

PRESS RELEASE

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Monthly business survey – November 2021

Business confidence remains virtually stable in November

- **The indicator has picked up a little in the construction sector and has contracted slightly in business-related services. It remains virtually unchanged in the manufacturing industry and trade.**

The building industry is the only sector where business confidence has improved in November. All components making up the indicator have contributed to the rise, with the exception of the one concerning trends in equipment used.

Conversely, confidence has dipped in the business-related services sector. Company bosses are taking a more negative view of their current level of business activity. On the other hand, they appear more optimistic about future prospects for their own activity, while continuing to have reservations about forecasts for general market demand.

In the manufacturing industry, all the indicator's components have remained highly stable.

Lastly, in the trade sector, demand forecasts have contracted sharply, while those for orders placed with suppliers have improved nicely.

The overall smoothed synthetic curve, which reflects the underlying cyclical trend, is continuing the downtrend that began last month.

Business survey indicators

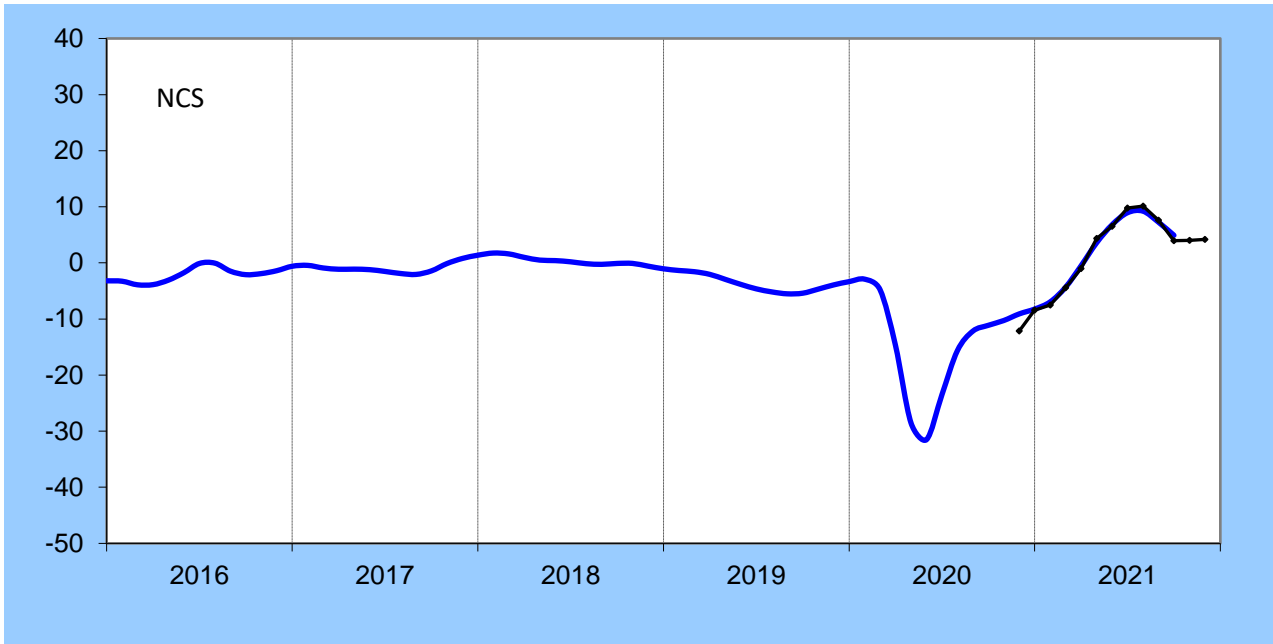
	Gross synthetic curve			Smoothed synthetic curve ¹
	October 2021	November 2021	Variation in points	Variation in Points
Manufacturing industry	2.3	2.5	0.2	0.1
Business-related services	16.4	15.3	-1.1	1.3
Building industry	1.1	2.3	1.2	-0.6
Trade	-2.0	-2.4	-0.4	1.8
Overall synthetic curve	4.0	4.2	0.2	-2.4

¹ The smoothed curve has a two-month delay for the overall synthetic curve and a four-month delay for the branches of activity. This implies that the overall smoothed indicator reflects recent developments more closely than the smoothed indicators per branch.

