

COVID-19 Dashboard of Economic Indicators

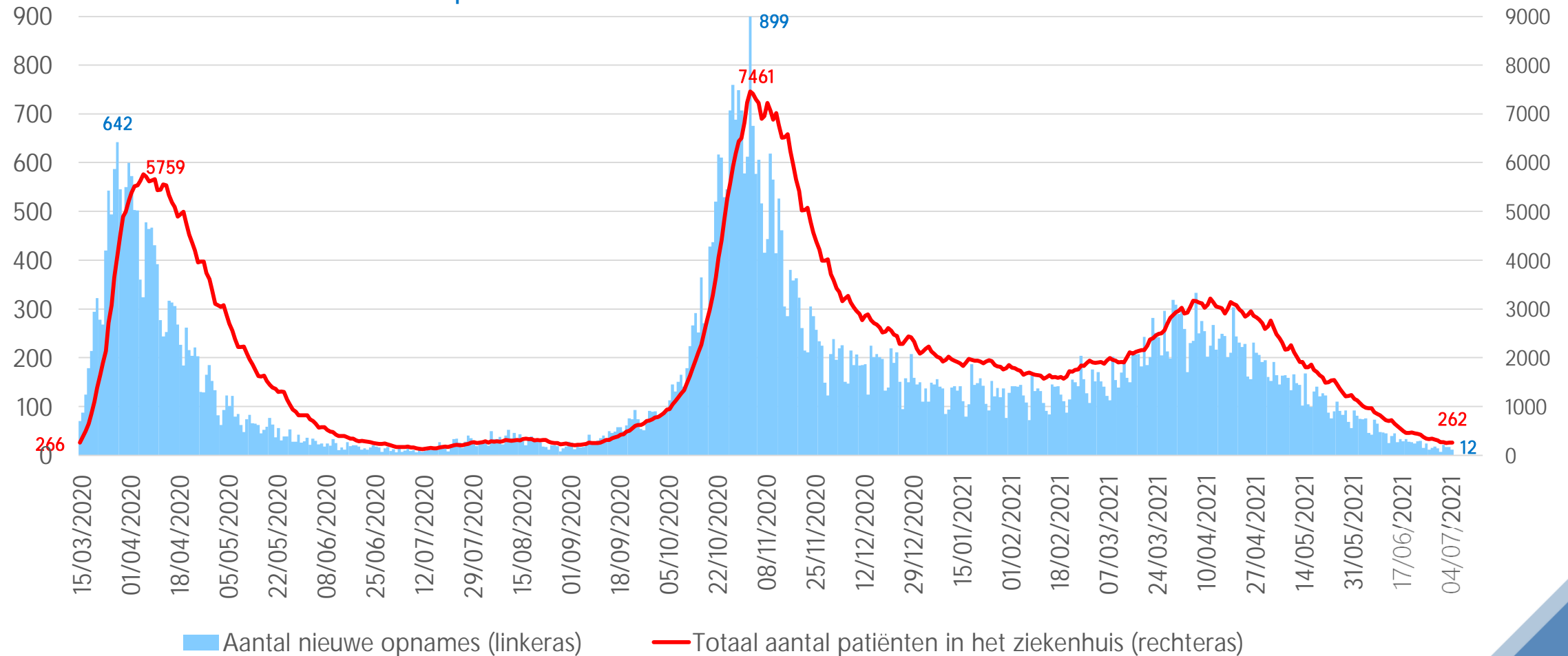
7 July 2021

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 spike-like protrusions on their surface, rendered in a slightly darker blue or greyish tone. The central virus particle is the most prominent and detailed, while others are scattered in the background, some appearing as soft, out-of-focus shapes.

Evolutie van de COVID-19-pandemie

Aantal gehospitaliseerde patiënten daalt verder

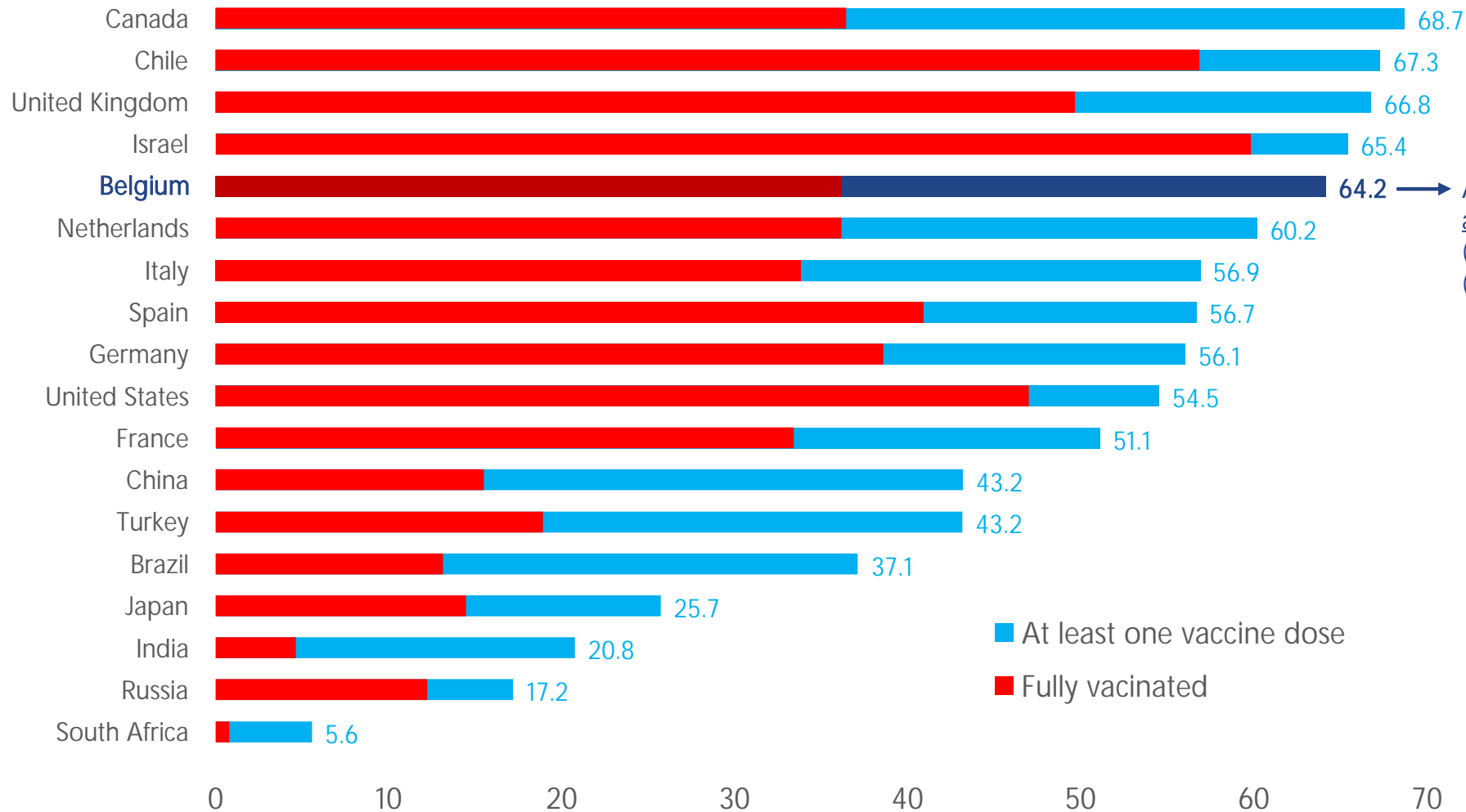
Evolutie van het aantal opnames in het ziekenhuis



Multispeed vaccination process

Number of people (fully) vaccinated¹

(per 100 people in total population, as of 6 June 2021 or most recent)



→ As a percentage of the Belgian adult/18+ population, 79.3 % (45.2 %) of people have been (fully) vaccinated as of 4 July 2021

■ At least one vaccine dose

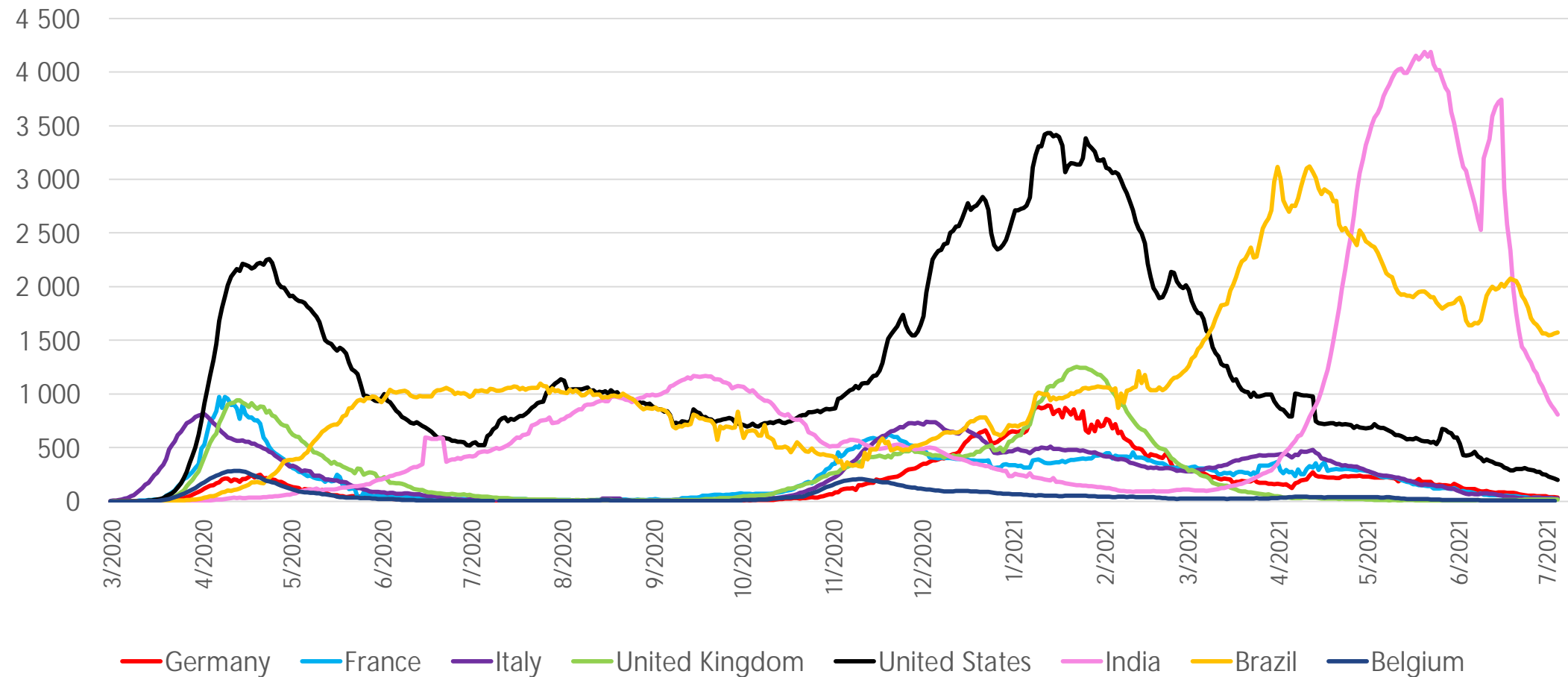
■ Fully vaccinated

Epicentre of pandemic has shifted towards developing world

Vaccinating the world is good economic policy

New confirmed COVID-19 deaths¹

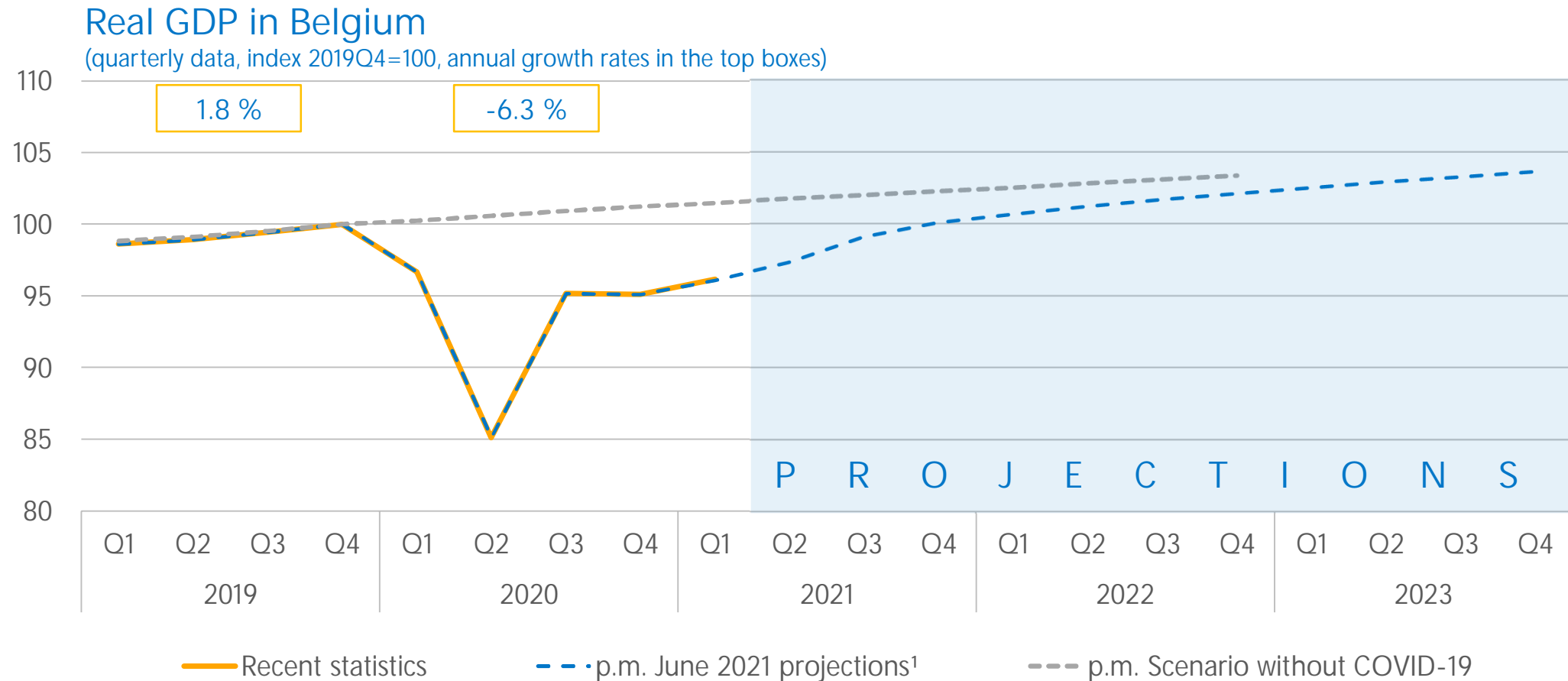
(selected countries; 7-day moving average)



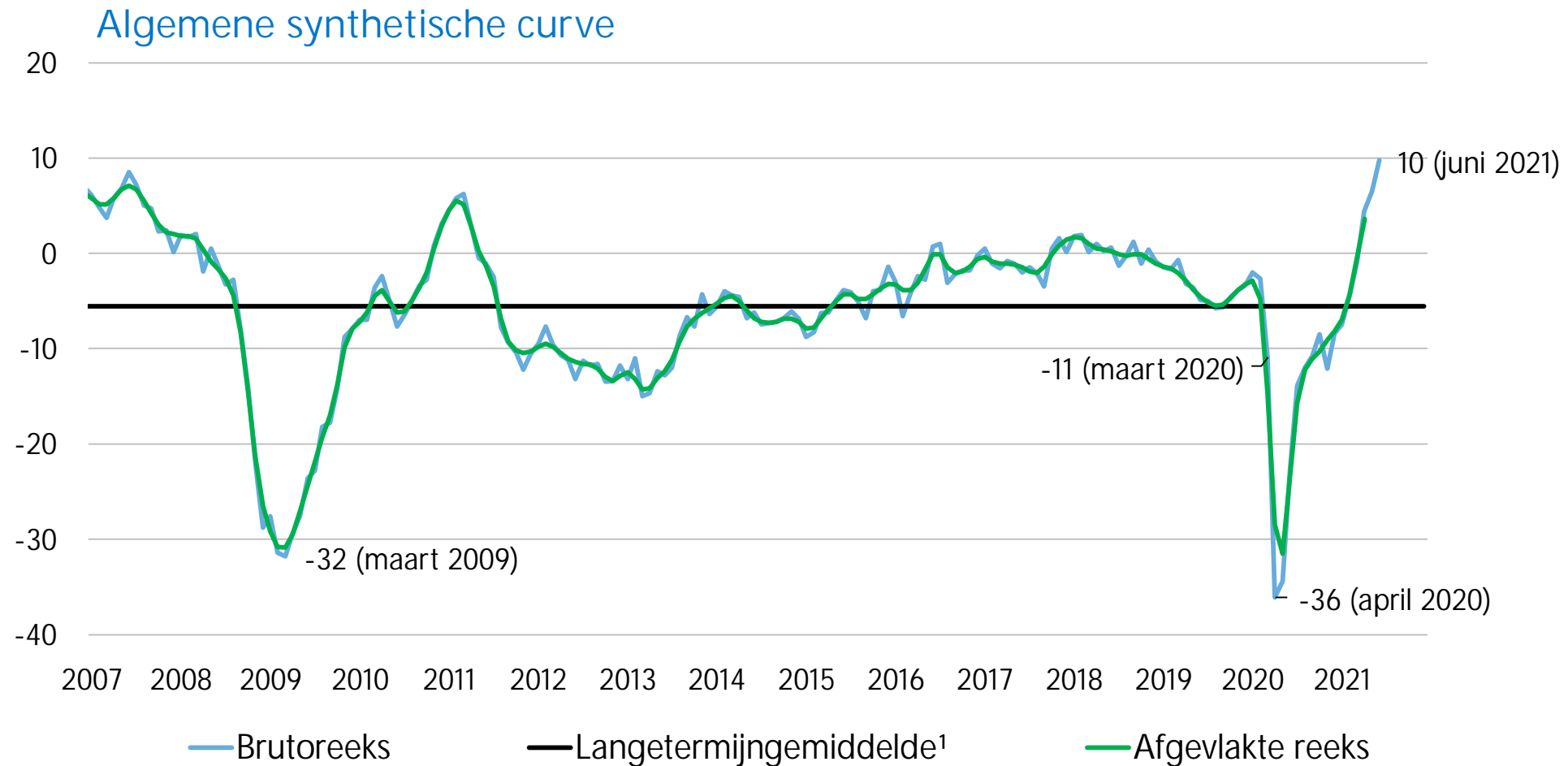
The background of the slide features a large, detailed, semi-transparent image of a coronavirus particle, showing its characteristic spherical shape and numerous spike proteins. The particle is centered and slightly tilted, with a soft blue and white color palette. The overall background is a light blue gradient.

GDP and confidence indicators for Belgium

The Belgian economy is gradually shifting up a gear; GDP should reach its pre-crisis level by the end of the year

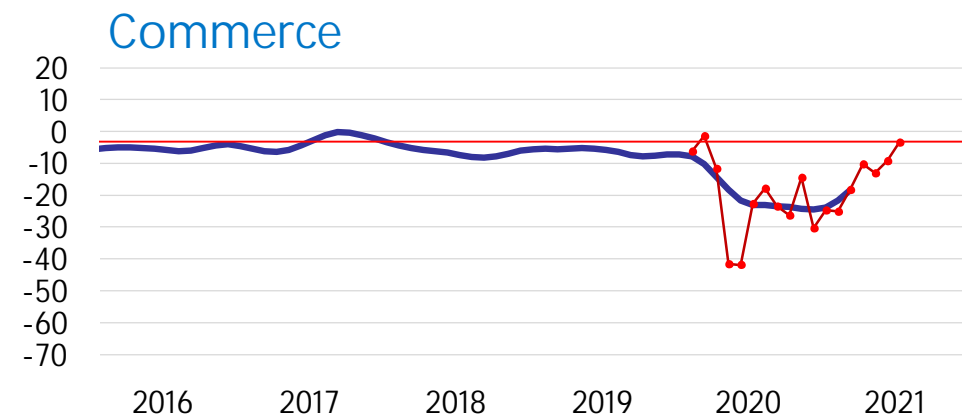
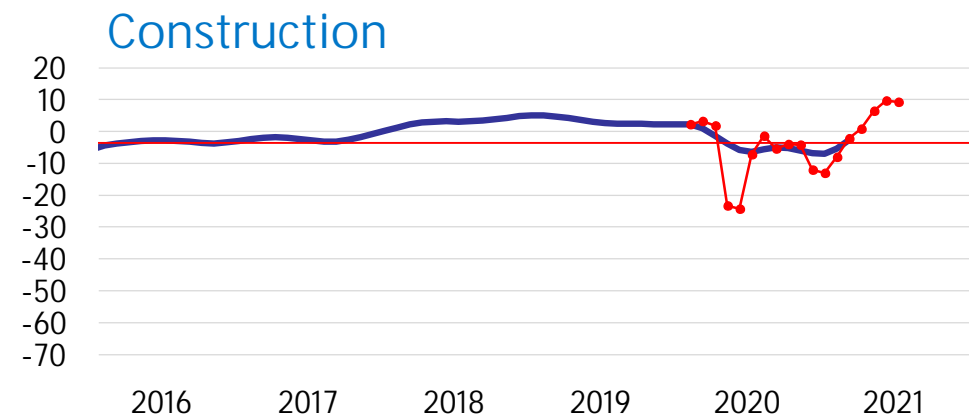
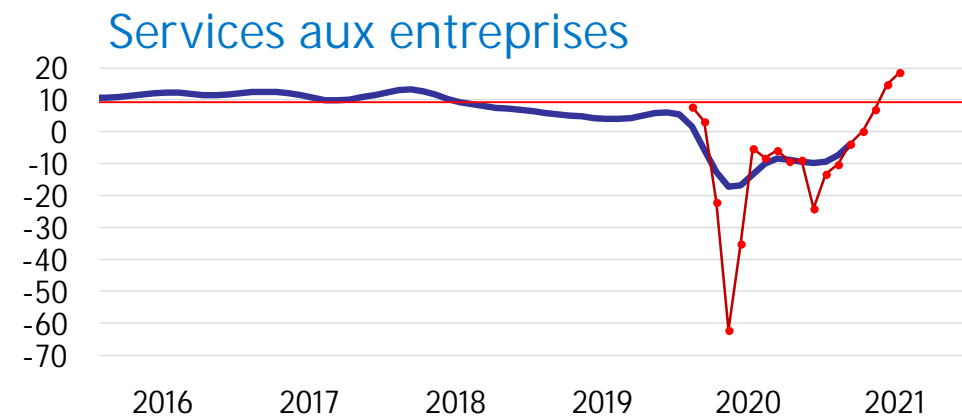
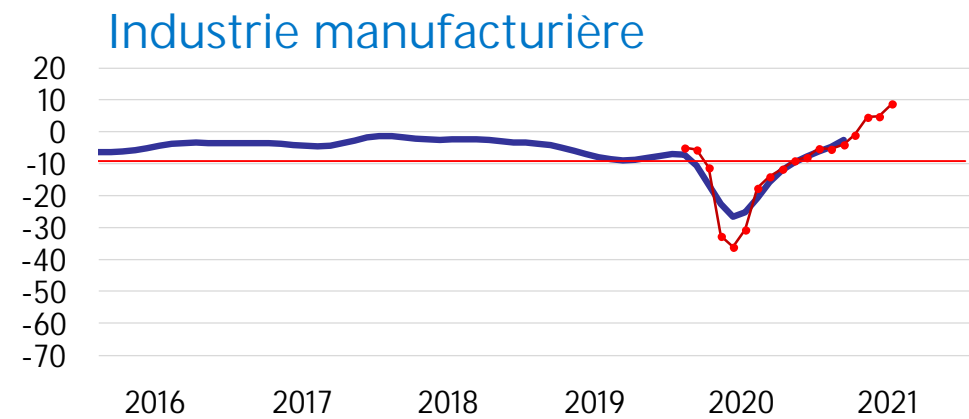


Het ondernemersvertrouwen is hoger dan ooit



Le climat des affaires continue à s'améliorer dans toutes les branches d'activité sondées, à l'exception de la construction

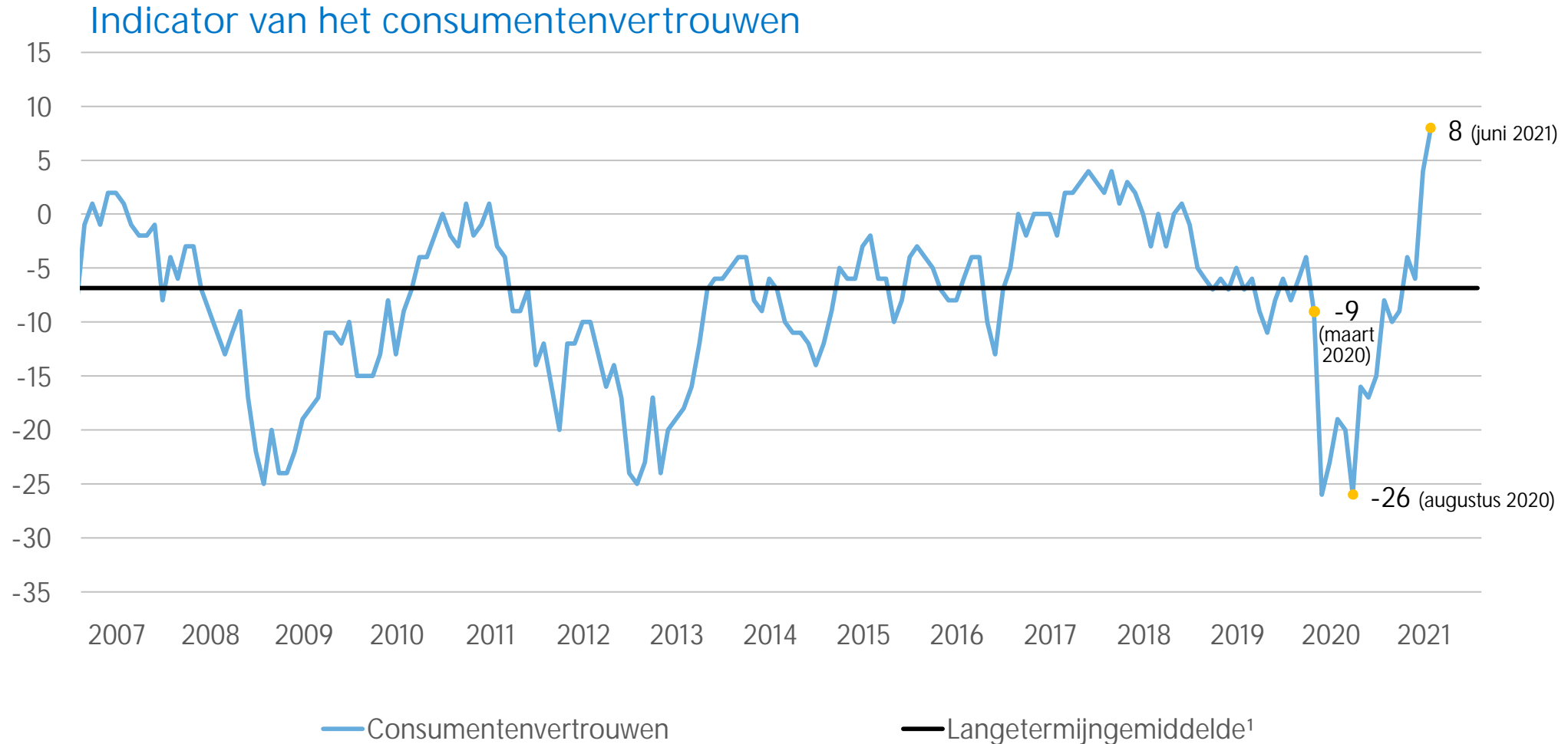
Baromètre de conjoncture – Belgique : Branches d'activité – juin 2021



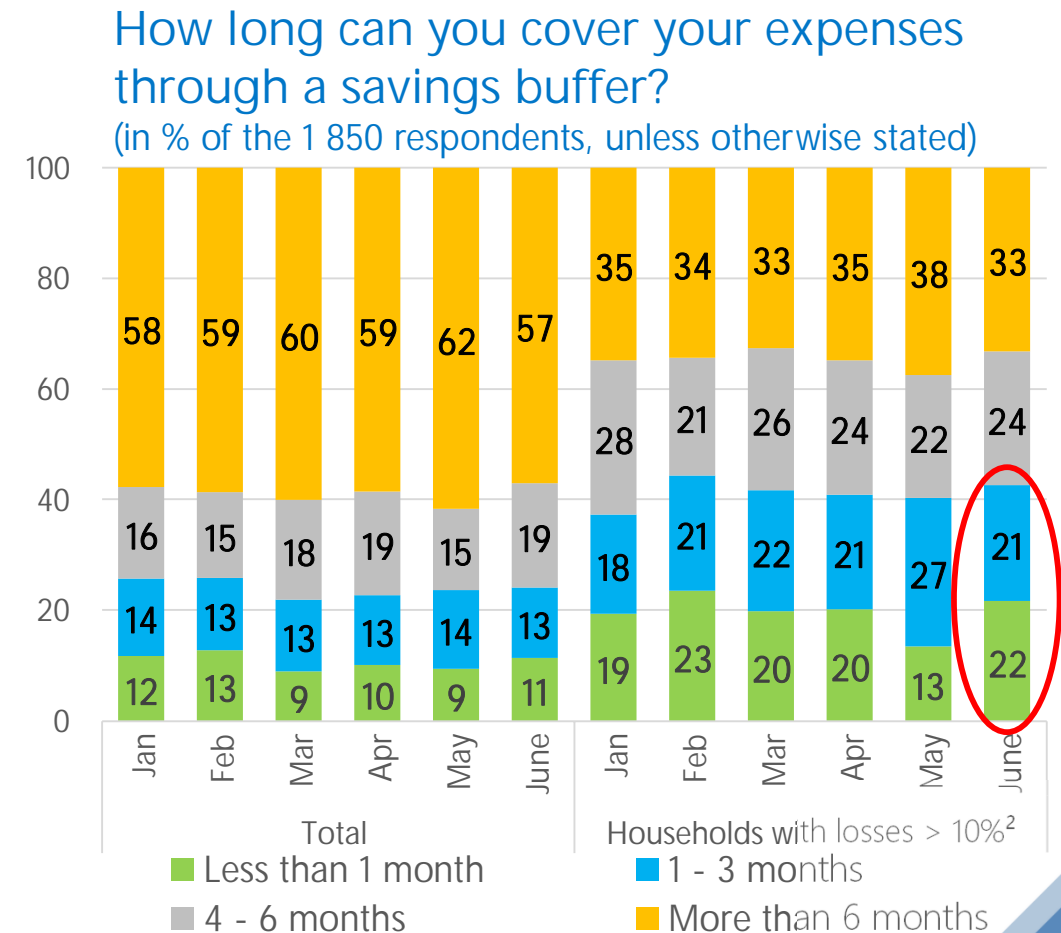
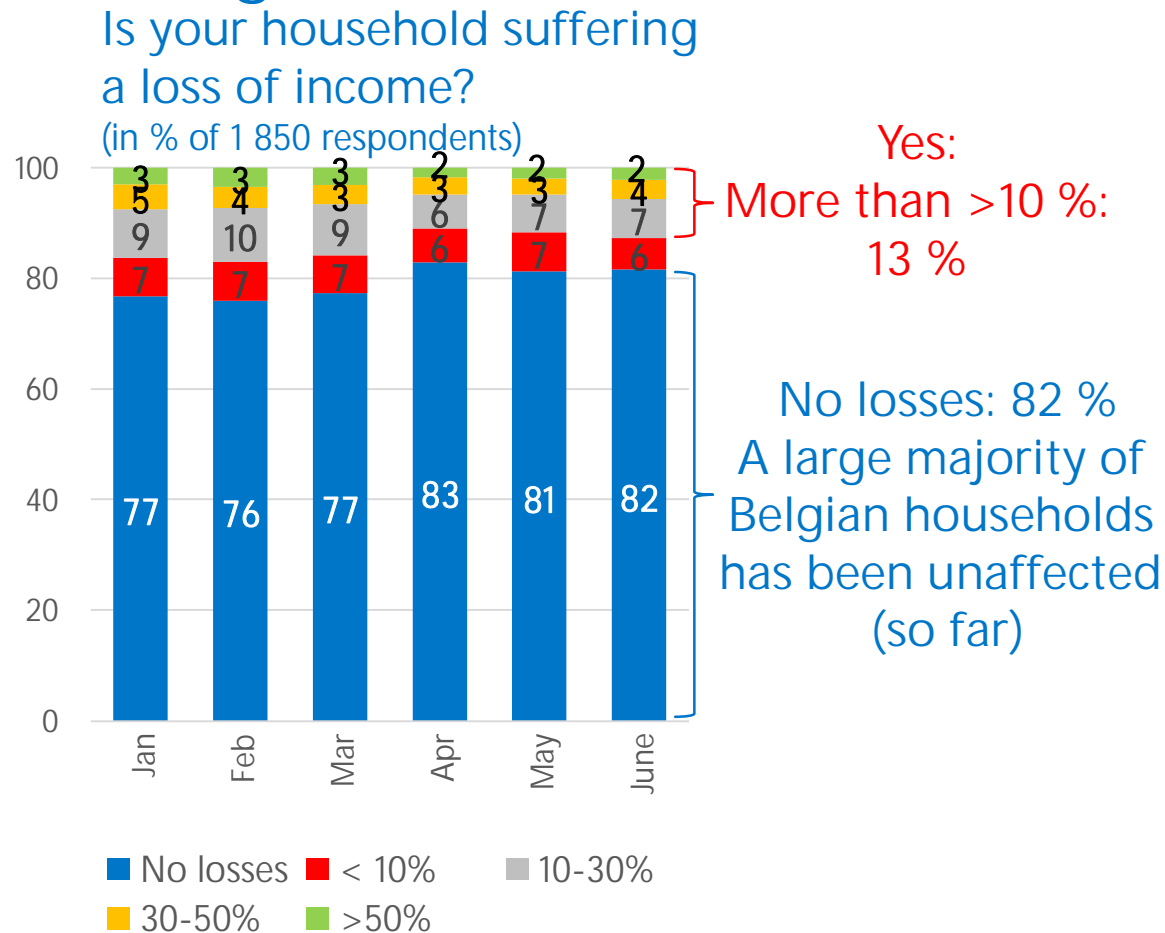
— Série dessaisonnée et lissée — Moyenne de long terme¹

• Série dessaisonnée

Ook het consumentenvertrouwen verstevigt verder in juni en scheert hoge toppen



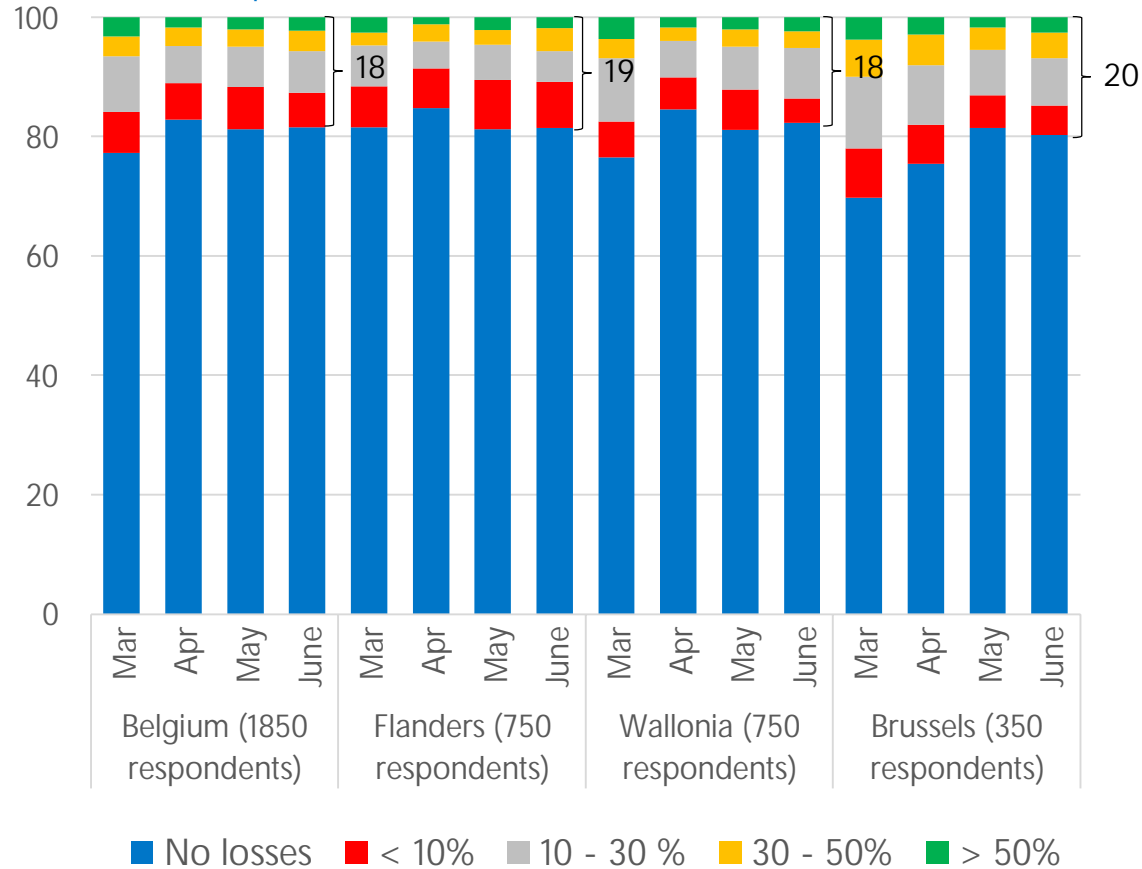
In June, around 13 % of households suffer an income loss of more than 10 % (very slight deterioration of the situation) and 43 % of them have a savings buffer of less than 3 months¹



Situation appears somewhat worse in Wallonia and in Brussels

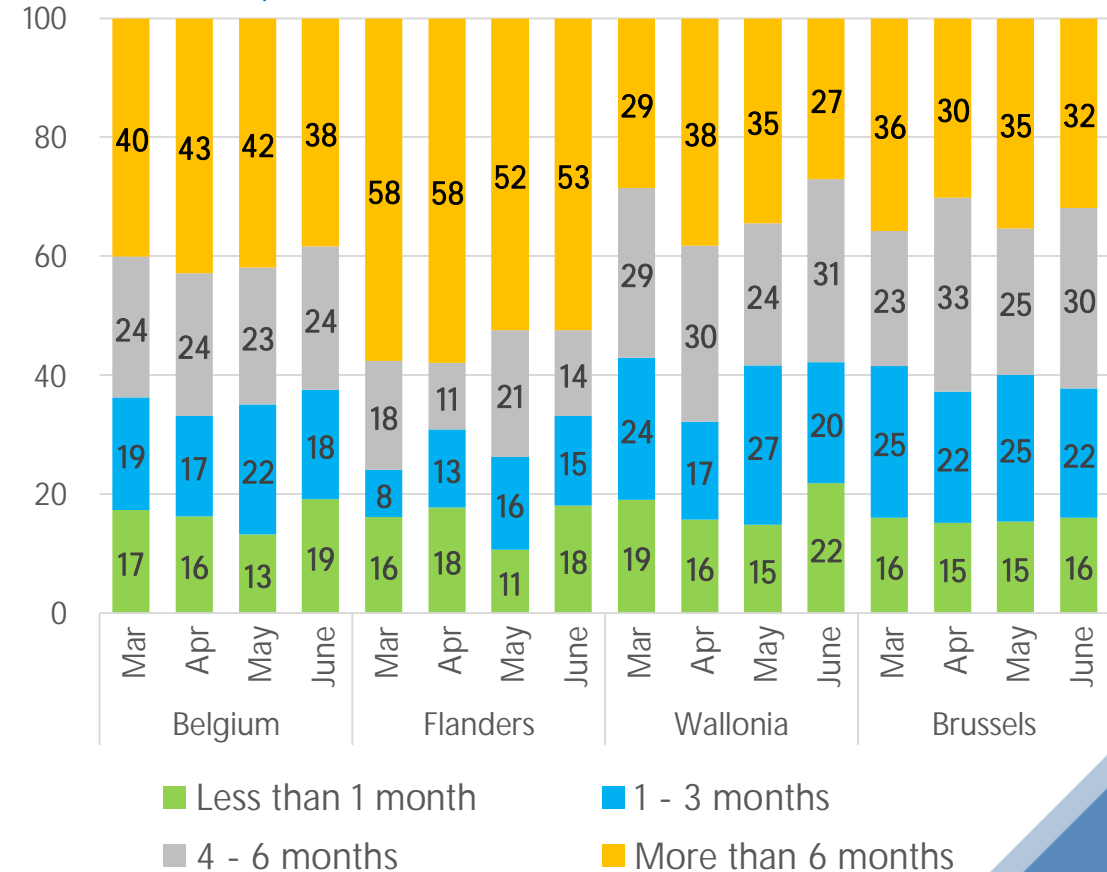
In June, the proportion of households suffering no loss of income remains quite stable in the three regions

(in % of respondents)



Savings buffer remains structurally higher in Flanders; in June, the saving buffer more than 6 months decreases in Wallonia and in Brussels

(in % of respondents with loss of income)



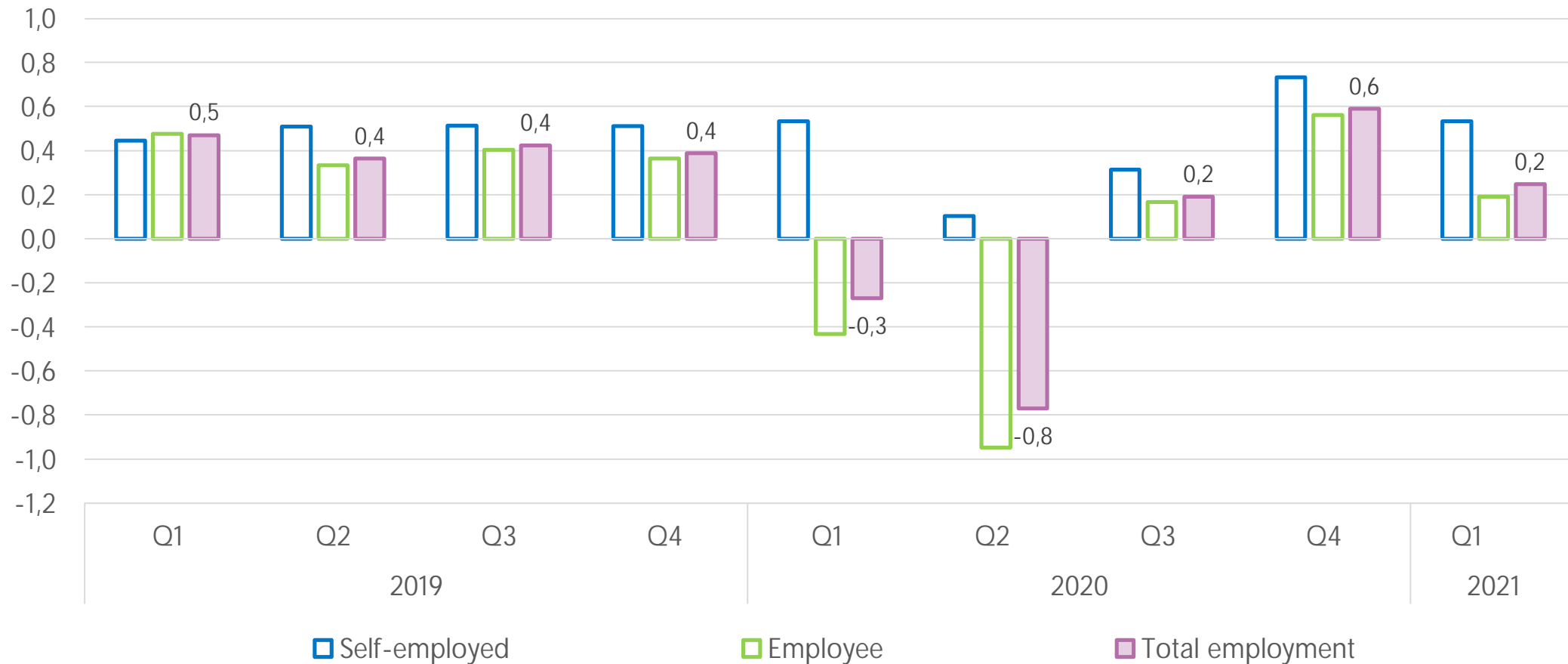
The background of the slide features a light blue gradient with several stylized, semi-transparent images of coronavirus particles. These particles are spherical with prominent, irregular spikes protruding from their surfaces. One large particle is centered in the upper half of the frame, while several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

