

## PRESS RELEASE

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### Monthly business survey – December 2020

## Business confidence turns up again in December

- **After the dip in November, the business barometer is back on the growth path again, mainly under the impetus of a marked upturn in business-related services, which had been sluggish last month.**
- **The recovery has also been evident in the trade sector and, once again, in the manufacturing industry. Conversely, the business climate in the building industry has deteriorated slightly this month.**

The economic situation has clearly improved in business-related services. Expectations regarding general market demand have picked up considerably. Entrepreneurs in this sector have also demonstrated greater optimism about prospects for their own activity. Given the time of the year, their own business activity level is also regarded as less gloomy than last month.

In the trade sector, forecasts for both demand and orders placed with suppliers have improved, while the outlook for employment has stabilised. The indicator has risen in the field of furniture and household appliances in particular, following the reopening of non-essential shops.

While the change in the indicator in these two sectors has been quite volatile from one month to the next, the business climate in the manufacturing industry has regularly and consistently gained in strength since the month of June. In December, all components of the indicator have picked up.

The building industry is the only sector where the economic situation has not improved this month. Demand forecasts as well as appraisals of total order books have admittedly been revised upwards, but recent order book positions have fallen sharply.

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

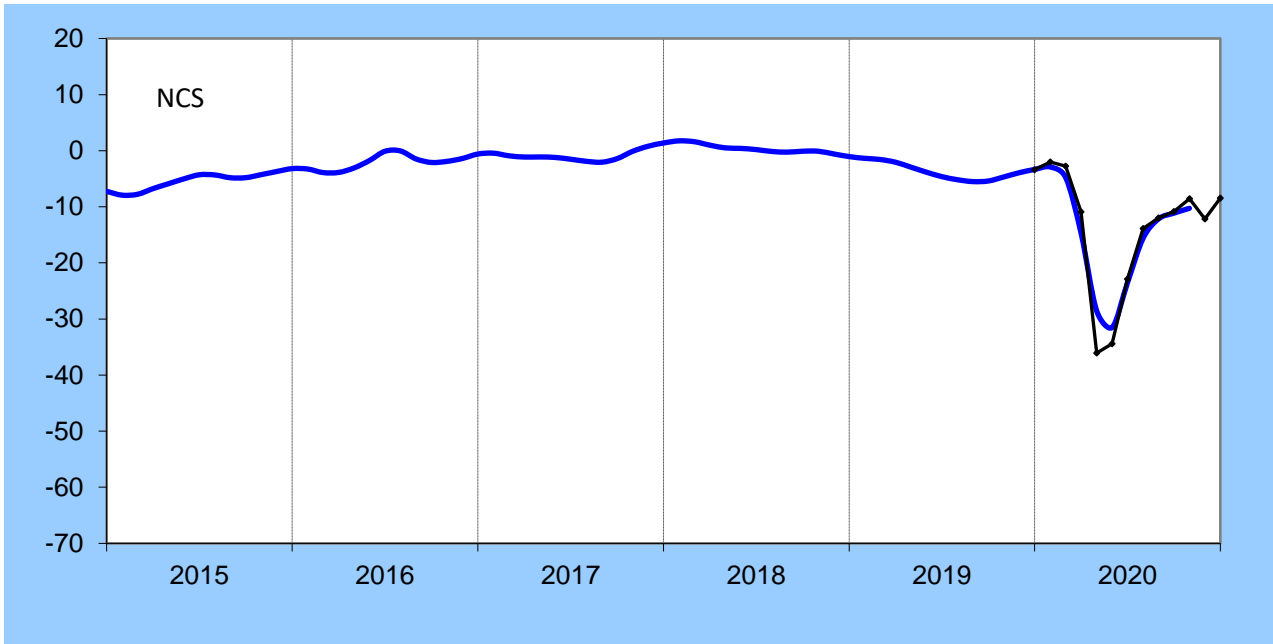
### Business survey indicators

	Gross synthetic curve			Smoothed synthetic curve <sup>1</sup>
	November 2020	December 2020	Variation in points	Variation in Points
Manufacturing industry	-8.0	-5.1	2.9	5.1
Business-related services	-24.0	-13.1	10.9	1.5
Building industry	-12.1	-13.0	-0.9	0.6
Trade	-30.4	-24.6	5.8	-0.3
<b>Overall synthetic curve</b>	<b>-12.1</b>	<b>-8.4</b>	<b>3.7</b>	<b>0.8</b>

