

2020-09-24

## PRESS RELEASE

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### Monthly business survey – September 2020

## Business confidence picks up again slightly in September

- **The business barometer has continued to recover in September, for the fifth month in a row. The rate of increase is nevertheless tending to slow down a bit.**
- **The business climate has firmed up in the manufacturing industry, for the fourth consecutive month, as well as in the building industry. By contrast, confidence has been eroded in business-related services and, once again, in the trade sector.**

In the manufacturing industry, business leaders continue to appraise their total order books more positively. After having fallen back last month, demand forecasts have been revised upwards.

As for the slight revival of confidence in the building industry, this is based almost entirely on greater use of equipment.

In the business-related services sector, entrepreneurs are still hesitant. So, following a timid recovery last month, the indicator has turned down again in September. The pessimism has fed through to the appraisal of the current situation as well as to forecasts.

In the trade sector, company managers are still expecting a reduction in both demand and orders placed with suppliers over the next three months.

The overall smoothed synthetic curve, which reflects the underlying cyclical trend, is pointing clearly upwards.

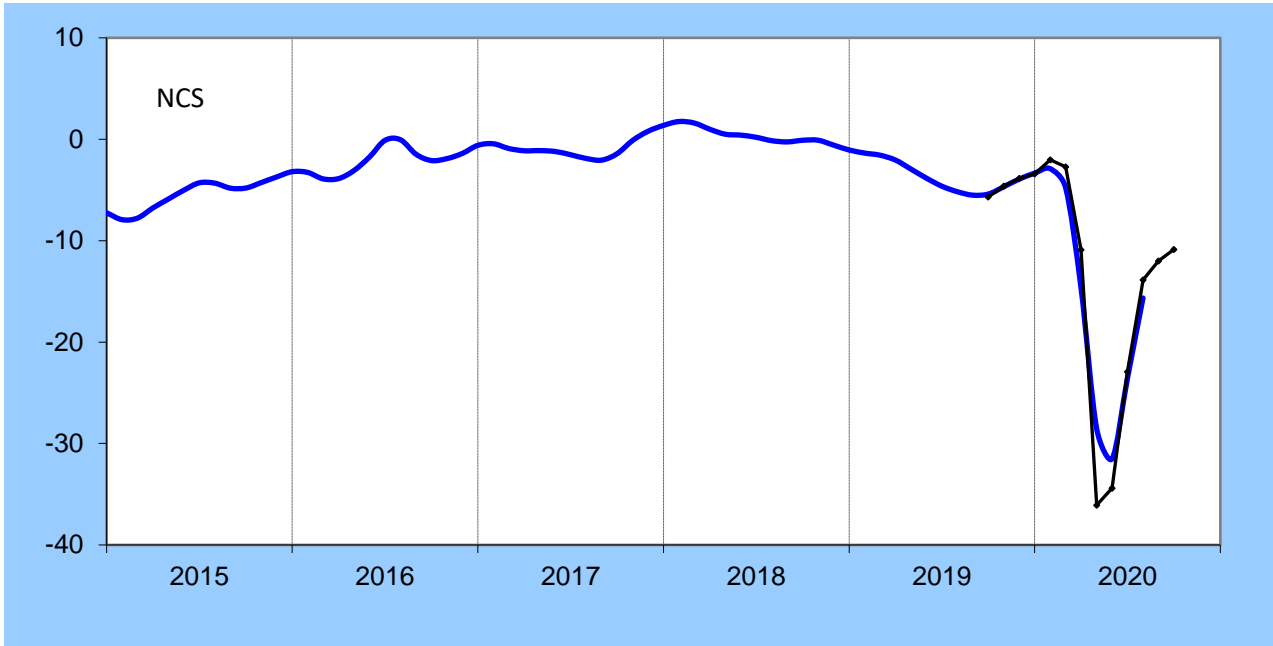
### Business survey indicators

	Gross synthetic curve			Smoothed synthetic curve <sup>1</sup>
	August 2020	September 2020	Variation in points	Variation in Points
Manufacturing industry	-14.0	-11.6	2.4	-3.9
Business-related services	-5.8	-9.2	-3.5	0.3
Building industry	-5.4	-4.0	1.4	-2.0
Trade	-23.4	-26.3	-2.9	-3.4
<b>Overall synthetic curve</b>	<b>-12.0</b>	<b>-10.8</b>	<b>1.2</b>	<b>7.8</b>

