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## PRESS RELEASE

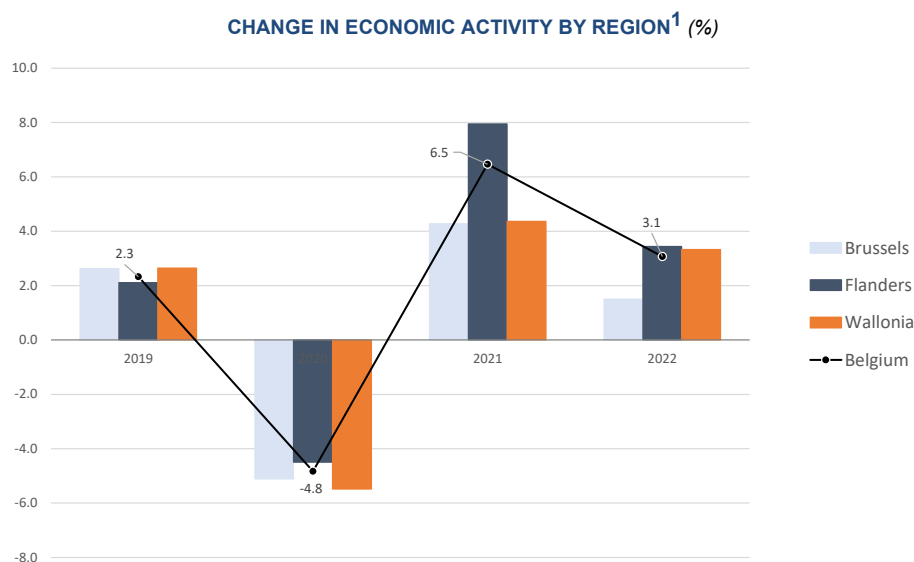
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By 2022, the economy had fully recovered in all three regions.

- **Economic growth remained robust in Flanders and Wallonia, but lost steam in Brussels. Employment growth continued in Flanders and Brussels, but lost momentum in Wallonia.**

Economic growth remained robust in Flanders and Wallonia, but a slowdown was recorded in Brussels.

Following the 2021 upturn in economic activity, growth normalised in 2022 in Flanders and Wallonia, rising by 3.4% and 3.3% respectively, while Brussels recorded a relatively weaker growth rate of 1.5%. The fallout from the energy crisis cast a pall over various industries, contributing to the downturn in economic growth in all three regions.



Source: NAI

The industries that had a negative impact on growth are fairly homogeneous across all three regions. Production and distribution of electricity and gas made a largely negative contribution to growth (-0.7 percentage points [pp] in Wallonia, -0.5 pp in both Flanders and Brussels). Within the manufacturing industry, the most energy-intensive economic activities, such as the chemical (-0.4 pp in Flanders, -0.2 pp in Wallonia and 0.0 pp in Brussels) and metallurgy (-0.3 pp, -0.2 pp and 0.0 pp, respectively) industries, weighed most heavily on growth.

<sup>1</sup> Measured on the basis of gross value added in volume terms.

In **Brussels**, the hospitality industry lent the strongest support to growth in 2022 (+0.6 pp). Despite the acceleration in growth during this period, this industry remained below its pre-pandemic level, unlike in Flanders and Wallonia, where the hospitality industry exceeded its 2019 level in 2022. Refining (+0.6 pp), transporting and storage (+0.4 pp), real estate (+0.3 pp) and professional, scientific and technical activities (+0.3 pp) were the greatest contributors to growth. On the other hand, financial and insurance activities made a largely negative contribution of -1.3 percentage points. Due to the importance of the financial sector in Brussels, the downturn in this sector weighed more heavily in the capital region than in the other two regions.

Although Flanders and Wallonia grew at the same rate, the drivers of their economic growth were clearly different. In **Flanders**, trade made the biggest contribution to growth in 2022, posting a vigorous increase of +0.6 percentage points. This rise was mainly attributable to the distribution centre of a major pharmaceutical company producing a Covid-19 vaccine. It should be noted that but for this company, the growth trajectory in trade would have been essentially negative. In the north of the country, growth was also shored up by transporting and storage services (+0.5 pp), coking and refining (+0.5 pp), professional, scientific and technical activities (+0.5 pp), and real estate activities (+0.5 pp). In **Wallonia**, the pharmaceutical industry flourished, contributing 2.0 percentage points to growth. In addition to generally favourable dynamics, production at a major player in this sector picked up, after having been affected in 2021 by the collapse in sales of a vaccine abroad. The real estate sector (+0.6 pp) and human health activities (+0.5 pp) also provided strong support for growth in Wallonia.

