

COVID-19 Dashboard of Economic Indicators

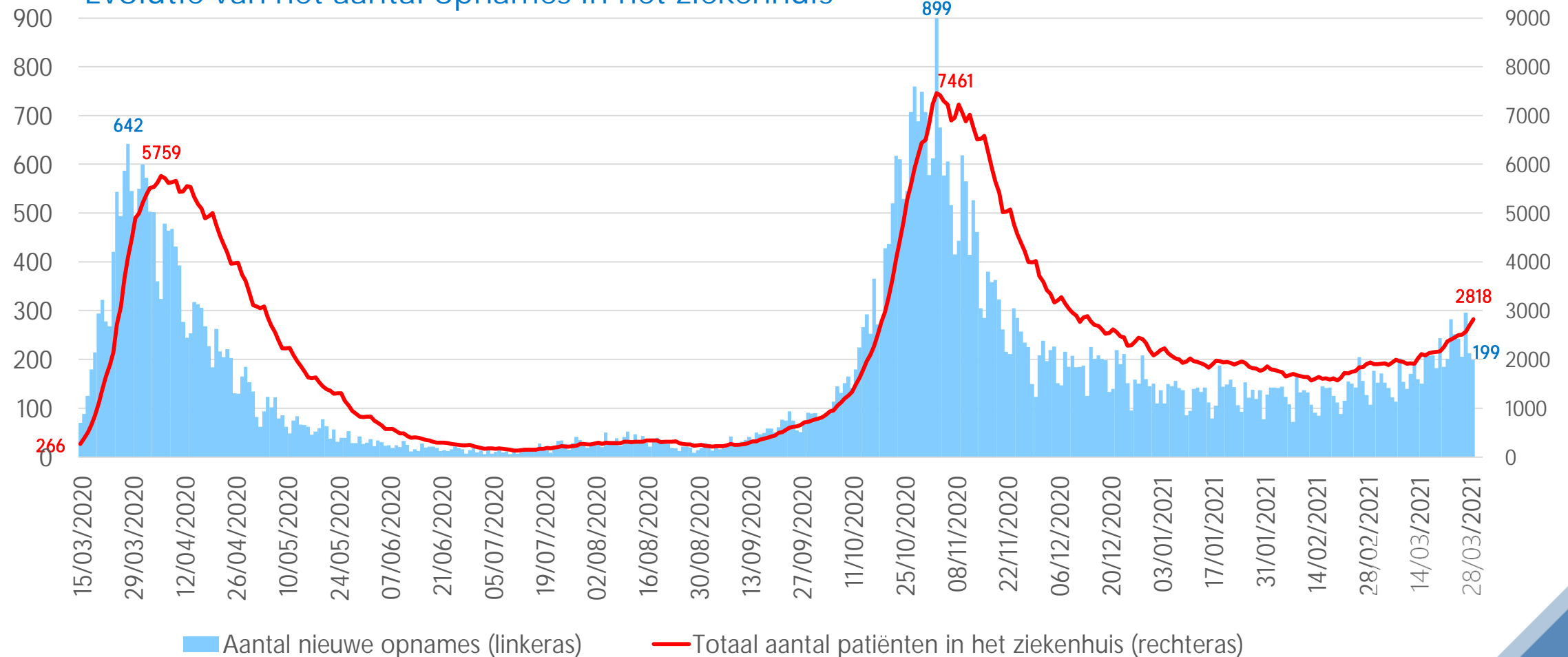
31 March 2021

The background of the slide features a light blue gradient with several stylized, semi-transparent images of COVID-19 virus particles. These particles are spherical with a textured surface and numerous small, protruding spikes, resembling the characteristic shape of the virus. They are scattered across the slide, with one large, detailed particle centered behind the title text.

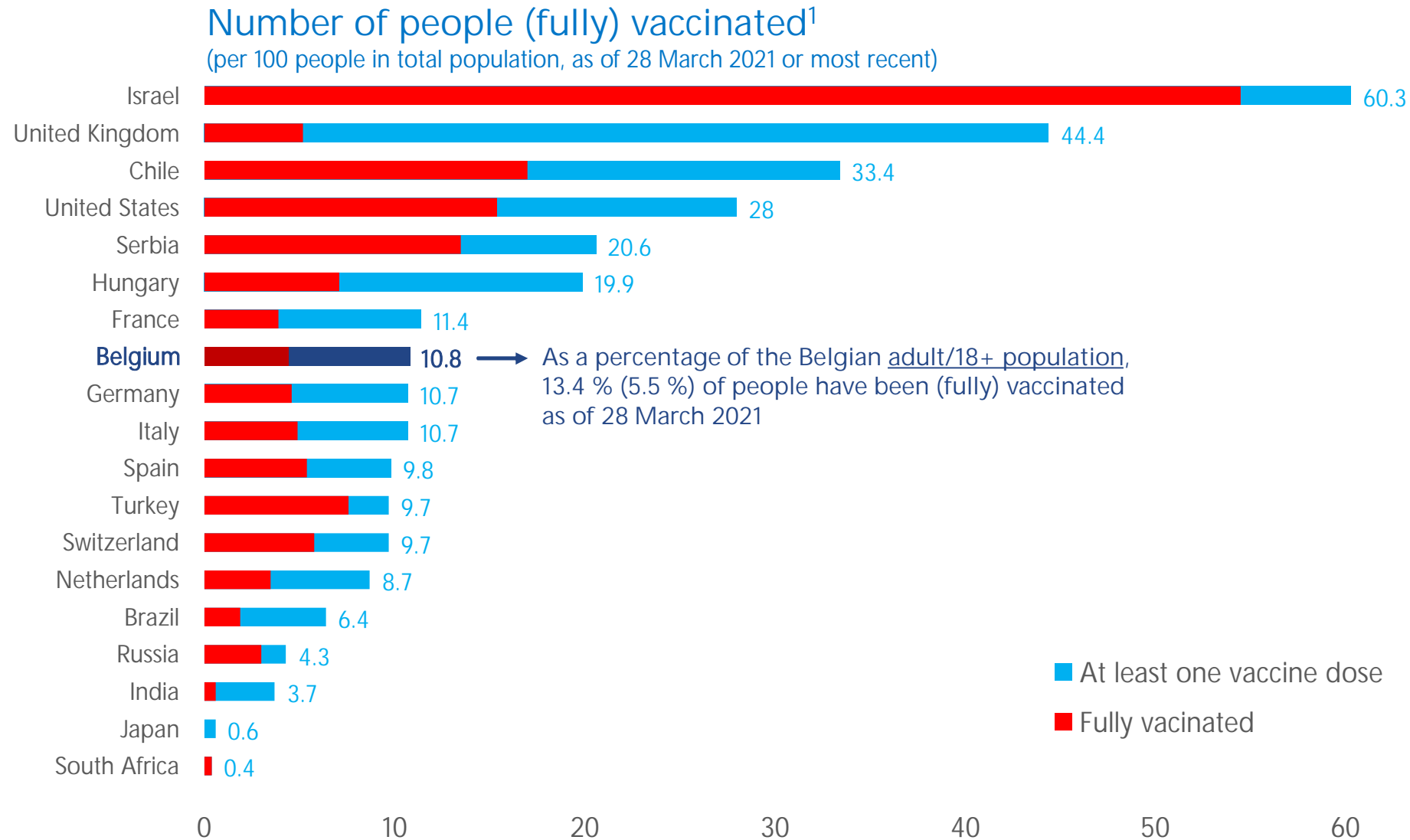
COVID-19 in België

Aantal gehospitaliseerde patiënten stijgt terug en bevindt zich op een zorgwekkend niveau

Evolutie van het aantal opnames in het ziekenhuis



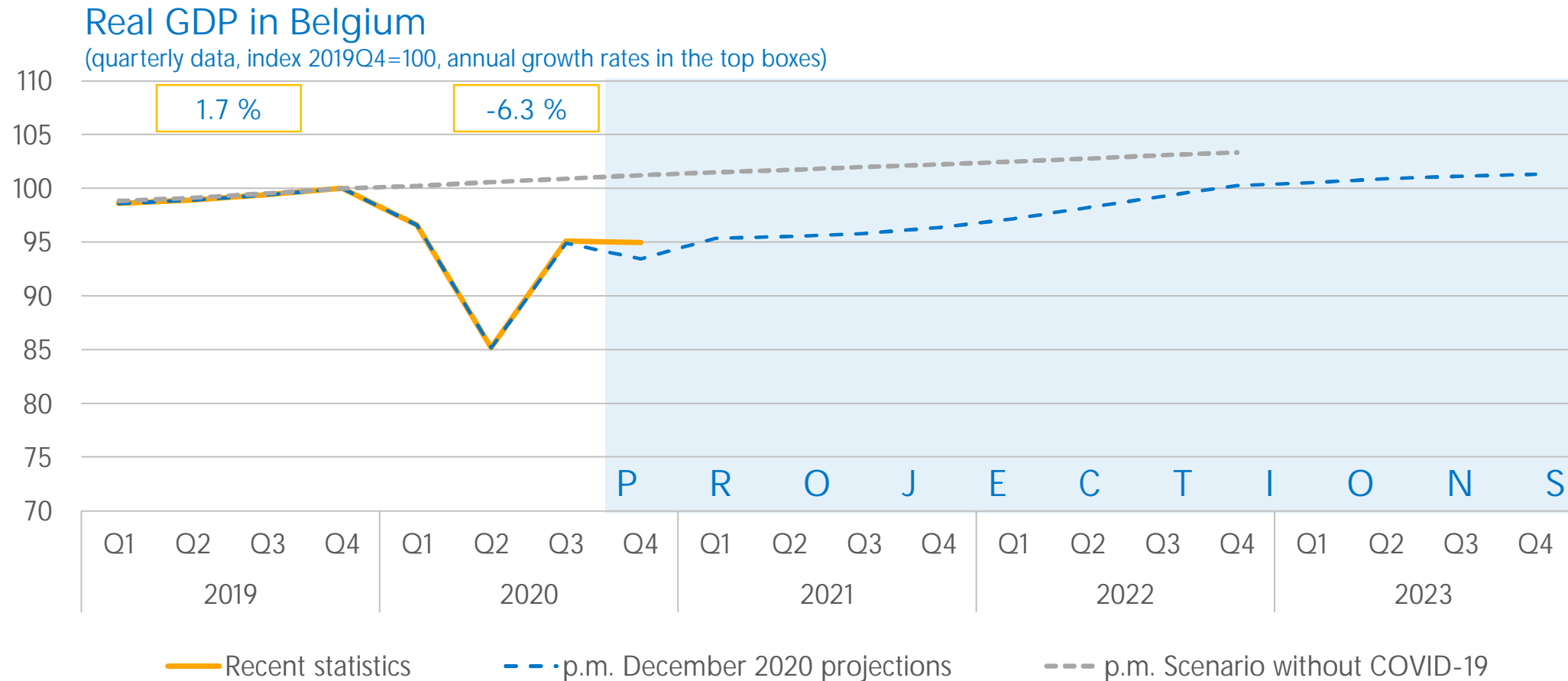
Multispeed vaccination process



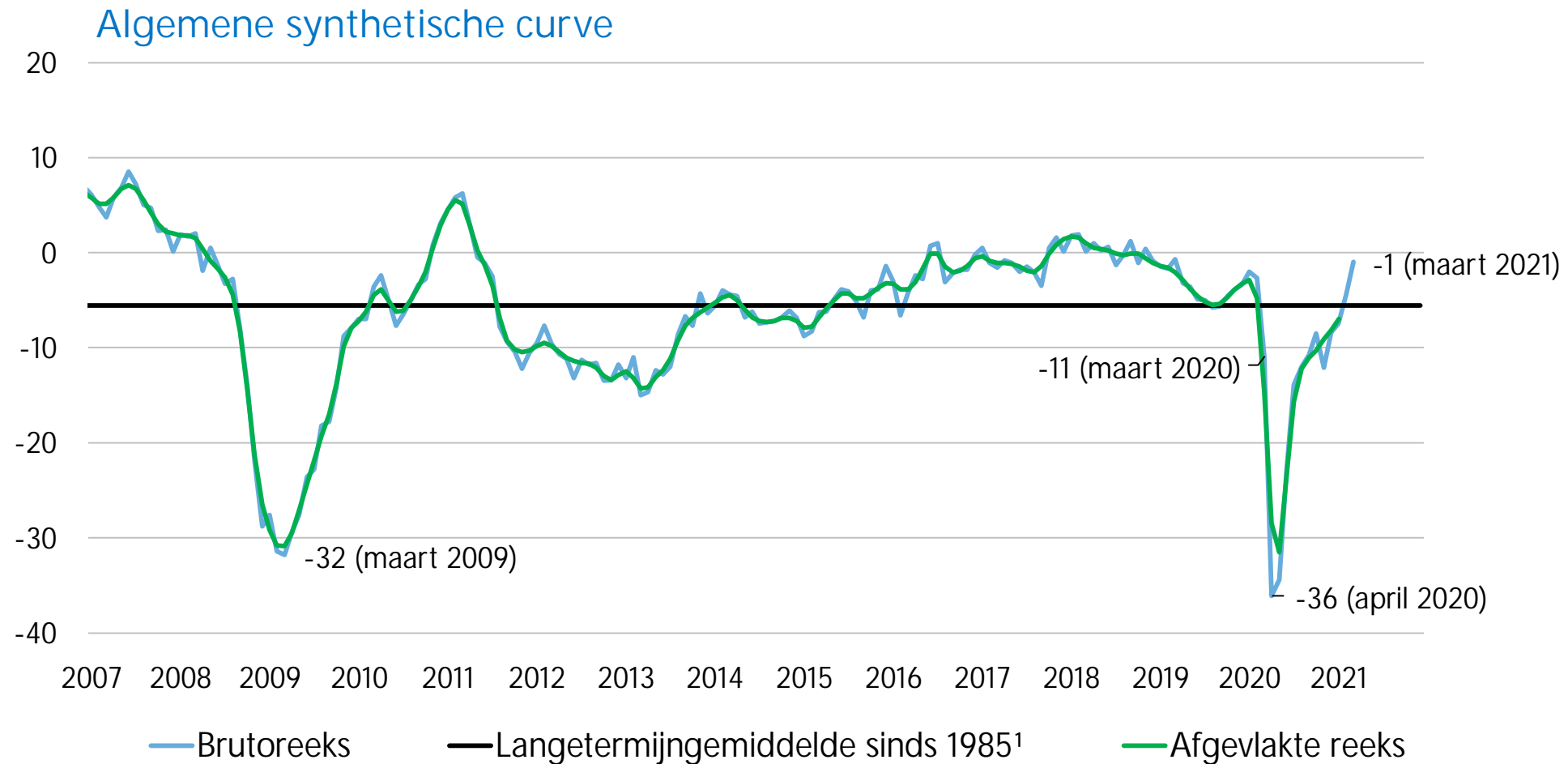
The background of the slide features a light blue gradient with several stylized, semi-transparent images of coronavirus particles. These particles are spherical with numerous spike-like protrusions on their surface, rendered in a slightly darker blue or greyish tone. They are scattered across the slide, with one particularly large and detailed particle centered behind the main text.

GDP and confidence indicators for Belgium

The Belgian economy has been affected much less by the second lockdown, but a full recovery is not expected before 2022

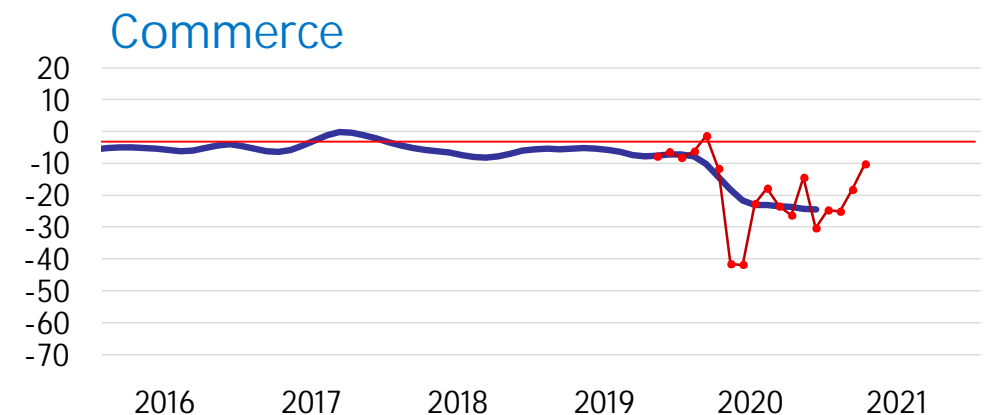
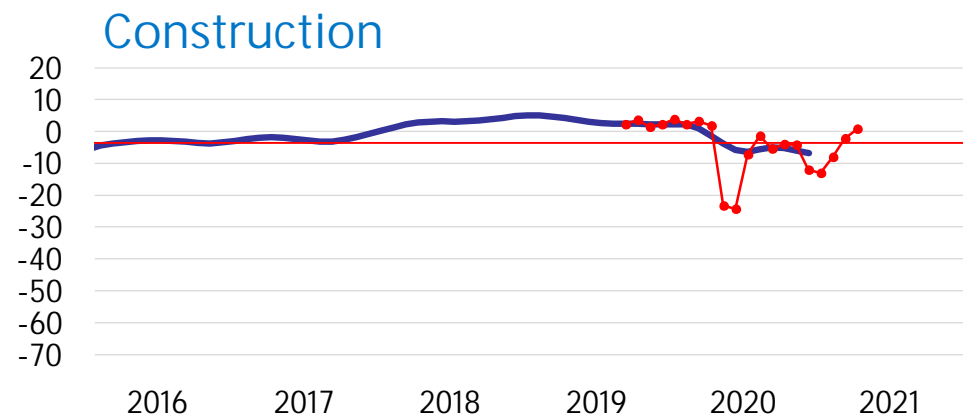
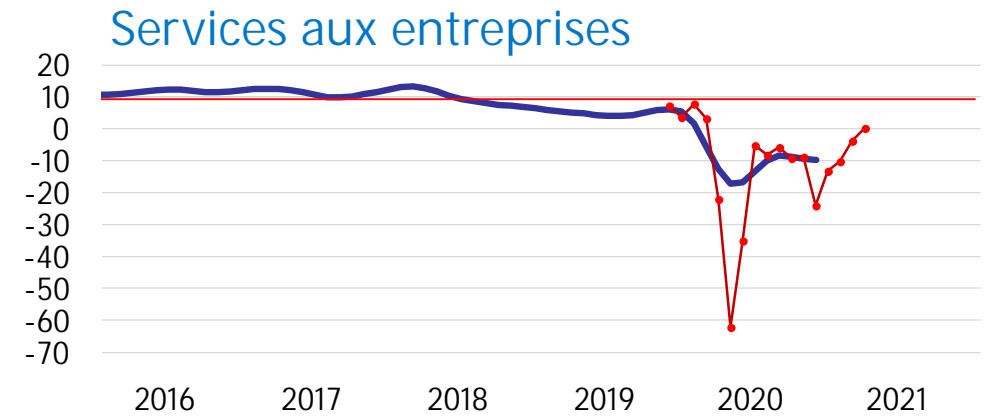
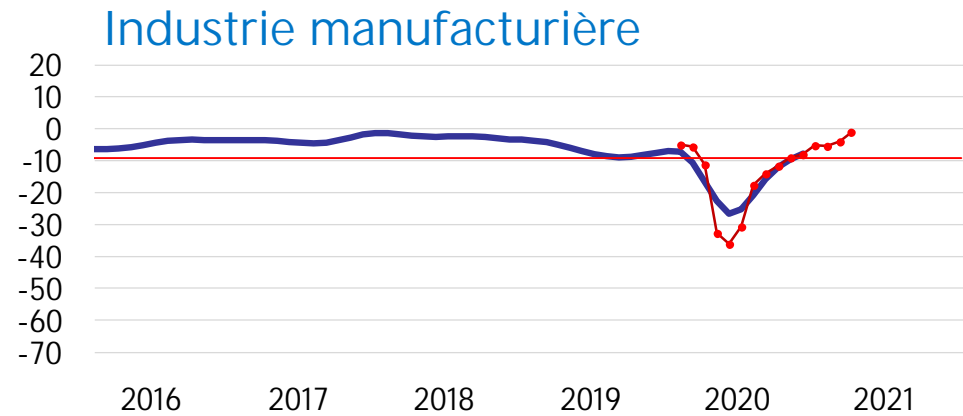


Het ondernemersvertrouwen stijgt verder ...



... et la montée se reflète dans tous les branches d'activité

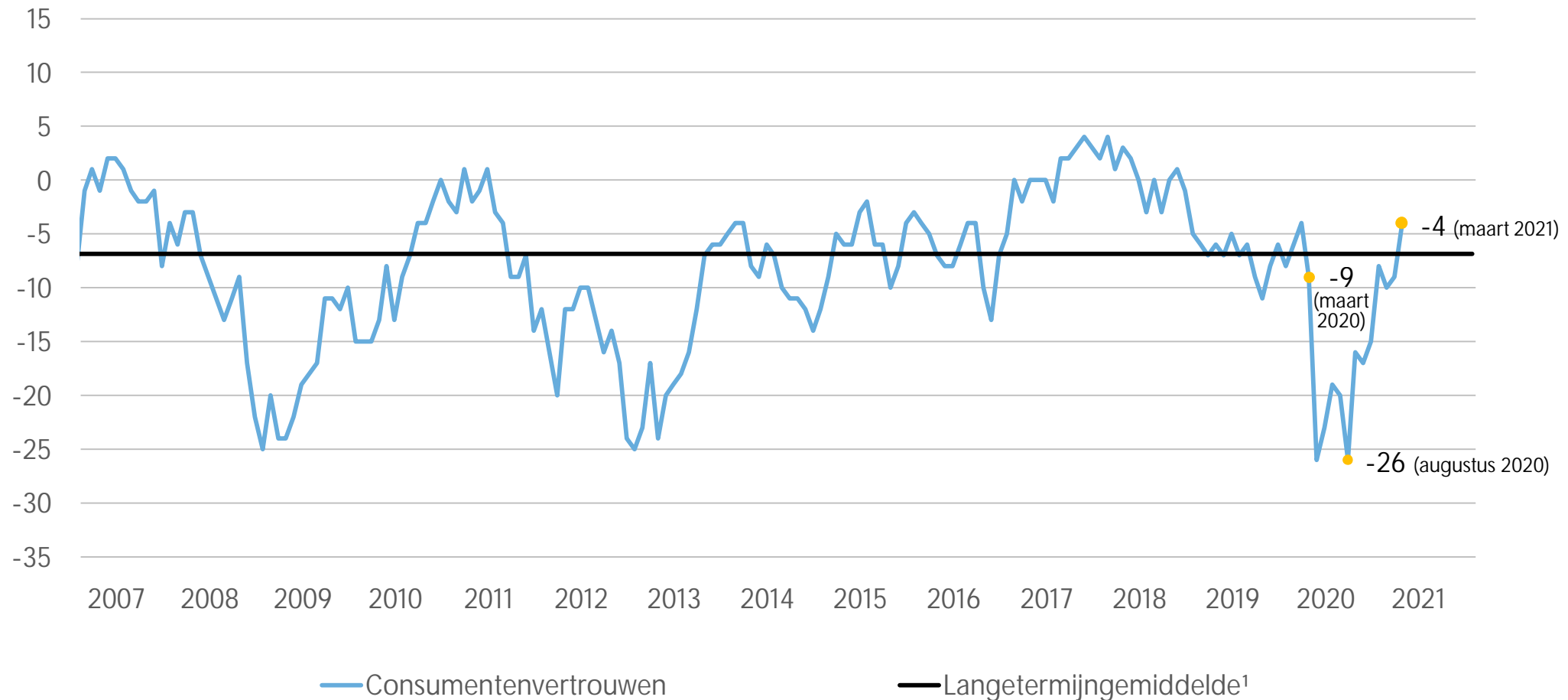
Baromètre de conjoncture – Belgique : Branches d'activité – mars 2021



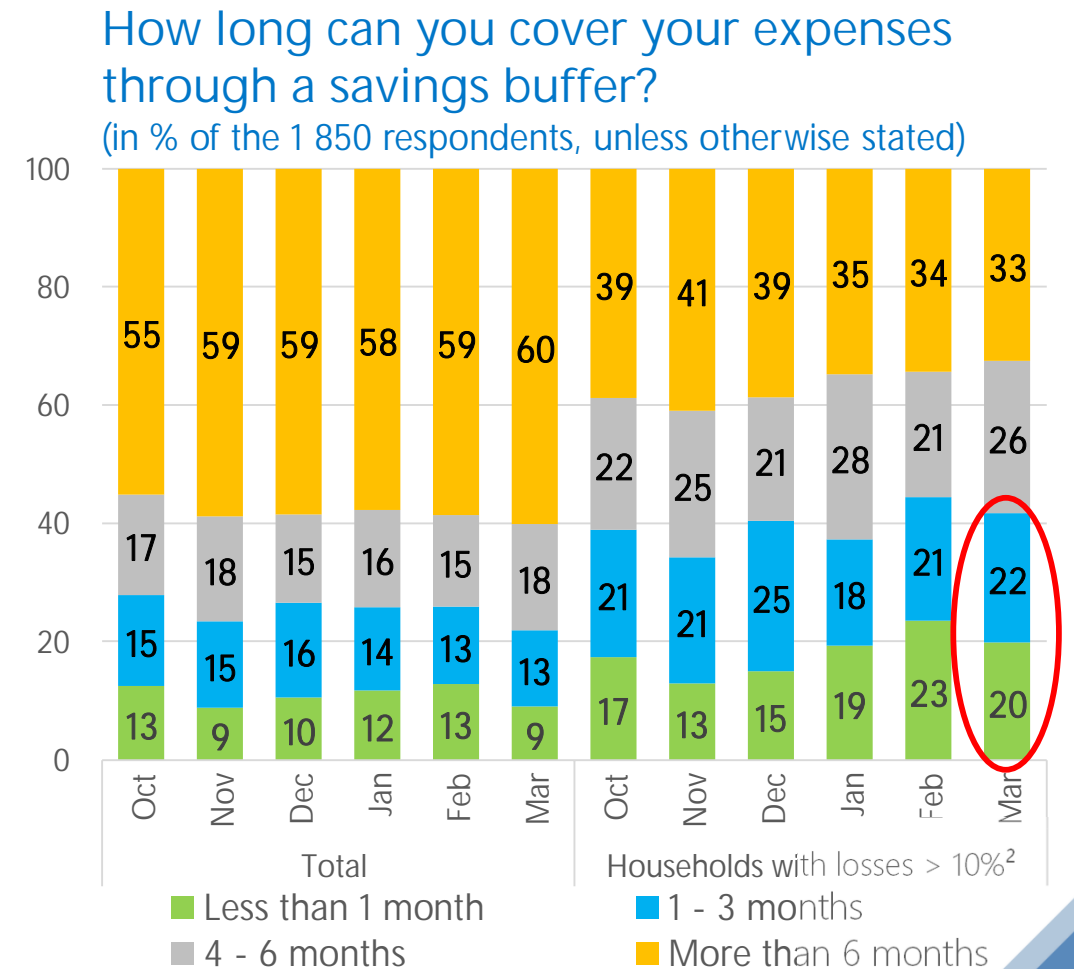
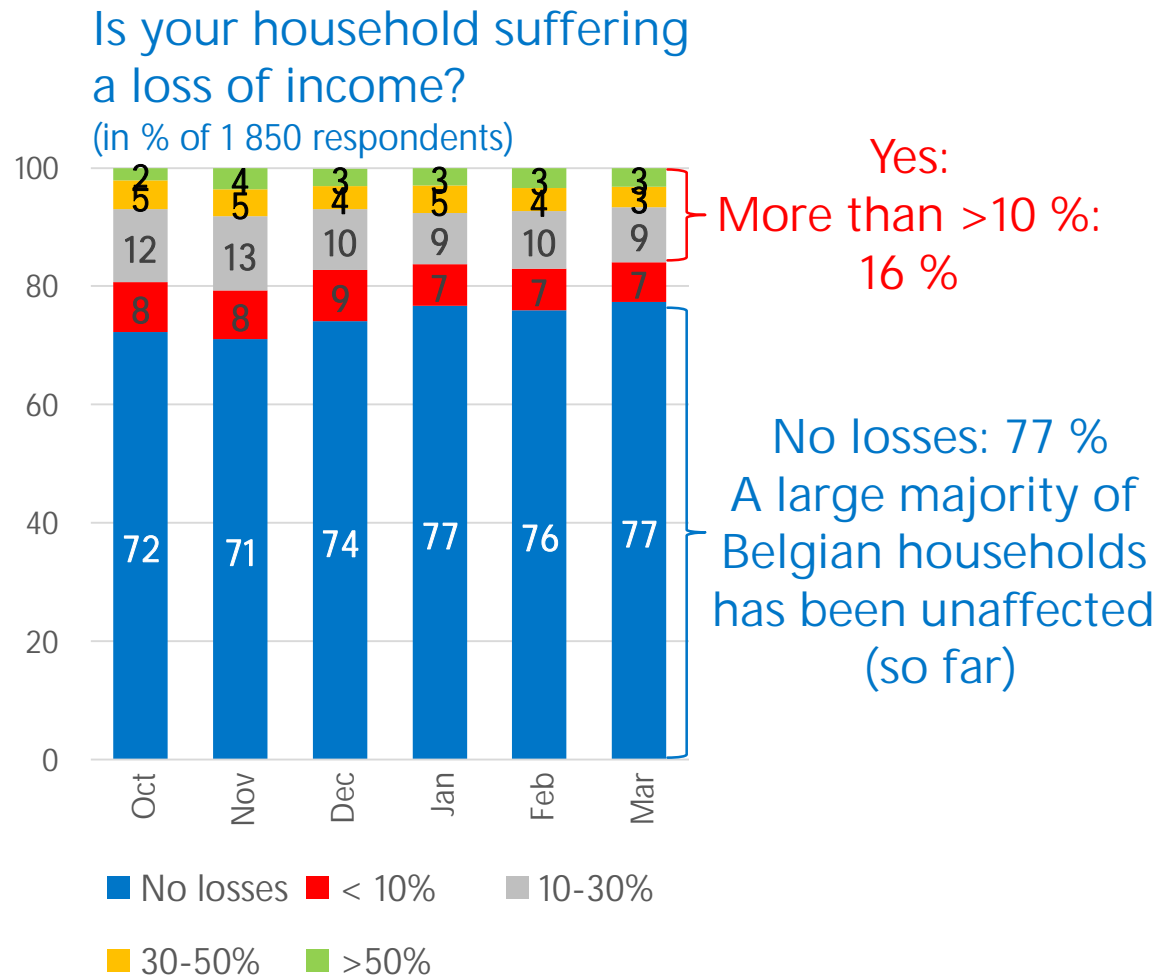
— Série dessaisonnée et lissée — Moyenne de long terme¹ • Série dessaisonnée

