

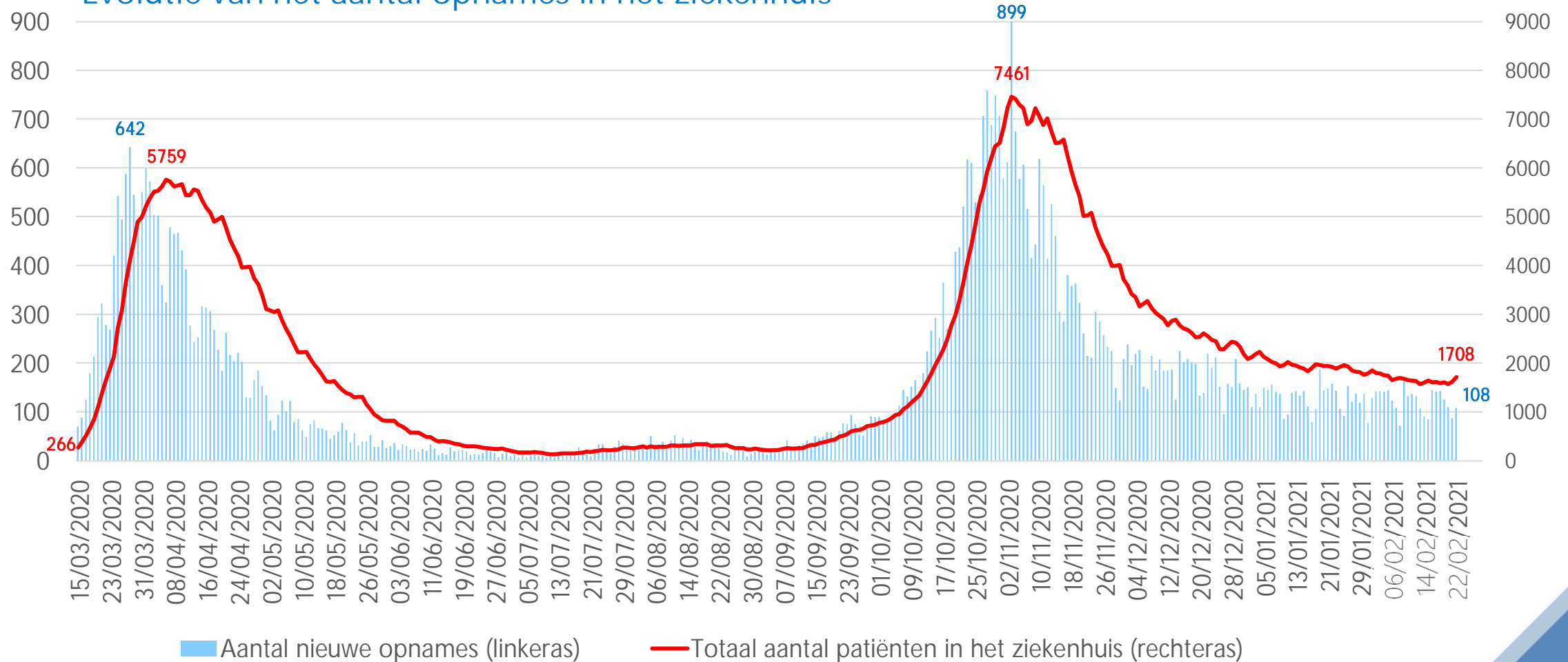
COVID-19 Dashboard of Economic Indicators

24 February 2021

COVID-19 in België

1. COVID-19 in België: aantal gehospitaliseerde patiënten daalt traag en bevindt zich nog steeds op een veel te hoog niveau

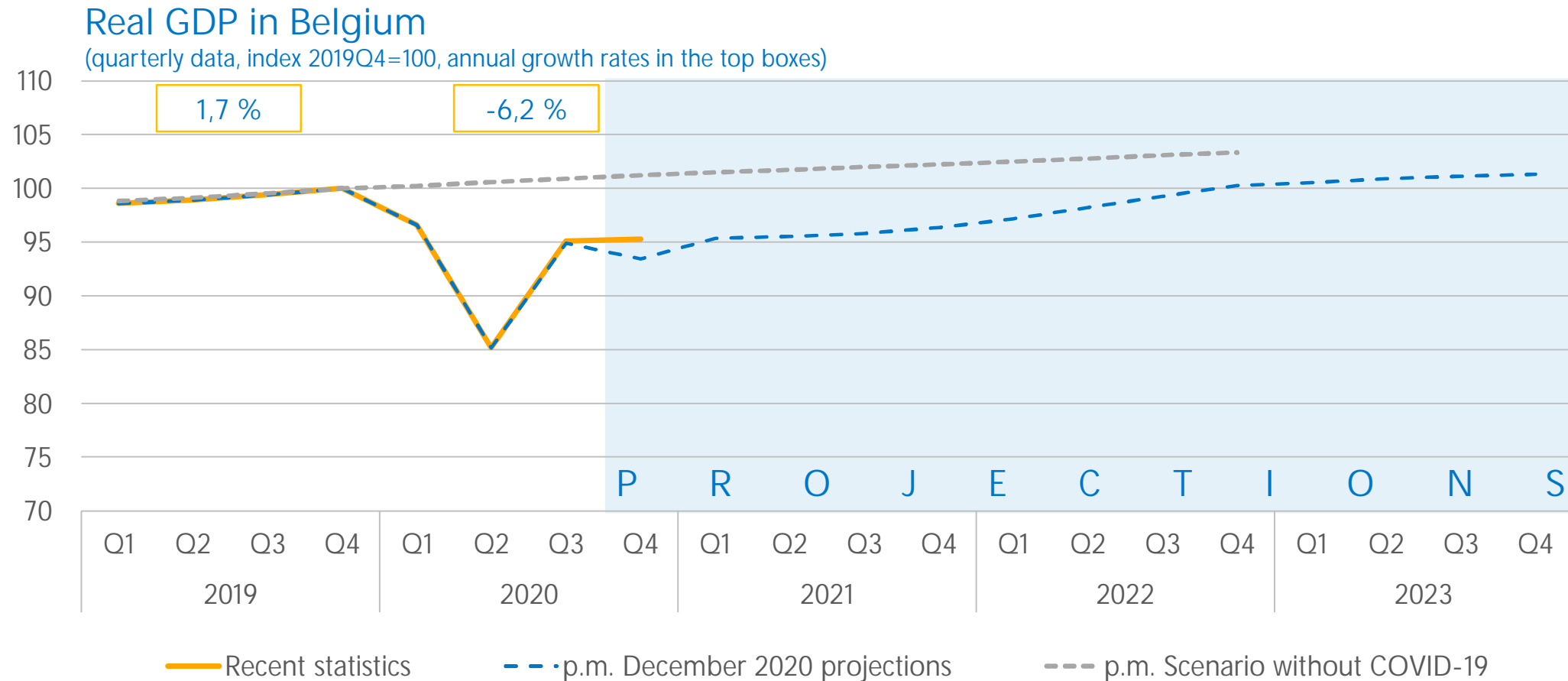
Evolutie van het aantal opnames in het ziekenhuis



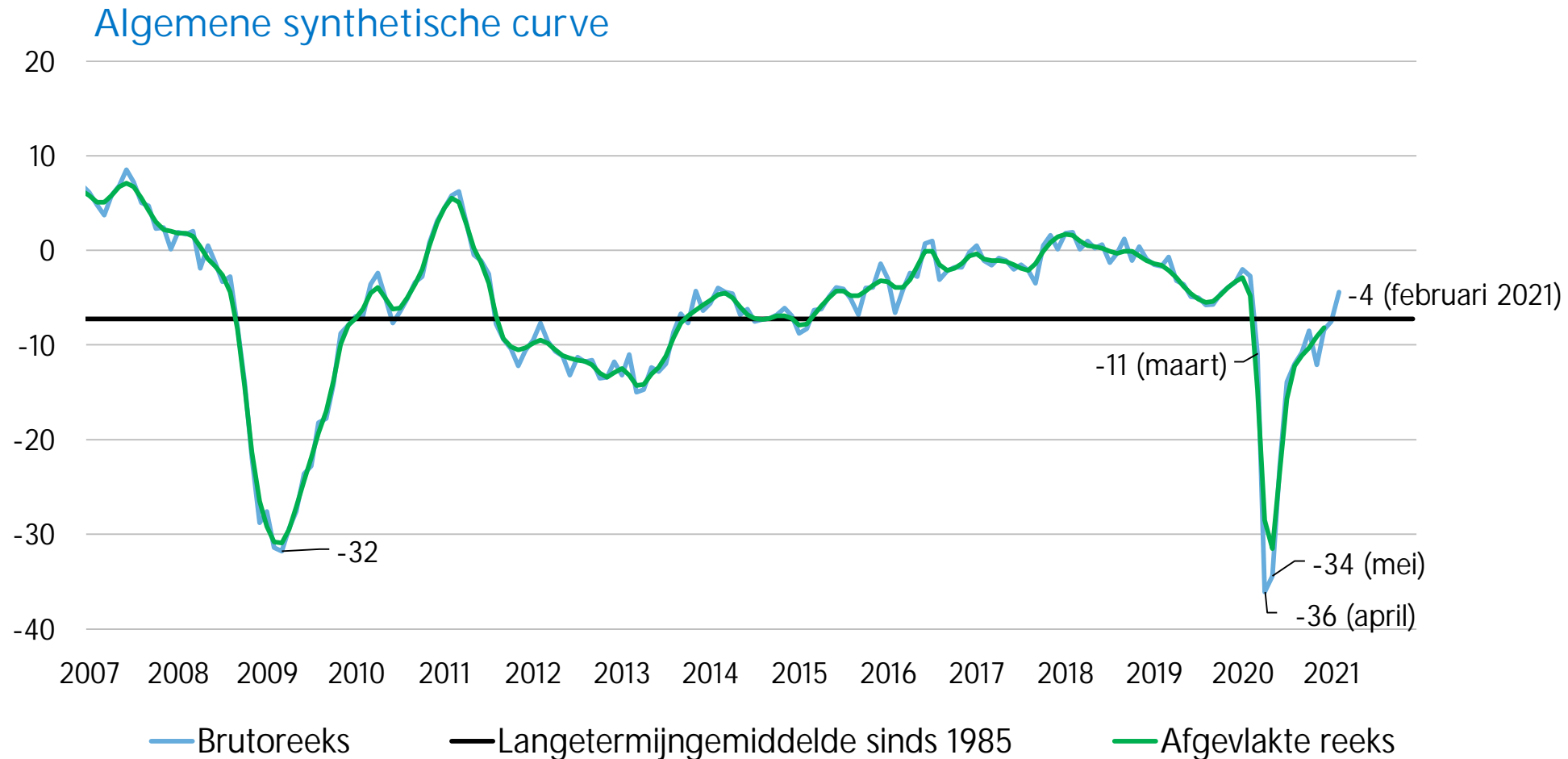
The background of the slide features a large, detailed, semi-transparent image of a coronavirus particle, showing its characteristic spherical shape and numerous spike proteins. The particle is centered and slightly tilted, with other smaller, less detailed particles visible in the background, creating a sense of depth. The overall color palette is light blue and white, with a dark blue triangle in the top-left corner and a dark blue triangle in the bottom-right corner.

GDP and confidence indicators for Belgium

The Belgian economy has been affected much less by the second lockdown, but a full recovery is not expected before 2022

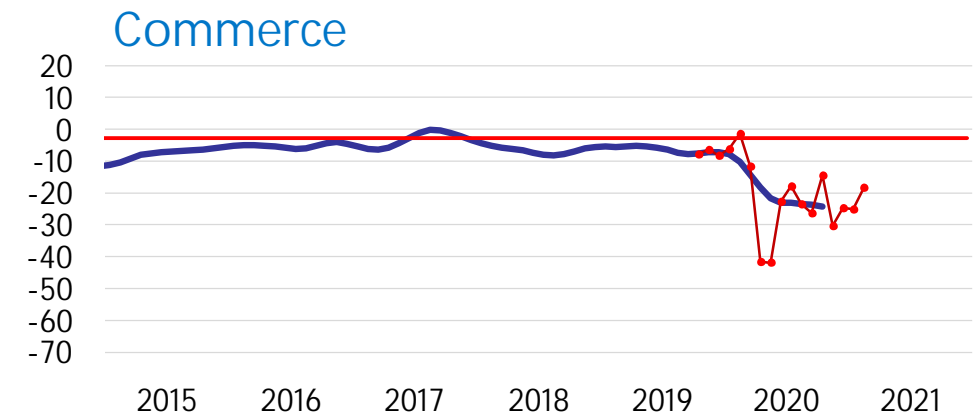
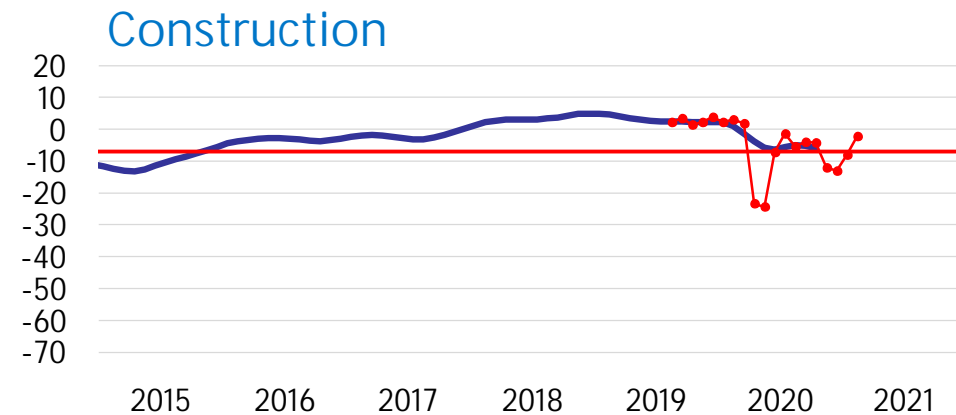
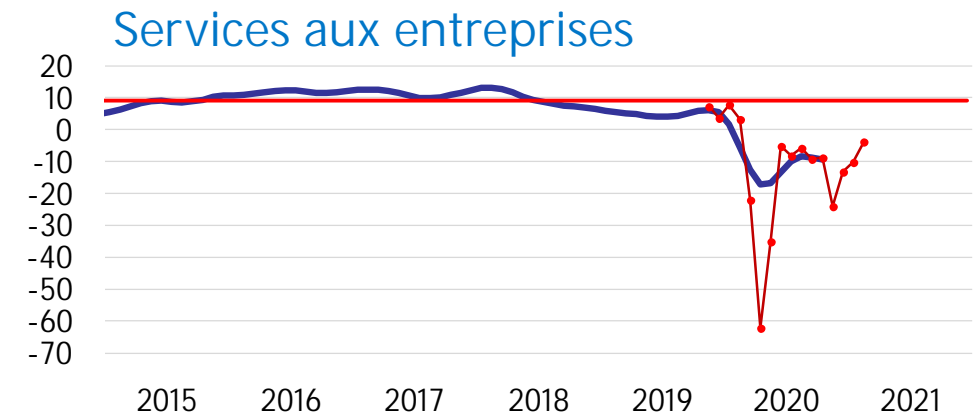
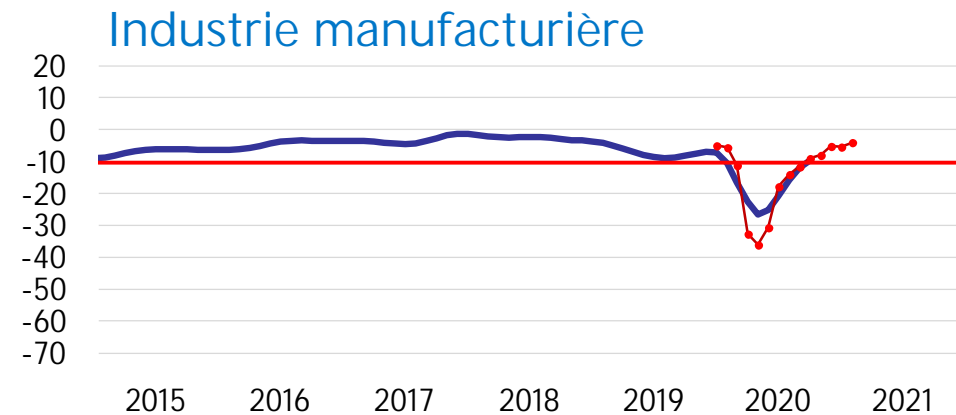


Het ondernemersvertrouwen overstijgt voor het eerst in een jaar tijd zijn langetermijngemiddelde



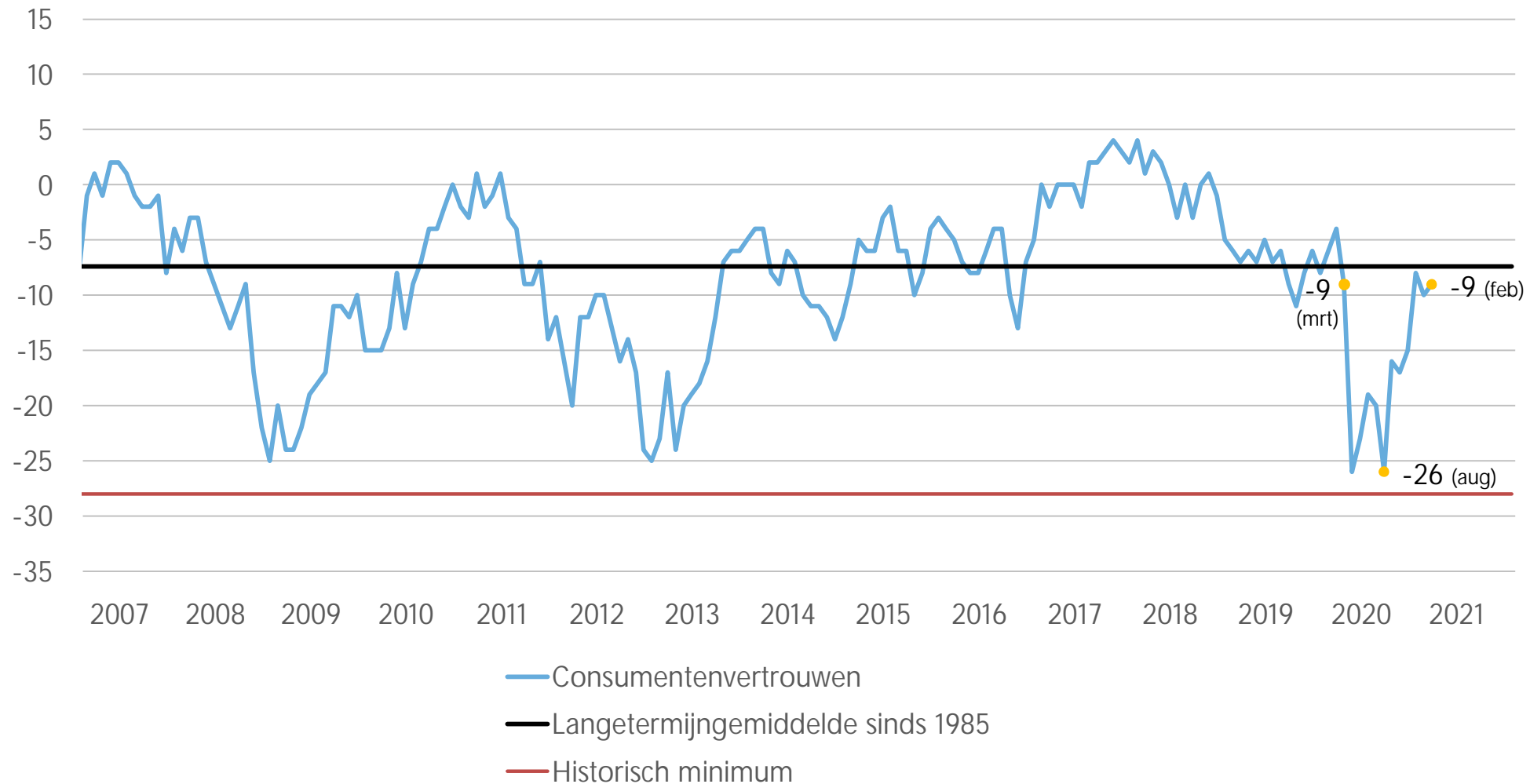
La conjoncture s'est renforcée en février dans tous les braches d'activité

Baromètre de conjoncture – Belgique : Branches d'activité – février 2021

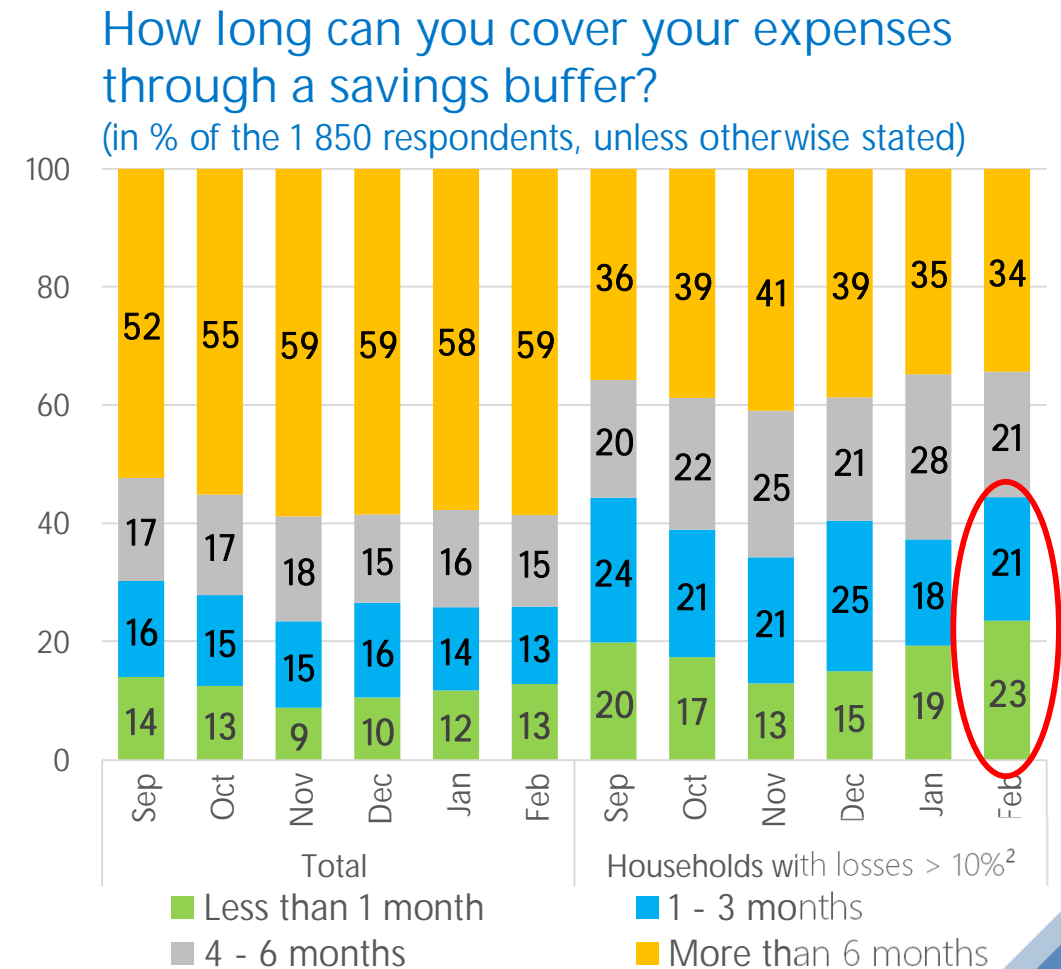
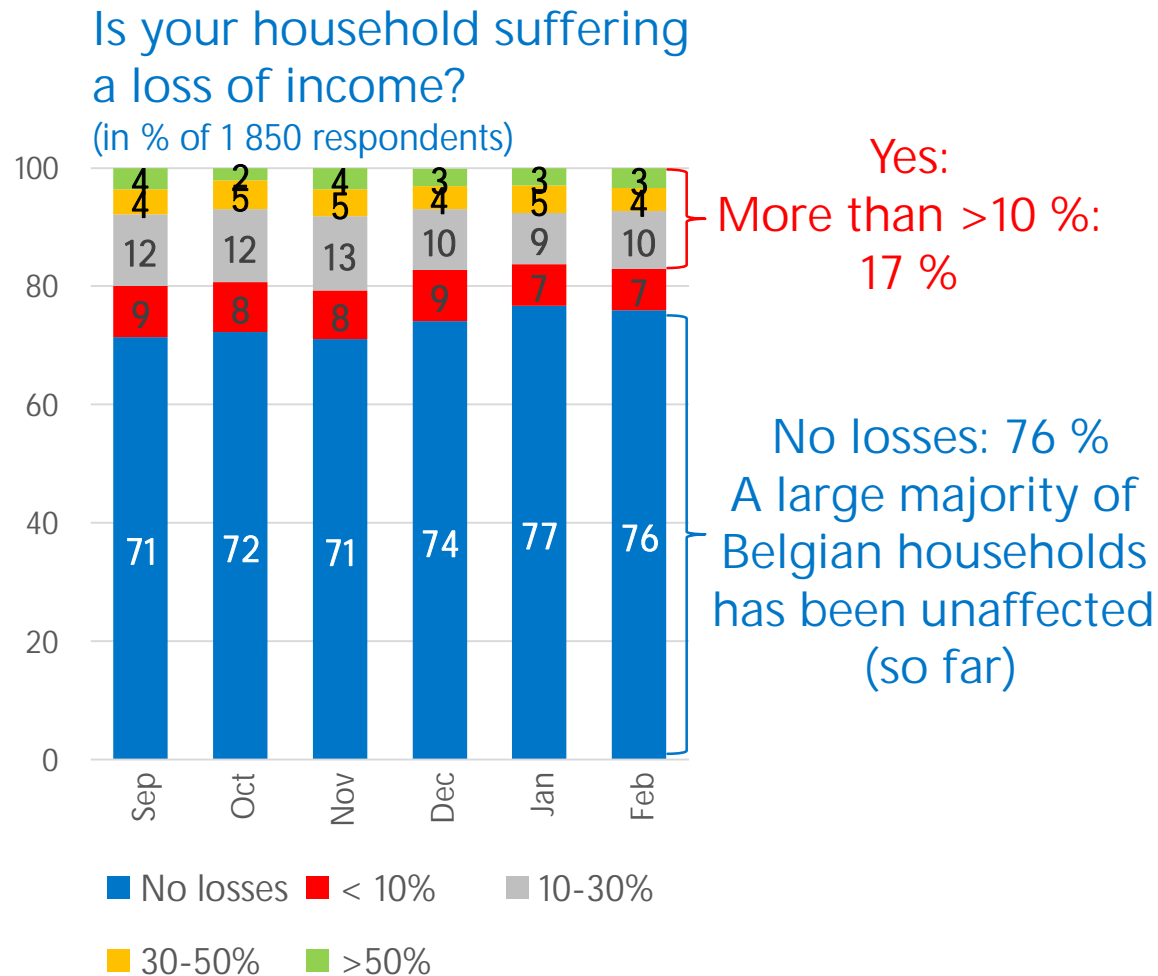


— Série dessaisonnalisée et lissée — Moyenne de long terme (depuis 1980) • Série dessaisonnalisée

Het consumentenvertrouwen blijft quasi stabiel, net onder het langetermijngemiddelde

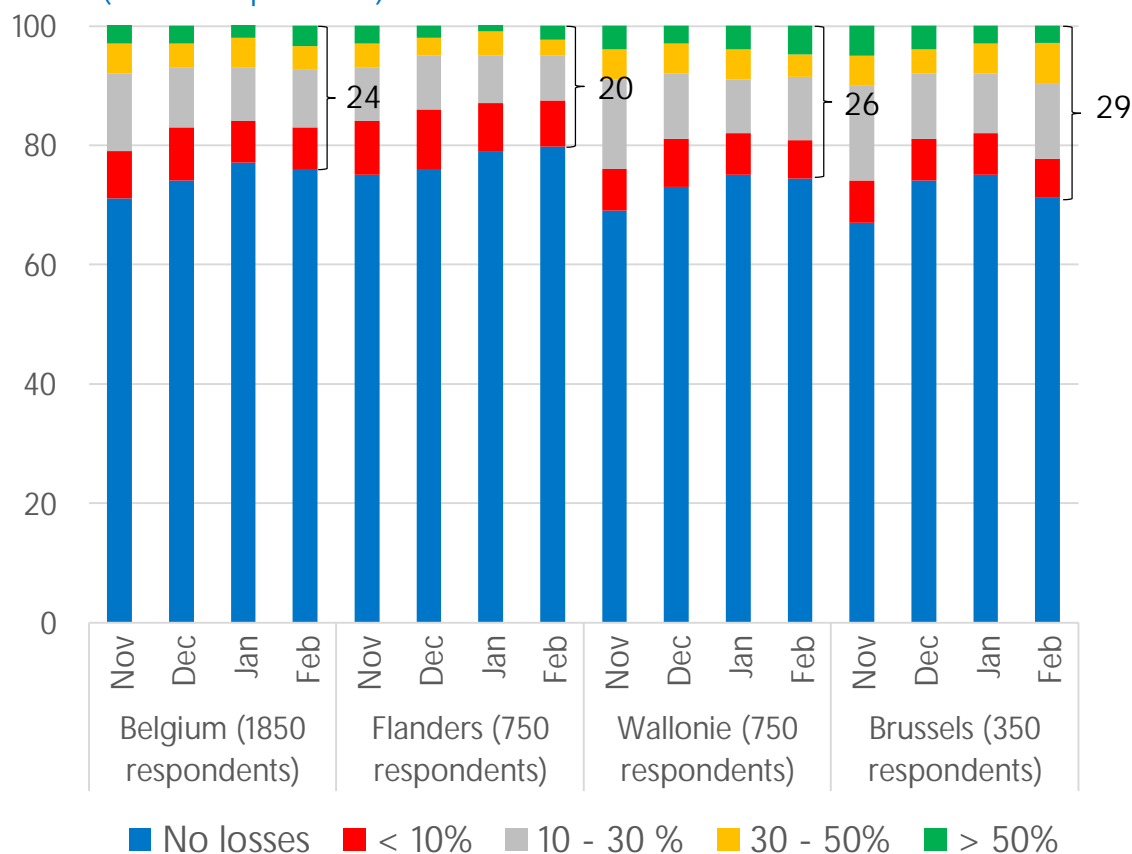


Around 17 % of households suffer an income loss of more than 10 % and 44 % of them have a savings buffer of less than 3 months¹

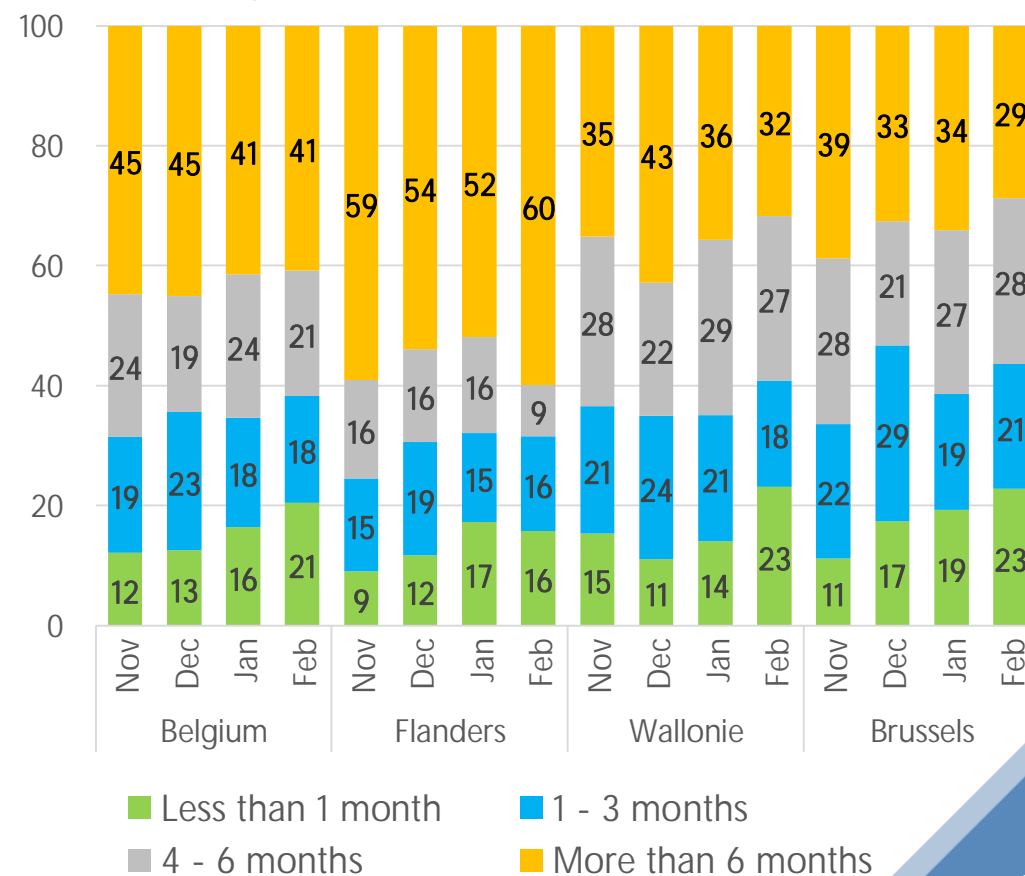


Flemish households still hold the less defavourable position (especially regarding savings buffer)

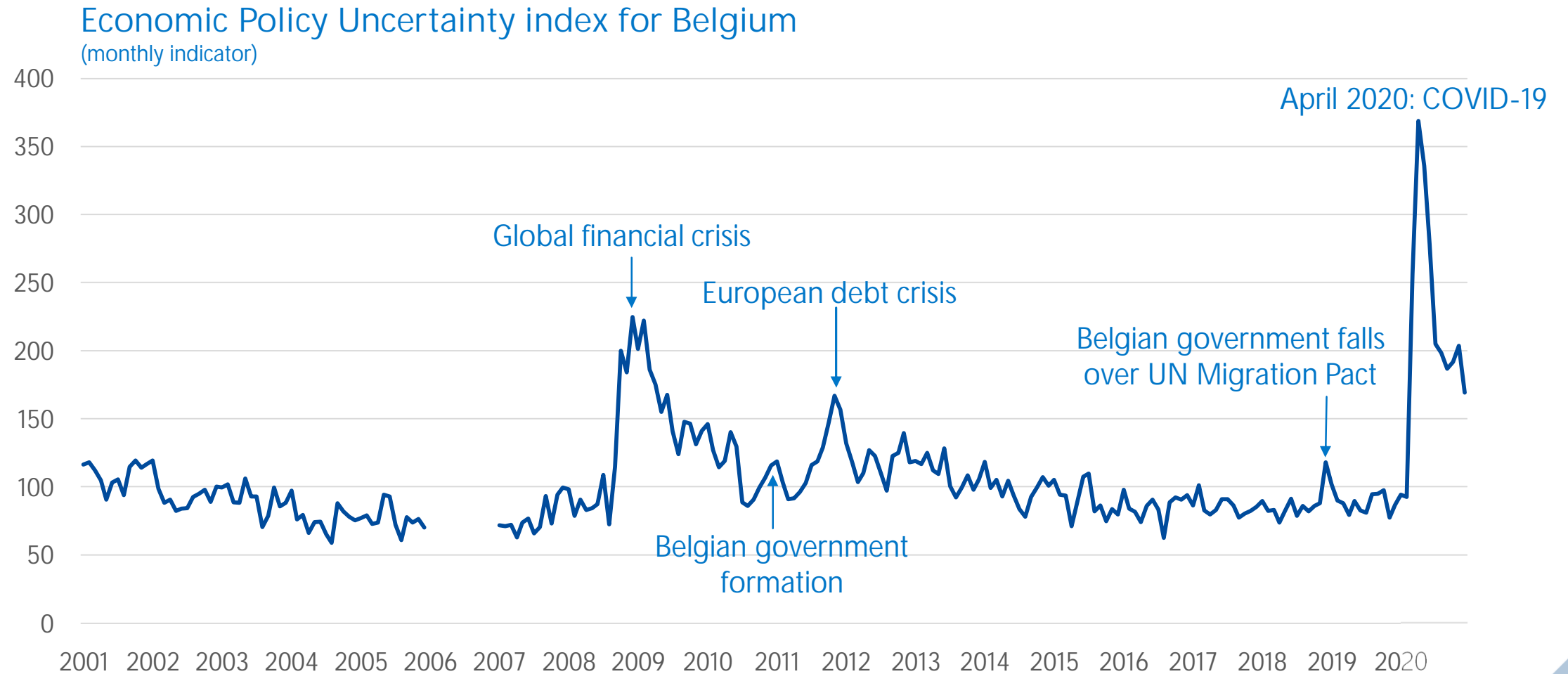
In February, the proportion of households suffering no loss of income remains quite stable except in Brussels where it has decreased (in % of respondents)



Savings buffer of households suffering loss of income remains higher in Flanders, even more so in the February survey (in % of respondents with loss of income)



Economic policy uncertainty has eased recently, but remains elevated

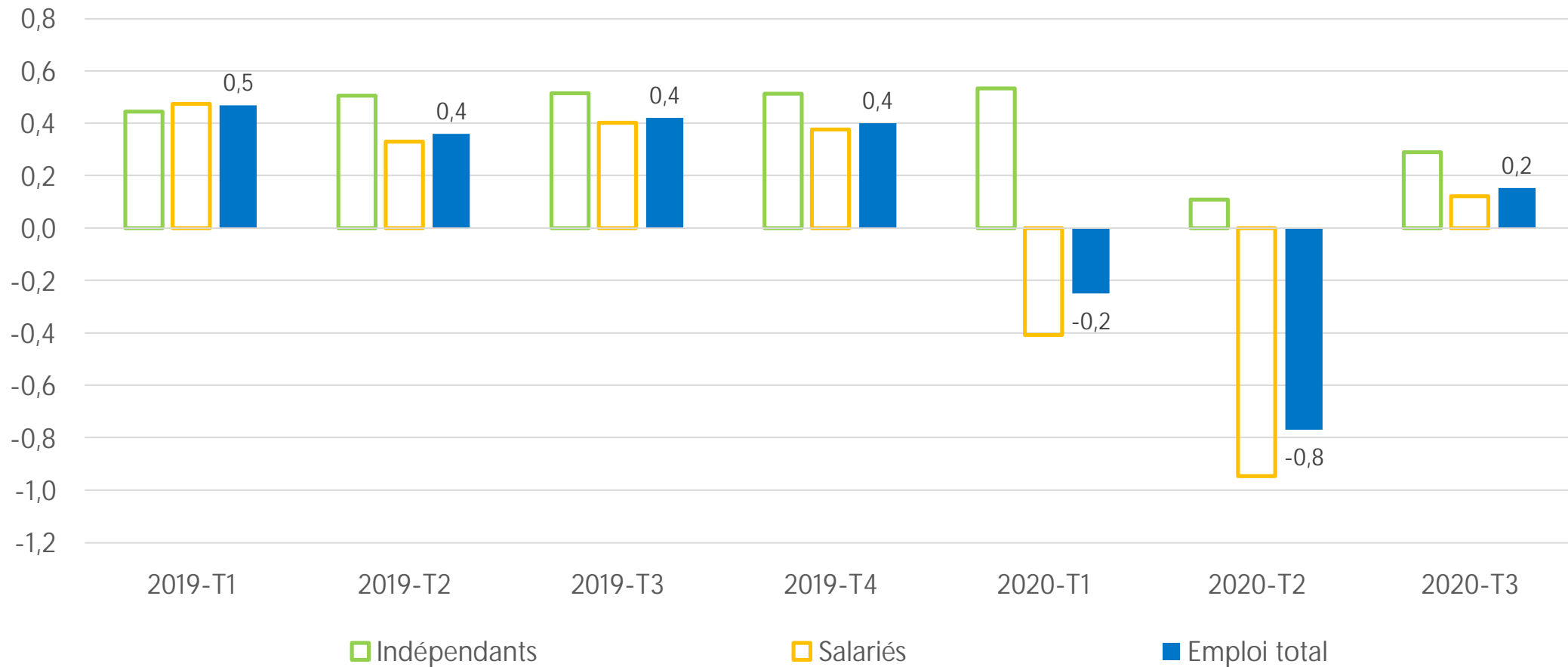


The background of the slide features a light blue gradient with several stylized, semi-transparent images of coronavirus particles. These particles are spherical with numerous spike-like protrusions on their surfaces, rendered in a slightly darker blue or greyish tone. They are scattered across the frame, with one large, detailed particle centered behind the main text.

Labour market

L'emploi salarié plus durement impacté que l'emploi indépendant

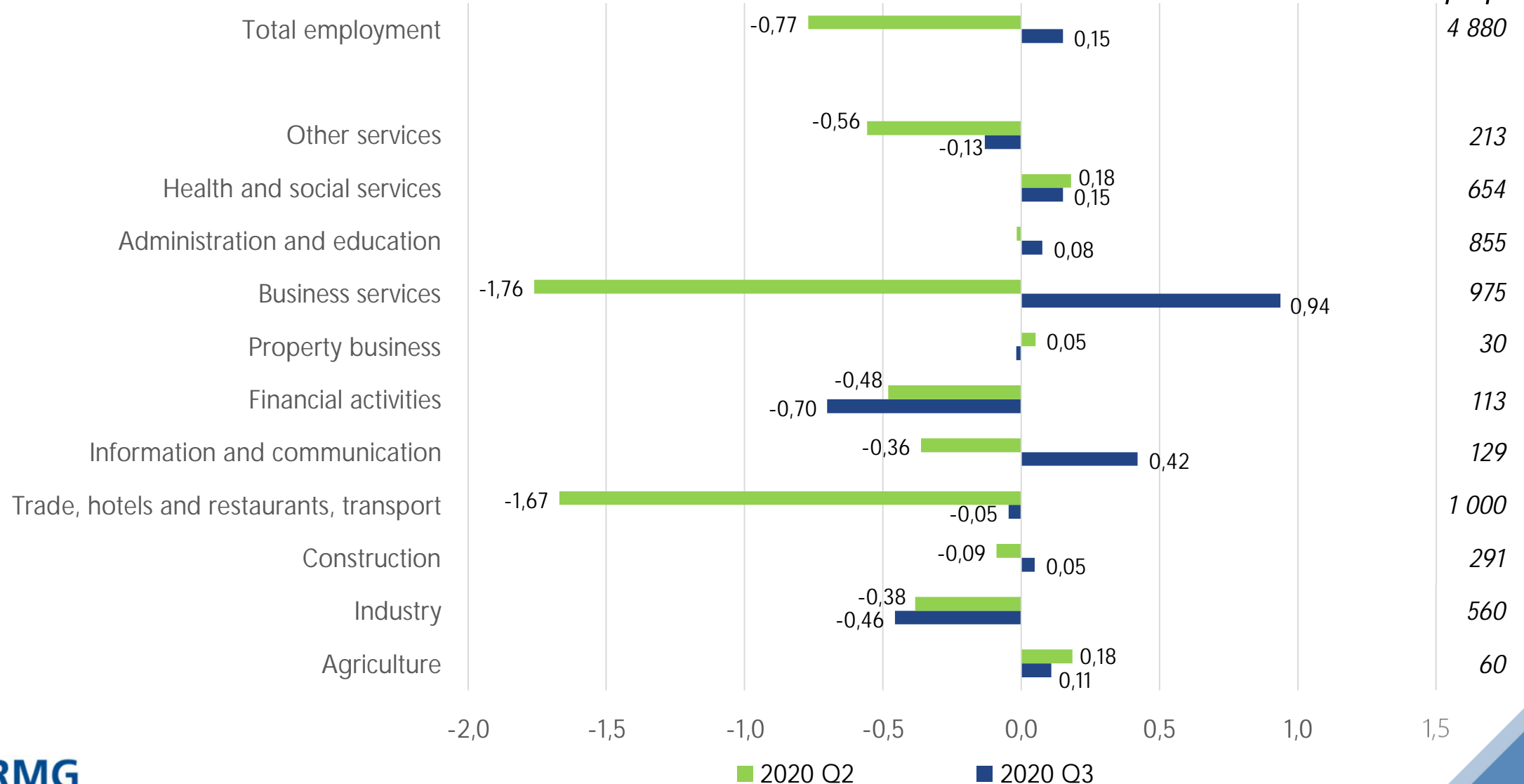
(emploi en personnes - variation trimestrielle en %)



Impact on employment stronger for some branches of activity

(QoQ variation in %)

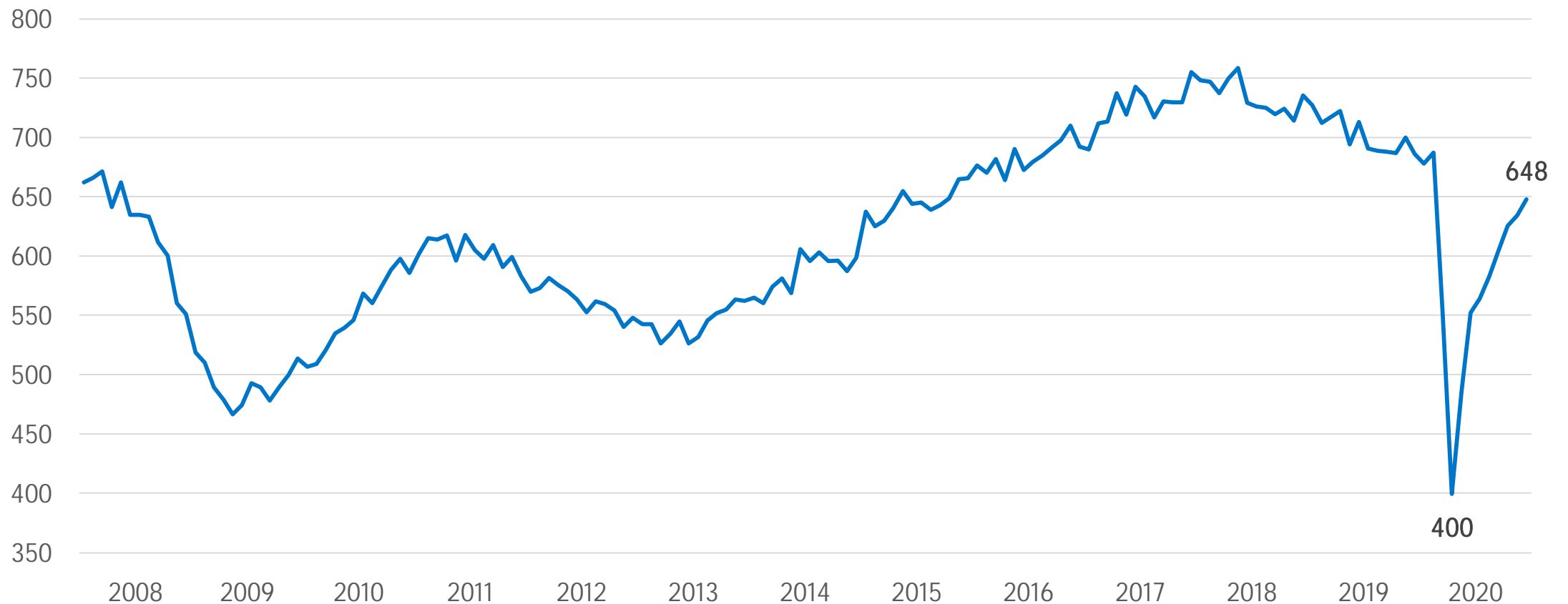
*pm thousands
of people*



Source: NAI, latest available data: third quarter 2020.

