

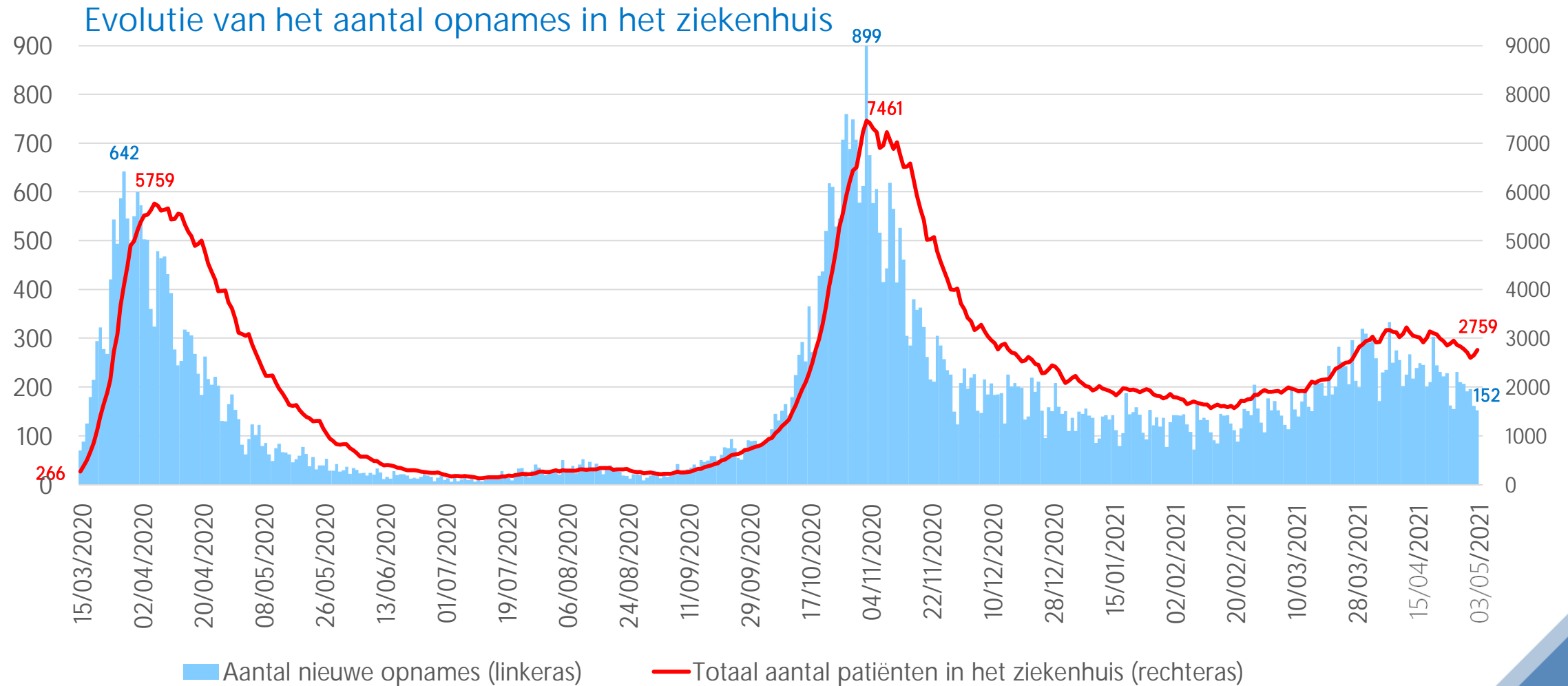
COVID-19 Dashboard of Economic Indicators

5 May 2021

The background of the slide features a light blue gradient with several semi-transparent, stylized images of COVID-19 virus particles. These particles are spherical with numerous protruding spike proteins, rendered in a slightly darker blue and white color scheme. The central virus particle is the most prominent and detailed.

Evolutie van de COVID-19-pandemie

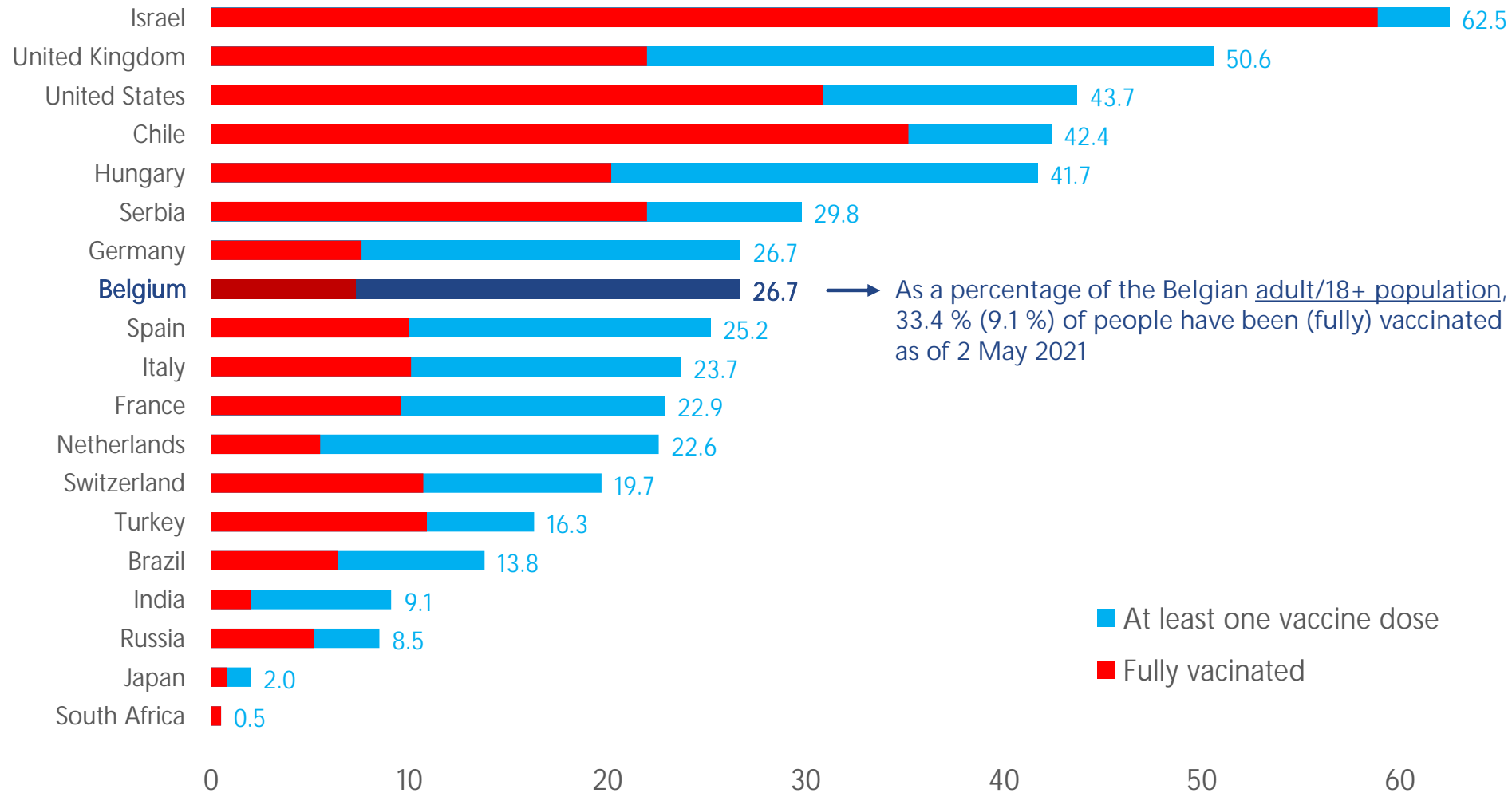
Aantal gehospitaliseerde patiënten daalt lichtjes maar bevindt zich nog steeds op een zorgwekkend niveau



Multispeed vaccination process

Number of people (fully) vaccinated¹

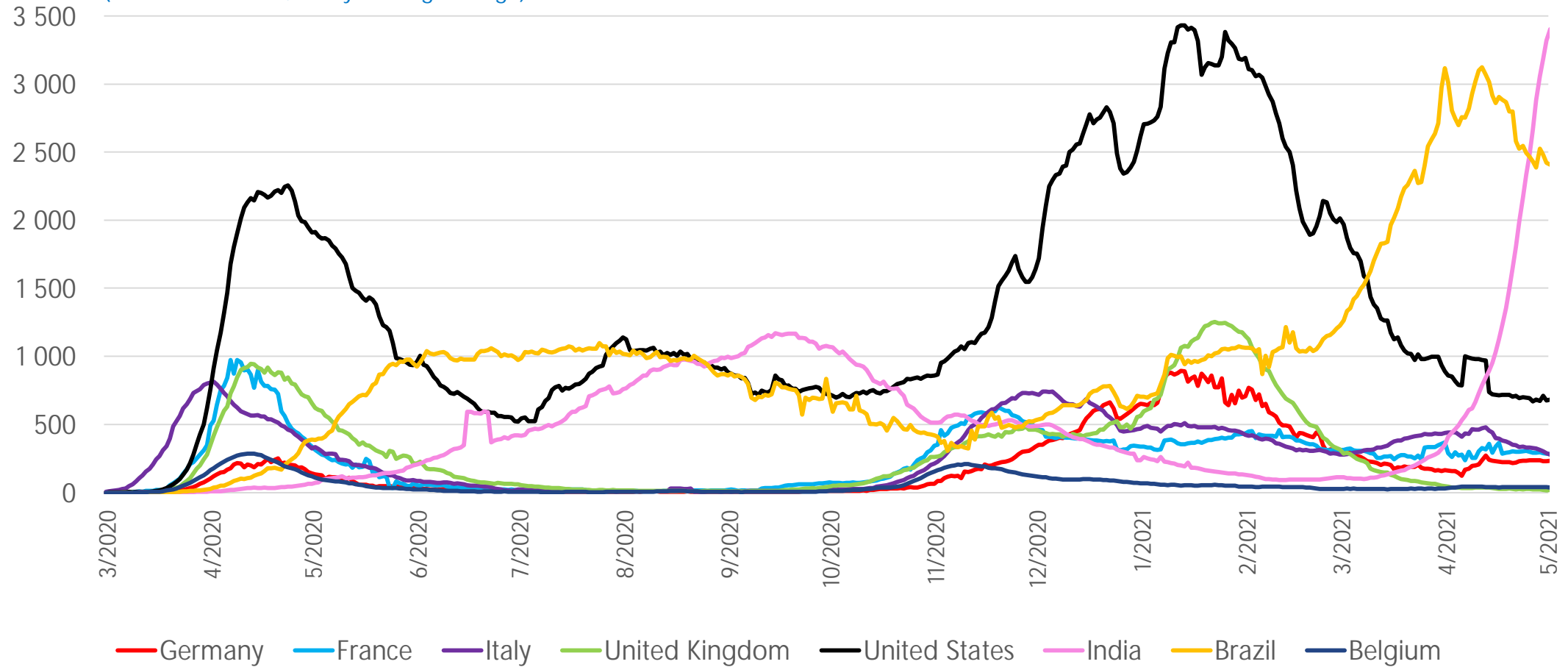
(per 100 people in total population, as of 1 May 2021 or most recent)



Epicentre of pandemic has shifted towards developing world

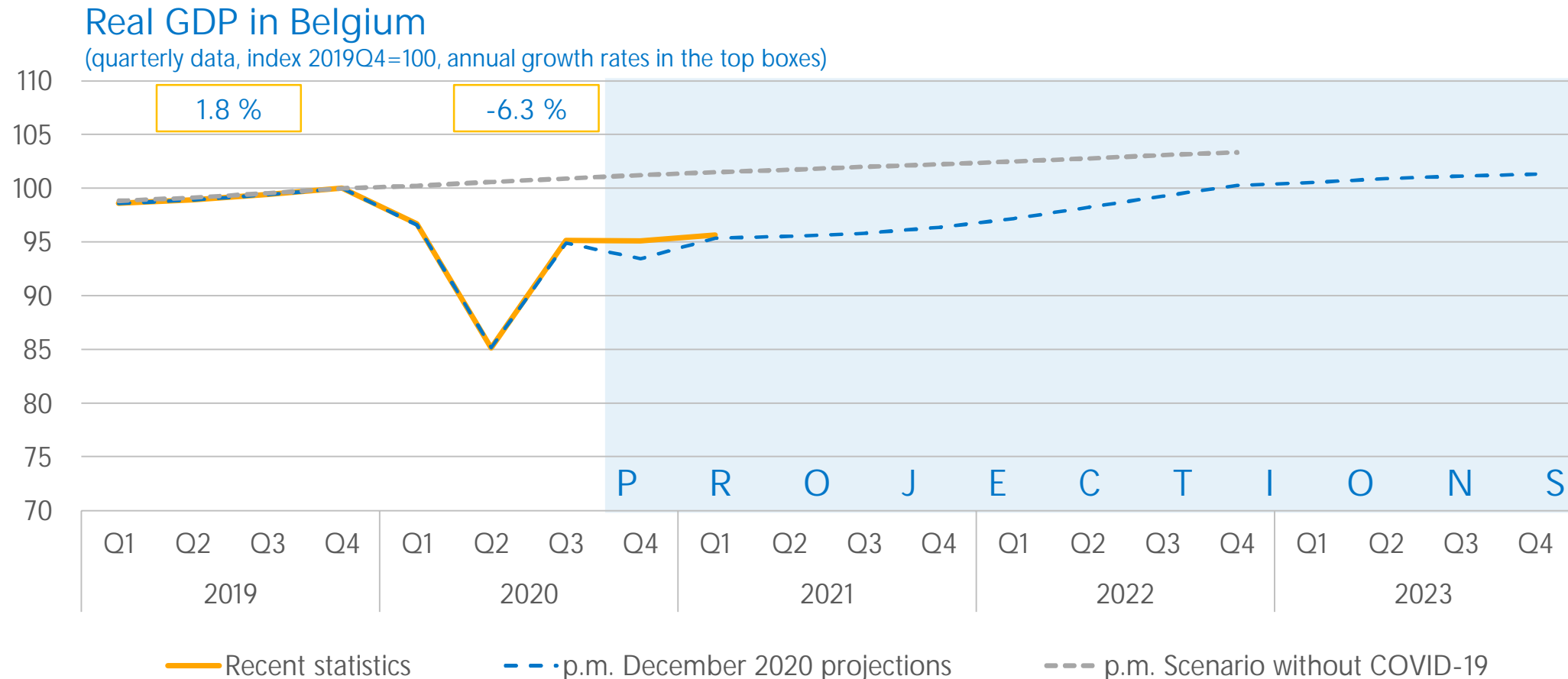
New confirmed COVID-19 deaths¹

(selected countries; 7-day moving average)

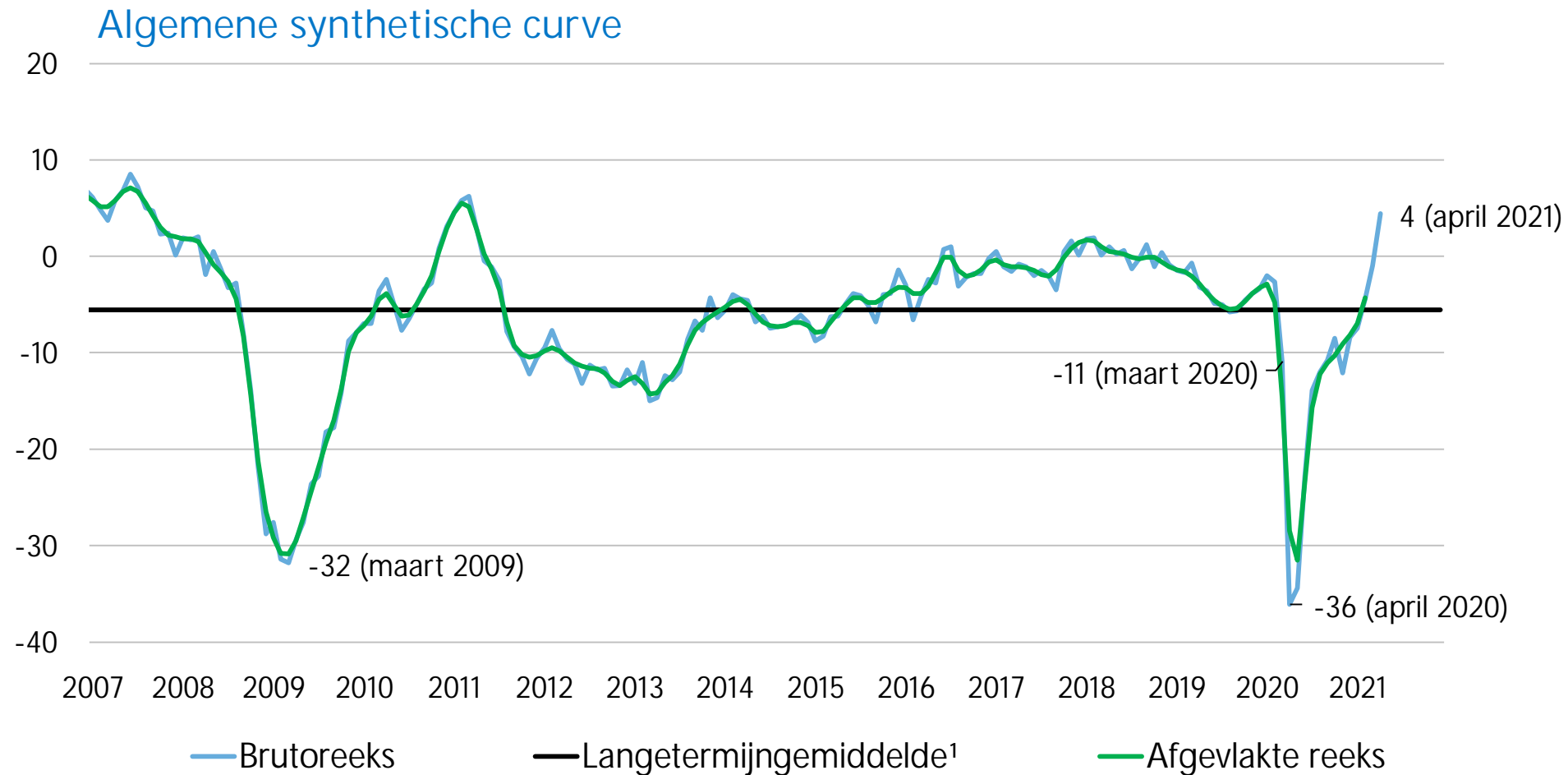


GDP and confidence indicators for Belgium

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

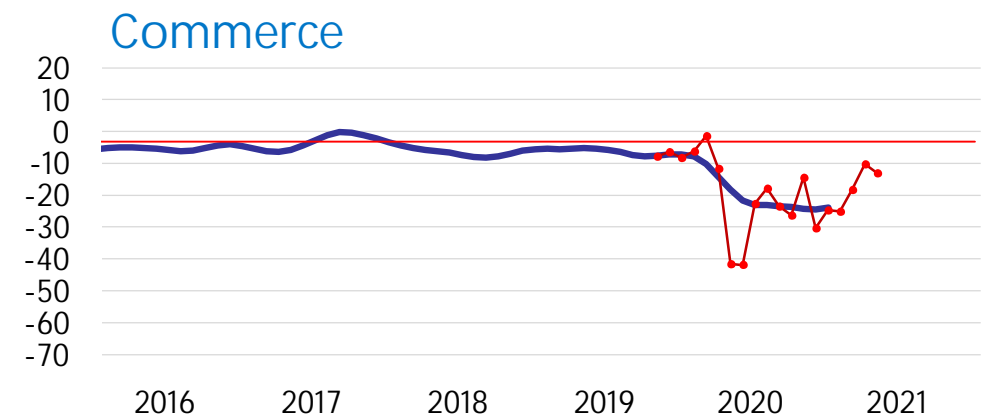
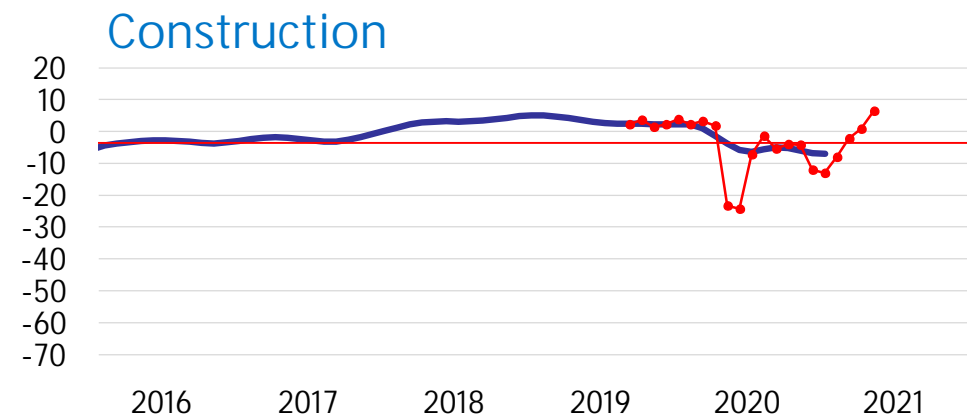
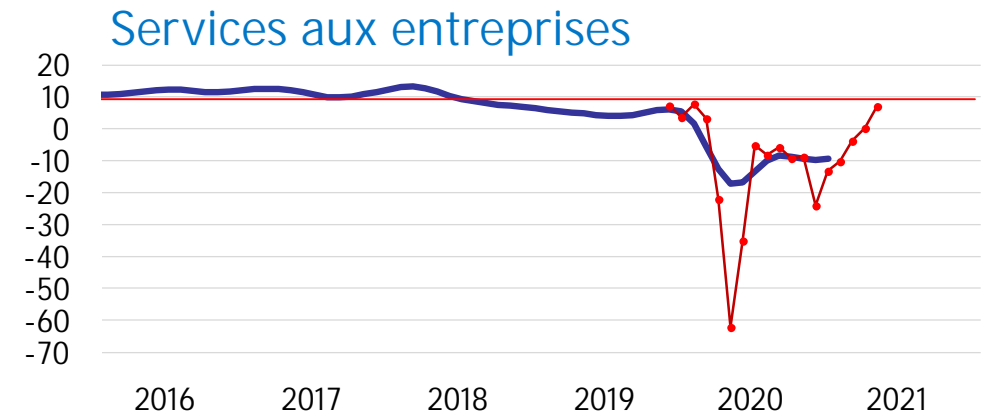
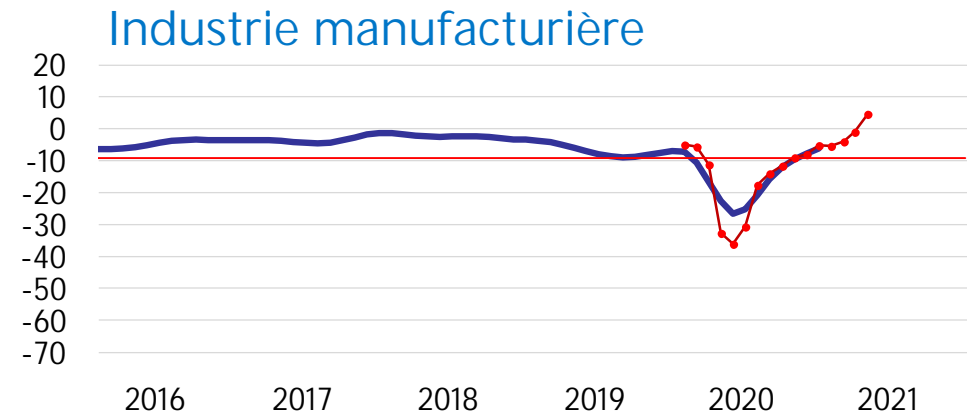


Het ondernemersvertrouwen stijgt naar hoogste peil in tien jaar



La confiance s'améliore dans toutes les branches d'activité, à l'exception du commerce

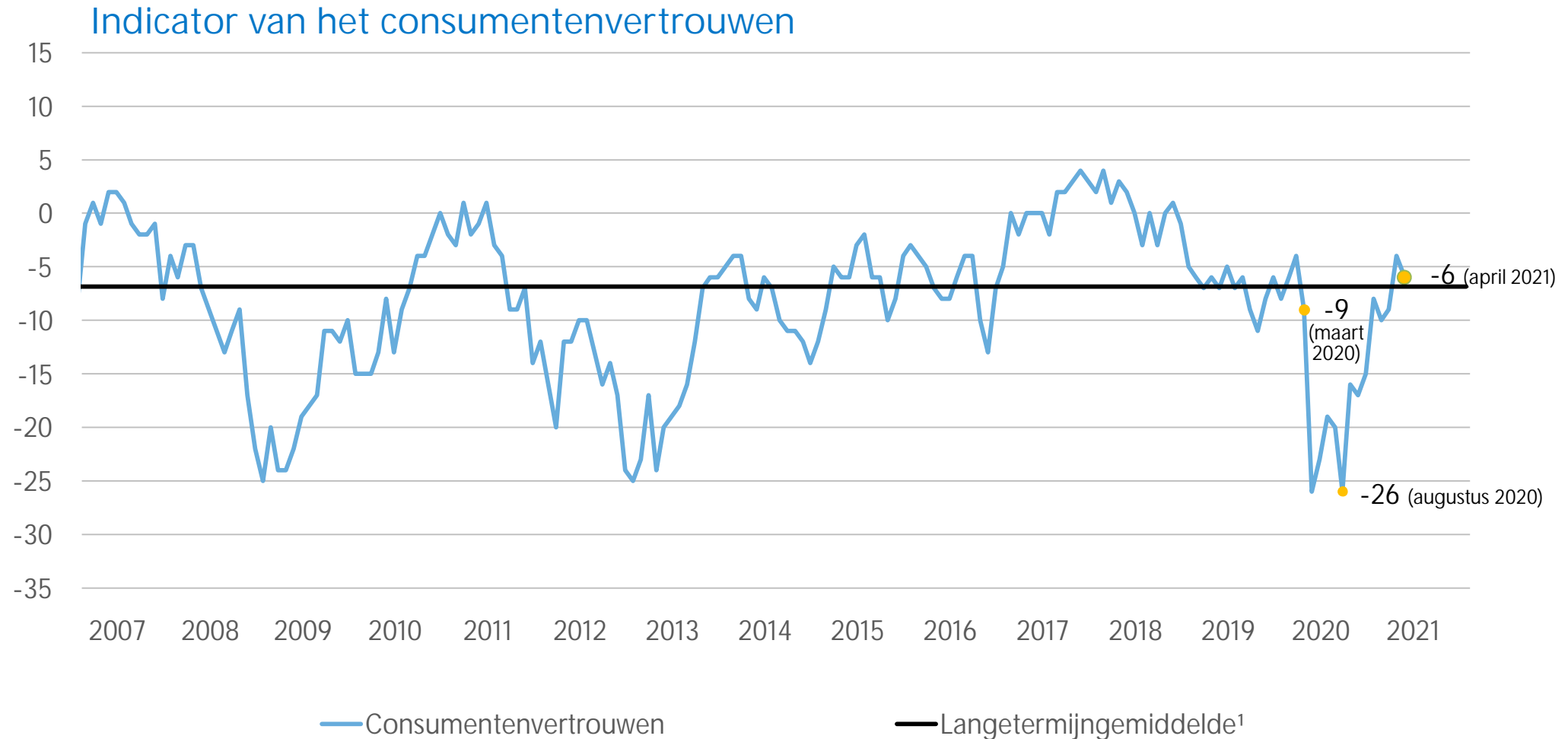
Baromètre de conjoncture – Belgique : Branches d'activité – avril 2021



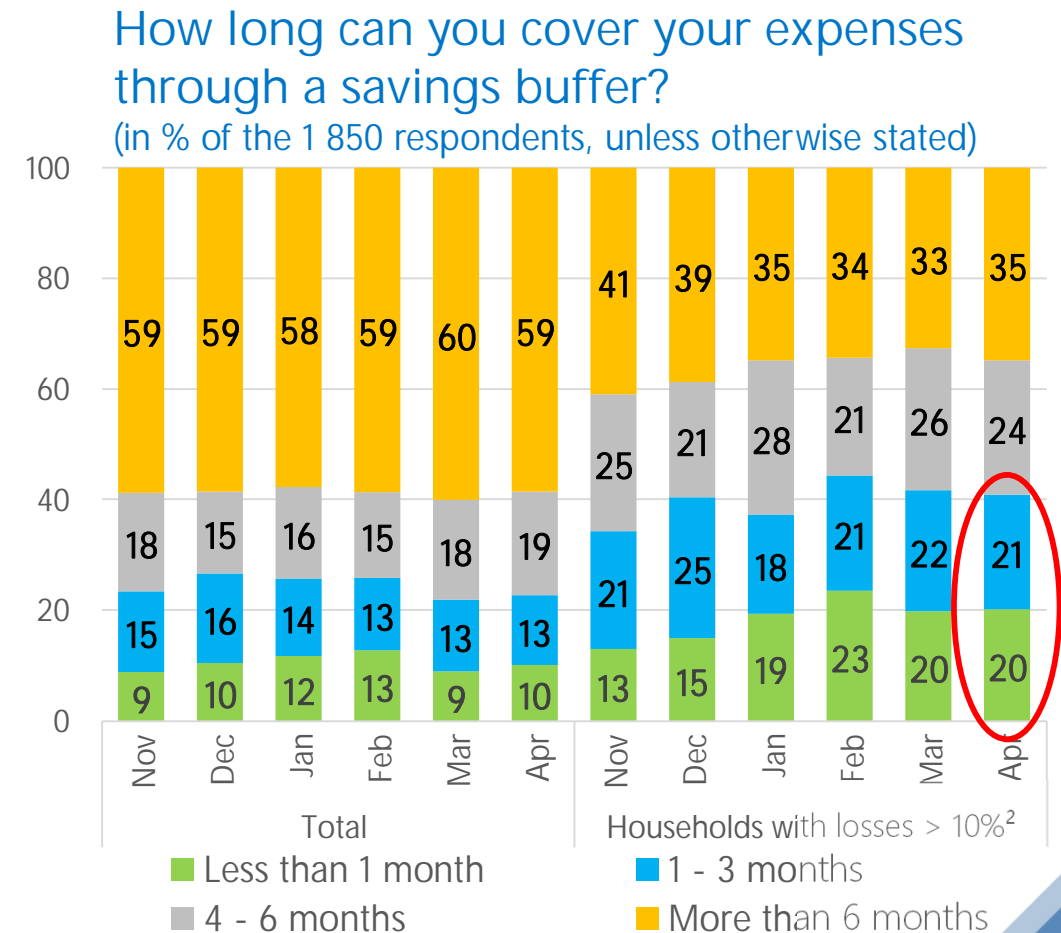
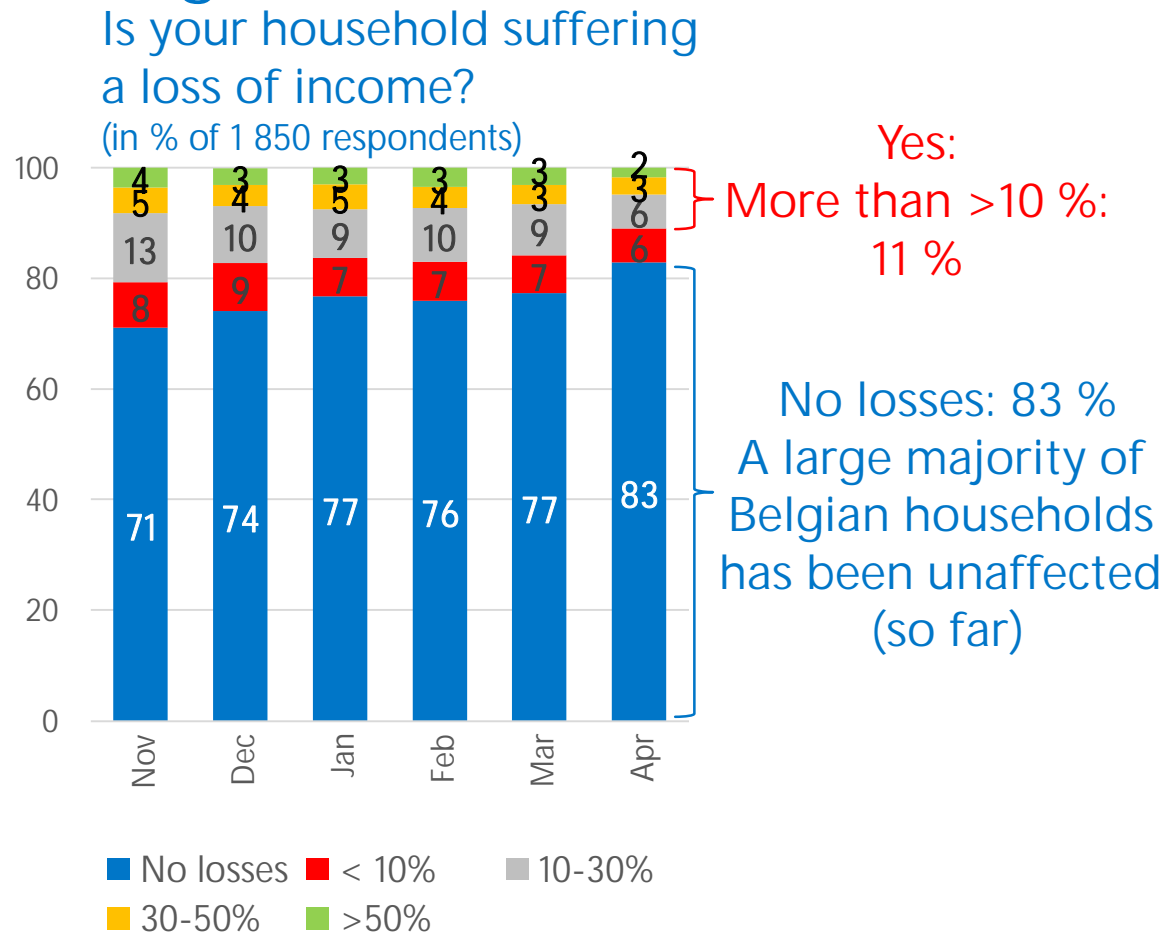
— Série dessaisonnée et lissée — Moyenne de long terme¹

• Série dessaisonnée

Het consumentenvertrouwen neemt wat af, maar blijft dicht bij het niveau van vóór de gezondheidscrisis

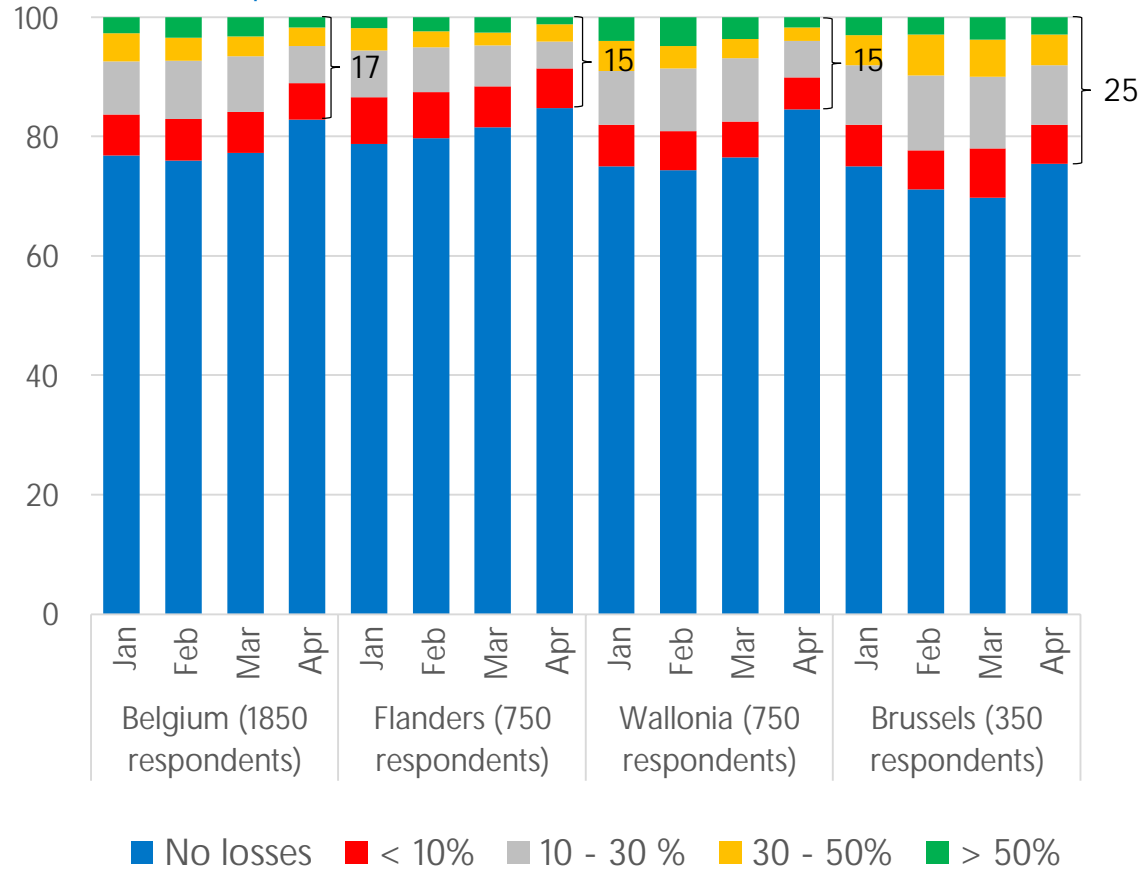


In April, around 11 % of households suffer an income loss of more than 10 % (improvement of the situation) and 41 % of them have a savings buffer of less than 3 months¹

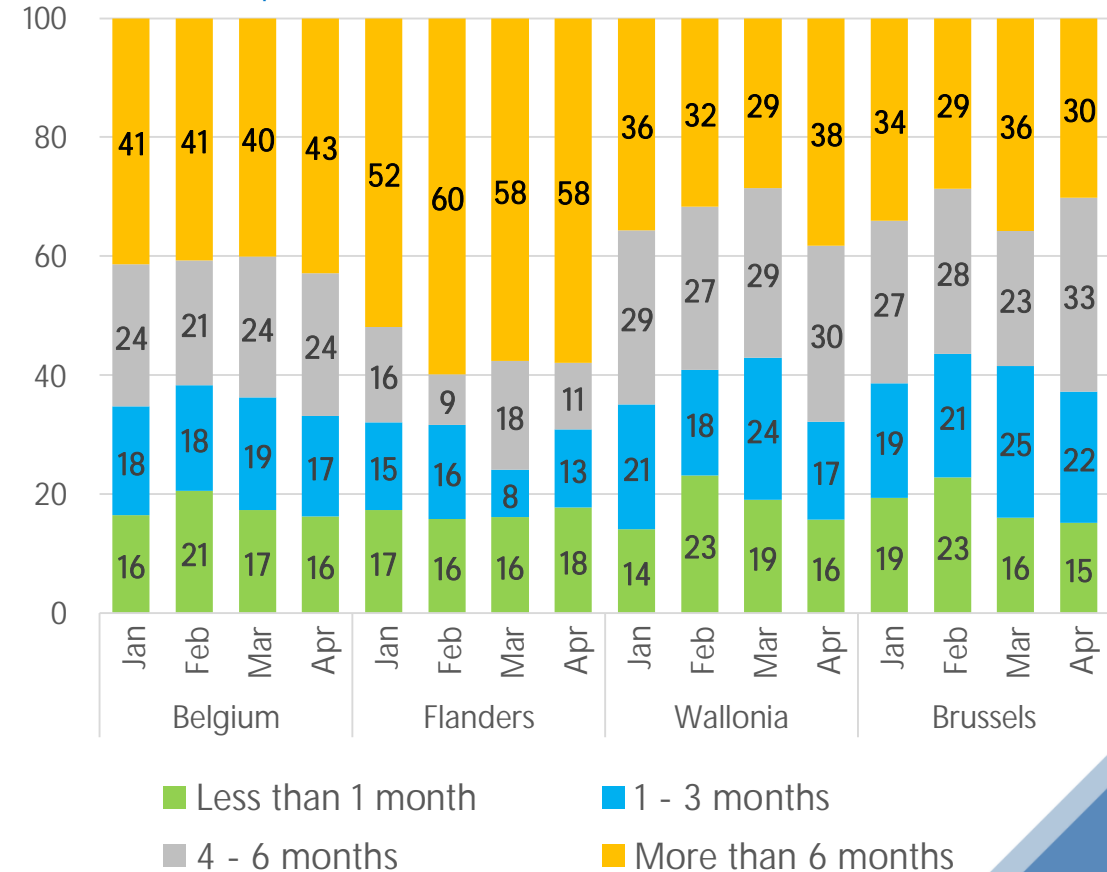


Situation appears somewhat worse in Wallonia and in Brussels

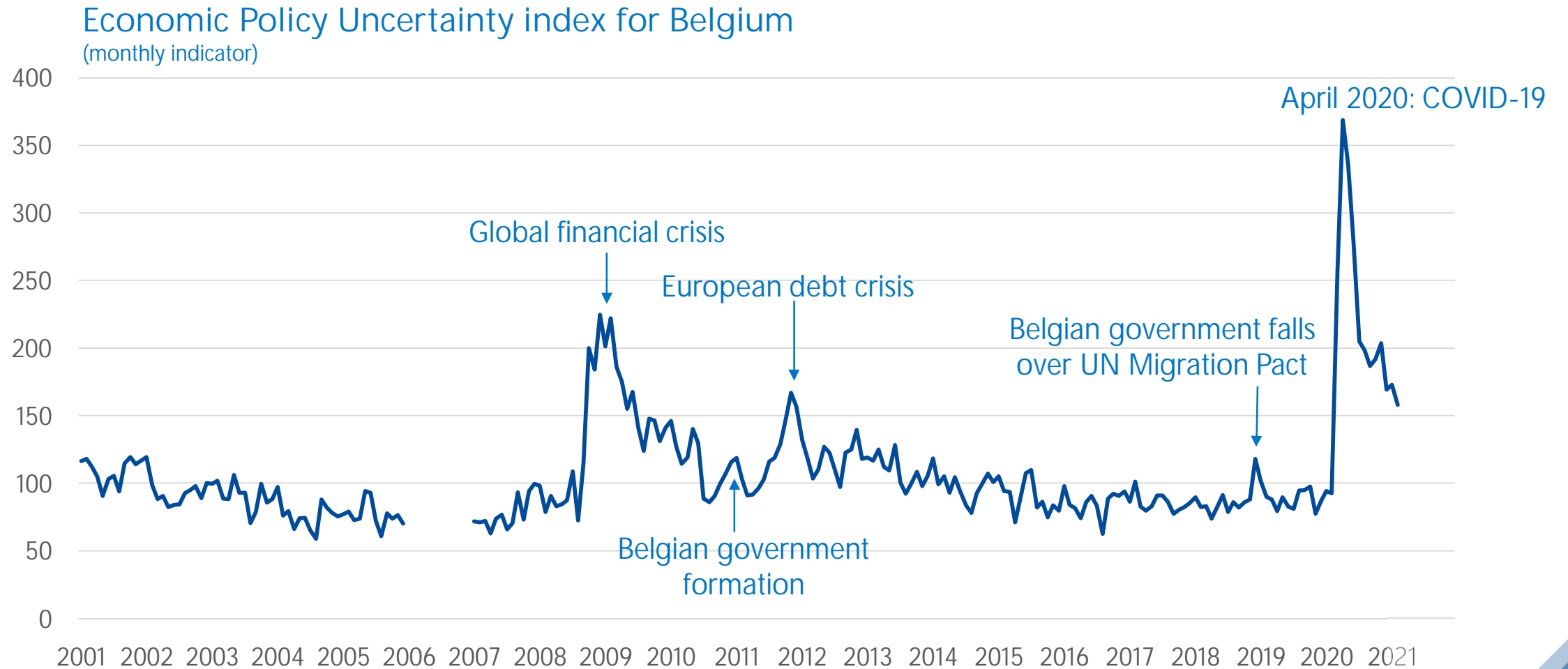
In April, the proportion of households suffering no loss of income increases in all regions
(in % of respondents)