#### INDUSTRIES WITH THE GREATEST IMPACT ON THE CHANGE IN ECONOMIC ACTIVITY BY REGION IN 2022

(in percentage points)

Economic activity (A38)	Brussels	Flanders	Wallonia	Belgium
Pharmaceutical industry (CF)	0.0	0.4	2.0	0.7
Real estate activities (LL)	0.3	0.5	0.6	0.5
Accommodation and food & beverage services (II)	0.6	0.4	0.3	0.4
Transportation and storage (HH)	0.4	0.5	0.2	0.4
Coking and refining (CD)	0.6	0.5	0.0	0.4
Professional, scientific and technical activities (MA)	0.3	0.5	0.1	0.4
Human health services (QA)	0.2	0.3	0.5	0.3
Education (PP)	0.2	0.3	0.4	0.3
Wholesale and retail (GG)	-0.2	0.6	-0.6	0.2
Metallurgy (CH)	0.0	-0.3	-0.2	-0.2
Chemical industry (CE)	0.0	-0.4	-0.2	-0.3
Financial and insurance activities (KK)	-1.3	-0.1	0.0	-0.3
Energy (DD)	-0.5	-0.5	-0.7	-0.5
<b>Total growth in volume terms (%)</b>	<b>1.5</b>	<b>3.4</b>	<b>3.3</b>	<b>3.1</b>
<i>Of which: Contribution of the public sector (S13)</i>	0.5	0.4	0.4	0.5
<i>Contribution of the private sector (S1-S13)</i>	1.0	3.0	3.0	2.6

Source: NAI

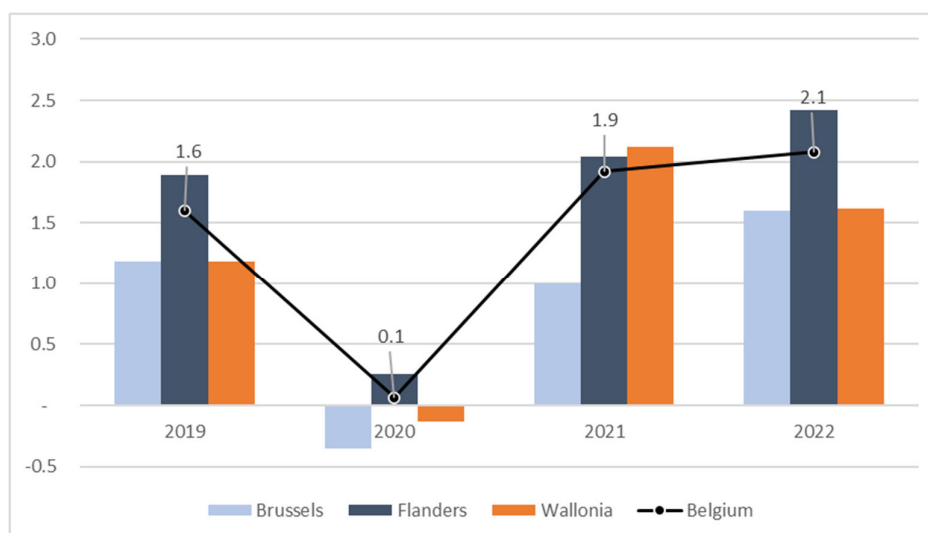
#### Employment growth accelerated in Flanders and Brussels but slowed in Wallonia

After posting a significant rise in 2021, employment growth accelerated in **Flanders** in 2022 (+2.4% or +71,200 people) while catch-up was observed in **Brussels** (+1.6% or +11,500 people). The industries that contributed most to employment growth in these regions were the hospitality industry, professional, scientific and technical activities, and administrative and support services.

In contrast, **Wallonia** recorded a more moderate increase in employment in 2022 (+1.6% or +21,500 people). The region's momentum was held back by a less marked increase in professional, scientific and technical activities as well as in administrative and support services.

In all three regions, growth in the number of self-employed workers slowed significantly.