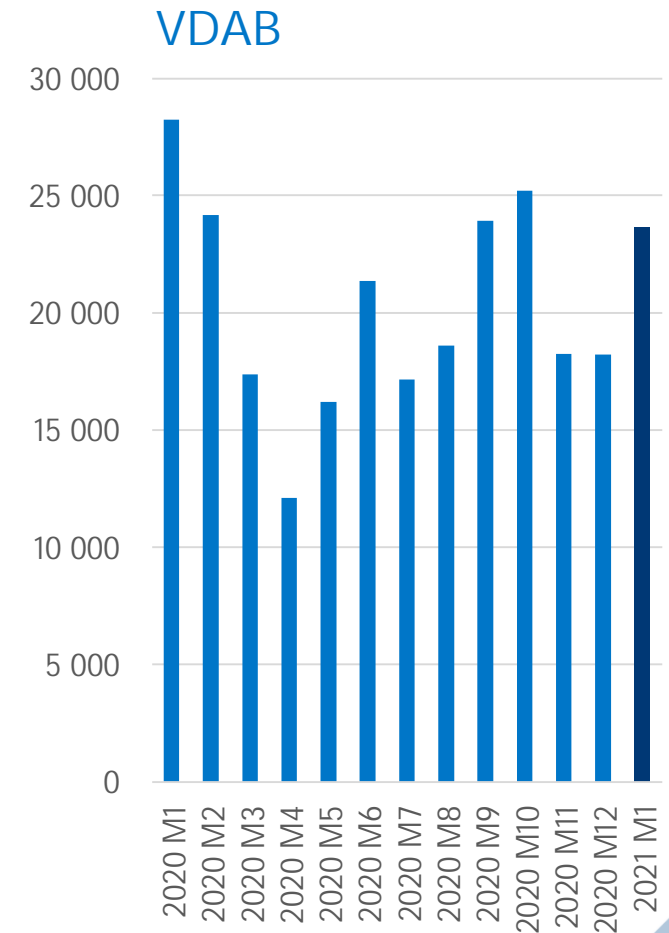
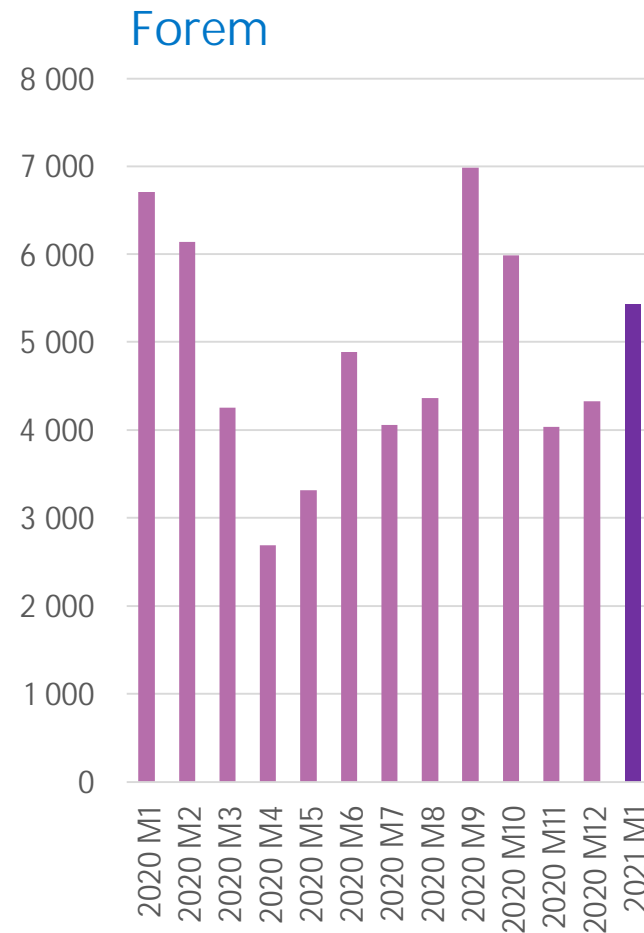
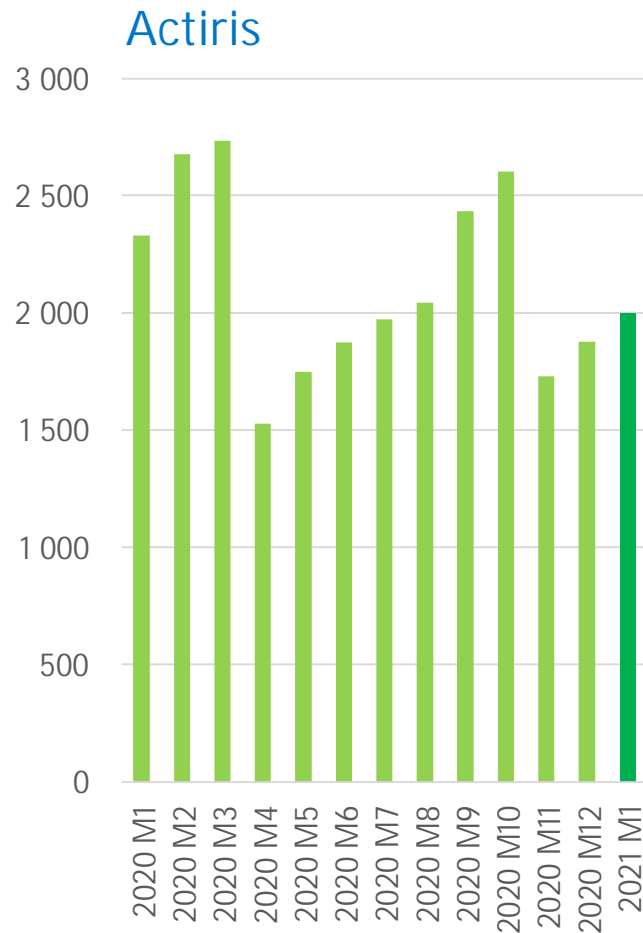
Chute brutale du travail intérimaire en avril, reprise partielle par après

(données mensuelles, en milliers d'heures)



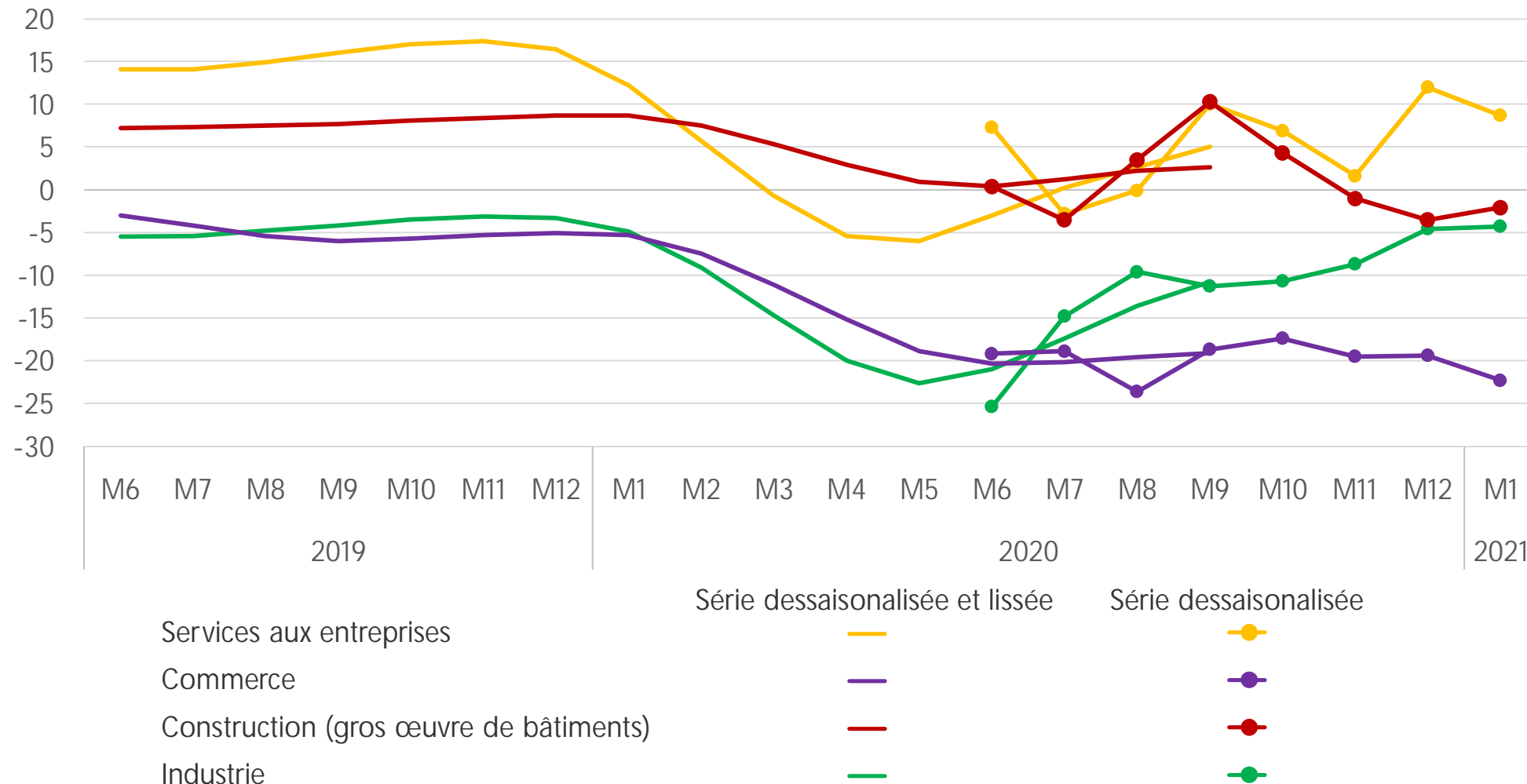
L'évolution des opportunités d'emplois suit les mesures de (dé)confinement

(moyenne mensuelle des offres d'emplois reçues par les services publics de l'emploi régionaux via le circuit ordinaire)

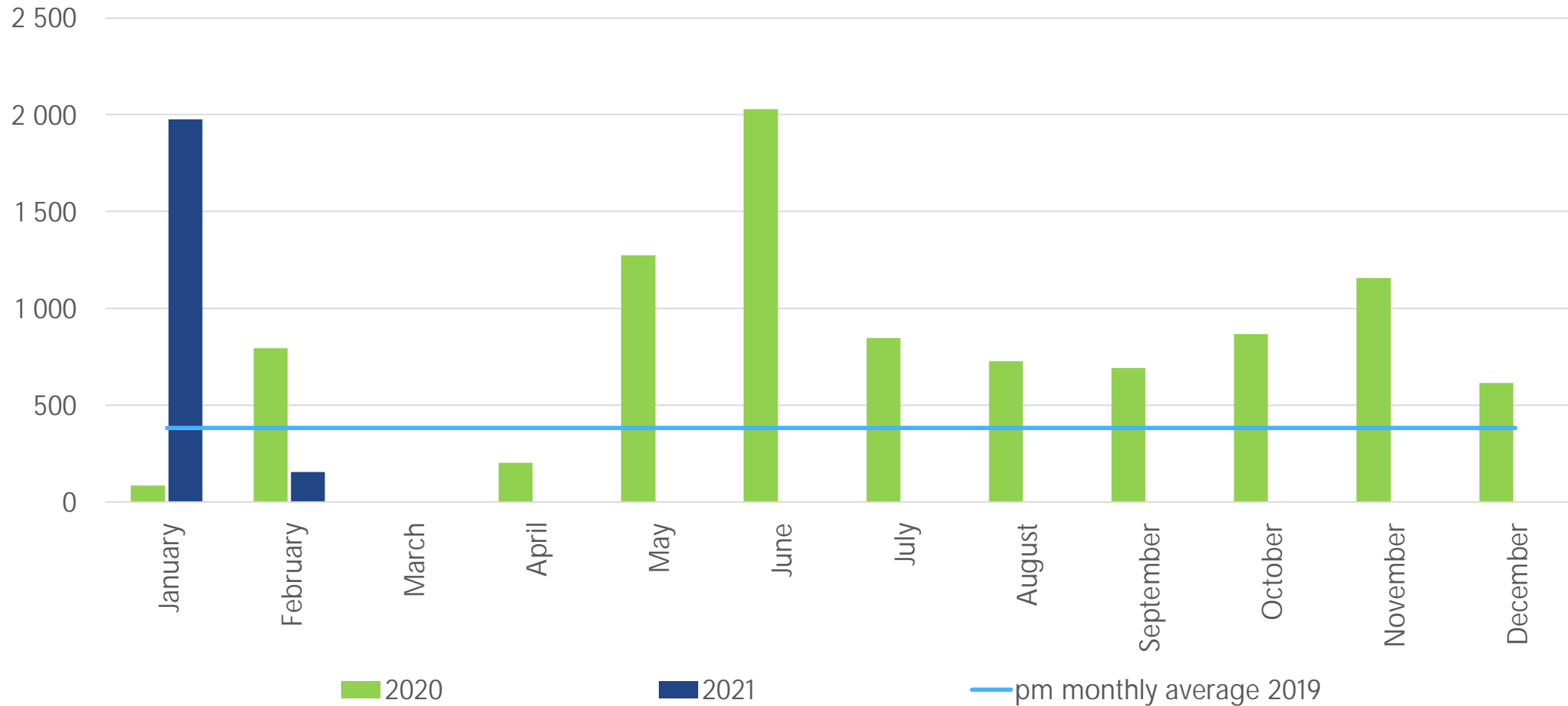


Les prévisions d'emplois issues des enquêtes de conjoncture toujours marquées par les effets de la crise

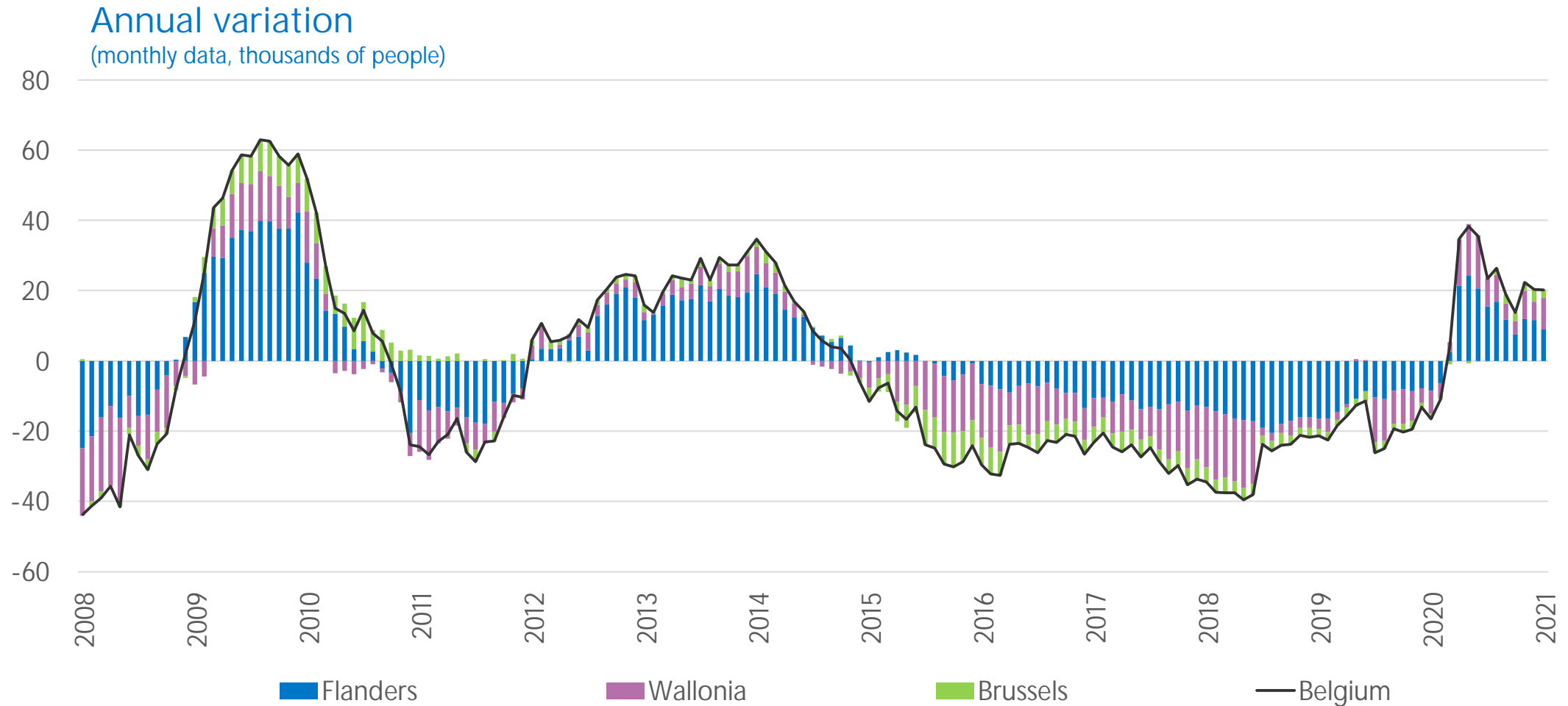
(données désaisonnalisées et lissées)



Mass redundancy procedures: above 2019 average (workers concerned)

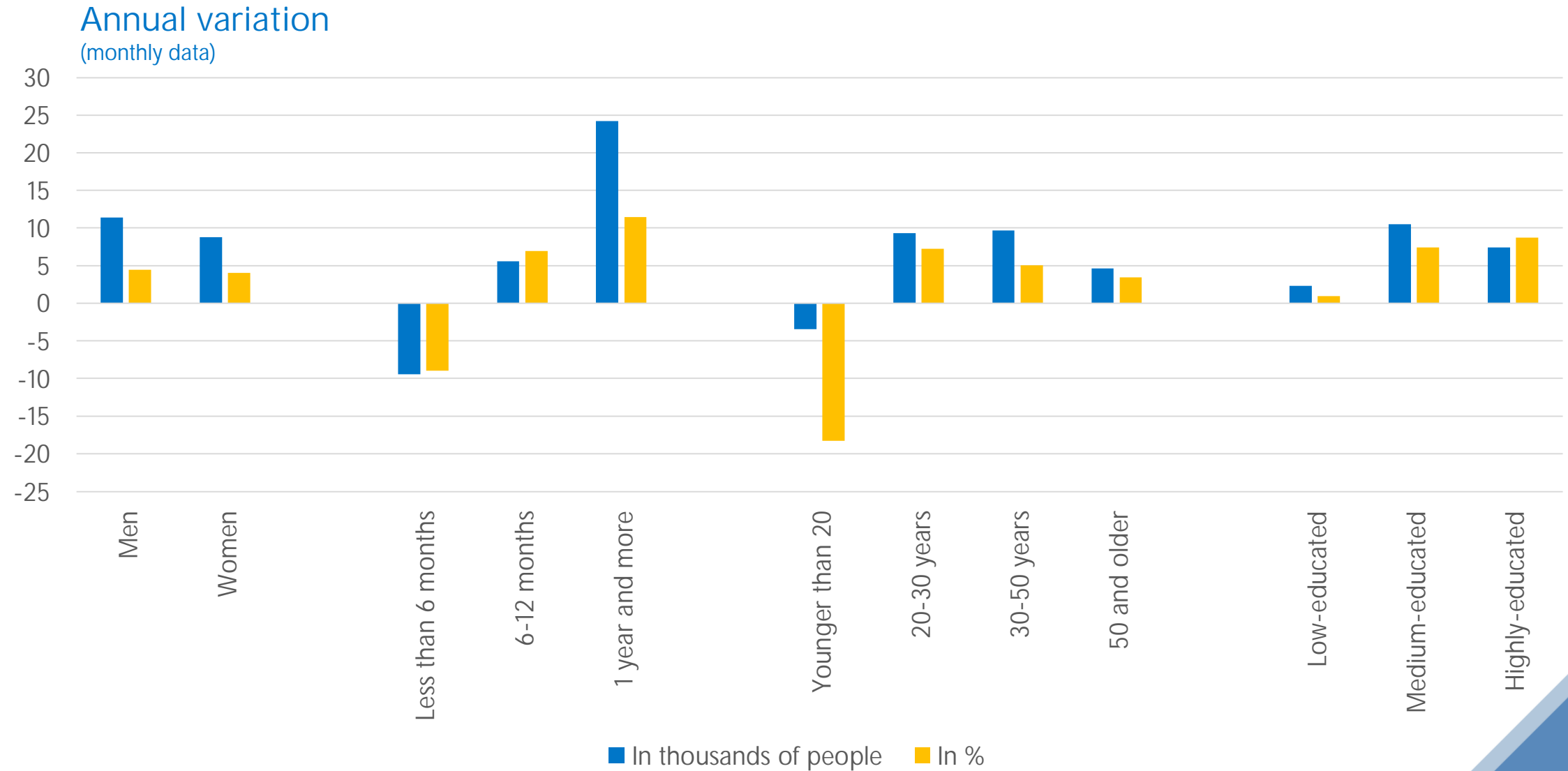


Limited rise in unemployment for the time being ...



◆ Peak observed in May 2020: +38 000, situation in January 2021: +20 000

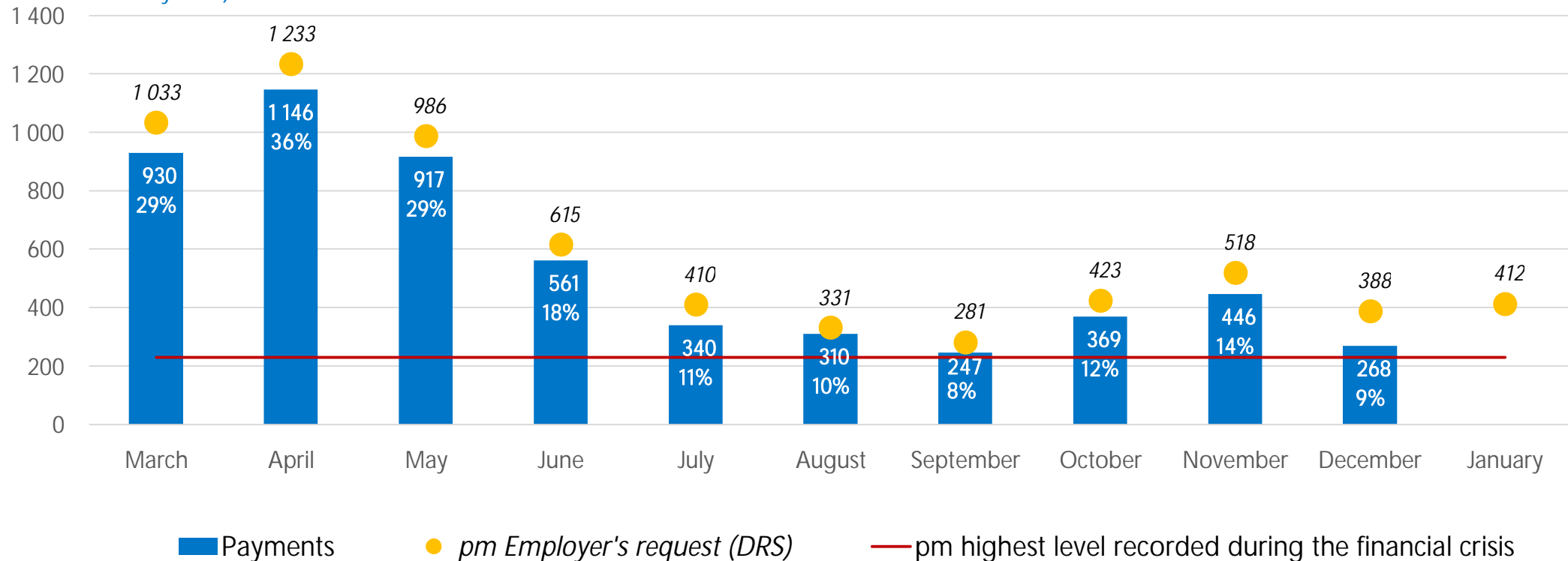
... concentrated on medium and highly-educated people with longer durations



Temporary unemployment: following lockdown measures

Monthly effective use and access demands

(payments linked to COVID-19, thousands of people and % of private salaried employment, p.m. DRS linked to COVID-19, thousands of people, monthly data)

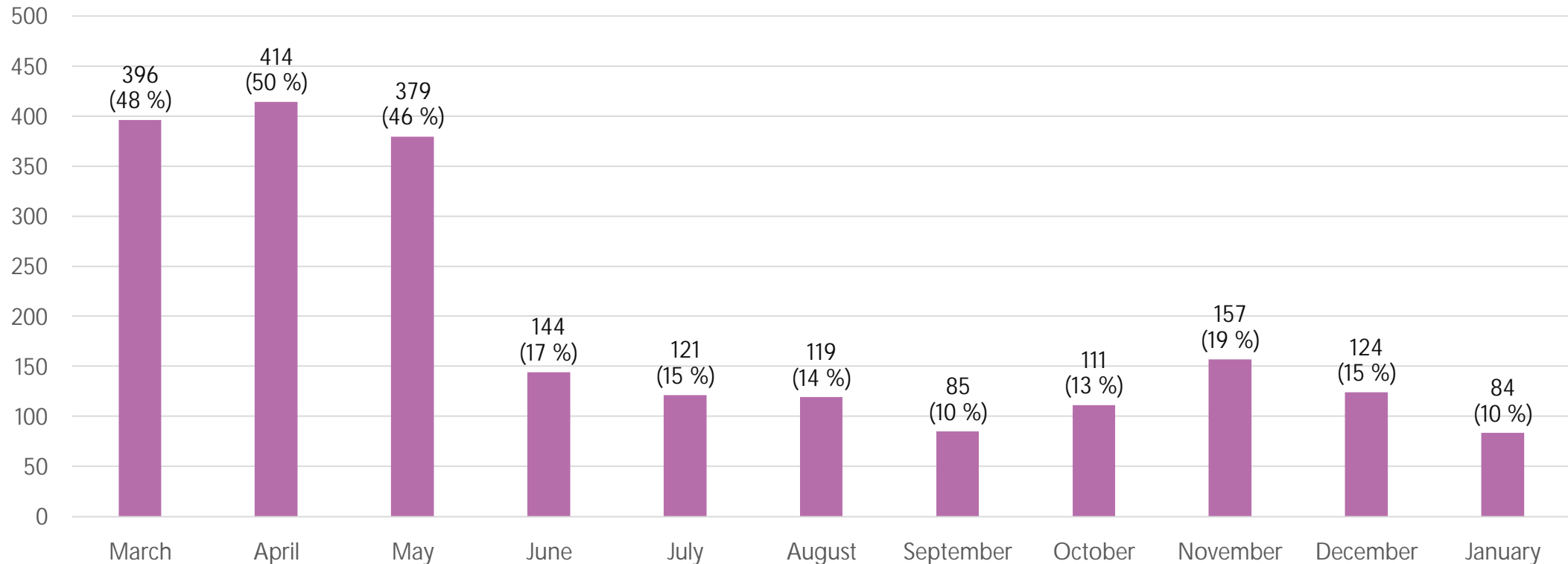


Average number of days per worker									
March	April	May	June	July	August	September	October	November	December
8.8	15.8	10.9	9.4	8.3	8.3	8.6	8.1	10.5	10.1

Self-employed: unprecedented use of financial support

Bridging right, provisional data¹

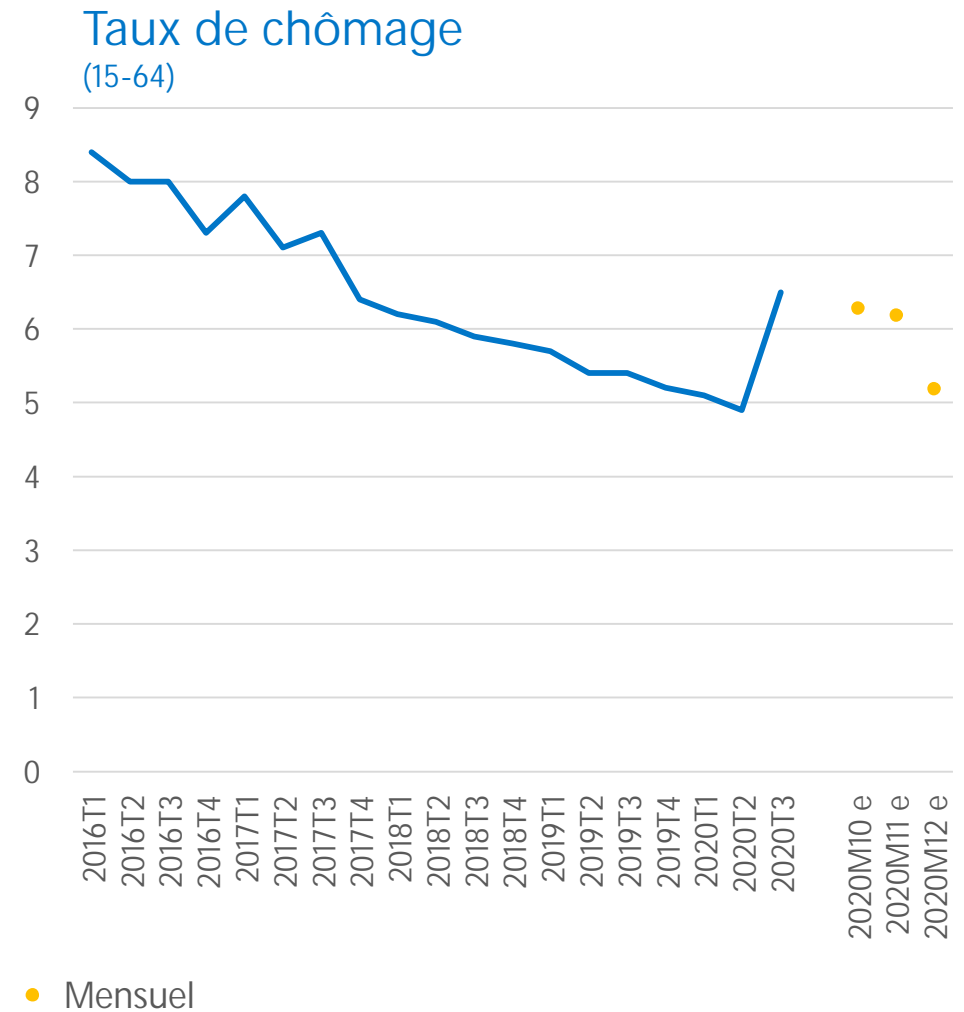
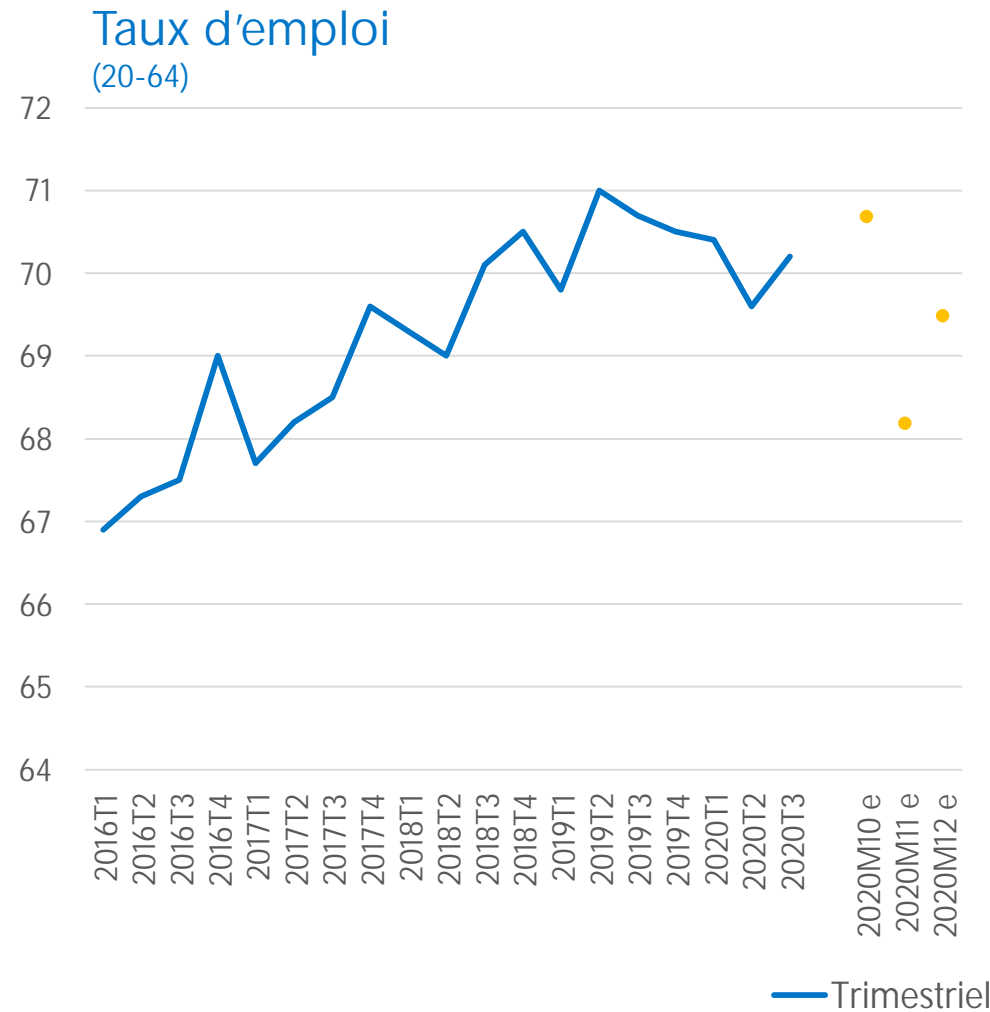
(thousands of people and % of self-employed in principal activity)



Before the crisis, about 90 self-employed benefited of the bridging right.
At the peak of the crisis, in April, they were 414 000.

La crise sanitaire a interrompu une dynamique positive

(taux harmonisés issus des enquêtes force de travail¹)



Source: Statbel, dernières données disponibles: en trimestriel: 3ème trimestre - en mensuel: décembre 2020.

¹ Les indicateurs mensuels sont sujets à de plus fortes fluctuations aléatoires que les résultats trimestriels et annuels car ils reposent sur un douzième de l'échantillon annuel. Les variations d'une période à l'autre doivent être interprétés avec prudence.

The background of the slide features a light blue gradient with several stylized, semi-transparent images of coronavirus particles. These particles are spherical with prominent, irregular spikes protruding from their surfaces. One large particle is centered in the upper half of the frame, while several smaller, out-of-focus particles are scattered in the foreground and background, creating a sense of depth.

ERMG survey

The ERMG survey has been monitoring the COVID-19 impact on companies and self-employed since the beginning of the crisis¹

- ◆ Surveys conducted by (selection of) the following federations:

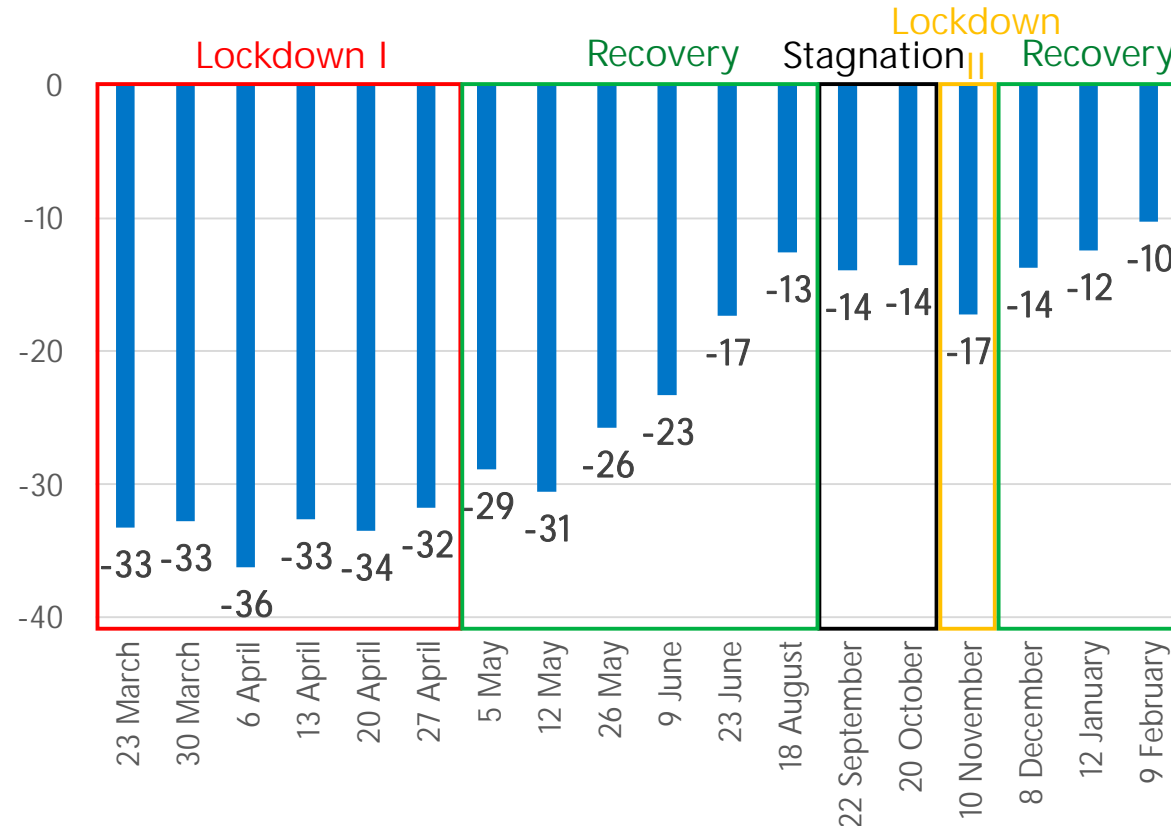


Round	Period	Federations	Replies	Comment
1	23-24 March	BECI, UWE, VOKA	1 700	Results not published
2	30-31 March	BECI, UNIZO, UWE, VOKA	4 725	First press release
3	6-7 April	BECI, BOERENBOND, NSZ, UNISOC, UNIZO, UWE, VOKA	6 900	UNISOC was analysed separately
4	14-15 April	BECI, NSZ, UNIZO, UWE, VOKA	5 500	
5	20-21 April	BECI, NSZ, UNIZO, UWE, VOKA	3 528	
6	27-28 April	BECI, NSZ, UNIZO, UWE, VOKA	4 208	
7	5-6 May	BECI, BOERENBOND, UNIZO, UWE, VOKA	2 675	
8	12-13 May	BECI, UNIZO, UWE, VOKA	2 185	
9	25-27 May	BECI, NSZ, UNIZO, UWE, VOKA	2 993	
10	8-10 June	BECI, NSZ, UNIZO, UWE, VOKA	2 365	
11	22-24 June	BECI, NSZ, UNIZO, UWE, VOKA	3 136	
12	17-19 August	BECI, NSZ, UCM, UNIZO, UWE, VOKA	4 430	
13	21-23 September	BECI, NSZ, UNIZO, UWE, VOKA	2 868	
14	19-21 October	BECI, UCM, UNIZO, UWE, VOKA	5 131	
15	9-10 November	BECI, NSZ, UCM, UNIZO, UWE, VOKA	5 631	
16	7-9 December	BECI, UCM, UNIZO, UWE, VOKA	3 798	
17	11-13 January	BECI, NSZ, UCM, UNIZO, UWE, VOKA	5 348	
18	8-10 February	BECI, NSZ, UCM, UNIZO, UWE, VOKA	3 194	

Revenue loss and outlook similar to January (taking into account methodological changes and sample composition¹)

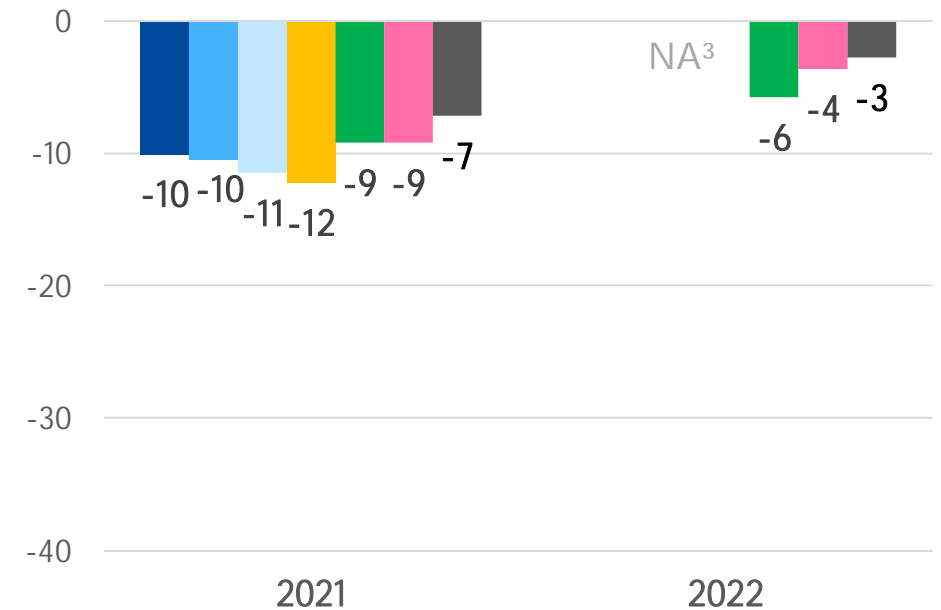
COVID-19 impact on weekly turnover

(in %, weighted average based on revenues and industry value added²)



Expected impact on turnover in 2021 / 2022

(in %, weighted average based on revenues and industry value added²)



- Expectation of Survey 18 August
- Expectation of Survey 22 September
- Expectation of Survey 20 October
- Expectation of Survey 10 November
- Expectation of Survey 8 December
- Expectation of Survey 12 January
- Expectation of Survey 9 February

Source: ERMG survey, latest available data: 9 February 2021.

