

PRESS RELEASE

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Monthly business survey – February 2022

Business barometer continues its slow decline in February

- **As in the previous two months, business confidence has dipped a little in February, dropping to its lowest level since April 2021.**
- **The business climate has deteriorated in the business-related services sector, after seeing some improvement in January, and has got marginally worse in the manufacturing industry. By contrast, the economic situation has recovered in the trade sector and the building industry.**

Entrepreneurs in the business-related services sector remain hesitant, alternating between renewal and loss of confidence. This month's decline is attributable to a big downward revision of the outlook for general market demand. Company managers surveyed also appeared a bit more negative about the expected course of their own business activity.

As for the slight downturn observed in the manufacturing industry, this is based on a less favourable assessment of the current situation, whether total order books or stock levels are concerned.

The improvement in trade, which comes on the back of three consecutive falls, stems from more positive demand forecasts and projections for orders placed with suppliers. From a sectoral point of view, the restoration of confidence has only affected furniture and textile retailers.

In the building industry, company managers are taking a more positive view of recent trends in equipment used and in terms of total order books, the level of which has also been assessed more favourably considering the time of year.

The overall smoothed synthetic curve, which reflects the underlying cyclical trend, has dropped slightly

Business survey indicators

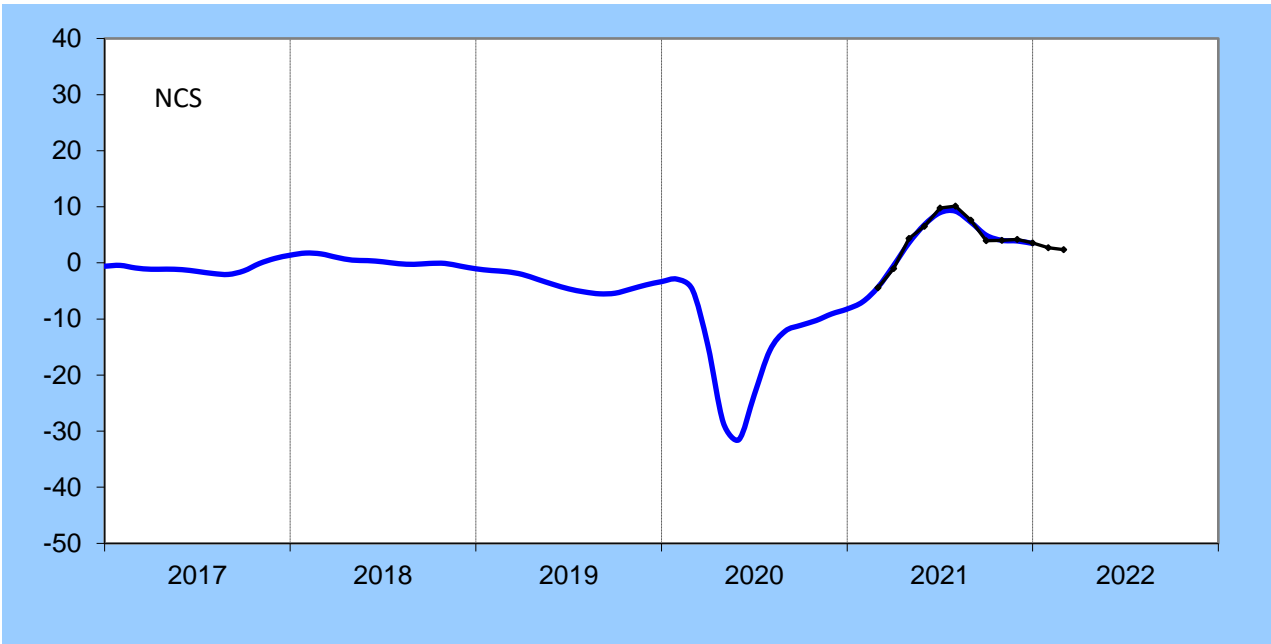
	Gross synthetic curve			Smoothed synthetic curve ¹
	January 2022	February 2022	Variation in points	Variation in Points
Manufacturing industry	0.8	0.3	-0.5	-1.2
Business-related services	16.1	13.0	-3.1	-0.3
Building industry	0.2	2.3	2.1	-1.0
Trade	-4.8	-2.6	2.2	-0.3
Overall synthetic curve	2.7	2.3	-0.4	-0.4

¹ 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.

