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PRESS RELEASE

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Due to an error, the regional distribution of household final consumption expenditure was adjusted on February 2nd, 2023 compared to the version published on January 27th, 2023 (see table p.6). The Bank is publishing the regional distribution of consumption expenditure of households as part of its collaboration with the regions. The adjusted figures are available on NBB.stat.

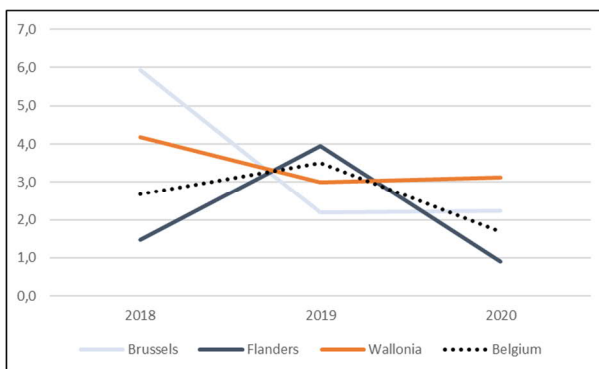
The pandemic affected household income and consumption differently in Belgium’s three regions

- **Governmental measures were more successful in preserving household income in Wallonia and Brussels.**
- **The household saving rate reached historic highs in all three regions.**

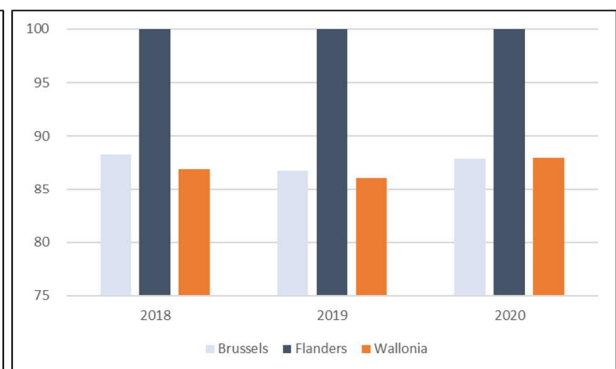
Growth in household disposable income slowed significantly in Flanders but remained stable in Wallonia and Brussels

In 2020, per capita disposable income (in nominal terms) increased more in Wallonia (+3.1%) and Brussels (+2.2%) than in Flanders (+0.9%). Compared to the previous year, the growth rate remained stable in Wallonia and Brussels (by +0.1 and +0.0 percentage points, respectively), while it waned in Flanders (-3.0 percentage points). Although they have narrowed, regional income disparities remain significant: in 2020, net disposable income per capita was €20 700 in Brussels and Wallonia, 12% lower than the level observed in Flanders (€23 500).

CHANGE IN NET DISPOSABLE INCOME PER CAPITA (%)



NET DISPOSABLE INCOME PER CAPITA (Flanders = 100)



Source: NAI

As a result of the public health crisis, primary income, which constitutes the lion’s share of household disposable income, fell sharply in all three regions. Nevertheless, this decline was more than made up for, by an increase in social benefits to households, with the large-scale application of furlough schemes for employees and bridging

payments for the self-employed. This compensatory effect was much more pronounced in Brussels and Wallonia than in Flanders.

NET DISPOSABLE INCOME PER CAPITA - CONTRIBUTIONS OF THE COMPONENTS TO REGIONAL AND NATIONAL FLUCTUATIONS IN 2020

(in percentage points)

	Brussels	Flanders	Wallonia	Belgium
Net primary income	-3.80	-3.84	-2.99	-3.57
Social benefits and other current transfers	6.33	4.48	6.02	5.11
Taxes, social contributions and other current transfers	-0.30	0.25	0.09	0.14
Net disposable income (in %)	2.23	0.89	3.13	1.68

Source: NAI

Household consumption expenditure fell sharply in all regions

In 2020, due to restrictions which weighed on the economy, household final consumption expenditure per capita (in nominal terms) fell by -8.8% in Wallonia, -7.8% in Brussels and -7.7% in Flanders.



In all three regions, spending in all main consumption categories slowed or fell sharply. The fall was particularly marked in spending on hotels and restaurants, transport, and leisure and culture. In Wallonia, mainly expenses for transport, 'furniture and household equipment' and health had a greater impact on the contraction of consumer spending than in the other two regions. In Brussels, household expenditure on 'hotels and restaurants' and 'alcoholic beverages and tobacco' fell more sharply than in the other regions. In Flanders, spending on food and 'furniture and household goods' held up well. In all three regions, spending on communication continued to increase.