¹ The February survey has a more accurate estimate of the turnover losses below 20 % and the February sample also contains less self-employed and Walloon firms. We therefore assess the small revenue improvement in the February survey results to be indicative for a stable situation.

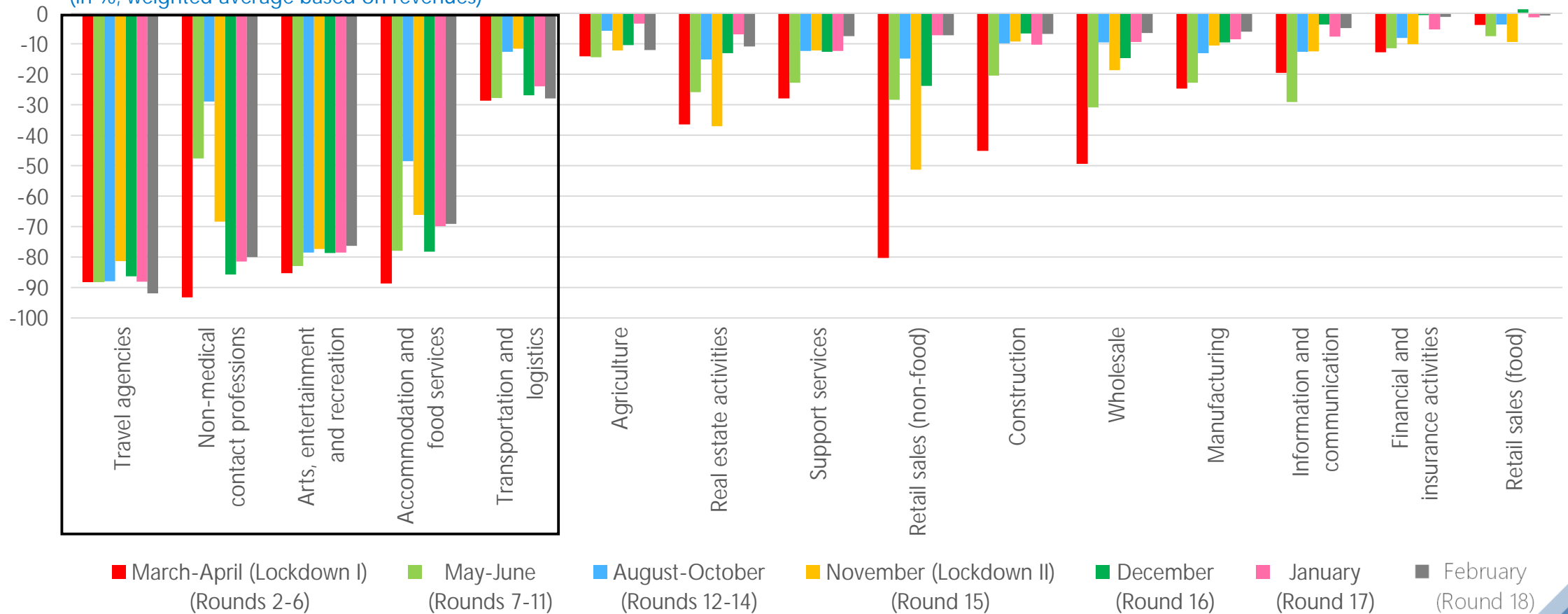
² This approach excludes the human health industry, the public sector and firms that were identified as belonging to a miscellaneous 'other' industry.

³ 2022 revenue expectations were not asked in the survey rounds before December.

Worst-hit sectors have now been suffering huge losses for 11 months, while the initial revenue loss has been greatly reduced in other sectors¹

COVID-19 impact on weekly turnover

(in %, weighted average based on revenues)



Impact of the COVID-19 crisis on company turnover by industry

(in %, weighted average based on revenues)

	March-April (Lockdown I) (Rounds 2-6)	May-June (Rounds 7-11)	August-October (Rounds 12-14)	10 November Lockdown II (Round 15)	8 December (Round 16)	12 January (Round 17)	9 February ¹ (Round 18)	
Travel agencies	-88	-88	-88	-81	-86	-88	-92	< -50 %
Non-medical contact professions	-93	-48	-29	-68	-86	-82	-80	
Events and recreation	-85	-83	-79	-77	-79	-79	-76	
Accommodation and food service activities	-89	-78	-49	-66	-78	-70	-69	
Aviation ²	-51	-60	-27	-15	-85	-41	-61	
Manufacture of transport equipment ²	-54	-36	-12	-21	-12	-5	-30	-20 to -50 %
Road transport (persons)	-55	-57	-15	-13	-23	-20	-26	
Cleaning and security services ²	-42	-22	-11	-10	-10	-6	-21	
Manufacture of wood and paper products, and printing	-36	-27	-11	-14	-10	-4	-18	-10 to -20 %
Manufacture of textiles, wearing apparel and shoes	-61	-43	-6	-19	-10	-12	-12	
Agriculture and fishing	-14	-14	-6	-12	-10	-3	-12	
Manufacture of food products	-18	-19	-9	-12	-9	-18	-12	
Human Resources	-35	-30	-13	-11	-19	-17	-11	
Liberal professions	-23	-18	-10	-12	-13	-16	-11	0 to -10 %
Real estate activities	-36	-26	-15	-37	-13	-7	-11	
Manufacture of furniture	-66	-31	-13	-7	-3	-2	-9	
Retail sales (non-food)	-80	-28	-15	-51	-24	-7	-7	
Construction	-45	-20	-10	-9	-7	-10	-7	
Manufacture of machinery and electrical equipment	-29	-24	-14	-10	-11	-12	-7	
Wholesale	-49	-31	-10	-19	-15	-9	-6	
Manufacture of computer, electronic and optical products	-28	-19	-25	-11	-5	-1	-6	
Consultancy	-17	-20	-11	-14	-9	-7	-6	
Information and communication	-20	-29	-13	-13	-4	-8	-5	
Logistics	-22	-26	-11	-11	-8	-11	-5	
Engineering services	-33	-15	-19	-12	-16	-8	-4	
Manufacture of plastic and non-metallic products	-19	-19	-12	-10	-8	-7	-3	
Metallurgy	-23	-30	-23	-10	-6	-6	-3	
Manufacture of pharmaceutical and chemical products	-16	-20	-11	-8	-10	-5	-1	
Financial and insurance activities	-13	-11	-8	-10	-1	-5	-1	
Retail sales (food)	-4	-8	-4	-9	1	-1	-1	

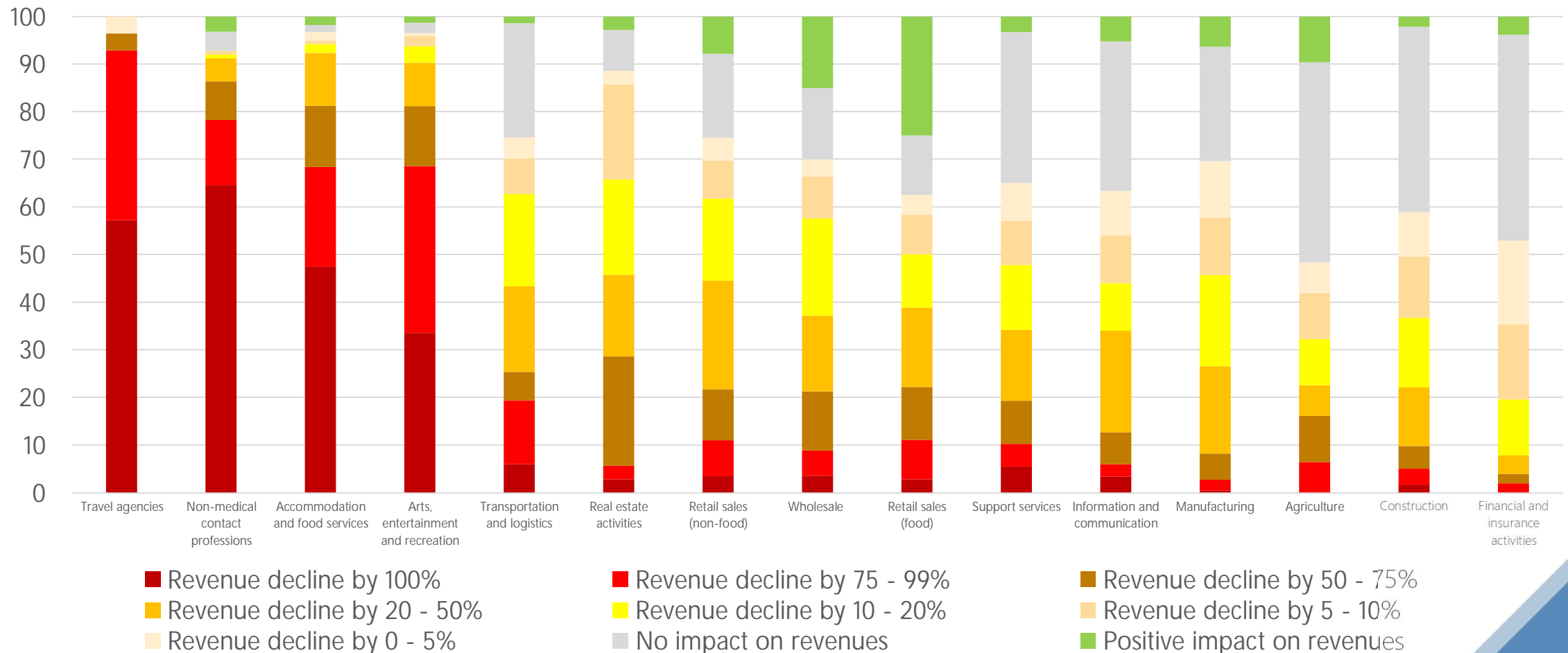
Source: ERMG survey, latest available data: 9 February 2021.

¹ We assess the current revenue loss in most industries to be relatively stable compared to January (taking into account the methodological change and the change in the sample composition).

² The results for these industries are based on only a few respondents and should therefore be interpreted with caution.

In addition to cross-sectoral differences, the revenue loss of firms also strongly differs *within* most industries

COVID-19 impact on current turnover (survey 9 February)
(in % of responding firms; unweighted¹)

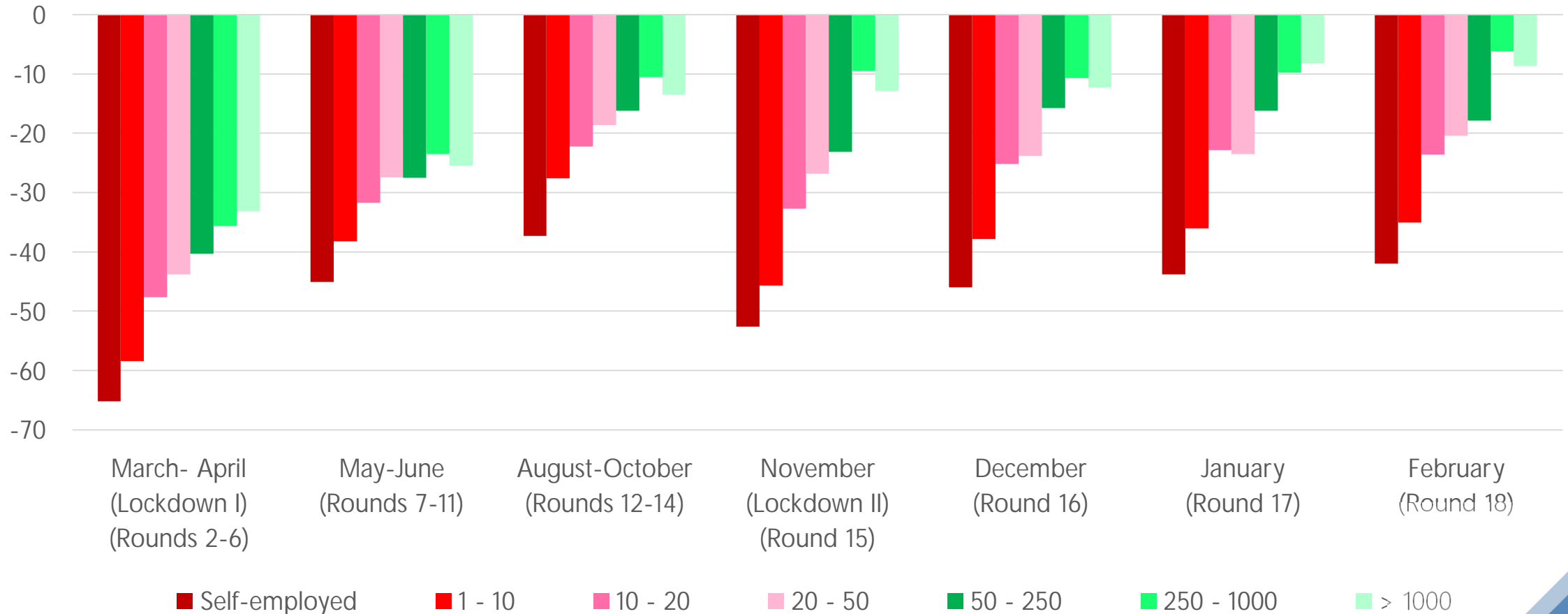


Source: Round 18 of ERMG survey, latest available data: 9 February 2021.

¹ The results on this slide are not weighted by the firm size. Given that for most industries the smaller firms report a larger loss, these unweighted results represent a larger average revenue loss compared to the average revenue loss weighted by firm size, which is shown on the previous slides.

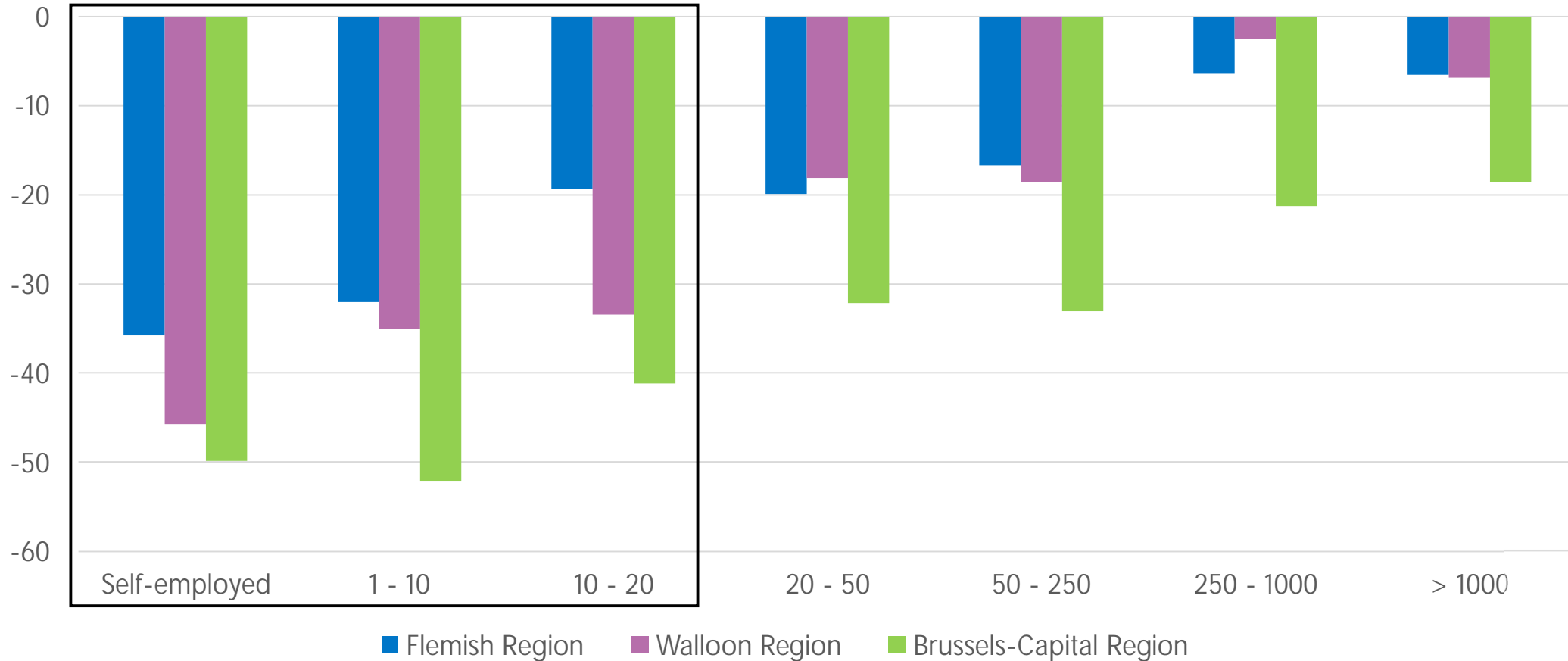
Throughout the pandemic the self-employed and smallest firms have been suffering the greatest losses

Reported COVID-19 impact on weekly turnover, by number of employees
(in %, unweighted average¹)



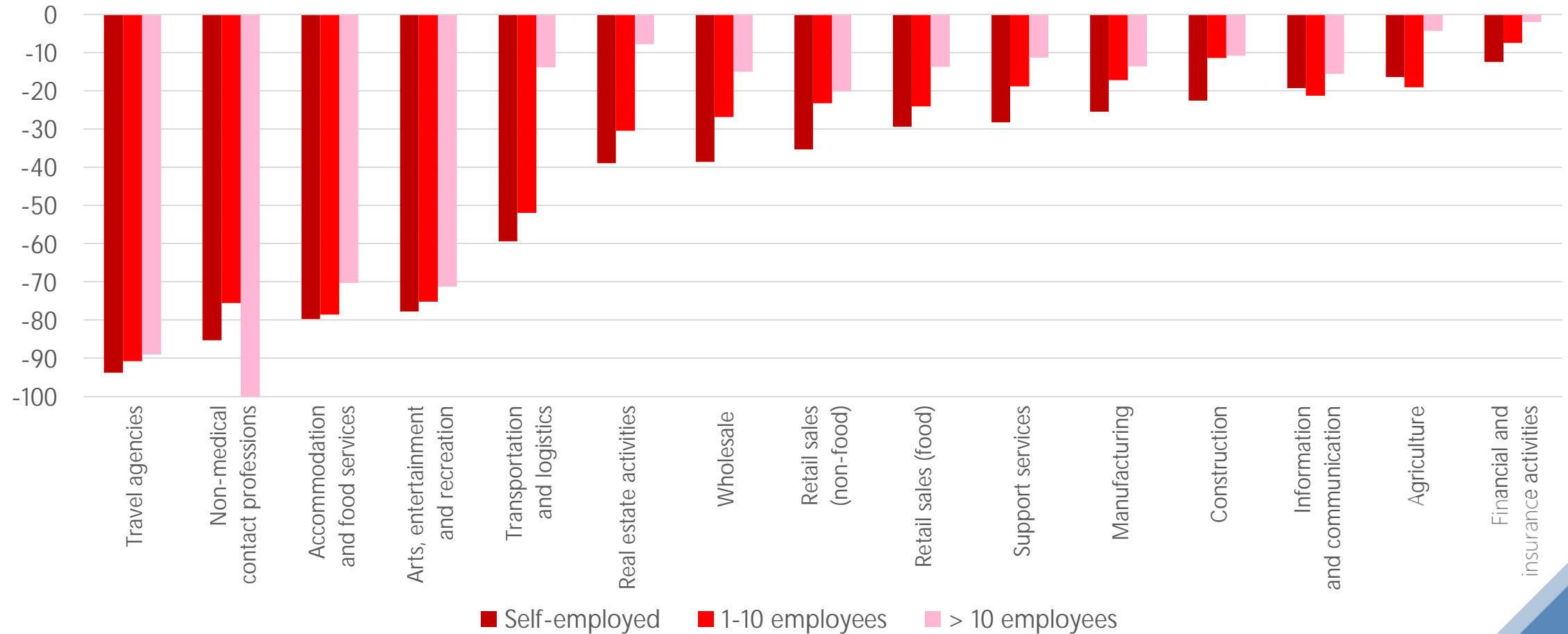
The revenue loss of the self-employed and the smallest firms continues to be larger in Wallonia and especially Brussels

Reported impact on weekly turnover by number of employees (survey 9 February)
(in %, unweighted average¹)



Also *within* most industries, average revenue losses are much larger for the self-employed and the smallest firms

COVID-19 impact on current turnover (survey 9 February)
(in %, unweighted average¹)



Revenues are expected to improve in 2021 and 2022 in most industries but a persistent loss will remain, especially for the worst-hit ones

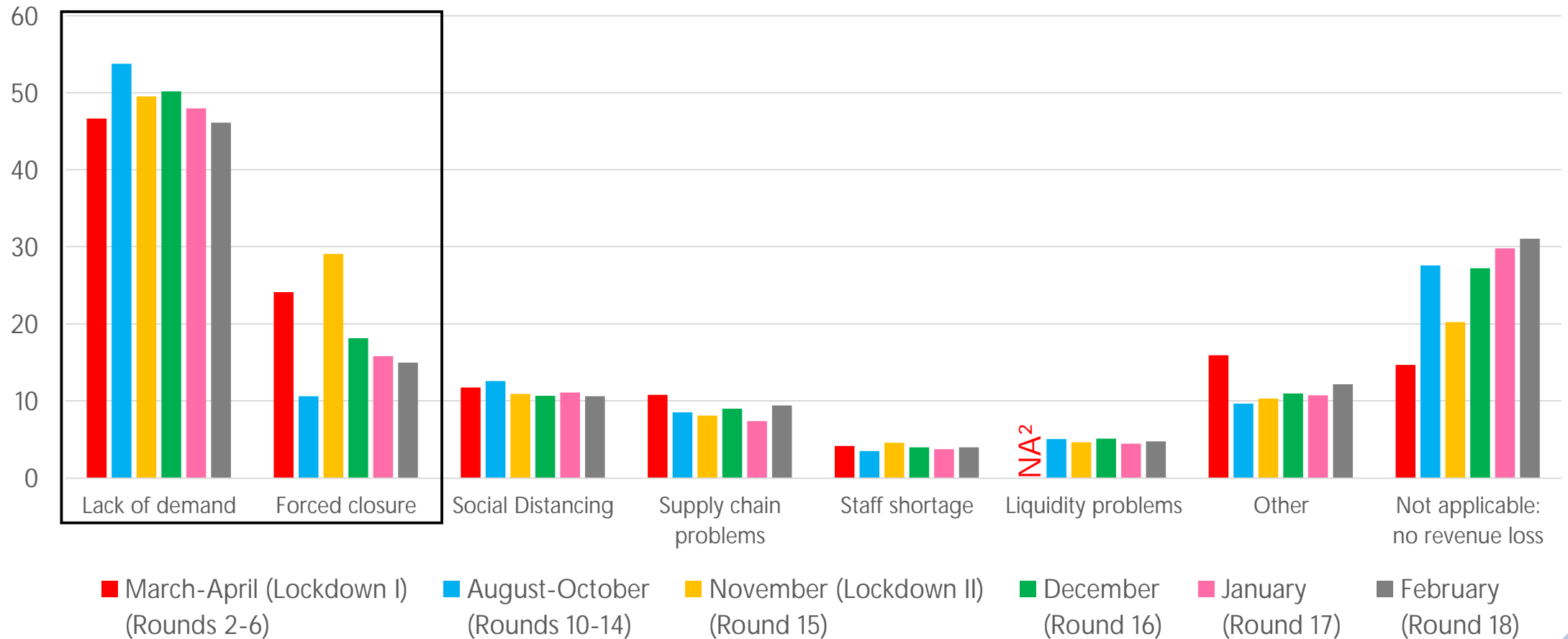
Expected COVID-19 impact on current turnover and on turnover in 2021 and 2022 (survey 9 February)
(in %, weighted average based on revenues)



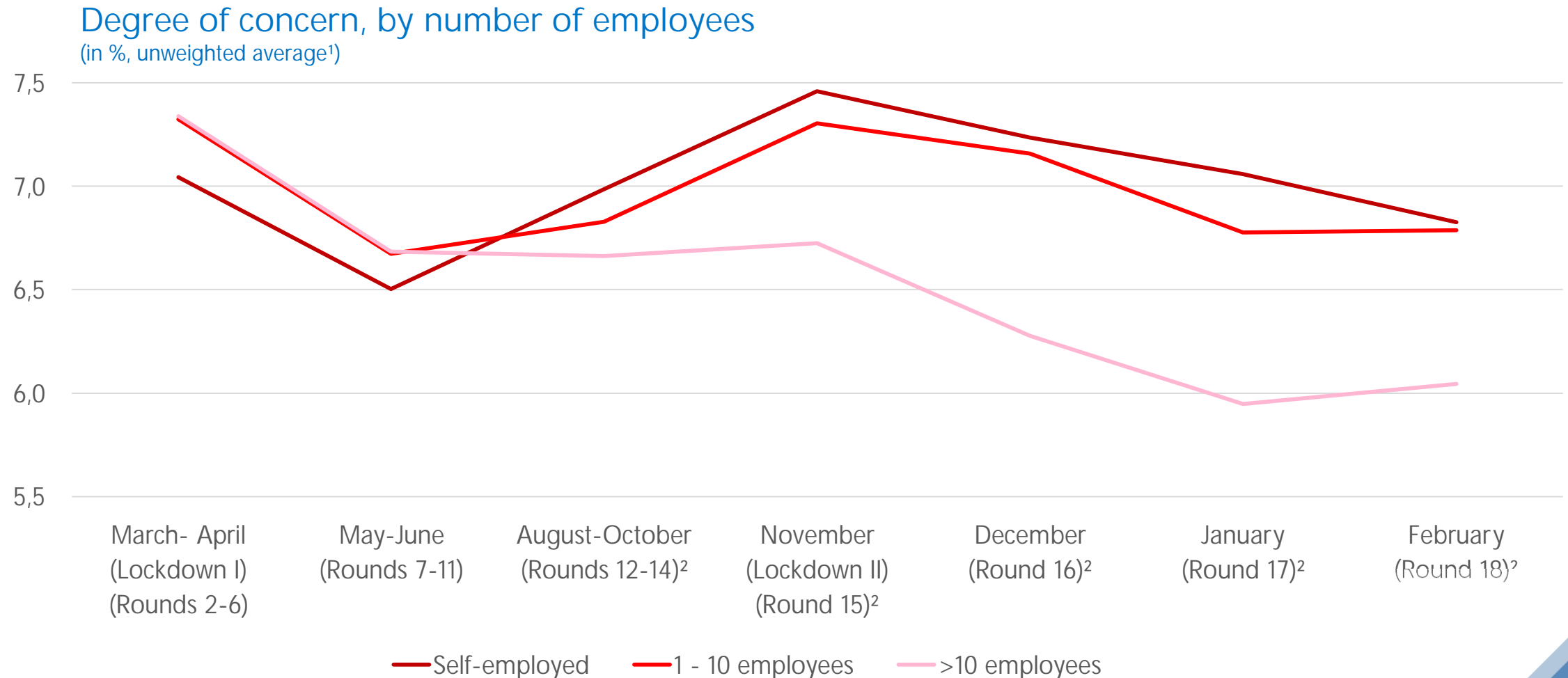
Lack of demand and the forced closure remain the key reasons for the current revenue loss

Reasons for the current revenue loss

(in % of responding firms¹, multiple reasons are possible)

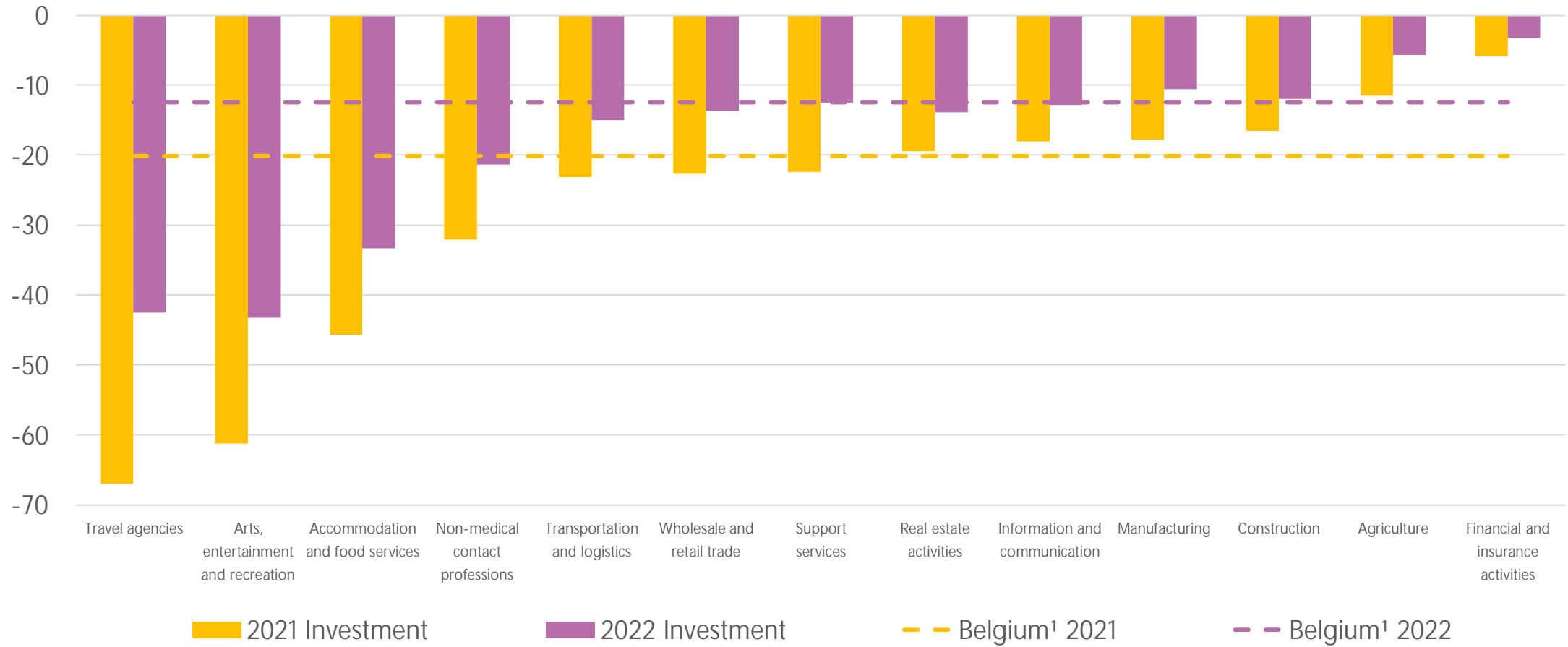


Degree of concern continues to be much more elevated for the self-employed and the smallest firms



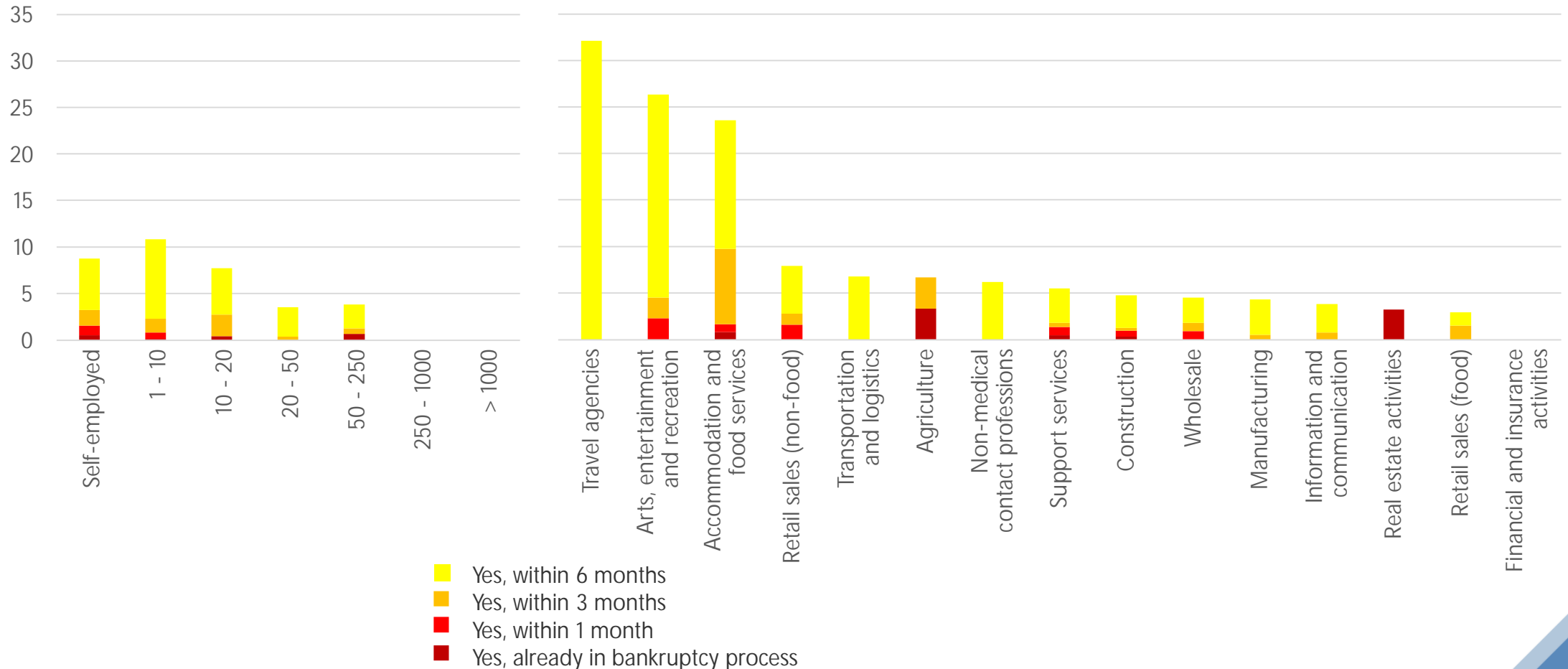
The average firm expects its investment to be about 20 % below normal in 2021 and still about 10 % below normal in 2022

COVID-19 impact on expected investment in 2021 and 2022 (survey 9 February)
(in %, unweighted average¹)



Many small firms and firms in the worst-hit industries expect to go bankrupt in the coming months

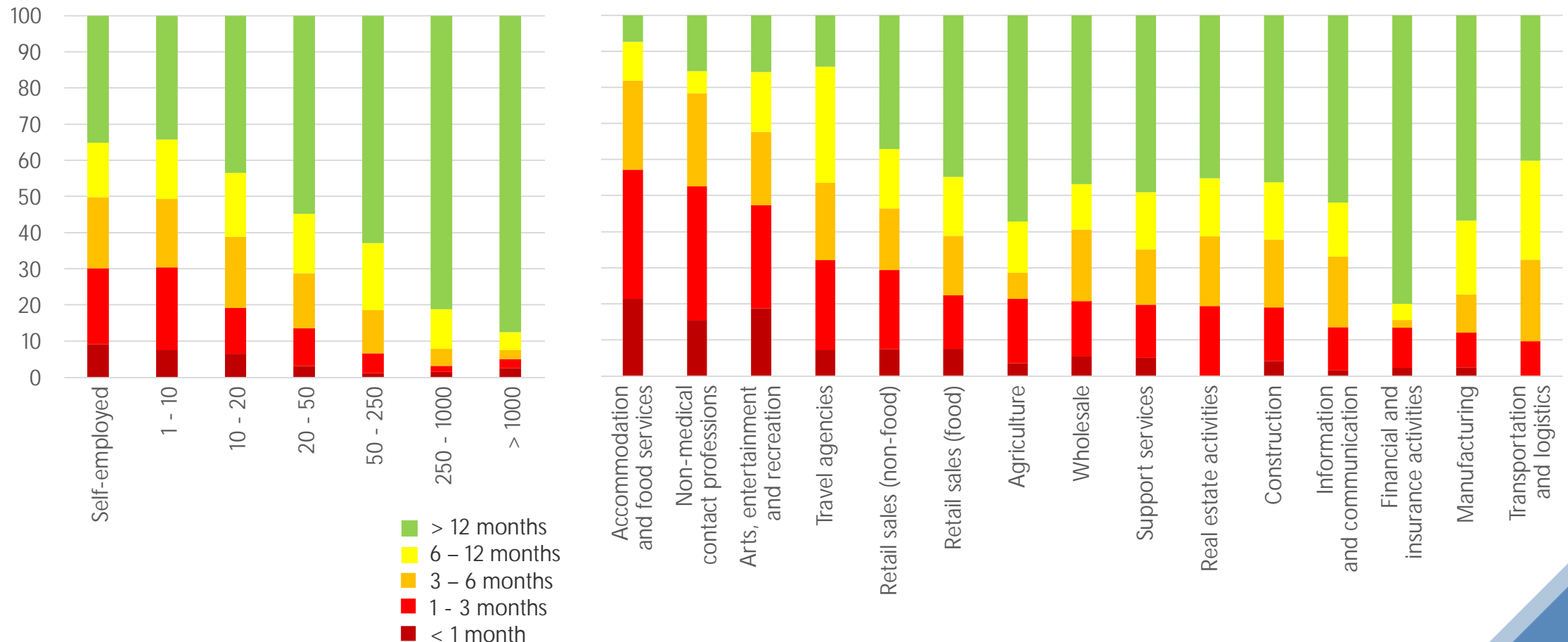
Do you expect to file for bankruptcy within the next 6 months? (survey 9 February)
(in % of responding firms, by staff size¹ and by industry)



The short run financing needs are also much larger for the small firms and firms in the worst-hit industries

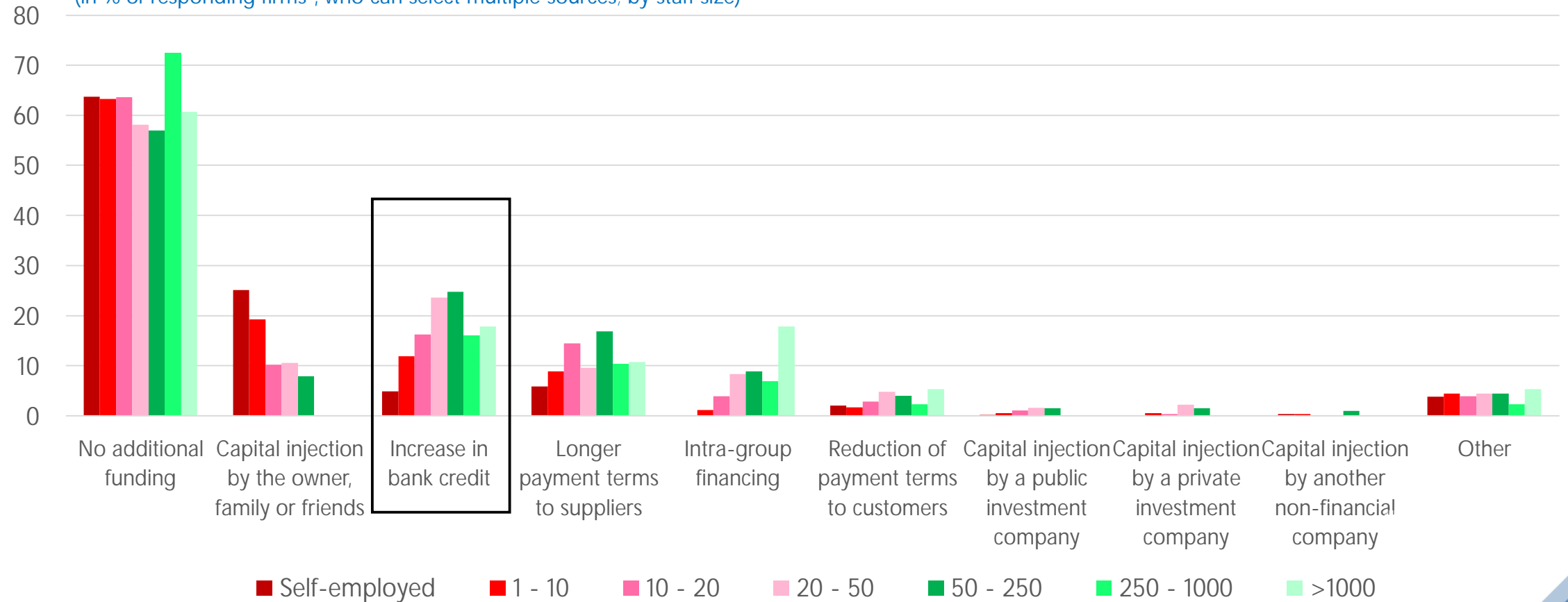
How long can you still meet your current financial obligations without having to rely on additional capital injections or additional loans? (survey 9 February)

(in % of responding firms, by staff size¹ and by industry)



Additional financing sources since March differ by firm size, with the self-employed and small firms having used very little bank credit ...