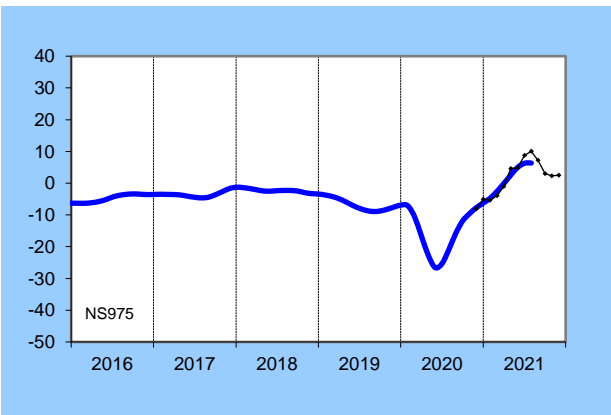
Source: NBB.

CHART 1 - SYNTHETIC CURVES

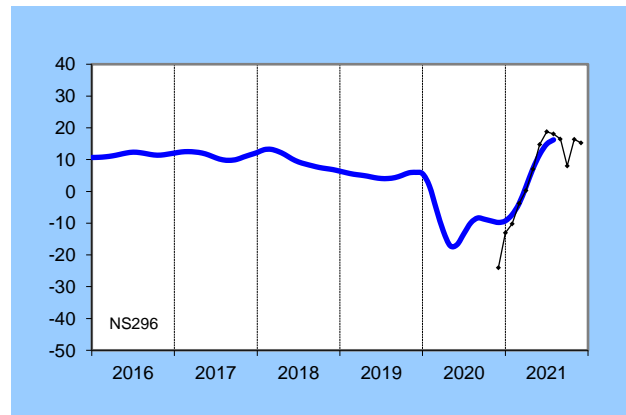
OVERALL SYNTHETIC CURVE



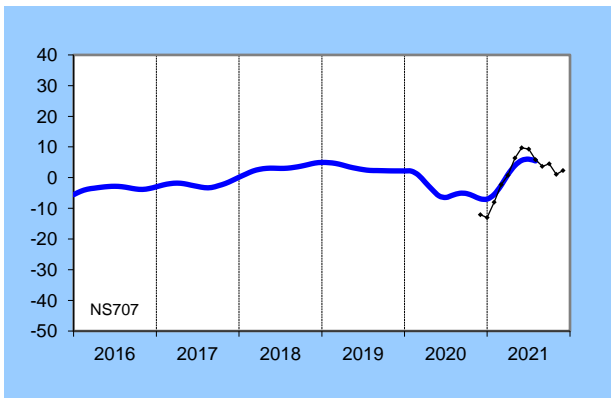
MANUFACTURING INDUSTRY



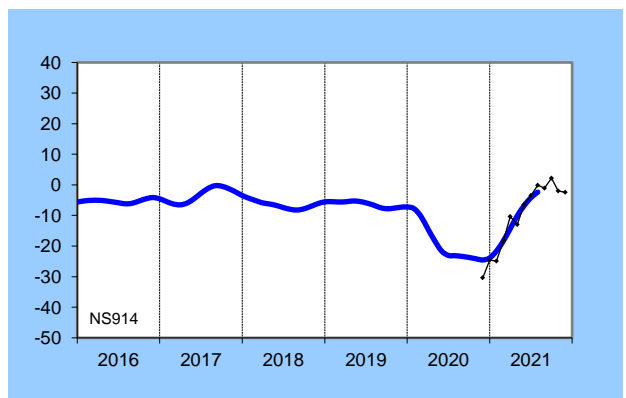
BUSINESS-RELATED SERVICES



BUILDING INDUSTRY



TRADE



— Seasonally adjusted and smoothed series
Source: NBB

◆ Seasonally adjusted series

SYNTHETIC CURVES AND THEIR COMPONENTS

TABLE 1

Seasonally adjusted balances of "positive" answers or "higher than normal"(+) and "negative" answers or "lower than normal"(-).	1980-2021 ¹			Adjusted series				Smoothed series			
				2021				2021			
	Min.	Max.	Avg.	Aug.	Sept.	Oct.	Nov.	June	July	Aug.	Sept.
Overall synthetic curve	- 36.1	+ 10.1	- 7.0	+ 7.6	+ 4.0	+ 4.0	+ 4.2	+ 8.9	+ 9.2	+ 7.3	+ 4.9
Manufacturing industry curve	- 36.0	+ 10.0	- 9.9	+ 7.2	+ 3.0	+ 2.3	+ 2.5	+ 6.3	+ 6.4	.	.
Assessment of total order books	- 57.7	+ 10.0	- 21.1	+ 1.2	- 1.6	- 2.6	- 2.2	- 0.5	+ 0.4	.	.
Assessment of level of stocks ²	- 19.0	+ 25.0	+ 5.5	- 7.7	- 3.9	- 3.2	- 3.3	- 10.6	- 9.3	.	.
Employment expectations	- 41.4	+ 11.5	- 8.3	+ 11.5	+ 4.9	+ 3.9	+ 3.7	+ 7.4	+ 8.3	.	.
