



2023-10-19

PRESS RELEASE

Links: [Infographics](#) [Publication](#) [NBB.Stat](#) [General information](#)

Belgian economy grew by 3% in 2022

- **A record number of 103,700 net jobs were created.**
- **The government deficit and the debt ratio fell to 3.5% and 104.3% of GDP, respectively.**
- **Belgium was a net borrower from the rest of the world, to the tune of 0.8% of GDP.**

Today, 19 October 2023, the National Accounts Institute (NAI) is publishing the detailed national accounts for 2022, including the general government accounts, as well as an update to the 2019 to 2021 statistics. The full results are available in the publication on the [national accounts](#), the general [government accounts](#) and at NBB.Stat.

The year was marked by contrasting industry-specific developments

With growth of 3%, economic activity was relatively robust in 2022. This growth rate was the result of two opposing forces, namely continued catch-up in certain industries that had not yet fully recovered from the two-year pandemic and, on the other hand, a more widespread slowdown caused by the downturn in world trade and acute inflationary pressures.

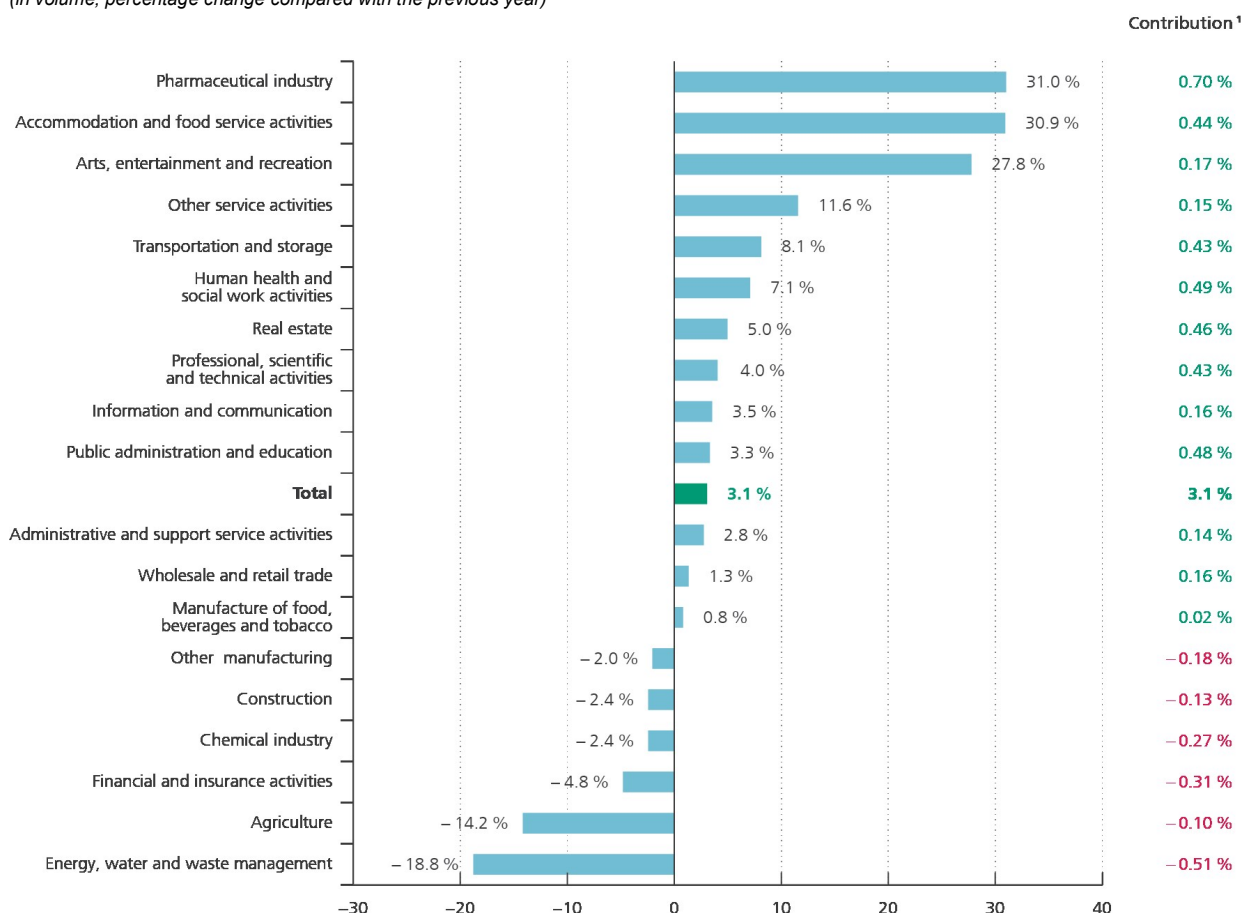
Growth was particularly vigorous in the hotel and catering industry, cultural and leisure services, and other services (including personal care), now free from the pandemic-era restrictions, as well as in transport and warehousing, boosted by both airport and natural gas transit activities. Hospital and medical practices also saw a return to normal, and there was a rebound in nursing home activity, which accounts for the rise in value added in healthcare and social services.