Savings buffer is structurally higher in Flanders; in April the saving buffer more than 6 months increases in Wallonia but decreases in Brussels
(in % of respondents with loss of income)



Economic policy uncertainty has eased recently, but remains elevated

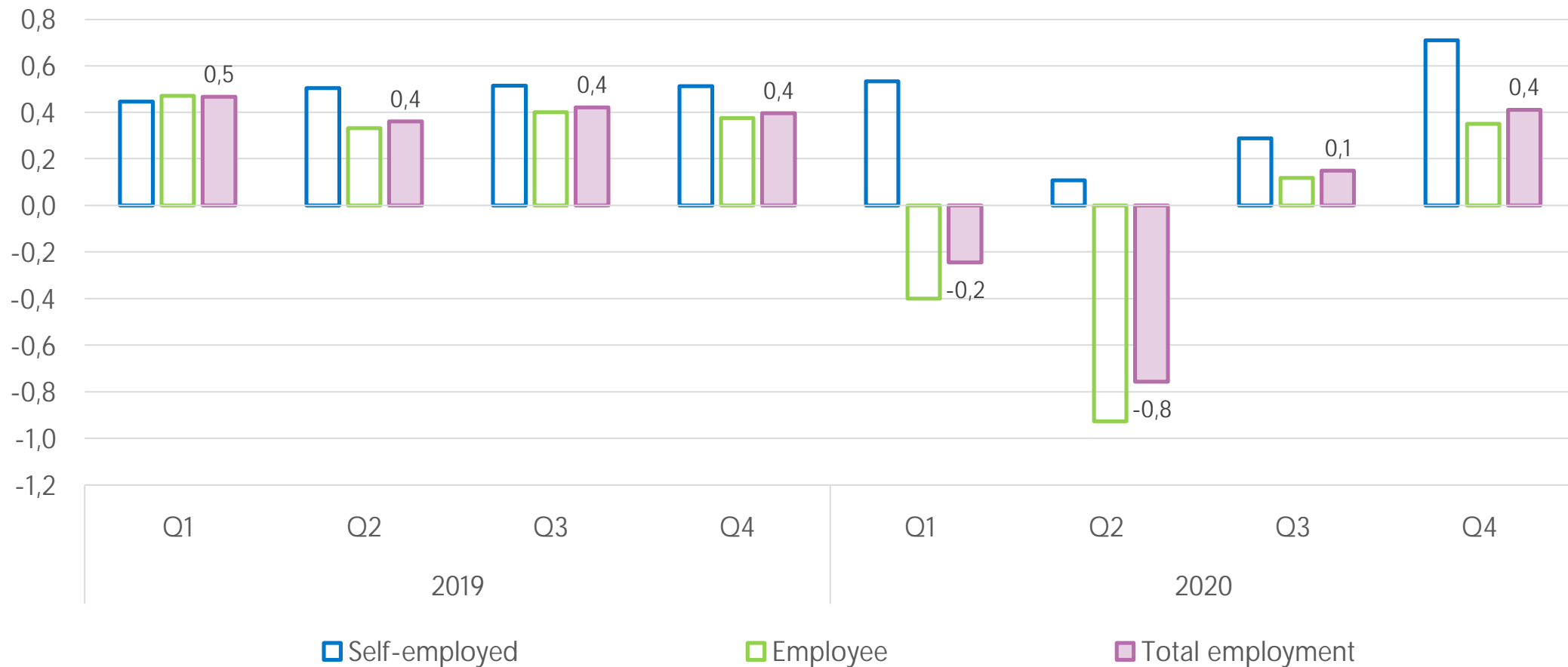


The background of the slide features a light blue gradient with several stylized, semi-transparent images of coronavirus particles. These particles are spherical with prominent, irregular spikes protruding from their surfaces. One large particle is centered in the upper half of the slide, while several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

Labour market

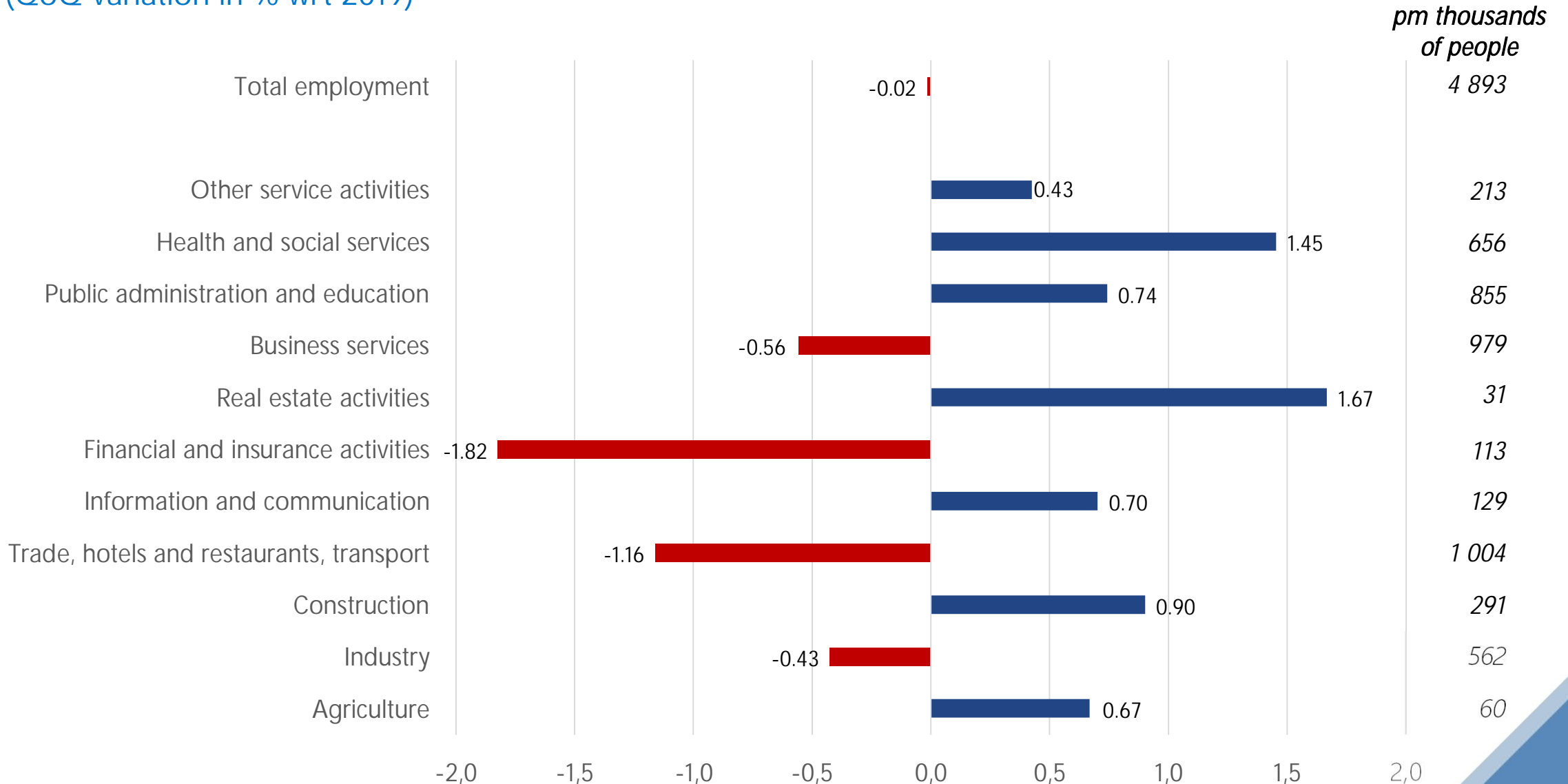
Confirmation of a return to employment growth with accelerating growth in self-employment

(QoQ variation in %)



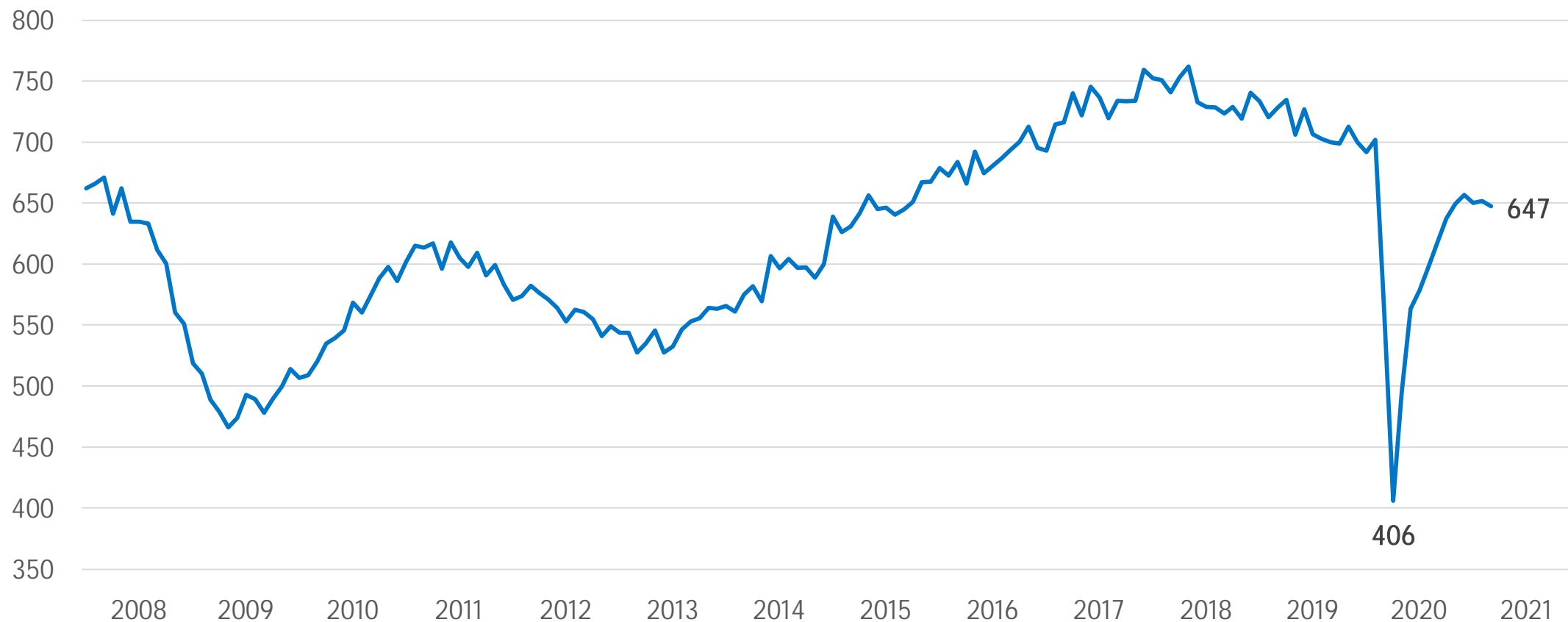
Impact on employment stronger for some branches of activity

(QoQ variation in % wrt 2019)



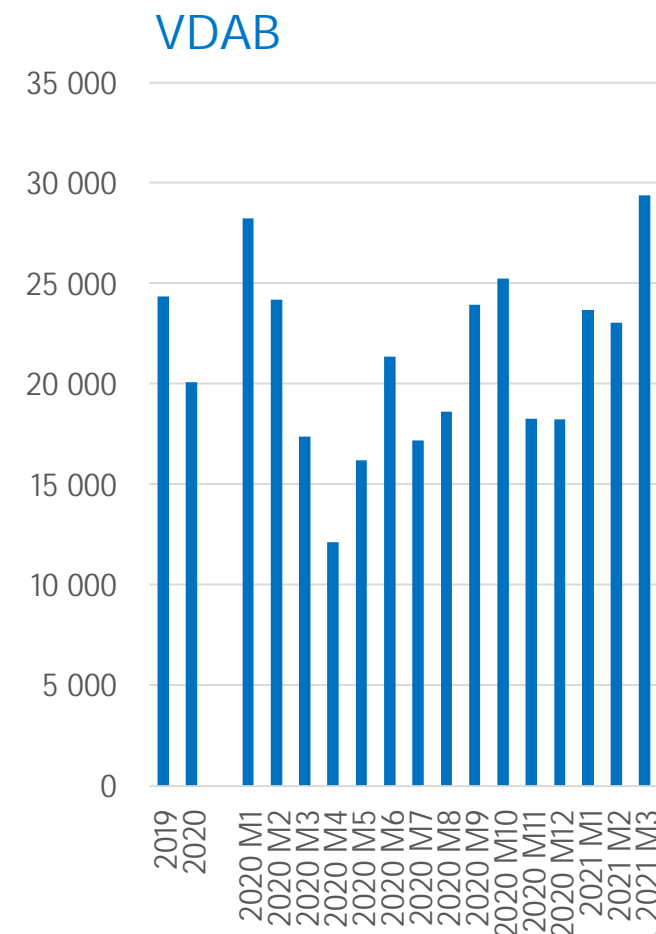
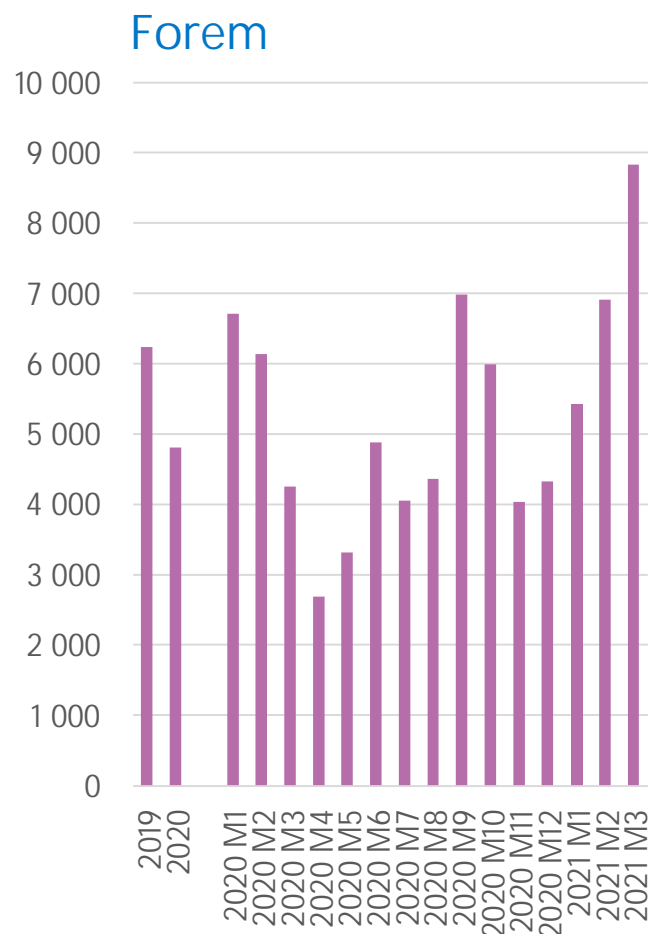
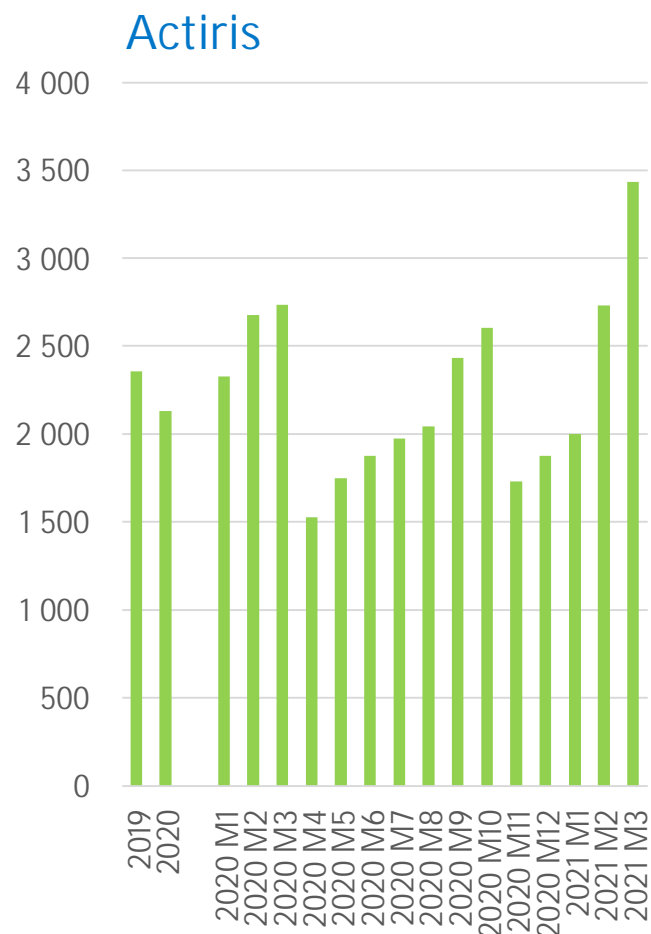
Stabilisation du travail intérimaire après une reprise partielle

(données mensuelles, en milliers d'heures)

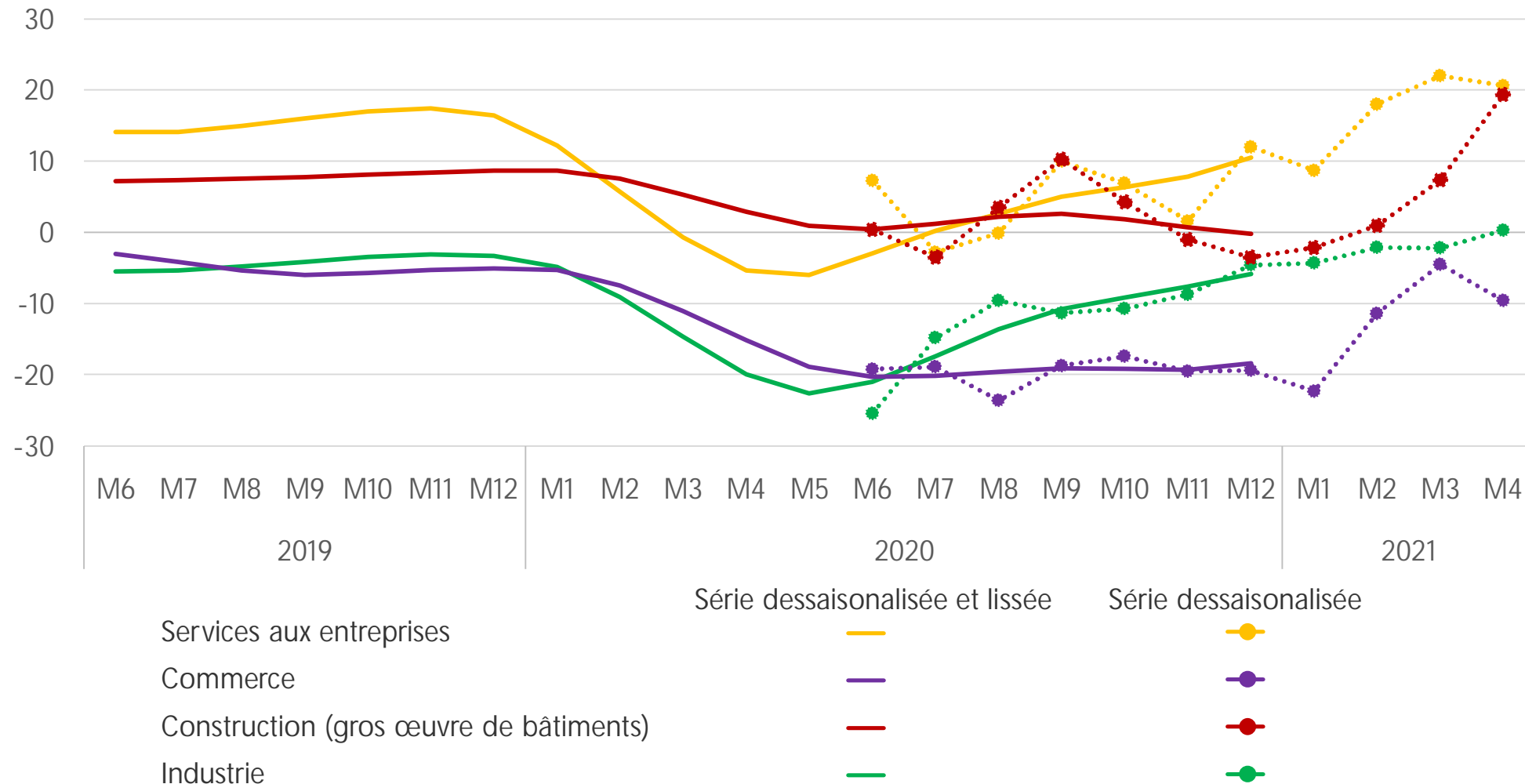


L'évolution des opportunités d'emplois suit les mesures de (dé)confinement

(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 continuent de s'améliorer (données désaisonnalisées et lissées)



Services aux entreprises

Commerce

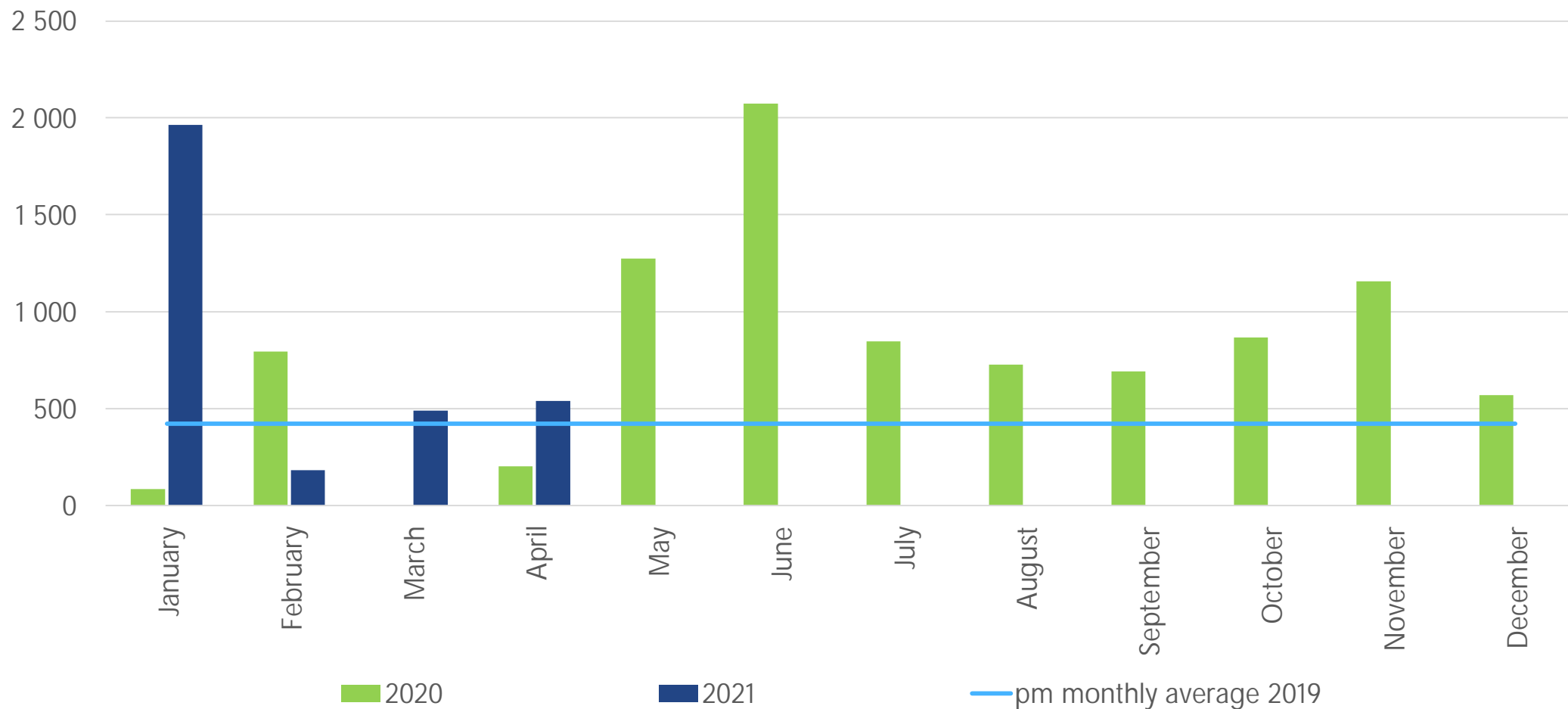
Construction (gros œuvre de bâtiments)

Industrie

Série dessaisonnalisée et lissée

Série dessaisonnalisée

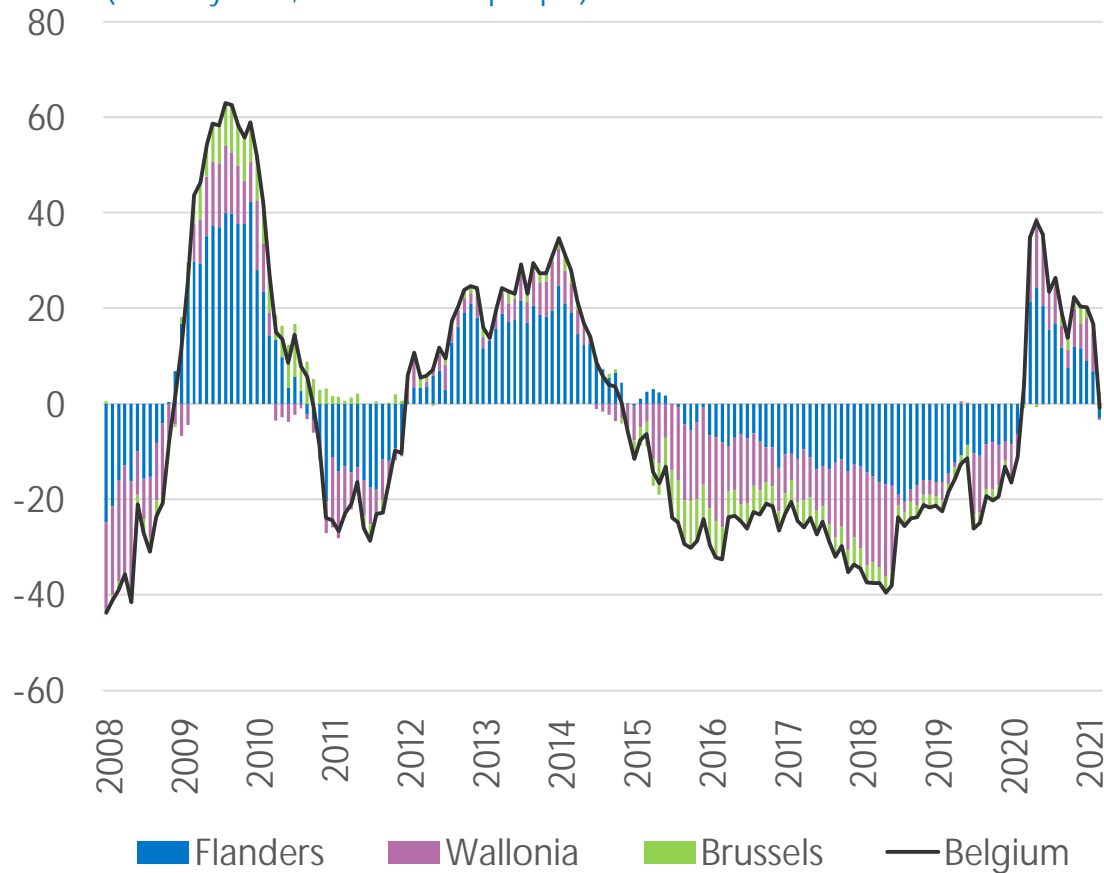
Mass redundancy procedure openings follow lockdowns (workers concerned)



Unemployment upsurge, compensated for the time being ...

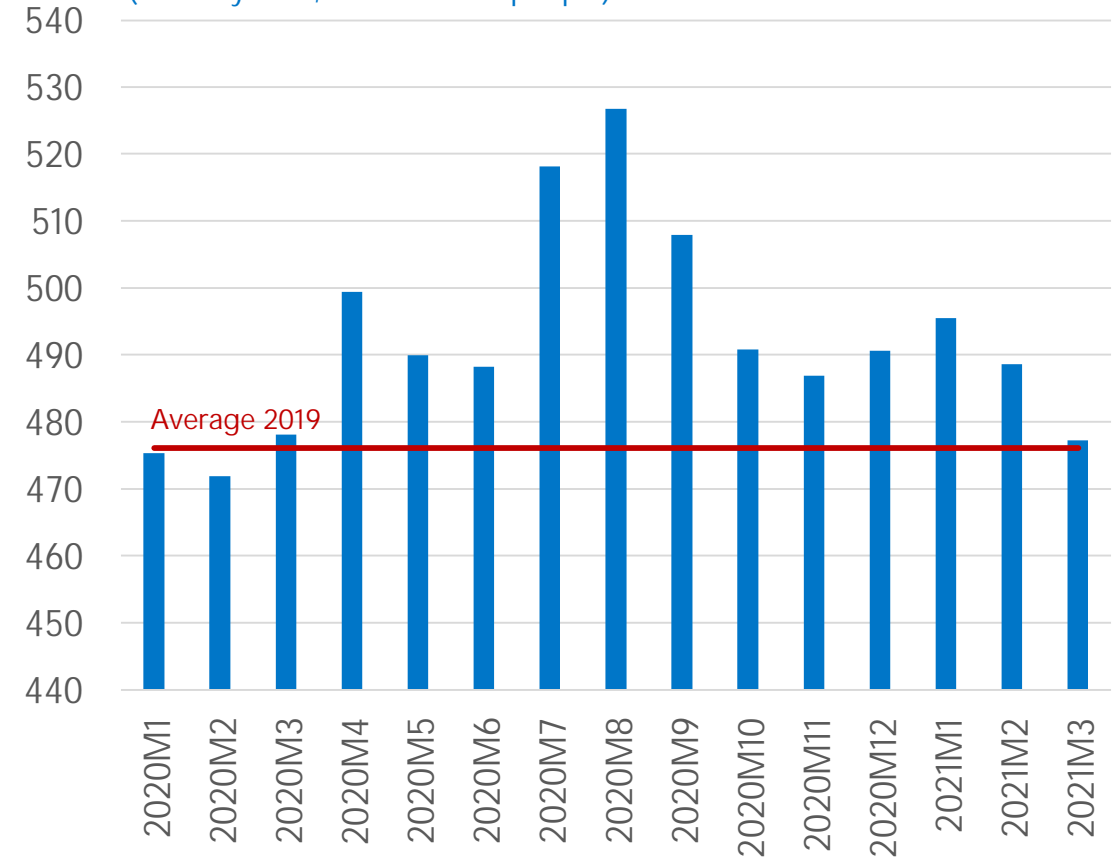
Annual variation

(monthly data, thousands of people)

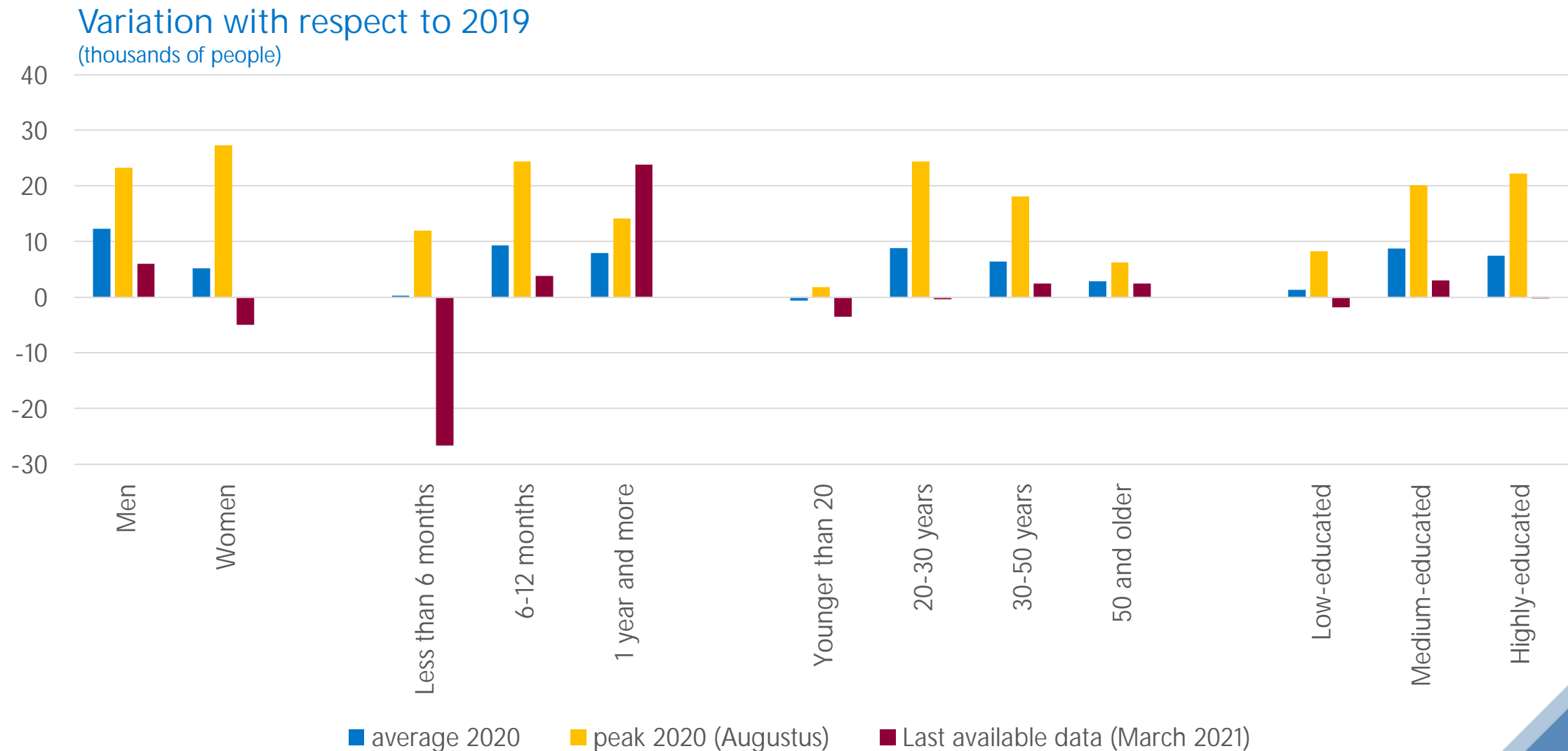


Number of unemployed job-seekers

(monthly data, thousands of people)



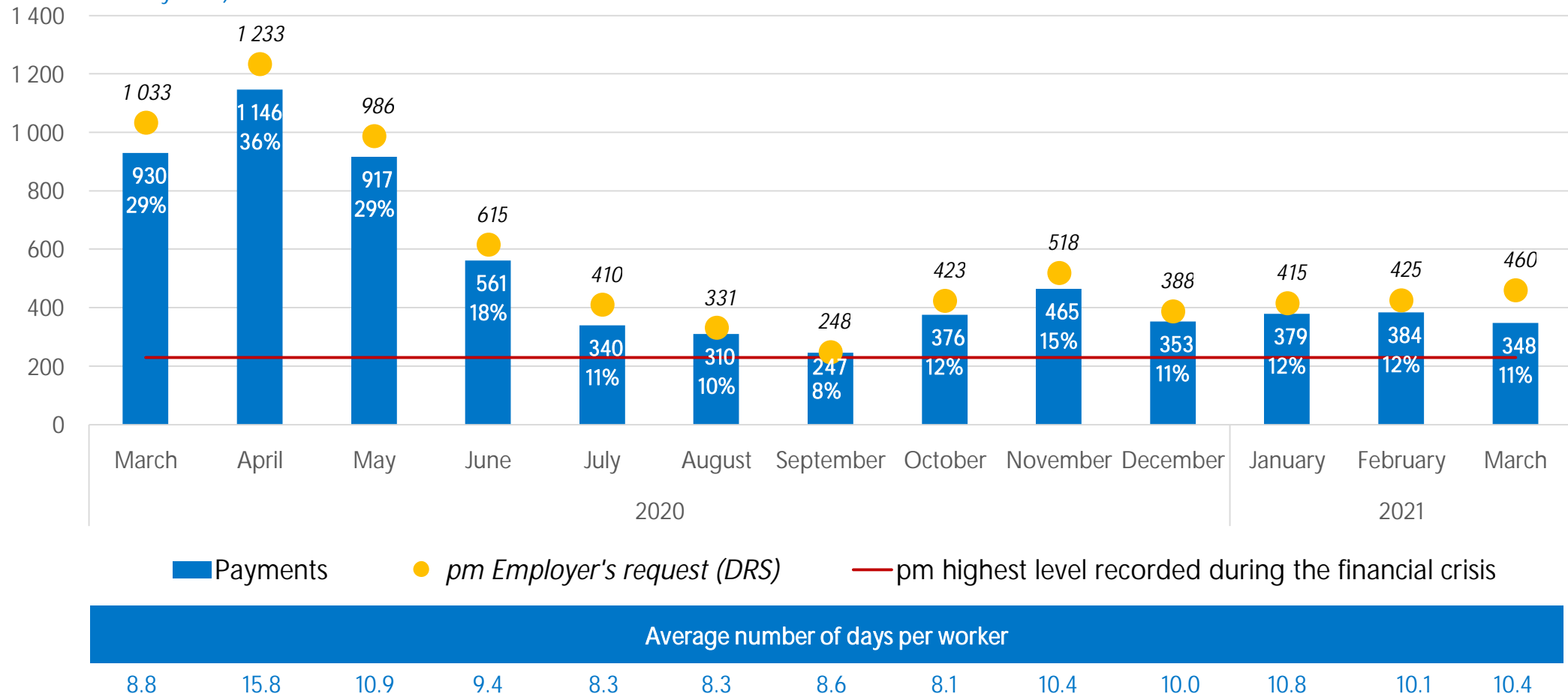
... but potential risk of rise in structural unemployment



Temporary unemployment: following lockdown measures

Monthly effective use and access demands

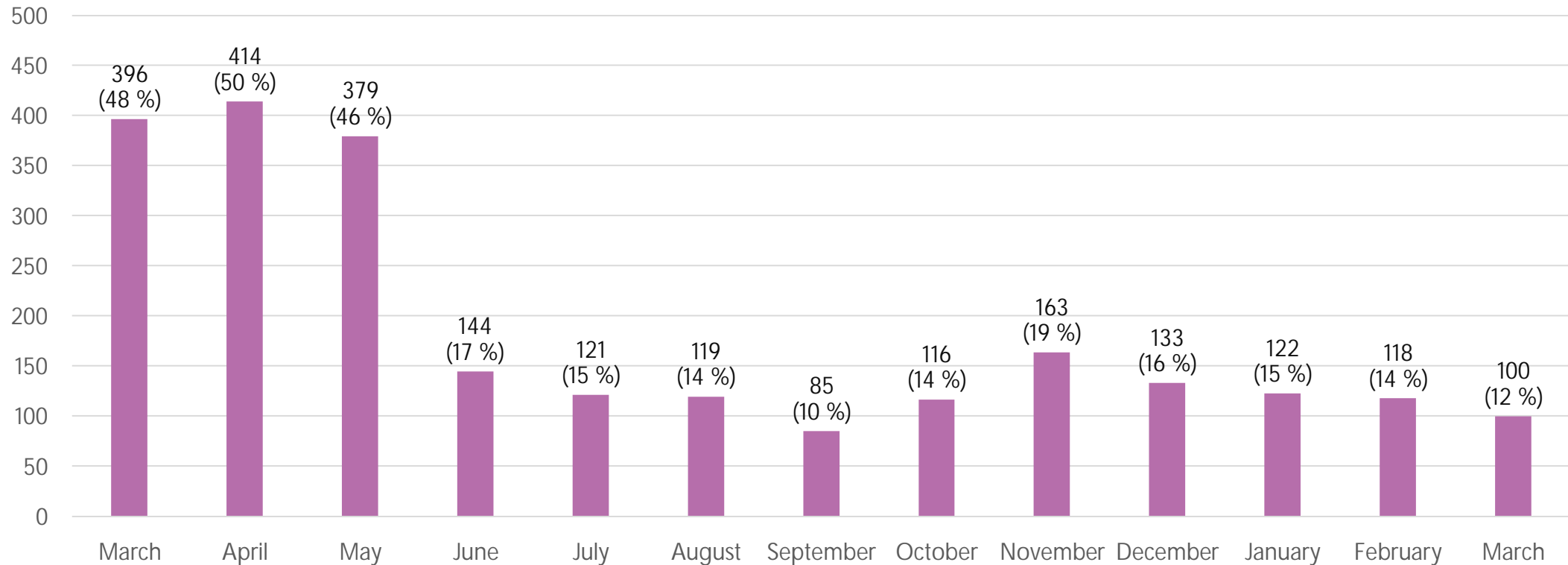
(payments linked to COVID-19, thousands of people and % of private salaried employment, p.m. DRS linked to COVID-19, thousands of people, monthly data)



More than one in ten self-employed continue to be financially supported

Bridging right, provisional data¹

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

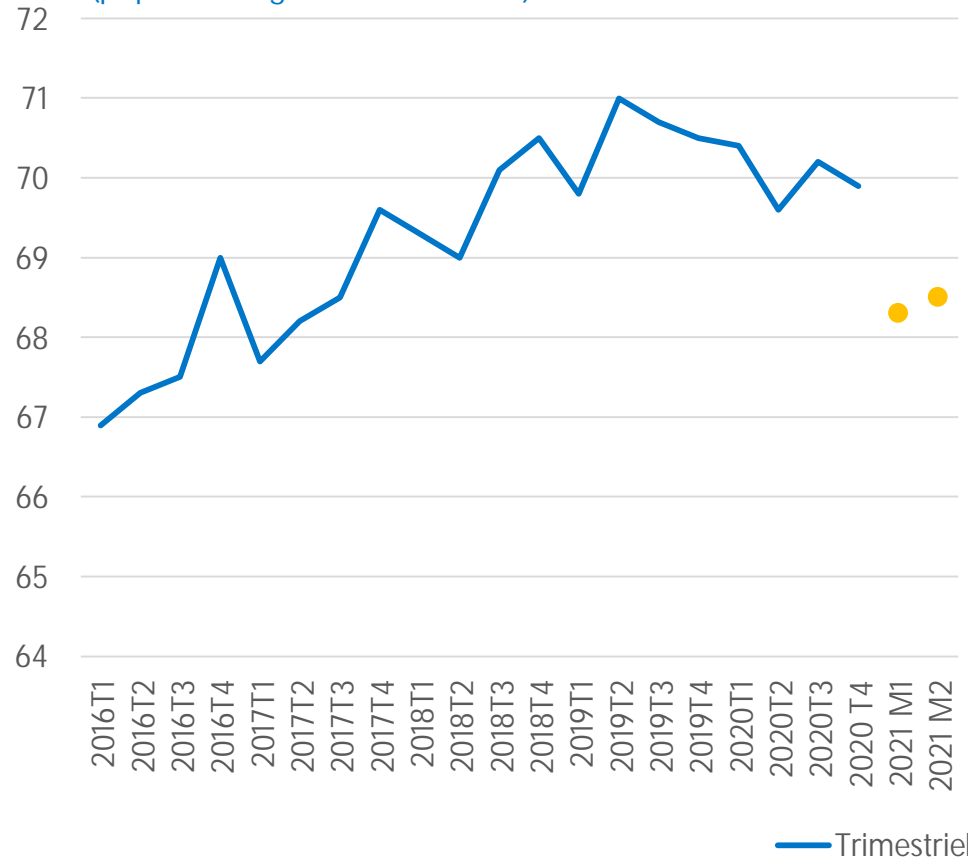


Before the crisis, about 90 self-employed benefited of the bridging right.
At the peak of the crisis, in April, they were 414 000.