Labour market

Total employment has now also returned to growth

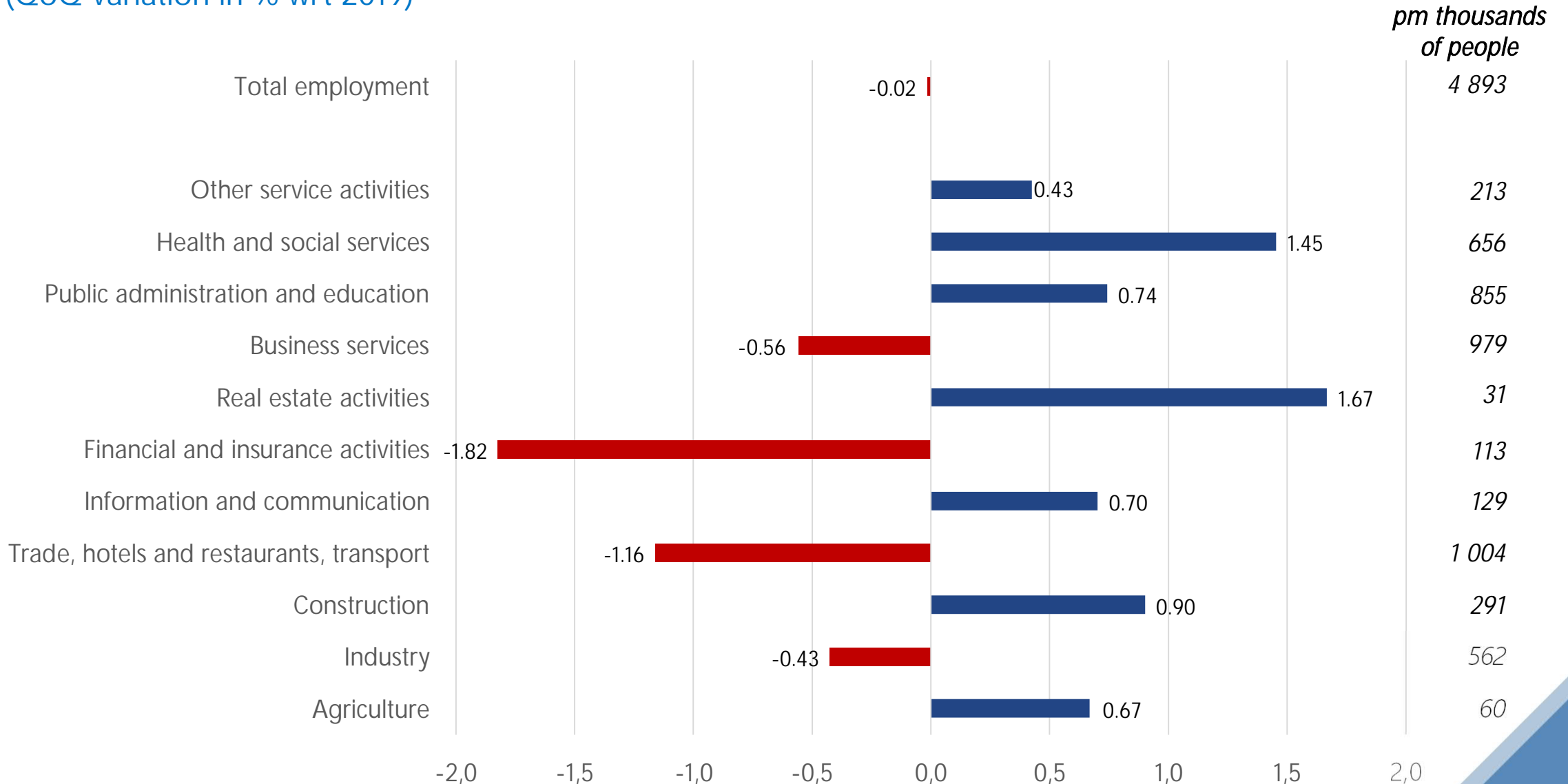
Self-employment growth was positive throughout the crisis

(QoQ variation in %)



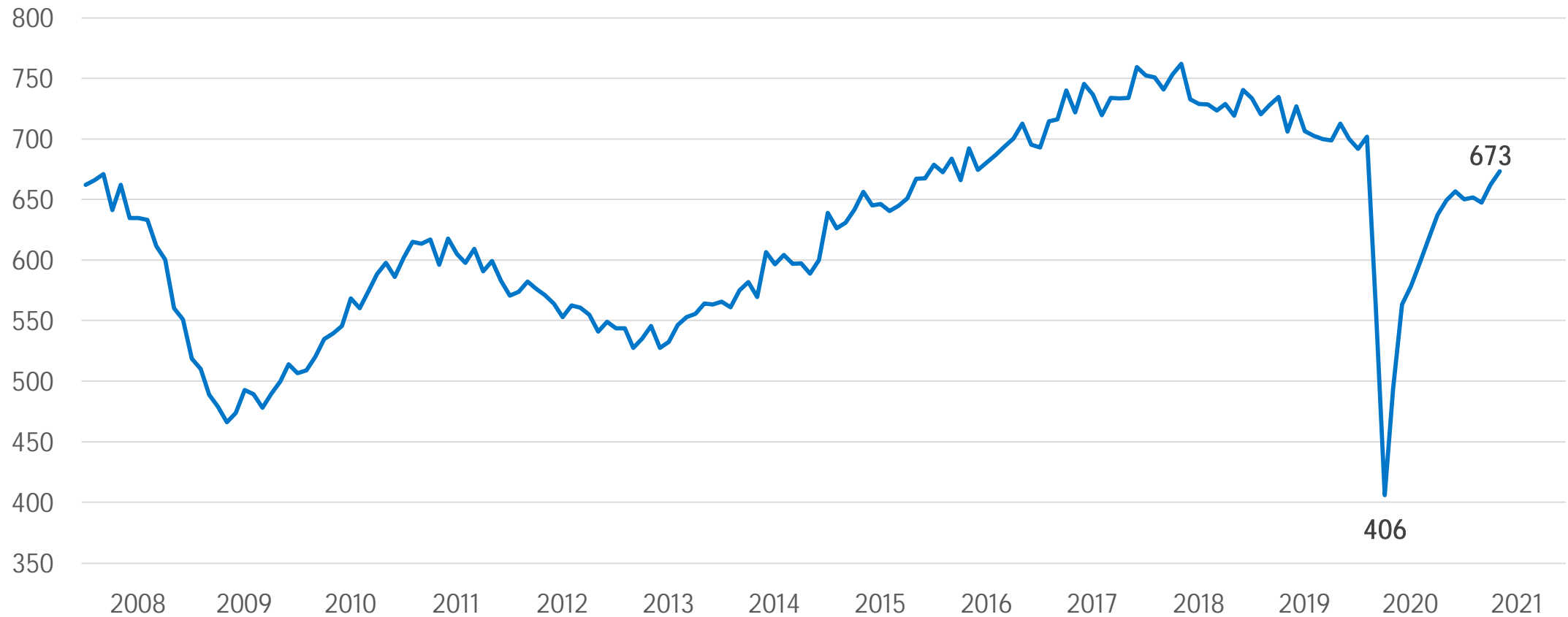
Impact on employment stronger for some branches of activity

(QoQ variation in % wrt 2019)



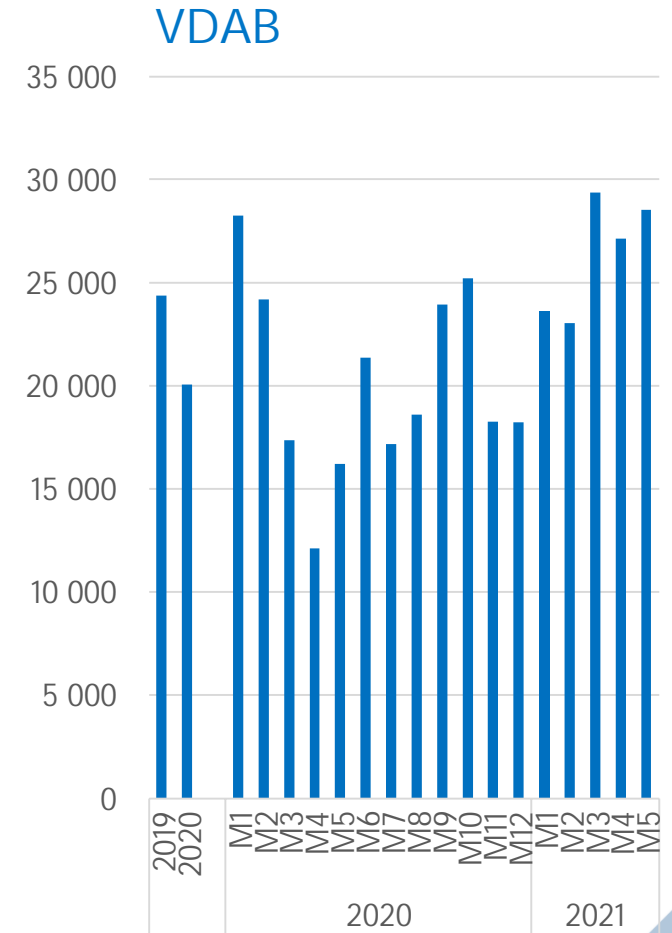
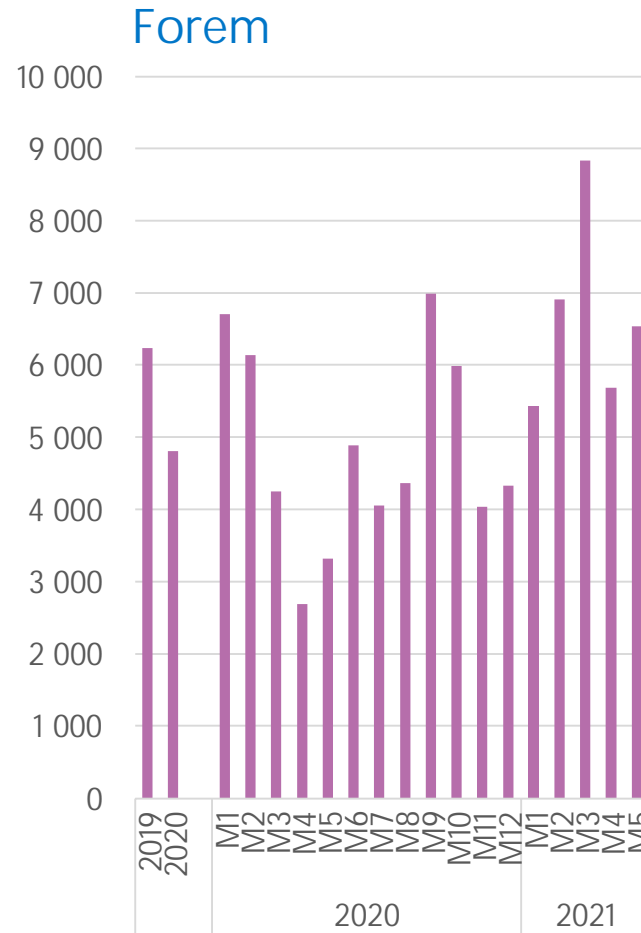
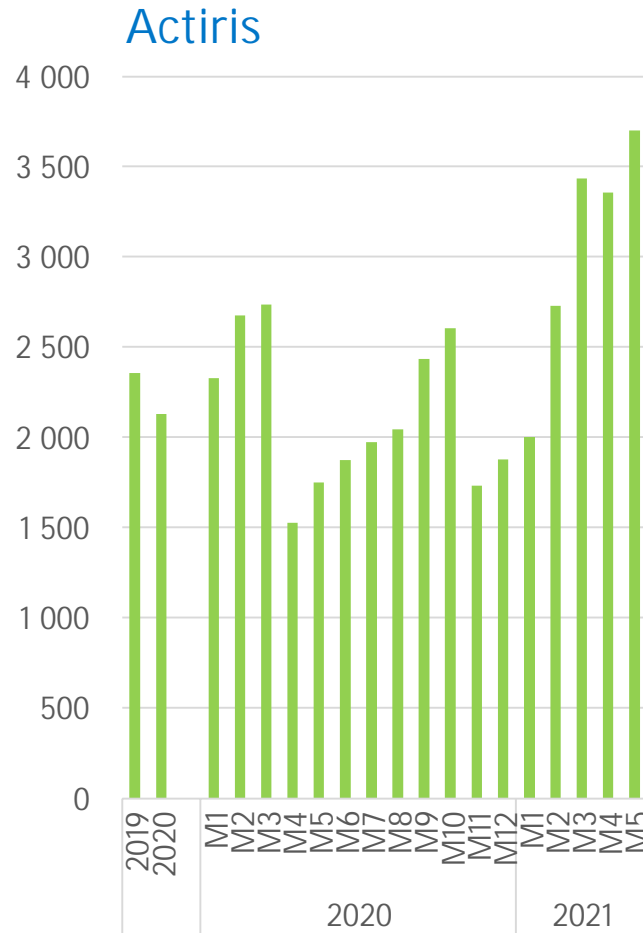
Reprise du travail intérimaire

(données mensuelles, en milliers d'heures)

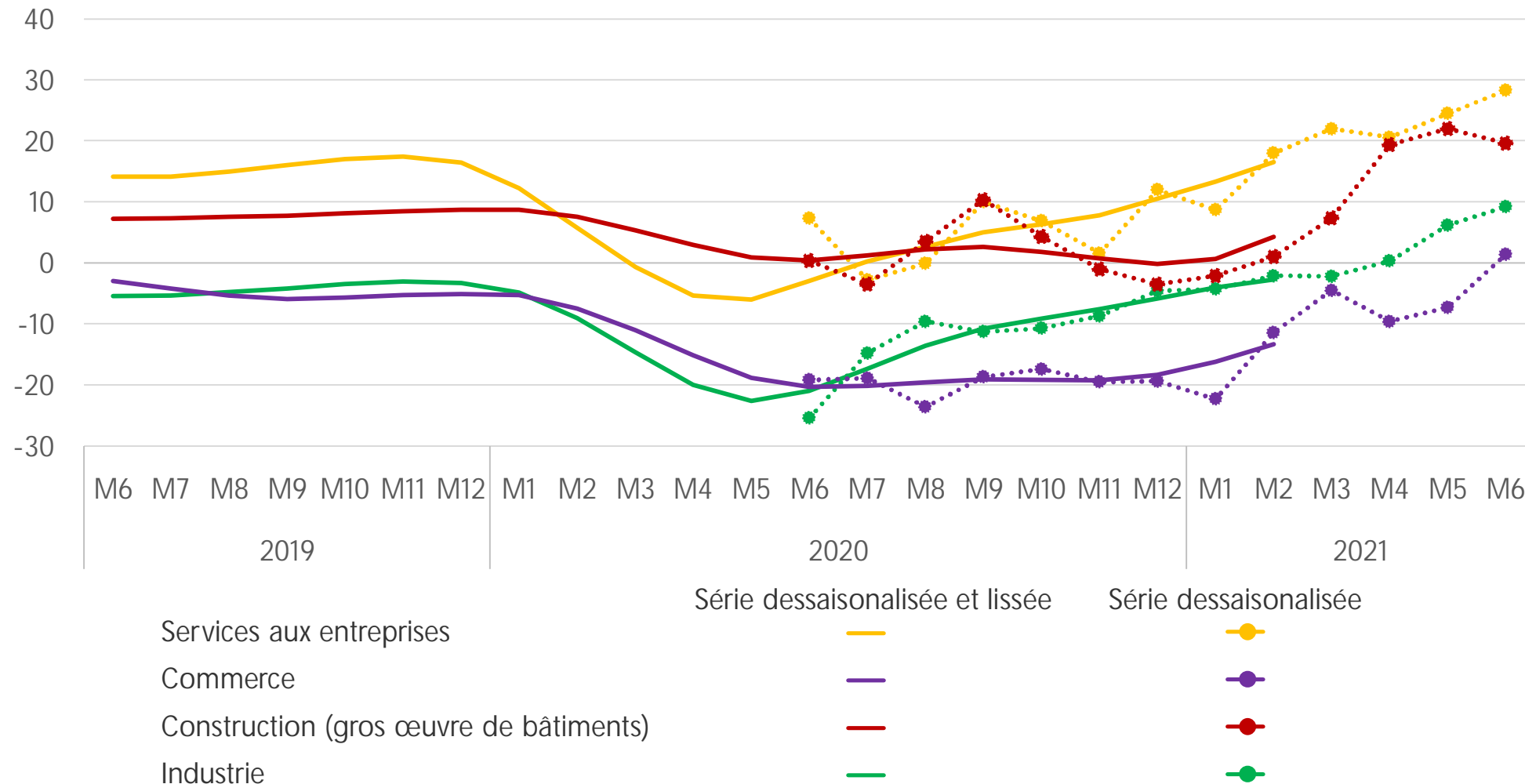


De nombreuses opportunités d'emplois sont présentes dans les trois Régions du pays

(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

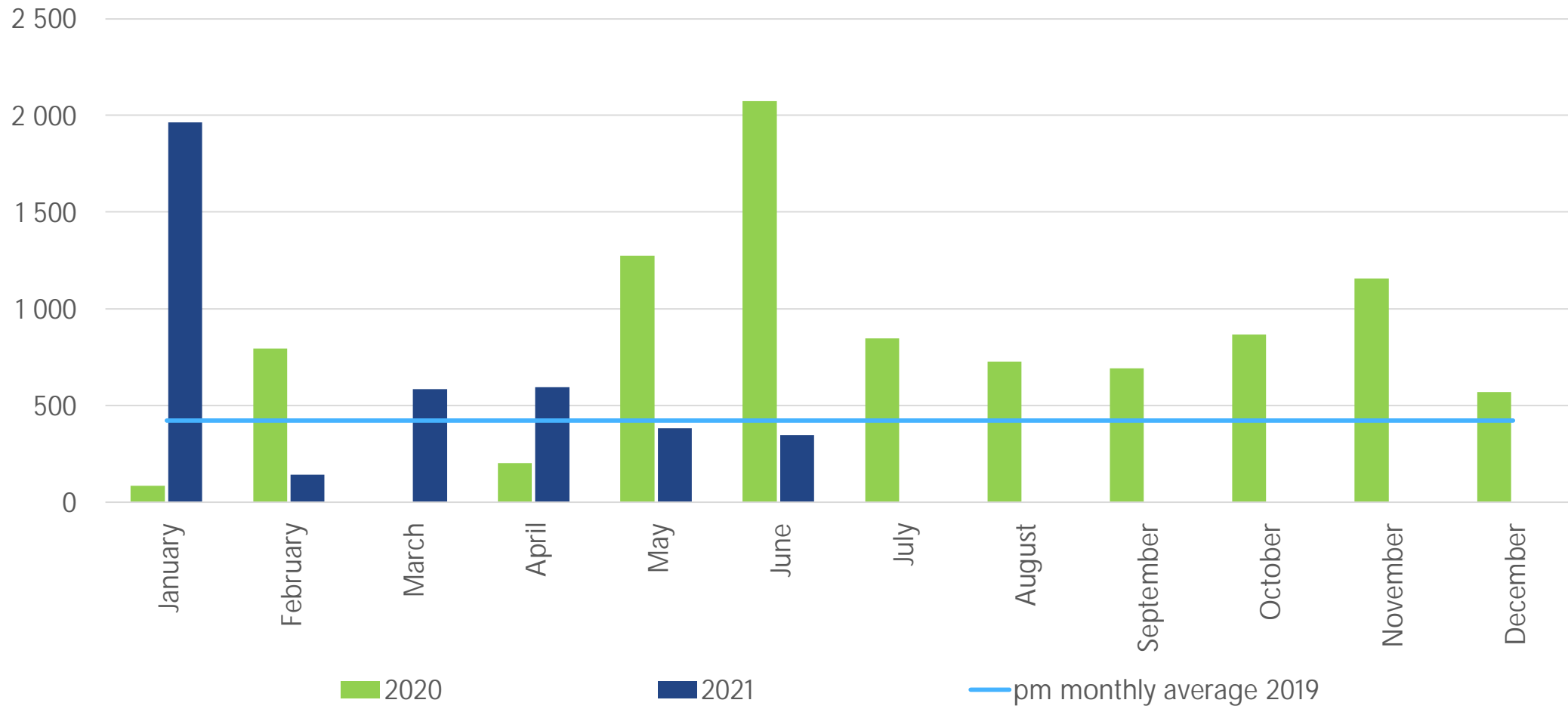
Construction (gros œuvre de bâtiments)

Industrie

Série dessaisonnée et lissée

Série dessaisonnée

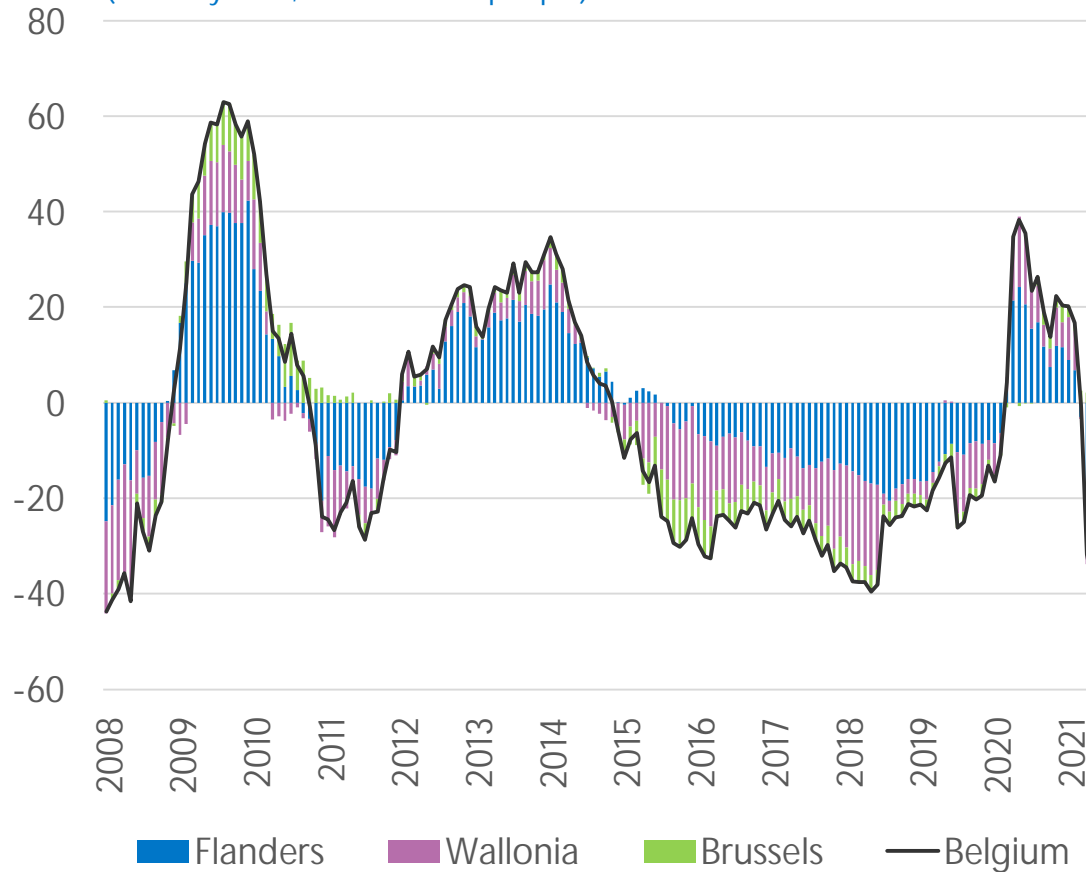
Mass redundancy procedure openings follow lockdowns (workers concerned)



Unemployment upsurge, fully compensated for the time being ...

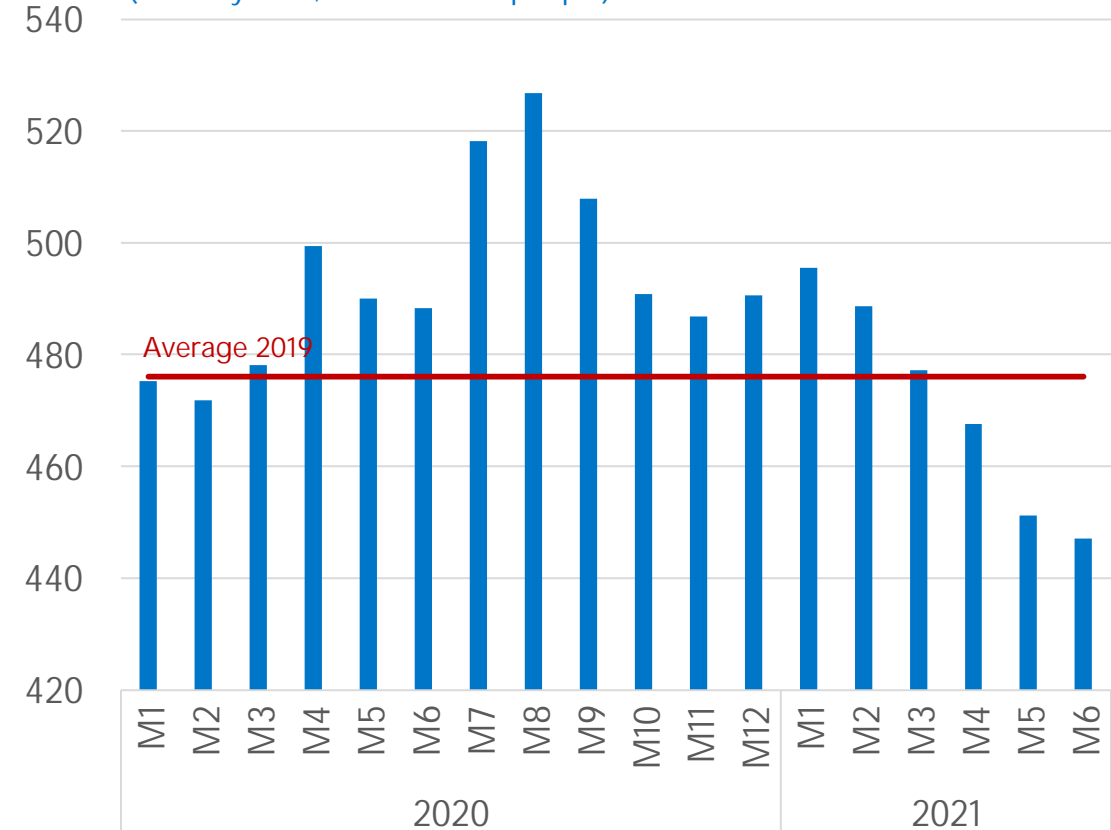
Annual variation

(monthly data, thousands of people)

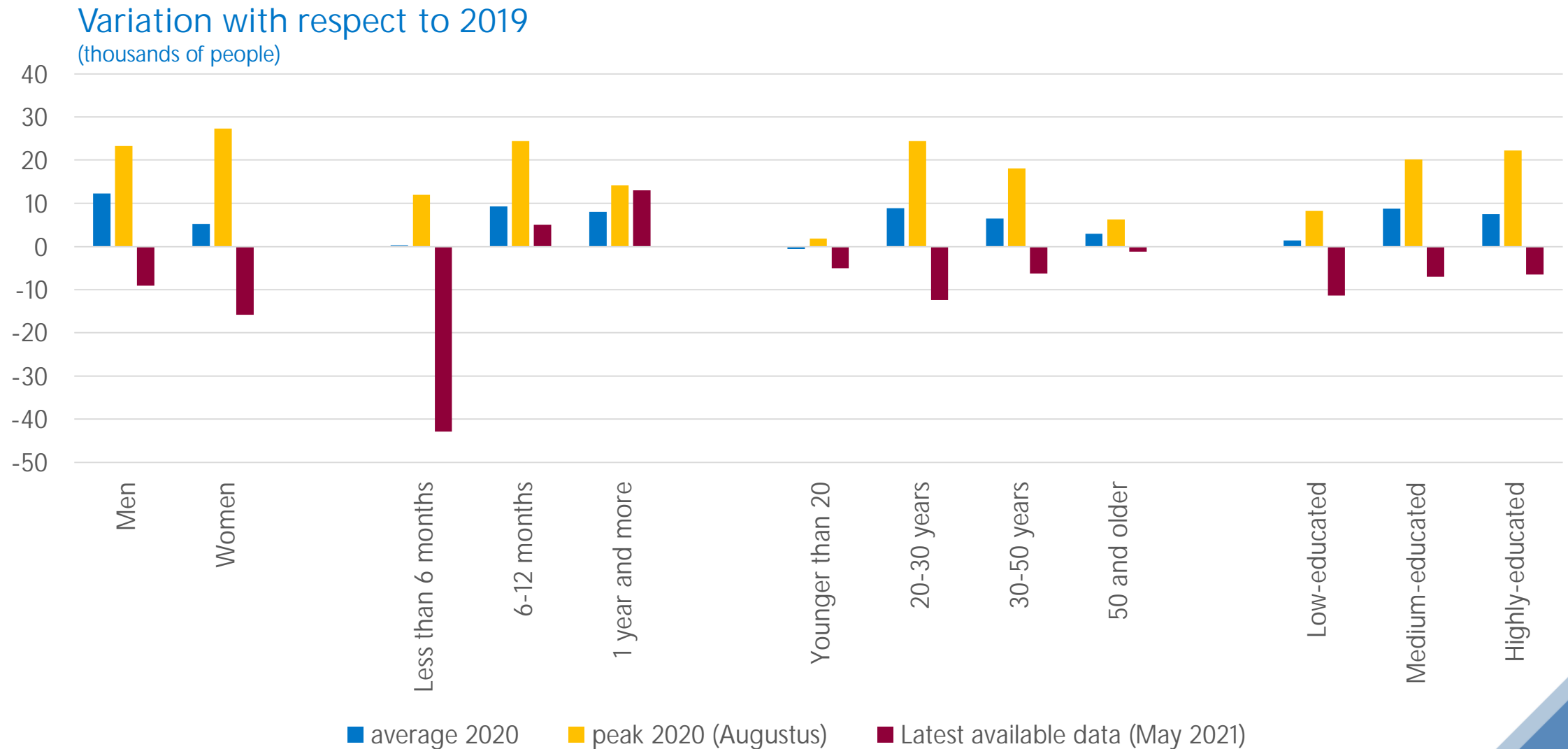


Number of unemployed job-seekers

(monthly data, thousands of people)



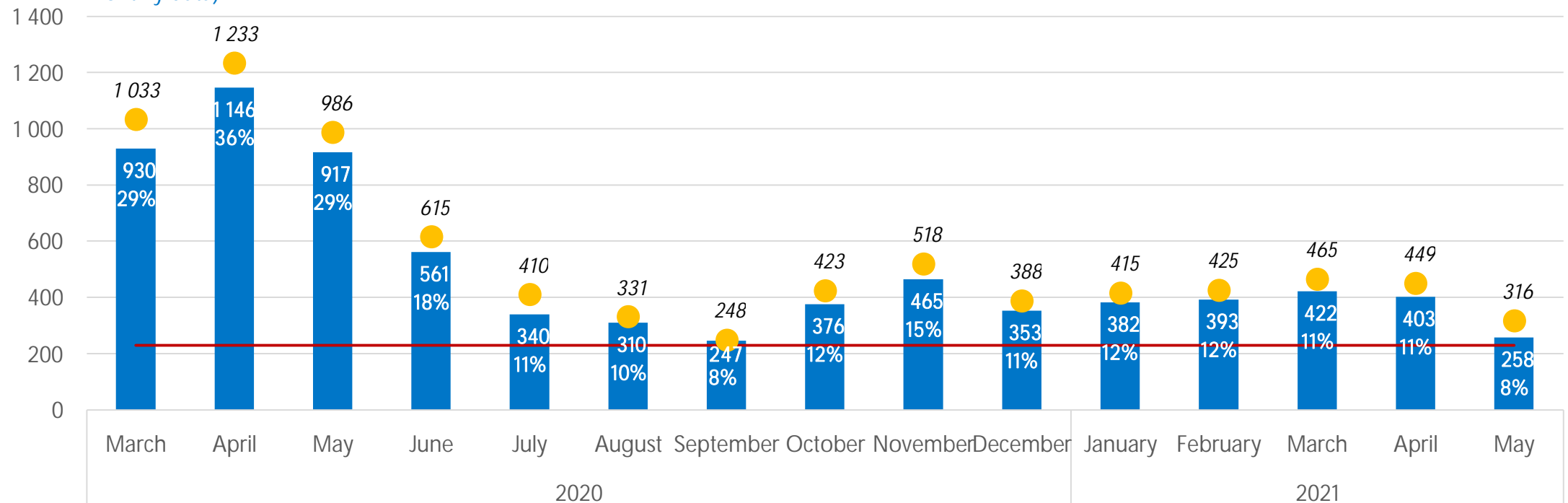
... but potential risk of rise in structural unemployment



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)



■ Payments

● pm Employer's request (DRS)

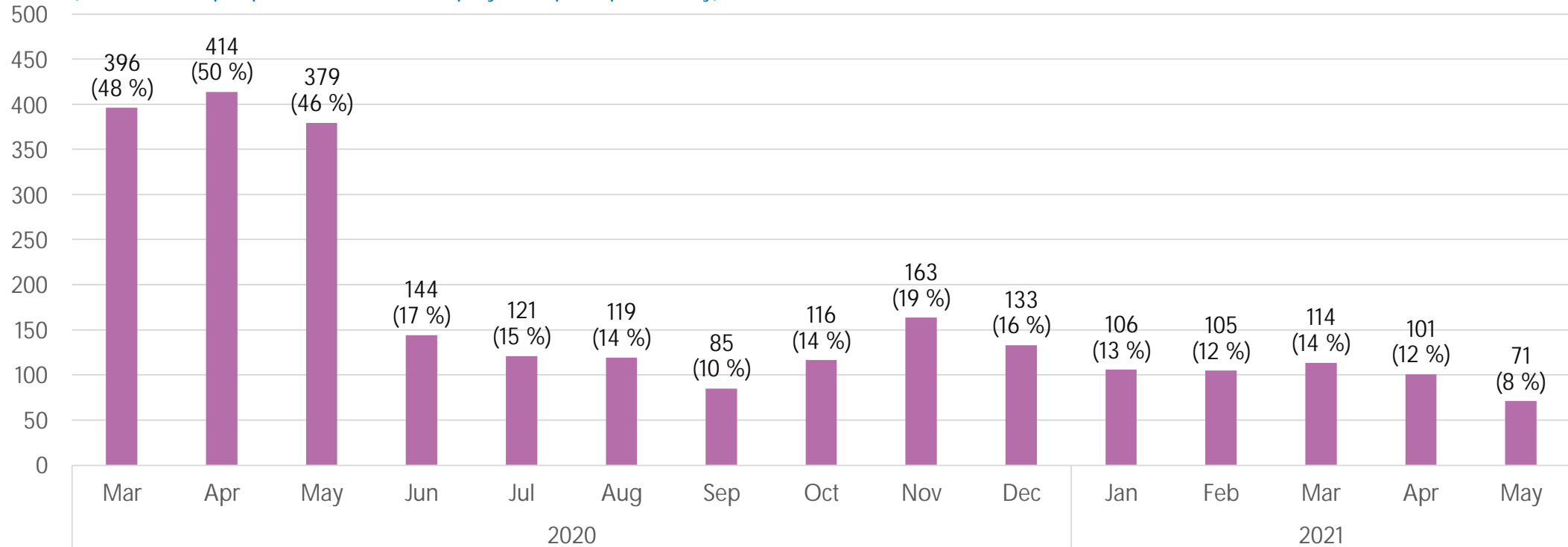
— pm highest level recorded during the financial crisis



Almost one in ten self-employed continue to be financially supported

Bridging right, provisional data¹

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

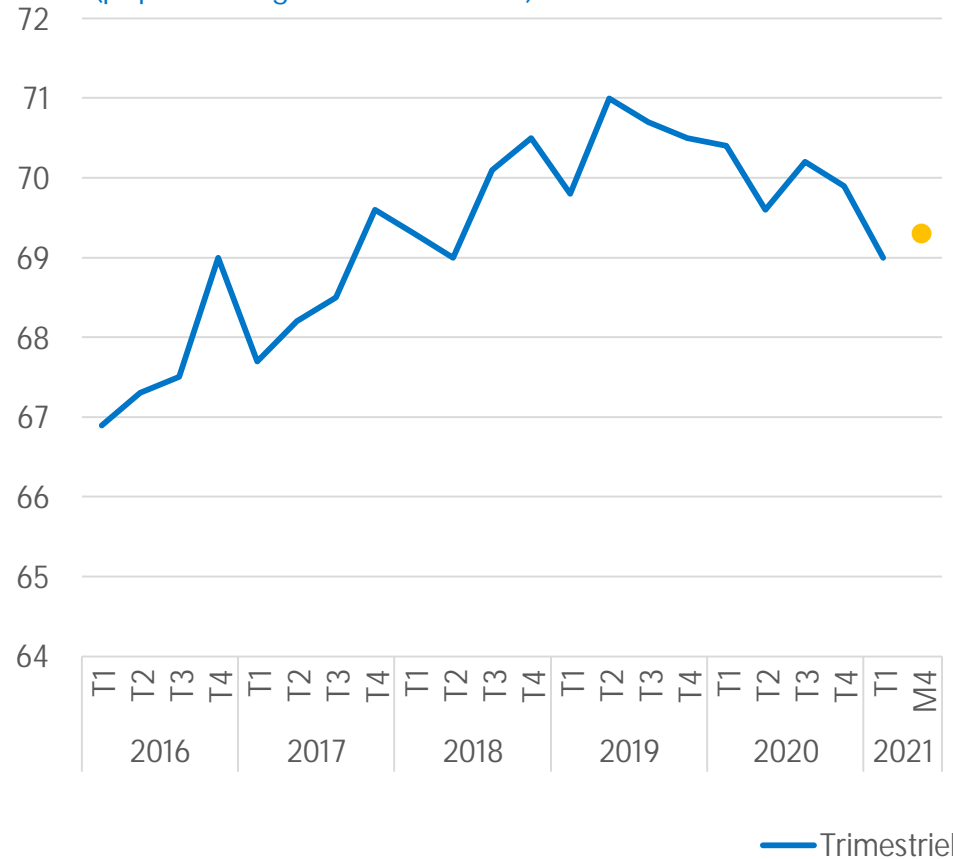


Before the crisis, about 90 self-employed benefited of the bridging right.
At the peak of the crisis, in April, they were 414 000.

