

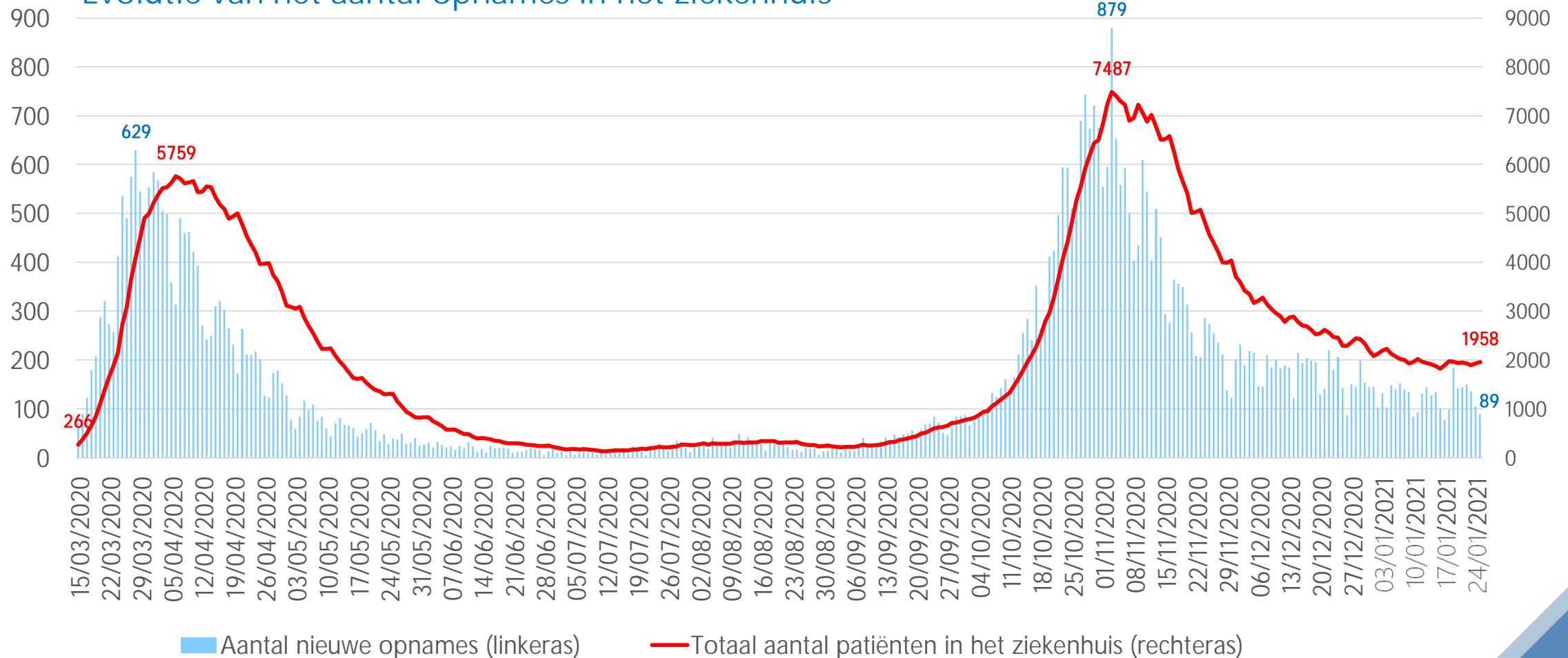
COVID-19 Dashboard of Economic Indicators

27 January 2021

COVID-19 in België

1. COVID-19 in België: aantal gehospitaliseerde patiënten daalt traag en bevindt zich nog steeds op een veel te hoog niveau

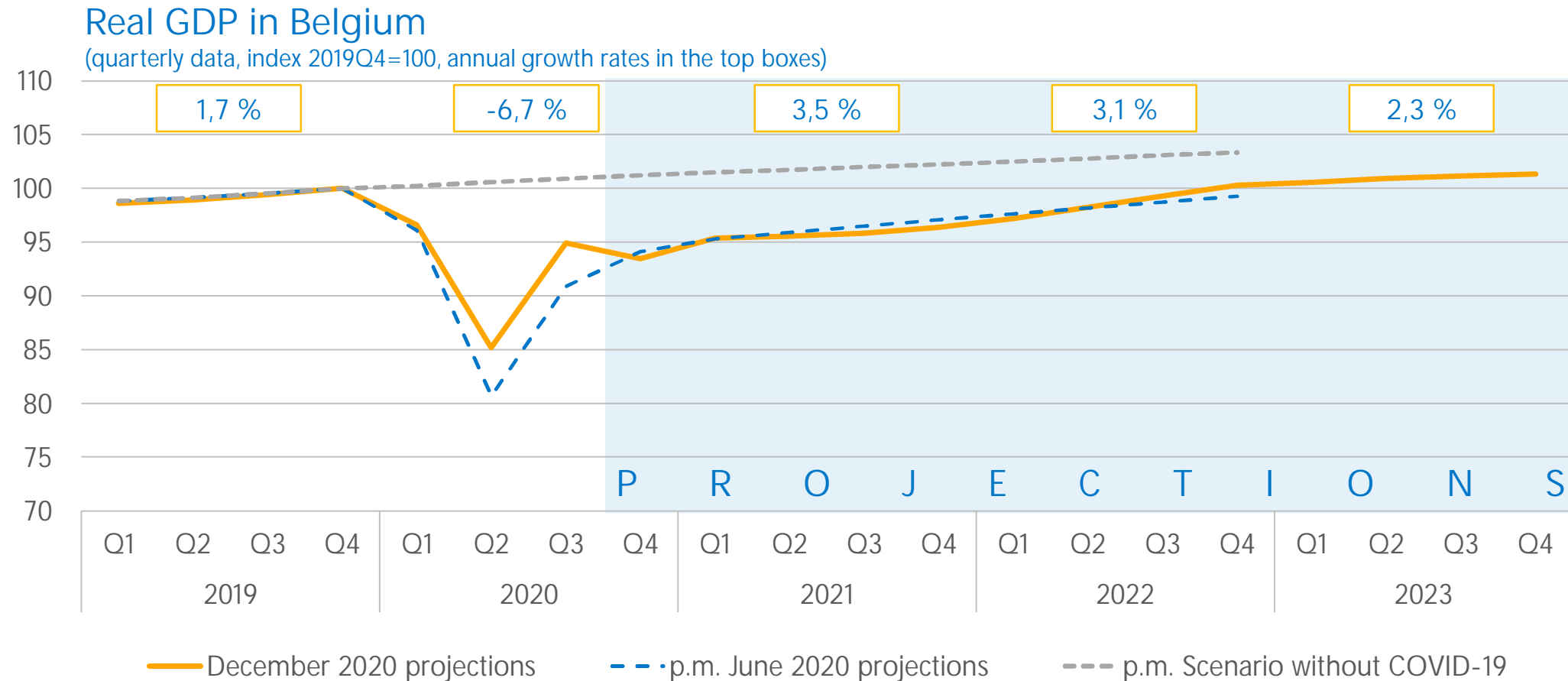
Evolutie van het aantal opnames in het ziekenhuis



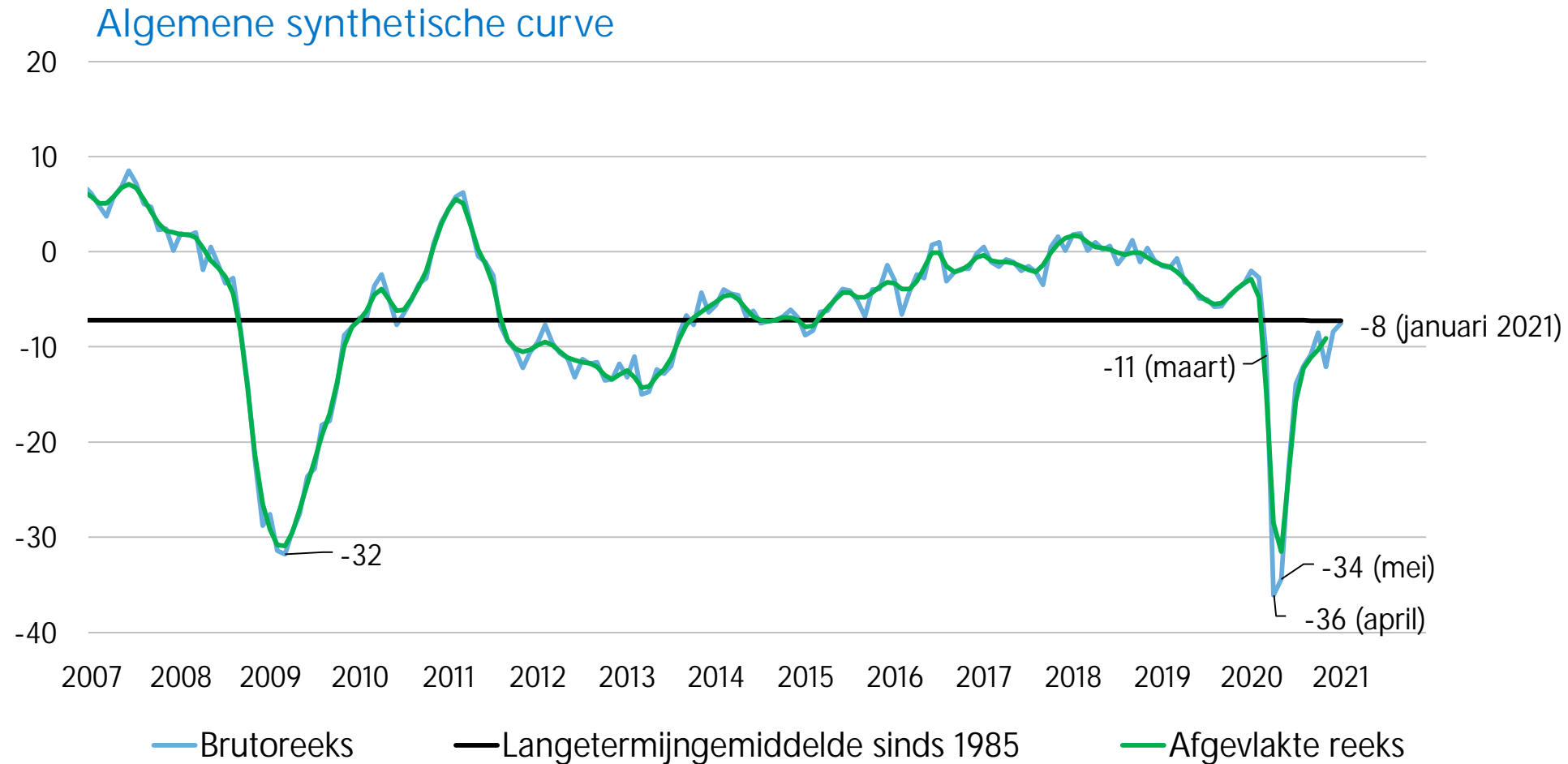
The background of the slide features a large, detailed, and semi-transparent image of a coronavirus particle, showing its characteristic spherical shape and numerous spike proteins. The particle is centered and slightly tilted, with a soft blue and white color palette. The overall background is a light blue gradient.

GDP and confidence indicators for Belgium

The Belgian economy is expected to return to its pre-crisis level at the end of 2022, but it will remain below the scenario without COVID-19

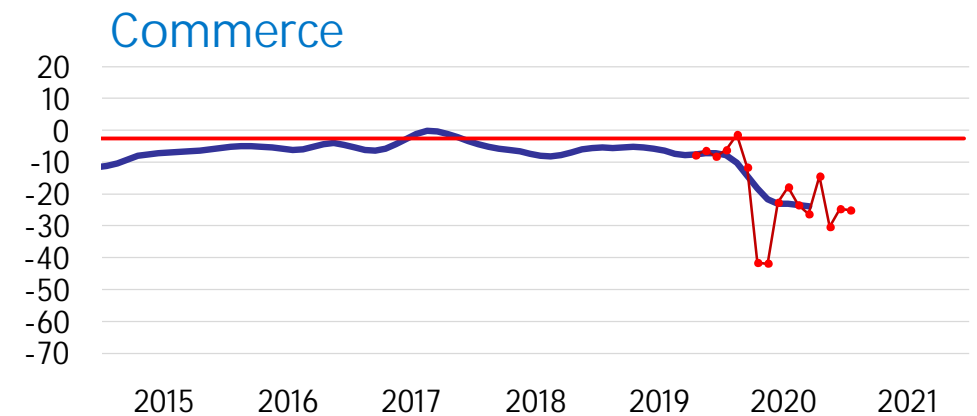
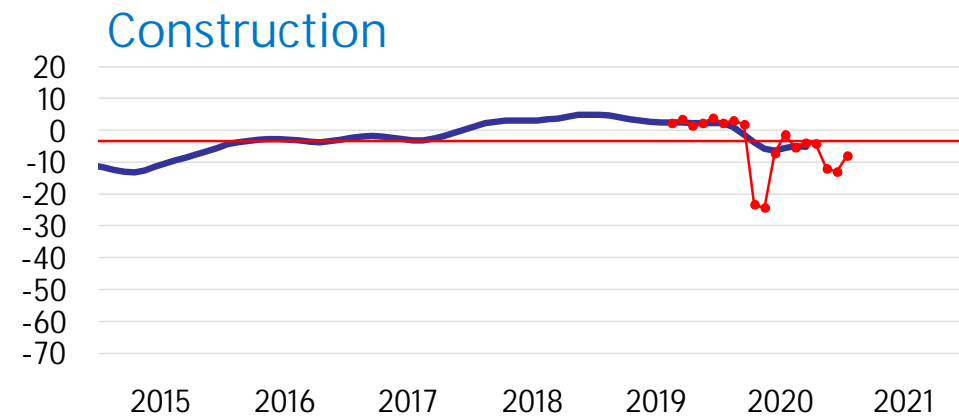
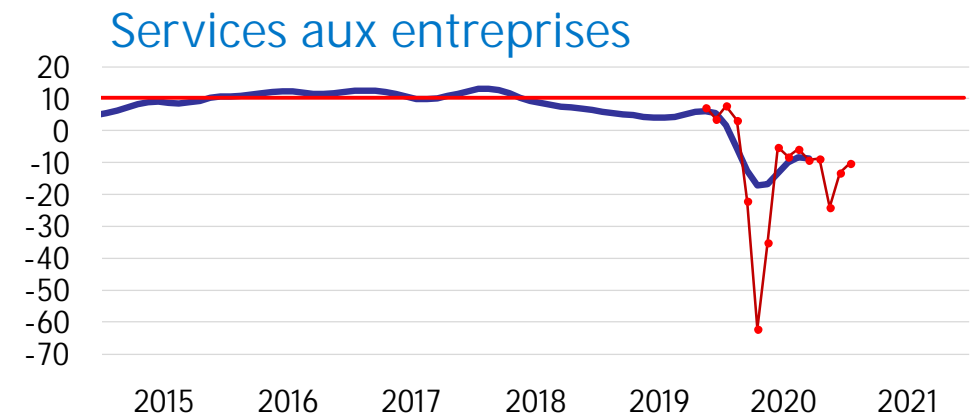
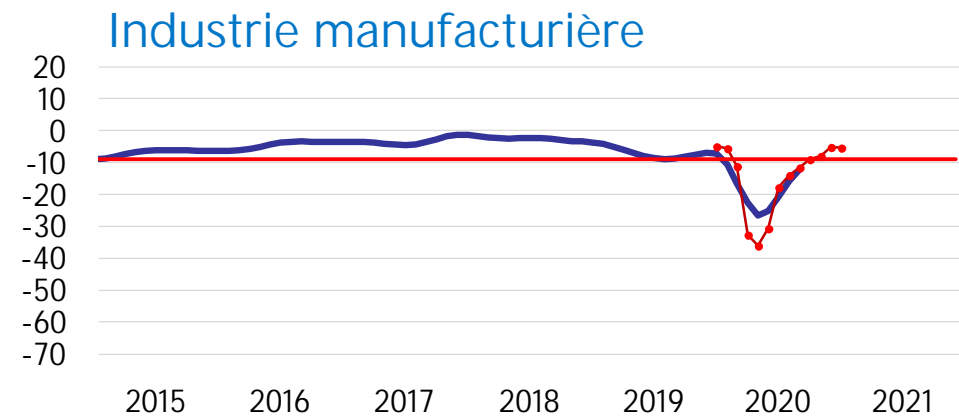


Het ondernemersvertrouwen stijgt lichtjes verder en benadert zijn langetermijngemiddelde



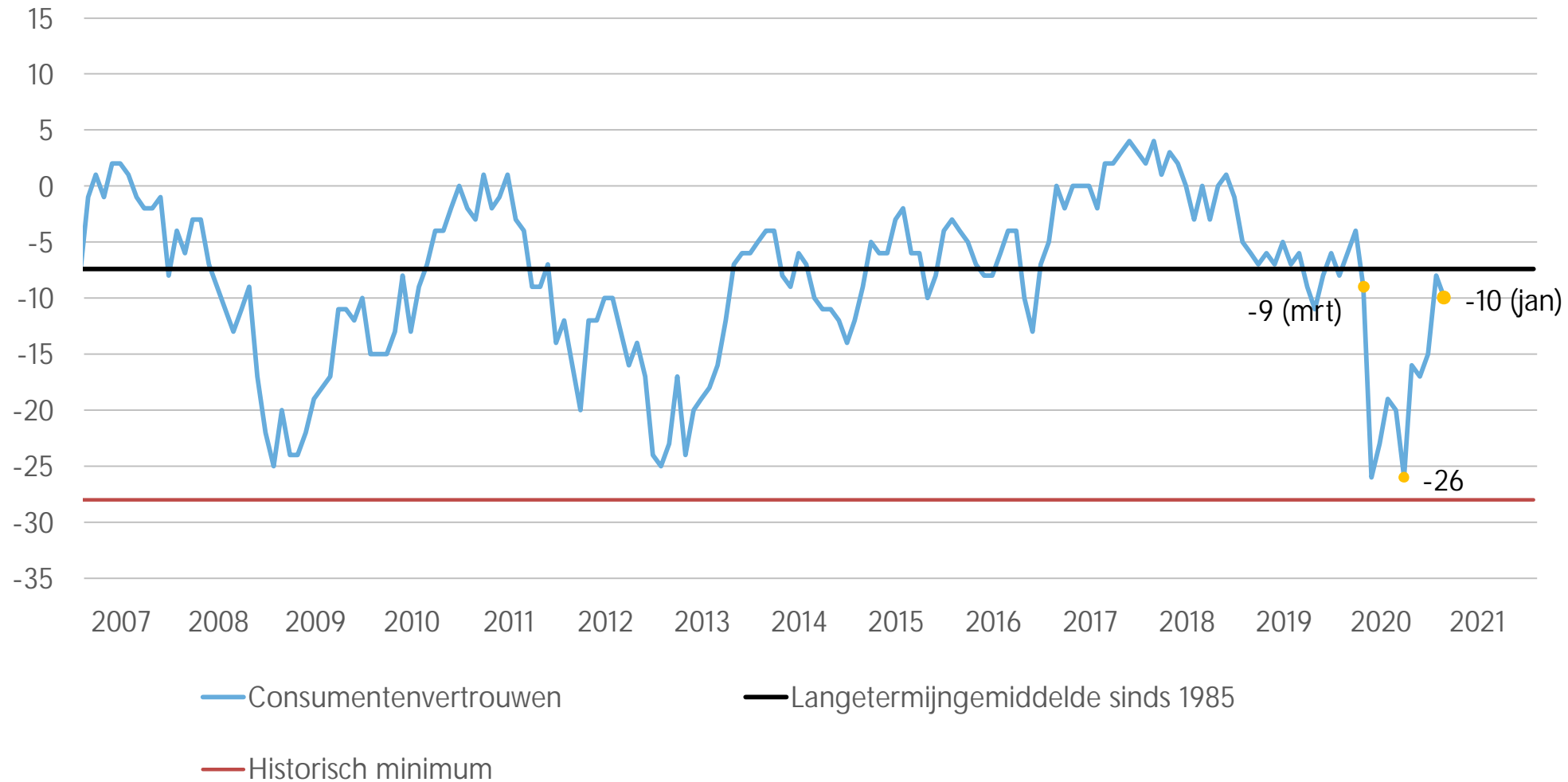
La conjoncture s'est renforcée en janvier dans la construction et dans les services

Baromètre de conjoncture – Belgique : Branches d'activité – janvier 2021

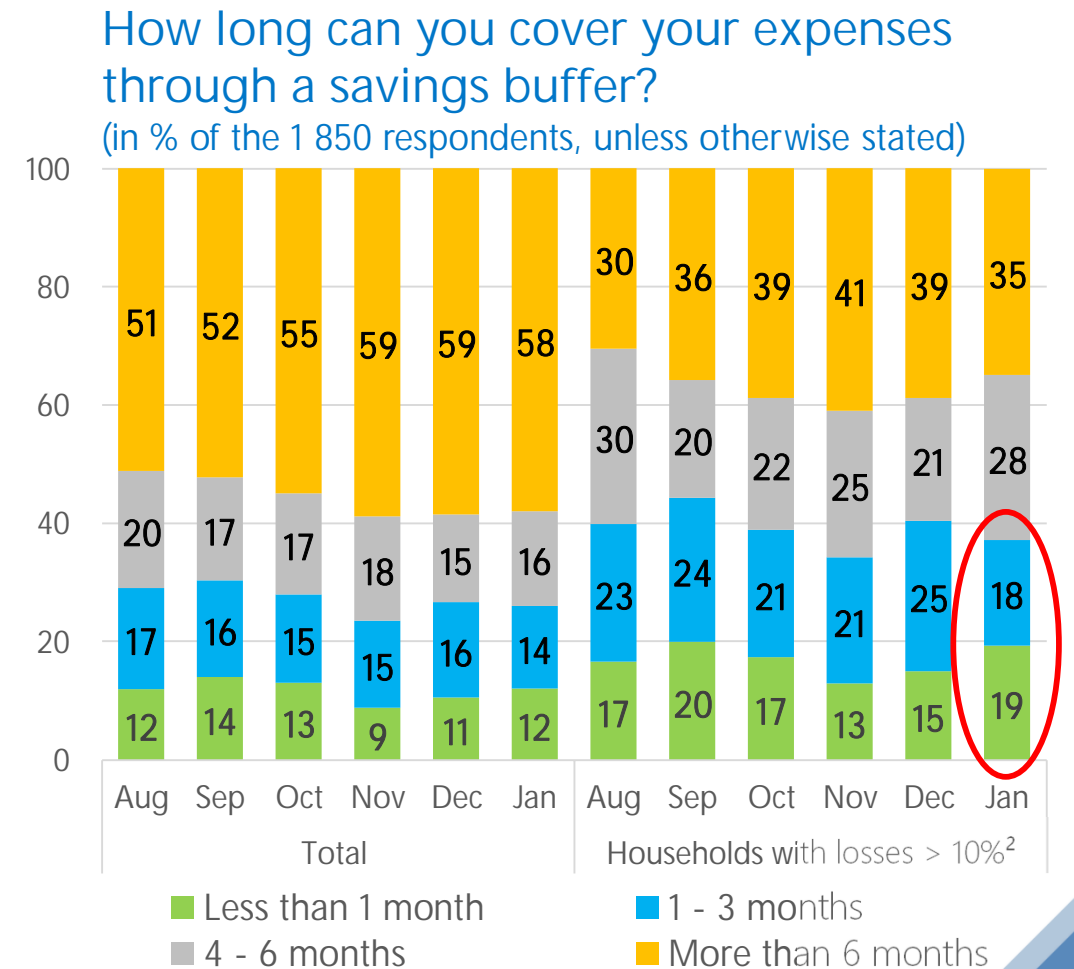
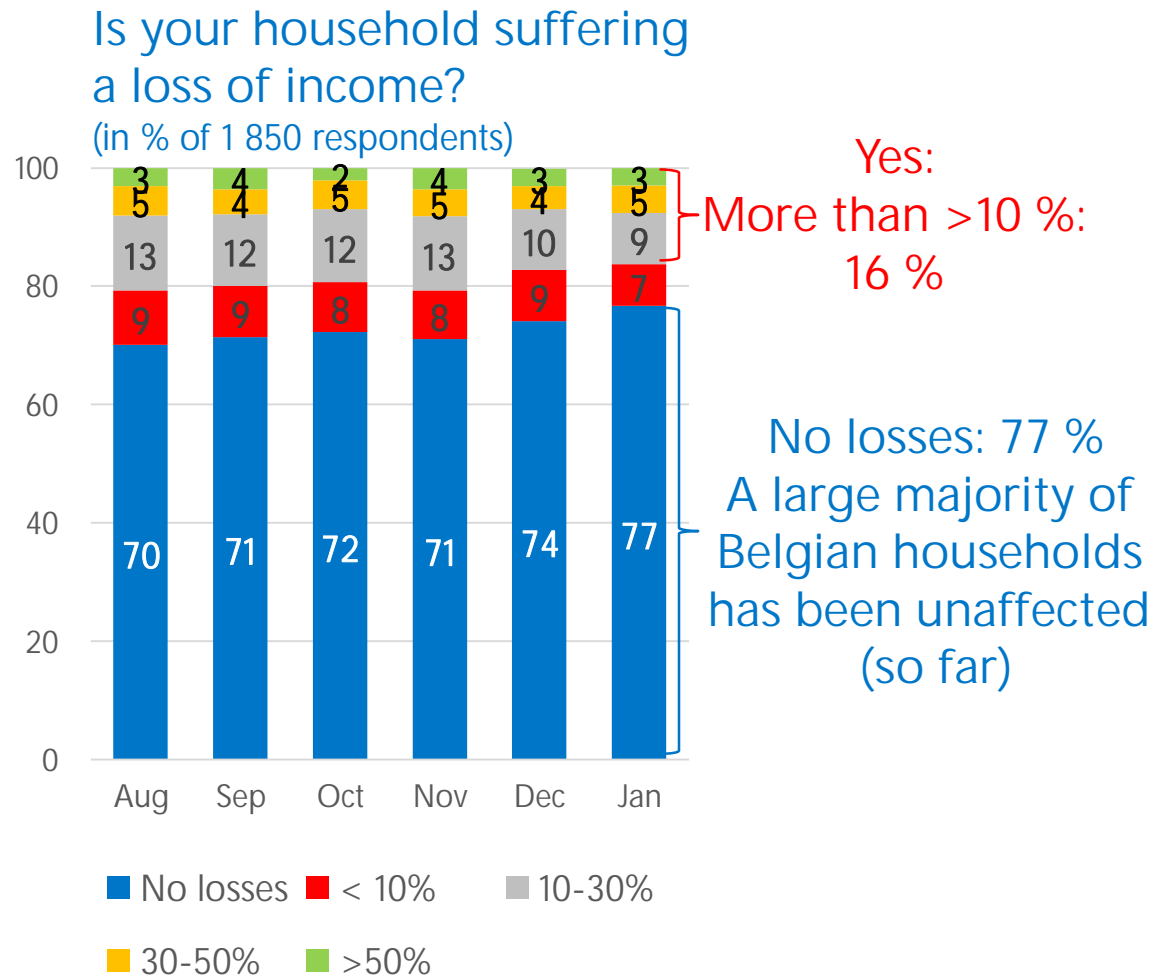


— Série dessaisonnalisée et lissée — Moyenne de long terme (depuis 1980) ● Série dessaisonnalisée

Het consumentenvertrouwen gaat er wat op achteruit, na de forse verbetering vorige maand



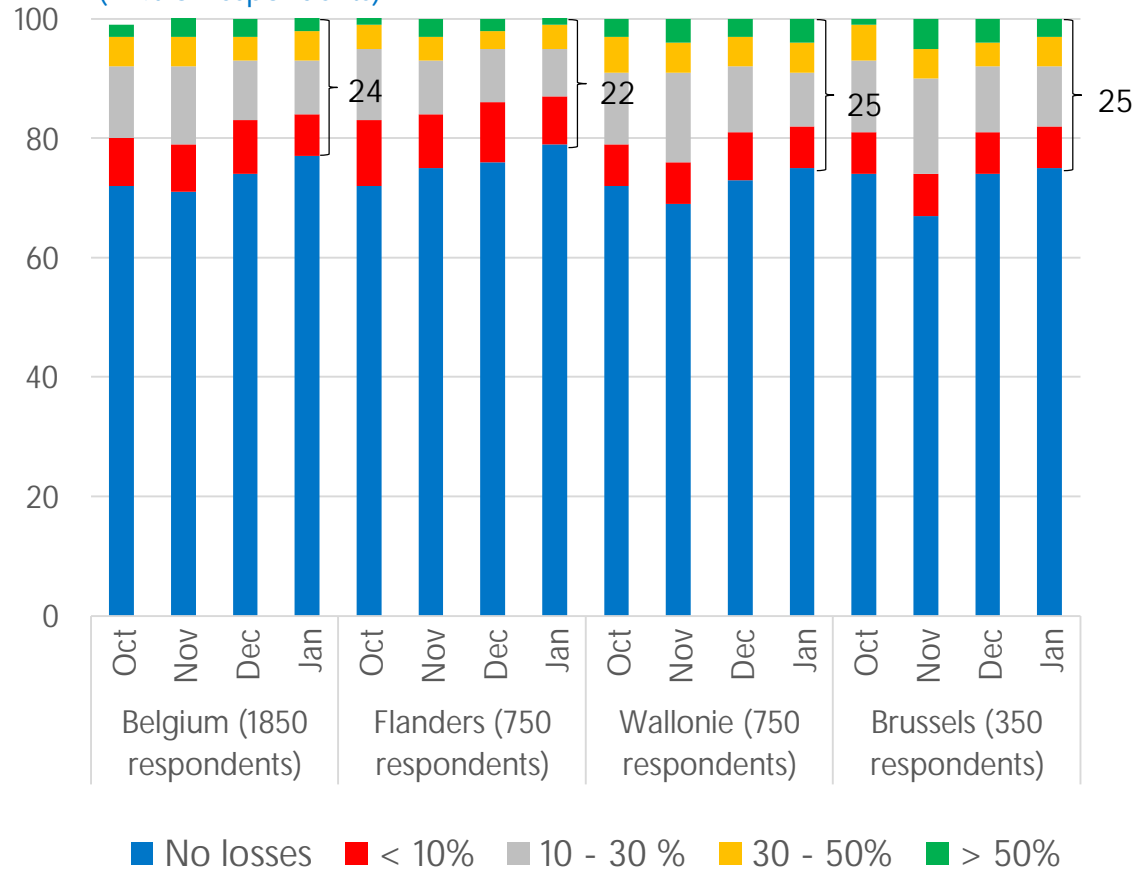
Around 16 % of households suffer an income loss of more than 10 % and 37 % of them have a savings buffer of less than 3 months¹



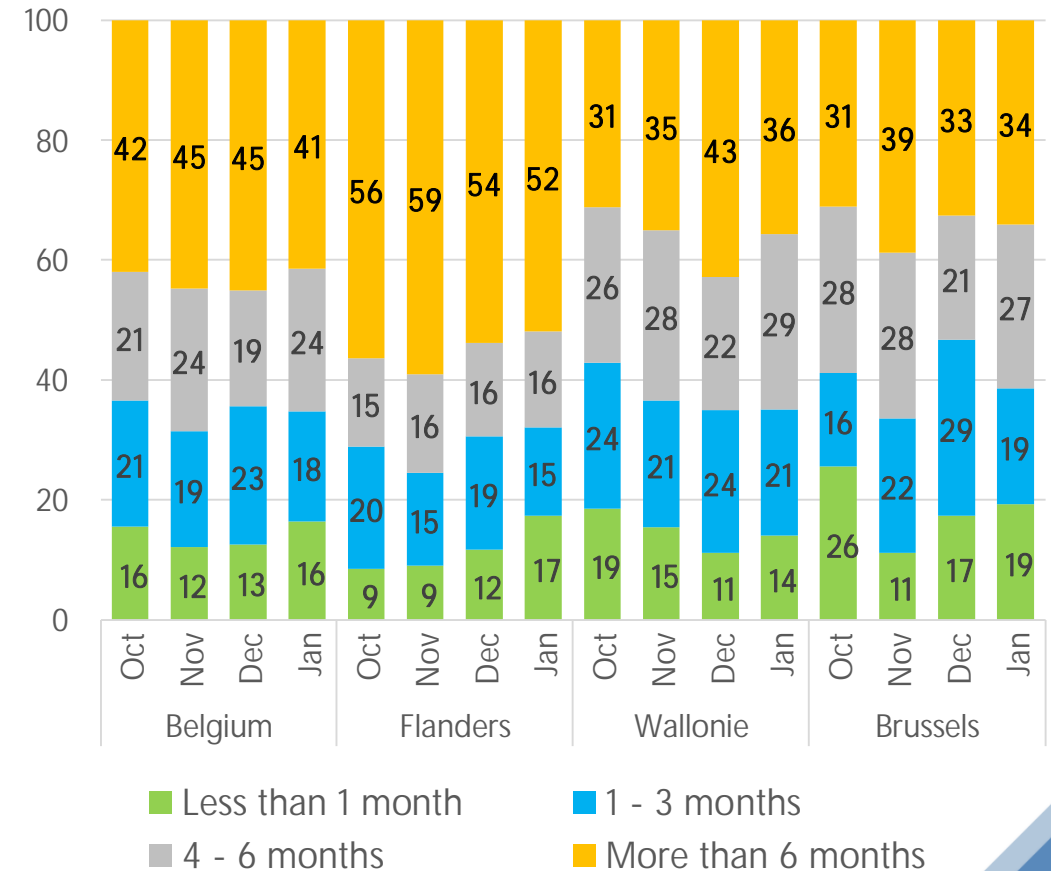
Flemish households still hold the less defavourable position (especially regarding savings buffer)

In January, the proportion of households suffering no loss of income increases in all regions

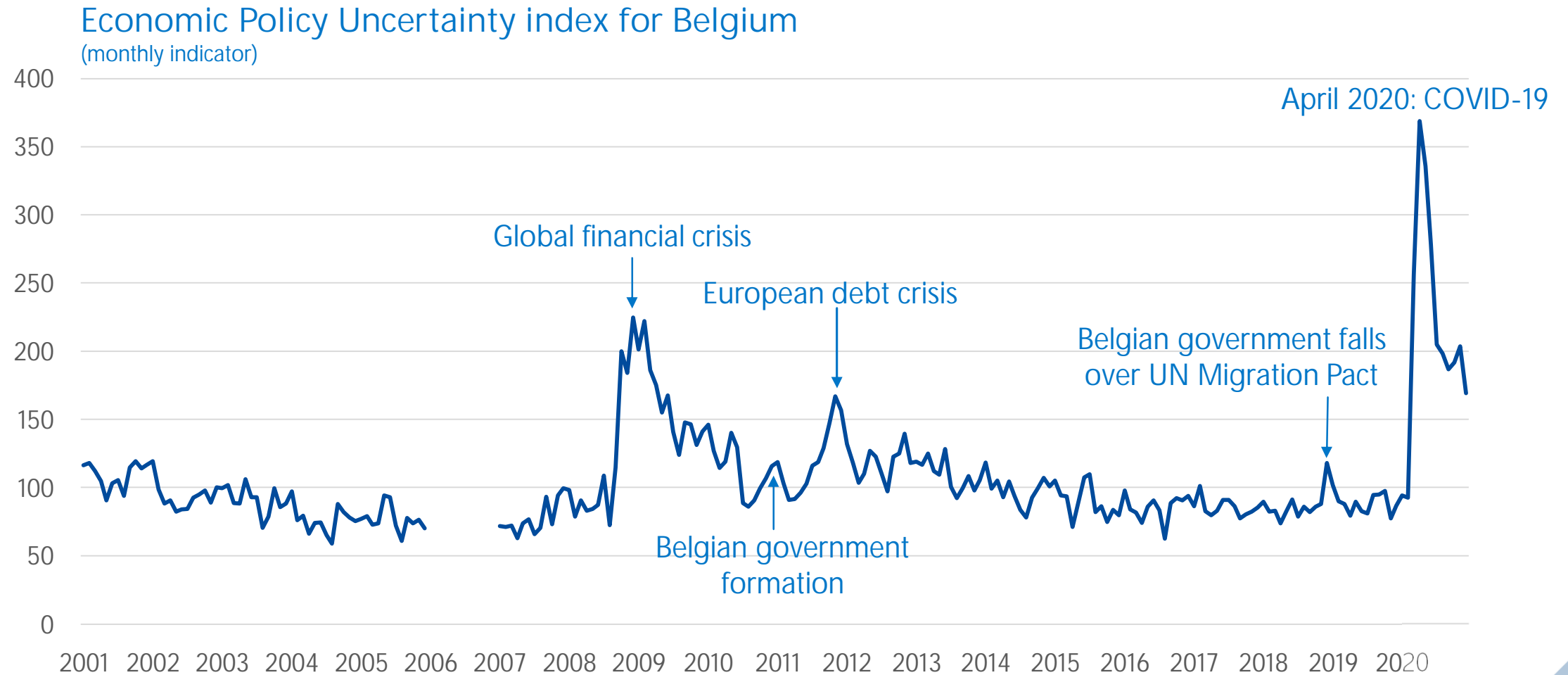
(in % of respondents)



Savings buffer remains higher in Flanders
(in % of respondents with loss of income)



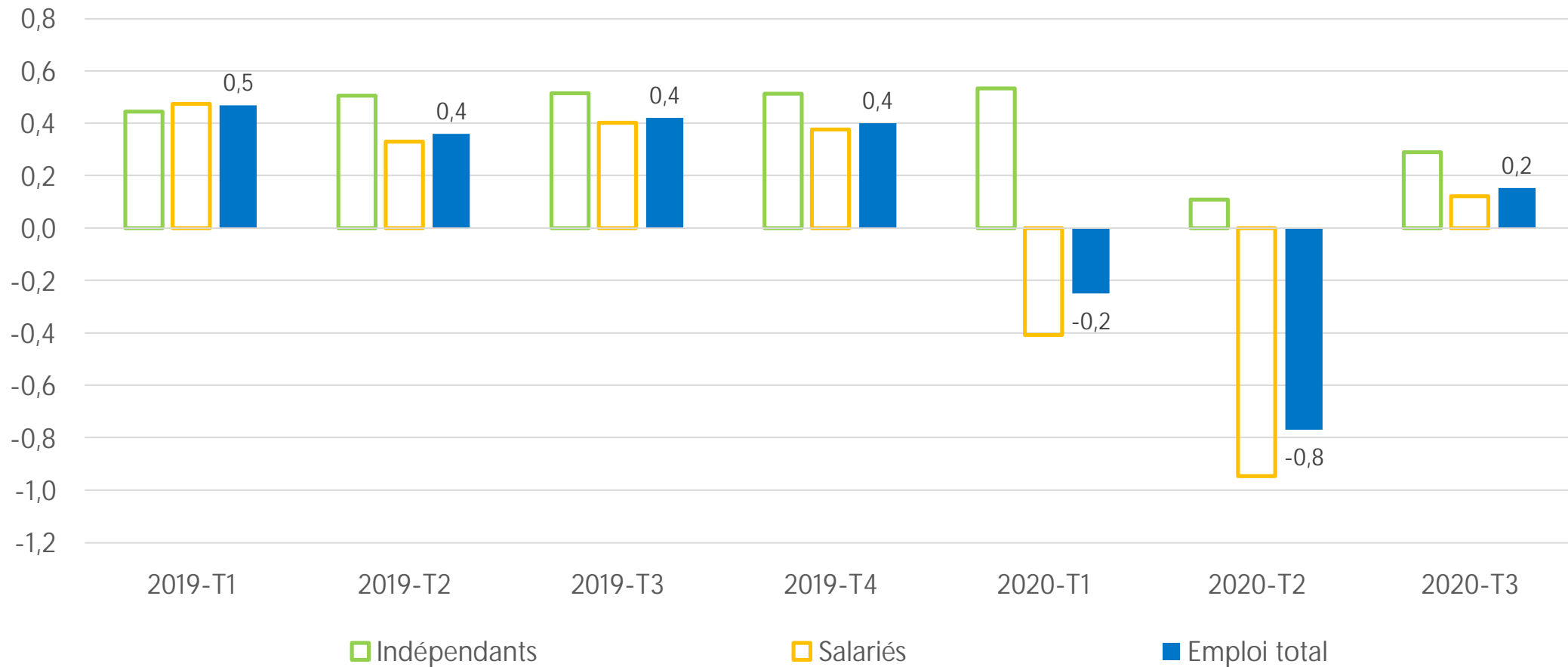
Economic policy uncertainty has eased recently, but remains elevated



Labour market

L'emploi salarié plus durement impacté que l'emploi indépendant

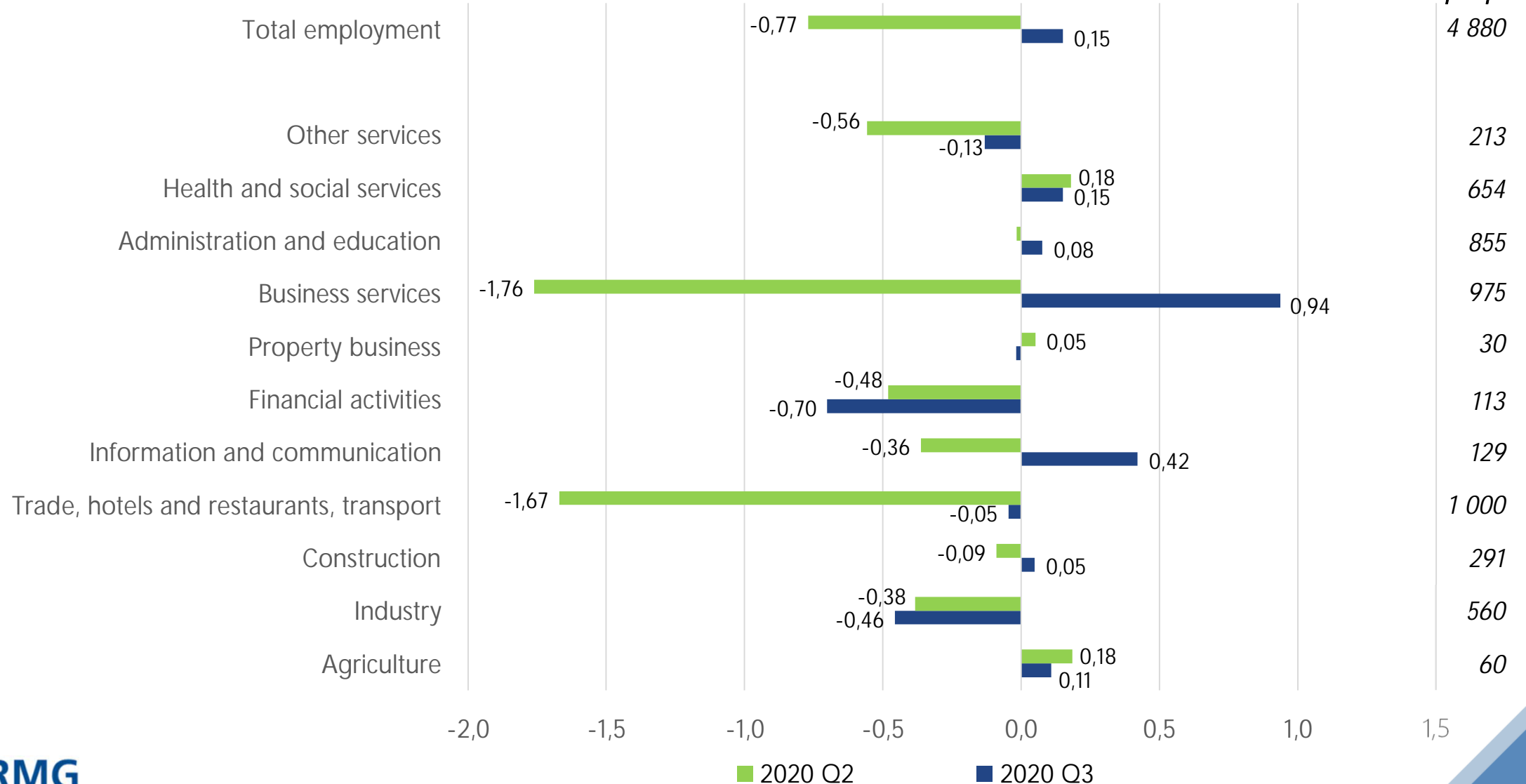
(emploi en personnes - variation trimestrielle en %)