Demand expectations	- 37.9	+ 15.0	- 4.7	+ 8.3	+ 4.8	+ 4.8	+ 5.3	+ 9.3	+ 8.8	.	.
Business-related services curve	- 62.1	+ 34.0	+ 9.3	+ 16.4	+ 8.0	+ 16.4	+ 15.3	+ 14.9	+ 16.2	.	.
Assessment of activity	- 71.6	+ 20.0	- 6.1	- 3.7	- 18.5	- 5.6	- 8.6	- 13.3	- 9.9	.	.
Activity expectations	- 70.7	+ 51.7	+ 21.8	+ 26.3	+ 19.3	+ 25.6	+ 29.9	+ 25.0	+ 25.8	.	.
Market demand expectations	- 59.9	+ 45.0	+ 13.4	+ 26.7	+ 23.3	+ 29.2	+ 24.4	+ 29.1	+ 29.9	.	.
Building industry curve	- 39.0	+ 24.3	- 6.7	+ 3.7	+ 4.5	+ 1.1	+ 2.3	+ 6.0	+ 5.4	.	.
Trend in orders	- 52.0	+ 40.0	- 4.0	+ 7.5	+ 10.1	+ 1.2	+ 3.7	+ 11.8	+ 11.3	.	.
Trend in equipment	- 38.4	+ 24.0	+ 1.6	+ 2.4	+ 1.1	+ 0.9	- 0.1	+ 5.7	+ 4.4	.	.
Assessment of order books	- 74.0	+ 30.0	- 21.6	- 0.7	+ 2.0	+ 4.8	+ 5.4	+ 0.7	+ 1.3	.	.
Demand expectations	- 39.0	+ 21.0	- 2.9	+ 5.4	+ 4.9	- 2.4	+ 0.4	+ 7.7	+ 6.6	.	.
Trade curve	- 41.8	+ 16.0	- 2.8	- 1.1	+ 2.2	- 2.0	- 2.4	- 4.2	- 2.4	.	.
Employment expectations	- 33.0	+ 18.0	+ 1.0	+ 4.6	+ 7.0	+ 3.8	+ 5.3	- 1.2	+ 1.4	.	.
Demand expectations	- 56.0	+ 29.0	- 1.0	- 2.6	+ 5.4	+ 5.3	- 3.6	- 0.2	+ 2.4	.	.
Intentions of placing orders	- 40.1	+ 15.0	- 7.7	- 5.2	- 5.8	- 15.2	- 9.0	- 11.1	- 9.9	.	.

