

PRESS RELEASE

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Monthly business survey – January 2021

Business confidence shows very modest improvement in January

- **The business climate has firmed up in the building industry and for the second consecutive month, in business-related services, too. However, entrepreneurs appeared a bit more pessimistic in the trade sector and in the manufacturing industry,**
- **The production capacity utilisation rate continues to recover.**

The economic situation has picked up in the building industry in January. All components of the indicator have been revised upwards, in particular those relating to recent developments, whether order books or equipment used.

Confidence has also gained strength in business-related services, albeit at a slower pace than observed in December. The regained confidence was mainly supported by the assessments and forecasts for surveyed firms' own business activity.

In the trade sector, the modest decline is a result of more subdued prospects for employment and demand.

For the first time since June 2020, the indicator has fallen back very marginally in the manufacturing industry. Appraisals of order books have deteriorated. Also, business leaders have a more negative vision of anticipated trends in demand over the next three months. By contrast, the proportion of company managers who consider their stock levels to be higher than normal has shrunk to a historical low.

The overall smoothed synthetic curve, which reflects the underlying cyclical trend, remains on an upward path.

Finally, according to the results of the quarterly survey of production capacity in the manufacturing industry, the production capacity utilisation rate continues to rise, wiping out the very heavy decline observed last April. The seasonally adjusted rate came to 78.9 % in January, compared to 76.7 % in October 2020.

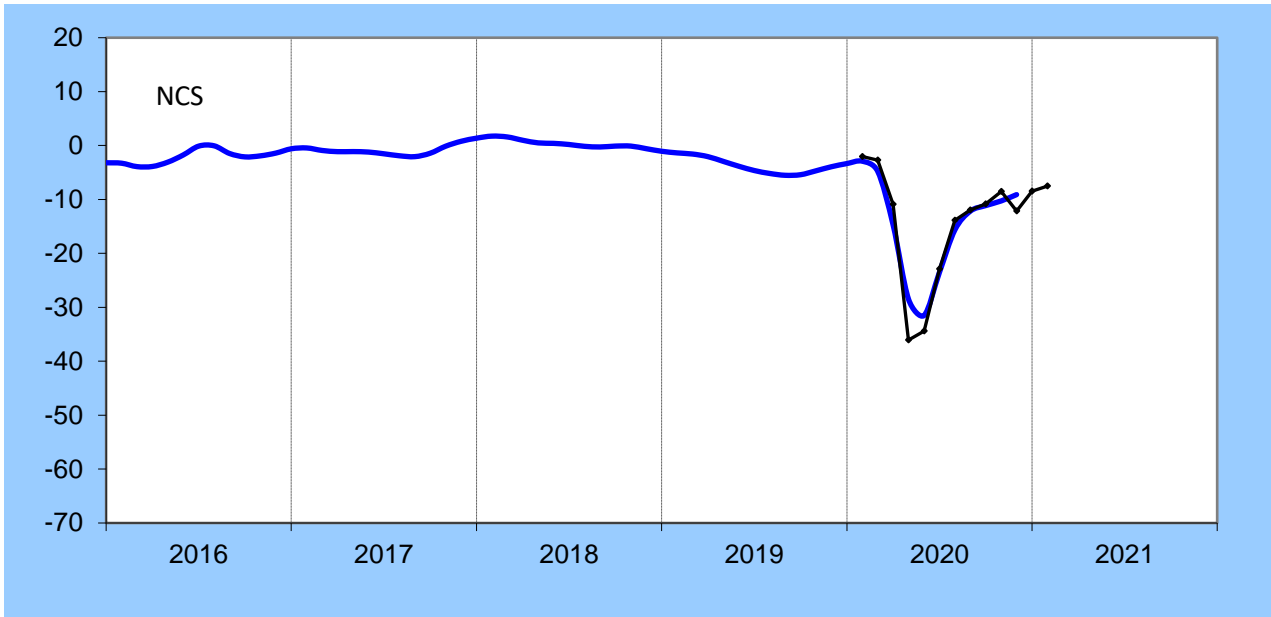
Business survey indicators

	Gross synthetic curve			Smoothed synthetic curve ¹
	December 2020	January 2021	Variation in points	Variation in Points
Manufacturing industry	-5.1	-5.4	-0.3	3.9
Business-related services	-13.1	-10.2	2.9	-0.4
Building industry	-13.0	-8.0	5.0	-0.1
Trade	-24.6	-25.0	-0.4	-0.3
Overall synthetic curve	-8.4	-7.5	0.9	1.2