A different kind of catch-up could be seen in the pharmaceutical industry, in which production jumped after being adversely affected in 2021 by the collapse in foreign sales of a vaccine produced by one of the industry's major players.

Other industrial segments, in particular the chemical and metal industries, suffered from sharp rises in the prices of raw materials. Unfavourable price trends, combined with rising mortgage rates, also accounted for the decline in value added in construction. The two other industries that particularly dragged down overall growth were electricity distribution and production - due to low use of nuclear power and renewable energy facilities - and financial and insurance activities.

VALUE ADDED BY INDUSTRY IN 2022

(in volume, percentage change compared with the previous year)



Source: NAI

¹ Contribution to growth of value added

Consumption remains the main driver of growth

As in the previous two years, household consumption was the biggest contributor to economic growth, with an increase of 3.2%. The consumption profile per category of goods was determined both by continuing catch-up, particularly in spending on hotels and catering, culture and leisure, and personal care, and by adjustment of the basket of consumer goods to reflect the sharp rise in prices, which led to a reduction in spending on energy and food.

Public consumption was, once again, particularly buoyant in 2022, rising by 4.2% in volume terms. This was mainly due to the measures introduced to help households cope with soaring energy prices, in particular the extension of the social tariff for gas and electricity.

On the whole, investment levels were down slightly, by 0.2%, but here, too, the trend varied from industry to industry. The sharpest fall, of 3.2%, was recorded in investment in residential property, due to a rise in mortgage rates and a strong increase in the prices of materials. Public investment also fell, by 1.6%. For its part, business investment rose slightly, by 1.1%, driven mainly by a strong level of investment in intangible assets.

Finally, against the backdrop of a slackening in world trade, international trade in Belgian goods and services slowed. Both exports and imports grew by 4.9% in volume terms, meaning net exports of goods and services had only a marginal impact on economic growth.

Intense inflationary pressures spread to all segments of the economy

In 2022, steadily rising commodity prices continued to push up input prices for companies (by 13.5%), as was clearly reflected in their producer prices (up 10.5%). Growth in the value added deflator more than doubled in 2022 (6.4%).

The shock in energy and commodity prices resulted in an unprecedented deterioration in the terms of trade (-3.7%) and was passed on to the prices of all demand components, first and foremost household consumption, whose deflator rose by 10%.

Via indexation mechanisms, price rises were passed through to wages on a massive scale: hourly wage costs rose by 4.6% in the private sector and by 6.4% in the public sector.