Het consumentenvertrouwen herwint het niveau van vóór de gezondheidscrisis

Indicator van het consumentenvertrouwen

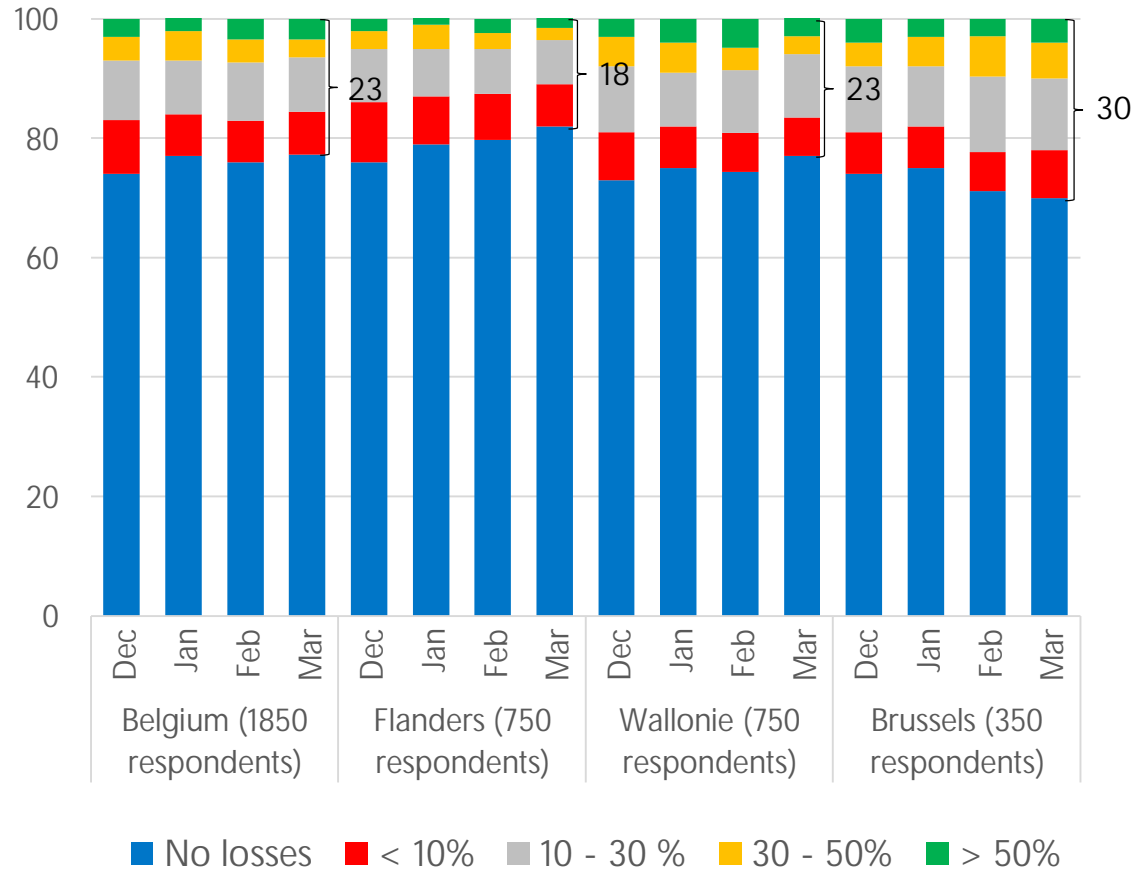


Around 16 % of households suffer an income loss of more than 10 % and 42 % of them have a savings buffer of less than 3 months¹

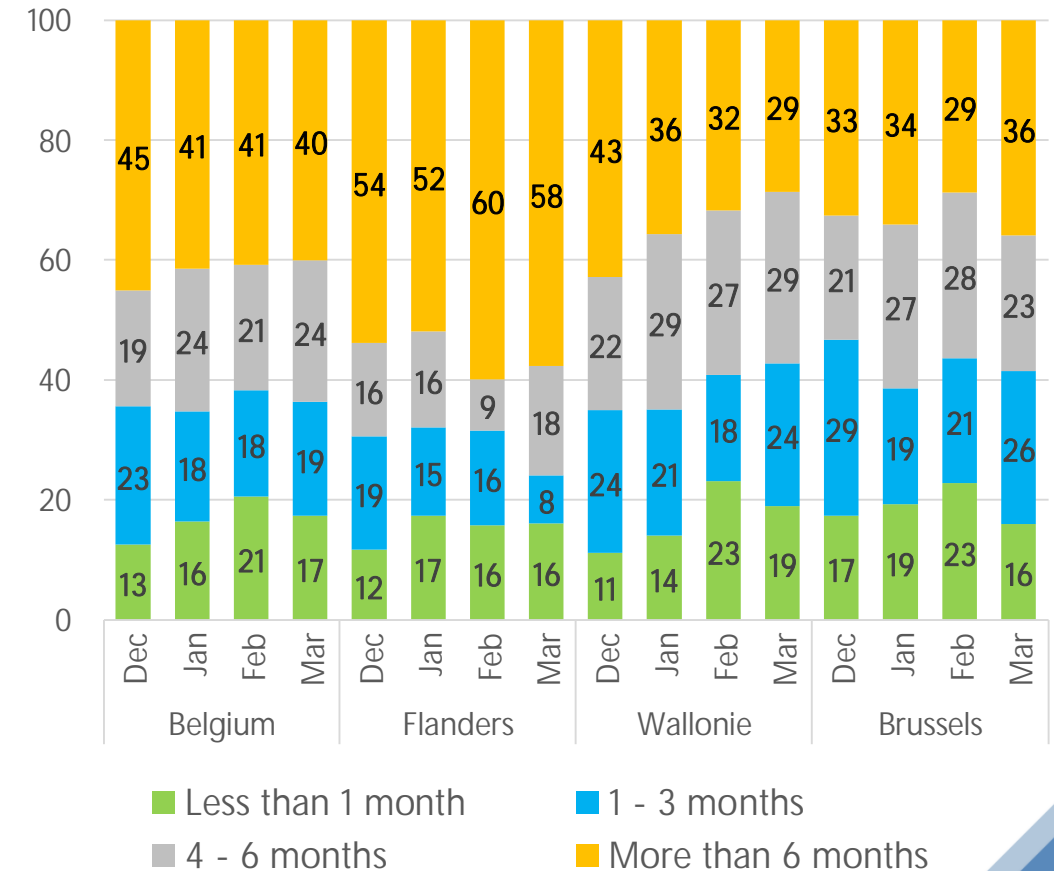


Situation appears somewhat worse in Wallonia and in Brussels

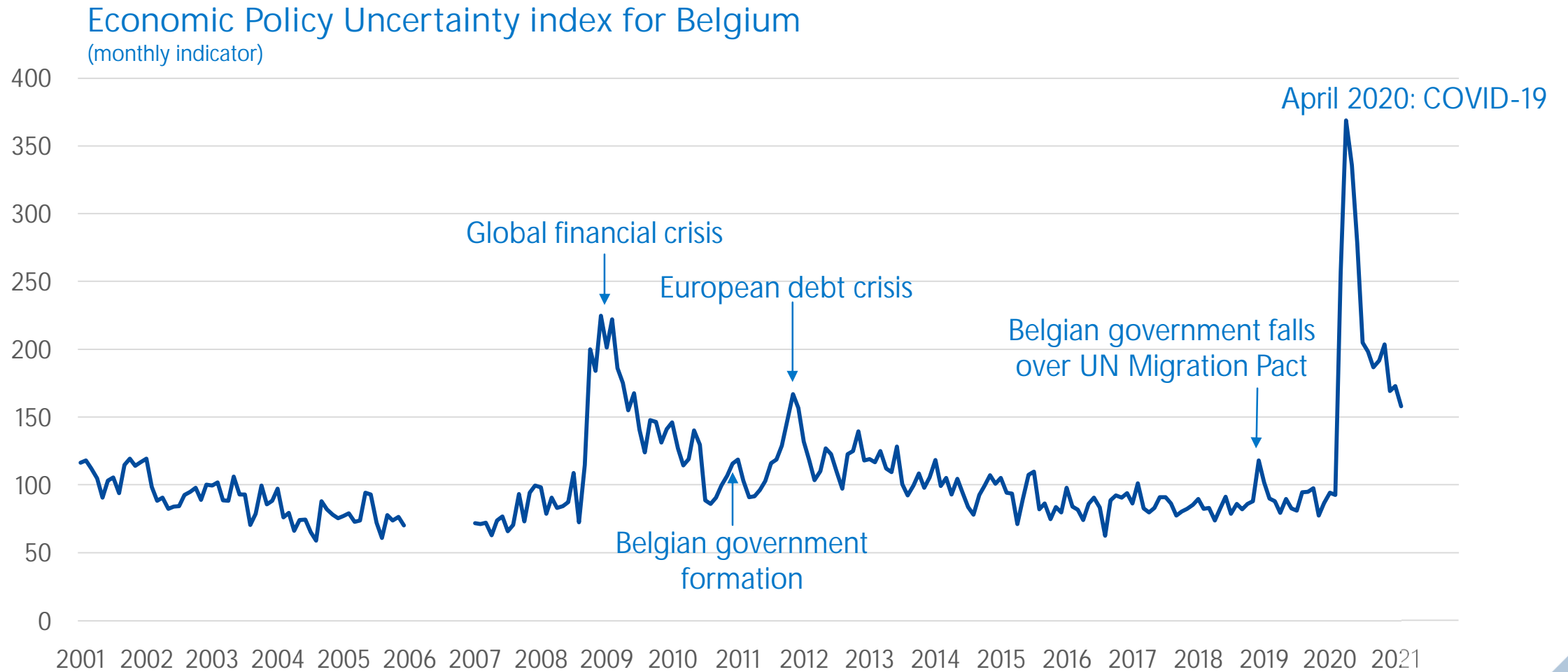
In March, the proportion of households suffering no loss of income increases in all regions, except in Brussels
(in % of respondents)



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



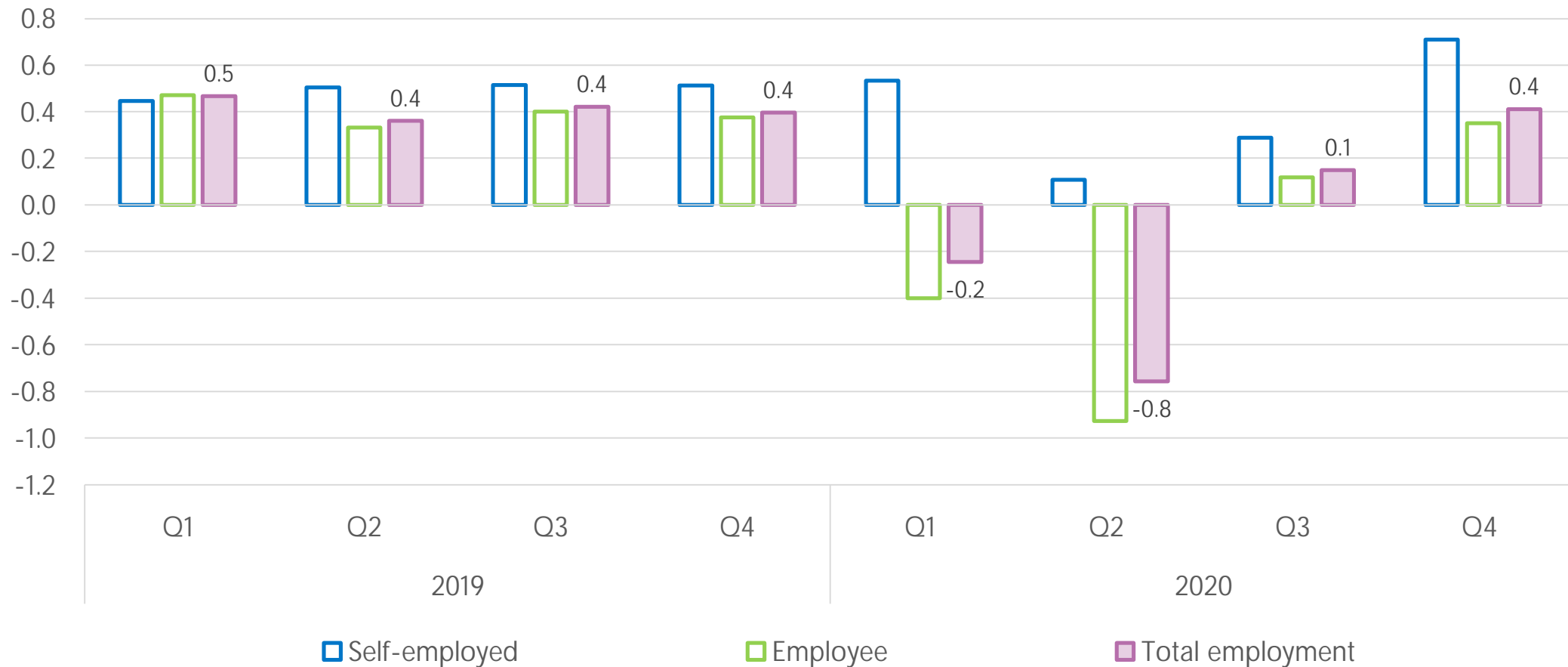
Economic policy uncertainty has eased recently, but remains elevated



Labour market

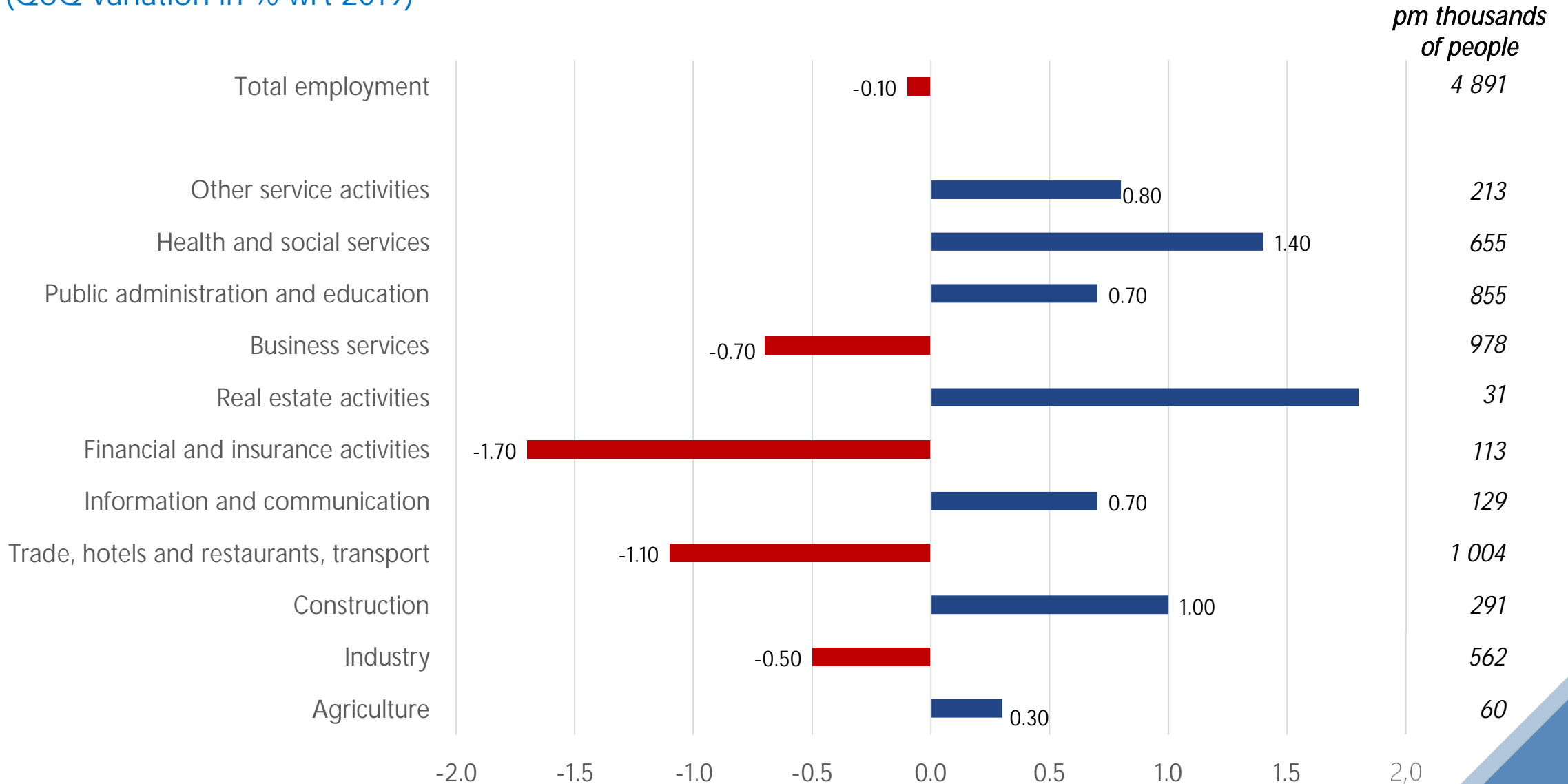
Confirmation of a return to employment growth with accelerating growth in self-employment

(QoQ variation in %)



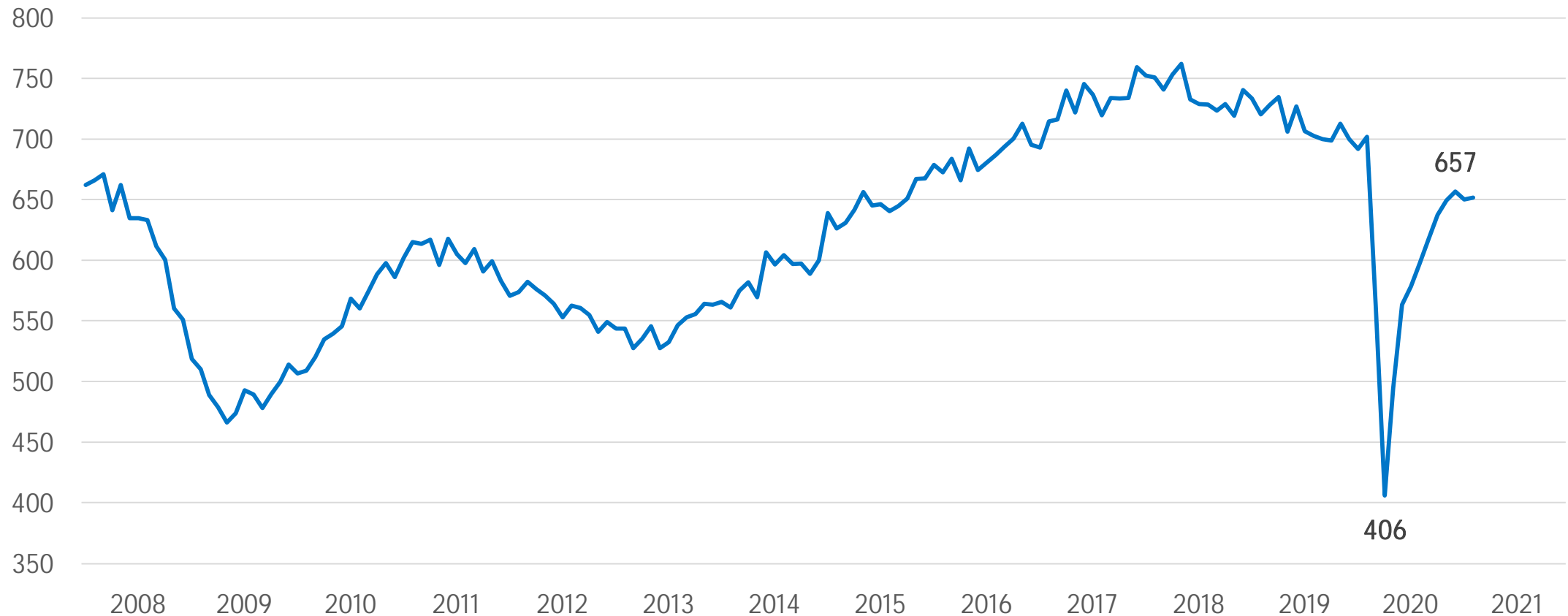
Impact on employment stronger for some branches of activity

(QoQ variation in % wrt 2019)



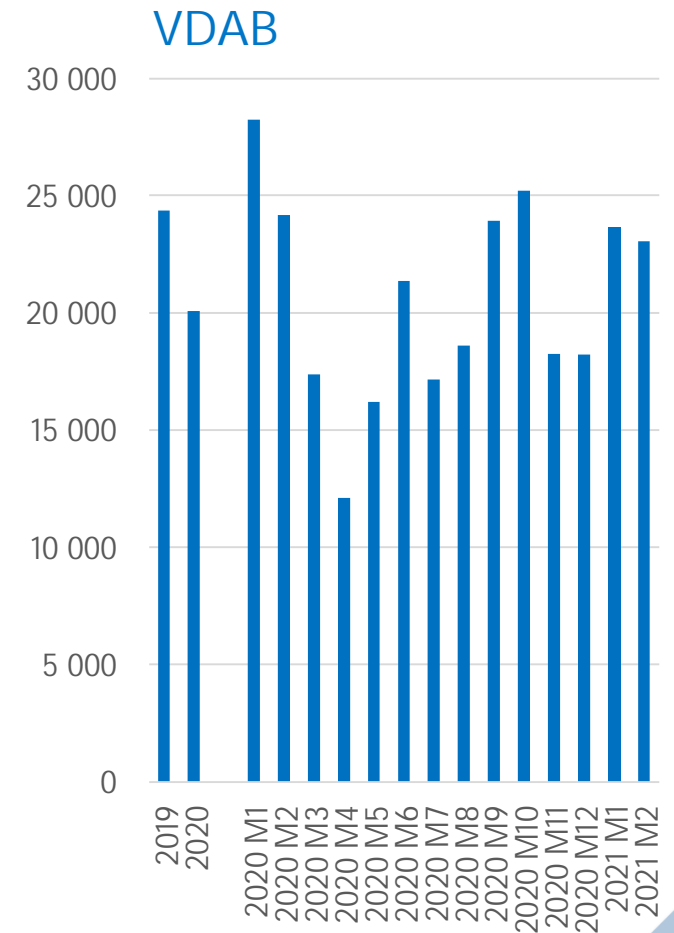
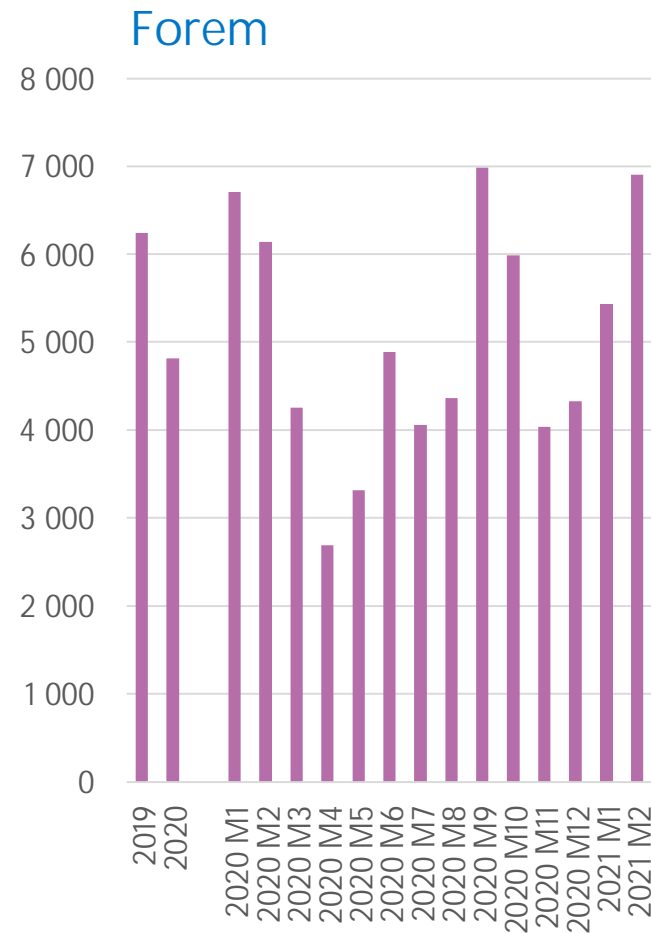
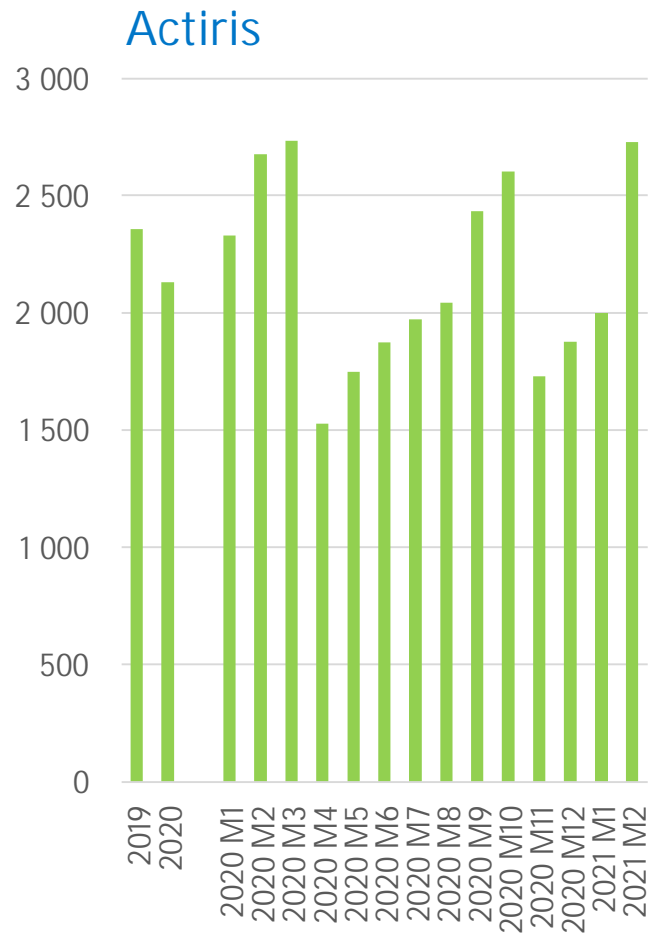
Stabilisation du travail intérimaire après une reprise partielle