¹ Minimum, maximum and average values of each indicator (adjusted series) since January 1980.

² A positive, respectively negative balance, means that stocks, according to the assessment of entrepreneurs, are higher, respectively lower than normal for the season. When synthetic curves are calculated, the sign of this indicator is therefore reversed.

OTHER BUSINESS SURVEY INDICATORS

TABLE 2

Seasonally adjusted balances of "positive" answers or "higher than normal"(+) and "negative" answers or "lower than normal"(-).	1980-2021 ¹			Adjusted series				Smoothed series			
				2021				2021			
	Min.	Max.	Avg.	Aug.	Sept.	Oct.	Nov.	June	July	Aug.	Sept.
Manufacturing industry											
Trend in production rate	- 53.0	+ 20.0	- 0.9	+ 0.6	+ 5.1	+ 0.5	- 9.0	+ 5.7	+ 4.0	.	.
Trend in domestic orders	- 48.7	+ 16.0	- 7.7	- 2.2	- 4.3	- 6.4	- 4.2	+ 3.4	+ 1.2	.	.
Trend in export orders	- 56.3	+ 30.0	- 2.5	- 0.3	+ 4.7	- 0.7	- 3.8	+ 4.8	+ 4.3	.	.
Assessment of export order books	- 61.0	+ 10.0	- 22.5	- 2.8	- 0.5	- 2.0	+ 0.3	- 0.9	- 0.9	.	.
Trend in prices	- 21.0	+ 28.0	+ 1.4	+ 24.8	+ 26.4	+ 21.7	+ 28.0	+ 21.3	+ 22.7	.	.
Price expectations	- 24.0	+ 43.0	+ 6.9	+ 33.2	+ 33.8	+ 29.6	+ 40.4	+ 31.0	+ 32.7	.	.
Production capacity											
(in percentage of the total production capacity)	70.1	84.6	78.9	-	-	79.1	-				
Source: quarterly production capacity survey											
Business-related services											
Trend in activity	- 73.0	+ 37.0	+ 9.5	+ 11.2	+ 15.3	+ 17.4	+ 14.1	+ 14.8	+ 15.6	.	.
Trend in employment	- 49.4	+ 34.0	+ 6.6	+ 5.3	+ 3.2	+ 10.8	+ 4.4	+ 7.8	+ 8.1	.	.
Employment expectations	- 35.0	+ 48.0	+ 17.4	+ 38.2	+ 26.5	+ 35.0	+ 41.2	+ 27.4	+ 30.7	.	.
Trend in prices	- 15.8	+ 12.3	+ 1.8	+ 7.1	+ 5.4	+ 12.3	+ 9.3	+ 3.0	+ 4.4	.	.
Price expectations	- 13.0	+ 30.0	+ 6.9	+ 16.1	+ 19.5	+ 22.4	+ 27.1	+ 14.9	+ 16.6	.	.
Building industry											
Trend in activity	- 66.6	+ 34.7	- 4.2	+ 4.8	+ 3.6	+ 5.7	+ 2.1	+ 7.1	+ 6.6	.	.
Trend in employment	- 38.0	+ 22.0	- 5.1	- 1.3	+ 0.4	+ 2.3	+ 2.1	- 1.2	- 0.4	.	.
Employment expectations	- 50.0	+ 30.0	- 4.1	+ 17.0	+ 19.2	+ 15.2	+ 17.9	+ 19.5	+ 19.3	.	.
Trend in prices	- 27.1	+ 34.8	- 1.5	+ 23.8	+ 32.4	+ 34.2	+ 34.8	+ 22.0	+ 27.4	.	.
Price expectations	- 20.6	+ 46.5	+ 5.5	+ 41.5	+ 44.8	+ 43.8	+ 46.5	+ 35.4	+ 40.6	.	.
Trade											
Trend in sales	- 50.1	+ 43.0	- 0.9	+ 4.2	- 19.1	- 15.2	- 23.4	- 1.9	- 3.6	.	.
Assessment of sales	- 50.0	+ 28.0	- 9.5	- 22.3	- 18.9	- 16.9	- 9.4	- 6.9	- 8.6	.	.
Assessment of level of stocks ²	- 12.9	+ 38.1	+ 11.9	+ 1.0	- 2.9	- 3.2	- 4.2	+ 2.4	+ 1.3	.	.
Trend in prices	- 23.5	+ 50.0	+ 1.8	+ 10.8	+ 34.9	+ 19.7	+ 28.6	+ 7.7	+ 11.1	.	.
Price expectations	- 14.2	+ 66.2	+ 11.2	+ 26.6	+ 28.5	+ 34.3	+ 34.5	+ 19.5	+ 22.2	.	.

