

2020-07-20

PRESS RELEASE

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Monthly consumer survey – July 2020

Very slight dip in consumer confidence in July

- The recovery of consumer confidence that began in May has been interrupted by a slight deterioration in July.
- The indicator is still very low, at a level 16 points lower than it was before the health crisis.
- The vulnerability of households is growing as they dip more and more into their savings to cover their everyday expenditure.

It is principally in the area of expectations about the general economic situation in Belgium that consumers appear to be more pessimistic than in the previous month. Consumers are still extremely worried about the labour market outlook.

On a personal front, households are not expecting any change in their financial situation. Their expectations in this area are not much different from those reported before the health crisis. On the other hand, their savings intentions remain relatively high, even though they have been revised downwards somewhat compared to June.

Consumer confidence indicators ¹

		Expectations for the next twelve months				Consumer confidence indicator
		Economic situation in Belgium	Unemployment in Belgium ²	Financial situation of households	Savings of households	
2019	June	-16	8	-1	-2	-7
	July	-15	8	-1	-1	-6
	August	-20	13	-2	-1	-9
	September	-22	18	-4	-1	-11
	October	-16	12	-2	-4	-8
	November	-14	7	-2	-1	-6
	December	-17	11	-2	-5	-8
	2020	January	-15	8	-2	2
February		-17	6	3	6	-4
March		-28	16	1	8	-9
April		-47	60	-6	9	-26
May		-28	70	-2	7	-23
June		-18	70	1	13	-19
July		-22	70	1	12	-20

¹ As of February 2020, the survey sample has been adapted to better reflect the socio-demographic characteristics of the population. In line with the European Commission's recommendations, this change is being introduced only gradually, so as not to interfere too much with the information content of the indicator.

² Regarding unemployment expectations, a rise indicates a deterioration while a decline indicates an improvement.

Source: National Bank of Belgium.

Two extra questions on the COVID-19 crisis

Since the month of April, the consumer survey has been enhanced by two questions geared specifically to the consequences of the COVID-19 crisis on households' financial situation. The first one covers the potential loss of income related to the crisis, while the second question deals with the scale of the savings buffer that consumers have to meet their subsistence needs.

These two extra questions have not been incorporated into the consumer confidence indicator.

Question 1 "Has your household suffered any loss of income because of this crisis?"

	July 2020	p.m. June 2020	p.m. May 2020	p.m. April 2020
No loss or less than 10 %	79 %	80 %	74 %	73 %
Loss of between 10 and 30 %	12 %	12 %	13 %	14 %
Loss over 30 %	9 %	9 %	12 %	13 %

During the month of July, replies to the question on loss of income as a result of the crisis closely followed those given one month earlier, pointing to no change in households' overall perception of income loss: 79 % of the people surveyed in July replied that they were not losing any income or were incurring losses of no more than 10 %, while 12 % of the respondents mentioned a loss of income of between 10 and 30 %, and 9 % reported a loss of more than 30 %.

Question 2 "How long will your household's savings buffer cover your necessary subsistence expenditure (rent, shopping, etc.)?"

	July 2020	p.m. June 2020	p.m. May 2020	p.m. April 2020
Less than 1 month	12 %	9 %	11 %	11 %
From 1 to 3 months	22 %	18 %	20 %	20 %
From 3 to 6 months	16 %	18 %	16 %	} 69 %
More than 6 months	50 %	55 %	53 %	

The proportion of survey participants who said they have only a relatively limited savings buffer (less than a month or between one and three months) increased in July, to a total of 34 %, compared to 27 % the previous month. At the same time, the proportion of households saying they have a comfortable savings buffer has dropped sharply. These changes suggest that the crisis is forcing certain categories of households to dip into their savings to cover their necessary subsistence expenses.

Cross-results of the loss of income and scale of savings buffers

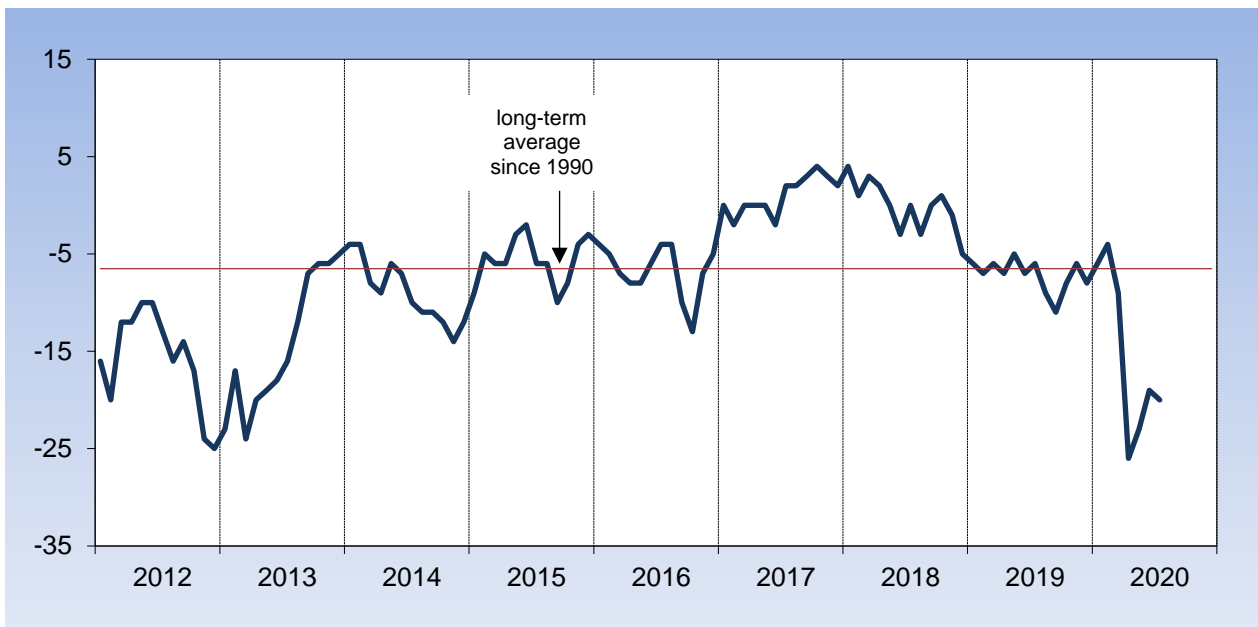
Changes noted regarding the size of savings buffers have shifted the proportion of households considered as the most vulnerable or least exposed in the face of the health crisis. For instance, the proportion of the most vulnerable households – those who expect to lose at least 10 % of their income, while having a savings buffer of no more than three months' worth of subsistence expenses – has gone up a little in July. The share of least exposed households – those incurring a loss of income of 10 % maximum, while having savings covering at least three months of expenditure – has fallen back, to 55 % (compared to 61 % in June).