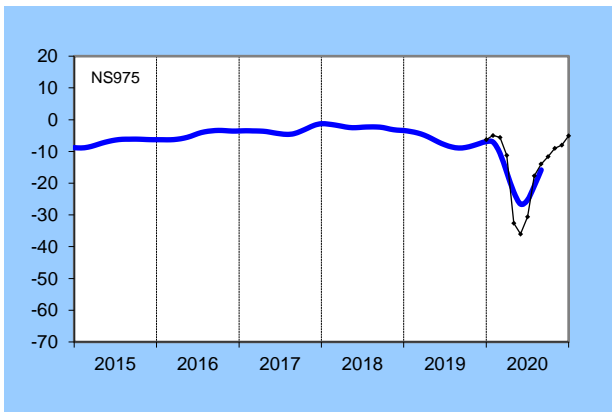
<sup>1</sup> The smoothed curve has a two-month delay for the overall synthetic curve and a four-month delay for the branches of activity. This implies that the overall smoothed indicator reflects recent developments more closely than the smoothed indicators per branch.

Source: NBB.

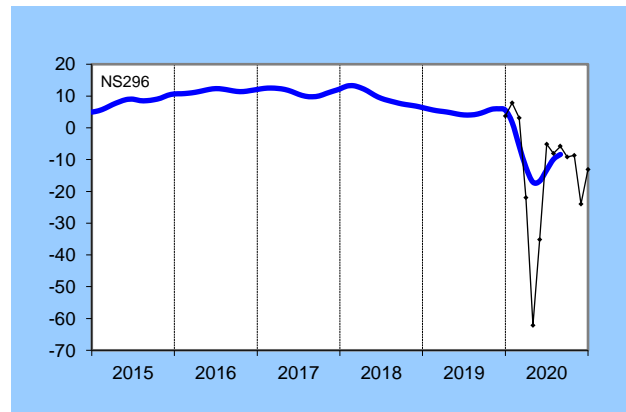
### OVERALL SYNTHETIC CURVE



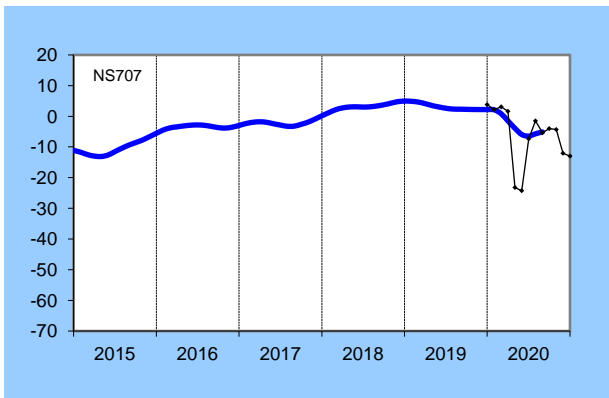
### MANUFACTURING INDUSTRY



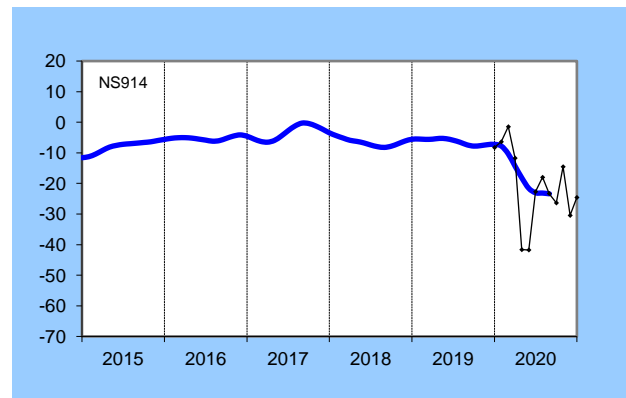
### BUSINESS-RELATED SERVICES



### 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.	Sept.	Oct.	Nov.	Dec.	July	Aug.	Sept.	Oct.
<b>Overall synthetic curve</b>	- 36.1	+ 9.2	- 7.2	- 10.8	- 8.5	- 12.1	- 8.4	- 15.7	- 12.2	- 11.1	- 10.3
<b>Manufacturing industry curve</b>	- 36.0	+ 6.0	- 10.2	- 11.6	- 9.0	- 8.0	- 5.1	- 20.9	- 15.8	.	.
Assessment of total order books	- 57.7	+ 10.0	- 21.5	- 30.7	- 26.7	- 24.7	- 20.7	- 42.2	- 37.8	.	.
Assessment of level of stocks <sup>2</sup>	- 12.9	+ 25.0	+ 5.8	- 4.1	- 9.2	- 8.6	- 7.9	+ 0.7	- 2.3	.	.
Employment expectations	- 41.4	+ 8.0	- 8.5	- 11.3	- 10.7	- 8.7	- 4.6	- 17.4	- 13.6	.	.
Demand expectations	- 37.9	+ 15.0	- 4.9	- 8.6	- 7.9	- 7.3	- 3.0	- 16.0	- 11.8	.	.