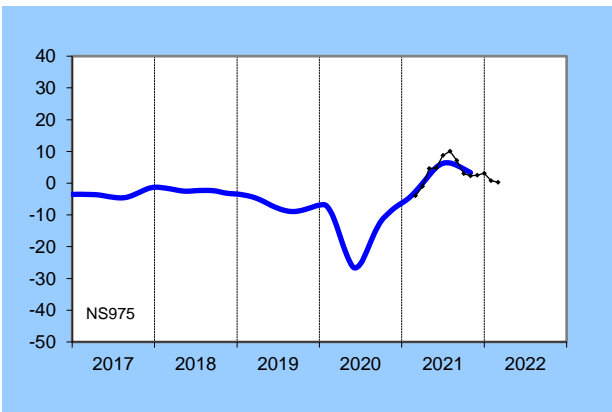
Source: NBB.

CHART 1 - SYNTHETIC CURVES

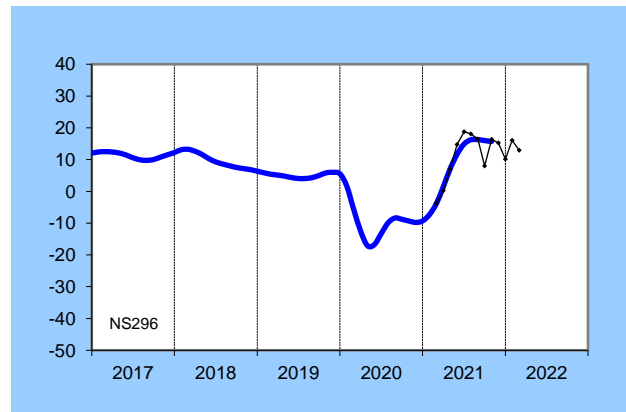
OVERALL SYNTHETIC CURVE



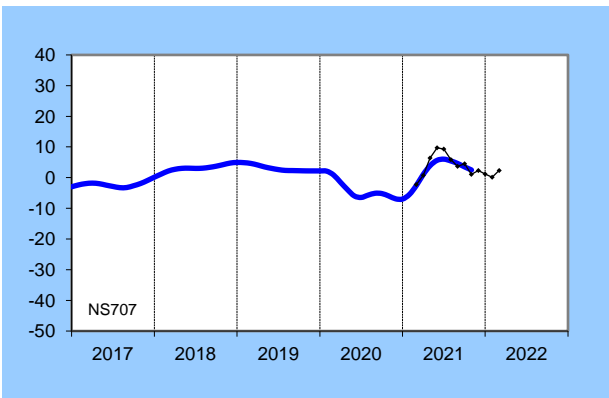
MANUFACTURING INDUSTRY



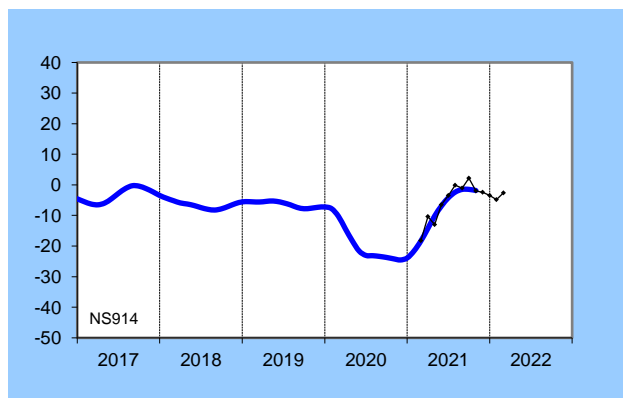
BUSINESS-RELATED SERVICES



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"(-).	Since 1990			Adjusted series				Smoothed series			
				2021 - 2022				2021			
	Min. ¹	Max. ¹	Avg. ²	Nov	Dec	Jan	Feb	Sep	Oct	Nov	Dec
Overall synthetic curve	-36.1	+10.1	-5.2	+4.2	+3.6	+2.7	+2.3	+4.9	+4.0	+3.9	+3.5
Manufacturing industry curve	-36.0	+10.0	-8.6	+2.5	+3.1	+0.8	+0.3	+4.5	+3.3	.	.
Assessment of total order books	-57.7	+10.0	-19.4	-2.2	-3.1	-7.6	-12.0	-0.9	-1.9	.	.
Assessment of level of stocks ³	-19.0	+25.0	+4.7	-3.3	-10.8	-3.8	-1.5	-5.5	-4.3	.	.
Employment expectations	-41.4	+11.5	-7.4	+3.7	+1.5	+2.5	+6.9	+6.1	+4.8	.	.
Demand expectations	-37.9	+15.0	-3.1	+5.3	+3.4	+4.4	+4.6	+6.4	+5.3	.	.
Business-related services curve	-62.1	+34.0	+9.3	+15.3	+10.2	+16.1	+13.0	+16.0	+15.7	.	.
