

## PRESS RELEASE

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### Monthly business survey – July 2021

## Business confidence remains virtually stable in July

- **The business barometer is still at the all-time high reached last month.**
- **This stability nevertheless conceals contrasting trends between branches of activity.**
- **The business climate is improving in the manufacturing industry and even more strongly in the trade sector. In contrast, confidence among company managers has dropped back in business-related services and most notably in the building industry.**

For the third consecutive month, the upturn is gaining ground in the trade sector under the impetus, this month, of a clear recovery in demand forecasts and those for orders placed with suppliers. Projections for employment, which had risen sharply last month, have been revised downwards a little.

The improvement in confidence recorded in the manufacturing industry is almost exclusively based on a much more favourable appraisal of stock levels, given the summer season.

In the building industry, all the indicators are pointing downwards. Business leaders in the sector expressed more reservations about the current level of their total order books and the expected trend in demand. Recent movements in order books and equipment used are down too, albeit to a lesser extent.

In the business-related services sector, the big drop in forecasts for activity have been almost fully offset by a brighter view from entrepreneurs of their current level of activity.

The overall smoothed synthetic curve, which reflects the underlying cyclical trend, is continuing its ascent.

Lastly, the results of the quarterly survey of production capacity in the manufacturing industry point to a further increase in the production capacity utilisation rate compared to the previous quarter. The seasonally adjusted rate thus rose from 79.6 % in April to 81.1 % in July.

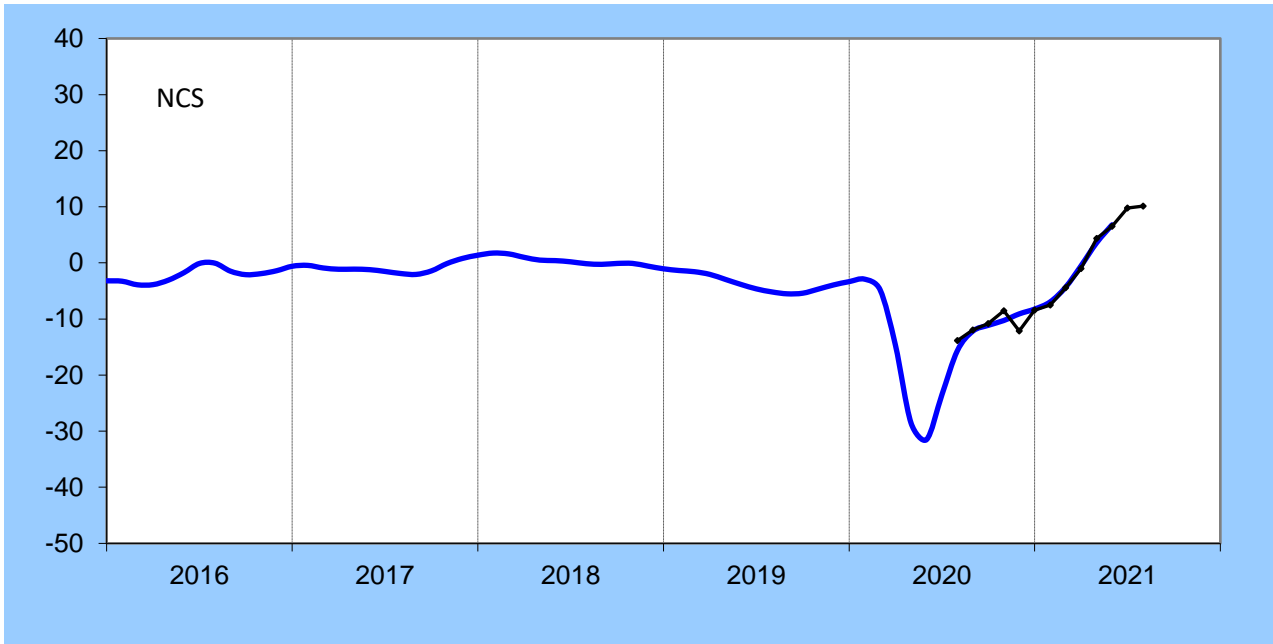
### Business survey indicators

	Gross synthetic curve			Smoothed synthetic curve <sup>1</sup>
	June 2021	July 2021	Variation in points	Variation in Points
Manufacturing industry	8.8	10.0	1.2	2.5
Business-related services	18.7	18.1	-0.6	5.3
Building industry	9.3	5.8	-3.5	3.6
Trade	-3.5	-0.2	3.3	4.0
<b>Overall synthetic curve</b>	<b>9.8</b>	<b>10.1</b>	<b>0.3</b>	<b>3.2</b>