HOUSEHOLD FINAL CONSUMPTION EXPENDITURE PER CAPITA - CONTRIBUTIONS OF THE (2-DIGIT COICOP) EXPENDITURE CATEGORIES TO REGIONAL AND NATIONAL CHANGES IN 2020

(in percentage points)

	Brussels	Flanders	Wallonia	Belgium
01 Food and non alcoholic beverages	0.04	0.62	-0.12	0.34
02 Alcoholic beverages and tobacco	-1.21	0.35	0.08	0.11
03 Clothing and footwear	-0.39	-1.11	-1.18	-1.06
04 Housing. water. electricity. gas and other fuels	0.21	-0.10	0.04	-0.02
05 Furnishings. household equipment and routine household maintenance	-0.24	0.39	-0.94	-0.07
06 Health	-0.58	-0.64	-0.84	-0.69
07 Transport	-1.31	-1.82	-2.24	-1.89
08 Communication	0.20	0.15	0.26	0.19
09 Recreation and culture	-0.96	-1.85	-1.33	-1.60
10 Education	-0.04	-0.04	-0.05	-0.05
11 Restaurants and accomodation services	-3.03	-2.80	-2.48	-2.72
12 Other goods and services	-0.46	-0.84	0.00	-0.55
total (%)	-7.77	-7.68	-8.79	-8.02

Source: NAI

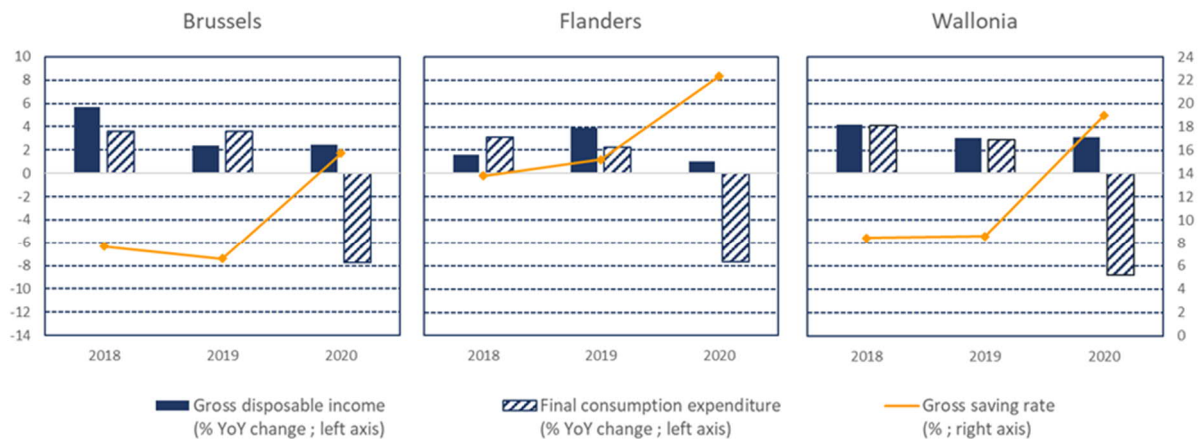
	Top 2 largest contributions to the change
	Top 2 smallest contributions to the change

The household saving rate rose more sharply in Wallonia than in Brussels and Flanders

In 2020, households in all three regions reported a sharp rise in their saving rate, which stood at 22.3% in Flanders, 19.0% in Wallonia and 15.7% in Brussels. This clear increase in the propensity to save was in fact “forced saving” due to the closure of certain shops and the unavailability of many services and (leisure) activities.

Compared to 2019, the increase in the household saving rate was greater in Wallonia (+10.4 percentage points) than in Brussels (+9.1 percentage points) and especially Flanders (+7.1 percentage points). Relative disparities between the regions narrowed. In this year marked by the pandemic, the household saving rate in Wallonia and Brussels got closer to the level in Flanders. This is because gross disposable income growth was relatively less robust in Flanders and household consumption expenditure fell slightly less.

GROSS DISPOSABLE INCOME PER CAPITA, FINAL CONSUMPTION EXPENDITURE PER CAPITA AND HOUSEHOLD SAVING RATE, IN NOMINAL TERMS, BY REGION



Source: NAI

The following tables present, per region and for the last three available years, the key variables of household accounts as well as final consumption expenditure by institutional sector, in total and per capita, broken down by place of residence. The complete results for the period from 1995 to 2020 can be found in NBB.Stat, the statistics database available on the National Bank's website.