(données mensuelles, en milliers d'heures)



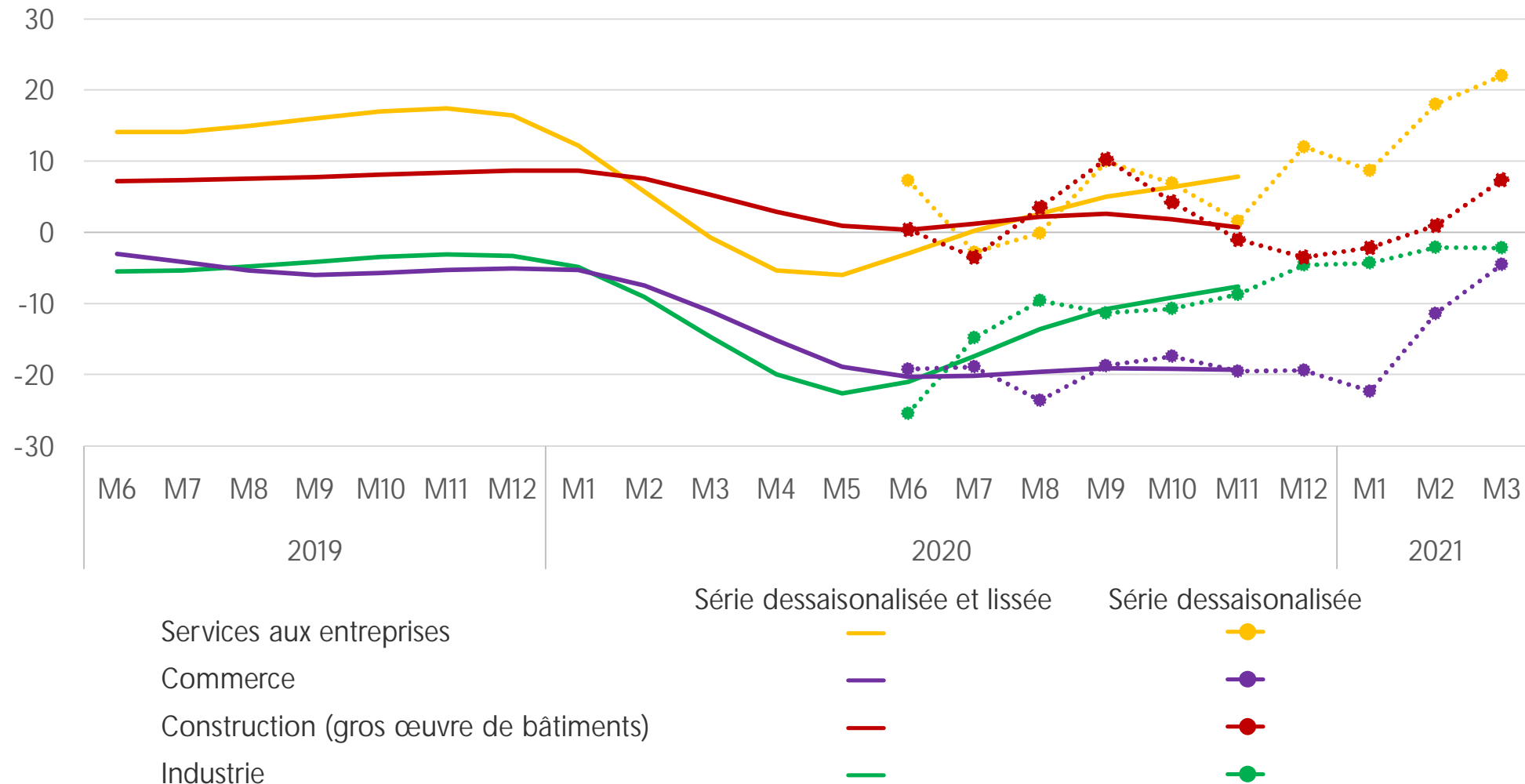
L'évolution des opportunités d'emplois suit les mesures de (dé)confinement

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



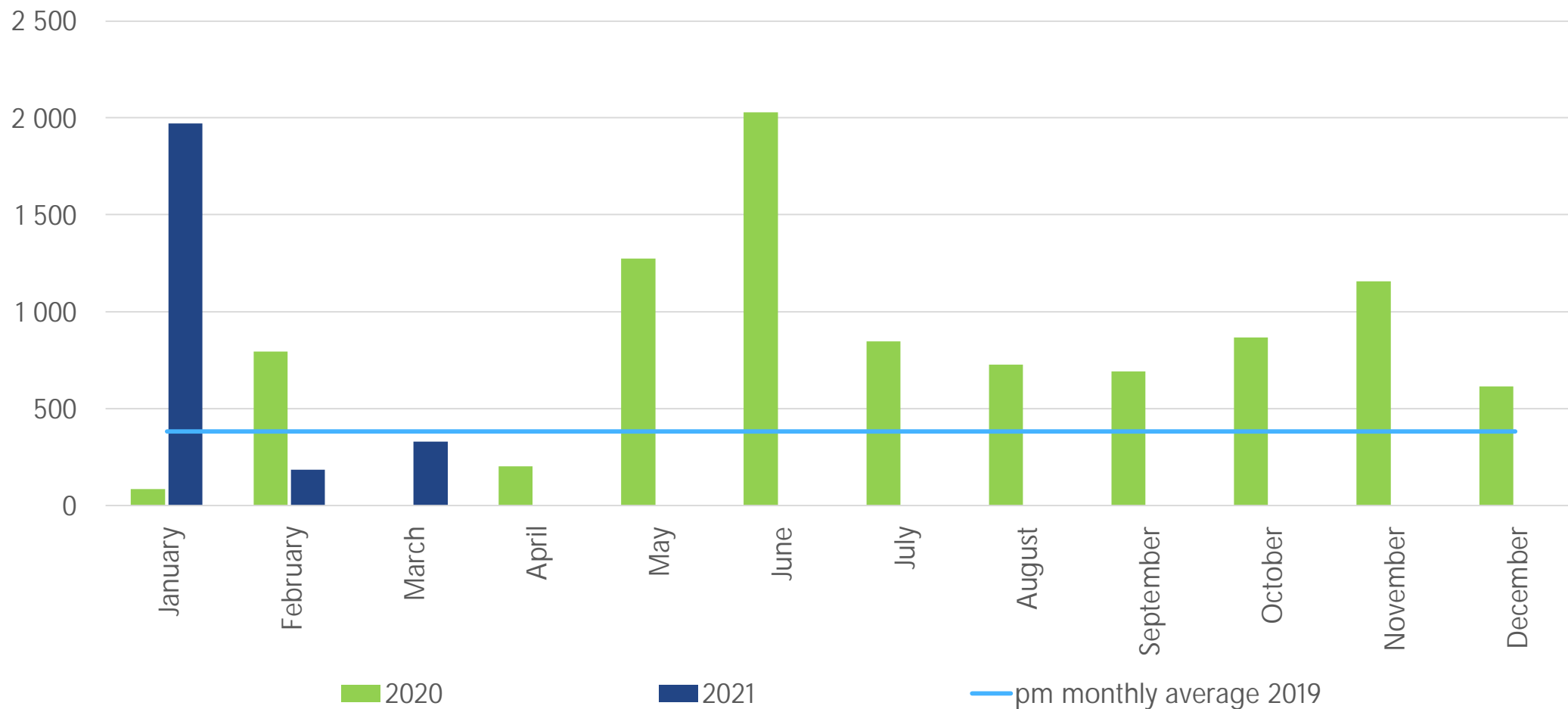
Les prévisions d'emplois issues des enquêtes de conjoncture continuent de s'améliorer

(données désaisonnalisées et lissées)

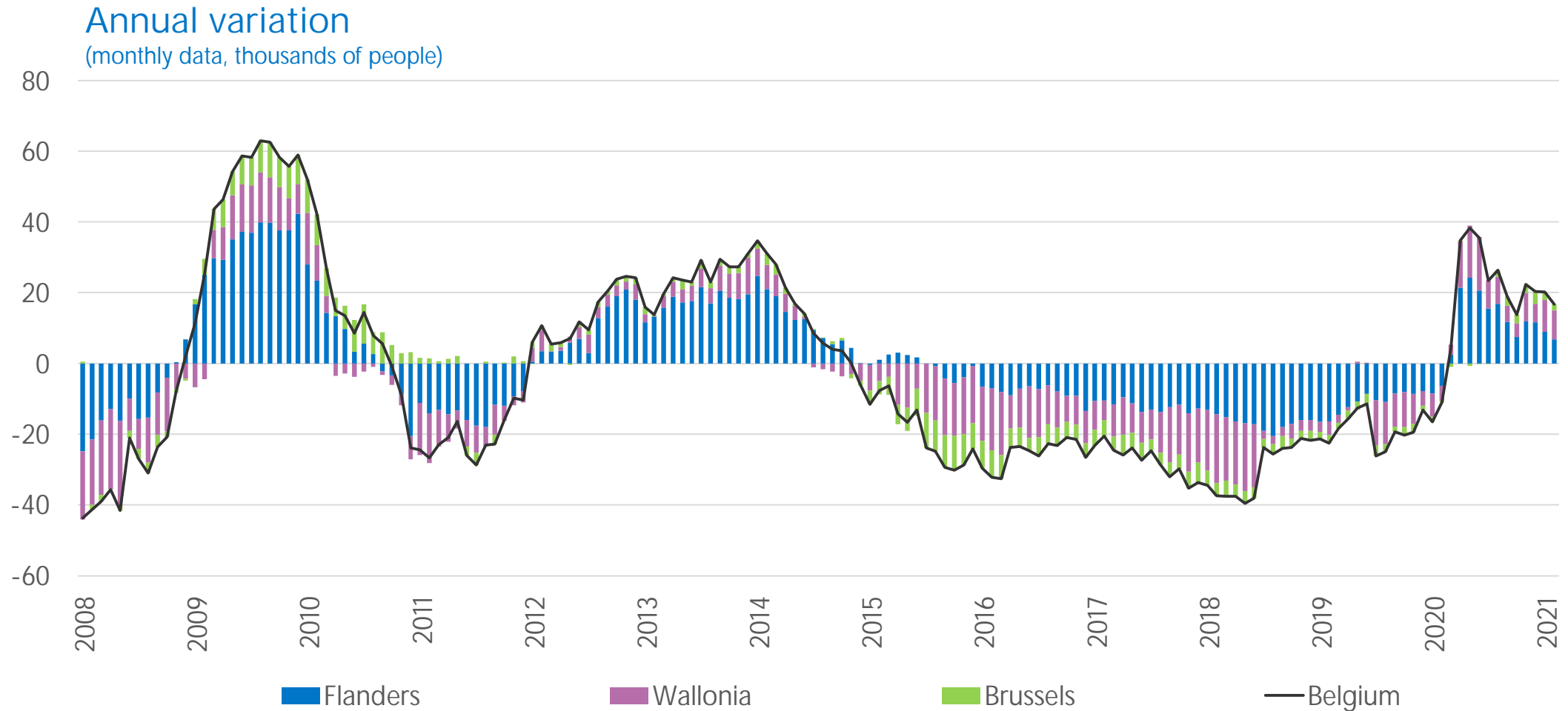


Source: Federgon, dernières données disponibles (séries dessaisonnalisées): mars 2021.

Mass redundancy procedure openings follow lockdowns (workers concerned)

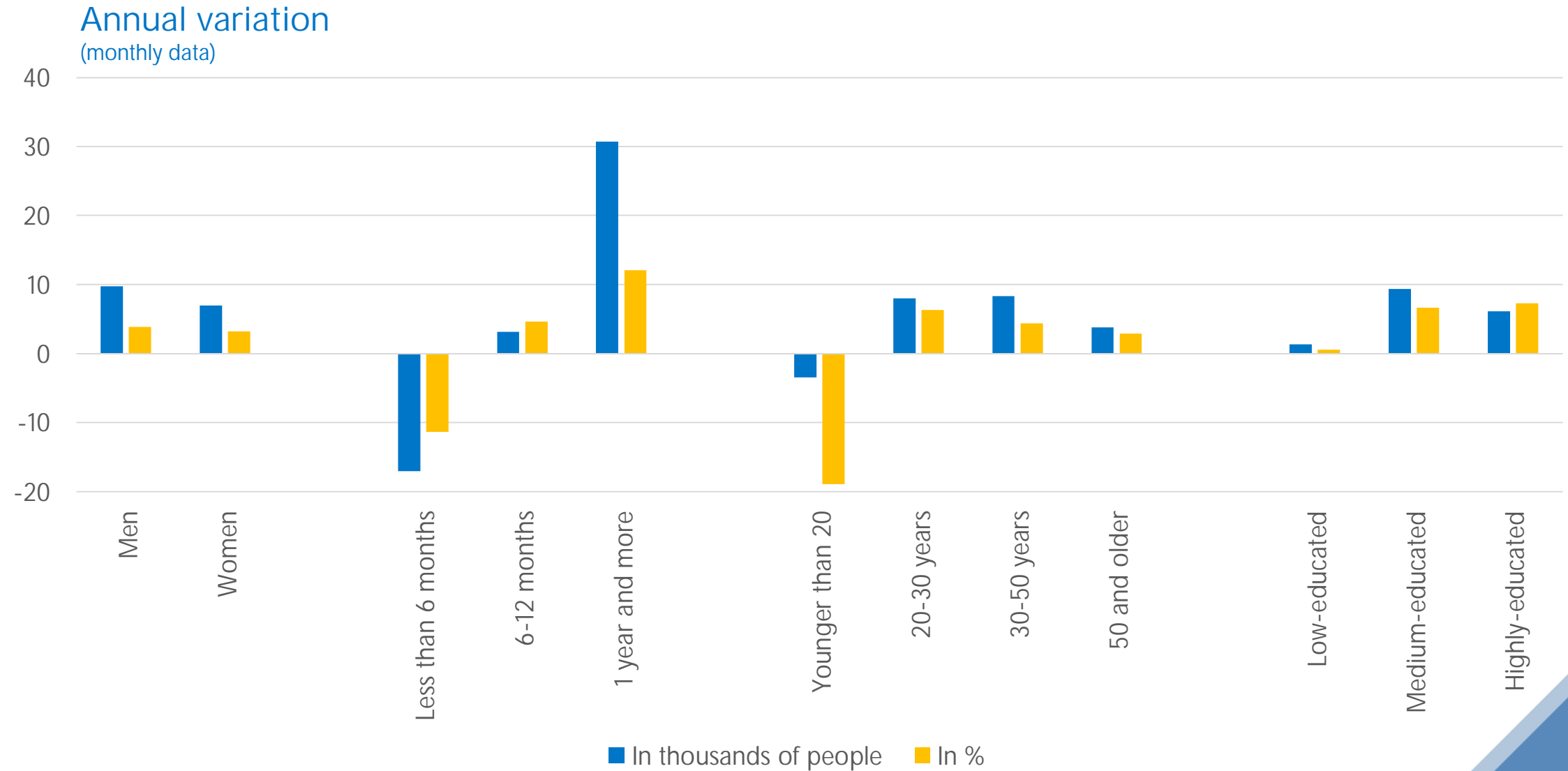


Limited rise in unemployment for the time being ...



◆ Peak observed in May 2020: +38 000, situation in February 2021: +17 000

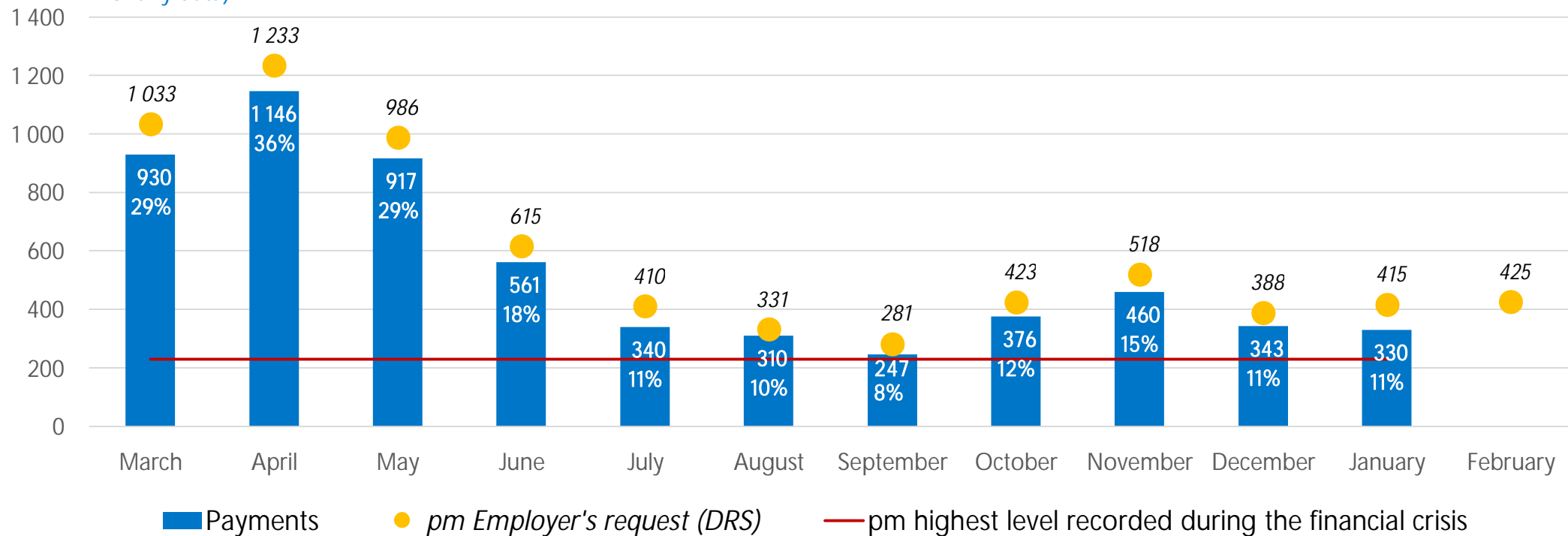
... concentrated on medium and highly-educated people with longer durations



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)

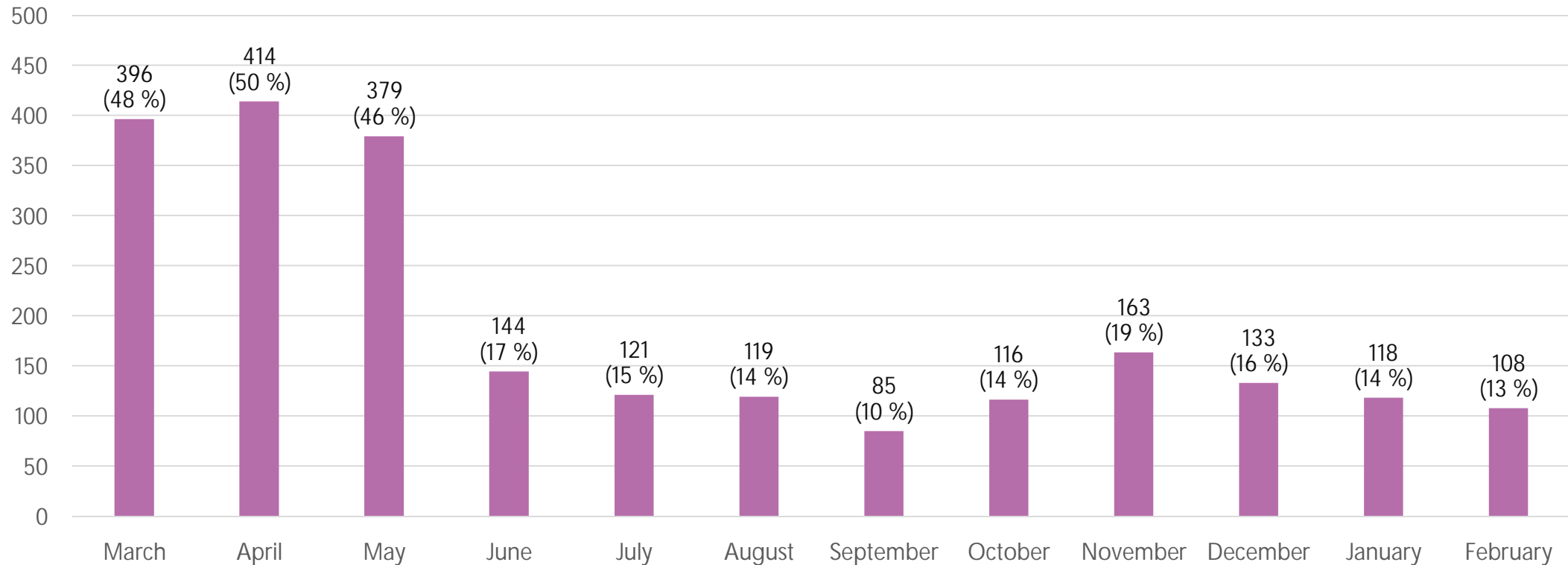


Average number of days per worker										
March	April	May	June	July	August	September	October	November	December	January
8.8	15.8	10.9	9.4	8.3	8.3	8.6	8.1	10.5	10.1	11.0

More than one in ten self-employed continue to be financially supported

Bridging right, provisional data¹

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

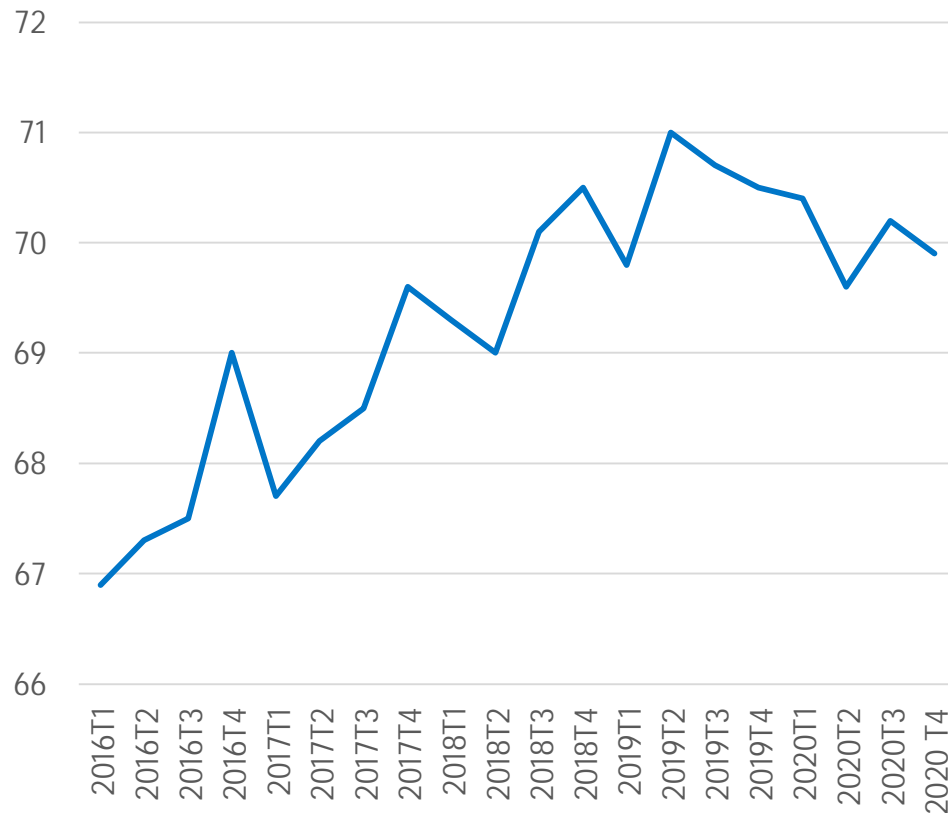


Before the crisis, about 90 self-employed benefited of the bridging right.
At the peak of the crisis, in April, they were 414 000.

La crise sanitaire a interrompu une dynamique positive sur le marché du travail

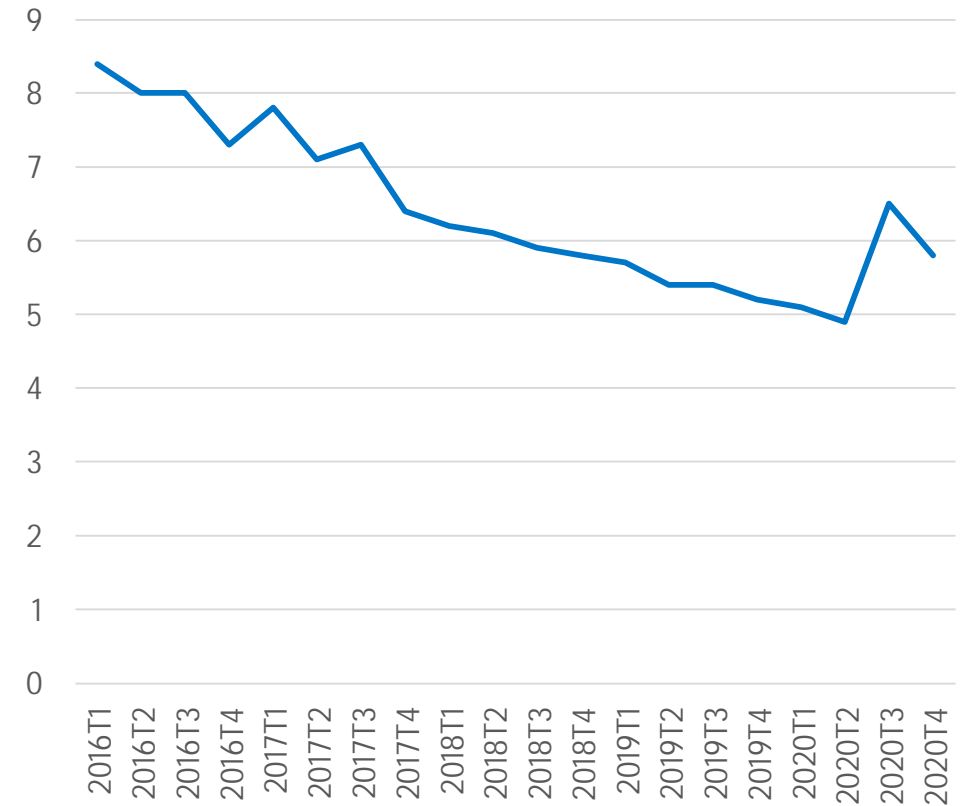
Taux d'emploi

(population âgée de 20 à 64 ans)



Taux de chômage

(population active âgée de 15 à 64 ans)



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 entire scene is set against a light blue gradient background. The text "ERMIG survey" is centered over the main virus particle.