## CHANGE IN TOTAL EMPLOYMENT BY REGION (%)



Source: NAI

## INDUSTRIES WITH THE GREATEST IMPACT ON TOTAL EMPLOYMENT BY REGION IN 2022 (in percentage points)

Economic activity (A38)	Brussels	Flanders	Wallonia	Belgium
Accommodation and food services (II)	0.3	0.3	0.3	0.3
Professional, scientific and technical activities (MA)	0.3	0.4	0.1	0.3
Administrative and support services (NN)	0.3	0.2	0.2	0.2
Human health services (QA)	0.1	0.1	0.2	0.1
Transportation and storage (HH)	0.2	0.2	0.1	0.1
Education (PP)	0.1	0.2	0.1	0.1
IT activities and information services (IC)	0.2	0.1	0.1	0.1
Construction (FF)	0.0	0.1	0.1	0.1
Public administration (OO)	0.1	0.2	0.0	0.1
Wholesale and retail (GG)	0.1	0.1	0.1	0.1
Domestic services and household production (TT)	-0.1	0.1	0.0	0.0
Coking and refining (CD)	0.0	0.0	0.0	0.0
Manufacture of transport equipment (CL)	0.0	0.0	0.0	0.0
Financial and insurance activities (KK)	-0.1	0.0	0.0	0.0
<b>Total growth (%)</b>	<b>1.6</b>	<b>2.4</b>	<b>1.6</b>	<b>2.1</b>
<i>Of which: Contribution of the public sector (S13)</i>	0.3	0.3	0.1	0.2
<i>Contribution of the private sector (S1-S13)</i>	1.3	2.1	1.6	1.9

Source: NAI

The following table presents the regional account statistics on economic activity and employment for the last three years for which data are available. The figures for 2022 were estimated using the so-called "provisional" method. Figures for earlier years were estimated using the "definitive" or final method. All regional account variables broken down by place of work (including volume of work, hours worked by employees/the self-employed, employee compensation and gross fixed capital formation) and by place of residence (household income accounts and final consumption expenditure by sector) can be consulted in the statistical database NBB.Stat.

#### KEY REGIONAL ACCOUNT VARIABLES BY PLACE OF WORK<sup>2</sup>

	In absolute numbers (€ million or number of persons)	Share of each region in the total for the country (%)	Percentage change compared to the previous year (%)			Average annual growth rate
	2021	2021	2020	2021	2022	2010-2022
<b>Gross value added at basic prices, in volume terms – economic growth</b>						
Brussels	72 730.7	18.0	-5.1	4.3	1.5	0.8
Flanders	239 135.5	59.2	-4.5	7.9	3.4	1.9
Wallonia	91 731.0	22.7	-5.5	4.4	3.3	1.5
Belgium	403 954.9	100.0	-4.8	6.5	3.1	1.6
<b>Gross value added at current prices</b>						
Brussels	80 346.3	17.7	-3.8	7.0	7.8	3.0
Flanders	269 291.4	59.4	-2.9	11.1	10.2	4.0
Wallonia	103 101.5	22.8	-3.6	7.5	9.9	3.5
Belgium	453 019.9	100.0	-3.2	9.5	9.7	3.7
<b>Total employment</b>						
Brussels	718 138	14.4	-0.3	1.0	1.6	0.6
Flanders	2 945 085	59.0	0.3	2.0	2.4	1.2
Wallonia	1 326 014	26.6	-0.1	2.1	1.6	0.9
Belgium	4 992 374	100.0	0.1	1.9	2.1	1.0
<b>Number of employees</b>						
Brussels	631 276	12.6	-0.5	0.8	1.6	0.4
Flanders	2 409 991	48.3	-0.2	1.7	2.4	1.1
Wallonia	1 087 728	21.8	-0.4	2.1	1.6	0.9
Belgium	4 132 132	82.8	-0.3	1.7	2.1	0.9
<b>Number of self-employed</b>						
Brussels	86 862	10.1	0.9	2.1	1.4	2.1
Flanders	535 094	62.2	2.6	3.6	2.4	1.6
Wallonia	238 286	27.7	0.9	2.2	1.6	1.1
Belgium	860 242	100.0	1.9	3.1	2.1	1.5

Source: NAI

<sup>2</sup> The difference between the figures for Belgium and the total for all three regions is due to the extra-regional unit.