La crise sanitaire a interrompu une dynamique positive sur le marché du travail

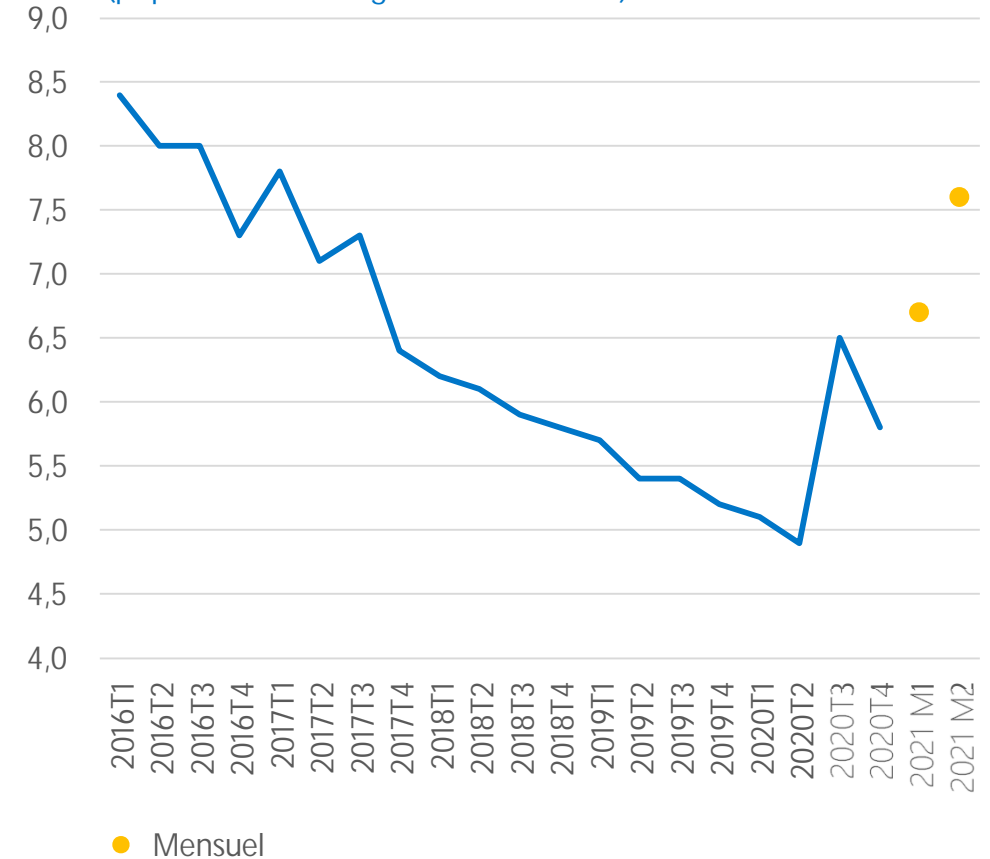
Taux d'emploi

(population âgée de 20 à 64 ans)



Taux de chômage

(population active âgée de 15 à 64 ans)



ERMIG 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:

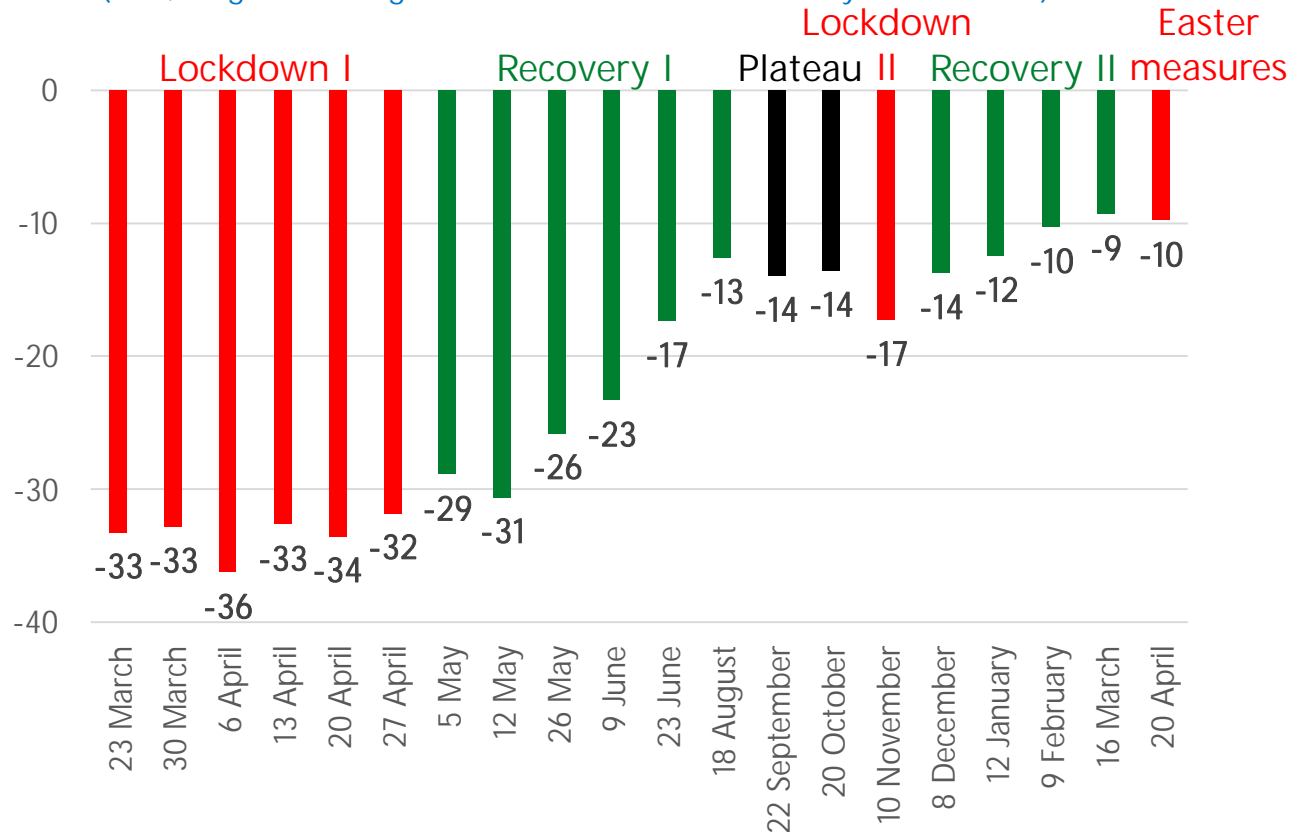


Round	Period	Federations	Replies	Comment
1	23-24 March 2020	BECI, UWE, VOKA	1 700	Results not published
2	30-31 March 2020	BECI, UNIZO, UWE, VOKA	4 725	First press release
3	6-7 April 2020	BECI, BOERENBOND, NSZ, UNISOC, UNIZO, UWE, VOKA	6 900	UNISOC was analysed separately
4	14-15 April 2020	BECI, NSZ, UNIZO, UWE, VOKA	5 500	
5	20-21 April 2020	BECI, NSZ, UNIZO, UWE, VOKA	3 528	
6	27-28 April 2020	BECI, NSZ, UNIZO, UWE, VOKA	4 208	
7	5-6 May 2020	BECI, BOERENBOND, UNIZO, UWE, VOKA	2 675	
8	12-13 May 2020	BECI, UNIZO, UWE, VOKA	2 185	
9	25-27 May 2020	BECI, NSZ, UNIZO, UWE, VOKA	2 993	
10	8-10 June 2020	BECI, NSZ, UNIZO, UWE, VOKA	2 365	
11	22-24 June 2020	BECI, NSZ, UNIZO, UWE, VOKA	3 136	
12	17-19 August 2020	BECI, NSZ, UCM, UNIZO, UWE, VOKA	4 430	
13	21-23 September 2020	BECI, NSZ, UNIZO, UWE, VOKA	2 868	
14	19-21 October 2020	BECI, UCM, UNIZO, UWE, VOKA	5 131	
15	9-10 November 2020	BECI, NSZ, UCM, UNIZO, UWE, VOKA	5 631	
16	7-9 December 2020	BECI, UCM, UNIZO, UWE, VOKA	3 798	
17	11-13 January 2021	BECI, NSZ, UCM, UNIZO, UWE, VOKA	5 348	
18	8-10 February 2021	BECI, NSZ, UCM, UNIZO, UWE, VOKA	3 194	
19	15-17 March 2021	BECI, BOERENBOND, NSZ, UCM, UNIZO, UWE, VOKA	3 884	
20	19-21 April 2021	BECI, NSZ, UCM, UNIZO, UWE, VOKA	3 334	Last week of Easter measures

Impact of the Easter measures on total revenues is limited and the outlook remains stable in the April survey

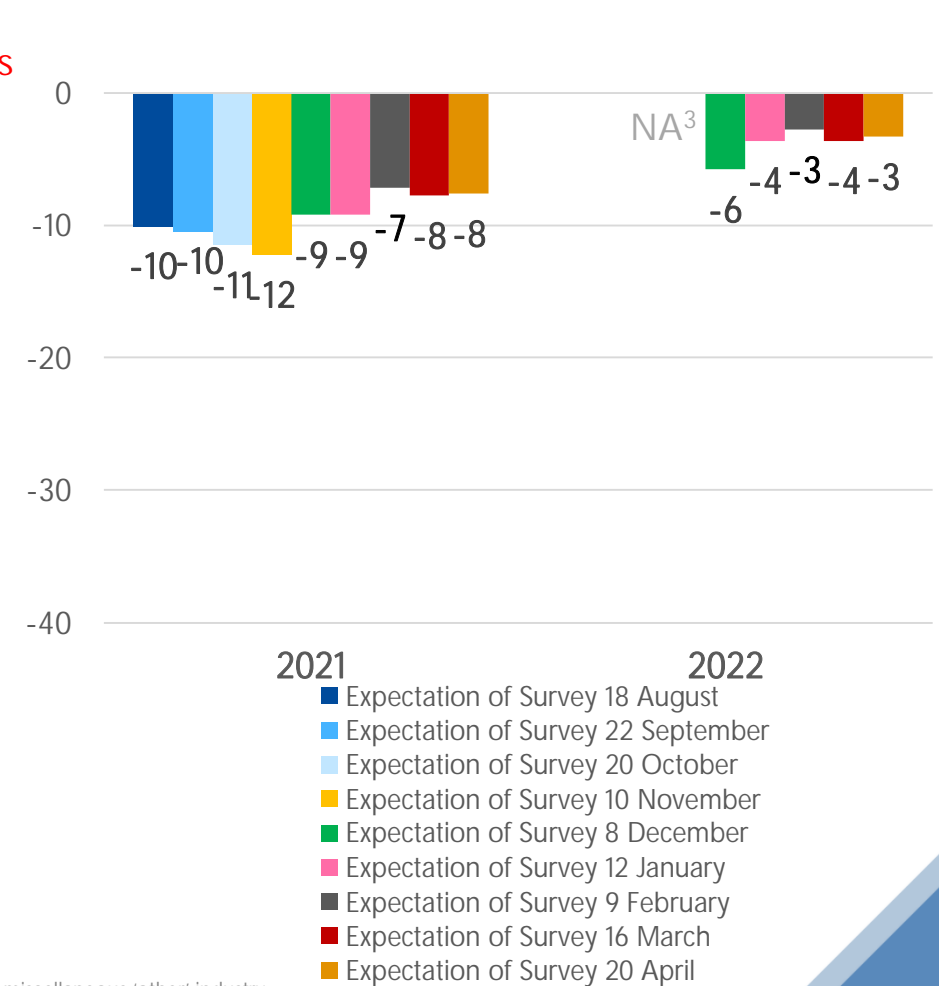
COVID-19 impact¹ on weekly turnover

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



Expected impact¹ on turnover in 2021 / 2022

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



Source: ERMG survey, latest available data: 20 April 2021.

¹ The COVID-19 impact shows the revenue loss compared to what would have happened without COVID-19.

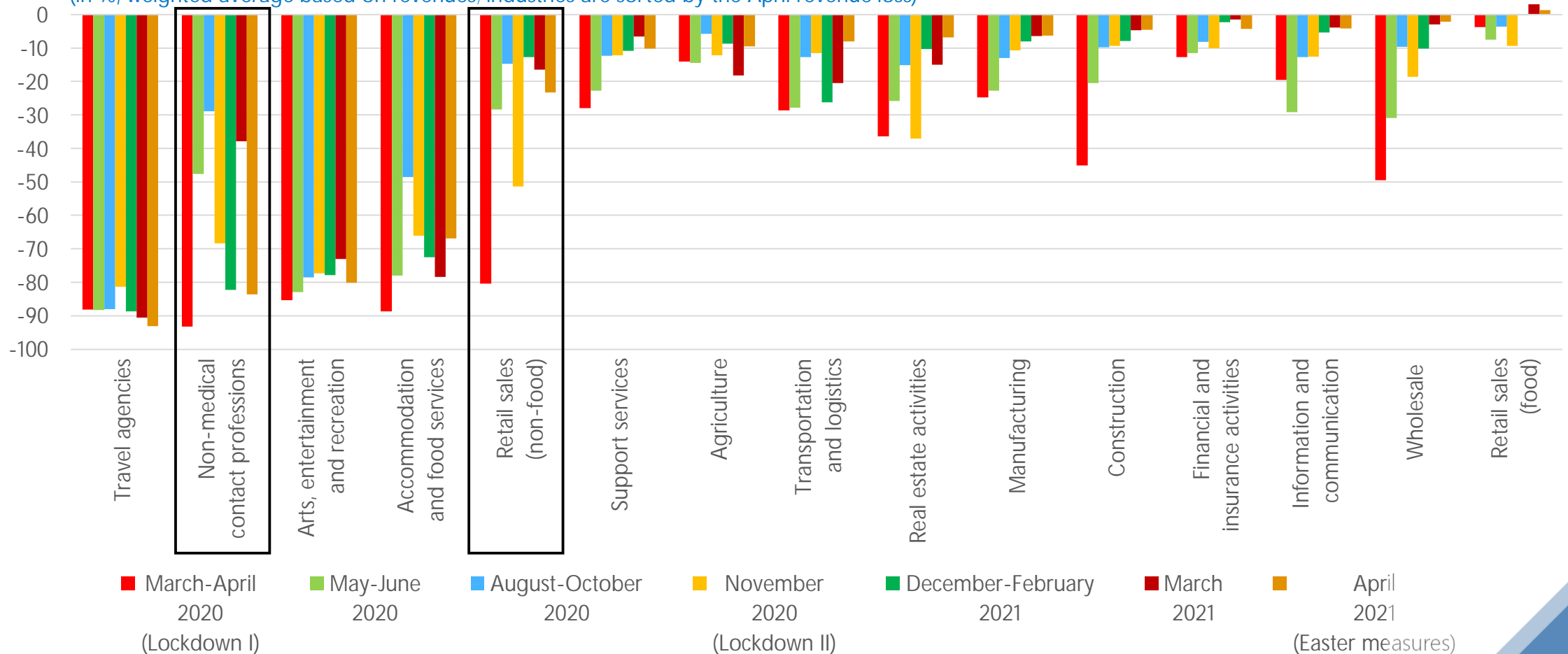
² This approach excludes the human health industry, the public sector and firms that were identified as belonging to a miscellaneous 'other' industry.

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

Revenues deteriorate for contact professions and non-food retail due to tightened measures, but remain broadly stable in other industries

COVID-19 impact on weekly turnover

(in %, weighted average based on revenues; industries are sorted by the April revenue loss)



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

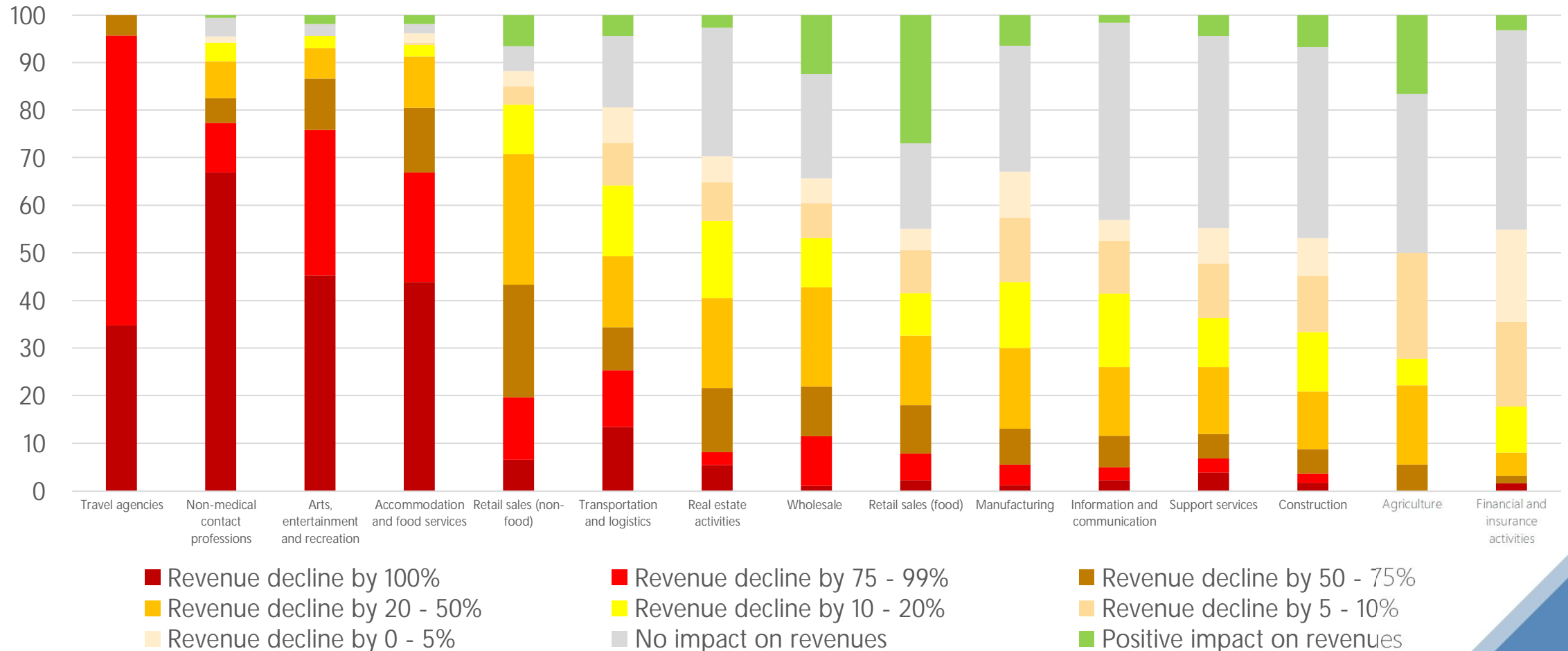
(in %, weighted average based on revenues)

	March-April 2020 (Lockdown I)	May-June 2020	August-October 2020	November 2020 (Lockdown II)	December-Feb. 2021	March 2021	April 2021 (Easter measures)	
Travel agencies	-88	-88	-88	-81	-89	-91	-93	
Non-medical contact professions	-93	-48	-29	-68	-82	-38	-84	
Events and recreation	-85	-83	-79	-77	-78	-73	-80	< -50 %
Accommodation and food service activities	-89	-78	-49	-66	-72	-78	-67	
Road transport (persons)	-55	-57	-15	-13	-23	-81	-41	
Human Resources	-35	-30	-13	-11	-16	-5	-25	-20 to -50 %
Retail sales (non-food)	-80	-28	-15	-51	-13	-16	-23	
Aviation ¹	-51	-60	-27	-15	-62	-42	-16	
Manufacture of food products	-18	-19	-9	-12	-13	-9	-16	
Manufacture of transport equipment ¹	-54	-36	-12	-21	-15	-2	-15	
Manufacture of wood and paper products, and printing	-36	-27	-11	-14	-11	-16	-12	-10 to -20 %
Liberal professions	-23	-18	-10	-12	-14	-9	-10	
Manufacture of textiles, wearing apparel and shoes	-61	-43	-6	-19	-12	-10	-10	
Agriculture and fishing	-14	-14	-6	-12	-9	-18	-9	
Cleaning and security services ¹	-41	-22	-10	-10	-12	-16	-8	
Real estate activities	-36	-26	-15	-37	-10	-15	-7	
Construction	-45	-20	-10	-9	-8	-5	-5	
Financial and insurance activities	-13	-11	-8	-10	-2	-1	-4	
Information and communication	-20	-29	-13	-13	-5	-4	-4	
Metallurgy	-23	-30	-23	-10	-5	-2	-4	0 to -10 %
Consultancy	-17	-20	-11	-14	-7	-10	-4	
Manufacture of pharmaceutical and chemical products	-16	-20	-11	-8	-5	-6	-3	
Manufacture of machinery and electrical equipment	-29	-24	-14	-10	-10	-6	-3	
Engineering services	-33	-15	-19	-12	-9	-4	-3	
Wholesale	-49	-31	-10	-19	-10	-3	-2	
Manufacture of computer, electronic and optical products	-28	-19	-25	-11	-4	-6	-2	
Logistics	-22	-26	-11	-11	-8	-5	-2	
Manufacture of furniture	-66	-31	-13	-7	-5	-2	-2	
Manufacture of plastic and non-metallic products	-19	-19	-12	-10	-6	1	0	
Retail sales (food)	-4	-8	-4	-9	0	3	1	> 0%

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

COVID-19 impact on current turnover (survey 20 April)

(in % of responding firms; unweighted¹)

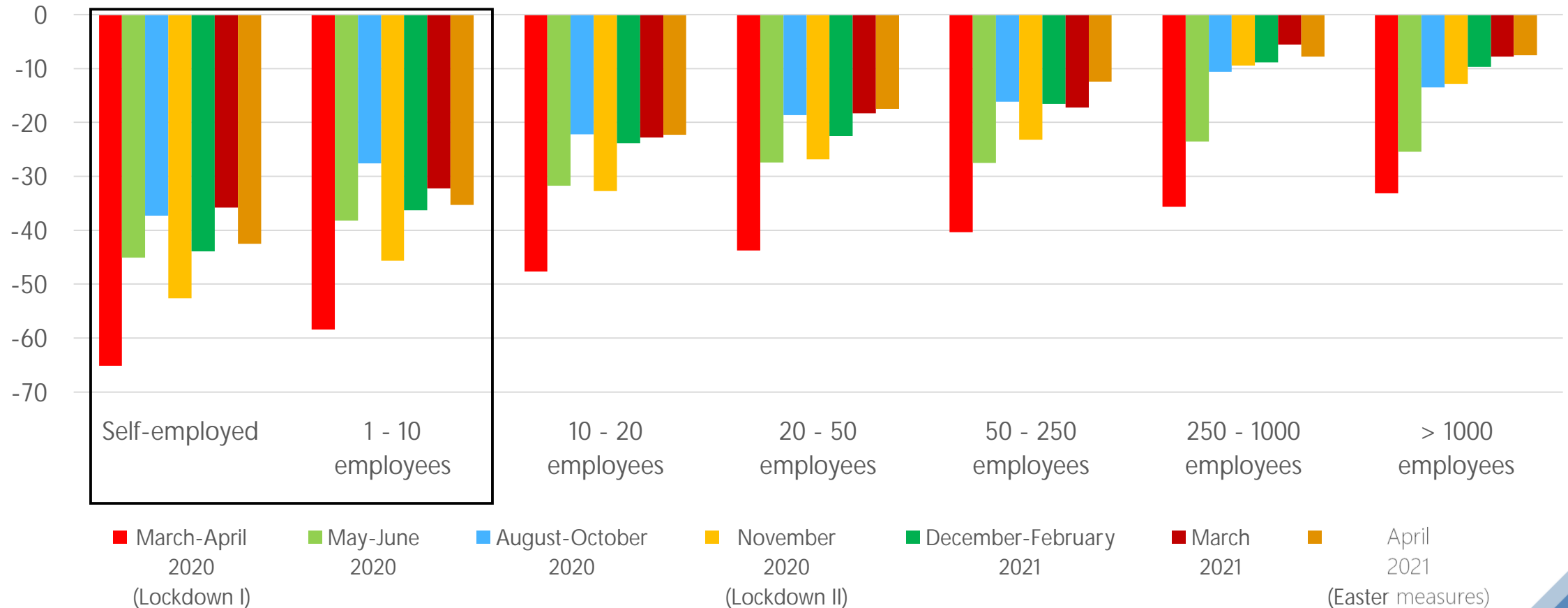


Source: Round 20 of ERMG survey, latest available data: 20 April 2021.

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.

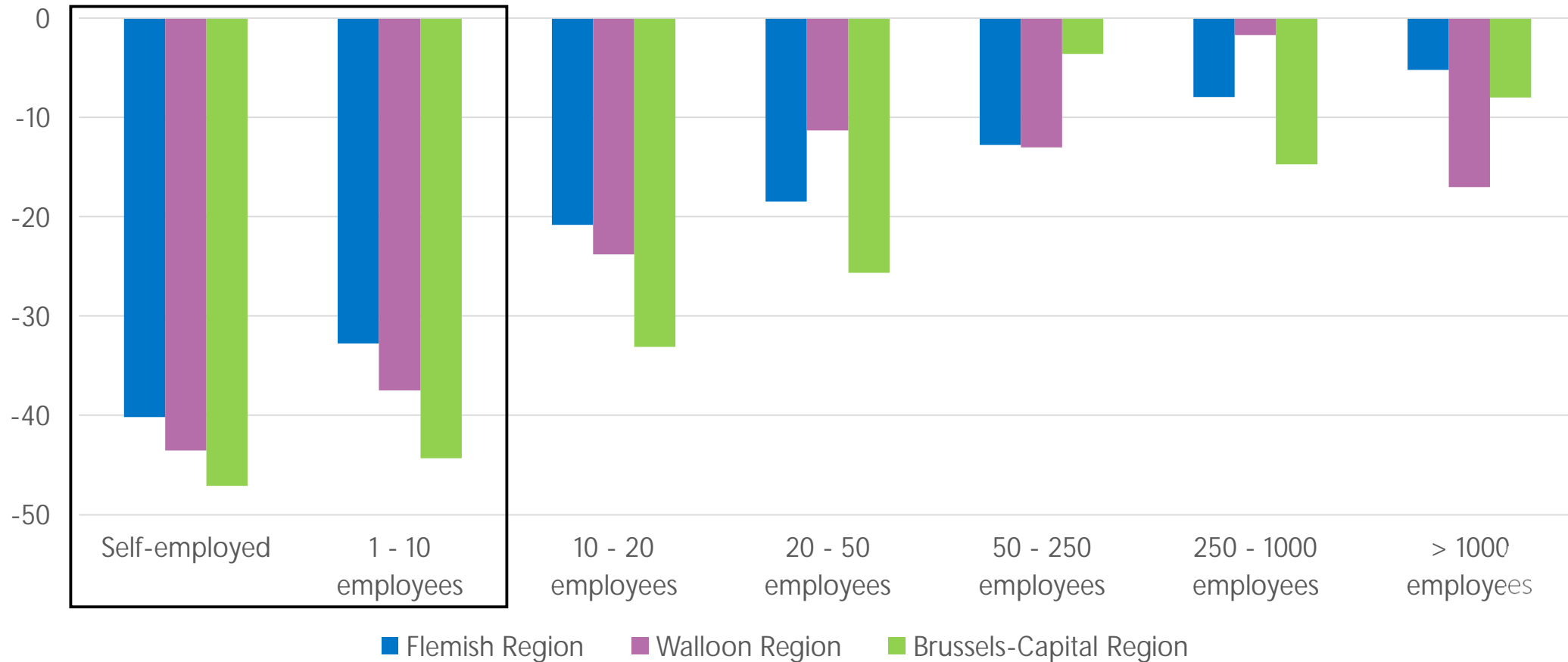
Revenue loss increases for the self-employed and the smallest firms (due to Easter measures), that already had the highest losses

Reported COVID-19 impact on weekly turnover, by firm size
(in %, unweighted average¹)



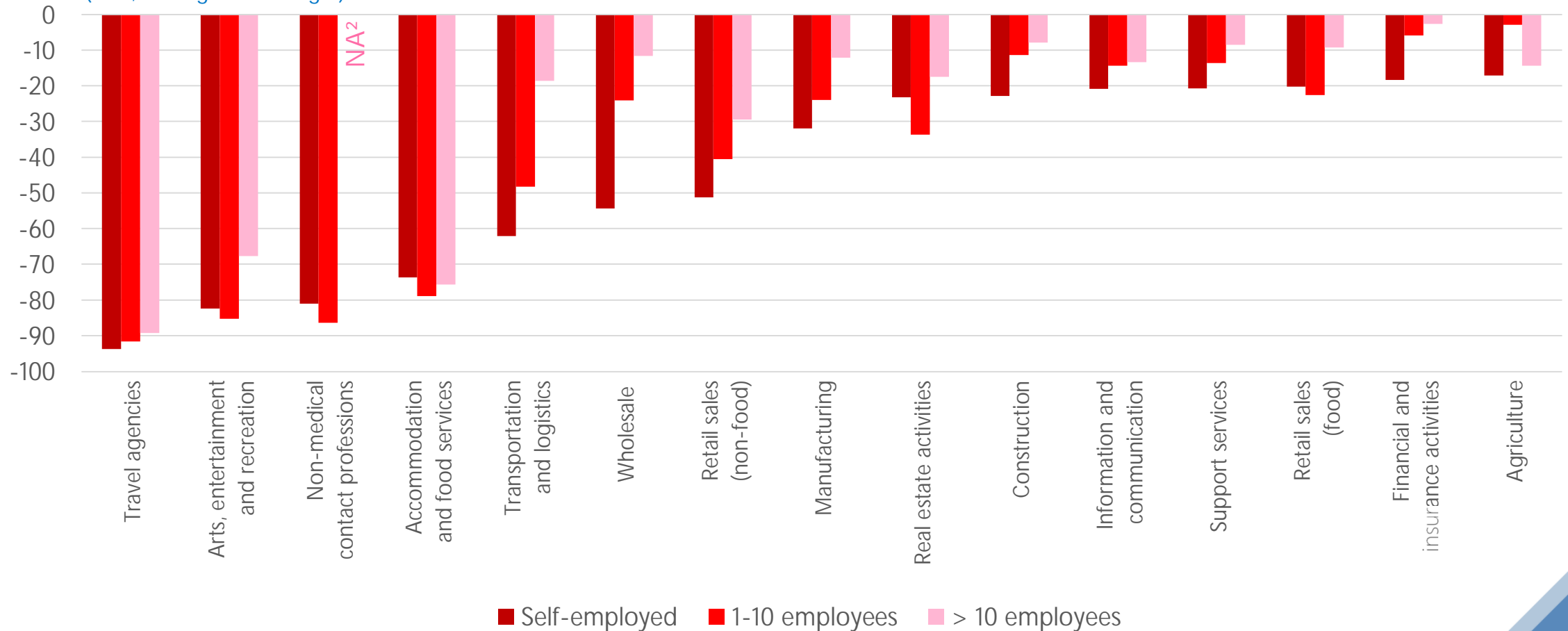
The revenue loss of the self-employed and the smallest firms continues to be larger in Wallonia and especially Brussels

Reported impact on current turnover, by firm size and by region (survey 20 April)
(in %, unweighted average¹)



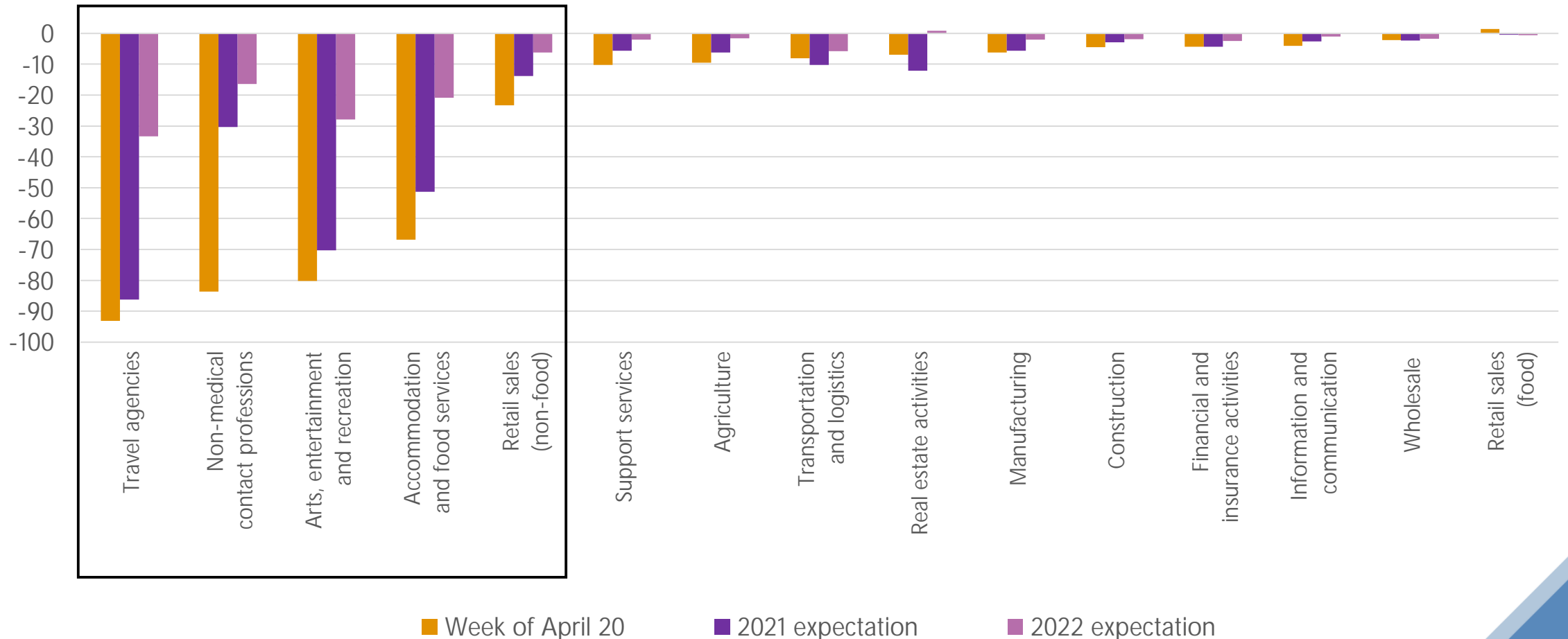
Also *within* most industries, average revenue losses are much larger for the self-employed and the smallest firms

COVID-19 impact on current turnover, by firm size (survey 20 April)
(in %, unweighted average¹)



Revenue loss is expected to narrow in 2021 and especially 2022, but it will still be elevated for the worst-hit industries

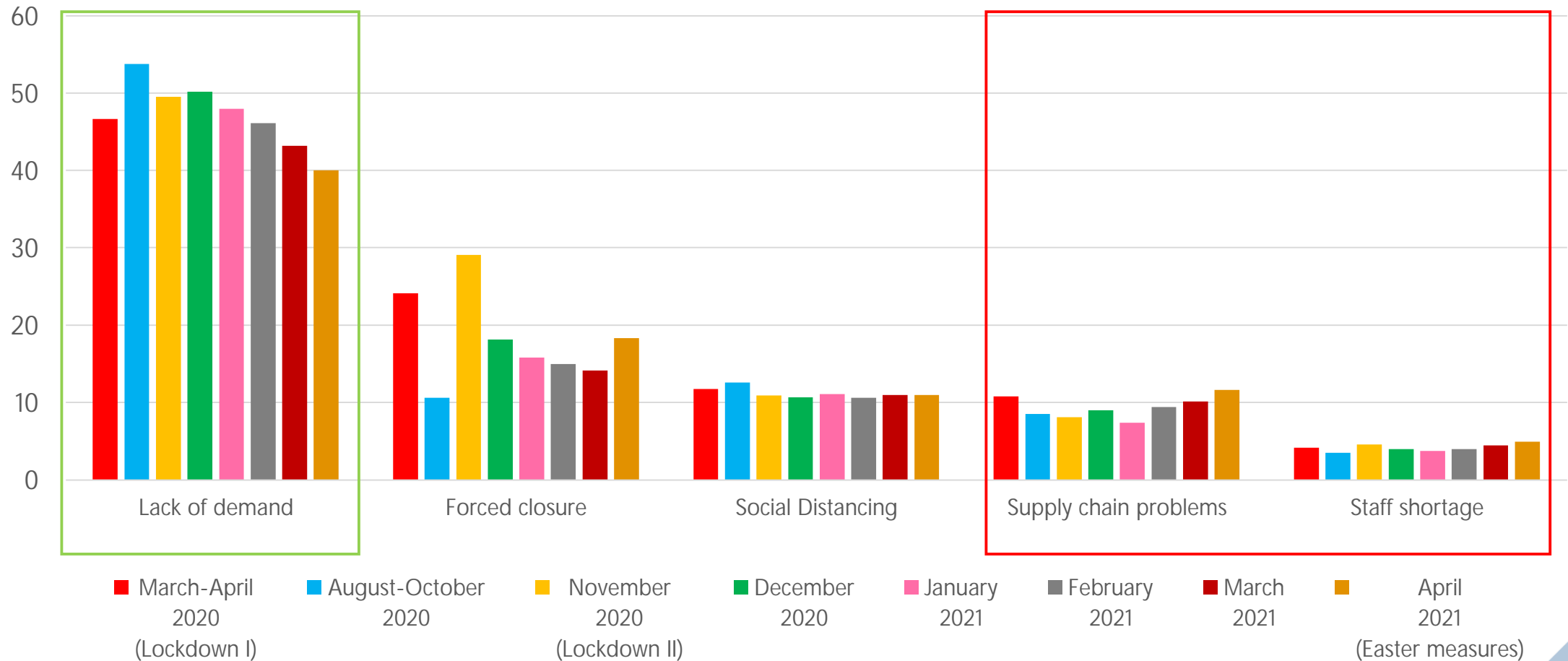
Expected COVID-19 impact on current turnover and on turnover in 2021 and 2022 (survey 20 April)
(in %, weighted average based on revenues)



The number of firms reporting weak demand has further decreased, but supply chain issues and staff shortages have been increasing since February