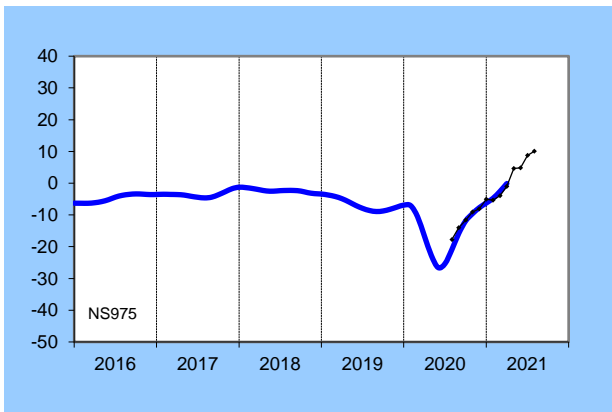
<sup>1</sup> The smoothed curve has a two-month delay for the overall synthetic curve and a four-month delay for the branches of activity. This implies that the overall smoothed indicator reflects recent developments more closely than the smoothed indicators per branch.

Source: NBB.

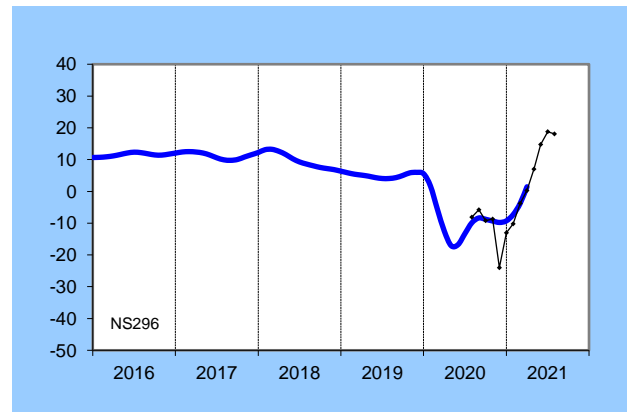
OVERALL SYNTHETIC CURVE



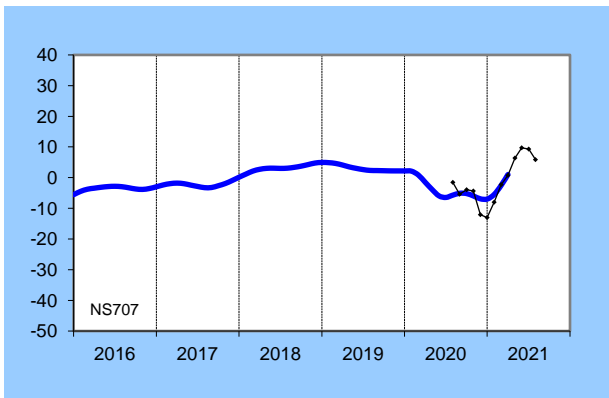
MANUFACTURING INDUSTRY



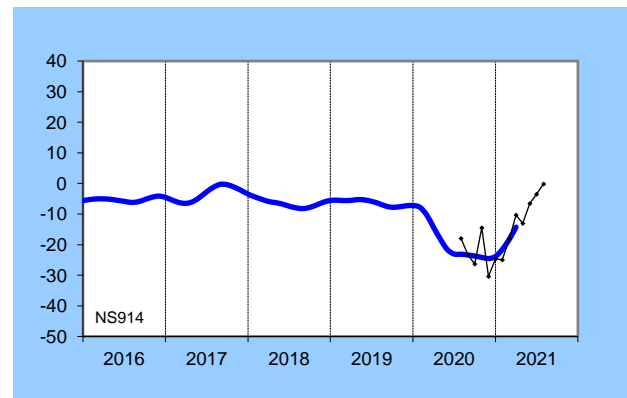
BUSINESS-RELATED SERVICES



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 <sup>1</sup>			Adjusted series				Smoothed series			
				2021				2021			
	Min.	Max.	Avg.	April	May	June	July	Feb.	March	April	May
<b>Overall synthetic curve</b>	- 36.1	+ 9.8	- 7.1	+ 4.4	+ 6.5	+ 9.8	+ 10.1	- 4.3	- 0.5	+ 3.6	+ 6.8
<b>Manufacturing industry curve</b>	- 36.0	+ 10.0	- 10.0	+ 4.6	+ 4.9	+ 8.8	+ 10.0	- 2.6	- 0.1	.	.
Assessment of total order books	- 57.7	+ 10.0	- 21.3	- 2.0	- 5.6	+ 1.7	+ 1.1	- 16.6	- 12.0	.	.
Assessment of level of stocks <sup>2</sup>	- 19.0	+ 25.0	+ 5.6	- 12.3	- 9.3	- 13.8	- 19.0	- 8.5	- 9.2	.	.
Employment expectations	- 41.4	+ 9.6	- 8.4	+ 0.3	+ 6.2	+ 9.2	+ 9.6	- 2.7	- 0.7	.	.