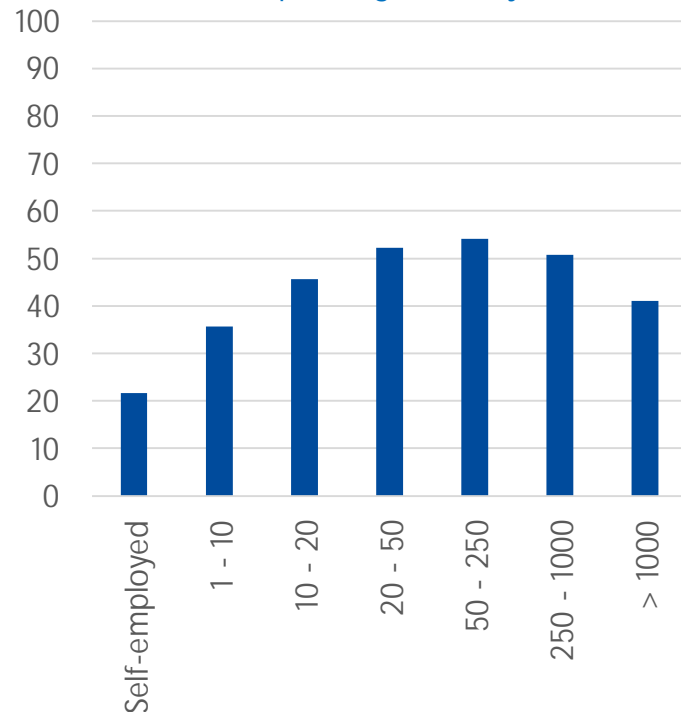
Additional financing sources (in addition to support measures) used since March 2020 (survey 12 Jan.)
(in % of responding firms¹, who can select multiple sources; by staff size)



... which partly reflects their lower interest in taking out bank credit, but even more their increased difficulties in obtaining such credit

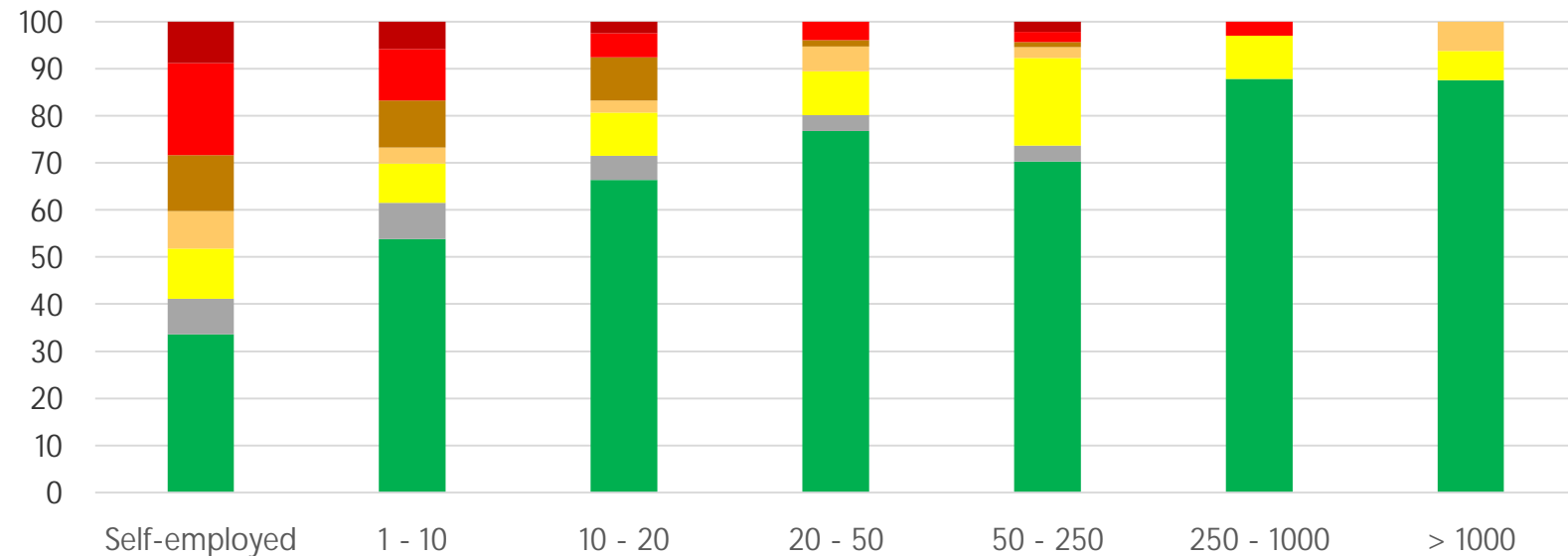
Firms that wanted to take out bank credit in the past 3 months

(in % of all responding firms¹; by staff size)



Have you had difficulties to obtain bank credit in the past 3 months?
(survey 9 February)

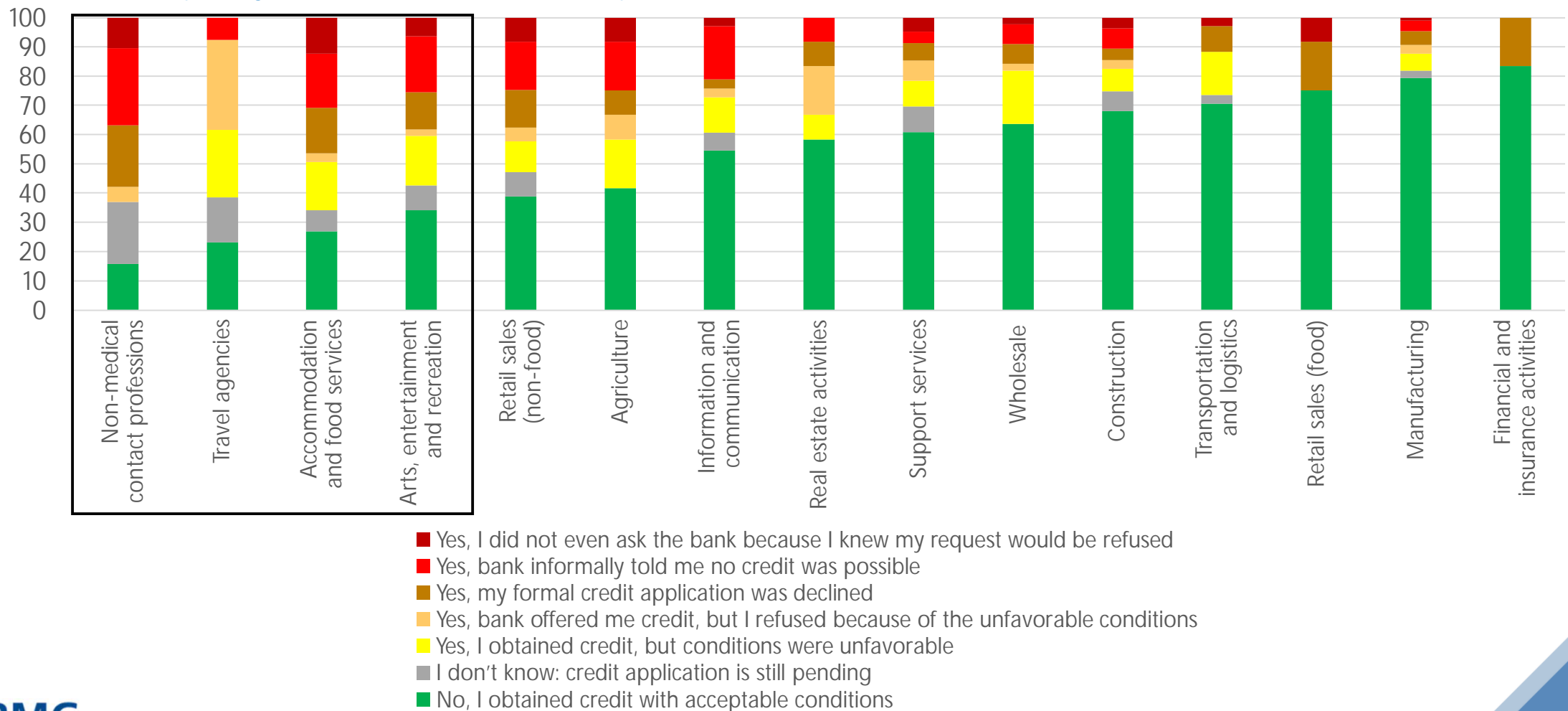
(in % of responding firms who wanted bank credit in the past 3 months¹; by staff size)



- Yes, I did not even ask the bank because I knew my request would be refused
- Yes, bank informally told me no credit was possible
- Yes, my formal credit application was declined
- Yes, bank offered me credit, but I refused because of the unfavorable conditions
- Yes, I obtained credit, but conditions were unfavorable
- I don't know: credit application is still pending
- No, I obtained credit with acceptable conditions

Access to bank credit is also highly dependent on the industry with especially the worst-hit industries reporting difficulties

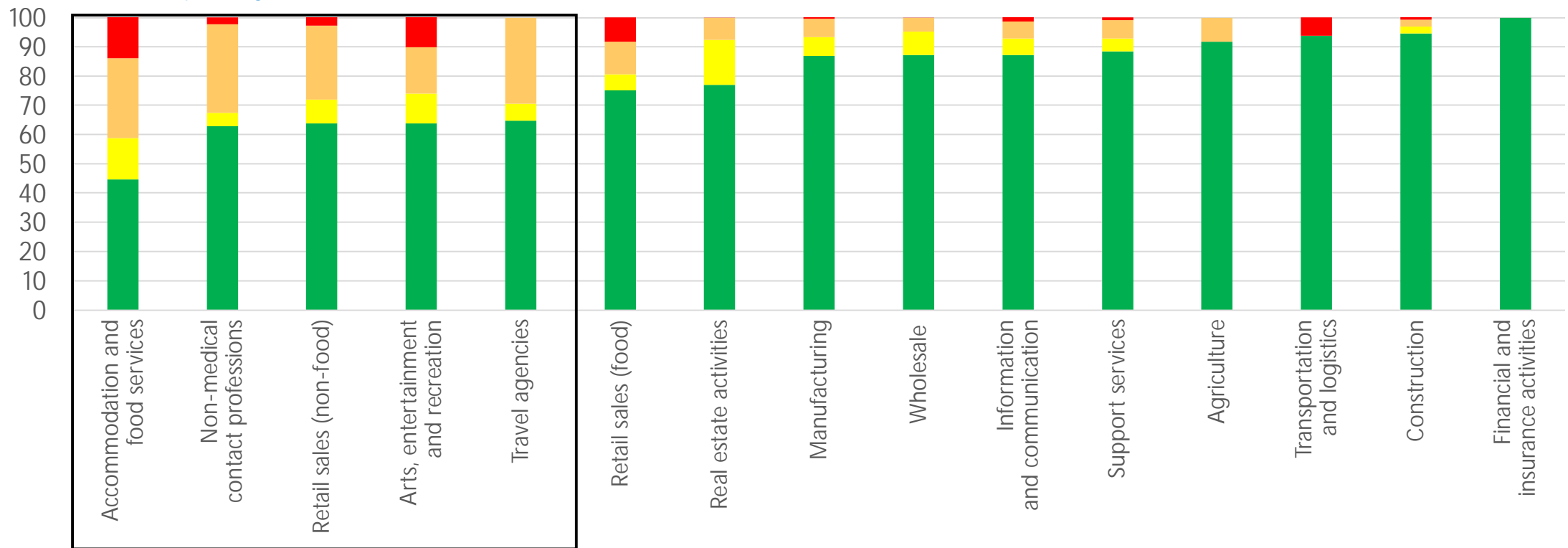
Did you have difficulties to obtain a bank loan in the past 3 months? (survey 9 February)
(in % of responding firms who wanted bank credit in the past 3 months¹)



- Yes, I did not even ask the bank because I knew my request would be refused
- Yes, bank informally told me no credit was possible
- Yes, my formal credit application was declined
- Yes, bank offered me credit, but I refused because of the unfavorable conditions
- Yes, I obtained credit, but conditions were unfavorable
- I don't know: credit application is still pending
- No, I obtained credit with acceptable conditions

For more than one in three firms renting real estate in the worst-hit industries, the rent has either been waived or not paid in full

Payment of the commercial rent since the beginning of the crisis (survey 9 February)
(in % of responding firms that rent)

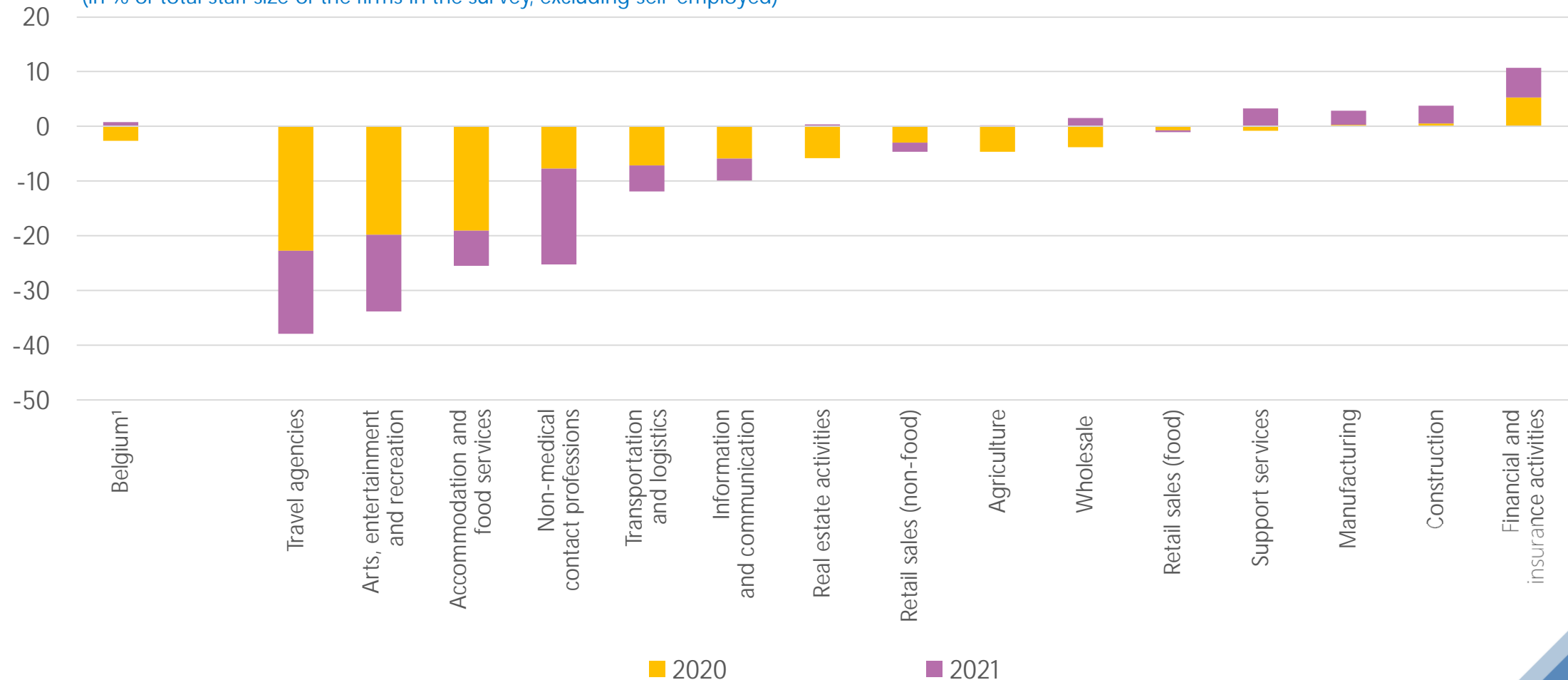


- I have not paid the full rent without the landlord's consent
- The landlord has waived part of the rent
- The landlord has given postponement of the rent
- I have always paid the full rent

After a decline in 2020, the number of employees in the private sector is expected to slightly increase in 2021 in net terms ...

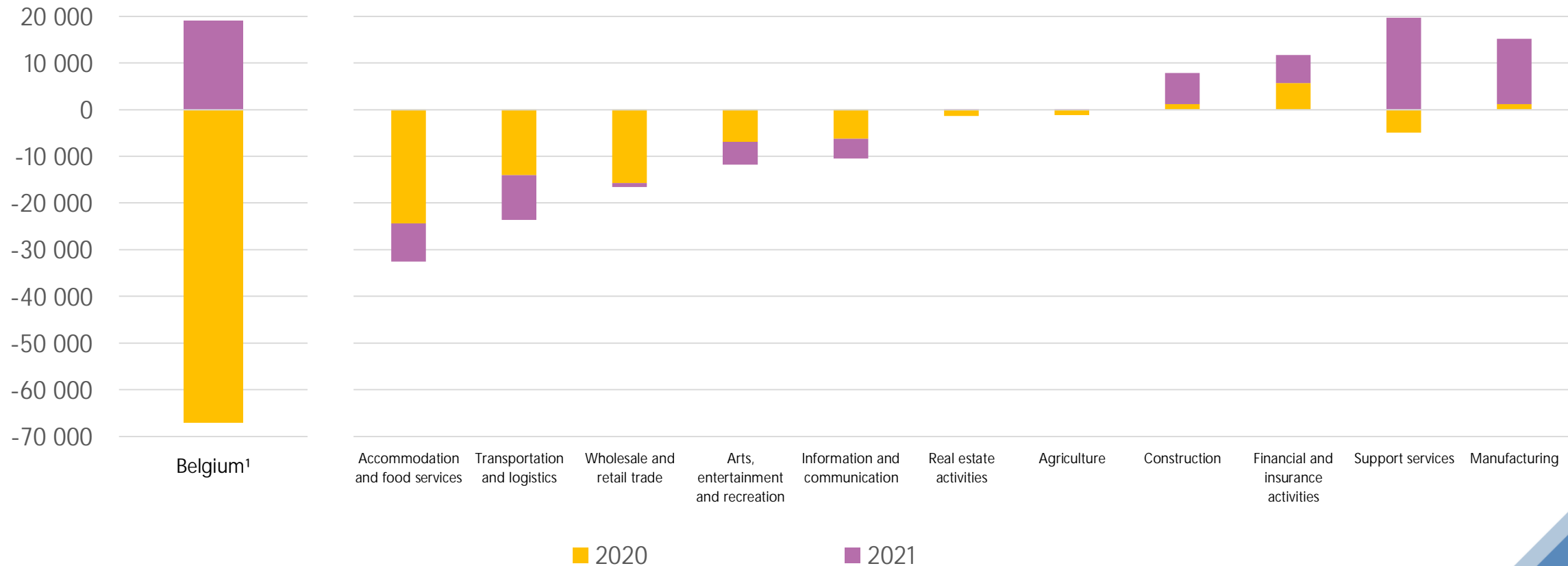
Expected change in staff size in 2020 and 2021 (survey 9 February)

(in % of total staff size of the firms in the survey, excluding self-employed)



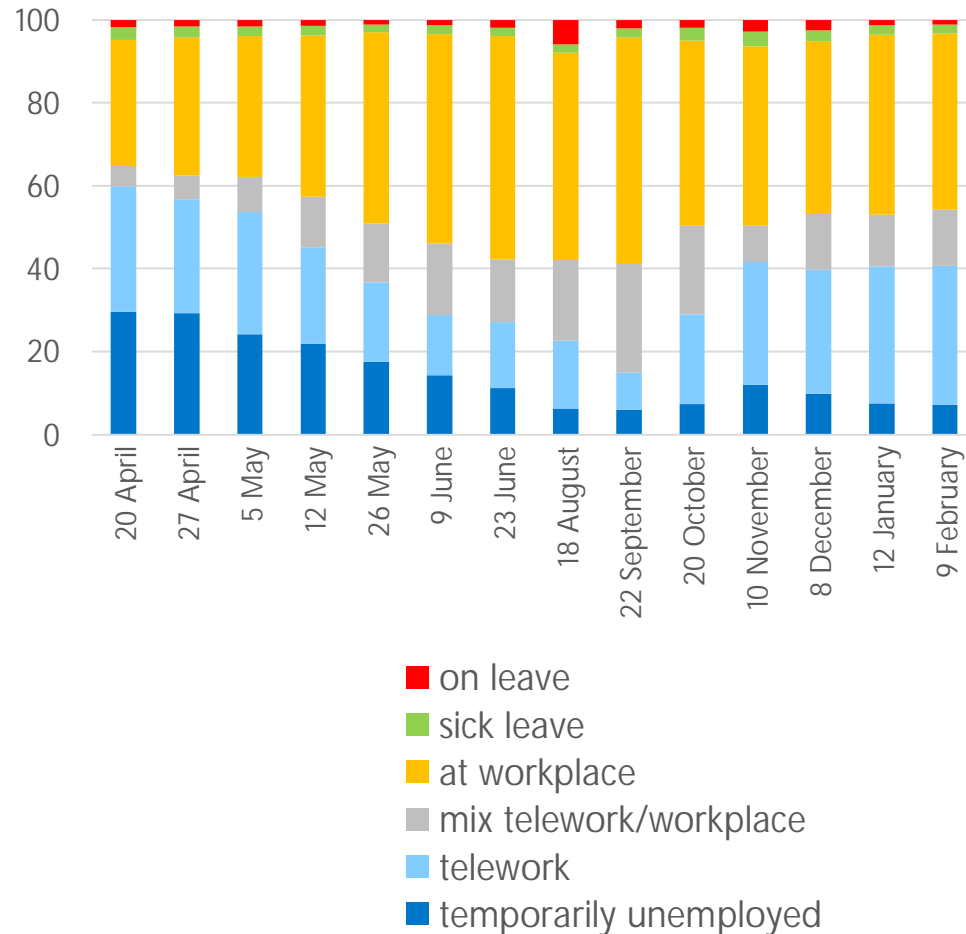
... as net lay-offs in 2021 in the worst-hit industries can be more than offset by planned net hiring in several large industries

Expected change of staff size in 2020 and 2021 (survey 9 February)²
(in number of employees, excluding self-employed)

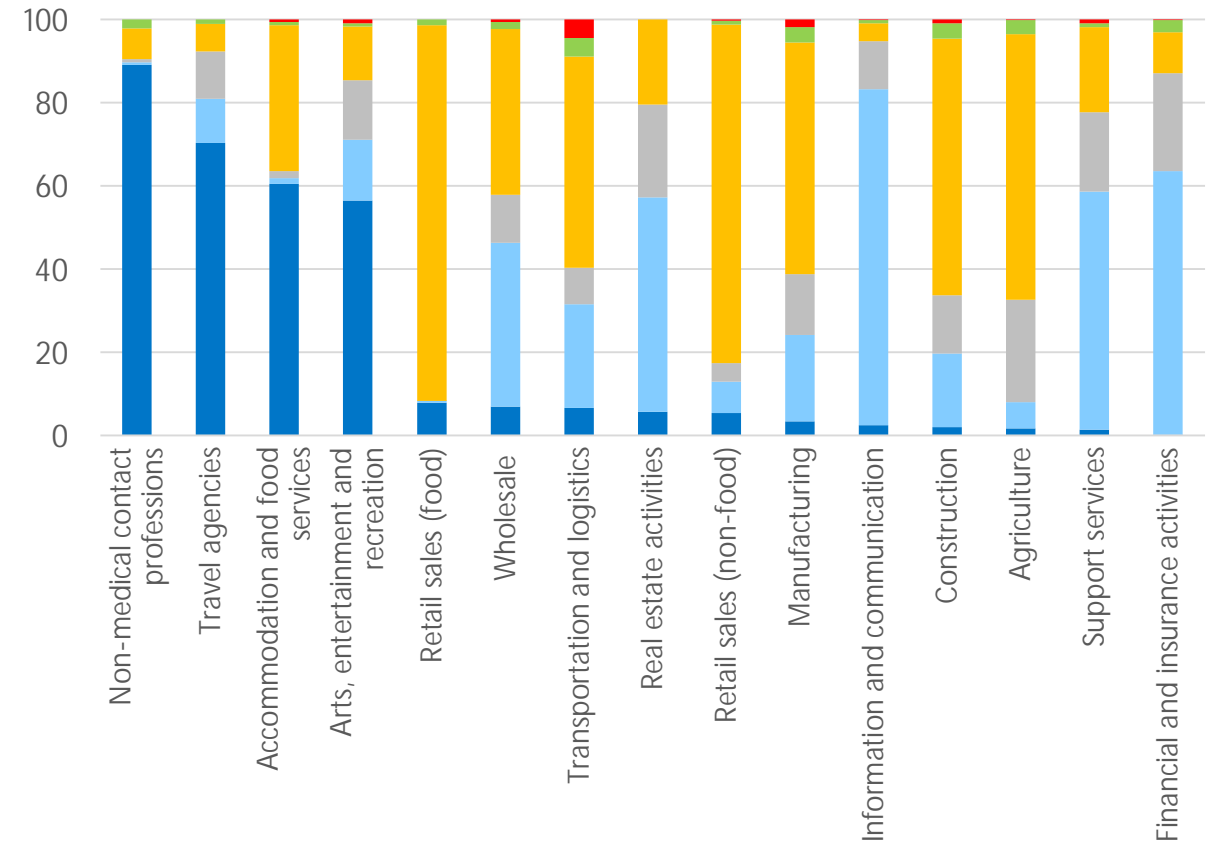


Telework and temporary unemployment have remained broadly stable, the latter being concentrated in the worst-hit industries

Workforce organisation over time, Belgium¹
(in % of total staff size of the firms in the survey, excl. self-employed)



Workforce organisation by industry (survey 9 Feb.)
(in % of total staff size of the firms in the survey, excl. self-employed)

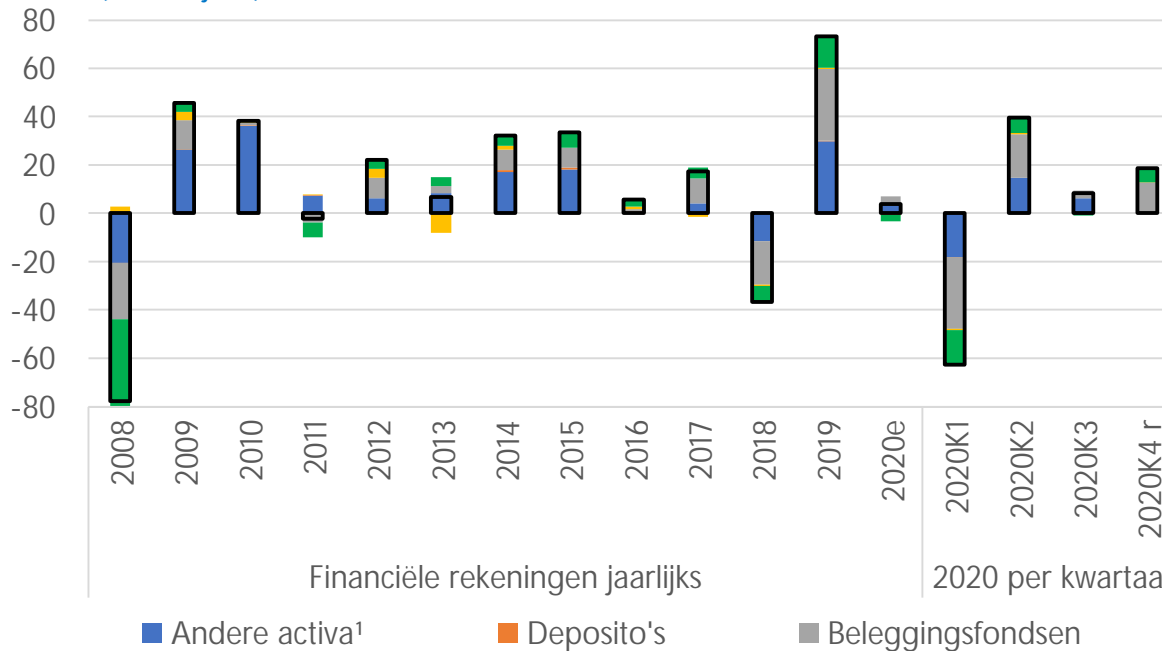


The background of the slide features a large, detailed illustration of a coronavirus particle in the center, with several smaller, less detailed particles scattered around it. The particles are depicted with a textured, spherical surface and numerous protruding spike proteins. The entire scene is set against a light blue gradient background.

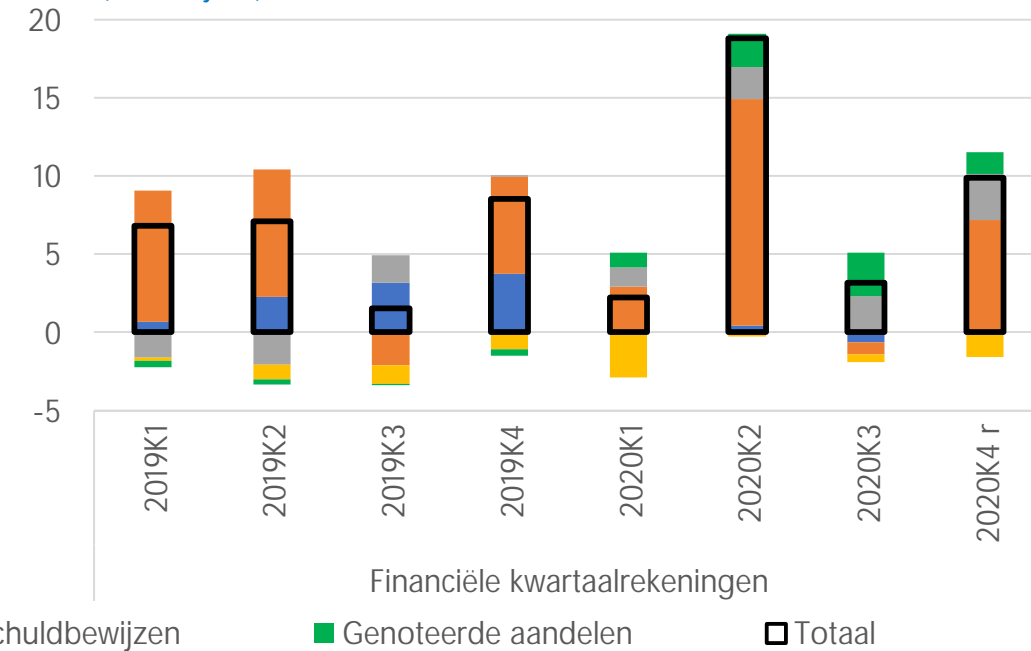
Credit indicators households

Waardeverminderingen in 2020K1 van de financiële activa van de particulieren hersteld tegen einde 2020 – verhoogd sparen in 2020

Financiële activa van de particulieren:
revaluaties
(in € miljard)



Financiële activa van de particulieren:
transacties
(in € miljard)



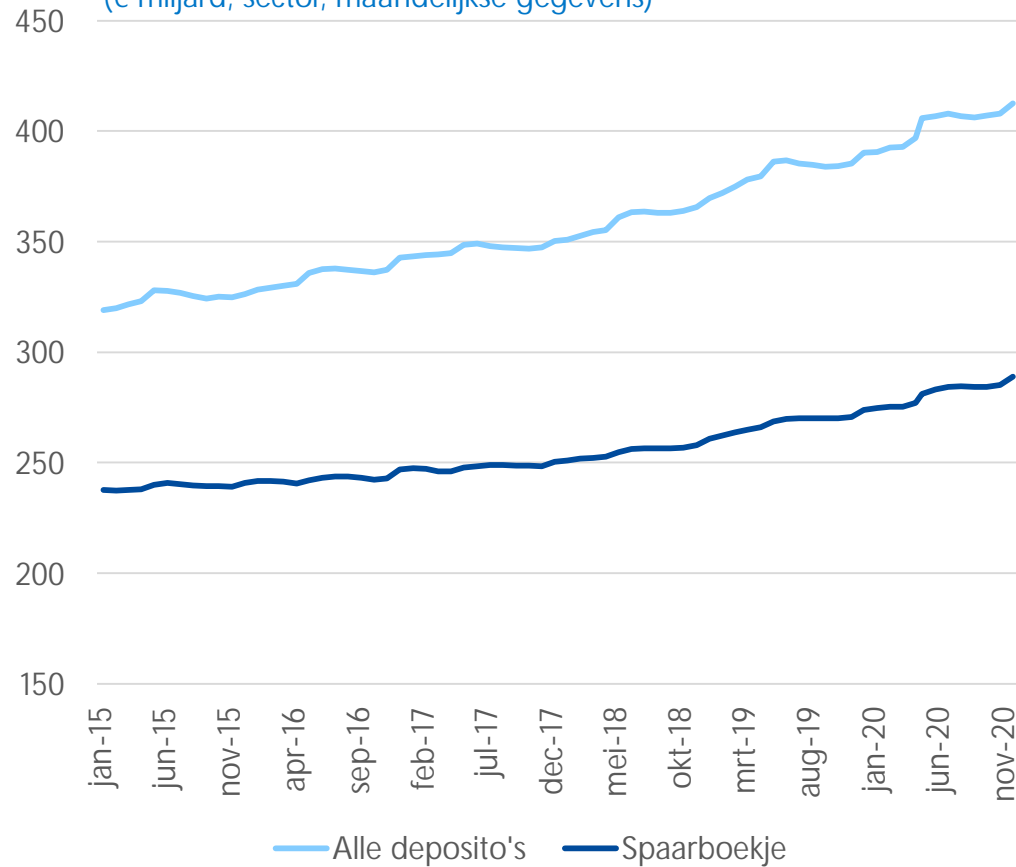
- ◆ In 2020K1 veroorzaakte de sterke daling in de beurskoersen waardedalingen in de financiële activa van de particulieren voor 62,8 miljard euro. Door het herstel van de beurzen in 2020K2, 2020K3 en 2020K4 werden de waardedalingen uit het eerste kwartaal volledig hersteld tegen einde 2020. Negatieve prijseffecten waren beduidend hoger tijdens de financiële crisis van 2008.
- ◆ p.m. de totale financiële activa van de particulieren bedroegen 1 419 miljard eind september 2020.

- ◆ De transacties in financiële activa van de particulieren in 2020K2 tonen forse investeringen voor totaal 18,4 miljard euro, voornamelijk door de stijging van de deposito's, illustratief voor het "geforceerd sparen" van de gezinnen tijdens de lockdown. De netto-investeringen in beleggingsfondsen en vooral in genoteerde aandelen bleven ook op een hoog niveau in 2020K3 en 2020K4.

Deposito's van Belgische huishoudens

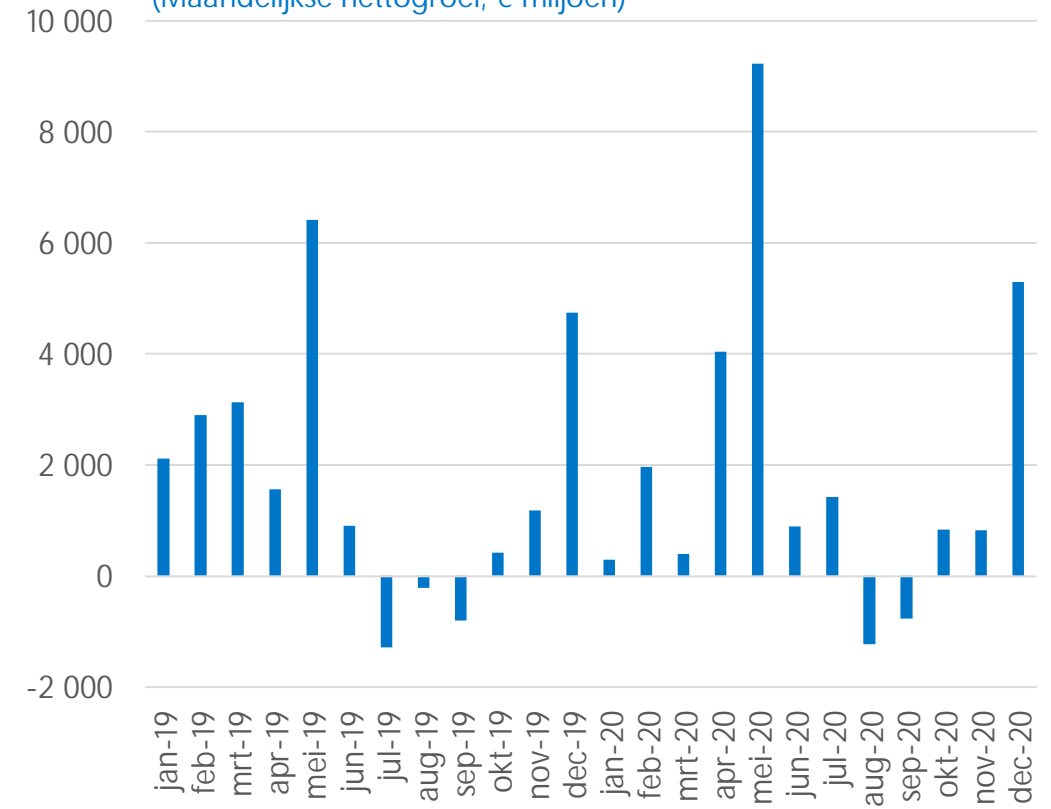
Deposito's Belgische huishoudens

(€ miljard, sector, maandelijkse gegevens)



Alle deposito's

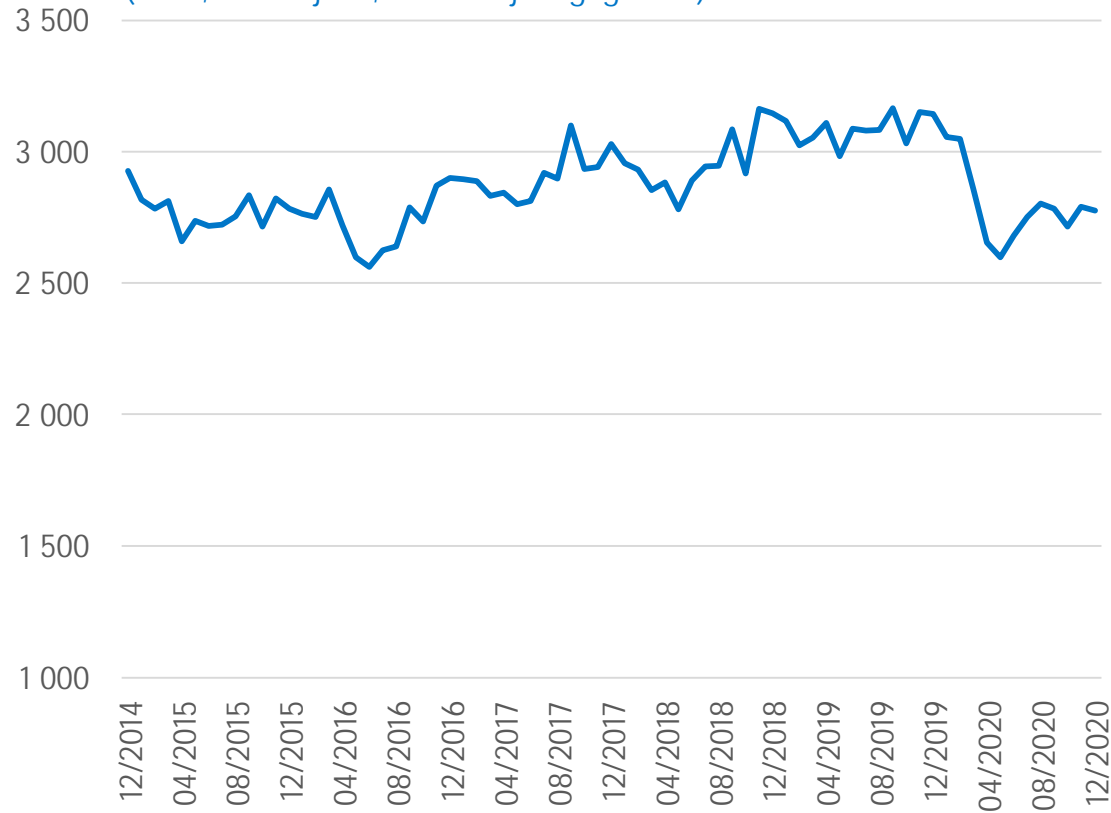
(Maandelijkse nettogroei, € miljoen)



Negatieve saldi op rekeningen / kredietkaarten

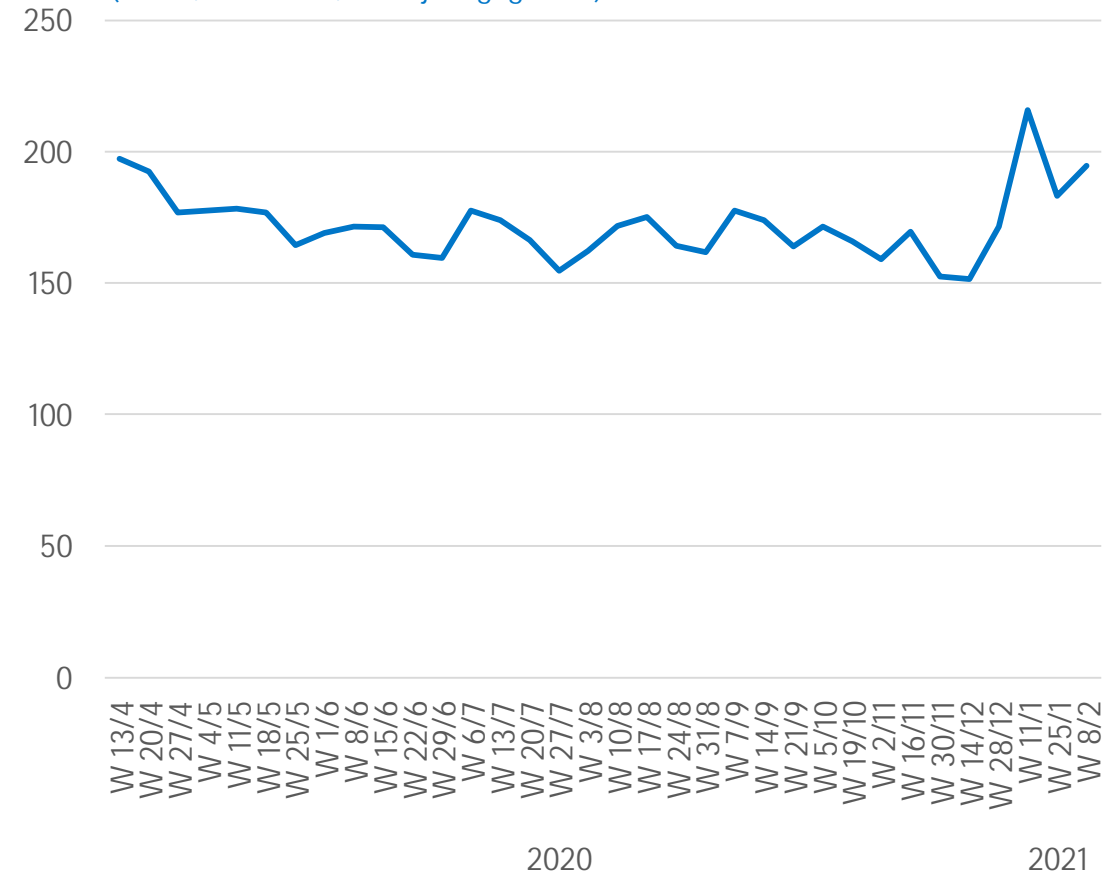
Negatieve saldi op rekeningen

(stock, in € miljoen, maandelijkse gegevens)

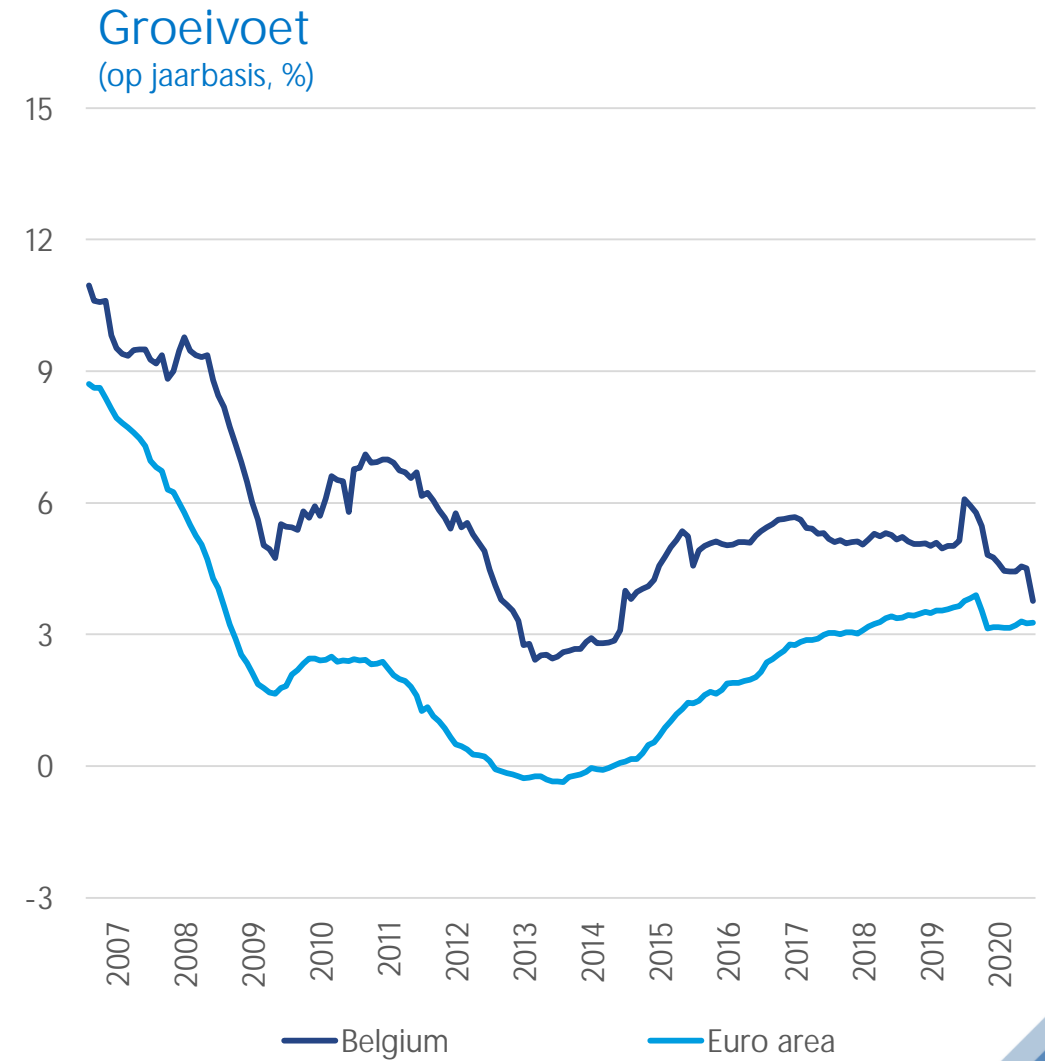
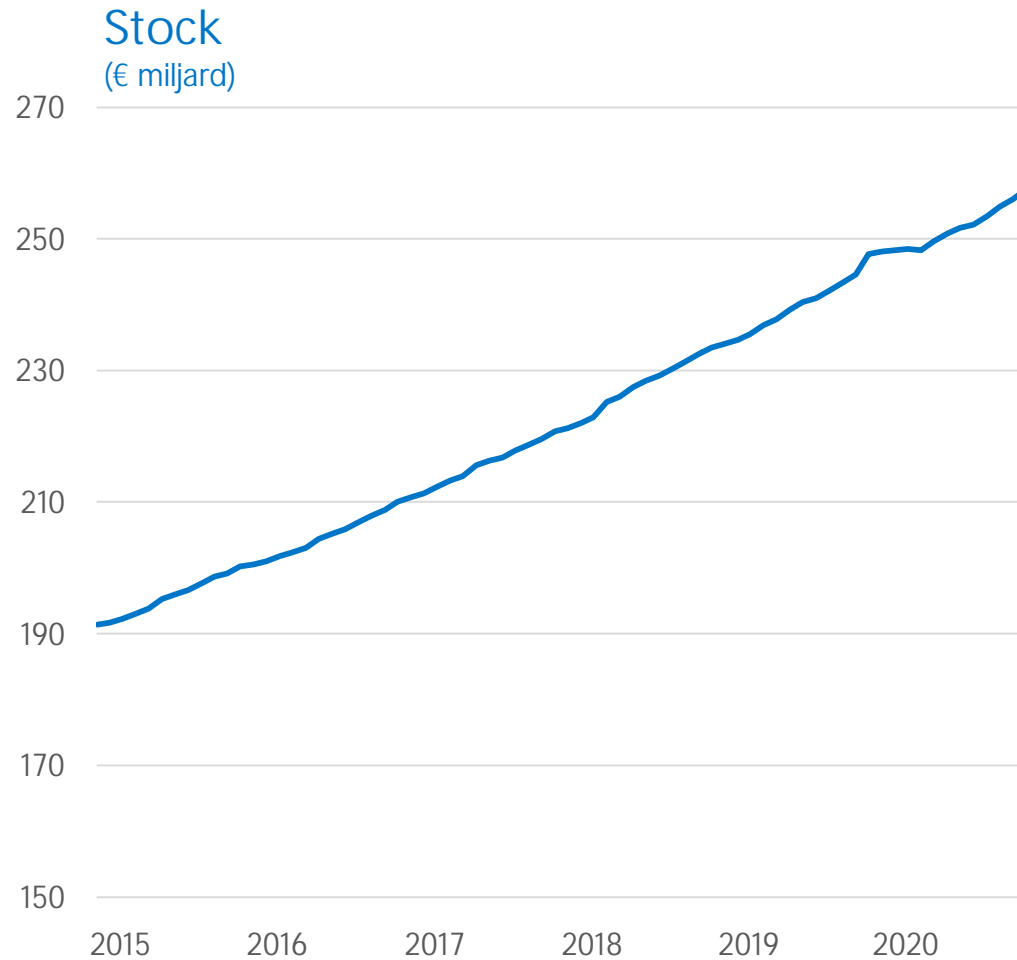


