

2020-04-24

PRESS RELEASE

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Monthly business survey – April 2020

Staggering drop in business confidence in April

- **The National Bank of Belgium’s business barometer has plummeted in April, to hit an all-time low.**
- **Business-related services are suffering the heaviest losses, followed by retail trade. Even though the downturn is considerable, the manufacturing and building industries are a bit more resistant.**
- **Also, the production capacity utilisation rate in the manufacturing industry has contracted sharply.**

In each of the branches of activity surveyed, company managers overwhelmingly gave negative answers to all the questions making up the indicator. Moreover, throughout all the branches, no business activity has been spared. Even food retailing has not escaped this month’s general downward movement.

In business-related services and the building industry, the fall in the indicator is mainly due to questions about recent trends and the assessment of the current situation: present level of activity in services, order books and equipment used in construction.

In trade and the manufacturing industry, it is forecast-related questions that have exerted the most downward pressure on the indicator, particularly the outlook for demand in retail trade and employment prospects in industry.

The overall smoothed synthetic curve, which reflects the underlying cyclical trend, has fallen back.

Finally, the results of the quarterly survey on production capacity in the manufacturing industry show a sharp contraction in the production capacity utilisation rate. The seasonally adjusted rate reached 73.0 % in April, compared with 78.6 % in January, its lowest level since the end of 2009.

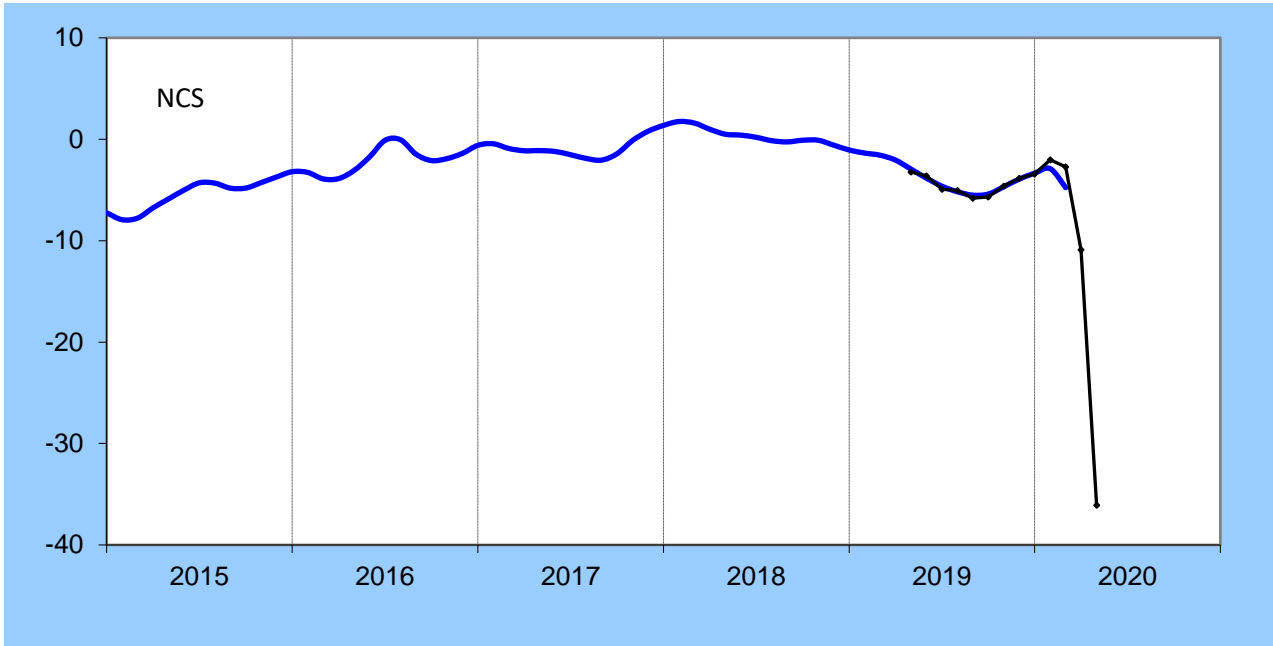
Business survey indicators

	Gross synthetic curve			Smoothed synthetic curve ¹
	March 2020	April 2020	Variation in points	Variation in points
Manufacturing industry	-11.2	-32.6	-21.4	0.6
Business-related services	-22.0	-62.1	-40.1	-0.5
Building industry	1.7	-23.2	-24.9	0.0
Trade	-11.7	-41.6	-29.9	0.1
Overall synthetic curve	-10.9	-36.1	-25.2	-1.9