Reasons for the current revenue loss

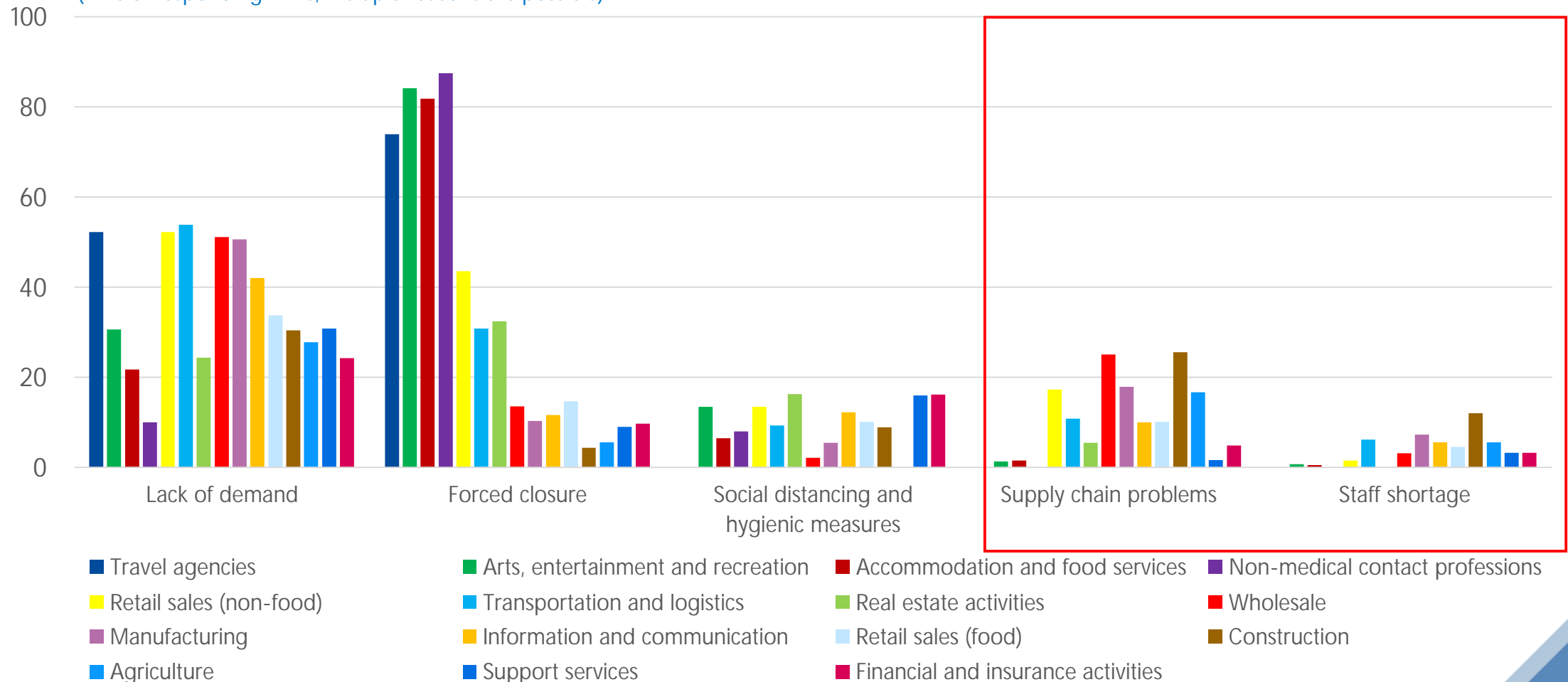
(in % of responding firms¹, multiple reasons are possible)



Supply chain issues mainly pertain to manufacturing, wholesale and construction (with staff shortages higher for the latter industry)

Reasons for the current revenue loss (survey 20 April)

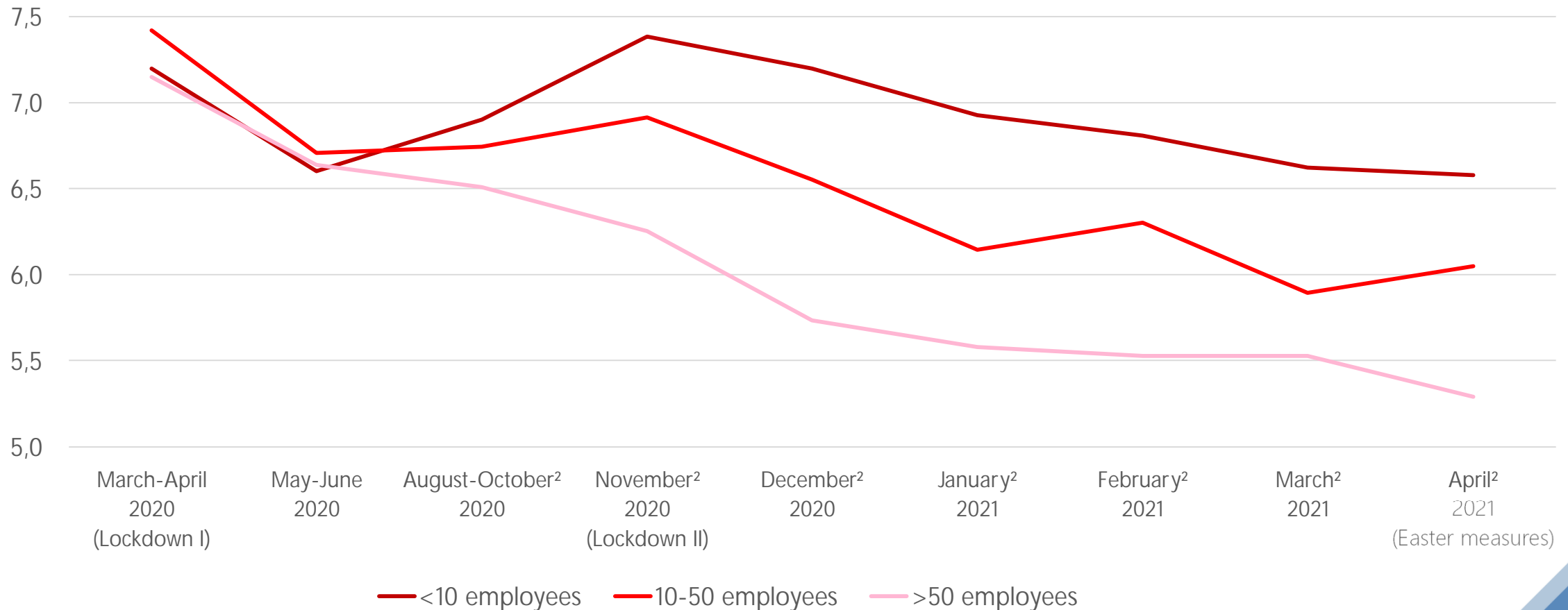
(in % of responding firms, multiple reasons are possible)



Degree of concern has substantially improved since November but continues to be more elevated for the small firms

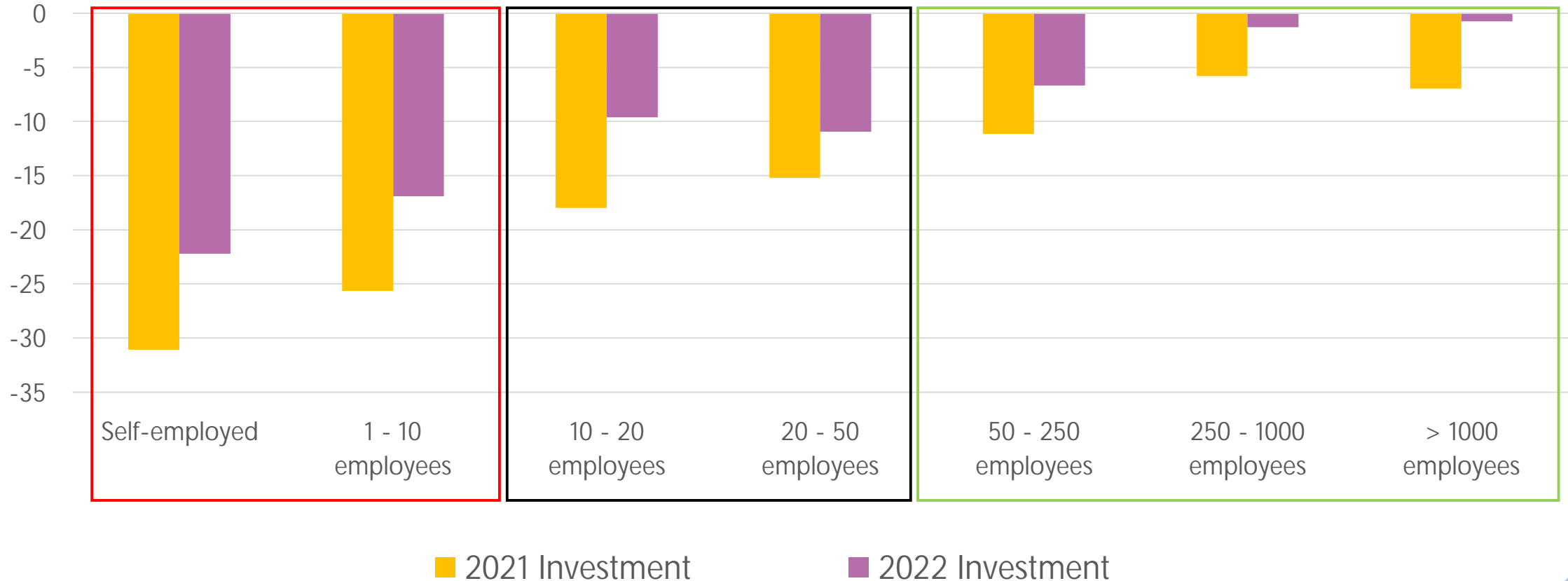
Degree of concern, by firm size

(index on a scale of 1 (low concern) to 10 (high concern); unweighted average¹)



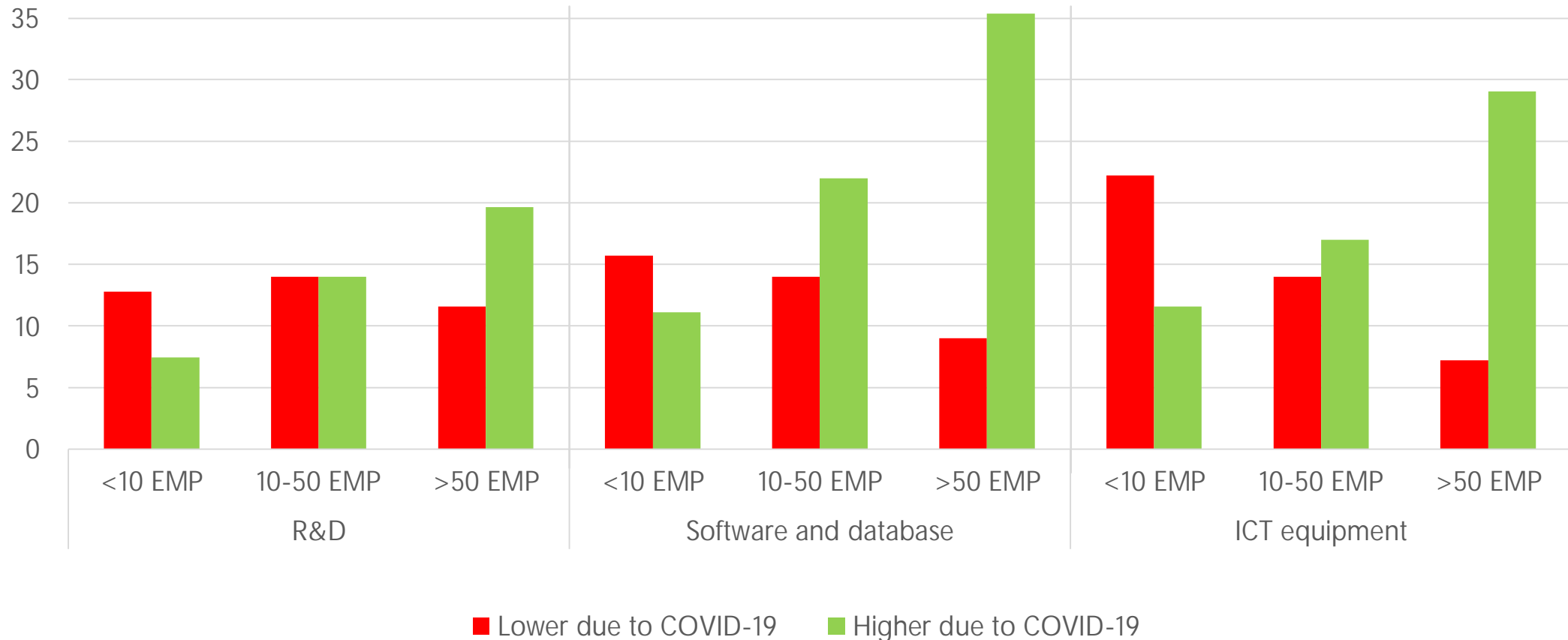
Large firms expect to reduce their investment in 2021 and 2022 to a much lesser extent than small firms

COVID-19 impact on planned investment in 2021 and 2022, by number of employees (survey 20 April)
(in %, unweighted average¹)



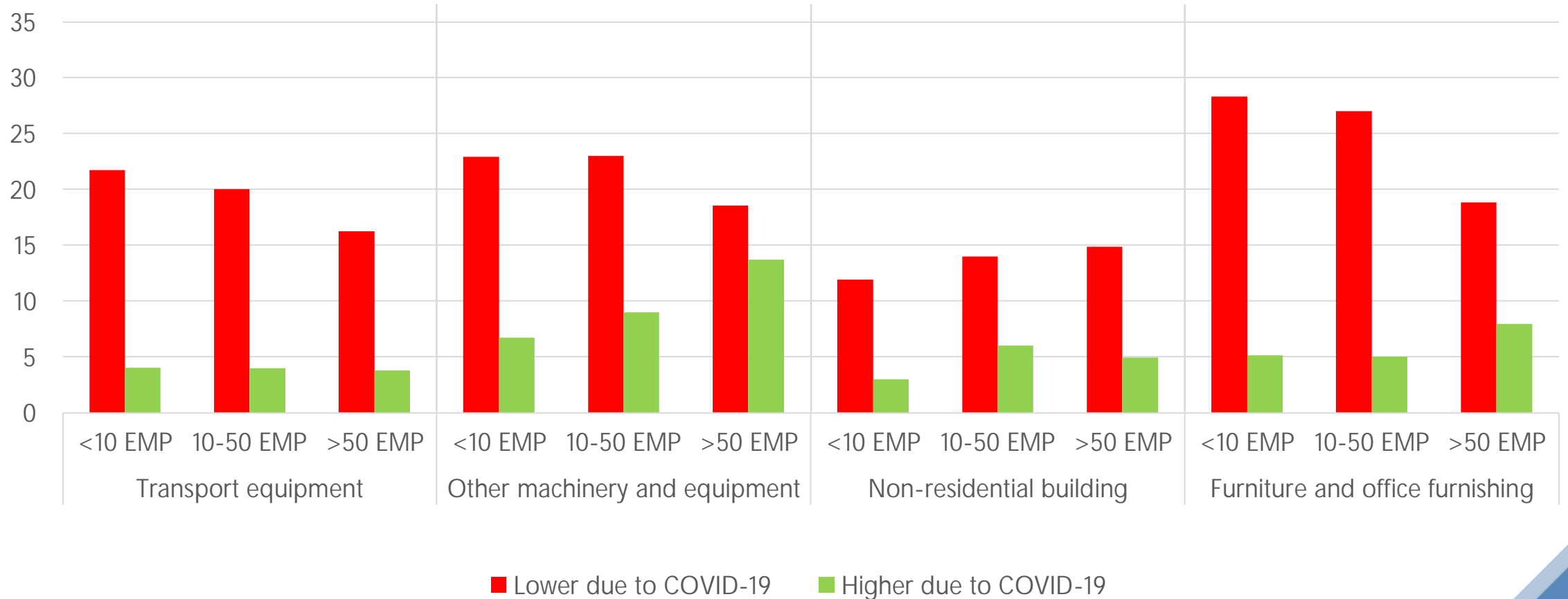
While investment in R&D, software and ICT equipment is resilient in 2021 (and even higher than normal for many large firms) ...

Investment categories that are lower/higher in 2021 due to COVID-19, by number of employees (EMP)
(in % of responding firms, multiple categories are possible)



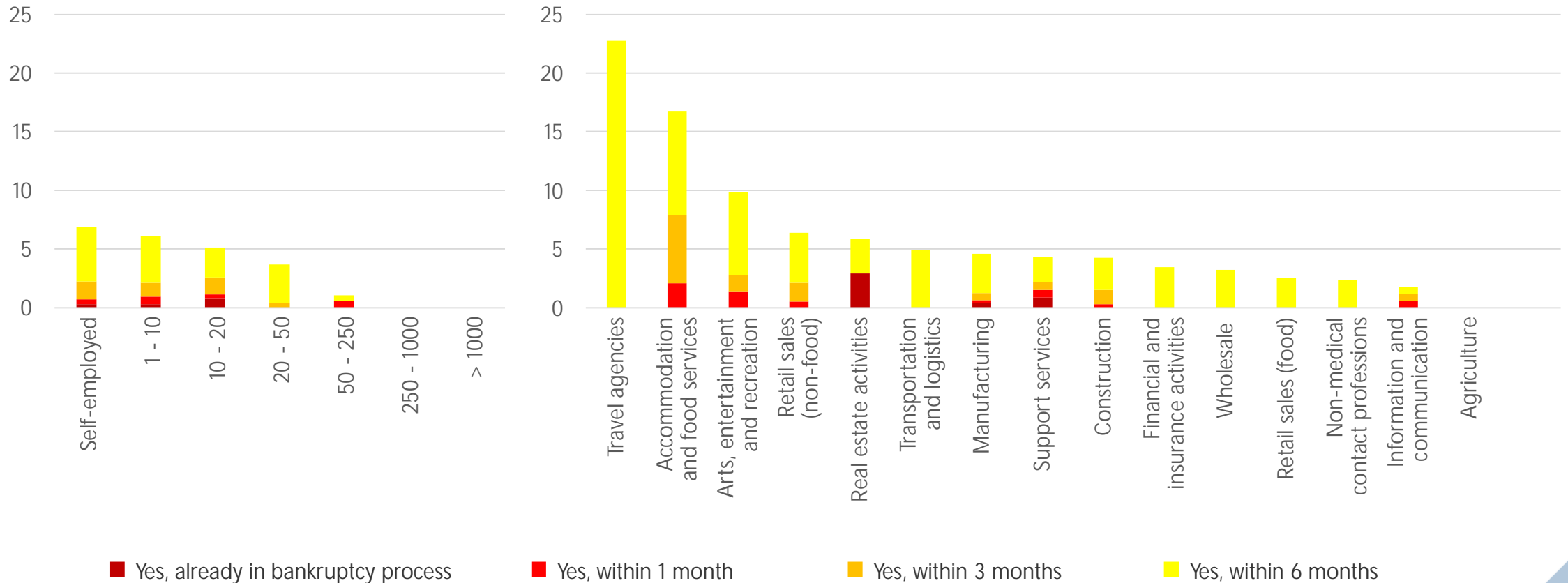
... investment in transport equipment, machinery and offices are much lower in 2021 due to the COVID-19 crisis

Investment categories that are lower/higher in 2021 due to COVID-19, by number of employees (cont.)
(in % of responding firms, multiple categories are possible)



Many small firms and firms in the worst-hit industries still expect bankruptcy in the coming months

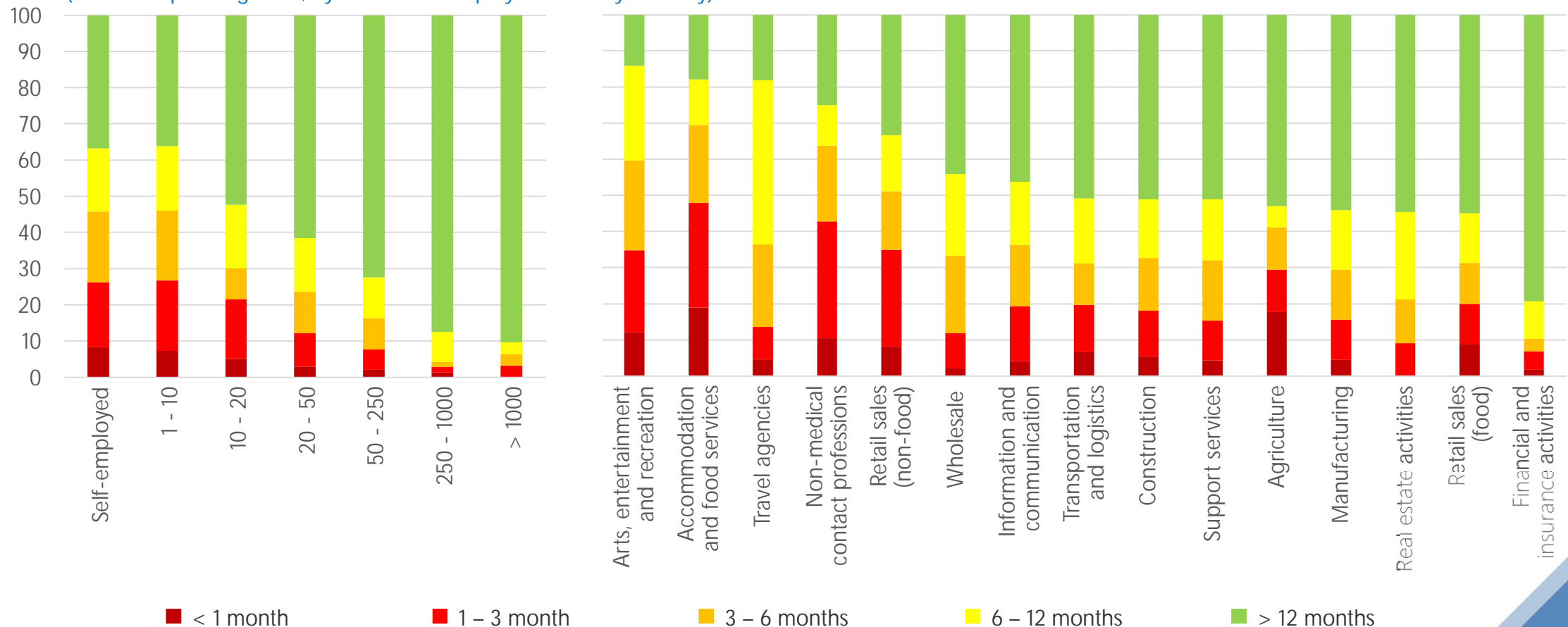
Do you expect to file for bankruptcy within the next 6 months? (survey 20 April)
(in % of responding firms, by number of employees¹ and by industry)



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

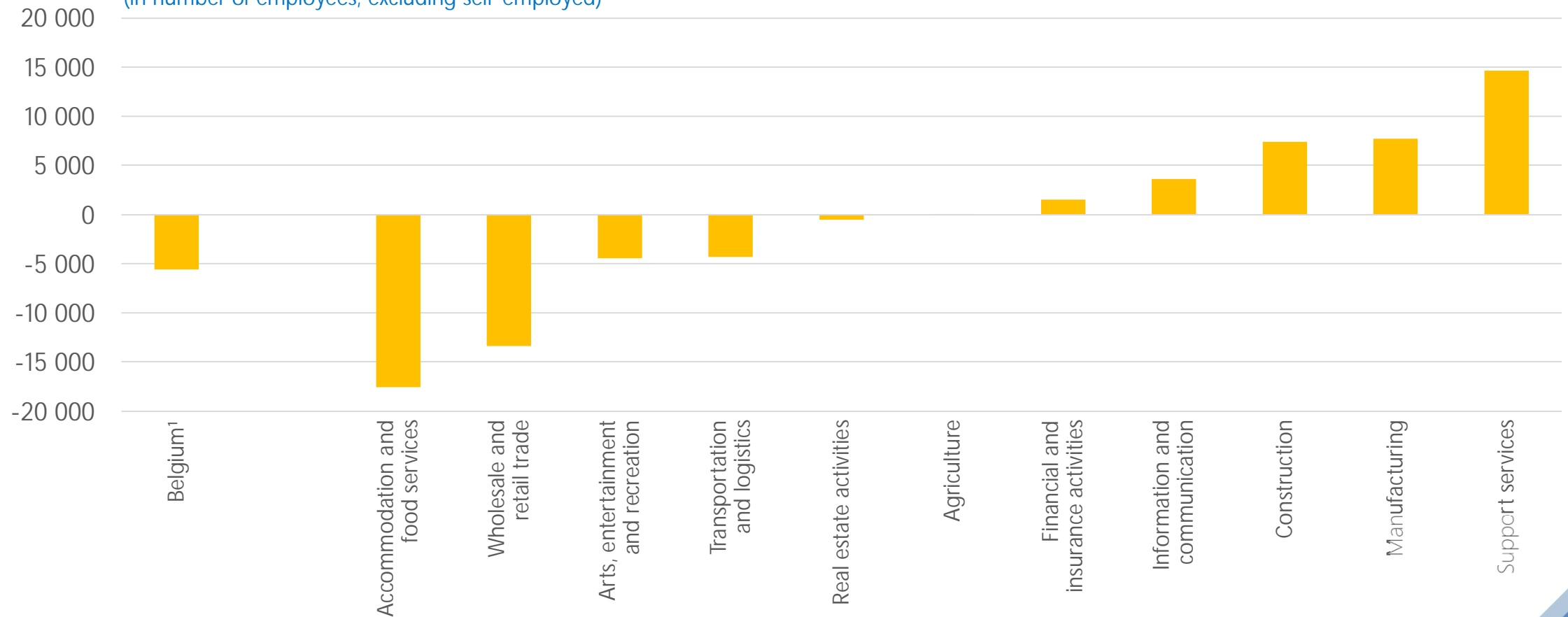
How long can you still meet your current financial obligations without having to rely on additional capital injections or additional loans? (survey 20 April)

(in % of responding firms, by number of employees¹ and by industry)



Lay-offs in these worst-hit industries could be largely offset in 2021 by planned hiring in several large industries

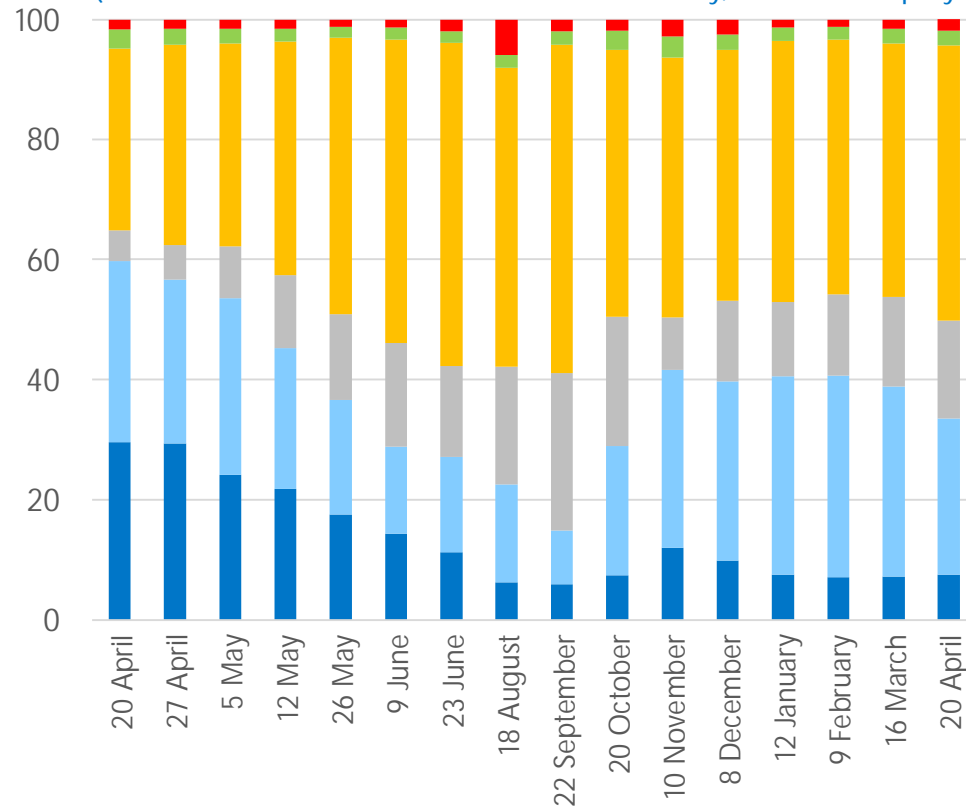
Expected net change in employees in 2021 (survey 20 April)
(in number of employees, excluding self-employed)



Use of full-time telework seems to have slightly declined in April

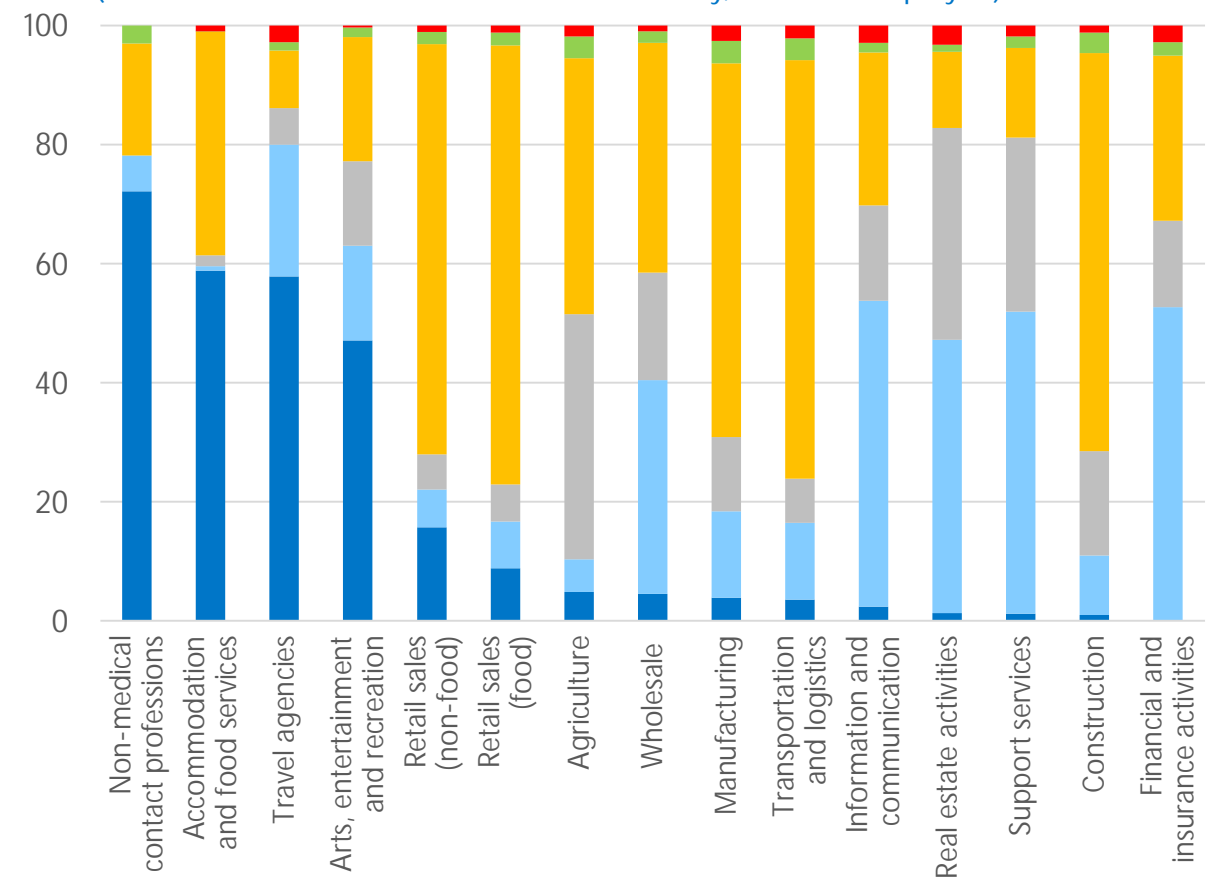
Workforce organisation over time, Belgium¹

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



Workforce organisation by industry (survey 20 April)

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



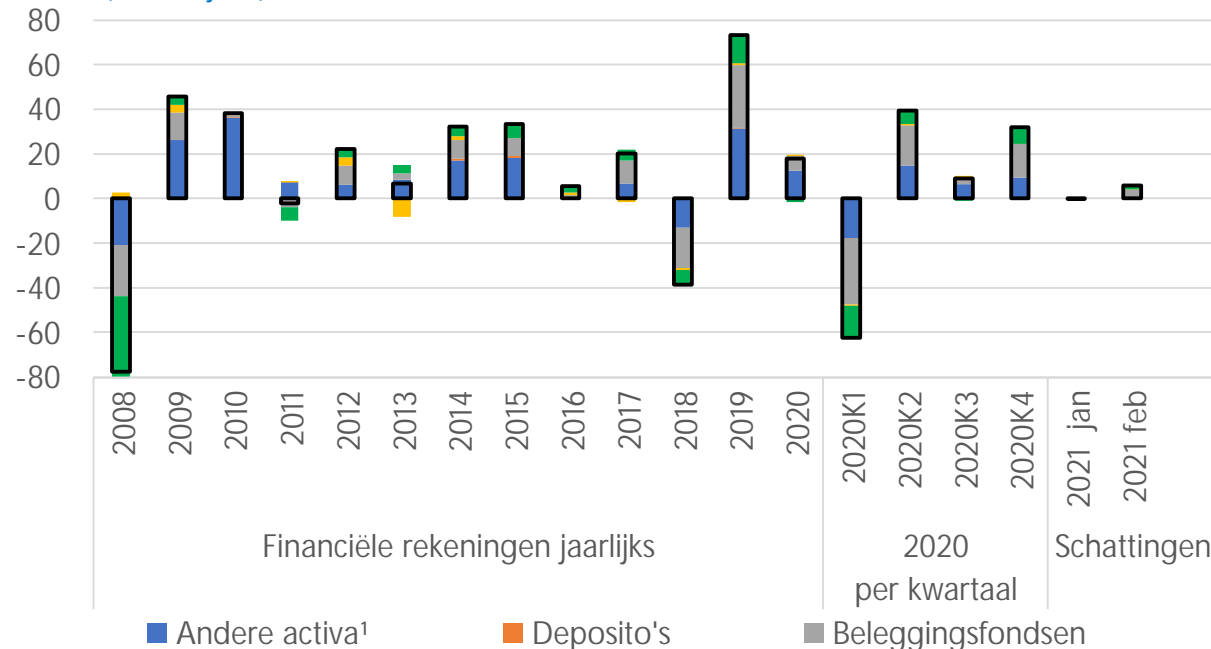
■ temporarily unemployed
 ■ full-time telework
 ■ mix telework/workspace
 ■ at workplace
 ■ sick leave
 ■ on leave

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.

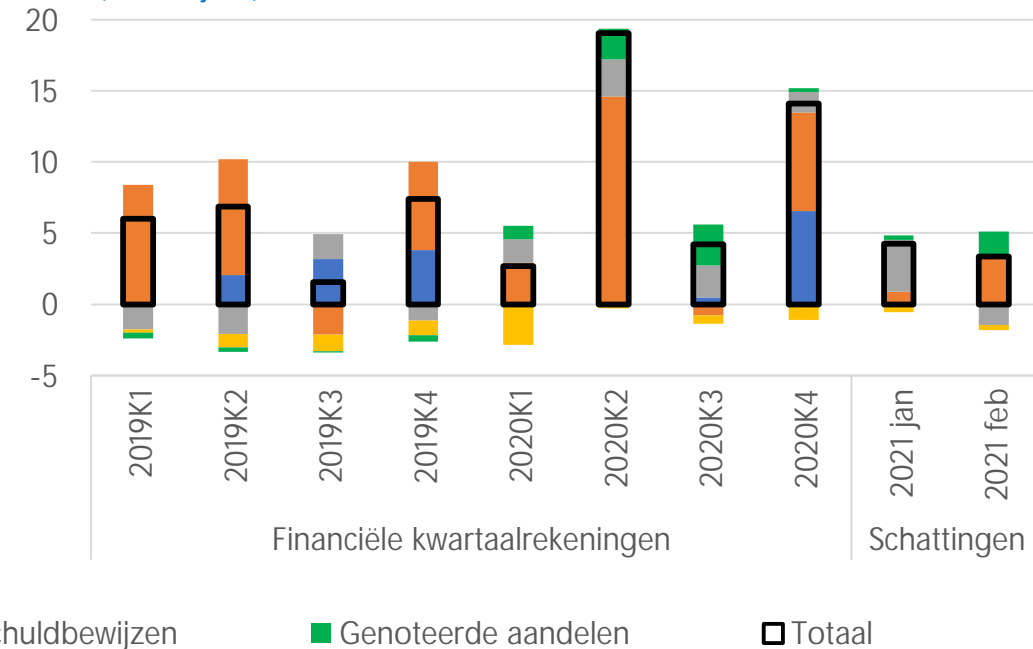
Credit indicators households

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)



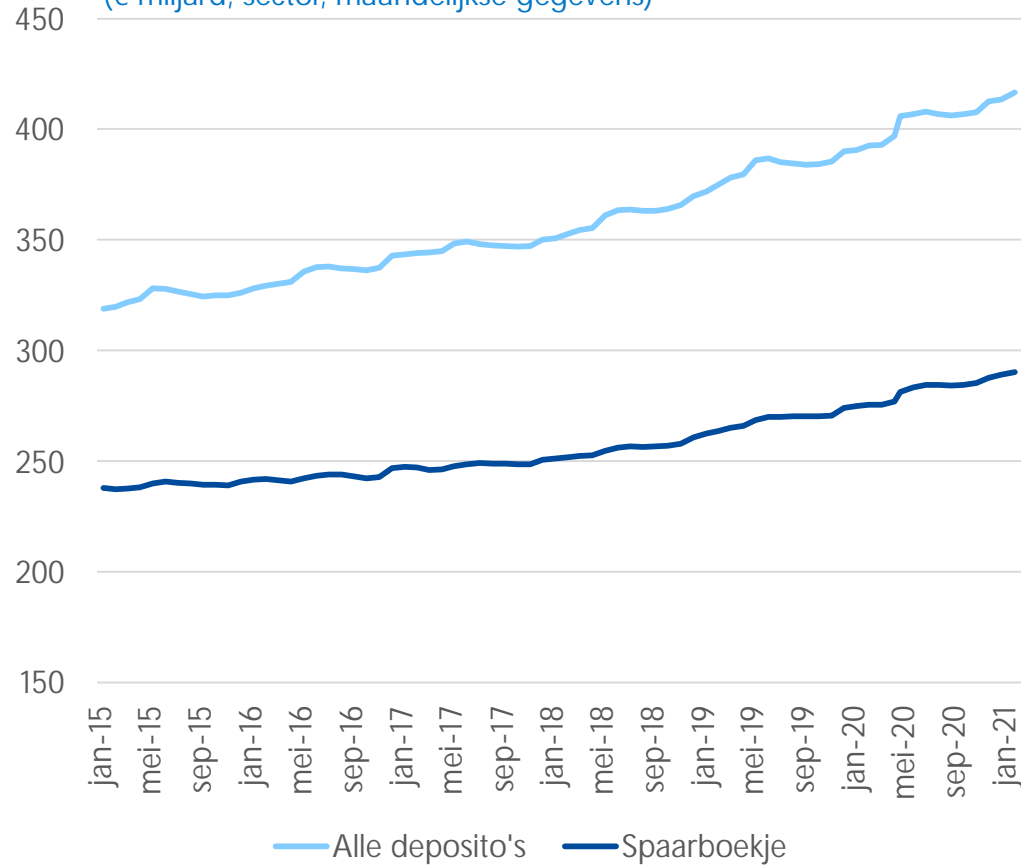
- ◆ In 2020K1 veroorzaakte de sterke daling in de beurskoersen waardedalingen in de financiële activa van de particulieren voor 62,8 miljard euro. Door het herstel van de beurzen in 2020K2, 2020K3 en 2020K4 werden de waardedalingen uit het eerste kwartaal volledig hersteld tegen einde 2020. Negatieve prijseffecten waren beduidend hoger tijdens de financiële crisis van 2008.
- ◆ p.m. de totale financiële activa van de particulieren bedroegen 1 466 miljard eind december 2020.

- ◆ De transacties in financiële activa van de particulieren in 2020 tonen forse investeringen voor totaal 40 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 kwamen eveneens hoger uit in 2020 tegenover voorgaande jaren. In 2021 zet die trend zich voorlopig verder.