Assessment of activity	-71.6	+20.0	-6.4	-8.6	-11.5	-12.9	-4.0	-7.8	-8.2	.	.
Activity expectations	-70.7	+47.0	+21.5	+29.9	+19.1	+31.9	+29.7	+25.6	+26.1	.	.
Market demand expectations	-59.9	+44.0	+13.0	+24.4	+22.9	+29.3	+13.2	+27.0	+25.6	.	.
Building industry curve	-24.3	+24.3	-3.3	+2.3	+1.2	+0.2	+2.3	+3.5	+2.5	.	.
Trend in orders	-30.1	+33.0	-0.1	+3.7	-2.2	+2.9	+9.0	+7.3	+5.1	.	.
Trend in equipment	-38.4	+24.0	+1.7	-0.1	-2.6	-0.9	+3.9	+1.7	+0.8	.	.
Assessment of order books	-50.0	+30.0	-15.0	+5.4	+5.1	-2.2	+0.9	+3.0	+3.7	.	.
Demand expectations	-26.0	+18.0	+0.0	+0.4	+4.4	+0.9	-4.5	+4.3	+3.2	.	.
Trade curve	-41.8	+16.0	-3.3	-2.4	-3.5	-4.8	-2.6	-1.5	-1.8	.	.
Employment expectations	-33.0	+18.0	+1.1	+5.3	+2.2	+3.5	+2.6	+3.9	+4.2	.	.
Demand expectations	-56.0	+29.0	-2.6	-3.6	-0.7	-3.7	-0.3	+2.5	+1.5	.	.
Intentions of placing orders	-40.1	+15.0	-8.4	-9.0	-11.9	-14.3	-10.1	-8.8	-9.8	.	.

¹ Minimum and maximum of each indicator (raw series) from January 1990 to the month under review.

² Average of each indicator (raw series) from January 1990 until end 2021.