Impact on employment stronger for some branches of activity

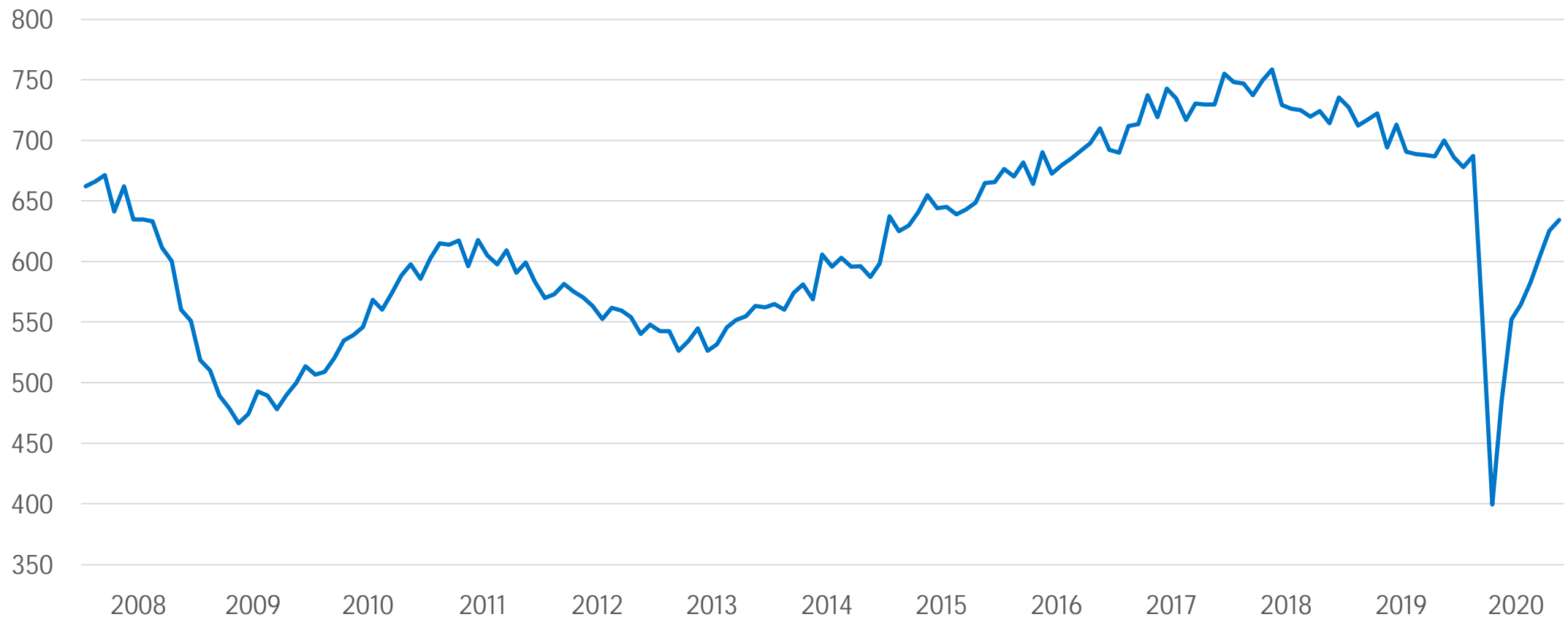
(QoQ variation in %)

*pm thousands
of people*



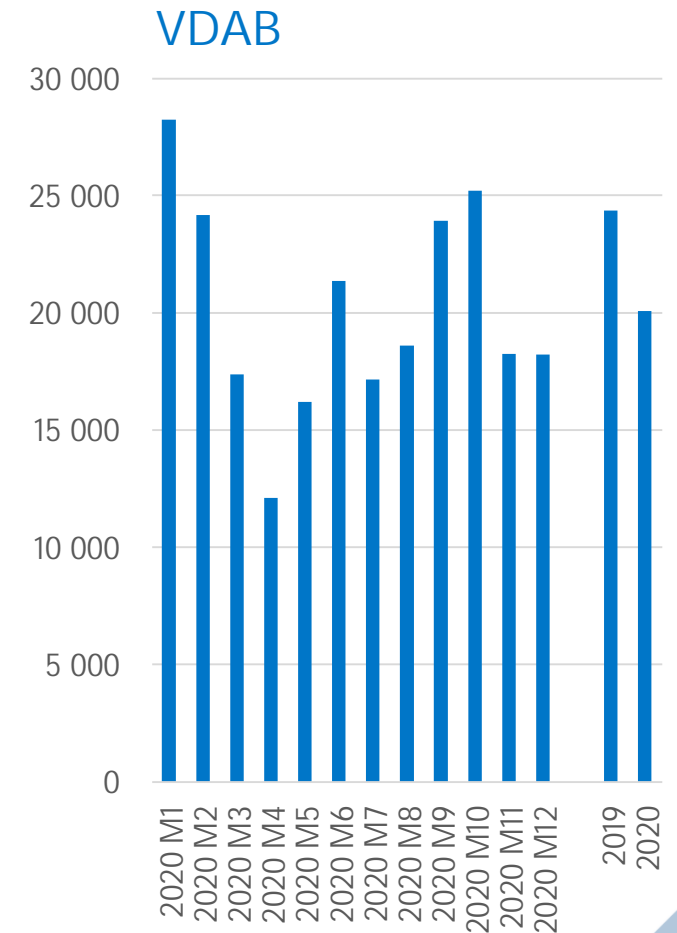
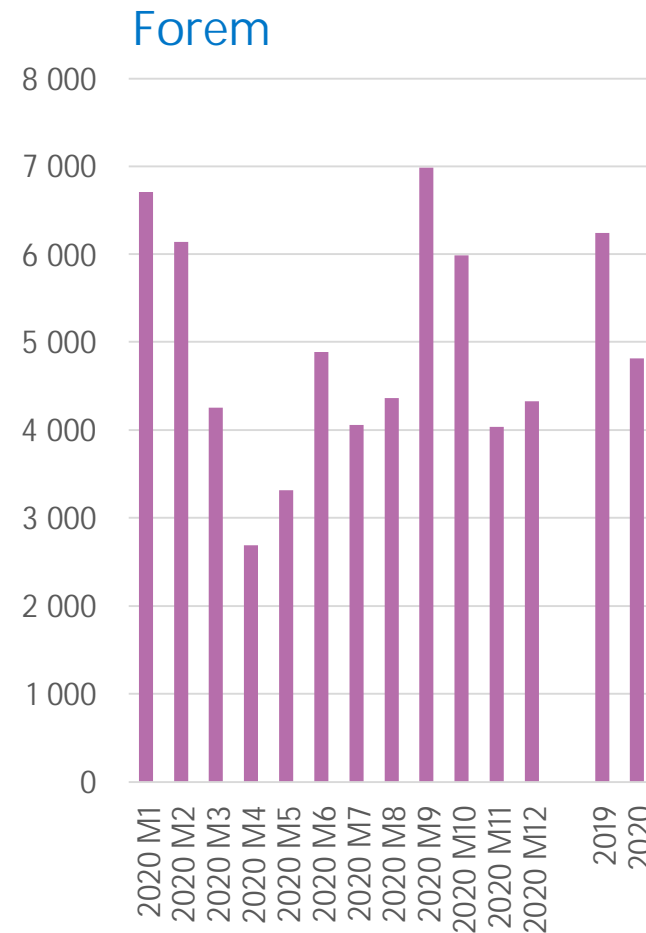
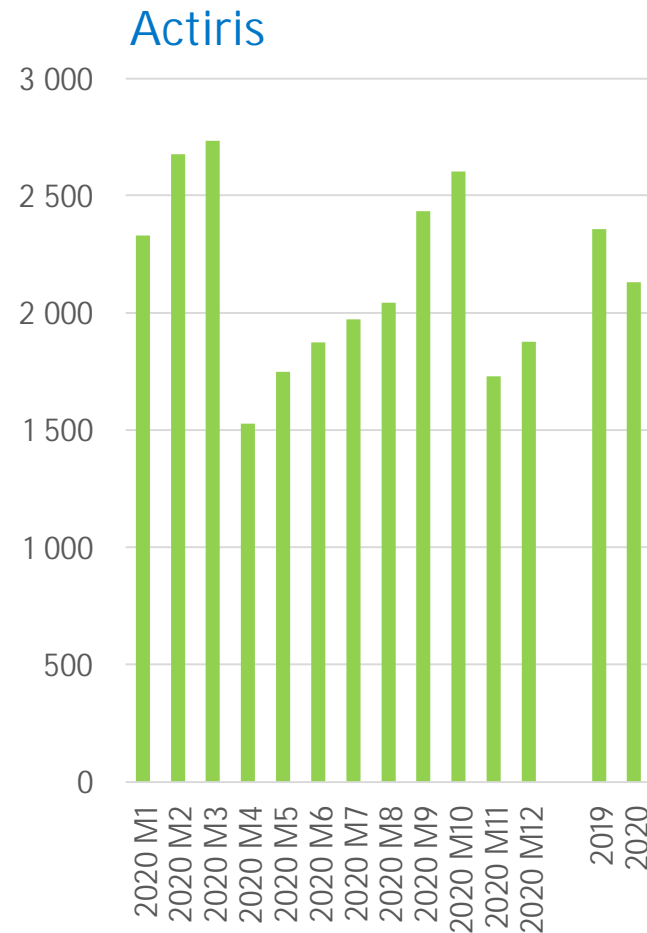
Source: NAI, latest available data: third quarter 2020.

Chute brutale du travail intérimaire en avril, reprise partielle par après (données mensuelles, en milliers d'heures)



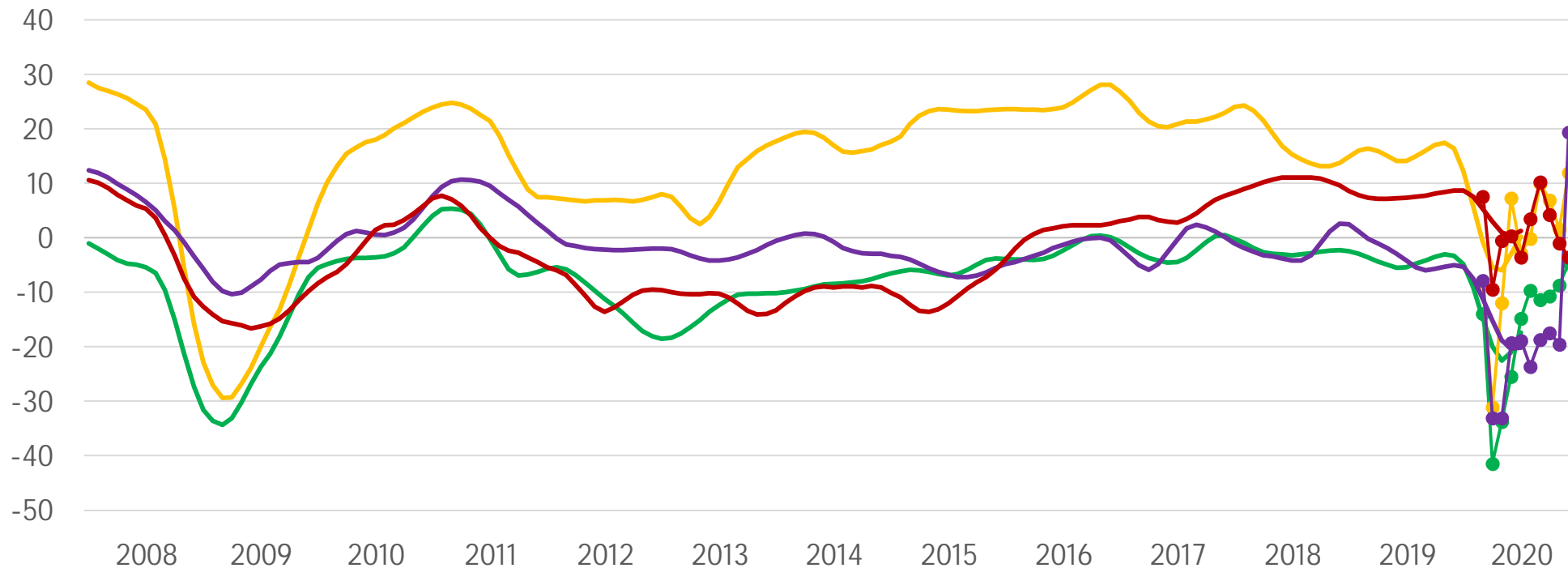
L'évolution des opportunités d'emplois suit les mesures de (dé)confinement

(moyenne mensuelle des offres d'emplois reçues par les services publics de l'emploi régionaux via le circuit ordinaire)



Les prévisions d'emplois issues des enquêtes de conjoncture également

(données désaisonnalisées et lissées)



Services aux entreprises

Commerce

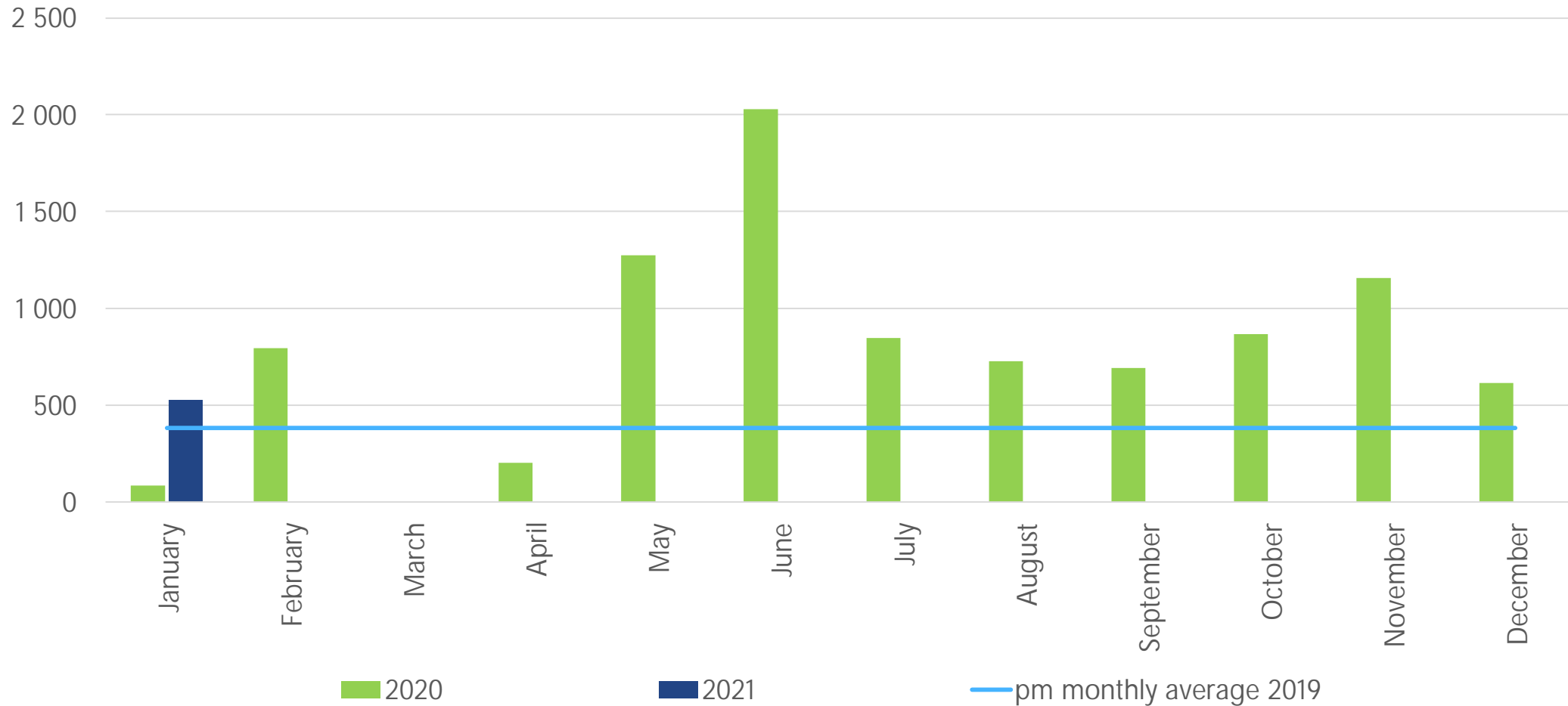
Construction (gros œuvre de bâtiments)

Industrie

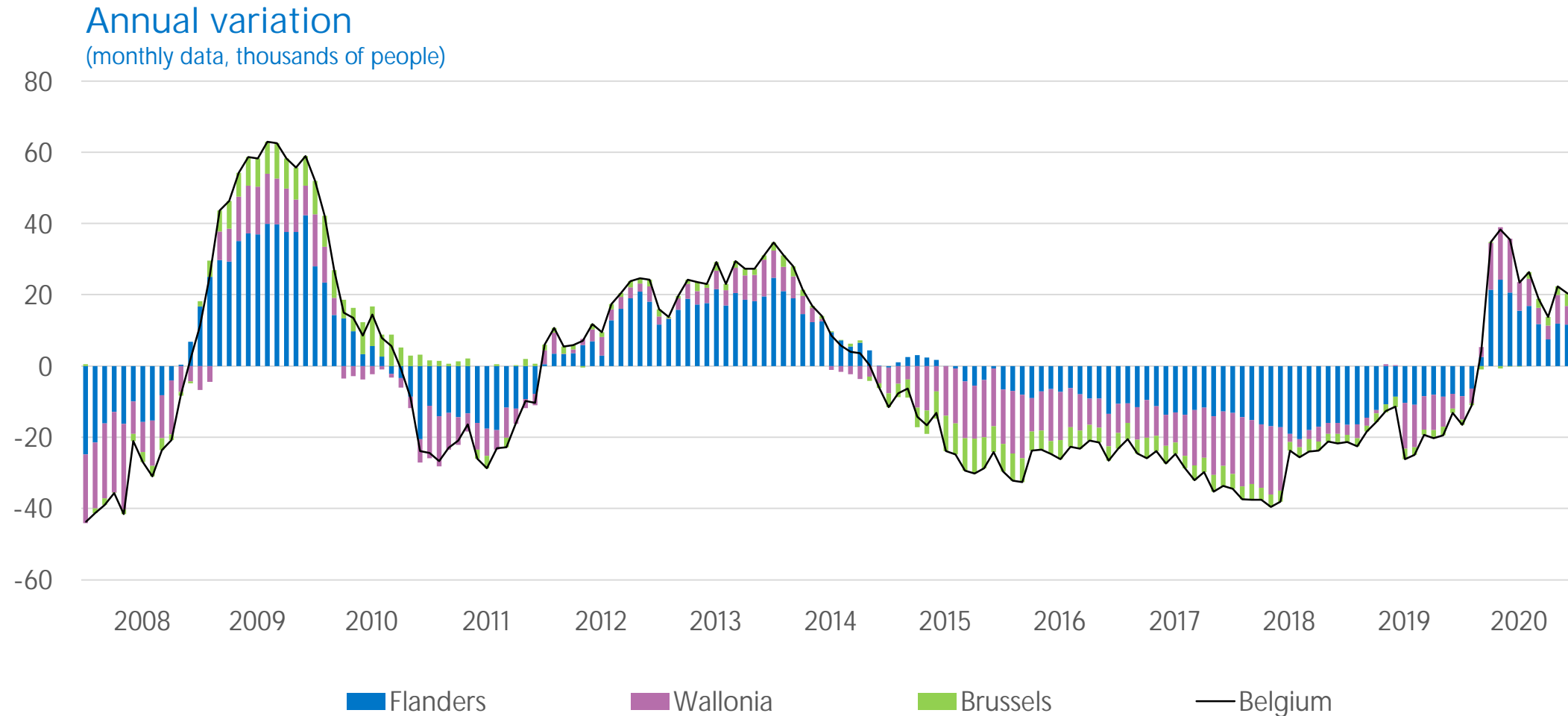
Série dessaisonnalisée et lissée

Série dessaisonnalisée

Mass redundancy procedures: above 2019 average (workers concerned)



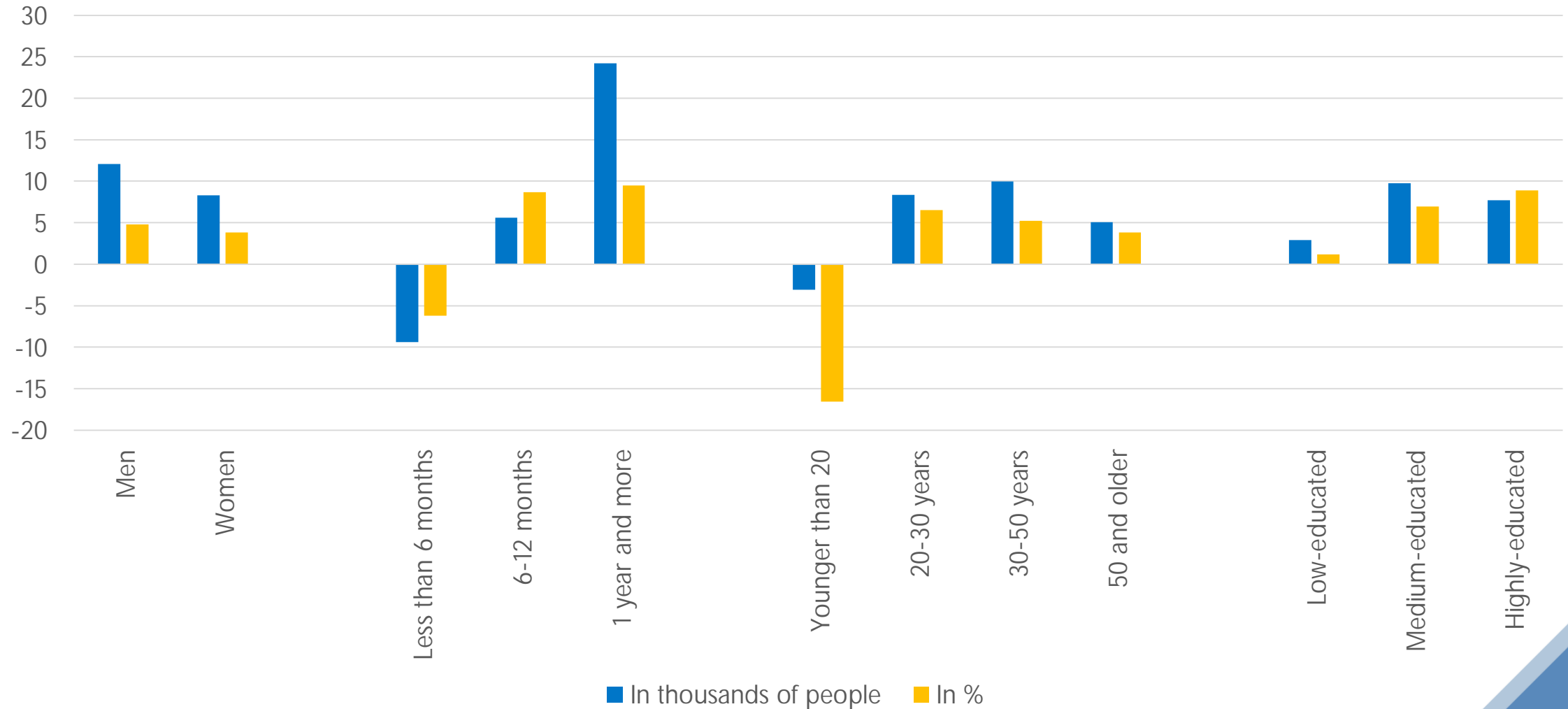
Limited rise in unemployment for the time being ...



◆ Peak observed in May: +38 000, situation in November: +22 000

... concentrated on men and medium and highly-educated people

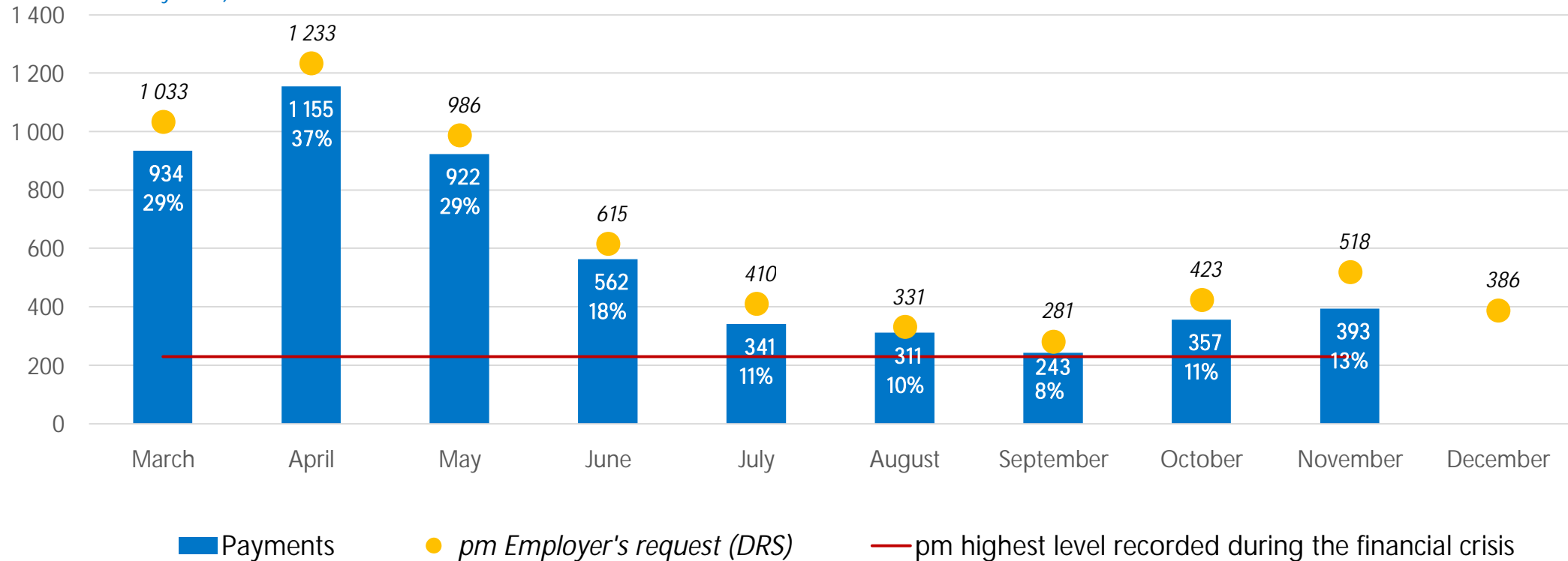
Annual variation
(monthly data)



Temporary unemployment: following lockdown measures

Monthly effective use and access demands

(payments linked to COVID-19, thousands of people and % of private salaried employment, p.m. DRS linked to COVID-19, thousands of people, monthly data)

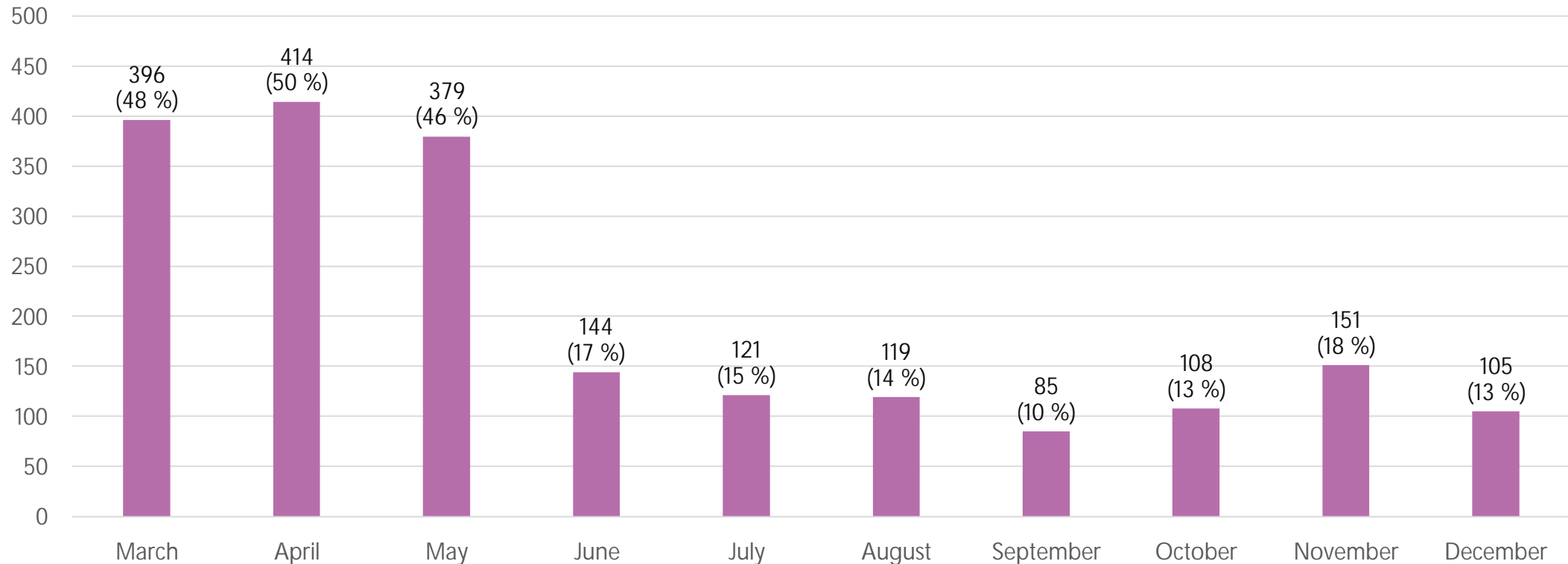


Average number of days per worker								
March	April	May	June	July	August	September	October	November
8.8	15.8	10.9	9.4	8.3	8.3	8.6	8.2	10.6

Self-employed: unprecedented use of financial support

Bridging right, provisional data¹

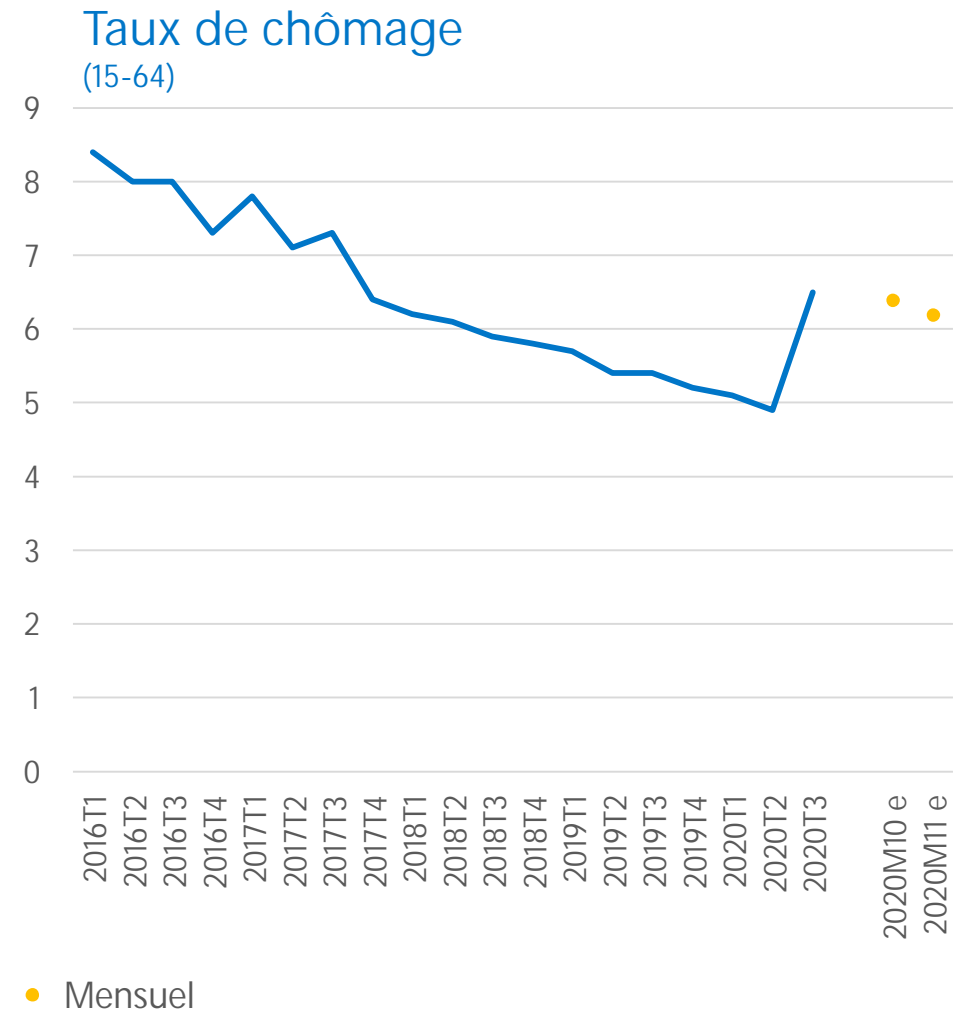
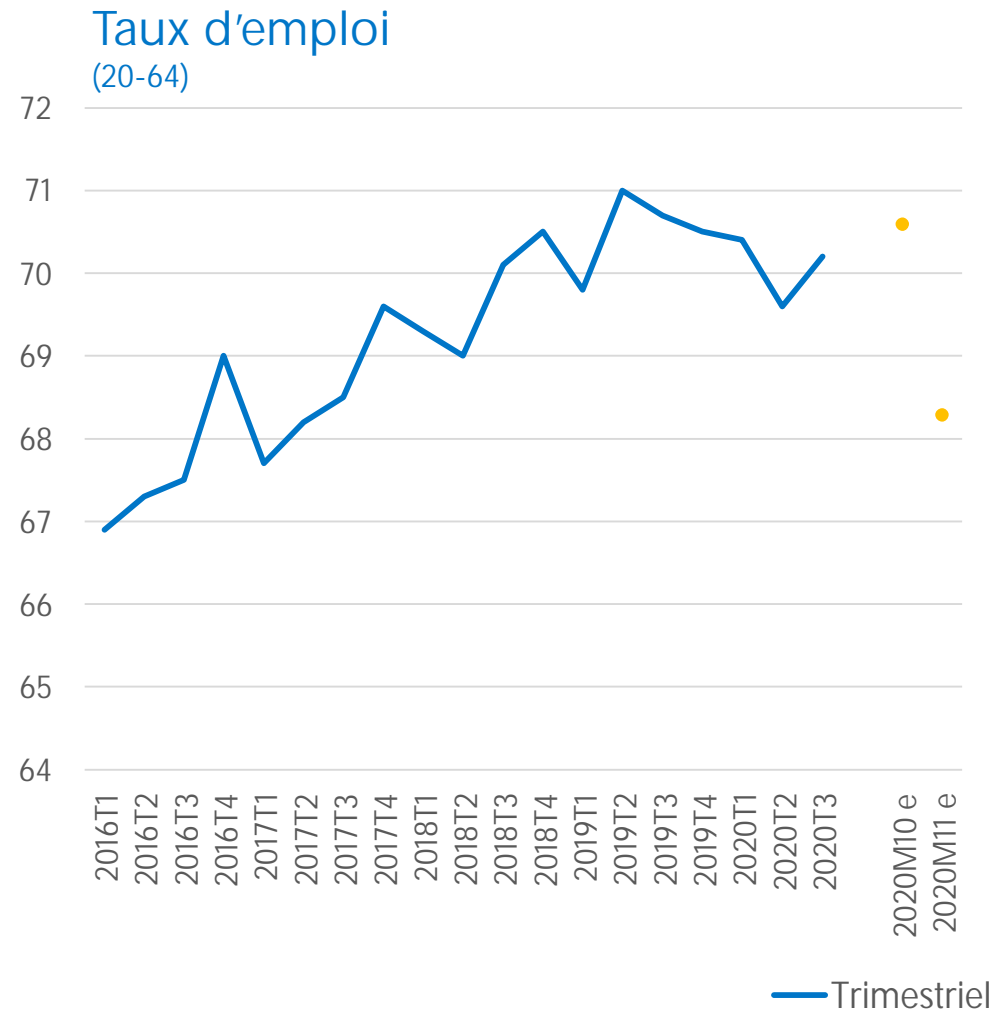
(thousands of people and % of self-employed in principal activity)



Before the crisis, about 90 self-employed benefited of the bridging right.
At the peak of the crisis, in April, they were 414 000.

La crise sanitaire a interrompu une dynamique positive

(taux harmonisés issus des enquêtes force de travail¹)



The background of the slide features a light blue gradient with several stylized, semi-transparent images of coronavirus particles. These particles are spherical with prominent, irregular spikes protruding from their surfaces. One large particle is centered in the upper half of the frame, while several smaller, out-of-focus particles are scattered in the foreground and background, creating a sense of depth.