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

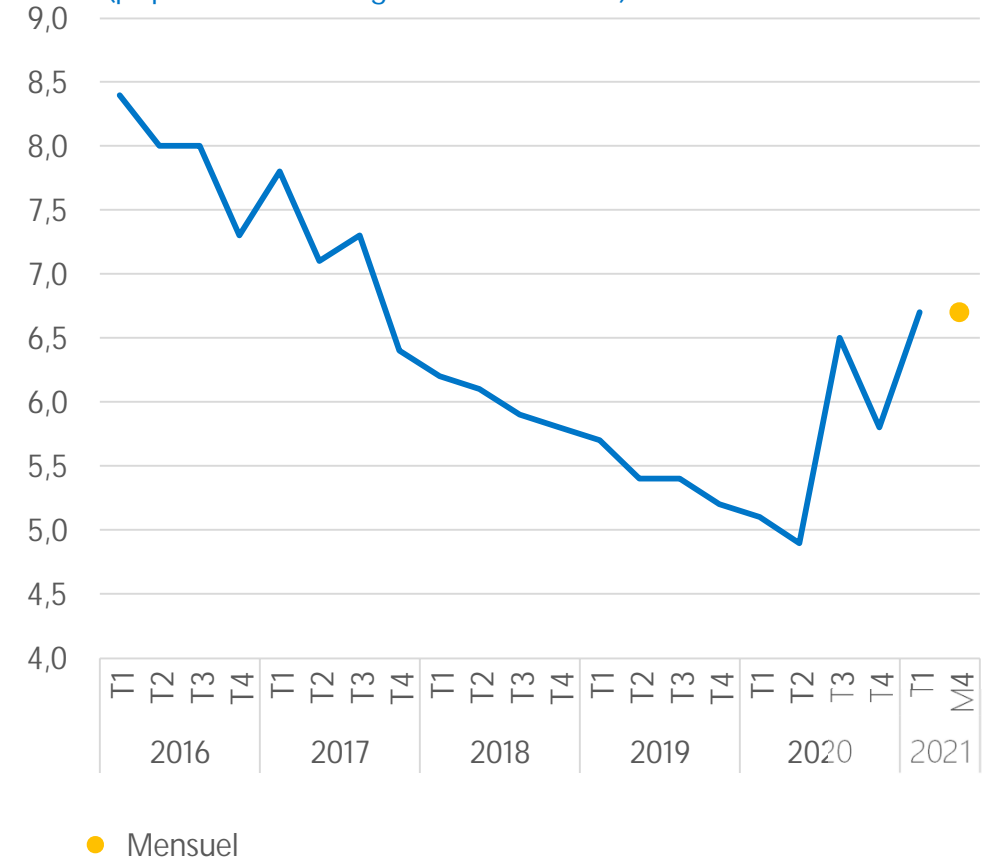
Taux d'emploi

(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:

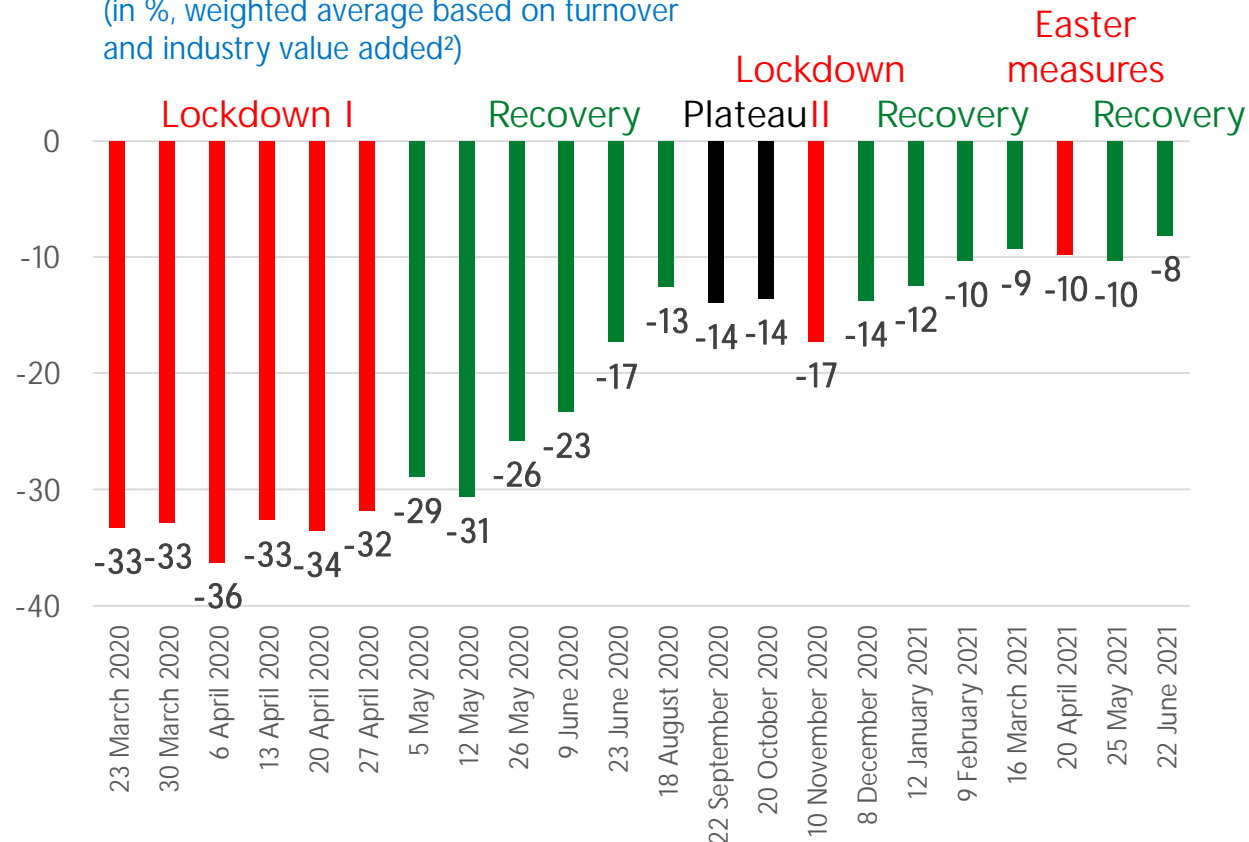


| Round | Period | Federations | Replies | Comment |
|-------|----------------------|---|---------|--------------------------------|
| 1 | 23-24 March 2020 | BECI, UWE, VOKA | 1 700 | Results not published |
| 2 | 30-31 March 2020 | BECI, UNIZO, UWE, VOKA | 4 725 | First press release |
| 3 | 6-7 April 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 |
| 21 | 25-26 May 2021 | BECI, NSZ, UCM, UNIZO, UWE, VOKA | 2 274 | |
| 22 | 21-23 June 2021 | BECI, NSZ, UCM, UNIZO, UWE, VOKA | 1 936 | |

Turnover and the 2021 outlook improve in June (thanks to the improved health situation and the easing of measures)

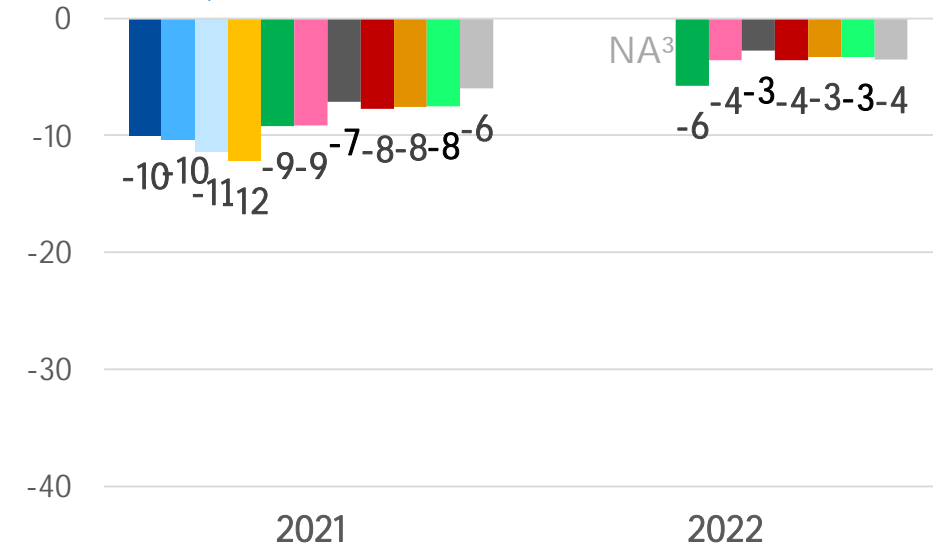
COVID-19 impact¹ on weekly turnover

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



Expected impact¹ on turnover in 2021/2022

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



- Expectation of August 2020 survey
- Expectation of September 2020 survey
- Expectation of October 2020 survey
- Expectation of November 2020 survey
- Expectation of December 2020 survey
- Expectation of January 2021 survey
- Expectation of February 2021 survey
- Expectation of March 2021 survey
- Expectation of April 2021 survey
- Expectation of May 2021 survey
- Expectation of June 2021 survey

Source: ERMG survey, latest available data: 22 June 2021.

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

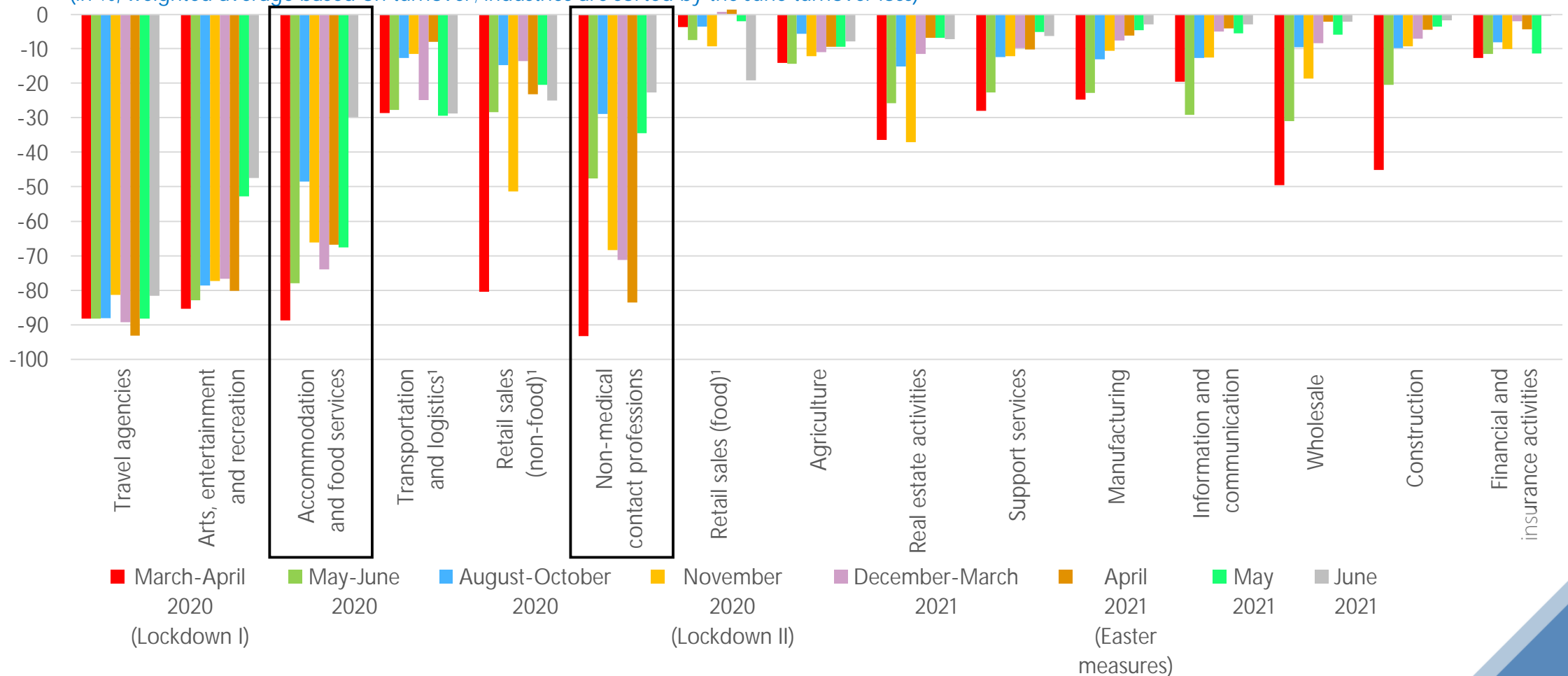
² This approach excludes the human health industry, the public sector and firms that were identified as belonging to a miscellaneous 'other' industry.

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

Turnover recovers in most industries and especially in accommodation and food services and contact professions

COVID-19 impact on weekly turnover

(in %, weighted average based on turnover; industries are sorted by the June turnover loss)



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

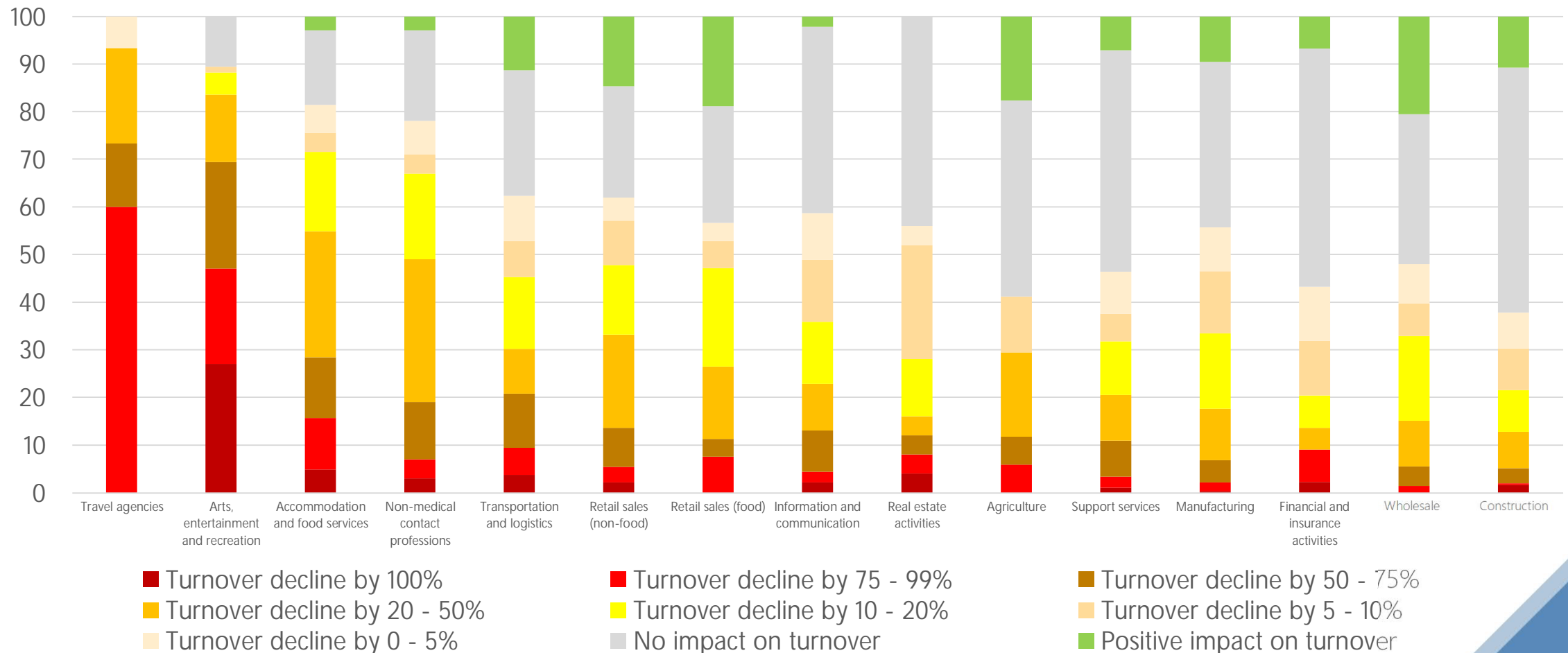
(in %, weighted average based on turnover)

| | March-April 2020 (Lockdown I) | May-June 2020 | August- October 2020 | November 2020 (Lockdown II) | December- March 2021 | April 2021 (Easter) | May 2021 | June 2022 | |
|--|-------------------------------------|------------------|----------------------------|-----------------------------------|----------------------------|---------------------------|-------------|--------------|--------------|
| Travel agencies | -88 | -88 | -88 | -81 | -89 | -93 | -88 | -82 | < -50 % |
| Aviation ¹ | -51 | -60 | -27 | -15 | -57 | -16 | -87 | -62 | |
| Events and recreation | -85 | -83 | -79 | -77 | -77 | -80 | -53 | -47 | -20 to -50 % |
| Road transport (persons) | -55 | -57 | -15 | -13 | -38 | -41 | -78 | -45 | |
| Accommodation and food service activities | -89 | -78 | -49 | -66 | -74 | -67 | -68 | -30 | |
| Retail sales (non-food) | -80 | -28 | -15 | -51 | -14 | -23 | -21 | -25 | |
| Manufacture of furniture | -66 | -31 | -13 | -7 | -4 | -2 | -5 | -24 | |
| Non-medical contact professions | -93 | -48 | -29 | -68 | -71 | -84 | -35 | -23 | -10 to -20 % |
| Retail sales (food) | -4 | -8 | -4 | -9 | 1 | 1 | -2 | -19 | |
| Liberal professions | -23 | -18 | -10 | -12 | -13 | -10 | -9 | -15 | |
| Manufacture of textiles, wearing apparel and shoes | -61 | -43 | -6 | -19 | -11 | -10 | -7 | -14 | |
| Manufacture of wood and paper products, and printing | -36 | -27 | -11 | -14 | -12 | -12 | -12 | -10 | |
| Manufacture of transport equipment ¹ | -54 | -36 | -12 | -21 | -12 | -15 | -15 | -10 | 0 to -10 % |
| Agriculture and fishing | -14 | -14 | -6 | -12 | -11 | -9 | -9 | -8 | |
| Real estate activities | -36 | -26 | -15 | -37 | -11 | -7 | -7 | -7 | |
| Consultancy | -17 | -20 | -11 | -14 | -8 | -4 | -9 | -6 | |
| Manufacture of food products | -18 | -19 | -9 | -12 | -12 | -16 | -7 | -6 | |
| Manufacture of computer, electronic and optical products | -28 | -19 | -25 | -11 | -4 | -2 | 2 | -5 | |
| Engineering services | -33 | -15 | -19 | -12 | -8 | -3 | -2 | -4 | |
| Human Resources | -35 | -30 | -13 | -11 | -13 | -25 | -4 | -4 | |
| Information and communication | -20 | -29 | -13 | -13 | -5 | -4 | -6 | -3 | |
| Cleaning and security services ¹ | -41 | -22 | -10 | -10 | -13 | -8 | -5 | -3 | |
| Manufacture of pharmaceutical and chemical products | -16 | -20 | -11 | -8 | -6 | -3 | -4 | -2 | |
| Wholesale | -49 | -31 | -10 | -19 | -8 | -2 | -6 | -2 | |
| Logistics | -22 | -26 | -11 | -11 | -7 | -2 | -14 | -2 | |
| Construction | -45 | -20 | -10 | -9 | -7 | -5 | -4 | -2 | |
| Manufacture of plastic and non-metallic products | -19 | -19 | -12 | -10 | -4 | 0 | -1 | -1 | |
| Manufacture of machinery and electrical equipment | -29 | -24 | -14 | -10 | -9 | -3 | -12 | 0 | |
| Financial and insurance activities | -13 | -11 | -8 | -10 | -2 | -4 | -11 | 0 | |
| Metallurgy and metal products | -23 | -30 | -23 | -10 | -4 | -4 | 0 | 0 | |

In addition to large cross-sectoral differences, the turnover loss of firms continues to strongly differ *within* most industries

COVID-19 impact on current turnover (survey 22 June)

(in % of responding firms; unweighted¹)

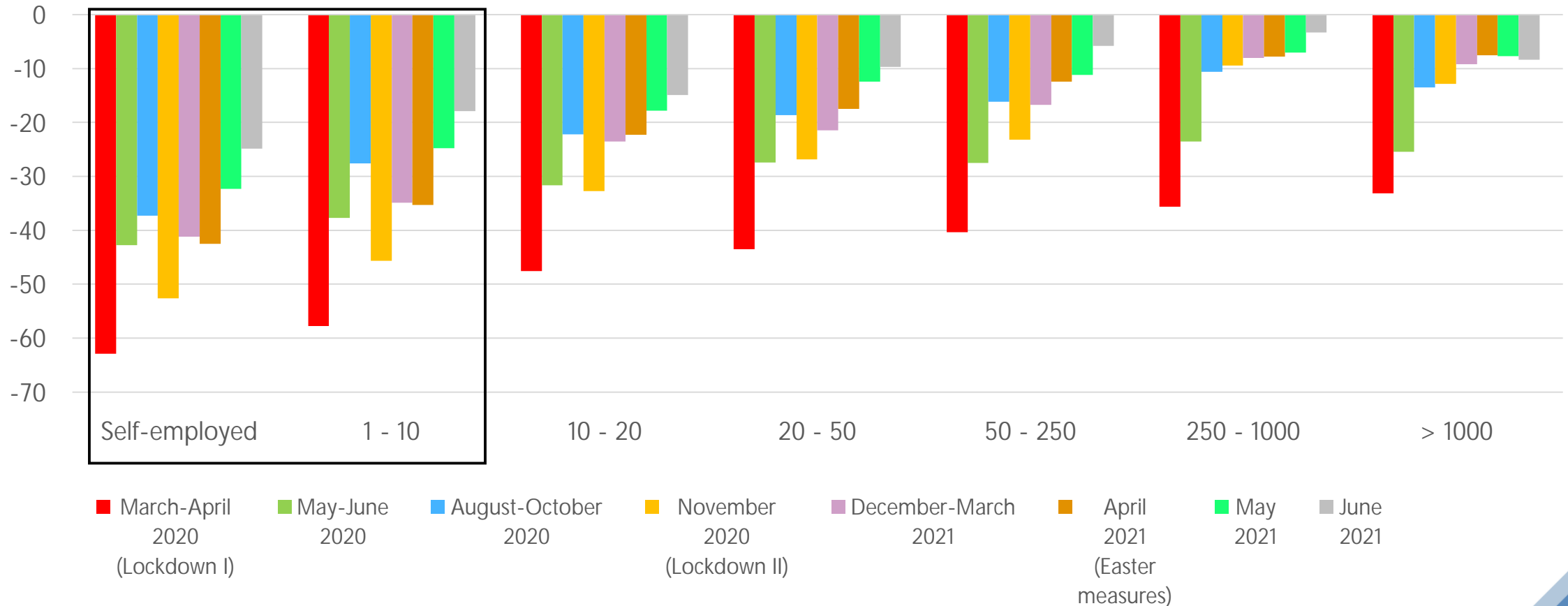


Source: Round 22 of ERMG survey, latest available data: 22 June 2021.

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 turnover loss compared to the average turnover loss weighted by firm size, which is shown on the previous slides.

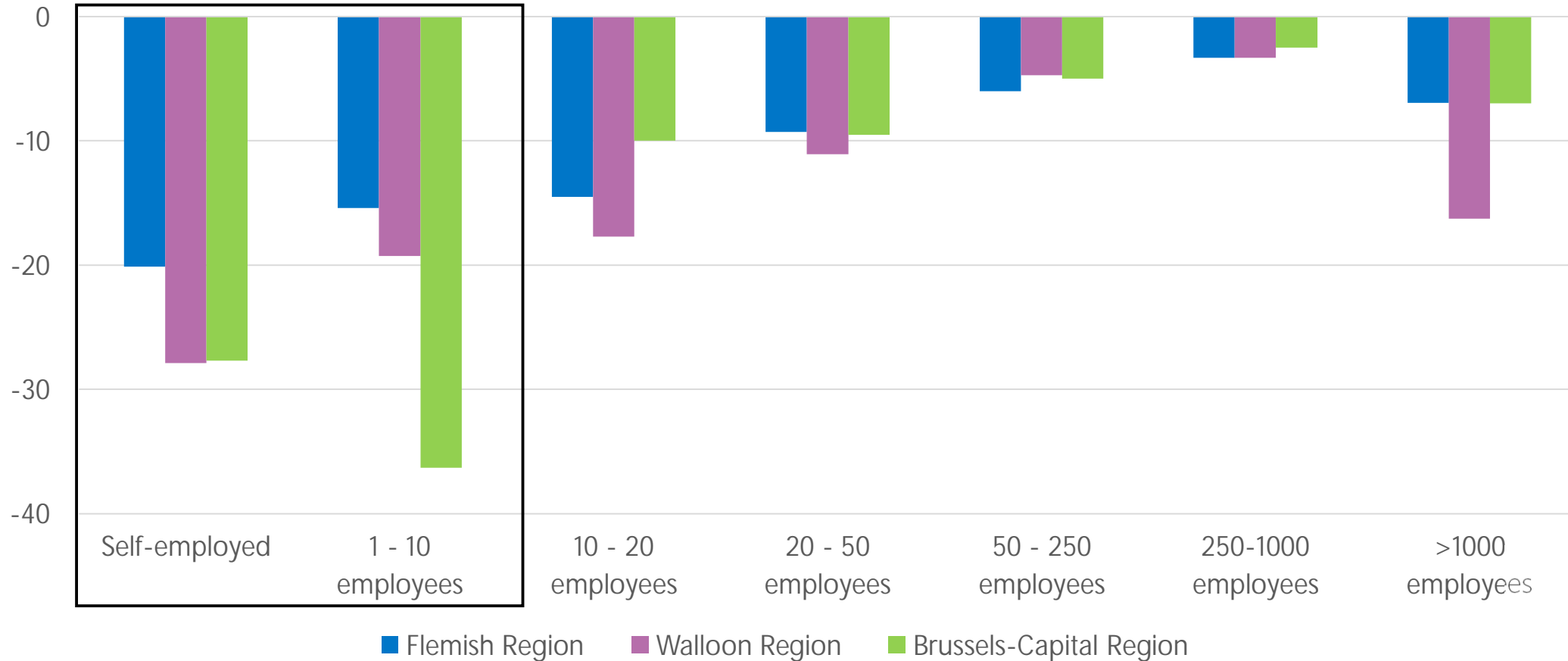
The turnover loss of the self-employed and the smallest firms has been cut in half in two months' time, but it still remains sizable

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



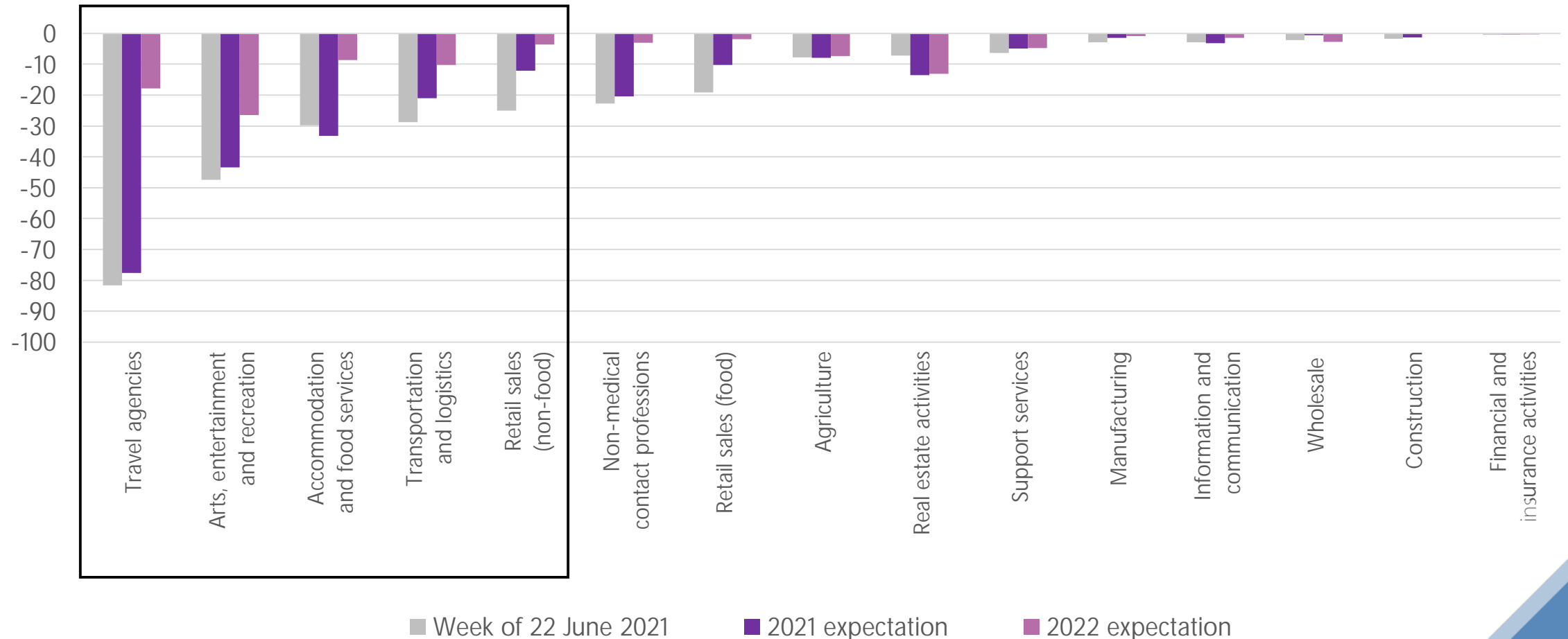
The turnover loss of the self-employed and smallest firms continues to be larger in Wallonia and especially Brussels

COVID-19 impact on current turnover, by firm size and by region (survey 22 June)
(in %, unweighted average¹)



The turnover loss is expected to substantially narrow in 2022, but it will still be substantial for the worst-hit industries

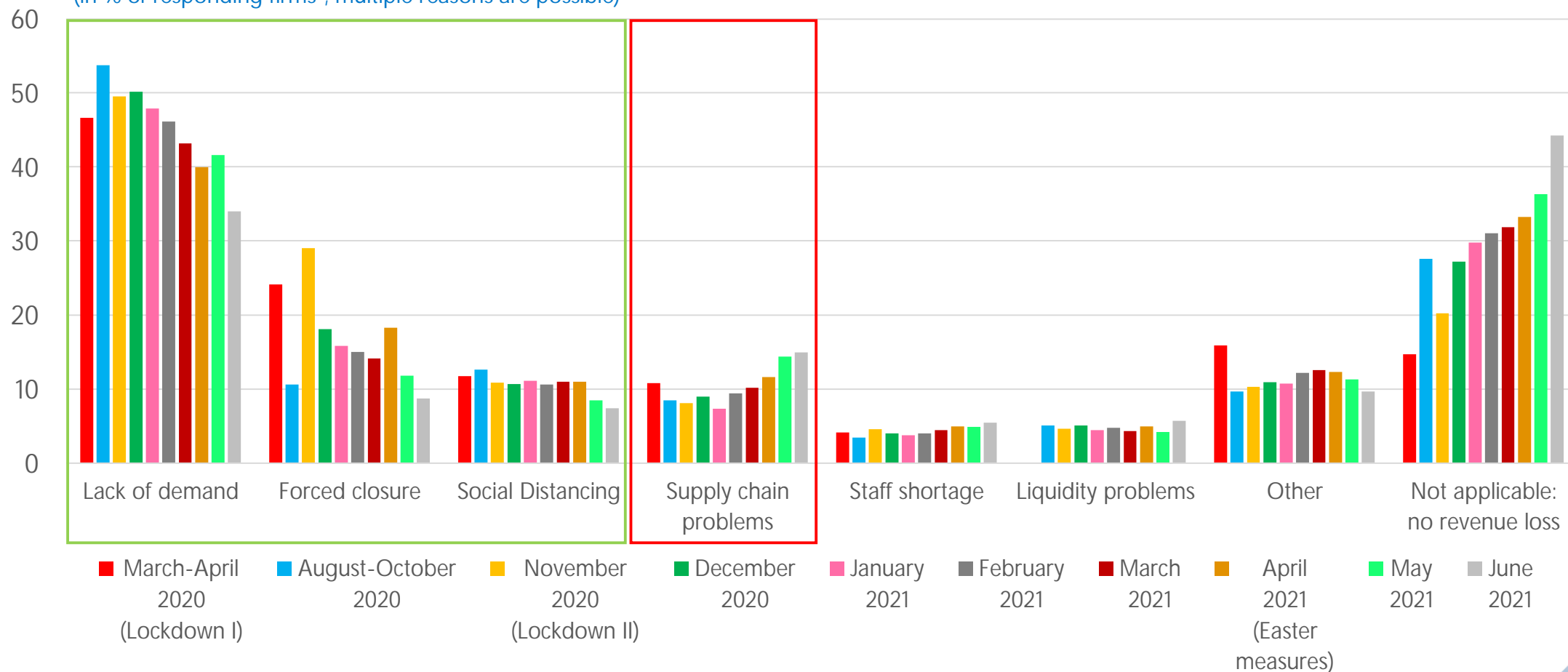
Expected COVID-19 impact on current turnover and on turnover in 2021 and 2022 (survey 22 June)
(in %, weighted average based on turnover)



Fewer firms are affected by the restrictive measures and weak demand but supply chain issues are increasingly hampering the recovery

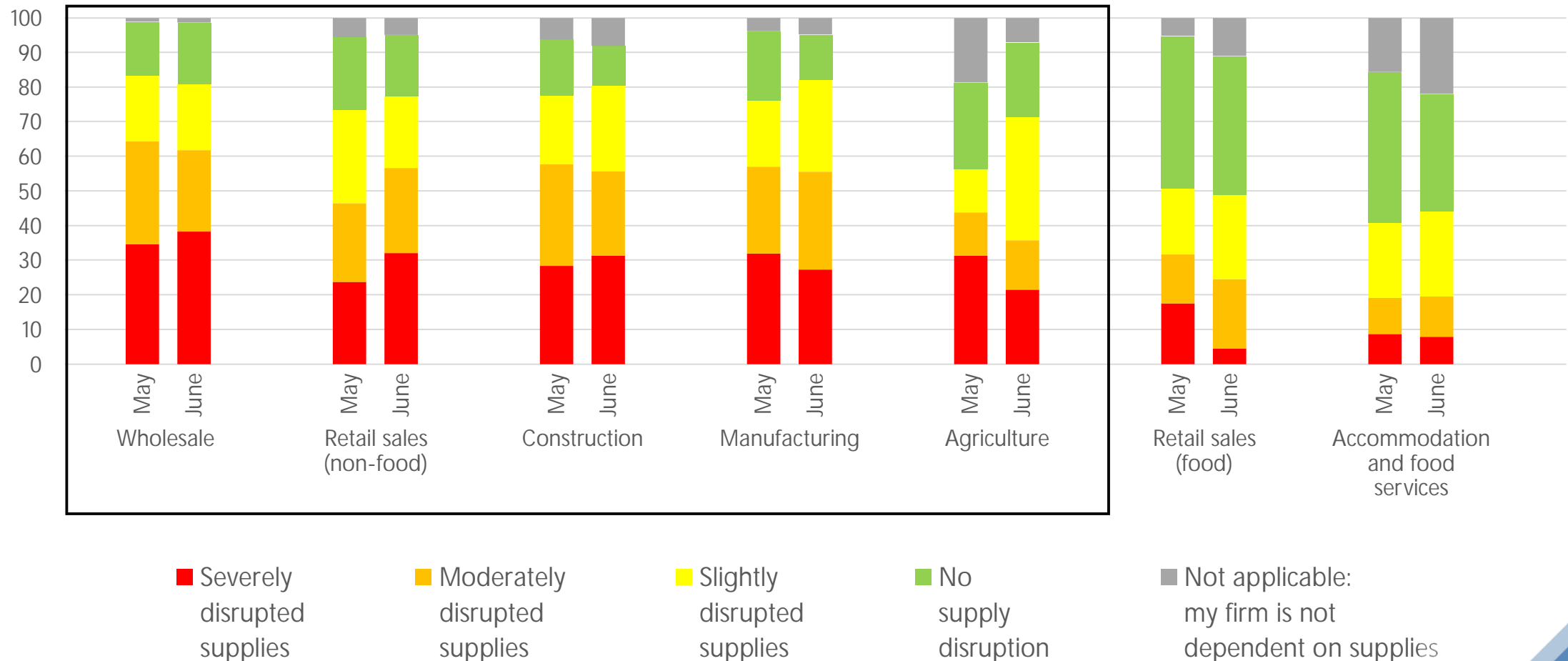
Reasons for the current turnover loss due to the COVID-19 crisis

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



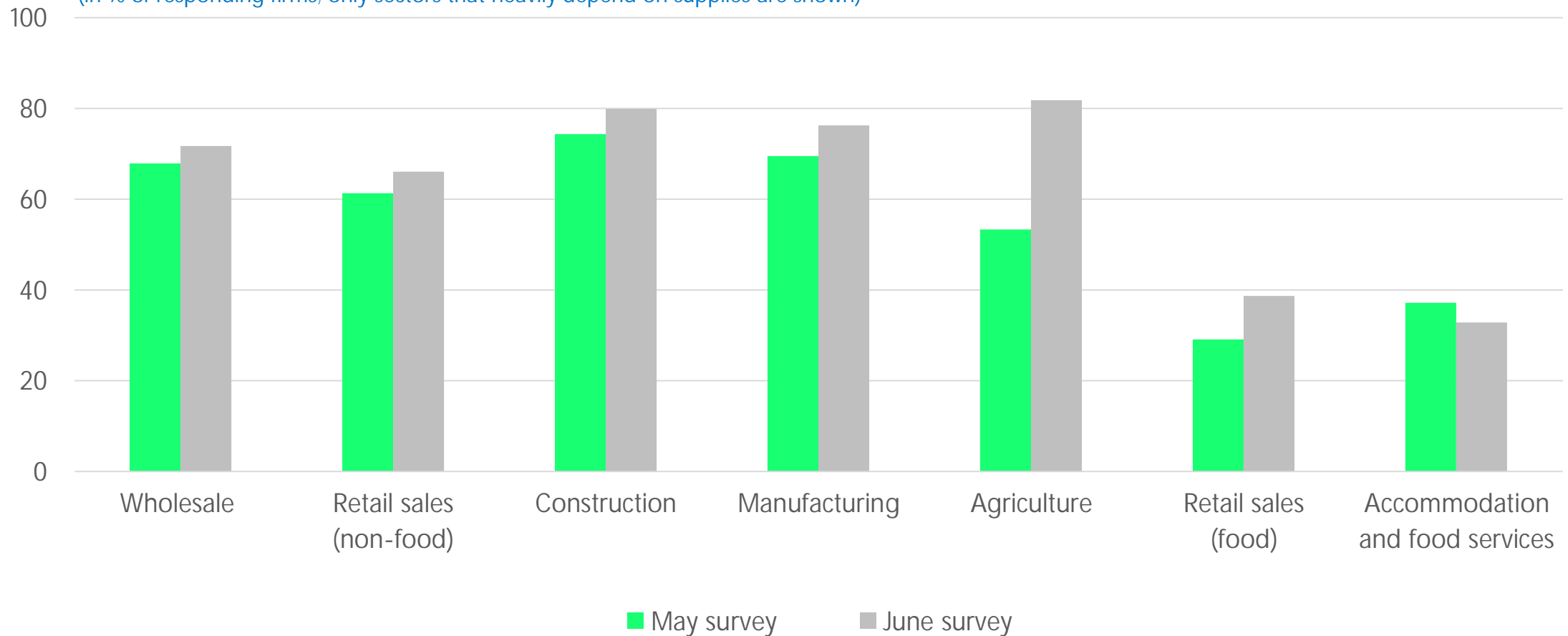
Supplies remain strongly disrupted in June, especially for wholesale, non-food retail, construction, manufacturing and agriculture

Have you experienced supply problems (other than price increases) this month?
(in % of responding firms; only sectors that heavily depend on supplies are shown)



The supply chain disruptions are mainly caused by supplier shortages, which have further increased in June ...

Firms suffering from supply chain problems due to shortages at the level of the supplier
(in % of responding firms; only sectors that heavily depend on supplies are shown)



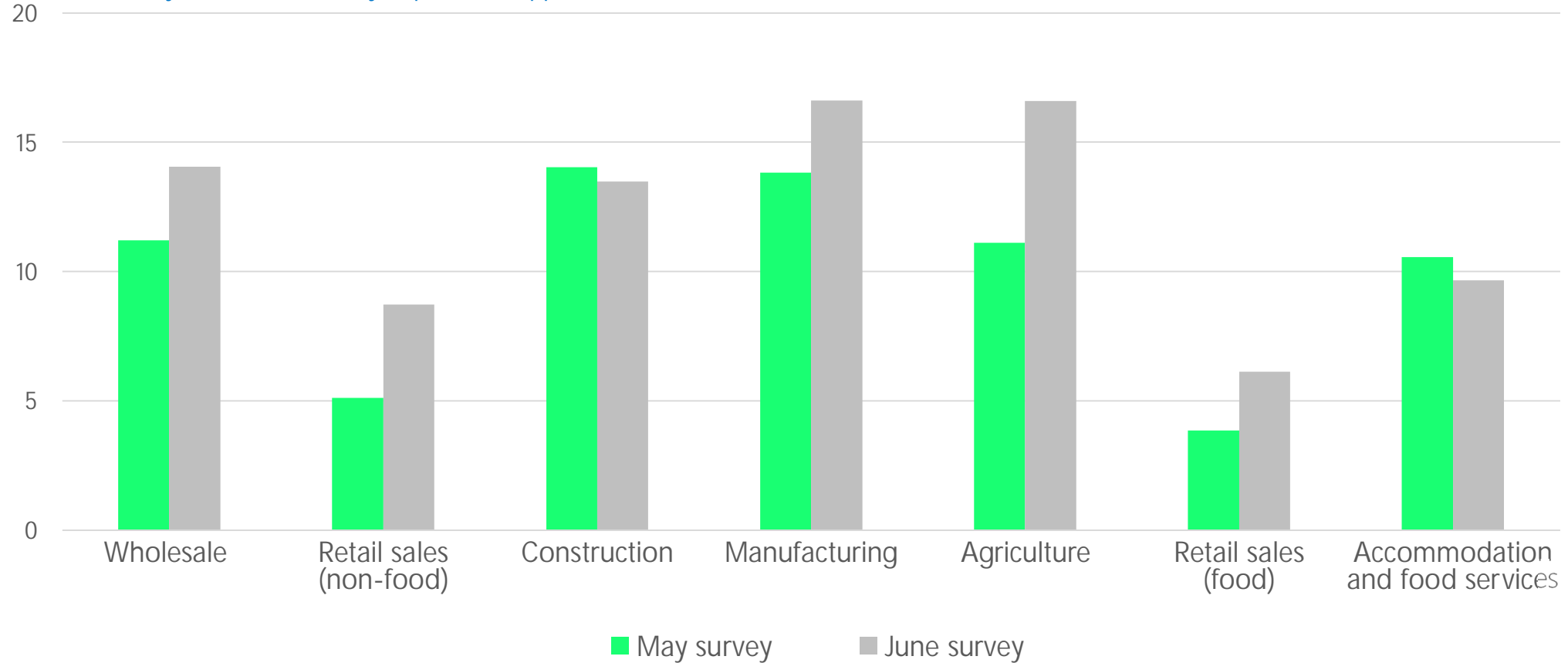
... but supply chain disruptions are also caused by transport issues, which have also further increased in June

Firms suffering from supply chain problems due to transport issues
(in % of responding firms; only sectors that heavily depend on supplies are shown)



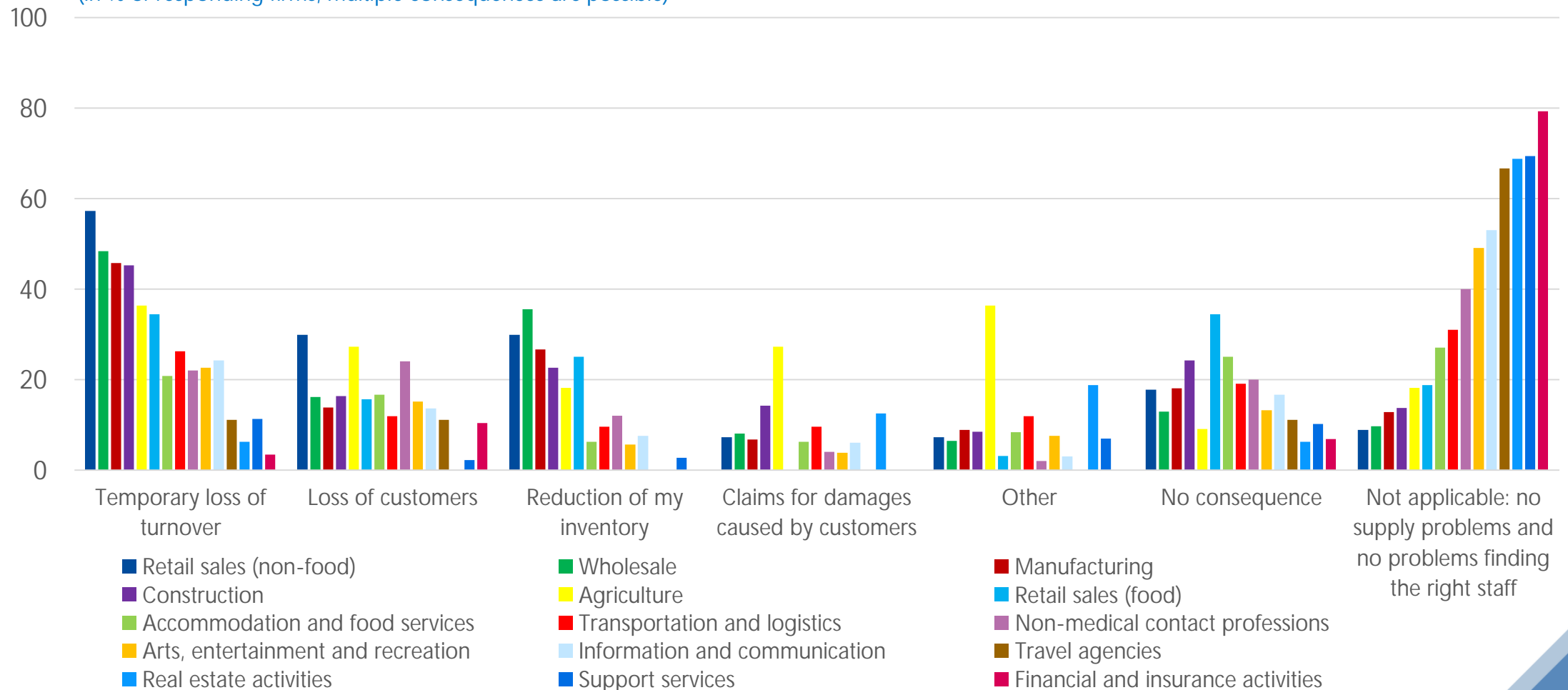
In addition, input costs of firms are much higher than normal, especially in construction, wholesale, manufacturing and agriculture