Aantal rekeningen "teveel in het rood"

(aantal, in duizend, wekelijkse gegevens)



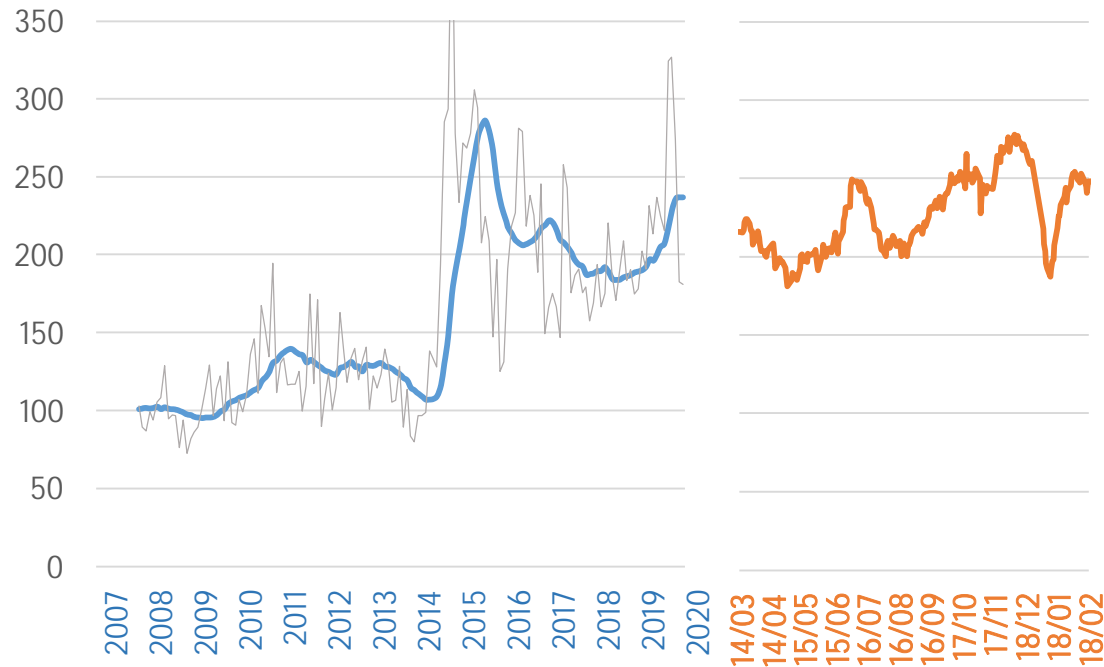
Bankkredieten van Belgische huishoudens



Hypotheekleningen: nieuwe leningen en wanbetalingsgraad

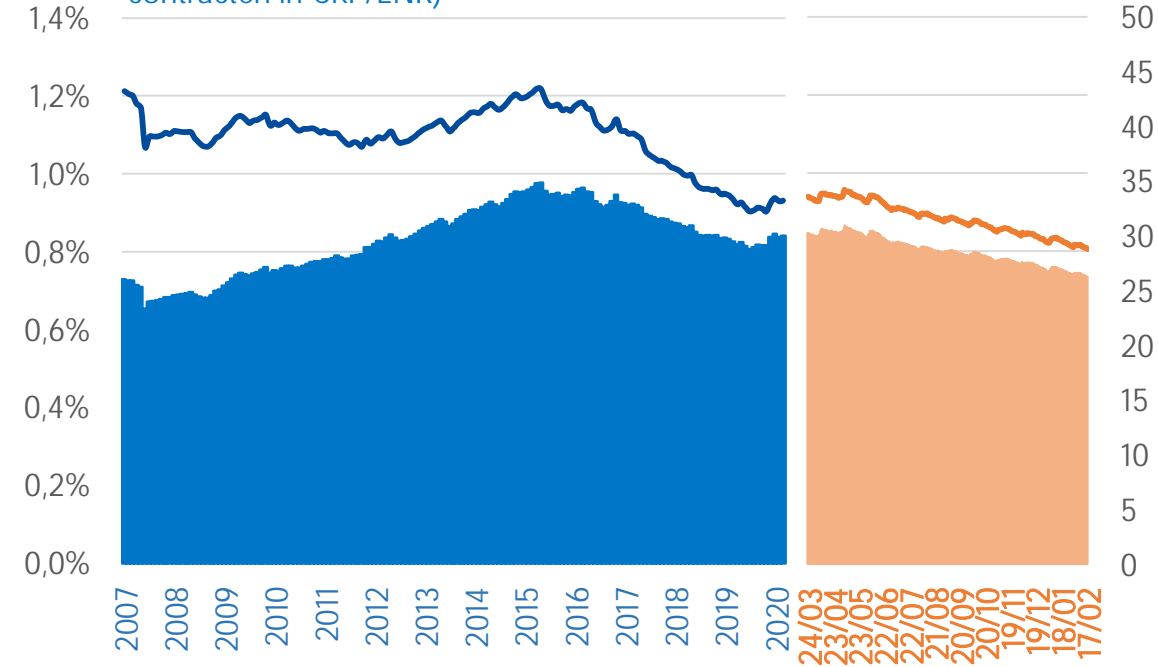
Nieuwe leningen

(geregistreerd bedrag per werkdag in CKP, in € miljoenen)



Wanbetalingsgraad

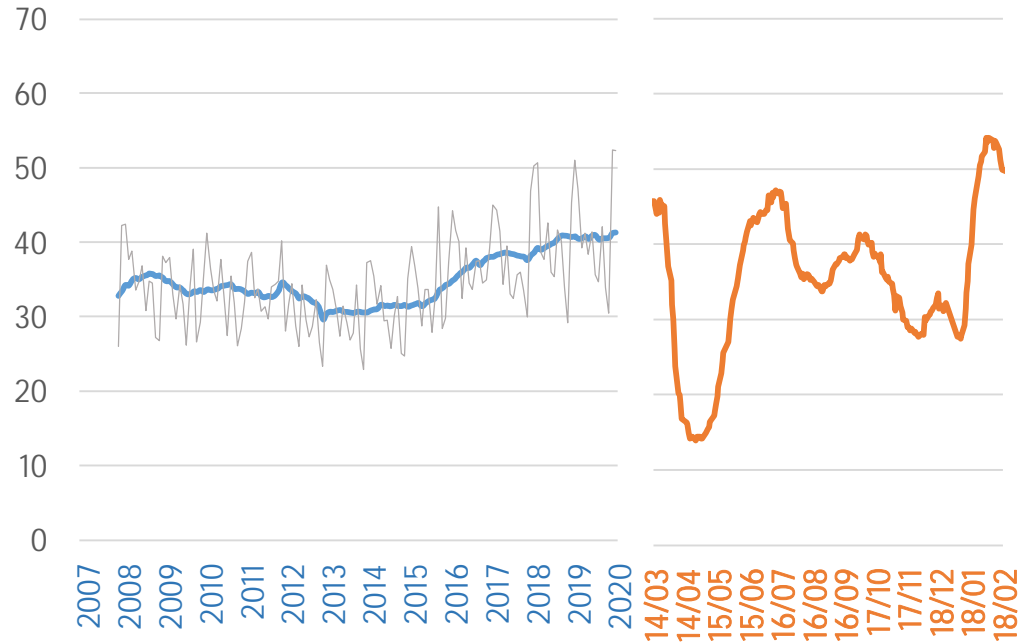
(Aantal uitstaande achterstallige contracten, % van alle uitstaande contracten in CKP/ENR)



Consumentenkredieten¹: nieuwe leningen en wanbetalingsgraad

Nieuwe leningen

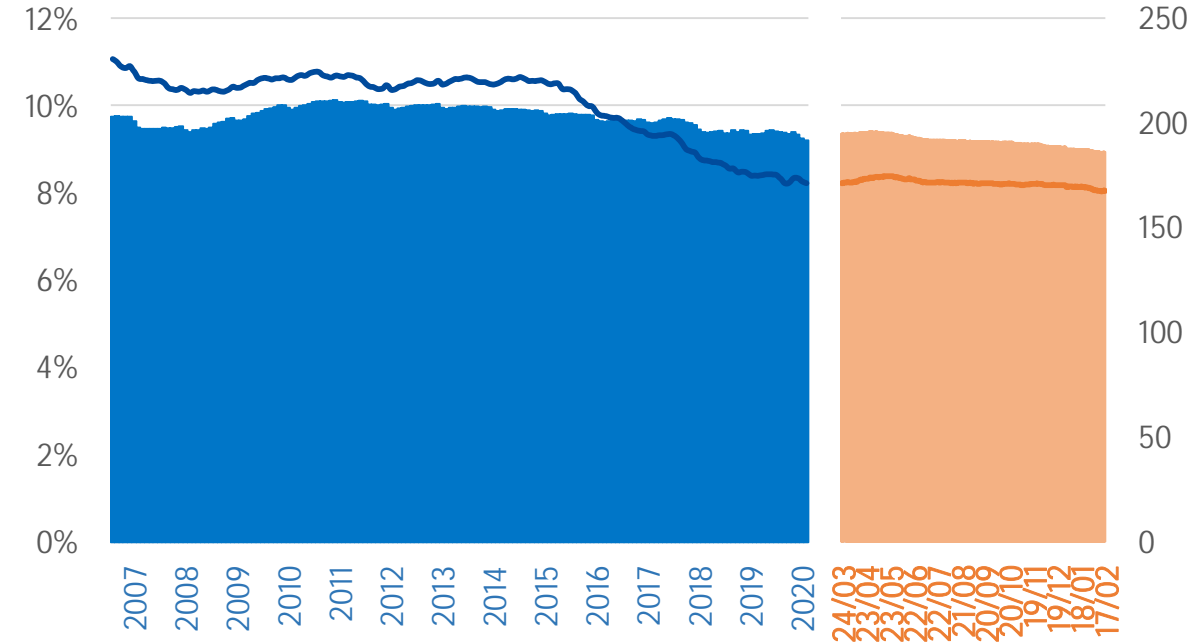
(geregistreerd bedrag per werkdag in CKP, in € miljoenen)



- Gemiddelde per werkdag over de laatste 12 maanden
- Gemiddelde per werkdag over de laatste maand
- Gemiddelde per werkdag over de laatste 10 werkdagen

Wanbetalingsgraad

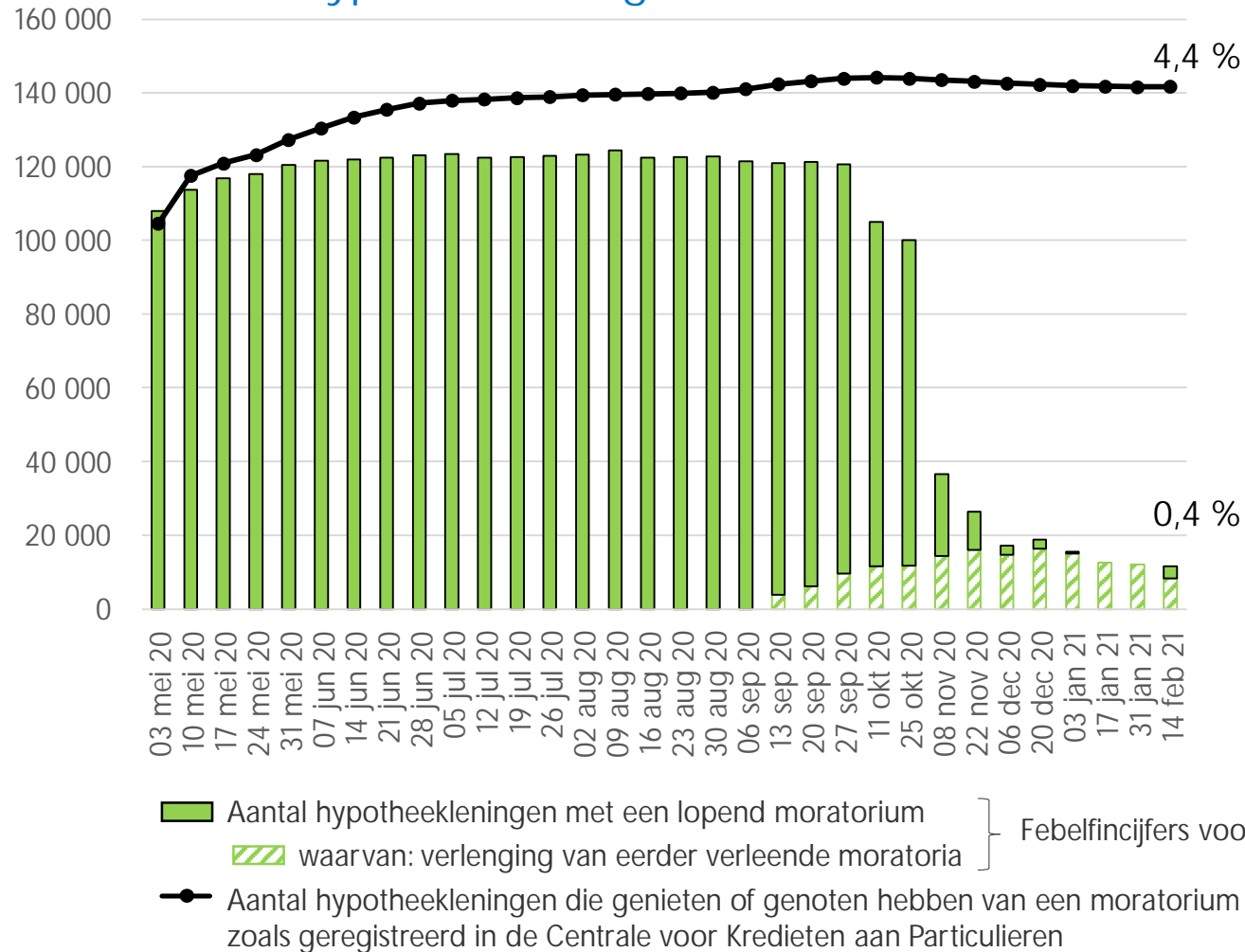
(Aantal uitstaande achterstallige contracten, % van alle uitstaande contracten in CKP/ENR)



- Aantal uitstaande achterstallige contracten (maandelijkse gegevens, rechterschaal in duizenden)
- Wanbetalingsgraad (maandelijkse gegevens, linkerschaal in %)
- Aantal uitstaande achterstallige contracten (dagelijkse gegevens, rechterschaal in duizenden)
- Wanbetalingsgraad (dagelijkse gegevens, linkerschaal in %)

Moratoria voor leningen aan gezinnen

Aantal hypotheekleningen onder moratorium



◆ Aantal **consumentenleningen** die genieten of genoten hebben van een moratorium zoals geregistreerd in de Centrale voor Kredieten aan Particulieren (op 14 februari)

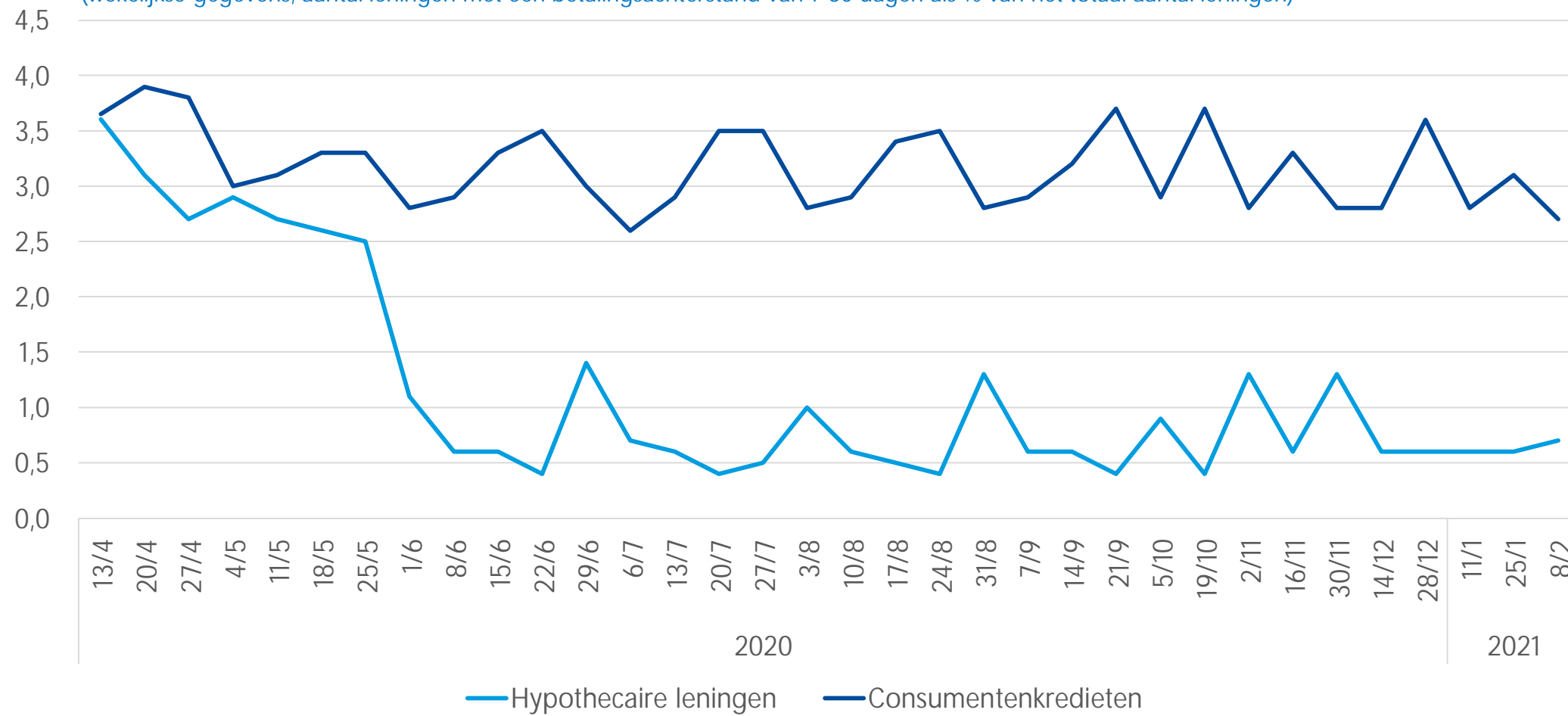
◆ 8 260 leningen

◆ waarvan 8 003 leningen op afbetaling
(0,4 % van alle leningen op afbetaling)

Achterstanden bij leningen aan huishoudens stabiel sinds juni

Betalingsachterstand (1-30 dagen) op hypothecaire leningen en consumentleningen

(wekelijkse gegevens, aantal leningen met een betalingsachterstand van 1-30 dagen als % van het totaal aantal leningen)



The background of the slide features a large, detailed illustration of a coronavirus particle in the center, with several smaller, less detailed particles scattered around it. The entire image is rendered in a light blue, semi-transparent style, giving it a soft, ethereal appearance. The text 'Credit indicators corporates' is centered over the main particle.

Credit indicators corporates

Impact of the COVID-19 crisis on lending to non-financial corporations (NFCs)

◆ Credit developments: (see next slides)

- ◇ While annual NFC growth of utilised loans had accelerated in March and April (in large part due to drawdowns of credit lines by multinationals), it has slowed since May.
- ◇ The annual growth rate of authorised (granted) credit is now lower than that observed before the pandemic
- ◇ The annual growth rate of used credits in September and in October are influenced by a base effect due to a large one-off transaction that took place one year earlier (only in the Central Corporate Credit Register data)
- ◇ Monthly growth rates of utilised and authorised loans have been low since June, with some monthly growth rates being negative
- ◇ Loan arrears have been stable since May
- ◇ Small or medium-sized enterprises (SMEs) have larger proportions of loans in moratorium than larger firms

◆ According to the January 2021 Bank lending survey:

- ◇ Declining demand for loans from Belgian enterprises in 2020Q4 was driven by a fall in fixed investment and less need for inventories and working capital. Banks expect that this trend will go on in 2021Q1
- ◇ Slight tightening in credit standards, because of higher risk perception

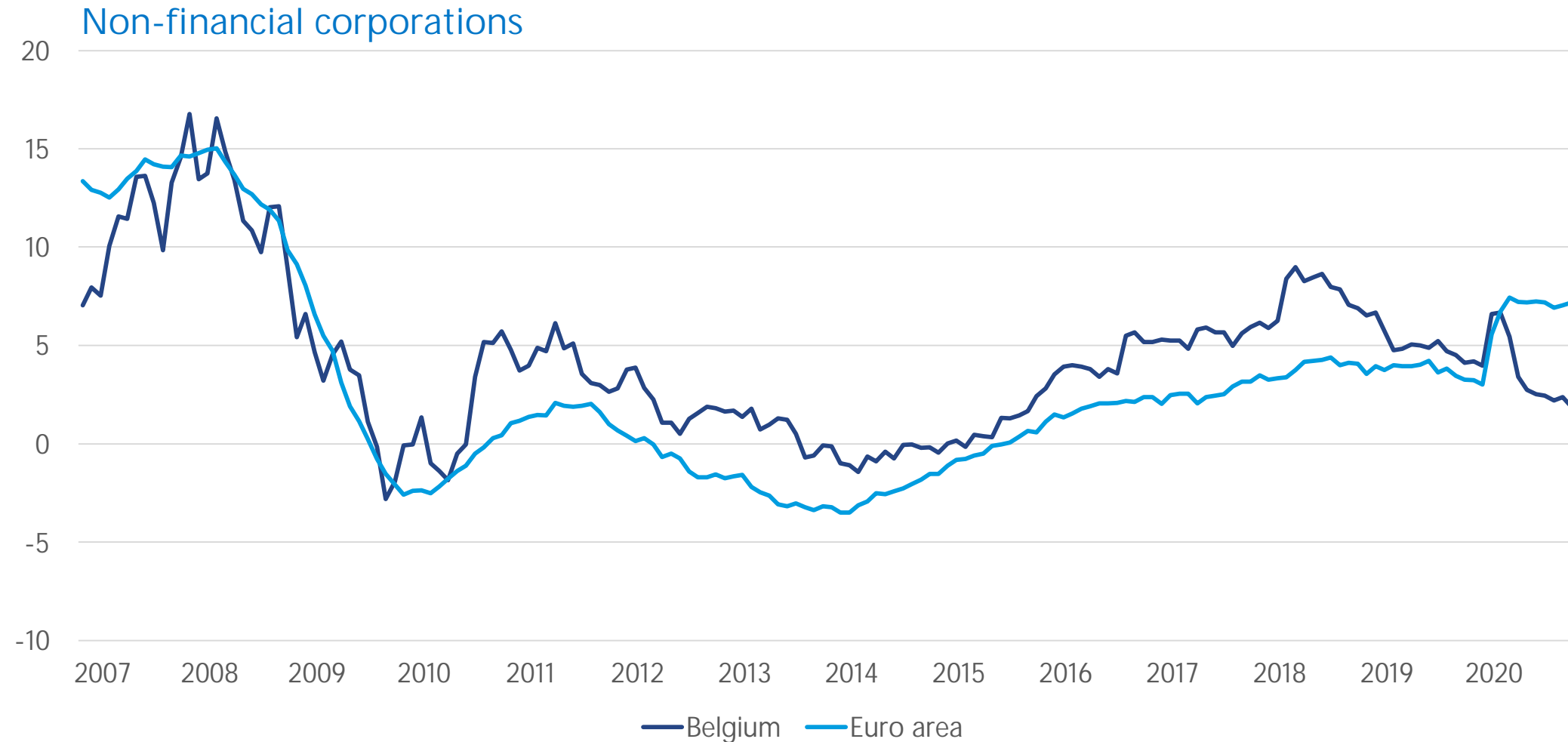
Firms perceived less favorable credit conditions

- ◆ **Belgian firms reported a slight improvement of their credit conditions in 2020Q4 compared to 2020Q3**
 - ◇ Slight improvement in the assessment of the general credit conditions by firms
 - Mainly due to the corporate services sector and large firms
 - From 2020, the balance of the opinions (favourable vs unfavourable) is below the historical average
 - ◇ Small deterioration with respect to 2020Q3 regarding the assessment of ancillary costs (source: NBB survey on credit conditions)
- ◆ **SMEs feared a significant impact on bank loan availability in 2020Q4 and 2021Q1**
 - ◇ Small deterioration regarding obstacles impeding access to bank financing between April and September 2020 compared to the previous six months
 - Proportion of SMEs not applying for bank credit because of possible rejection, or applying for a loan but only receiving a limited part of the amount requested, refusing credit because the cost was too high, or having their application rejected = 7.2 % (against 5,9 % on average in 2017-2019 and 5.2 % from October 2019 to March 2020)
 - ◇ But SMEs expected a sharp deterioration in availability of bank loans over the next six months (October 2020-March 2021)
 - Widespread across sectors

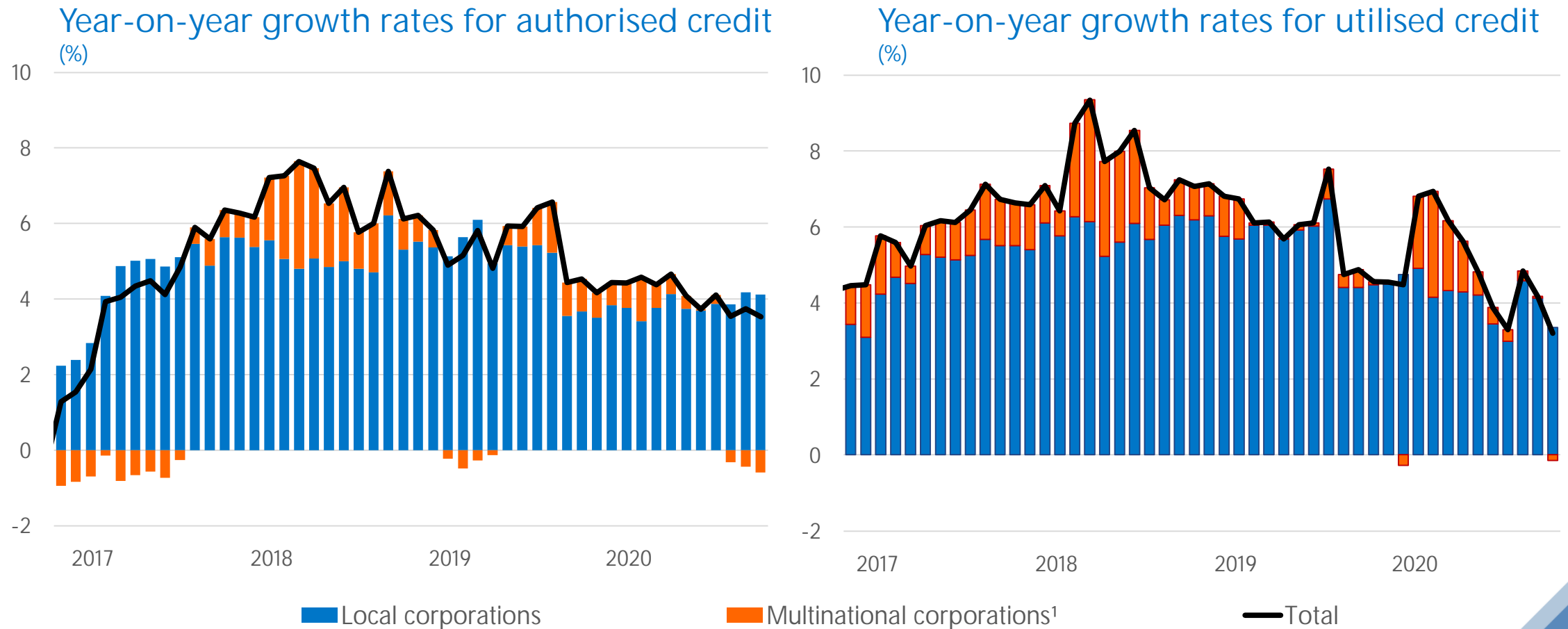
(source: SAFE survey, conducted between 7 September and 16 October 2020)

NFC credit growth in Belgium: slowdown after the peak in March and April

(year-on-year % changes¹, up to December 2020)

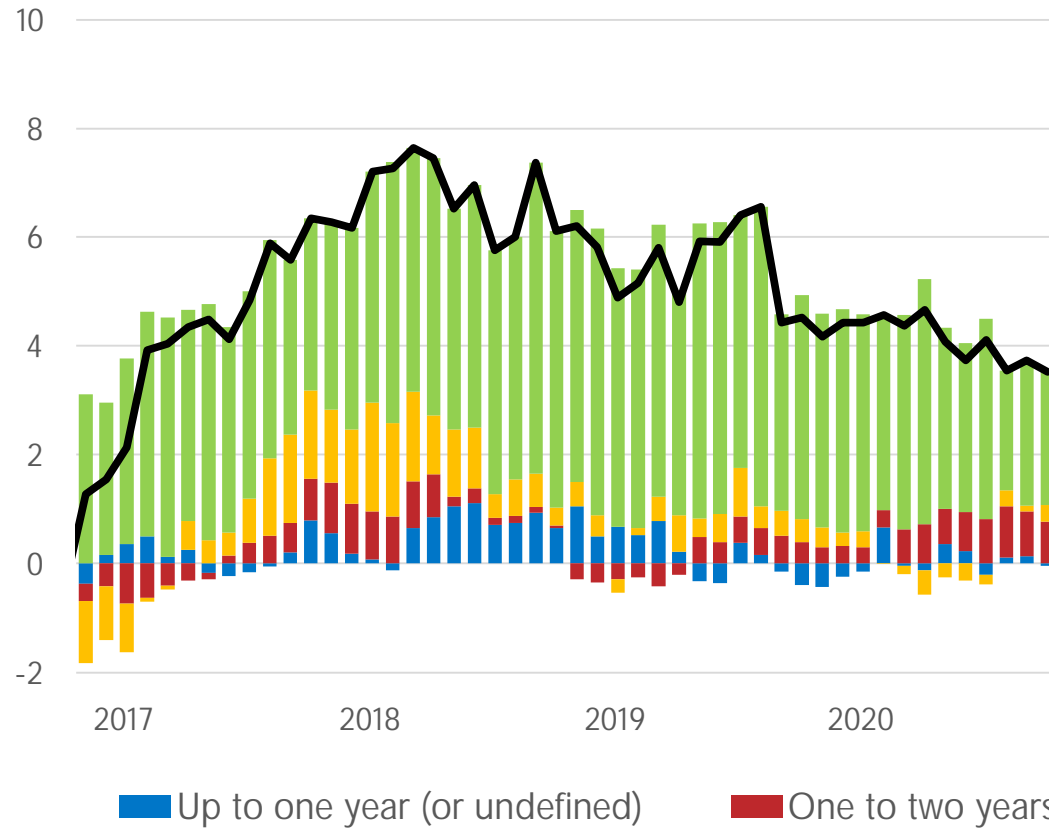


Reduced contribution of multinational corporations to total credit growth, after massive drawdowns of credit lines in March and April ...

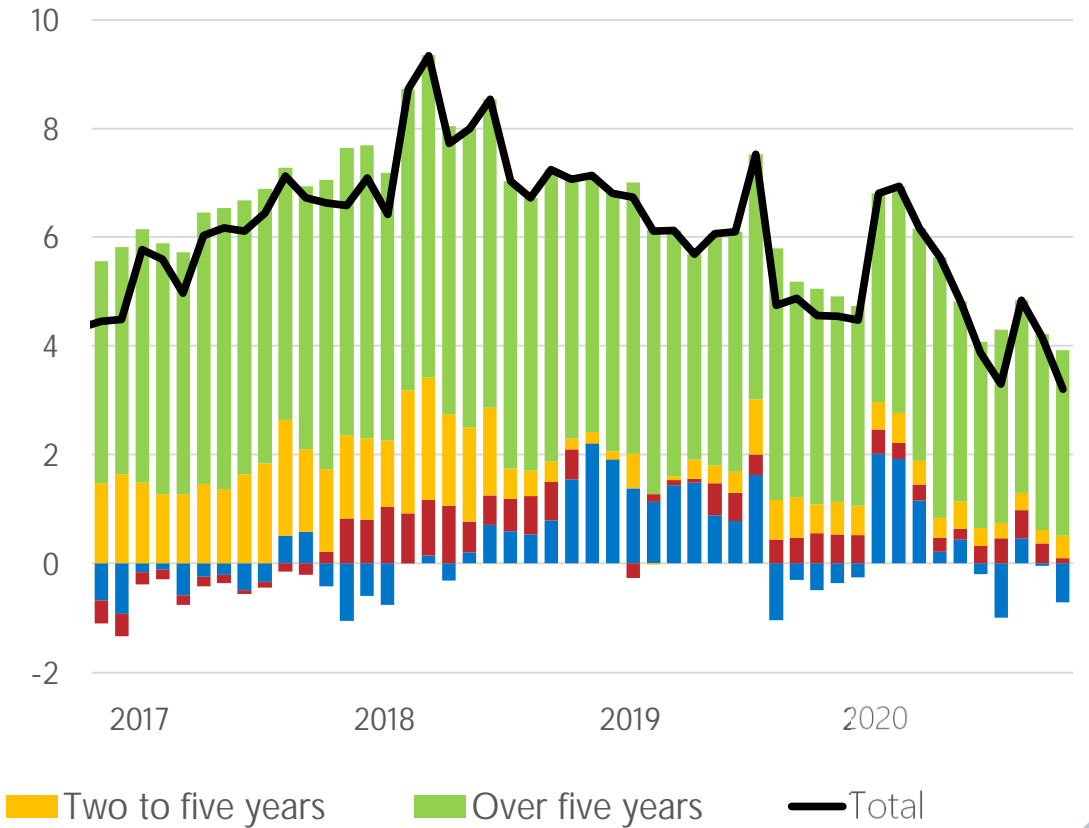


... which also translates into a lower contribution of short-term loans

Decomposition of YoY authorized corporate credit growth by maturity (%)



Decomposition of YoY used corporate credit growth by maturity (%)

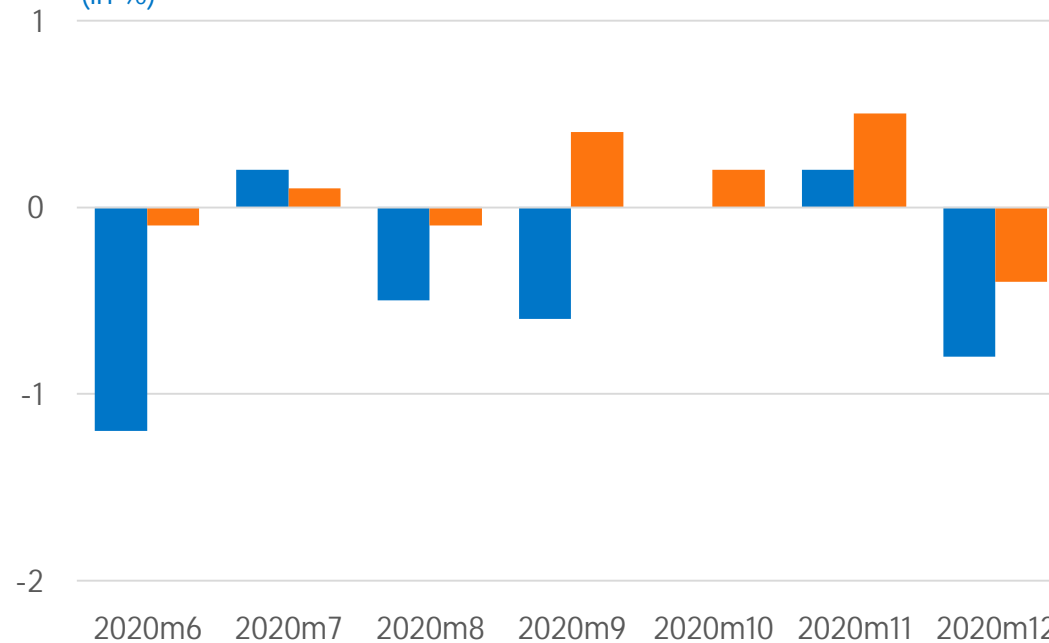


Negative growth in authorised and utilised loans in December

December growth of authorised loans has been negative in previous two years

Monthly growth rates of authorised and utilised loans

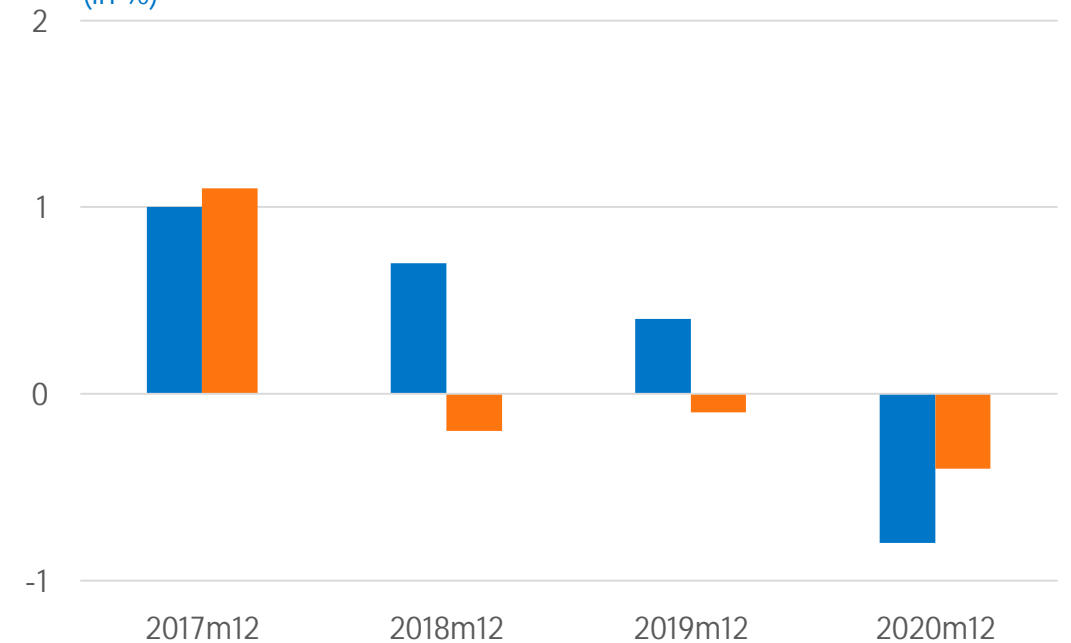
(in %)