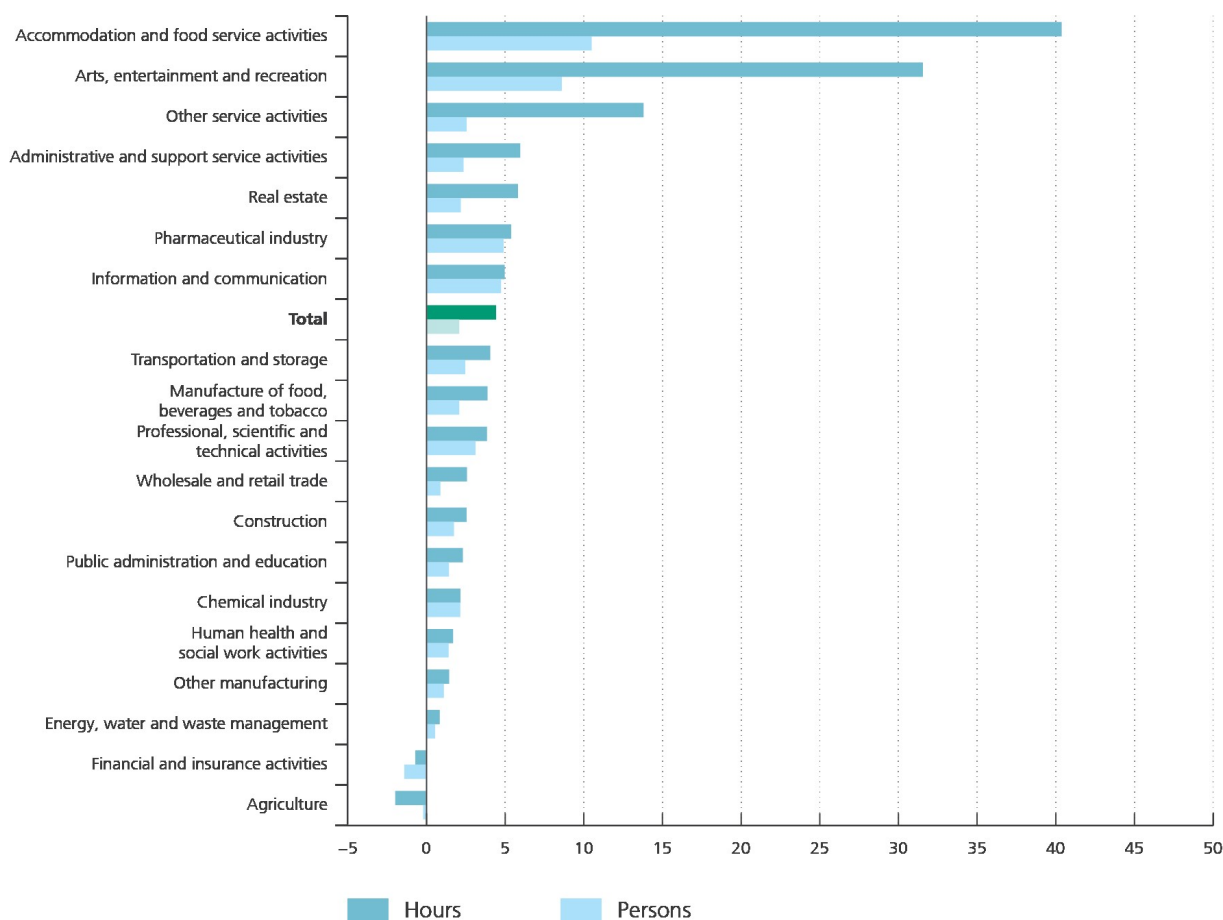
Employment and especially the volume of work increased dramatically

With 103,700 jobs created in 2022, the labour market witnessed an unprecedented positive trend, as illustrated by both the progression in the number of self-employed (+17,900) and stronger growth in the number of employees (+85,700).

Aside from the hotel and catering industry, cultural and leisure services, and other household services, which had been hard hit by the pandemic, employment rose most in relatively technology-intensive industries, such as pharmaceuticals and ICT services. On the other hand, employment continued to fall in financial and insurance services.

EMPLOYMENT AND VOLUME OF WORK BY INDUSTRY IN 2022

(percentage change compared with the previous year)



Source: NAI

Growth in the volume of work far outstripped already vigorous growth in the number of people in work, enabling all industries - with the exception of agriculture - to return to their pre-pandemic level.

The phase-out of support measures and a rise in nominal GDP explain the improvement in public finances

The budget deficit narrowed to 3.5% of GDP, compared with 5.4% a year earlier. The reduction in the budget balance was due to the ongoing economic recovery from the pandemic and the phase-out of government support measures. These fell from €12.6 billion (2.5% of GDP) in 2021 to €8.7 billion (1.6% of GDP) in 2022. The winding-up of measures to mitigate the impact of the health crisis was partially offset by the introduction of new measures to help shore up household purchasing power during the energy crisis.

Primary expenditure, expressed as a percentage of GDP, fell to 51.6%, while interest expenses declined to 1.5% of GDP. For its part, the revenue-to-GDP ratio stood at 49.6%.

The debt-to-GDP ratio fell to 104.3%, due entirely to the sharp rise in nominal GDP.