Input costs: average deviation from normal
(in %; only sectors that heavily depend on supplies are shown)



The supply issues and hiring difficulties have resulted in a temporary turnover loss, loss of customers and a reduction of inventories

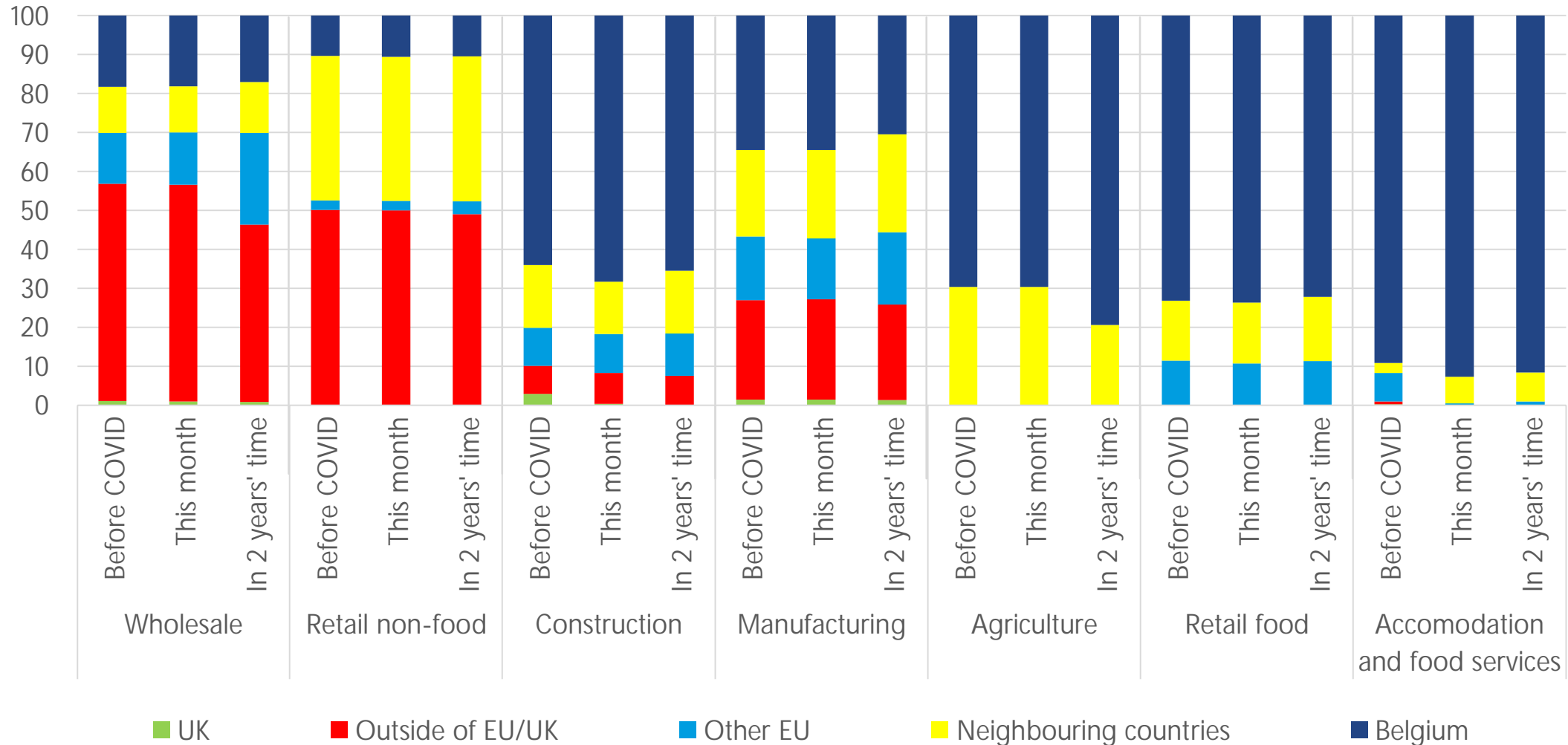
Impact of supply issues and hiring difficulties on your company this month (survey 22 June)
(in % of responding firms, multiple consequences are possible)



There are no indications of significant and broad-based reshoring

Distribution of the location of the company's suppliers

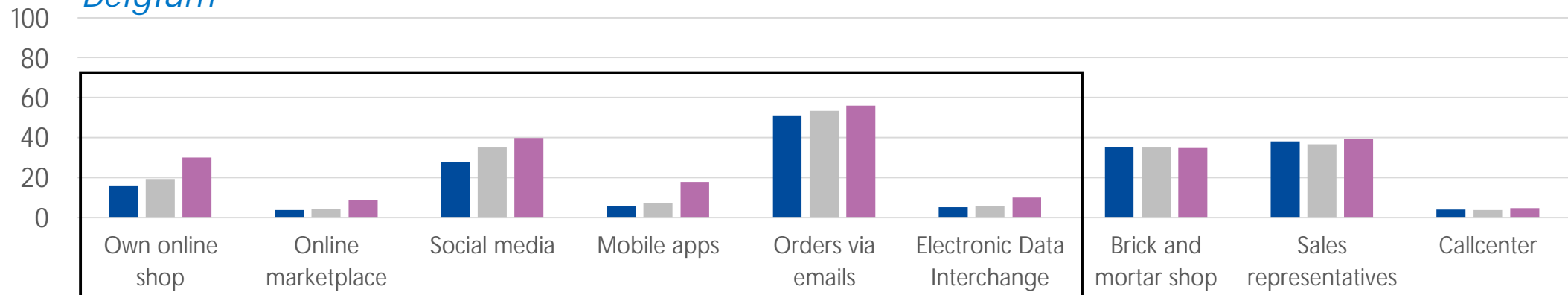
(in % of deliveries; average, weighted by turnover; only sectors that heavily depend on supplies are shown)



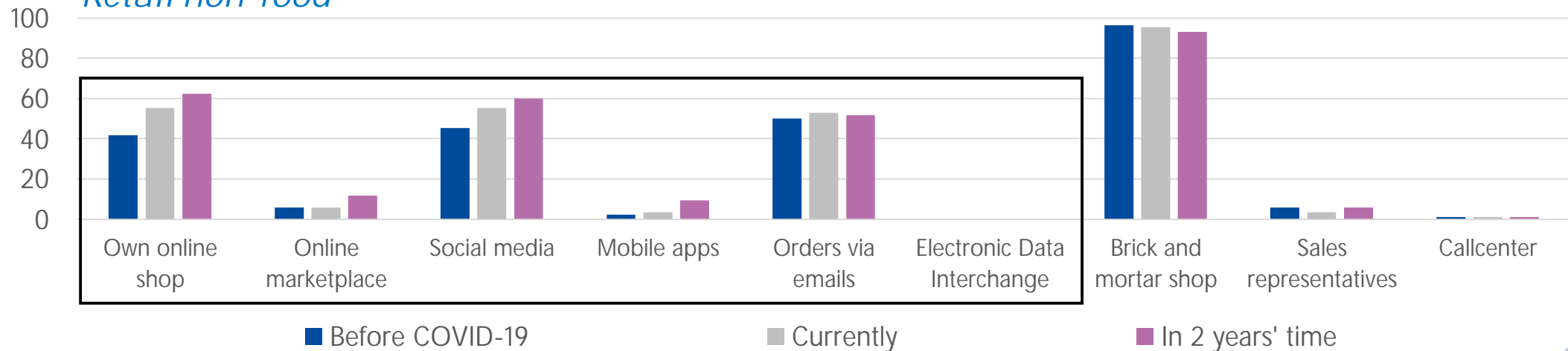
The use of online sales channels will accelerate further in the coming two years, but traditional channels will be maintained

Sales channels used before COVID-19, currently and in 2 years' time
(in % of responding firms, multiple sales channels are possible)

Belgium¹

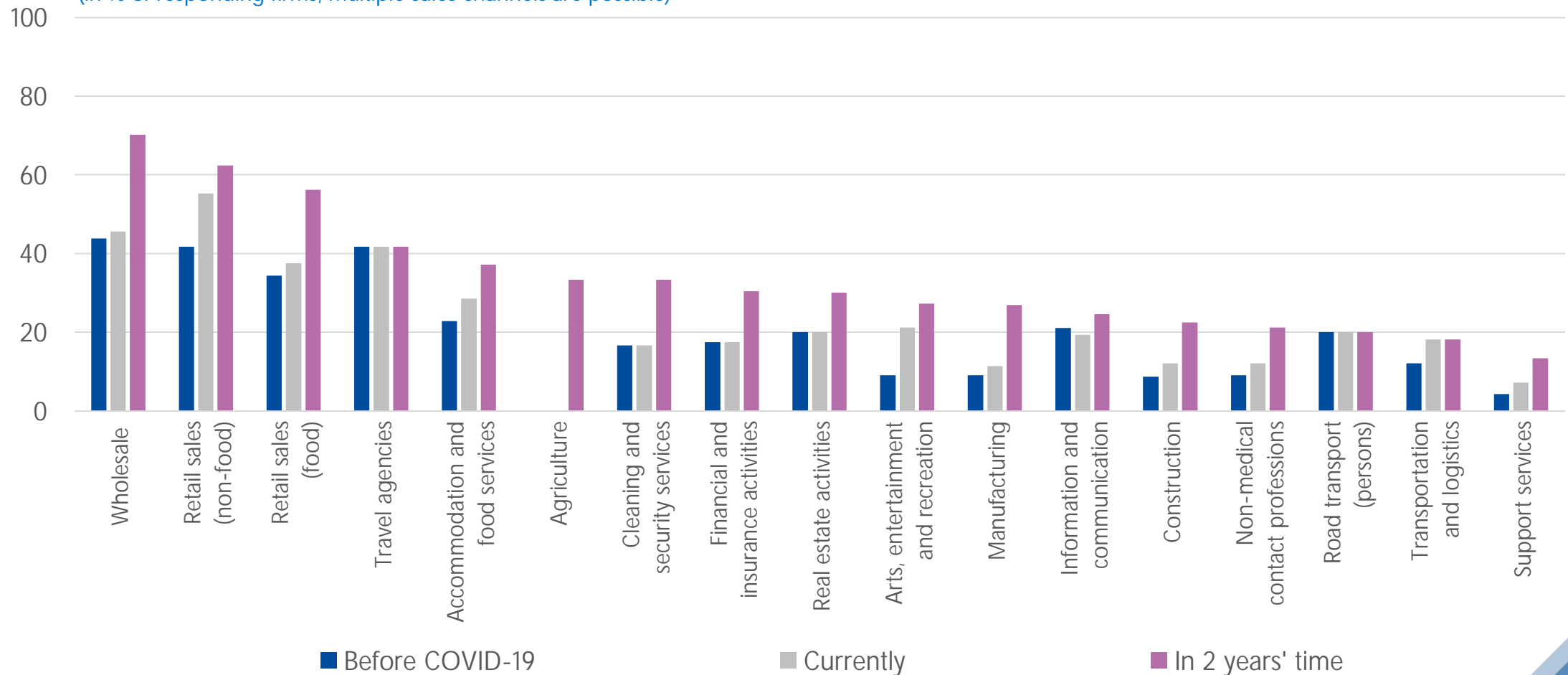


Retail non-food



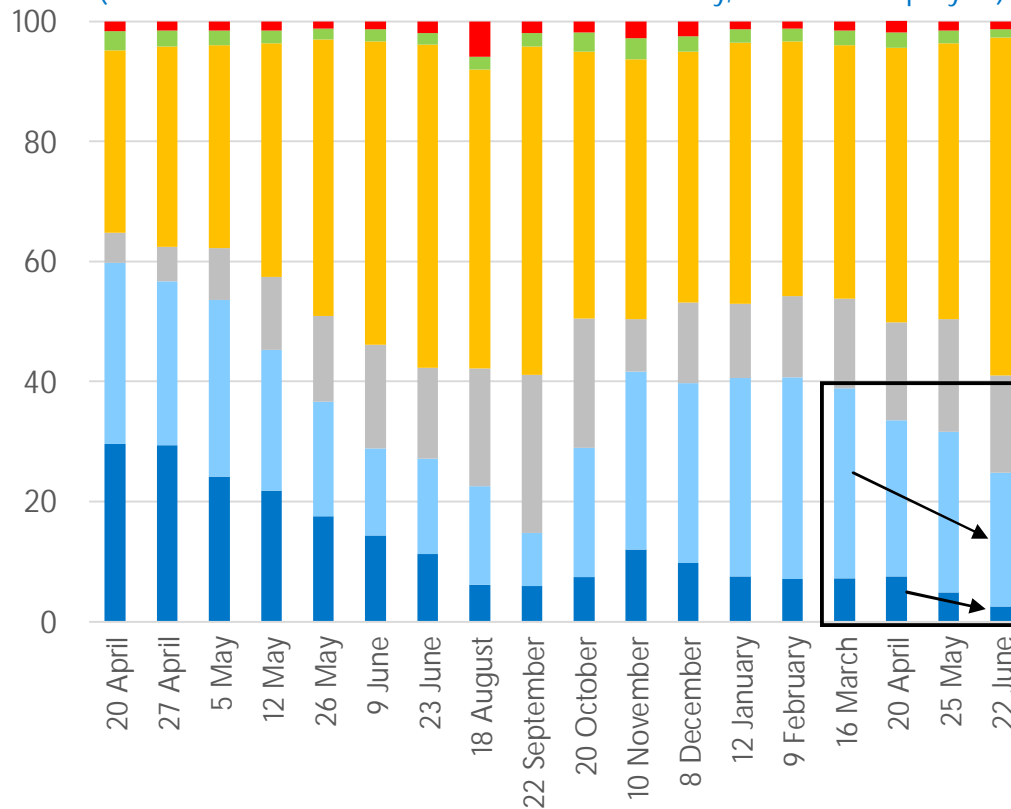
The own online shop, in particular, will become a more important sales channel for most industries

Firms with an own online shop (before COVID-19, now and in 2 years' time)
(in % of responding firms, multiple sales channels are possible)

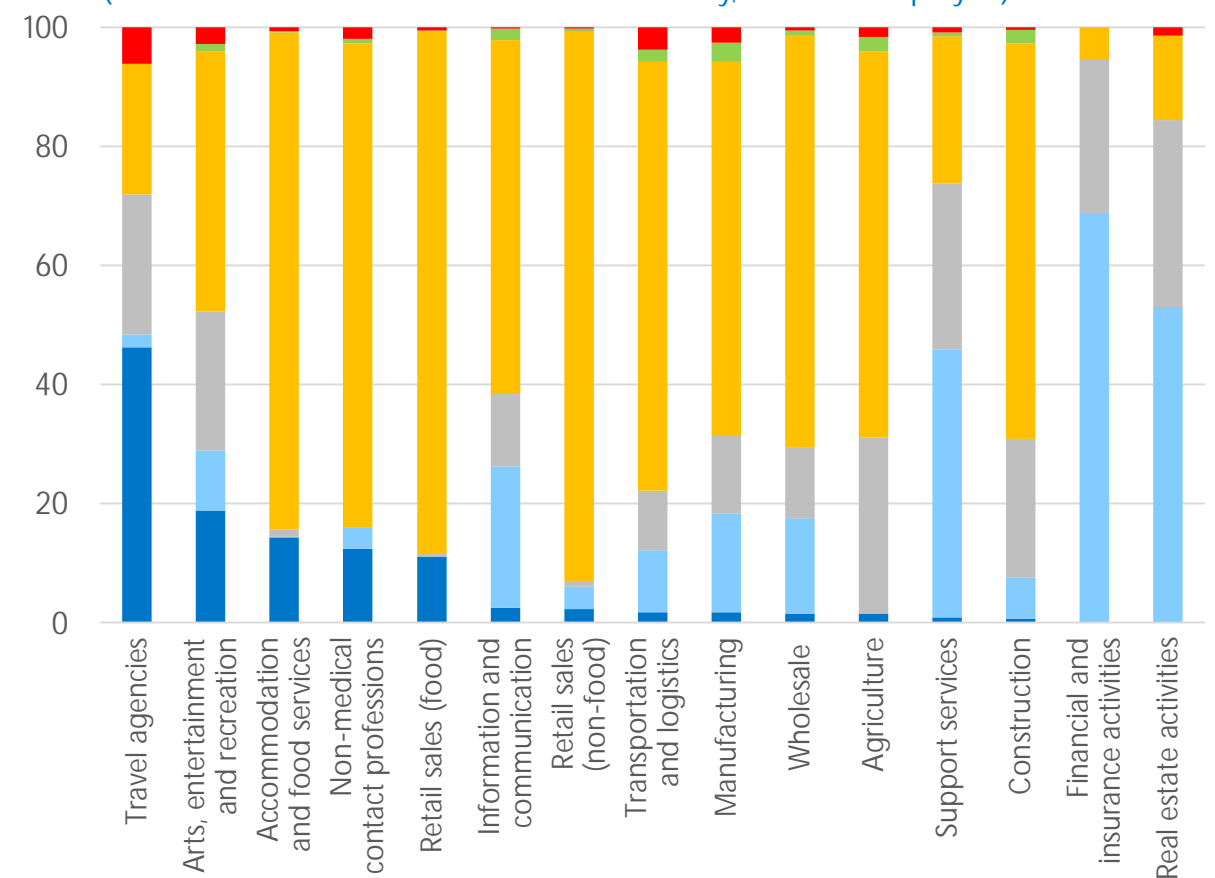


More workers are at the workplace as the use of full-time telework and temporary unemployment have declined in recent months

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



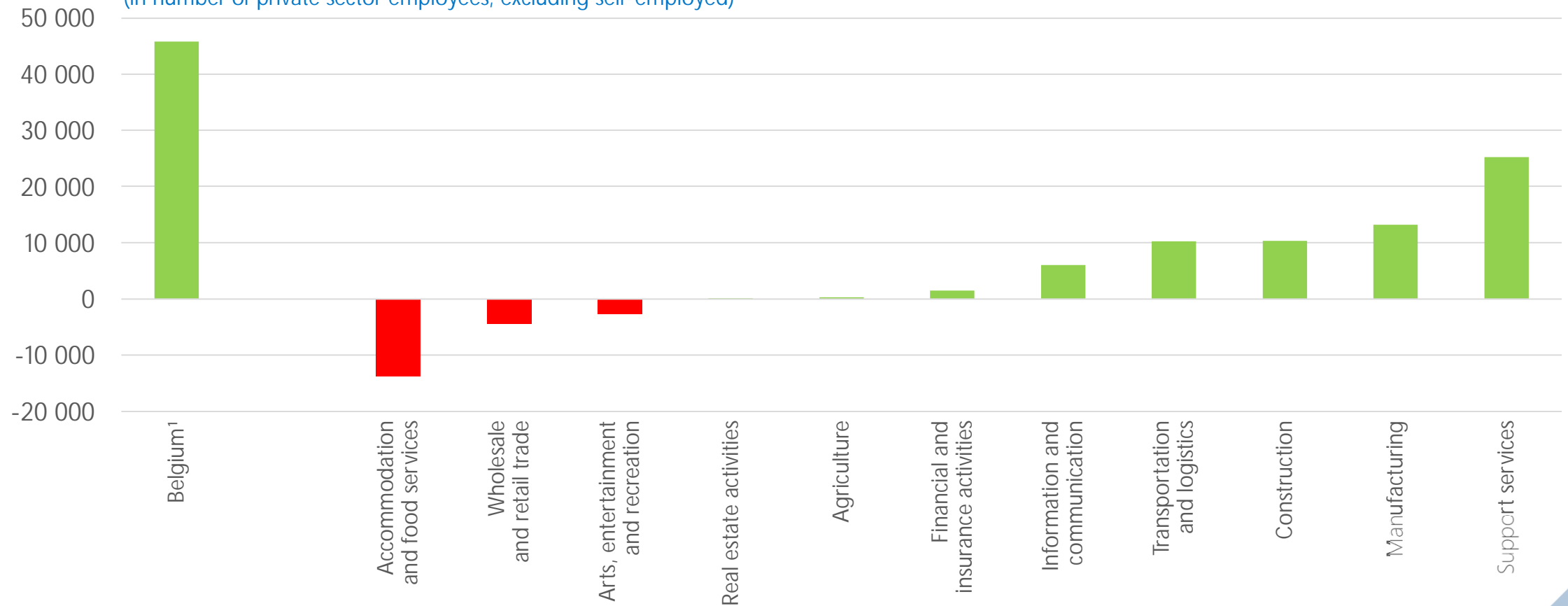
Workforce organisation by industry (survey 22 June)
(in % of total staff size of the firms in the survey, excl. self-employed)



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

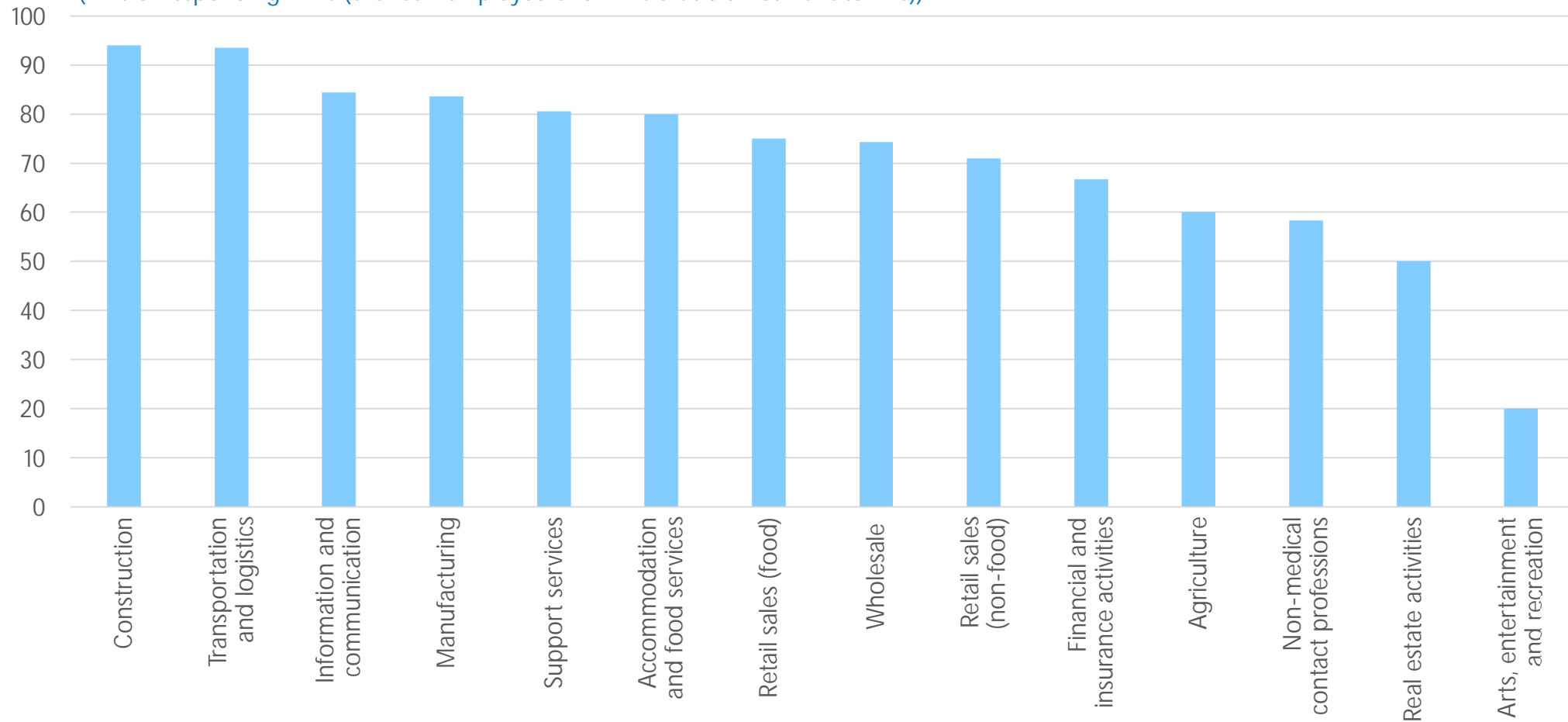
Lay-offs in the worst-hit industries in 2021 could be more than offset by planned hiring in several large industries ...

Expected net change in employees in 2021 (survey 22 June)
(in number of private sector employees, excluding self-employed)



... but recruitment difficulties are very elevated in most industries

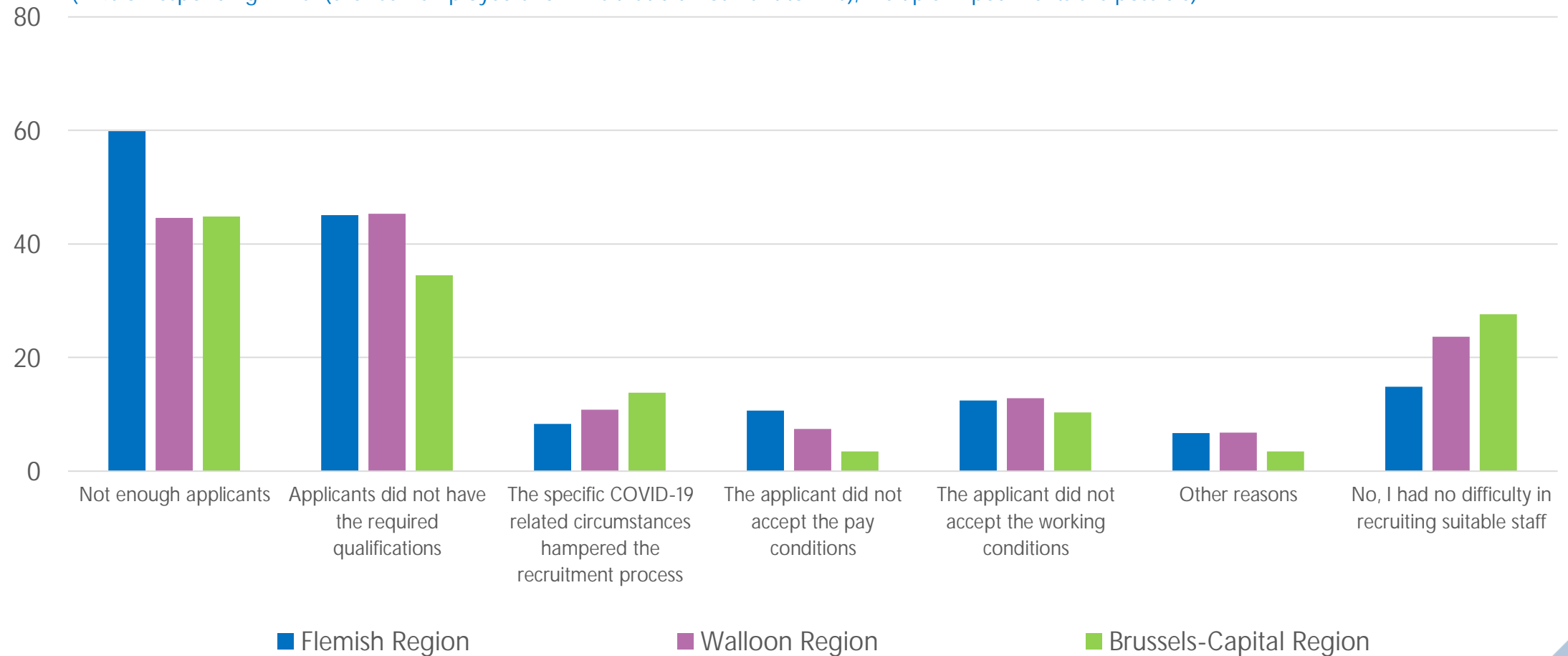
Firms that encountered recruitment difficulties in the past six months (survey 22 June)
(in % of responding firms (excl. self-employed and firms that did not want to hire))



Difficulties in recruiting staff are larger in the Flemish Region and mostly pertain to a lack of applicants or qualifications

Difficulties in recruiting staff over the past six months

(in % of responding firms¹ (excl. self-employed and firms that did not want to hire), multiple impediments are possible)



Firms have resorted more than usual to staff training, use of external labour and extra efforts to recruit staff

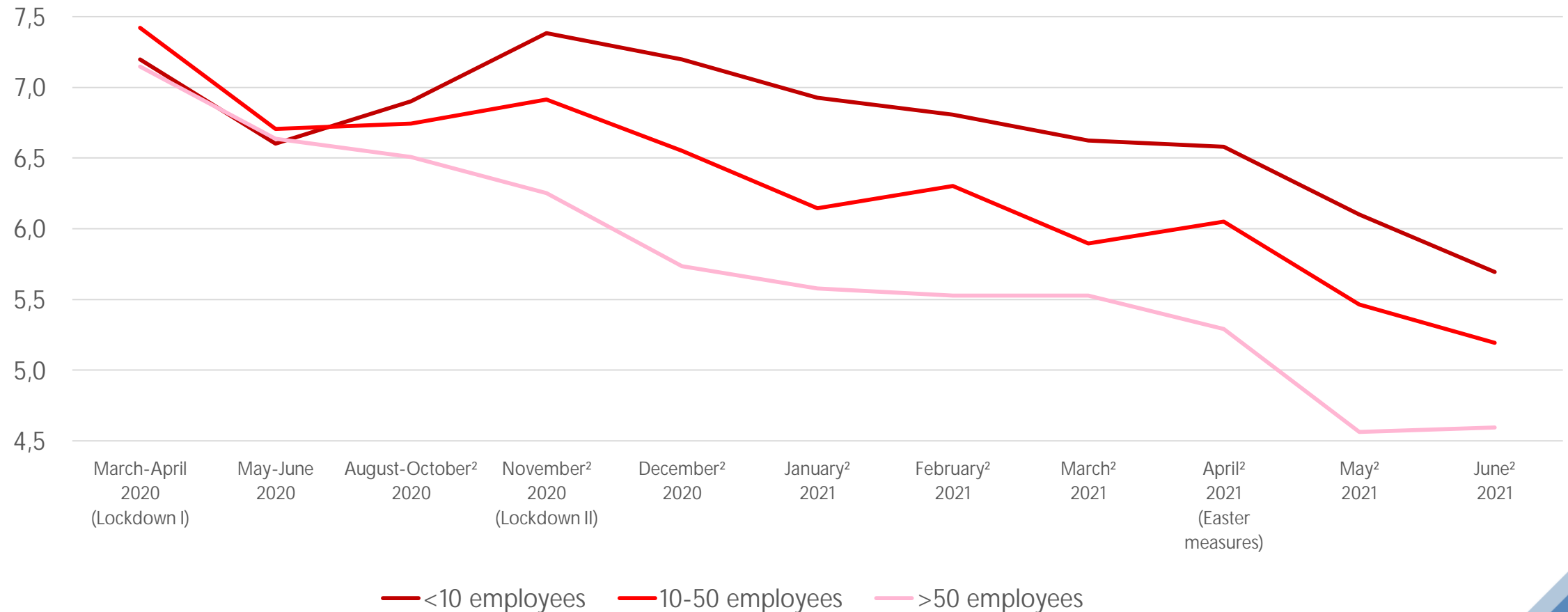
What strategies were employed more than usual in the past 6 months to solve the staff shortages?
(in % of responding firms¹ (excl. self-employed and firms that did not have staff shortages), multiple strategies are possible)



The degree of concern again strongly decreased for the SMEs and it remained stable at a low level for the large firms

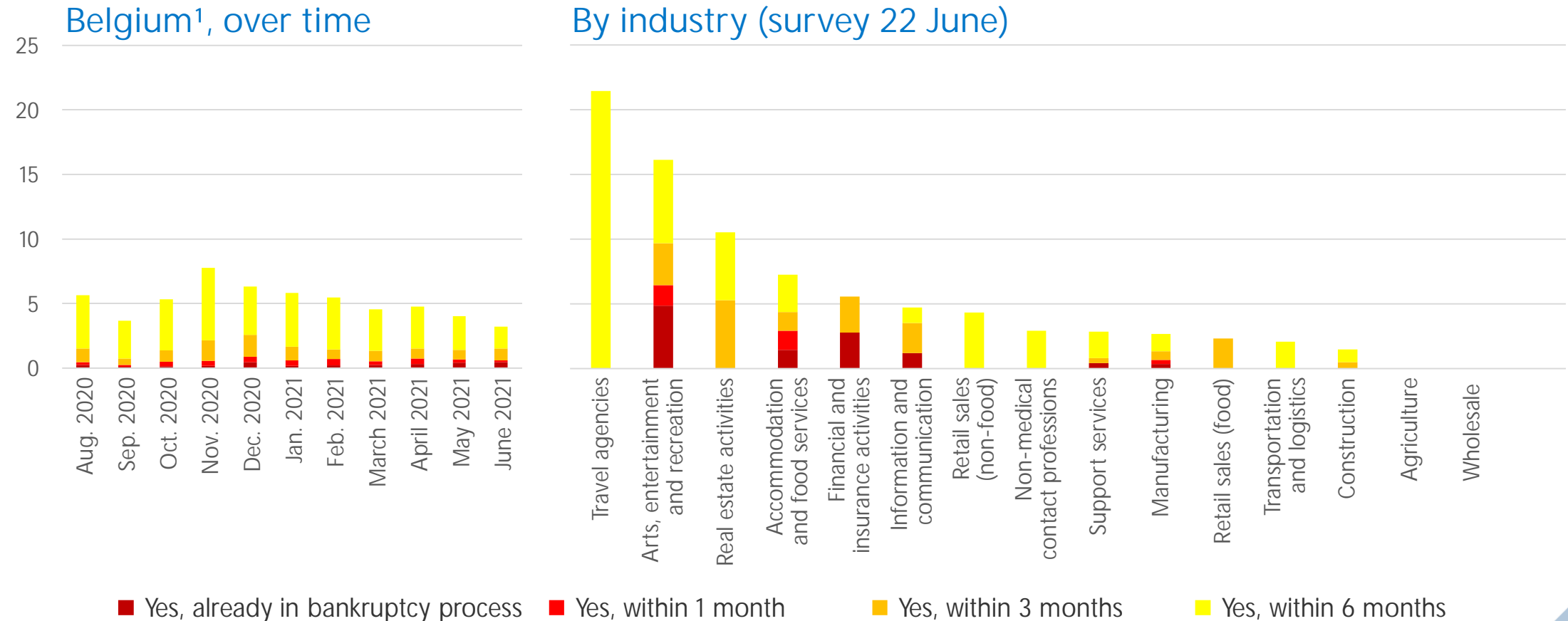
Degree of concern, by firm size

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



The number of firms that expect to file for bankruptcy has further decreased in June

Do you expect to file for bankruptcy within the next 6 months?
(in % of responding firms)

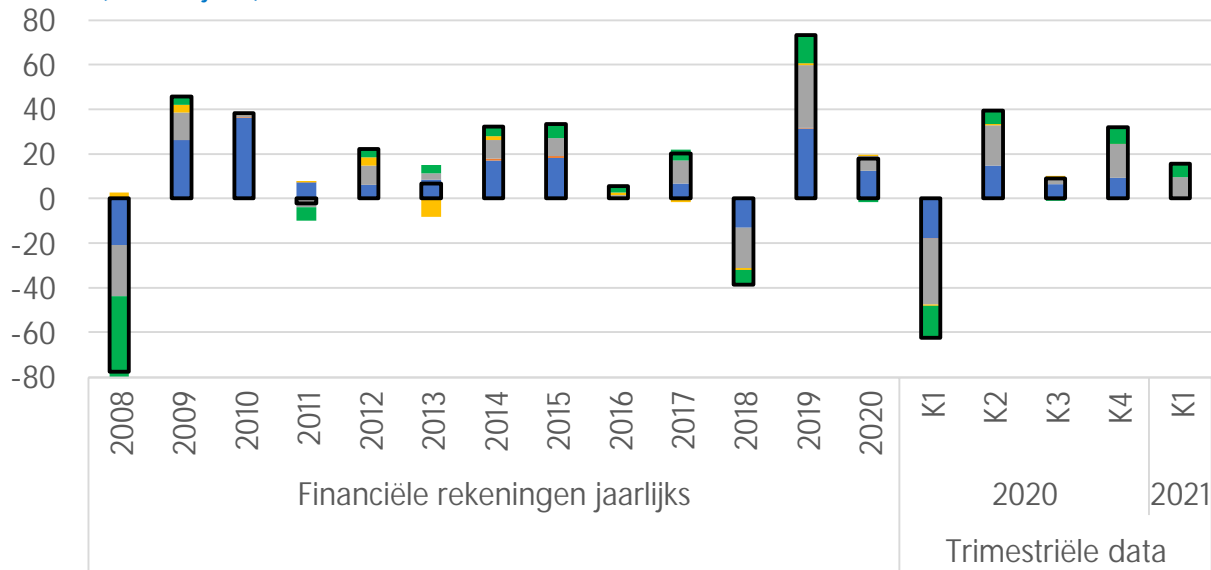


The background of the slide features a large, detailed, and semi-transparent image of a coronavirus particle, showing its characteristic spherical shape and numerous surface spikes. The particle is centered and slightly tilted, with other smaller, less distinct particles visible in the background, creating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

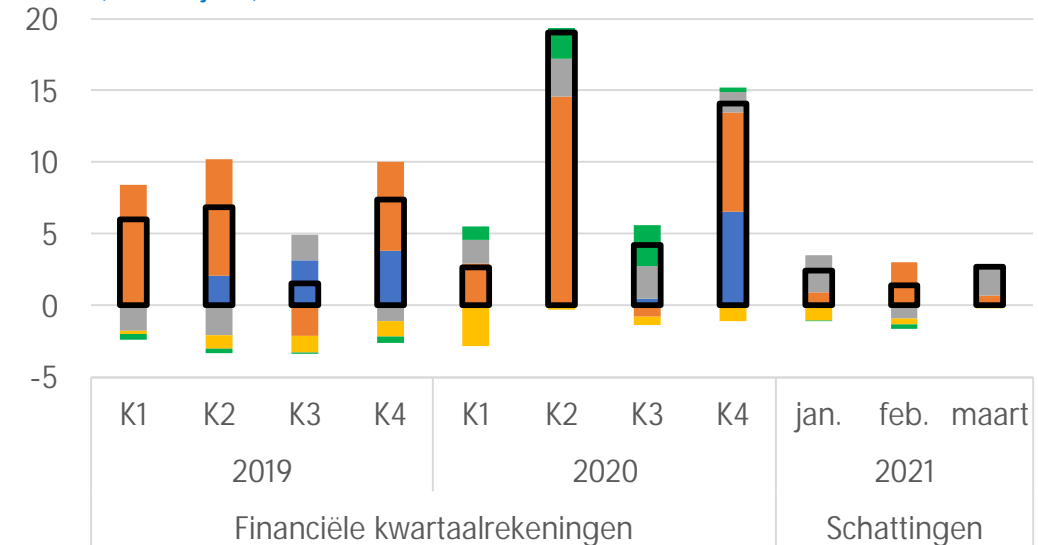
Credit indicators households

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)



■ Andere activa¹ ■ Deposito's ■ Beleggingsfondsen ■ Schuldbewijzen ■ Genoteerde aandelen ■ Totaal

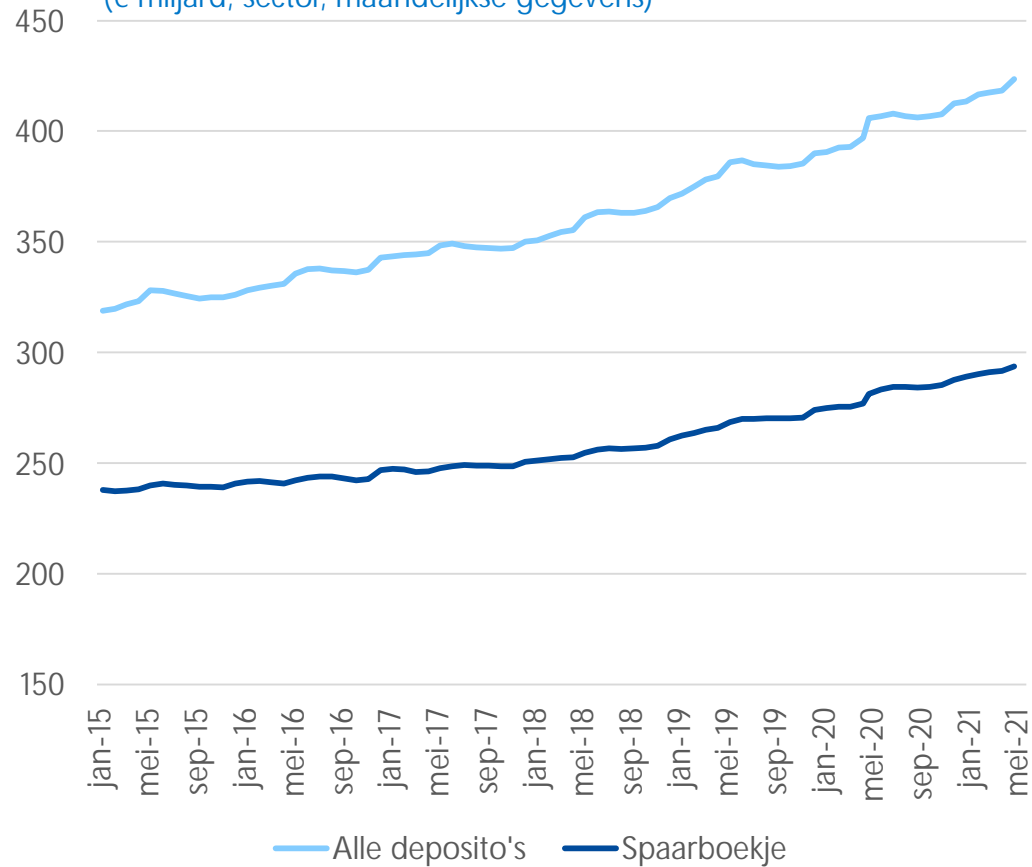
- ◆ In 2020K1 veroorzaakte de sterke daling in de beurskoersen waardedalingen in de financiële activa van de particulieren voor 62,8 miljard euro. Door het herstel van de beurzen in de daaropvolgende kwartalen werden de waardedalingen uit het eerste kwartaal volledig hersteld. Negatieve prijseffecten 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 werd voornamelijk geïnvesteerd in beleggingsfondsen.