Demand expectations	- 37.9	+ 15.0	- 4.8	+ 8.0	+ 9.7	+ 10.4	+ 10.5	+ 0.7	+ 3.8	.	.
<b>Business-related services curve</b>	- 62.1	+ 34.0	+ 9.3	+ 7.0	+ 14.8	+ 18.7	+ 18.1	- 3.8	+ 1.5	.	.
Assessment of activity	- 71.6	+ 20.0	- 6.1	- 18.5	- 19.1	- 11.1	- 1.9	- 34.7	- 29.5	.	.
Activity expectations	- 70.7	+ 51.7	+ 21.8	+ 20.4	+ 32.8	+ 35.3	+ 24.4	+ 15.3	+ 18.9	.	.
Market demand expectations	- 59.9	+ 45.0	+ 13.3	+ 19.2	+ 30.8	+ 32.1	+ 31.9	+ 6.9	+ 14.3	.	.
<b>Building industry curve</b>	- 39.0	+ 24.3	- 6.8	+ 6.4	+ 9.7	+ 9.3	+ 5.8	- 2.6	+ 1.0	.	.
Trend in orders	- 52.0	+ 40.0	- 4.1	+ 8.7	+ 12.6	+ 14.8	+ 13.6	- 0.0	+ 3.9	.	.
Trend in equipment	- 38.4	+ 24.0	+ 1.6	+ 6.8	+ 10.5	+ 6.9	+ 4.6	+ 0.3	+ 2.8	.	.
Assessment of order books	- 74.0	+ 30.0	- 21.8	- 0.7	+ 4.0	+ 6.5	+ 0.2	- 9.2	- 5.3	.	.
Demand expectations	- 39.0	+ 21.0	- 2.9	+ 10.8	+ 11.7	+ 9.1	+ 4.9	- 1.9	+ 3.0	.	.
<b>Trade curve</b>	- 41.8	+ 16.0	- 2.8	- 13.0	- 6.5	- 3.5	- 0.2	- 18.3	- 14.3	.	.
Employment expectations	- 33.0	+ 18.0	+ 1.0	- 9.6	- 7.3	+ 1.4	+ 0.1	- 13.4	- 10.1	.	.
Demand expectations	- 56.0	+ 29.0	- 1.0	- 11.3	+ 0.6	+ 0.9	+ 7.5	- 22.7	- 16.5	.	.
Intentions of placing orders	- 40.1	+ 15.0	- 7.7	- 18.1	- 12.9	- 12.9	- 8.1	- 18.7	- 16.8	.	.