ERMG survey

The ERMG survey has been monitoring the COVID-19 impact on companies and self-employed since the beginning of the crisis¹

- ◆ Surveys conducted by (selection of) the following federations:

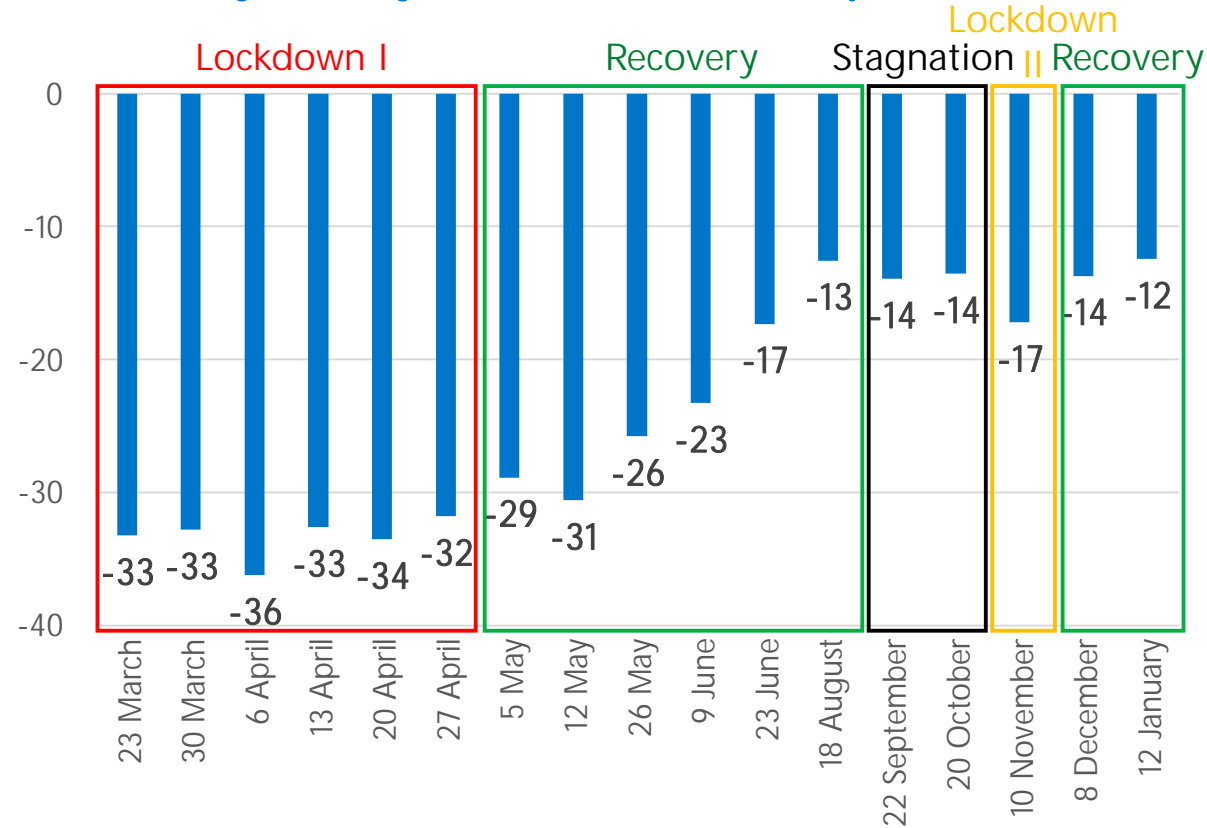


Round	Period	Federations	Replies	Comment
1	23-24 March	BECI, UWE, VOKA	1 700	Results not published
2	30-31 March	BECI, UNIZO, UWE, VOKA	4 725	First press release
3	6-7 April	BECI, BOERENBOND, NSZ, UNISOC, UNIZO, UWE, VOKA	6 900	UNISOC was analysed separately
4	14-15 April	BECI, NSZ, UNIZO, UWE, VOKA	5 500	
5	20-21 April	BECI, NSZ, UNIZO, UWE, VOKA	3 528	
6	27-28 April	BECI, NSZ, UNIZO, UWE, VOKA	4 208	
7	5-6 May	BECI, BOERENBOND, UNIZO, UWE, VOKA	2 675	
8	12-13 May	BECI, UNIZO, UWE, VOKA	2 185	
9	25-27 May	BECI, NSZ, UNIZO, UWE, VOKA	2 993	
10	8-10 June	BECI, NSZ, UNIZO, UWE, VOKA	2 365	
11	22-24 June	BECI, NSZ, UNIZO, UWE, VOKA	3 136	
12	17-19 August	BECI, NSZ, UCM, UNIZO, UWE, VOKA	4 430	
13	21-23 September	BECI, NSZ, UNIZO, UWE, VOKA	2 868	
14	19-21 October	BECI, UCM, UNIZO, UWE, VOKA	5 131	
15	9-10 November	BECI, NSZ, UCM, UNIZO, UWE, VOKA	5 631	
16	7-9 December	BECI, UCM, UNIZO, UWE, VOKA	3 798	
17	11-13 January	BECI, NSZ, UCM, UNIZO, UWE, VOKA	5 358	

While the current revenue loss and the outlook have further improved, the recovery is still expected to remain slow and only partial

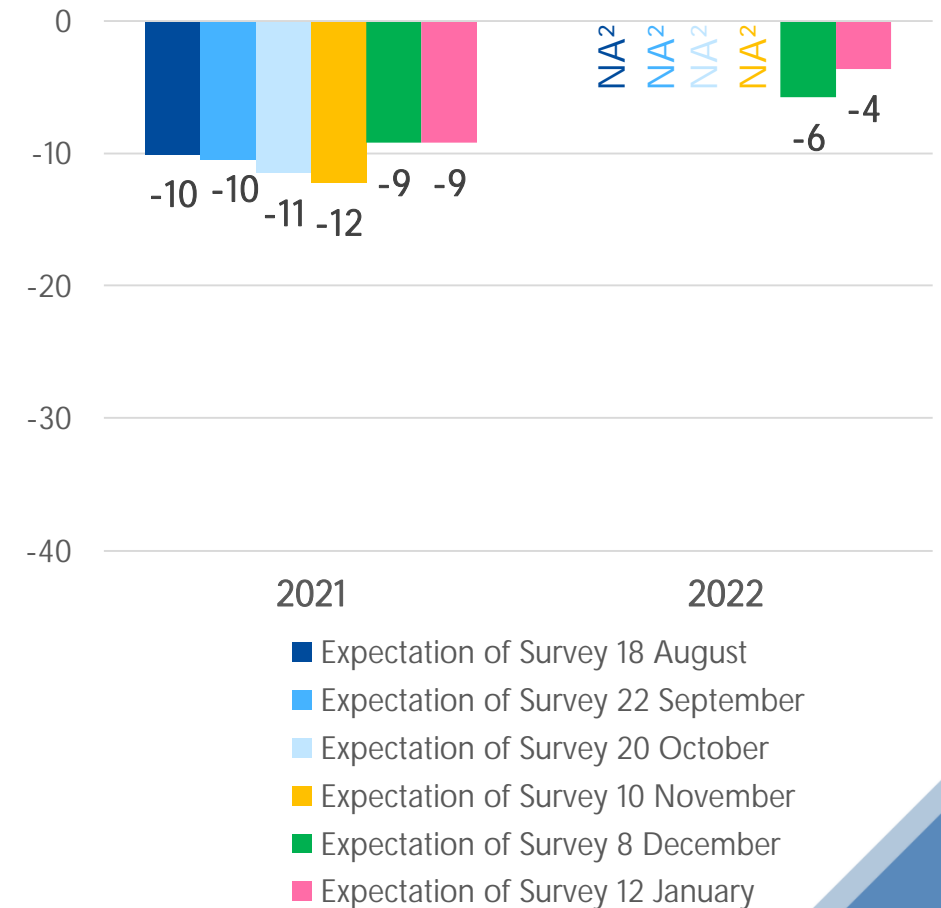
COVID-19 impact on weekly turnover

(in %, weighted average based on revenues and industry value added¹)



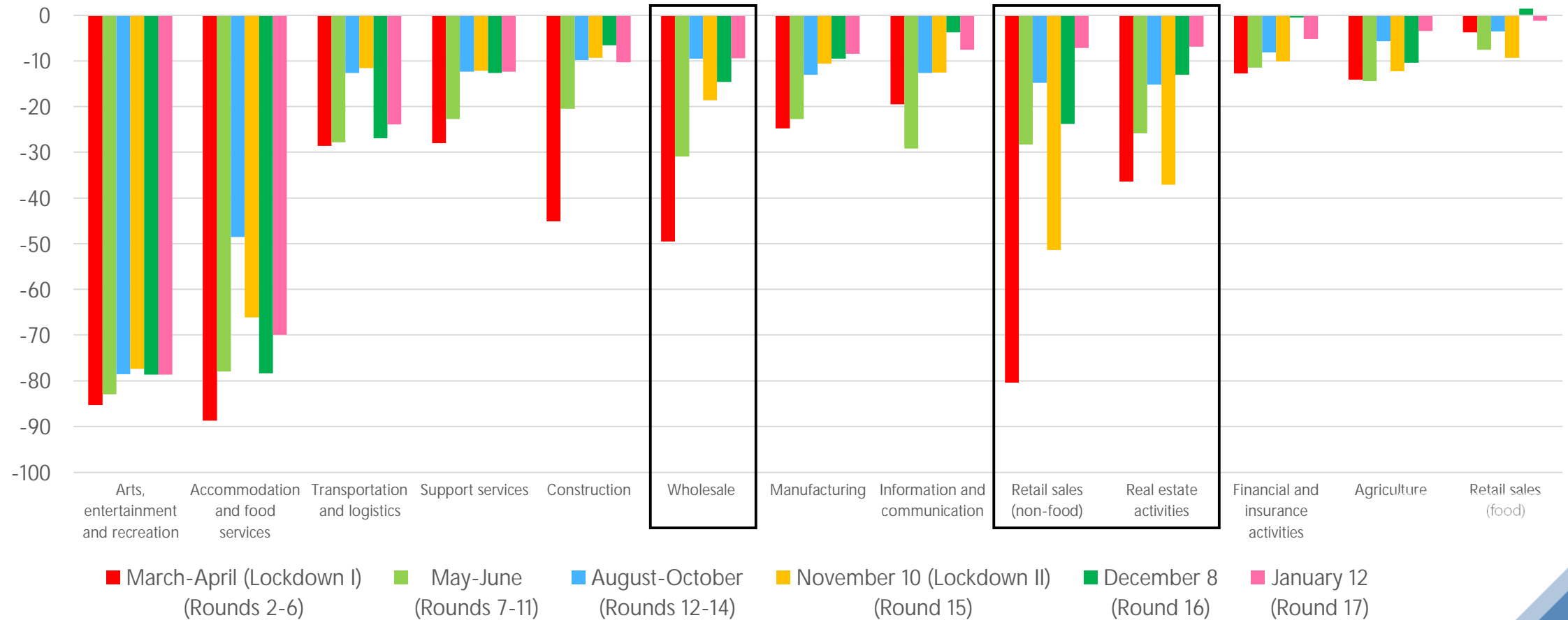
Expected impact on turnover in 2021 / 2022

(in %, weighted average based on revenues and industry value added¹)



While stable in most industries, revenues rise in January in non-food retail, wholesale and real estate, but partly due to temporary factors¹

COVID-19 impact on weekly turnover
(in %, weighted average based on revenues)



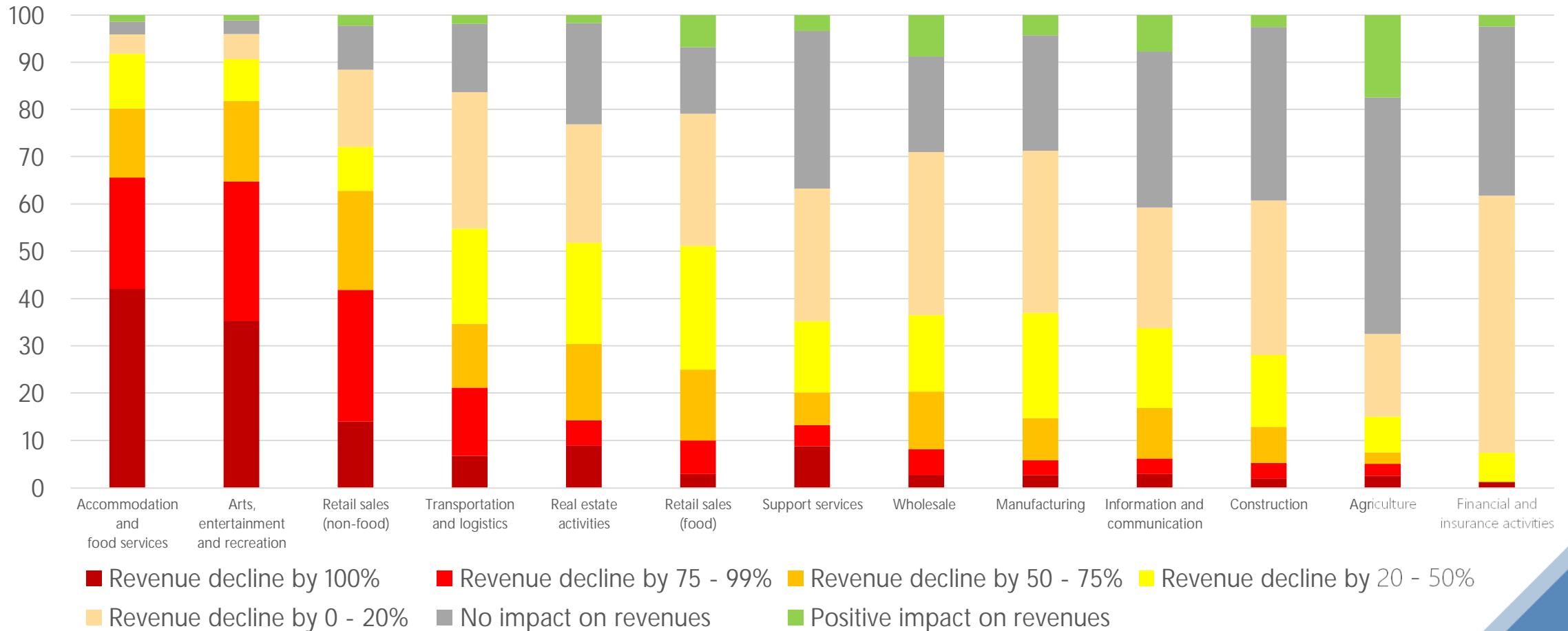
Impact of the COVID-19 crisis on company turnover by industry

(in %, weighted average based on revenues)

	March-April (Lockdown I) (Rounds 2-6)	May-June (Rounds 7-11)	August-October (Rounds 12-14)	November (Lockdown II) (Round 15)	December (Round 16)	January (Round 17)	
Events and recreation	-85	-83	-79	-77	-79	-79	< -50 %
Accommodation and food service activities	-89	-78	-49	-66	-78	-70	
Aviation ²	-51	-60	-27	-15	-85	-41	
Road transport (persons)	-55	-57	-15	-13	-23	-20	-20 to -50 %
Manufacture of food products	-18	-19	-9	-12	-9	-18	
Human Resources	-35	-30	-13	-11	-19	-17	
Liberal professions	-23	-18	-10	-12	-13	-16	-10 to -20 %
Manufacture of textiles, wearing apparel and shoes	-61	-43	-6	-19	-10	-12	
Manufacture of machinery and electrical equipment	-29	-24	-14	-10	-11	-12	
Logistics	-22	-26	-11	-11	-8	-11	
Construction	-45	-20	-10	-9	-7	-10	0 to -10 %
Wholesale	-49	-31	-10	-19	-15	-9	
Engineering services	-33	-15	-19	-12	-16	-8	
Information and communication	-20	-29	-13	-13	-4	-8	
Retail sales (non-food)	-80	-28	-15	-51	-24	-7	
Real estate activities	-36	-26	-15	-37	-13	-7	
Consultancy	-17	-20	-11	-14	-9	-7	
Manufacture of plastic and non-metallic products	-19	-19	-12	-10	-8	-7	
Metallurgy	-23	-30	-23	-10	-6	-6	
Manufacture of pharmaceutical and chemical products	-16	-20	-11	-8	-10	-5	
Financial and insurance activities	-13	-11	-8	-10	-1	-5	
Manufacture of transport equipment ²	-54	-36	-12	-21	-12	-5	
Manufacture of wood and paper products, and printing	-36	-27	-11	-14	-10	-4	
Agriculture and fishing	-14	-14	-6	-12	-10	-3	
Manufacture of furniture	-66	-31	-13	-7	-3	-2	
Retail sales (food)	-4	-8	-4	-9	1	-1	
Manufacture of computer, electronic and optical products	-28	-19	-25	-11	-5	-1	

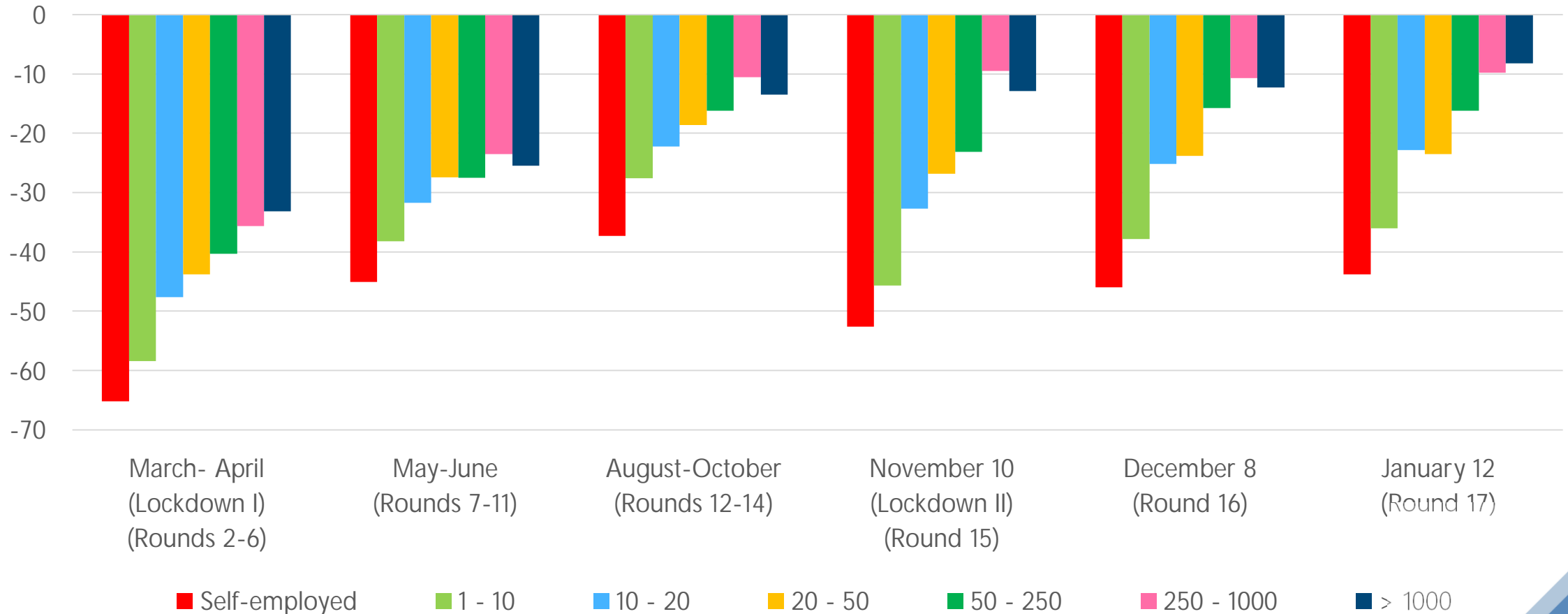
In addition to cross-sectoral differences, the revenue loss of firms also differs strongly *within* each industry

COVID-19 impact on current turnover (survey 12 January)
(in % of responding firms; unweighted¹)



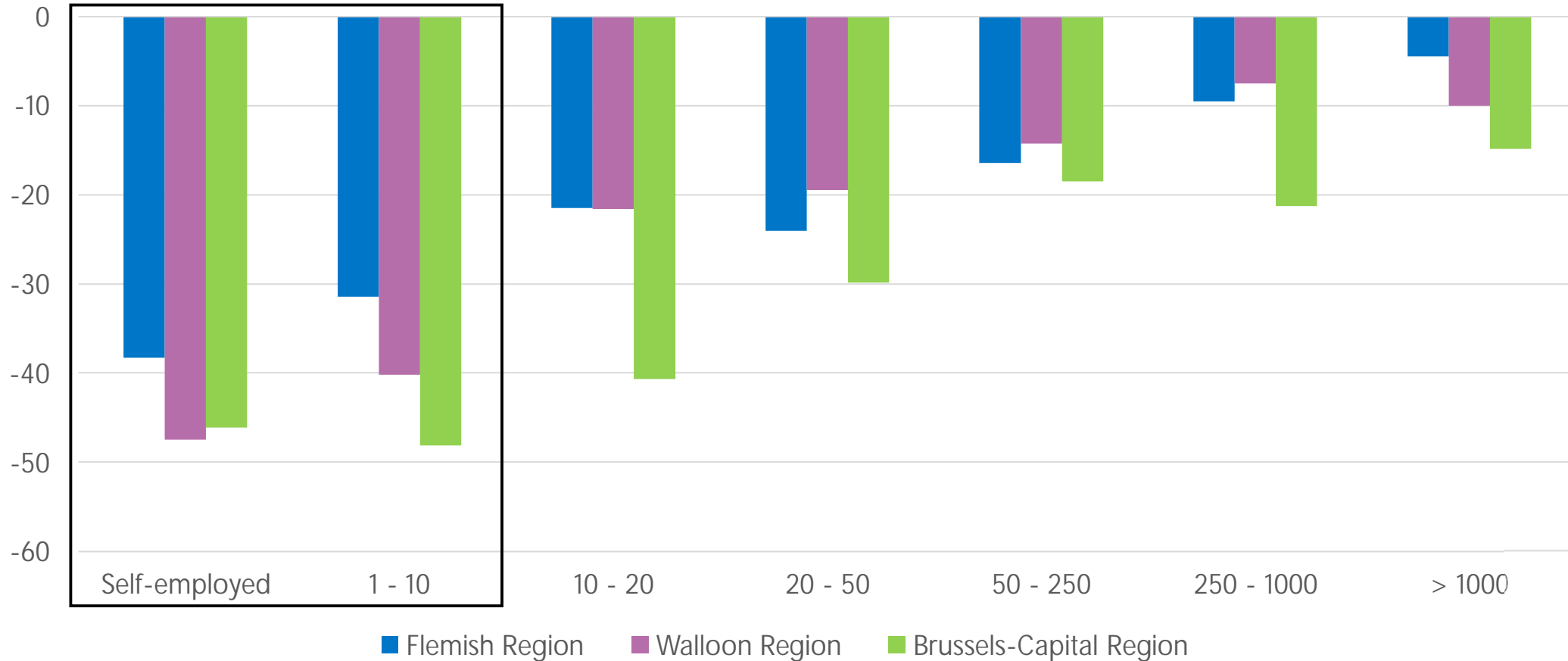
Throughout the pandemic the self-employed and smallest firms have been suffering the greatest losses

Reported COVID-19 impact on weekly turnover, by number of employees
(in %, unweighted average¹)



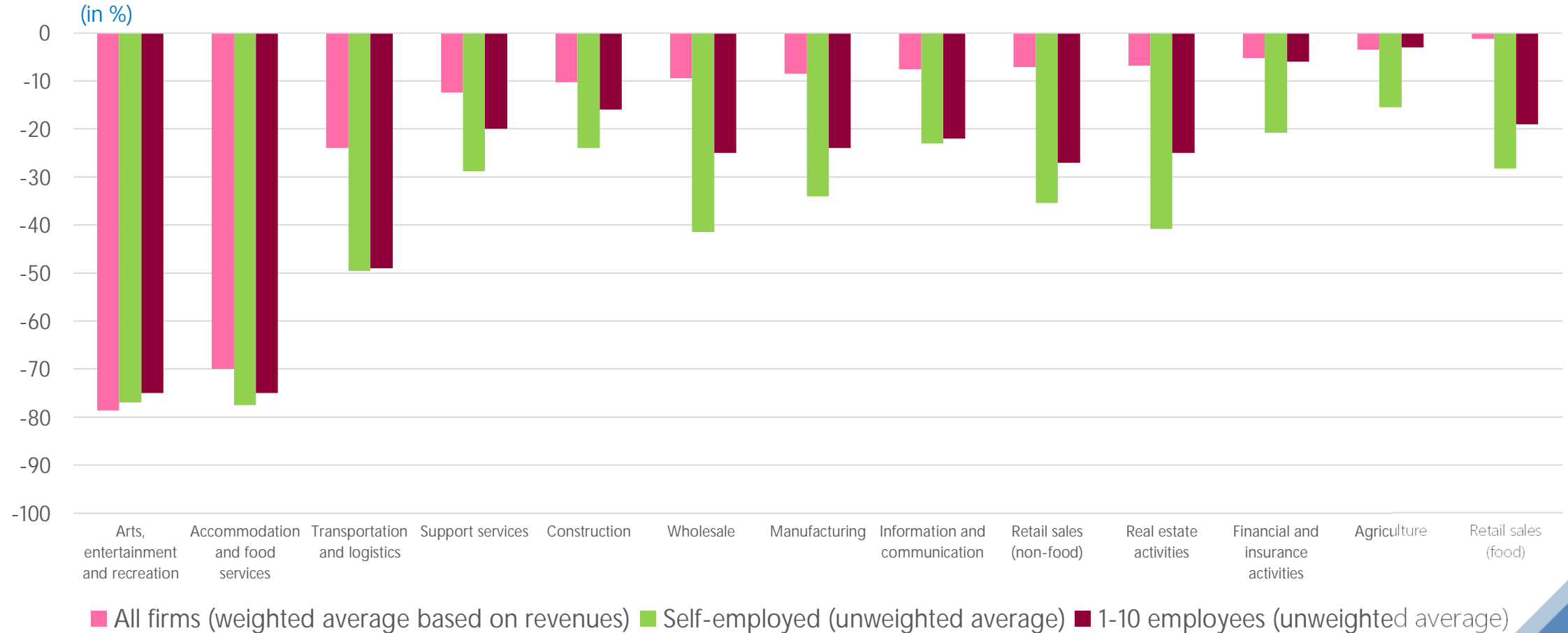
The January revenue loss of the self-employed and the smallest firms is larger in Wallonia and Brussels

Reported impact on weekly turnover by number of employees (survey 12 January)
(in %, unweighted average¹)



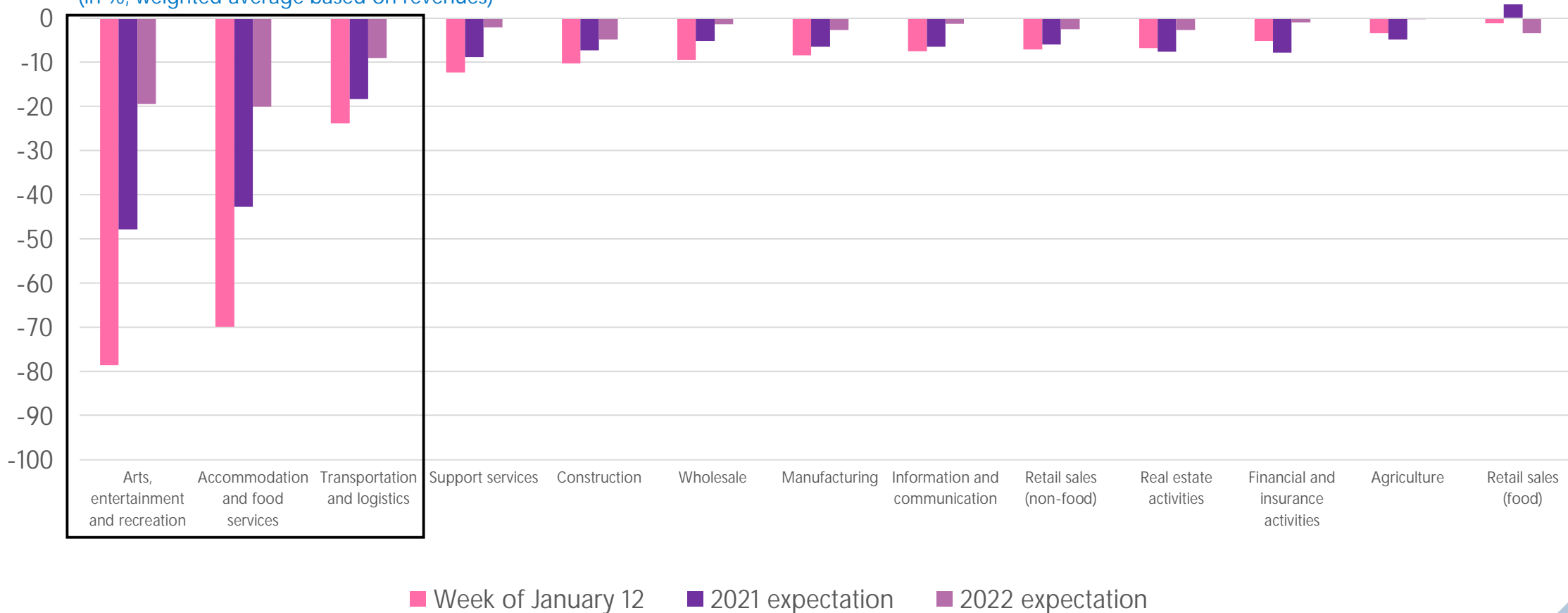
Also within each industry, average revenue losses are much larger for the self-employed and the smallest firms

COVID-19 impact on current turnover (survey 12 January)



Revenues are expected to improve in 2021 and 2022 in most industries but a persistent loss remains, especially for the worst-hit ones

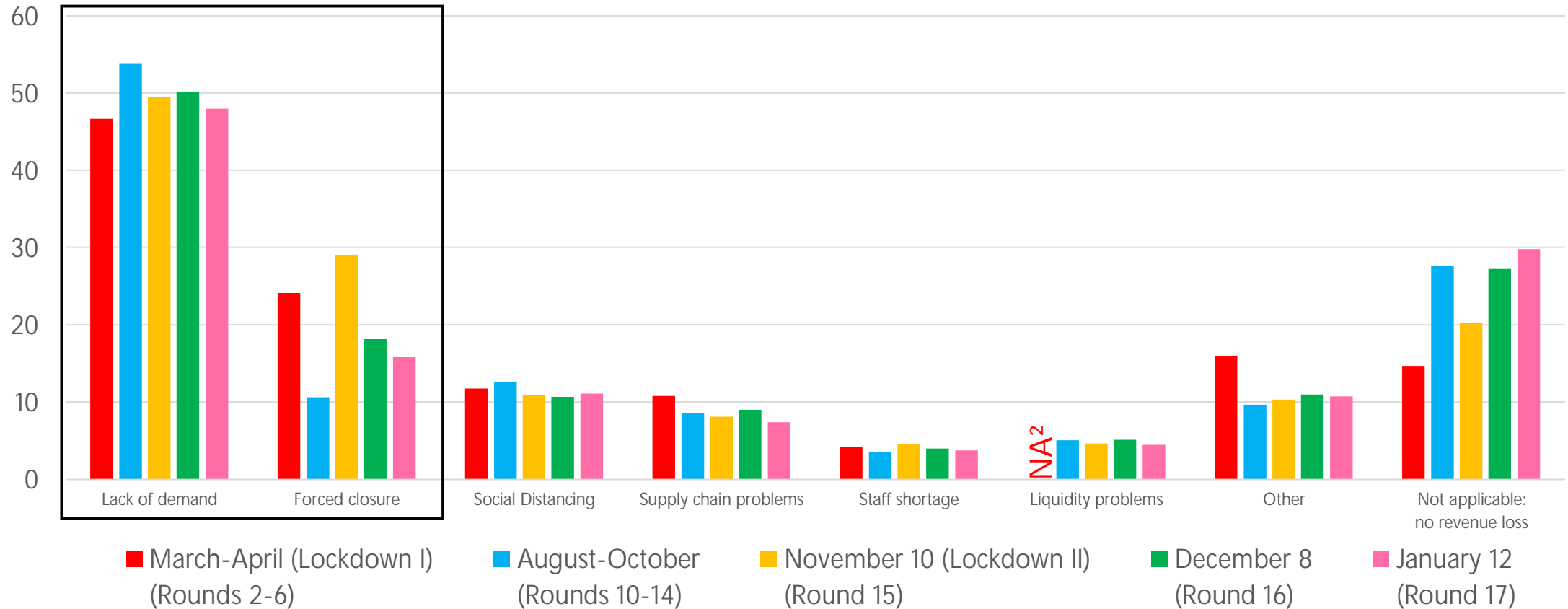
Expected COVID-19 impact on current turnover and on turnover in 2021 and 2022 (survey 12 January)
(in %, weighted average based on revenues)



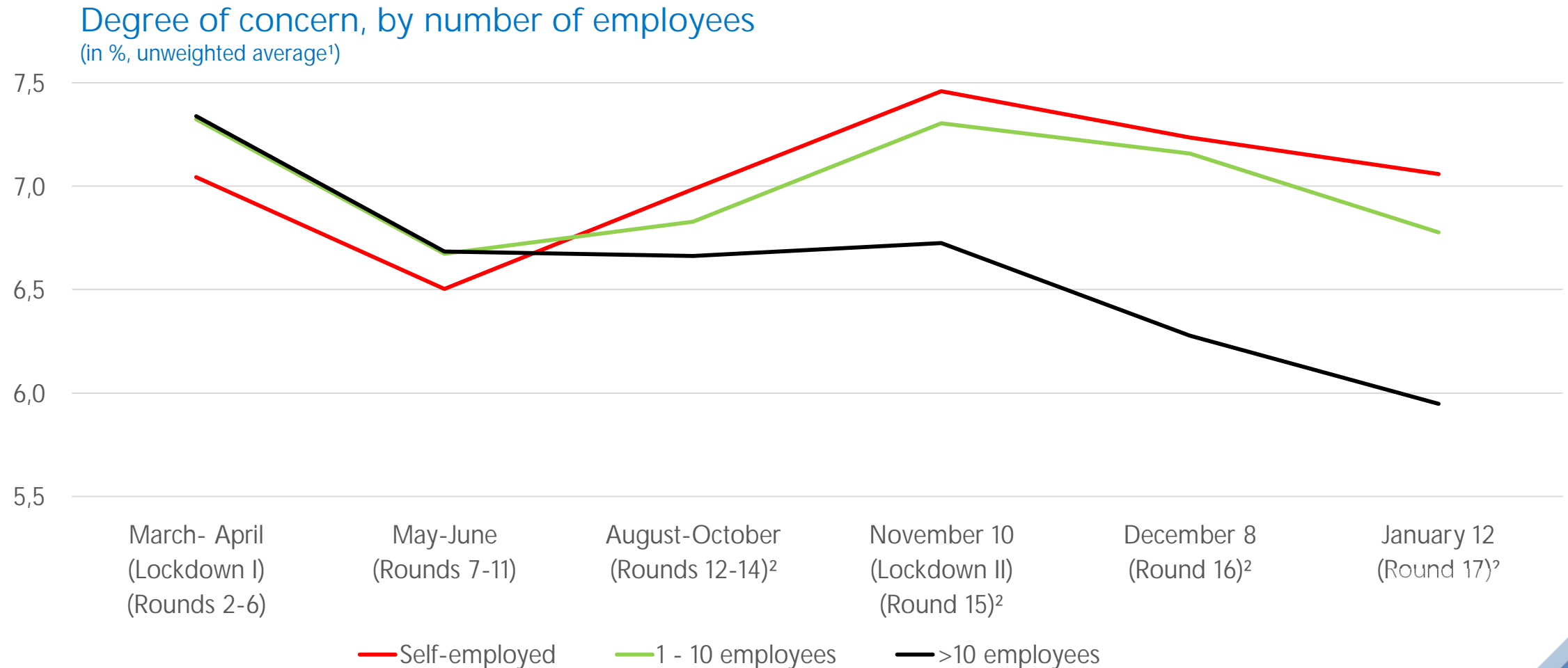
Lack of demand and the forced closure remain the key reasons for the current revenue loss, even though they are cited slightly less in January

Reasons for the current revenue loss

(in % of responding firms¹, multiple reasons are possible)



Degree of concern has further declined, but it remains elevated for the self-employed and smallest firms



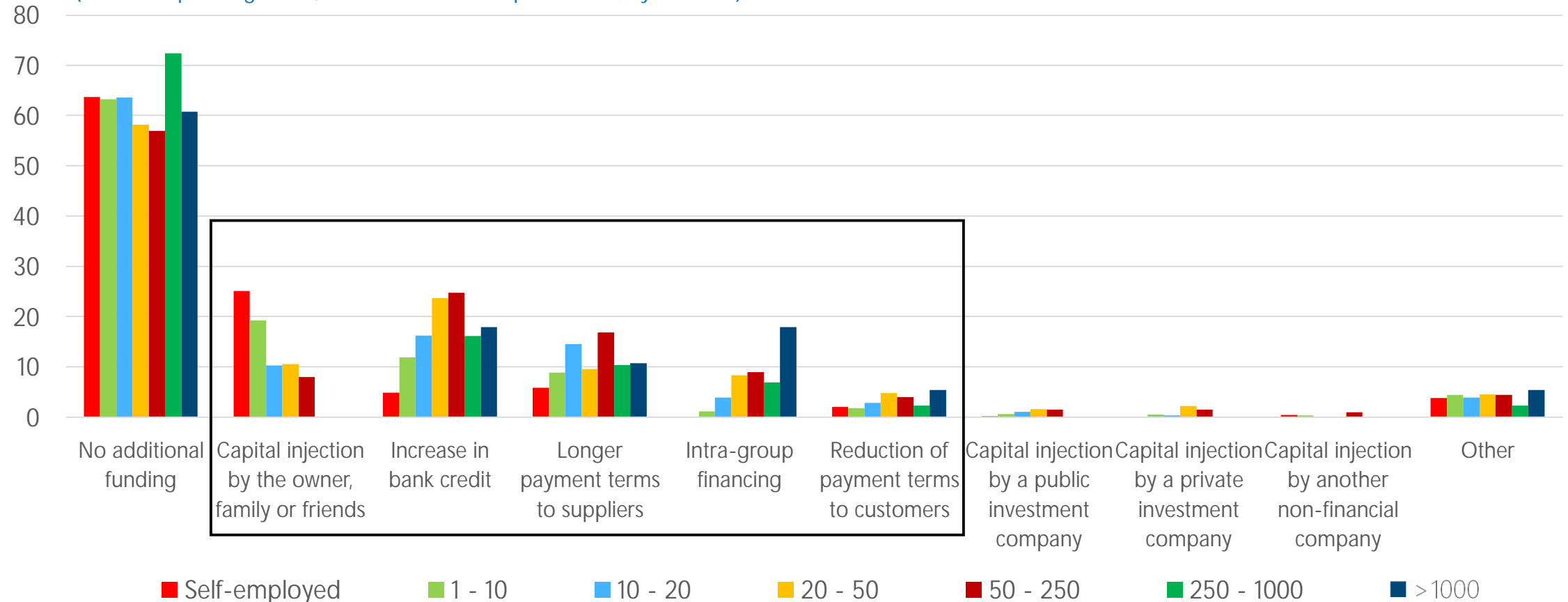
The average firm expects its investment to be about 20 % below normal in 2021 and still about 10 % below normal in 2022

COVID-19 impact on expected investment in 2021 and 2022 (survey 12 January)
(in %, unweighted average¹)



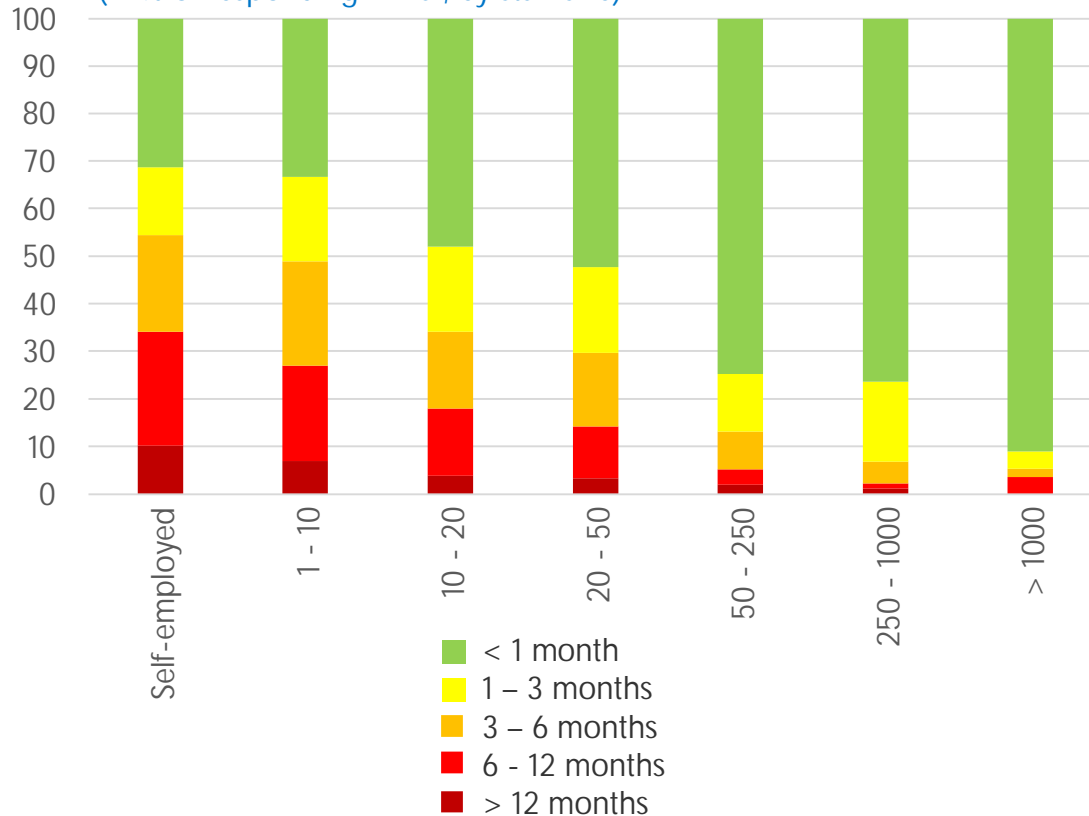
Additional financing sources since March differ by firm size

Additional financing sources (in addition to support measures) used since March 2020 (survey 12 Jan.)
(in % of responding firms¹, who can select multiple sources; by staff size)

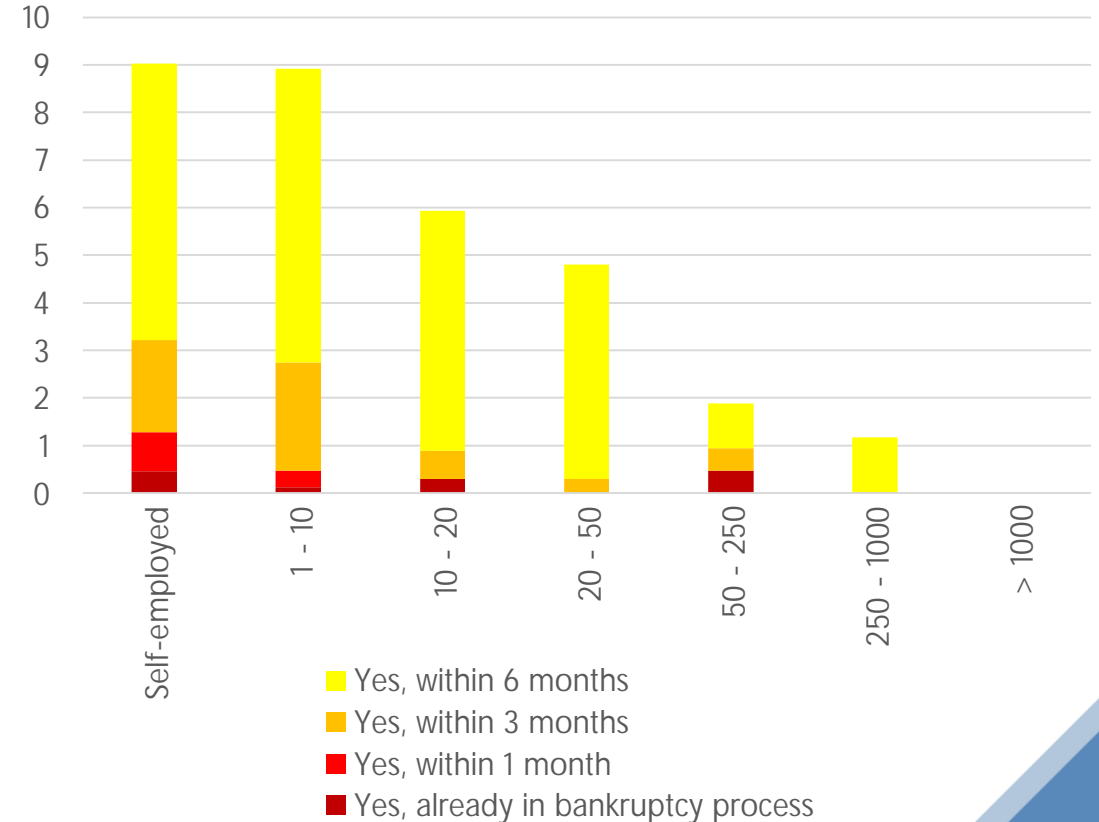


Many small firms still need additional financing in the short run and many also expect to go bankrupt

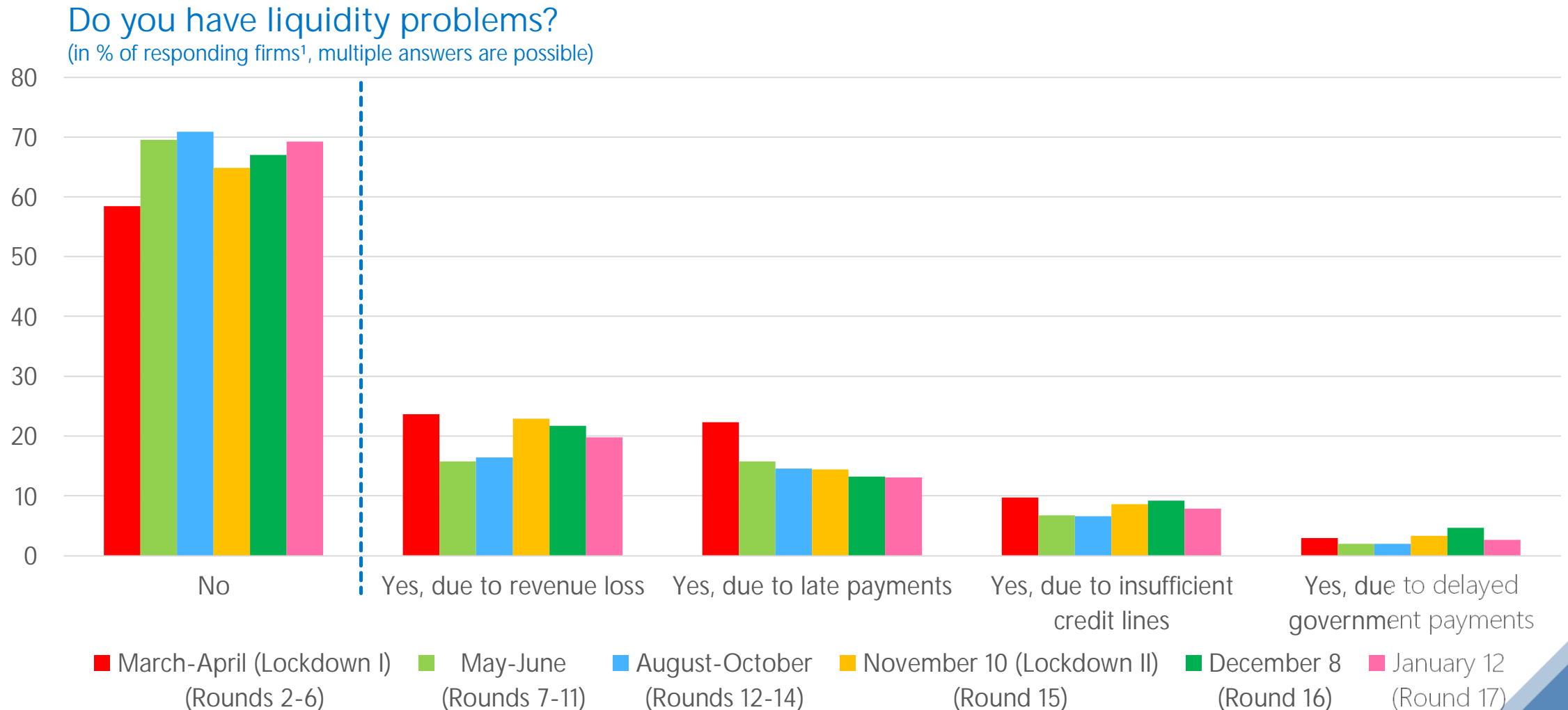
How long can you still meet your current financial obligations without having to rely on additional capital injections or additional loans? (survey 12 January)
(in % of responding firms¹, by staff size)



Do you expect bankruptcy proceedings within the next 6 months? (survey 12 January)
(in % of responding firms¹, by staff size)

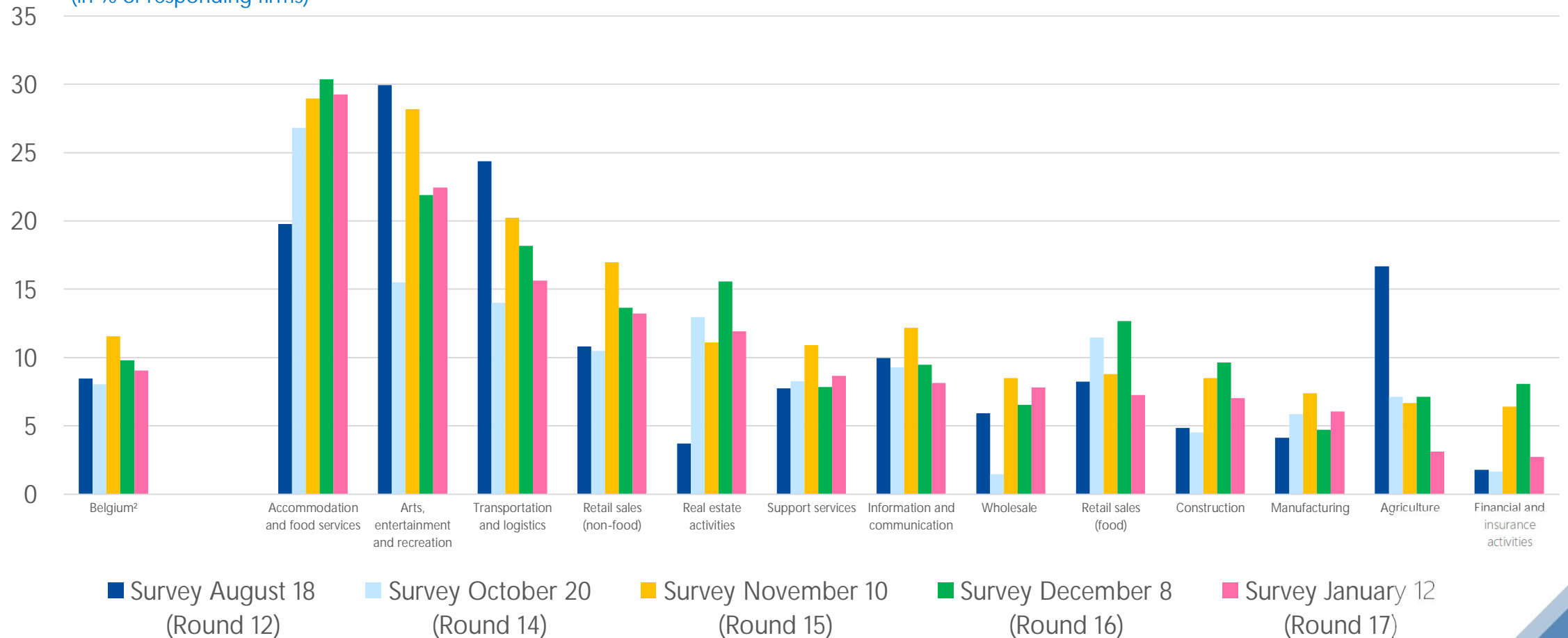


One in three firms faces liquidity problems, even though this has improved after the deterioration in November



Bankruptcy risk has decreased in January but remains elevated ...