Deposito's van Belgische huishoudens

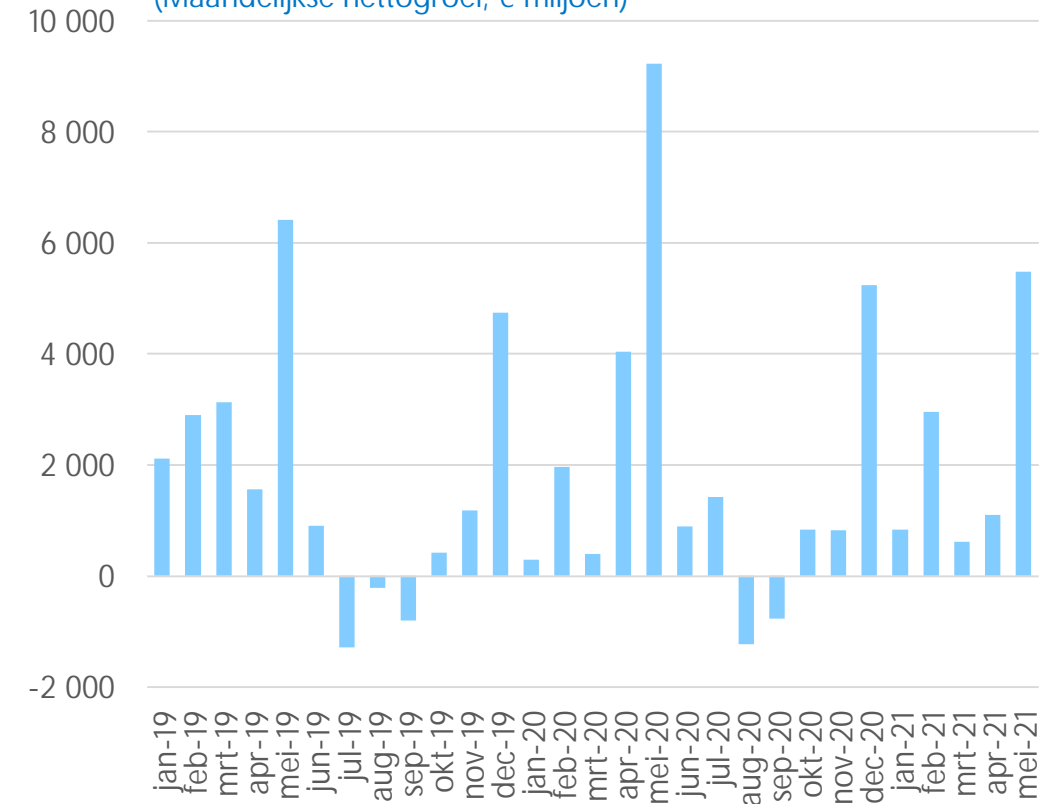
Deposito's Belgische huishoudens

(€ miljard, sector, maandelijkse gegevens)



Groei alle deposito's Belgische huishoudens

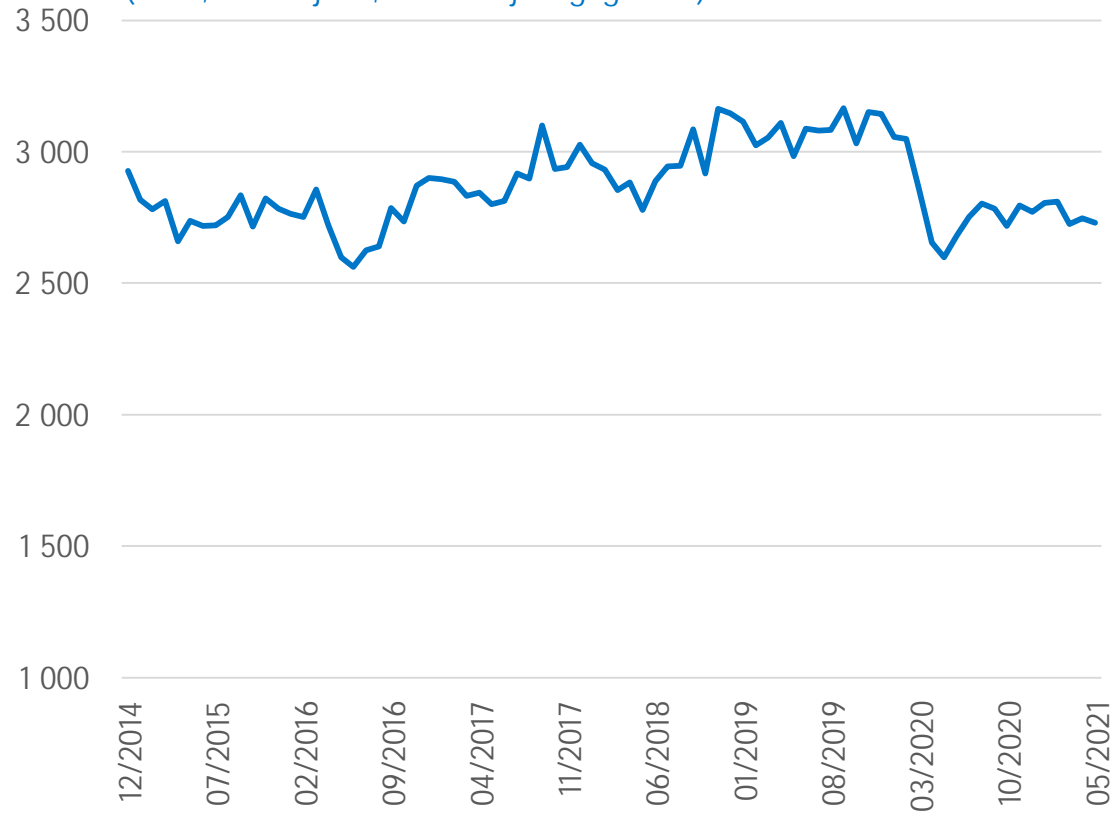
(Maandelijkse nettogroei, € miljoen)



Negatieve saldi op rekeningen / kredietkaarten

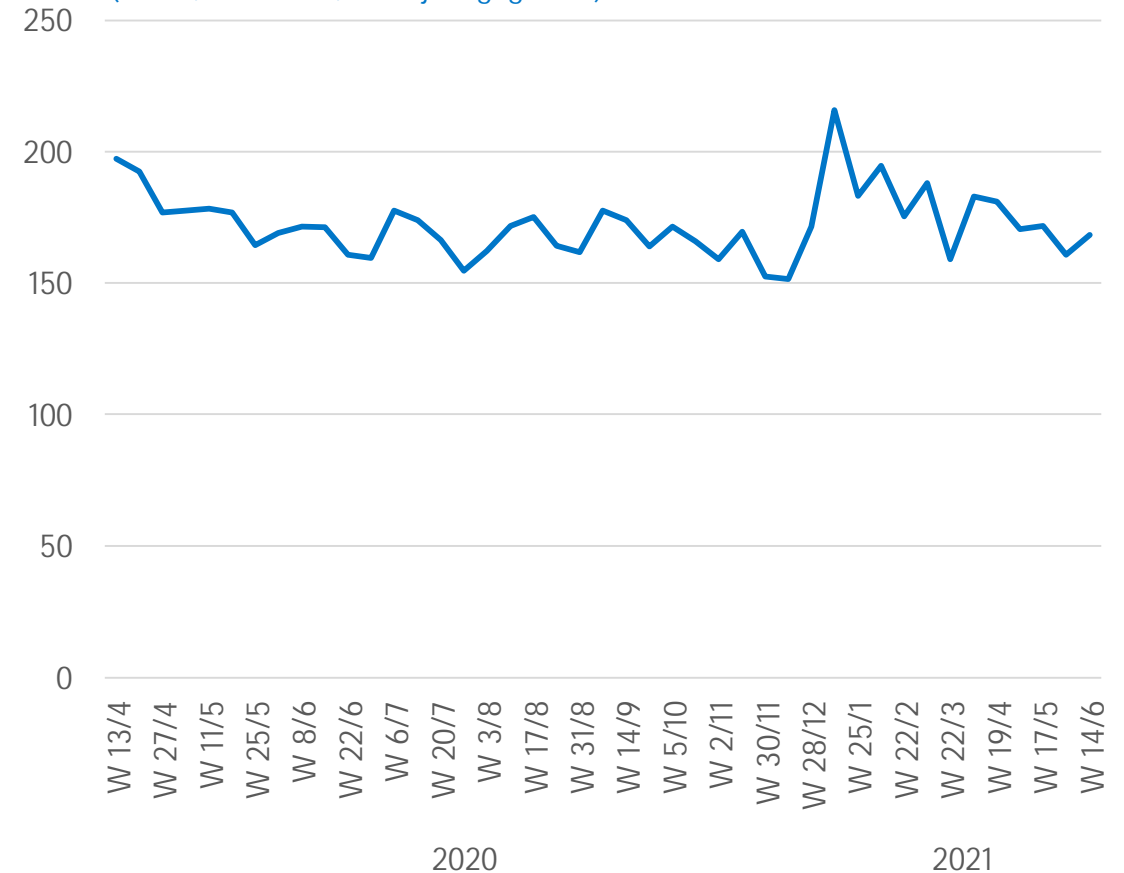
Negatieve saldi op rekeningen

(stock, in € miljoen, maandelijkse gegevens)

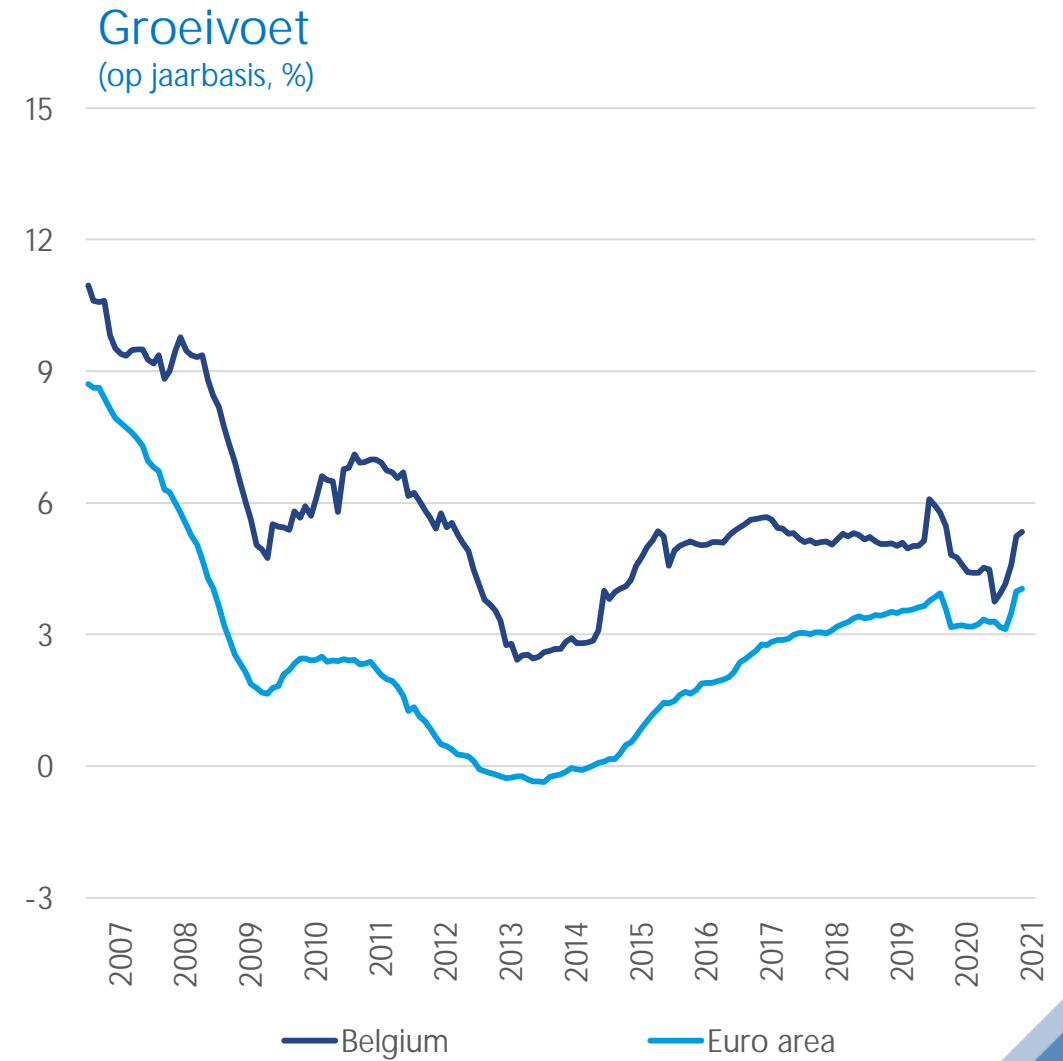
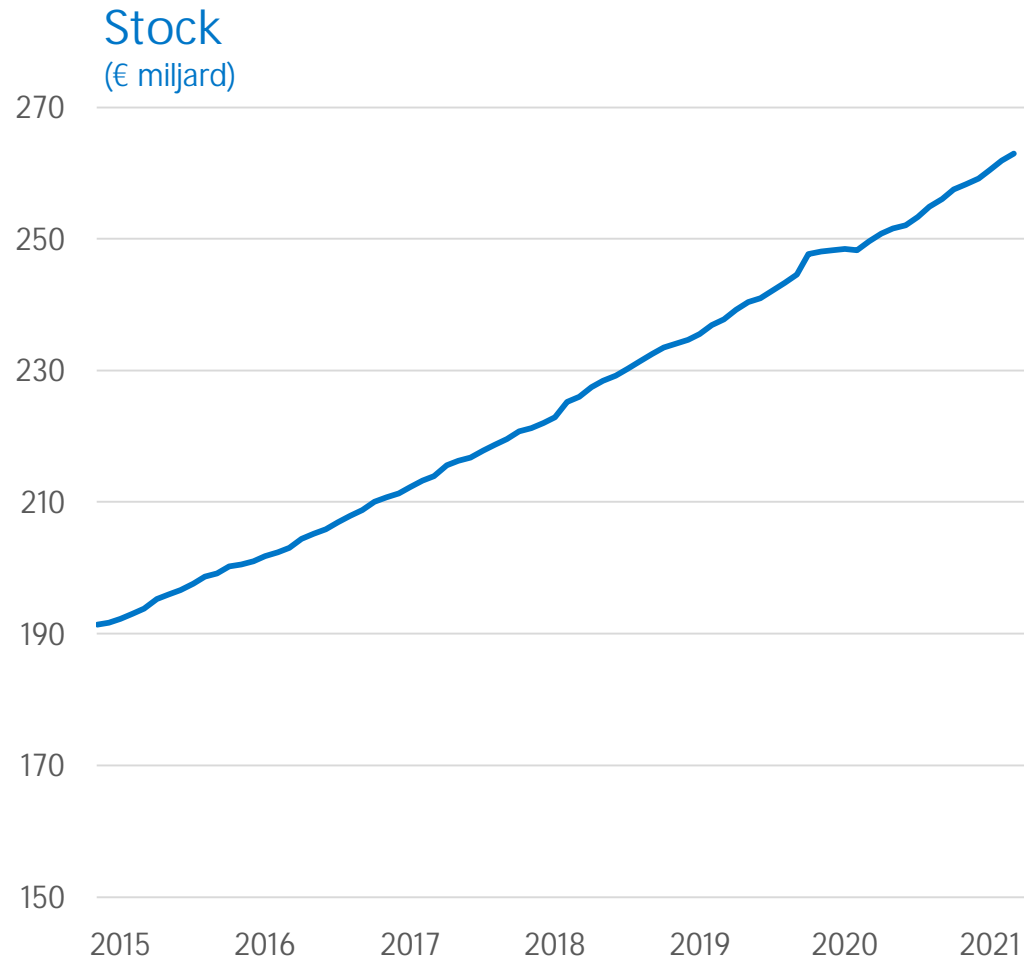


Aantal rekeningen "teveel in het rood"

(aantal, in duizend, wekelijkse gegevens)



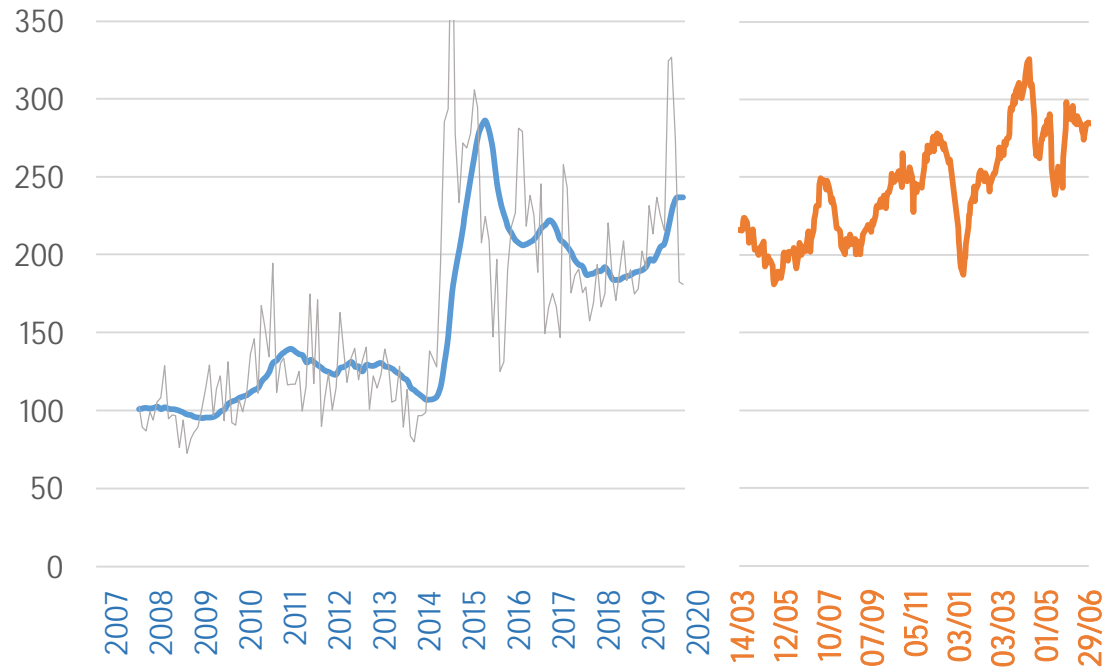
Bankkredieten van Belgische huishoudens



Hypotheekleningen: nieuwe leningen en wanbetalingsgraad

Nieuwe leningen

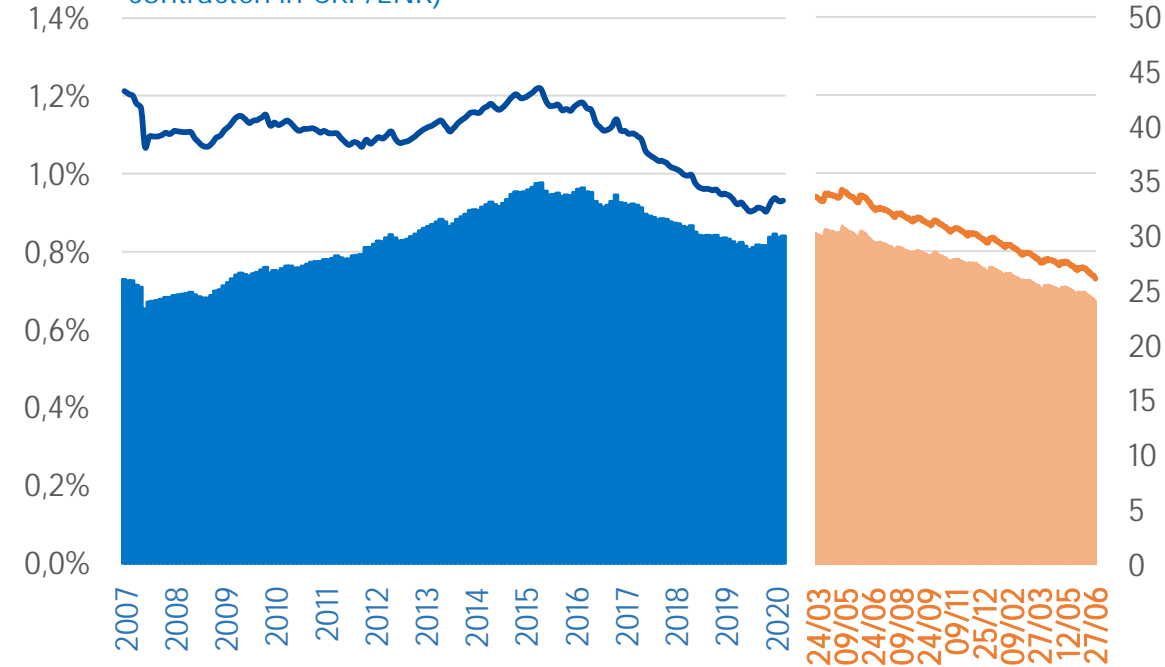
(geregistreerd bedrag per werkdag in CKP, in € miljoenen)



- 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)

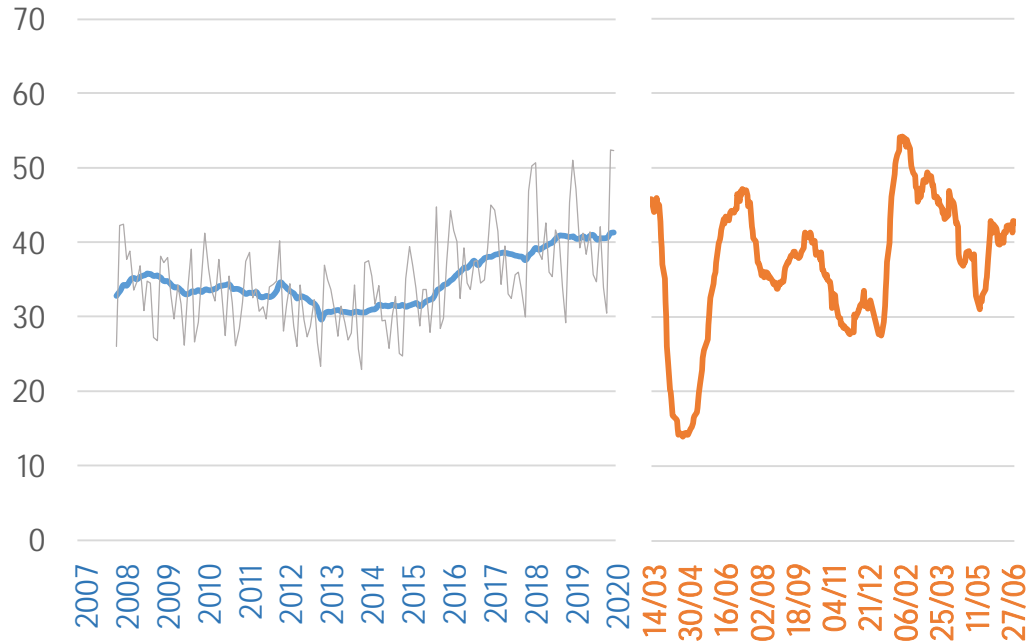


- Aantal uitstaande achterstallige contracten (maandelijkse gegevens, rechterschaal in duizenden)
- Wanbetalingsgraad (maandelijkse gegevens, linkerschaal in %)
- Aantal uitstaande achterstallige contracten (dagelijkse gegevens, rechterschaal in duizenden)
- Wanbetalingsgraad (dagelijkse gegevens, linkerschaal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

Consumentenkredieten¹: nieuwe leningen en wanbetalingsgraad

Nieuwe leningen

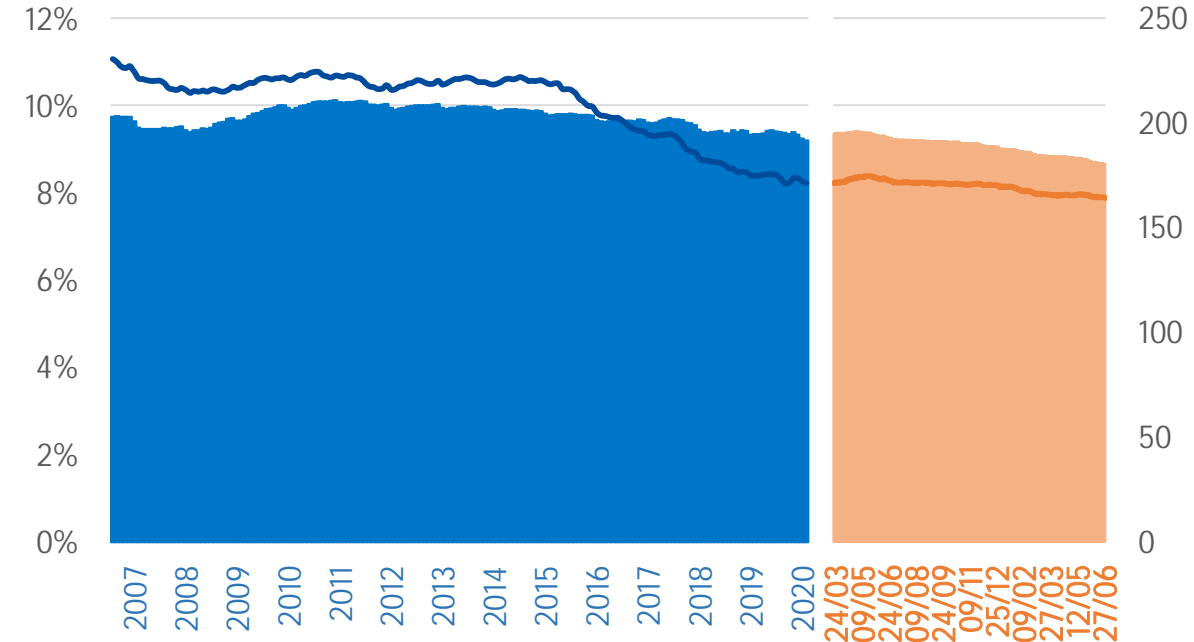
(geregistreerd bedrag per werkdag in CKP, in € miljoenen)



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

Wanbetalingsgraad

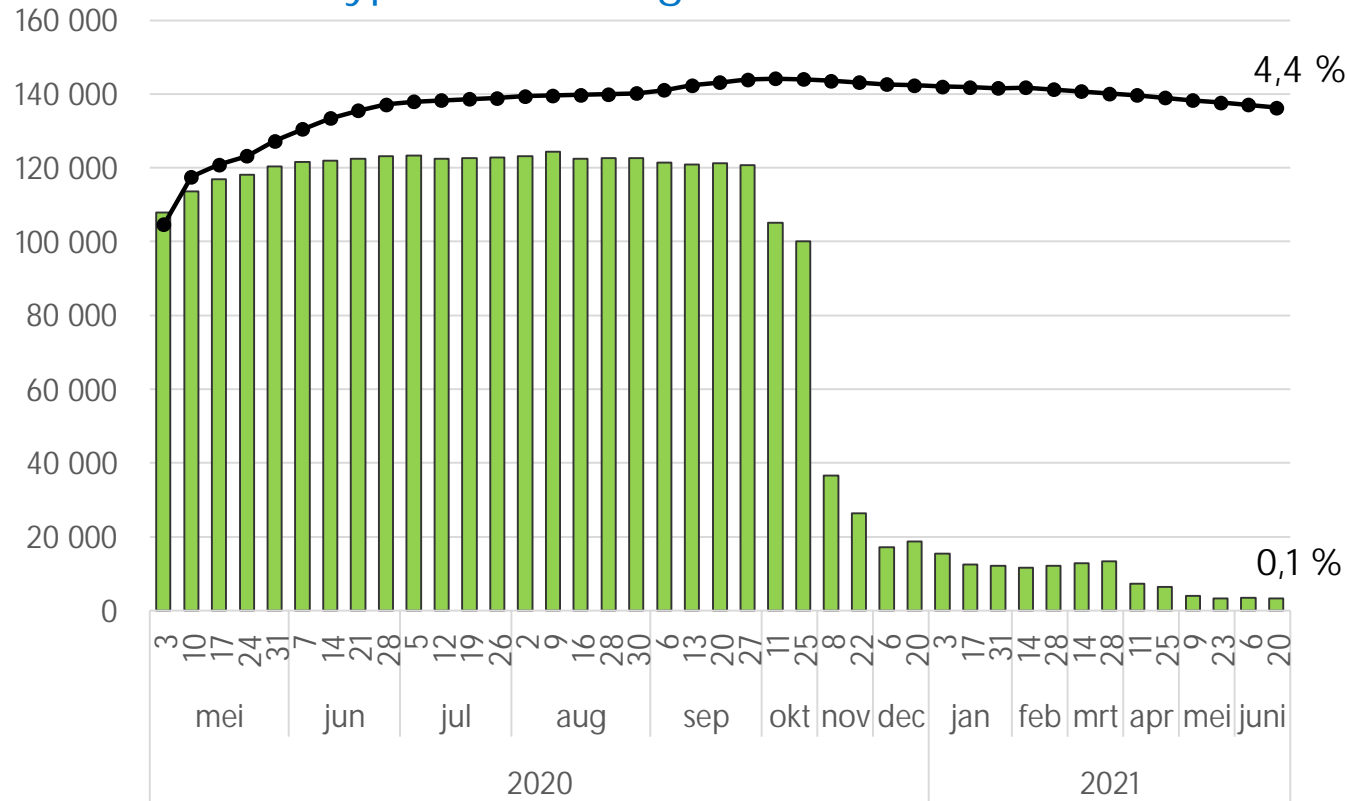
(Aantal uitstaande achterstallige contracten, % van alle uitstaande contracten in CKP/ENR)



- 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

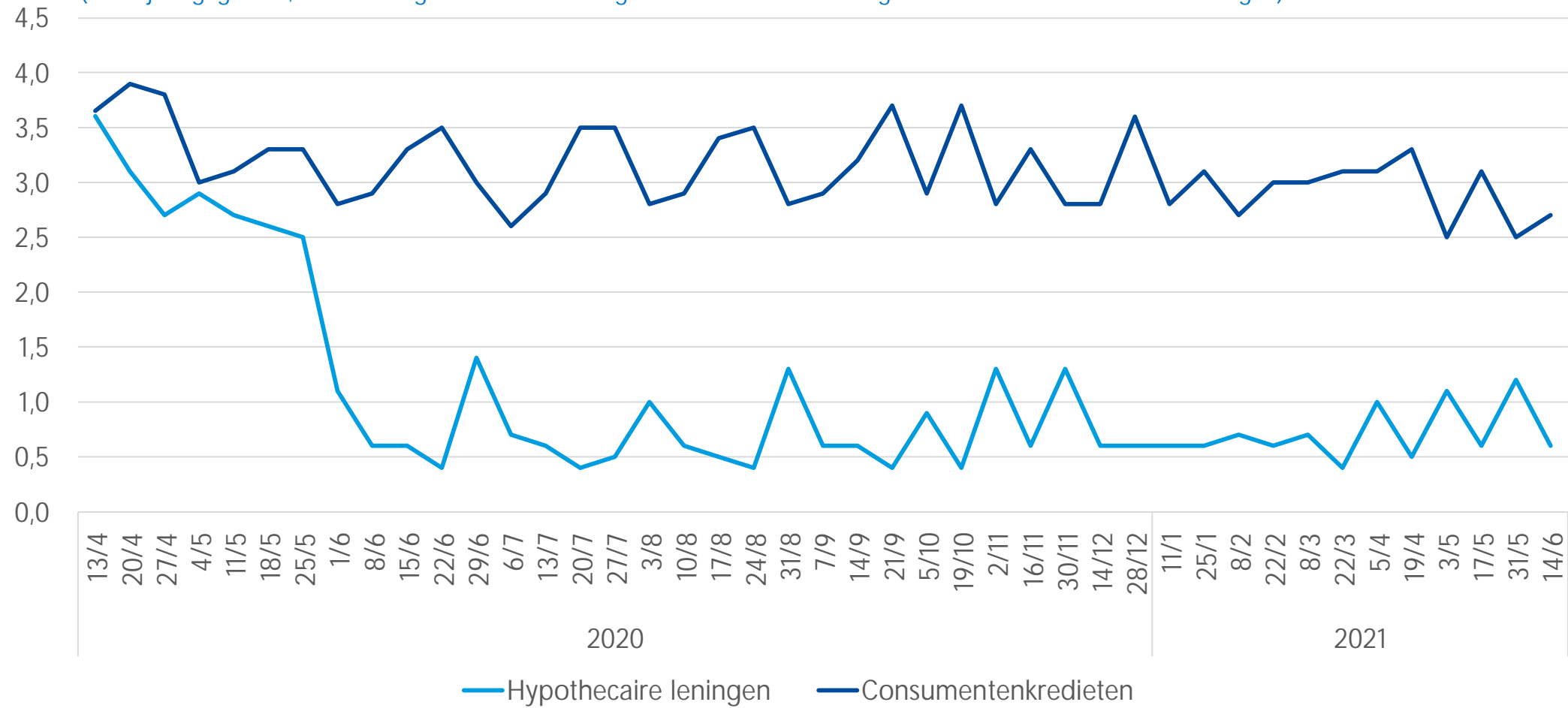


- Aantal hypotheekleningen met een lopend moratorium (Febelfin cijfers voor de 7 grootste banken)
- Aantal hypotheekleningen die genieten of genoten hebben van een moratorium zoals geregistreerd in de Centrale voor Kredieten aan Particulieren

- ◆ Aantal **consumentleningen** die genieten of genoten hebben van een moratorium zoals geregistreerd in de Centrale voor Kredieten aan Particulieren (op 20 juni)
- ◇ 9 478 leningen
- ◇ waarvan 9 184 leningen op afbetaling (0,4 % van alle leningen op afbetaling)

Achterstanden stabiel bij leningen aan huishoudens

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 dark blue triangular graphic element in the top-left corner.

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
- ◇ Growth rates of authorised and utilised loans since the start of the crisis have been lower than the average over recent years
- ◇ 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 April 2021 Bank lending survey:

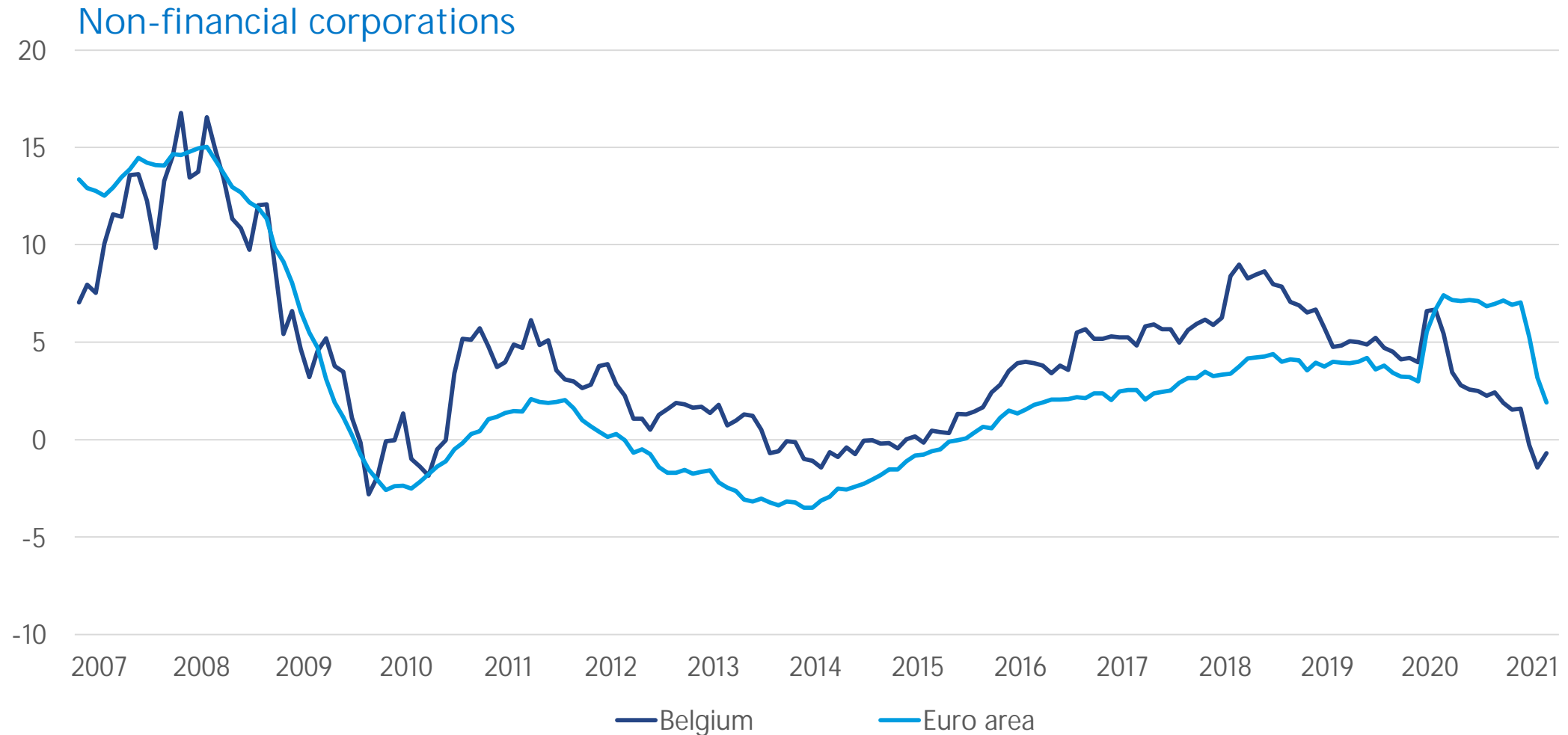
- ◇ Stabilised demand for loans from Belgian SMEs but declining demand from large firms in 2021Q1. Banks expect an overall decrease in demand in 2021Q2.
- ◇ Unchanged credit standards, following tightened conditions in the previous quarters. Perception of risk still exerted a tightening pressure.

Firms perceived less favourable credit conditions

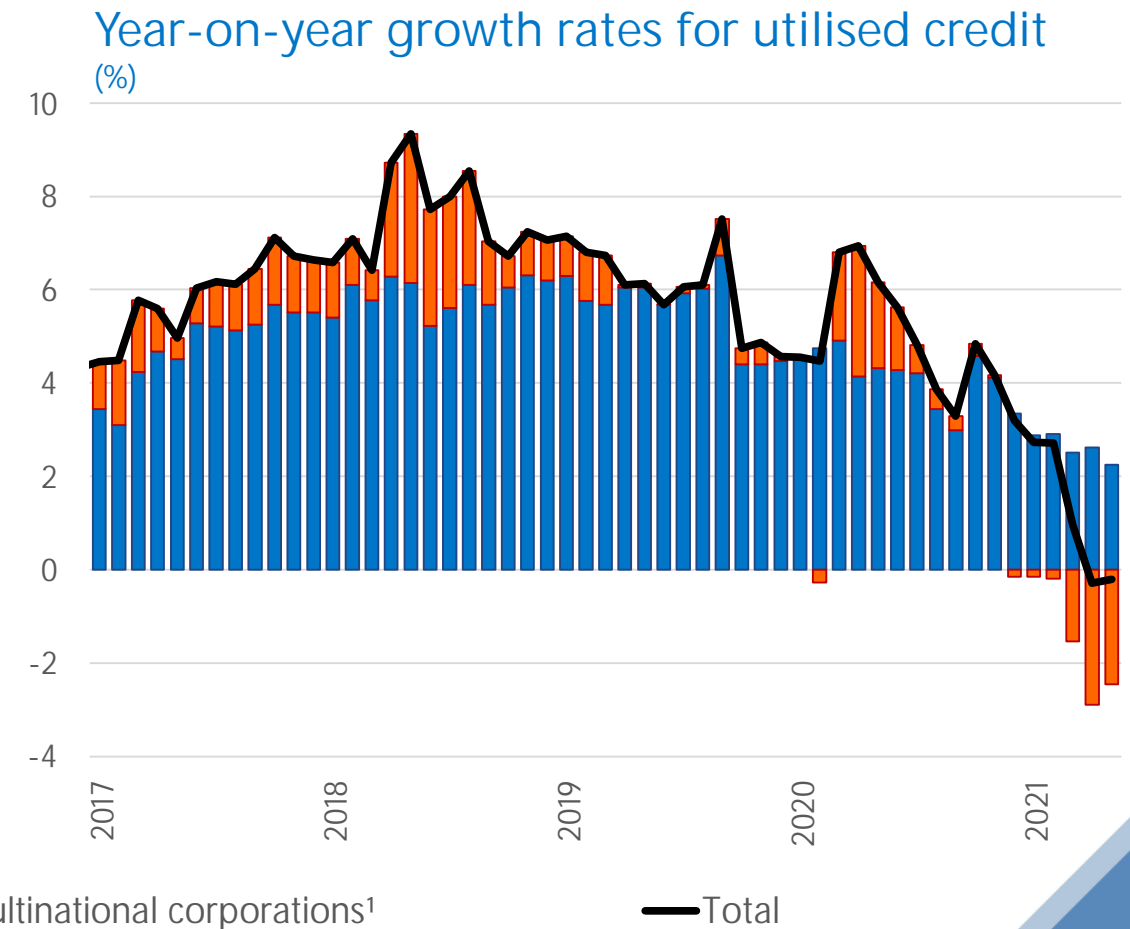
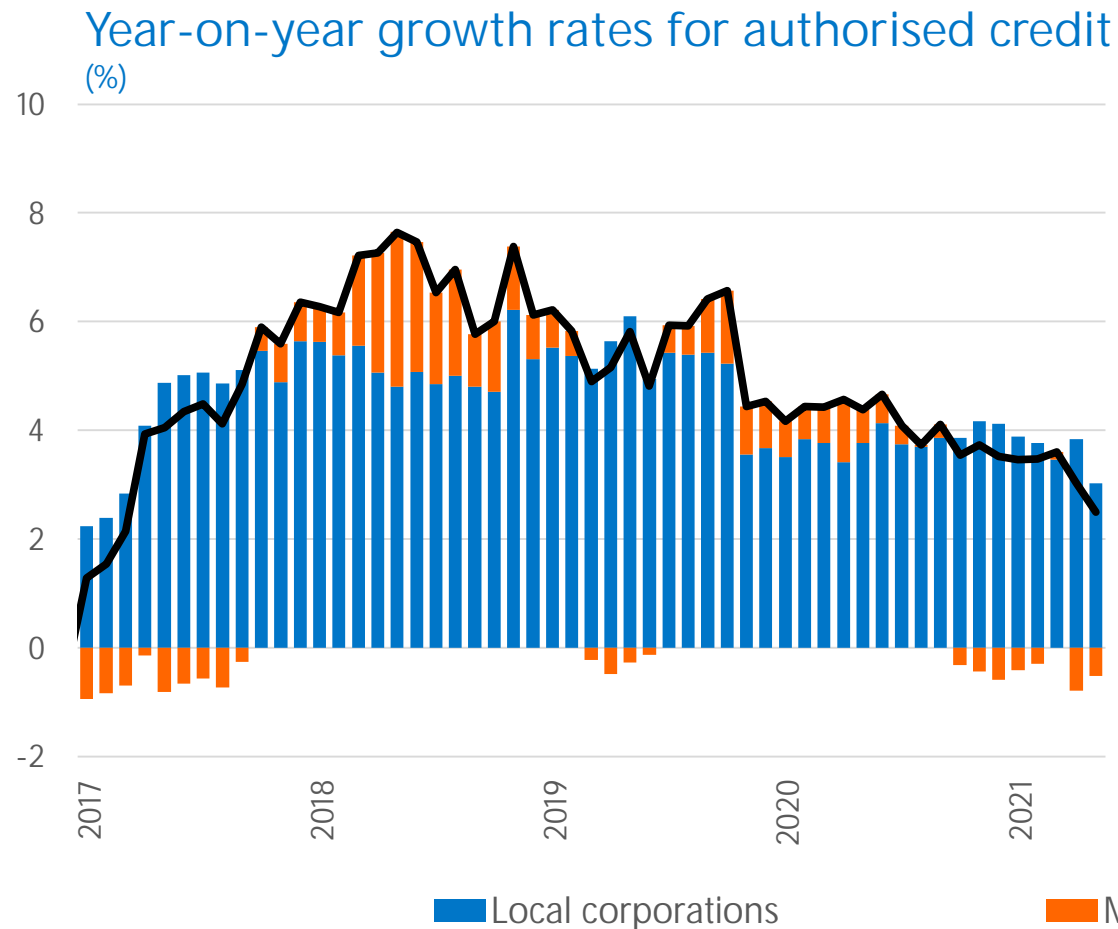
- ◆ **Belgian firms reported a slight deterioration of their credit conditions in 2021Q1 compared to 2020Q4**
 - ◇ Slight decline in the assessment of the general credit conditions by firms
 - Mainly due to the corporate services sector and large firms
 - The balance of the opinions (favourable vs unfavourable) is next to the historical average
 - ◇ Deterioration with respect to 2020Q4 regarding the assessment of interest rates
(source: NBB survey on credit conditions)
- ◆ **SMEs continue to fear a significant impact on bank loan availability in 2021Q2 and 2021Q3**
 - ◇ Deterioration regarding obstacles impeding access to bank financing between October 2020 and March 2021 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 = 9.2 % (against 5.9 % on average in 2017-2019 and 7.2 % from April to September 2020)
 - ◇ SMEs continue to expect a sharp deterioration in availability of bank loans over the next six months (April-September 2021)
(source: SAFE survey, conducted between 8 March and 22 April 2021)

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

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

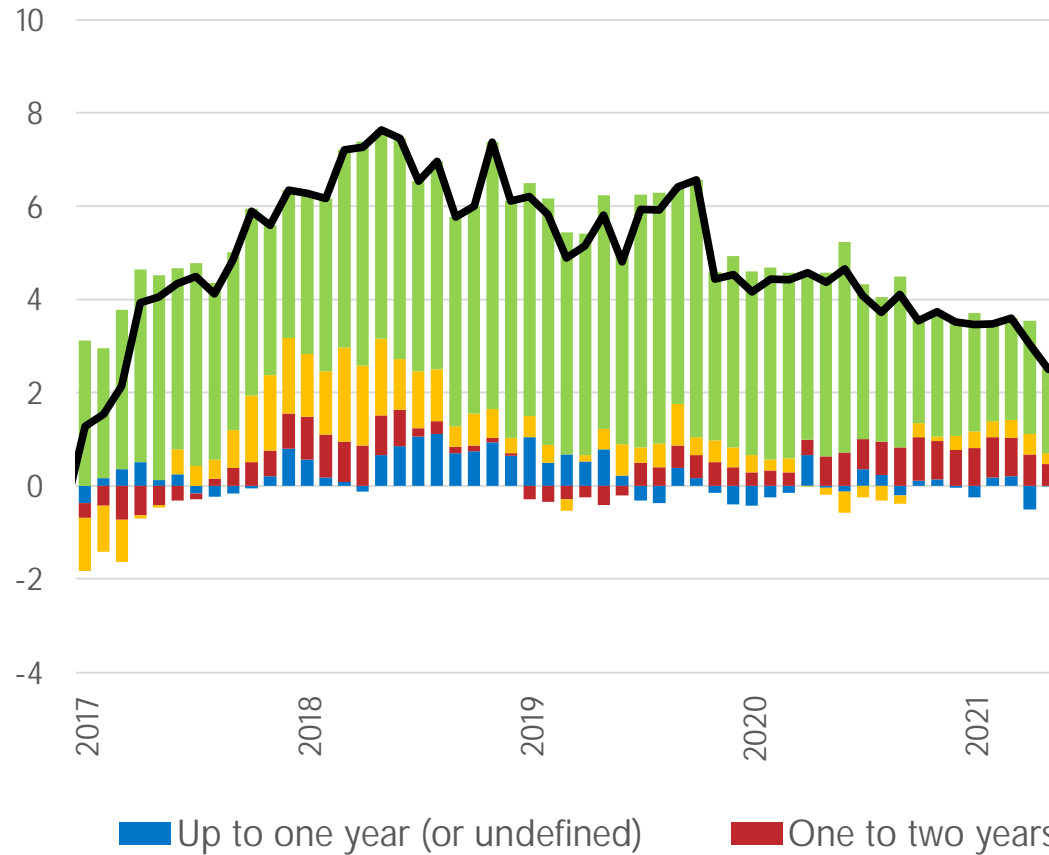


Negative contribution of multinational corporations in March & April 2021 as a result of a base effect linked to the massive drawdowns of credit lines 12 months earlier ...