³ 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"(-).	Since 1990			Adjusted series				Smoothed series			
				2021 - 2022				2021			
	Min. ¹	Max. ¹	Avg. ²	Nov	Dec	Jan	Feb	Sep	Oct	Nov	Dec
Manufacturing industry											
Trend in production rate	- 53.0	+ 20.0	- 1.0	- 9.0	- 0.5	+ 1.8	+ 2.3	+ 1.1	+ 0.5	.	.
Trend in domestic orders	- 48.7	+ 16.0	- 7.4	- 4.2	+ 0.4	- 11.1	- 3.4	- 3.8	- 4.1	.	.
Trend in export orders	- 56.3	+ 30.0	- 2.4	- 3.8	+ 3.8	+ 0.2	- 9.9	+ 1.7	+ 0.4	.	.
Assessment of export order books	- 61.0	+ 10.0	- 20.3	+ 0.3	+ 0.5	+ 0.5	- 5.1	- 0.6	- 0.3	.	.
Trend in prices	- 21.0	+ 34.3	- 0.3	+ 28.0	+ 26.9	+ 17.2	+ 34.3	+ 24.8	+ 25.6	.	.
Price expectations	- 24.0	+ 40.4	+ 3.4	+ 40.4	+ 37.1	+ 34.5	+ 38.9	+ 33.8	+ 34.4	.	.
Production capacity											
(in percentage of the total production capacity)	70.1	84.6	79.6	-	-	78.5	-				
Source: quarterly production capacity survey											
Business-related services											
Trend in activity	- 73.0	+ 37.0	+ 9.4	+ 14.1	+ 3.5	+ 21.1	+ 14.7	+ 15.5	+ 15.2	.	.
Trend in employment	- 49.4	+ 34.0	+ 6.4	+ 4.4	+ 14.9	+ 3.5	+ 11.3	+ 6.8	+ 6.5	.	.
Employment expectations	- 35.0	+ 48.0	+ 17.3	+ 41.2	+ 36.4	+ 34.8	+ 39.3	+ 35.3	+ 36.3	.	.
Trend in prices	- 15.8	+ 24.3	+ 1.9	+ 9.3	+ 7.7	+ 14.6	+ 24.3	+ 6.8	+ 8.2	.	.
Price expectations	- 13.0	+ 36.1	+ 7.0	+ 27.1	+ 36.1	+ 30.9	+ 23.4	+ 20.3	+ 22.8	.	.
Building industry											
Trend in activity	- 66.6	+ 34.7	- 1.8	+ 2.1	+ 3.4	+ 1.7	+ 16.5	+ 4.8	+ 4.1	.	.
Trend in employment	- 27.0	+ 22.0	- 3.2	+ 2.1	- 2.2	+ 7.0	+ 3.4	+ 0.6	+ 1.1	.	.
Employment expectations	- 31.0	+ 30.0	+ 0.7	+ 17.9	+ 18.2	+ 12.7	+ 16.3	+ 18.4	+ 17.9	.	.
Trend in prices	- 27.1	+ 34.8	- 3.4	+ 34.8	+ 32.6	+ 31.7	+ 32.9	+ 32.1	+ 32.6	.	.
Price expectations	- 20.6	+ 52.4	+ 2.2	+ 46.5	+ 45.4	+ 49.2	+ 52.4	+ 44.2	+ 45.0	.	.
Trade											
Trend in sales	- 50.1	+ 43.0	- 1.9	- 23.4	+ 8.4	- 4.5	+ 14.3	- 11.4	- 12.7	.	.
Assessment of sales	- 50.0	+ 28.0	- 8.5	- 9.4	+ 1.0	+ 0.1	+ 3.4	- 14.3	- 12.9	.	.
Assessment of level of stocks ³	- 12.9	+ 38.1	+ 11.4	- 4.2	- 3.6	- 2.0	- 8.7	- 1.5	- 2.7	.	.
Trend in prices	- 23.5	+ 34.9	- 1.2	+ 28.6	+ 24.4	+ 20.8	+ 32.9	+ 18.3	+ 21.6	.	.
Price expectations	- 14.2	+ 58.6	+ 5.7	+ 34.5	+ 45.7	+ 36.1	+ 58.6	+ 29.1	+ 32.2	.	.

¹ Minimum and maximum of each indicator (raw series) from January 1990 to the month under review.

² Average of each indicator (raw series) from January 1990 until end 2021.

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Quarterly business survey on credit conditions – January 2022

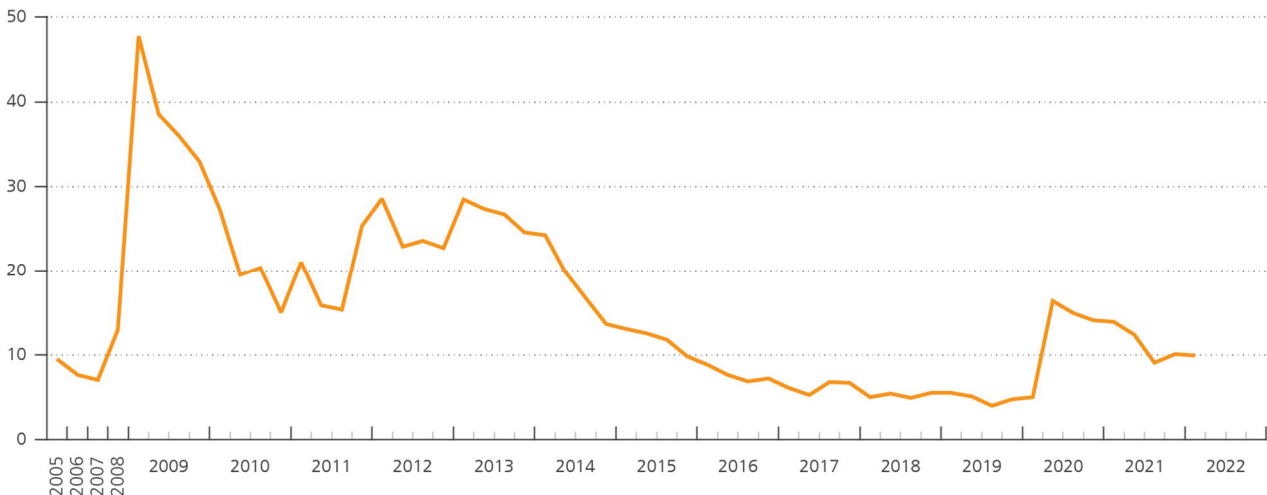
Firms see little change in credit conditions in January