Deposito's van Belgische huishoudens

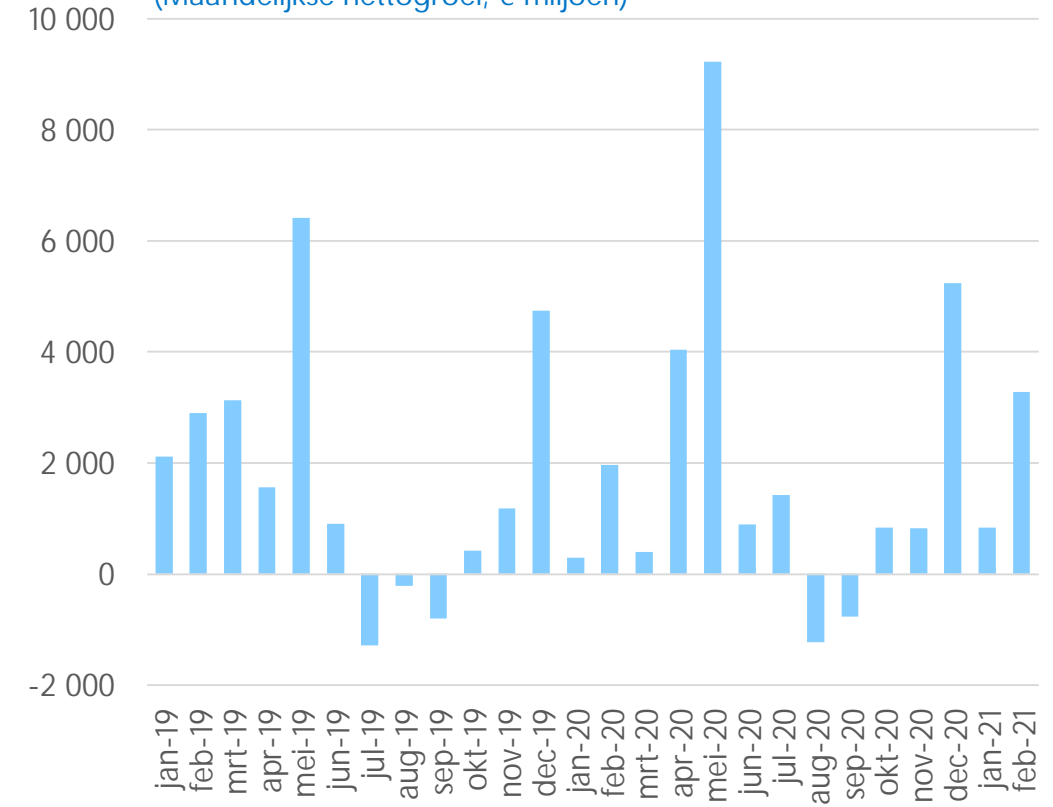
Deposito's Belgische huishoudens

(€ miljard, sector, maandelijkse gegevens)



Groei alle deposito's Belgische huishoudens

(Maandelijkse nettogroei, € miljoen)



Negatieve saldi op rekeningen / kredietkaarten

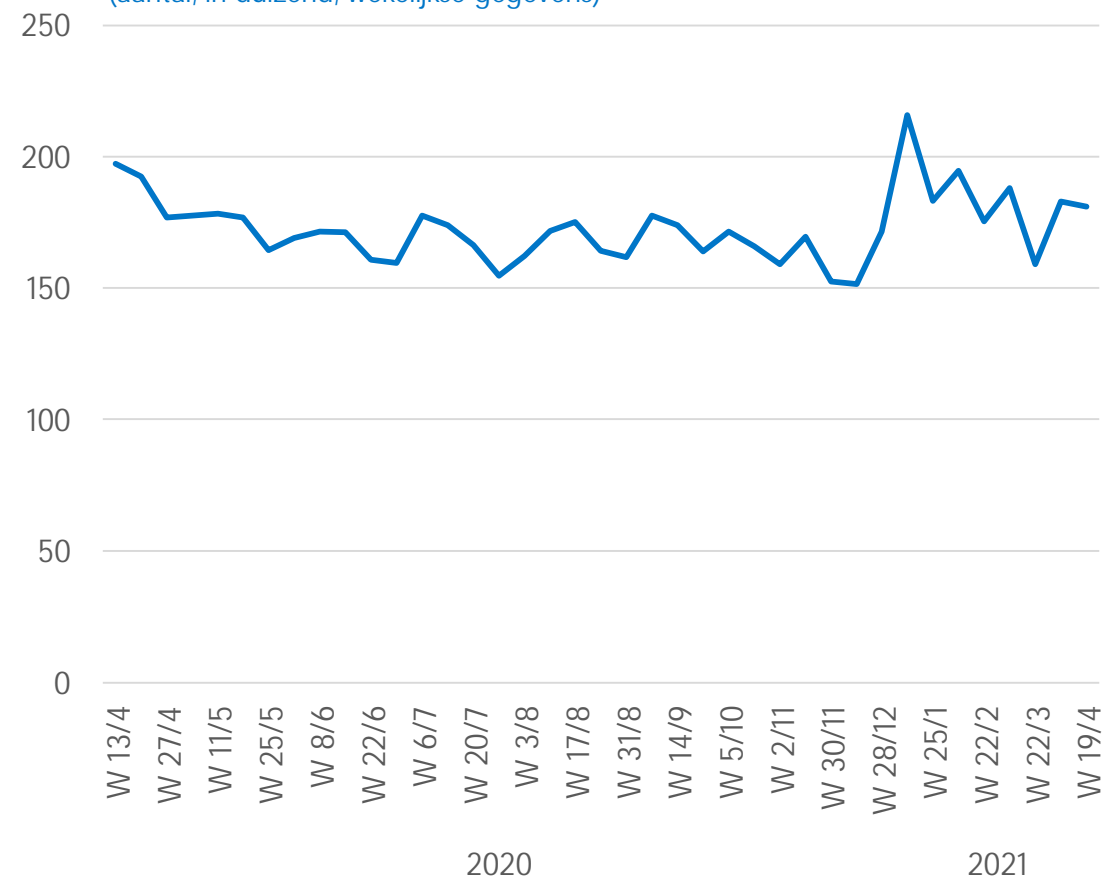
Negatieve saldi op rekeningen

(stock, in € miljoen, maandelijkse gegevens)

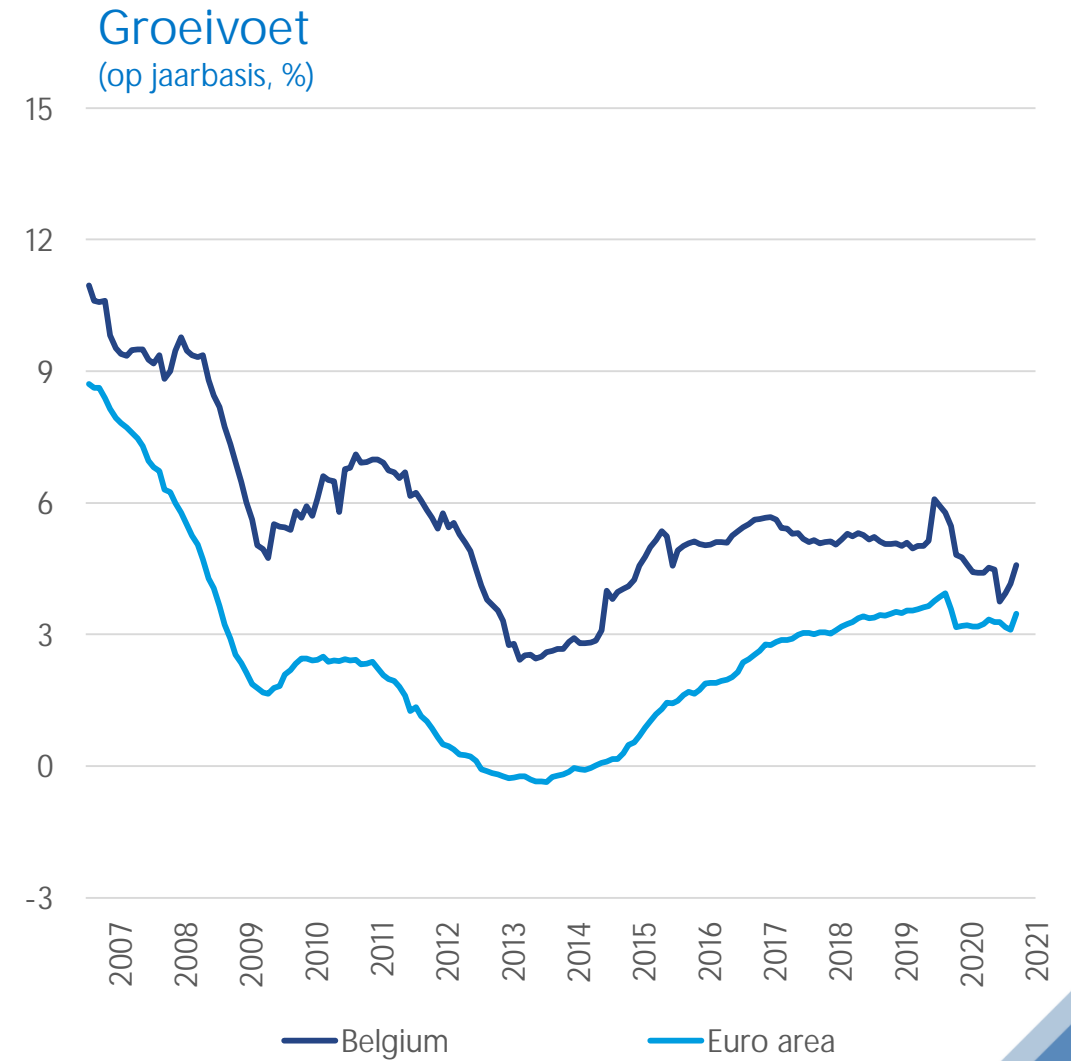
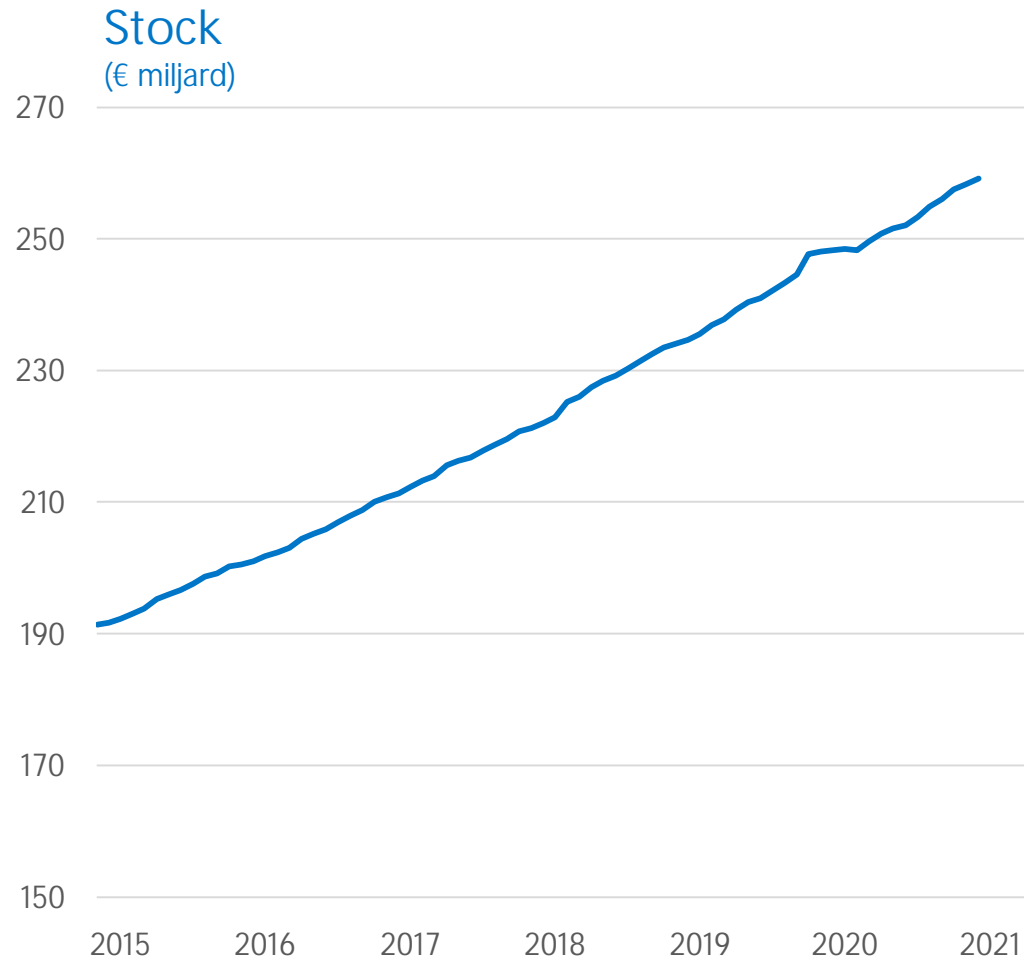


Aantal rekeningen "teveel in het rood"

(aantal, in duizend, wekelijkse gegevens)



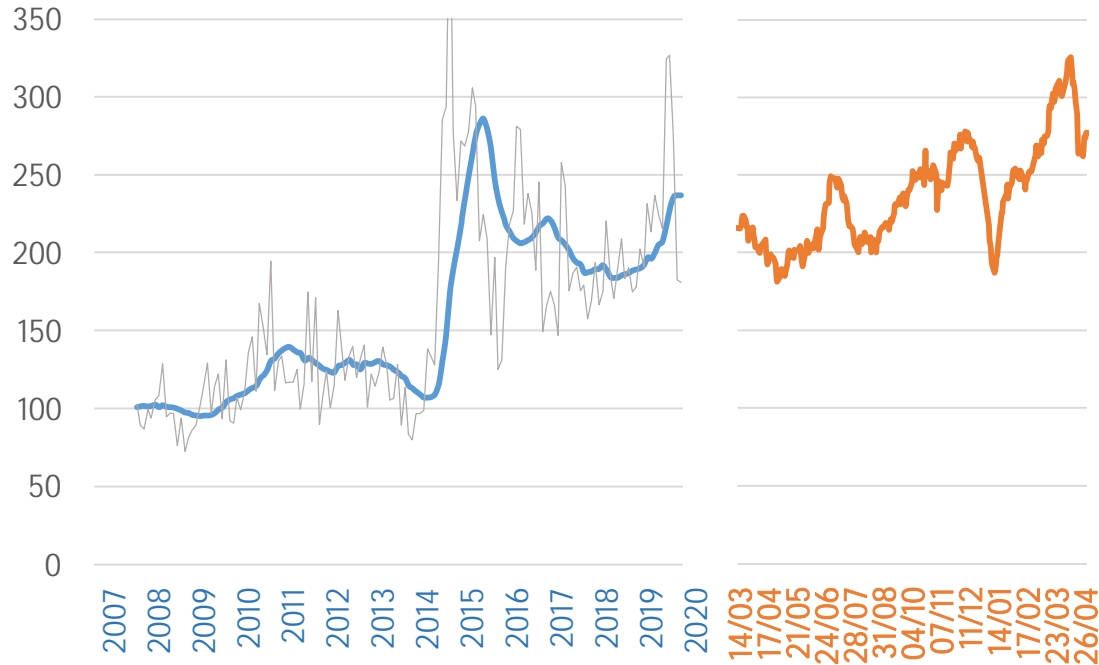
Bankkredieten van Belgische huishoudens



Hypotheekleningen: nieuwe leningen en wanbetalingsgraad

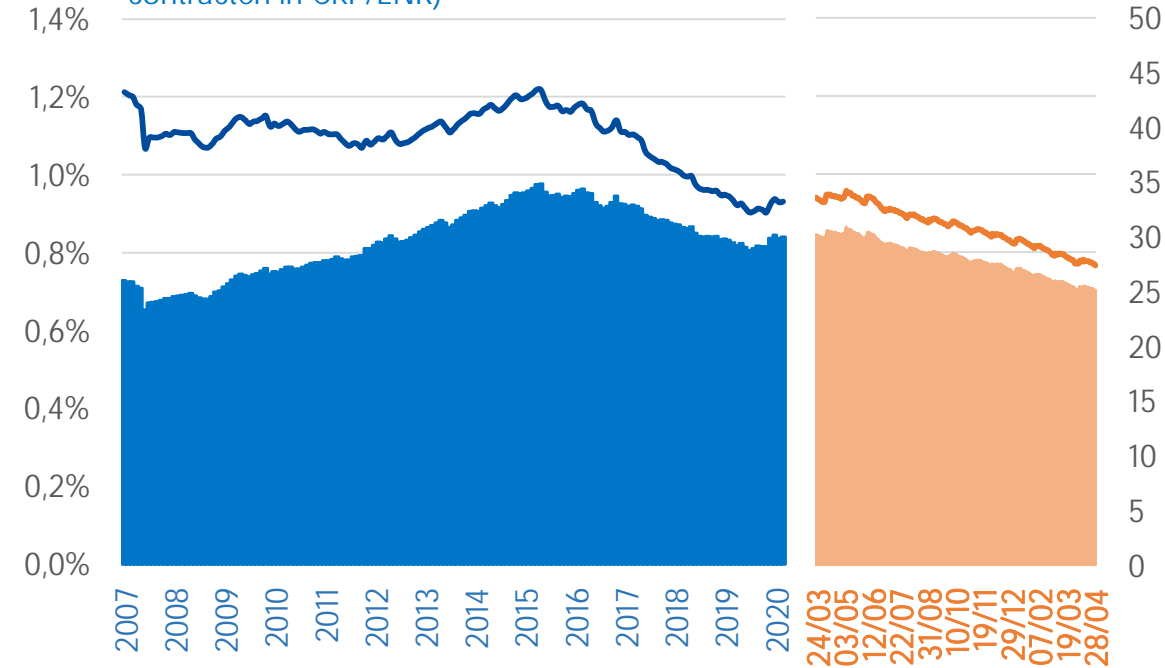
Nieuwe leningen

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



Wanbetalingsgraad

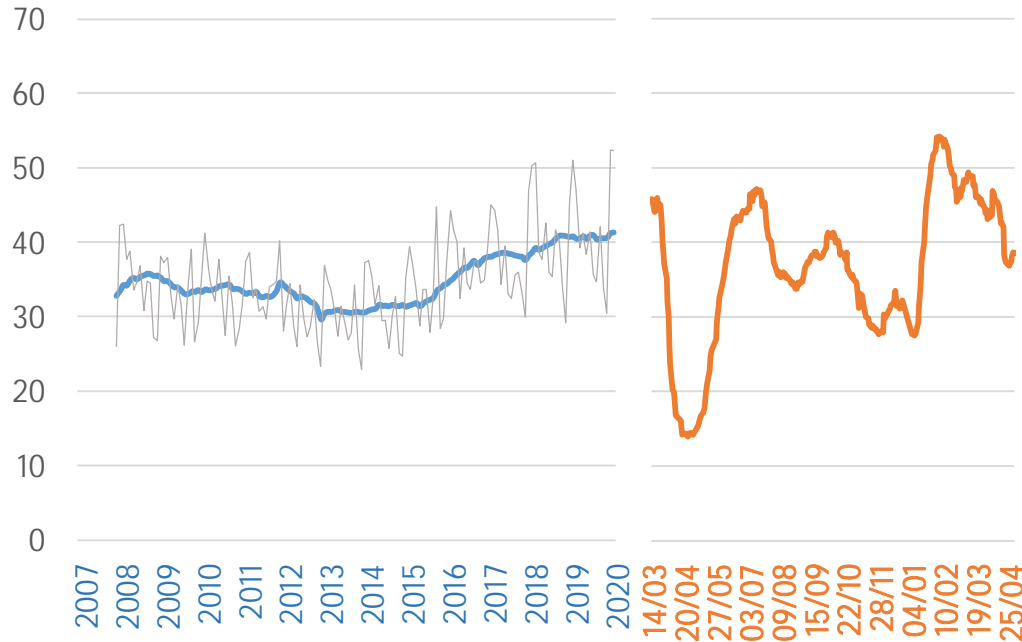
(Aantal uitstaande achterstallige contracten, % van alle uitstaande contracten in CKP/ENR)



Consumentenkredieten¹: nieuwe leningen en wanbetalingsgraad

Nieuwe leningen

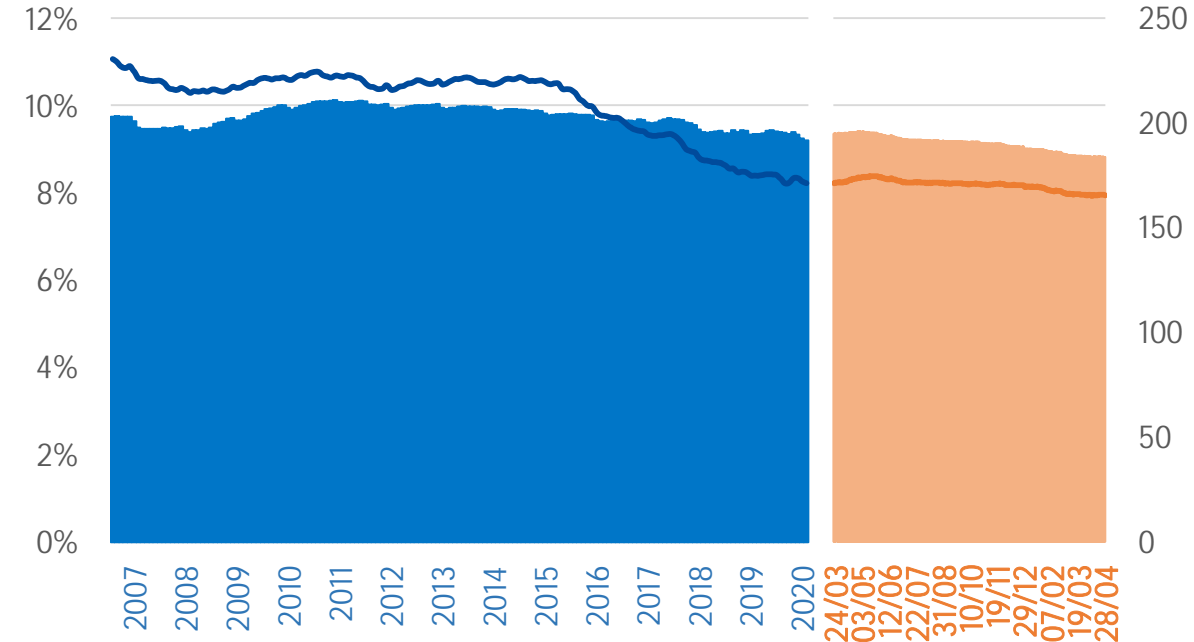
(geregistreerd bedrag per werkdag in CKP, in € miljoenen)



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

Wanbetalingsgraad

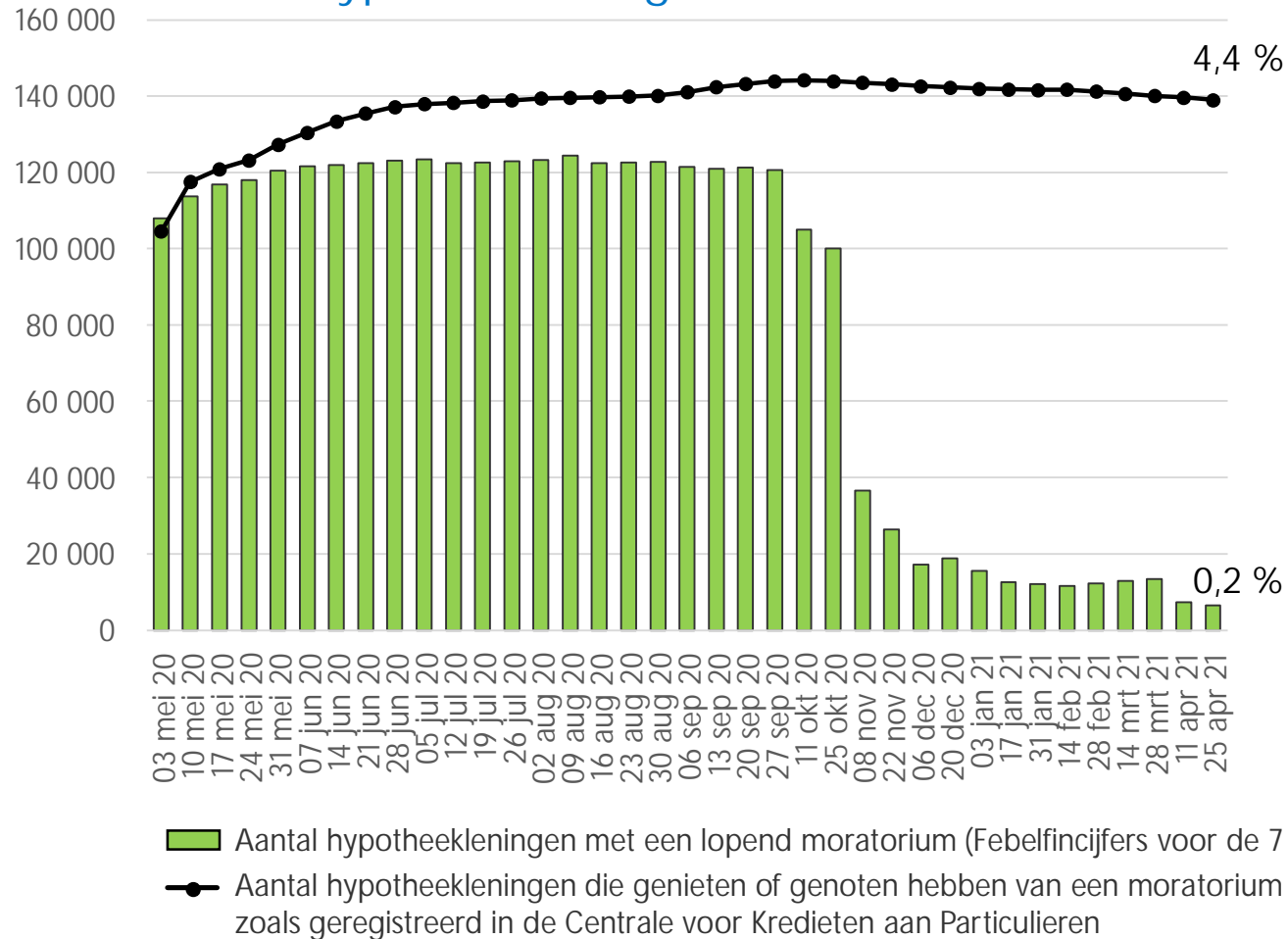
(Aantal uitstaande achterstallige contracten, % van alle uitstaande contracten in CKP/ENR)



- 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 25 april)

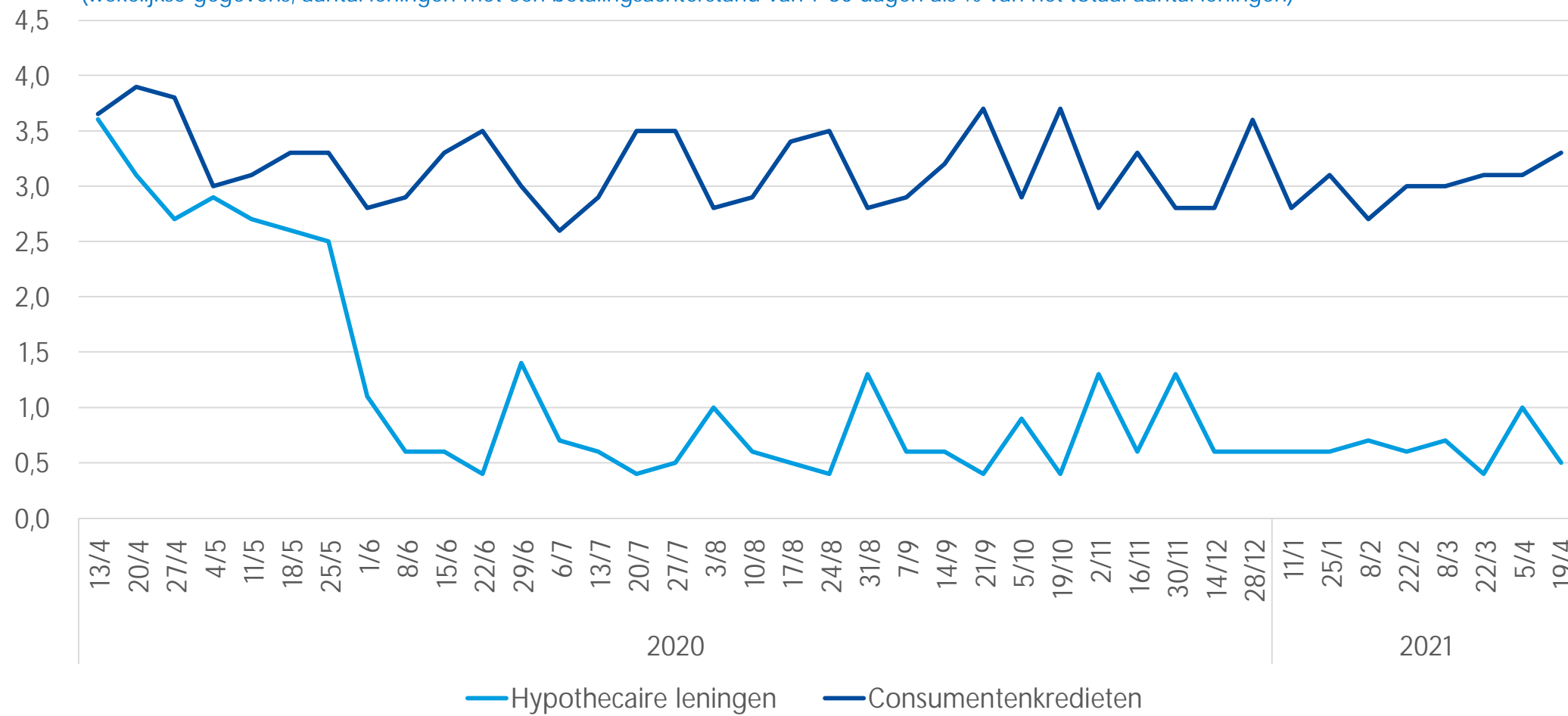
◇ 9 689 leningen

◇ waarvan 9 390 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, and semi-transparent image of a coronavirus particle, showing its characteristic spherical shape and numerous surface spikes. The particle is centered and slightly tilted, with other smaller, less distinct particles visible in the background, creating a sense of depth. The overall color palette is light blue and white, with a subtle gradient.

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 2020.
- ◇ The annual growth rate of authorised (granted) credit is now lower than that observed before the pandemic
- ◇ Monthly growth rates of utilised and authorised loans have been low since June 2020, with some monthly growth rates being negative
- ◇ Loan arrears have been stable since May 2020
- ◇ Small or medium-sized enterprises (SMEs) have larger proportions of loans in moratorium than larger firms

◆ According to the January 2021 Bank lending survey:

- ◇ Stabilised demand for loans from Belgian SMEs but declining demand from large firms in 2021Q1. Banks expect an overall decrease in demand in 2021Q2.
- ◇ Unchanged credit standards, following tightened conditions in the previous quarters. Perception of risk still exerted a tightening pressure.

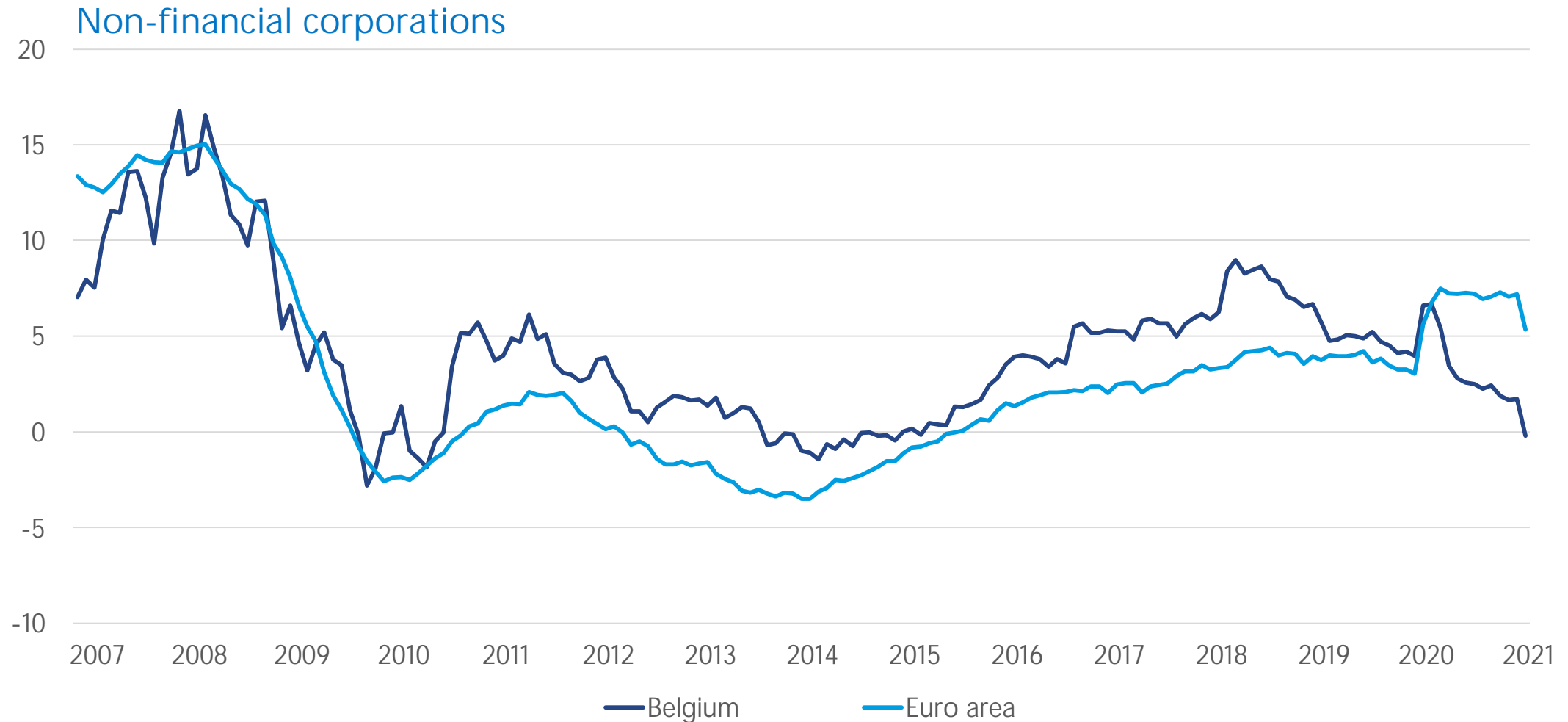
Firms perceived less favorable credit conditions

- ◆ **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

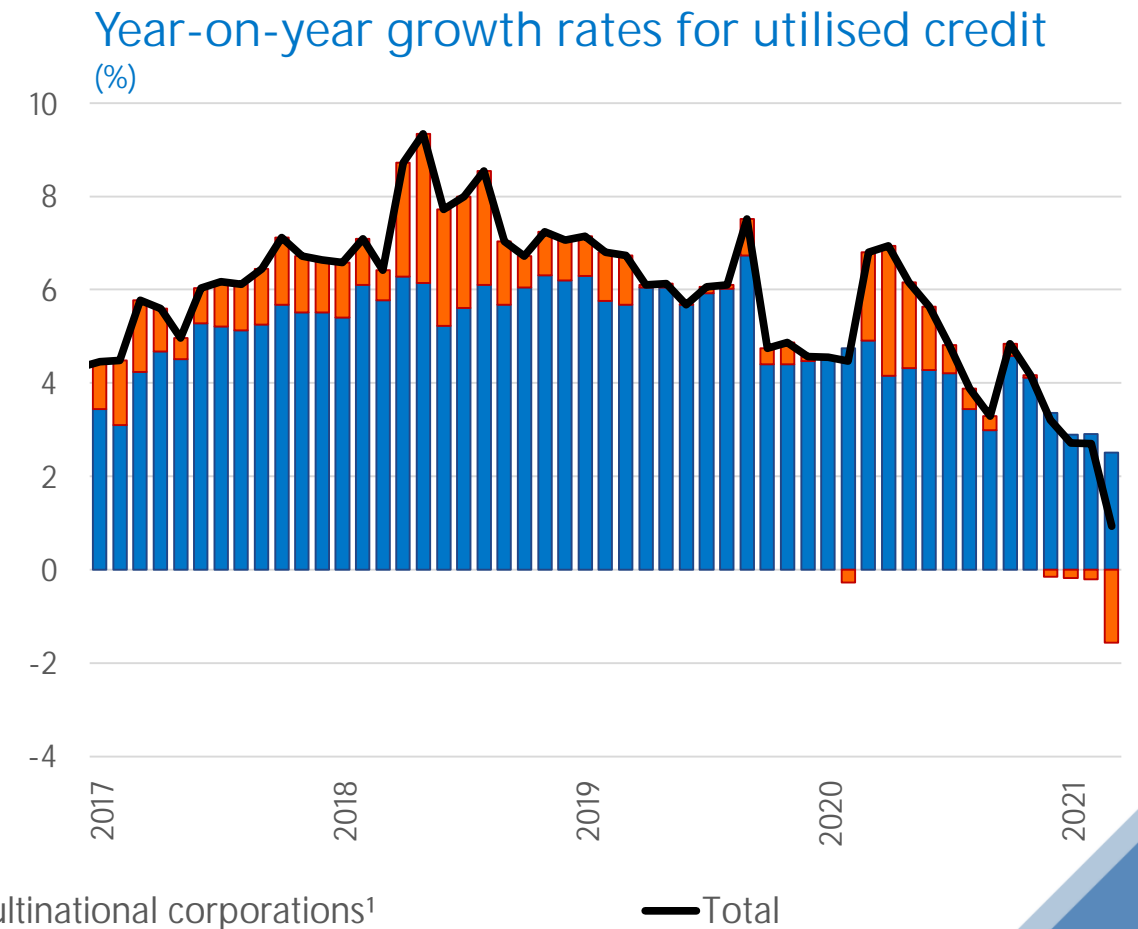
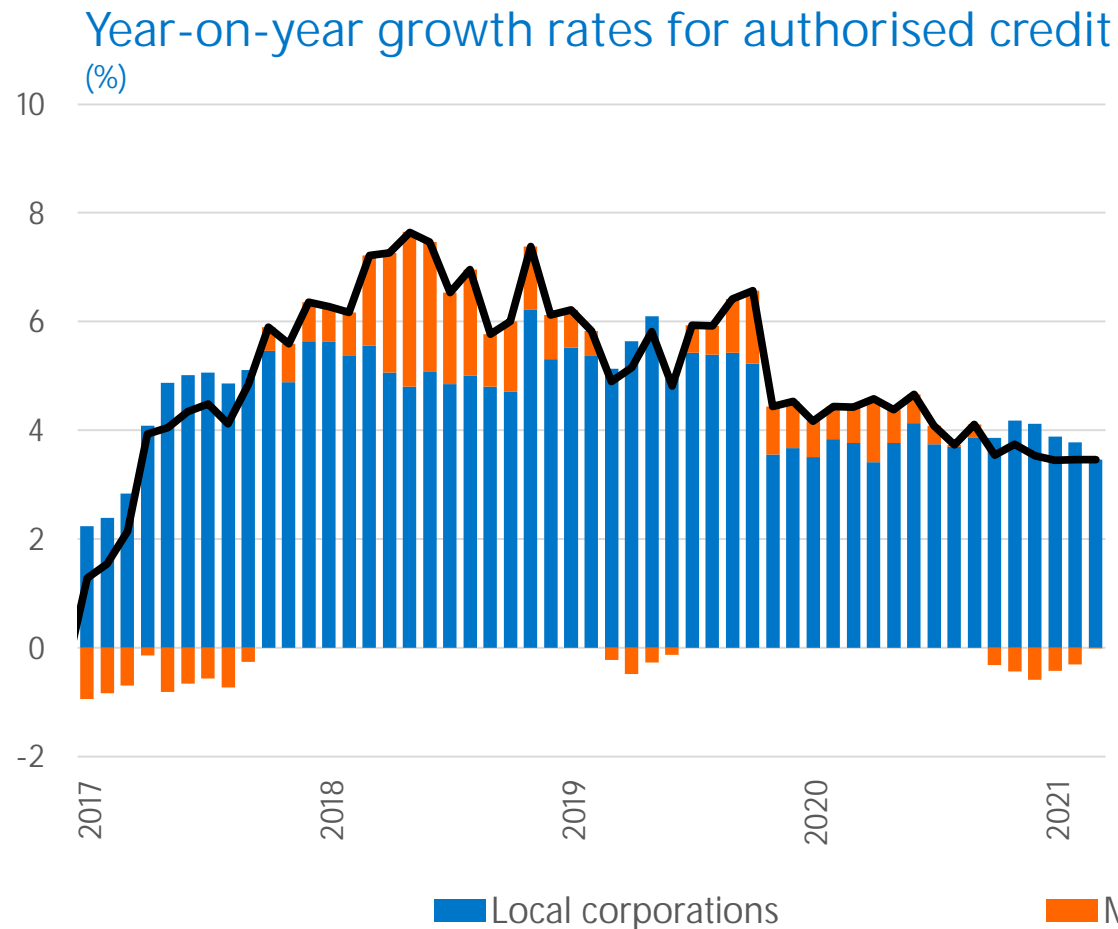
(source: SAFE survey, conducted between 7 September and 16 October 2020)

NFC credit growth in Belgium: continued downward trend after the peak in March and April 2020

(year-on-year % changes¹, up to March 2021²)

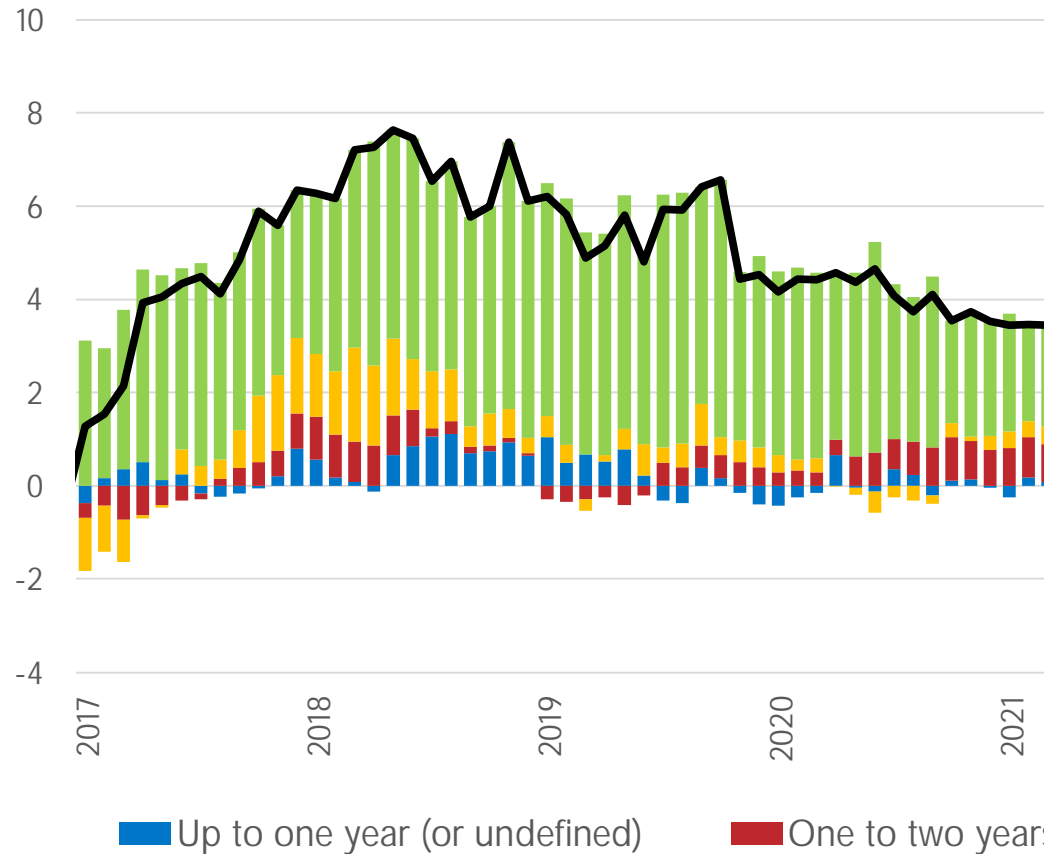


Negative contribution of multinational corporations in March 2021 as a result of a base effect linked to the massive drawdowns of credit lines 12 months earlier ...