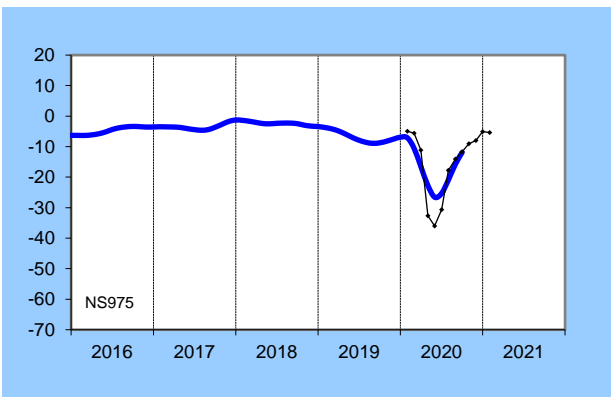
¹ The smoothed curve has a two-month delay for the overall synthetic curve and a four-month delay for the branches of activity. This implies that the overall smoothed indicator reflects recent developments more closely than the smoothed indicators per branch.

Source: NBB.

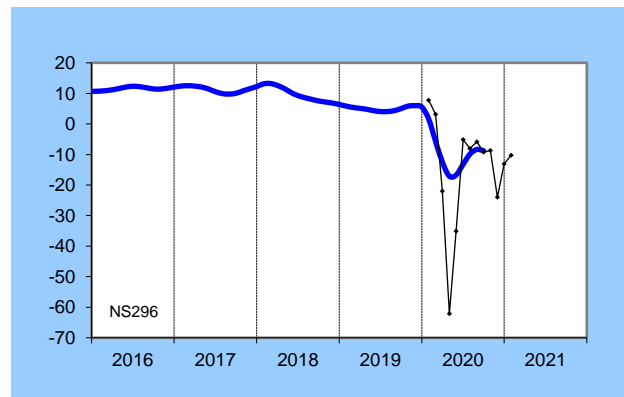
OVERALL SYNTHETIC CURVE



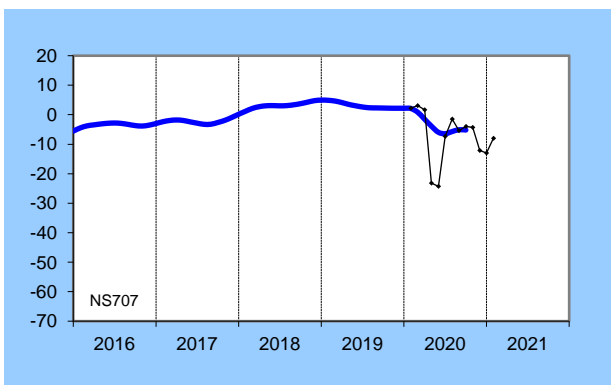
MANUFACTURING INDUSTRY



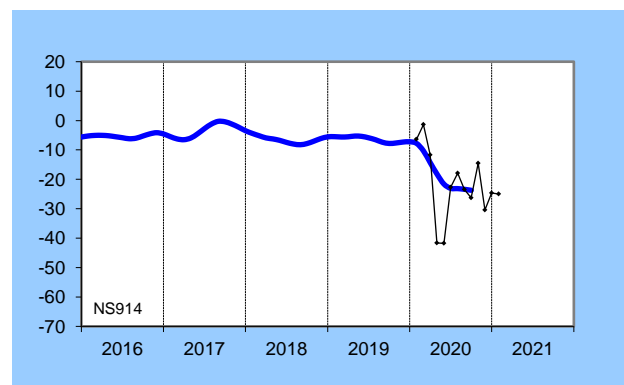
BUSINESS-RELATED SERVICES



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			
	Min.	Max.	Avg.	2020		2021		2020			
				Oct.	Nov.	Dec.	Jan.	Aug.	Sept.	Oct.	Nov.
Overall synthetic curve	- 36.1	+ 9.2	- 7.2	- 8.5	- 12.1	- 8.4	- 7.5	- 12.2	- 11.1	- 10.3	- 9.1
Manufacturing industry curve	- 36.0	+ 6.0	- 10.2	- 9.0	- 8.0	- 5.1	- 5.4	- 15.8	- 11.9	.	.
Assessment of total order books	- 57.7	+ 10.0	- 21.5	- 26.7	- 24.7	- 20.7	- 24.4	- 37.8	- 33.0	.	.
Assessment of level of stocks ²	- 12.9	+ 25.0	+ 5.8	- 9.2	- 8.6	- 7.9	- 11.2	- 2.3	- 5.3	.	.
Employment expectations	- 41.4	+ 8.0	- 8.5	- 10.7	- 8.7	- 4.6	- 4.3	- 13.6	- 10.8	.	.