According to the quarterly survey on the appraisal of borrowing conditions by companies carried out in January 2022, the general conditions for access to bank loans have remained virtually unchanged. The percentage of companies saying they found borrowing conditions tight came to 9.9 % in January, compared with 10.1 % in October 2021.

The findings per branch of activity reveal that credit conditions had only got more restrictive in the business-related services sector – which is still the most credit-constrained sector –, where 15.9 % of firms surveyed perceived access to bank loans as being difficult, up from 14.4 % last October. In manufacturing and the building industry, credit constraint perception has dipped slightly.

In terms of company size, access to bank loans was considered to be a lot more restrictive in large firms (with between 250 and 499 employees), with their percentage rising from 2.9 % in October to 10.6 % in January, a level comparable to that observed for small firms (with less than 50 employees). Medium-sized firms (50 to 249 employees) also mentioned some tightening of access to credit – although on a smaller scale. Conversely, small and very large enterprises (500 or more employees) pointed to some relaxing of borrowing conditions.

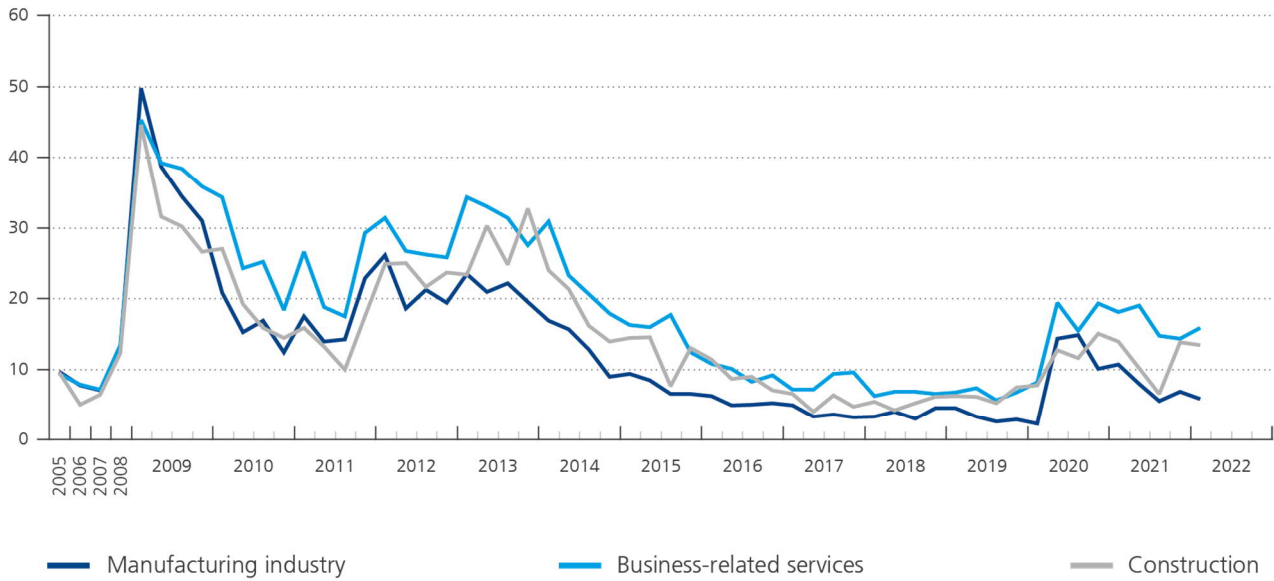
Chart 2 - Credit constraint perception¹ - Overall indicator



Source: NBB - quarterly survey on credit conditions.