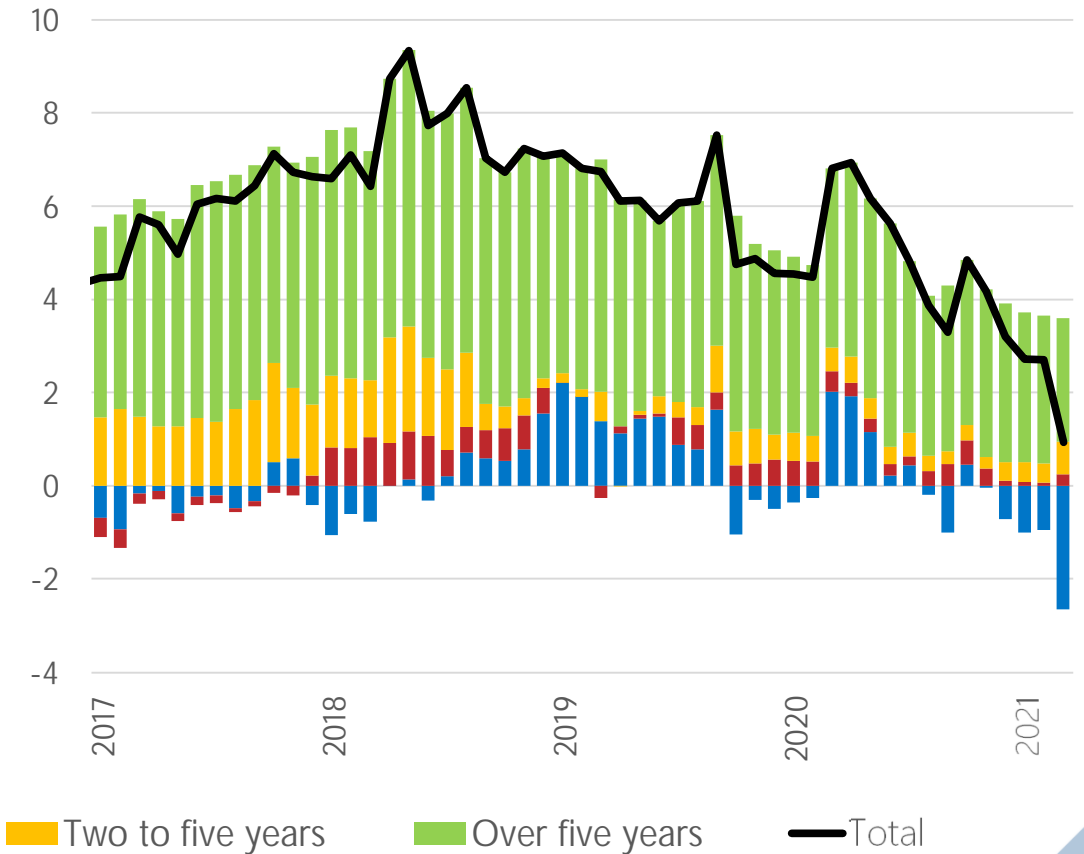


... which also translates into a negative contribution of short-term loans

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



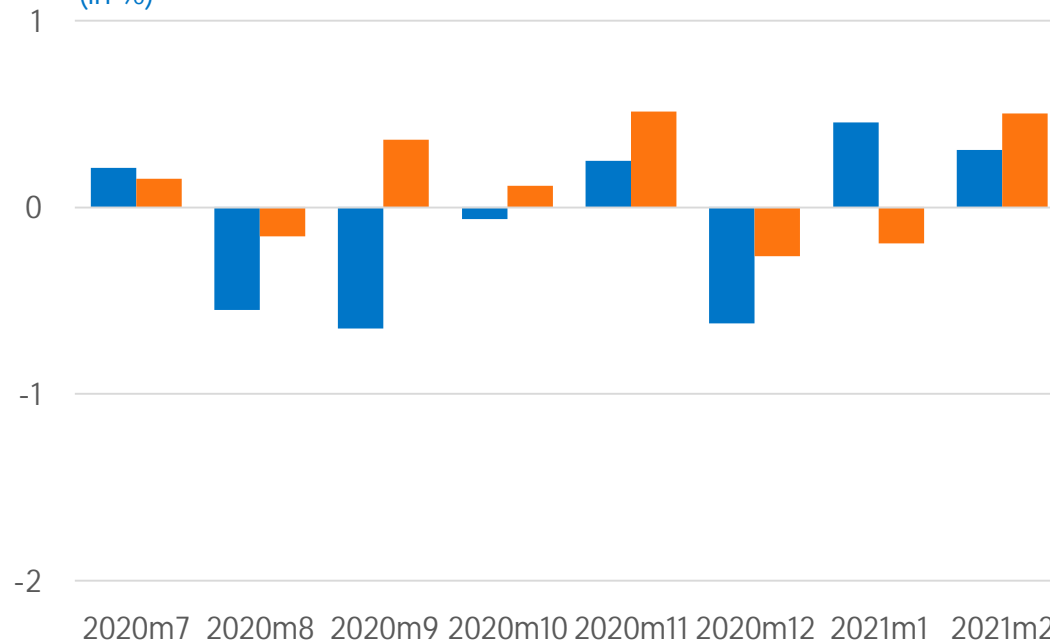
Decomposition of YoY used corporate credit growth by maturity (%)



February growth rates of authorised and utilised loans similar to previous years

Monthly growth rates of authorised and utilised loans

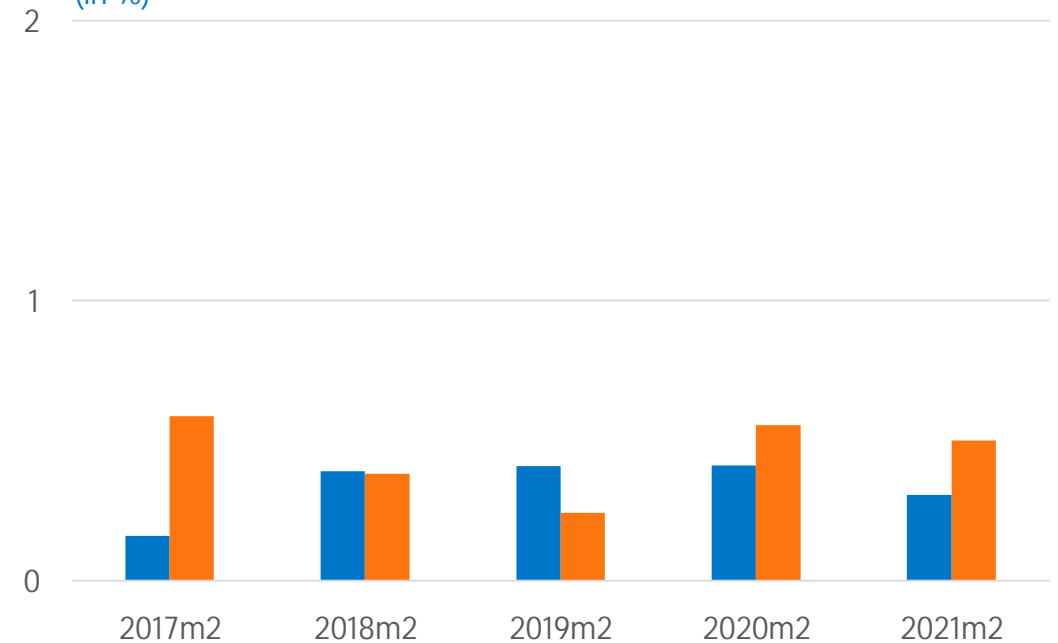
(in %)



■ utilised

Monthly growth rates of loans for February of previous years

(in %)

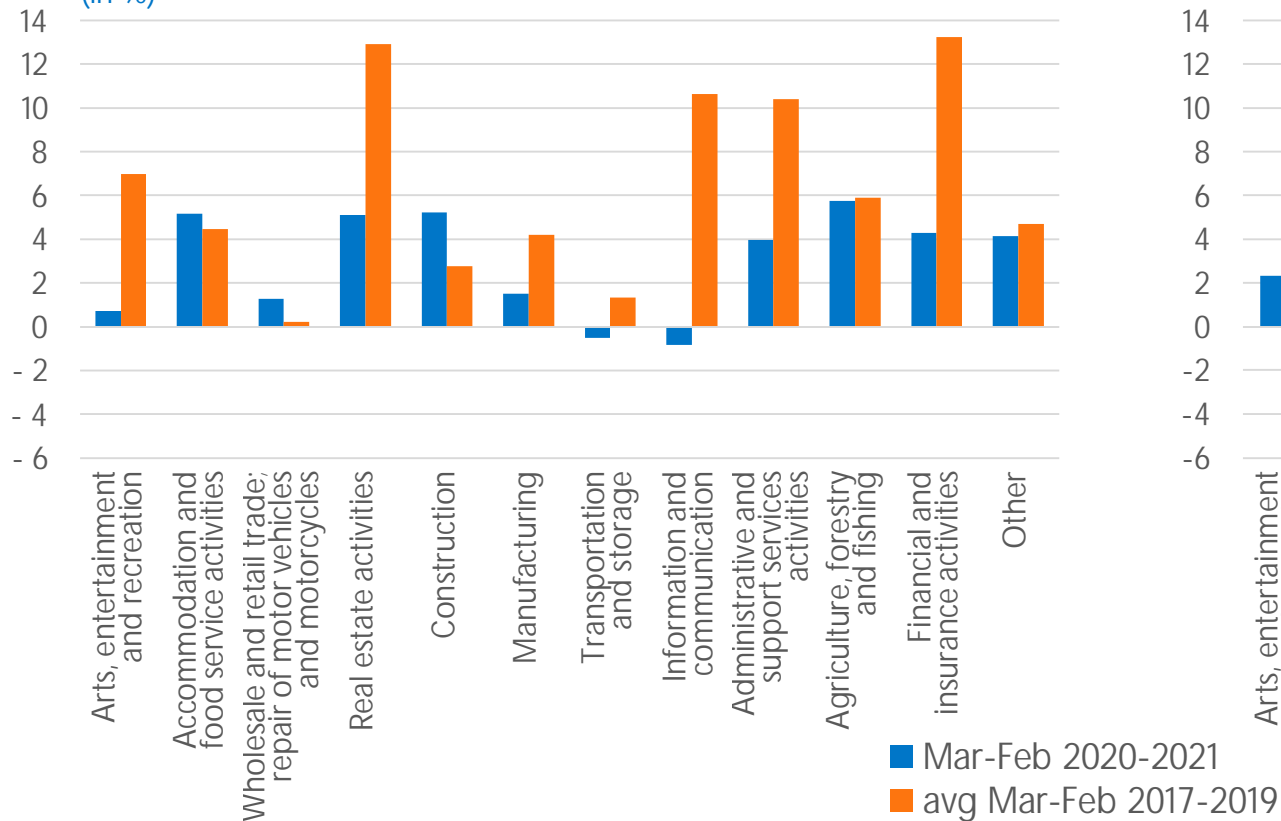


■ authorised

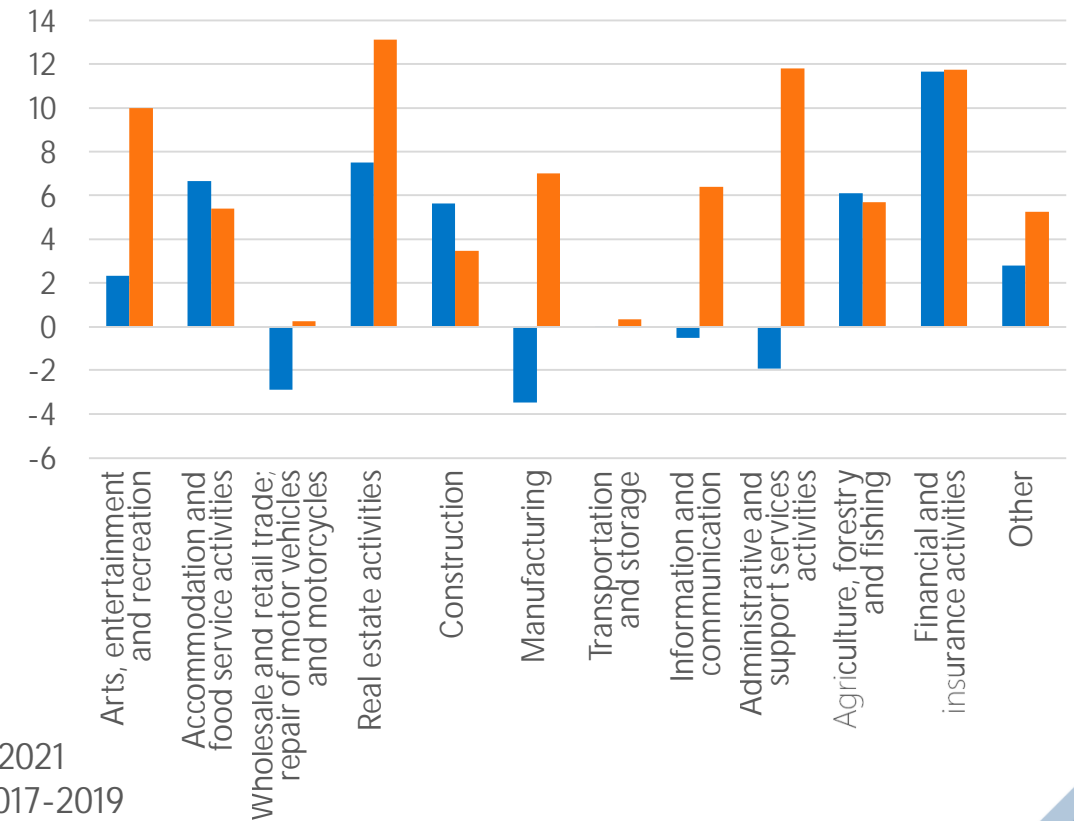
Growth in authorised and utilised loans since start of crisis is below historical averages for many vulnerable sectors

March-February growth rates of authorised loans

(in %)



March-February growth rates of utilised loans (in %)

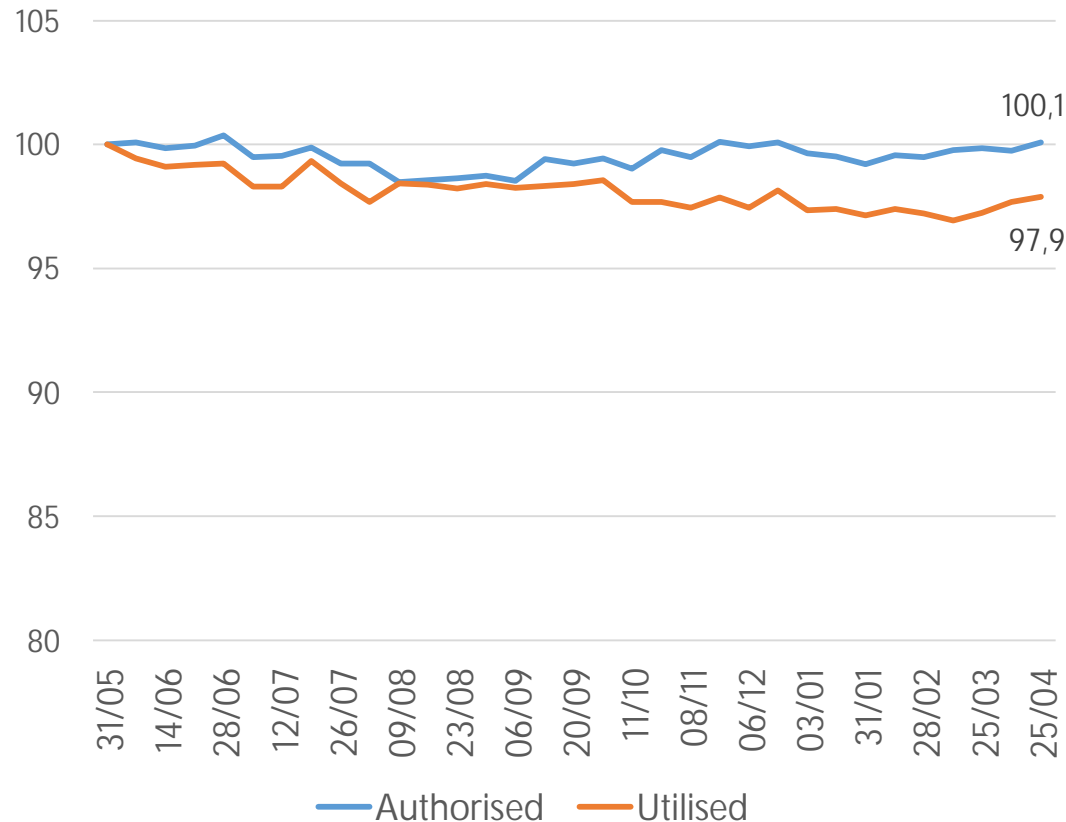


Loan developments - weekly

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

Evolution of total loans to NFCs

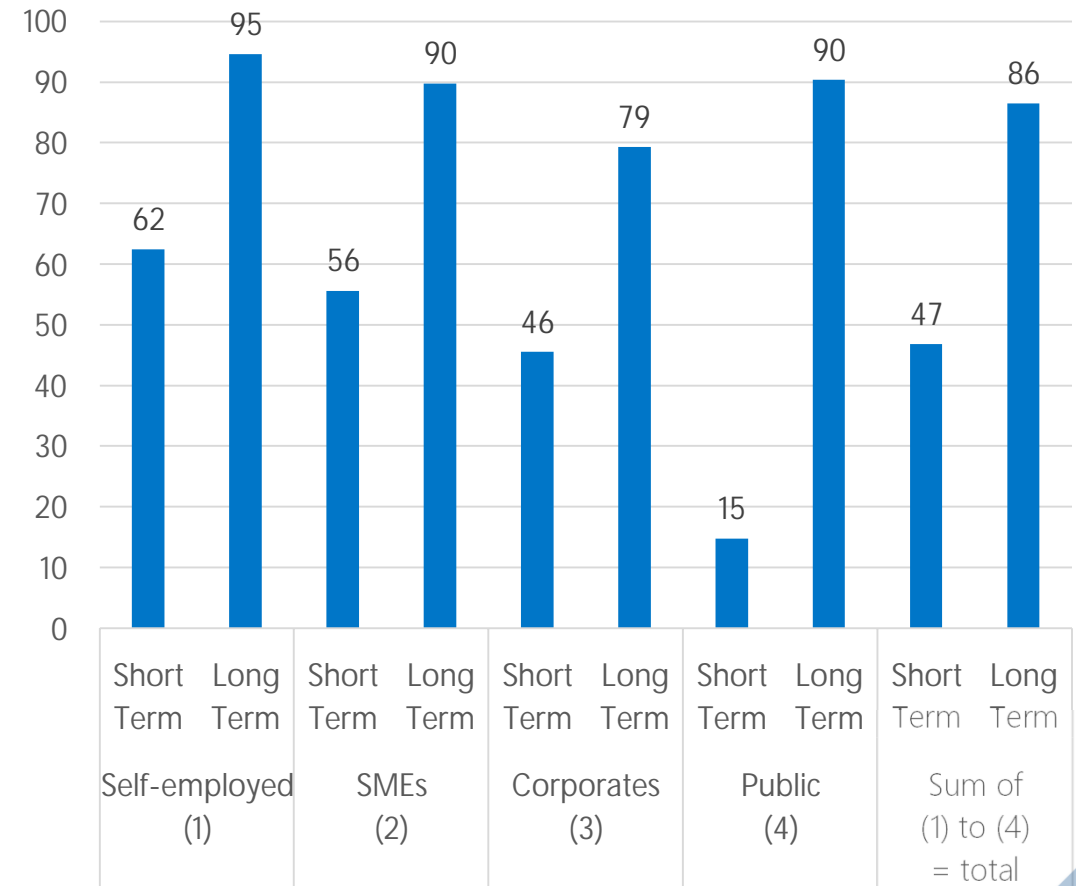
(in %)



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 %)

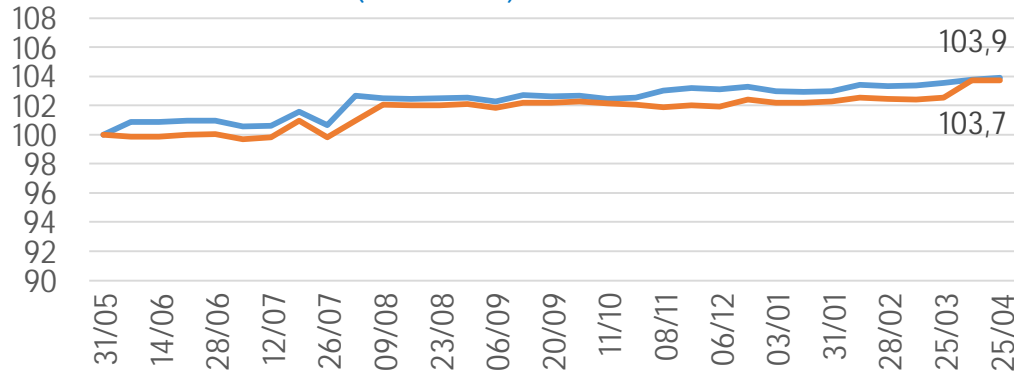


Stable loans for firms except for a decline for corporates

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

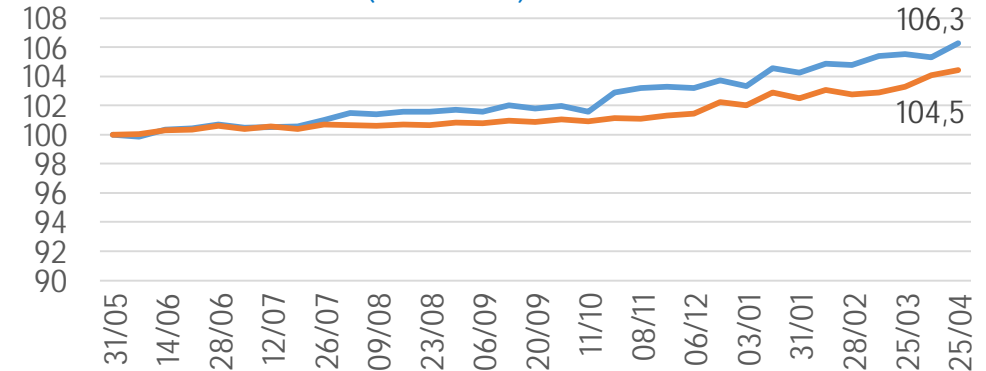
Evolution of total loans to self-employed

Latest observation (authorized) 23 billion EUR



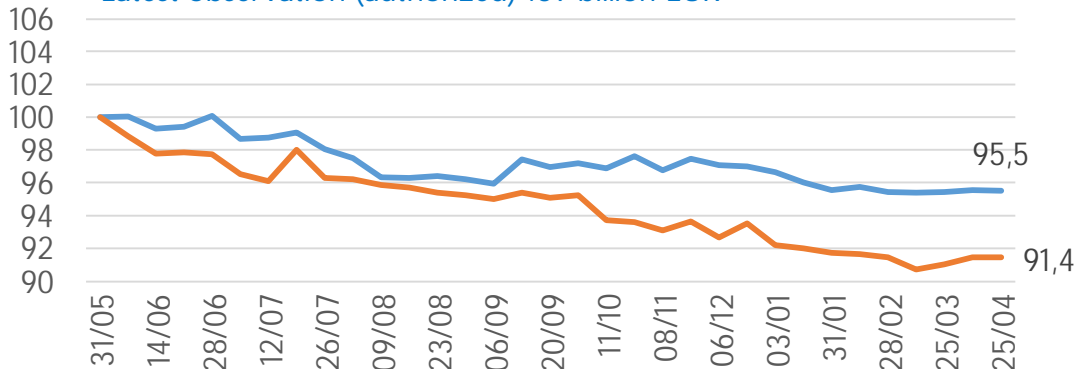
Evolution of total loans to SMEs

Latest observation (authorized) 83 billion EUR



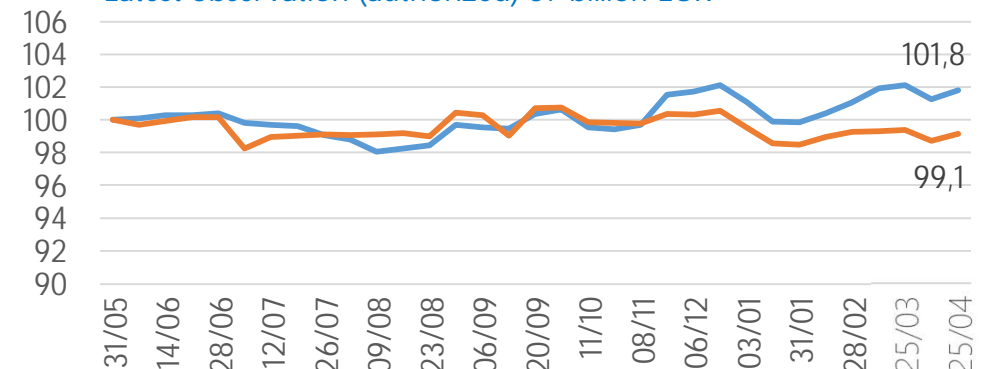
Evolution of total loans to corporates

Latest observation (authorized) 139 billion EUR



Total loans to public sector entities

Latest observation (authorized) 37 billion EUR



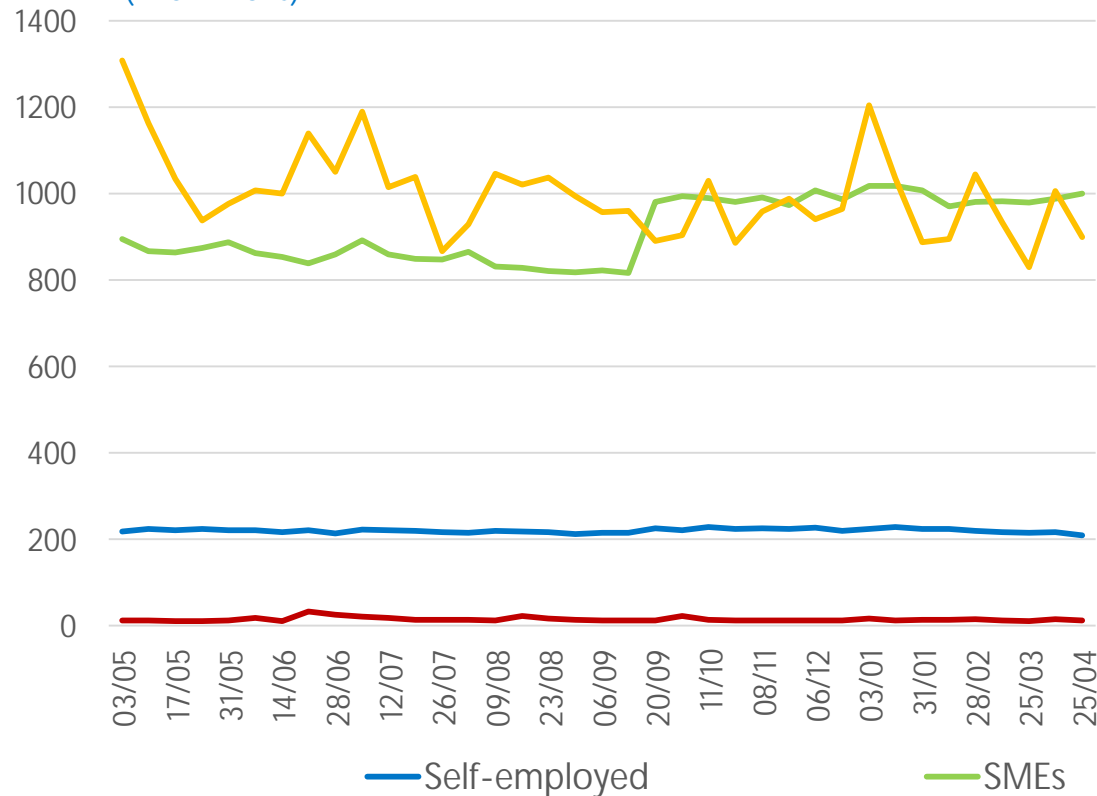
— Authorised

— Utilised

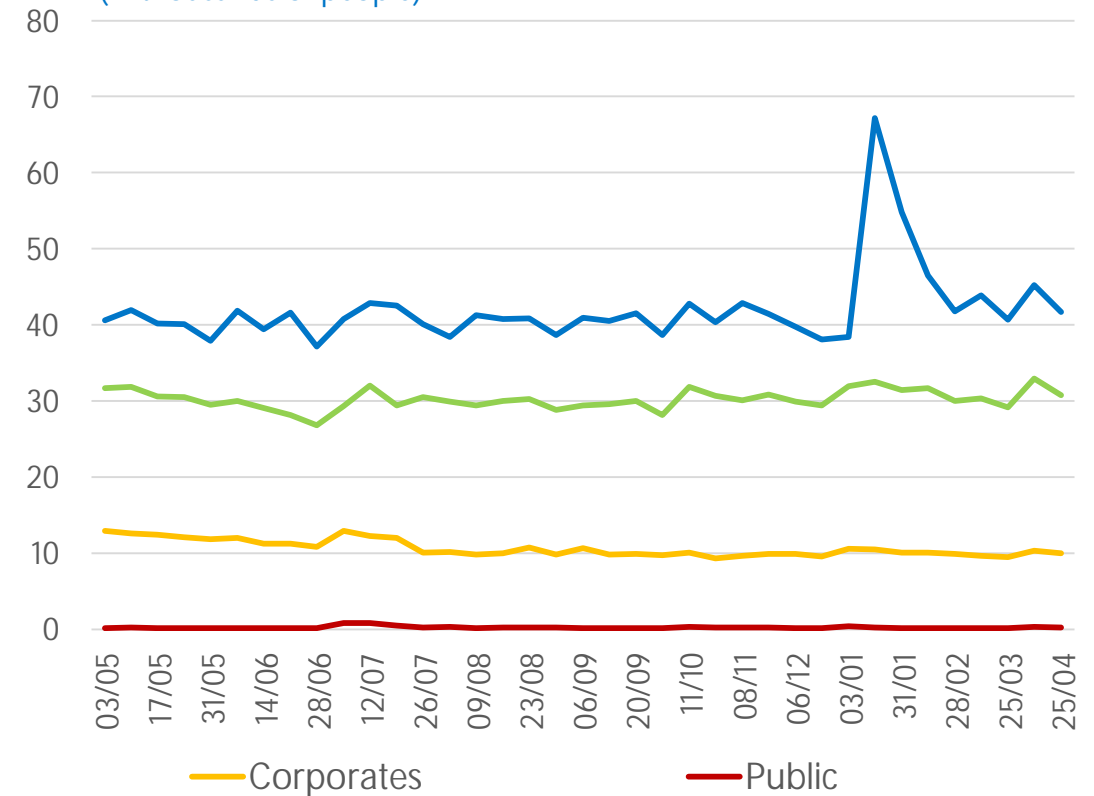
Total loans to NFCs represented as an index normalized to 100 % by end May 2020 stock of loans

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: 25 April 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.

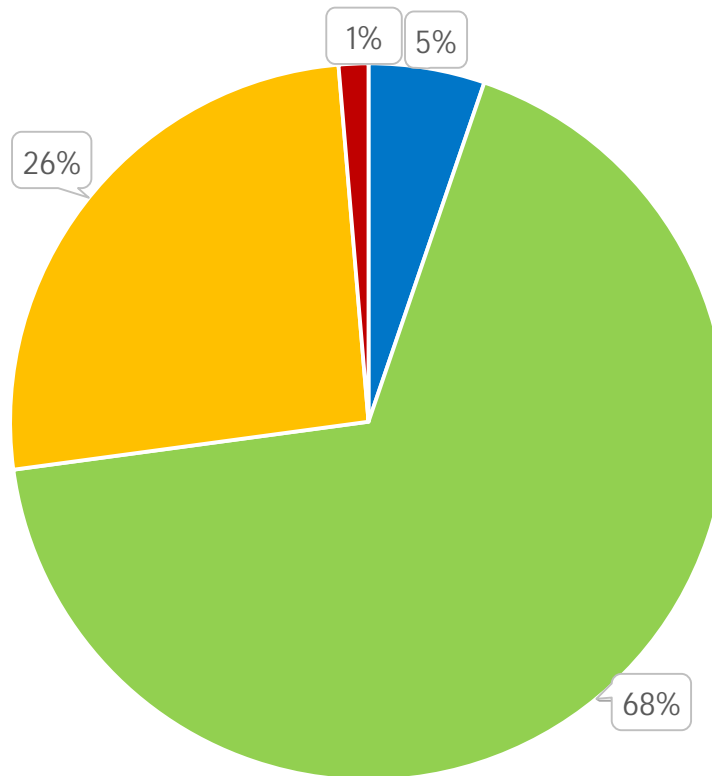
The increase of arrears for the corporate segment is linked to end-of-year operational events.

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

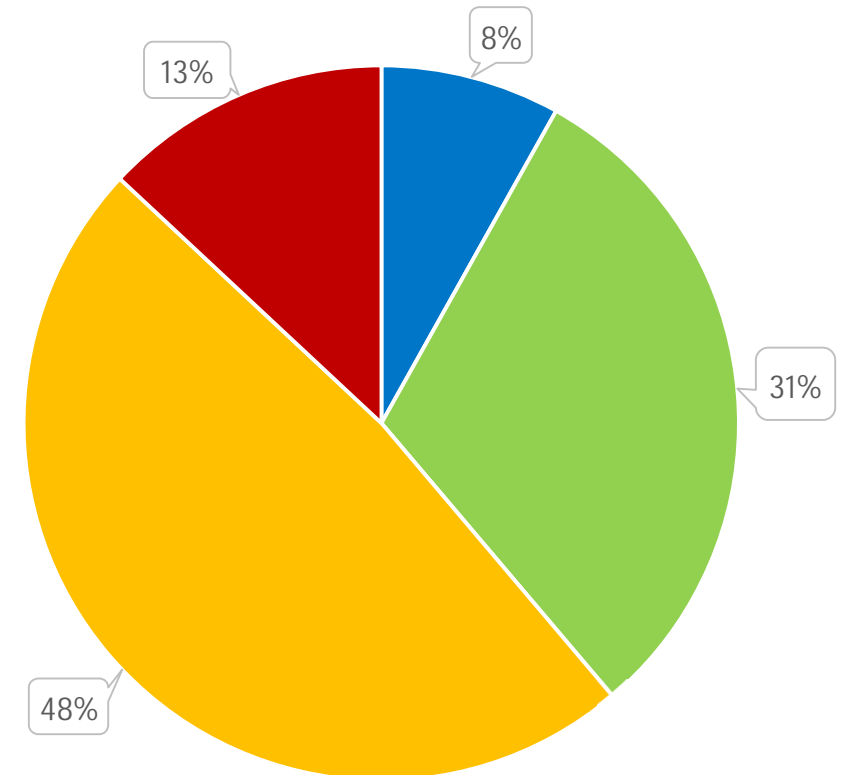
SMEs are the main beneficiaries of moratorium relative to their share of total loans

(moratorium – weekly)

Loan amounts in moratorium by type of counterparty



Total loan amounts by type of counterparty

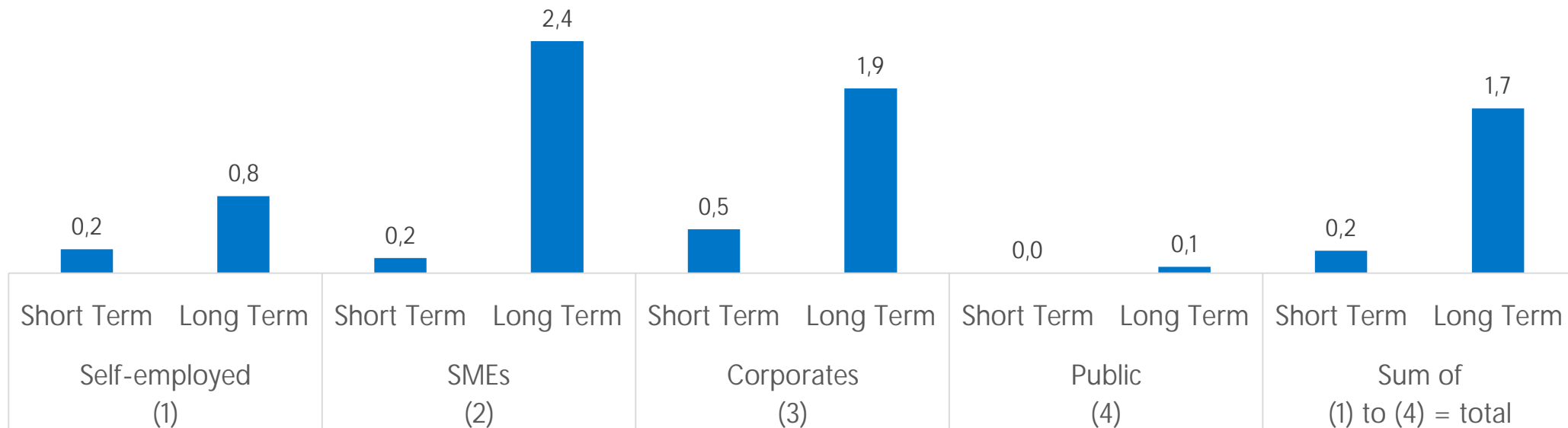


■ Self-employed ■ SMEs ■ Corporates ■ Public

Long term loans are the main type of loans in moratorium

(moratorium – weekly)

% of exposures in moratorium
(last weekly observation)



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 (resembling crown spikes) protruding from its surface. 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 lighting is bright and clean, with a subtle gradient from light blue at the top to a slightly darker blue at the bottom.

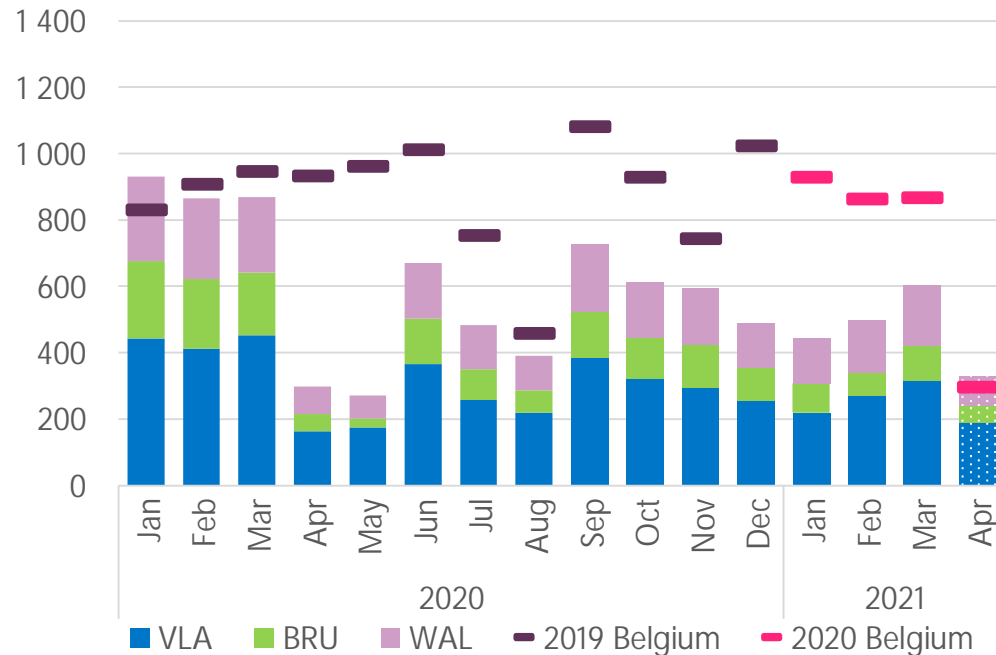
Bankruptcies and new business registrations

The number of bankruptcies¹ increases further in March 2021 but remains far below its 2019 & 2020Q1 levels ...

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

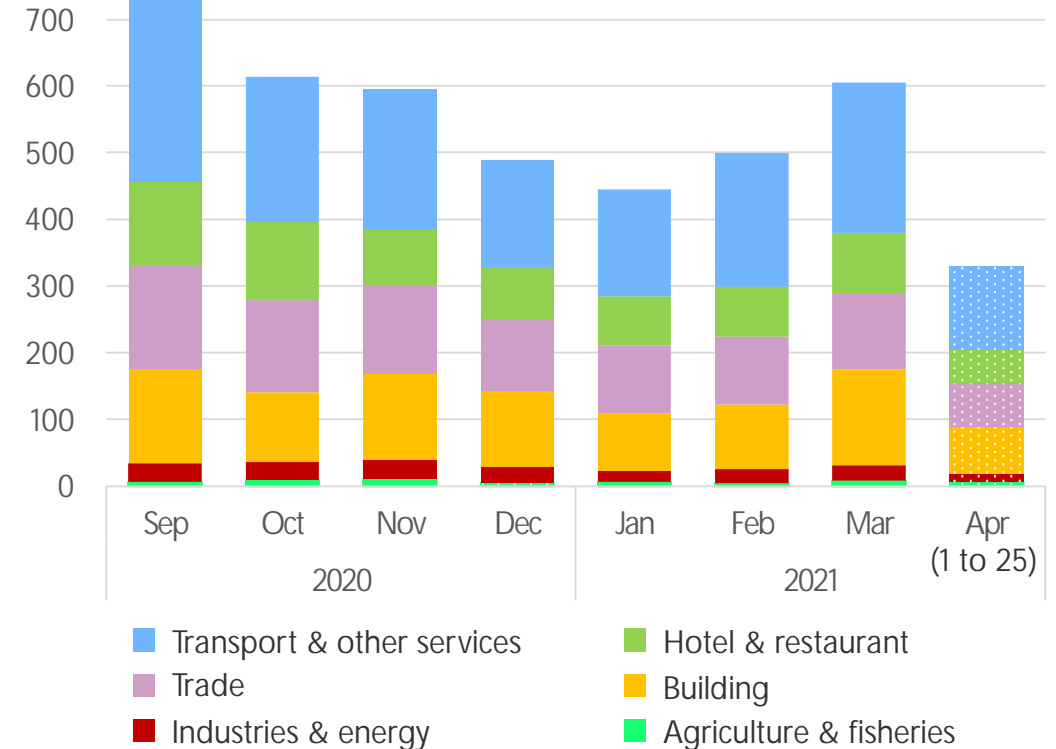
Bankruptcies

(# by region)



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

(# by activity)



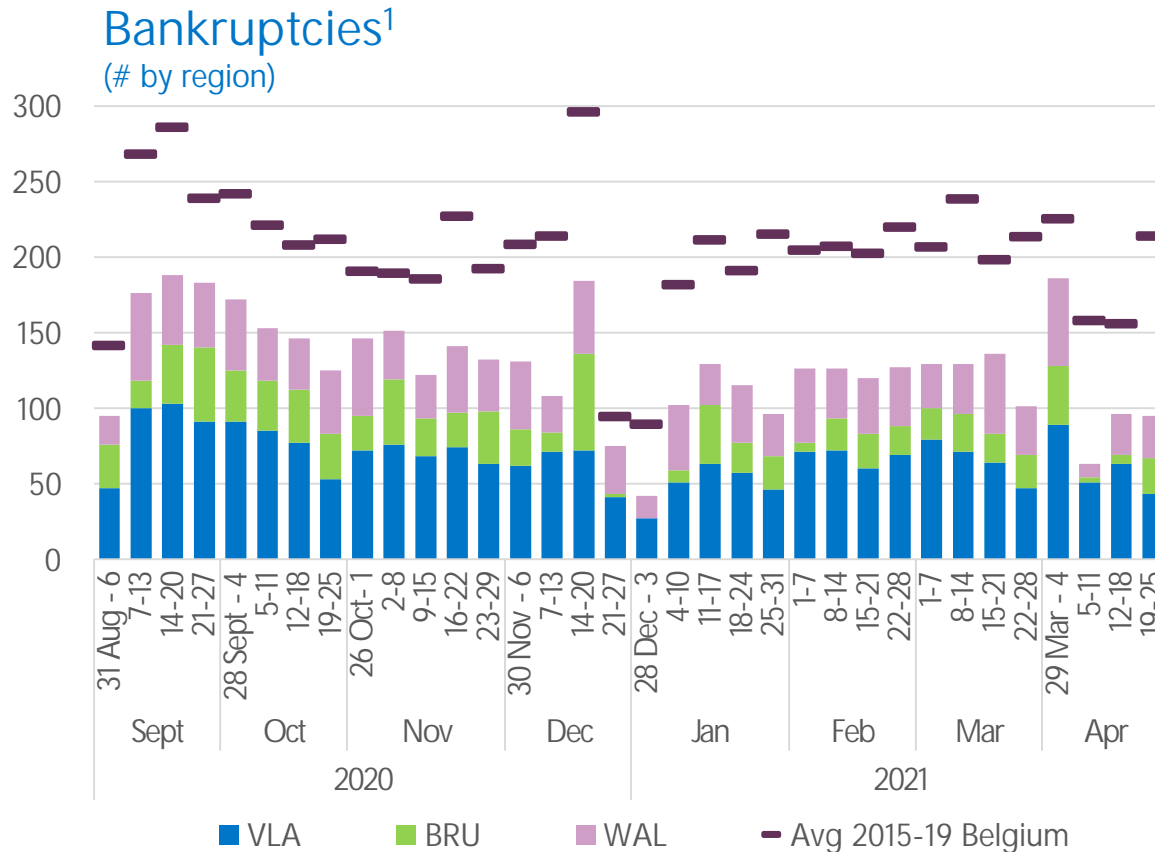
Source: Statbel, latest available data: 25 April 2021.