Demand expectations	- 37.9	+ 15.0	- 4.9	- 7.9	- 7.3	- 3.0	- 4.1	- 11.8	- 9.1	.	.
Business-related services curve	- 62.1	+ 34.0	+ 9.3	- 8.7	- 24.0	- 13.1	- 10.2	- 8.4	- 8.8	.	.
Assessment of activity	- 71.6	+ 20.0	- 5.8	- 39.5	- 43.6	- 40.9	- 35.0	- 45.9	- 43.7	.	.
Activity expectations	- 70.7	+ 51.7	+ 21.7	+ 6.3	- 7.3	+ 6.8	+ 9.1	+ 12.7	+ 11.0	.	.
Market demand expectations	- 59.9	+ 45.0	+ 13.1	+ 7.1	- 21.0	- 5.1	- 4.7	+ 5.5	+ 4.3	.	.
Building industry curve	- 39.0	+ 24.3	- 7.0	- 4.3	- 12.1	- 13.0	- 8.0	- 5.1	- 5.2	.	.
Trend in orders	- 52.0	+ 40.0	- 4.3	+ 0.8	- 8.6	- 15.4	- 5.2	- 2.5	- 2.3	.	.
Trend in equipment	- 38.4	+ 24.0	+ 1.6	- 0.8	- 5.7	- 6.1	- 0.3	- 3.4	- 3.0	.	.
Assessment of order books	- 74.0	+ 30.0	- 22.1	- 7.4	- 18.4	- 16.7	- 16.0	- 5.9	- 7.6	.	.
Demand expectations	- 39.0	+ 21.0	- 3.0	- 9.9	- 15.6	- 13.9	- 10.5	- 9.7	- 9.3	.	.
Trade curve	- 41.8	+ 16.0	- 2.7	- 14.5	- 30.4	- 24.6	- 25.0	- 23.4	- 23.7	.	.
Employment expectations	- 33.0	+ 18.0	+ 1.1	- 17.4	- 19.5	- 19.4	- 22.3	- 19.6	- 19.1	.	.
Demand expectations	- 56.0	+ 29.0	- 0.9	- 8.8	- 41.6	- 30.1	- 32.8	- 25.0	- 26.4	.	.
Intentions of placing orders	- 40.1	+ 15.0	- 7.7	- 17.3	- 30.1	- 24.3	- 19.7	- 23.8	- 23.3	.	.