<b>Business-related services curve</b>	- 62.1	+ 34.0	+ 9.3	- 9.2	- 8.7	- 24.0	- 13.1	- 9.9	- 8.4	.	.
Assessment of activity	- 71.6	+ 20.0	- 5.7	- 46.4	- 39.5	- 43.6	- 40.9	- 48.9	- 45.9	.	.
Activity expectations	- 70.7	+ 51.7	+ 21.8	+ 13.8	+ 6.3	- 7.3	+ 6.8	+ 10.4	+ 12.7	.	.
Market demand expectations	- 59.9	+ 45.0	+ 13.2	+ 5.0	+ 7.1	- 21.0	- 5.1	+ 2.0	+ 5.5	.	.
<b>Building industry curve</b>	- 39.0	+ 24.3	- 7.0	- 4.0	- 4.3	- 12.1	- 13.0	- 5.7	- 5.1	.	.
Trend in orders	- 52.0	+ 40.0	- 4.3	- 2.1	+ 0.8	- 8.6	- 15.4	- 3.6	- 2.5	.	.
Trend in equipment	- 38.4	+ 24.0	+ 1.6	- 2.0	- 0.8	- 5.7	- 6.1	- 3.8	- 3.4	.	.
Assessment of order books	- 74.0	+ 30.0	- 22.1	- 4.9	- 7.4	- 18.4	- 16.7	- 5.4	- 5.9	.	.
Demand expectations	- 39.0	+ 21.0	- 3.0	- 6.9	- 9.9	- 15.6	- 13.9	- 11.0	- 9.7	.	.
<b>Trade curve</b>	- 41.8	+ 16.0	- 2.7	- 26.3	- 14.5	- 30.4	- 24.6	- 23.1	- 23.4	.	.
Employment expectations	- 33.0	+ 18.0	+ 1.1	- 18.7	- 17.4	- 19.5	- 19.4	- 20.2	- 19.6	.	.
Demand expectations	- 56.0	+ 29.0	- 0.8	- 31.1	- 8.8	- 41.6	- 30.1	- 24.0	- 25.0	.	.
Intentions of placing orders	- 40.1	+ 15.0	- 7.6	- 29.2	- 17.3	- 30.1	- 24.3	- 24.7	- 23.8	.	.