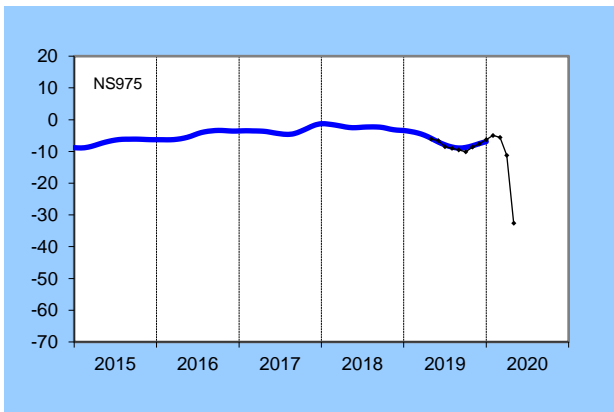
¹ The smoothed curve has a two-month delay for the overall synthetic curve and a four-month delay for the branches of activity.

Source: NBB.

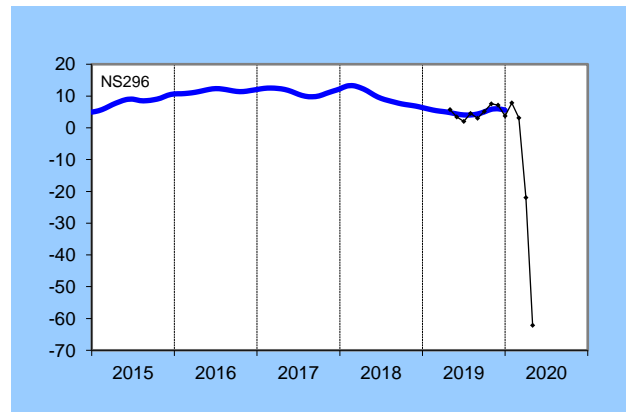
OVERALL SYNTHETIC CURVE



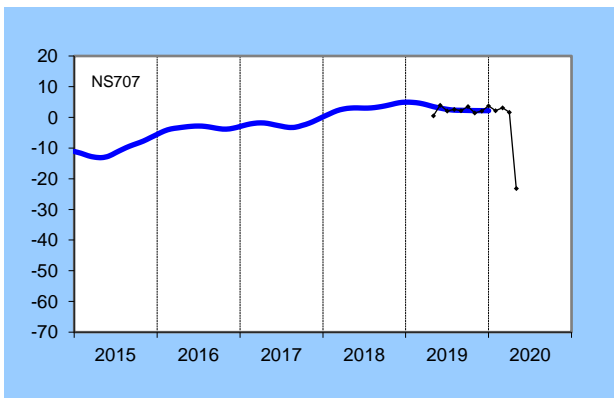
MANUFACTURING INDUSTRY



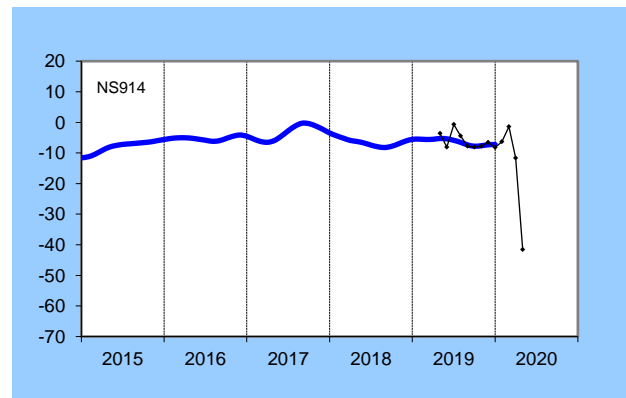
BUSINESS-RELATED SERVICES



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"(-).	1980-2020 ¹			Adjusted series				Smoothed series			
				2020				2019		2020	
	Min.	Max.	Avg.	Jan.	Feb.	March	April	Nov.	Dec.	Jan.	Feb.
Overall synthetic curve	- 31.8	+ 9.2	- 7.0	- 2.0	- 2.7	- 10.9	- 36.1	- 3.9	- 3.3	- 2.9	- 4.8
Manufacturing industry curve	- 34.3	+ 6.0	- 10.1	- 4.9	- 5.5	- 11.2	- 32.6	- 7.5	- 6.9	.	.
Assessment of total order books	- 56.0	+ 10.0	- 21.2	- 16.7	- 15.3	- 20.9	- 46.2	- 20.4	- 20.2	.	.
Assessment of level of stocks ²	- 12.9	+ 25.0	+ 5.9	+ 3.5	+ 2.8	- 7.4	+ 5.0	+ 5.7	+ 4.9	.	.
Employment expectations	- 41.4	+ 8.0	- 8.4	- 2.6	- 5.1	- 13.9	- 41.4	- 3.1	- 3.3	.	.
Demand expectations	- 37.9	+ 15.0	- 4.8	+ 3.1	+ 1.0	- 17.3	- 37.9	- 1.1	- 0.1	.	.