¹ Minimum, maximum and average values of each indicator (adjusted series) since January 1980.

² A positive, respectively negative balance, means that stocks, according to the assessment of entrepreneurs, are higher, respectively lower than normal for the season.

Quarterly business survey on credit conditions – October 2021

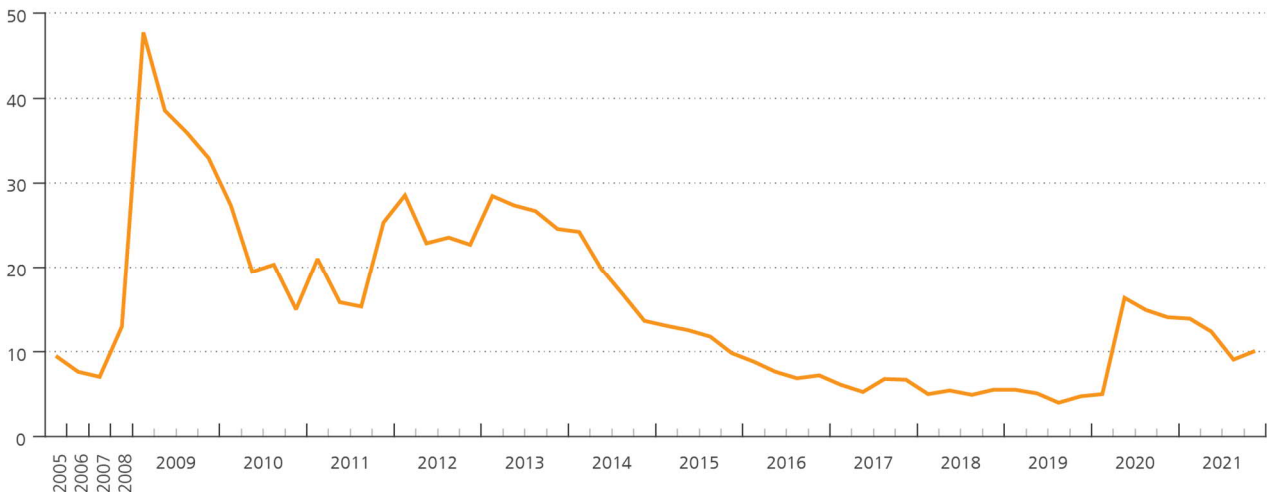
Companies feel tighter borrowing conditions in October

General conditions for access to bank loans have got tighter, according to the quarterly survey carried out in October 2021 on the appraisal of borrowing conditions by companies. The percentage of firms that find borrowing conditions restrictive rose from 9.1 % in July to 10.1 % in October, following a constant decline since April 2020 and the start of the COVID-19 crisis, when it had reached a peak of 16.3 %.