Percentage of total number of respondents	July 2020	p.m. June 2020	p.m. May 2020	p.m. April 2020
Most vulnerable households (*)	10 %	9 %	11 %	12 %
Least exposed households (**)	55 %	61 %	54 %	53 %

(*) Households incurring a loss of income of at least 10 %, while having a savings buffer of three months maximum.

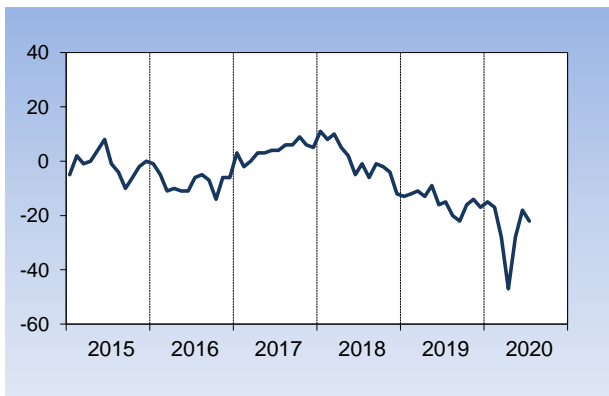
(**) Households incurring a loss of income of maximum 10 %, while having a savings buffer of three months minimum.

CONSUMER CONFIDENCE INDICATOR

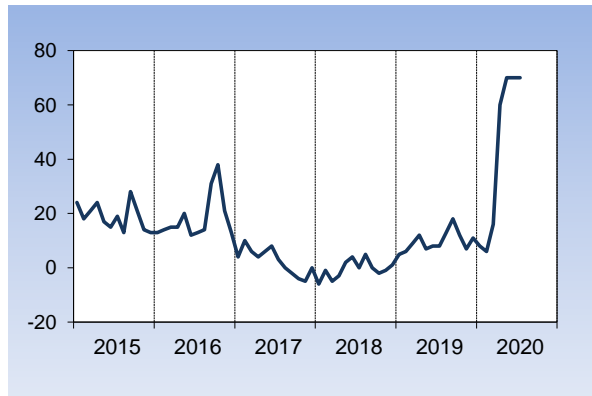


Expectations for the next twelve months

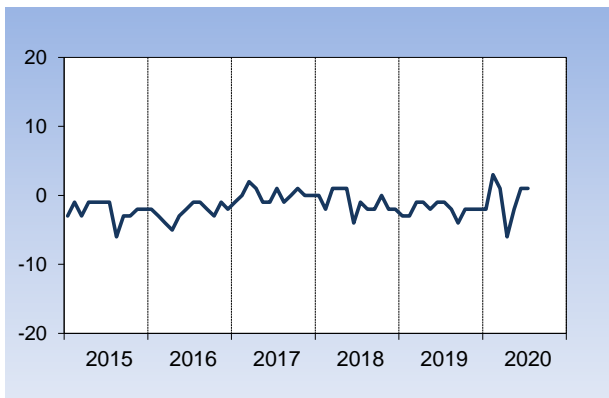
General economic situation in Belgium



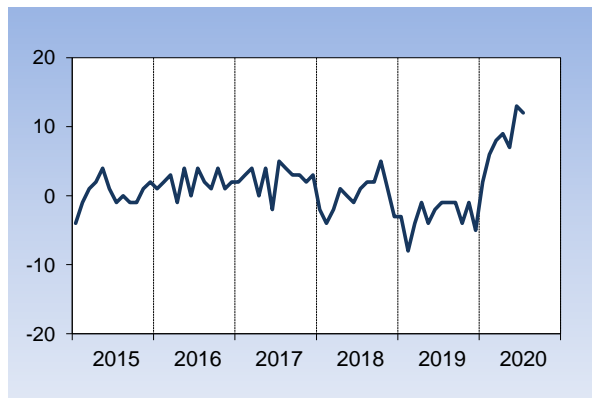
Unemployment in Belgium¹



Financial situation of households



Savings of households



¹ Regarding unemployment expectations, a rise indicates a deterioration while a decline indicates an improvement.