KEY VARIABLES FROM THE REGIONAL ACCOUNTS BROKEN DOWN BY PLACE OF RESIDENCE

	Absolute figures (€ million)	Share per region (%)	YOY change (%)			Average annual growth rate ¹
	2020	2020	2018	2019	2020	2010-2020
Totals (by place of residence)						
Primary income (net)¹						
Brussels	29 194.8	9.7	4.5	4.7	-2.7	2.4
Flanders	188 491.3	62.5	2.7	2.9	-2.6	1.9
Wallonia	83 683.2	27.8	3.1	2.9	-2.4	1.8
Belgium	301 369.4	100.0	3.0	3.1	-2.5	1.9
Disposable income (net)						
Brussels	25 201.3	9.8	6.7	3.0	2.7	2.8
Flanders	156 151.1	60.8	2.0	4.5	1.4	2.3
Wallonia	75 461.5	29.4	4.5	3.3	3.3	2.5
Belgium	256 814.0	100.0	3.2	4.0	2.1	2.4
Disposable income (gross)						
Brussels	27 527.0	9.9	6.4	3.2	2.9	2.8
Flanders	169 374.7	61.0	2.2	4.5	1.5	2.4
Wallonia	80 597.7	29.0	4.4	3.3	3.3	2.5
Belgium	277 499.5	100.0	3.2	4.1	2.2	2.5
Household final consumption expenditure¹						
Brussels	23 424.9	10.5	4.3	4.5	-7.3	2.4
Flanders	132 966.3	59.8	3.7	2.8	-7.2	2.4
Wallonia	65 838.1	29.6	4.4	3.2	-8.6	1.8
Belgium	222 229.4	100.0	4.0	3.1	-7.7	2.2
General government final consumption expenditure						
Brussels	11 956.4	10.6	4.1	2.9	3.0	3.2
Flanders	64 897.0	57.5	3.6	3.6	2.7	2.8
Wallonia	35 992.5	31.9	4.2	3.6	1.6	2.6
Belgium	112 845.9	100.0	3.9	3.5	2.4	2.7
Final consumption expenditure of non-profit institutions serving households						
Brussels	523.4	10.5	4.4	5.1	-1.3	3.6
Flanders	2 845.9	57.2	4.3	4.7	-1.4	3.1
Wallonia	1 607.1	32.3	4.2	4.7	-1.6	3.0
Belgium	4 976.5	100.0	4.3	4.8	-1.4	3.1
Gross savings¹						
Brussels	4 371.5	7.5	41.5	-11.3	144.7	5.5
Flanders	38 253.0	65.9	-6.1	15.1	48.8	2.3
Wallonia	15 418.4	26.6	5.4	5.1	128.4	6.6
Belgium	58 043.0	100.0	-1.7	11.2	69.5	3.4
Gross saving rate¹ (%) (in % points)						
Brussels	15.7	-	1.9	-1.1	9.1	
Flanders	22.3	-	-1.2	1.4	7.1	
Wallonia	19.0	-	0.1	0.1	10.4	
Belgium	20.7	-	-0.6	0.8	8.3	
Average population						
Brussels	1 219 113	10.6	0.7	0.8	0.5	1.0
Flanders	6 641 109	57.7	0.6	0.6	0.5	0.6
Wallonia	3 646 729	31.7	0.3	0.3	0.2	0.4
Belgium	11 506 951	100.0	0.5	0.5	0.4	0.6

Source: NAI

¹ See the Methodological Note.