The findings per branch of activity reveal that borrowing conditions were considered to be more restrictive, especially in the building industry, where 13.9 % of firms perceived access to bank loans as being difficult, compared with 6.5 % in July. In the manufacturing industry, the rate also rose, from 5.5 % to 6.8 %. On the other hand, credit constraint perception declined a little in the business-related services sector, while still posting the highest rate with a percentage of 14.4 % of companies finding borrowing conditions strict.

With the exception of medium-sized firms (between 50 and 249 employees), the percentage of companies regarding borrowing conditions as restrictive has risen in all company size categories, in particular among very large firms (500 employees or more). In absolute terms, it is still the small firms (less than 50 employees) that regard credit conditions as being the tightest.

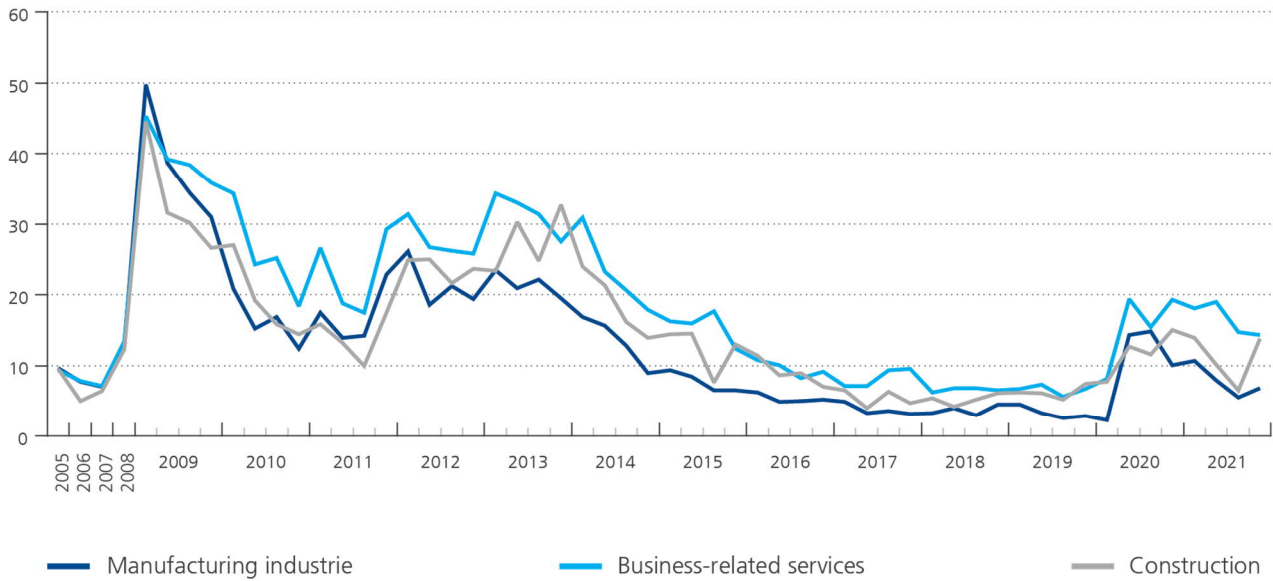
Chart 2 - Credit constraint perception¹ - Overall indicator



Source: NBB - quarterly survey on credit conditions.