ERMIG 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:

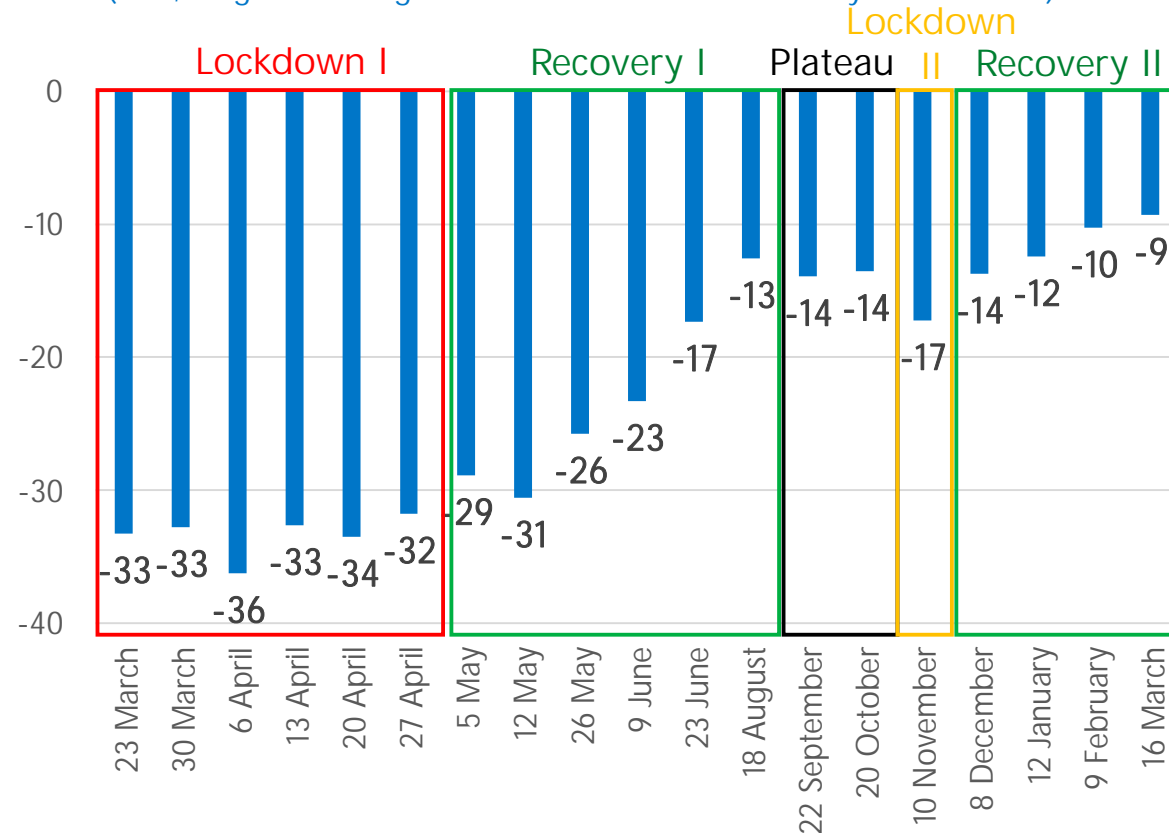


Round	Period	Federations	Replies	Comment
1	23-24 March	BECI, UWE, VOKA	1 700	Results not published
2	30-31 March	BECI, UNIZO, UWE, VOKA	4 725	First press release
3	6-7 April	BECI, BOERENBOND, NSZ, UNISOC, UNIZO, UWE, VOKA	6 900	UNISOC was analysed separately
4	14-15 April	BECI, NSZ, UNIZO, UWE, VOKA	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	5 348	
18	8-10 February	BECI, NSZ, UCM, UNIZO, UWE, VOKA	3 194	
19	15-17 March	BECI, BOERENBOND, NSZ, UCM, UNIZO, UWE, VOKA	3 884	

Minor changes: revenue loss narrowed further but outlook deteriorated slightly in the March survey

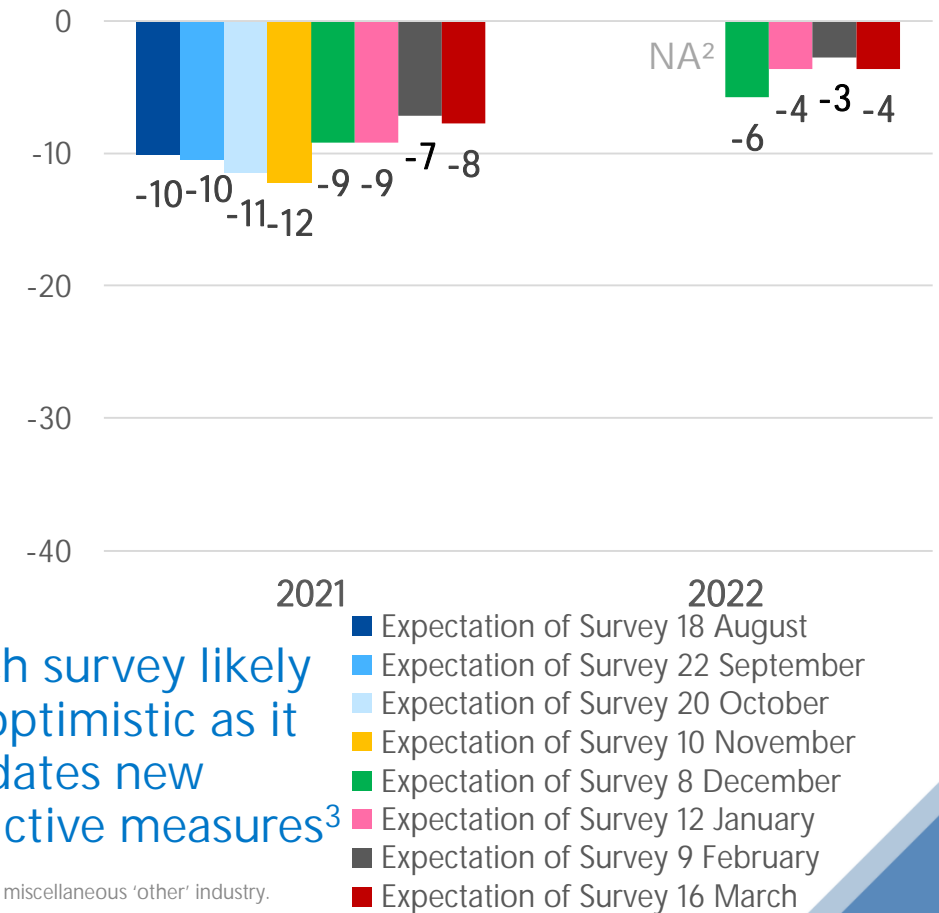
COVID-19 impact on weekly turnover

(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)



March survey likely too optimistic as it pre-dates new restrictive measures³

Source: ERMG survey, latest available data: 16 March 2021.

¹ This approach excludes the human health industry, the public sector and firms that were identified as belonging to a miscellaneous 'other' industry.

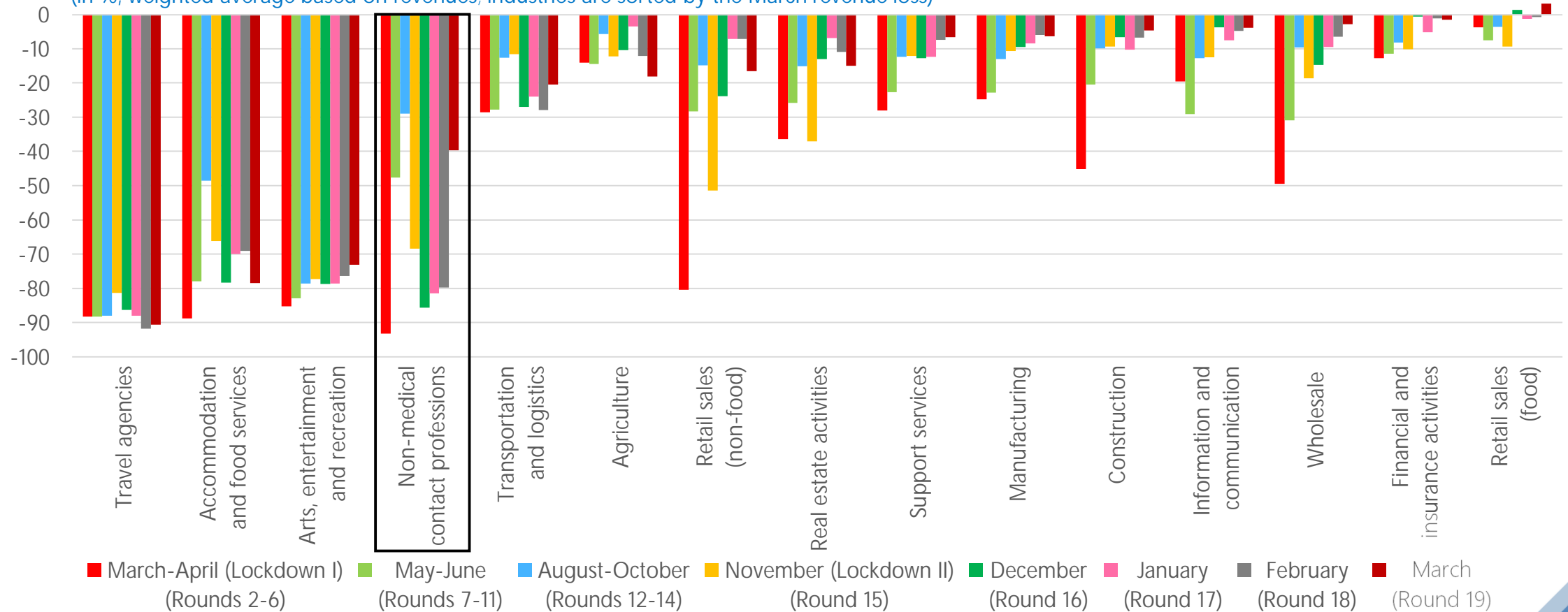
² 2022 revenue expectations were not asked in the survey rounds before December.

³ The March survey was conducted on 15 and 16 March, which was before the very recent deterioration of the health situation and also before the announcement of several new restrictive measures.

Revenue loss was halved for the non-medical contact professions, as most of them were (temporarily) allowed to resume their activities

COVID-19 impact on weekly turnover

(in %, weighted average based on revenues; industries are sorted by the March revenue loss)



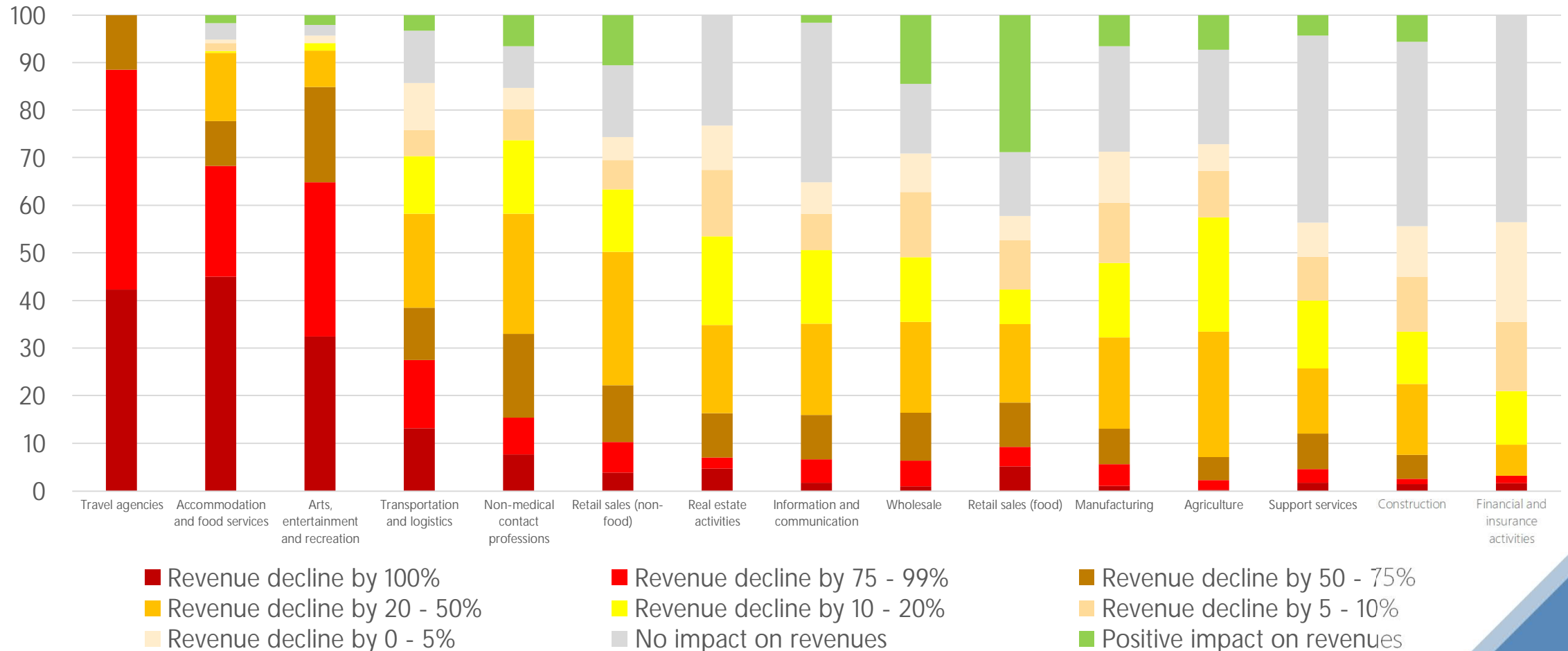
Impact of the COVID-19 crisis on company turnover by industry

(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)	February (Round 18)	March (Round 19)	
Travel agencies	-88	-88	-88	-81	-86	-88	-92	-91	< -50 %
Road transport (persons)	-55	-57	-15	-13	-23	-20	-26	-81	
Accommodation and food service activities	-89	-78	-49	-66	-78	-70	-69	-78	
Events and recreation	-85	-83	-79	-77	-79	-79	-76	-73	
Aviation ¹	-51	-60	-27	-15	-85	-41	-61	-42	-20 to -50 %
Non-medical contact professions	-93	-48	-29	-68	-86	-82	-80	-40	
Agriculture and fishing	-14	-14	-6	-12	-10	-3	-12	-18	-10 to -20 %
Retail sales (non-food)	-80	-28	-15	-51	-24	-7	-7	-16	
Manufacture of wood and paper products, and printing	-36	-27	-11	-14	-10	-4	-18	-16	
Cleaning and security services ¹	-41	-22	-10	-10	-10	-6	-21	-16	
Real estate activities	-36	-26	-15	-37	-13	-7	-11	-15	
Manufacture of textiles, wearing apparel and shoes	-61	-43	-6	-19	-10	-12	-12	-10	
Consultancy	-17	-20	-11	-14	-9	-7	-6	-10	
Liberal professions	-23	-18	-10	-12	-13	-16	-11	-9	0 to -10 %
Manufacture of food products	-18	-19	-9	-12	-9	-18	-12	-9	
Manufacture of machinery and electrical equipment	-29	-24	-14	-10	-11	-12	-7	-6	
Manufacture of computer, electronic and optical products	-28	-19	-25	-11	-5	-1	-6	-6	
Manufacture of pharmaceutical and chemical products	-16	-20	-11	-8	-10	-5	-1	-6	
Human Resources	-35	-30	-13	-11	-19	-17	-11	-5	
Logistics	-22	-26	-11	-11	-8	-11	-5	-5	
Construction	-45	-20	-10	-9	-7	-10	-7	-5	
Engineering services	-33	-15	-19	-12	-16	-8	-4	-4	
Information and communication	-20	-29	-13	-13	-4	-8	-5	-4	
Wholesale	-49	-31	-10	-19	-15	-9	-6	-3	
Manufacture of furniture	-66	-31	-13	-7	-3	-2	-9	-2	
Metallurgy	-23	-30	-23	-10	-6	-6	-3	-2	
Manufacture of transport equipment ¹	-54	-36	-12	-21	-12	-5	-30	-2	
Financial and insurance activities	-13	-11	-8	-10	-1	-5	-1	-1	
Manufacture of plastic and non-metallic products	-19	-19	-12	-10	-8	-7	-3	1	> 0 %
Retail sales (food)	-4	-8	-4	-9	1	-1	-1	3	

In addition to cross-sectoral differences, the current revenue loss of firms also strongly differs *within* most industries

COVID-19 impact on current turnover (survey 16 March)
(in % of responding firms; unweighted¹)

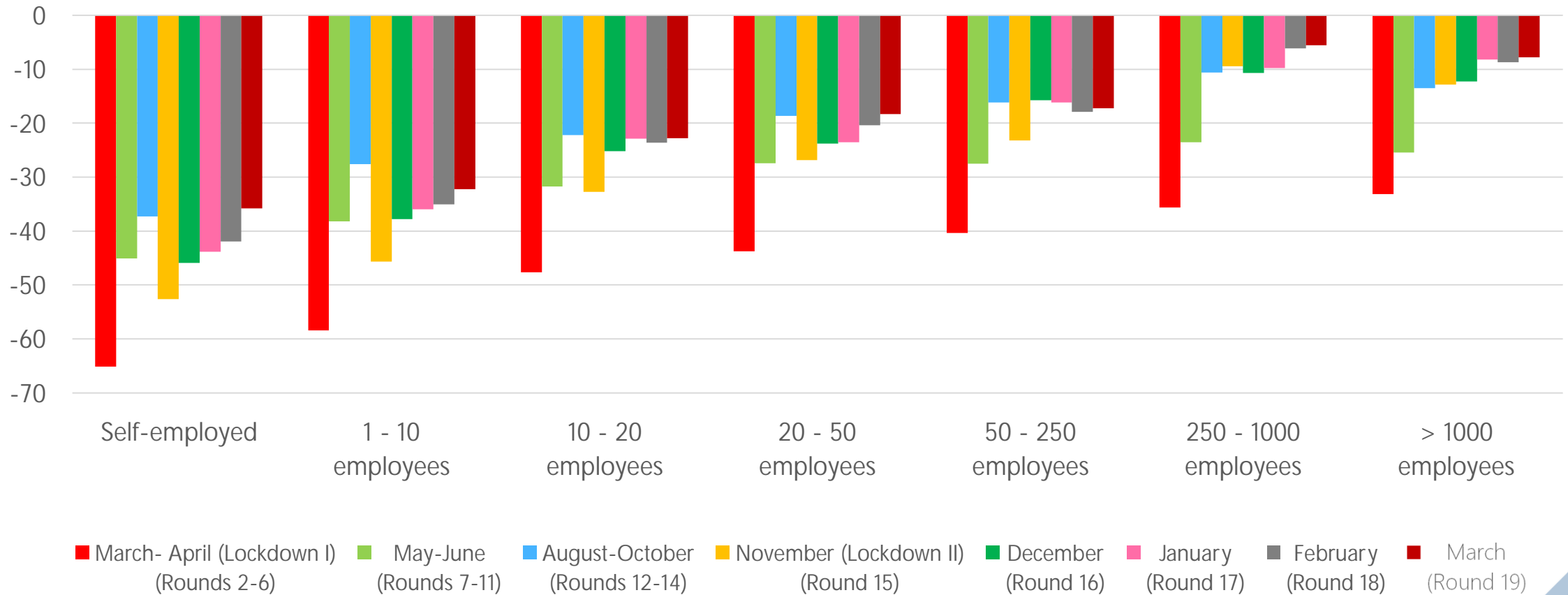


Source: Round 19 of ERMG survey, latest available data: 16 March 2021.

¹ The results on this slide are not weighted by the firm size. Given that for most industries the smaller firms report a larger loss, these unweighted results represent a larger average revenue loss compared to the average revenue loss weighted by firm size, which is shown on the previous slides.

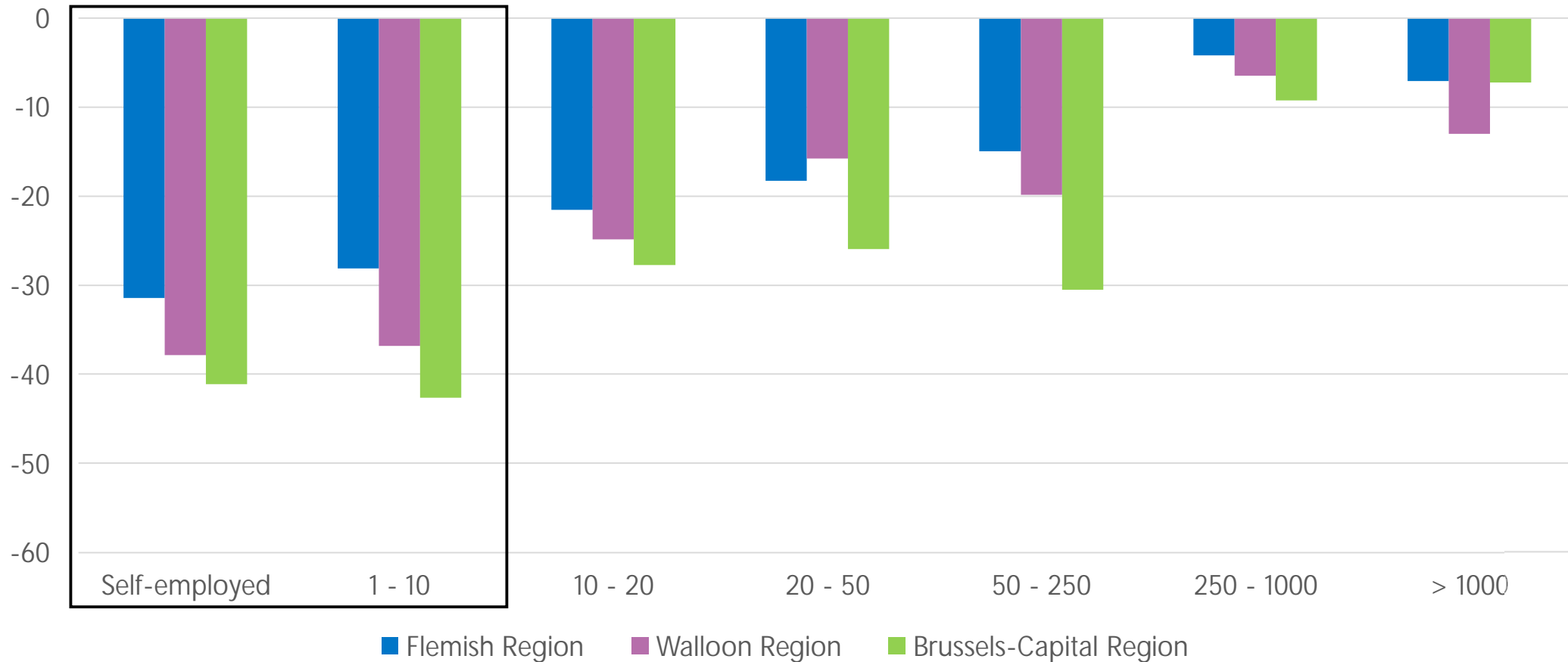
Self-employed and small firms: still the greatest losses despite a small improvement in March (reopening of non-medical contact professions)

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



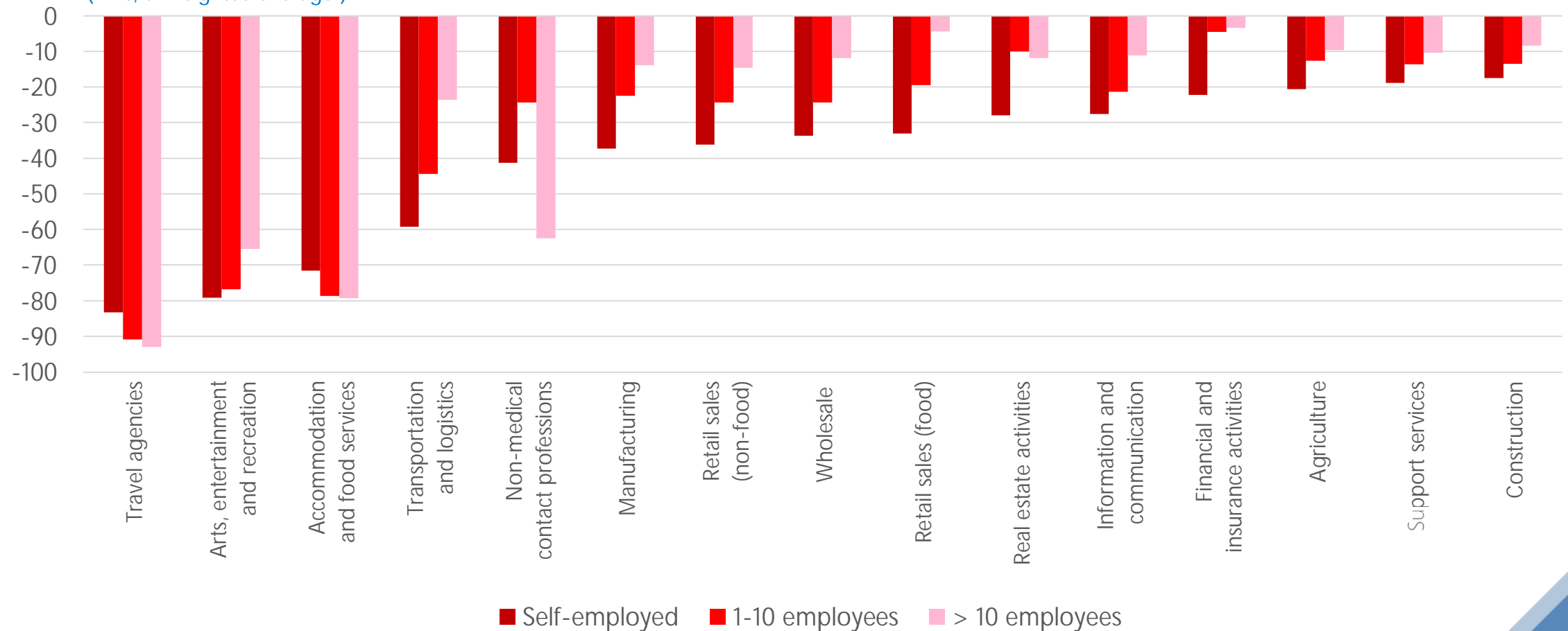
The revenue loss of the self-employed and the smallest firms continues to be larger in Wallonia and especially Brussels

Reported impact on weekly turnover by number of employees (survey 16 March)
(in %, unweighted average¹)



