

PRESS RELEASE

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Monthly business survey – July 2022

Business confidence declines further in July

- **The business barometer has fallen for the third month in a row.**
- **There was a loss of confidence in all sectors of activity surveyed, with the exception of the manufacturing industry.**
- **After the sharp recovery in April, the production capacity utilisation rate in the manufacturing industry has dropped back a little.**

Confidence improved slightly in the manufacturing industry; a downward revision of demand and employment forecasts was more than offset by a more positive appraisal of the current situation. Company managers were especially optimistic about stock levels.

In the business-related services sector, the loss of confidence was reflected in all components of the indicator. In particular, the outlook for business activity has deteriorated sharply.

The third consecutive drop in business confidence in the building industry is entirely attributable to a more negative development of order books and equipment used.

Likewise, morale among company managers in the trade sector dropped heavily for the third month in a row. Here, the loss of confidence is mainly to do with a marked weakening of the outlook for both demand and employment.

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

The results of the quarterly survey of production capacity in the manufacturing industry point to a small decrease in the production capacity utilisation rate in July, to 80.7 %, compared to 81.8 % in April.

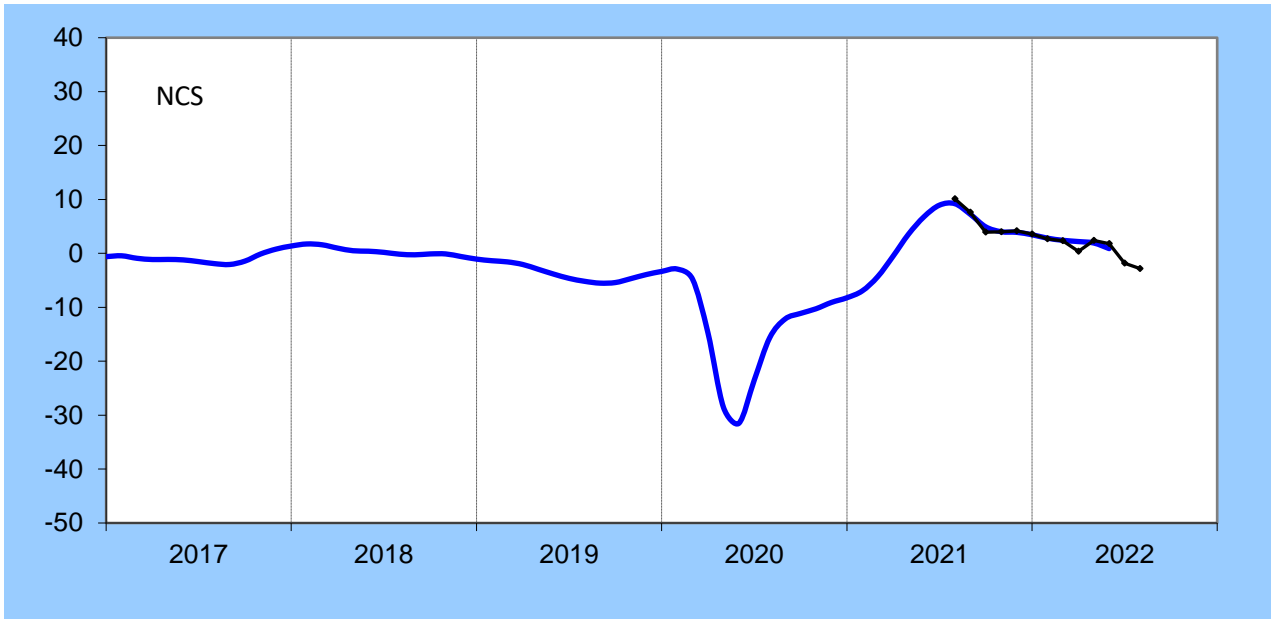
Business survey indicators

	Gross synthetic curve			Smoothed synthetic curve ¹
	June 2022	July 2022	Variation in points	Variation in Points
Manufacturing industry	-3.0	-2.6	0.4	-0.6
Business-related services	8.5	4.4	-4.1	-0.8
Building industry	-4.1	-6.3	-2.2	-0.4
Trade	-10.7	-16.5	-5.8	-1.0
Overall synthetic curve	-1.8	-2.8	-1.0	-1.0

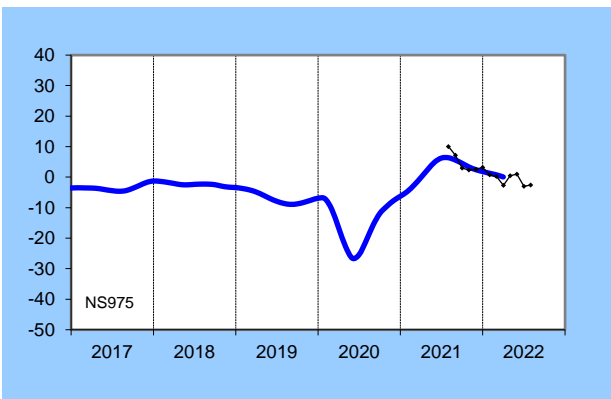
¹ The smoothed curve has a two-month delay for the overall synthetic curve and a four-month delay for the branches of activity. This implies that the overall smoothed indicator reflects recent developments more closely than the smoothed indicators per branch.