¹ Declaration of bankruptcy by the company court.

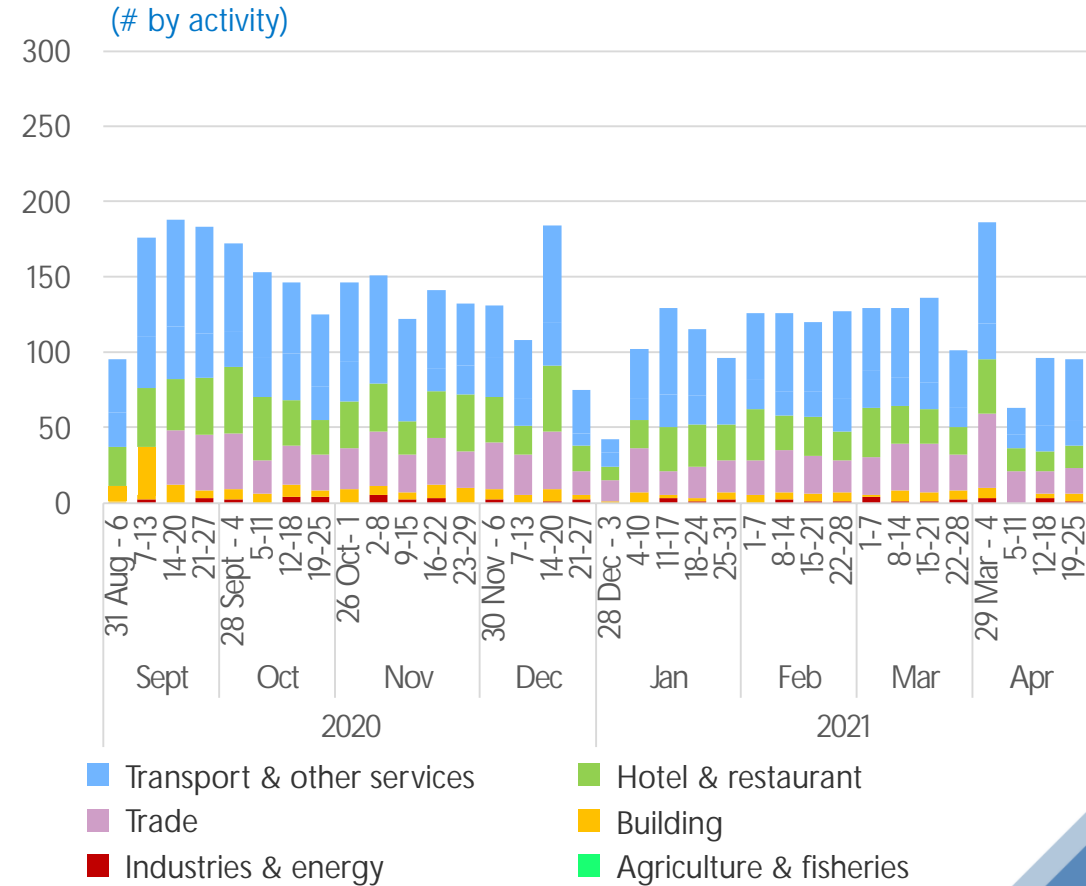
² Although the moratorium on filings for bankruptcies came to an end on 17 June 2020, the tax administration and the ONSS maintains a de facto moratorium on tax and social security debts. Other measures taken were the deferment of payment of the annual company contribution (until 31 October 2020) and 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 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. A 15% reduction in the withholding tax for temporary unemployment and the tax exemption for overtime pay in crucial sectors, are applicable until 30 June 2021. In compensation for the end of the moratorium a new judicial reorganisation procedure (JRP) has been proposed. It 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.

2021: weekly bankruptcies figures recede since Easter Monday ...

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

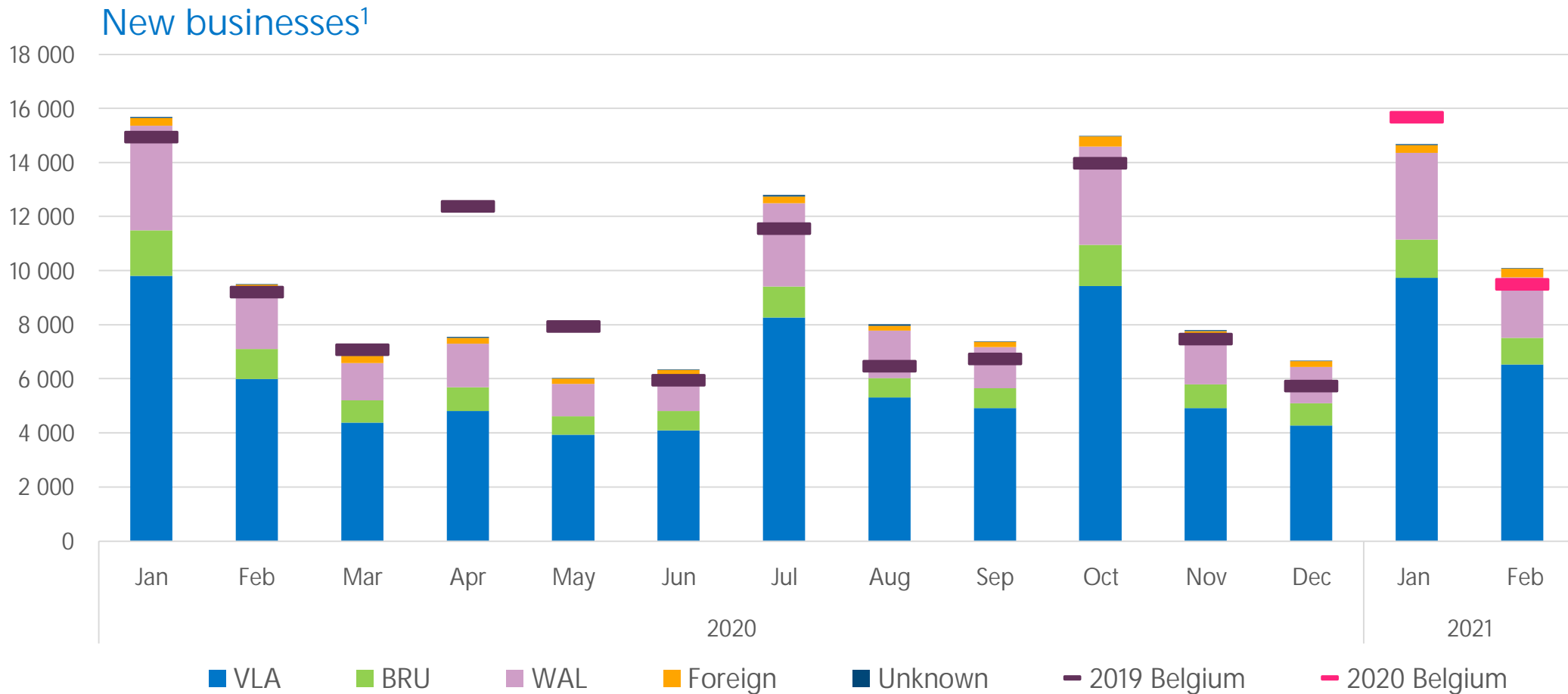


- ◆ Since August 31st, 2020, the number of bankruptcies remains 37 % below the 2015-19 average while in August, declared bankruptcies were close to it



Business startups rise in January according to seasonal patterns ...

... but is below the year-on-year level



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 slide, while several smaller, out-of-focus particles are scattered in the foreground and background, creating a sense of depth.

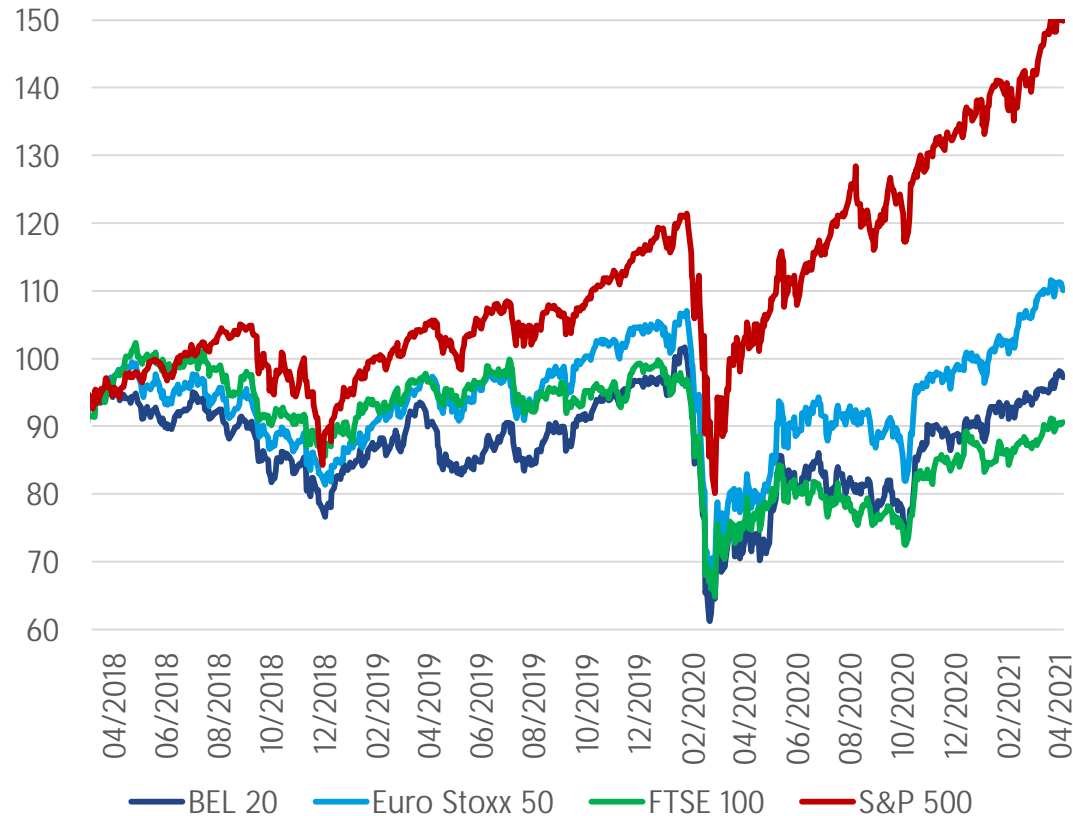
Financial markets

Financial markets supported by the recovery and policy measures

- ◆ The recovery, together with continued policies by the Fed and ECB, supported financial markets.
- ◆ Gains were stronger in the US following good economic data releases (job creation, retail sales, service PMI, and 2021Q1 GDP growth) while mobility restrictions and a slower (but accelerating) vaccine rollout weighed on European markets.
- ◆ Volatility has eased downwards below its historical average. However, a small temporary spike in the second half of April was linked to fears for the European recovery.

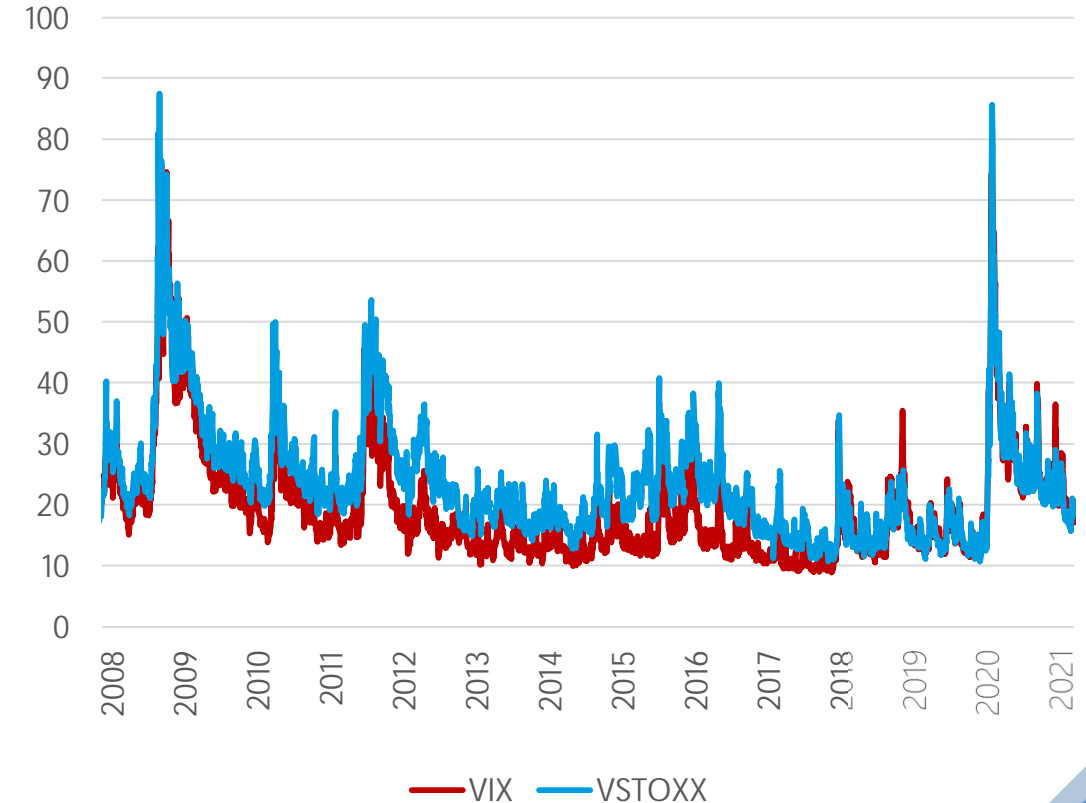
Major stock market indices

(01/2018=100)



Implied stock market volatility

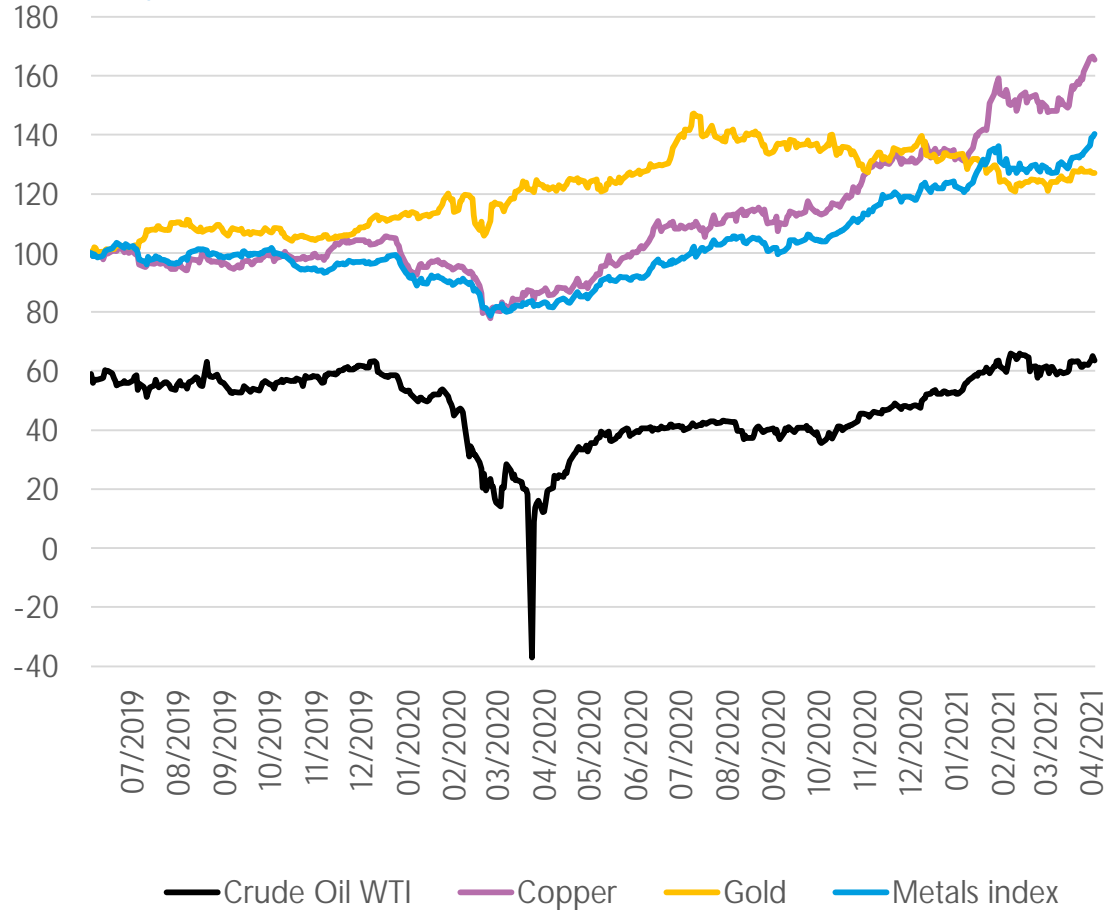
(in %)



Industrial metal prices (especially copper) increased with higher demand

Commodity price indices

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

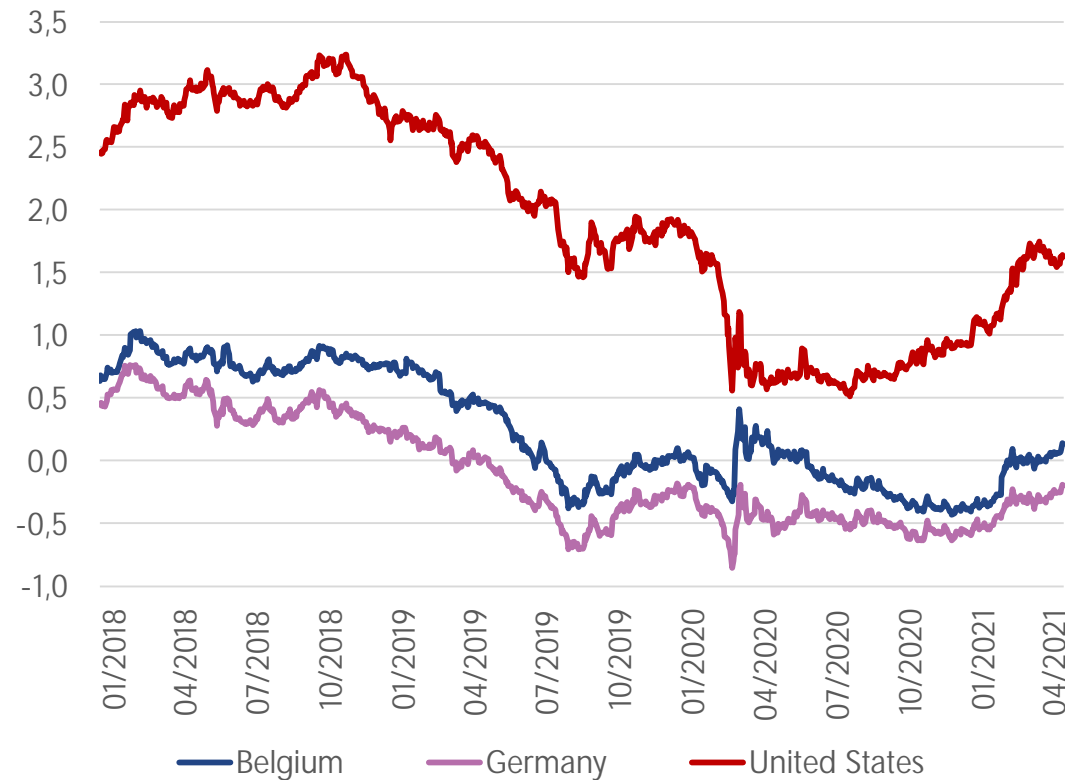


- ◆ Copper prices increased to \$10 000/tonne with strong demand and constraints on supply
 - ◇ The recovery, the green transition, and inflationary expectations caused a strong increase in demand for industrial metals such as copper and iron ore.
 - ◇ The COVID-19 crisis also caused disruptions on the supply side (including in Chilean copper mines)
- ◆ Oil prices stabilized above \$60/b.
 - ◇ Demand is expected to improve, but elevated COVID-19 cases in India, Brazil and Europe could limit the recovery
 - ◇ The OPEC+ group agreed to gradually increase supply (as planned)
- ◆ High US yields put downward pressure on gold price which, however, is supported by rising inflation expectations, the uncertain environment, and consumer demand

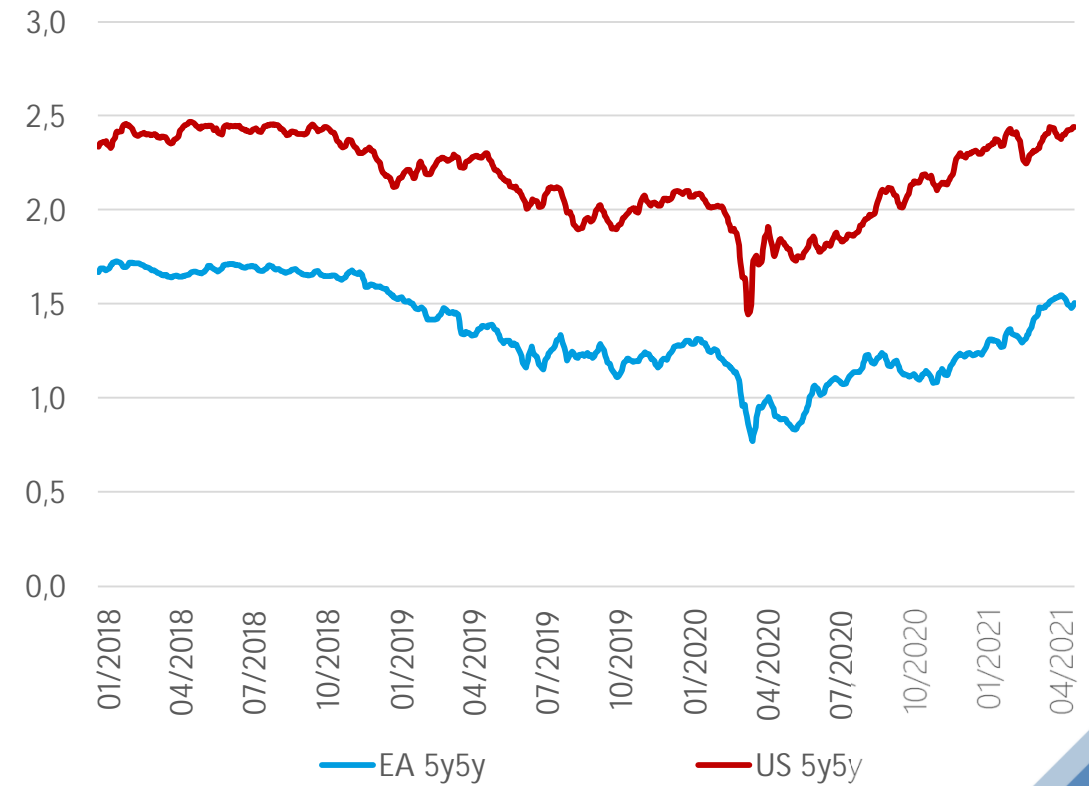
The increase in long-term government bond yields paused

- ◆ Since the beginning of the year, yields followed an upward trend, supported by the expected recovery. The increase has been particularly pronounced in the US.
- ◆ In April, renewed pledges of prolonged policy support by the Fed and the ECB helped to counter this reflation trade.
- ◆ However, yields remain sensitive to news on the economic front. Most recently, better than expected US GDP growth data (2021Q1) caused a moderate increase in US and EA government bond yields.

10-year government bond yields (in %)

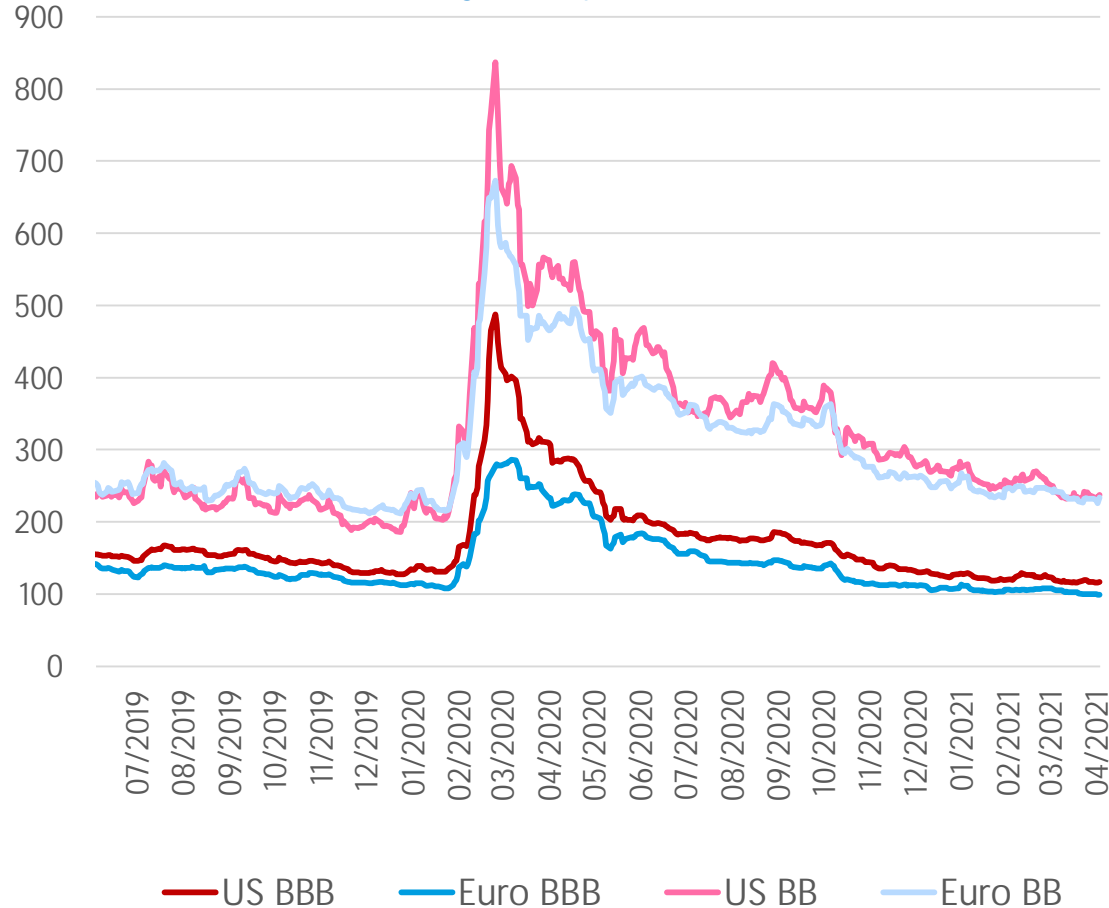


Market based inflation expectations¹ (in %)



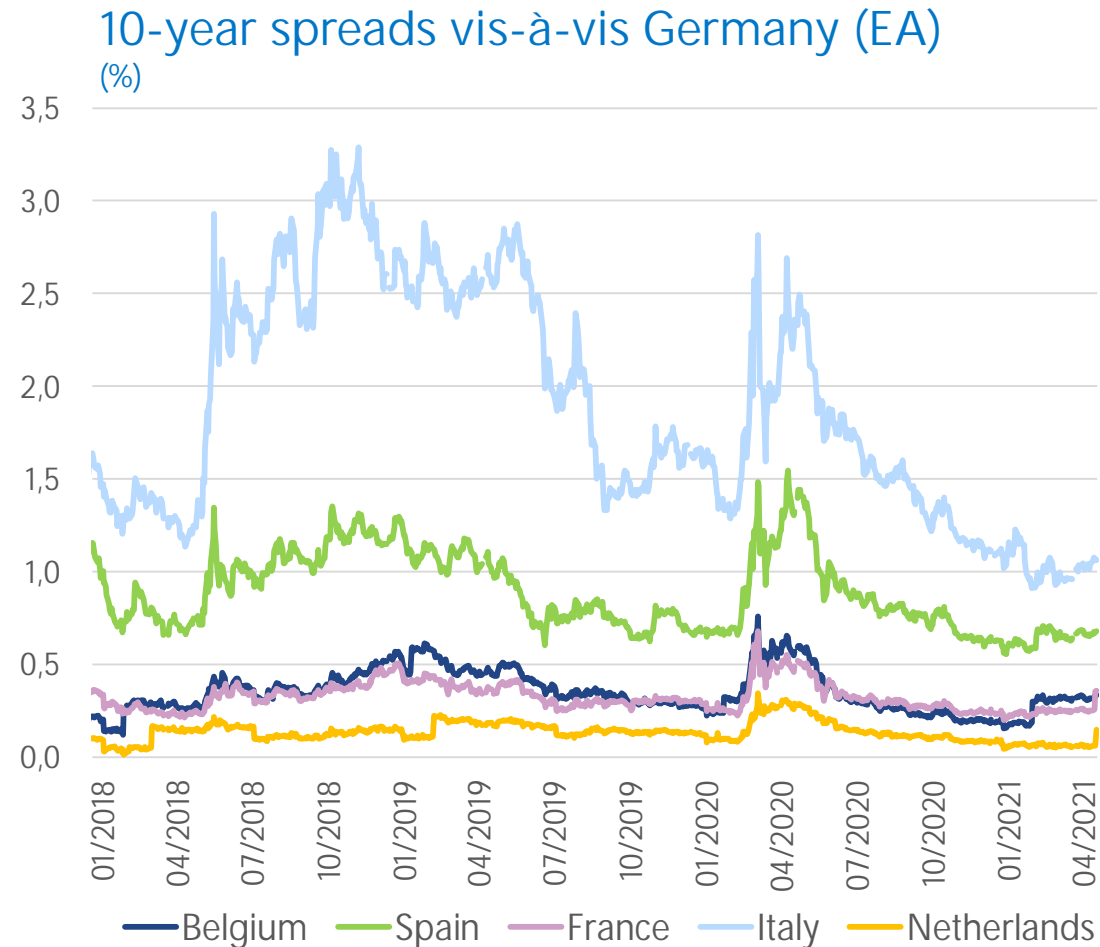
Corporate spreads remain stable and close to pre-pandemic levels

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



- ◆ Both for Europe and for the US, the improved economic outlook helped preserve narrow corporate spreads.
- ◆ The low interest rate environment has kept favourable financing conditions for firms.
 - ◇ However, the recent rise in long-term interest rates could make it more difficult for firms to refinance debt.

Sovereign bond spreads remain low

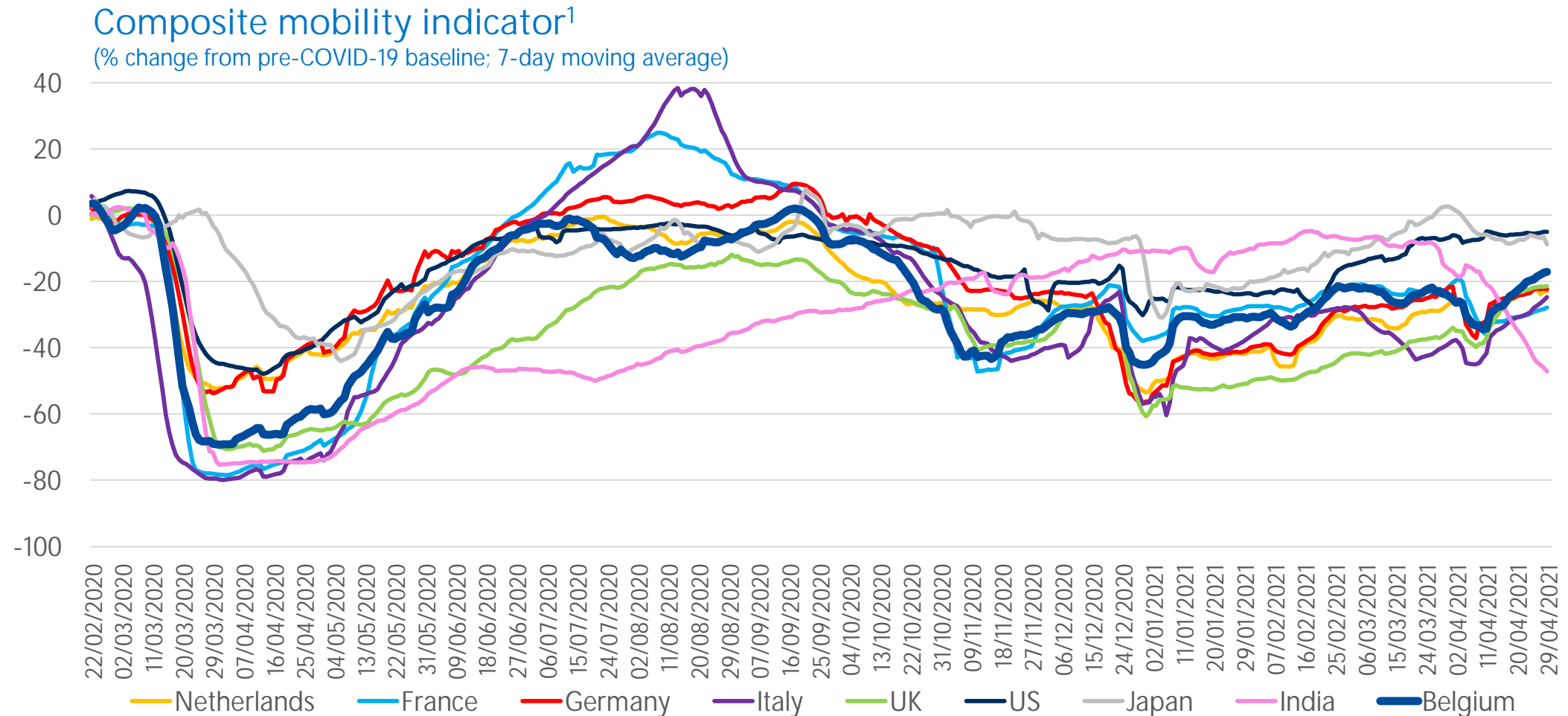


- ◆ Sovereign bond spreads remained low, as the ECB pledged to maintain an elevated pace of asset purchase under its PEPP.
- ◆ IT spread increased slightly following new borrowing plans
- ◆ NB: Apparent rise in BE spreads in early 2021 due to change of benchmark.

The background of the slide features a large, detailed illustration of a coronavirus particle in the center, surrounded by several smaller, less detailed versions of the same particle. 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.

International outlook

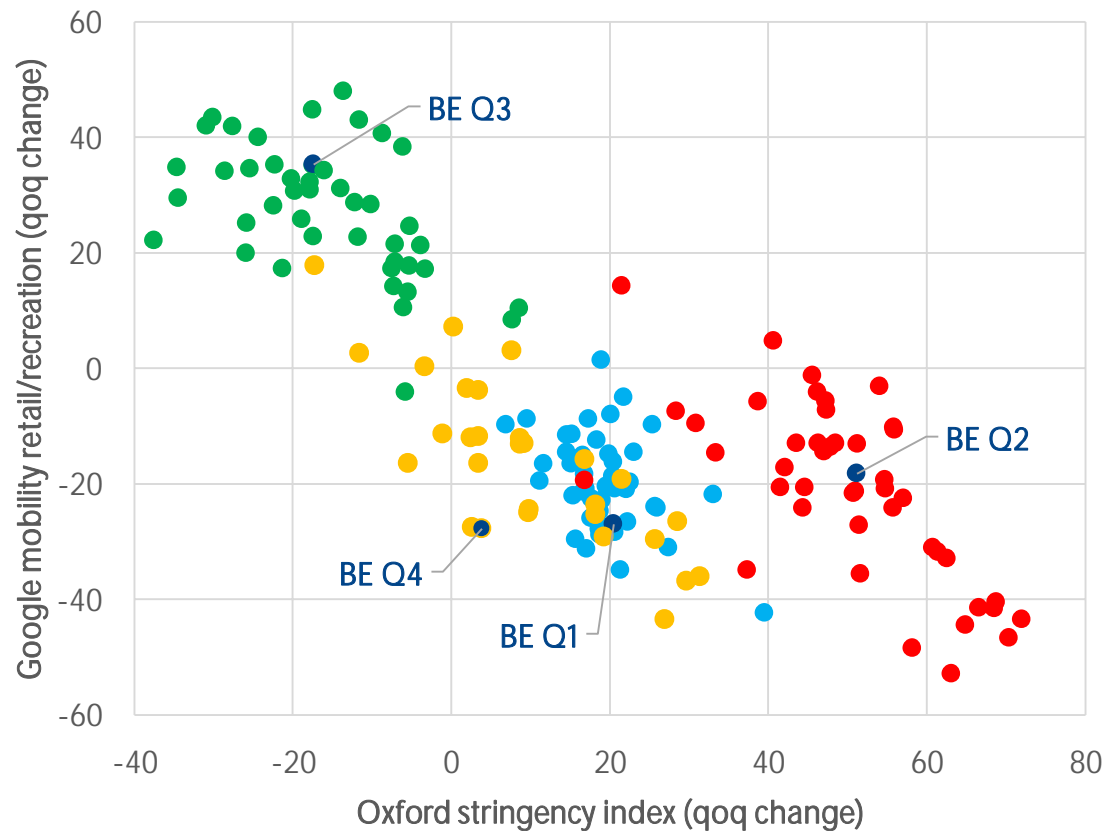
Mobility less affected than in the spring of 2020 but still subdued



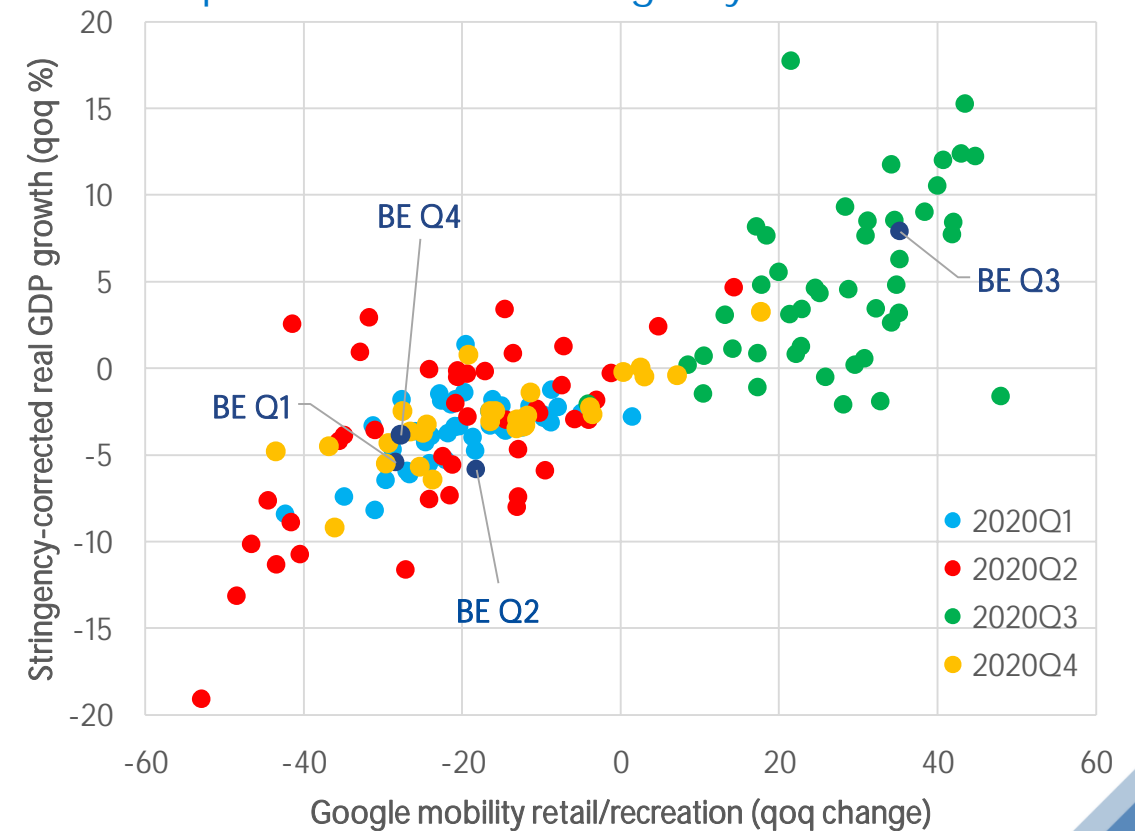
Hit on GDP growth: it's actual mobility!

Actual reductions in mobility are strongly related to GDP losses, and this goes beyond the effect of containment stringency : effective enforcement and self-compliance arguably matter.