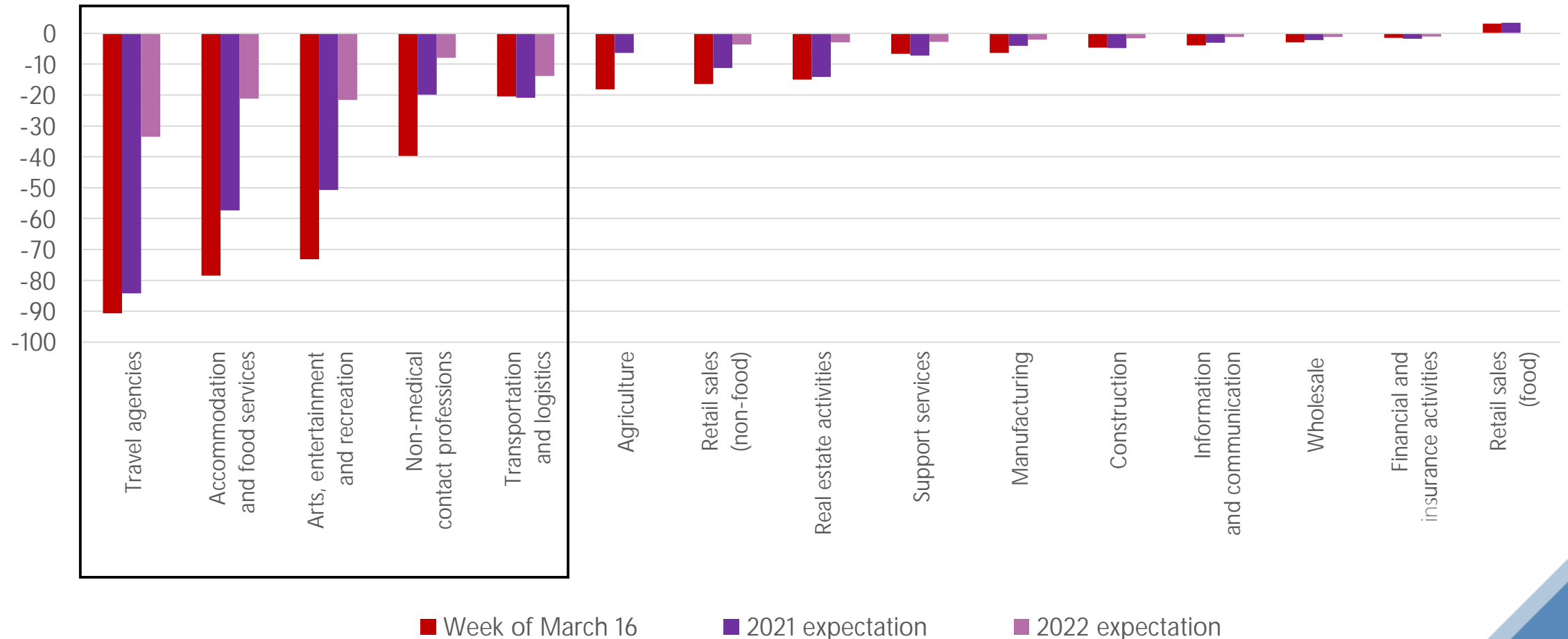
Also *within* most industries, average revenue losses are much larger for the self-employed and the smallest firms

COVID-19 impact on current turnover (survey 16 March)
(in %, unweighted average¹)



Revenue loss expected to narrow in 2021 and especially 2022, but the loss will still be elevated for the worst-hit industries

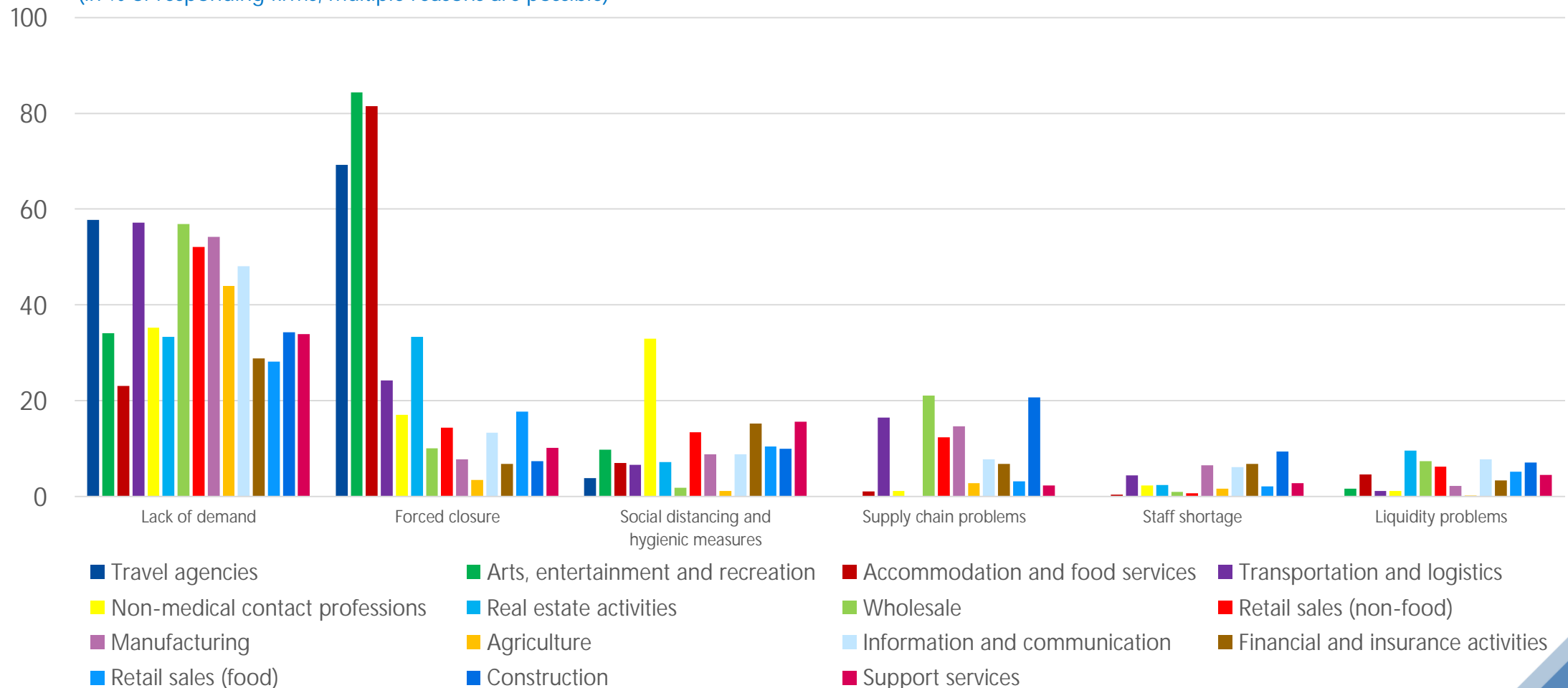
Expected COVID-19 impact on current turnover and on turnover in 2021 and 2022 (survey 16 March)
(in %, weighted average based on revenues)



While weak demand and forced closure remain the key reasons for the revenue loss, supply chain problems have emerged in several sectors

Reasons for the current revenue loss (Survey 16 March)

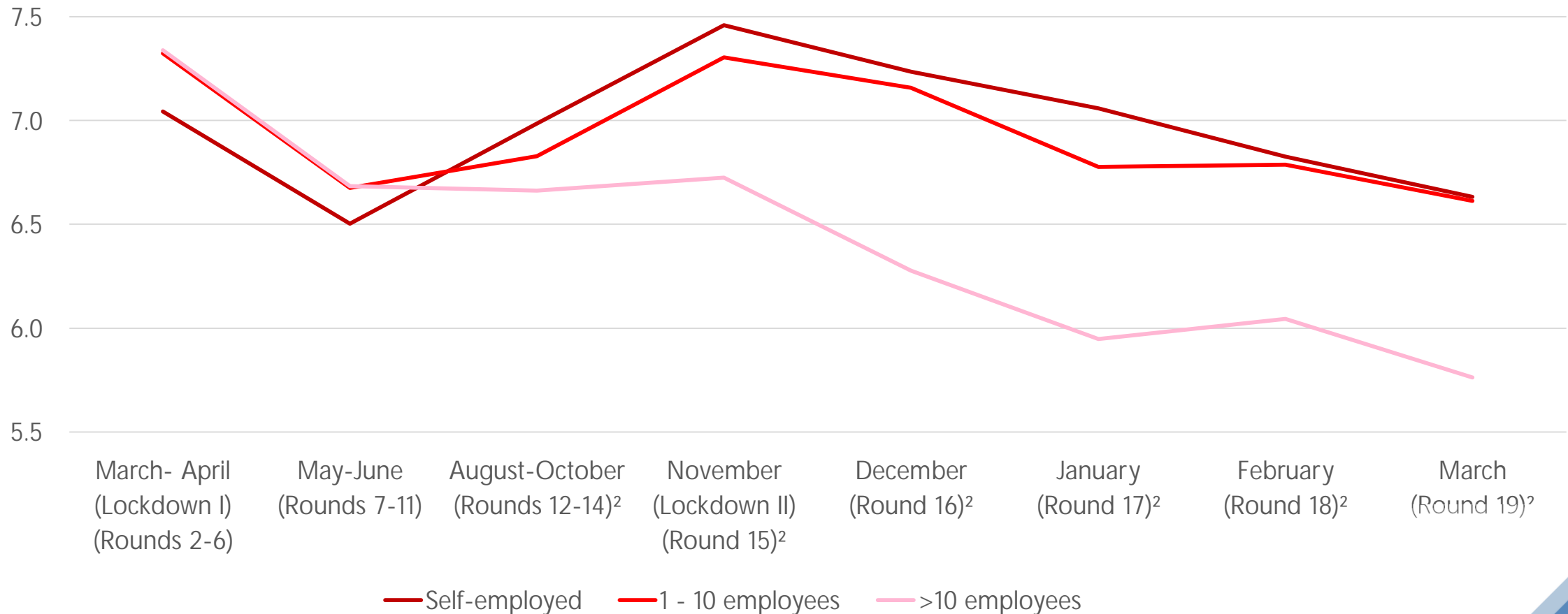
(in % of responding firms, multiple reasons are possible)



Degree of concern has substantially improved since November but continues to be larger for self-employed and the smallest firms

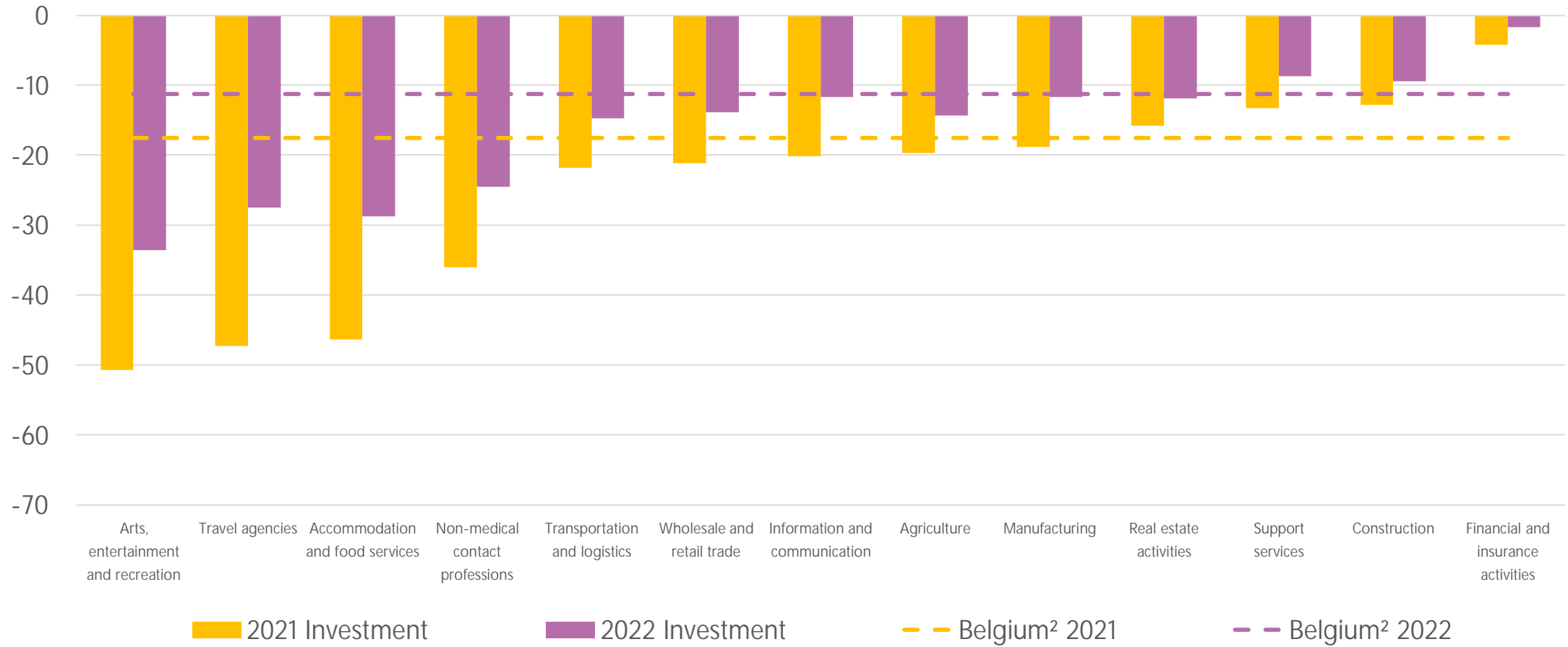
Degree of concern, by number of employees

(index on a scale of 1 (low concern) to 10 (high concern); unweighted average¹)



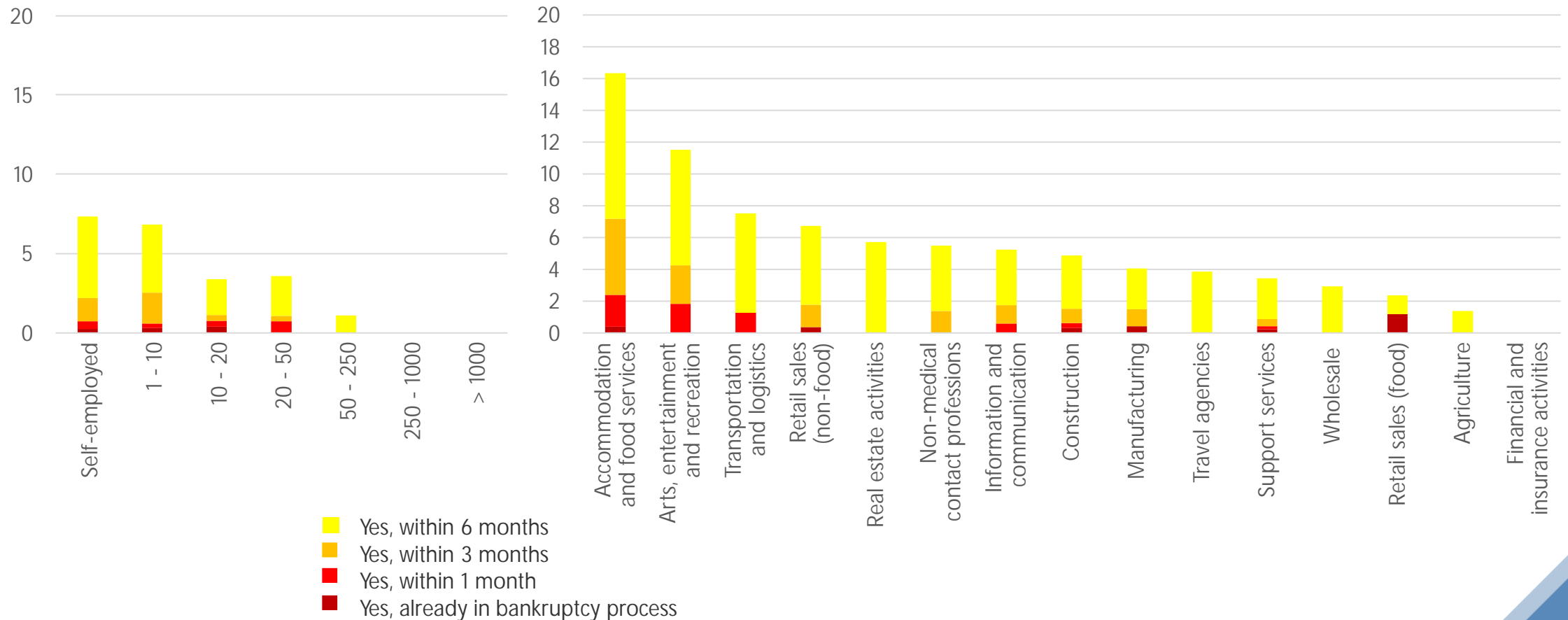
The average firm expects its investment to be 18 % below normal in 2021 and still 11 % below normal in 2022

COVID-19 impact on expected investment in 2021 and 2022 (survey 16 March)
(in %, unweighted average¹)



Many small firms and firms in the worst-hit industries expect to go bankrupt in the coming months

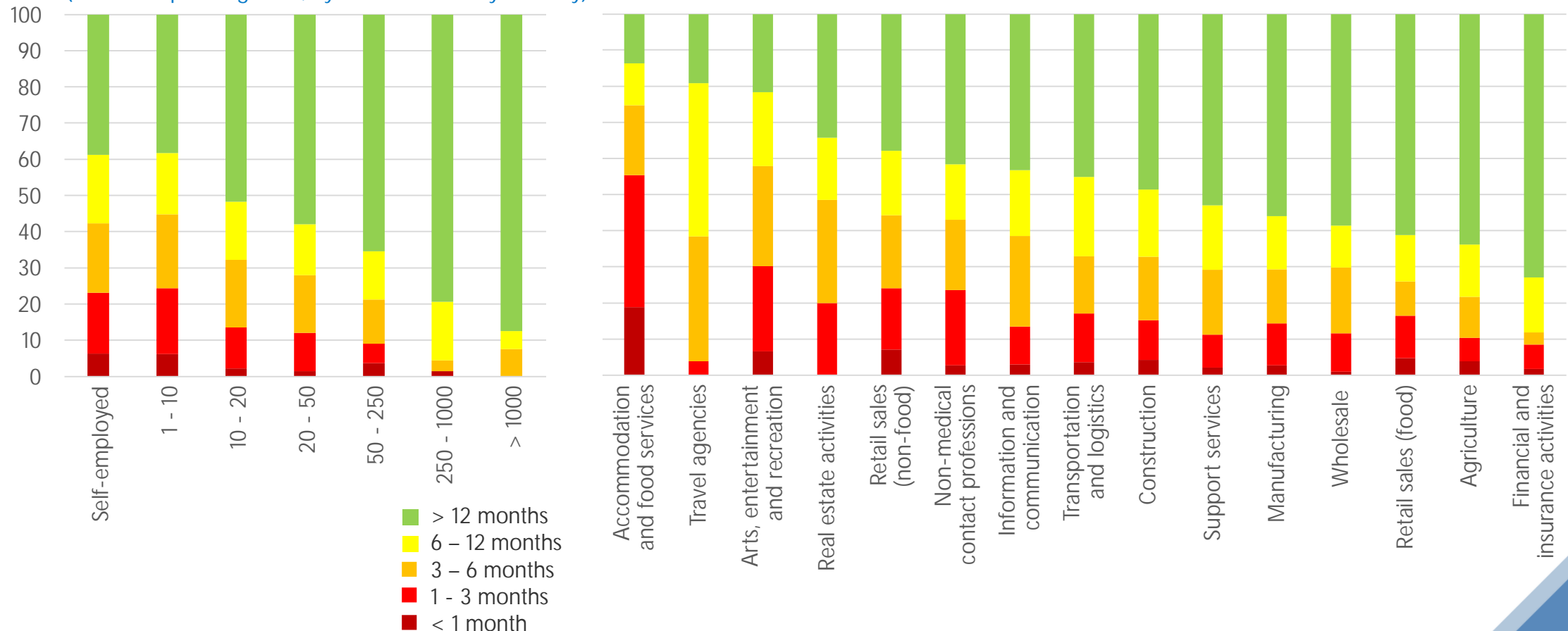
Do you expect to file for bankruptcy within the next 6 months? (survey 16 March)
(in % of responding firms, by staff size¹ and by industry)



The short run financing needs are also much larger for the small firms and firms in the worst-hit industries

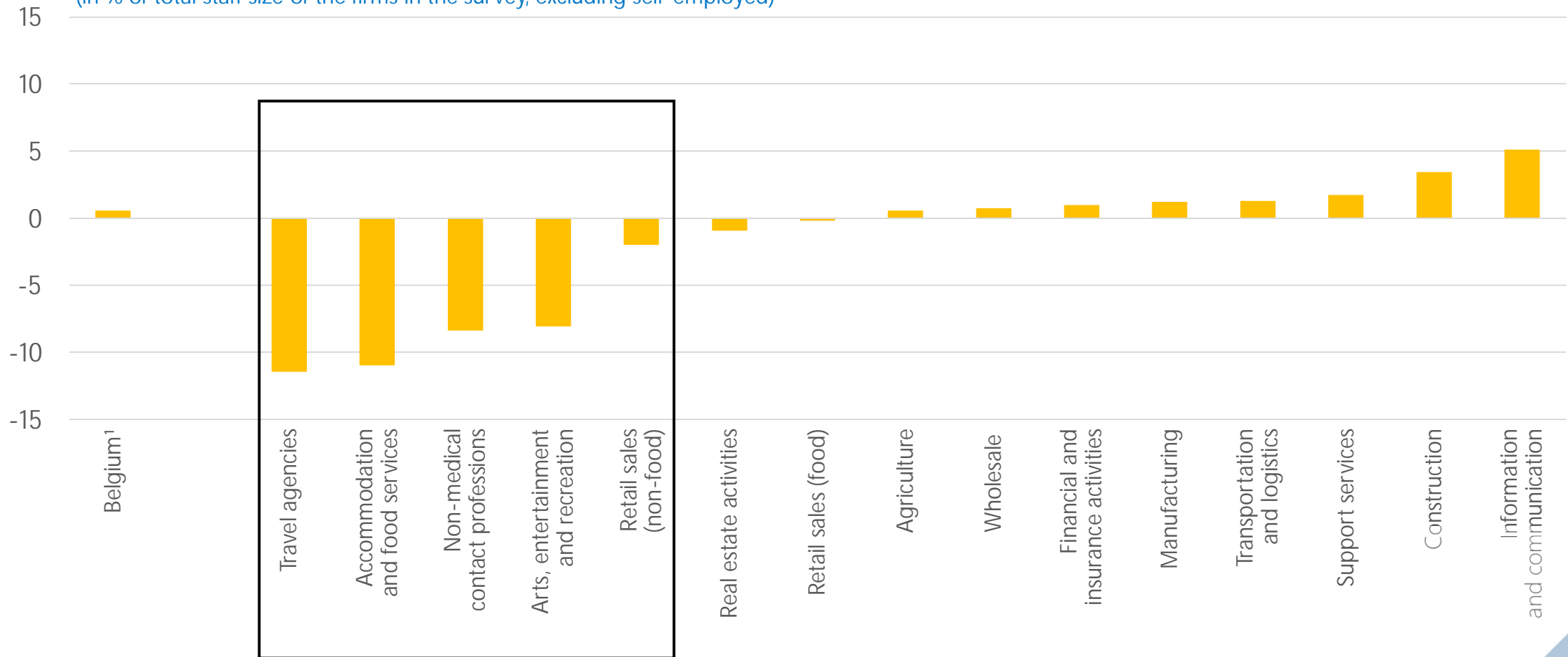
How long can you still meet your current financial obligations without having to rely on additional capital injections or additional loans? (survey 16 March)

(in % of responding firms, by staff size¹ and by industry)



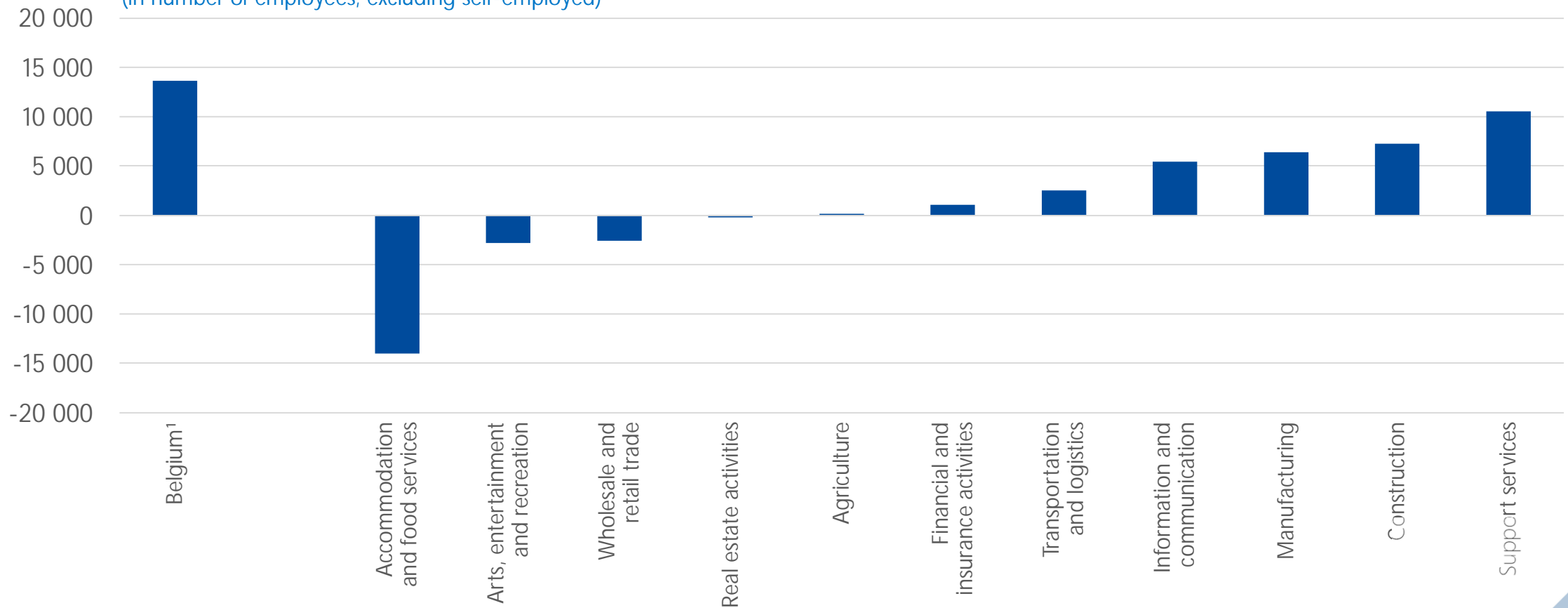
While the number of employees will substantially decline in the worst-hit industries, it is expected to increase in most other industries

Expected change in staff size in 2021 (survey 16 March)
(in % of total staff size of the firms in the survey, excluding self-employed)