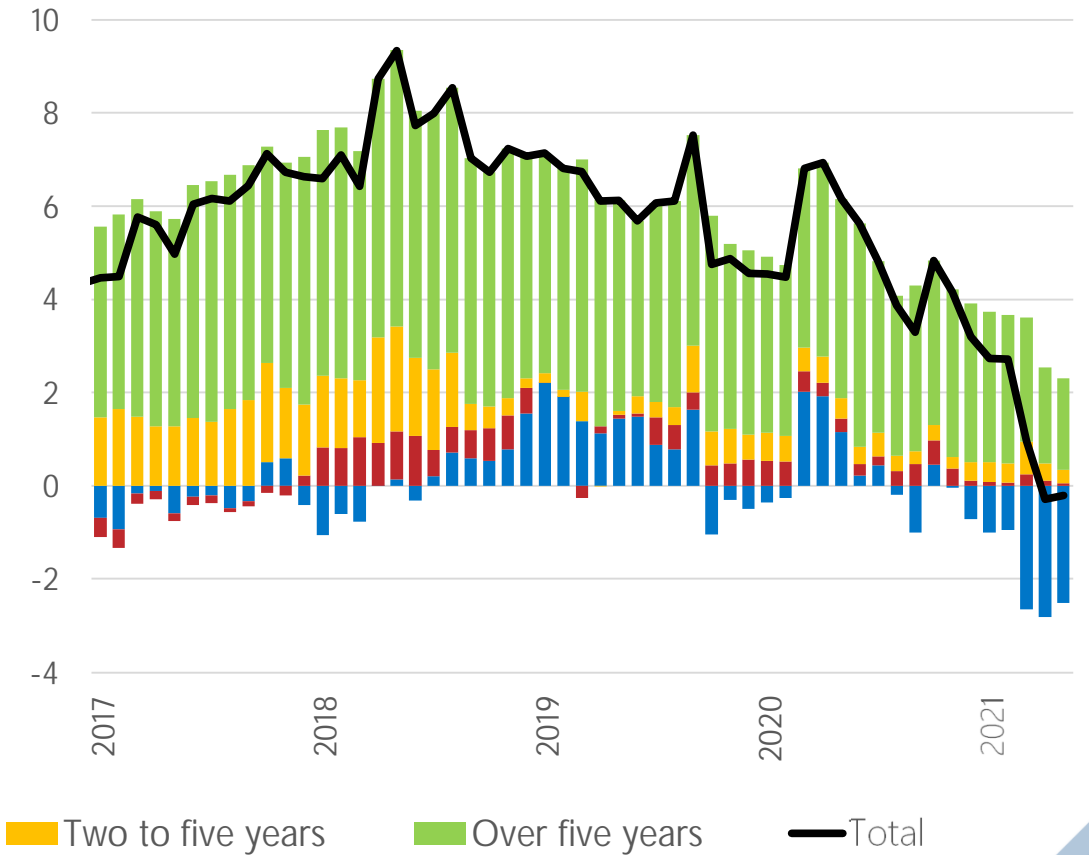


... which also translates into a negative contribution of short-term loans

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



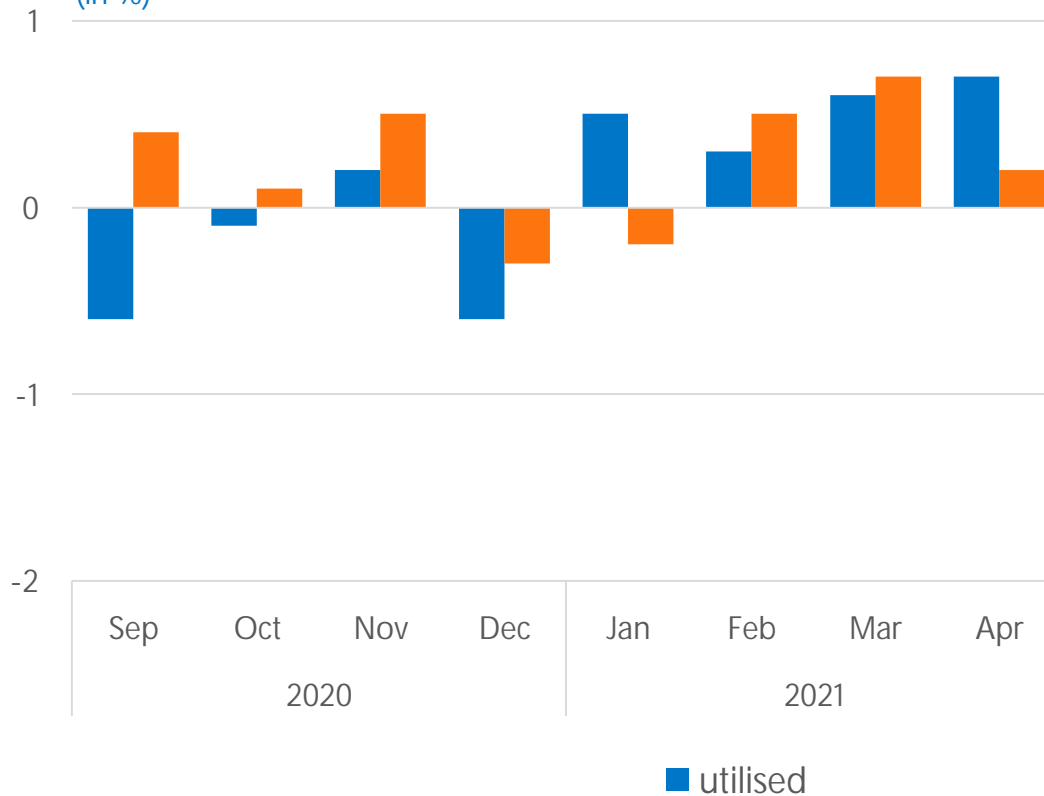
Decomposition of YoY used corporate credit growth by maturity (%)



Monthly growth of authorised and utilised loans in April low compared to previous years

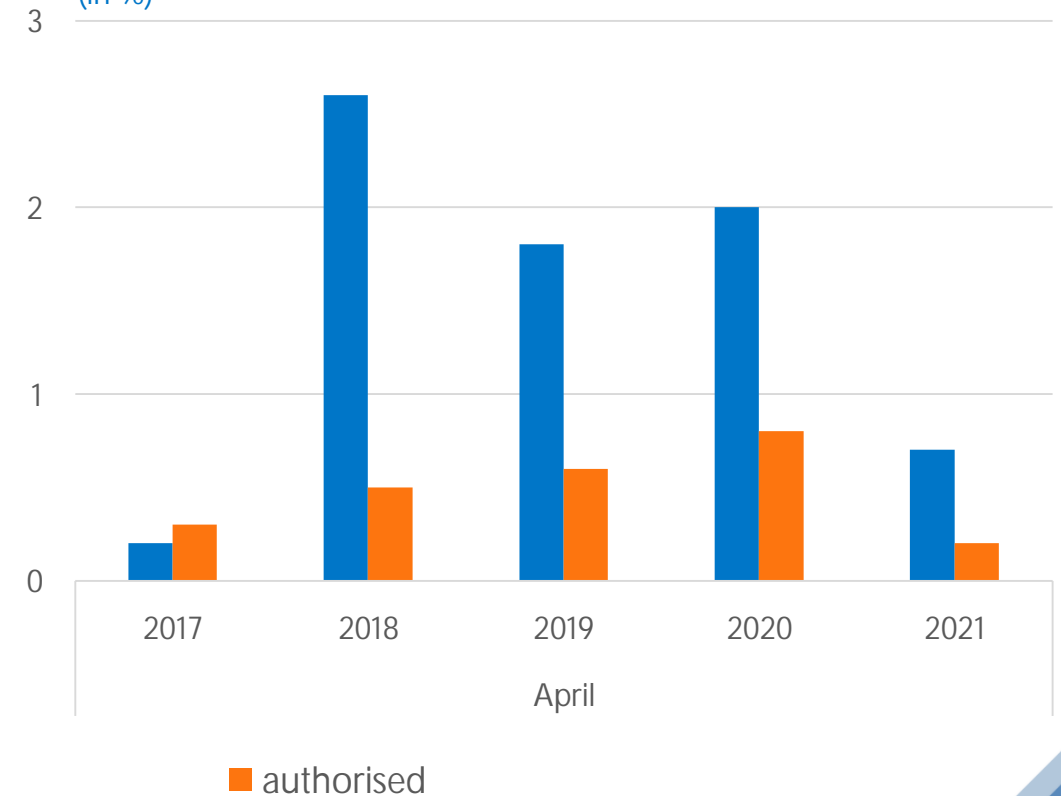
Monthly growth rates of authorised and utilised loans

(in %)



Monthly growth rates of loans for April of previous years

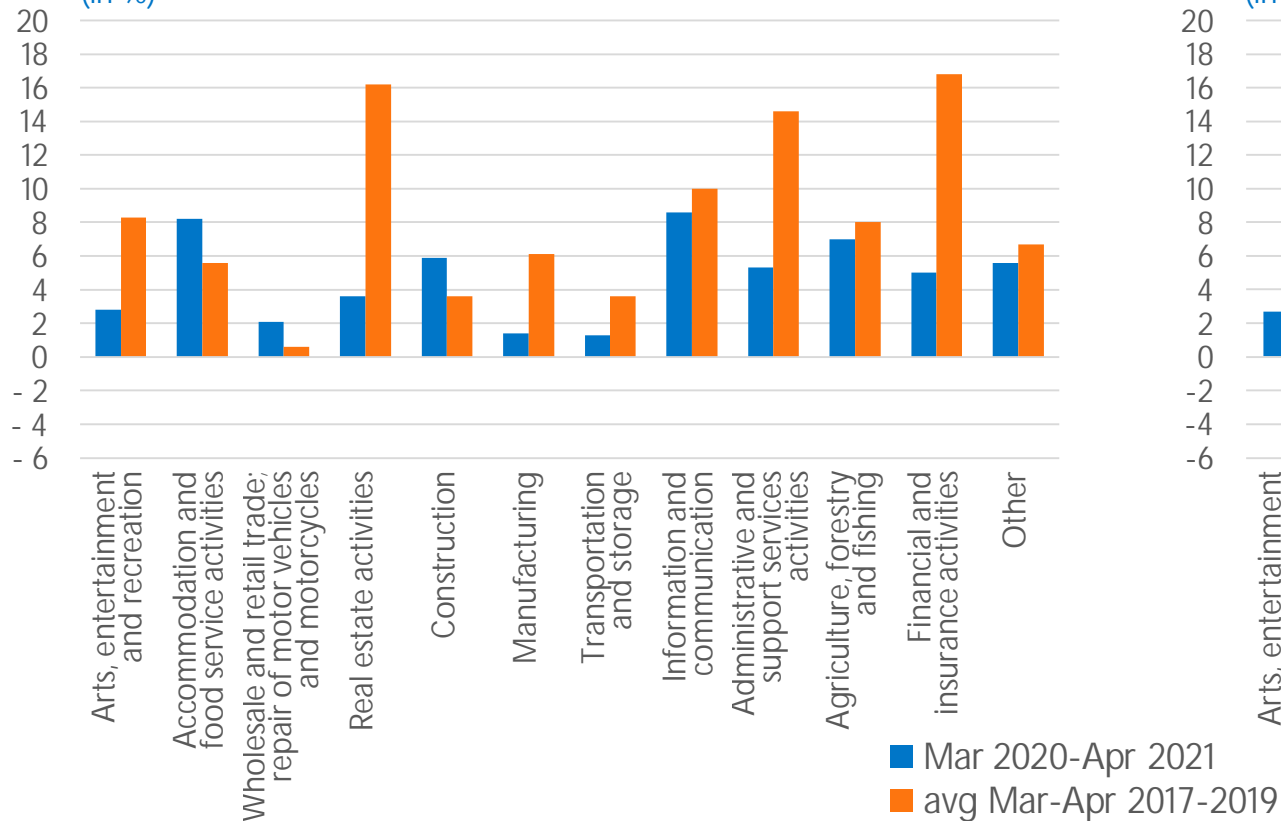
(in %)



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

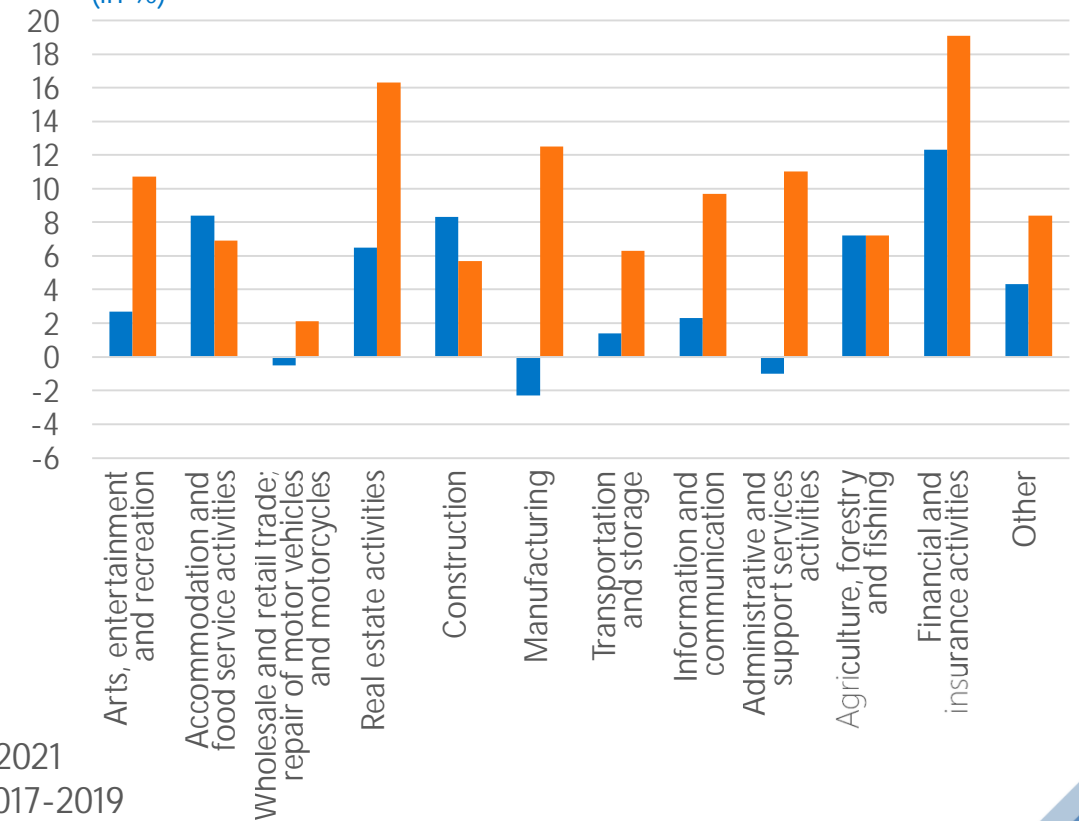
March 2020-April 2021 growth rates of authorised loans

(in %)



March 2020-April 2021 growth rates of utilised loans

(in %)

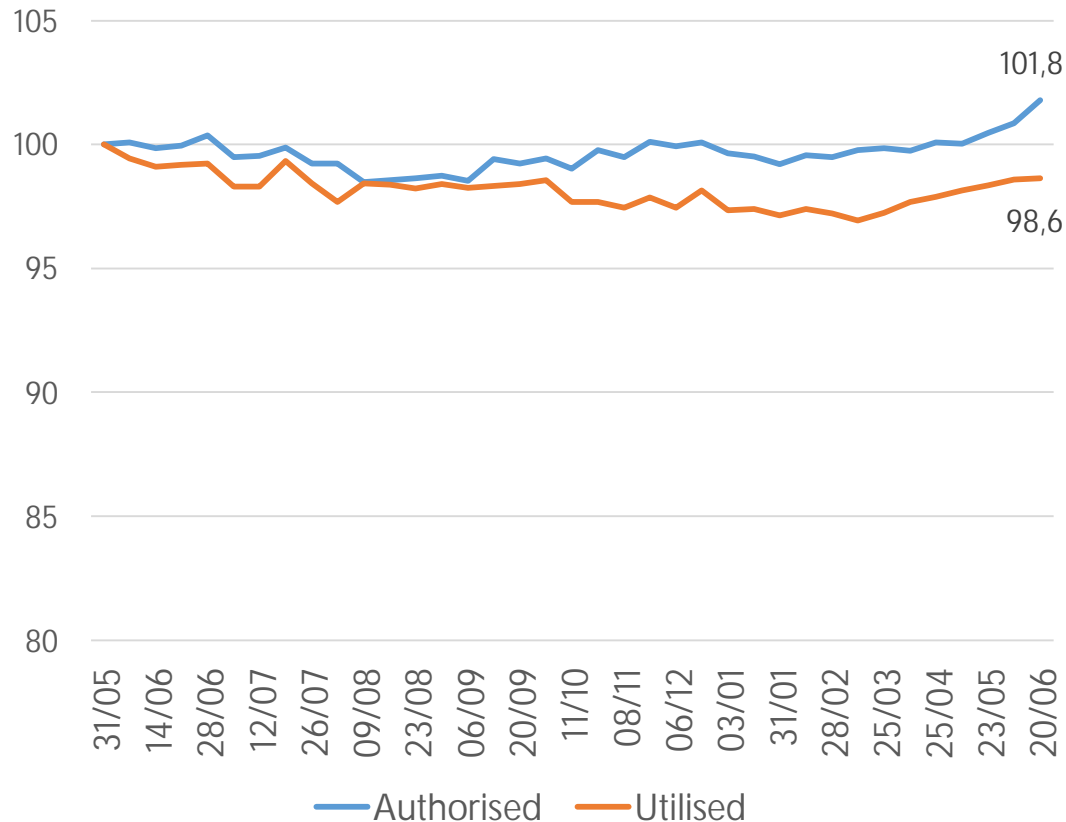


Loan developments - weekly

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

Evolution of total loans to NFCs

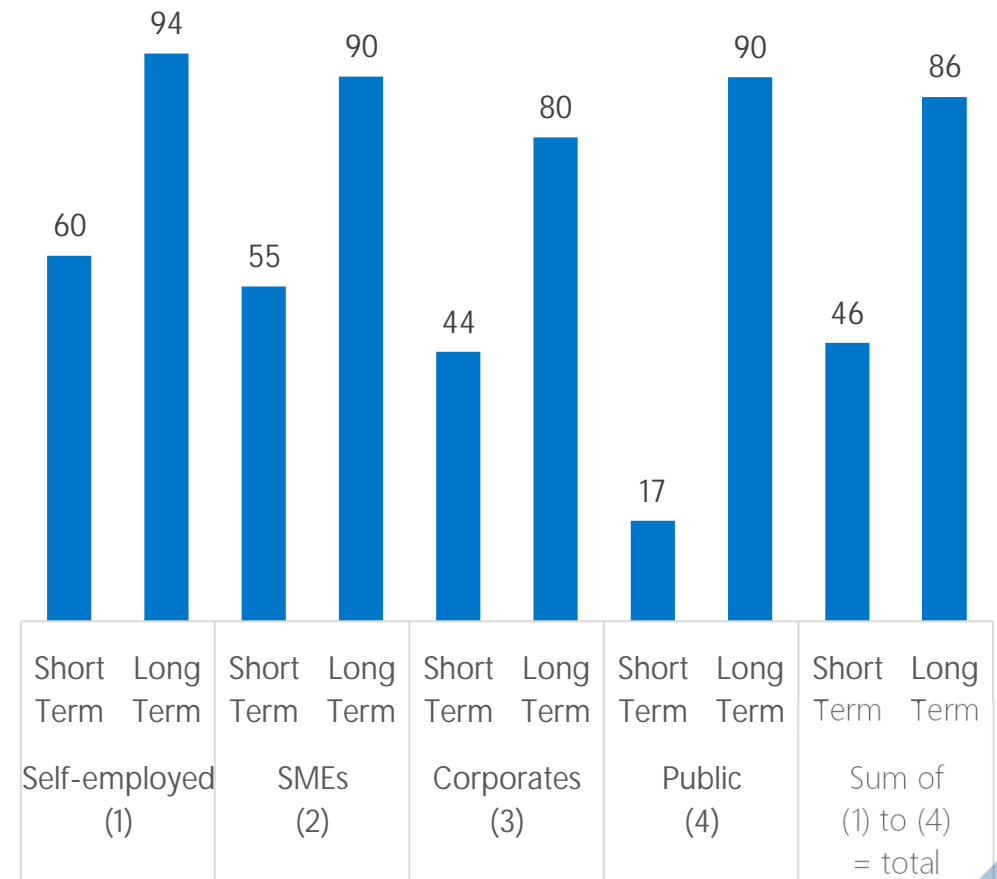
(in %)



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 %)

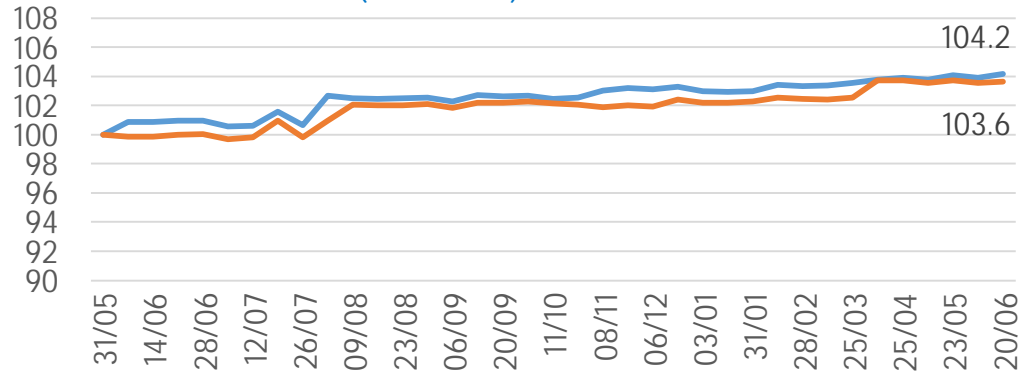


Stable loans for firms except for a decline for corporates

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

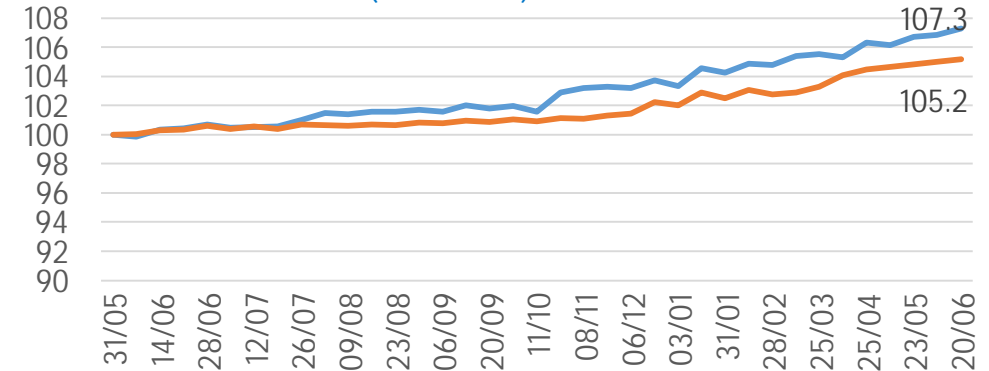
Evolution of total loans to self-employed

Latest observation (authorized) 23 billion EUR



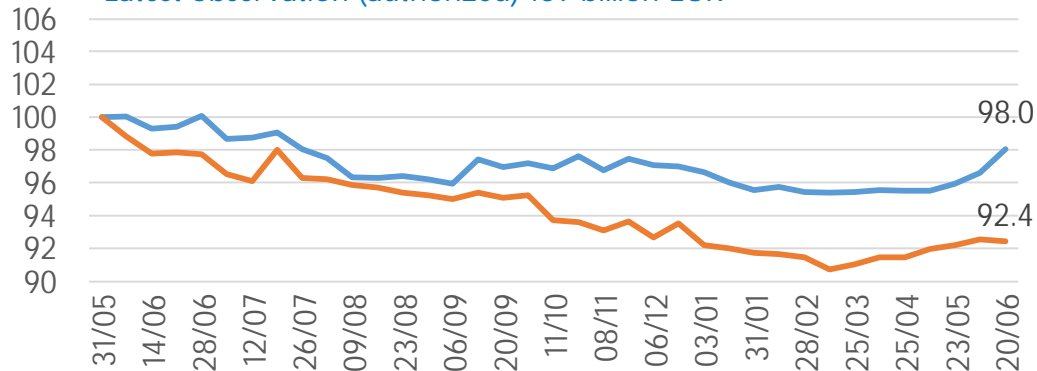
Evolution of total loans to SMEs

Latest observation (authorized) 83 billion EUR



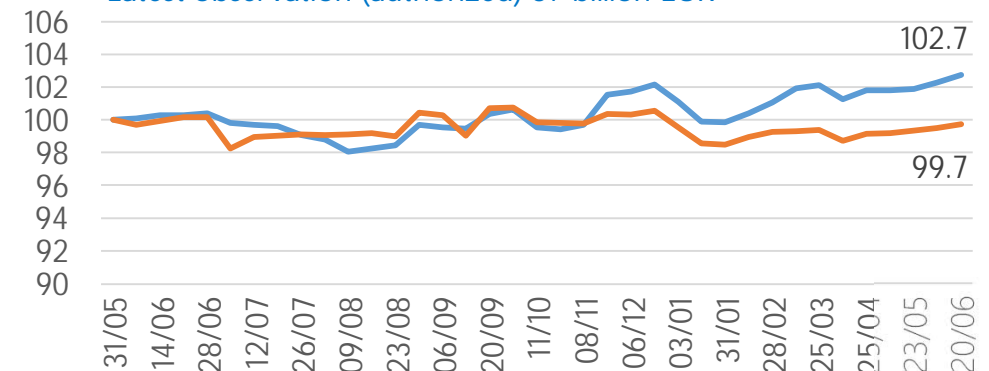
Evolution of total loans to corporates

Latest observation (authorized) 139 billion EUR



Total loans to public sector entities

Latest observation (authorized) 37 billion EUR



— Authorised

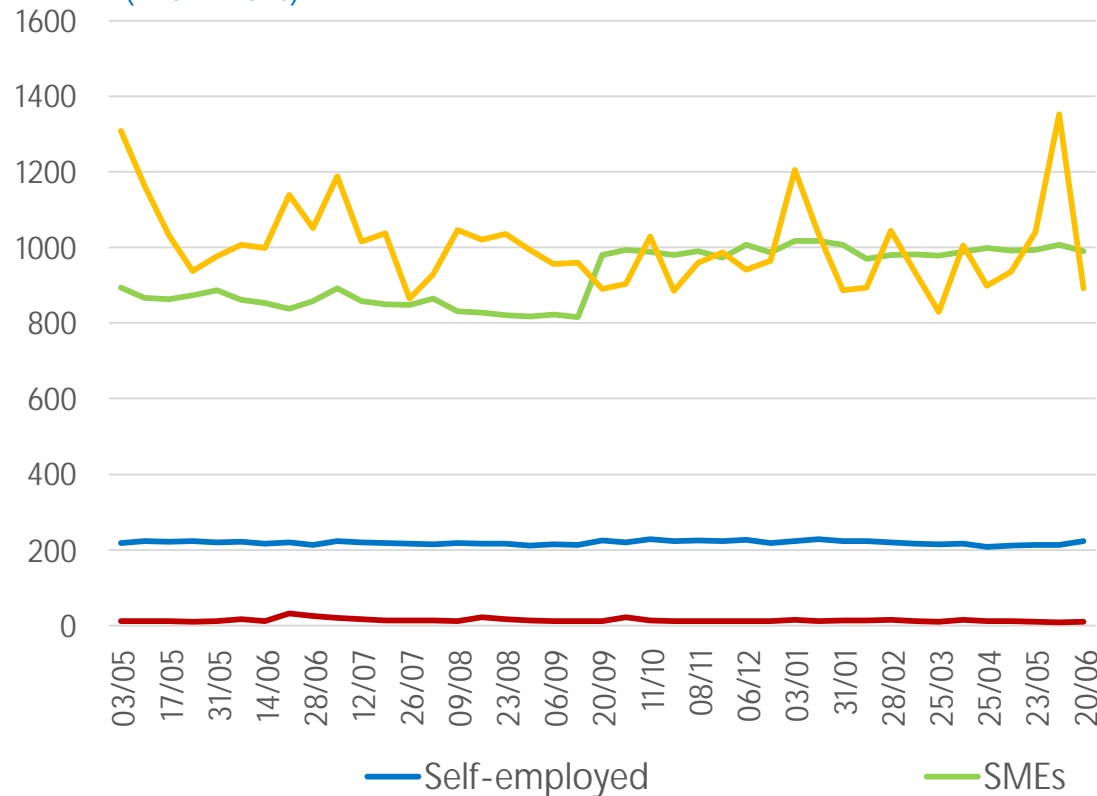
— Utilised

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

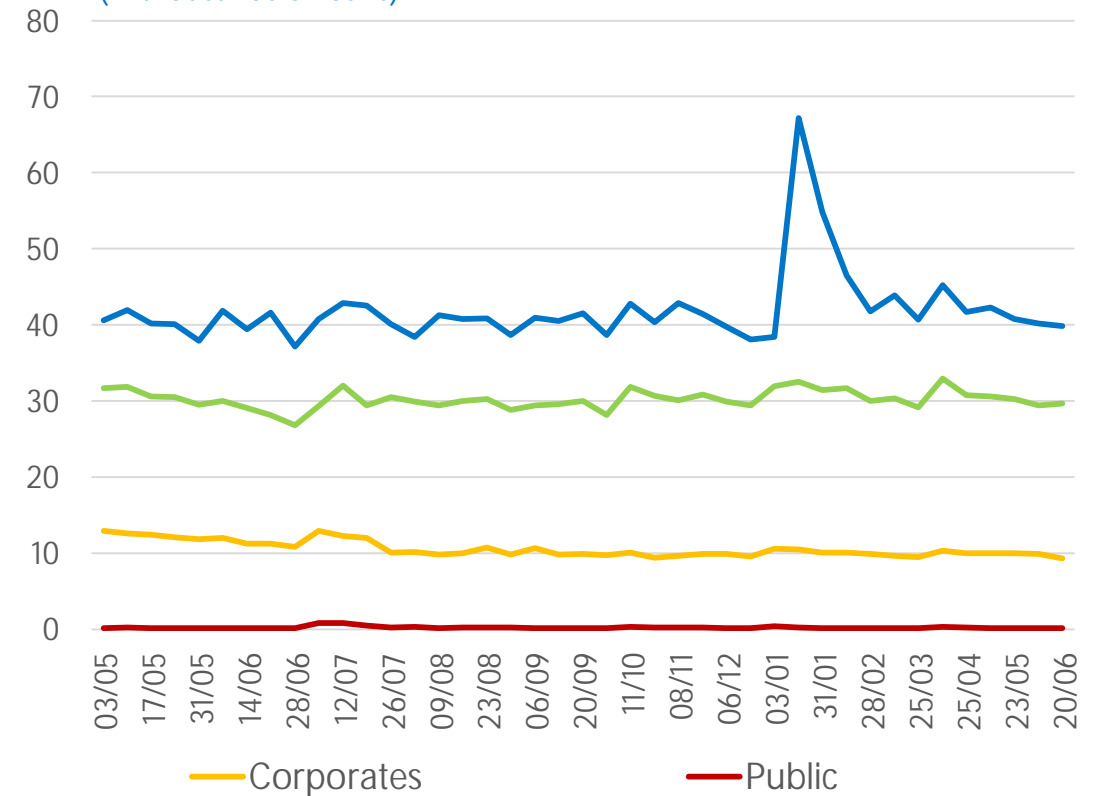
Number of loans in arrears or in default are not increasing (yet?)

(arrears – weekly)

Amounts in arrears or in default (in € millions)



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



Source: NBB/Febelfin ad hoc weekly reporting, latest available data: 20 June 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.

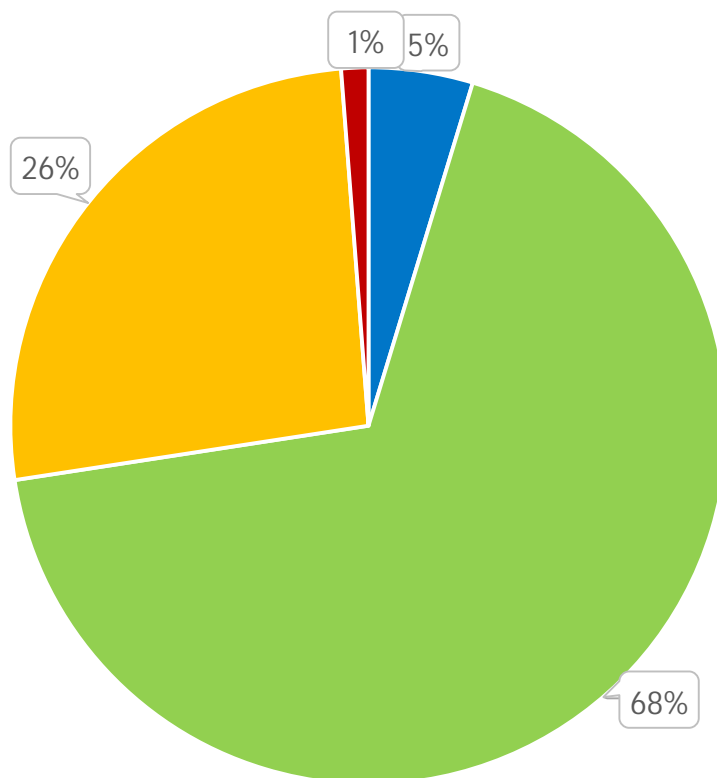
The increase of arrears for the corporate segment is linked to end-of-year operational events.

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

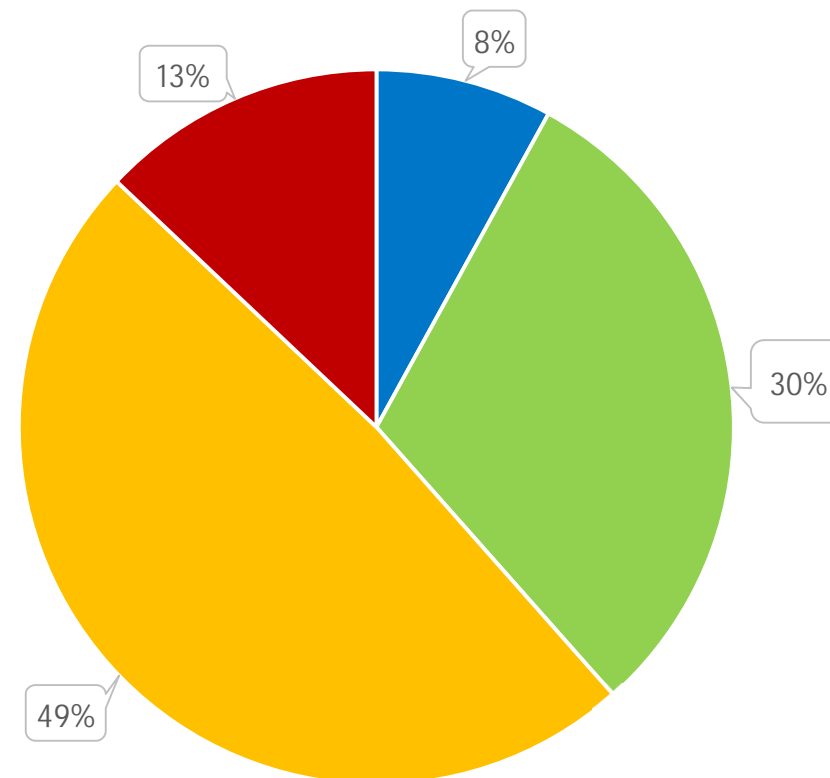
SMEs are the main beneficiaries of moratorium relative to their share of total loans

(moratorium – weekly)

Loan amounts in moratorium by type of counterparty



Total loan amounts by type of counterparty

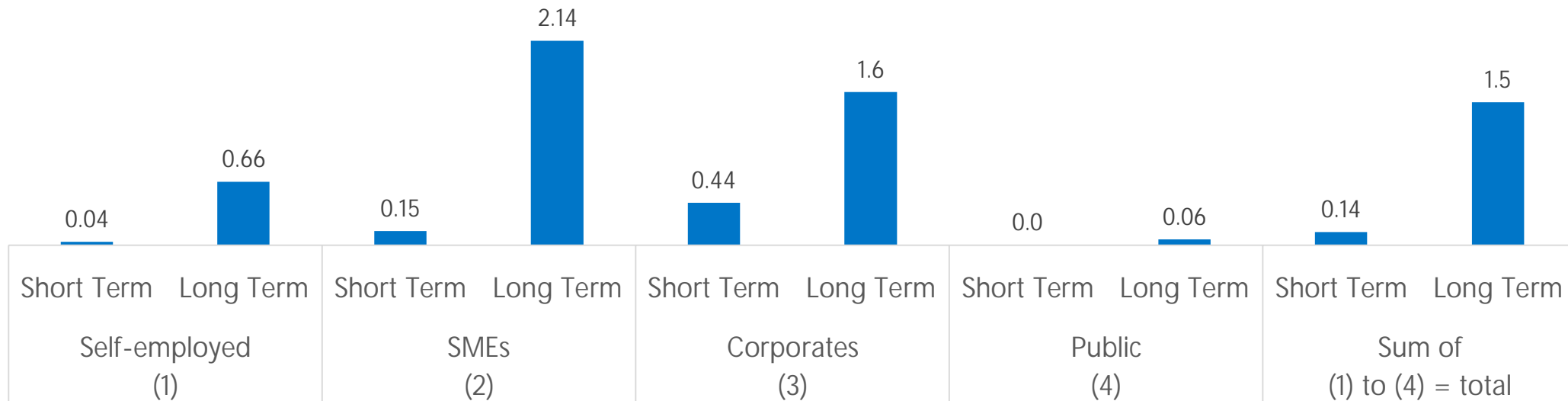


■ Self-employed ■ SMEs ■ Corporates ■ Public

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. 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.

Bankruptcies and new business registrations

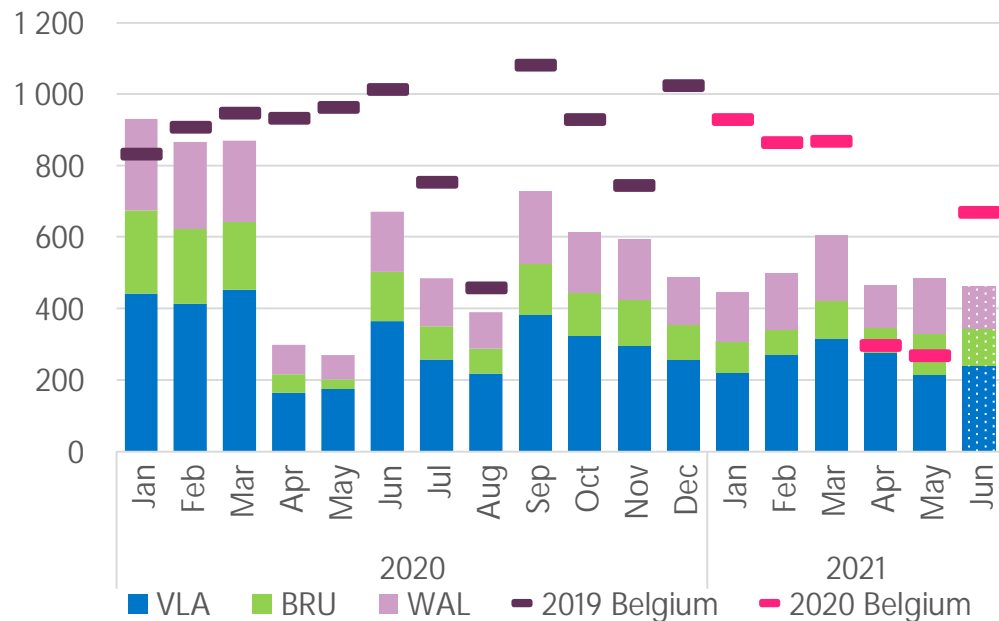
The number of bankruptcies¹ remains flat in June 2021 ...