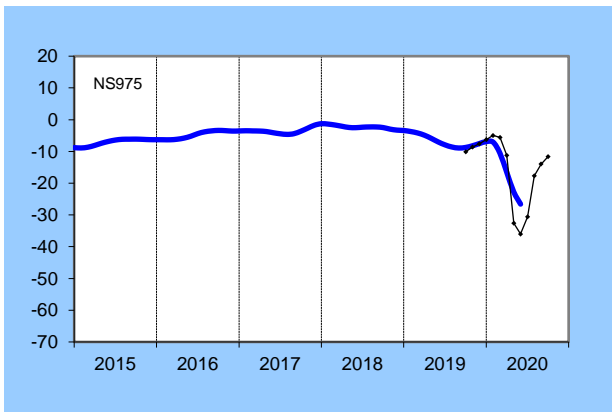
<sup>1</sup> The smoothed curve has a two-month delay for the overall synthetic curve and a four-month delay for the branches of activity. This implies that the overall smoothed indicator reflects recent developments – and thus the rebounds of the last couple of months – more closely than the smoothed indicators per branch.

Source: NBB.

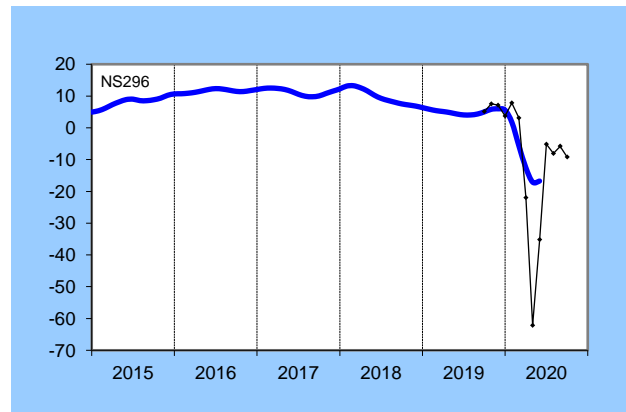
OVERALL SYNTHETIC CURVE



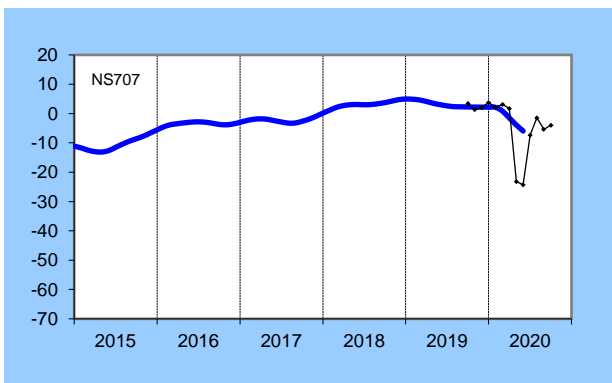
MANUFACTURING INDUSTRY



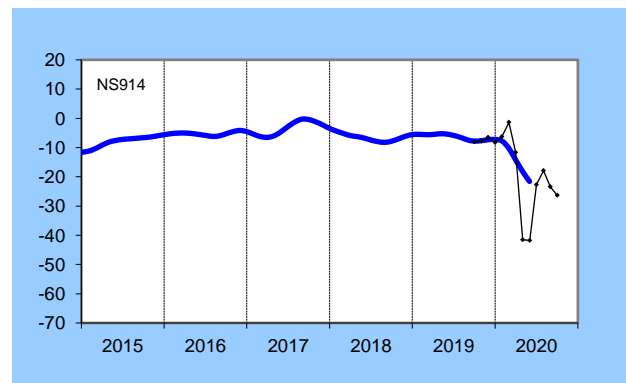
BUSINESS-RELATED SERVICES



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"(-).	1980-2020 <sup>1</sup>			Adjusted series				Smoothed series			
				2020				2020			
	Min.	Max.	Avg.	June	July	Aug.	Sept.	April	May	June	July
<b>Overall synthetic curve</b>	- 36.1	+ 9.2	- 7.2	- 22.9	- 13.9	- 12.0	- 10.8	- 28.5	- 31.5	- 23.5	- 15.7
<b>Manufacturing industry curve</b>	- 36.0	+ 6.0	- 10.2	- 30.6	- 17.7	- 14.0	- 11.6	- 22.7	- 26.6	.	.
Assessment of total order books	- 57.7	+ 10.0	- 21.4	- 53.9	- 43.8	- 40.3	- 30.7	- 36.6	- 42.7	.	.
Assessment of level of stocks <sup>2</sup>	- 12.9	+ 25.0	+ 5.9	+ 18.4	+ 2.2	- 6.0	- 4.1	+ 4.5	+ 4.5	.	.
Employment expectations	- 41.4	+ 8.0	- 8.5	- 25.4	- 14.8	- 9.6	- 11.3	- 20.0	- 22.6	.	.