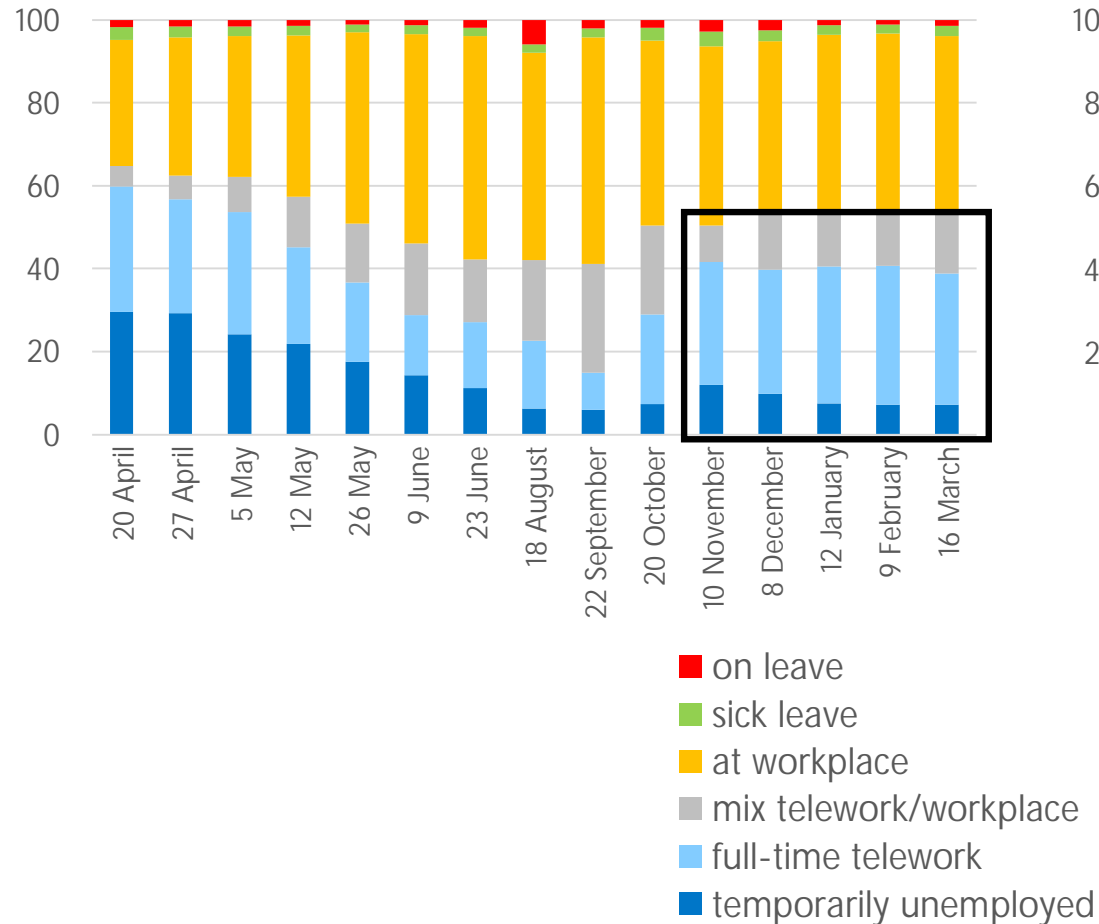
Lay-offs in these worst-hit industries could be more than offset in 2021 by planned hiring in several large industries

Expected net change in employees in 2021 (survey 16 March)
(in number of employees, excluding self-employed)

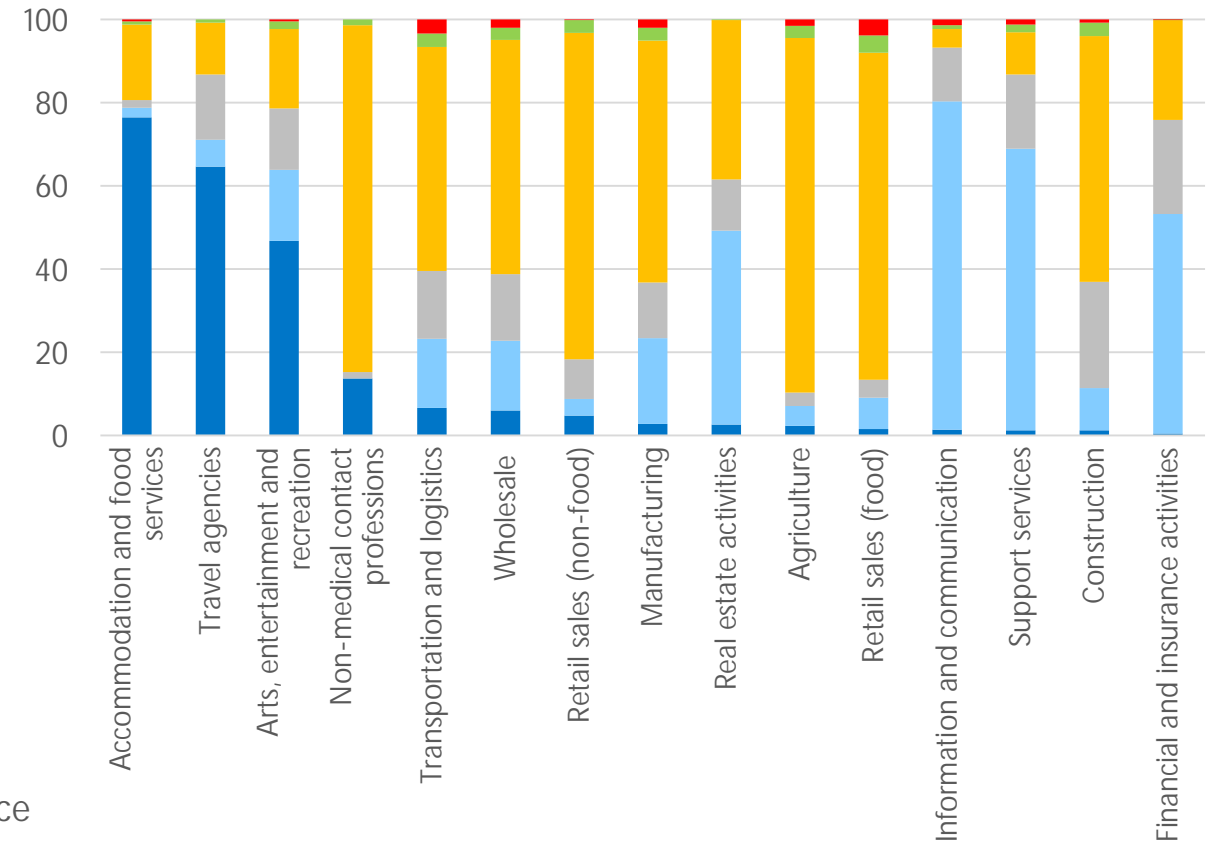


Use of telework has been fairly constant since it became mandatory in November for all jobs for which it is technically feasible

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

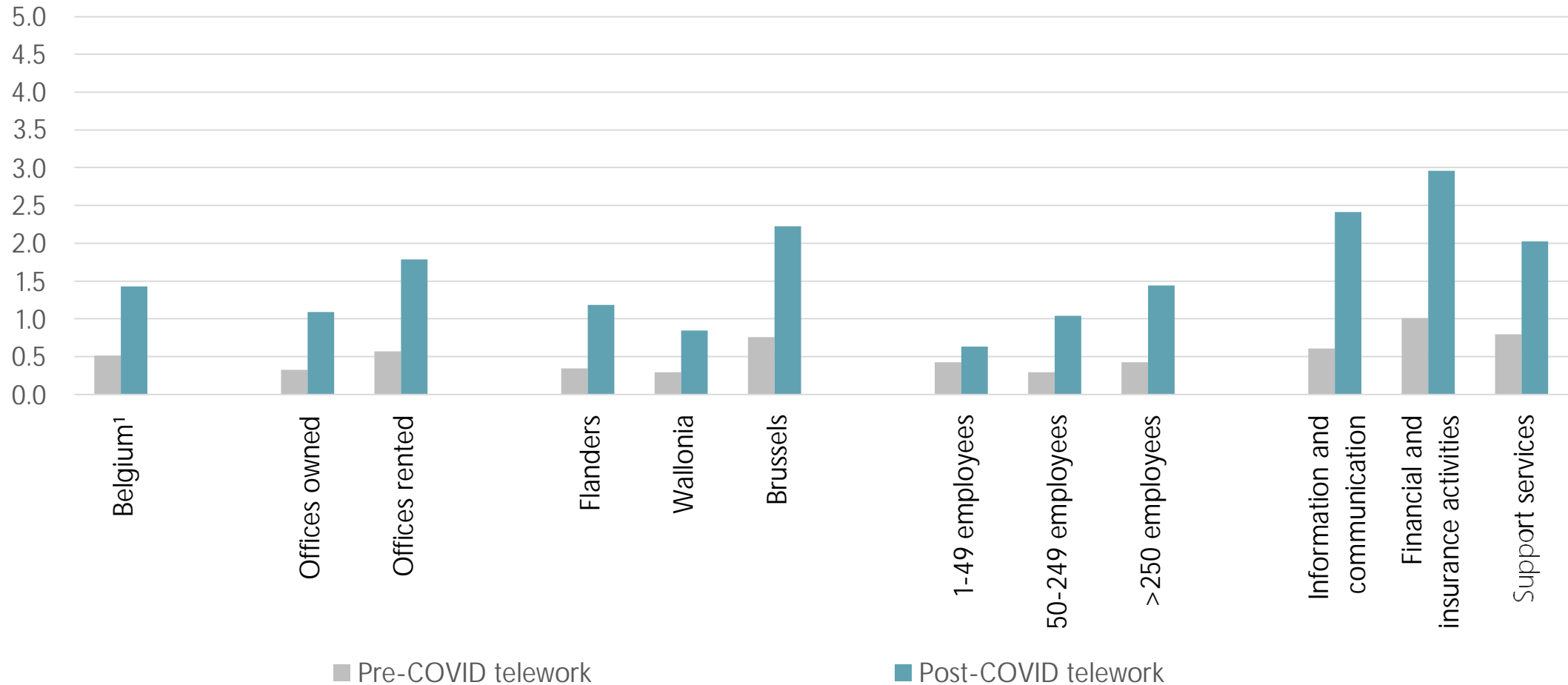


Workforce organisation by industry (survey 16 March)
(in % of total staff size of the firms in the survey, excl. self-employed)



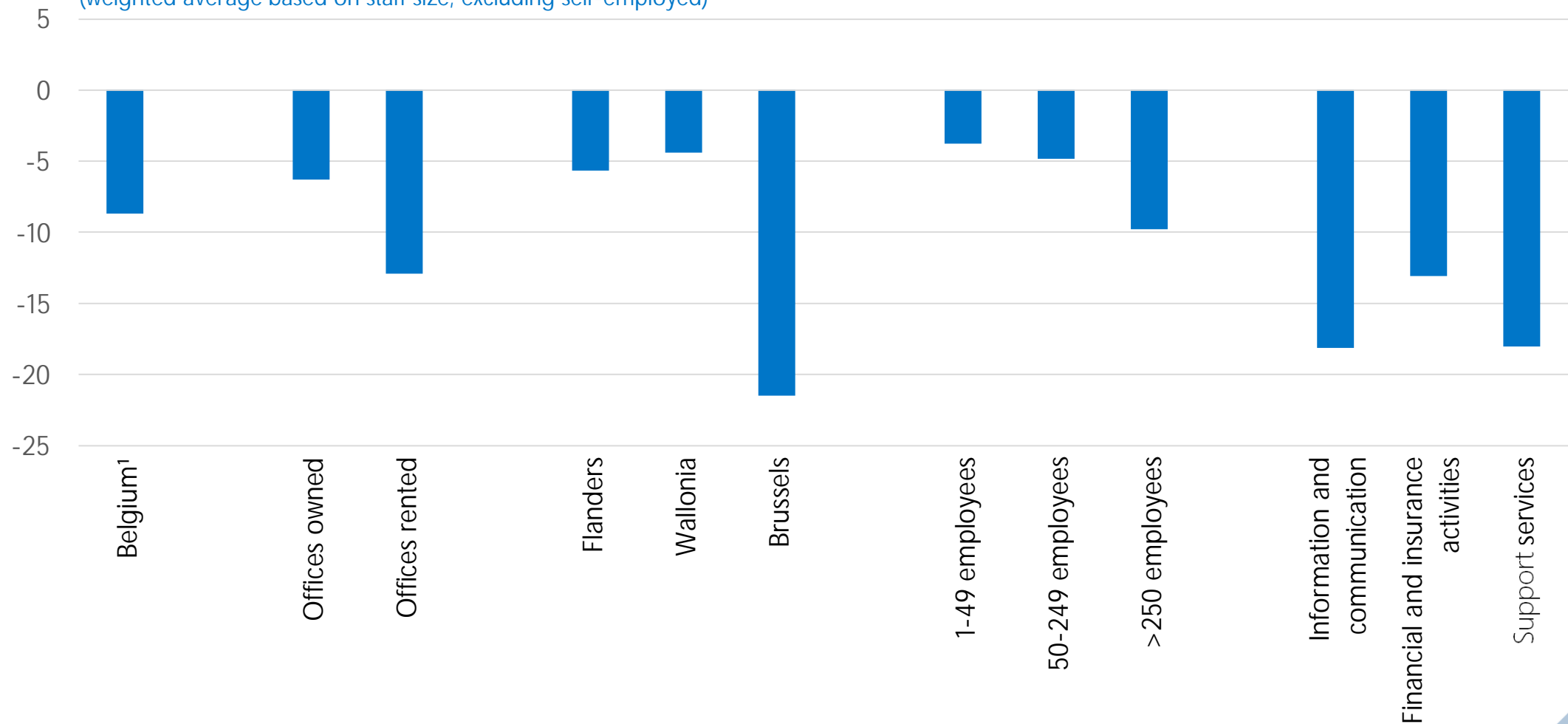
The use of telework is expected to be almost three times as large after the COVID-19 crisis ...

Use of telework before and after the COVID-19 crisis (Survey 16 March)
(average number of days per week, weighted averages based on staff size, excluding self-employed)



... leading to a substantial reduction in office space, especially for large firms, firms that rent, Brussels firms and in certain industries

Reduction in office space per employee in the next five years compared to the pre-COVID situation
(weighted average based on staff size, excluding self-employed)

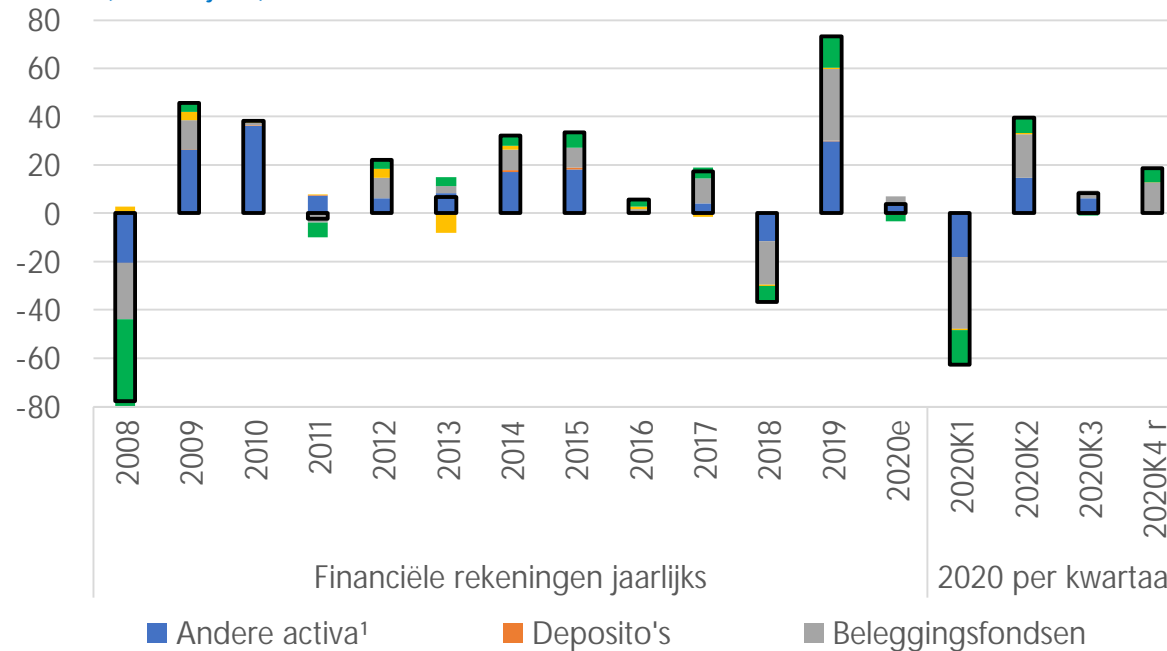


The background of the slide features a large, detailed illustration of a coronavirus particle in the center, with several smaller, less detailed particles scattered around it. The particles are depicted with a textured, spherical surface and numerous protruding spike proteins. The entire scene is set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

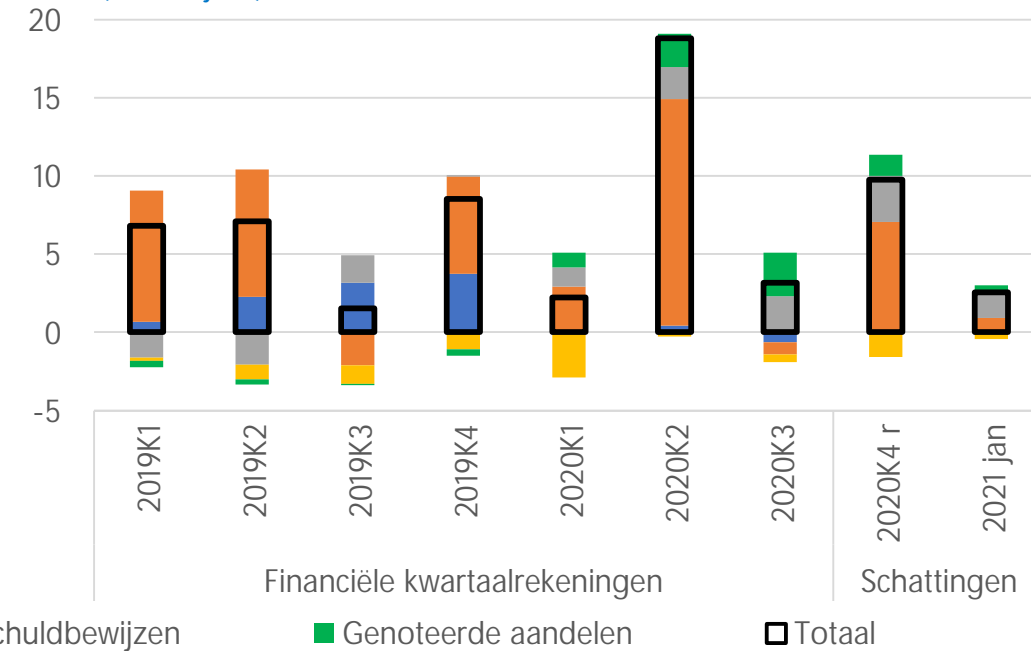
Credit indicators households

Waardeverminderingen in 2020K1 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)



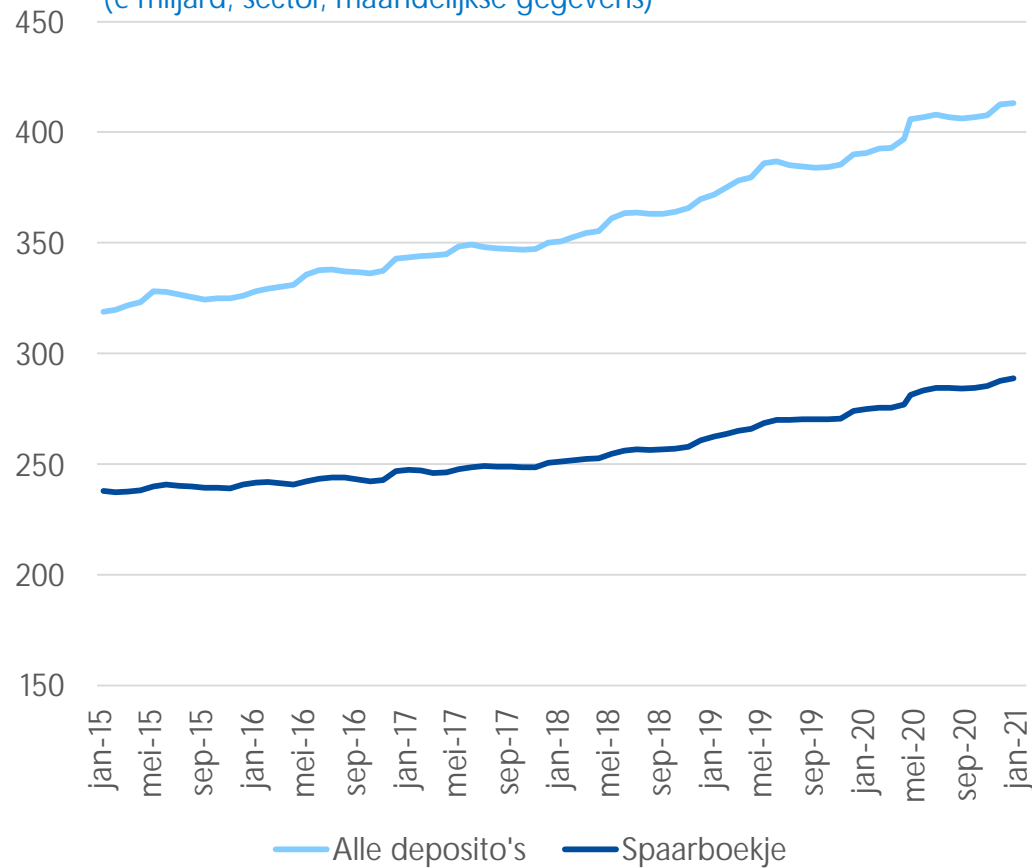
- ◆ In 2020K1 veroorzaakte de sterke daling in de beurskoersen waardedalingen in de financiële activa van de particulieren voor 62,8 miljard euro. Door het herstel van de beurzen in 2020K2, 2020K3 en 2020K4 werden de waardedalingen uit het eerste kwartaal volledig hersteld tegen einde 2020. Negatieve 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 2020K2 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 lockdown. De netto-investeringen in beleggingsfondsen en vooral in genoteerde aandelen bleven ook op een hoog niveau in 2020K3 en 2020K4.

Deposito's van Belgische huishoudens

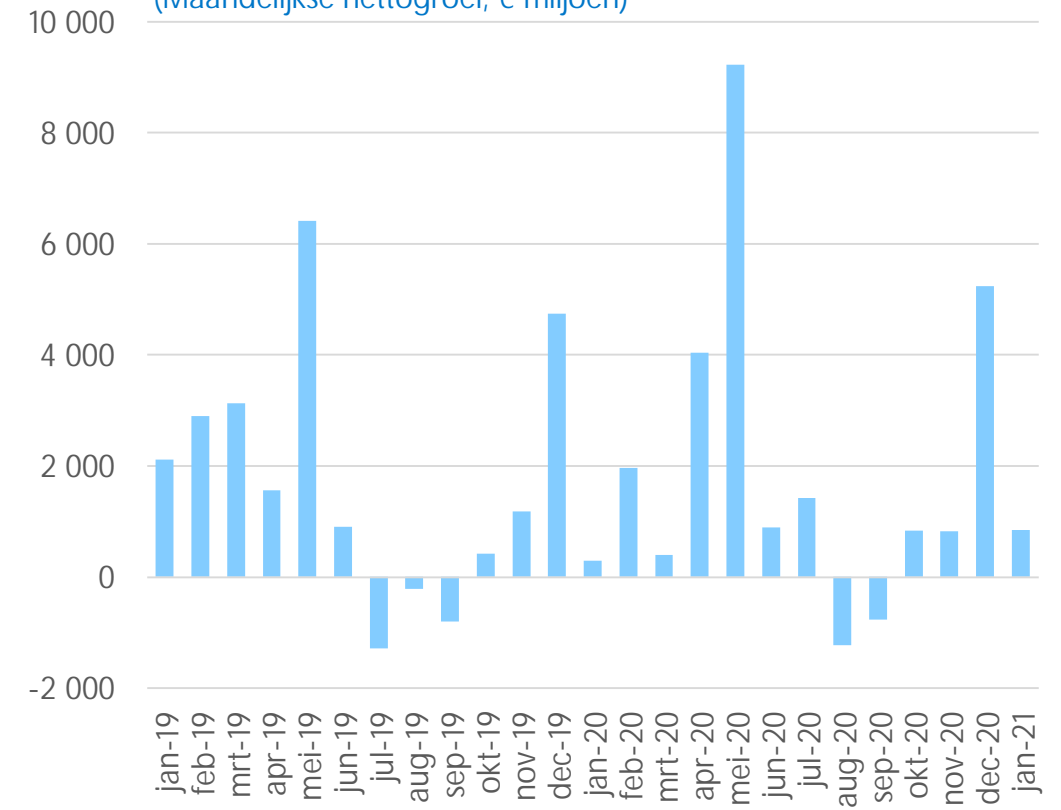
Deposito's Belgische huishoudens

(€ miljard, sector, maandelijkse gegevens)



Groei alle deposito's Belgische huishoudens

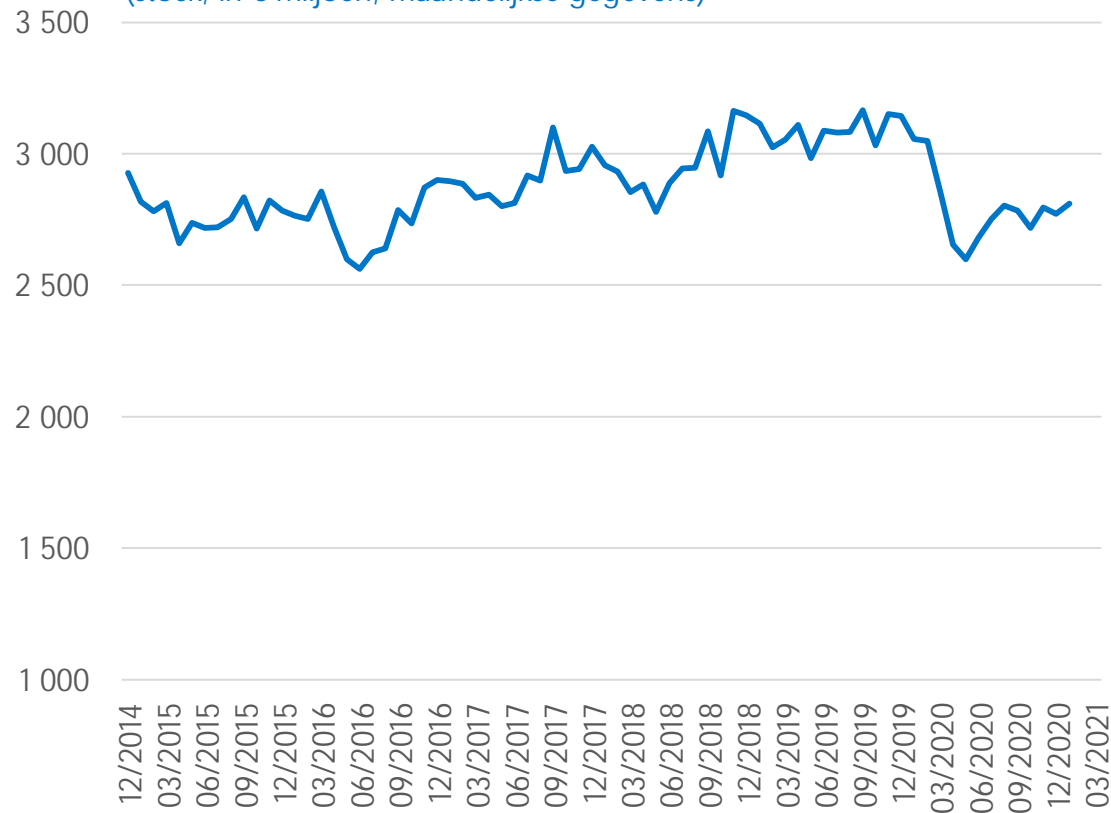
(Maandelijkse nettogroei, € miljoen)