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

<sup>2</sup> 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 <sup>1</sup>			Adjusted series				Smoothed series			
				2021				2021			
	Min.	Max.	Avg.	April	May	June	July	Feb.	March	April	May
<b>Manufacturing industry</b>											
Trend in production rate	- 53.0	+ 20.0	- 0.9	+ 9.3	+ 5.3	+ 0.4	+ 10.7	+ 4.1	+ 6.1	.	.
Trend in domestic orders	- 48.7	+ 16.0	- 7.7	+ 8.5	+ 8.6	- 3.6	+ 12.5	- 1.8	+ 0.5	.	.
Trend in export orders	- 56.3	+ 30.0	- 2.5	+ 13.4	- 0.7	+ 5.2	+ 12.9	+ 3.3	+ 3.6	.	.
Assessment of export order books	- 61.0	+ 10.0	- 22.7	+ 1.8	- 0.8	- 1.1	- 0.2	- 14.3	- 9.8	.	.
Trend in prices	- 21.0	+ 24.0	+ 1.2	+ 15.6	+ 21.5	+ 23.1	+ 21.4	+ 9.6	+ 12.4	.	.
Price expectations	- 24.0	+ 43.0	+ 6.7	+ 25.8	+ 27.5	+ 33.5	+ 34.3	+ 15.7	+ 19.6	.	.
<b>Production capacity</b>											
(in percentage of the total production capacity)	70.1	84.6	78.9	79.6	-	-	81.1				
Source: quarterly production capacity survey											
<b>Business-related services</b>											
Trend in activity	- 73.0	+ 37.0	+ 9.4	+ 14.7	+ 11.2	+ 19.2	+ 34.2	+ 3.6	+ 7.5	.	.
Trend in employment	- 49.4	+ 34.0	+ 6.6	+ 6.0	+ 7.6	+ 10.6	+ 18.0	+ 4.3	+ 5.4	.	.
Employment expectations	- 35.0	+ 48.0	+ 17.1	+ 20.6	+ 24.5	+ 28.3	+ 41.4	+ 16.5	+ 19.7	.	.
Trend in prices	- 15.8	+ 12.0	+ 1.7	+ 0.2	+ 1.1	+ 3.7	+ 4.4	- 2.4	- 1.6	.	.
Price expectations	- 13.0	+ 30.0	+ 6.7	+ 12.0	+ 11.7	+ 17.4	+ 17.0	+ 7.1	+ 8.9	.	.
<b>Building industry</b>											
Trend in activity	- 66.6	+ 34.7	- 4.3	+ 10.8	+ 7.5	+ 12.1	+ 6.9	- 3.3	+ 0.2	.	.
Trend in employment	- 38.0	+ 22.0	- 5.1	- 2.7	+ 2.2	+ 0.6	- 3.9	- 3.4	- 3.2	.	.
Employment expectations	- 50.0	+ 30.0	- 4.3	+ 19.4	+ 22.0	+ 19.6	+ 20.2	+ 4.2	+ 9.3	.	.
Trend in prices	- 27.1	+ 32.5	- 1.8	+ 4.6	+ 16.8	+ 28.9	+ 32.5	- 1.1	+ 3.0	.	.
Price expectations	- 20.6	+ 46.1	+ 5.2	+ 12.5	+ 34.7	+ 37.2	+ 46.1	+ 0.7	+ 7.5	.	.
<b>Trade</b>											
Trend in sales	- 50.1	+ 43.0	- 0.8	+ 23.3	- 3.6	+ 5.5	- 5.8	- 15.6	- 11.8	.	.
Assessment of sales	- 50.0	+ 28.0	- 9.4	- 16.5	- 3.4	+ 9.5	- 3.7	- 20.6	- 17.6	.	.
Assessment of level of stocks <sup>2</sup>	- 12.9	+ 38.1	+ 12.1	+ 11.3	+ 2.7	+ 3.5	+ 1.1	+ 6.1	+ 5.4	.	.
Trend in prices	- 23.5	+ 50.0	+ 1.6	- 10.2	+ 2.1	+ 11.1	+ 11.4	- 6.8	- 3.6	.	.
Price expectations	- 14.2	+ 66.2	+ 11.0	+ 15.1	+ 19.2	+ 18.6	+ 19.4	+ 9.5	+ 12.9	.	.

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