Source: NBB.

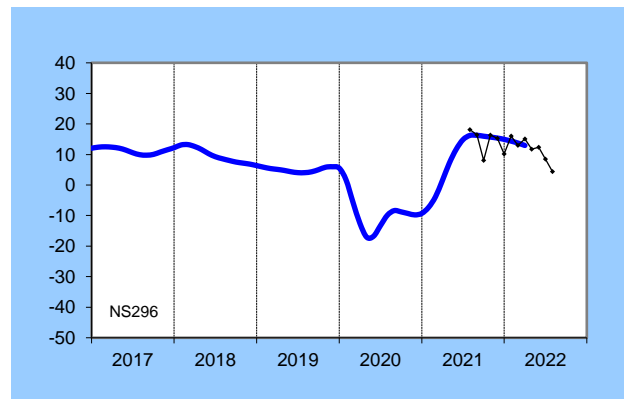
OVERALL SYNTHETIC CURVE



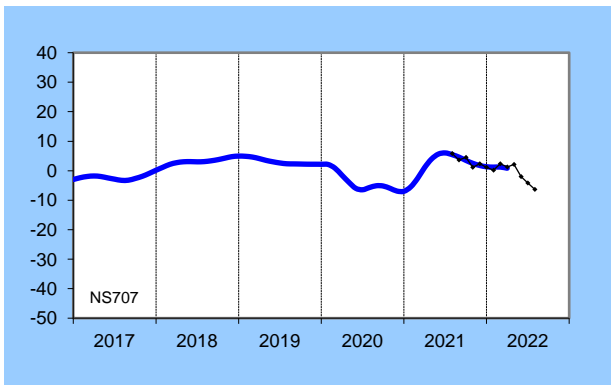
MANUFACTURING INDUSTRY



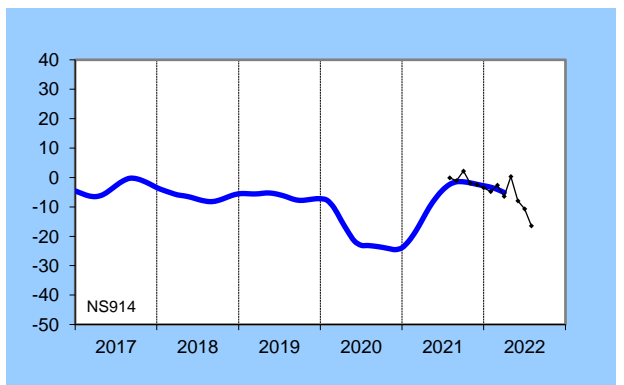
BUSINESS-RELATED SERVICES



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"(-).	Since 1990			Adjusted series				Smoothed series			
				2022				2022			
	Min. ¹	Max. ¹	Avg. ²	Apr	May	Jun	Jul	Feb	Mar	Apr	May
Overall synthetic curve	-36.1	+10.1	-5.2	+2.4	+1.8	-1.8	-2.8	+2.4	+2.2	+1.9	+0.9
Manufacturing industry curve	-36.0	+10.0	-8.6	+0.5	+1.0	-3.0	-2.6	+0.7	+0.1	.	.
Assessment of total order books	-57.7	+10.0	-19.4	-3.9	-0.3	-5.2	-4.1	-6.8	-6.6	.	.
Assessment of level of stocks ³	-19.0	+25.0	+4.7	+2.4	+1.9	+7.9	+5.0	-0.8	+0.9	.	.
Employment expectations	-41.4	+11.5	-7.4	+9.3	+5.4	+4.6	+3.8	+4.8	+5.3	.	.
Demand expectations	-37.9	+15.0	-3.1	-1.1	+0.6	-3.5	-5.2	+3.2	+2.0	.	.
Business-related services curve	-62.1	+34.0	+9.3	+11.7	+12.4	+8.5	+4.4	+13.7	+12.9	.	.
Assessment of activity	-71.6	+20.0	-6.4	+1.6	+2.1	-3.3	-5.5	-3.6	-1.1	.	.
Activity expectations	-70.7	+47.0	+21.5	+19.2	+18.8	+19.3	+10.2	+24.9	+22.3	.	.
Market demand expectations	-59.9	+44.0	+13.0	+14.3	+16.3	+9.4	+8.5	+19.6	+17.3	.	.
Building industry curve	-24.3	+24.3	-3.3	+2.1	-2.0	-4.1	-6.3	+1.2	+0.8	.	.
Trend in orders	-30.1	+33.0	-0.1	+7.4	+3.5	-2.3	-9.1	+5.9	+6.4	.	.
Trend in equipment	-38.4	+24.0	+1.7	+3.2	+1.8	+4.4	-1.0	+2.1	+3.0	.	.
Assessment of order books	-50.0	+30.0	-15.0	+7.0	+2.7	+2.1	+4.0	+1.6	+1.5	.	.
Demand expectations	-26.0	+18.0	+0.0	-9.0	-15.9	-20.8	-19.0	-3.6	-6.9	.	.
Trade curve	-41.8	+16.0	-3.3	+0.3	-7.9	-10.7	-16.5	-4.1	-5.1	.	.
Employment expectations	-33.0	+18.0	+1.1	+4.9	+3.1	+3.8	-1.0	+2.9	+2.9	.	.
Demand expectations	-56.0	+29.0	-2.6	-2.0	-15.6	-18.9	-31.0	-3.5	-6.0	.	.
Intentions of placing orders	-40.1	+15.0	-8.4	-2.0	-11.3	-17.0	-17.5	-11.7	-11.7	.	.