Business-related services curve	- 62.1	+ 34.0	+ 9.9	+ 7.8	+ 3.2	- 22.0	- 62.1	+ 6.0	+ 5.5	.	.
Assessment of activity	- 55.7	+ 20.0	- 4.6	- 0.2	- 4.1	- 7.2	- 55.7	- 6.3	- 6.3	.	.
Activity expectations	- 70.7	+ 51.7	+ 22.1	+ 15.6	+ 11.5	- 31.3	- 70.7	+ 15.7	+ 14.9	.	.
Market demand expectations	- 59.9	+ 45.0	+ 13.5	+ 8.0	+ 2.0	- 27.3	- 59.9	+ 7.8	+ 6.3	.	.
Building industry curve	- 39.0	+ 24.3	- 6.9	+ 2.2	+ 3.1	+ 1.7	- 23.2	+ 2.2	+ 2.2	.	.
Trend in orders	- 52.0	+ 40.0	- 4.2	+ 0.2	+ 6.3	+ 3.3	- 30.1	+ 1.7	+ 0.9	.	.
Trend in equipment	- 35.8	+ 24.0	+ 1.7	+ 1.7	+ 1.9	+ 3.6	- 35.8	+ 1.3	+ 1.7	.	.
Assessment of order books	- 74.0	+ 30.0	- 22.3	- 0.6	- 2.6	- 0.3	- 3.6	- 0.6	- 0.6	.	.
Demand expectations	- 39.0	+ 21.0	- 2.9	+ 7.3	+ 6.7	- 2.2	- 23.2	+ 6.9	+ 7.2	.	.
Trade curve	- 41.6	+ 16.0	- 2.3	- 6.3	- 1.4	- 11.7	- 41.6	- 7.3	- 7.2	.	.
Employment expectations	- 33.0	+ 18.0	+ 1.6	+ 2.0	+ 6.2	- 7.8	- 33.0	- 5.3	- 5.1	.	.
Demand expectations	- 56.0	+ 29.0	- 0.3	- 7.4	- 1.2	- 18.0	- 56.0	- 7.6	- 7.8	.	.
Intentions of placing orders	- 39.0	+ 15.0	- 7.3	- 13.6	- 9.2	- 9.2	- 35.7	- 11.1	- 11.2	.	.