Negatieve saldi op rekeningen / kredietkaarten

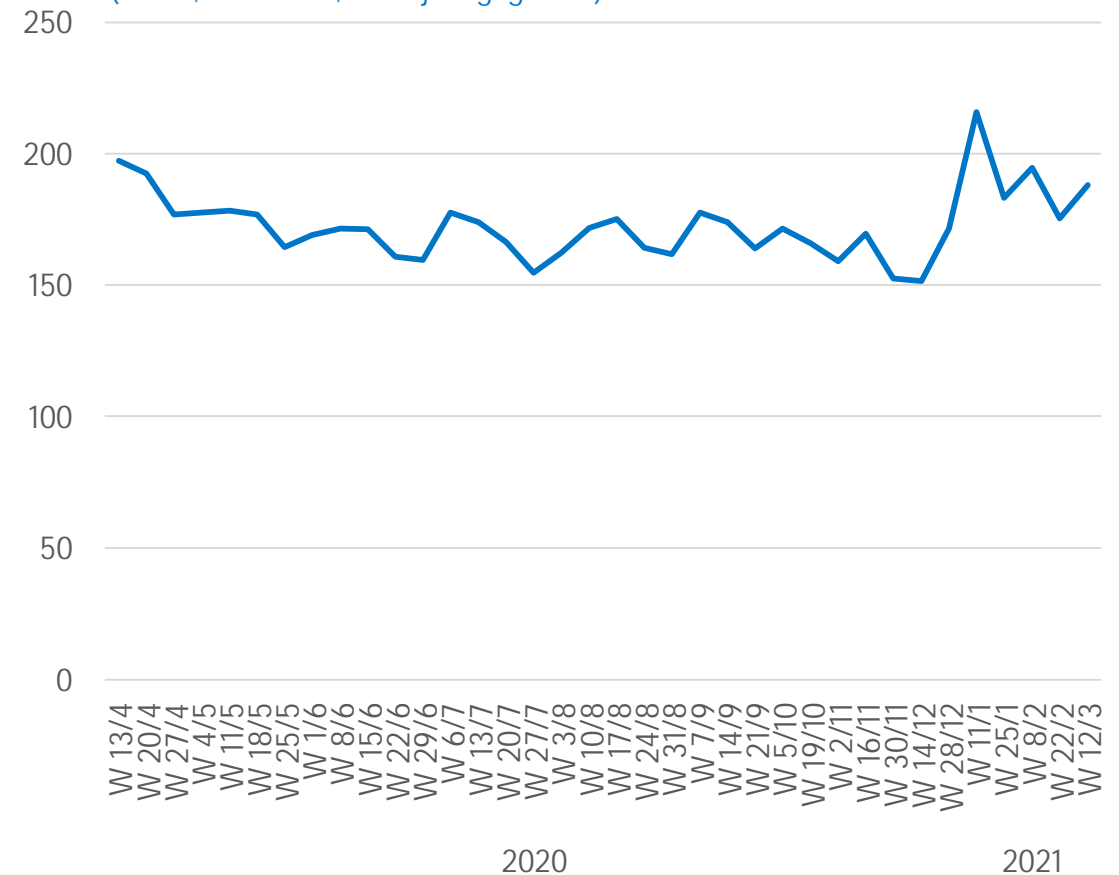
Negatieve saldi op rekeningen

(stock, in € miljoen, maandelijkse gegevens)

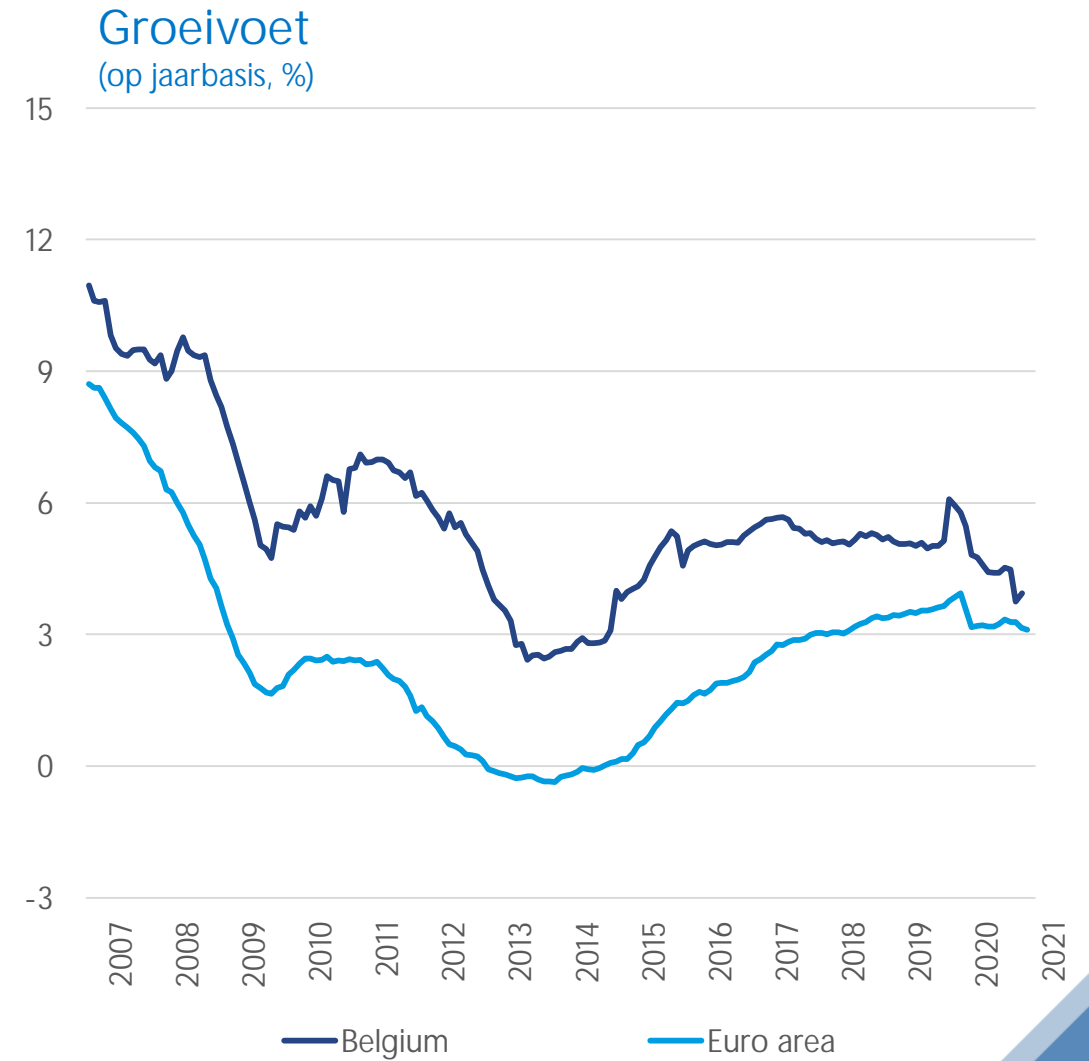
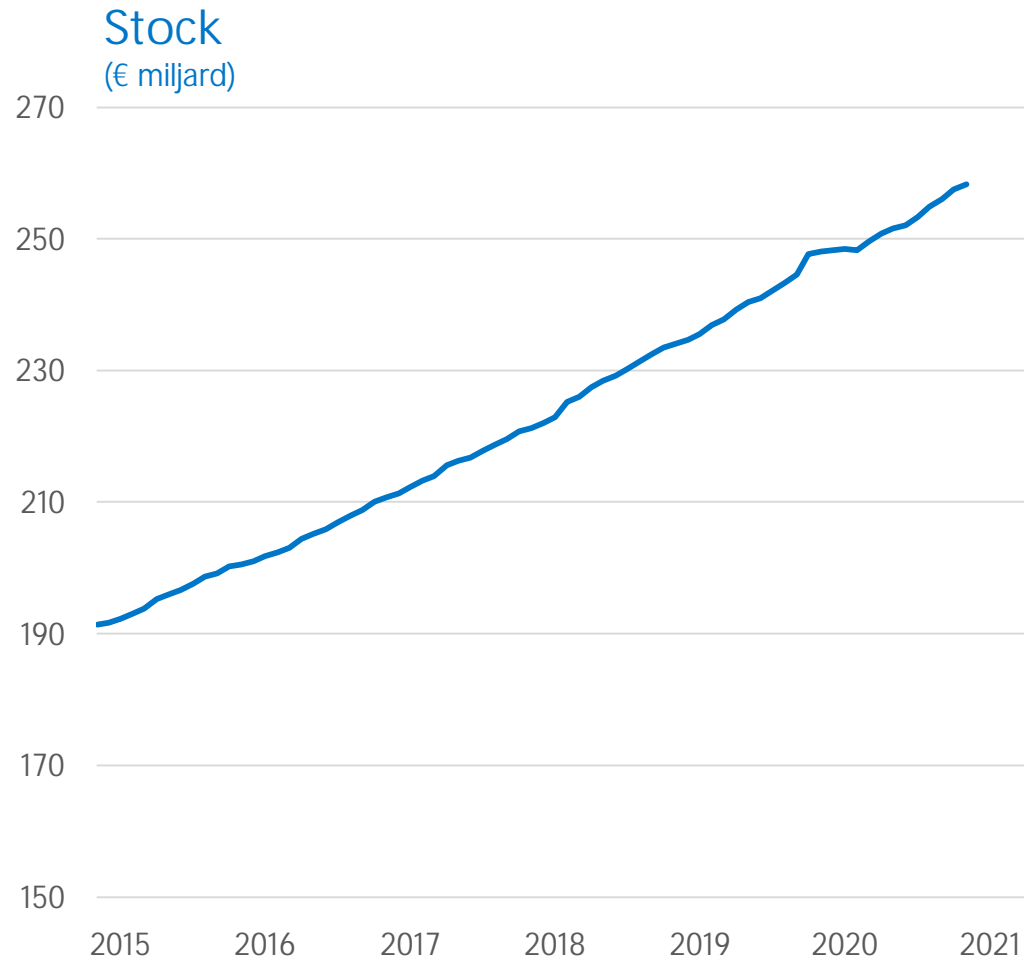


Aantal rekeningen "teveel in het rood"

(aantal, in duizend, wekelijkse gegevens)



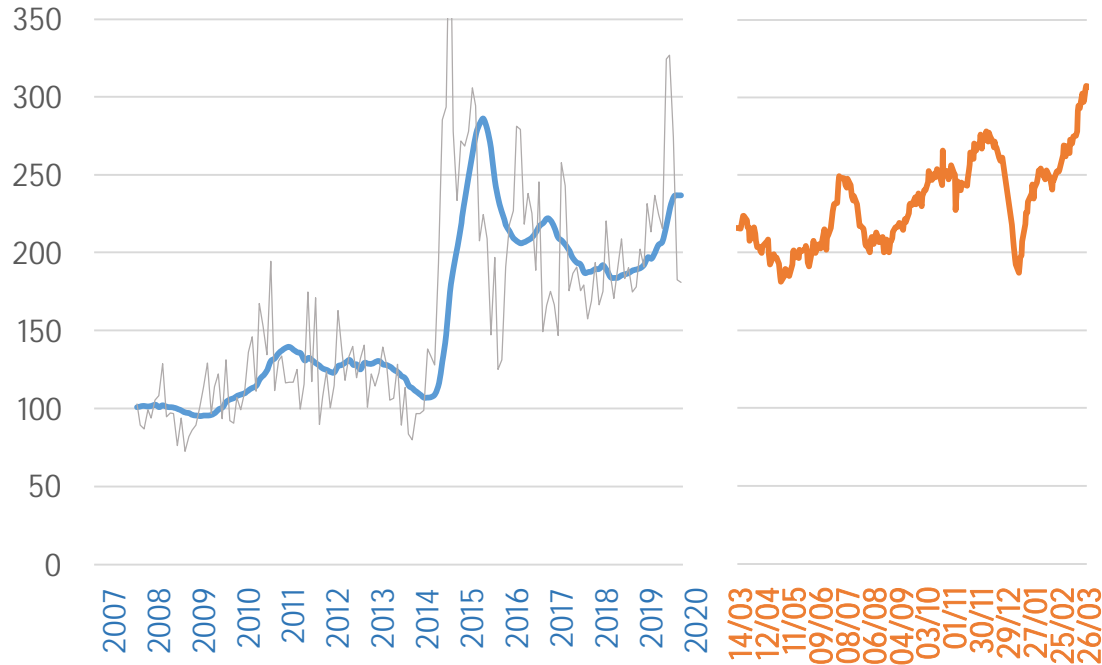
Bankkredieten van Belgische huishoudens



Hypotheekleningen: nieuwe leningen en wanbetalingsgraad

Nieuwe leningen

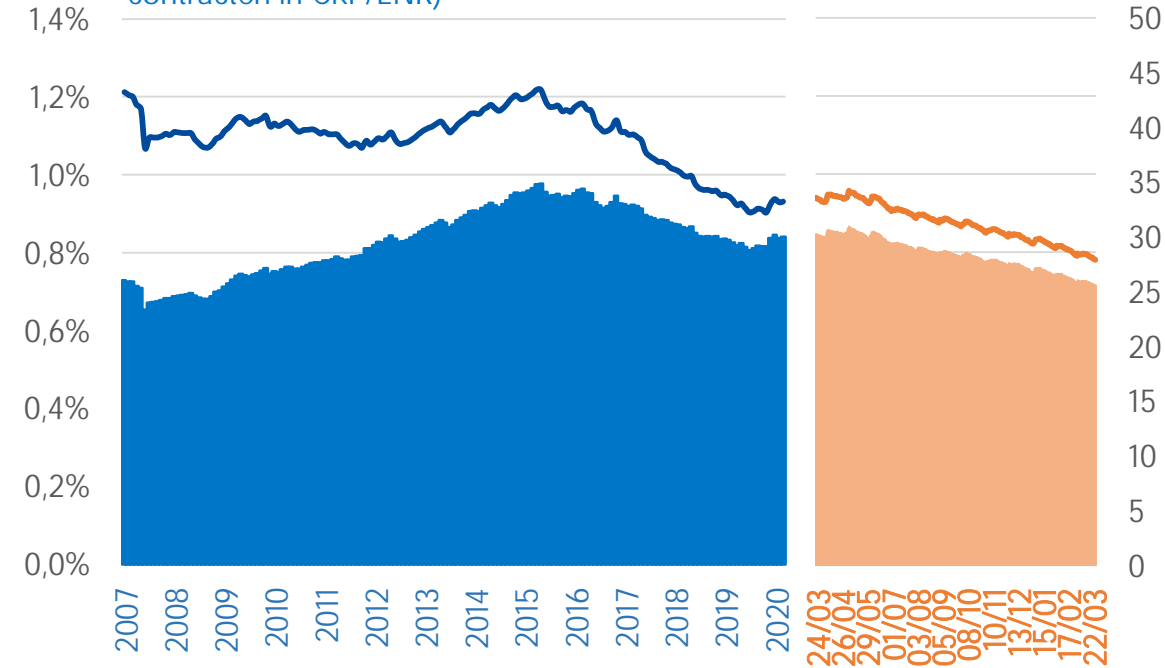
(geregistreerd bedrag per werkdag in CKP, in € miljoenen)



- Gemiddelde per werkdag over de laatste 12 maanden
- Gemiddelde per werkdag over de laatste maand
- Gemiddelde per werkdag over de laatste 10 werkdagen

Wanbetalingsgraad

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

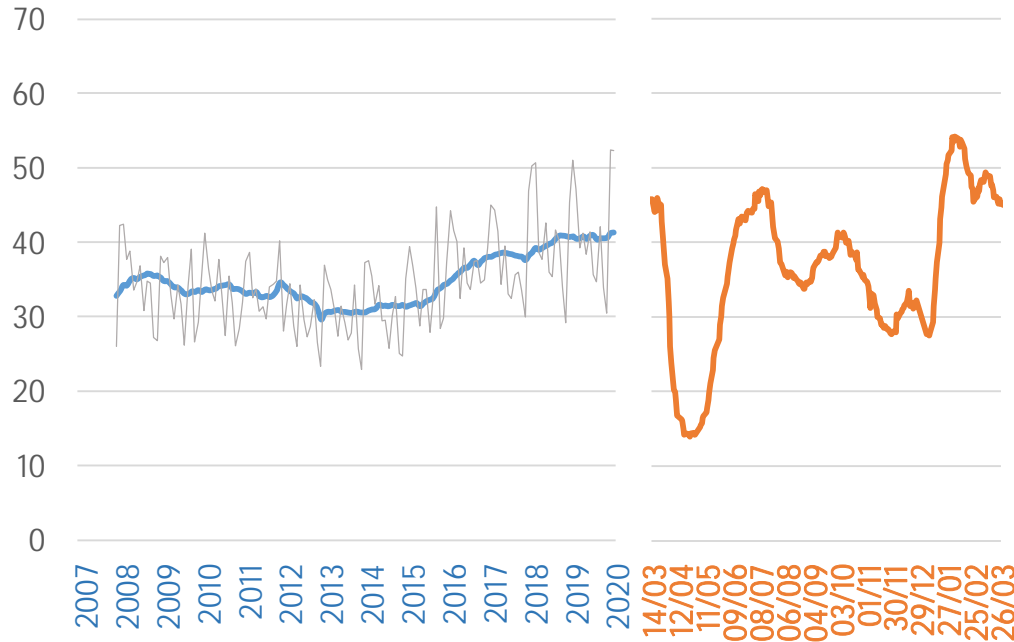


- Aantal uitstaande achterstallige contracten (maandelijkse gegevens, rechterschaal in duizenden)
- Wanbetalingsgraad (maandelijkse gegevens, linkerschaal in %)
- Aantal uitstaande achterstallige contracten (dagelijkse gegevens, rechterschaal in duizenden)
- Wanbetalingsgraad (dagelijkse gegevens, linkerschaal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

Consumentenkredieten¹: nieuwe leningen en wanbetalingsgraad

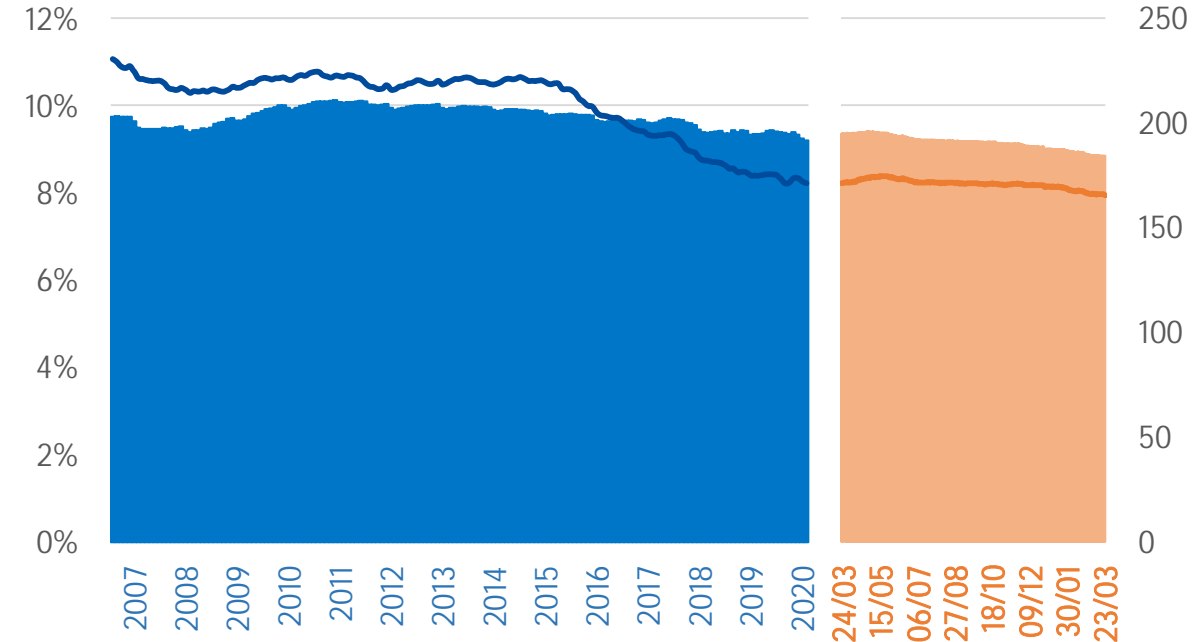
Nieuwe leningen

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



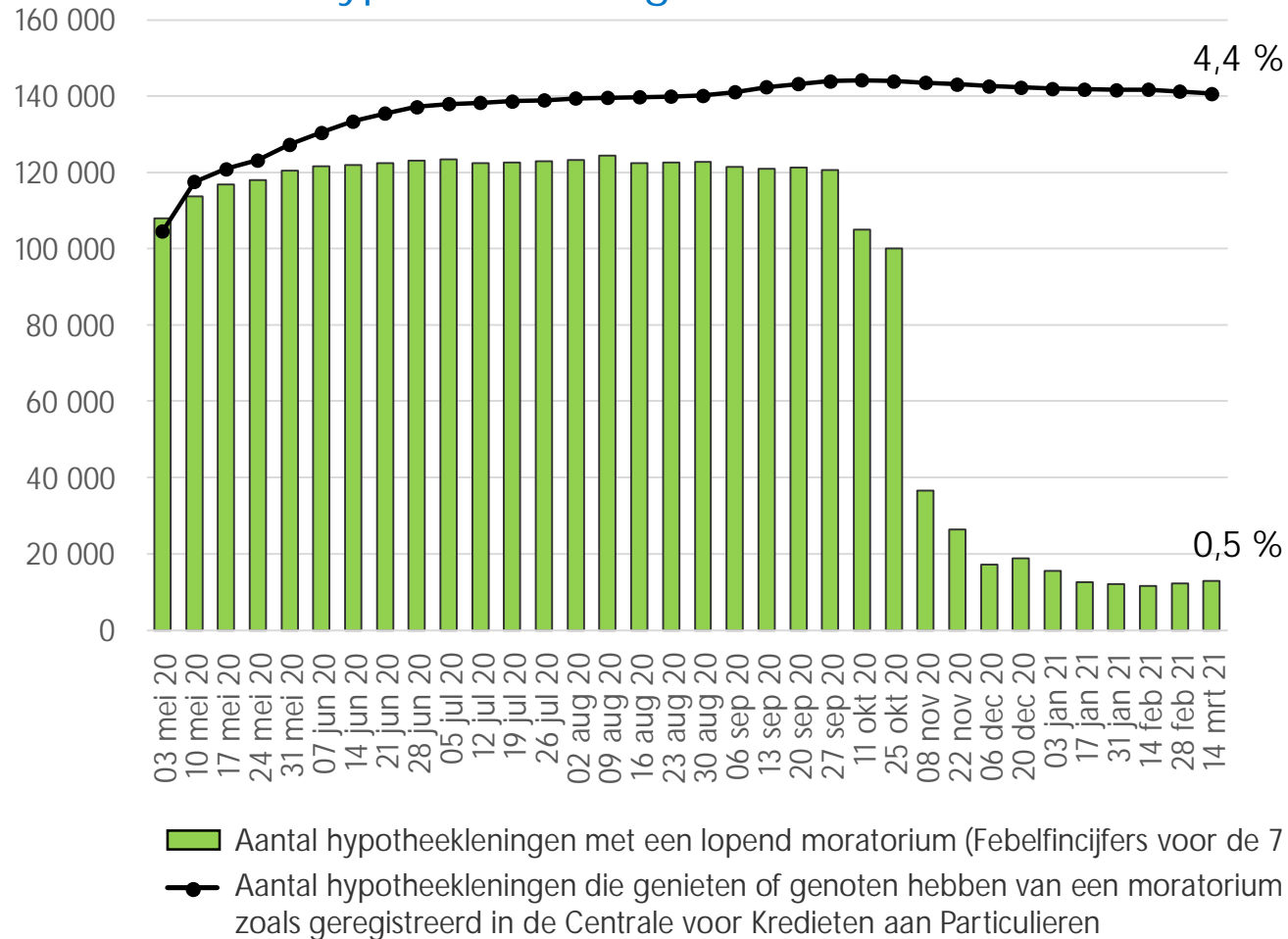
Wanbetalingsgraad

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



Moratoria voor leningen aan gezinnen

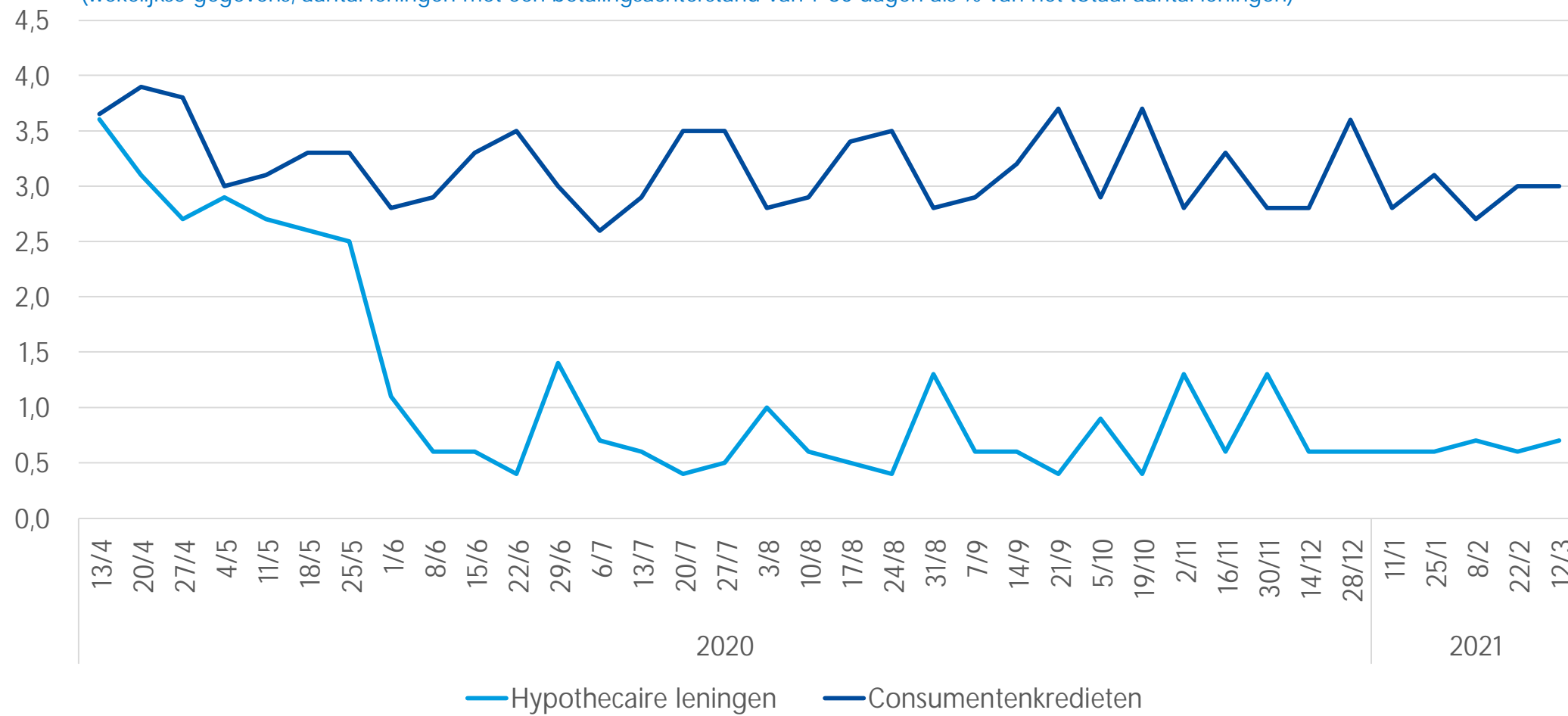
Aantal hypotheekleningen onder moratorium



