	<b>4.9</b>	<b>5.5</b>	<b>5.5</b>
<b>By branch of activity</b>					
Manufacturing industry	3.3	4.0	3.0	4.5	4.5
Business-related services	6.2	6.8	6.8	6.5	6.7
Construction	5.4	4.2	5.1	6.1	6.2
<b>By size of company<sup>3</sup></b>					
Small	6.4	5.9	5.9	7.0	6.5
Medium	2.3	3.3	3.3	4.7	5.0
Large	1.3	2.4	0.0	1.4	1.3
Very large	1.3	4.3	1.4	0.0	2.7

<sup>1</sup> Percentage of firms that perceive current credit conditions as constraining

<sup>2</sup> Weighted average of manufacturing industry, business-related services and building industry (criterion for weighting: outstanding debt with credit institutions). Within the individual branches, however, the responses of firms are not weighted.

<sup>3</sup> Small: 1-49 employees; medium: 50-249 employees; large: 250-499 employees; very large: 500 employees or more.

#### Methodology on the « perception of credit constraint » by businesses

The National Bank of Belgium (NBB) publishes an indicator based on the quarterly credit condition business survey findings. This « credit constraint perception » indicator shows the proportion of firms' unfavourable assessments of the current credit conditions.

In terms of statistical properties, this appears to be more relevant than an indicator showing the level of favourable assessments or the balance between favourable and unfavourable assessments.

The new indicator is also easy to interpret, as any rise (or fall) in it means that companies feel credit conditions are tightening (or easing).

The credit constraint perception indicator, compiled by the NBB, is available on a quarterly basis since January 2009<sup>1</sup>.

<sup>1</sup> The results of the quarterly survey among enterprises on credit conditions are also included and commented in the quarterly release of the Observatory for credit to non-financial companies, at the same time as the Belgian results of the ESCB-Bank Lending Survey ([http://www.nbb.be/doc/DQ/BLS/fr/BLS\\_home.htm](http://www.nbb.be/doc/DQ/BLS/fr/BLS_home.htm)).