Firms that consider bankruptcy to be likely or highly likely¹
(in % of responding firms)



Source: ERMG survey, latest available data: 12 January 2021.

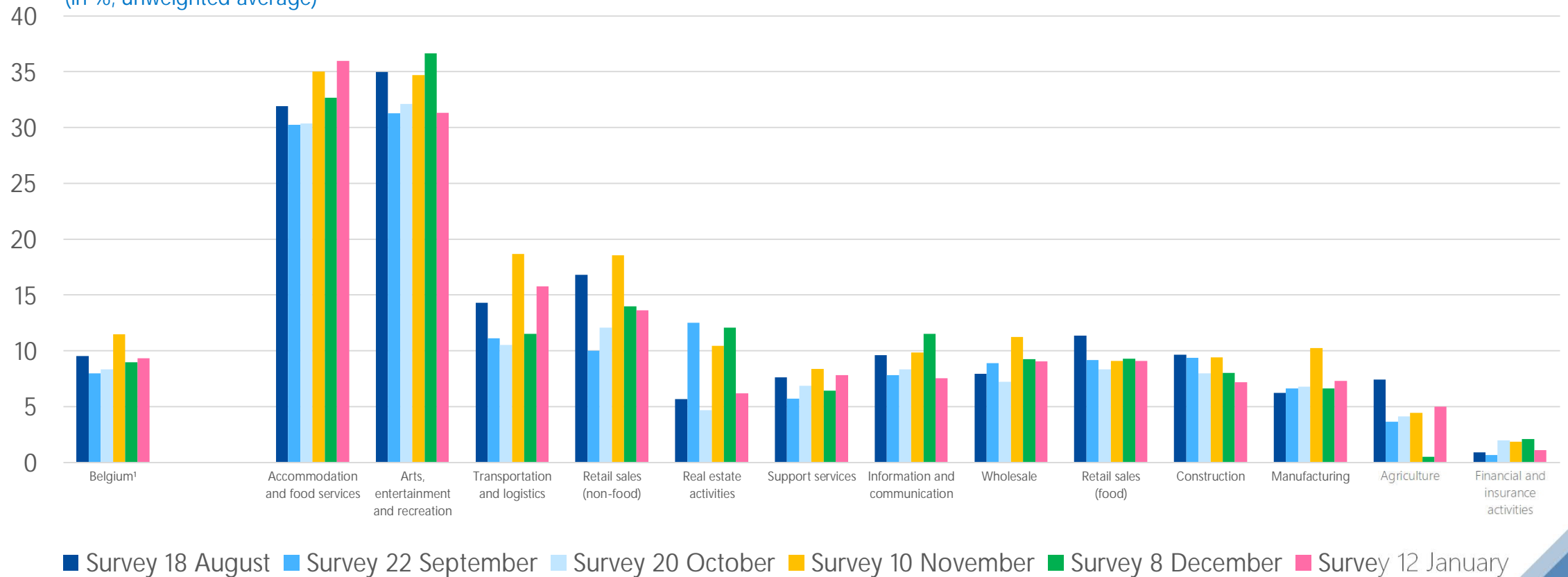
¹ The results of the September survey were left out as the sample was not representative (small firms based in Wallonia and Brussels, which regard the risk of bankruptcy as higher, were much less represented in that survey).

² Weighted average based on the industry value added.

... and firms estimate that almost 10 % of companies in their industry are currently in a bankruptcy process or already went bankrupt

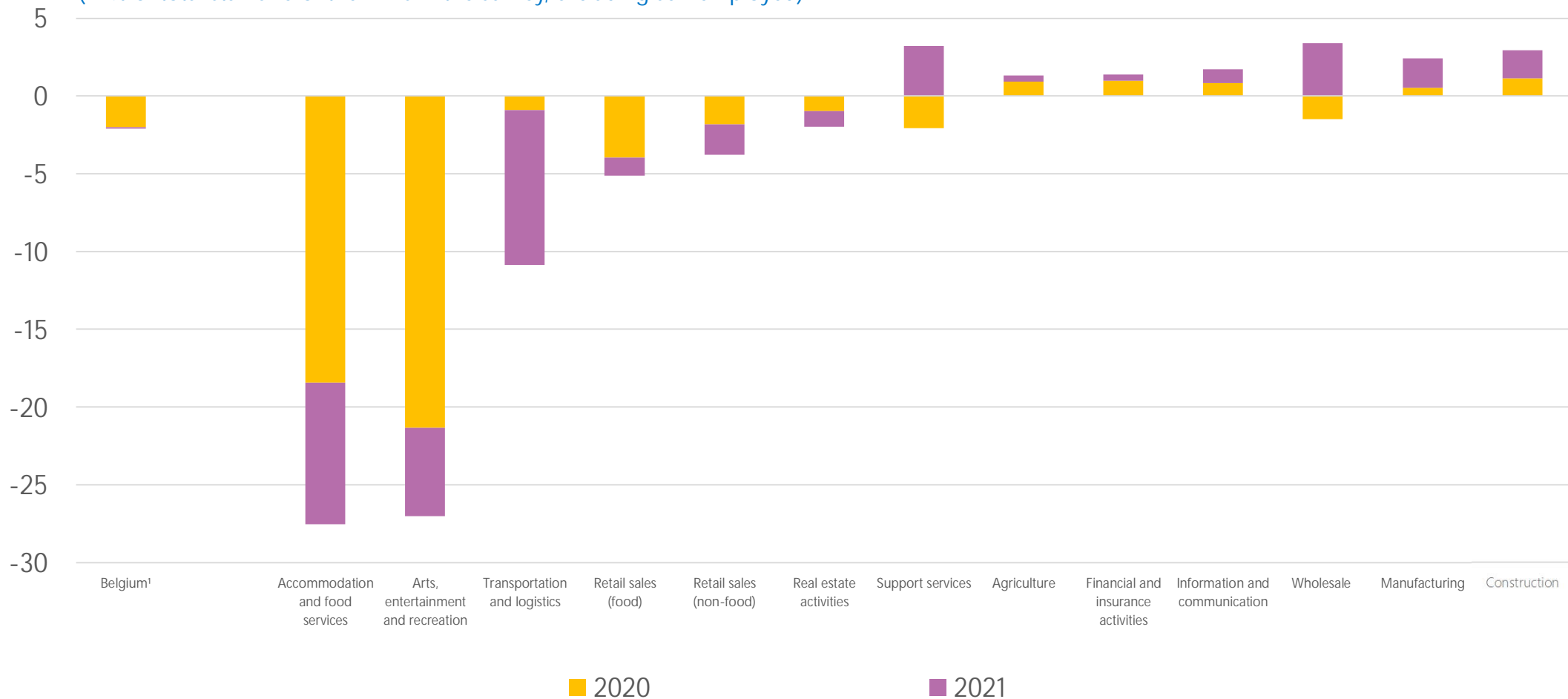
Estimate of respondents on the proportion of companies in their sector that already are currently in a bankruptcy process or that already went bankrupt

(in %, unweighted average)



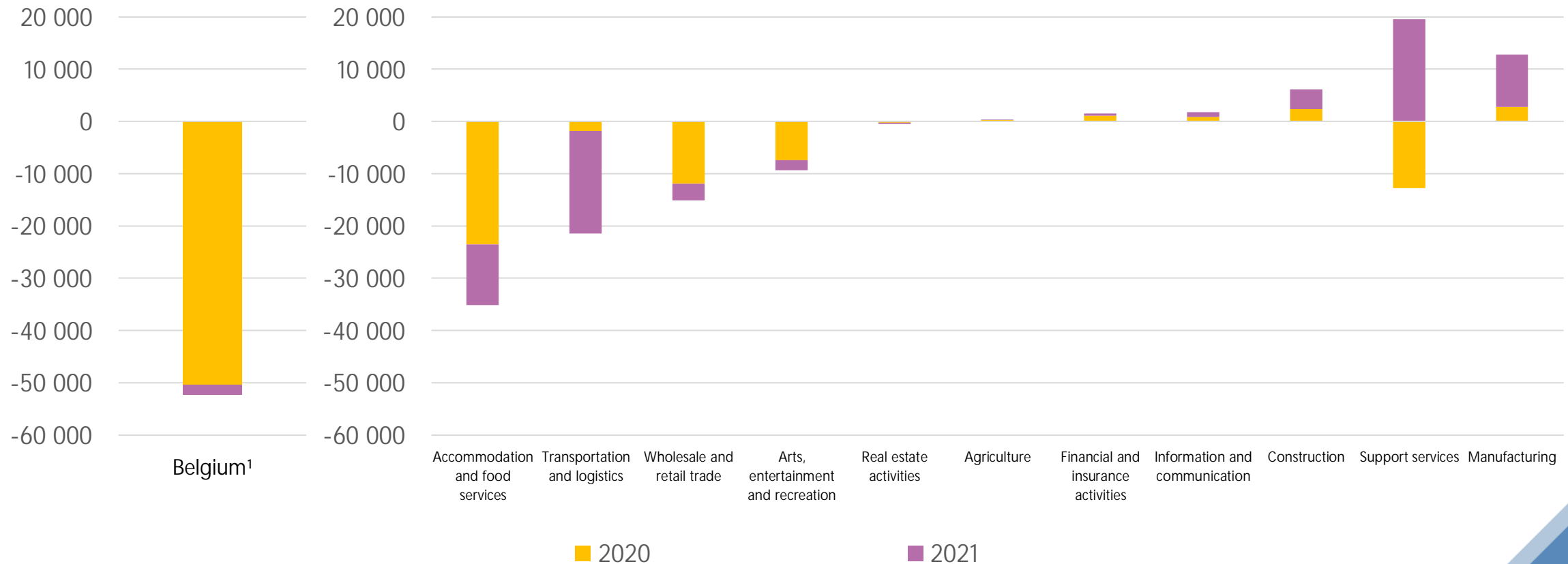
After a decline in 2020, the number of employees in the private sector is expected to remain stable in 2021 in net terms ...

Expected change in staff size in 2020 and 2021 (survey 12 January)
(in % of total staff size of the firms in the survey, excluding self-employed)



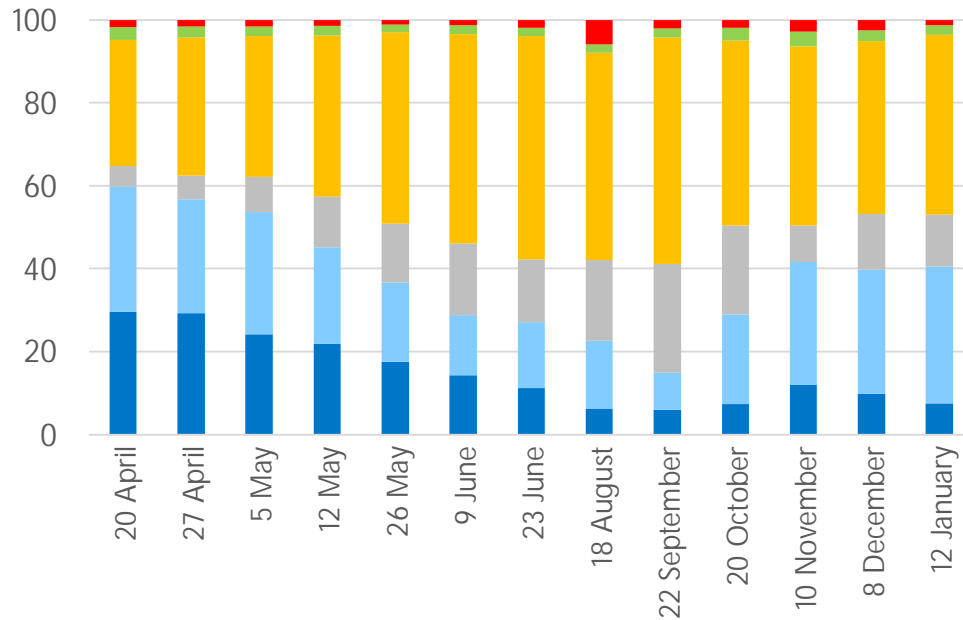
... as net lay-offs in 2021 in some industries can be offset by planned net hiring in other industries

Expected change of staff size in 2020 and 2021 (survey 12 January)
(in number of employees, excluding self-employed)

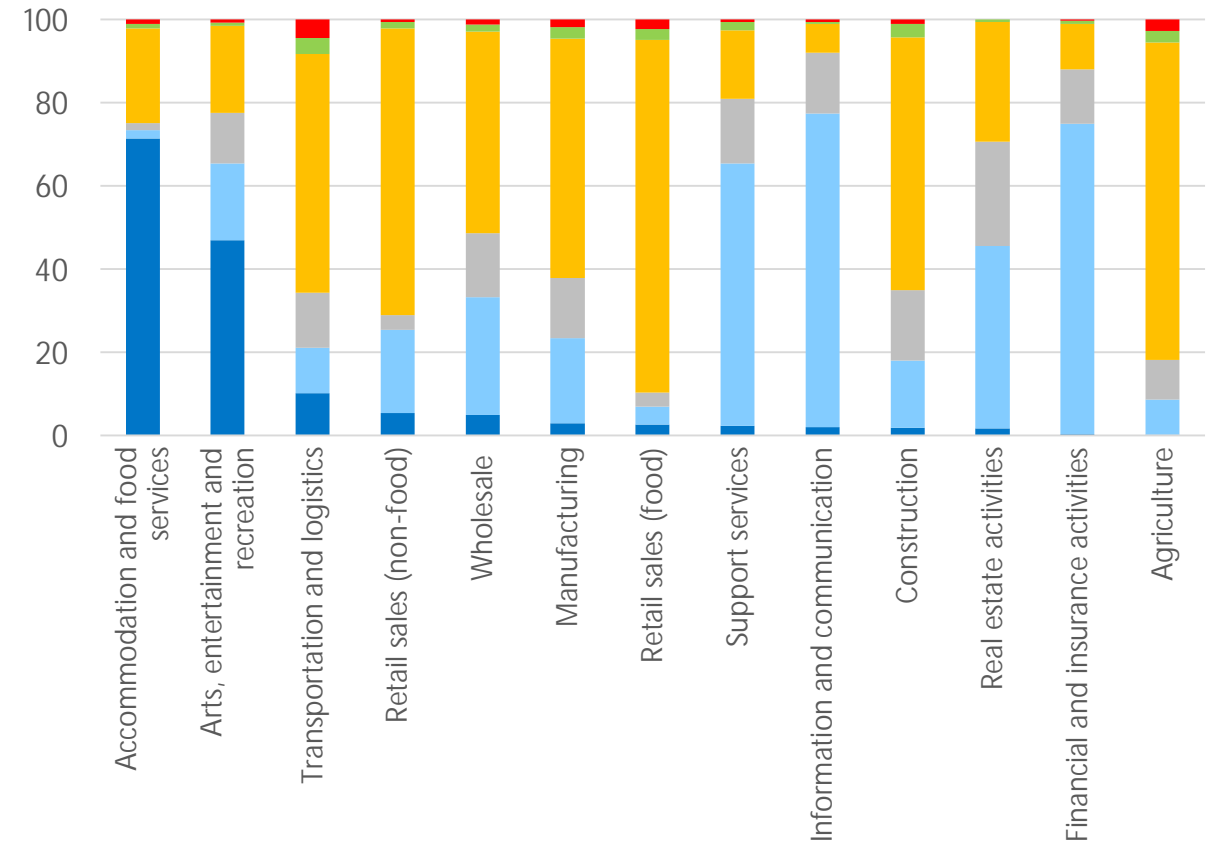


The number of employees in full-time telework has further increased, while the number of temporary unemployed has declined

Workforce organisation over time, Belgium¹
(in % of total staff size of the firms in the survey, excl. self-employed)



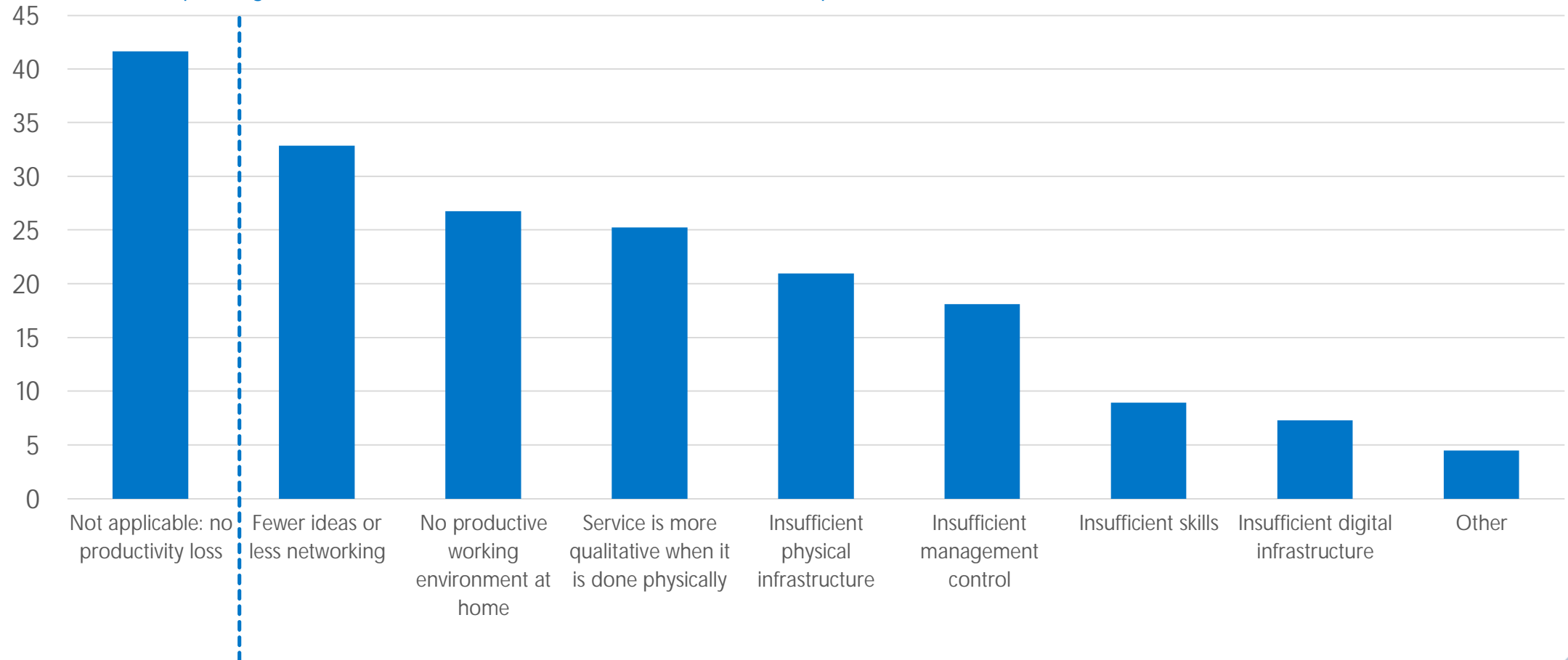
Workforce organisation by industry (survey 12 Jan.)
(in % of total staff size of the firms in the survey, excl. self-employed)



■ temporarily unemployed
 ■ telework
 ■ mix telework/workplace
 ■ at workplace
 ■ sick leave
 ■ on leave

The productivity loss due to the current teleworking is traced back to different elements

Reasons for reduced employee productivity due to teleworking in its current form (survey 12 January)
(in % of responding firms (excl. firms without telework)¹; firms can select multiple reasons)

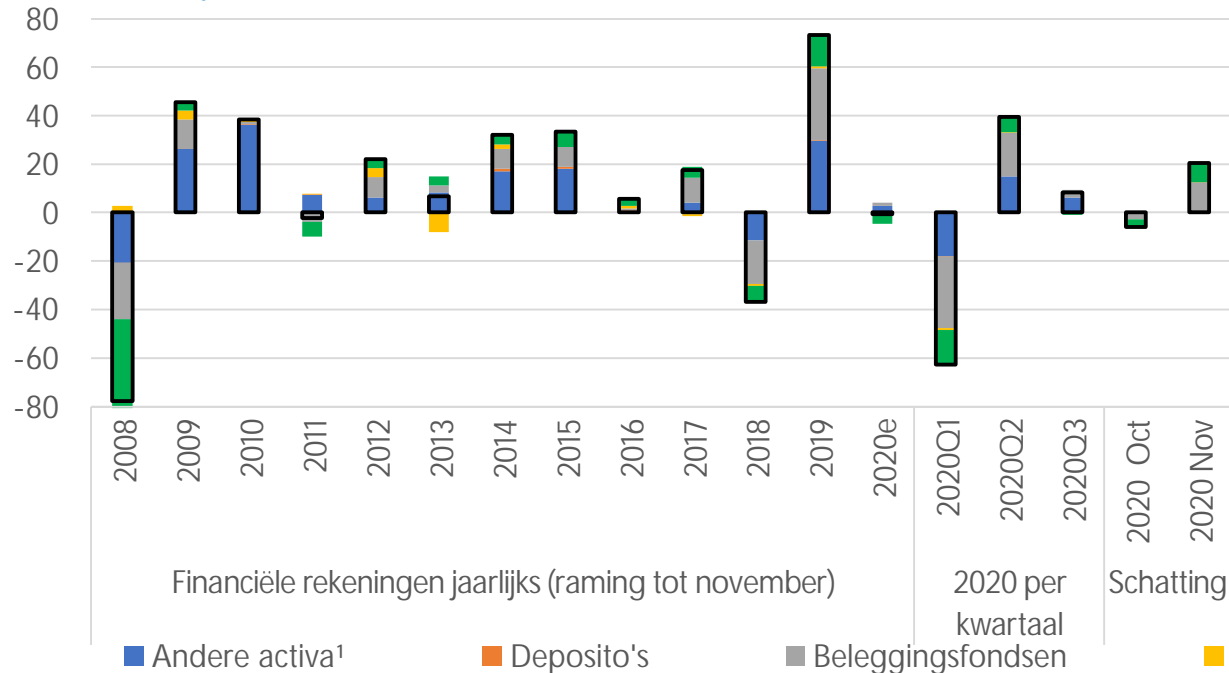


The background of the slide features a large, detailed illustration of a coronavirus particle in the center, with several smaller, less detailed particles scattered around it. The particles are depicted with a textured, spherical surface and numerous protruding spike proteins. The entire scene is set against a light blue gradient background.

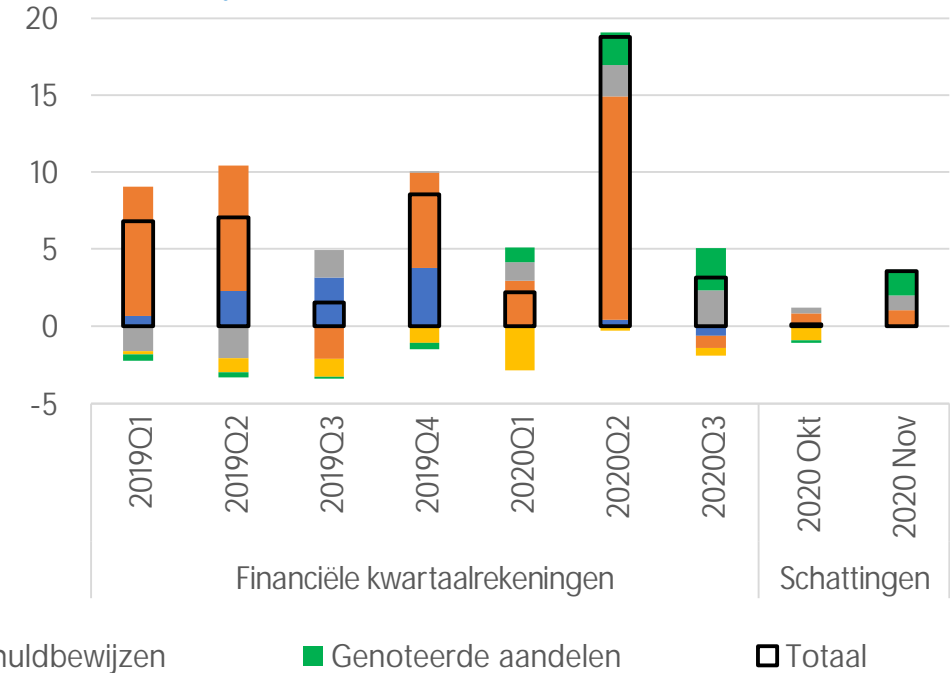
Credit indicators households

Waardeverminderingen in 2020Q1 van de financiële activa van de particulieren hersteld tegen einde 2020 – verhoogd sparen in 2020

Financiële activa van de particulieren:
revaluaties
(in € miljard)



Financiële activa van de particulieren:
transacties
(in € miljard)



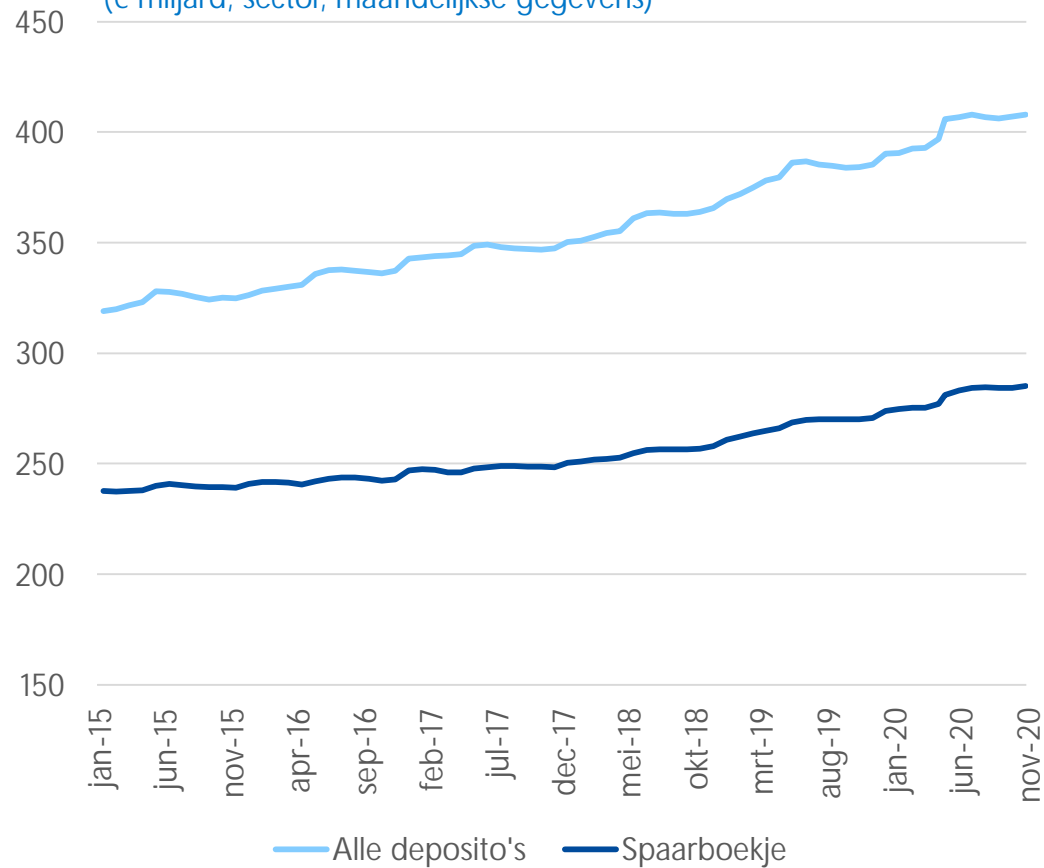
- ◆ In 2020Q1 veroorzaakte de sterke daling in de beurskoersen waardedalingen in de financiële activa van de particulieren voor 62,8 miljard euro. Door het herstel van de beurzen in 2020Q2, 2020Q3 en vooral in november zijn de waardedalingen uit het eerste kwartaal zo goed als volledig hersteld tegen einde 2020. Negatieve prijseffecten waren beduidend hoger tijdens de financiële crisis van 2008.
- ◆ p.m. de totale financiële activa van de particulieren bedroegen 1 419 miljard eind september 2020.

- ◆ De transacties in financiële activa van de particulieren in 2020Q2 tonen forse investeringen voor totaal 18,4 miljard euro, voornamelijk door de stijging van de deposito's, illustratief voor het "geforceerd sparen" van de gezinnen tijdens de lock down. De netto-investeringen in beleggingsfondsen en vooral in genoteerde aandelen bleven ook op een hoog niveau in 2020Q3, evenals in de maand november.

Deposito's van Belgische huishoudens

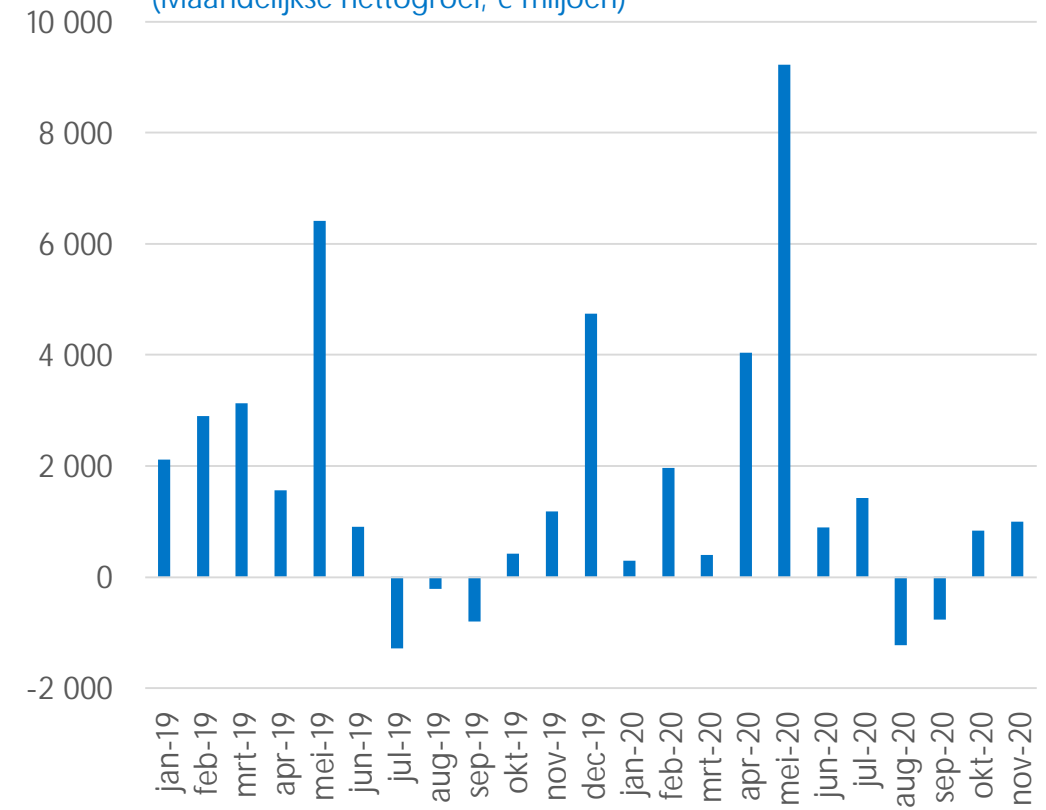
Deposito's Belgische huishoudens

(€ miljard, sector, maandelijkse gegevens)



Alle deposito's

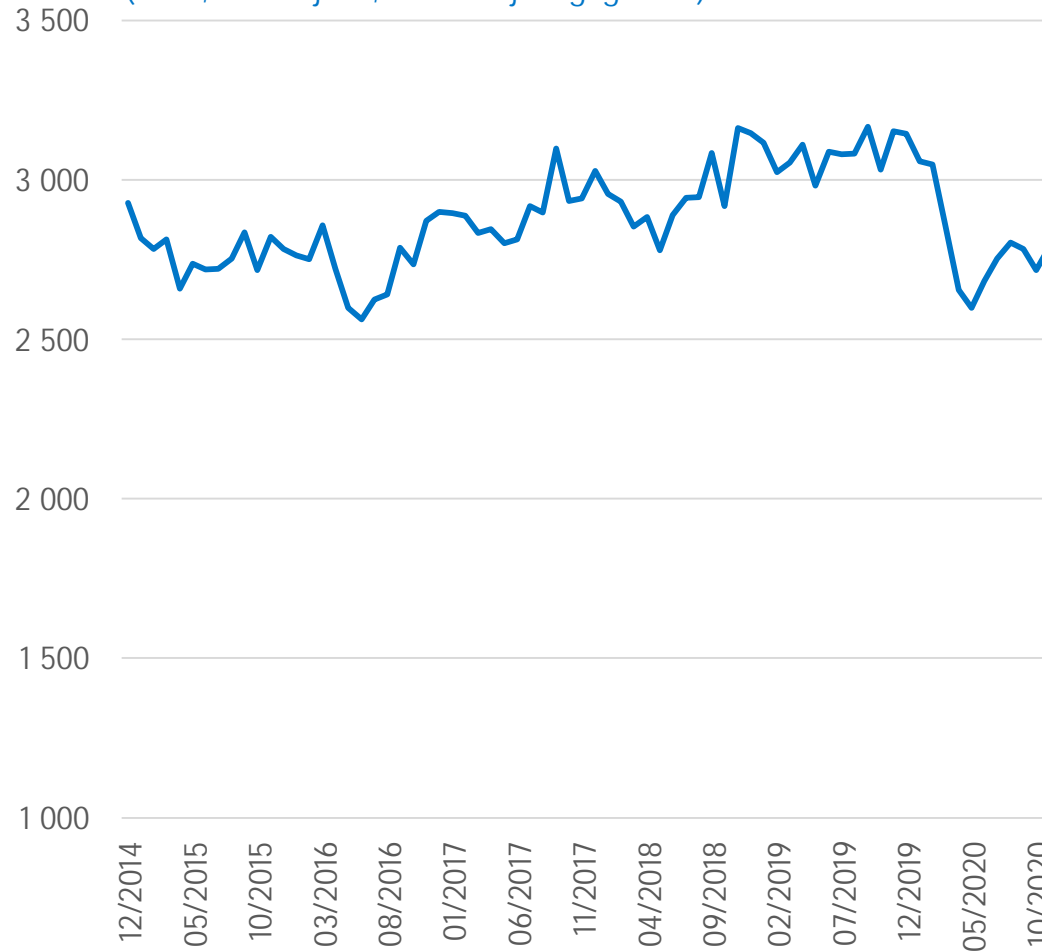
(Maandelijke nettogroei, € miljoen)



Negatieve saldi op rekeningen / kredietkaarten

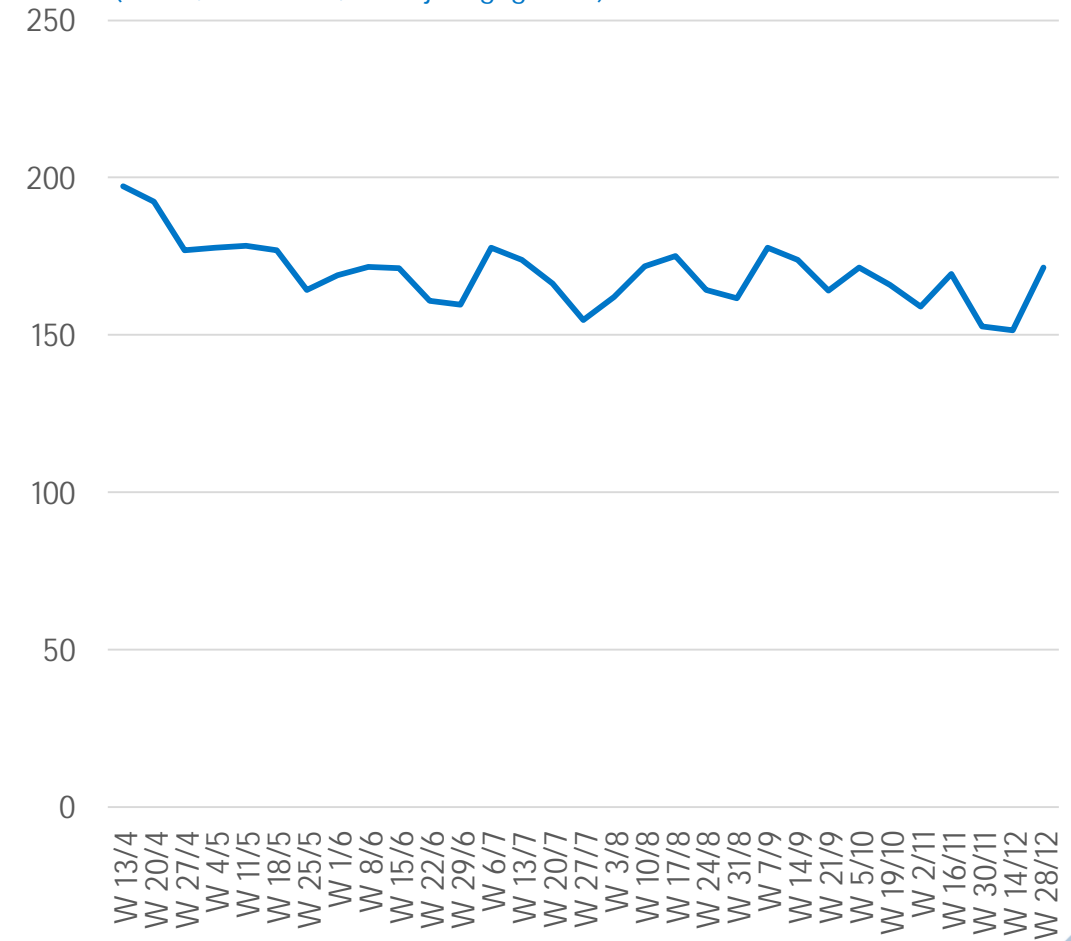
Negatieve saldi op rekeningen

(stock, in € miljoen, maandelijkse gegevens)