■ utilised

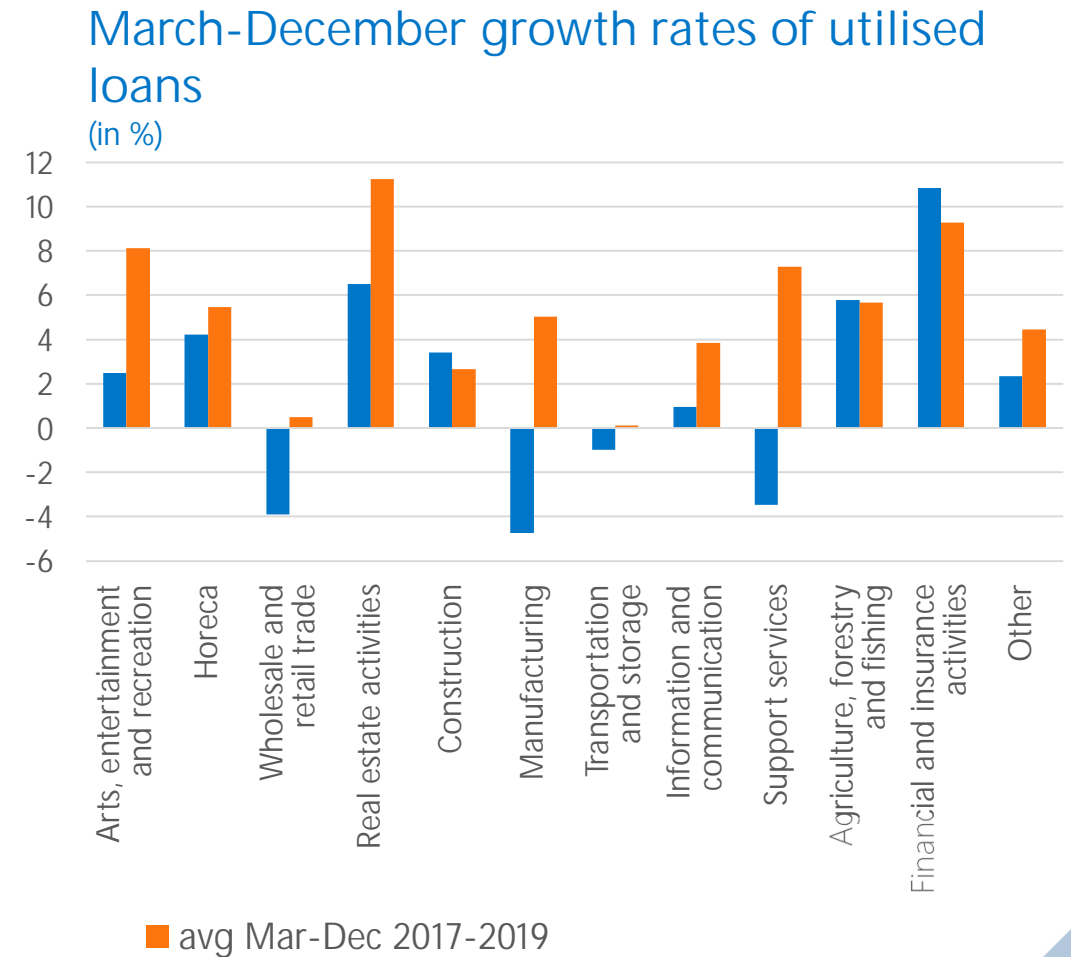
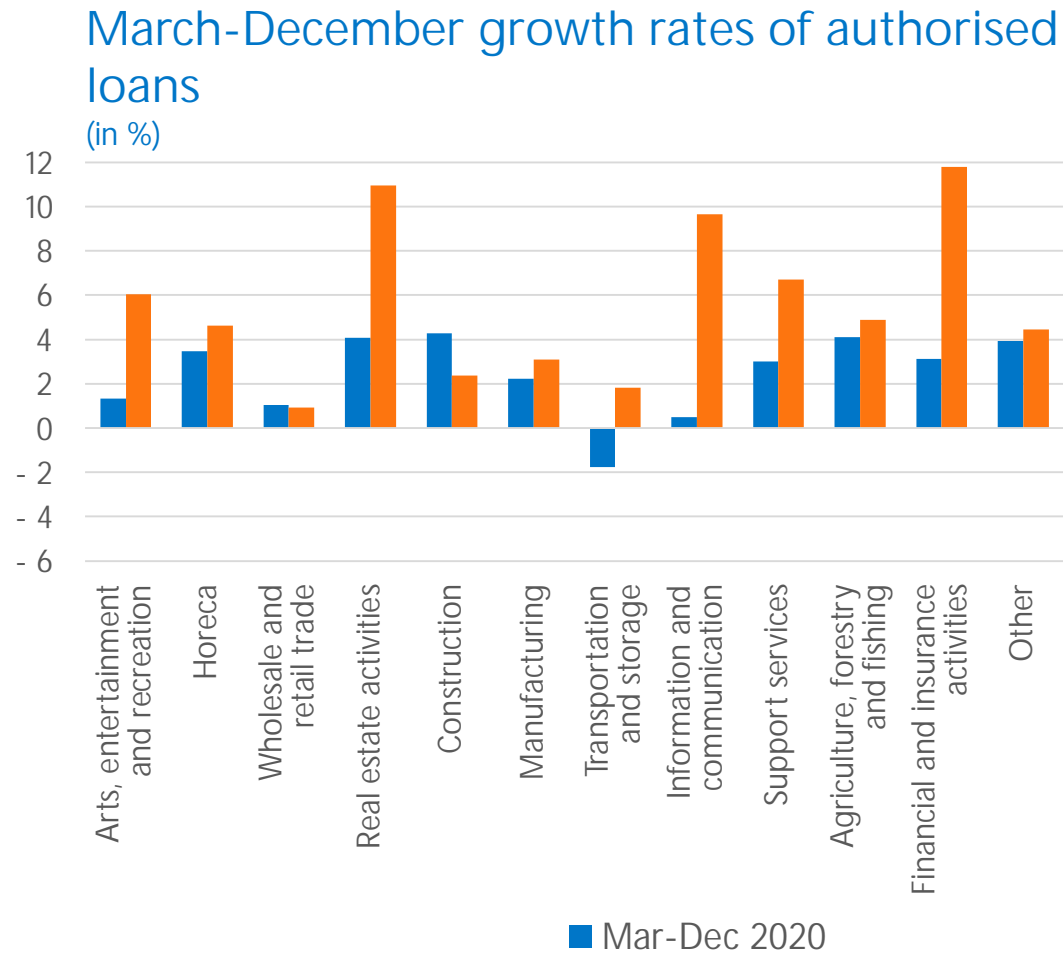
Monthly growth rates of loans for December of previous years

(in %)



■ authorised

Growth in authorised and utilised loans since start of crisis is below historical averages for many vulnerable sectors

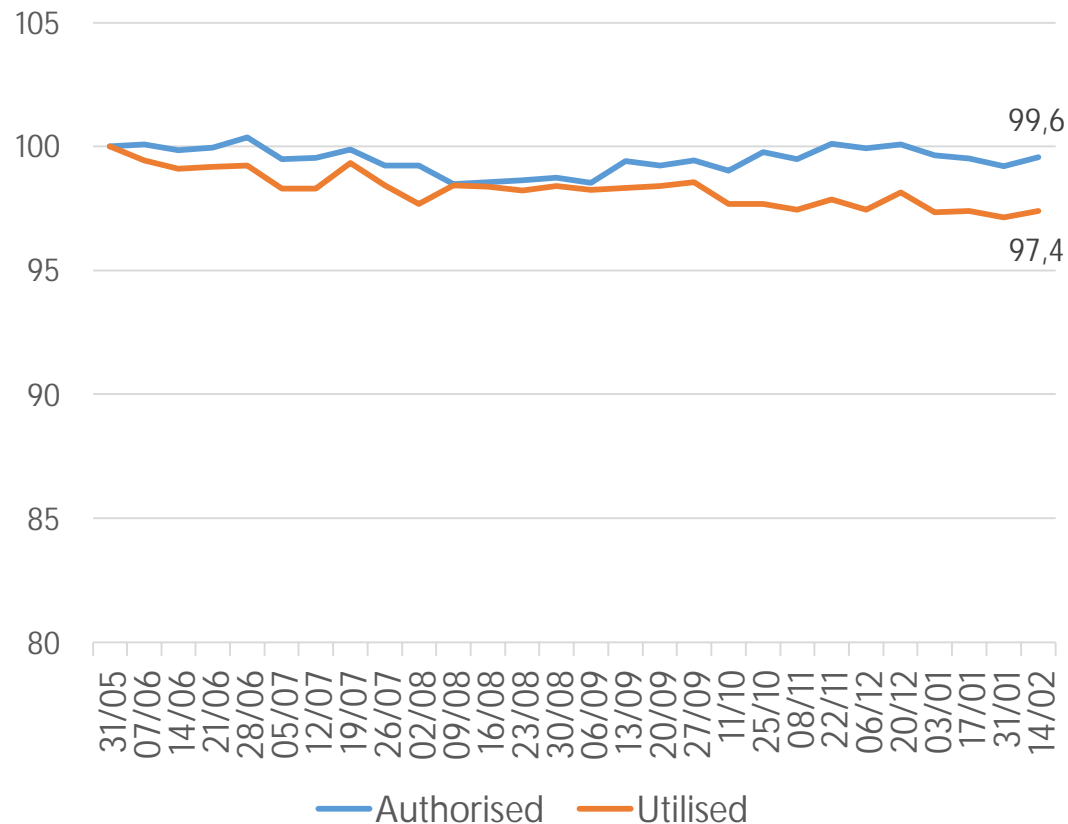


Loan developments - weekly

NFCs in weekly reporting = Self-employed + SMEs + Corporates + Public Sector Entities

Evolution of total loans to NFCs

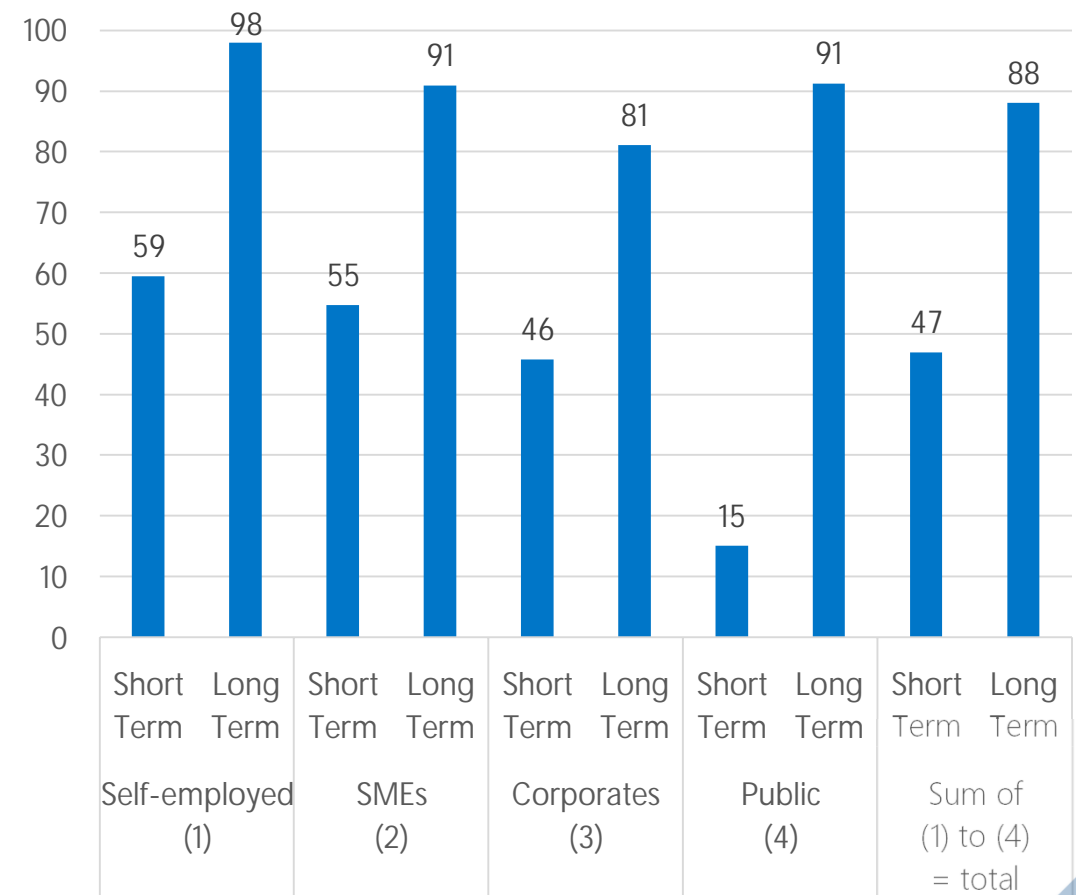
(in %)



Total loans to NFCs represented as an index normalized to 100 % by end May stock of loans

Utilisation rate (=utilised/authorized)

(last weekly observation, in %)

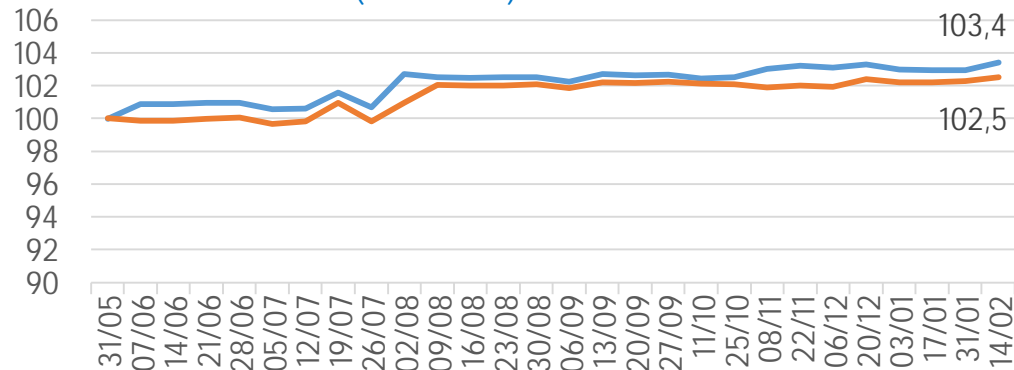


Stable loans for firms except for a decline for corporates

NFCs in weekly reporting = Self-employed + SMEs + Corporates + Public Sector Entities

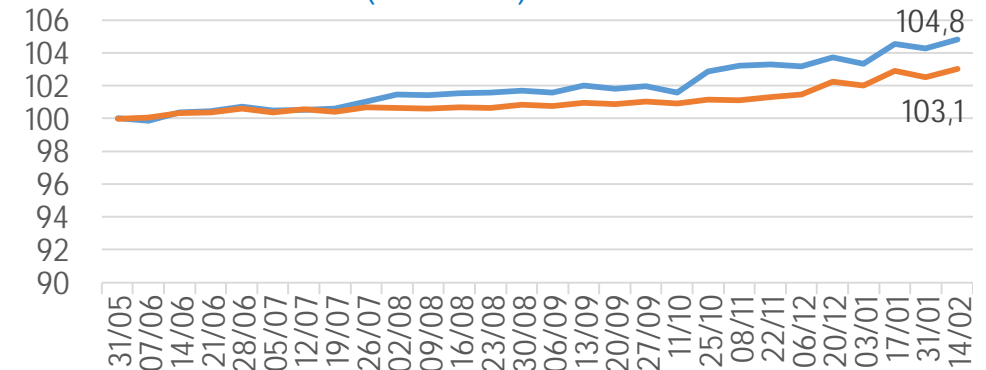
Evolution of total loans to self-employed

Latest observation (authorized) 23 billion EUR



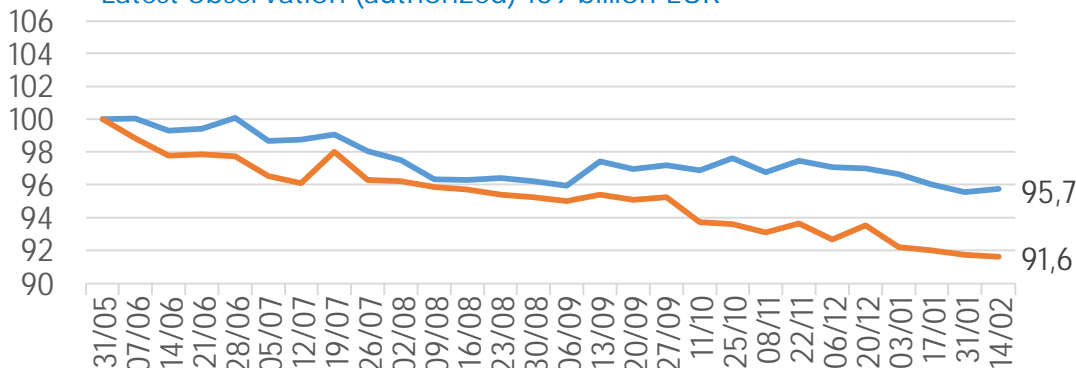
Evolution of total loans to SMEs

Latest observation (authorized) 83 billion EUR



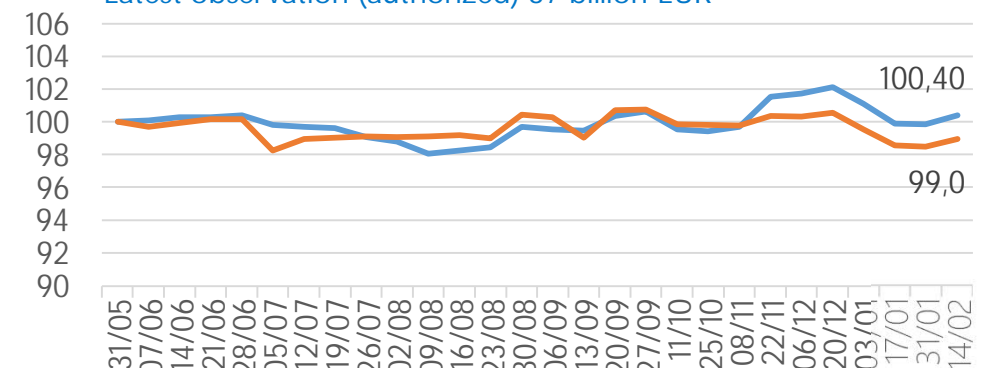
Evolution of total loans to corporates

Latest observation (authorized) 139 billion EUR



Total loans to public sector entities

Latest observation (authorized) 37 billion EUR



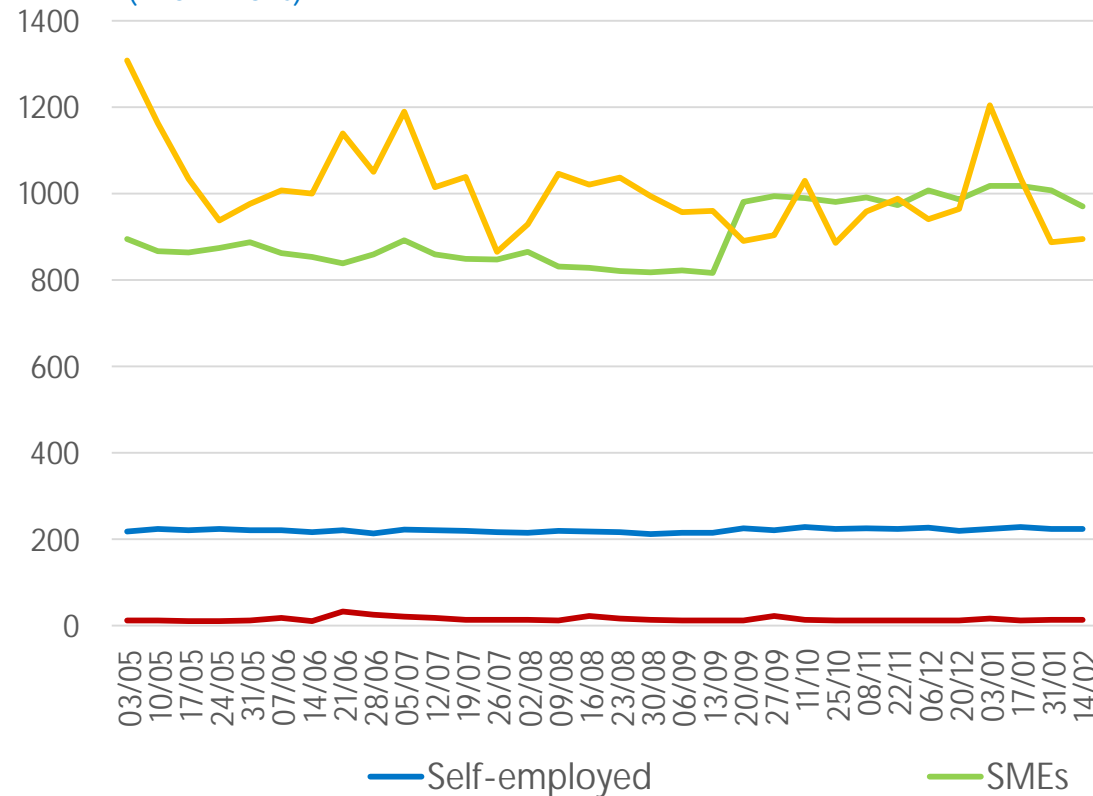
— Authorised

— Utilised

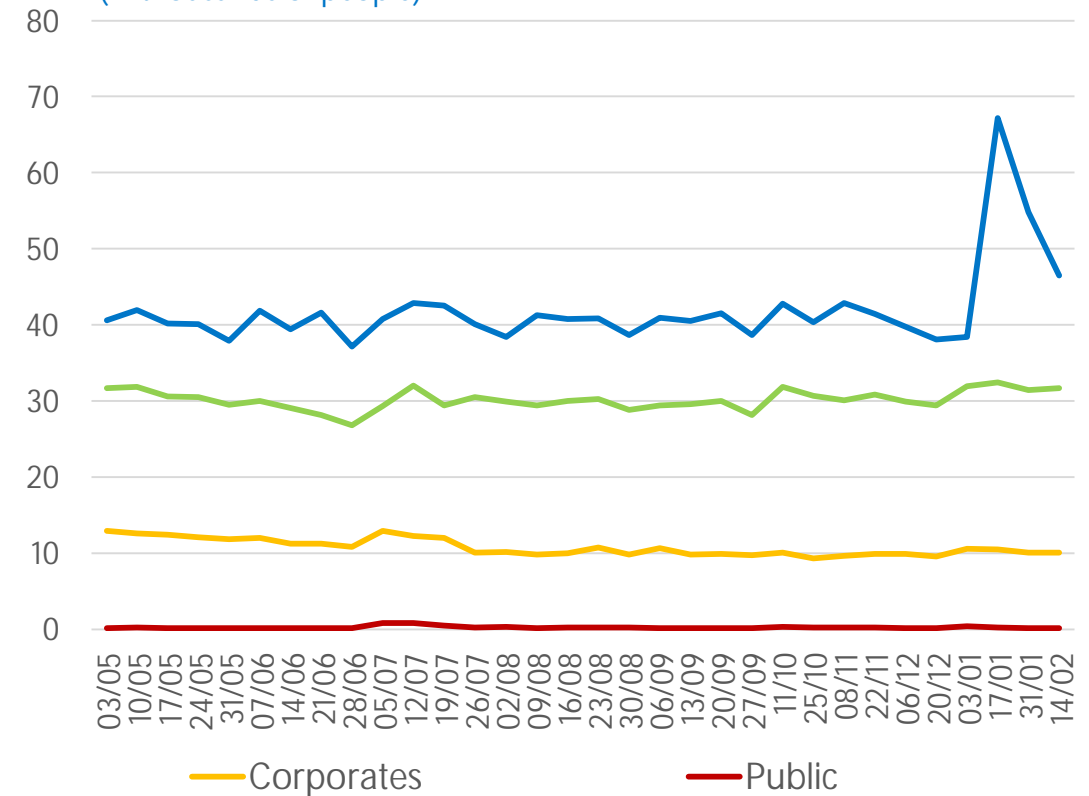
Total loans to NFCs represented as an index normalized to 100 % by end May stock of loans

Number of loans in arrears or in default are not increasing (yet?) (arrears – weekly)

Amounts in arrears or in default
(in € millions)



Number of loans in arrears or in default
(in thousands of people)



Source: NBB/Febelfin ad hoc weekly reporting, latest available data: 14 February 2021.

Note: Firm classification was provided by the banks on a best effort basis. It may differ from the official firm classification.

The observed increase for SMEs on 20th September is due to a technical correction.

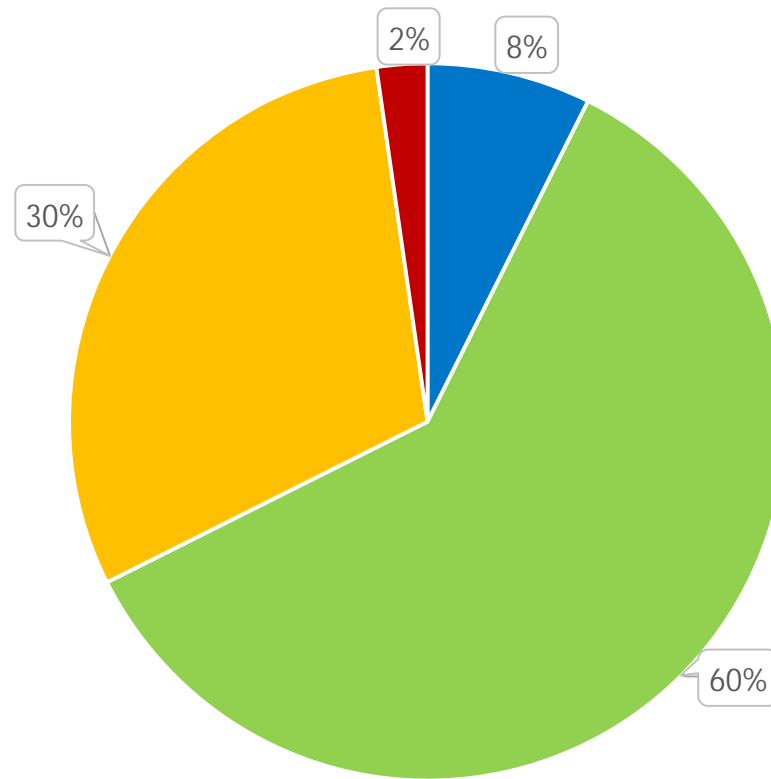
The increase of arrears for the corporate segment is linked to end-of-year operational events.

The increase of arrears for the self-employed segment is linked to end-of-year operational events

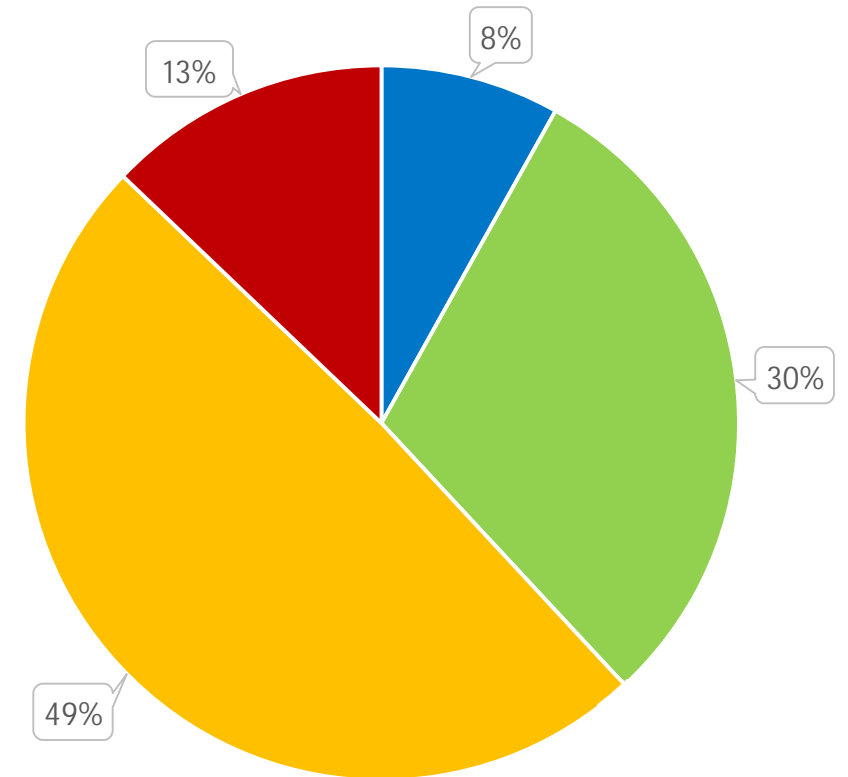
SMEs are the main beneficiaries of moratorium relative to their share of total loans

(moratorium – weekly)

Loan amounts in moratorium by type of counterparty



Total loan amounts by type of counterparty

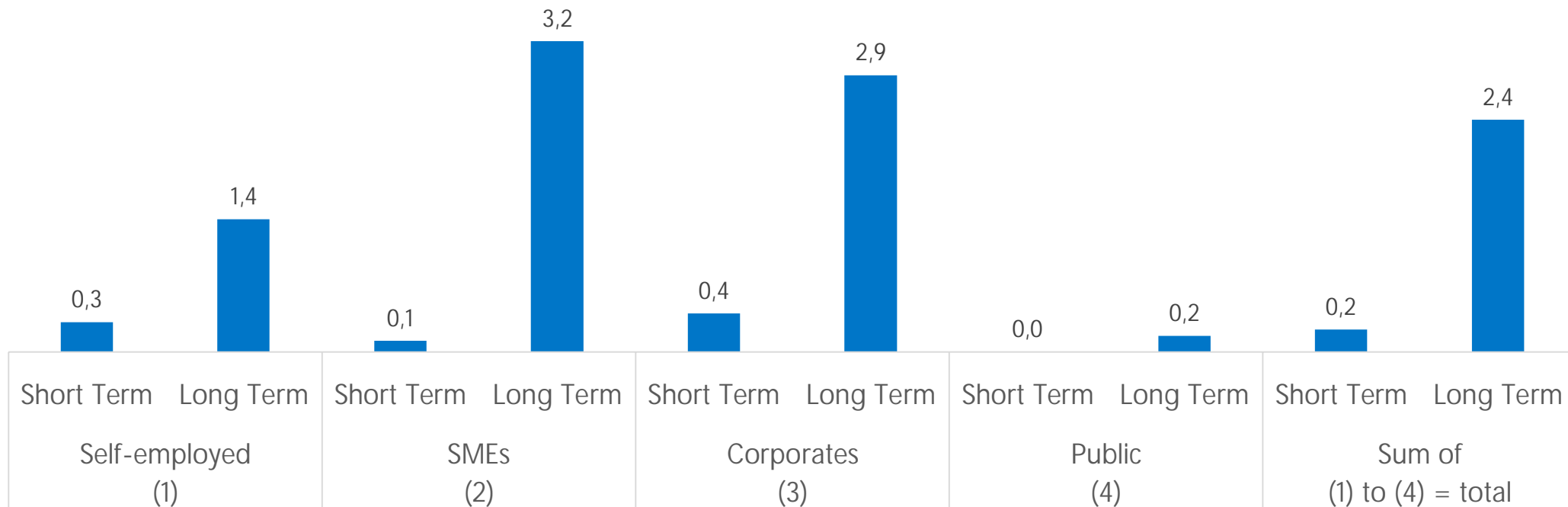


■ Self-employed ■ SMEs ■ Corporates ■ Public

Long term loans are the main type of loans in moratorium

(moratorium – weekly)

% of exposures in moratorium
(last weekly observation)

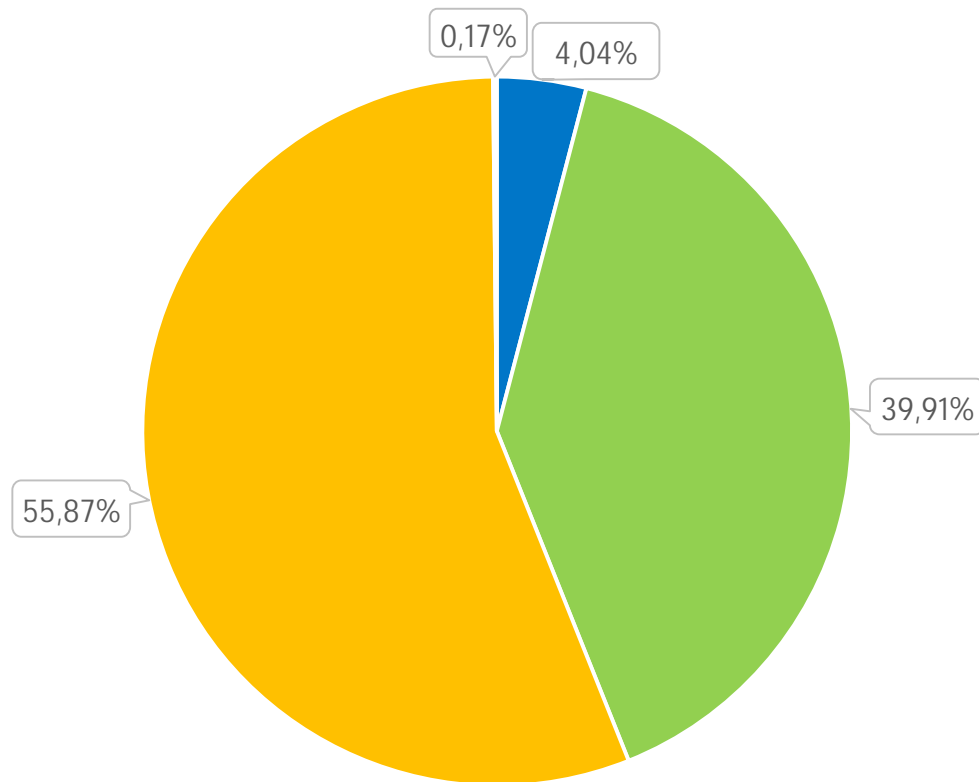


Take-up of the state guarantee - by type of counterparty

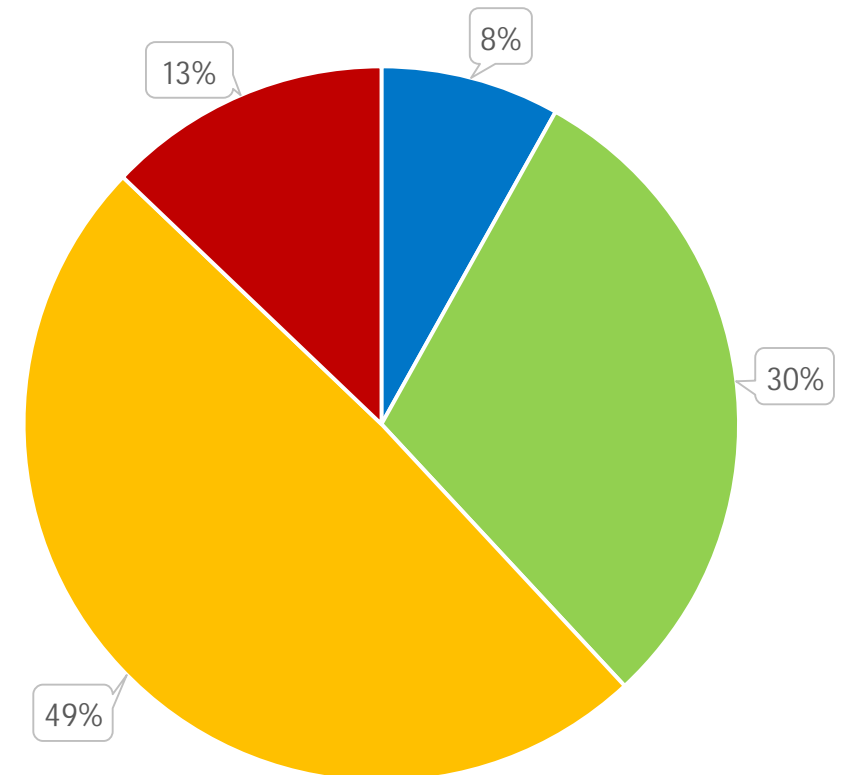
Results, taking into account only state guarantee I

(weekly data)

Loan amounts under state guarantee by type of counterparty



Total loan amounts by type of counterparty



■ Self-employed ■ SMEs ■ Corporates ■ Public

The background of the slide features a large, detailed, and semi-transparent image of a coronavirus particle, showing its characteristic spherical shape and numerous spike proteins. The particle is centered and slightly tilted, with a soft blue and white color palette. Other smaller, less distinct virus particles are visible in the background, creating a sense of depth. The overall aesthetic is clean and professional, with a light blue gradient background.

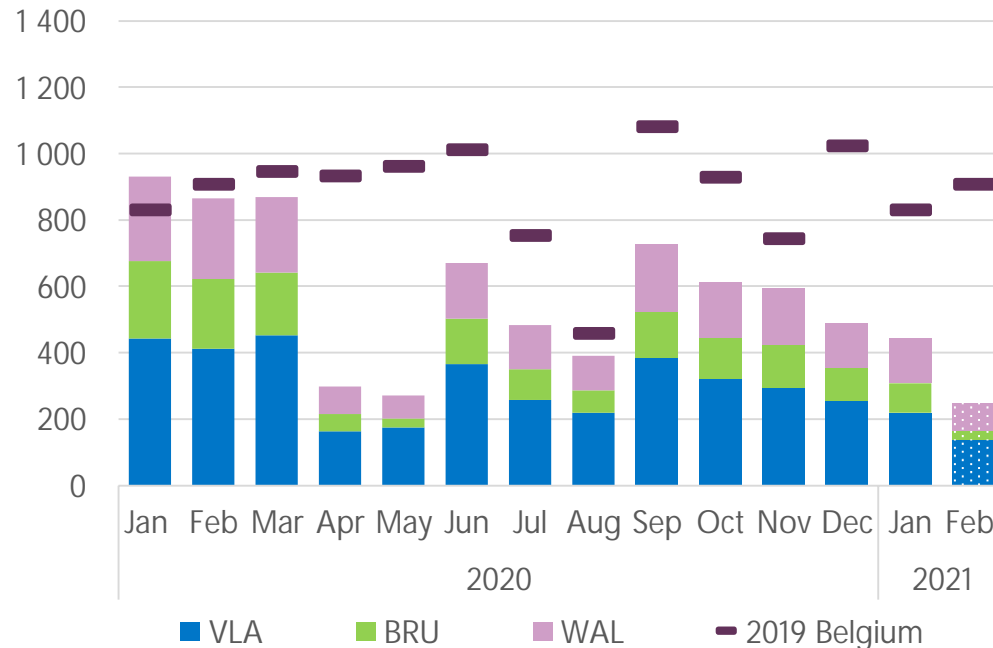
Bankruptcies and new business registrations

The number of bankruptcies¹ decreases further in January 2021 and remains far below the 2019 level ...

... since several provisions adopted to support businesses are still in place²

Bankruptcies

(# by region)



- ◆ About **96 % of bankruptcies** are within the '0 to 9 workers' company size class

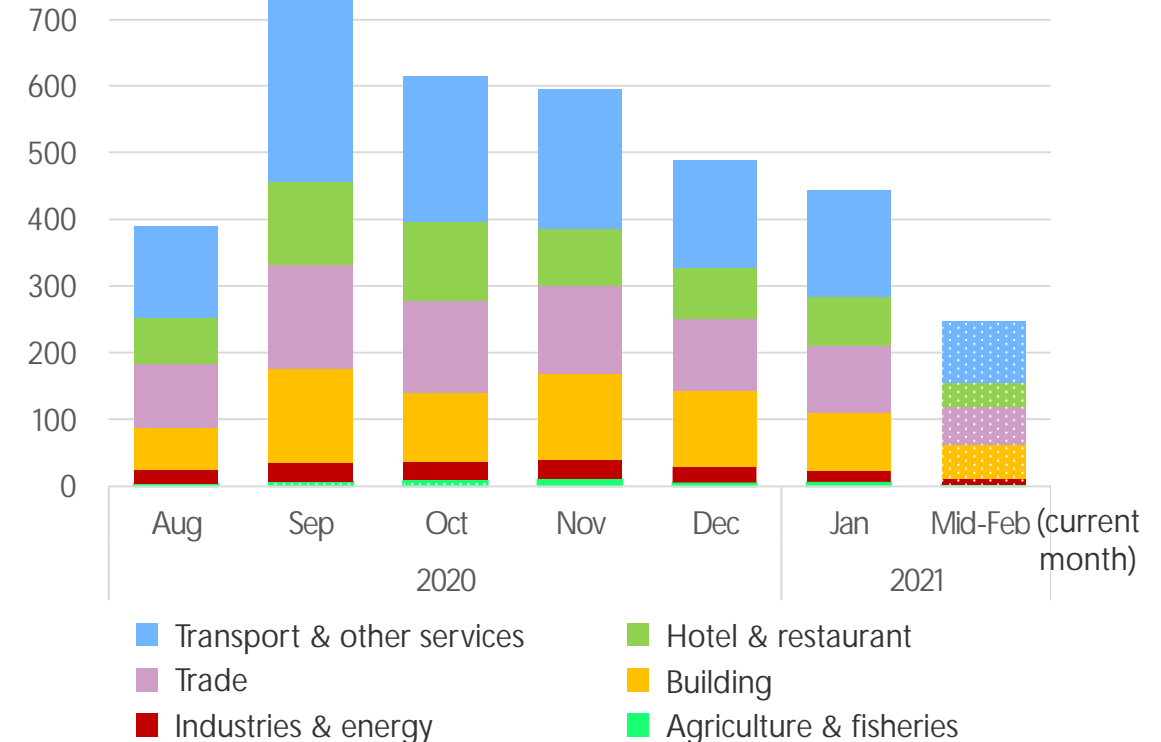
Source: Statbel, latest available data: 14 February 2021.

¹ Declaration of bankruptcy by the company court.

² Although the moratorium on filings for bankruptcies came to an end on 17 June 2020, **the tax administration and the ONSS maintains a de facto moratorium on tax and social security debts.**

Other measures taken were the deferment of payment of the annual company contribution (until 31 October 2020) and the social security contributions (until 15 December 2020), and the reintroduction of a temporary suspension of seizures. On Friday 6 November 2020, a new moratorium on bankruptcies until 31 January 2021 was approved towards businesses forced to close temporarily following the emergency measures and a further extension to 31 December for the payment of the annual company contribution. For employers struggling with the crisis, the ONSS agrees to an exceptional amicable payment plan with a maximum duration of 24 months for the settlement of sums due for the year 2020 (a.o. holiday pay for the 2019 financial year, the 1st, 2nd, 3rd and 4th quarters of 2020). At the level of the FPS Finance, companies in difficulty as a result of the coronavirus can apply for **support measures until 31 March 2021 by means of a payment plan, exemption from interest on arrears and remission of fines for non-payment regarding several taxes.** The proposed draft judicial reorganisation procedure (JRP) provides that the procedure would be streamlined; it would no longer require publication in the Moniteur belge, which would allow mediators to reach agreements on claims in complete discretion; JRPs by amicable agreement would be encouraged through a tax exemption which has so far only been applied to JRPs obtained by court order.

(# by activity)

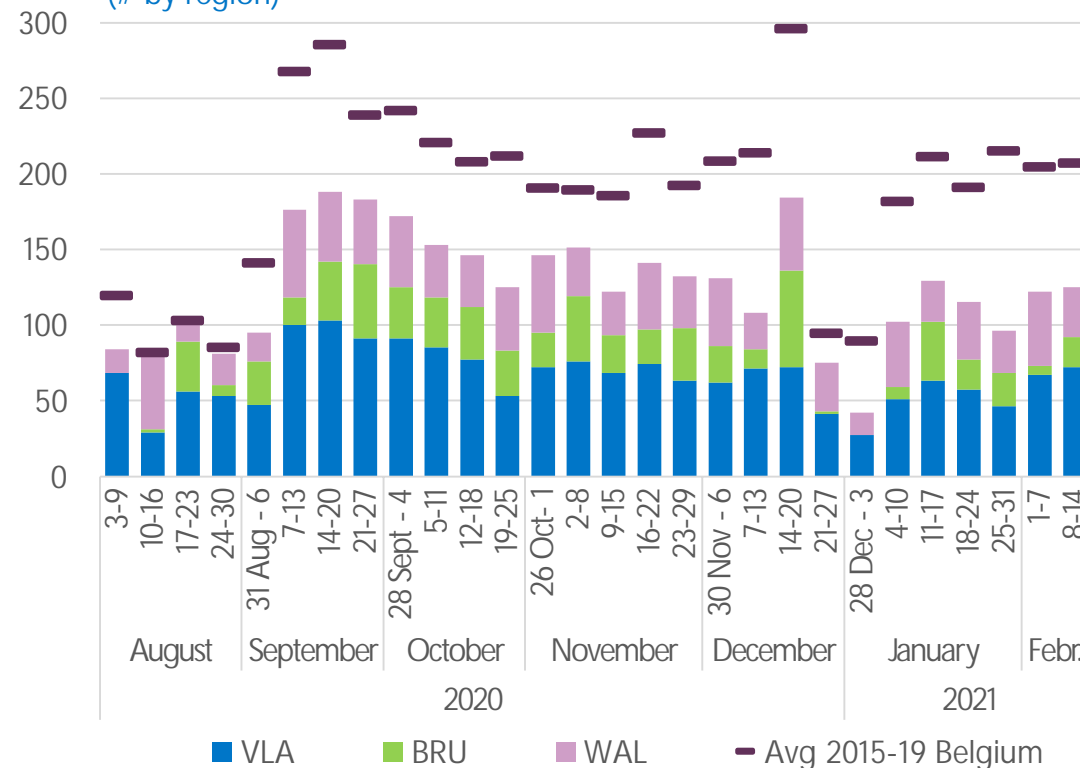


2021: weekly bankruptcies figures increase since end-2020 according to seasonal patterns ...