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				
	Min.	Max.	Avg.	2020			2021	2020				
				Oct.	Nov.	Dec.	Jan.	Aug.	Sept.	Oct.	Nov.	
Manufacturing industry												
Trend in production rate	- 53.0	+ 20.0	- 1.0	+ 15.2	- 5.2	- 0.9	+ 7.5	+ 2.5	+ 3.5	.	.	
Trend in domestic orders	- 48.7	+ 16.0	- 7.8	- 1.5	- 12.0	- 11.2	- 1.6	- 11.9	- 9.8	.	.	
Trend in export orders	- 56.3	+ 30.0	- 2.6	+ 15.7	+ 2.7	+ 5.0	+ 3.1	+ 6.1	+ 8.5	.	.	
Assessment of export order books	- 61.0	+ 10.0	- 22.9	- 21.6	- 26.7	- 18.5	- 19.5	- 37.5	- 32.5	.	.	
Trend in prices	- 21.0	+ 24.0	+ 1.0	+ 4.0	+ 2.9	+ 6.1	+ 9.3	- 0.8	+ 1.9	.	.	
Price expectations	- 24.0	+ 43.0	+ 6.5	+ 6.2	+ 4.4	+ 10.3	+ 11.9	+ 1.1	+ 3.1	.	.	
Production capacity												
(in percentage of the total production capacity)	70.1	84.6	78.9	76.7	-	-	78.9					
Source: quarterly production capacity survey												
Business-related services												
Trend in activity	- 73.0	+ 37.0	+ 9.4	+ 11.6	- 12.9	- 2.7	+ 5.1	- 2.0	+ 0.6	.	.	
Trend in employment	- 49.4	+ 34.0	+ 6.6	- 1.7	+ 2.6	+ 4.4	+ 9.1	- 8.8	- 3.1	.	.	
Employment expectations	- 35.0	+ 48.0	+ 17.0	+ 6.9	+ 1.6	+ 12.0	+ 8.7	+ 2.6	+ 5.0	.	.	
Trend in prices	- 15.8	+ 12.0	+ 1.7	- 3.7	- 2.7	- 2.5	- 4.6	- 4.0	- 3.6	.	.	
Price expectations	- 13.0	+ 30.0	+ 6.6	+ 2.8	+ 4.4	+ 4.7	- 2.6	+ 3.8	+ 4.1	.	.	
Building industry												
Trend in activity	- 66.6	+ 34.7	- 4.4	- 0.9	- 14.0	- 6.3	- 6.8	- 3.5	- 3.8	.	.	
Trend in employment	- 38.0	+ 22.0	- 5.1	- 3.1	- 3.1	- 1.4	- 5.2	- 2.0	- 2.1	.	.	
Employment expectations	- 50.0	+ 30.0	- 4.5	+ 4.3	- 1.0	- 3.5	- 2.1	+ 2.2	+ 2.6	.	.	
Trend in prices	- 27.1	+ 32.0	- 2.0	- 5.6	- 6.4	- 7.5	- 5.6	- 5.5	- 5.5	.	.	
Price expectations	- 20.6	+ 46.0	+ 5.0	- 2.3	- 3.6	- 5.6	- 8.0	- 1.3	- 1.7	.	.	
Trade												
Trend in sales	- 50.1	+ 43.0	- 0.8	- 6.4	- 17.6	- 44.7	- 18.7	- 8.1	- 10.0	.	.	
Assessment of sales	- 50.0	+ 28.0	- 9.4	- 3.0	- 8.0	- 41.9	- 21.9	- 17.7	- 15.1	.	.	
Assessment of level of stocks ²	- 12.9	+ 38.1	+ 12.2	+ 5.4	+ 7.2	+ 16.2	+ 4.4	+ 9.4	+ 7.6	.	.	
Trend in prices	- 23.5	+ 50.0	+ 1.6	+ 10.8	- 10.7	- 14.5	- 16.9	- 11.7	- 12.1	.	.	
Price expectations	- 14.2	+ 66.2	+ 11.0	+ 11.2	- 14.2	- 13.9	+ 3.5	+ 1.4	+ 2.3	.	.	

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

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