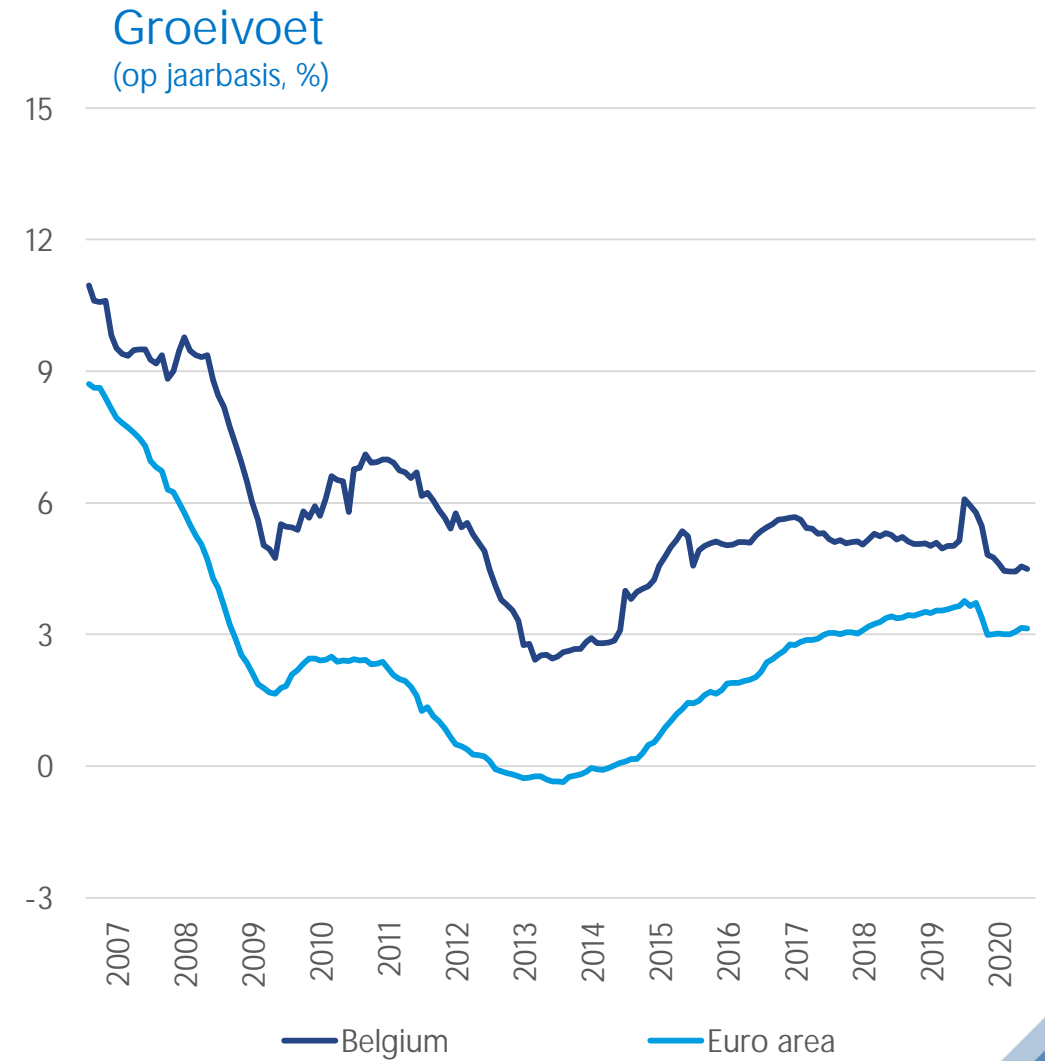
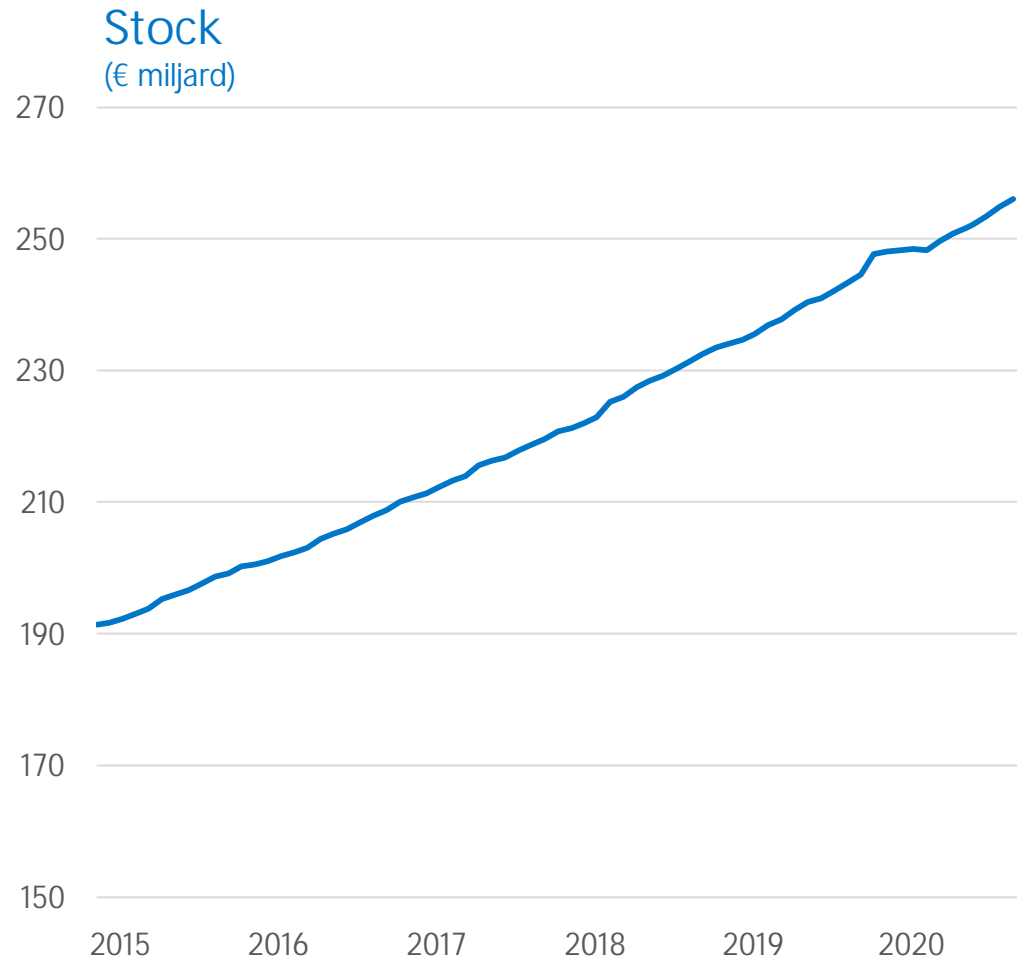


Aantal rekeningen "teveel in het rood"

(aantal, in duizend, wekelijkse gegevens)



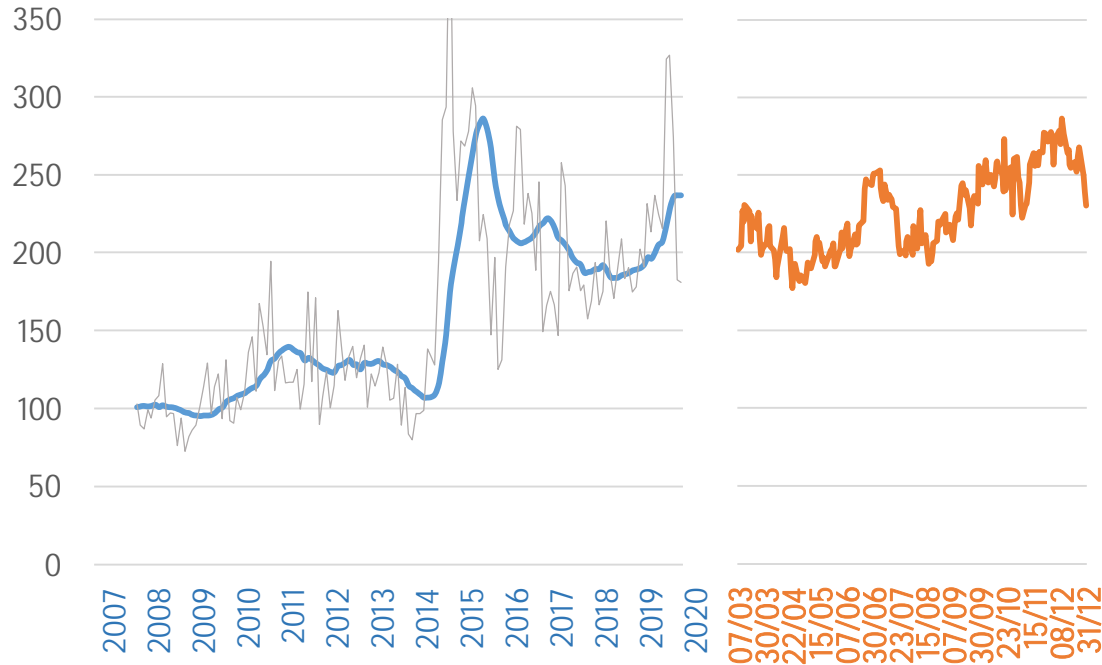
Bankkredieten van Belgische huishoudens



Hypotheekleningen: nieuwe leningen en wanbetalingsgraad

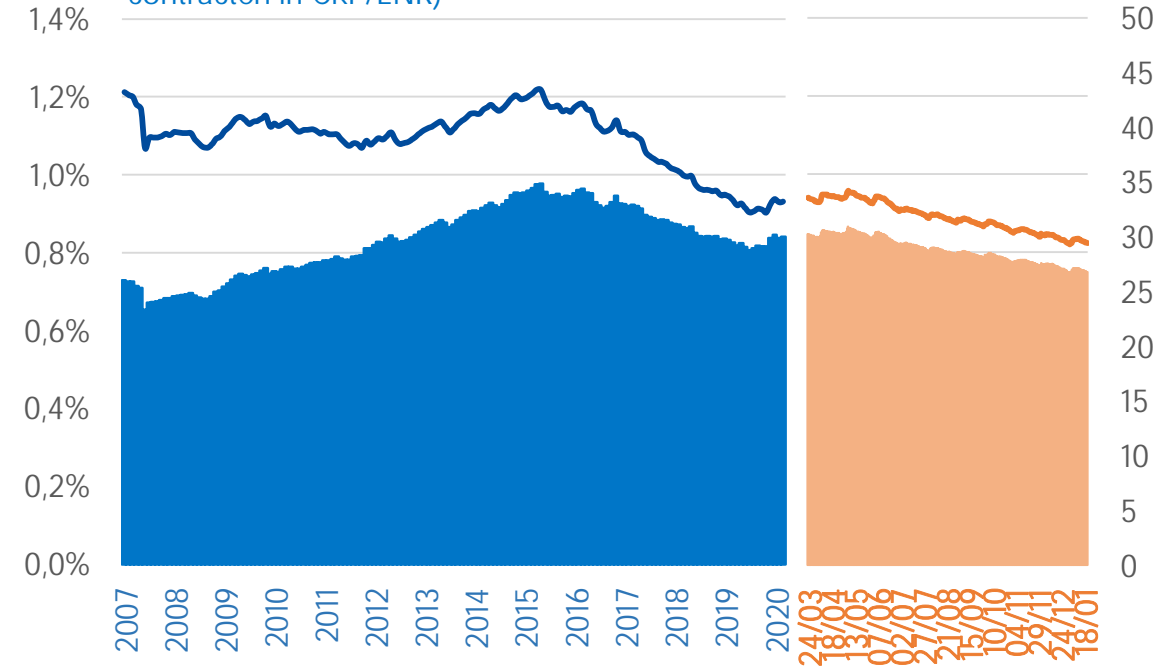
Nieuwe leningen

(geregistreerd bedrag per werkdag in CKP, in € miljoenen)



Wanbetalingsgraad

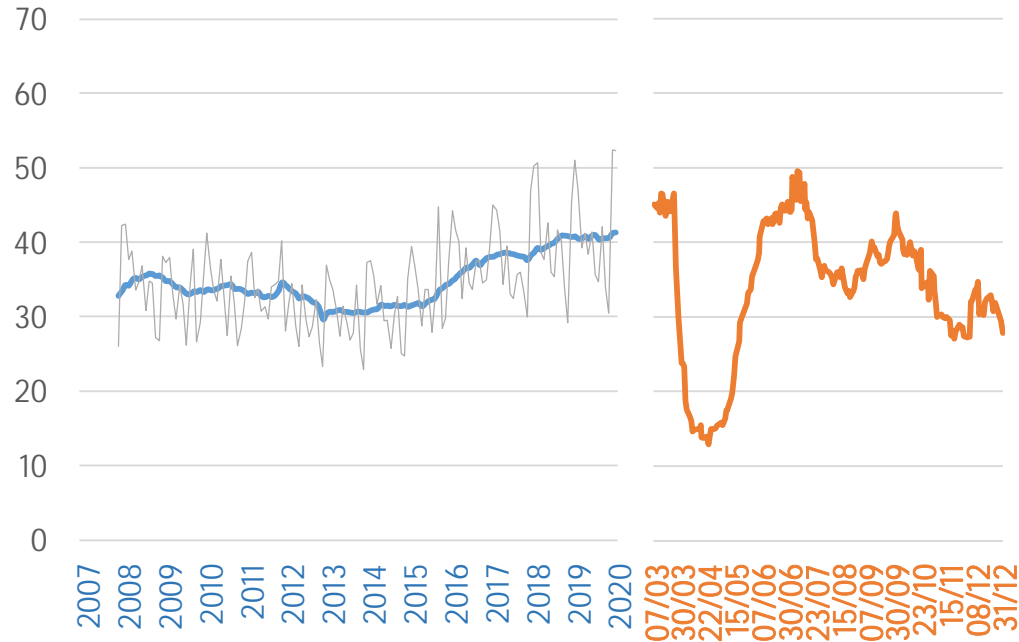
(Aantal uitstaande achterstallige contracten, % van alle uitstaande contracten in CKP/ENR)



Consumentenkredieten¹: nieuwe leningen en wanbetalingsgraad

Nieuwe leningen

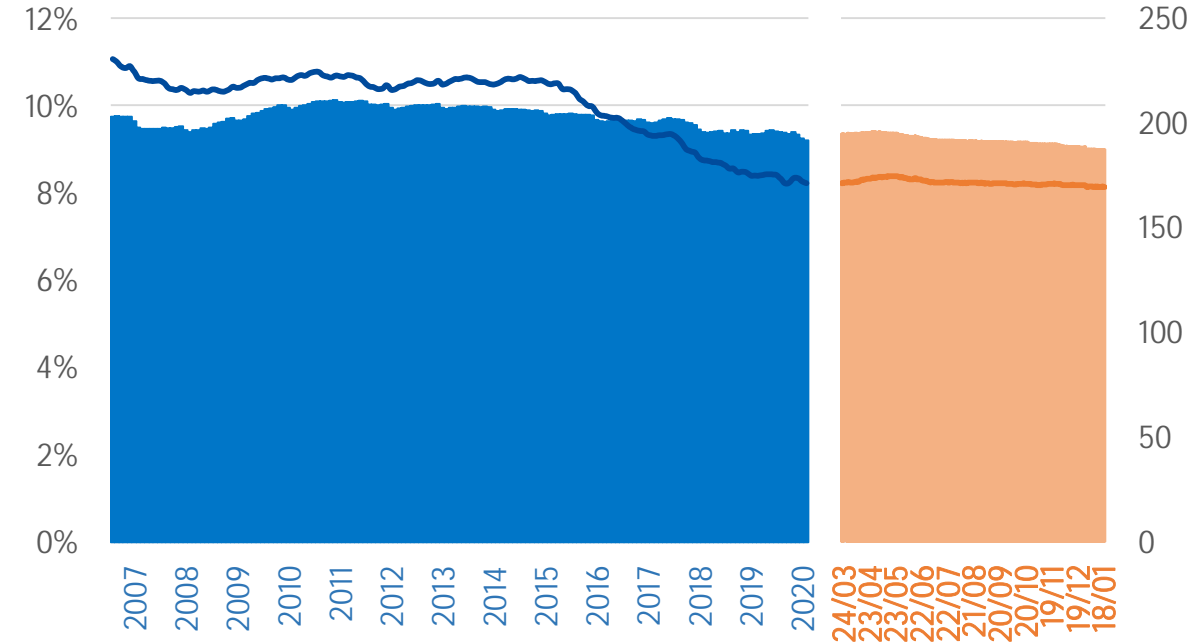
(geregistreerd bedrag per werkdag in CKP, in € miljoenen)



- Gemiddelde per werkdag over de laatste 12 maanden
- Gemiddelde per werkdag over de laatste maand
- Gemiddelde per werkdag over de laatste 5 werkdagen

Wanbetalingsgraad

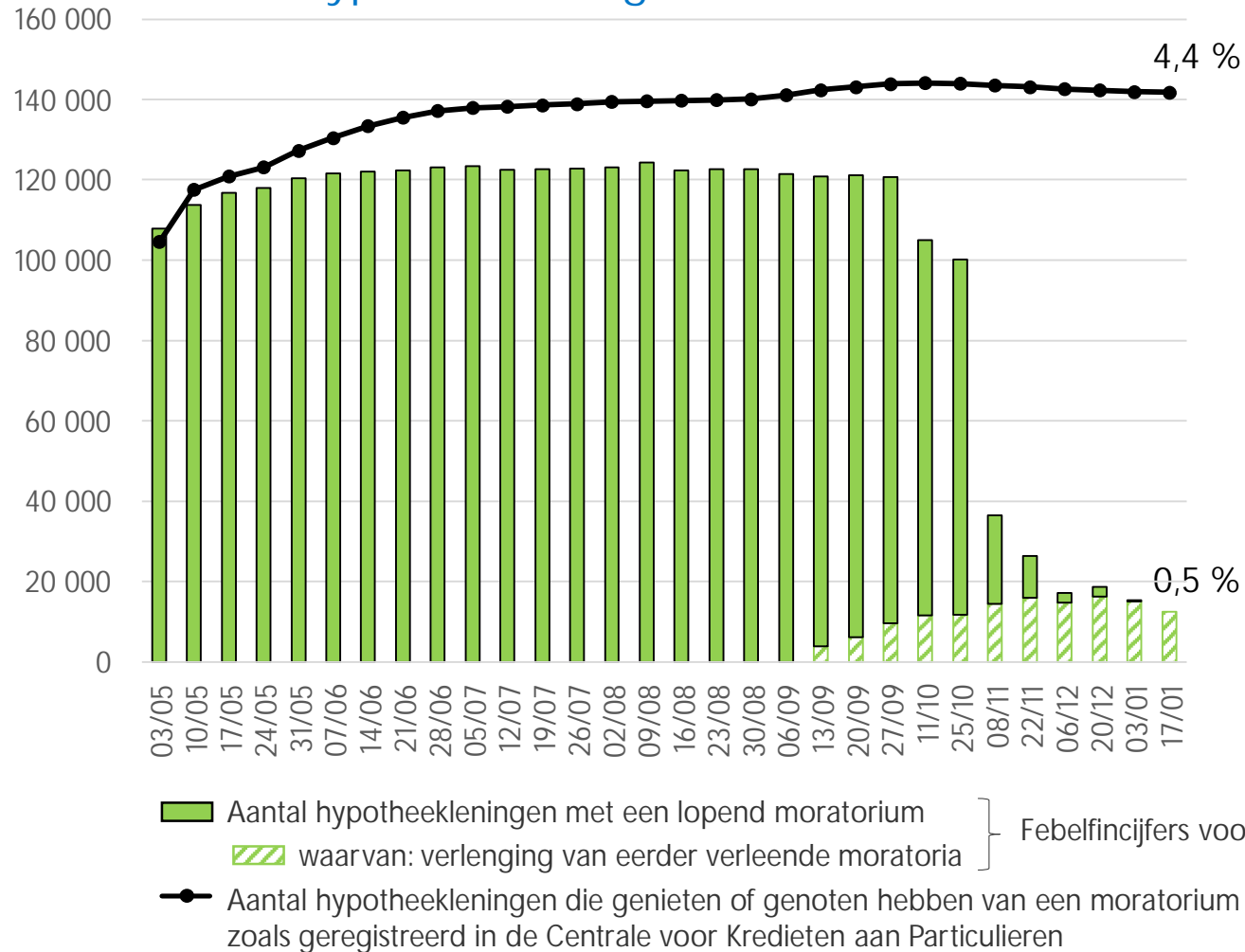
(Aantal uitstaande achterstallige contracten, % van alle uitstaande contracten in CKP/ENR)



- Aantal uitstaande achterstallige contracten (maandelijkse gegevens, rechterschaal in duizenden)
- Wanbetalingsgraad (maandelijkse gegevens, linkerschaal in %)
- Aantal uitstaande achterstallige contracten (dagelijkse gegevens, rechterschaal in duizenden)
- Wanbetalingsgraad (dagelijkse gegevens, linkerschaal in %)

Moratoria voor leningen aan gezinnen

Aantal hypotheekleningen onder moratorium



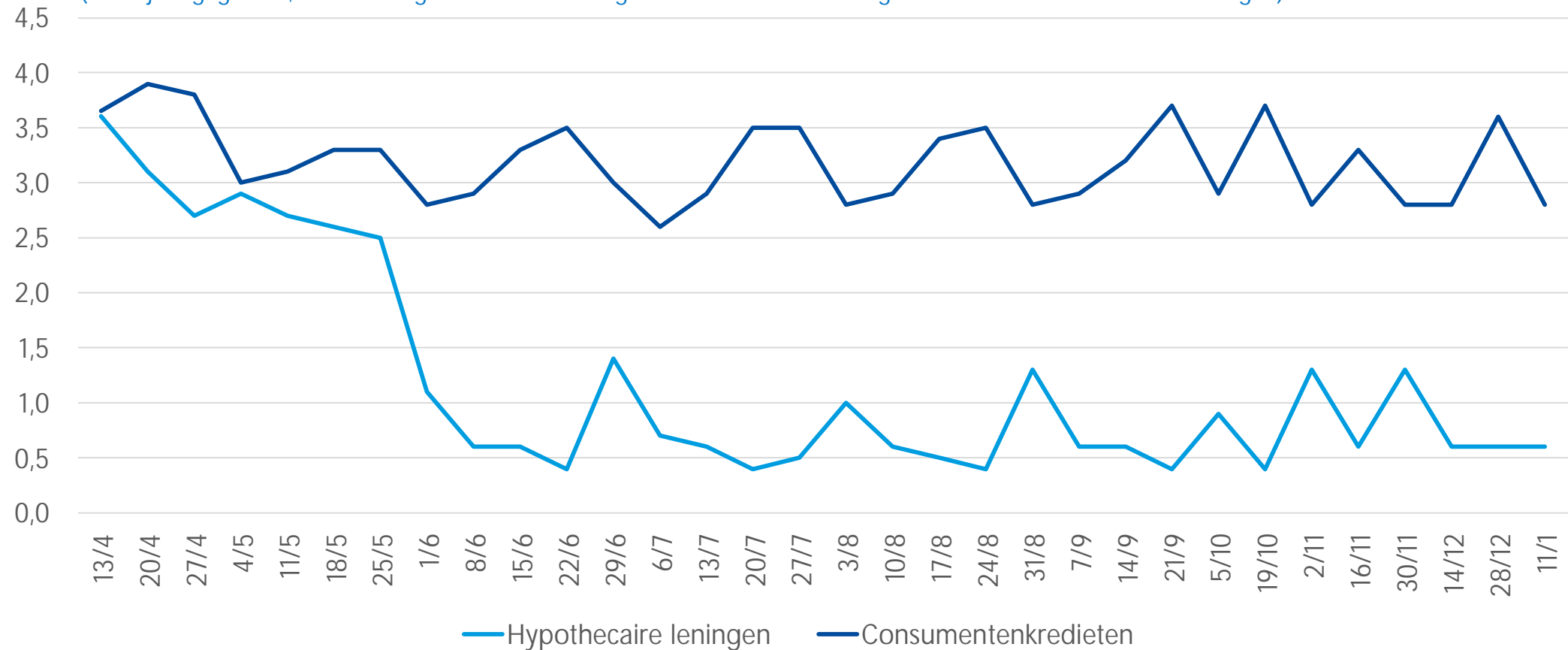
◆ Aantal **consumentenleningen** die genieten of genoten hebben van een moratorium zoals geregistreerd in de Centrale voor Kredieten aan Particulieren (op 17 januari)

◆ 8 247 leningen

◆ waarvan 7 991 leningen op afbetaling
(0,4 % van alle leningen op afbetaling)

Achterstanden bij leningen aan huishoudens stabiel sinds juni

Betalingsachterstand (1-30 dagen) op hypothecaire leningen en consumentleningen
(wekelijkse gegevens, aantal leningen met een betalingsachterstand van 1-30 dagen als % van het totaal aantal leningen)



The background of the slide features a large, detailed illustration of a coronavirus particle, characterized by its spherical shape and numerous spike proteins extending from its surface. The particle is rendered in a light blue and white color scheme, giving it a translucent, ethereal appearance. It is centered on the slide, with several other smaller, less detailed virus particles visible in the background, creating a sense of depth and scale. The overall aesthetic is clean and professional, with a focus on the central virus particle.

Credit indicators corporates

Impact of the COVID-19 crisis on lending to non-financial corporations (NFCs)

◆ Credit developments: (see next slides)

- ◇ While annual NFC growth of utilised loans had accelerated in March and April (in large part due to drawdowns of credit lines by multinationals), it has slowed since May.
- ◇ The annual growth rate of authorised (granted) credit is now lower than that observed before the pandemic
- ◇ The annual growth rate of used credits in September and in October are influenced by a base effect due to a large one-off transaction that took place one year earlier (only in the Central Corporate Credit Register data)
- ◇ Monthly growth rates of utilised and authorised loans have been low since June, with some monthly growth rates being negative
- ◇ Loan arrears have been stable since May
- ◇ Small or medium-sized enterprises (SMEs) have larger proportions of loans in moratorium than larger firms

◆ According to the January 2021 Bank lending survey:

- ◇ Declining demand for loans from Belgian enterprises in 2020Q4 was driven by a fall in fixed investment and less need for inventories and working capital. Banks expect that this trend will go on in 2021Q1
- ◇ No change regarding tightening in credit standards, but risk perception is still higher

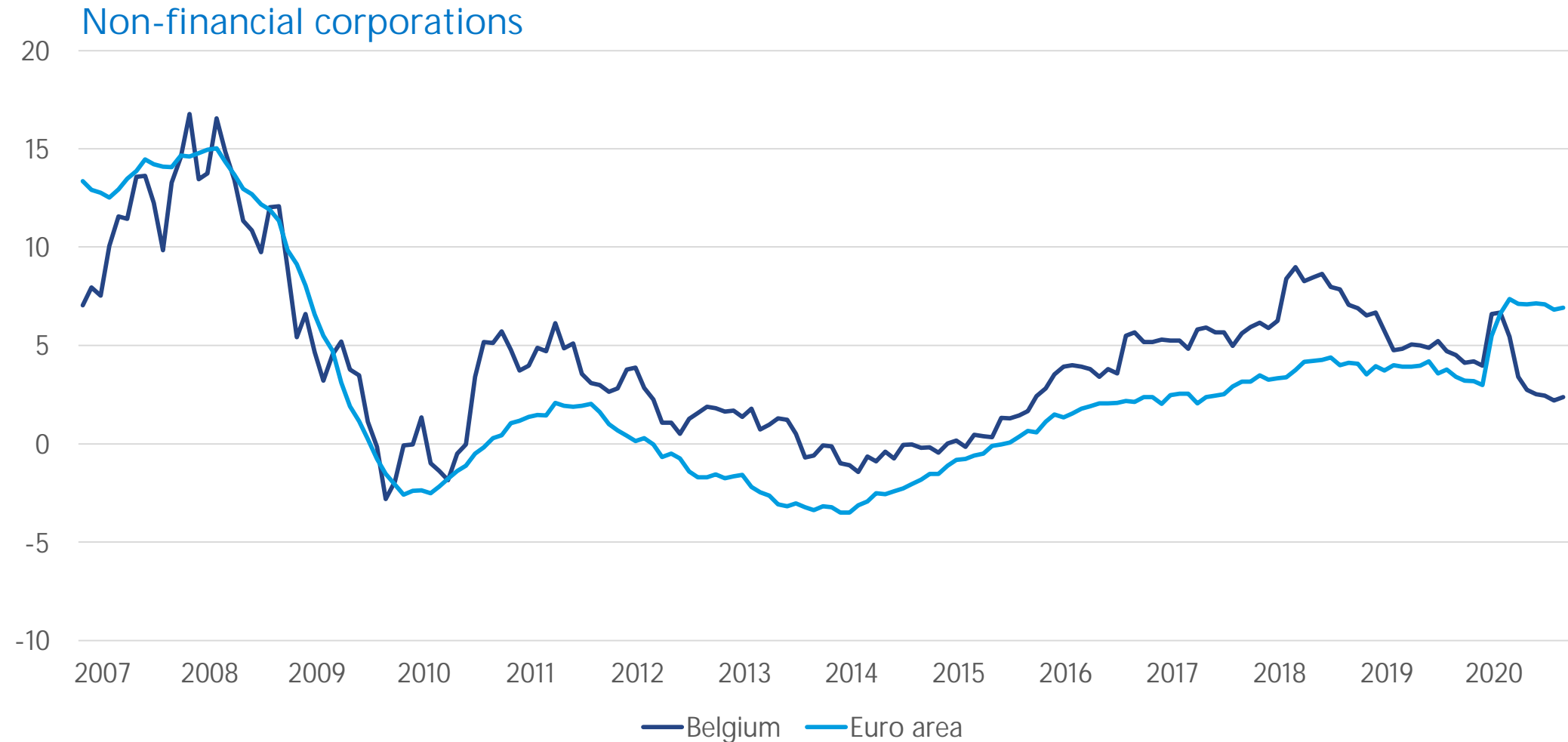
Firms perceived less favorable credit conditions

- ◆ **Belgian firms reported a slight improvement of their credit conditions in 2020Q3 compared to 2020Q2**
 - ◇ Slight improvement in the assessment of the general credit conditions by firms
 - Mainly due to the industry sector and large firms
 - From 2020, the balance of the opinions (favorable vs unfavorable) is below the historical average
 - ◇ Small deterioration with respect to 2020Q2 regarding requirements for collateral
(source: NBB survey on credit conditions)
- ◆ **SMEs feared a significant impact on bank loan availability in 2020Q4 and 2021Q1**
 - ◇ Small deterioration regarding obstacles impeding access to bank financing between April and September 2020 compared to the previous six months
 - Proportion of SMEs not applying for bank credit because of possible rejection, or applying for a loan but only receiving a limited part of the amount requested, refusing credit because the cost was too high, or having their application rejected = 7.2 % (against 5,9 % on average in 2017-2019 and 5.2 % from October 2019 to March 2020)
 - ◇ But SMEs expected a sharp deterioration in availability of bank loans over the next six months (October 2020-March 2021)
 - Widespread across sectors

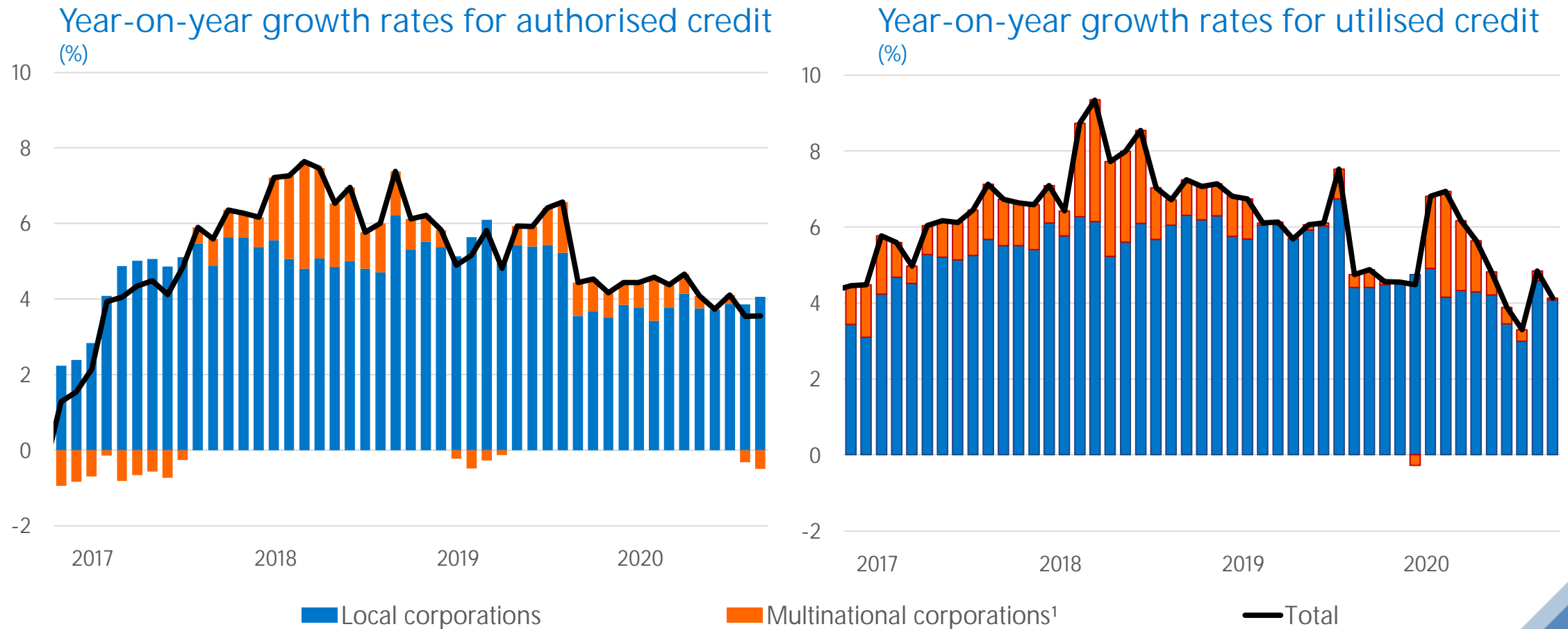
(source: SAFE survey, conducted between 7 September and 16 October 2020)

NFC credit growth in Belgium: slowdown after the peak in March and April

(year-on-year % changes¹, up to November 2020)

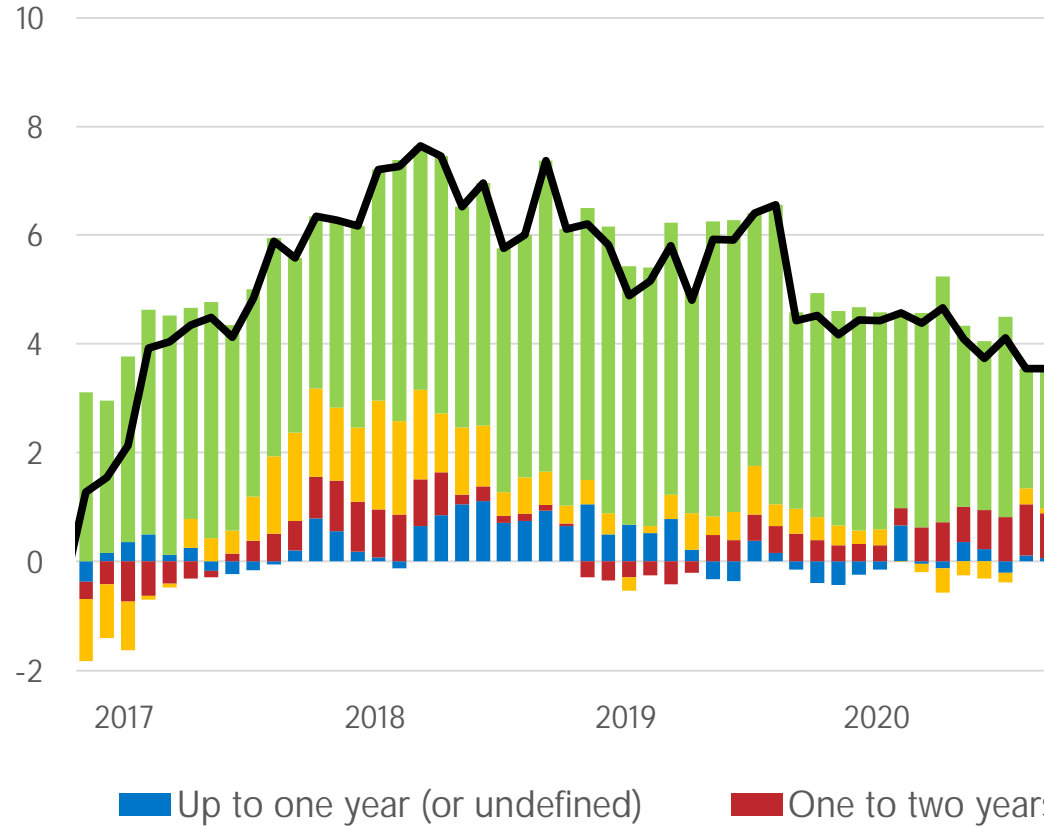


Reduced contribution of multinational corporations to total credit growth, after massive drawdowns of credit lines in March and April ...