... but remain well below the 2015-19 average

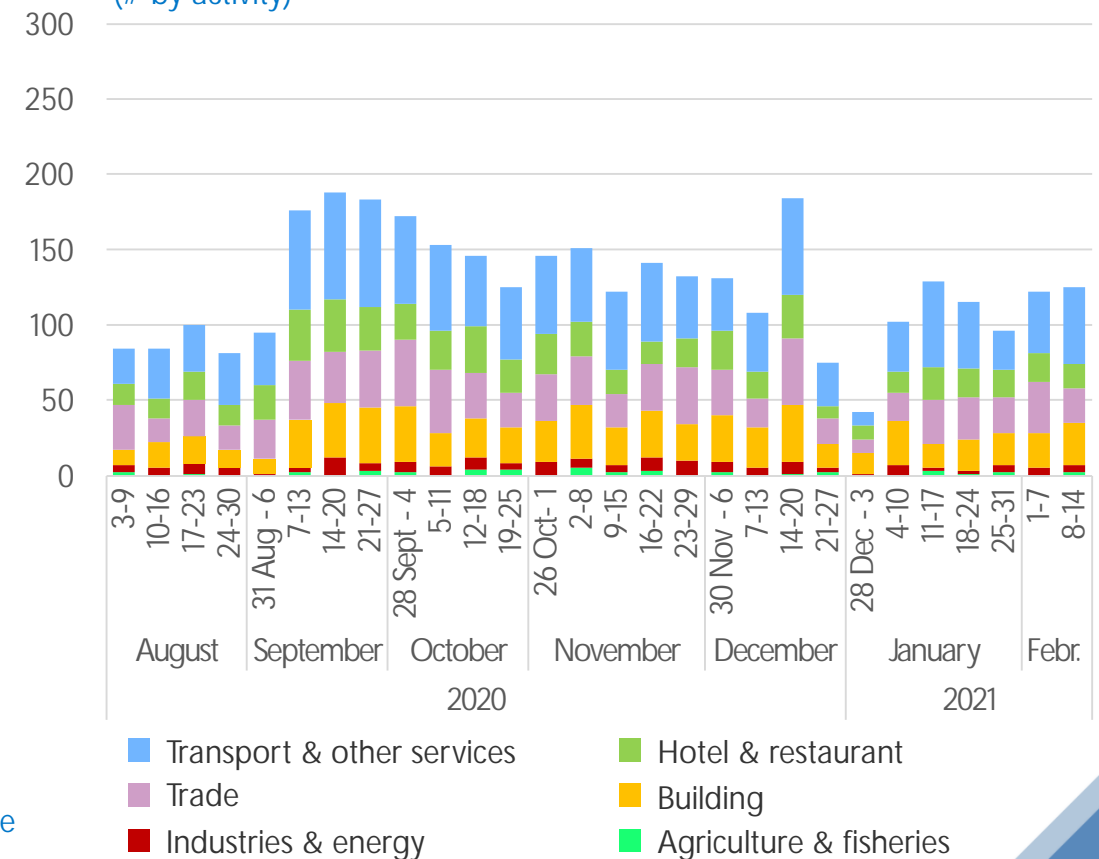
Bankruptcies¹

(# by region)



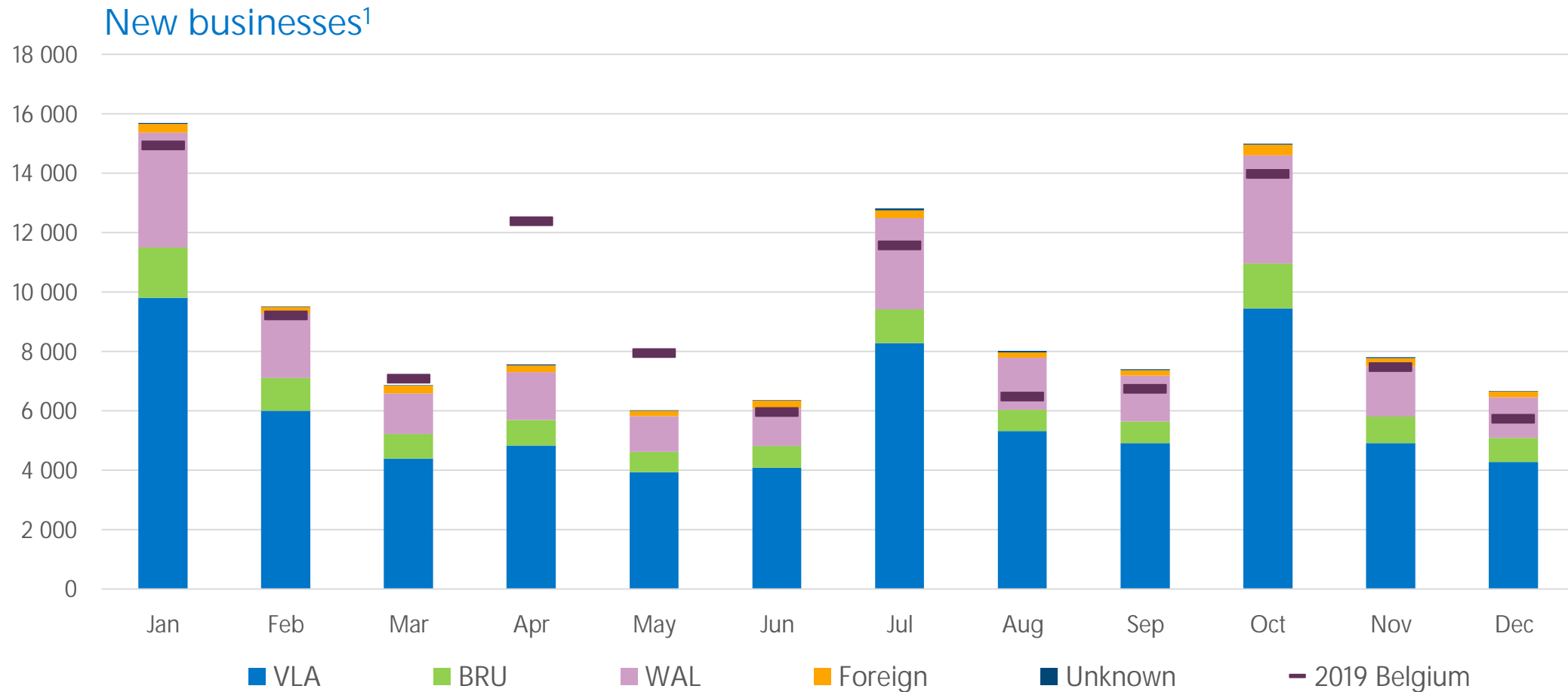
- ◆ Since August 31st, 2020, the number of bankruptcies remains 36 % below the 2015-19 average while in August, declared bankruptcies were close to it

(# by activity)



Business startups recede in November & December according to seasonal patterns ...

... and remain higher than in 2019



The background of the slide features a large, detailed 3D rendering of a coronavirus particle in the center, with several smaller, less detailed versions of the same particle scattered around it. The particles are depicted with a textured, spherical surface and numerous protruding spike proteins. The entire scene is set against a light blue gradient background.

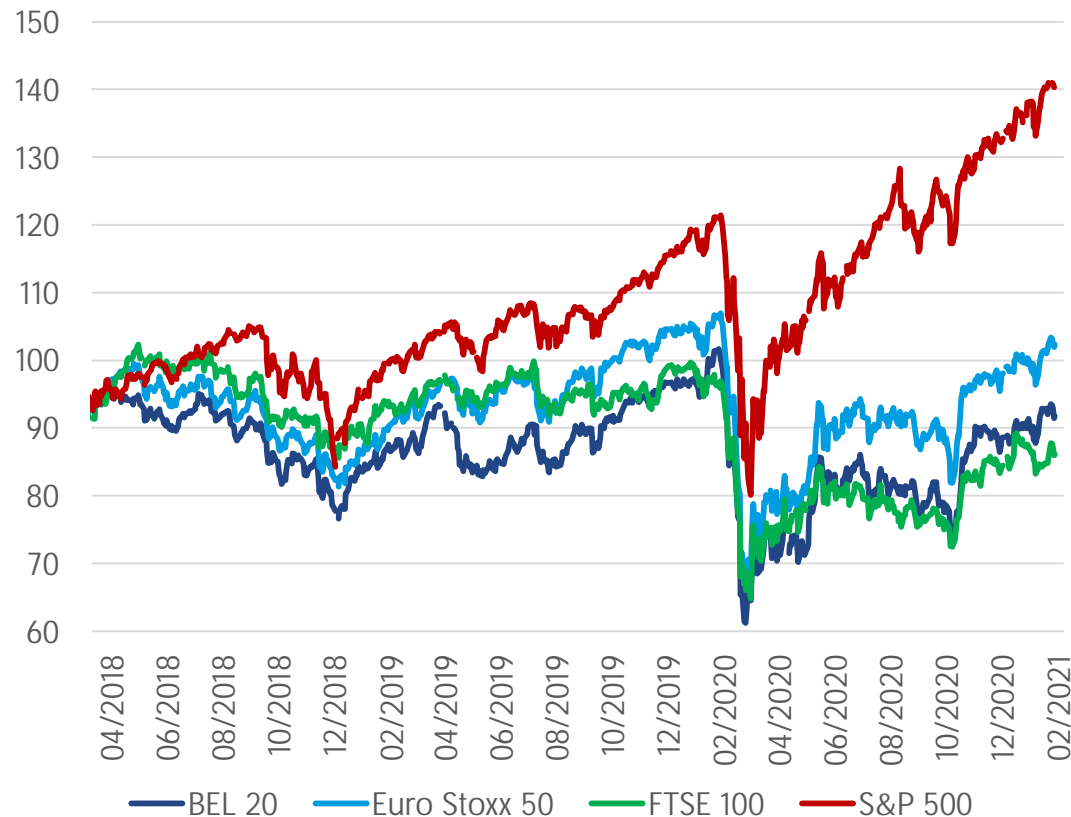
Financial markets

Financial markets reflect optimism, but remain at risk of setback

- ◆ Recently, progress towards a new US fiscal stimulus, confirmation of accommodative monetary stance, declining COVID-19 curves and vaccine rollout supported stock prices.
- ◆ Earlier, the GameStop saga was associated with a temporary burst of volatility and a drop in stock prices (in late January).
- ◆ Despite uncertainties related to new virus variants and the sluggish vaccine rollout in some countries, volatility now stands close to its historical average.

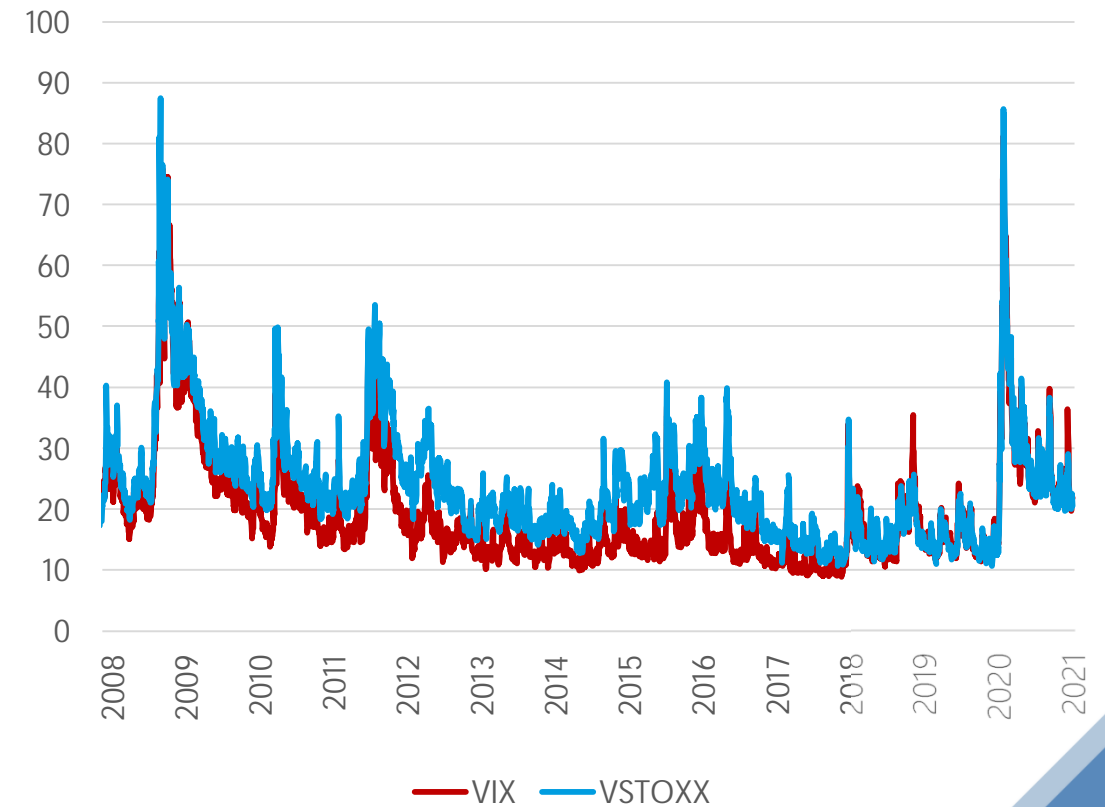
Major stock market indices

(01/2018=100)



Implied stock market volatility

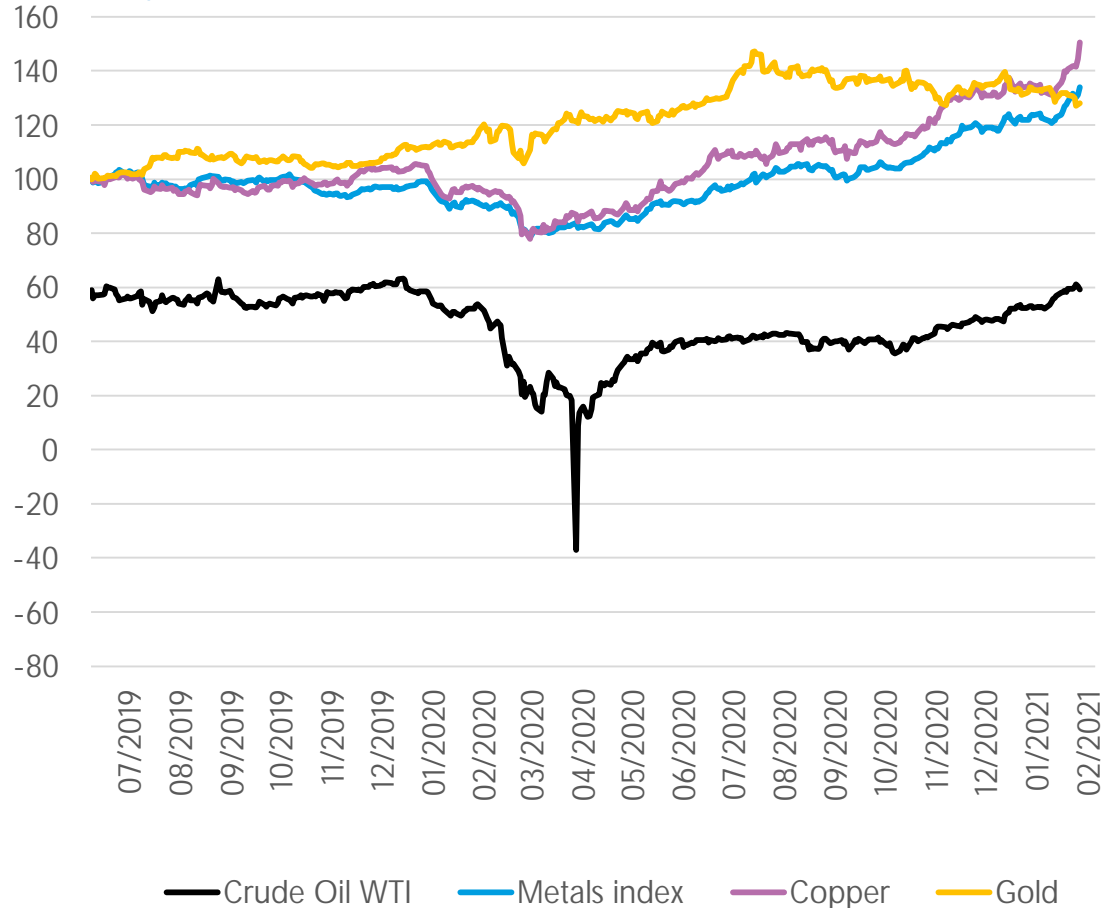
(in %)



Oil and industrial metal prices are rising

Commodity price indices

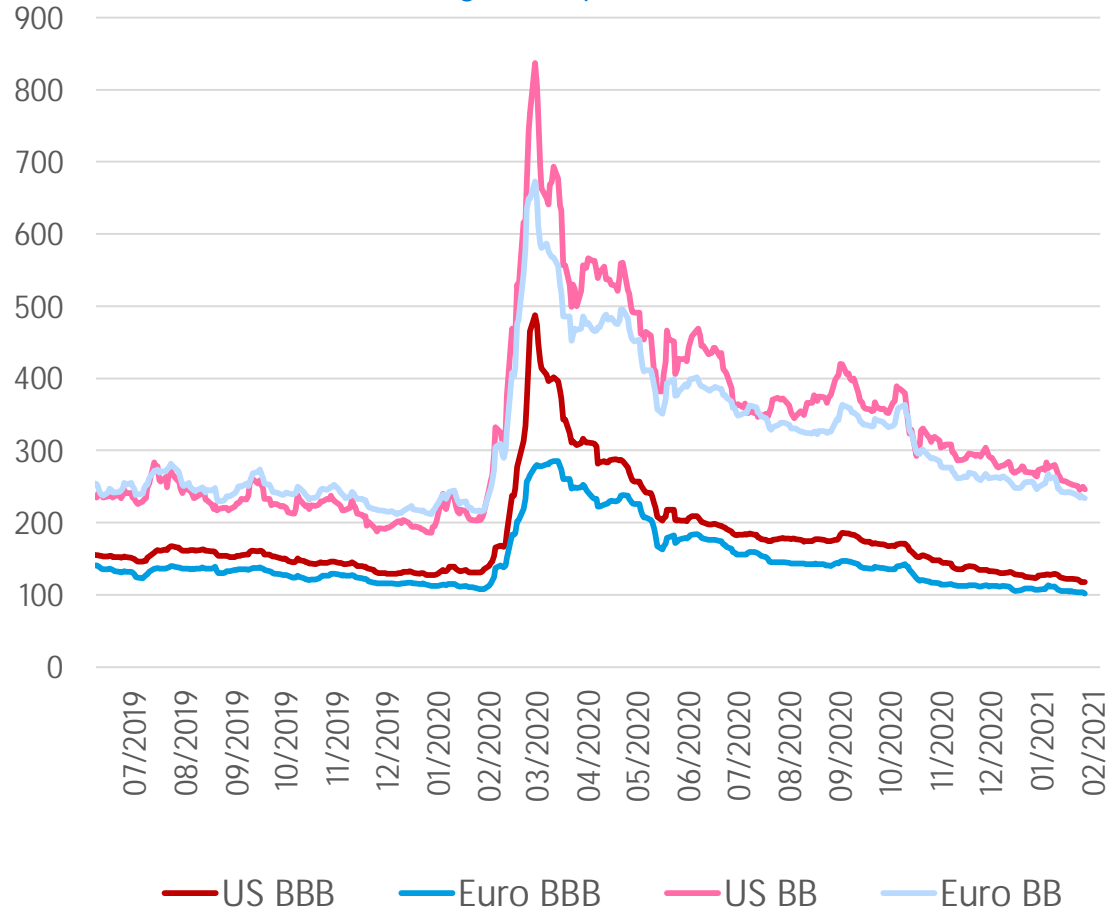
(Oil prices in \$/barrel, other indexes are normalized: 01/07/2019 = 100)



- ◆ Oil price reached its highest level (close to 60\$/b) since the beginning of the crisis supported by:
 - ◇ Expected increase in demand as economies recover from the COVID-19 crisis
 - ◇ Production cuts by OPEC+ and limited investment by oil firms during the crisis.
- ◆ Prices of industrial metals have also risen due to increased demand and supply disruptions
 - ◇ Industrial metals also benefit from the expected recovery
 - ◇ Moreover, industrial metals such as copper benefit from an expected increase in demand to support the transition to a greener economy
- ◆ Gold price declined, but remains relatively high in an uncertain environment, supported by weak dollar and rising inflation expectations

Corporate spreads back to their pre-crisis level, even for riskier borrowers

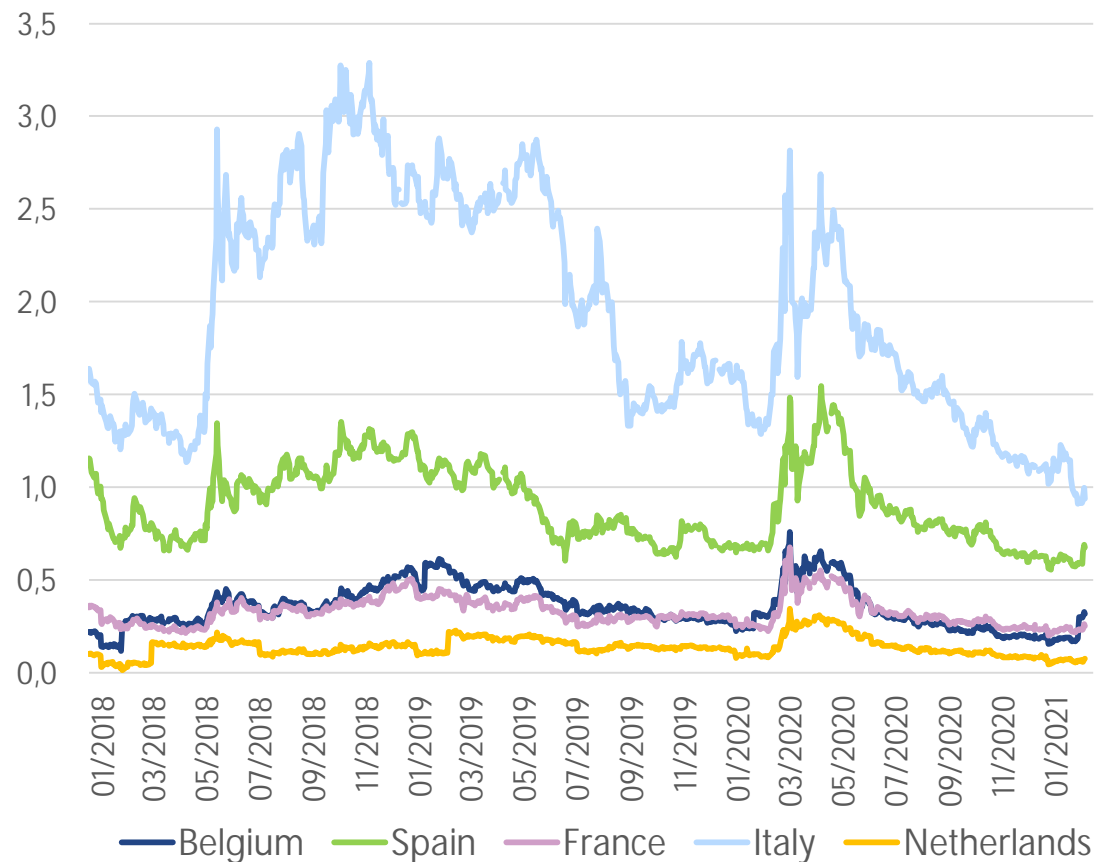
Corporate bond spreads (€ or \$ denominated)
(Difference vis-à-vis sovereign, basis points)



- ◆ Supportive monetary and fiscal policies have helped lower corporate yields and improved financing conditions for firms.
- ◆ Spreads of corporate bonds have returned to pre-pandemic levels.
 - ◇ In part, the decline in non-investment-grade corporate spreads reflects investors' search for yield
- ◆ Recently, the proposed US fiscal stimulus, flattening COVID-19 curves and vaccine rollout boosted investors' confidence that companies will endure the pandemic.

Sovereign bond spreads remain low, close to pre-pandemic levels

10-year spreads vis-à-vis Germany (EA)
(%)

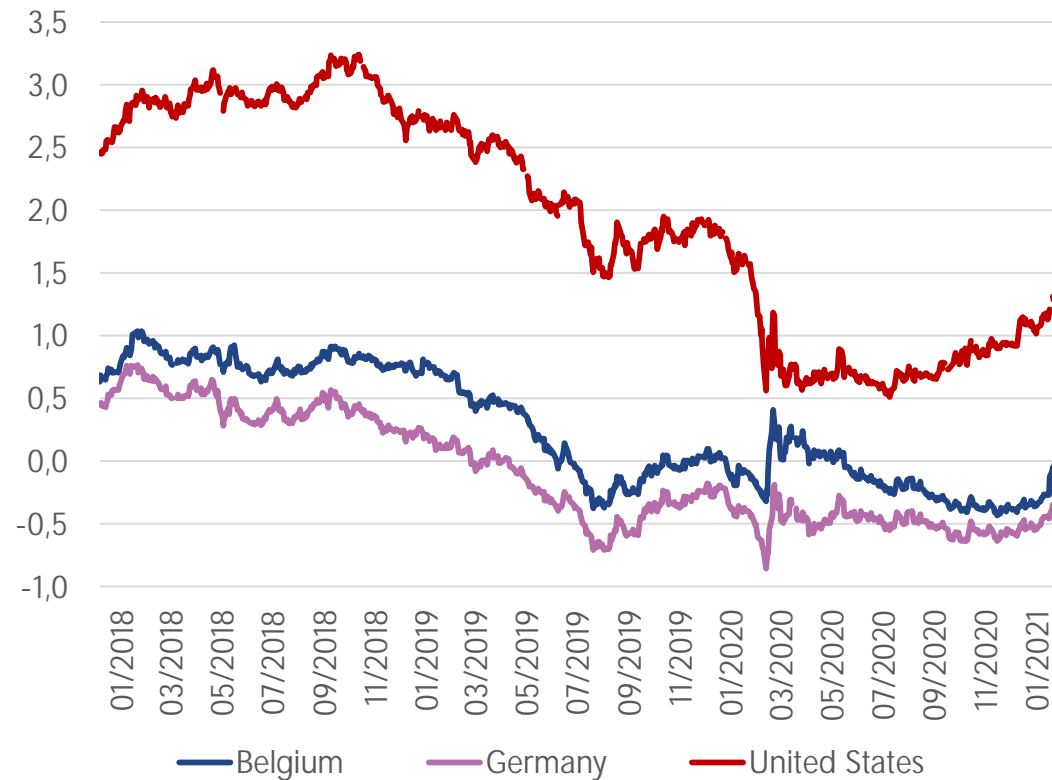


- ◆ Despite the appearance of new virus variants, mobility restrictions and a slow vaccination rollout, sovereign spreads stabilised close to their pre-crisis levels, helped by ECB's reconfirmation of its accommodative monetary policy stance
- ◆ Some European countries recently issued long-term government bonds, locking in low interest rates
 - ◇ Belgium raised €5bn with a 50 years OLO on February 2nd.
- ◆ IT spreads tightened as political uncertainty receded

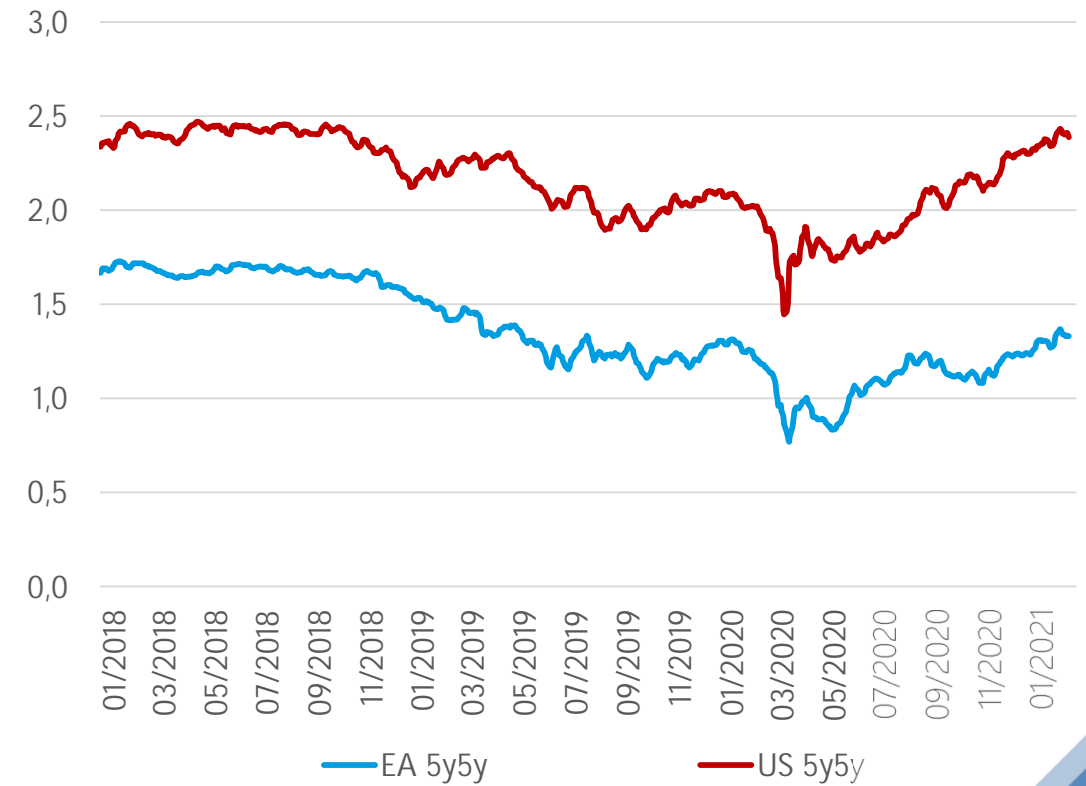
Long-term government bond yields and inflation expectations are rising

- ◆ The combined impact of the proposed US fiscal package, accommodative monetary policy, drop in COVID-19 infections and vaccine rollout is raising inflation prospects, especially in the US.
- ◆ Since February, this reflation trade is also affecting the EA. 10-year Belgian government bond yields are now back to zero.
- ◆ However, in the EA, government bonds yields remain low and inflation expectations are well below the ECB target.

10-year government bond yields (in %)



Market based inflation expectations¹ (in %)



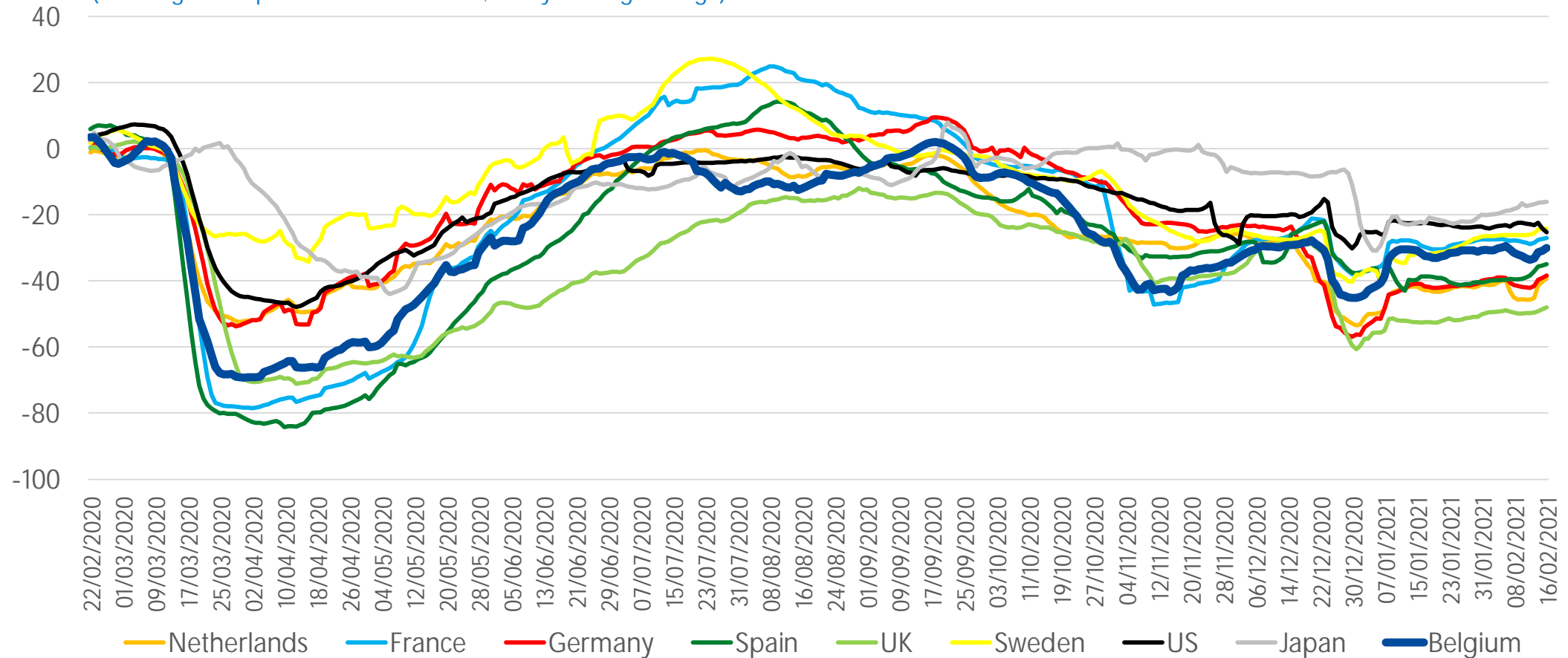
The background of the slide features a large, detailed illustration of a coronavirus particle in the center, surrounded by several smaller, more blurred versions of the same particle. The entire scene is set against a light blue gradient background.

International outlook

Second wave: mobility less affected than in the spring

Composite mobility indicator¹

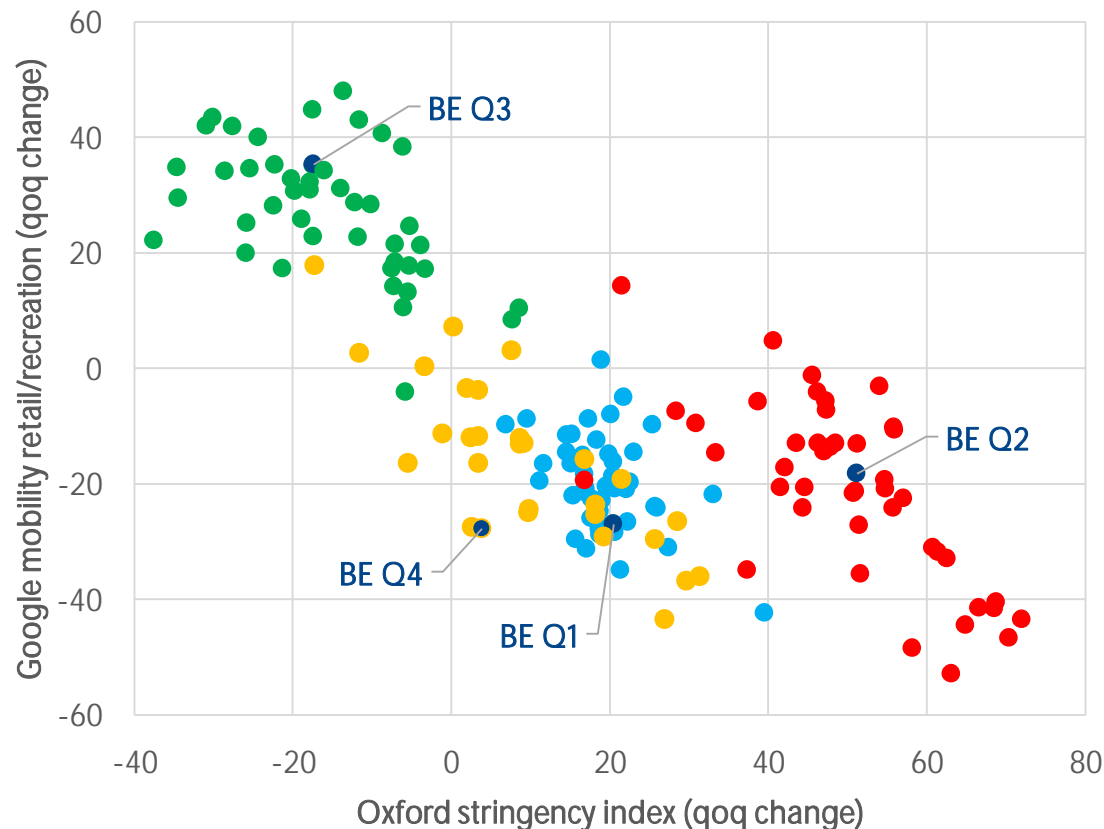
(% change from pre-COVID-19 baseline; 7-day moving average)



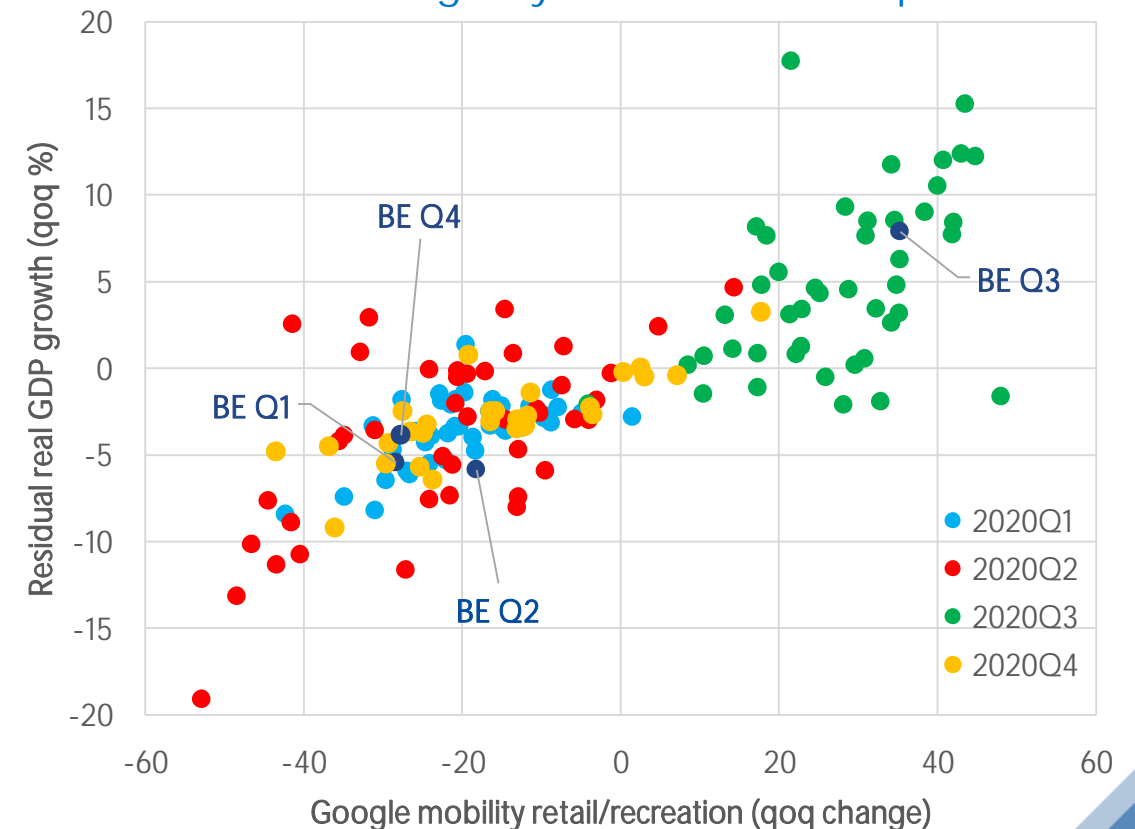
GDP growth: strong relation with people's actual mobility

where mobility is a function of containment measures, enforcement of/compliance with those measures and individuals' behaviour.

More stringent lockdowns are associated with greater reductions in people's actual mobility¹ ...



... and changes in actual mobility are strongly correlated with GDP growth, more so than lockdown stringency or COVID deaths per se²



Sources: OECD, Oxford COVID-19 Government Response Tracker (OxCGRT), Google, Our World in Data (OWID).

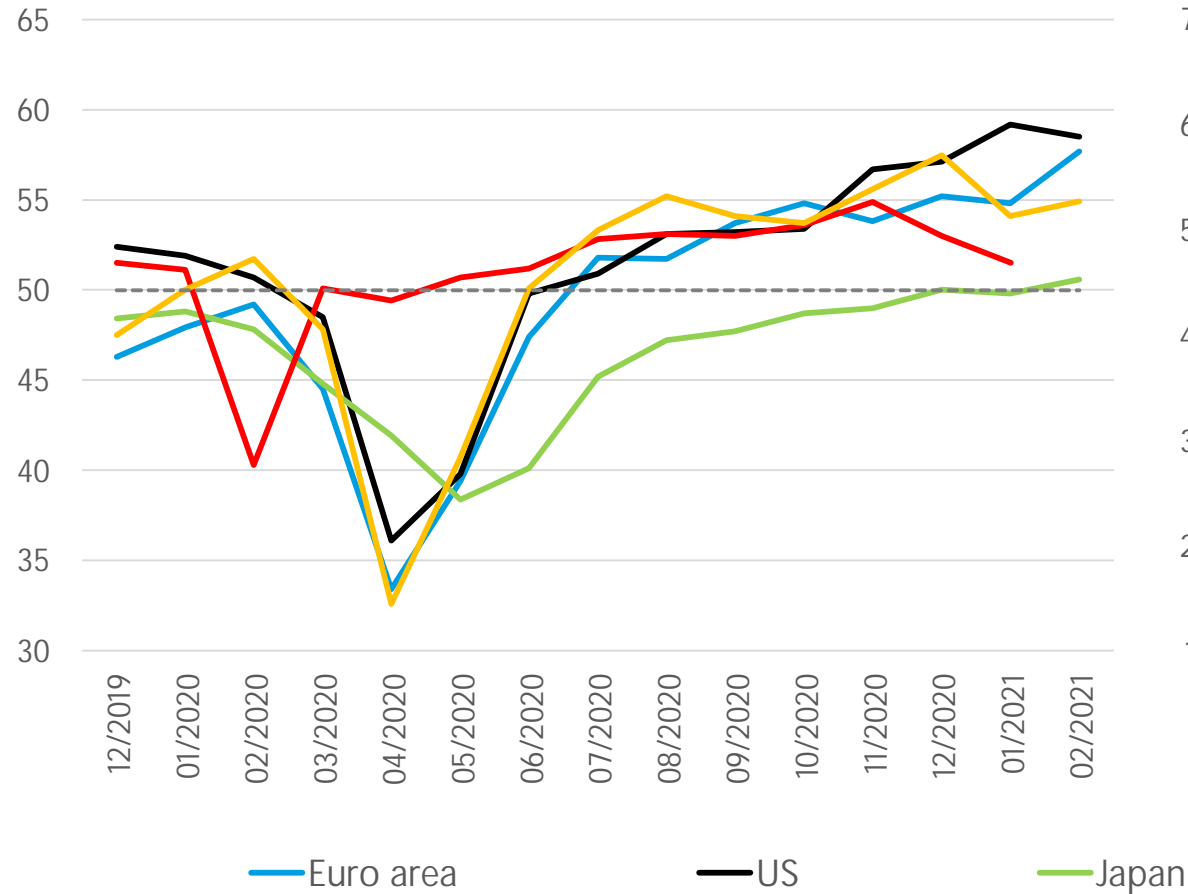
¹ Country sample consists of 45 OECD and major non-OECD countries over 2020Q1-Q3. Each dot represents a country-quarter. Oxford Stringency index codifies 9 types of containment measures. Index levels take values between 0 (no restrictions) and 100 (hard nationwide lockdown). Google mobility report scores for category "retail and recreation". Level scores indicate percentage deviation from pre-COVID baseline. China is excluded due to lack of mobility data.

² Y-axis represents partial residuals from regression of real GDP growth on lockdown stringency, COVID deaths and quarter dummies.