<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. 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.	Sept.	Oct.	Nov.	Dec.	July	Aug.	Sept.	Oct.
<b>Manufacturing industry</b>											
Trend in production rate	- 53.0	+ 20.0	- 1.0	- 0.2	+ 15.2	- 5.2	- 0.9	- 0.3	+ 2.5	.	.
Trend in domestic orders	- 48.7	+ 16.0	- 7.8	- 14.7	- 1.5	- 12.0	- 11.2	- 15.7	- 11.9	.	.
Trend in export orders	- 56.3	+ 30.0	- 2.6	+ 6.1	+ 15.7	+ 2.7	+ 5.0	+ 0.4	+ 6.1	.	.
Assessment of export order books	- 61.0	+ 10.0	- 22.9	- 33.3	- 21.6	- 26.7	- 18.5	- 41.3	- 37.5	.	.
Trend in prices	- 21.0	+ 24.0	+ 1.0	+ 6.8	+ 4.0	+ 2.9	+ 6.1	- 3.3	- 0.8	.	.
Price expectations	- 24.0	+ 43.0	+ 6.5	+ 3.8	+ 6.2	+ 4.4	+ 10.3	- 1.2	+ 1.1	.	.
<b>Production capacity</b>											
(in percentage of the total production capacity)	70.1	84.6	78.9	-	76.7	-	-				
Source: quarterly production capacity survey											
<b>Business-related services</b>											
Trend in activity	- 73.0	+ 37.0	+ 9.4	- 4.8	+ 11.6	- 12.9	- 2.7	- 7.6	- 2.0	.	.
Trend in employment	- 49.4	+ 34.0	+ 6.6	- 10.2	- 1.7	+ 2.6	+ 4.4	- 16.5	- 8.8	.	.
Employment expectations	- 35.0	+ 48.0	+ 17.0	+ 10.0	+ 6.9	+ 1.6	+ 12.0	+ 0.2	+ 2.6	.	.
Trend in prices	- 15.8	+ 12.0	+ 1.7	- 3.7	- 3.7	- 2.7	- 2.5	- 4.4	- 4.0	.	.
Price expectations	- 13.0	+ 30.0	+ 6.6	+ 4.9	+ 2.8	+ 4.4	+ 4.7	+ 3.5	+ 3.8	.	.
<b>Building industry</b>											
Trend in activity	- 66.6	+ 34.7	- 4.4	- 4.0	- 0.9	- 14.0	- 6.3	- 3.3	- 3.5	.	.
Trend in employment	- 38.0	+ 22.0	- 5.1	+ 2.9	- 3.1	- 3.1	- 1.4	- 2.0	- 2.0	.	.
Employment expectations	- 50.0	+ 30.0	- 4.5	+ 10.3	+ 4.3	- 1.0	- 3.5	+ 1.2	+ 2.2	.	.
Trend in prices	- 27.1	+ 32.0	- 2.0	- 4.8	- 5.6	- 6.4	- 7.5	- 5.6	- 5.5	.	.
Price expectations	- 20.6	+ 46.0	+ 5.1	+ 2.0	- 2.3	- 3.6	- 5.6	- 1.1	- 1.3	.	.
<b>Trade</b>											
Trend in sales	- 50.1	+ 43.0	- 0.8	- 13.0	- 6.4	- 17.6	- 44.7	- 7.3	- 8.1	.	.
Assessment of sales	- 50.0	+ 28.0	- 9.4	- 15.7	- 3.0	- 8.0	- 41.9	- 21.4	- 17.7	.	.
Assessment of level of stocks <sup>2</sup>	- 12.9	+ 38.1	+ 12.2	+ 9.3	+ 5.4	+ 7.2	+ 16.2	+ 13.0	+ 9.4	.	.
Trend in prices	- 23.5	+ 50.0	+ 1.7	- 23.5	+ 10.8	- 10.7	- 14.5	- 10.4	- 11.7	.	.
Price expectations	- 14.2	+ 66.2	+ 11.0	+ 4.0	+ 11.2	- 14.2	- 13.9	+ 0.2	+ 1.4	.	.

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