... and lower than one year ago (which coincides with the end of the 1st moratorium on bankruptcies²)

It remains by far lower than in 2019 since several provisions adopted to support businesses are still in place²

Bankruptcies

(# by region)



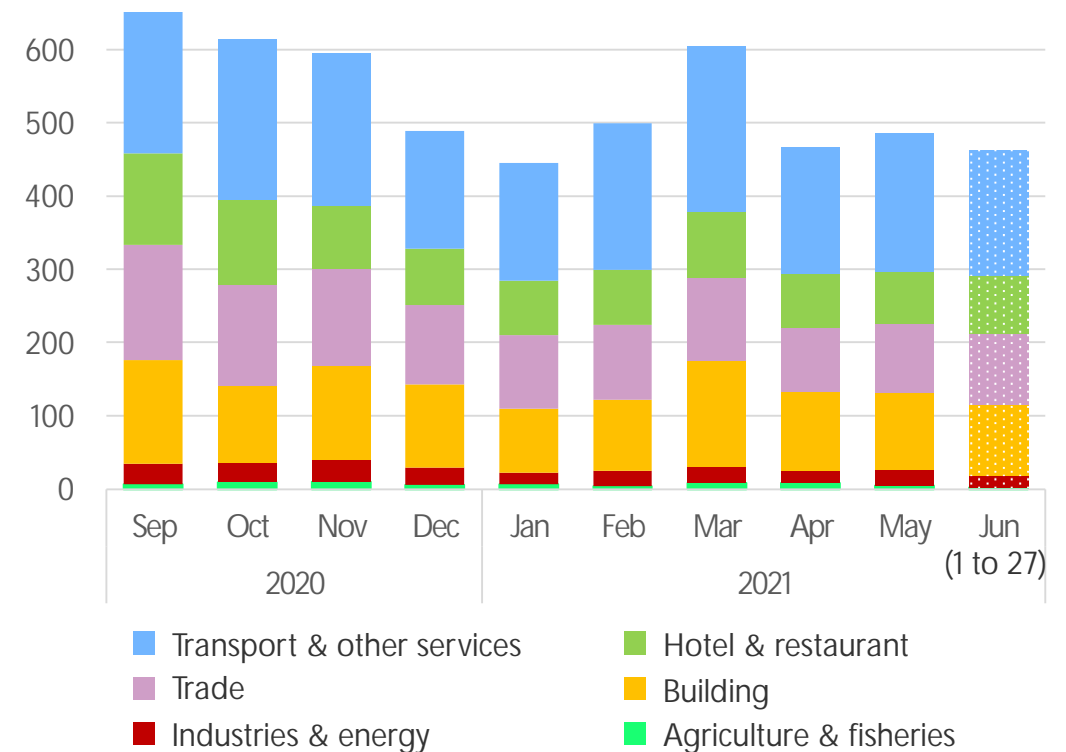
◆ About **96 % of bankruptcies** are within the '0 to 9 workers' company size class

Source: Statbel, latest available data: 27 June 2021.

¹ Declaration of bankruptcy by the company court.

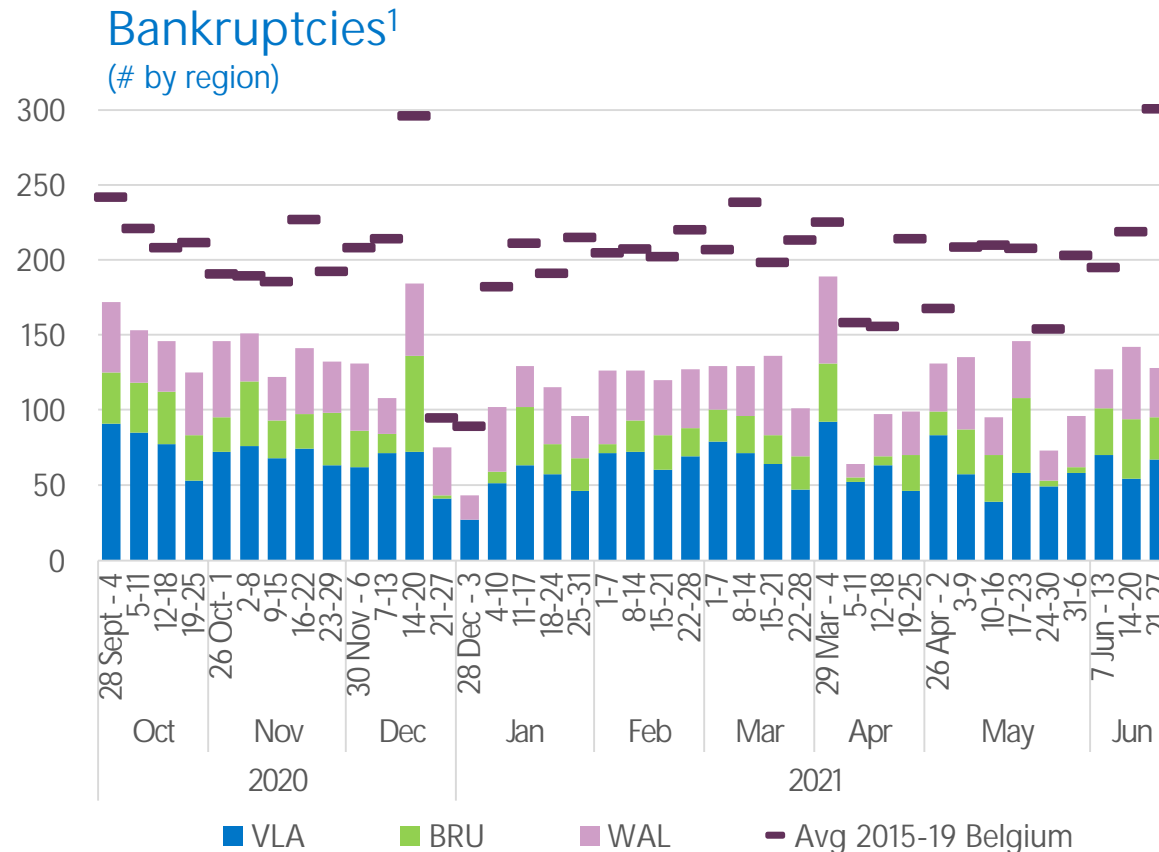
² Although the moratorium on filings for bankruptcies came to an end on 17 June 2020, the tax administration and the ONSS maintains a de facto moratorium on tax and social security debts. Other measures taken were the deferment of payment of the annual company contribution (until 31 October 2020) and 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 put in place. The procedure is streamlined and no longer requires publication in the Moniteur belge, which allows mediators to reach agreements on claims in complete discretion; JRPs by amicable agreement will be encouraged through a tax exemption which has so far only been applied to JRPs obtained by court order.

(# by activity)

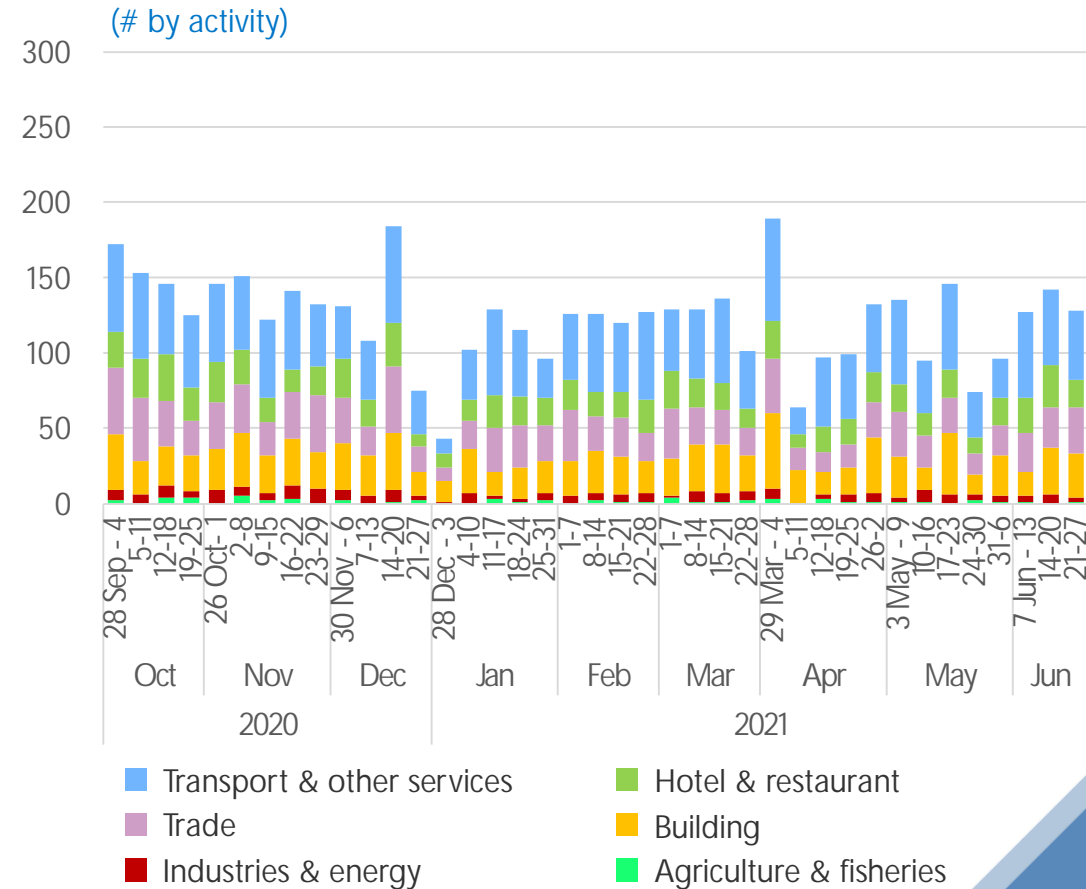


2021: weekly bankruptcies figures slightly rebounded the last three weeks of June ...

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

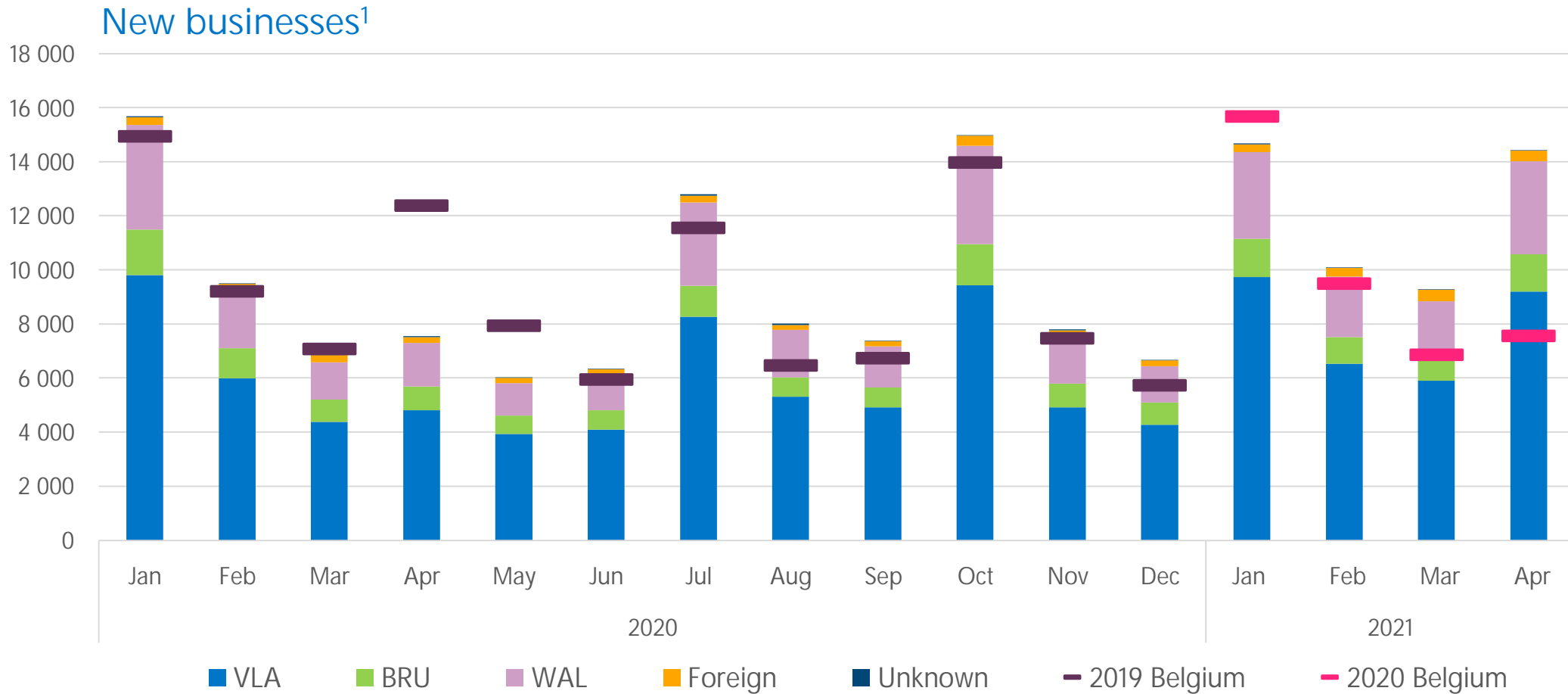


- ◆ Since August 31st, 2020, the number of bankruptcies remains 38 % below the 2015-19 average while in August, declared bankruptcies were close to it



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

... even stronger than in April 2019





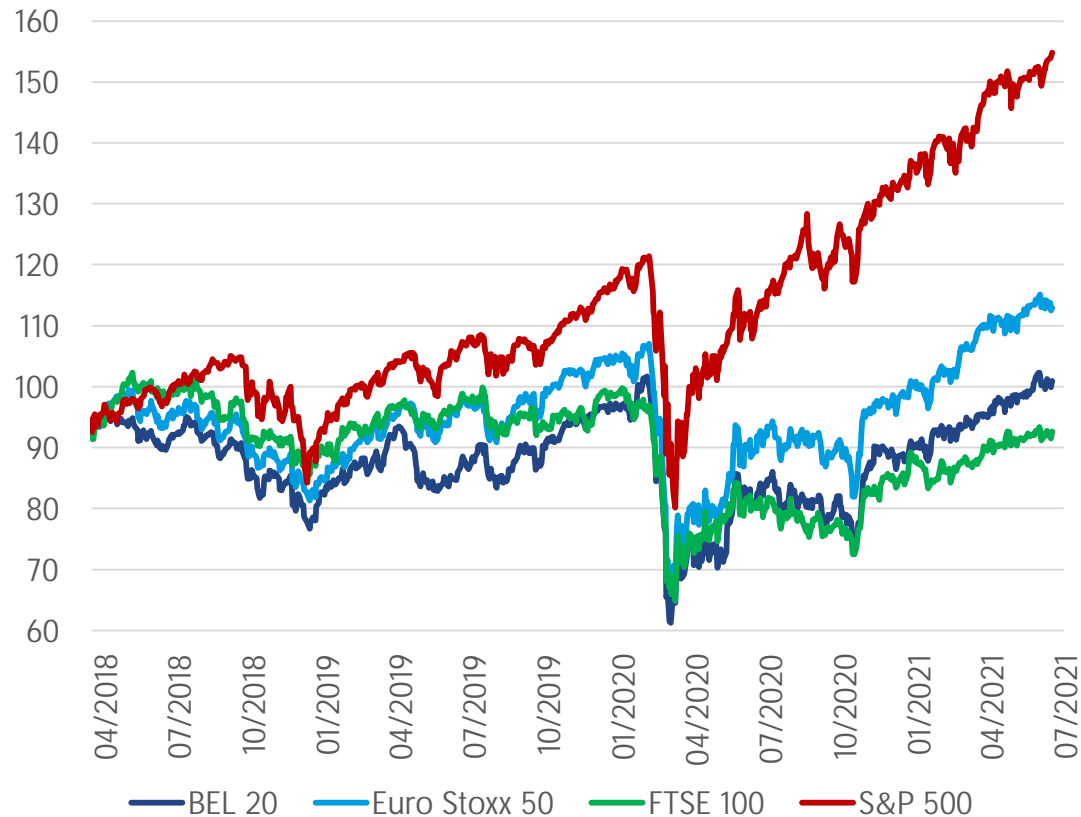
Financial markets

Financial markets strengthen while Fed shifts tone

- ◆ Overall, stock markets were supported by the reopening of economies, the vaccine roll-out and continued policy support (including agreement on the US infrastructure plan).
- ◆ However, markets (temporarily) fell when the Fed signaled that policy rates might rise sooner than previously anticipated.
- ◆ Uncertainties remain around the evolution of the Delta-variant (including its impact on tourism), consumer spending, the persistence of supply-side bottlenecks, the inflation outlook, and the timing of the normalization of US monetary policy.

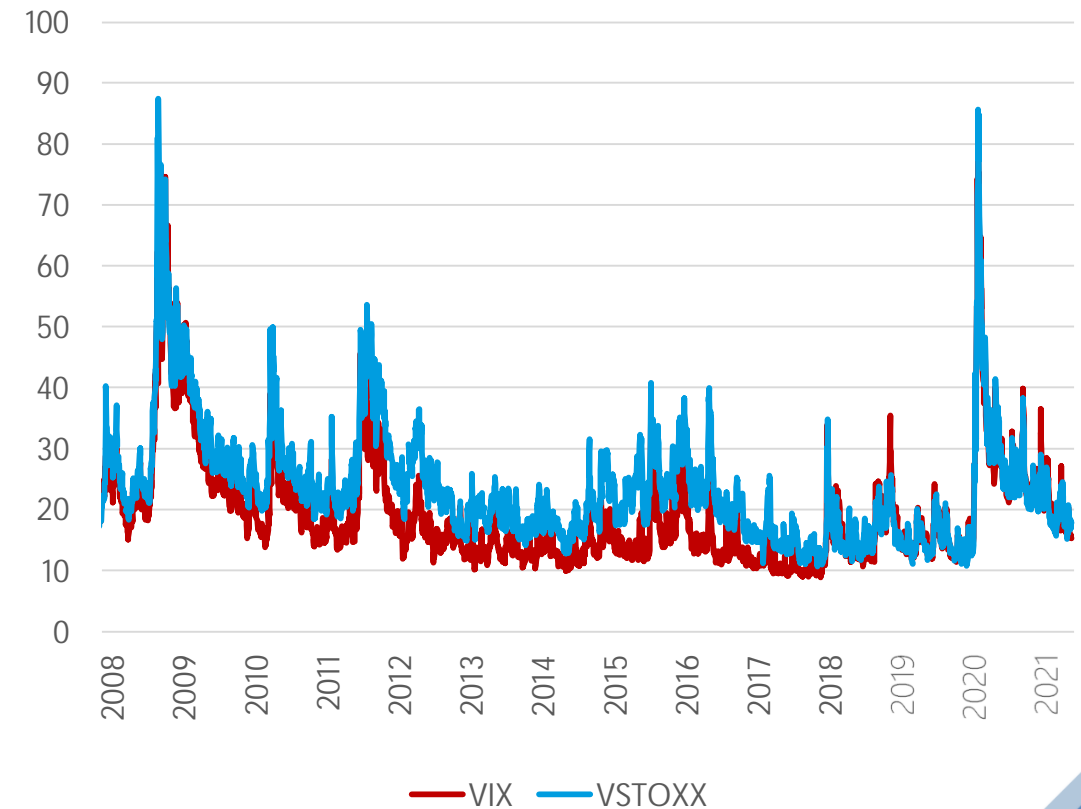
Major stock market indices

(01/2018=100)



Implied stock market volatility

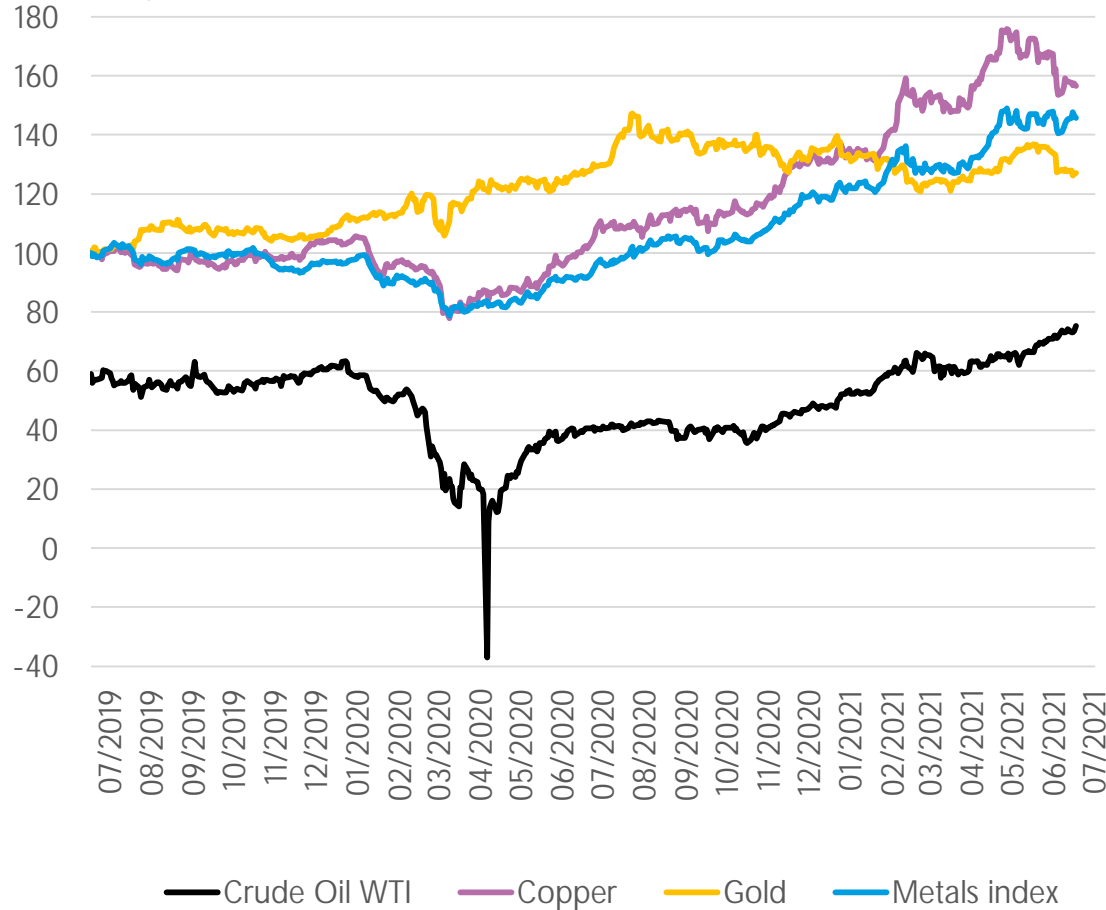
(in %)



Oil prices sustained by growing demand

Commodity price indices

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



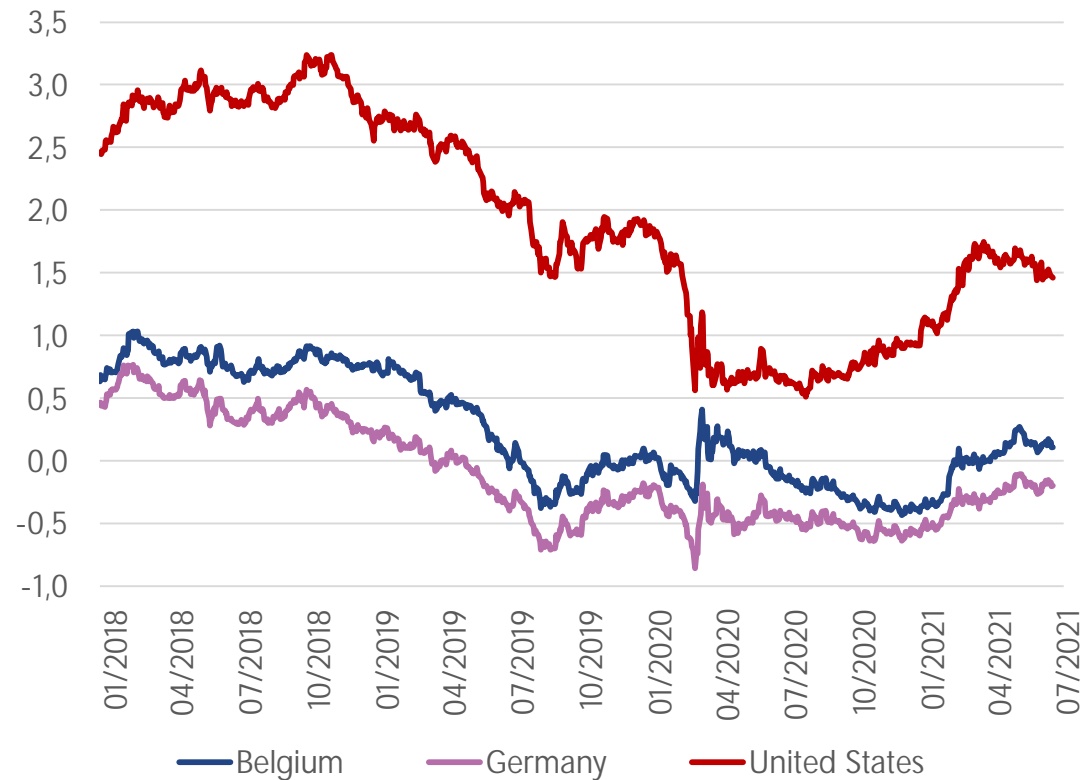
- ◆ Industrial metal and gold prices fell after the Fed's June meeting.
 - ◇ Until then, industrial metal and gold prices were supported (in part) by a weak dollar and the inflation outlook.
 - ◇ Industrial metal prices remain elevated by historical standards, supported by the recovery and the transition towards a greener economy.
- ◆ In contrast, oil prices increased further, to above \$70 per barrel.
 - ◇ Oil demand is recovering with the reopening of economies
 - ◇ OPEC+ group still currently limiting supply and slowdown in oil-investment could constrain supply in the medium-run

Global sovereign 10-year bond yield rise halted

- ◆ Longer-term market-based inflation expectations declined: markets view the current increase in inflation as temporary.
- ◆ In this context, the 10-year US government bond yields fell in June. However, yields spiked temporarily when the Fed signalled that policy rates might rise sooner than previously anticipated.
- ◆ In the euro area, 10-year yields remain low (with ECB's renewed commitments to preserve favourable financing conditions and subdued inflation expectations)

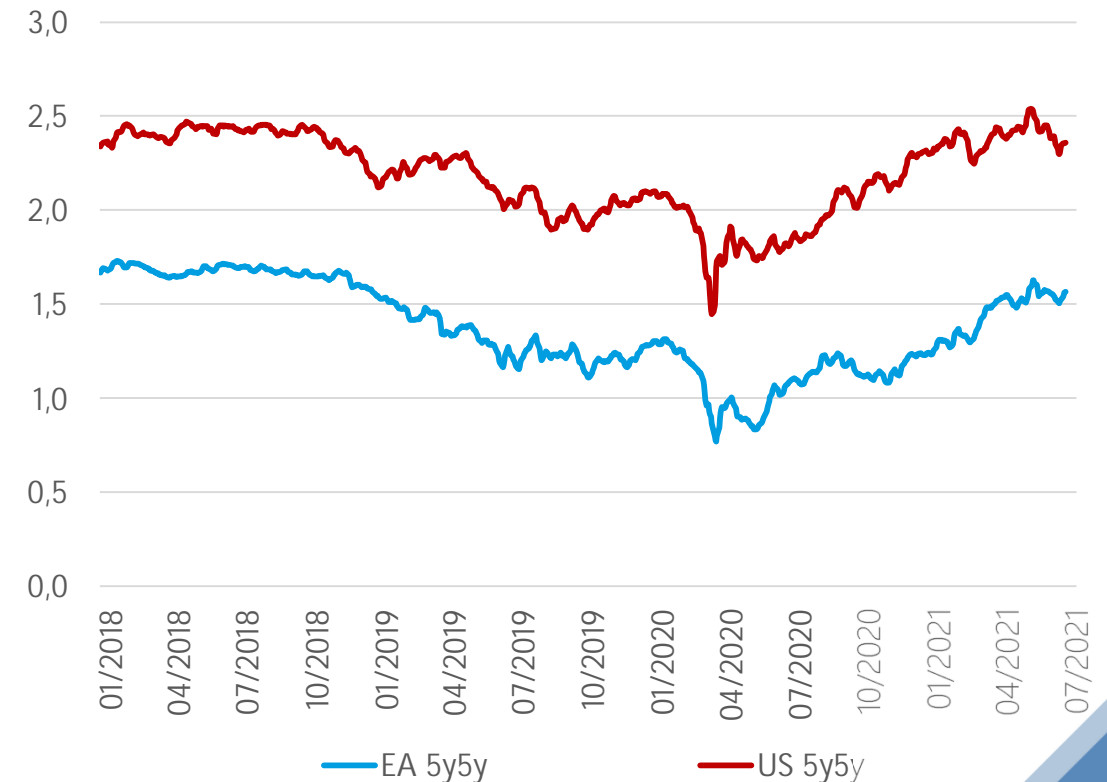
10-year government bond yields

(in %)



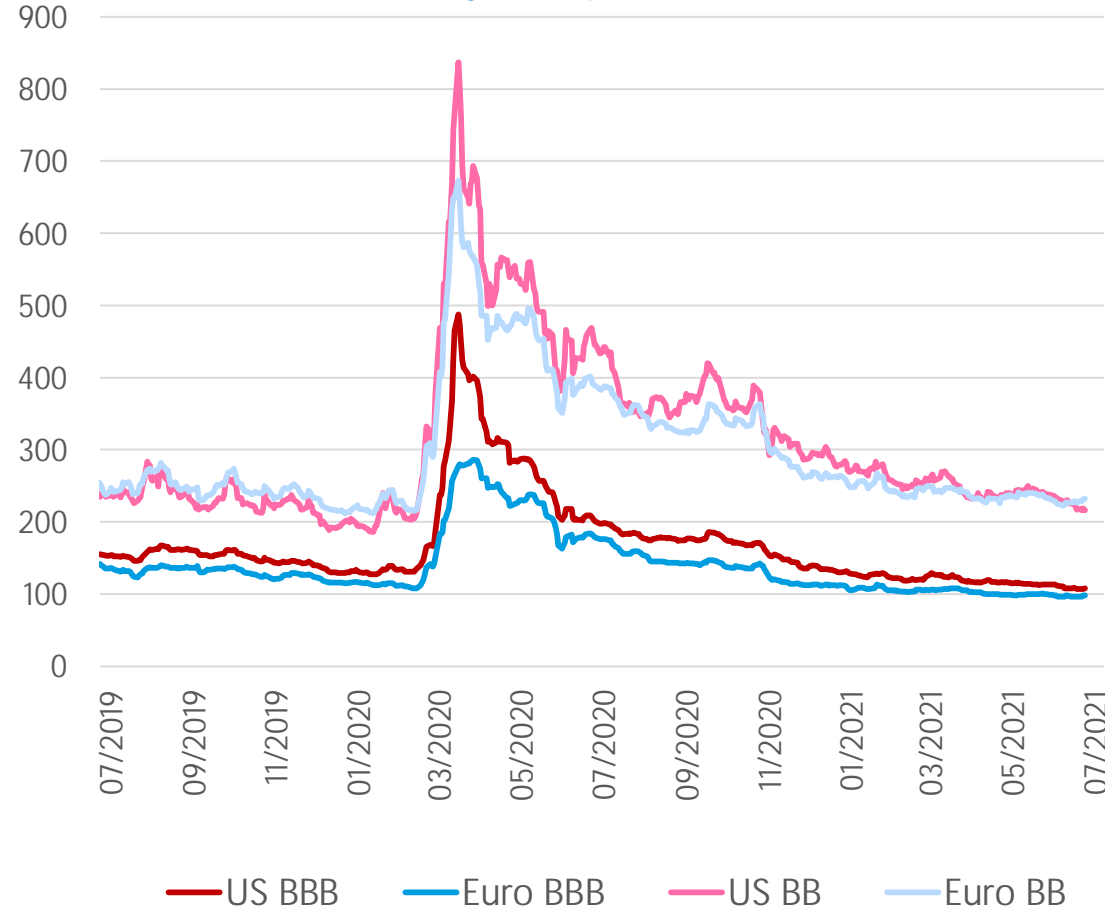
Market based inflation expectations¹

(in %)



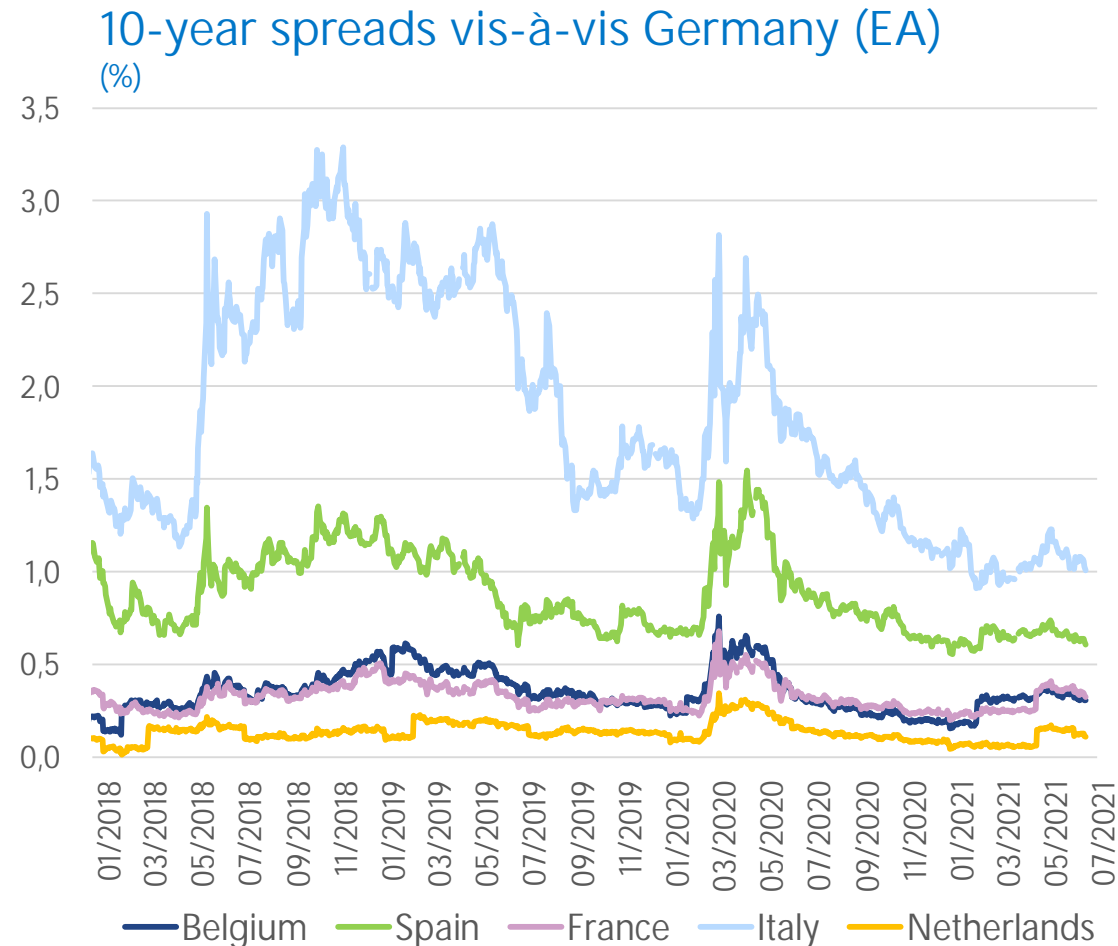
Corporate spreads remain close to pre-pandemic levels

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



- ◆ The gradual reopening of economies, the vaccine roll-out and continued policy support contribute to narrowing corporate spreads

Sovereign bond spreads remain stable

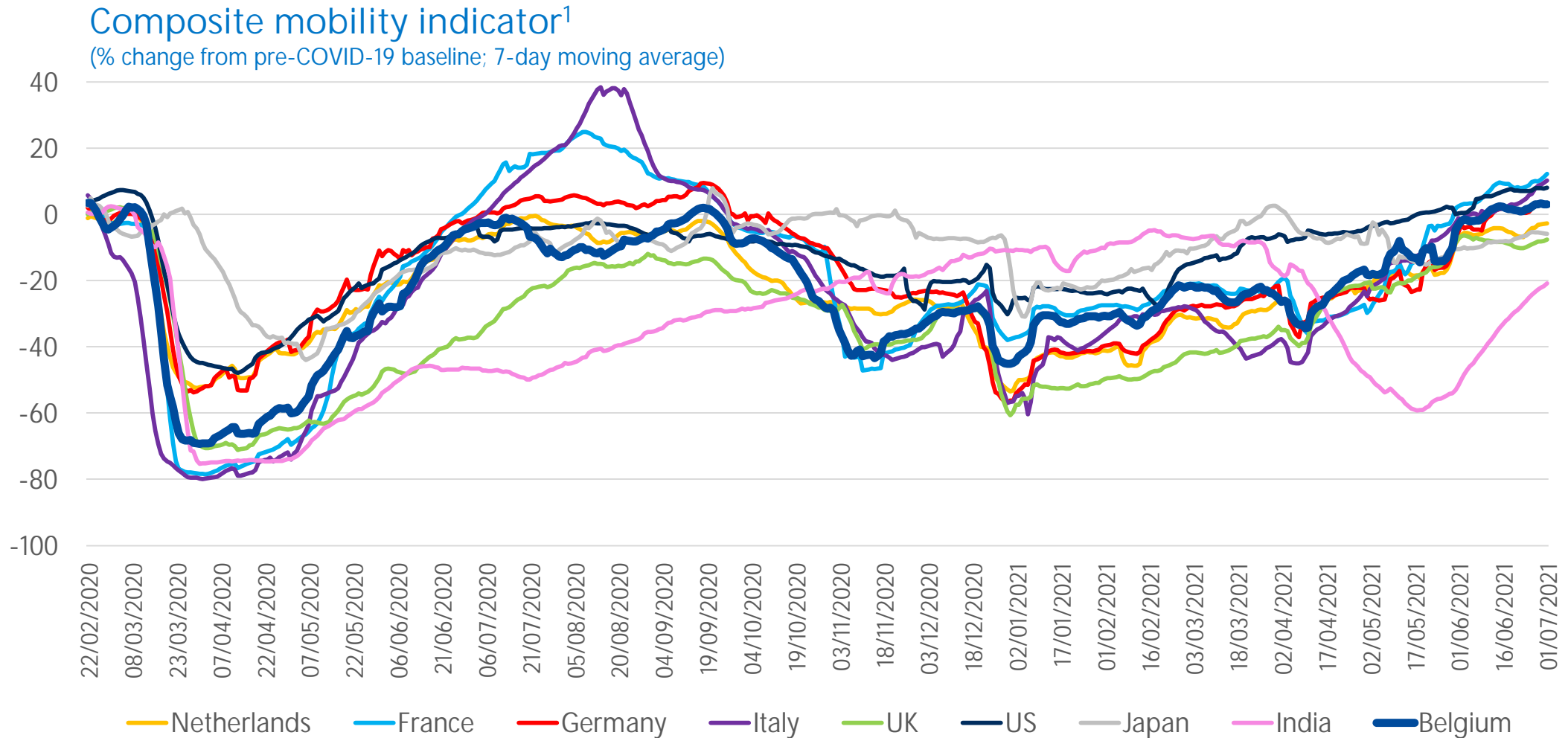


- ◆ Following a eurozone bond sell-off in May, IT spread widened while also German yields increased. However, the trend reversed following communications by ECB officials, signalling that monetary support measures will remain in place until the recovery is secured, and better-than-expected economic data.
- ◆ NB: Apparent rise of BE spreads in early 2021 and of FR and NL spreads in April 2021 are due to change of benchmark.

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.