Demand expectations	- 37.9	+ 15.0	- 4.9	- 24.8	- 10.1	- 12.3	- 8.6	- 19.7	- 22.3	.	.
<b>Business-related services curve</b>	- 62.1	+ 34.0	+ 9.6	- 5.1	- 8.1	- 5.8	- 9.2	- 17.1	- 16.8	.	.
Assessment of activity	- 71.6	+ 20.0	- 5.4	- 59.8	- 42.1	- 43.8	- 46.4	- 37.4	- 48.5	.	.
Activity expectations	- 70.7	+ 51.7	+ 22.0	+ 31.3	+ 13.1	+ 18.6	+ 13.8	- 5.2	- 1.9	.	.
Market demand expectations	- 59.9	+ 45.0	+ 13.3	+ 13.3	+ 4.8	+ 7.9	+ 5.0	- 16.1	- 12.3	.	.
<b>Building industry curve</b>	- 39.0	+ 24.3	- 7.0	- 7.3	- 1.5	- 5.4	- 4.0	- 3.9	- 5.9	.	.
Trend in orders	- 52.0	+ 40.0	- 4.2	- 6.5	+ 6.9	- 1.8	- 2.1	- 3.9	- 5.1	.	.
Trend in equipment	- 38.4	+ 24.0	+ 1.6	- 3.2	+ 4.0	- 7.5	- 2.0	- 1.8	- 3.6	.	.
Assessment of order books	- 74.0	+ 30.0	- 22.2	- 5.0	- 8.0	- 5.1	- 4.9	- 3.5	- 4.4	.	.
Demand expectations	- 39.0	+ 21.0	- 3.0	- 14.6	- 8.8	- 7.3	- 6.9	- 8.8	- 12.3	.	.
<b>Trade curve</b>	- 41.8	+ 16.0	- 2.6	- 22.7	- 17.9	- 23.4	- 26.3	- 18.2	- 21.6	.	.
Employment expectations	- 33.0	+ 18.0	+ 1.3	- 19.2	- 18.9	- 23.6	- 18.7	- 15.2	- 18.9	.	.
Demand expectations	- 56.0	+ 29.0	- 0.7	- 22.5	- 22.5	- 24.9	- 31.1	- 19.9	- 22.8	.	.
Intentions of placing orders	- 40.1	+ 15.0	- 7.5	- 26.5	- 12.4	- 21.7	- 29.2	- 21.4	- 24.9	.	.