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



... and changes in actual mobility are strongly correlated with GDP growth, over and above the impact of lockdown stringency or COVID deaths²



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

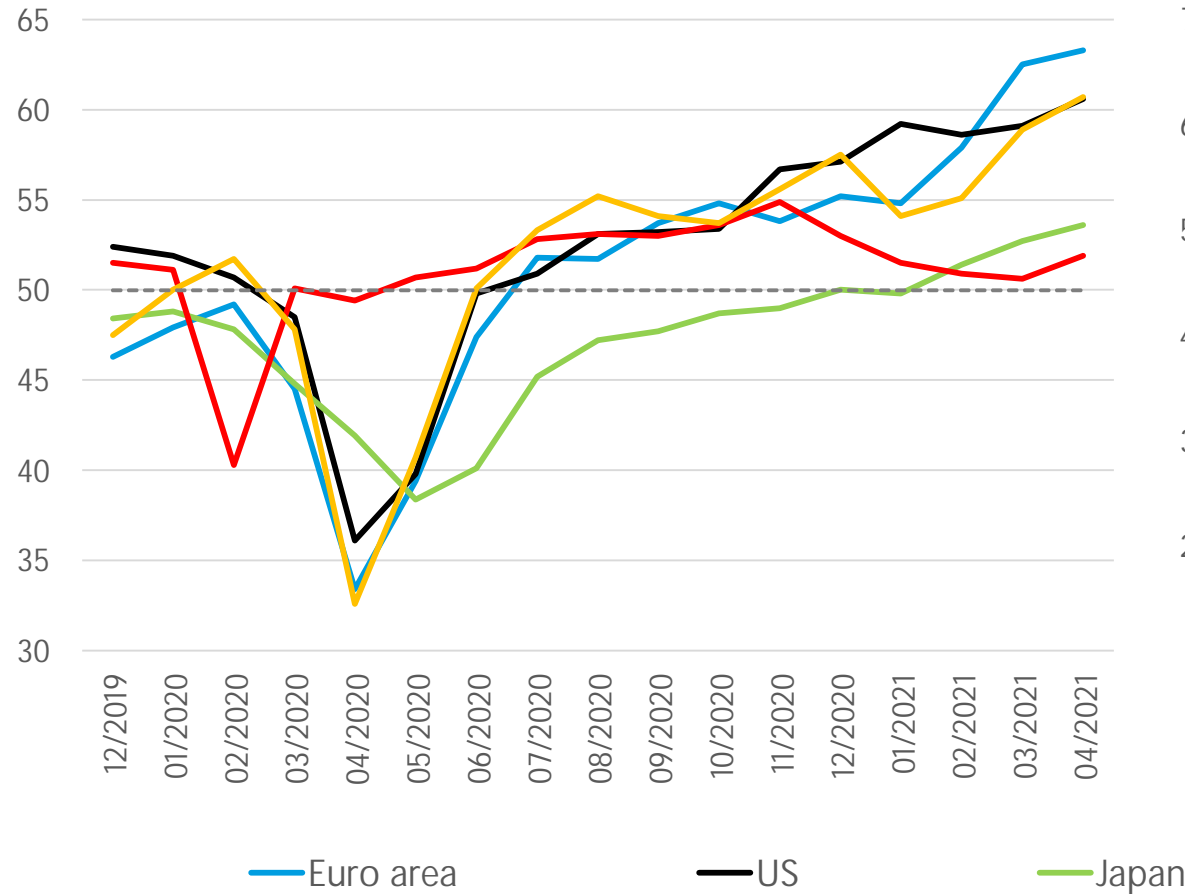
¹ Country sample consists of 45 OECD and major non-OECD countries over 2020Q1-Q4. Each dot represents a country-quarter. Oxford Stringency index codifies 9 types of containment measures. Index levels take values between 0 (no restrictions) and 100 (hard nationwide lockdown). Google mobility report scores 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.

Sentiment continues to improve, now also in services

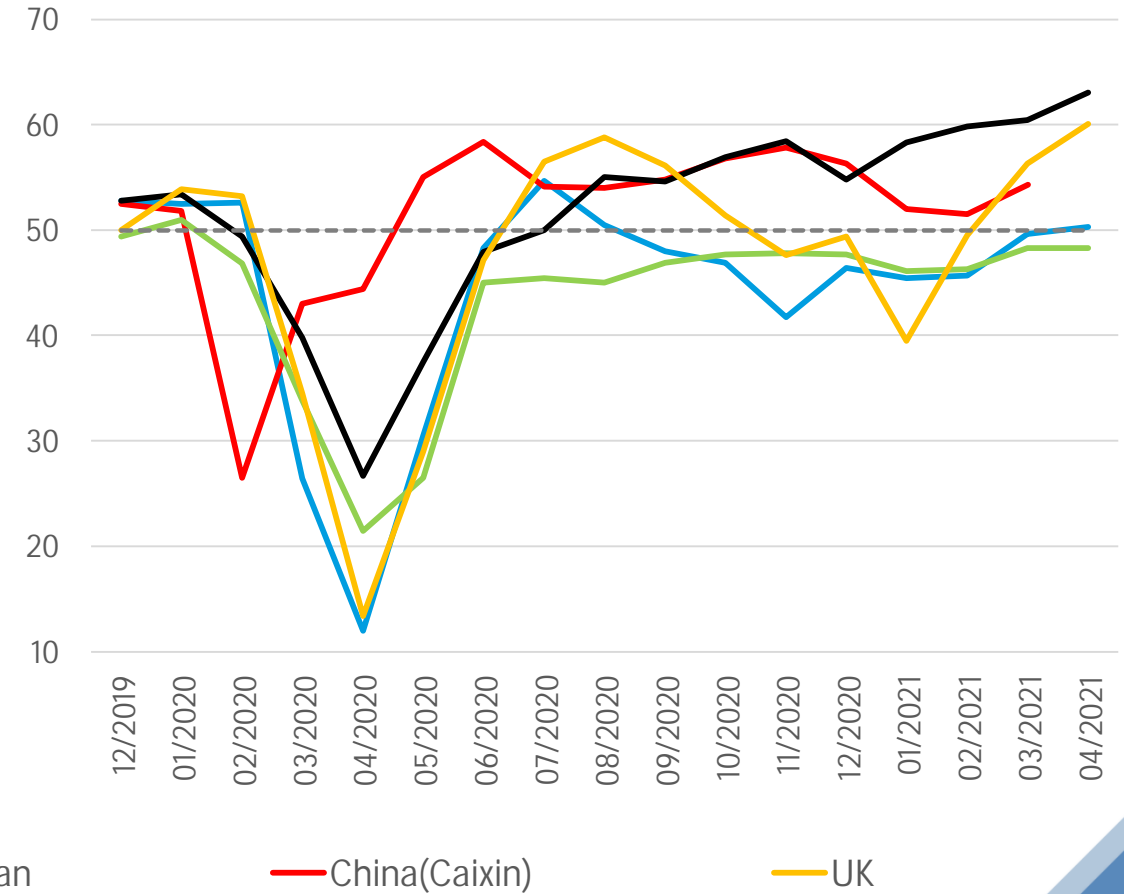
Manufacturing PMIs

(diffusion index; 50+ signals expected expansion)



Service sector PMIs

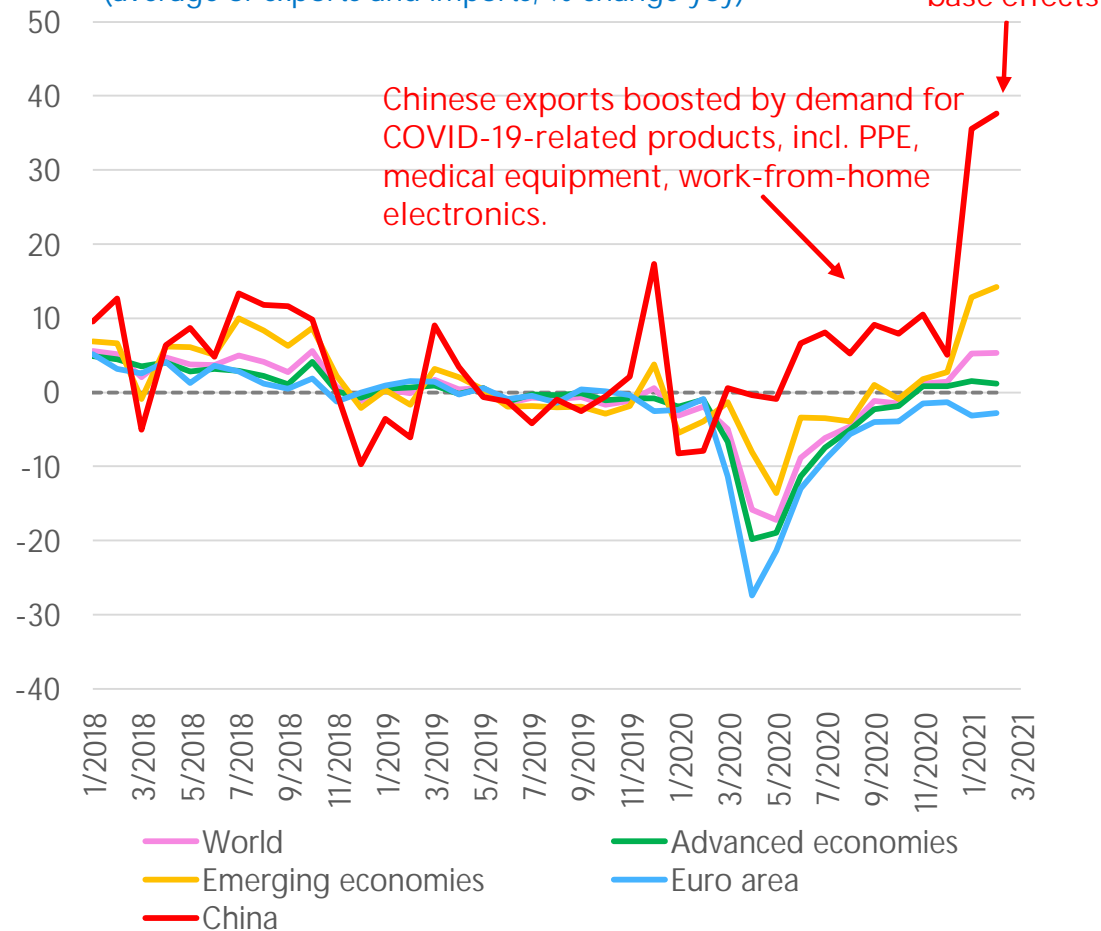
(diffusion index; 50+ signals expected expansion)



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

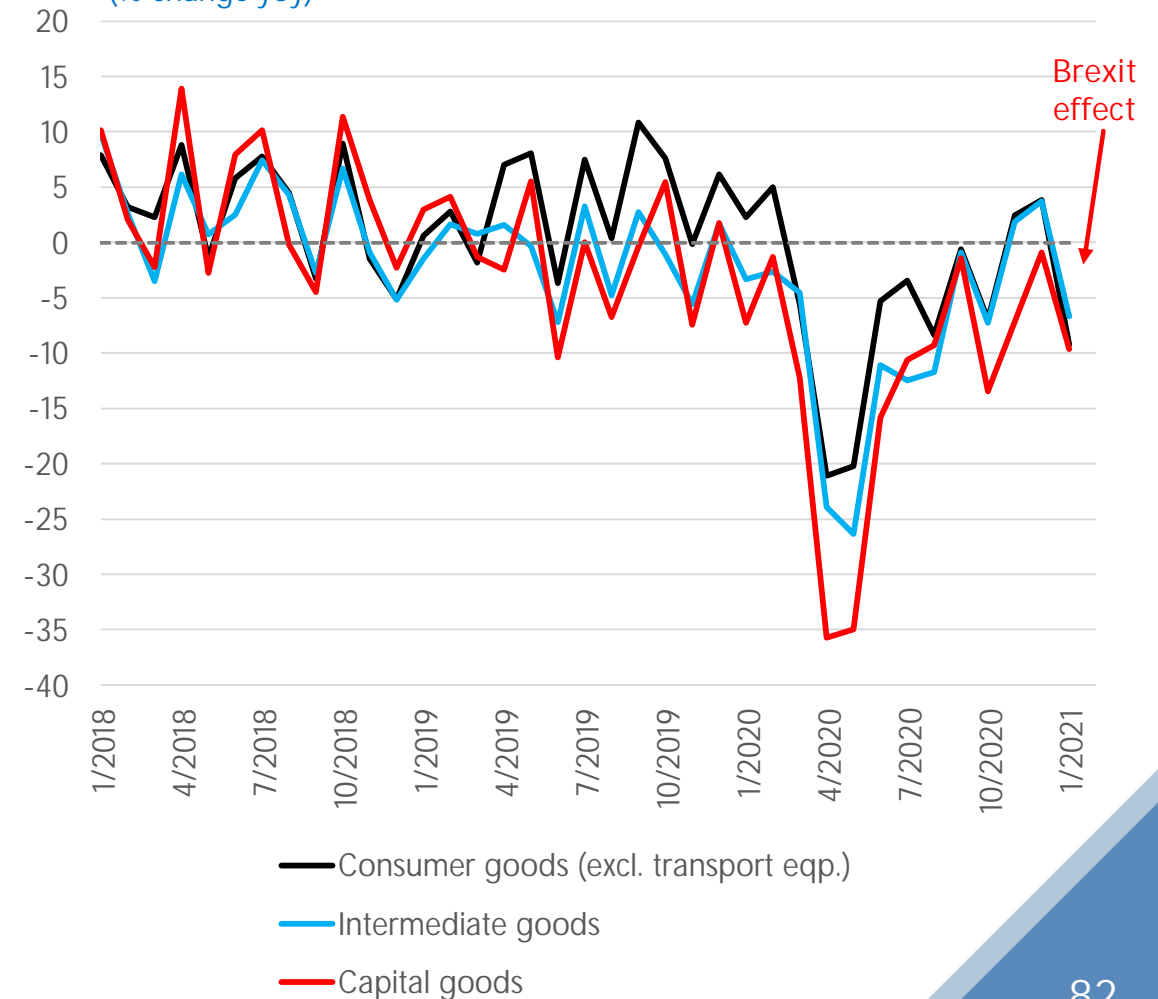
World goods trade volumes¹

(average of exports and imports, % change yoy)



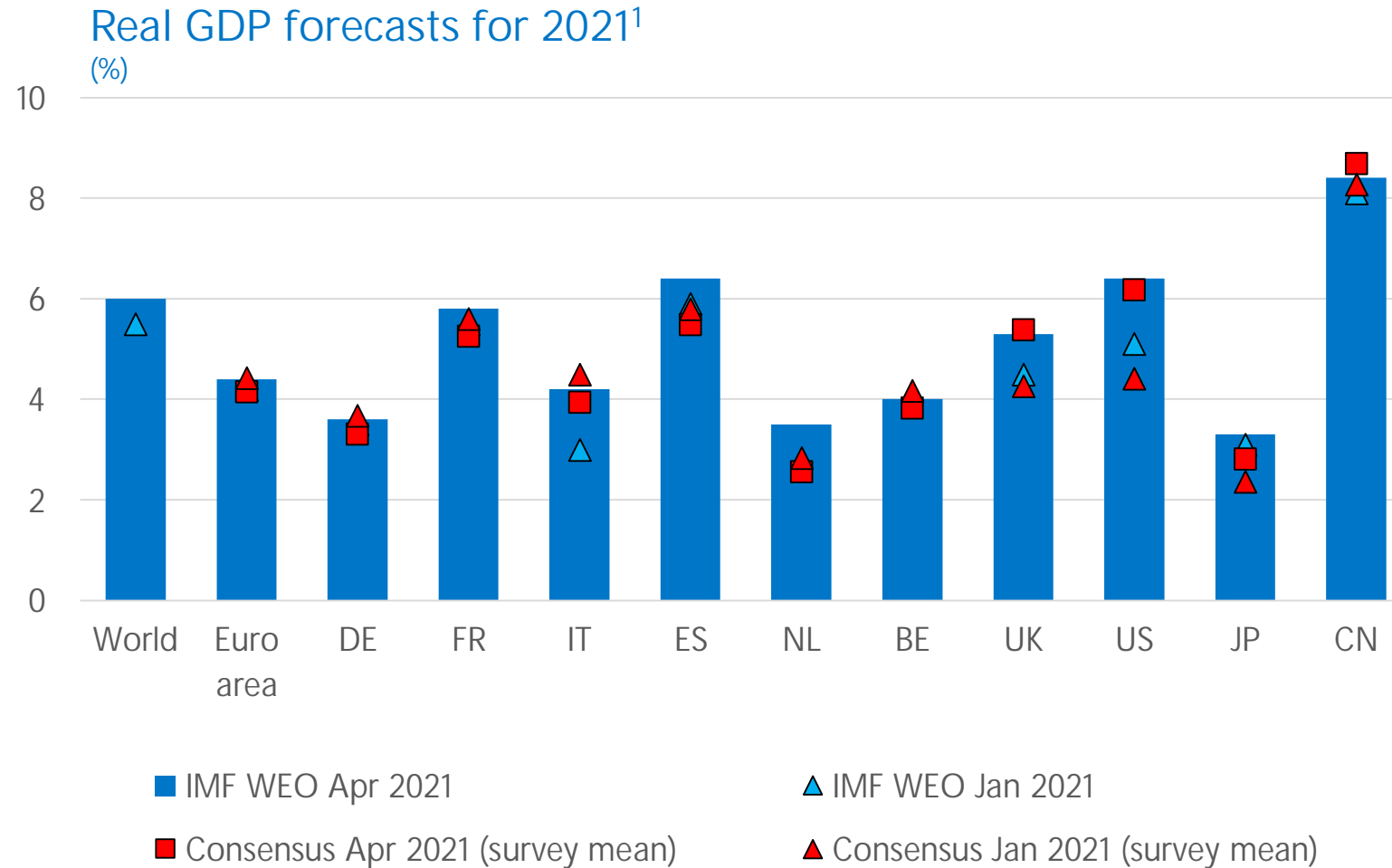
Euro area: extra-EA-19 goods export volumes²

(% change yoy)



Latest IMF forecasts for 2021

World Economic Outlook: "Managing divergent recoveries"



Revisions to IMF forecasts for 2021 since January reflect:

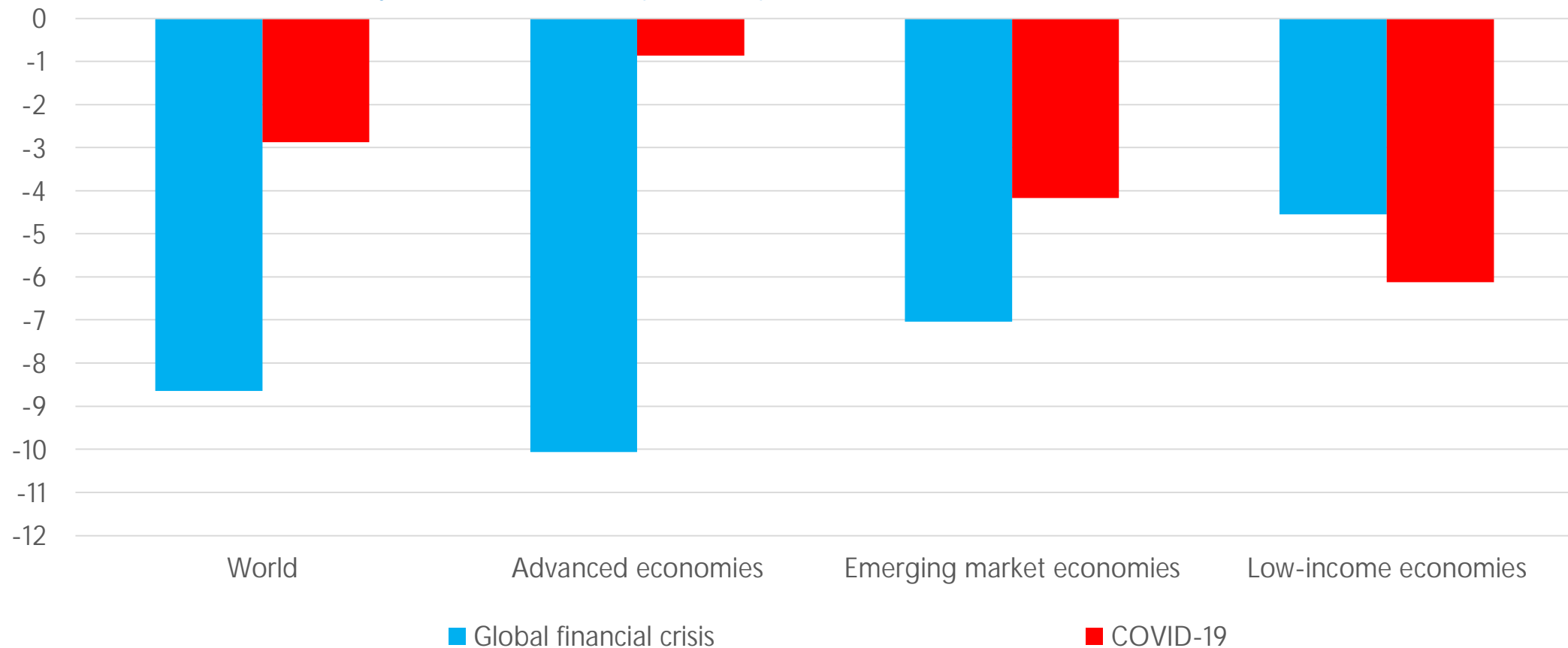
- ◆ Acceleration of mass vaccination campaigns that could allow for faster withdrawal of containment measures and resumption of economic activity in second half of year
- ◆ Announcements of large additional fiscal policy support in a few major economies (most notably the US)
- ◆ Smaller adverse impact on economic activity of containment measures, compared to the early stages of pandemic
- ◆ Assumption that new virus outbreaks remain contained, vaccine rollout proceeds smoothly, and financing conditions remain accommodative

World economy

IMF expects overall scars from COVID recession to be less than from GFC, but with poorer countries hurt relatively more

Medium-term output losses¹

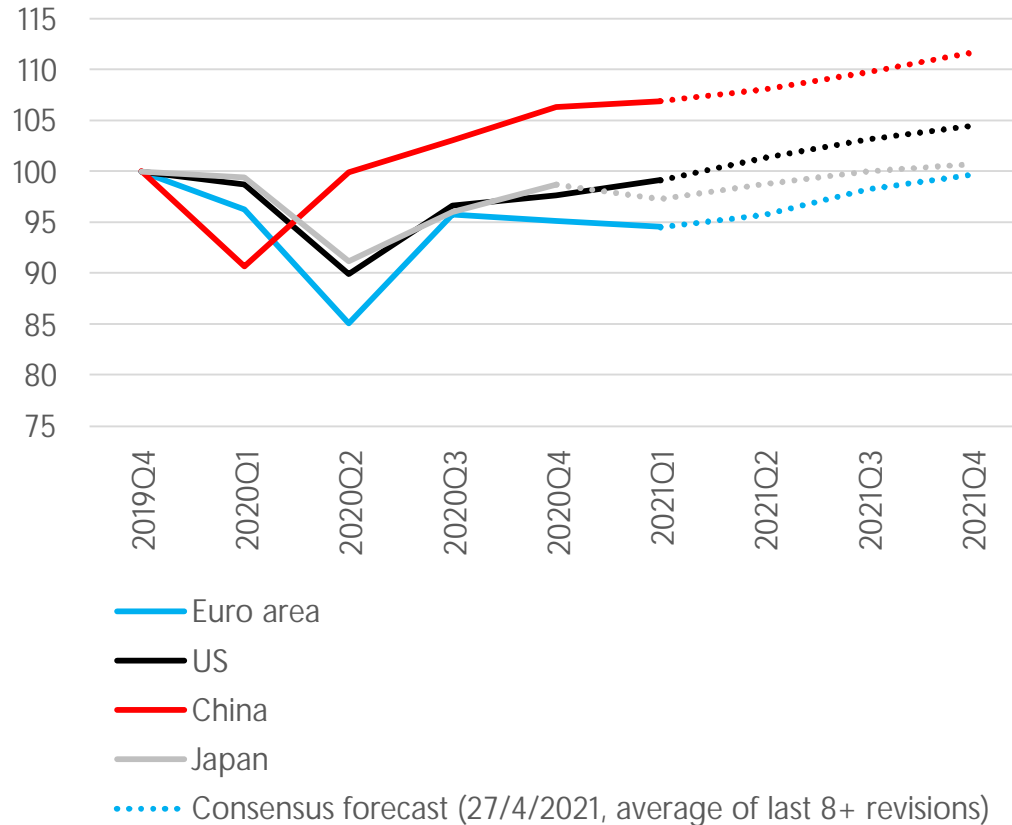
(% difference in real GDP four years after crisis and anticipated GDP prior to the crisis)



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

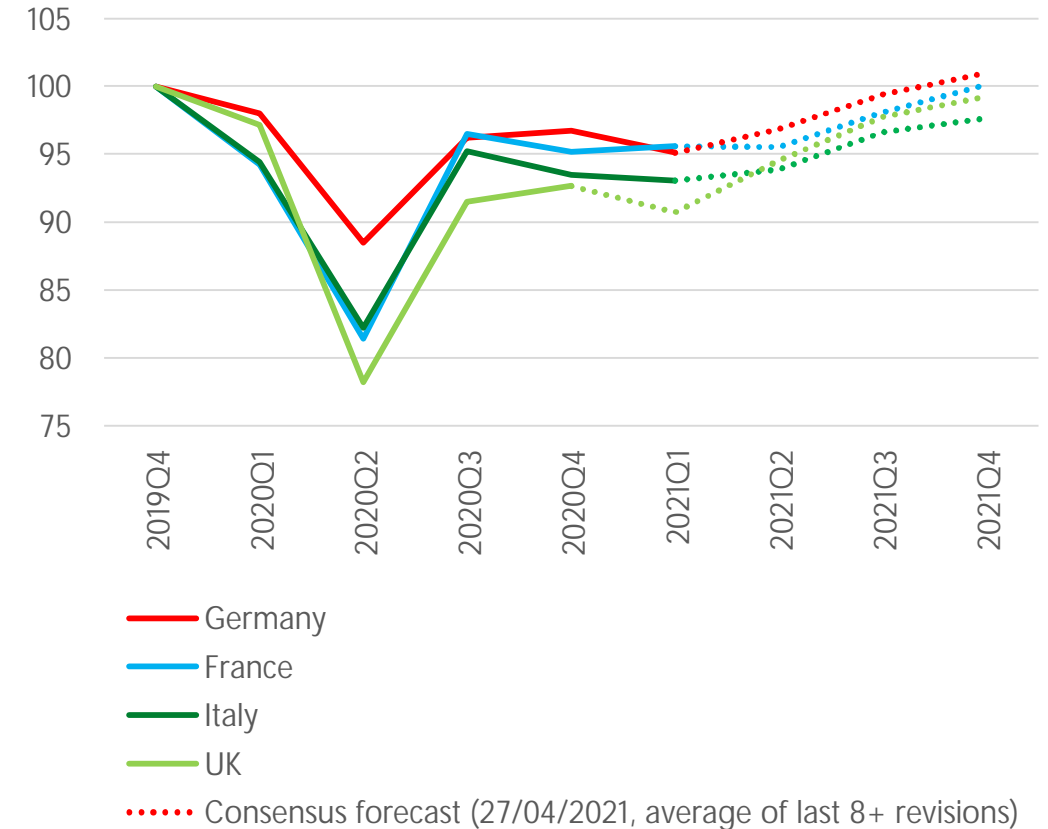
Major blocs: Real GDP¹

(index, 2019Q4 = 100)



Selected European countries: Real GDP¹

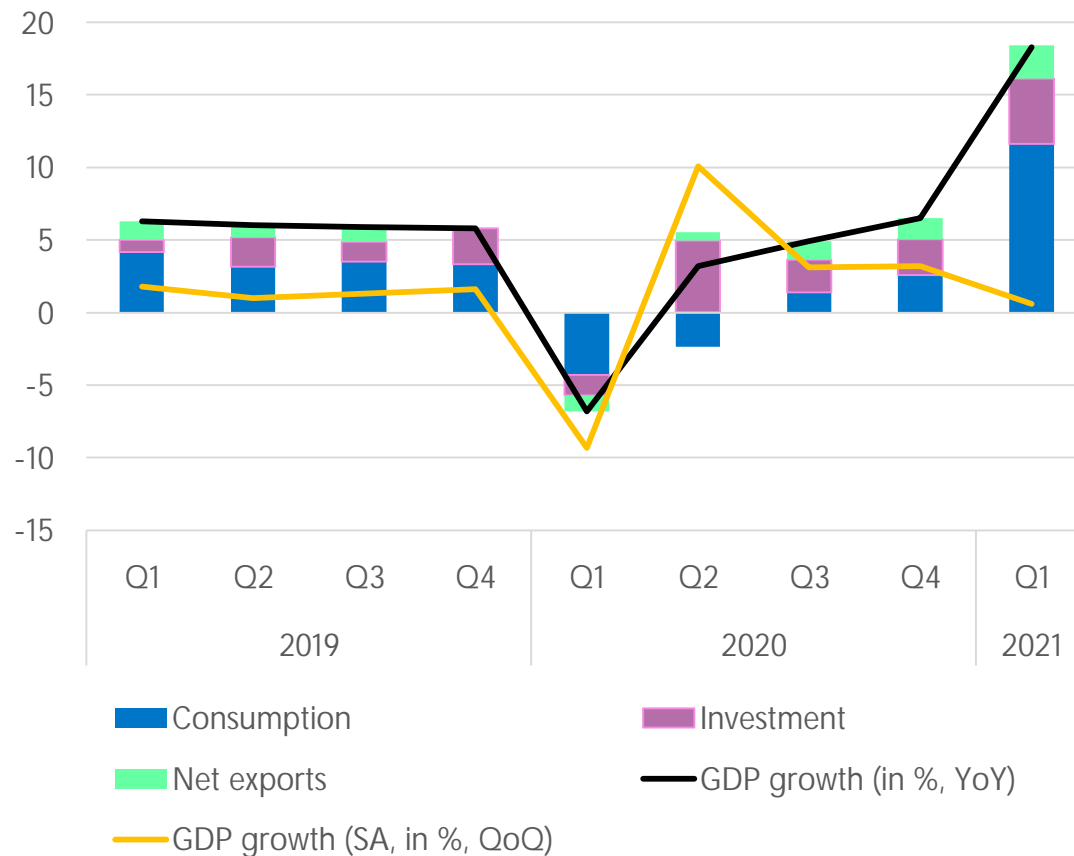
(index, 2019Q4 = 100)



China: 2021Q1 growth looks strong, but biased due to weak 2020Q1

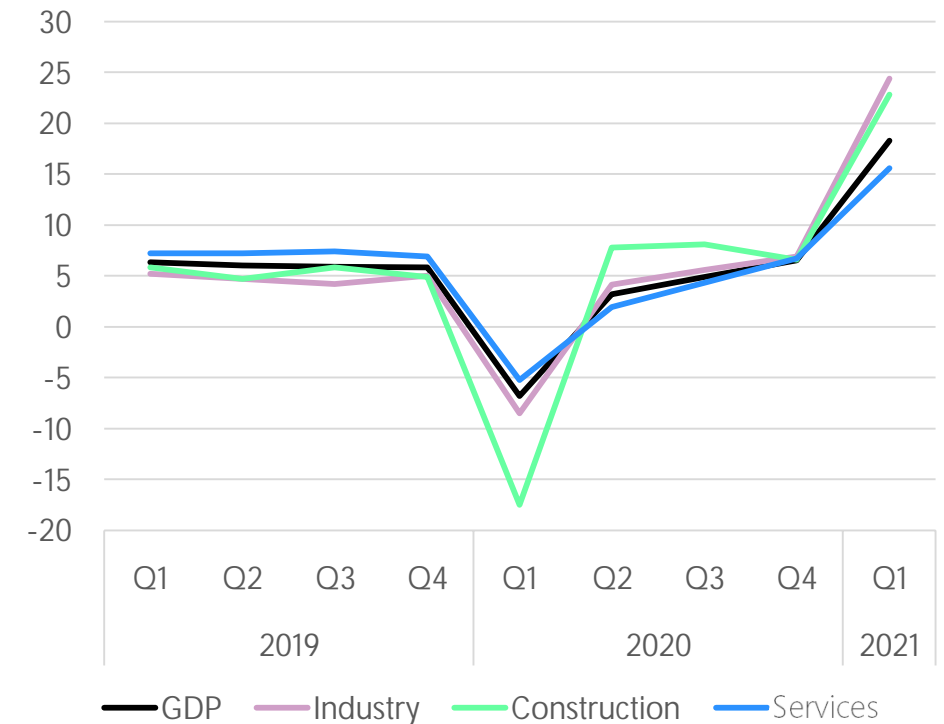
Equally driven by consumption and investment

(contribution to growth in percentage points, yoy)



More balanced between sectors

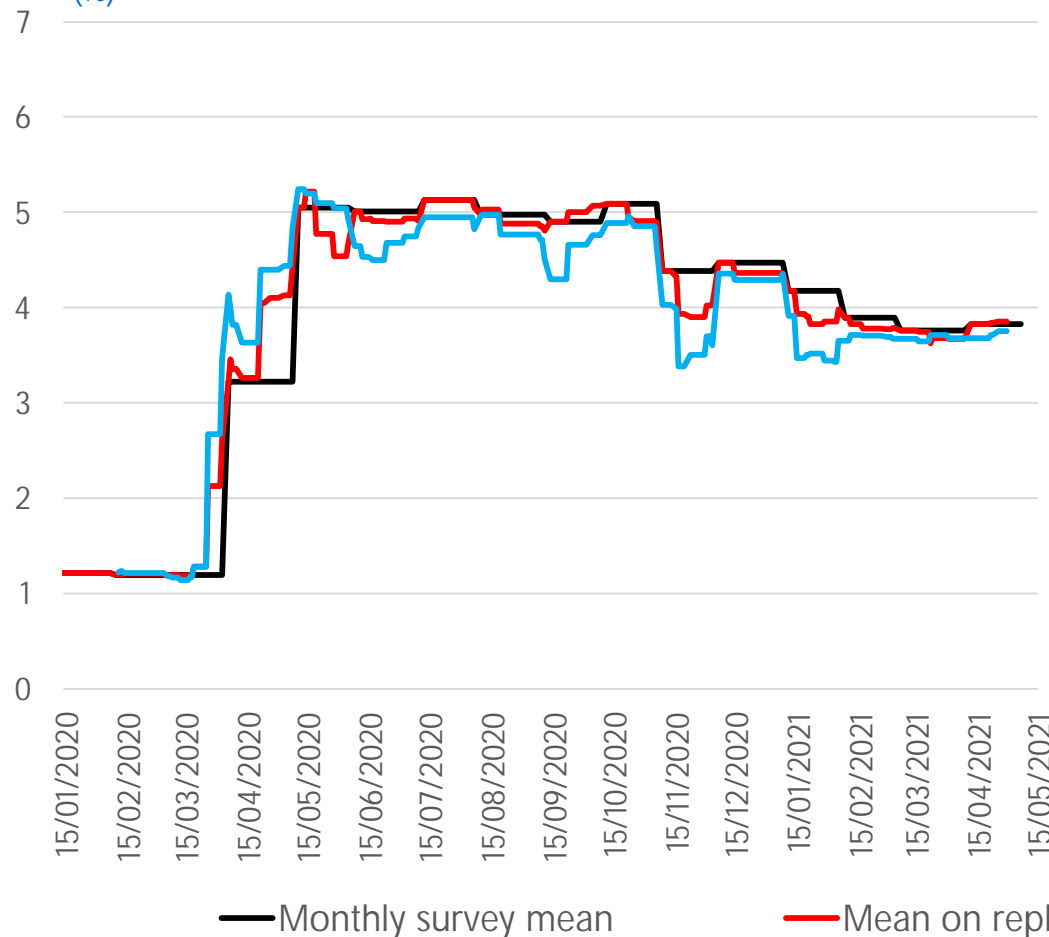
(% change, yoy)



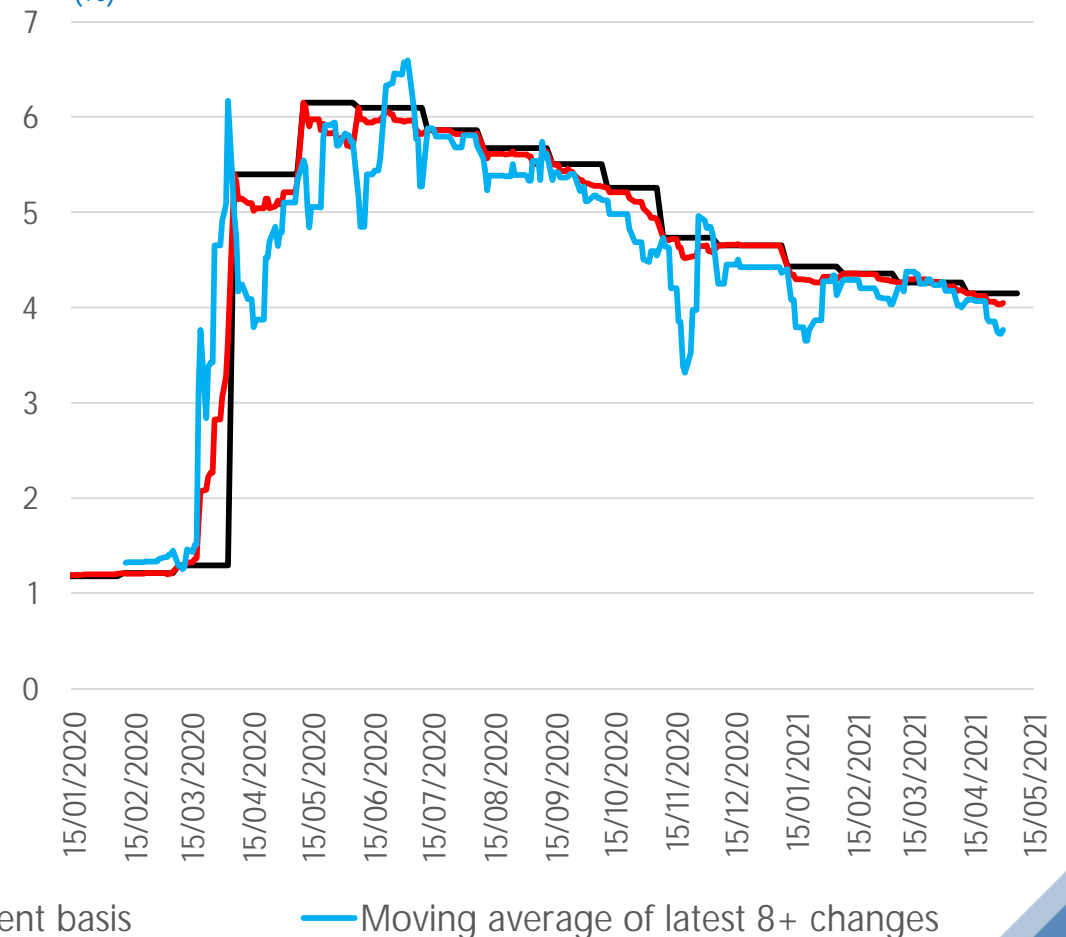
Consensus forecasts for 2021: not so fast ...

Downgrades for Euro Area growth due to new infections, lockdowns and vaccination hiccups

Belgium: Real GDP growth forecasts, 2021
(%)



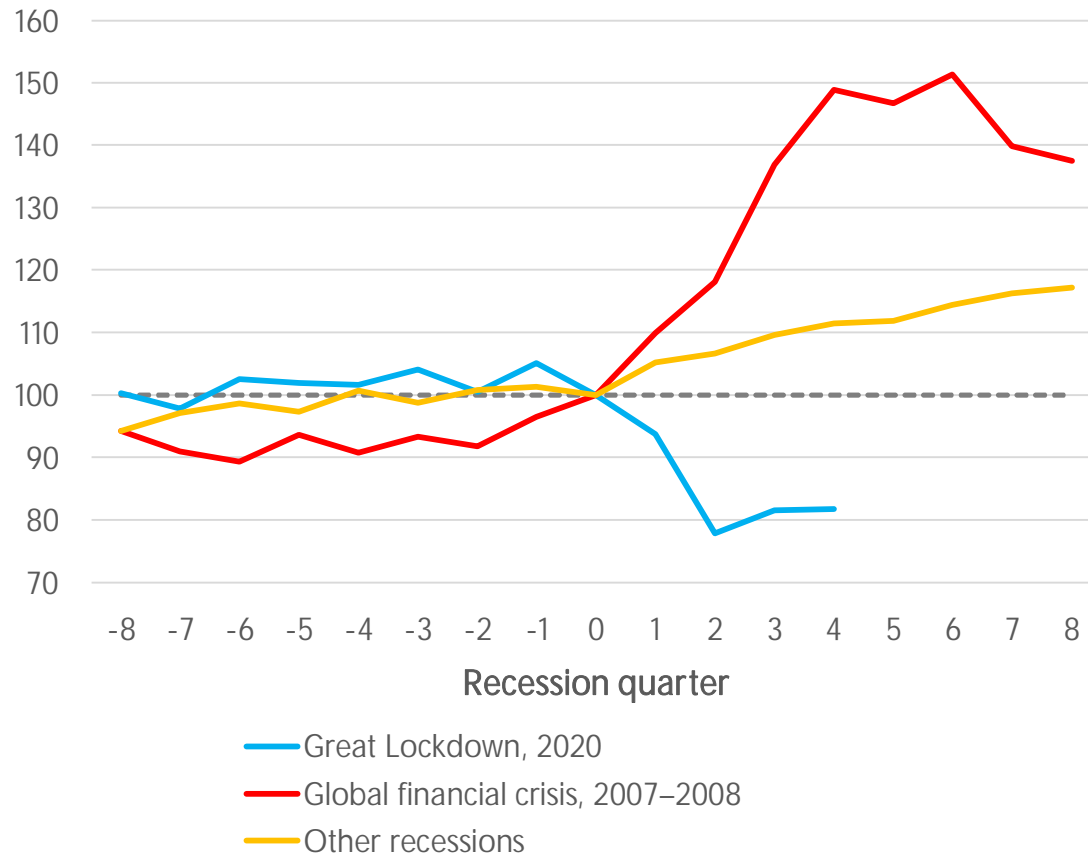
Euro area: Real GDP growth forecasts, 2021
(%)



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 illustration of a coronavirus particle, showing its characteristic spherical shape and numerous spike proteins protruding from its surface. The particle is rendered in a light blue and white color scheme, giving it a translucent, ethereal appearance. It is centered on the slide, with the text overlaid on it.

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