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

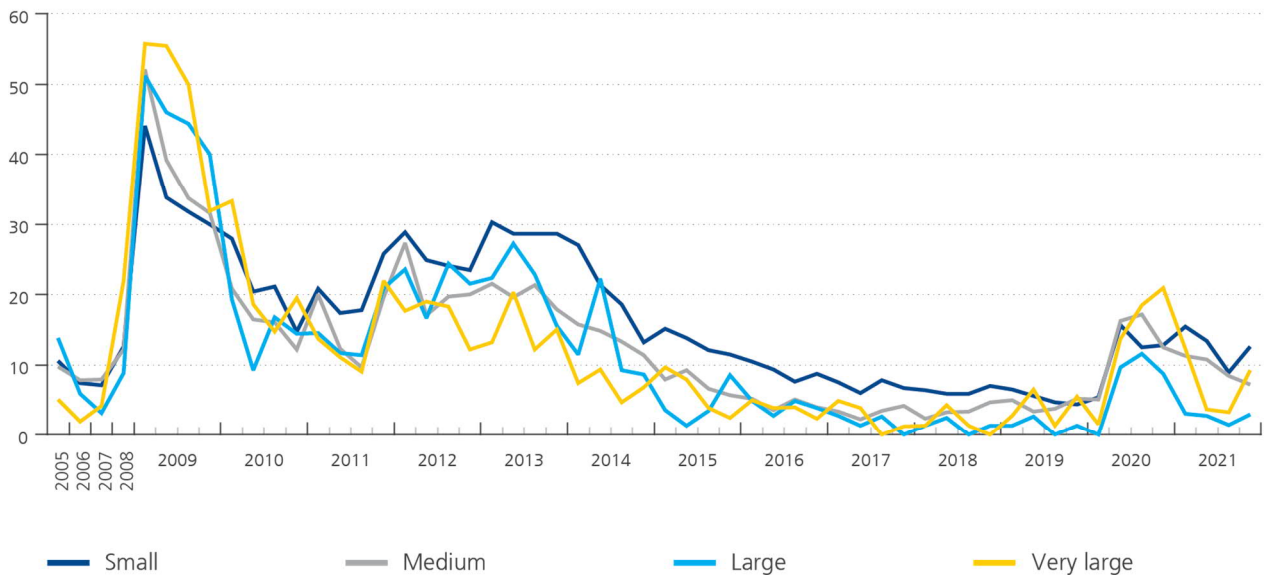
Chart 3 - Credit constraint perception¹ - Breakdown by branch of activity



Source: NBB - quarterly survey on credit conditions.

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

Chart 4 - Credit constraint perception¹ - Breakdown by company size²



Source: NBB - quarterly survey on credit conditions.

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

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

TABLE 3 CREDIT CONSTRAINT PERCEPTION INDICATOR¹

	10-2020	01-2021	04-2021	07-2021	10-2021
Overall indicator ²	14.1	13.9	12.4	9.1	10.1
By branch of activity					
Manufacturing industry	10.0	10.7	8.0	5.5	6.8
Business-related services	19.3	18.1	19.0	14.8	14.4
Construction	15.0	13.9	10.1	6.5	13.9
By size of company³					
Small	12.8	15.5	13.4	9.0	12.6
Medium	12.5	11.2	10.8	8.4	7.2
Large	8.8	3.0	2.7	1.5	2.9
Very large	21.0	12.3	3.7	3.3	9.2

¹ Percentage of firms that perceive current credit conditions as constraining

² Weighted average of manufacturing industry, business-related services and building industry (criterion for weighting: outstanding debt with credit institutions). Within the individual branches, however, the responses of firms are not weighted.

³ Small: 1-49 employees; medium: 50-249 employees; large: 250-499 employees; very large: 500 employees or more.

Methodology on the « perception of credit constraint » by businesses

The National Bank of Belgium (NBB) publishes an indicator based on the quarterly credit condition business survey findings. This « credit constraint perception » indicator shows the proportion of firms' unfavourable assessments of the current credit conditions.

In terms of statistical properties, this appears to be more relevant than an indicator showing the level of favourable assessments or the balance between favourable and unfavourable assessments.

The new indicator is also easy to interpret, as any rise (or fall) in it means that companies feel credit conditions are tightening (or easing).

The credit constraint perception indicator, compiled by the NBB, is available on a quarterly basis since January 2009¹.

¹ The results of the quarterly survey among enterprises on credit conditions are also included and commented in the quarterly release of the Observatory for credit to non-financial companies, at the same time as the Belgian results of the ESCB-Bank Lending Survey (https://www.nbb.be/doc/dq/bls/en/bls_home.htm).