¹ Minimum and maximum of each indicator (raw series) from January 1990 to the month under review.

² Average of each indicator (raw series) from January 1990 until end 2021.

³ 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"(-).	Since 1990			Adjusted series				Smoothed series			
				2022				2022			
	Min. ¹	Max. ¹	Avg. ²	Apr	May	Jun	Jul	Feb	Mar	Apr	May
Manufacturing industry											
Trend in production rate	- 53.0	+ 20.0	- 1.0	+ 2.0	+ 3.1	- 2.5	- 9.6	+ 1.9	+ 2.2	.	.
Trend in domestic orders	- 48.7	+ 16.0	- 7.4	+ 1.7	- 7.8	- 2.4	- 8.2	- 2.4	- 2.1	.	.
Trend in export orders	- 56.3	+ 30.0	- 2.4	+ 2.1	- 5.3	- 1.9	- 5.2	+ 0.3	- 0.1	.	.
Assessment of export order books	- 61.0	+ 10.0	- 20.3	- 7.5	- 8.6	- 9.7	- 0.8	- 4.1	- 6.4	.	.
Trend in prices	- 21.0	+ 34.3	- 0.3	+ 33.5	+ 32.8	+ 27.4	+ 20.8	+ 29.2	+ 30.0	.	.
Price expectations	- 24.0	+ 54.2	+ 3.4	+ 54.2	+ 44.5	+ 35.1	+ 29.7	+ 40.7	+ 42.4	.	.
Production capacity											
(in percentage of the total production capacity)	70.1	84.6	79.6	81.8	-	-	80.7				
Source: quarterly production capacity survey											
Business-related services											
Trend in activity	- 73.0	+ 37.0	+ 9.4	+ 20.1	+ 6.8	+ 19.6	+ 15.5	+ 17.8	+ 19.1	.	.
Trend in employment	- 49.4	+ 34.0	+ 6.4	+ 28.8	+ 8.7	+ 8.3	+ 5.8	+ 11.3	+ 11.0	.	.
Employment expectations	- 35.0	+ 48.0	+ 17.3	+ 30.1	+ 34.1	+ 35.0	+ 29.2	+ 35.2	+ 34.6	.	.
Trend in prices	- 15.8	+ 24.3	+ 1.9	+ 19.3	+ 16.1	+ 11.6	+ 11.3	+ 15.0	+ 15.5	.	.
Price expectations	- 13.0	+ 36.1	+ 7.0	+ 27.1	+ 34.4	+ 30.3	+ 35.0	+ 27.3	+ 27.7	.	.
Building industry											
Trend in activity	- 66.6	+ 34.7	- 1.8	+ 7.6	+ 1.1	+ 1.8	+ 0.6	+ 5.0	+ 5.1	.	.
Trend in employment	- 27.0	+ 22.0	- 3.2	+ 6.4	+ 1.7	+ 7.5	+ 1.3	+ 3.0	+ 3.0	.	.
Employment expectations	- 31.0	+ 30.0	+ 0.7	+ 11.6	+ 11.9	+ 8.2	+ 7.6	+ 13.7	+ 12.4	.	.
Trend in prices	- 27.1	+ 52.8	- 3.4	+ 44.0	+ 51.6	+ 52.8	+ 38.8	+ 36.1	+ 38.9	.	.
Price expectations	- 20.6	+ 64.0	+ 2.2	+ 54.7	+ 62.3	+ 64.0	+ 48.1	+ 51.3	+ 53.0	.	.
Trade											
Trend in sales	- 50.1	+ 43.0	- 1.9	+ 0.1	- 2.0	- 1.4	- 15.2	- 2.3	- 1.6	.	.
Assessment of sales	- 50.0	+ 28.0	- 8.5	- 4.0	- 6.7	- 12.1	- 25.9	- 1.8	- 4.0	.	.
Assessment of level of stocks ³	- 17.1	+ 38.1	+ 11.4	- 17.1	- 10.4	- 12.0	- 7.1	- 7.1	- 8.8	.	.
Trend in prices	- 23.5	+ 48.6	- 1.2	+ 30.9	+ 43.1	+ 48.6	+ 41.6	+ 28.9	+ 31.7	.	.
Price expectations	- 14.2	+ 69.5	+ 5.7	+ 64.0	+ 69.5	+ 58.7	+ 62.5	+ 53.0	+ 58.1	.	.

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