	Absolute figures (€)	Indices (Belgium =100)	YOY change (%)			Average annual growth rate
	2020	2020	2018	2019	2020	2010-2020
Per capita (by place of residence)						
Primary income (net)						
Brussels	23 948	91.4	3.8	3.8	-3.1	1.2
Flanders	28 383	108.4	2.1	2.3	-3.1	1.3
Wallonia	22 948	87.6	2.8	2.6	-2.6	1.4
Belgium	26 190	100	2.5	2.6	-2.9	1.3
Disposable income (net)						
Brussels	20 672	92.6	5.9	2.2	2.2	1.7
Flanders	23 513	105.4	1.5	3.9	0.9	1.8
Wallonia	20 693	92.7	4.2	3.0	3.1	2.1
Belgium	22 318	100	2.7	3.5	1.7	1.8
Disposable income (gross)						
Brussels	22 580	93.6	5.7	2.4	2.4	1.7
Flanders	25 504	105.8	1.6	3.9	1.0	1.8
Wallonia	22 101	91.6	4.2	3.0	3.1	2.1
Belgium	24 116	100	2.7	3.5	1.8	1.9
Household final consumption expenditure						
Brussels	19 215	99.5	3.6	3.6	-7.8	1.3
Flanders	20 022	103.7	3.1	2.3	-7.7	1.8
Wallonia	18 054	93.5	4.1	2.9	-8.8	1.4
Belgium	19 313	100	3.5	2.6	-8.0	1.6
General government final consumption expenditure						
Brussels	9 807	100.0	3.3	2.1	2.5	2.0
Flanders	9 772	99.6	3.1	3.0	2.2	2.2
Wallonia	9 870	100.6	3.9	3.3	1.4	2.2
Belgium	9 807	100	3.4	3.0	2.0	2.1
Final consumption expenditure of non-profit institutions serving households						
Brussels	429	99.3	3.7	4.3	-1.8	2.5
Flanders	429	99.1	3.7	4.1	-1.9	2.5
Wallonia	441	101.9	3.9	4.4	-1.8	2.5
Belgium	432	100	3.8	4.2	-1.8	2.5
Gross savings						
Brussels	3 586	71.1	40.5	-12.1	143.5	4.3
Flanders	5 760	114.2	-6.7	14.4	48.1	1.7
Wallonia	4 228	83.8	5.1	4.8	127.9	6.1
Belgium	5 044	100	-2.2	10.7	68.8	2.8

Source: NAI

Correction between the two consecutive published versions:

	2020, published January 27 th			2020, after correction			correction		
	€million	share (%)	change (%)	€million	share (%)	change (%)	€million	share (%)	change (%)
Household final consumption expenditure									
Brussels	22 099.4	9.9	-12.6	23 424.9	10.5	-7.3	1 325.5	0.6	5.2
Flanders	133 747.7	60.2	-6.7	132 966.3	59.8	-7.2	-781.3	-0.4	-0.5
Wallonia	66 382.3	29.9	-7.9	65 838.1	29.6	-8.6	-544.2	-0.2	-0.8
Belgium	222 229.4	100.0	-7.7	222 229.4	100.0	-7.7	0.0	0.0	0.0
Gross savings									
Brussels	5 697.0	9.8	218.8	4 371.5	7.5	144.7	-1 325.5	-2.3	-74.2
Flanders	37 471.7	64.6	45.8	38 253.0	65.9	48.8	781.3	1.3	3.0
Wallonia	14 874.2	25.6	120.3	15 418.4	26.6	128.4	544.2	0.9	8.1
Belgium	58 043.0	100.0	69.5	58 042.9	100.0	69.5	-0.1	0.0	0.0
Gross saving rate									
	%		% points	%		% points	%		% points
Brussels	20.5	0.0	13.9	15.7	0.0	9.1	-4.8	0.0	-4.8
Flanders	21.9	0.0	6.7	22.3	0.0	7.1	0.5	0.0	0.5
Wallonia	18.3	0.0	9.7	19.0	0.0	10.4	0.7	0.0	0.7
Belgium	20.7	0.0	8.3	20.7	0.0	8.3	0.0	0.0	0.0

Source: NAI

Methodological note

Primary income

Primary income is the income that resident persons receive for direct participation in the production process and the income the owners of financial assets receive for the provision of resources. For households, this income consists of employee compensation, mixed income of the self-employed, operating surpluses and income from savings and investments less land lease payments and interest on consumer credit and mortgage loans.

Disposable income

Net disposable income corresponds to primary income increased by social benefits and non-life insurance proceeds less social charges, taxes and insurance premiums. Net values are converted to gross by adding the consumption of fixed capital (depreciation of the value of assets) to the amount previously obtained.

Final consumption expenditure

Final consumption expenditure represents the actual expenditure by households, general government and non-profit institutions serving households (NPISHs) on goods and services to satisfy individual or collective consumption needs.

Gross savings and gross saving rate

Gross savings is the percentage of gross disposable income that is not spent in the form of final consumption. The gross saving rate is defined as the ratio of gross savings to gross disposable income, adjusted for the change in household pension entitlements to pension funds.

Average annual growth rate

The average annual growth rate is the geometric mean of the annual growth rates over a given period.