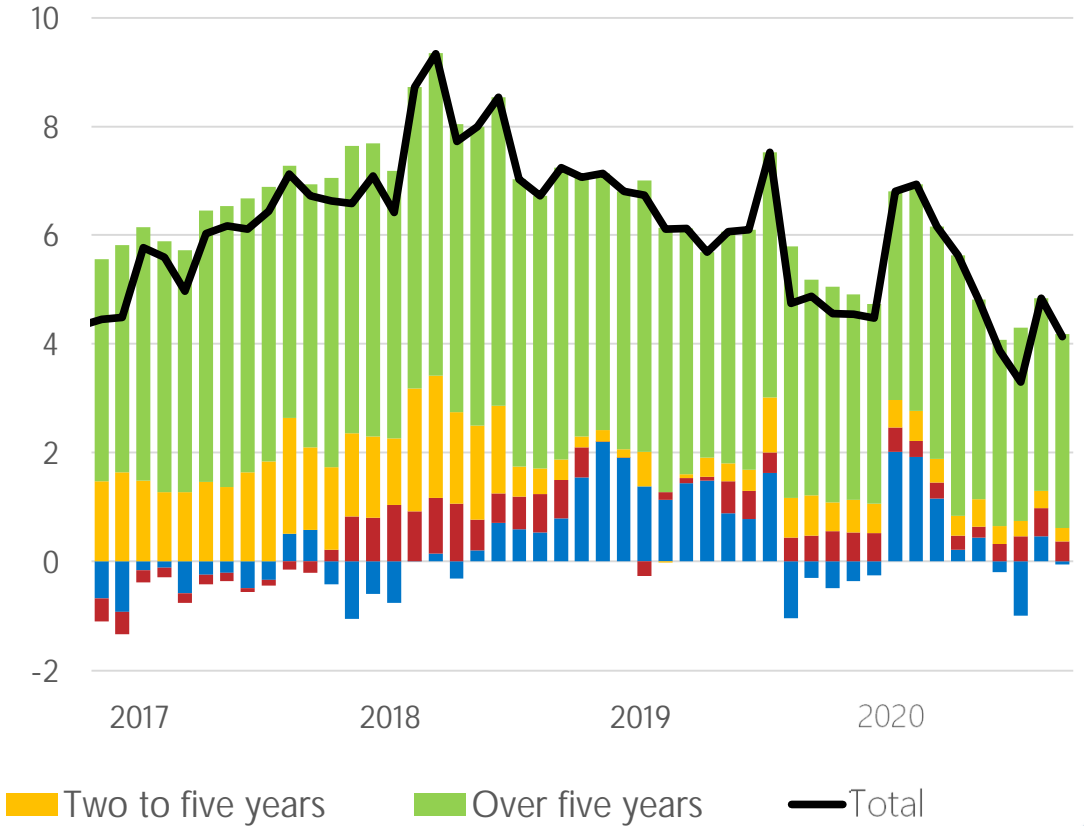


... which also translates into a lower contribution of short-term loans

Decomposition of YoY authorized corporate credit growth by maturity (%)



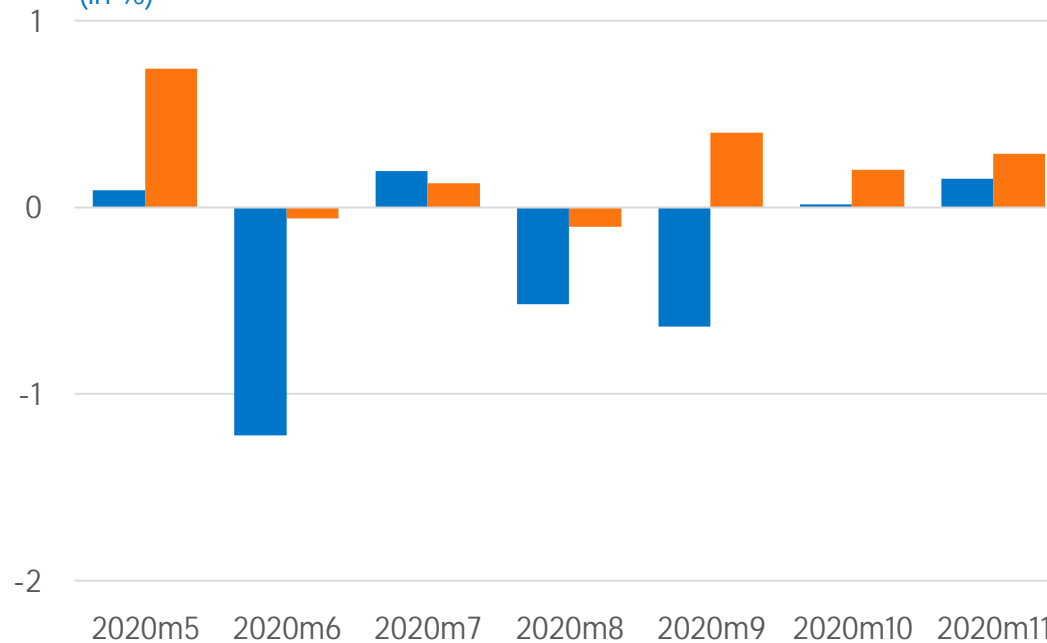
Decomposition of YoY used corporate credit growth by maturity (%)



Slightly positive growth of authorised and utilised loans in November

Monthly growth rates of authorised and utilised loans

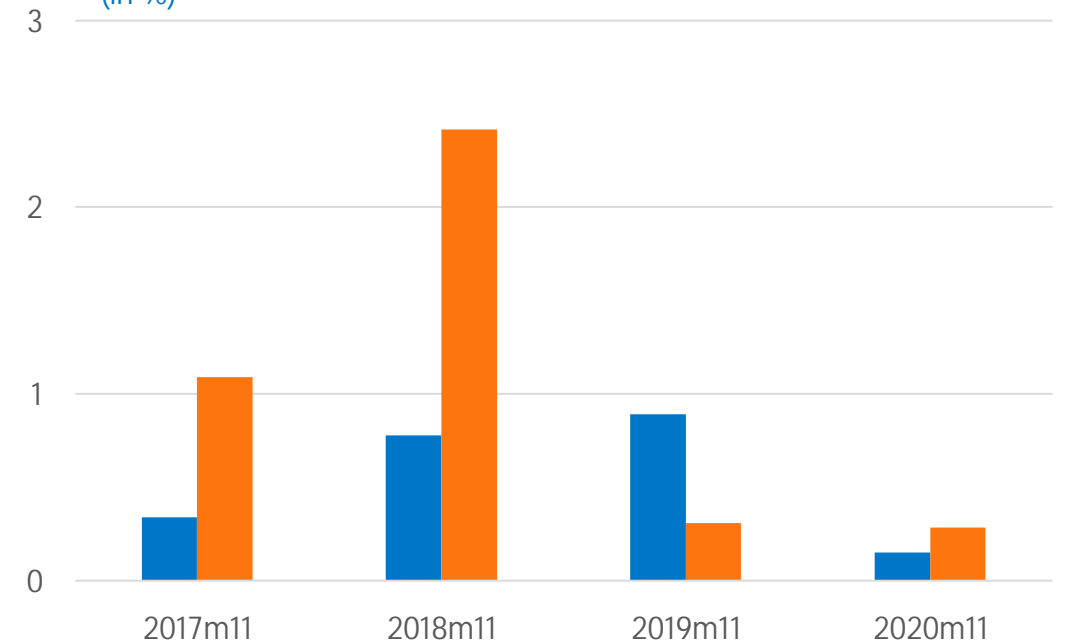
(in %)



■ utilised

Monthly growth rates of loans for November of previous years

(in %)

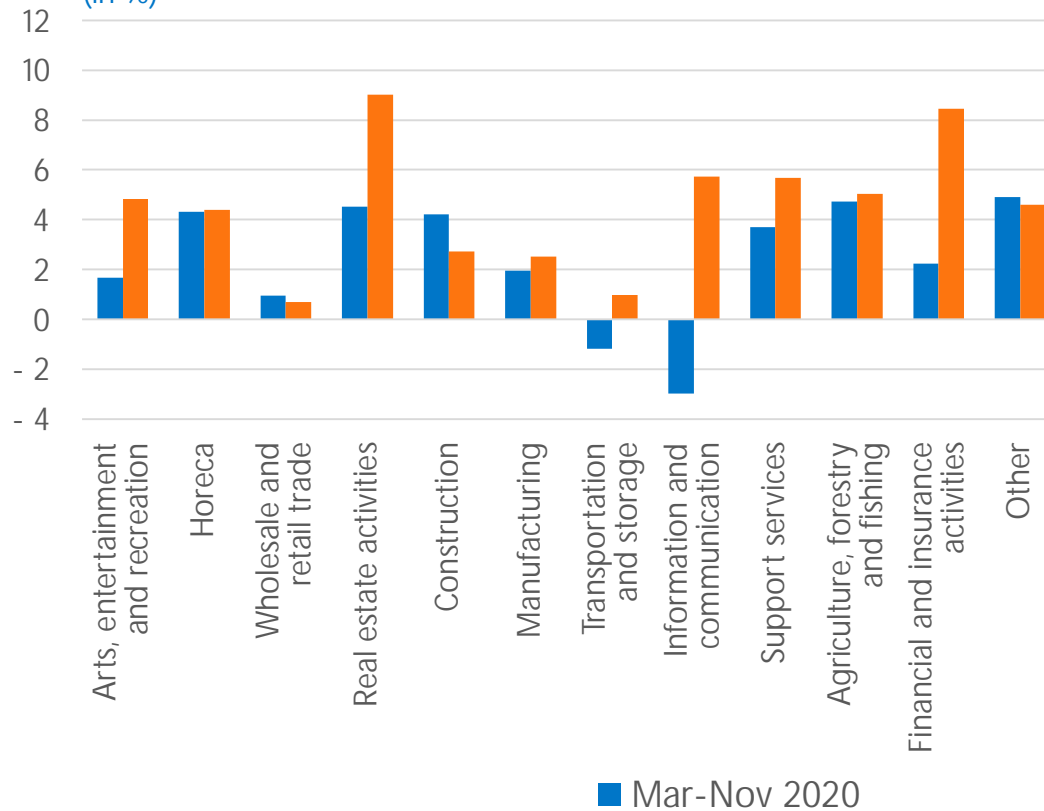


■ authorised

Growth in authorised and utilised loans since start of crisis is below historical averages for many vulnerable sectors

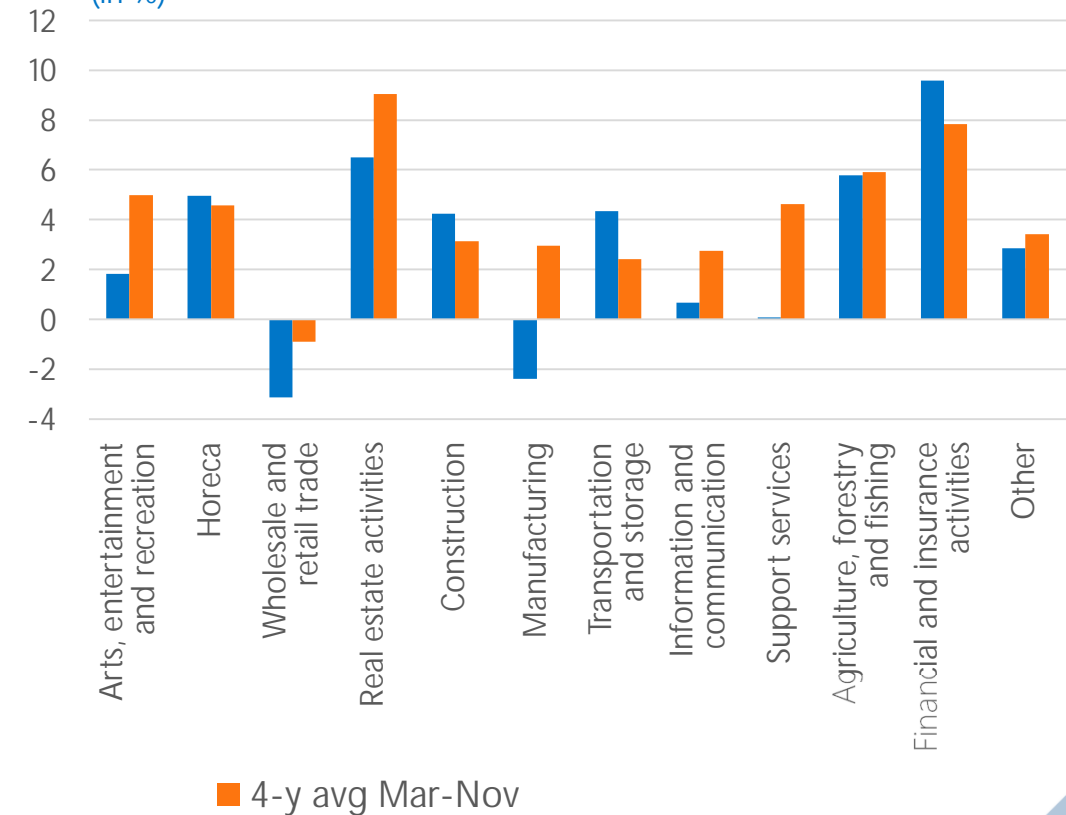
March-November growth rates of authorised loans

(in %)



March-November growth rates of utilised loans

(in %)

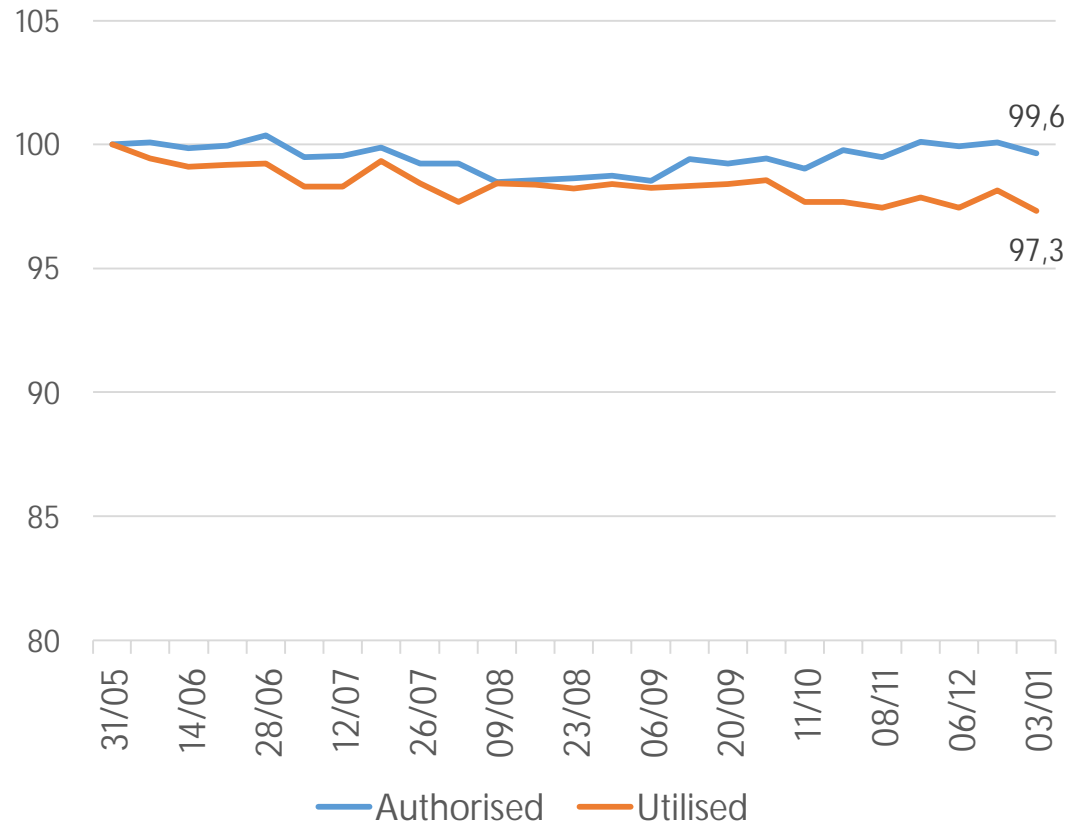


Loan developments - weekly

NFCs in weekly reporting = Self-employed + SMEs + Corporates + Public Sector Entities

Evolution of total loans to NFCs

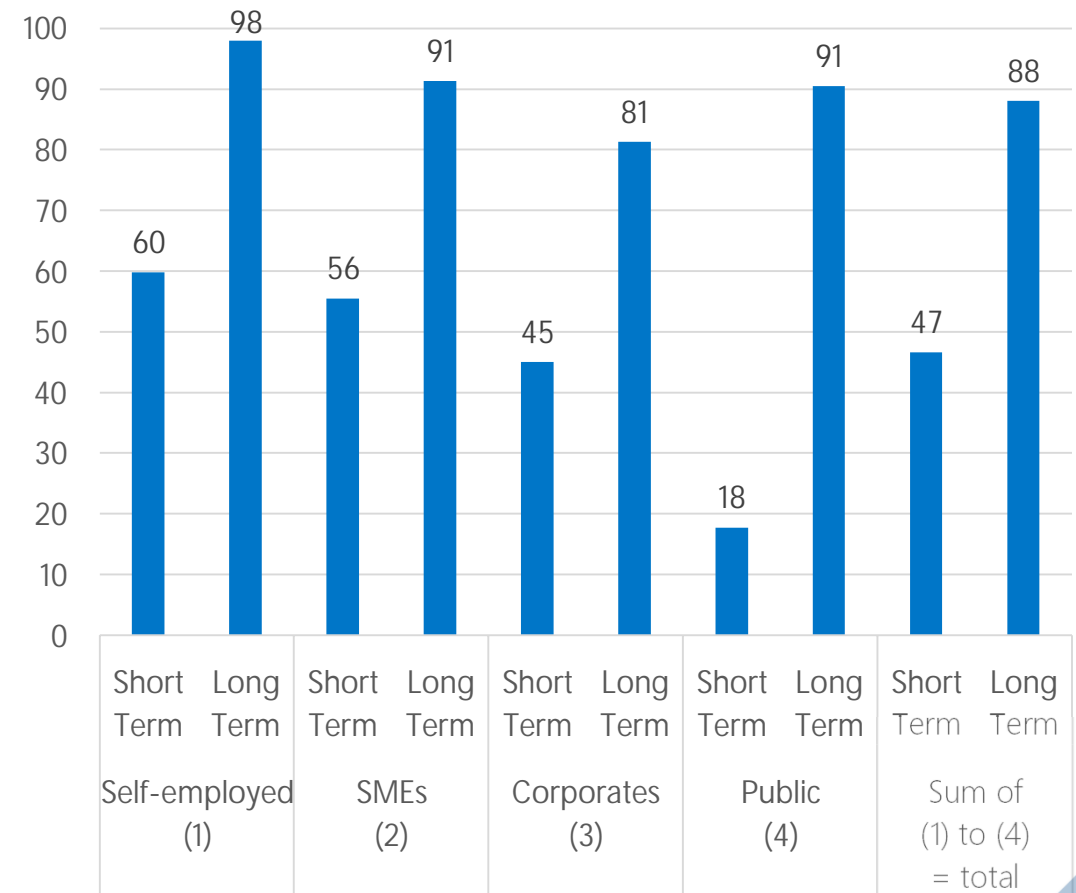
(in %)



Total loans to NFCs represented as an index normalized to 100 % by end May stock of loans

Utilisation rate (=utilised/authorized)

(last weekly observation, in %)

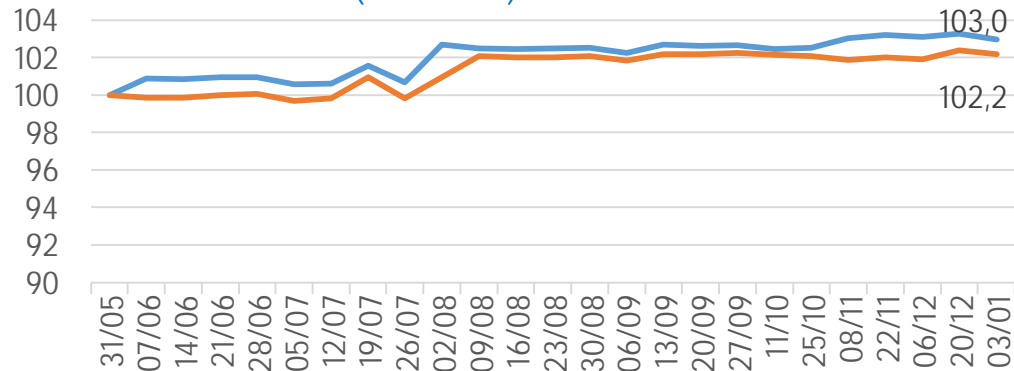


Stable loans for firms except for a decline for corporates

NFCs in weekly reporting = Self-employed + SMEs + Corporates + Public Sector Entities

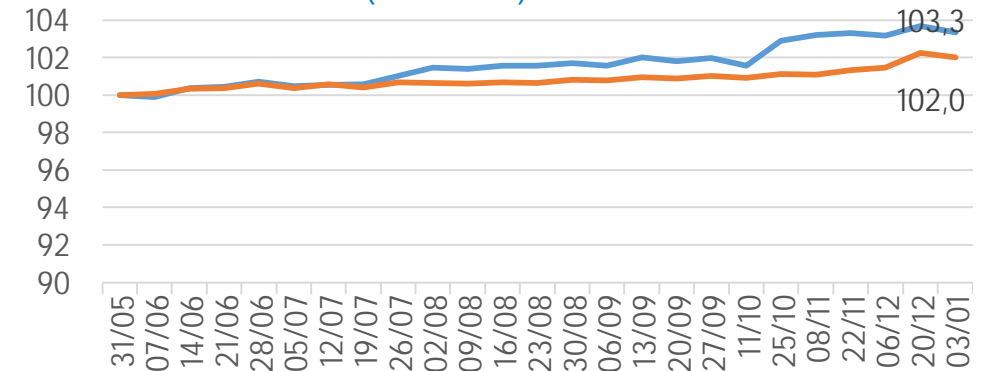
Evolution of total loans to self-employed

Latest observation (authorized) 23 billion EUR



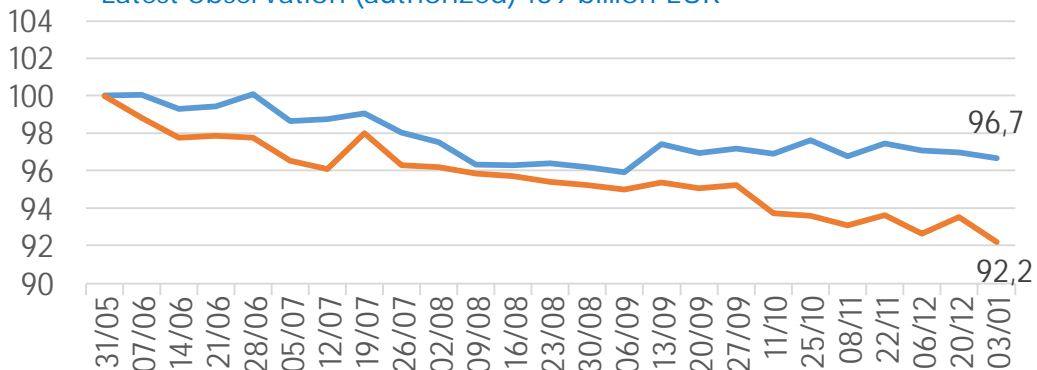
Evolution of total loans to SMEs

Latest observation (authorized) 83 billion EUR



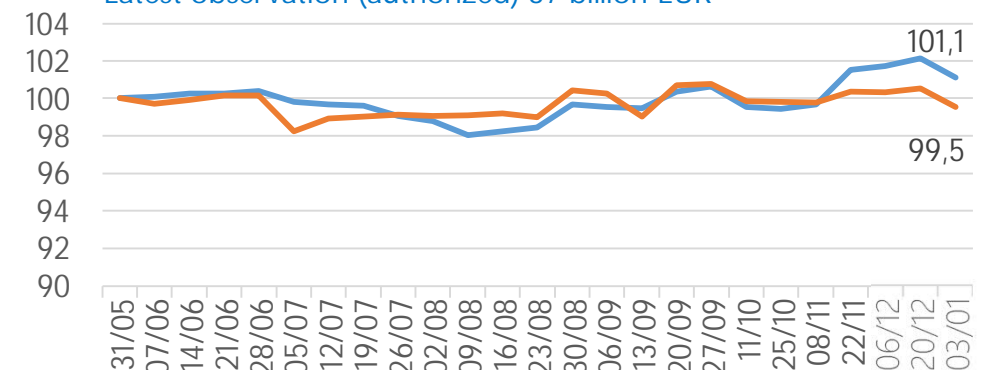
Evolution of total loans to corporates

Latest observation (authorized) 139 billion EUR



Total loans to public sector entities

Latest observation (authorized) 37 billion EUR



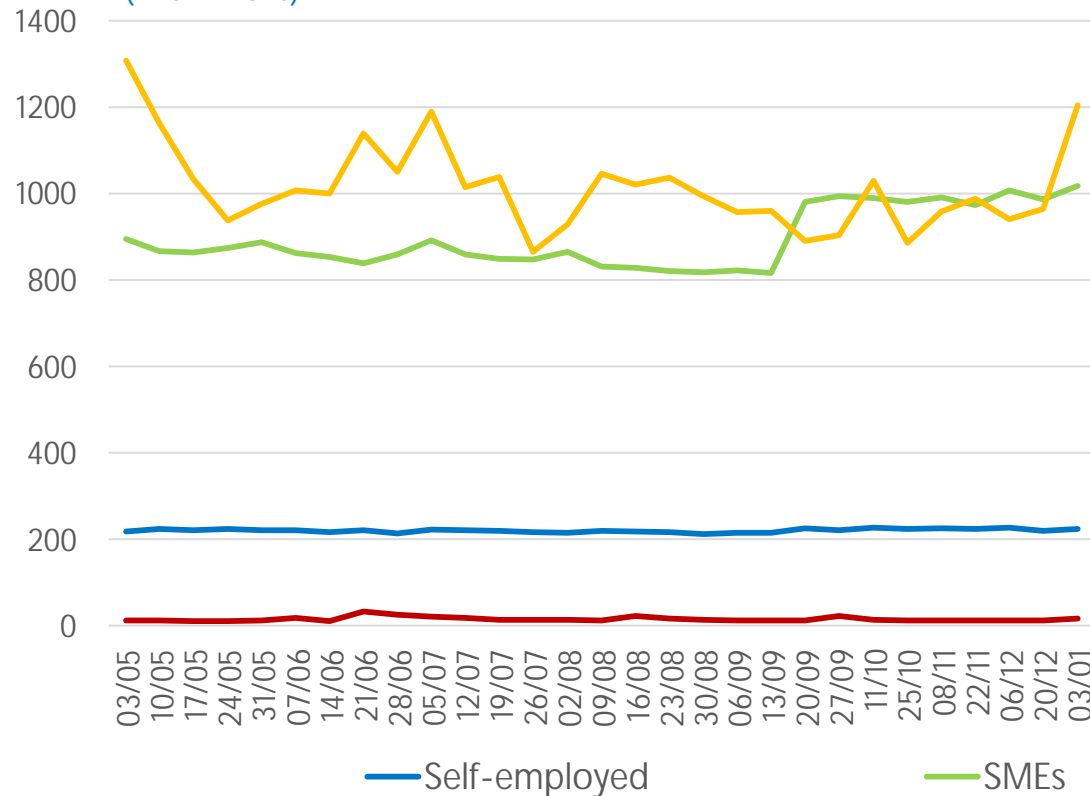
— Authorised

— Utilised

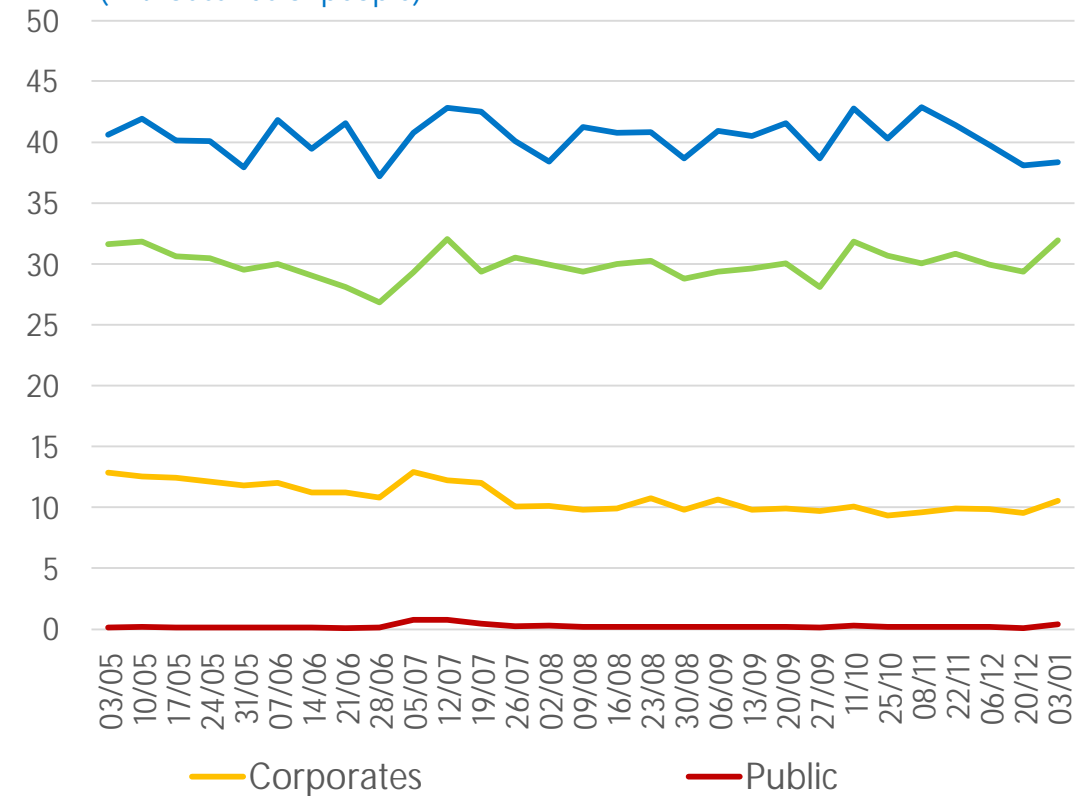
Total loans to NFCs represented as an index normalized to 100 % by end May stock of loans

Number of loans in arrears or in default are not increasing (yet?) (arrears – weekly)

Amounts in arrears or in default
(in € millions)



Number of loans in arrears or in default
(in thousands of people)



Source: NBB/Febelfin ad hoc weekly reporting, latest available data: 3 January 2021.

Note: Firm classification was provided by the banks on a best effort basis. It may differ from the official firm classification.

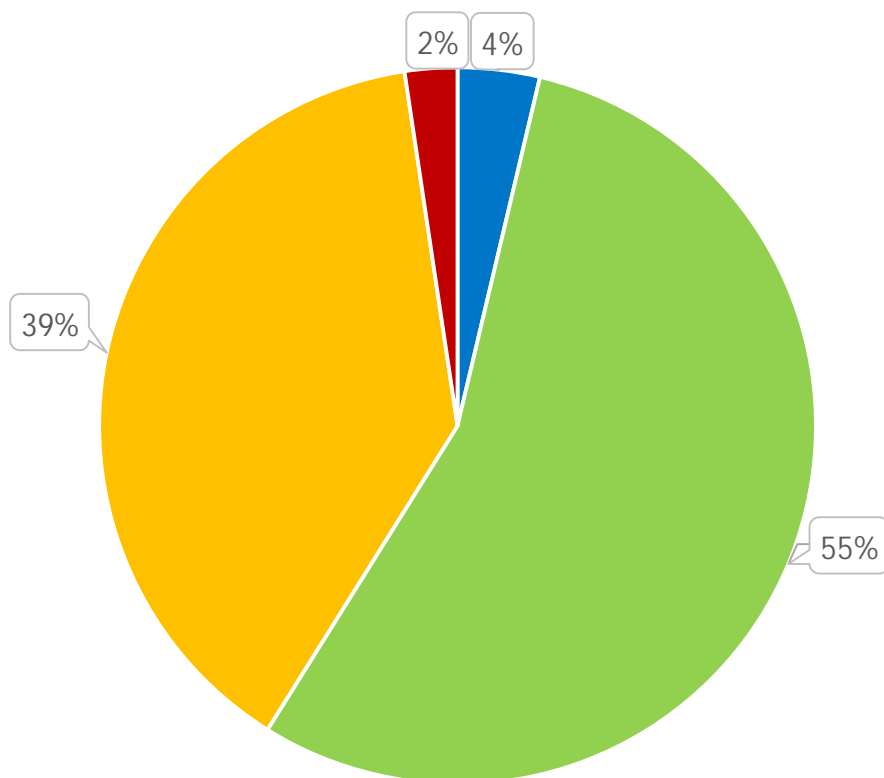
The observed increase for SMEs on 20th September is due to a technical correction.

The increase of arrears for the corporate segment is linked to end-of-year operational events.

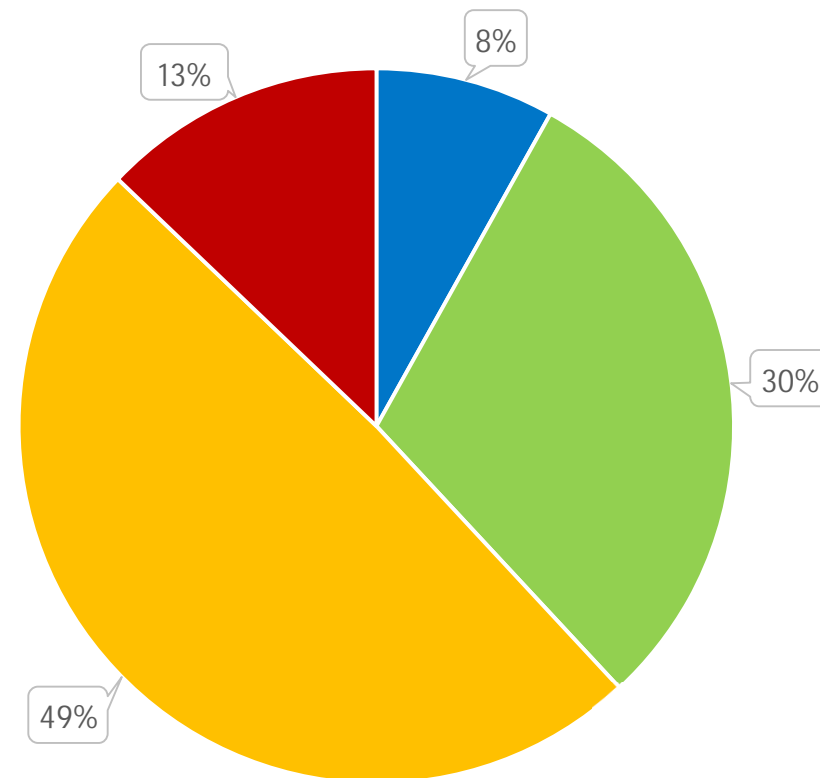
SMEs are the main beneficiaries of moratorium relative to their share of total loans

(moratorium – weekly)

Loan amounts in moratorium by type of counterparty



Total loan amounts by type of counterparty

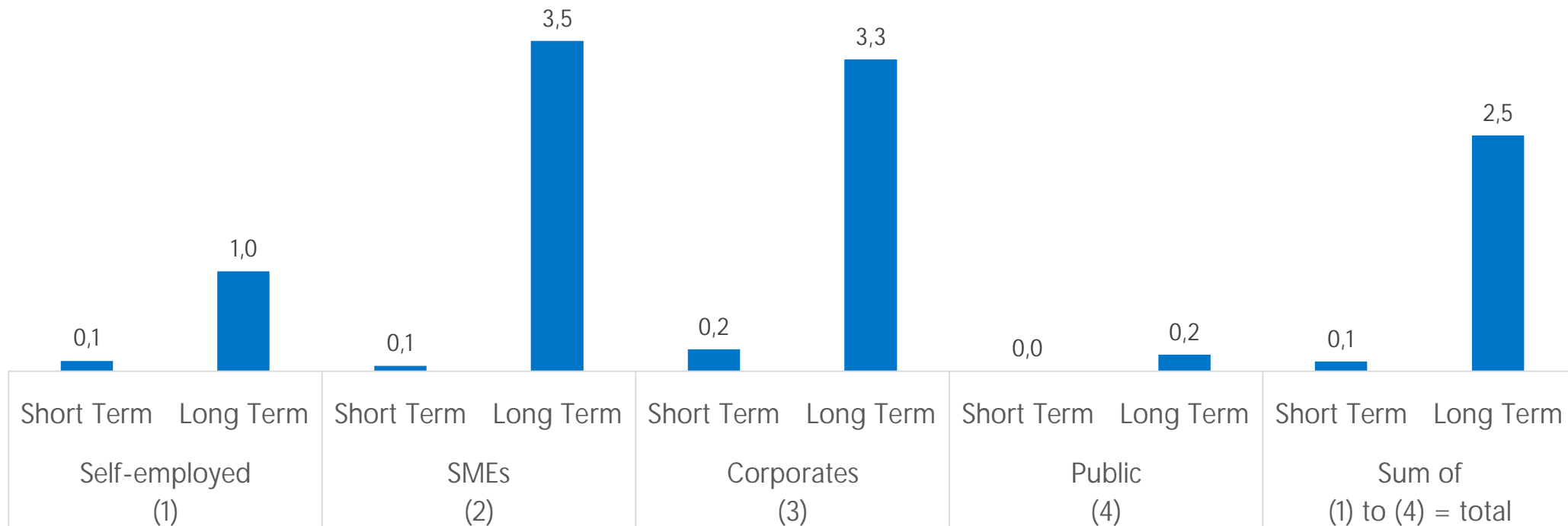


■ Self-employed ■ SMEs ■ Corporates ■ Public

Long term loans are the main type of loans in moratorium

(moratorium – weekly)

% of exposures in moratorium
(last weekly observation)

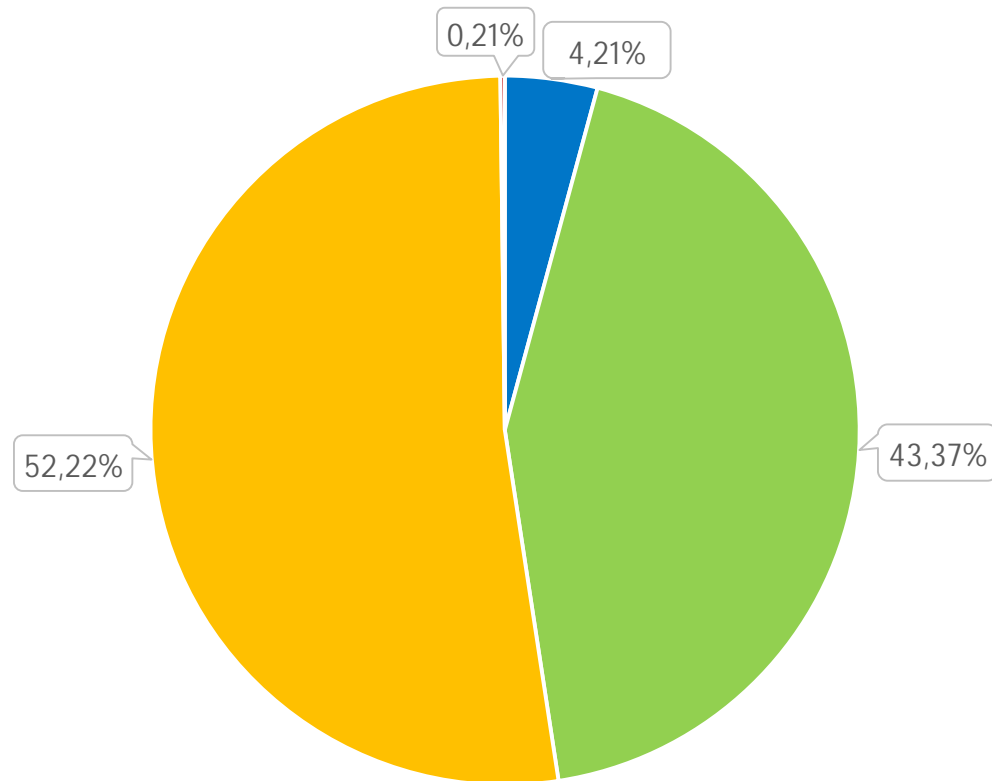


Take-up of the state guarantee - by type of counterparty

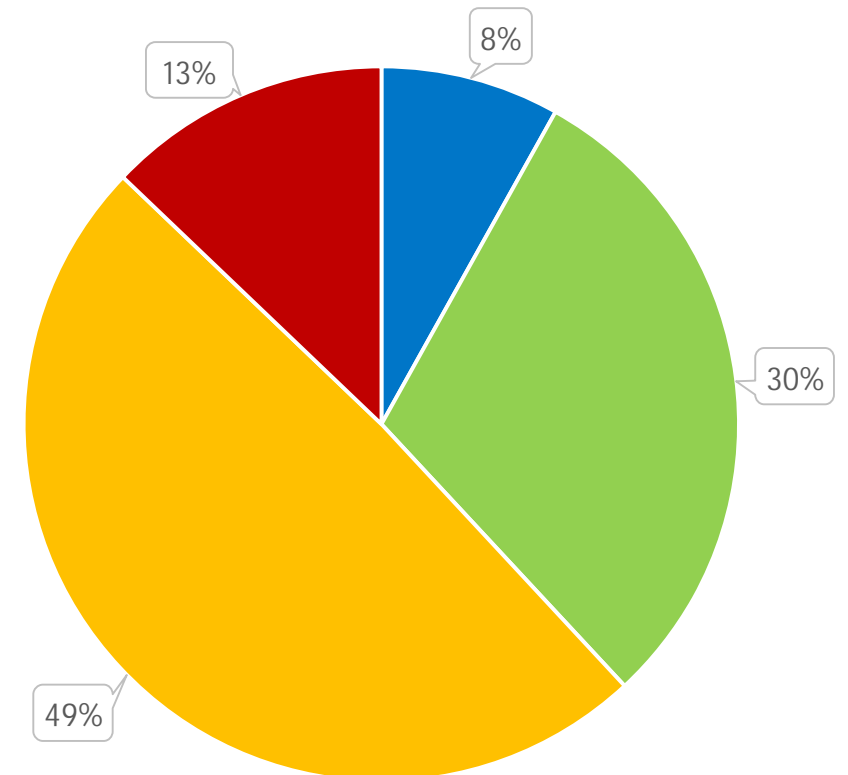
Results, taking into account only state guarantee I

(weekly data)

Loan amounts under state guarantee by type of counterparty



Total loan amounts by type of counterparty



■ Self-employed ■ SMEs ■ Corporates ■ Public

The background of the slide features a large, detailed, and somewhat translucent image of a virus particle, likely representing the COVID-19 virus, centered in the frame. The virus has a spherical core with numerous spike-like protrusions extending from its surface. The overall color palette is a soft, hazy blue and white, with the virus image appearing in a slightly darker, muted blue tone. The text is overlaid on this background.

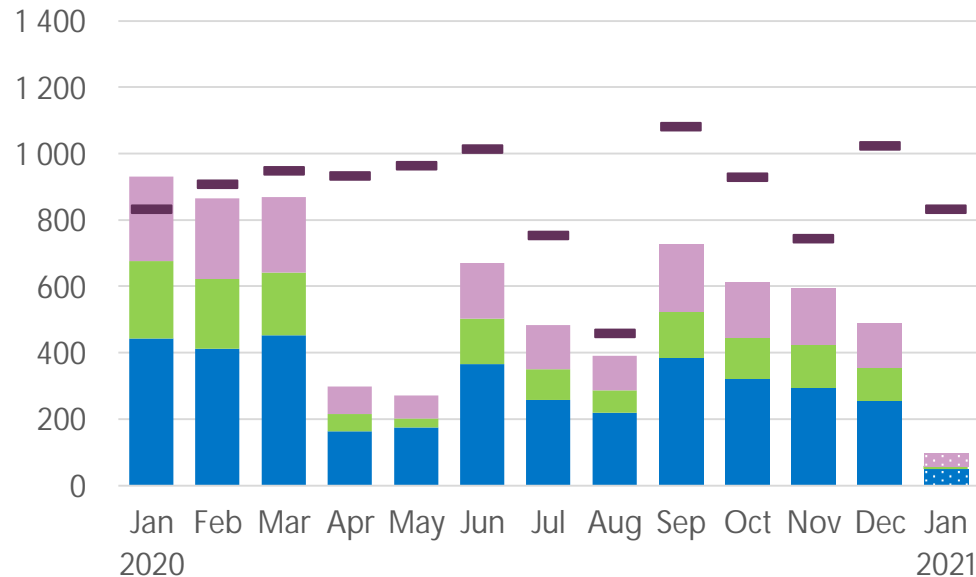
Bankruptcies and new business registrations

The number of bankruptcies¹ decreases further in December 2020 and remains far below the 2019 level ...