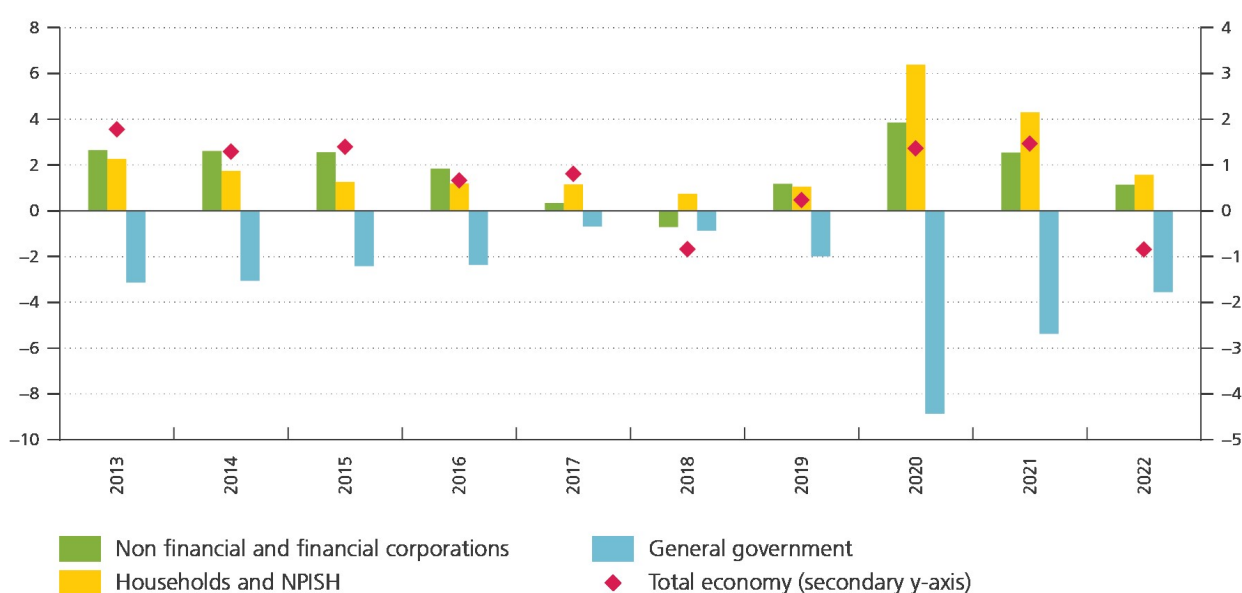
The energy crisis created a financing gap between Belgium and the rest of the world

The Belgian economy, across the board, reported a financing need with the rest of the world amounting to around 0.8% of GDP in 2022. This is an unprecedented situation, seen only once in the last 20 years. The narrowing of the government deficit was insufficient to offset the fall in surpluses in other domestic sectors, namely the household and corporate sectors.

This notable deterioration in Belgium's external position was entirely due to the trend in foreign trade in goods and services, where the surplus recorded in 2021 turned into a deficit of 1.6% in 2022, mainly as a result of a worsening energy balance.

FINANCING BALANCES

(percentage of GDP)



Source: NAI

KEY FIGURES

	2019	2020	2021	2022
Activity and demand				
(percentage change in volume)				
GDP	2.2	-5.3	6.9	3.0
Value added				
Agriculture	1.2	-0.6	2.3	-14.2
Industry and energy	4.5	-3.5	2.5	0.7
Construction	1.1	-6.1	6.9	-2.4
Services	2.0	-5.1	7.3	4.1
Expenditure				
Final consumption expenditure of households and NPISHs	1.7	-8.2	6.3	3.2
General government final consumption expenditure	2.2	-0.3	5.2	4.2
Gross fixed capital formation	5.1	-5.2	5.0	-0.2
<i>Businesses</i>	5.6	-5.5	4.7	1.1
<i>Housing</i>	5.1	-7.2	6.0	-3.2
<i>Government</i>	1.9	1.1	4.7	-1.6
Change in inventories ¹	-0.7	-0.6	0.4	0.4
Exports of goods and services	2.4	-6.3	13.9	4.9
Imports of goods and services	2.0	-7.4	13.0	4.9
<i>p.m. Net exports of goods and services¹</i>	0.4	0.9	0.9	0.1
Employment				
(change in thousands of persons)				
Employees	62.8	-12.5	68.2	85.7
Self-employed	14.2	15.8	25.7	17.9
Total	77.1	3.2	93.9	103.7
Public finances				
(percentage of GDP)				
Revenue	49.9	49.9	49.5	49.6
Primary expenditure	49.9	56.8	53.2	51.6
Interest expense	2.0	1.9	1.7	1.5
Financing need (-)	-2.0	-8.9	-5.4	-3.5
Public debt (Maastricht definition)	97.6	111.8	108.0	104.3

Source: NAI

¹ Contribution to GDP growth