



PRESS RELEASE

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The economic activity reaches the pre-crisis level for the first time

Economic growth

Seasonally and calendar adjusted gross domestic product (GDP) in volume terms increased by 2.0 % in the **third quarter of 2021** compared with the previous quarter. In comparison with a year ago, the third quarter of 2020, growth came to 4.9 %. For the first time since the outbreak of the COVID-19 pandemic, the pre-crisis level of economic activity was reached and even slightly exceeded.

Compared with the previous quarter, value added was up by 2.5 % in services. But it was down by 0.4 % in industry and 0.8 % in construction¹.

Domestic demand

Households raised their consumption expenditure by 6.3 %. This sharp rise is primarily due to the improvement in the health situation and the relaxation of the pandemic restrictions in various sectors, such as hotels and catering, culture, leisure and tourism. Expenditure on tourism rose sharply, as well as spending on non-durable goods and services too (+5.0 %). By contrast, the rise for consumer durables was more limited (+1.1 %). Households' investment in housing also increased (+1.5 %). The general government sector stepped up its consumption expenditure by 3.8 %. Public investment expenditure increased by 9.8 %, growth largely explained by spending of the Ministry of Defence. Business investment contracted by 2.4 %.

Foreign trade

As exports of goods and services fell more sharply (-1.1 %) than imports (-0.2 %), net exports of goods and services had a negative impact on the change in GDP growth (-0.8 percentage point).

Employment

In the third quarter of 2021, domestic employment expanded by 0.7 % on a quarterly basis, an increase of 34 600 persons. Compared with the corresponding period of 2020, the number of workers rose by 2.4 % (an increase of 116 000 persons). This trend is attributable to both a rise in the number of salaried workers as the number of self-employed people: both posted quarter-on-quarter growth of 0.7 %.

¹ The GDP figure also depends on taxes on products less subsidies which rose by 4.4 % on a quarterly basis.

Compared with the flash estimate of 28 October 2021, the newly published growth figures are a lot more accurate. The main administrative data (namely, VAT data, industrial production statistics, etc.) were equally available, as is customary with the 60-day estimate of GDP for a given quarter. The main uncertainties stemming from the pandemic in this estimate are currently in the area of non-market production and the components of the expenditure approach, for which the available information was still fairly limited and for which traditional estimation models were not always applicable. It is here that wider revisions are possible in the future and, therefore, also at the overall GDP level. As far as seasonal adjustment of the data series is concerned, the recent [Eurostat guidance](#) on the subject has been closely followed in order to estimate the impact of COVID-19 as accurately as possible.

GDP, QUARTERLY GROWTH IN VOLUME

(data adjusted for seasonal and calendar effects)

	Percentage change compared to	
	corresponding quarter of	previous quarter
	the previous year	
2019 I	2.1	0.3
II	2.1	0.4
III	2.4	0.7
IV	2.1	0.7
2020 I	-1.4	-3.1
II	-13.3	-11.6
III	-3.6	11.9
IV	-4.4	-0.1
2021 I	0.0	1.2
II	15.1	1.7
III	4.9	2.0

GDP AND THE ECONOMIC CYCLE



■ GDP growth in volume
(percentage change compared to the corresponding quarter of the previous year)

— Business survey
(smoothed data, right-hand scale)

○ Business survey
(gross data, right-hand scale)

MAIN COMPONENTS

(percentage change in volume compared to the preceding period, data adjusted for seasonal and calendar effects)

	2019		2020				2021		
	IV	I	II	III	IV	I	II	III	
1. Value added									
Industry	0.6	-1.1	-12.5	11.6	5.0	2.3	1.1	-0.4	
Construction	1.5	-3.4	-14.0	17.1	2.2	1.4	0.3	-0.8	
Services	0.6	-3.0	-11.2	10.8	-0.5	0.8	1.6	2.5	
p.m. GDP	0.7	-3.1	-11.6	11.9	-0.1	1.2	1.7	2.0	
2. Expenditure									
Private consumption expenditure (1)	0.4	-5.6	-12.7	17.2	-6.9	1.3	3.5	6.3	
Final consumption expenditure of general government	1.1	-0.5	-3.0	4.2	-1.3	1.0	1.0	3.8	
Total gross fixed capital formation	0.1	-2.3	-17.8	18.7	3.4	2.7	1.3	-0.2	
Business	0.7	-2.6	-20.7	21.4	4.4	2.4	1.5	-2.4	
Housing	1.2	-4.5	-14.2	18.4	0.3	3.9	0.8	1.5	
Public administration	-5.4	3.8	-6.4	5.5	3.7	2.3	1.3	9.8	
Domestic demand (excluding inventories)	0.5	-3.6	-11.6	14.1	-3.1	1.6	2.3	4.0	
Change in inventories (2)	0.0	0.4	-0.1	-1.4	1.9	-0.9	-0.2	-1.1	
Exports of goods and services	1.2	-1.4	-13.2	8.4	4.3	1.6	5.3	-1.1	
Imports of goods and services	1.0	-1.5	-13.2	9.2	2.9	0.9	5.9	-0.2	
Net exports of goods and services (2)	0.2	0.1	-0.1	-0.5	1.1	0.6	-0.3	-0.8	
3. Labour market									
Total number of workers	0.4	-0.3	-0.7	0.2	0.6	0.3	0.8	0.7	

(1) Including non-profit institutions serving households.
(2) Contribution to the change in GDP.