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. 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"(-).	1980-2020 ¹			Adjusted series				Smoothed series			
				2020				2019		2020	
	Min.	Max.	Avg.	Jan.	Feb.	March	April	Nov.	Dec.	Jan.	Feb.
Manufacturing industry											
Trend in production rate	- 53.0	+ 20.0	- 1.0	- 6.1	- 3.6	+ 1.2	- 53.0	- 2.1	- 3.5	.	.
Trend in domestic orders	- 45.0	+ 16.0	- 7.7	- 9.1	- 5.7	- 11.5	- 45.0	- 10.7	- 10.7	.	.
Trend in export orders	- 44.0	+ 30.0	- 2.7	+ 1.4	- 4.5	- 1.9	- 38.5	+ 0.1	- 0.4	.	.
Assessment of export order books	- 61.0	+ 10.0	- 22.7	- 17.9	- 21.0	- 24.9	- 45.2	- 22.5	- 22.8	.	.
Trend in prices	- 21.0	+ 24.0	+ 1.0	+ 2.8	- 3.0	- 1.5	- 6.5	- 4.6	- 3.9	.	.
Price expectations	- 24.0	+ 43.0	+ 6.6	+ 4.2	+ 5.3	- 5.7	- 11.3	- 2.2	- 1.4	.	.
Production capacity											
(in percentage of the total production capacity)	70.1	84.6	79.0	78.6	-	-	73.0				
Source: quarterly production capacity survey											
Business-related services											
Trend in activity	- 73.0	+ 37.0	+ 9.7	+ 11.7	+ 12.6	+ 1.3	- 73.0	+ 9.1	+ 9.1	.	.
Trend in employment	- 49.4	+ 34.0	+ 7.0	+ 7.3	- 2.9	- 0.4	- 30.2	+ 3.2	+ 1.1	.	.
Employment expectations	- 35.0	+ 48.0	+ 17.4	+ 10.0	+ 19.3	- 8.5	- 31.0	+ 17.4	+ 16.4	.	.
Trend in prices	- 15.8	+ 12.0	+ 1.9	+ 1.1	- 2.0	- 1.7	- 1.4	+ 2.3	+ 1.2	.	.
Price expectations	- 13.0	+ 30.0	+ 6.7	+ 8.5	+ 14.7	+ 5.4	- 0.9	+ 8.8	+ 7.6	.	.
Building industry											
Trend in activity	- 66.6	+ 34.7	- 4.3	+ 7.4	+ 11.6	- 2.9	- 66.6	+ 2.7	+ 2.4	.	.
Trend in employment	- 38.0	+ 22.0	- 5.2	+ 3.2	- 2.1	- 0.3	- 12.5	- 3.3	- 2.4	.	.
Employment expectations	- 50.0	+ 30.0	- 4.6	+ 9.0	+ 8.8	+ 7.6	- 9.4	+ 8.4	+ 8.7	.	.
Trend in prices	- 27.1	+ 32.0	- 1.9	+ 0.4	+ 1.2	+ 0.0	- 7.4	+ 0.4	+ 0.3	.	.
Price expectations	- 20.6	+ 46.0	+ 5.2	+ 6.8	+ 6.4	- 0.6	- 0.9	+ 6.8	+ 6.8	.	.
Trade											
Trend in sales	- 47.9	+ 43.0	- 0.5	- 7.1	- 2.9	+ 5.2	- 38.5	- 8.2	- 7.3	.	.
Assessment of sales	- 50.0	+ 28.0	- 9.2	- 7.3	- 0.1	- 8.1	- 50.0	- 10.2	- 9.0	.	.
Assessment of level of stocks ²	- 12.9	+ 38.1	+ 12.1	+ 11.3	+ 7.6	+ 23.7	+ 38.1	+ 11.2	+ 11.4	.	.
Trend in prices	- 20.0	+ 50.0	+ 1.9	+ 7.5	- 1.3	+ 2.7	+ 7.9	- 6.0	- 2.9	.	.
Price expectations	- 11.0	+ 66.2	+ 11.2	+ 13.7	+ 7.3	+ 3.8	- 10.8	+ 7.0	+ 7.6	.	.

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

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