<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"(-).	1980-2020 <sup>1</sup>			Adjusted series				Smoothed series			
				2020				2020			
	Min.	Max.	Avg.	June	July	Aug.	Sept.	April	May	June	July
<b>Manufacturing industry</b>											
Trend in production rate	- 53.0	+ 20.0	- 1.0	- 7.8	+ 9.0	+ 7.2	- 0.2	- 7.1	- 6.7	.	.
Trend in domestic orders	- 48.7	+ 16.0	- 7.8	- 24.6	+ 7.5	- 7.5	- 14.7	- 19.7	- 21.7	.	.
Trend in export orders	- 56.3	+ 30.0	- 2.7	- 14.2	+ 15.3	+ 11.2	+ 6.1	- 10.5	- 10.4	.	.
Assessment of export order books	- 61.0	+ 10.0	- 22.9	- 54.1	- 43.0	- 37.6	- 33.3	- 37.5	- 42.4	.	.
Trend in prices	- 21.0	+ 24.0	+ 1.0	- 14.7	- 4.7	- 0.2	+ 6.8	- 5.2	- 5.8	.	.
Price expectations	- 24.0	+ 43.0	+ 6.5	- 4.9	- 0.4	+ 1.3	+ 3.8	- 4.9	- 4.8	.	.
<b>Production capacity</b>											
(in percentage of the total production capacity)	70.1	84.6	78.9	-	73.3	-	-				
Source: quarterly production capacity survey											
<b>Business-related services</b>											
Trend in activity	- 73.0	+ 37.0	+ 9.5	- 21.5	+ 29.4	+ 4.4	- 4.8	- 12.7	- 16.6	.	.
Trend in employment	- 49.4	+ 34.0	+ 6.7	- 35.8	- 9.5	+ 8.4	- 10.2	- 19.6	- 24.3	.	.
Employment expectations	- 35.0	+ 48.0	+ 17.1	+ 7.3	- 2.8	- 0.1	+ 10.0	- 5.4	- 6.0	.	.
Trend in prices	- 15.8	+ 12.0	+ 1.8	- 7.1	- 4.8	- 2.0	- 3.7	- 2.9	- 3.7	.	.
Price expectations	- 13.0	+ 30.0	+ 6.7	+ 3.0	+ 6.5	+ 3.6	+ 4.9	+ 3.9	+ 3.3	.	.
<b>Building industry</b>											
Trend in activity	- 66.6	+ 34.7	- 4.4	+ 2.7	+ 8.8	- 5.0	- 4.0	- 2.5	- 3.6	.	.
Trend in employment	- 38.0	+ 22.0	- 5.2	- 2.0	+ 1.7	- 2.0	+ 2.9	- 1.9	- 2.0	.	.
Employment expectations	- 50.0	+ 30.0	- 4.5	+ 0.4	- 3.5	+ 3.5	+ 10.3	+ 2.9	+ 0.9	.	.
Trend in prices	- 27.1	+ 32.0	- 2.0	- 7.0	- 6.2	- 4.7	- 4.8	- 3.3	- 4.6	.	.
Price expectations	- 20.6	+ 46.0	+ 5.1	- 1.8	- 1.1	- 0.2	+ 2.0	+ 0.0	- 1.0	.	.
<b>Trade</b>											
Trend in sales	- 50.1	+ 43.0	- 0.6	- 6.6	- 3.3	- 7.6	- 13.0	- 6.9	- 7.1	.	.
Assessment of sales	- 50.0	+ 28.0	- 9.3	- 26.1	- 7.4	- 26.7	- 15.7	- 19.4	- 24.0	.	.
Assessment of level of stocks <sup>2</sup>	- 12.9	+ 38.1	+ 12.2	+ 20.0	+ 7.3	+ 7.3	+ 9.3	+ 21.8	+ 21.0	.	.
Trend in prices	- 23.5	+ 50.0	+ 1.7	- 17.7	- 13.0	- 9.6	- 23.5	- 0.8	- 4.4	.	.
Price expectations	- 11.0	+ 66.2	+ 11.1	+ 4.1	- 3.4	+ 1.3	+ 4.0	+ 1.6	- 0.1	.	.

<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.