... since several provisions adopted to support businesses are still in place²

Bankruptcies

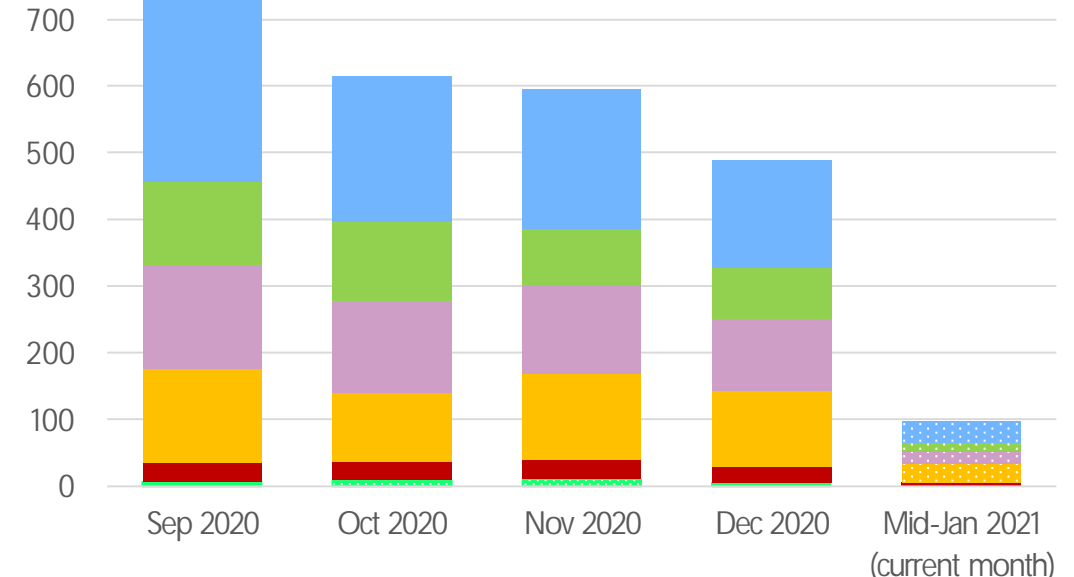
(# by region)



2020 VLA 2020 BRU 2020 WAL 2019 Belgium

◆ About **96 %** of bankruptcies are within the '0 to 9 workers' company size class

(# by activity)



Transport & other services Trade Industries & energy Hotel & restaurant Building Agriculture & fisheries

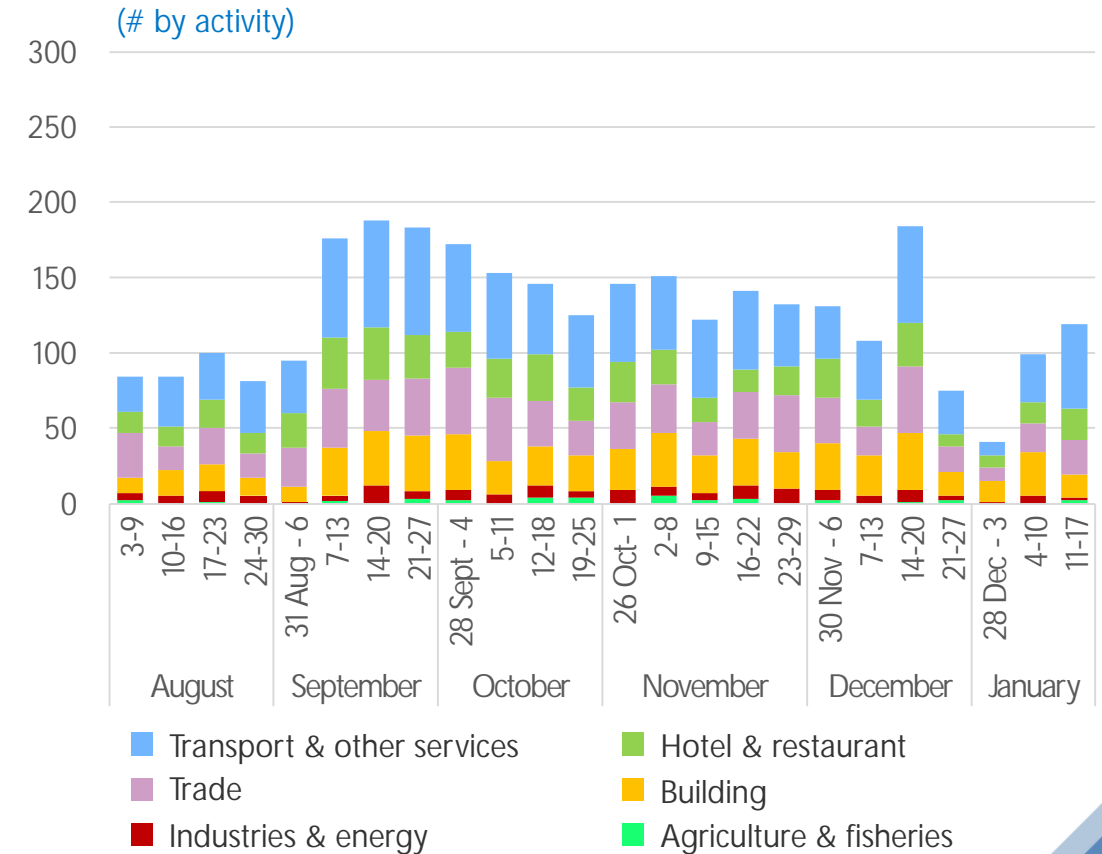
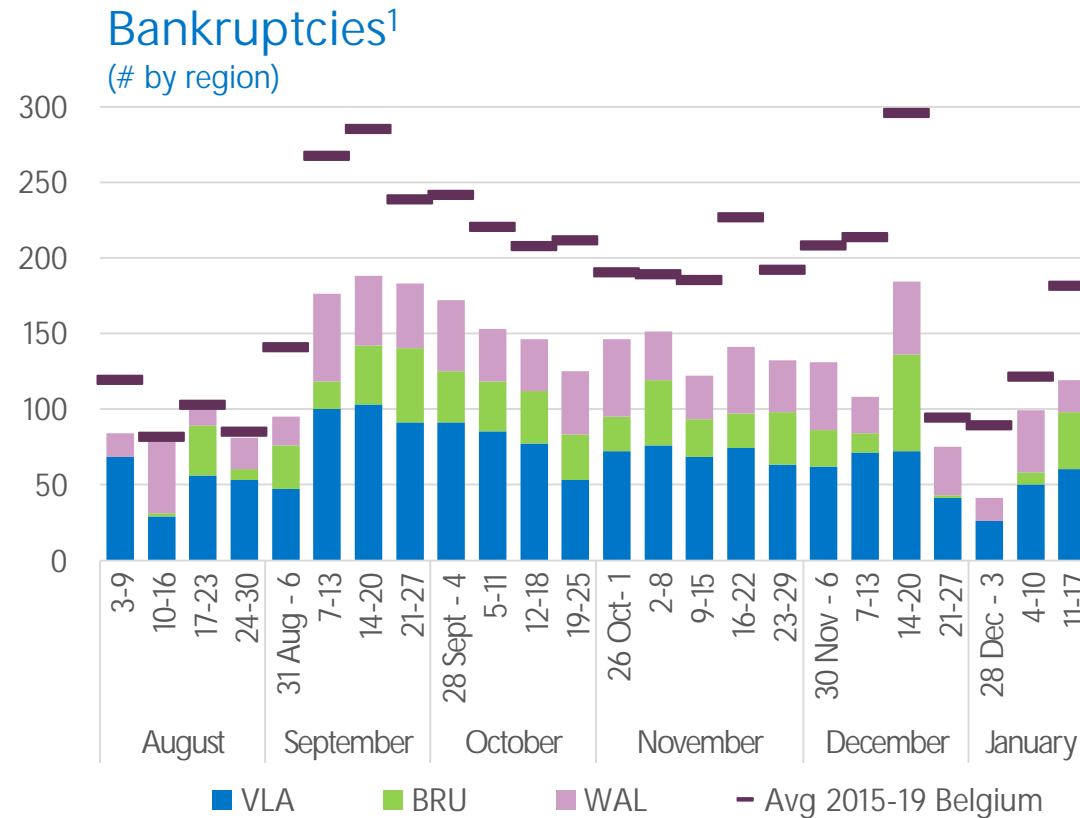
Source: Statbel, latest available data: 12 January 2021

¹ Declaration of bankruptcy by the company court.

² Although the moratorium on filings for bankruptcies came to an end on 17 June 2020, the tax administration and the ONSS applied a de facto moratorium on tax and social security debts. Other measures taken were the deferment of payment of the annual company contribution (until 31 October 2020) and the social security contributions (until 15 December 2020), and the reintroduction of a temporary suspension of seizures. On Friday 6 November 2020, a new moratorium on bankruptcies until 31 January 2021 was approved towards businesses forced to close temporarily following the emergency measures taken to limit COVID-19 and a further extension to 31 December for the payment of the annual company contribution. A new draft judicial reorganisation procedure is expected by 31 January 2021. For employers struggling with the crisis, the ONSS agrees to an exceptional amicable payment plan with a maximum duration of 24 months for the settlement of sums due for the year 2020 (a.o. holiday pay for the 2019 financial year, the 1st, 2nd, 3rd and 4th quarters of 2020). At the level of the FPS Finance, companies in difficulty as a result of the coronavirus can apply for support measures until 31 March 2021 by means of a payment plan, exemption from interest on arrears and remission of fines for non-payment regarding several taxes..

2021: weekly bankruptcies figures increase since end-2020 according to seasonal patterns ...

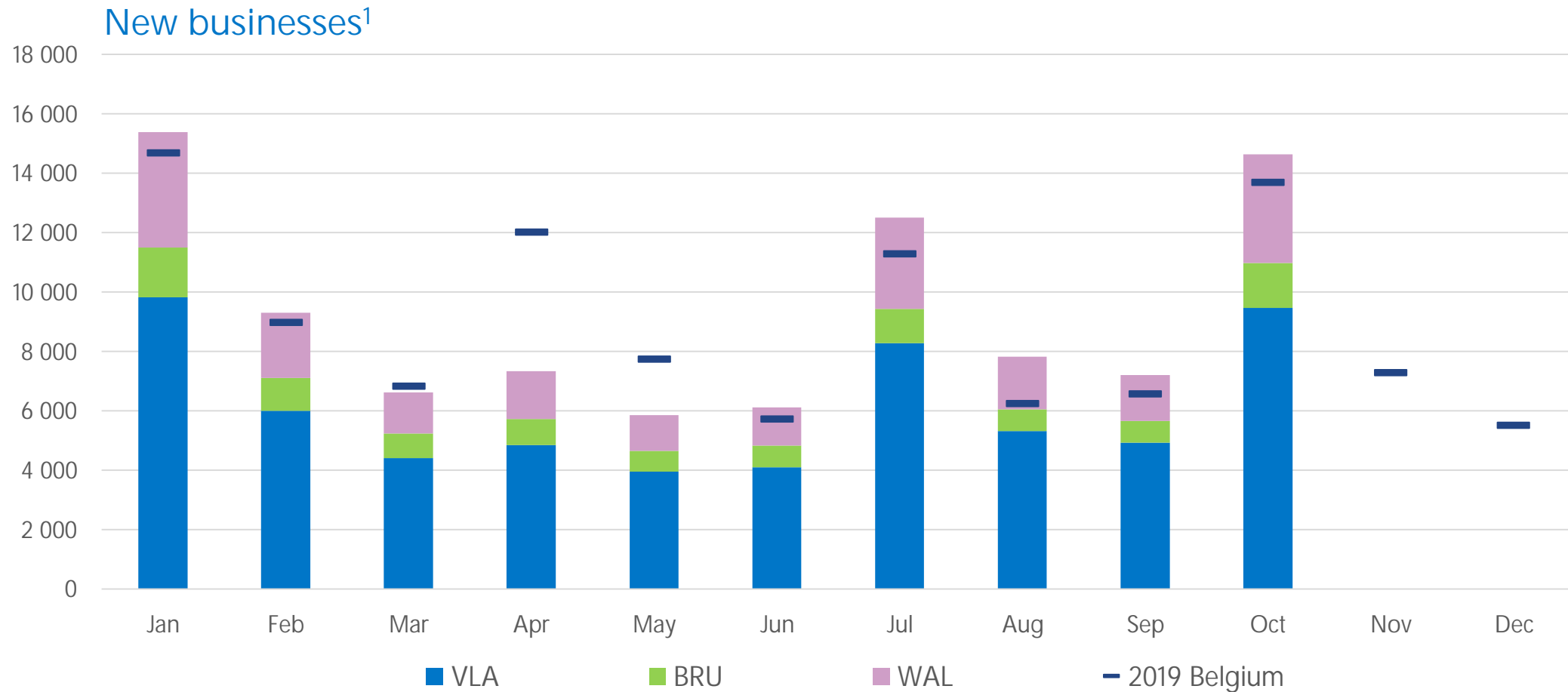
... but remain below the 2015-19 average



- ◆ Since August 31, the number of bankruptcies remains 35 % below the 2015-19 average while in August, declared bankruptcies were close to it

Business startups rise in October according to seasonal patterns

... and are still higher than in 2019



The background of the slide features a large, detailed 3D rendering of a coronavirus particle in the center. It has a spherical, textured surface with numerous spike proteins protruding from it. Several other, smaller, and more blurred virus particles are scattered in the background, creating a sense of depth. The overall color palette is a mix of light blue and white, with a subtle gradient.

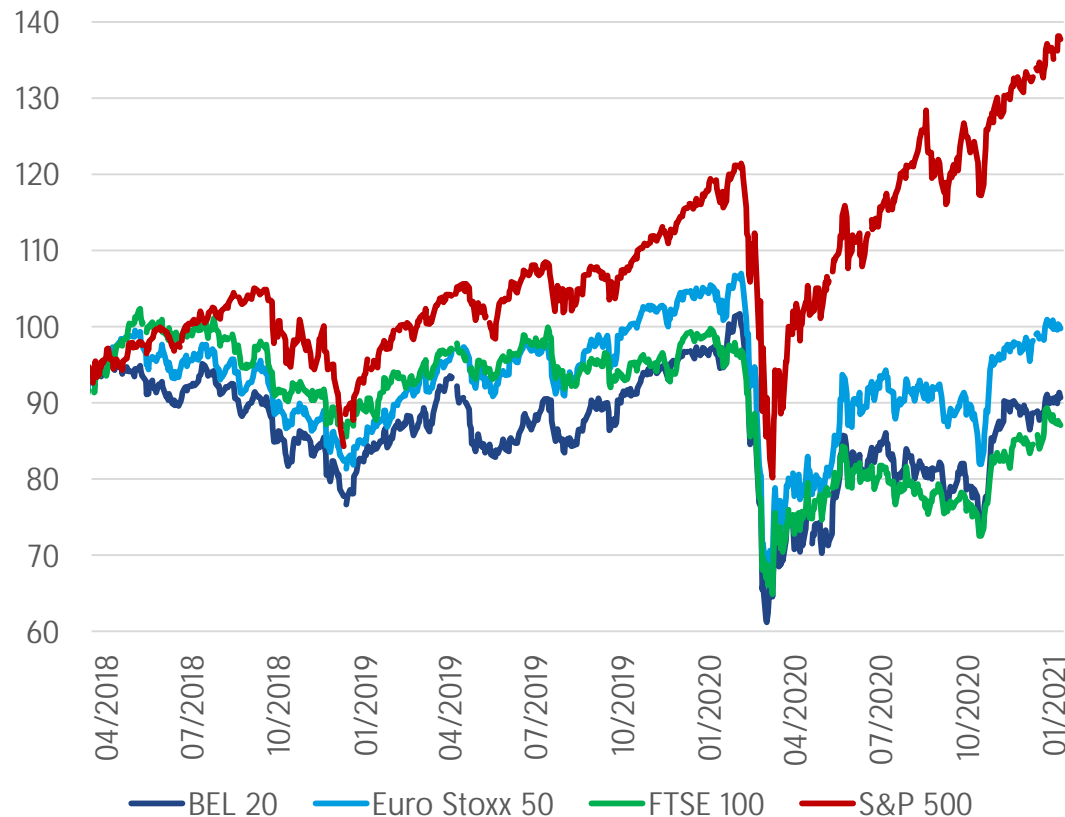
Financial markets

Financial markets reflect optimism, but remain at risk of setback

- ◆ Recent events, including the ratification of the Brexit deal, vaccine regulatory approvals, and new US government, helped unravel some of the accumulated volatility. However, uncertainty remains over unresolved issues, such as the full impact of Brexit, new virus variants and new lockdowns, as well as sluggish vaccine rollout in some countries
- ◆ Confirmation of accommodative monetary stance and the prospect of new US fiscal stimulus have supported stock prices. The continued depreciation of the dollar and encouraging US PMI data contributed to the S&P's rally

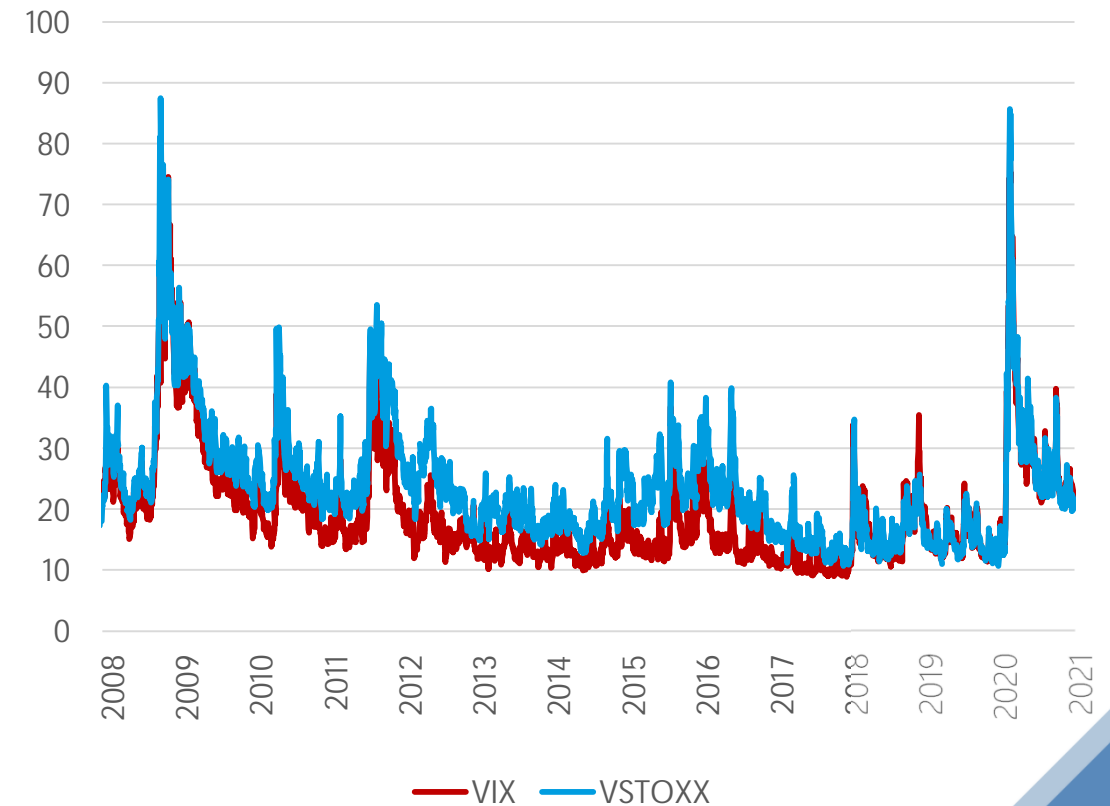
Major stock market indices

(01/2018=100)



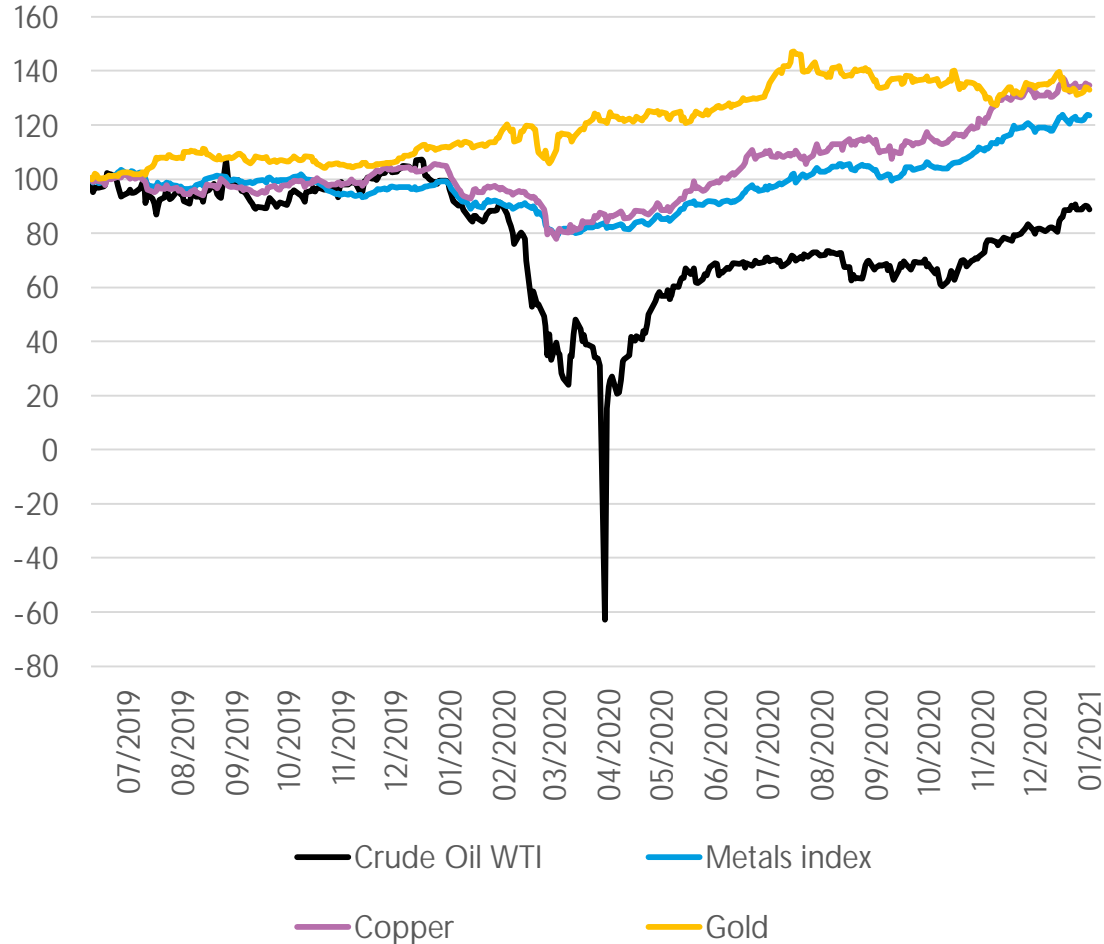
Implied stock market volatility

(in %)



Oil price recovery continues, amid disagreement within OPEC+

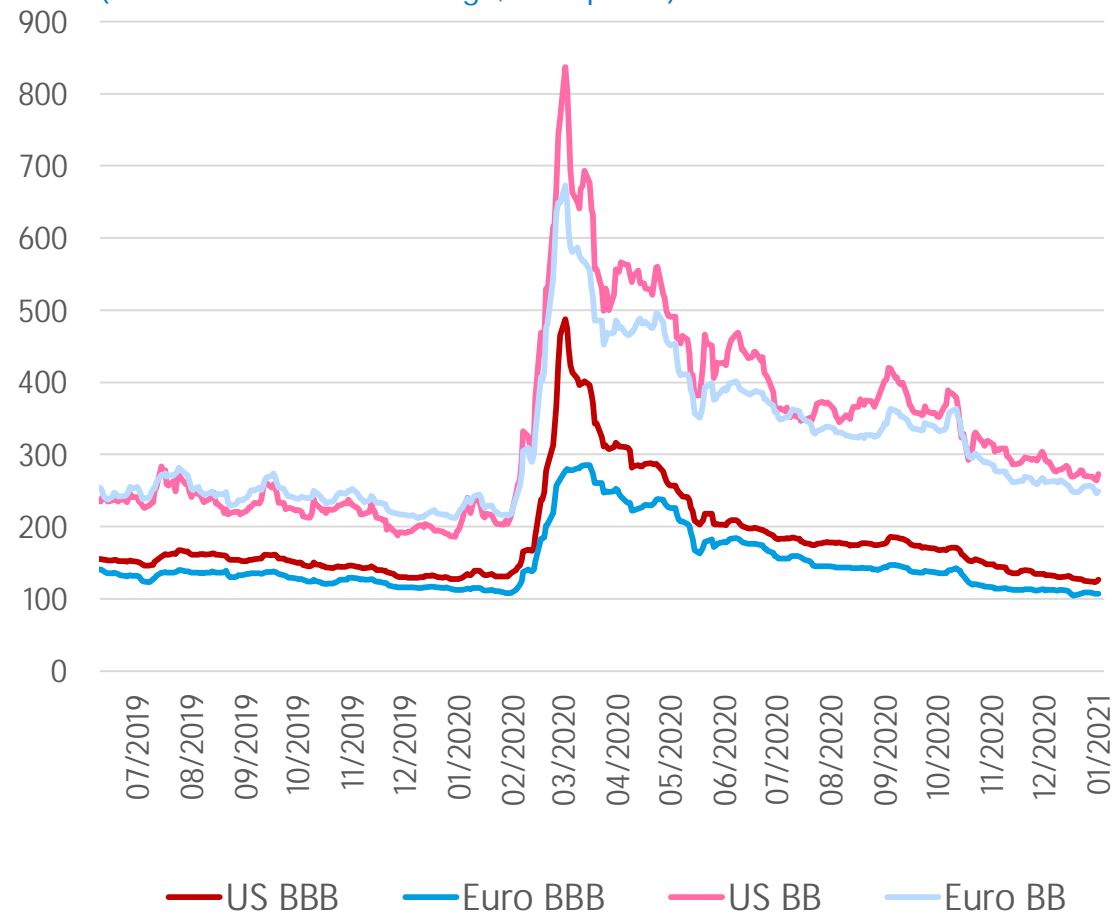
Commodity price indices
(01/07/2019 = 100)



- ◆ Oil price reached its highest level since the beginning of the crisis. However, prices remain extremely vulnerable:
 - ◇ With global demand still affected by mobility restrictions
 - ◇ Recent disagreement over production: Saudi Arabia supported prices by pledging to cut production, while Russia and Kazakhstan are calling to increase production
- ◆ Gold price remains high in an uncertain environment, supported by weak dollar and rising inflation expectations
- ◆ Prices of industrial metals have risen due to increased demand (partly linked to green recovery) and supply disruptions
 - ◇ Copper trading near eight-year high

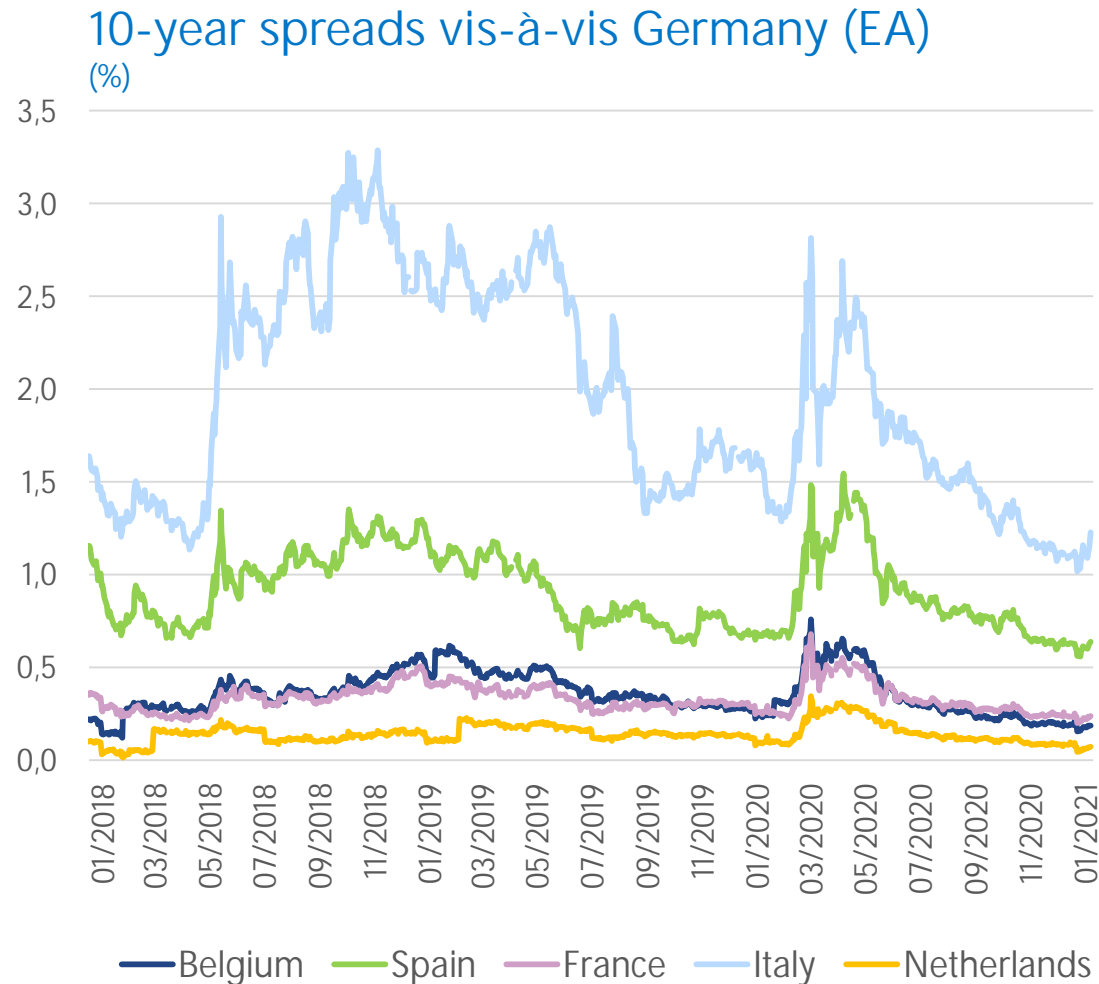
Corporate spreads stabilise and draw closer to their pre-crisis level

Corporate bond spreads (€ or \$ denominated)
(Difference vis-à-vis sovereign, basis points)



- ◆ Supportive measures by the ECB and the US Fed have helped lower corporate yields and improved financing conditions for firms.
- ◆ Spreads of investment-grade corporate bonds have returned to pre-pandemic levels.
- ◆ The decline in corporate spreads also reflects investors' confidence that companies will endure the pandemic.

Sovereign bond spreads remain low, close to pre-pandemic levels



- ◆ Despite the appearance of new virus variants and reintroduction of related mobility restrictions, sovereign spreads stabilised close to their pre-crisis levels, helped by ECB's reconfirmation of its accommodative monetary policy stance
- ◆ Recent rise in Italian spreads can be linked to market concerns over political uncertainty

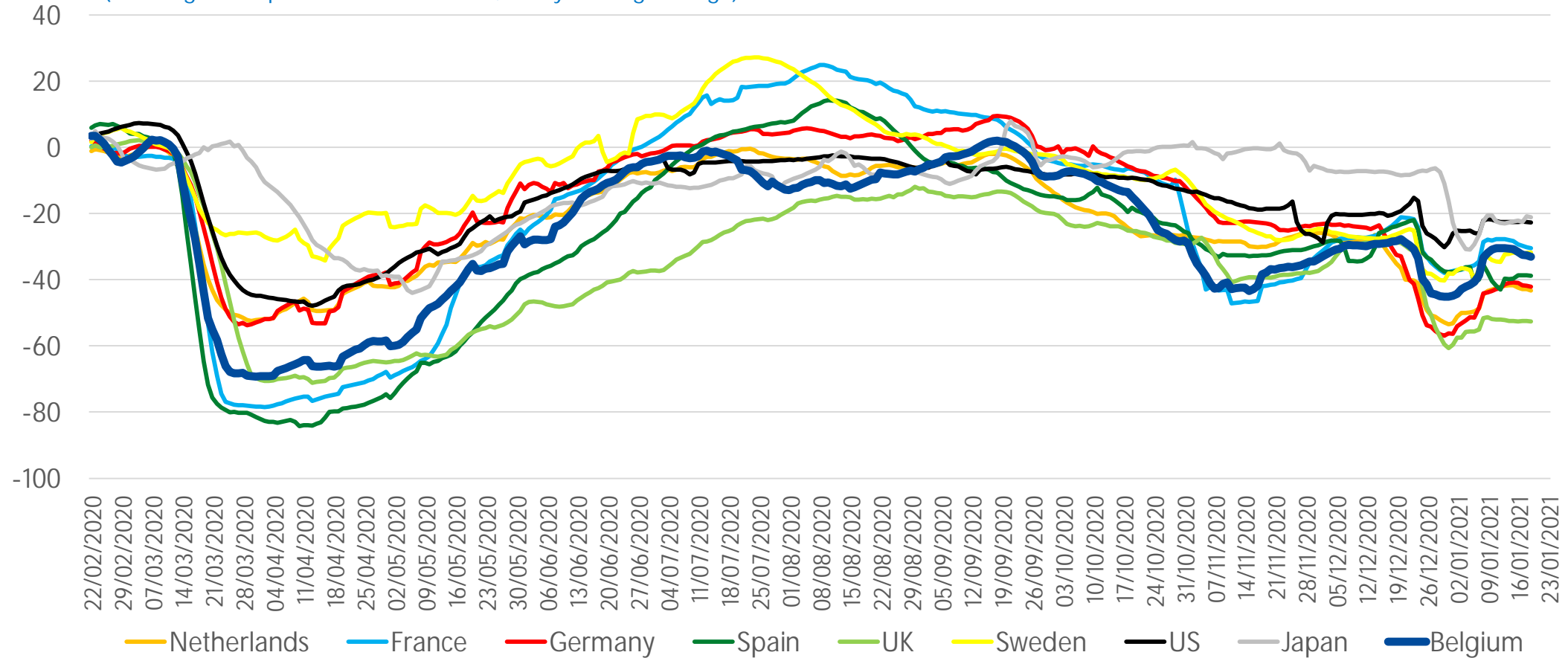
The background of the slide features a large, detailed illustration of a coronavirus particle in the center, with several smaller, less detailed particles scattered around it. The particles are depicted with a textured, spherical surface and numerous protruding spike proteins. The entire scene is set against a light blue gradient background.

International outlook

Second wave: mobility less affected than in the spring

Composite mobility indicator¹

(% change from pre-COVID-19 baseline; 7-day moving average)

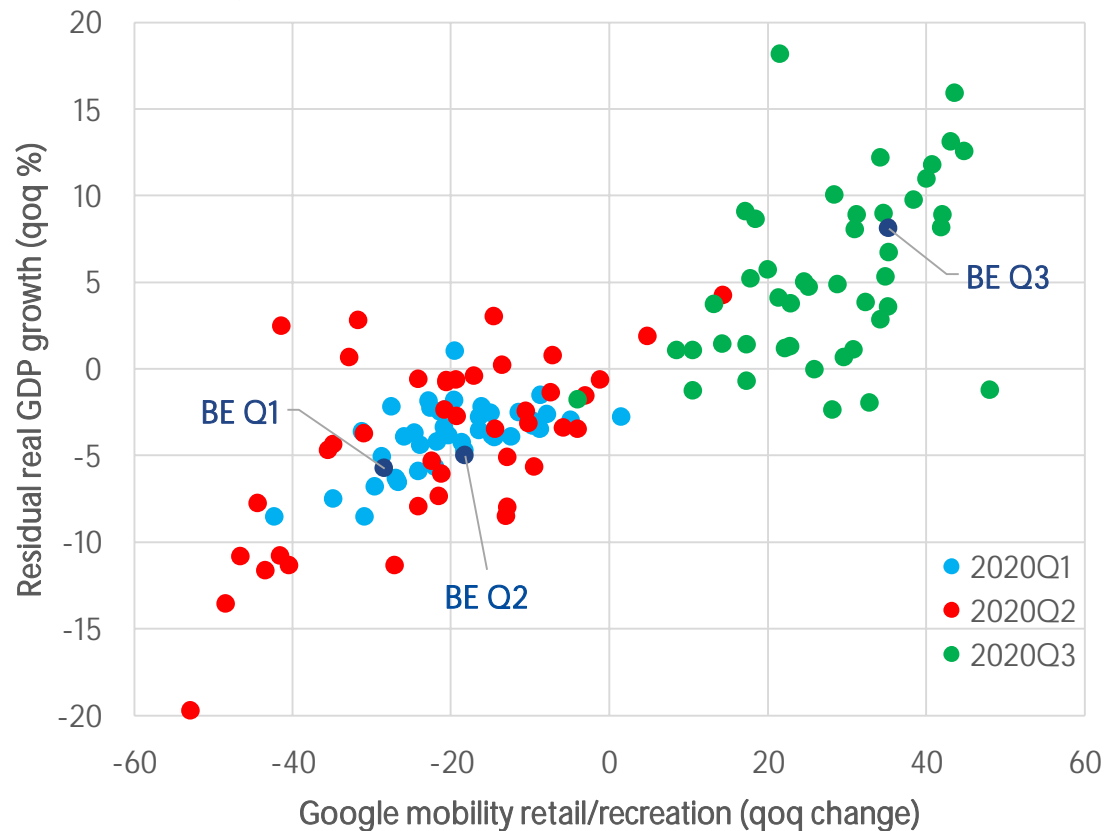


Sources: Google, Apple. Construction of mobility composite inspired by Capital Economics.

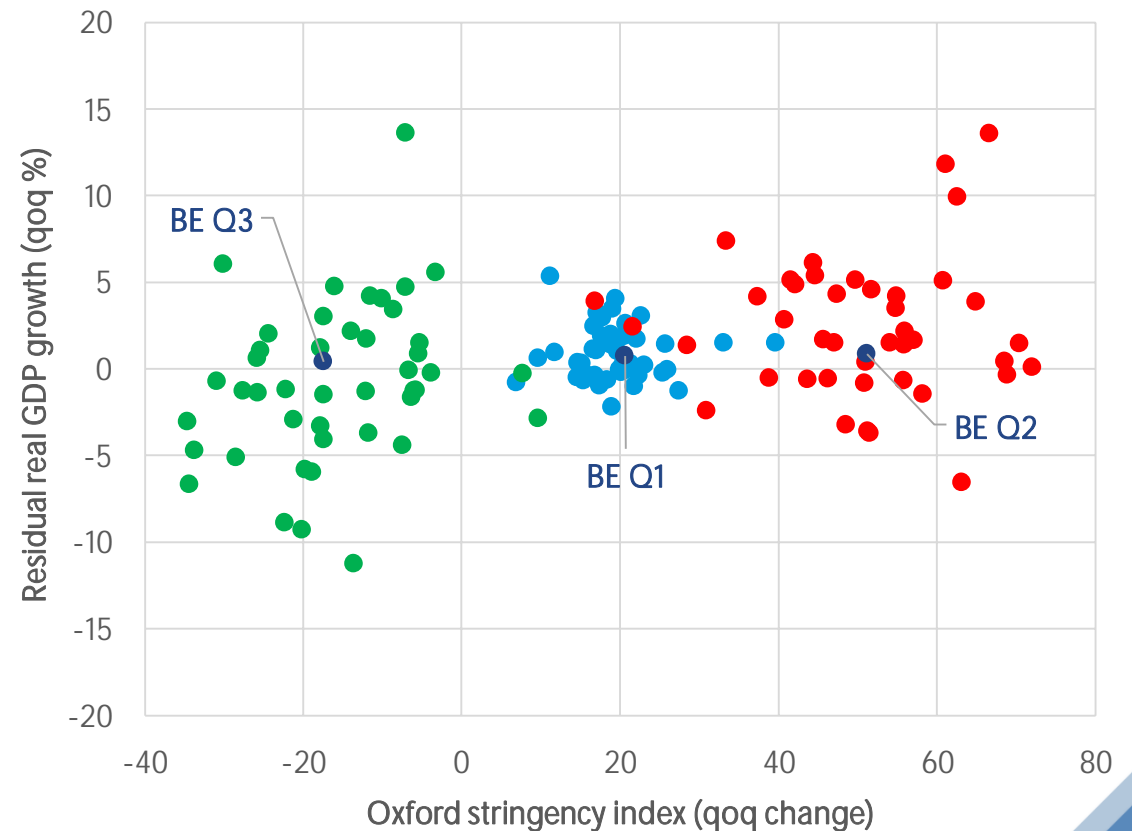
¹ Composite indicator is a simple average of changes in Google mobility report scores for categories "retail and recreation", "workplaces", and "transit stations", and changes in Apple routing requests for driving. Pre-COVID-19 baseline is the median value (for the corresponding day of the week) of each sub-indicator over the period January – 6 February 2020. Latest values are for 19 January 2021.

GDP growth: actual mobility has a stronger impact than the stringency of containment measures

GDP growth¹ correlates positively with changes in mobility³, even after taking into account lockdown stringency² and COVID deaths



No clear relationship between GDP growth¹ and lockdown stringency² once changes in mobility³ and COVID deaths are taken into account



Sources: OECD, OxCGRT, Google.

¹ Country sample consists of 45 OECD and major non-OECD countries over 2020Q1-Q3. Each dot represents a country-quarter. Y-axes represent partial residuals from regression of real GDP growth on lockdown stringency, mobility, COVID deaths and quarter dummies.

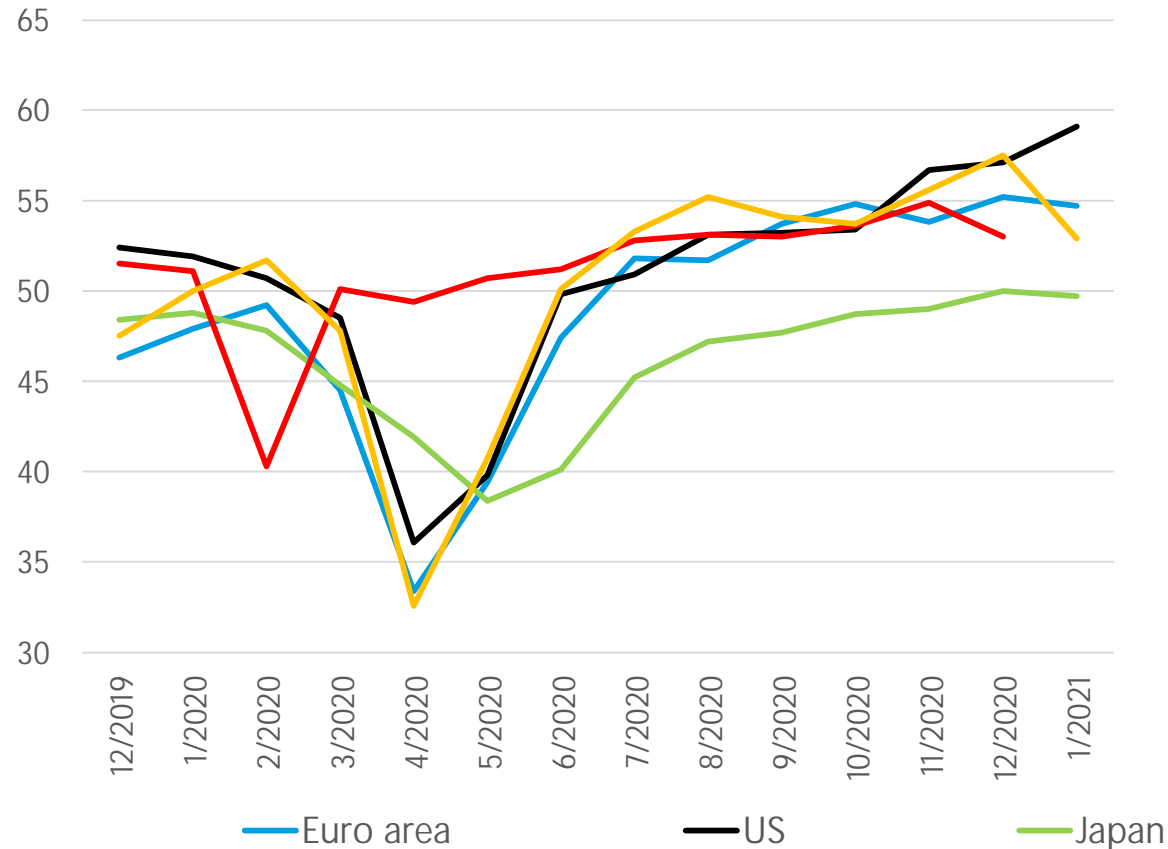
² Oxford Stringency index codifies 9 types of containment measures. Index levels take values between 0 (no restrictions) and 100 (hard nationwide lockdown).