International outlook

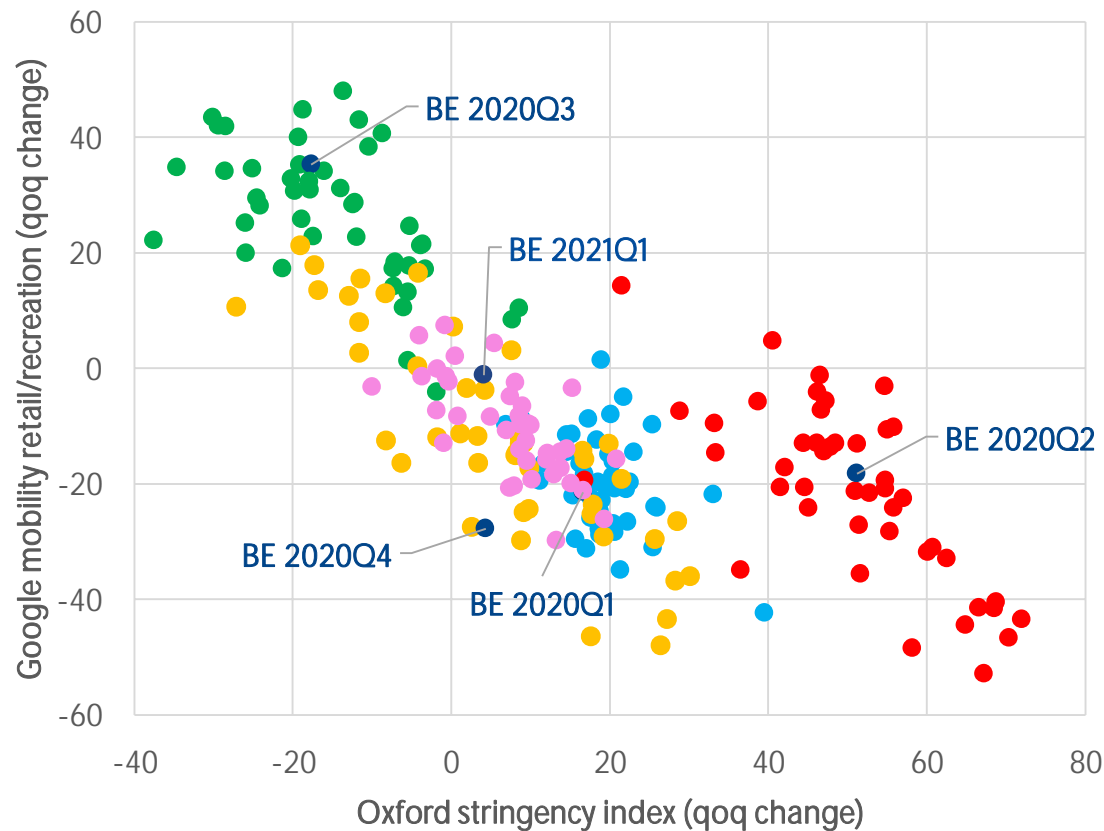
Mobility is close to pre-COVID-19 levels in most advanced economies



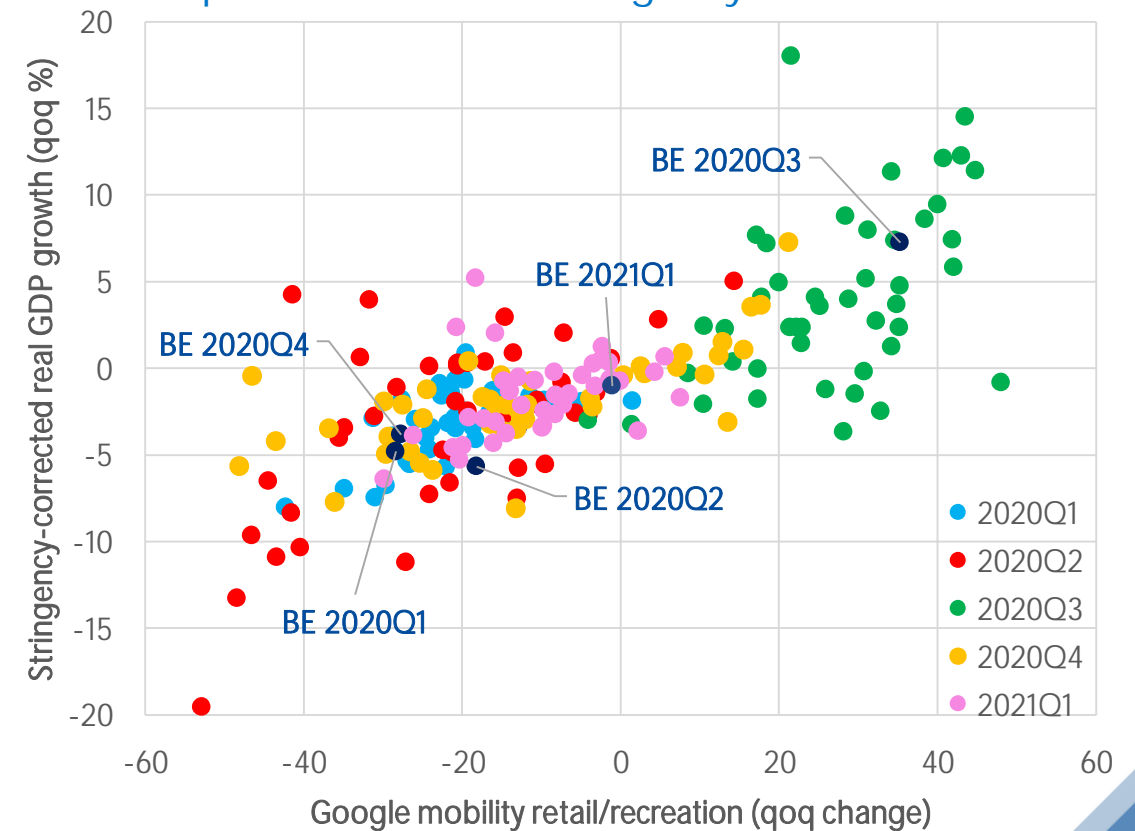
Hit on GDP growth: it's actual mobility!

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).

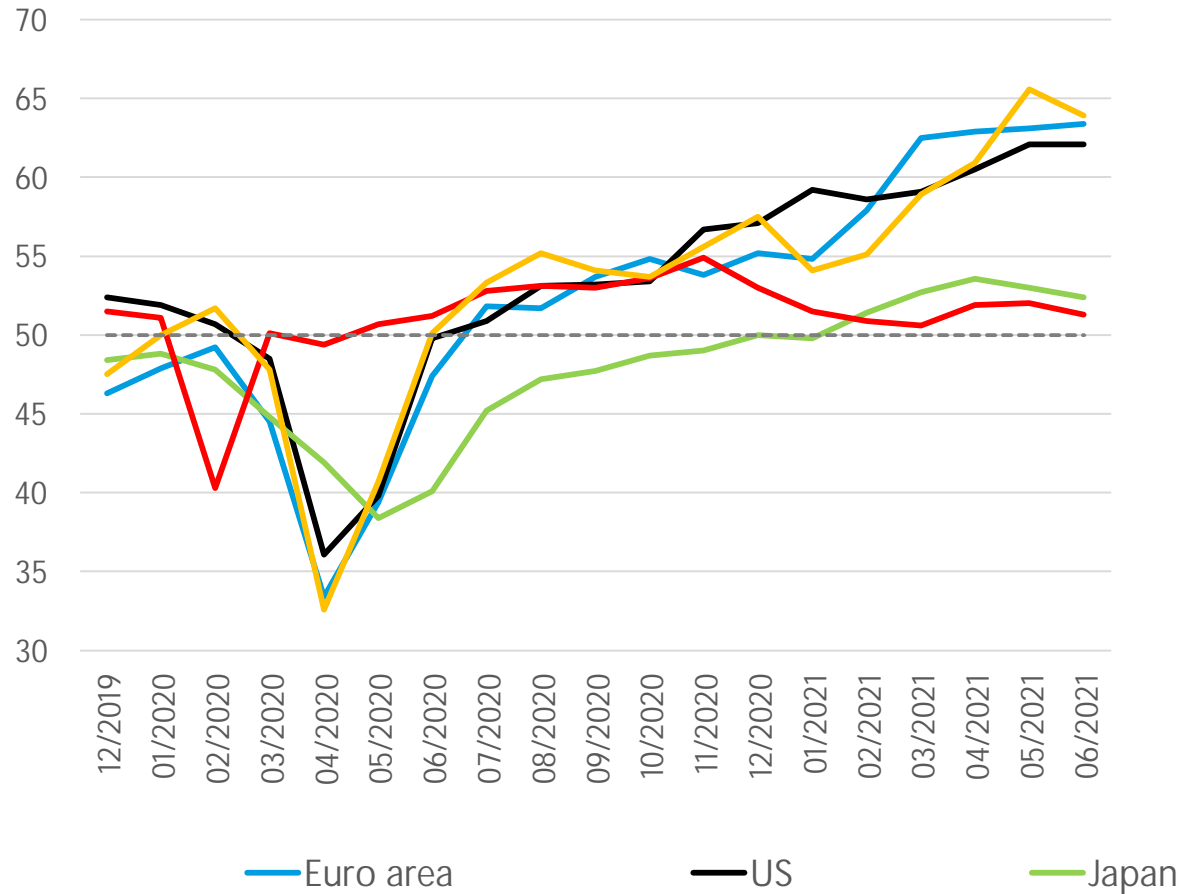
¹ Country sample consists of 46 OECD and major non-OECD countries over 2020Q1-2021Q1. Each dot represents a country-quarter. Oxford Stringency index codifies 9 types of containment measures. Index levels take values between 0 (no restrictions) and 100 (hard nationwide lockdown). Google mobility report 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

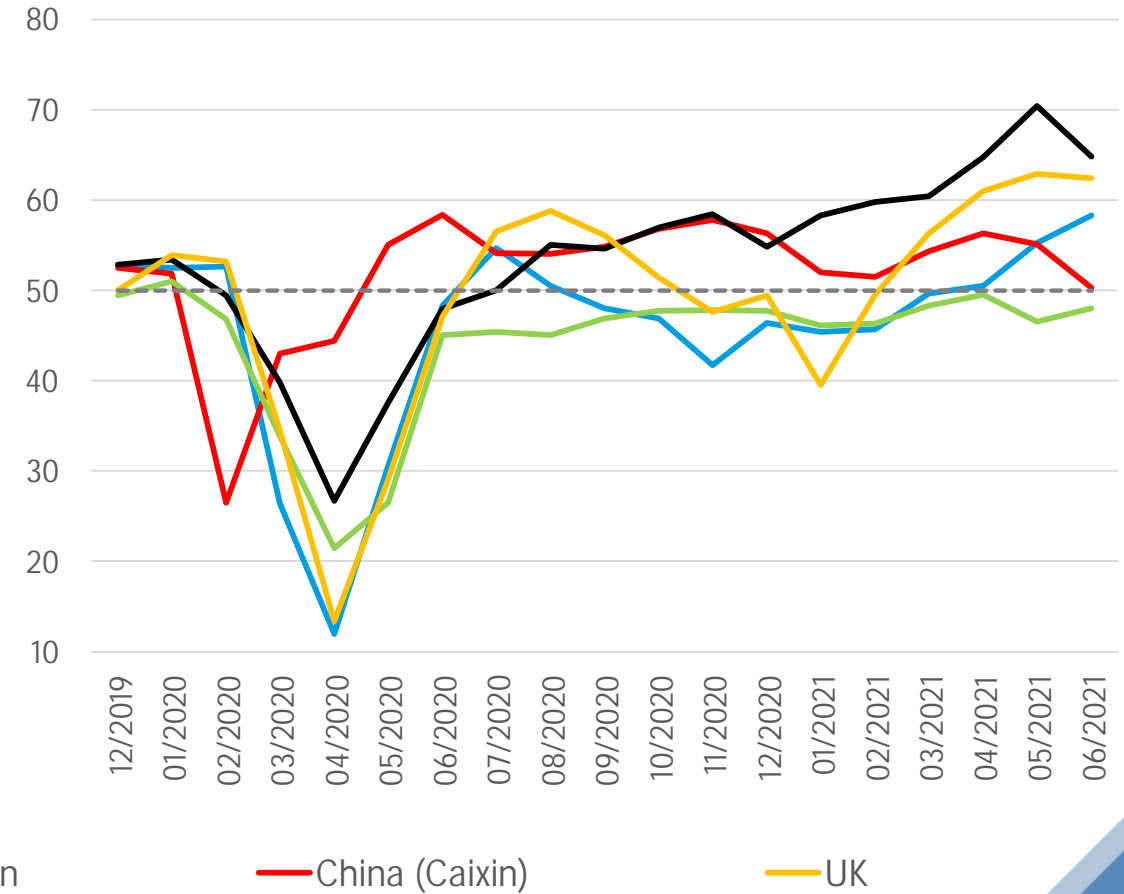
Manufacturing PMIs

(diffusion index; 50+ signals expected expansion)



Service sector PMIs

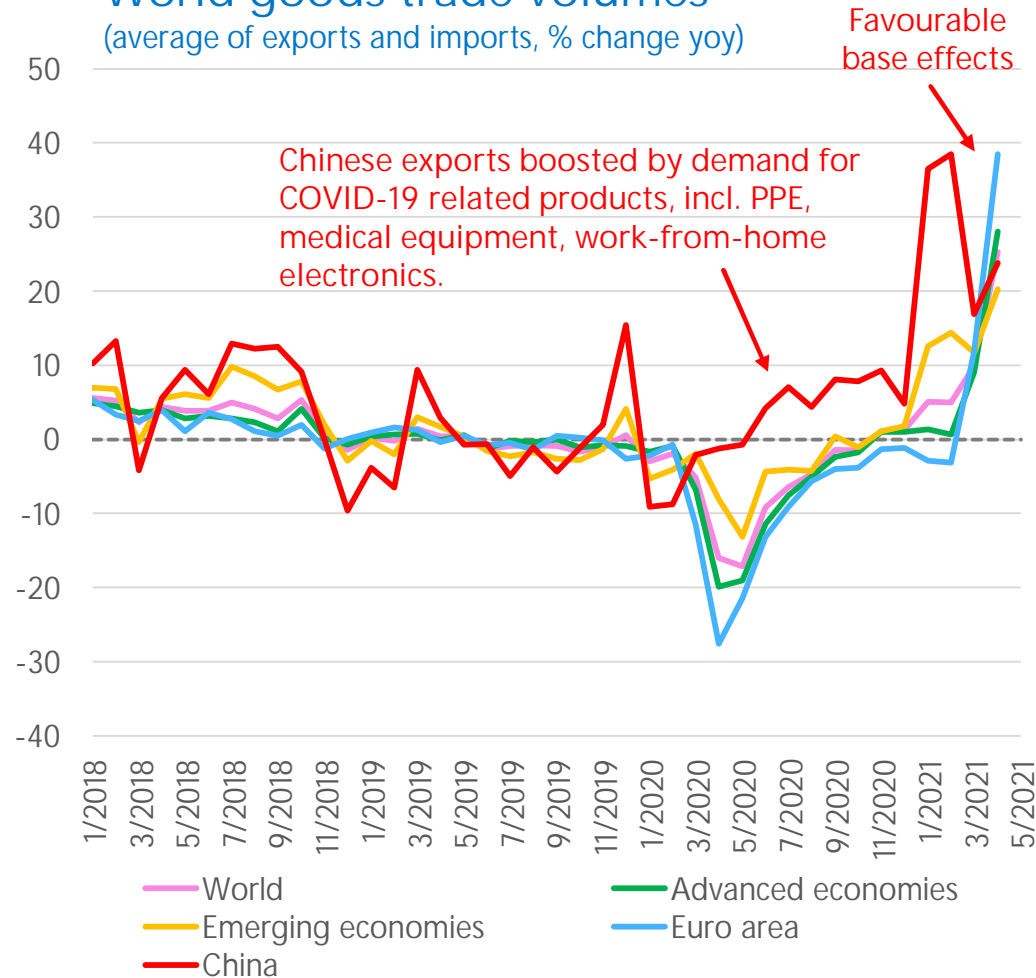
(diffusion index; 50+ signals expected expansion)



International trade: Above pre-COVID-19 levels and increased momentum

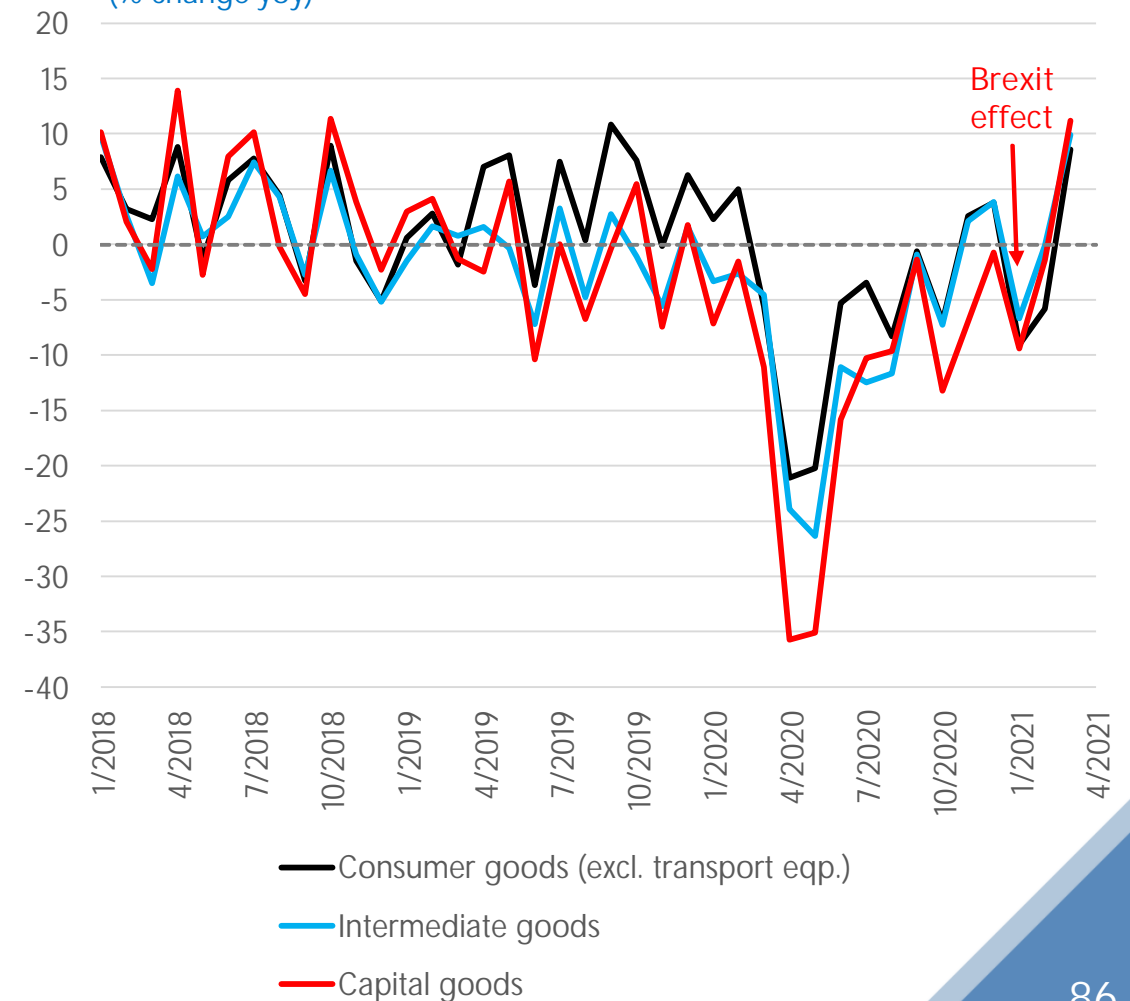
World goods trade volumes¹

(average of exports and imports, % change yoy)



Euro area: extra-EA-19 goods export volumes²

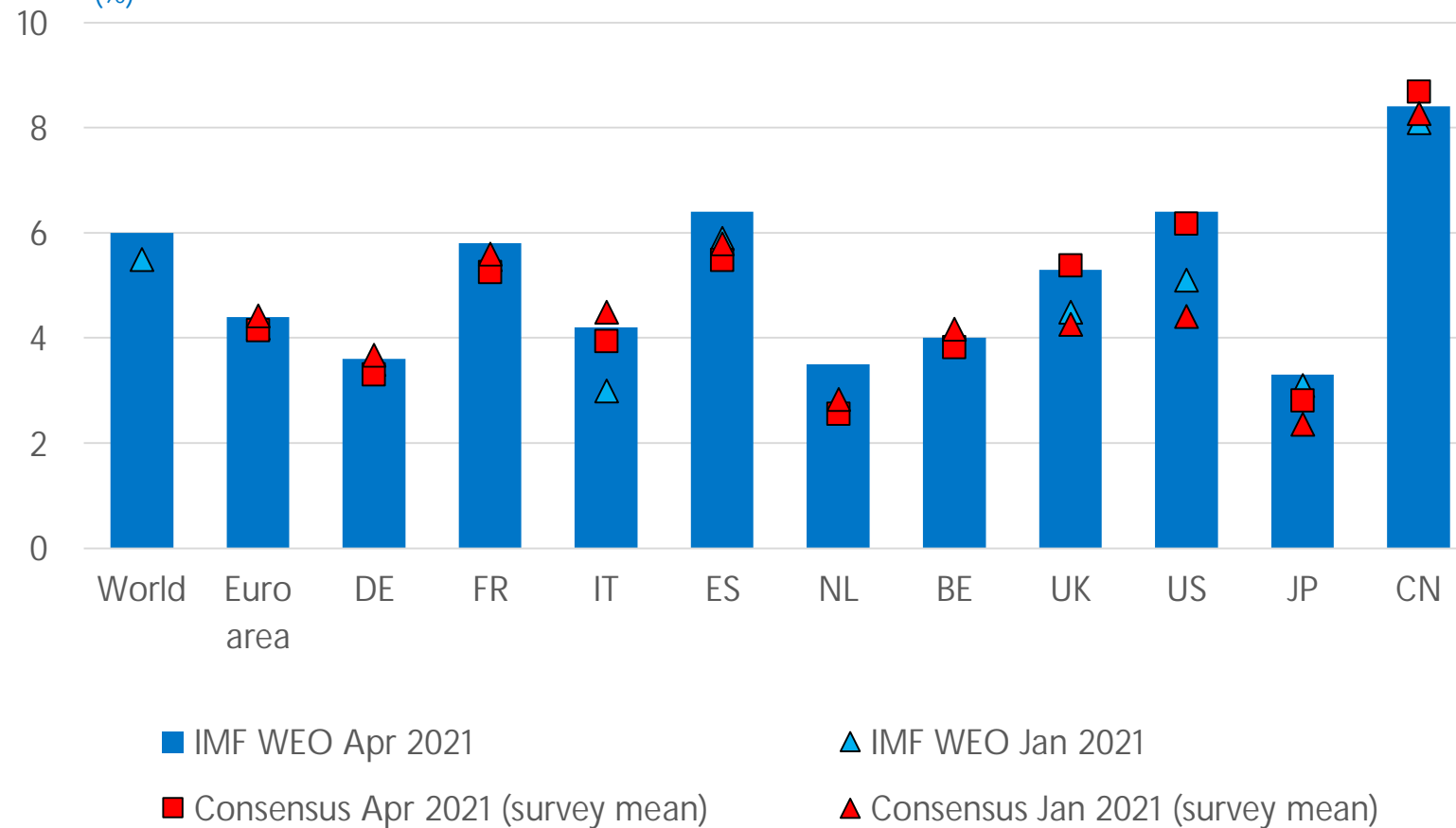
(% change yoy)



Latest IMF forecasts for 2021

World Economic Outlook: "Managing divergent recoveries"

Real GDP forecasts for 2021¹
(%)



Revisions to IMF forecasts for 2021 since January reflect:

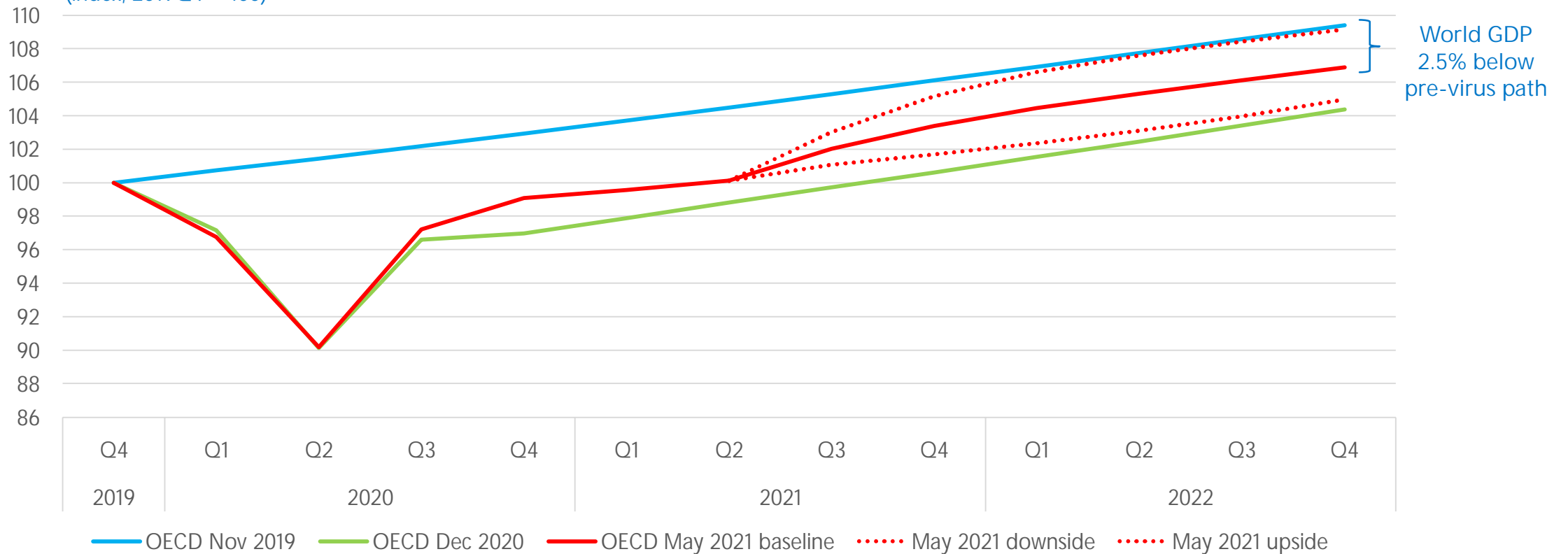
- ◆ Acceleration of mass vaccination campaigns that could allow for faster withdrawal of containment measures and resumption of economic activity in second half of year
- ◆ Announcements of large additional fiscal policy support in a few major economies (most notably the US)
- ◆ Smaller adverse impact 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

Uncertainty remains around baseline projections

World GDP¹

(index, 2019Q4 = 100)

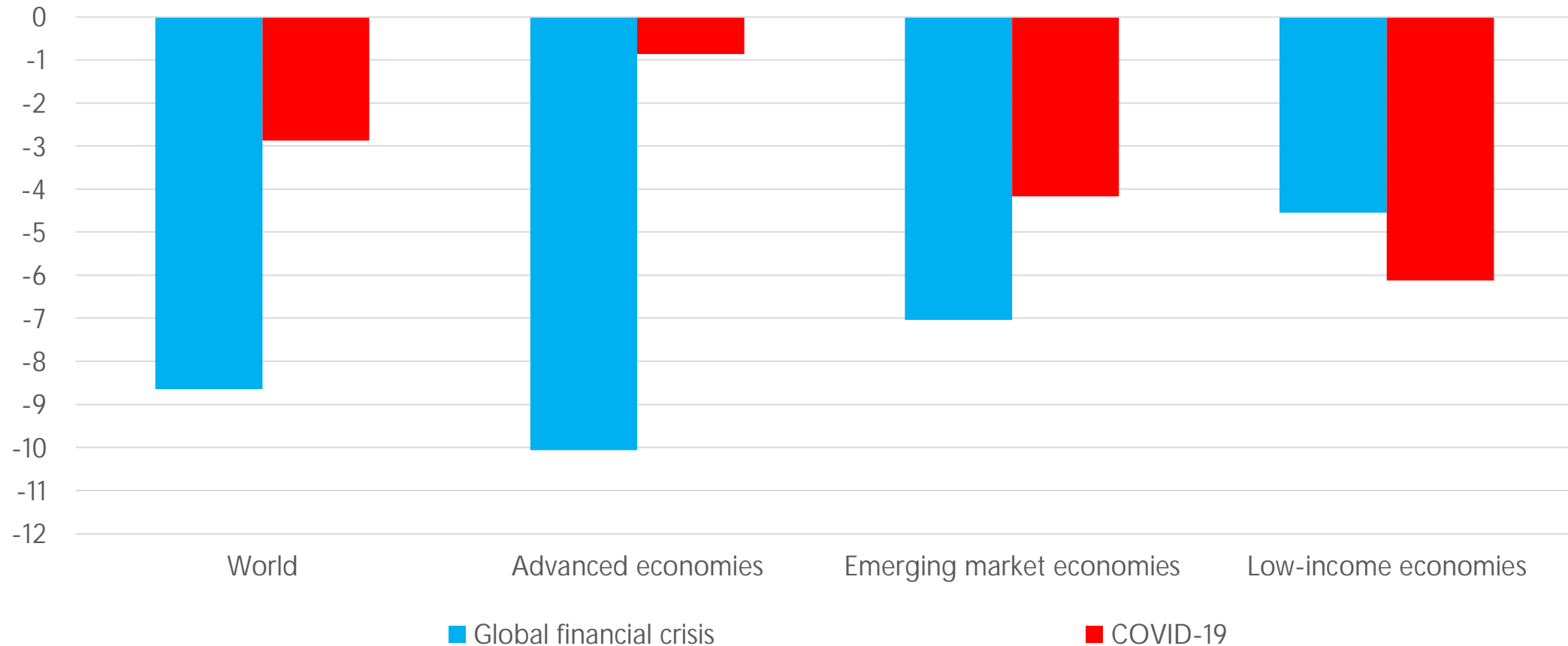


World economy

IMF expects overall scars from COVID-19 recession to be less than from GFC, but with poorer countries hurt relatively more

Medium-term output losses¹

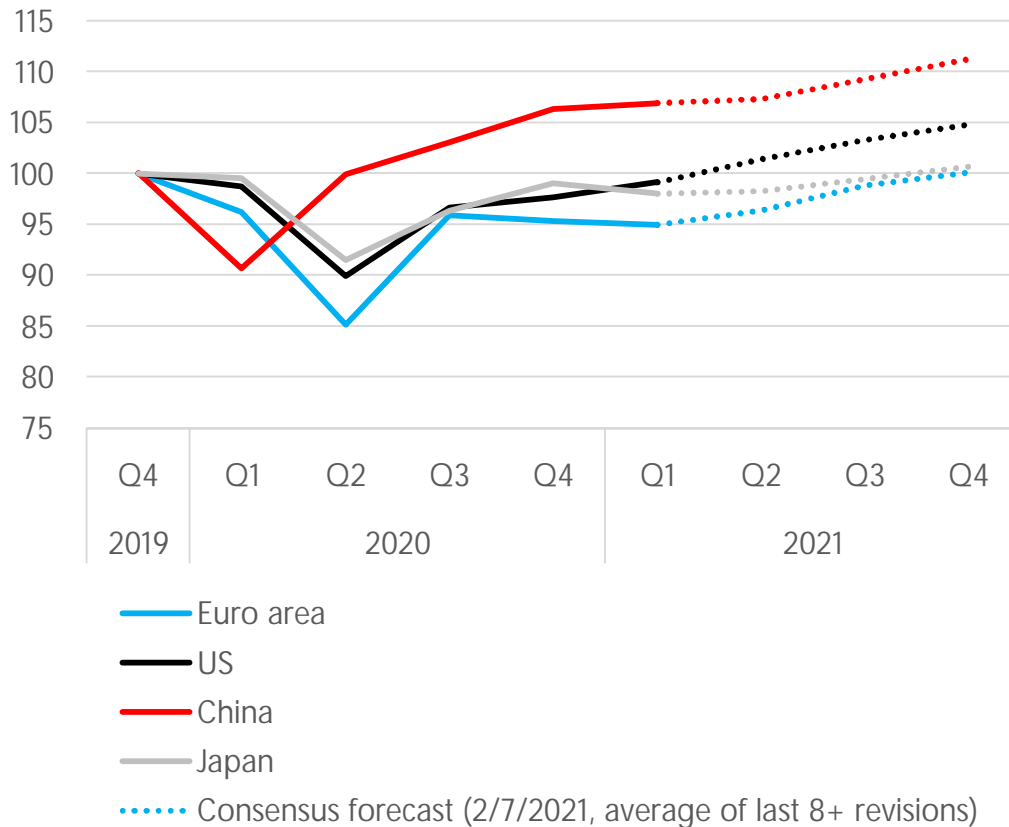
(% difference in real GDP four years after crisis and anticipated GDP prior to the crisis)



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

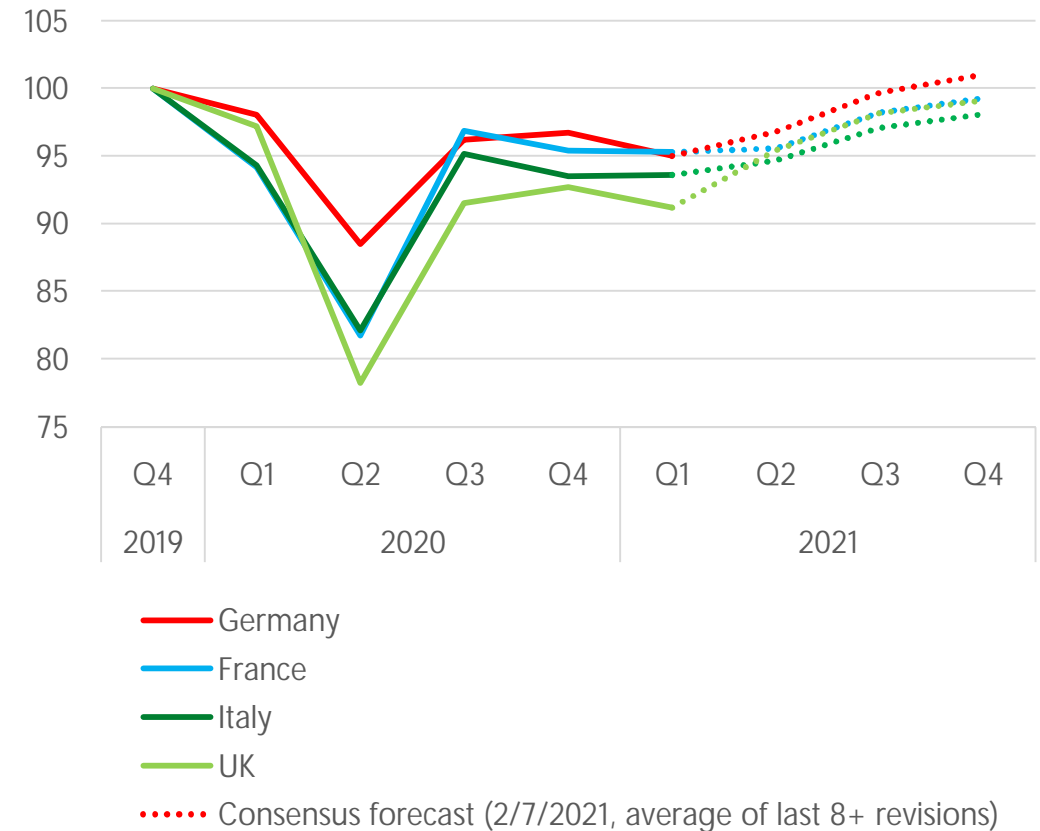
Major blocs: Real GDP¹

(index, 2019Q4 = 100)



Selected European countries: Real GDP¹

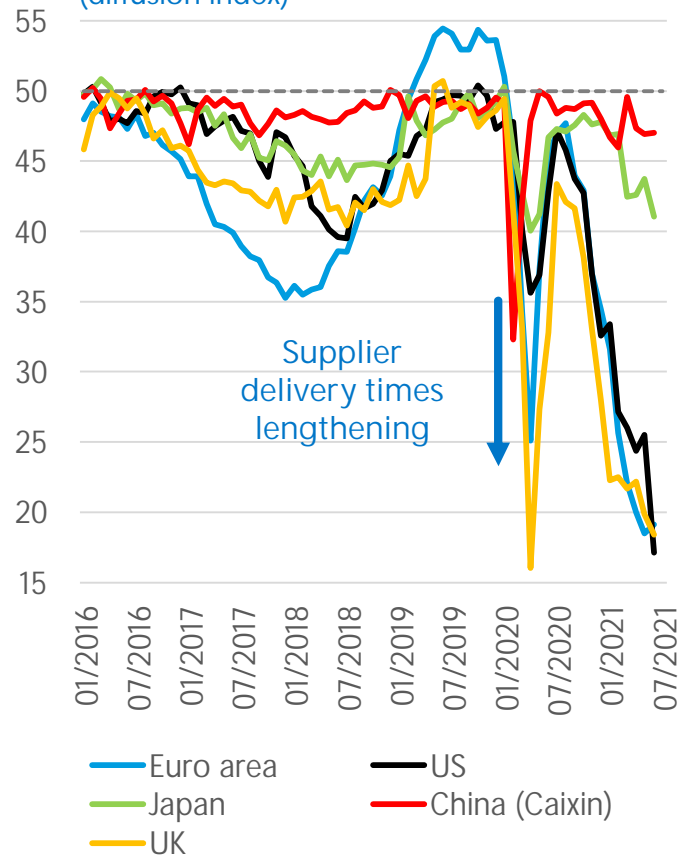
(index, 2019Q4 = 100)



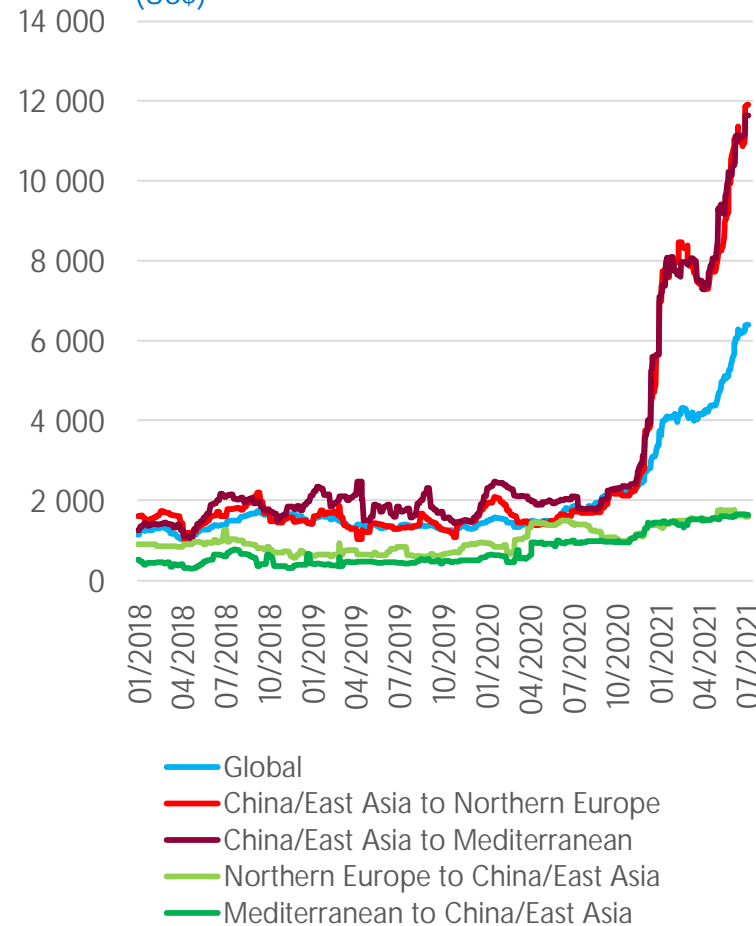
Recovery is leading to supply shortages and upward price pressures

Temporary or more persistent?

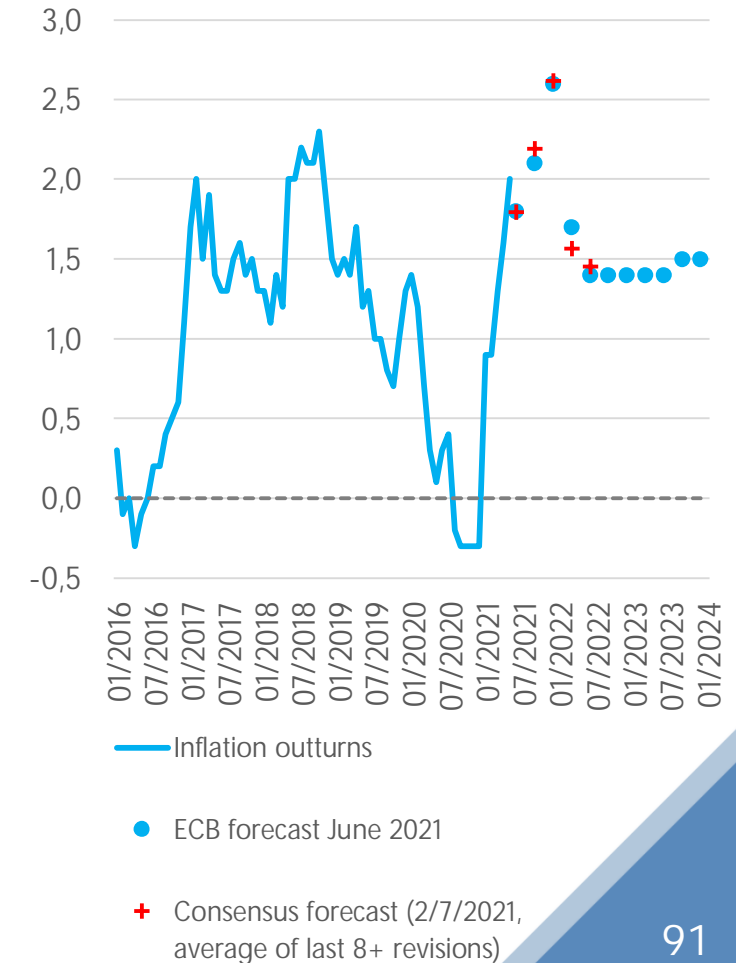
Manufacturing PMIs –
Supplier delivery times
(diffusion index)



Freightos Baltic container
shipping index
(US\$)



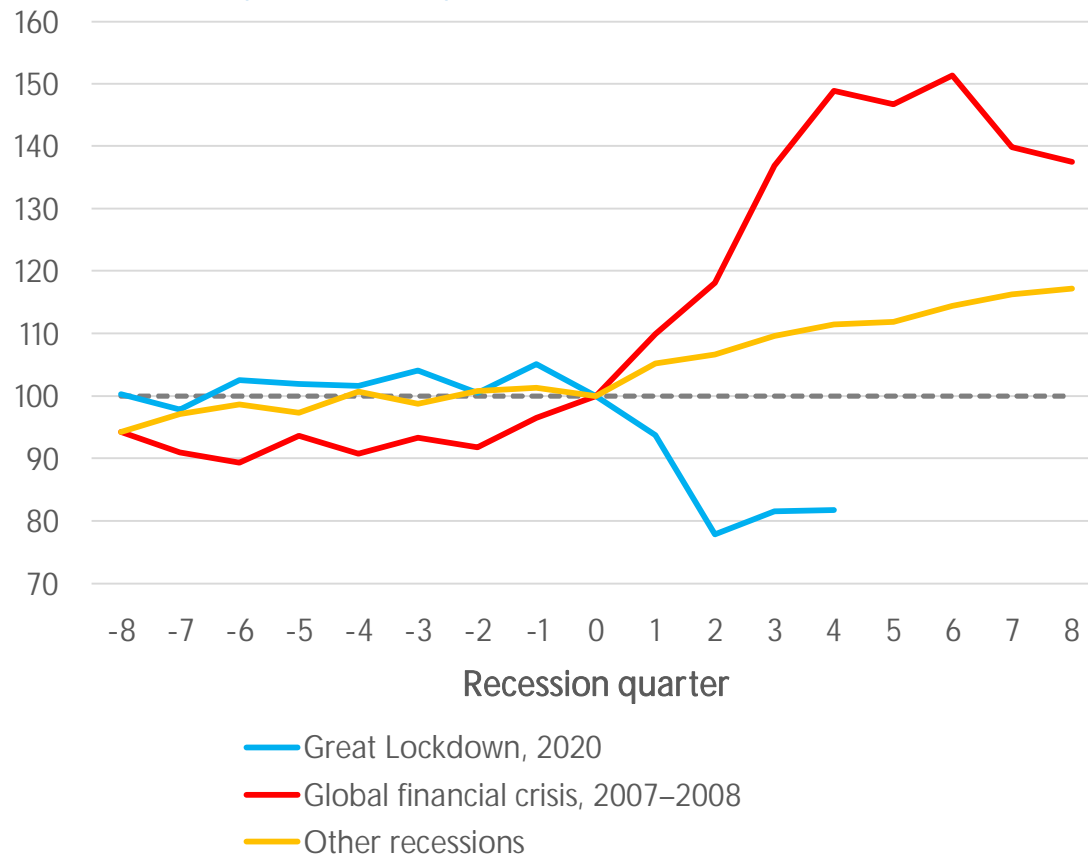
Euro area HICP inflation
(overall index, % change yoy)



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 translucent image of a virus particle, likely representing the COVID-19 virus, centered behind the text. The virus has a spherical core with numerous spike-like protrusions extending from its surface. The overall color palette is light blue and white, with a subtle geometric pattern in the corners.

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