Second wave: lockdowns weigh on sentiment in services

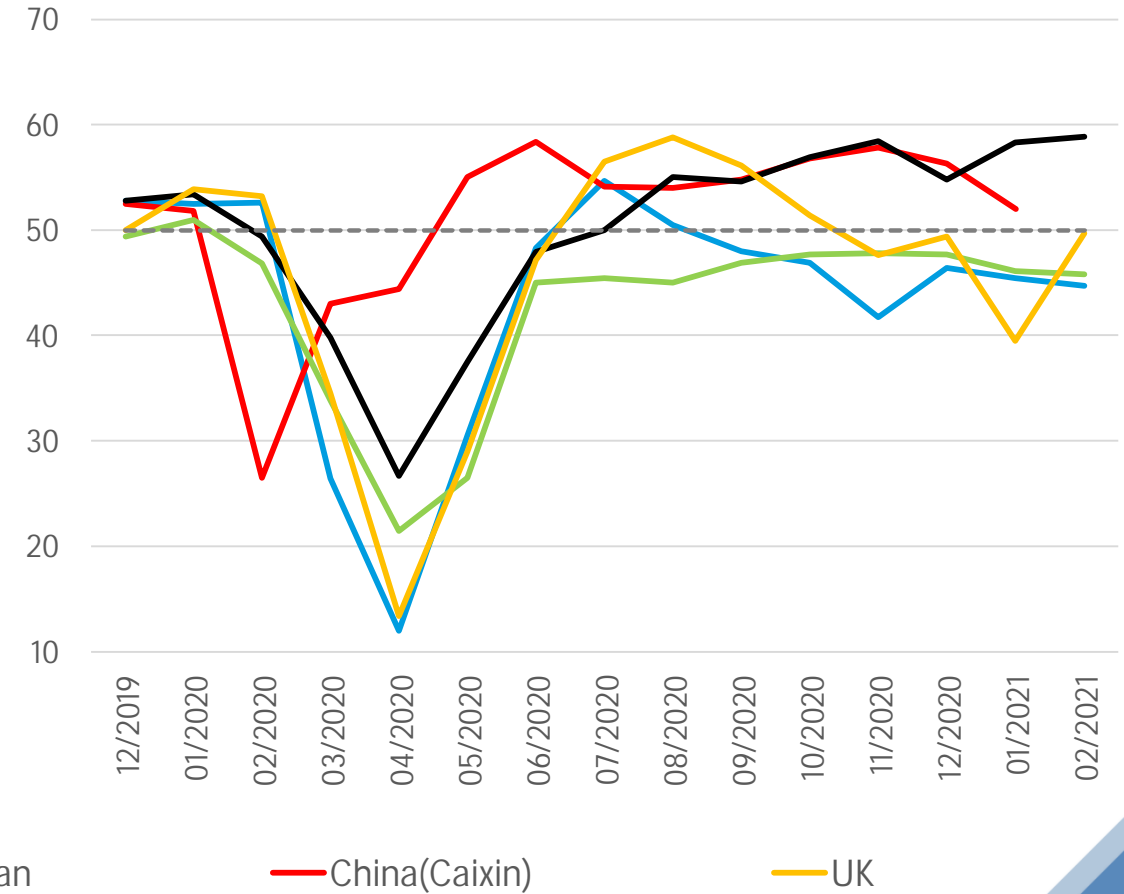
Manufacturing PMIs

(diffusion index; 50+ signals expected expansion)



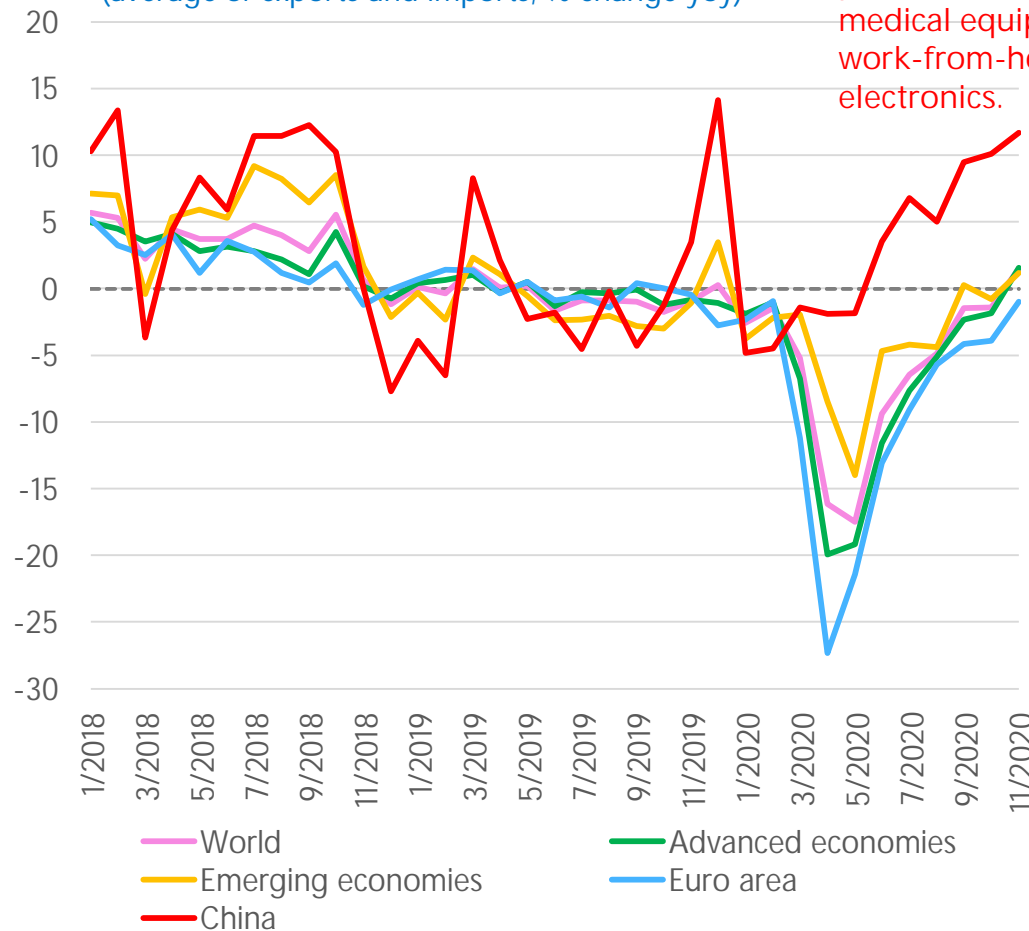
Service sector PMIs

(diffusion index; 50+ signals expected expansion)

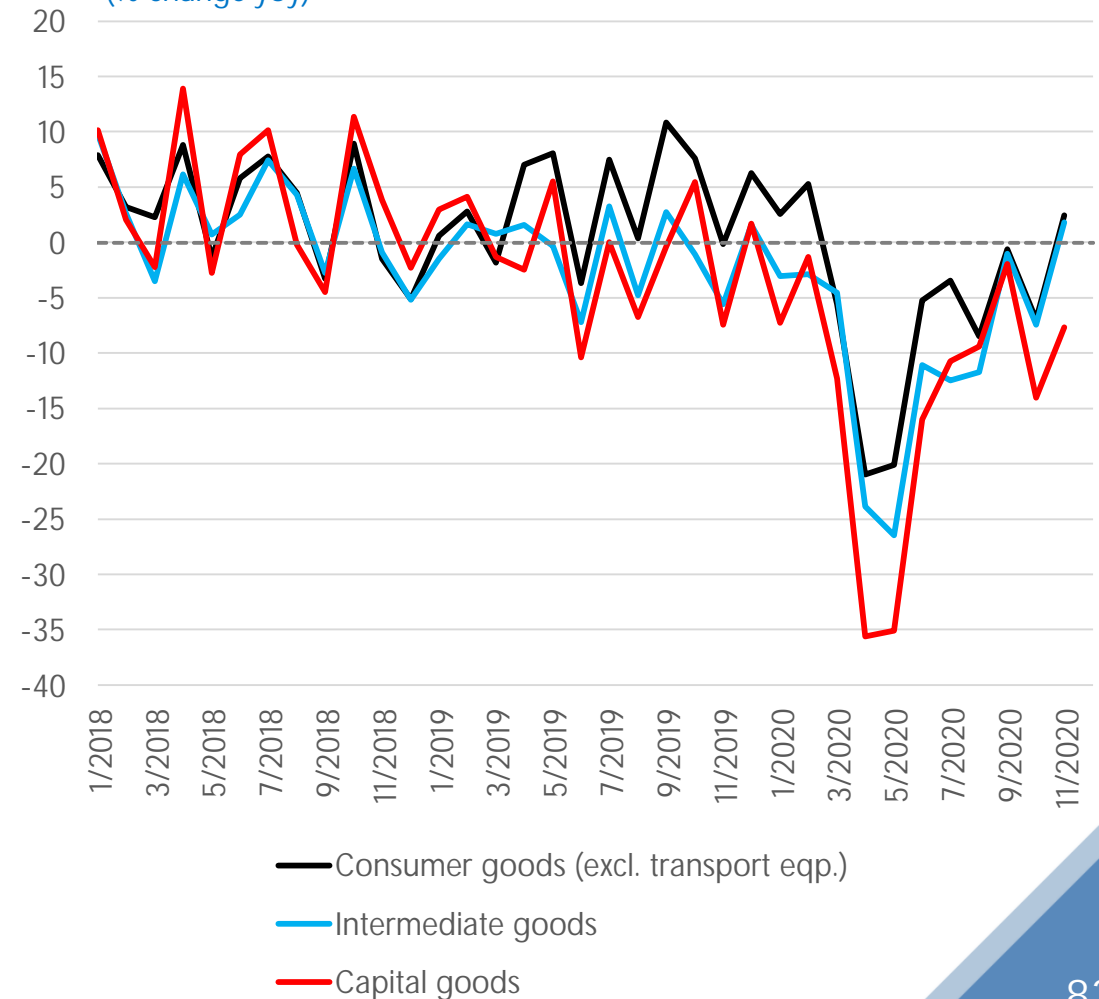


International trade: World is back to pre-COVID levels, EA lags behind

World goods trade volumes¹
(average of exports and imports, % change yoy)

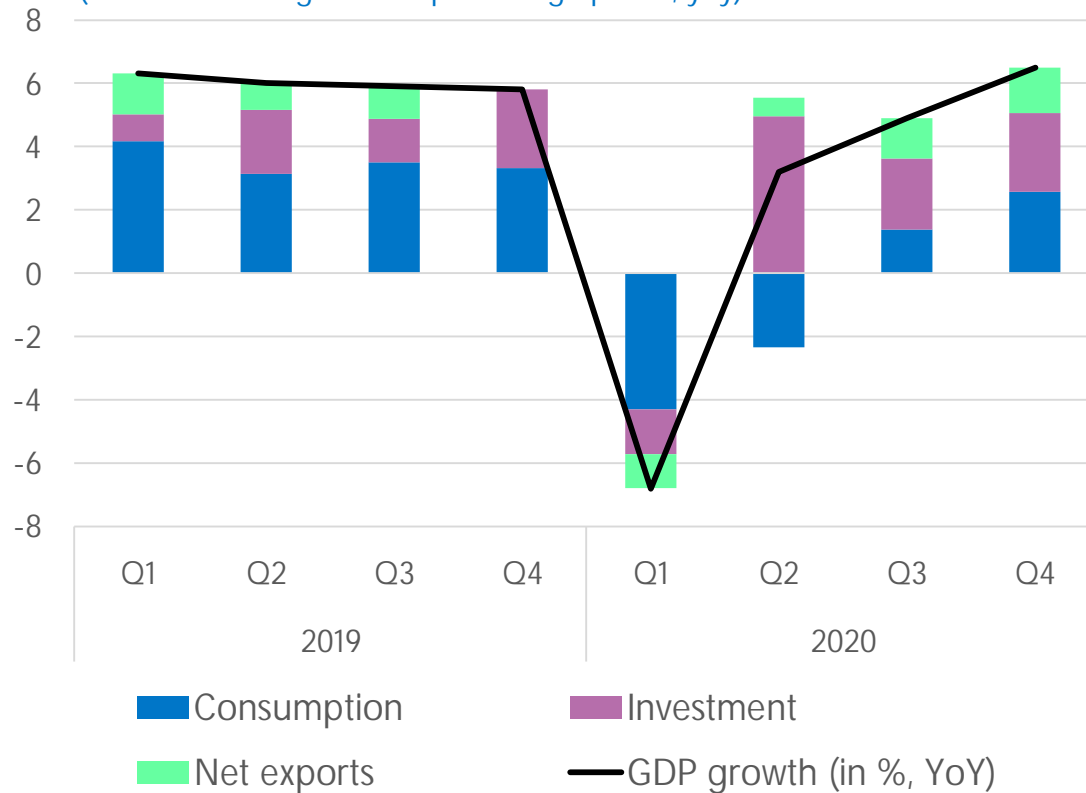


Euro area: extra-EA-19 goods export volumes²
(% change yoy)

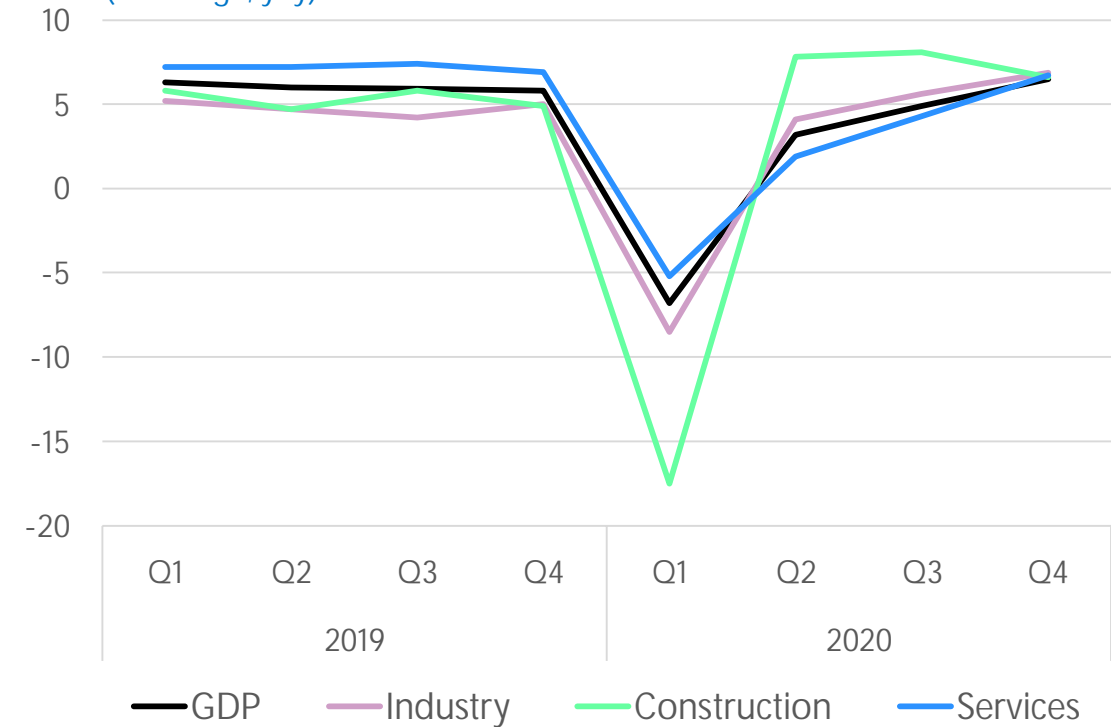


China: Q4 growth back to pre-crisis levels

Equally driven by consumption and investment (contribution to growth in percentage points, yoy)



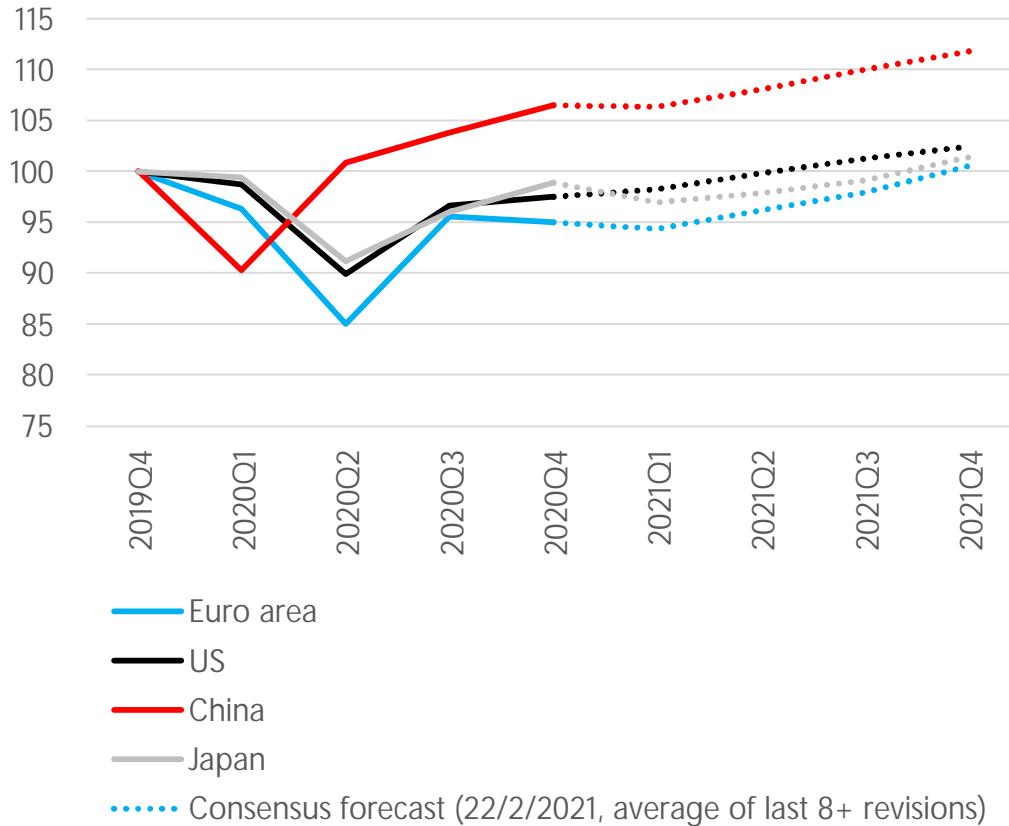
More balanced between sectors (% change, yoy)



Recovery across countries: I do it my way ...

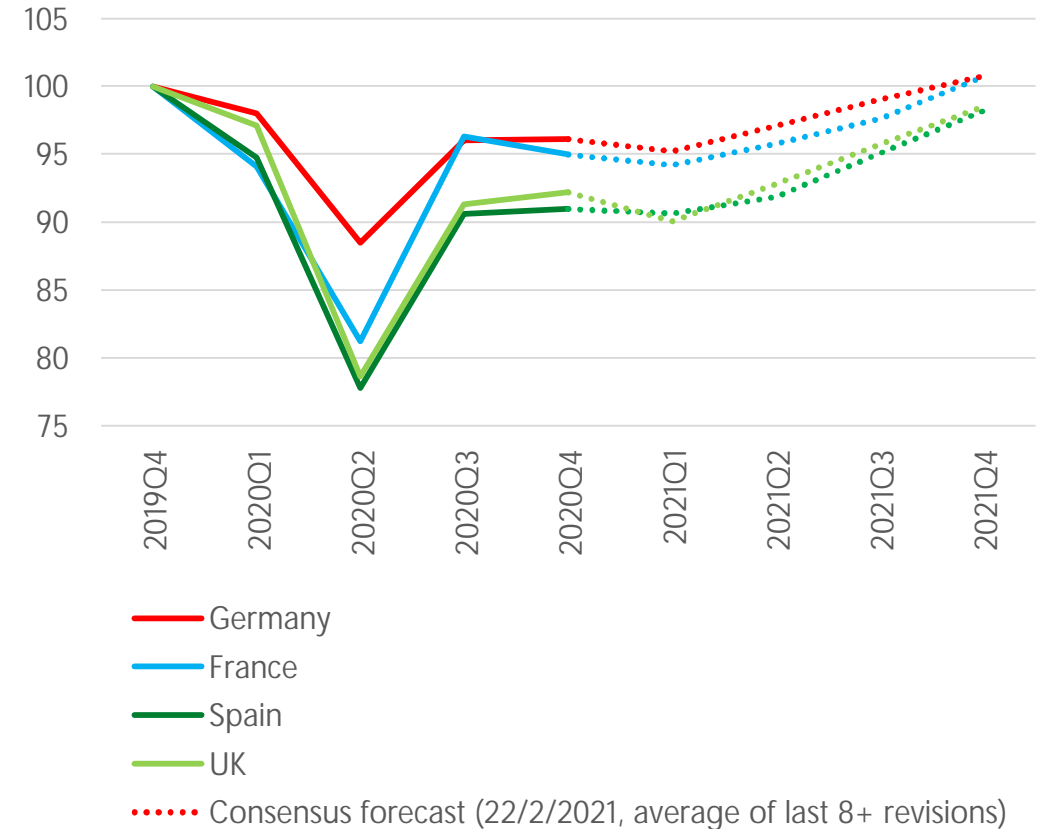
Major blocs: Real GDP¹

(index, 2019Q4 = 100)



Selected European countries: Real GDP¹

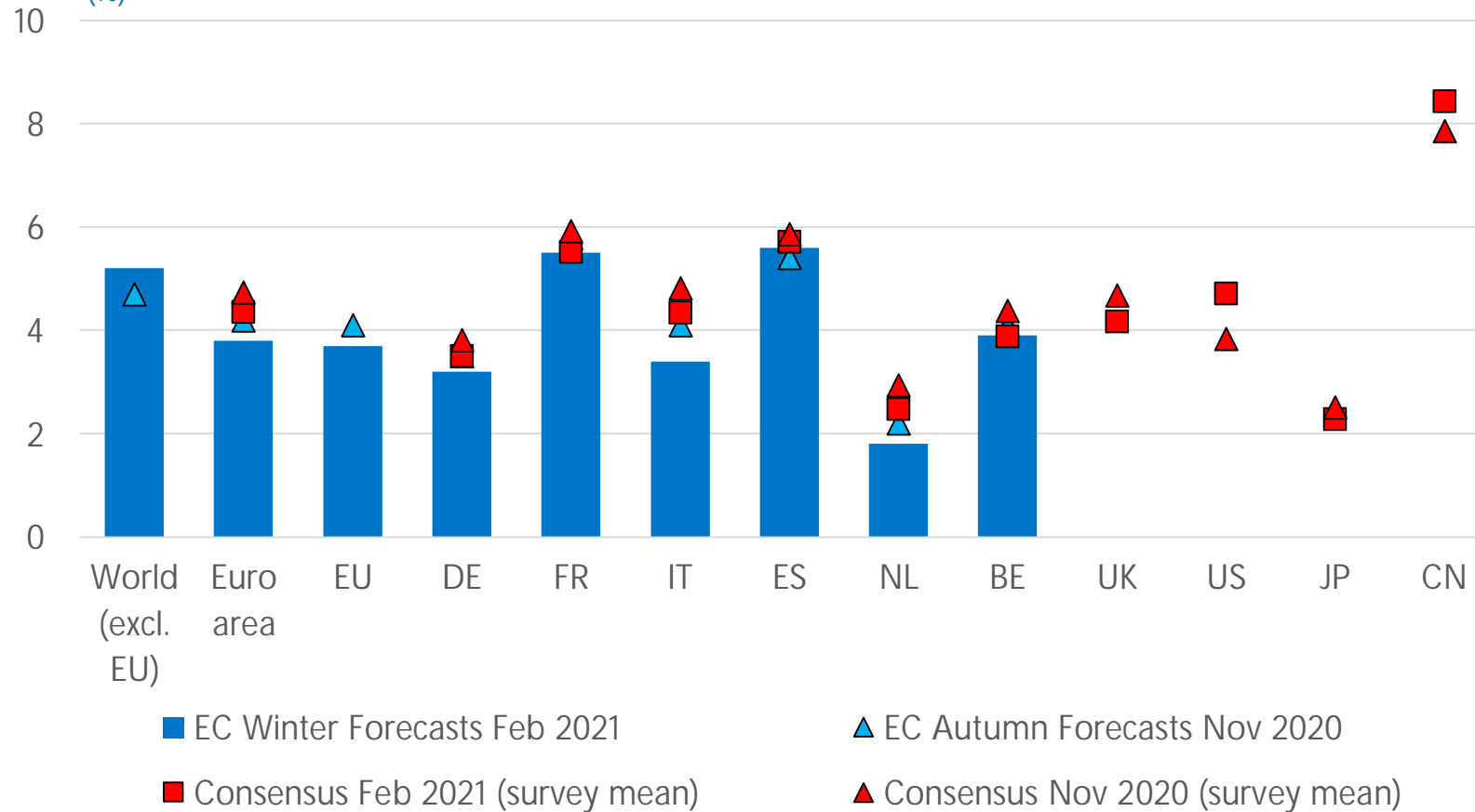
(index, 2019Q4 = 100)



Latest European Commission forecasts for 2021

Winter Forecasts: "A challenging winter, but light at the end of the tunnel"

Real GDP forecasts for 2021¹
(%)



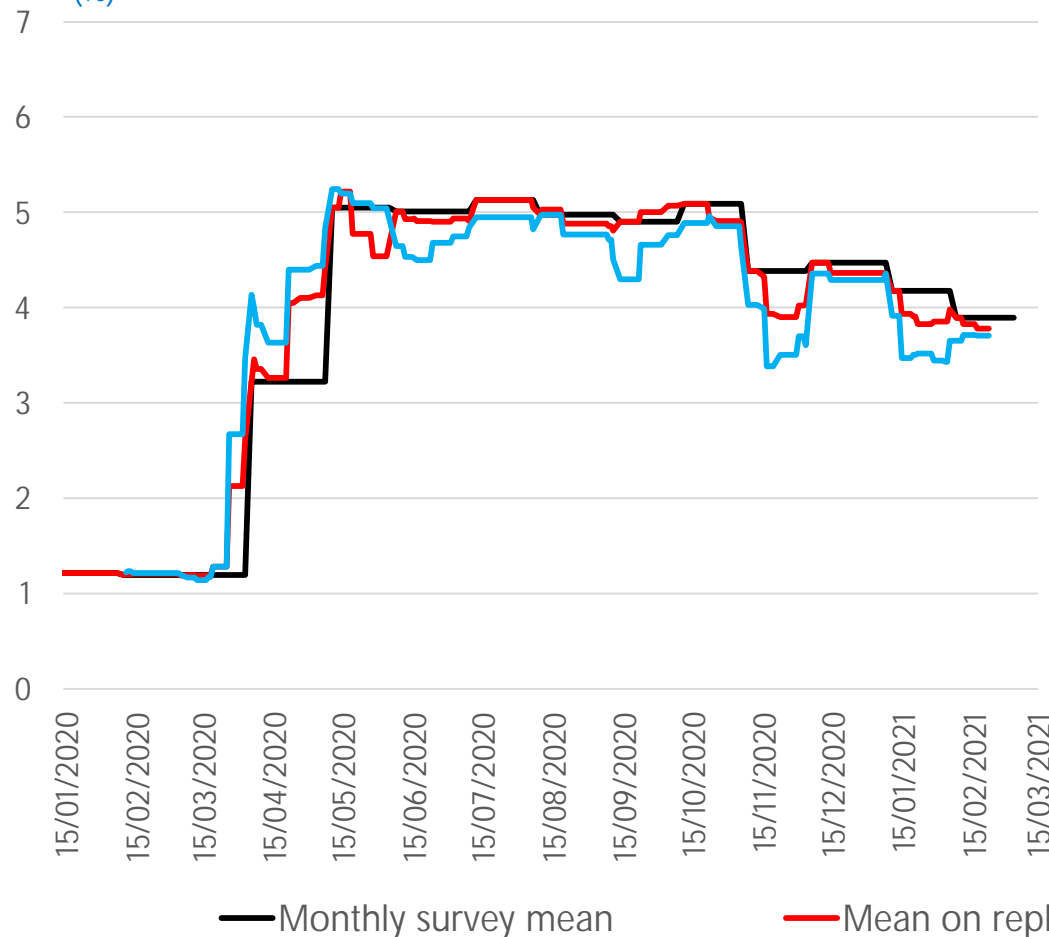
Revisions to forecasts for 2021 since November reflect:

- ◆ Base effects: **somewhat less severe collapse** in 2020 than previously expected
- ◆ **Start of mass vaccination campaigns** that could allow for faster withdrawal of containment measures and resumption of economic activity in second half of year
- ◆ Expected boost to external **demand** from additional policy support in a few large economies (notably US, Japan), better prospects for Asian emerging markets, and EU-UK trade agreement
- ◆ Assumption that **new virus outbreaks remain contained** and vaccine rollout proceeds smoothly

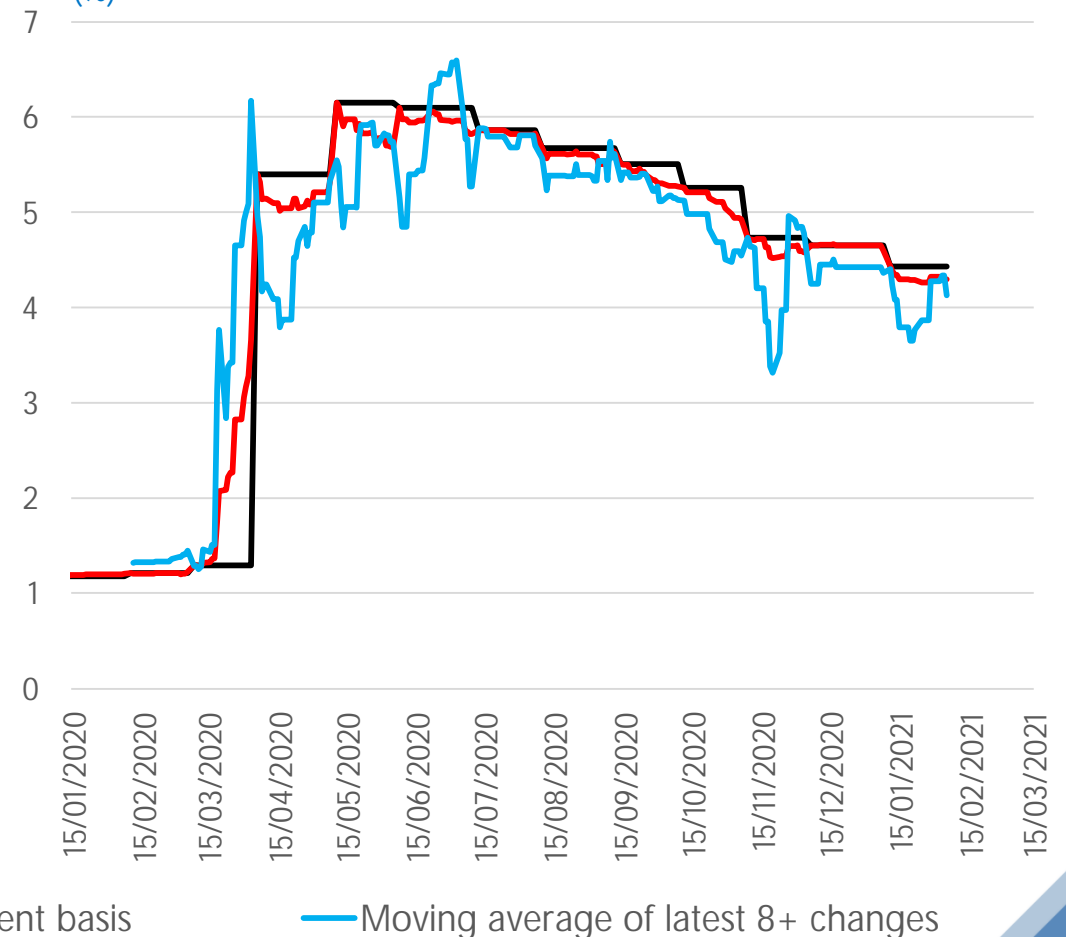
Consensus forecasts for 2021: not so fast ...

Latest downgrades for Euro Area growth due to new COVID infections and lockdowns

Belgium: Real GDP growth forecasts, 2021
(%)

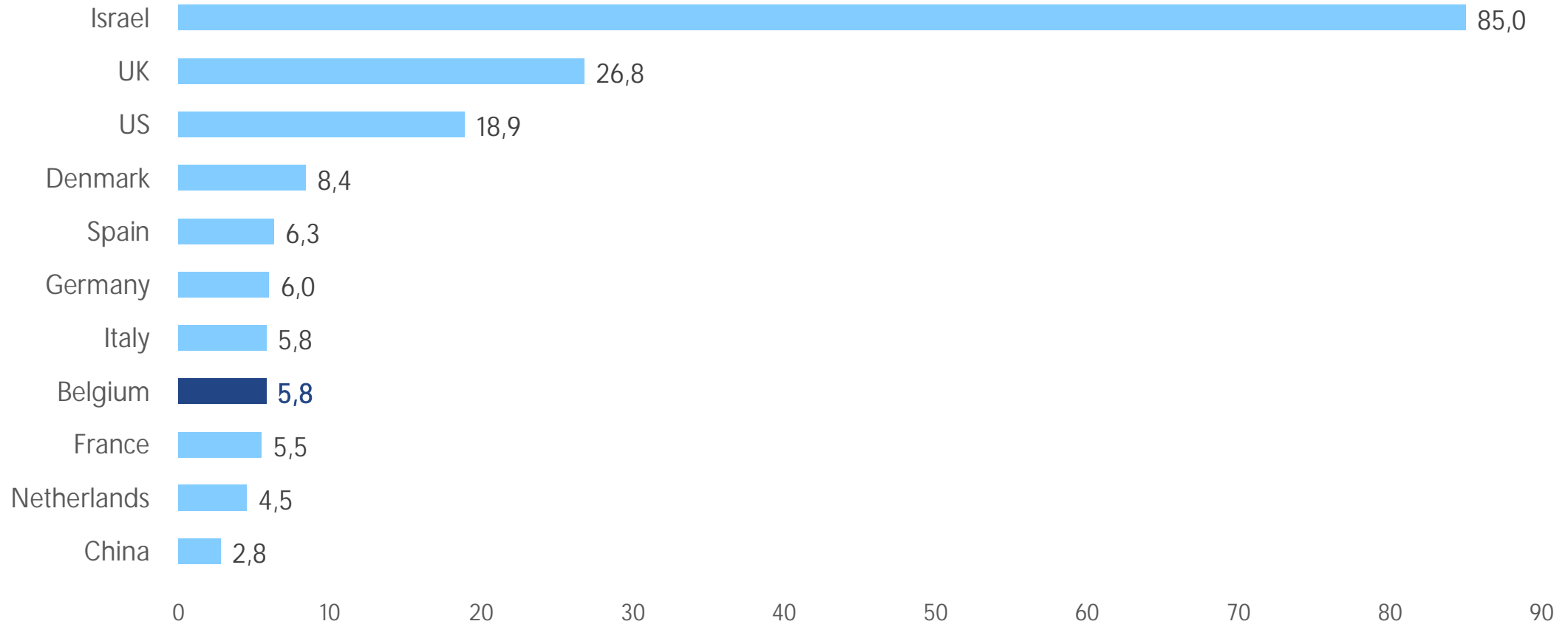


Euro area: Real GDP growth forecasts, 2021
(%)



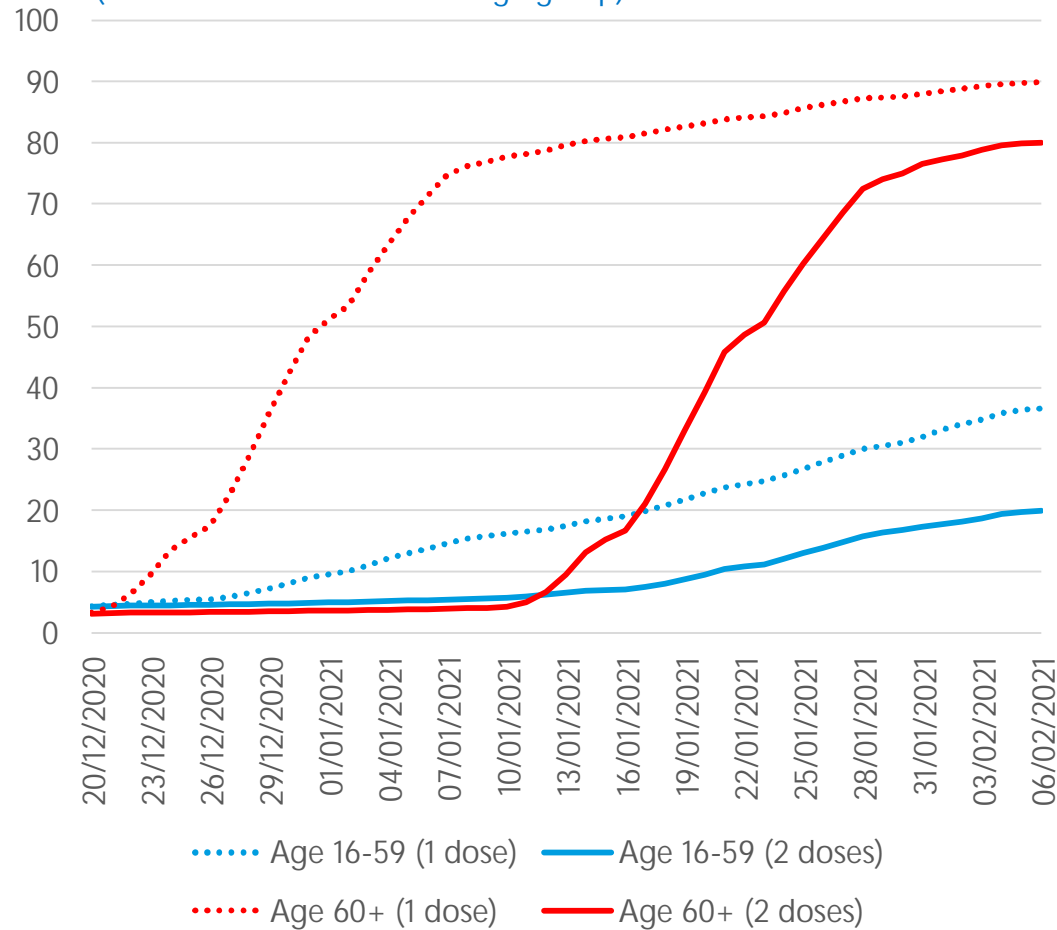
Vaccination kicked off at different speeds

Total number of vaccination doses administered per 100 people in the total population¹
(Situation as of 21 February 2021)

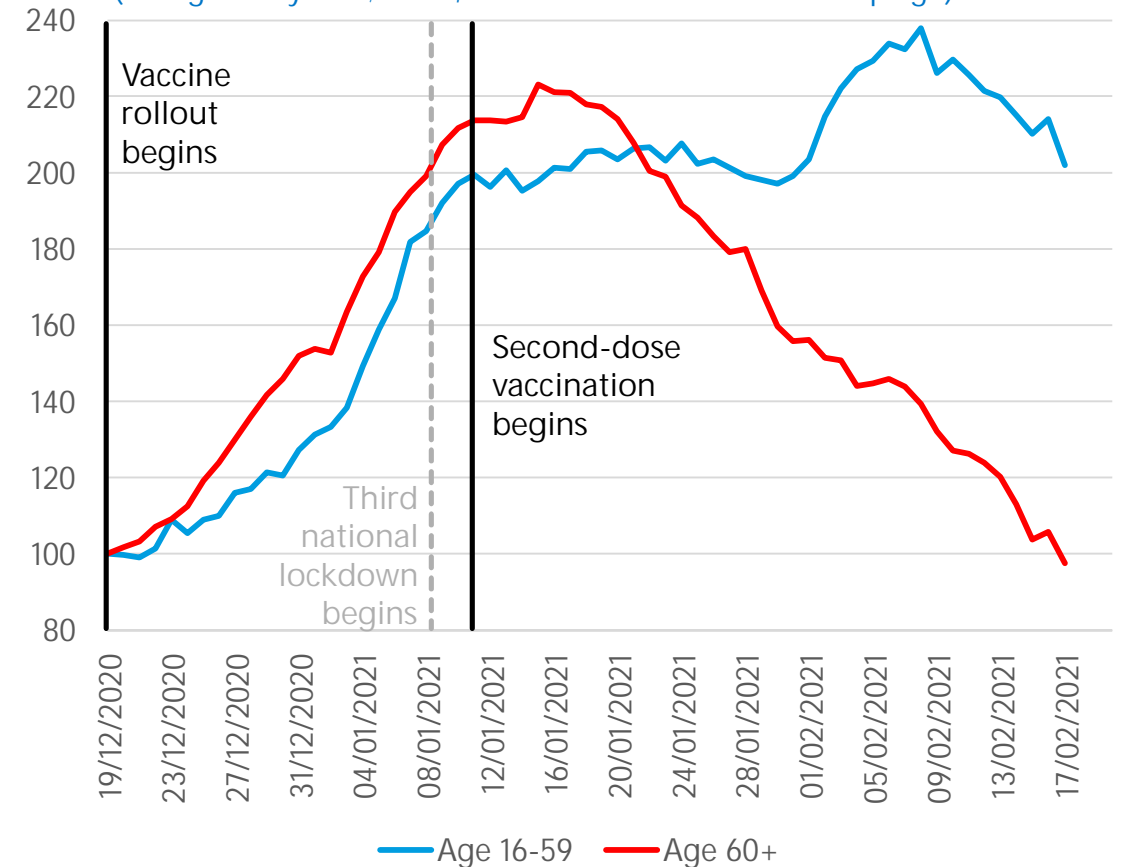


Vaccination works! Evidence from the world's fastest vaccine rollout

Israel: COVID vaccinations by age group¹
(cumulative % share of each age group)



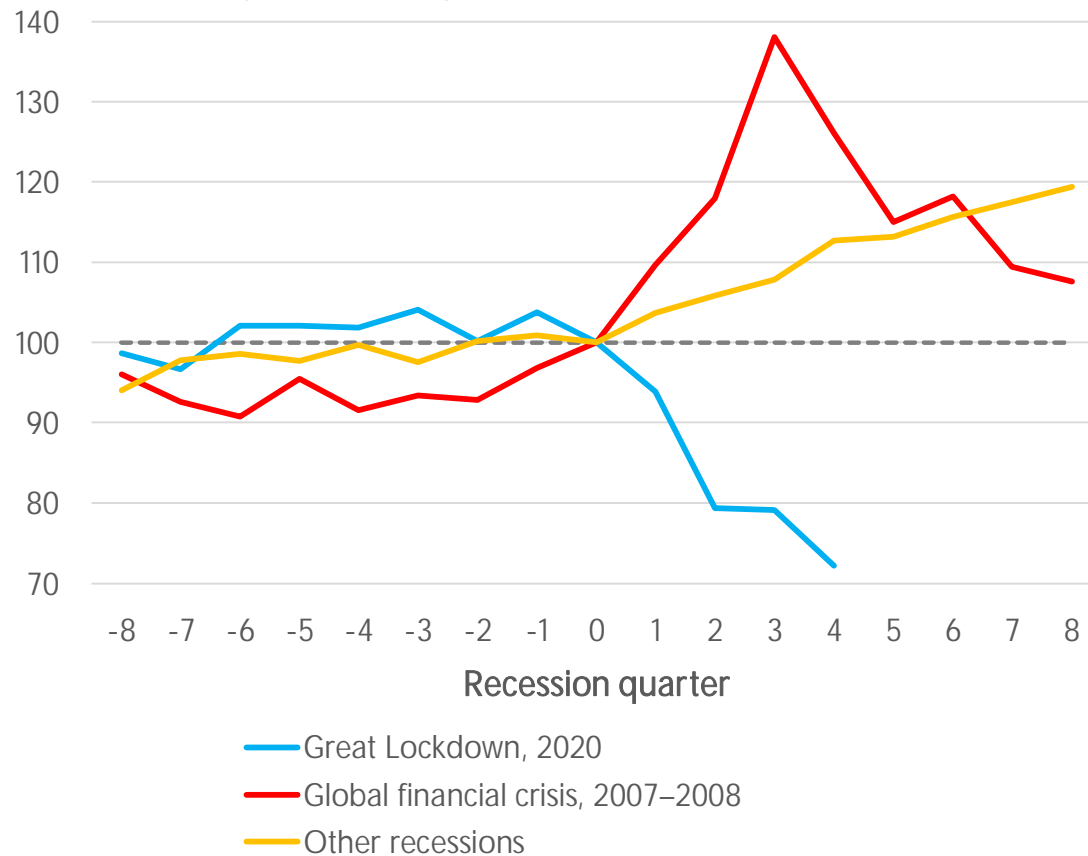
Israel: New COVID hospitalizations by age group
(rolling weekly sum; index, 100 = start of vaccination campaign)



Firms: Zombification or creative destruction?

Too early to tell, as temporary measures protect against destruction

Advanced economies: Number of bankruptcies¹
(index, last pre-recession quarter = 100)



Decline in bankruptcies during great lockdown driven by:

- ◆ Transfers to firms, credit guarantees and funding-for-lending programmes
- ◆ Implementation of moratoria on bankruptcy filings in some countries

Source: IMF.

¹ Data are from 13 advanced economies with varying coverage during 1990Q1-2020Q3. Lines are averages across recession types. For the great lockdown, quarter 0 is 2019Q4 for all countries; for the global financial crisis, quarter 0 is country-specific peak of real GDP during 2007-2008; Other recessions are country-specific episodes of at least two consecutive quarters of negative growth during 1990-2006 and 2009-2019.

The background of the slide features a large, detailed, and somewhat abstract image of a virus particle, possibly representing the COVID-19 virus, centered in the frame. The particle is spherical with numerous protruding spikes or surface proteins. The overall color palette is light blue and white, with a subtle grid pattern. In the top-left and bottom-right corners, there are dark blue triangular shapes.

NBB online surveys in cooperation with the Microsoft Innovation Center

NBB Survey on impact on households' income

7-24 May

[Press release](#)

[Perscommuniqué](#)

[Communiqué de presse](#)



NBB Survey on changes in consumer patterns

14 – 21 July

Perscommuniqué

Communiqué de presse