³ Google mobility report scores for category "retail and recreation". Level scores indicate percentage deviation from pre-COVID baseline. China is excluded due to lack of data.

Second wave: lockdowns weigh on sentiment in services

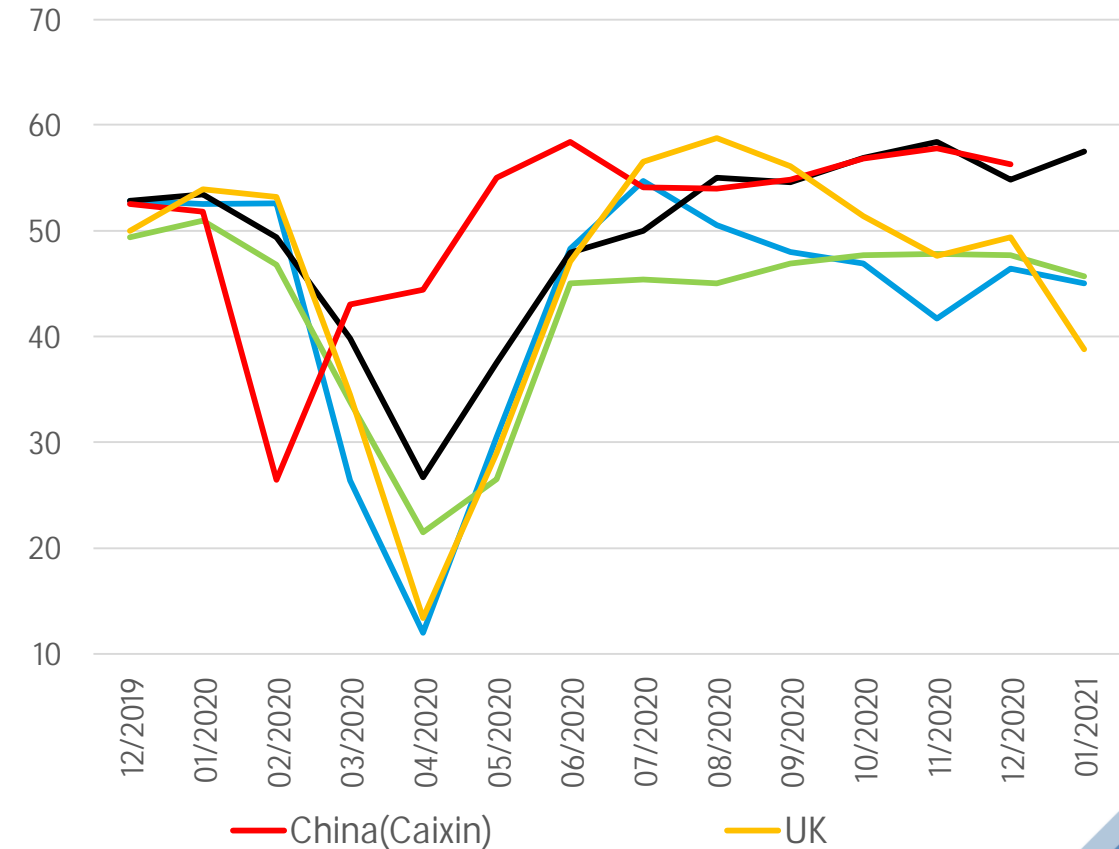
Manufacturing PMIs

(diffusion index; 50+ signals expected expansion)



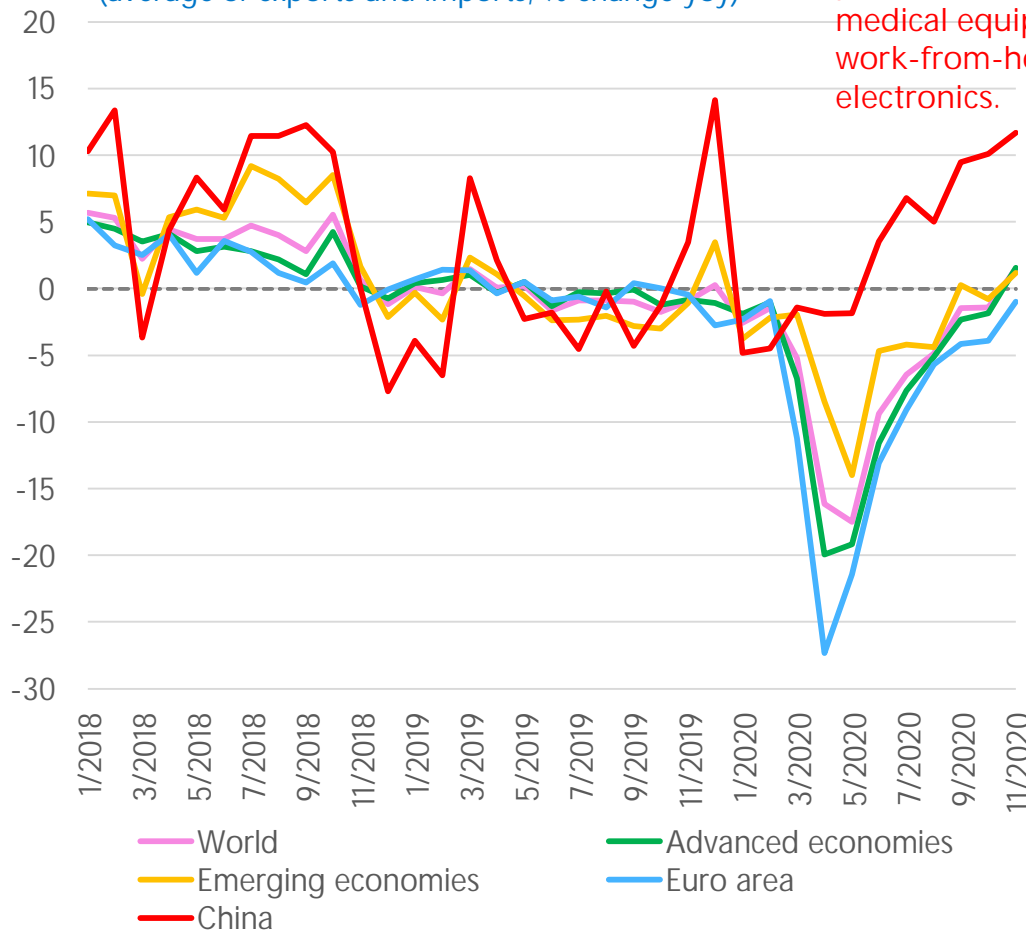
Service sector PMIs

(diffusion index; 50+ signals expected expansion)

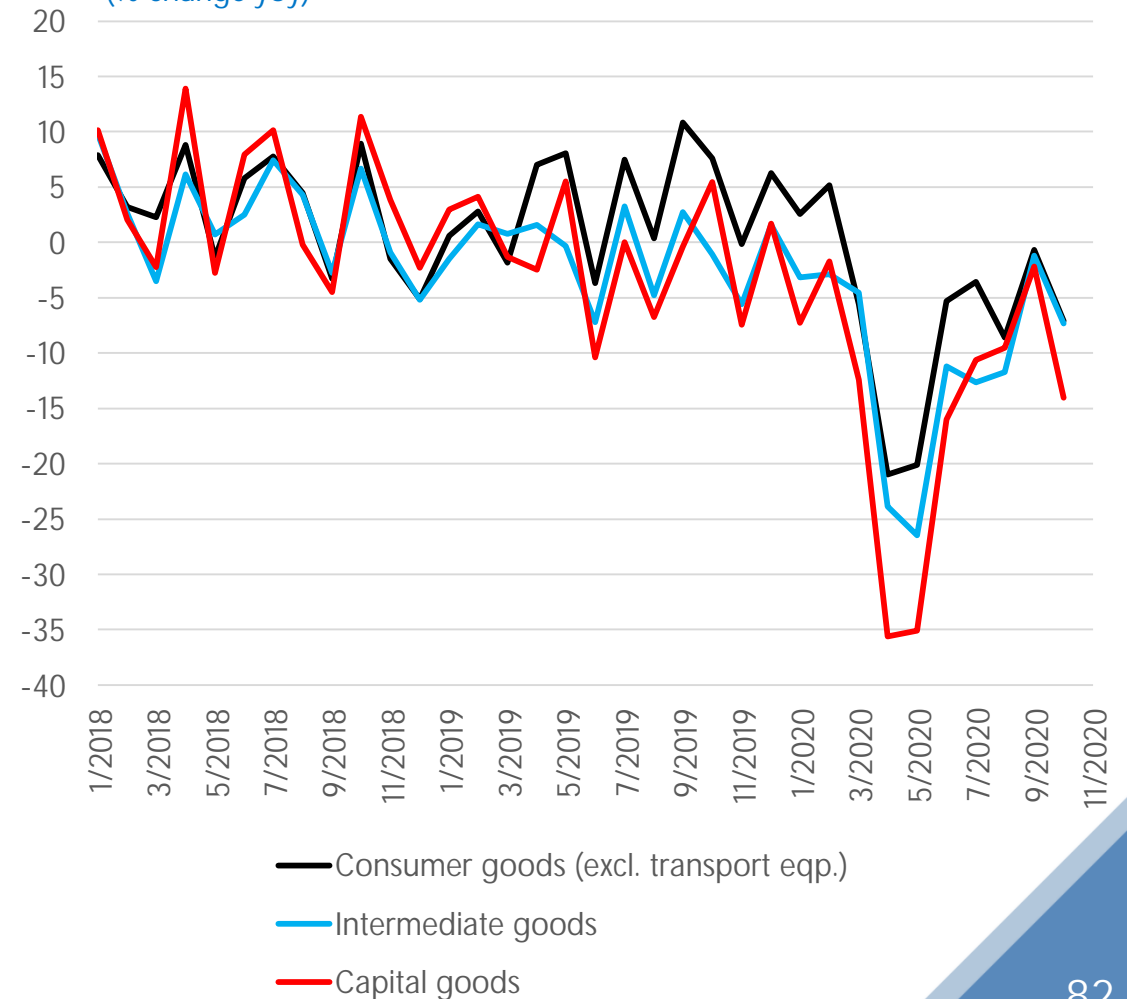


International trade: World is back to pre-COVID levels, EA lags behind

World goods trade volumes¹
(average of exports and imports, % change yoy)



Euro area: extra-EA-19 goods export volumes²
(% change yoy)



Sources: Netherlands Bureau for Economic Policy Analysis (CPB), Eurostat, Refinitiv.

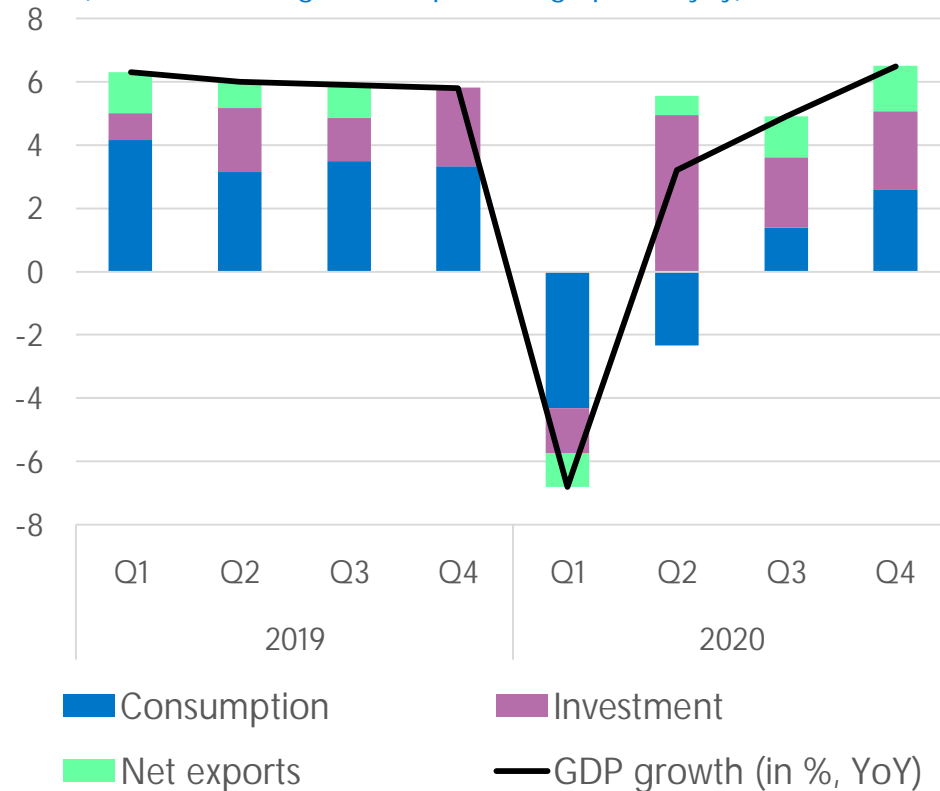
¹ Latest available data: November 2020.

² Latest available data: October 2020.

China: Q4 growth back to pre-crisis levels

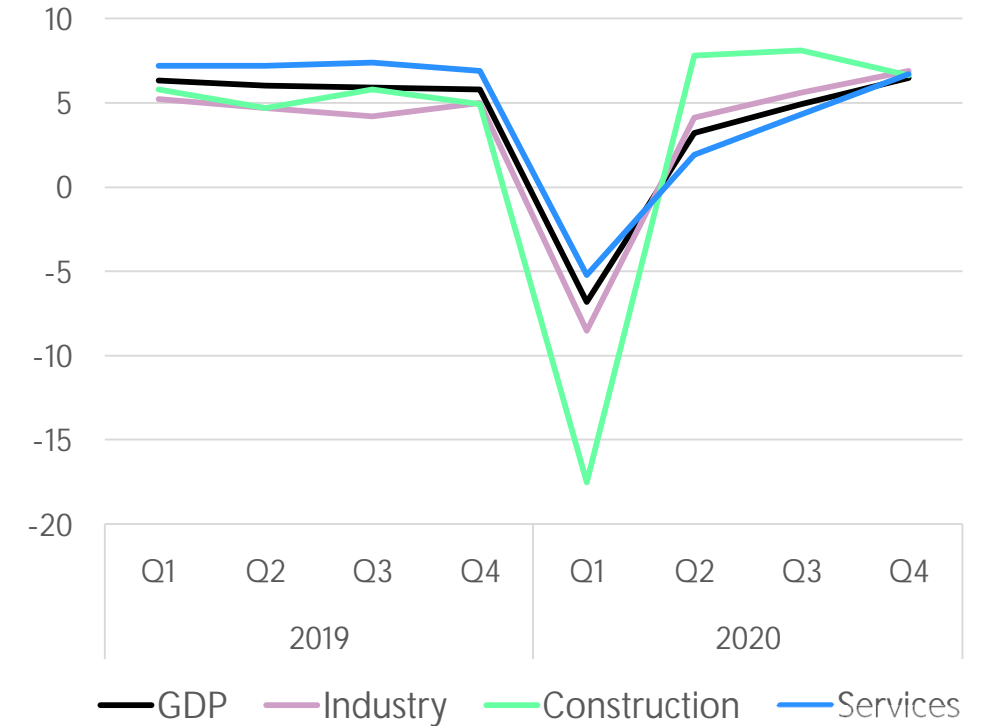
Equally driven by consumption and investment

(contribution to growth in percentage points, yoy)



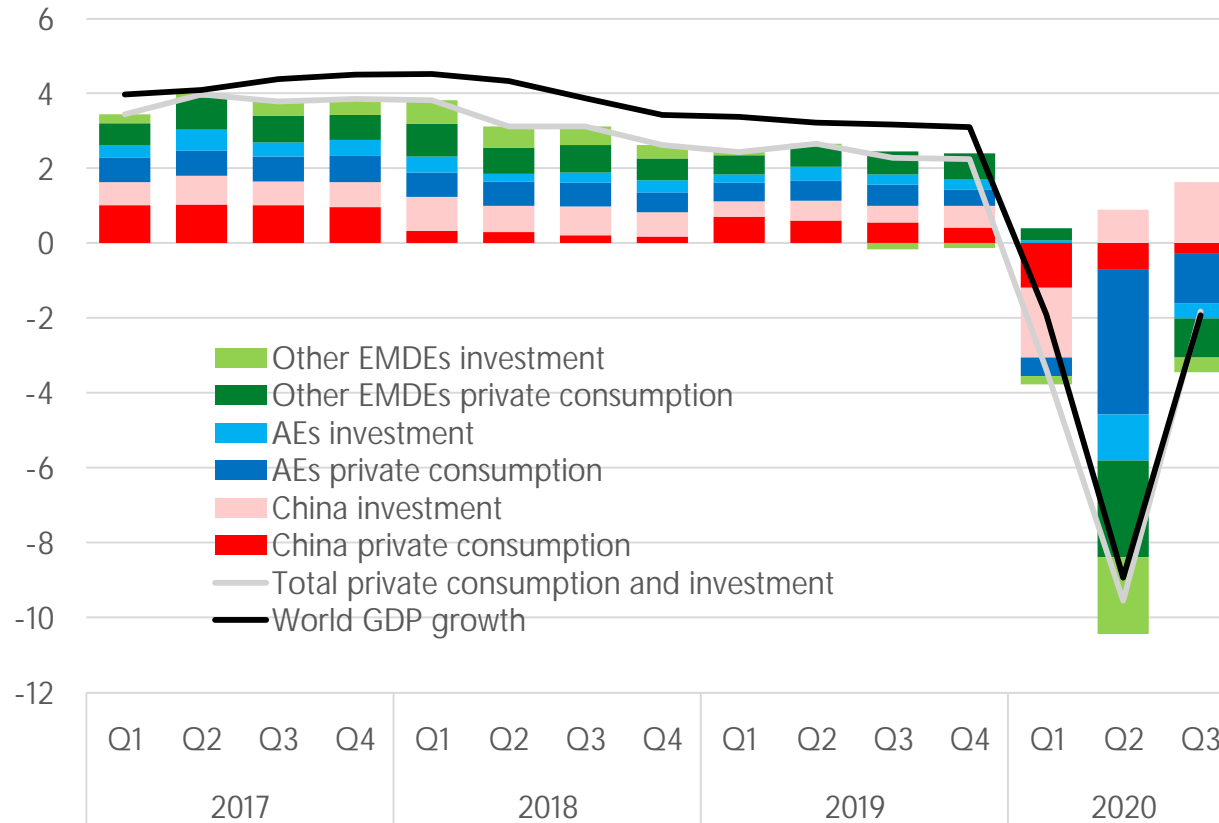
More balanced between sectors

(% change, yoy)



Chinese investment pulls global growth out of the through

Contributions of consumption and investment to world GDP growth¹
(percentage points, yoy)



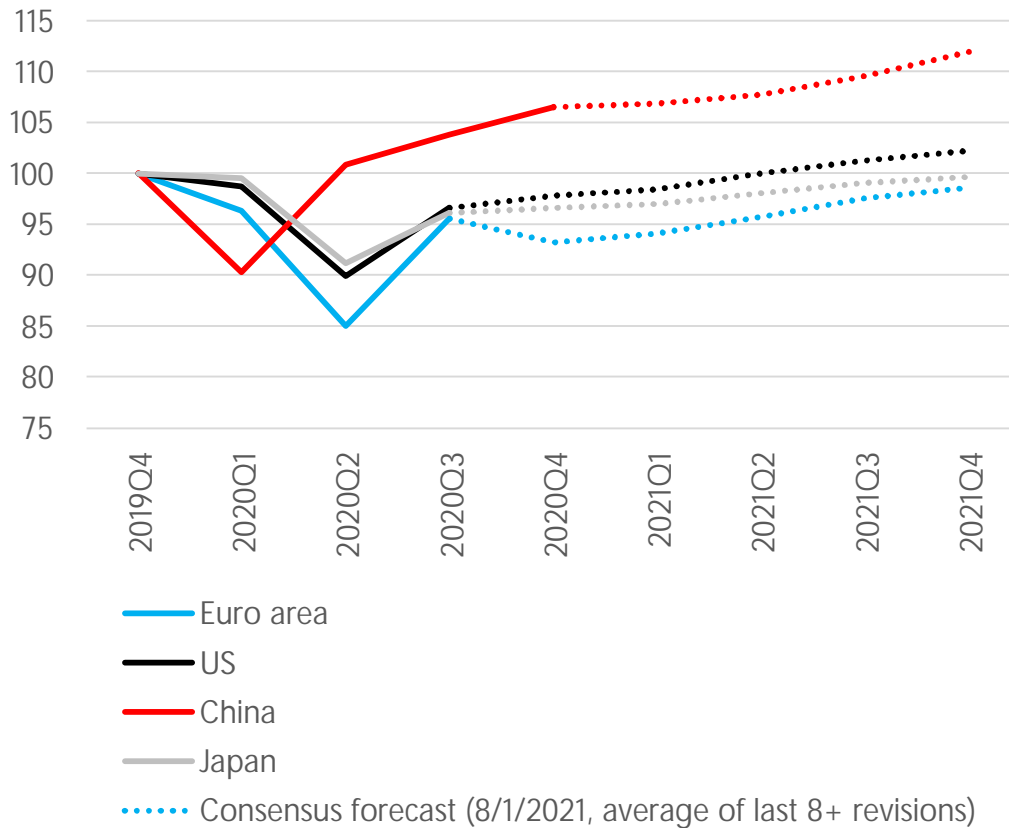
Investment picked up relatively slowly, except in China

Strong rebound in private consumption in 2020Q3 suggests release of pent-up demand and adjustments to telework

Recovery across countries: my way ...

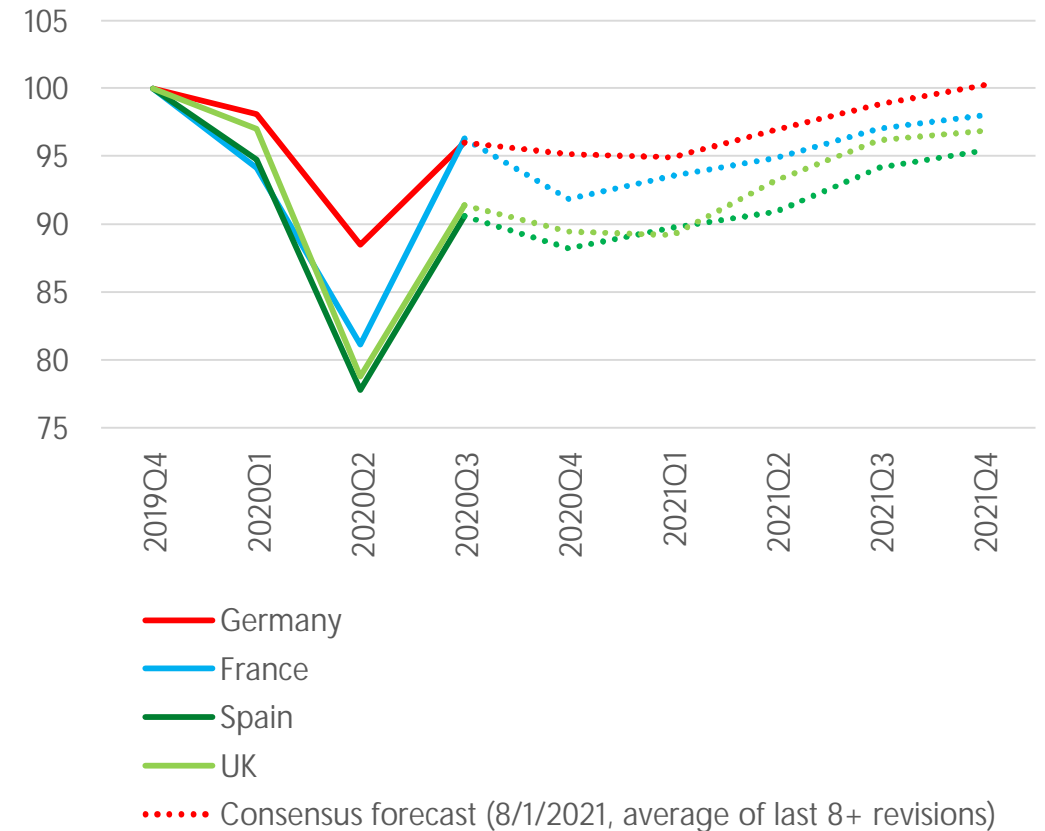
Major blocs: Real GDP¹

(index, 2019Q4 = 100)



Selected European countries: Real GDP¹

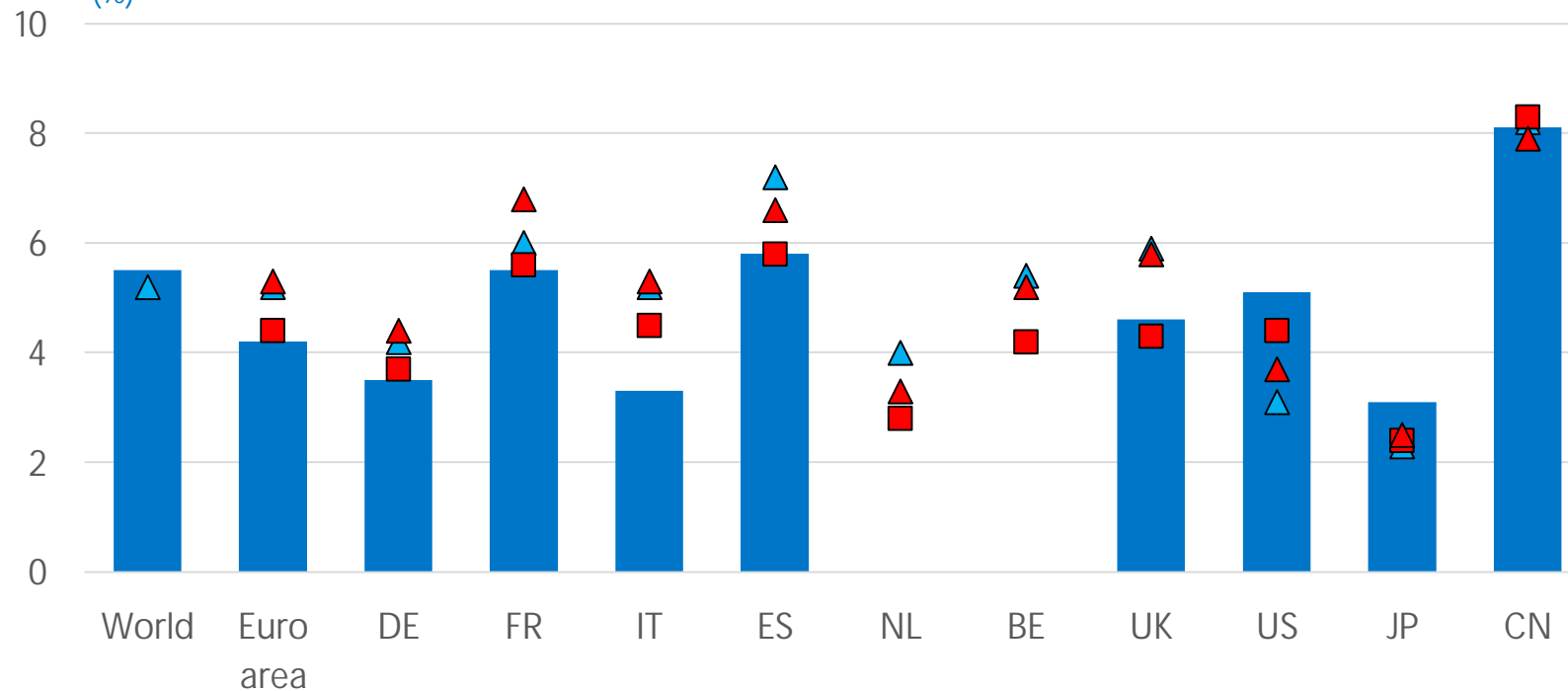
(index, 2019Q4 = 100)



Latest IMF forecasts for 2021

World Economic Outlook: "Two Shots in the Arm: Stimulus and Vaccines"

Real GDP forecasts for 2021¹
(%)



Revisions to forecasts for 2021 since October reflect:

- ◆ Base effects: somewhat less severe collapse in 2020 than previously expected
- ◆ Expectations of vaccine-powered strengthening of activity later in the year
- ◆ Additional policy support in a few large economies (notably US, Japan)
- ◆ Assumption that new virus outbreaks remain contained and vaccine rollout proceeds relatively smoothly

■ IMF World Economic Outlook Jan 2021

▲ IMF World Economic Outlook Oct 2020

■ Consensus Jan 2021 (survey mean)

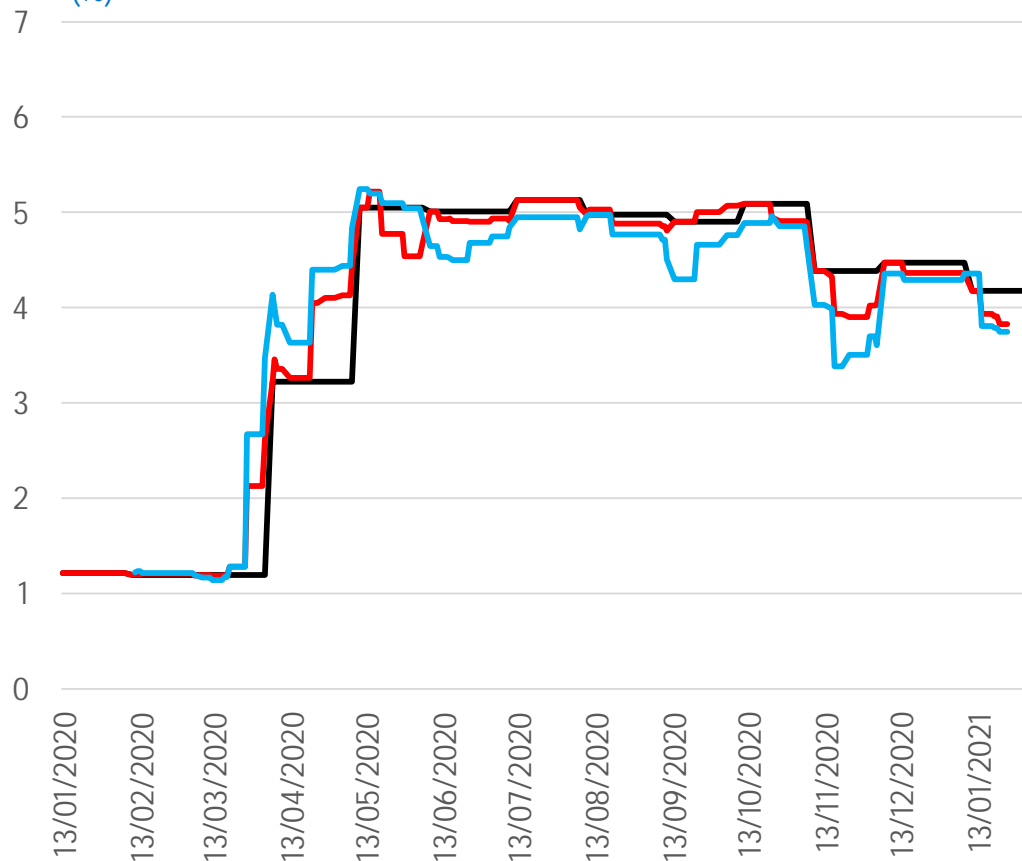
▲ Consensus Oct 2020 (survey mean)

Consensus forecasts for 2021: not so fast ...

Latest downgrades for Euro Area growth due to new COVID infections and lockdowns

Belgium: Real GDP growth forecasts, 2021

(%)



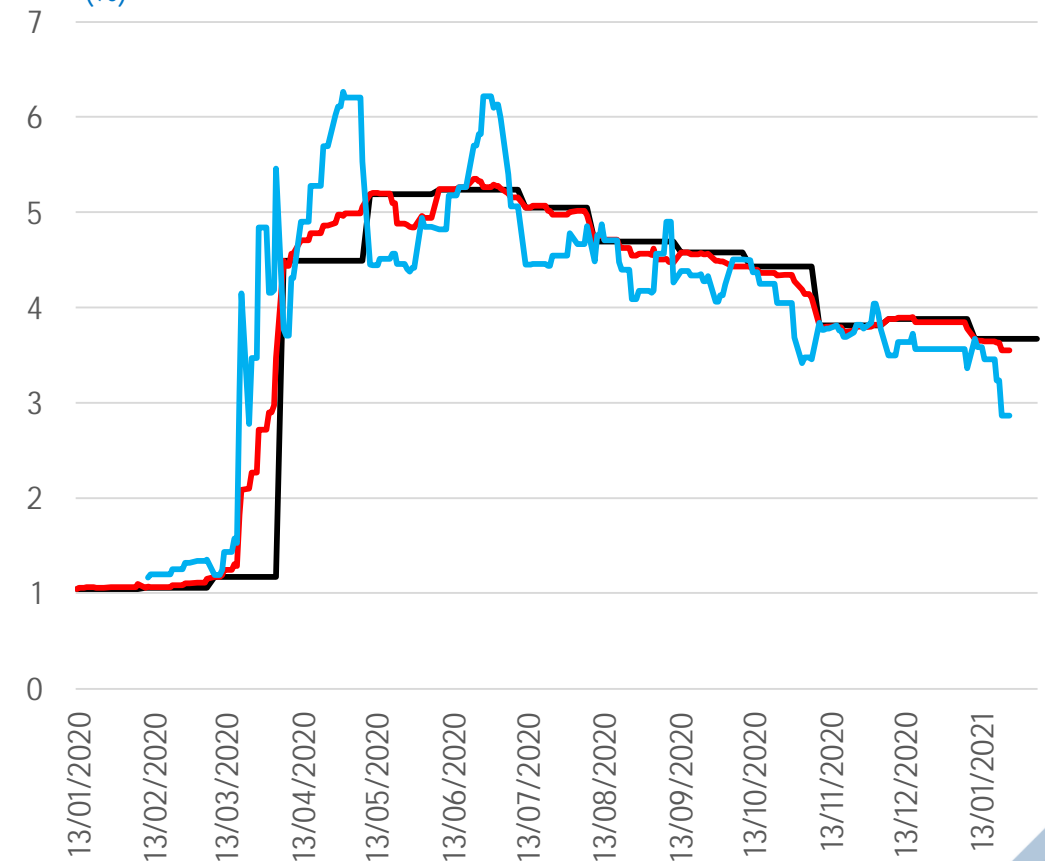
— Monthly survey mean

— Mean on replacement basis

— Moving average of latest 8+ changes

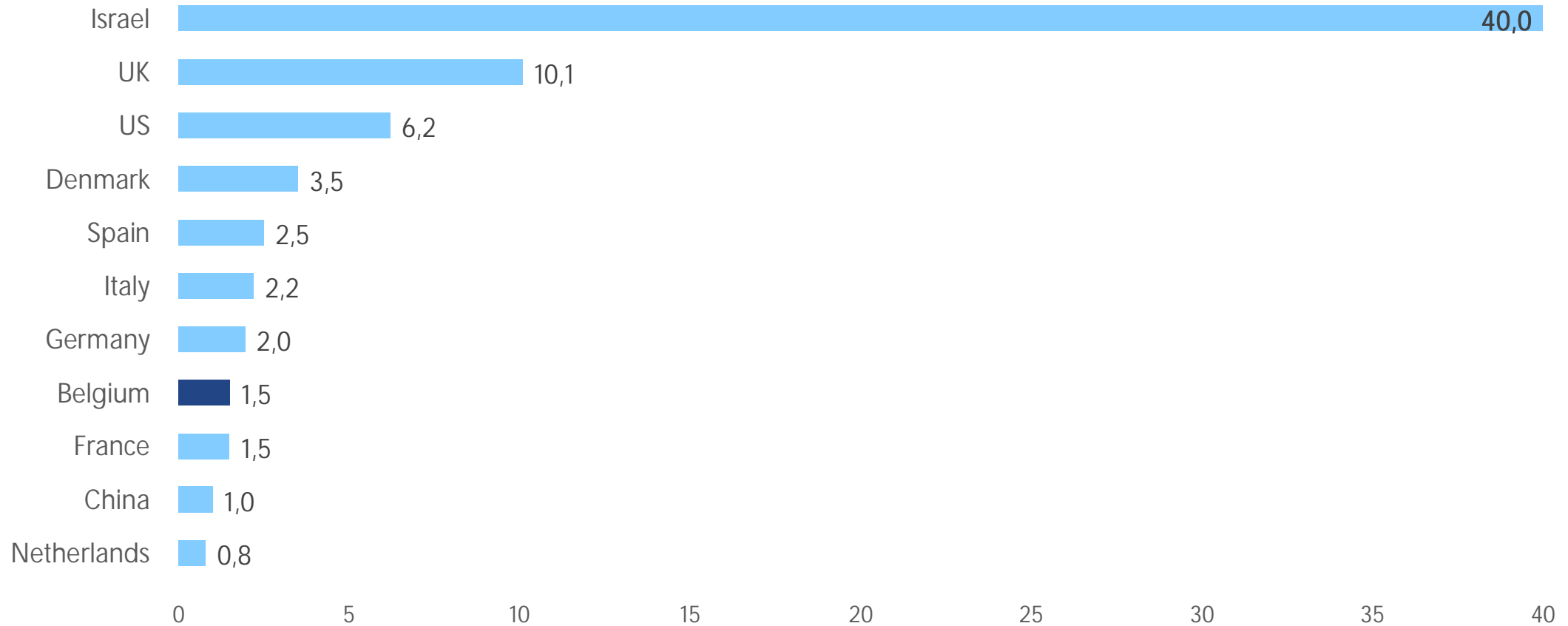
Euro area: Real GDP growth forecasts, 2021

(%)



Vaccination kicked off at different speeds

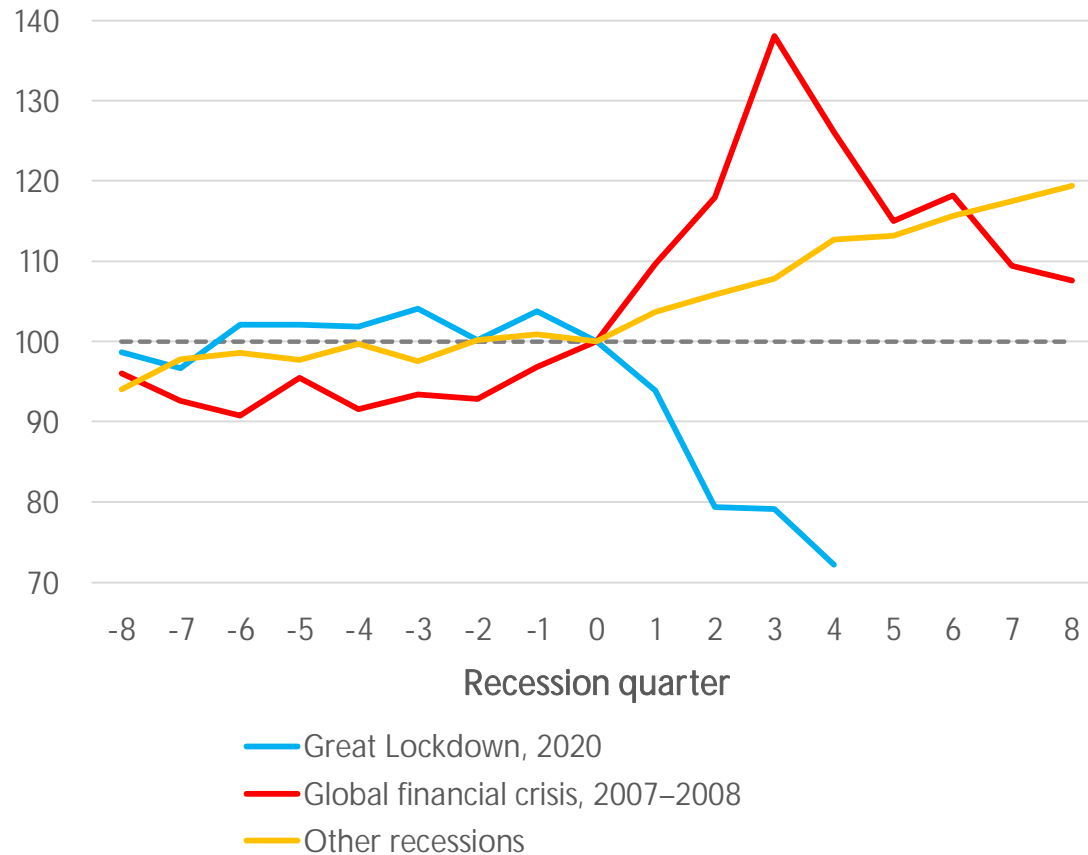
Total number of vaccination doses administered per 100 people in the total population¹
(Situation as of 23 January 2021)



Firms: Zombification or creative destruction?

Too early to tell, as temporary measures protect against destruction

Advanced economies: Number of bankruptcies¹
(index, last pre-recession quarter = 100)



Decline in bankruptcies during great lockdown driven by:

- ◆ Transfers to firms, credit guarantees and funding-for-lending programmes
- ◆ Implementation of moratoria on bankruptcy filings in some countries

Source: IMF.

¹ Data are from 13 advanced economies with varying coverage during 1990Q1-2020Q3. Lines are averages across recession types. For the great lockdown, quarter 0 is 2019Q4 for all countries; for the global financial crisis, quarter 0 is country-specific peak of real GDP during 2007-2008; Other recessions are country-specific episodes of at least two consecutive quarters of negative growth during 1990-2006 and 2009-2019.

The background of the slide features a large, detailed, and somewhat translucent image of a virus particle, likely representing the COVID-19 virus, centered behind the text. The virus has a spherical shape with numerous spike-like protrusions on its surface. The overall color scheme is light blue and white, with a dark blue triangle in the top-left corner and a dark blue triangle in the bottom-right corner.

NBB online surveys in cooperation with the Microsoft Innovation Center

NBB Survey on impact on households' income

7-24 May

[Press release](#)

[Perscommuniqué](#)

[Communiqué de presse](#)



NBB Survey on changes in consumer patterns

14 – 21 July

Perscommuniqué

Communiqué de presse