¹ Percentage of firms that perceive current credit conditions as constraining.

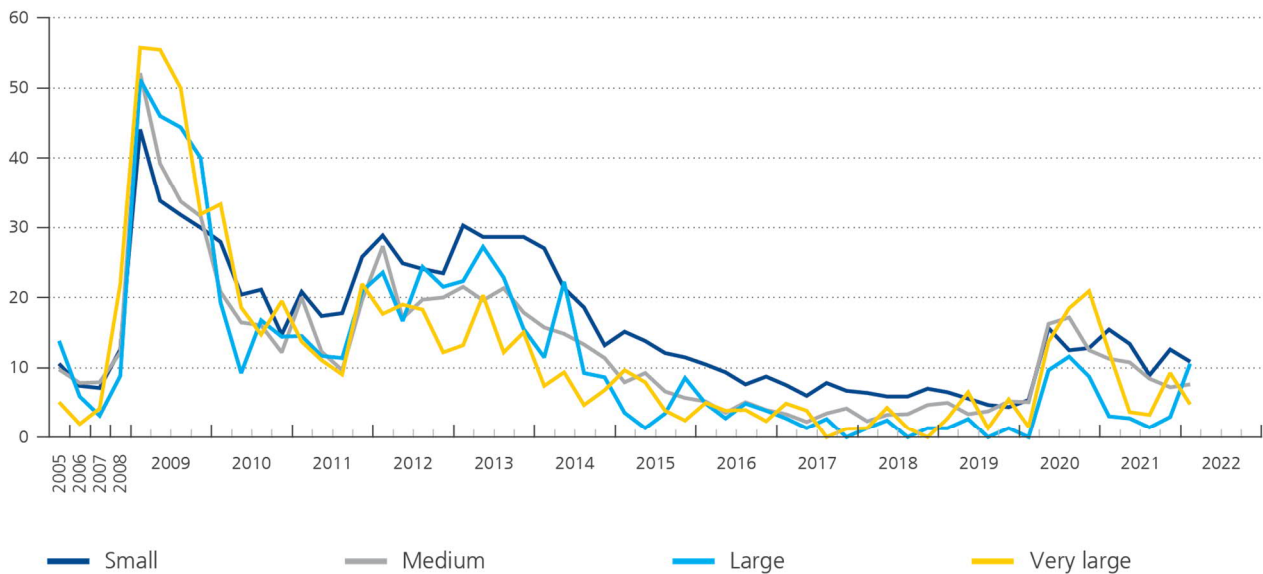
Chart 3 - Credit constraint perception¹ - Breakdown by branch of activity



Source: NBB - quarterly survey on credit conditions.

¹ Percentage of firms that perceive current credit conditions as constraining.

Chart 4 - Credit constraint perception¹ - Breakdown by company size²



Source: NBB - quarterly survey on credit conditions.

¹ Percentage of firms that perceive current credit conditions as constraining.

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

TABLE 3 CREDIT CONSTRAINT PERCEPTION INDICATOR¹

	01-2021	04-2021	07-2021	10-2021	01-2022
Overall indicator ²	13.9	12.4	9.1	10.1	9.9
By branch of activity					
Manufacturing industry	10.7	8.0	5.5	6.8	5.8
Business-related services	18.1	19.0	14.8	14.4	15.9
Construction	13.9	10.1	6.5	13.9	13.4
By size of company³					
Small	15.5	13.4	9.0	12.6	10.8
Medium	11.2	10.8	8.4	7.2	7.7
Large	3.0	2.7	1.5	2.9	10.6
Very large	12.3	3.7	3.3	9.2	4.8

¹ Percentage of firms that perceive current credit conditions as constraining

² 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.

³ 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 2009¹.

¹ 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 (https://www.nbb.be/doc/dq/bls/en/bls_home.htm).