- ◆ Aantal **consumentenleningen** die genieten of genoten hebben van een moratorium zoals geregistreerd in de Centrale voor Kredieten aan Particulieren (op 14 maart)
 - ◇ 9 076 leningen
 - ◇ waarvan 8 797 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 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 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
- ◇ 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
- ◇ Slight tightening in credit standards, because of higher risk perception

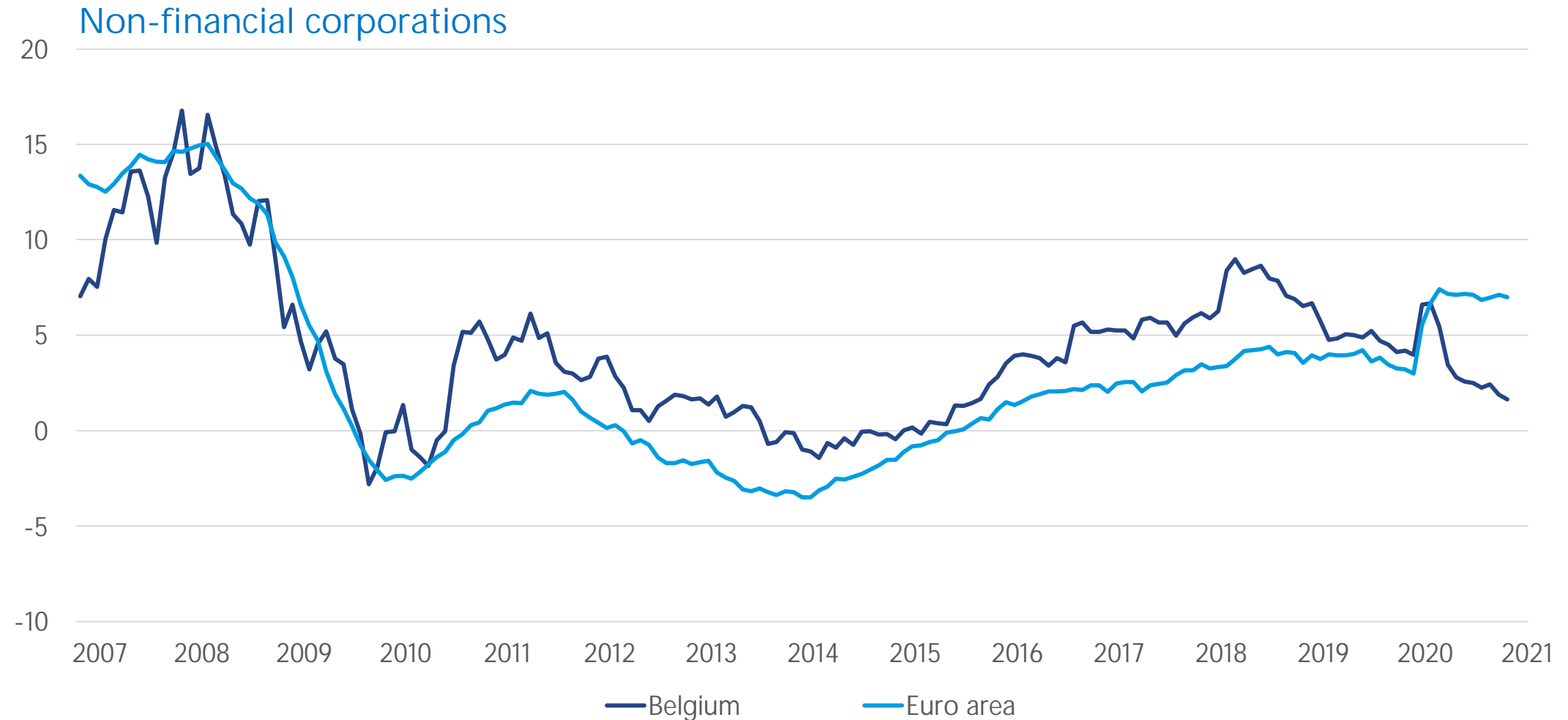
Firms perceived less favorable credit conditions

- ◆ **Belgian firms reported a slight improvement of their credit conditions in 2020Q4 compared to 2020Q3**
 - ◇ Slight improvement in the assessment of the general credit conditions by firms
 - Mainly due to the corporate services sector and large firms
 - From 2020, the balance of the opinions (favourable vs unfavourable) is below the historical average
 - ◇ Small deterioration with respect to 2020Q3 regarding the assessment of ancillary costs (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

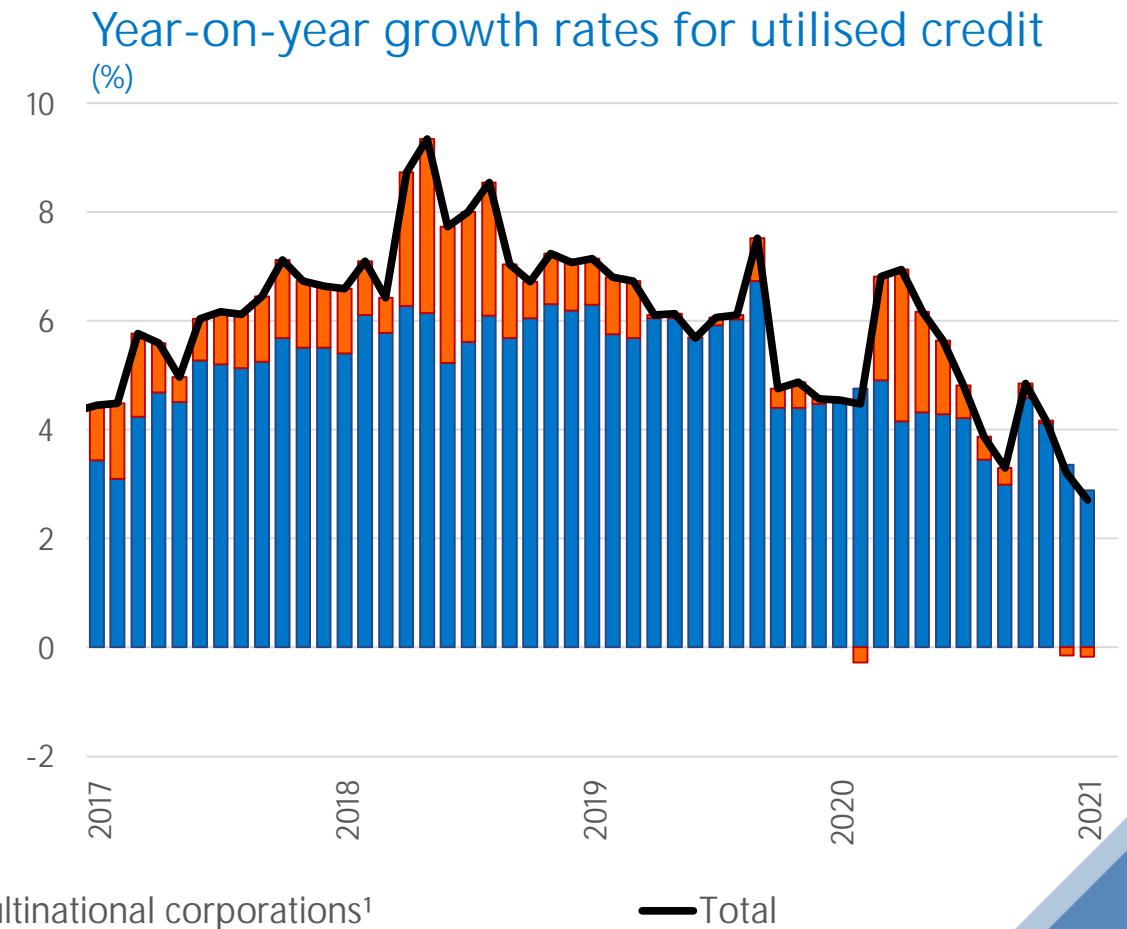
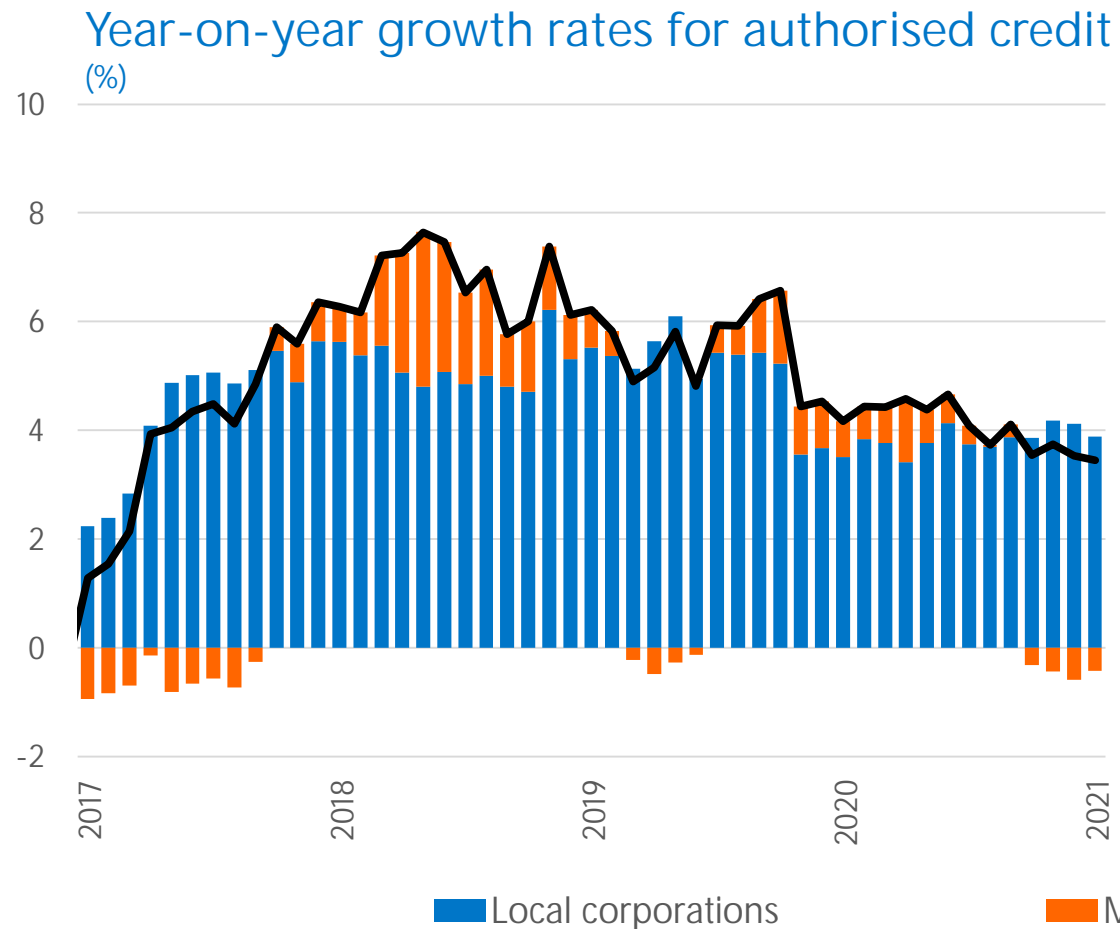
(source: SAFE survey, conducted between 7 September and 16 October 2020)

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

(year-on-year % changes¹, up to January 2021)

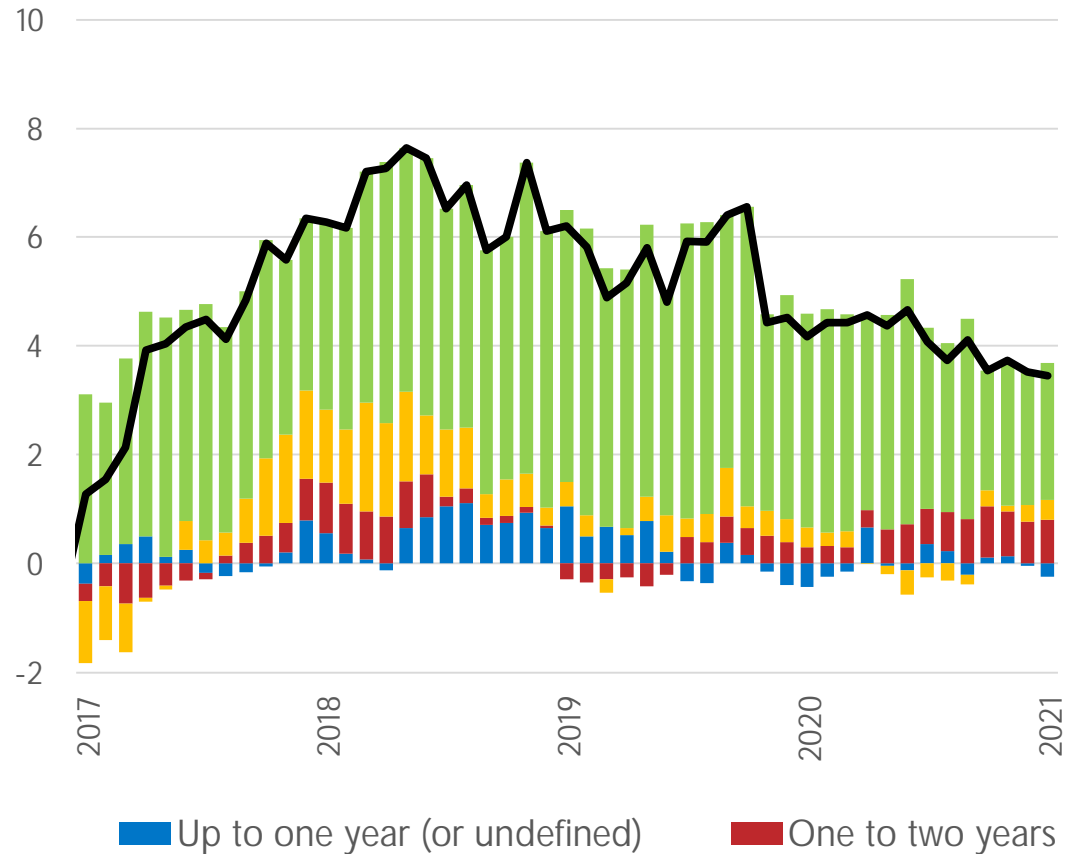


Reduced contribution of multinational corporations to total credit growth, after massive drawdowns of credit lines in March and April ...

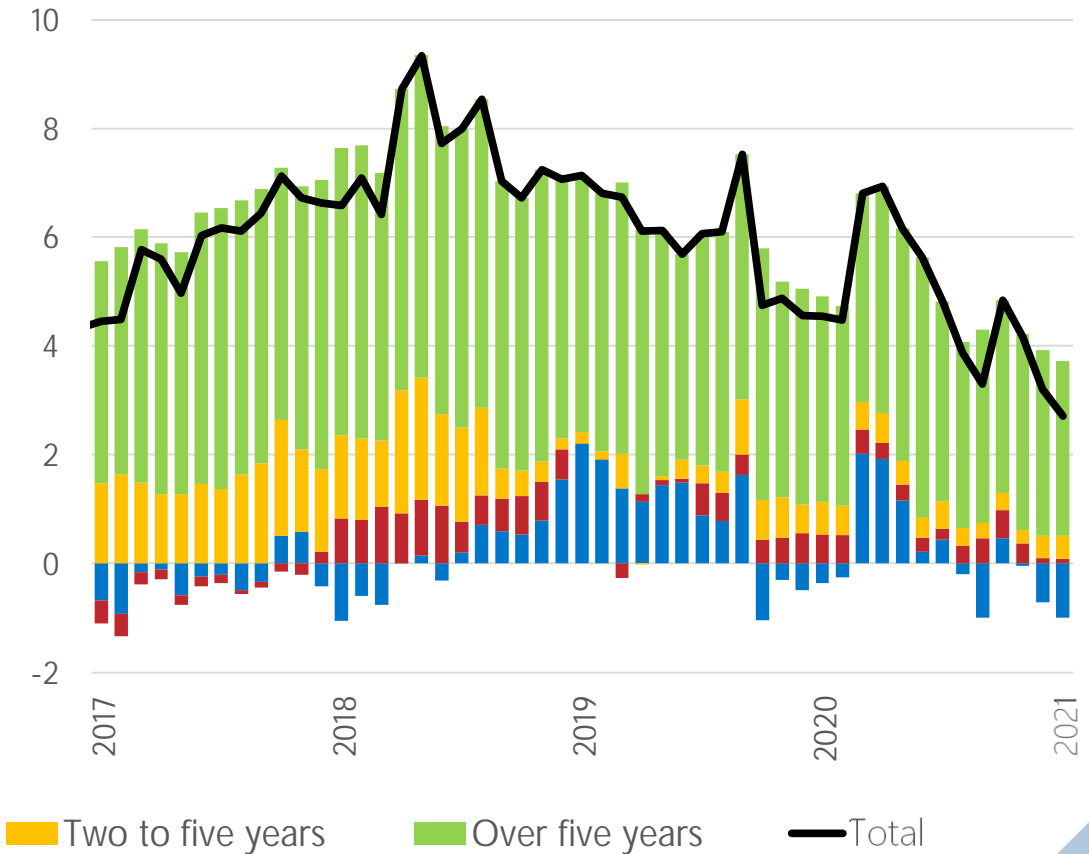


... which also translates into a lower contribution of short-term loans

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



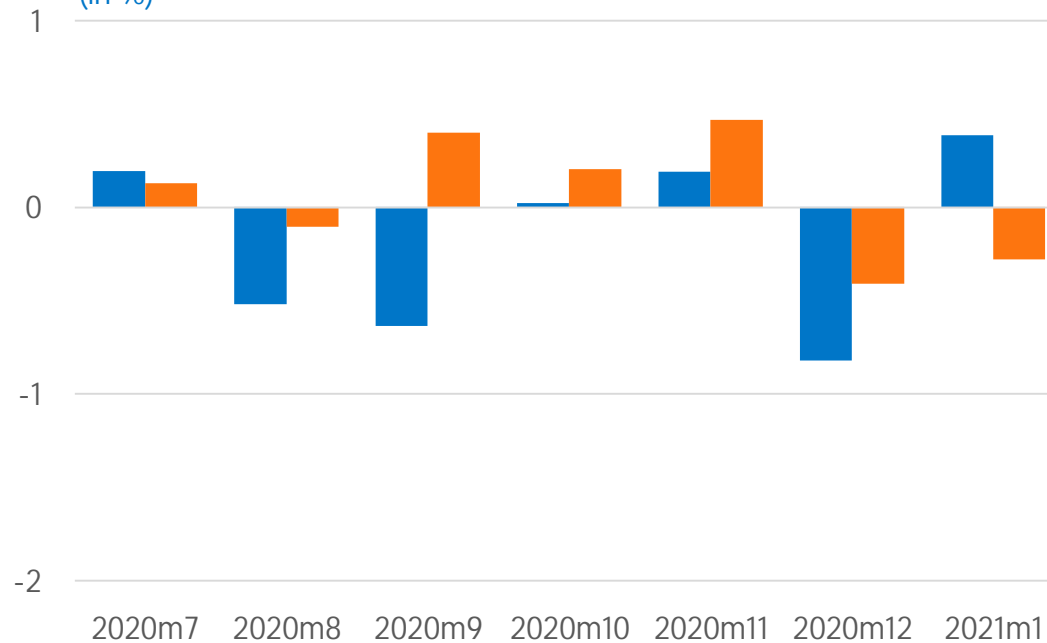
Decomposition of YoY used corporate credit growth by maturity (%)



January growth rates of authorised and utilised loans lower than in previous years

Monthly growth rates of authorised and utilised loans

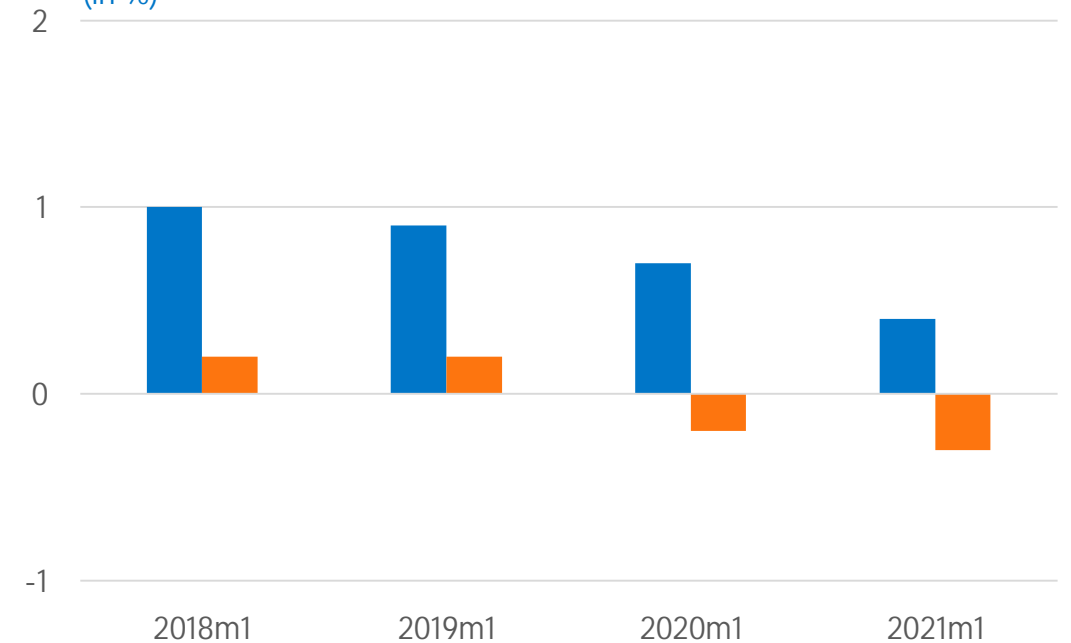
(in %)



■ utilised

Monthly growth rates of loans for January of previous years

(in %)

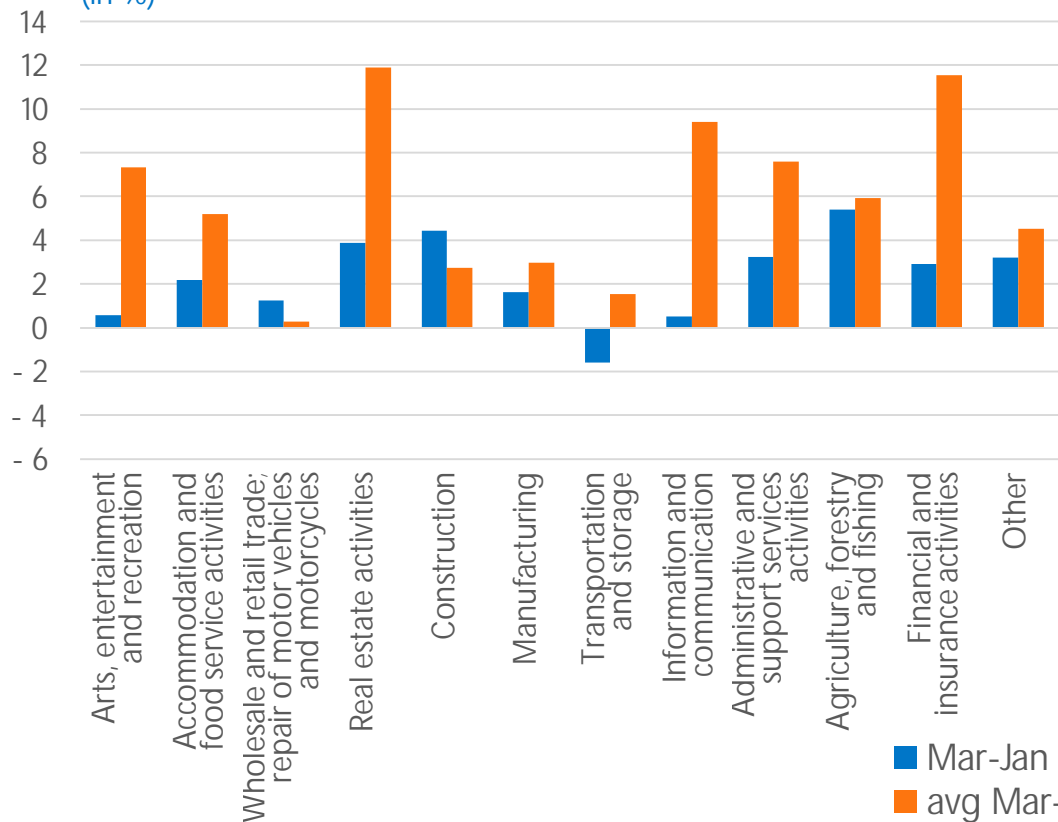


■ authorised

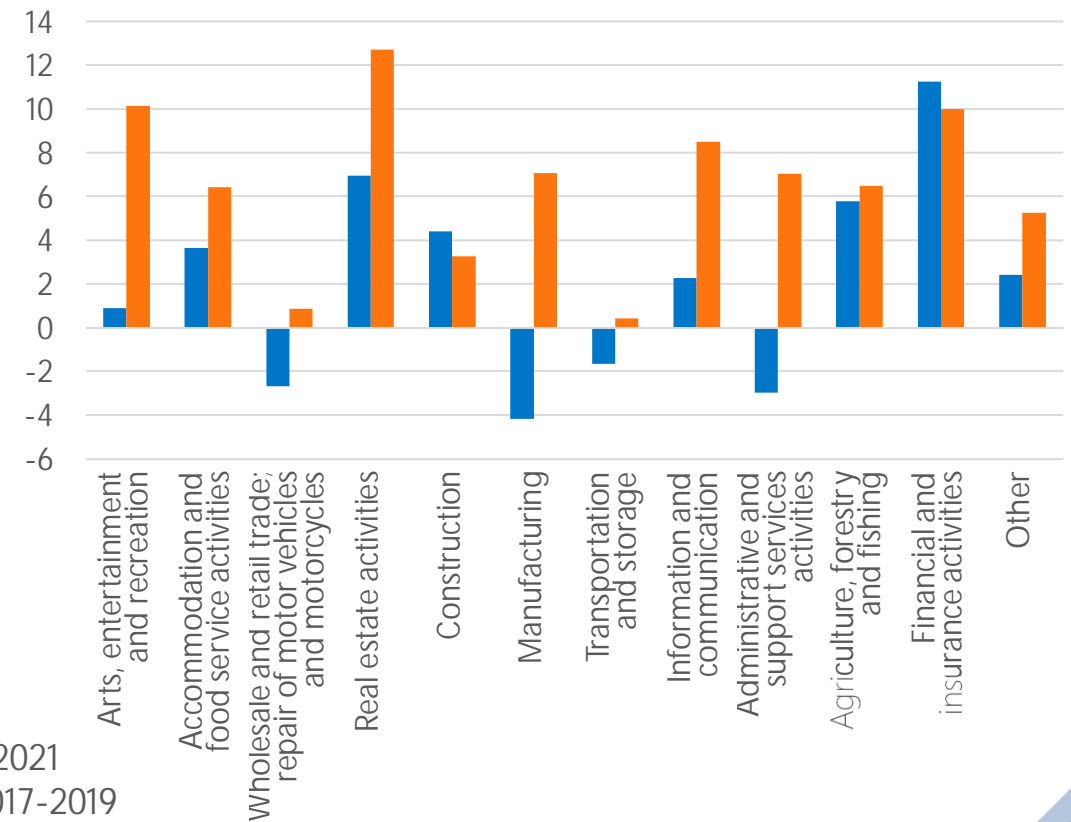
Growth in authorised and utilised loans since start of crisis is below historical averages for many vulnerable sectors

March-January growth rates of authorised loans

(in %)



March-January growth rates of utilised loans (in %)

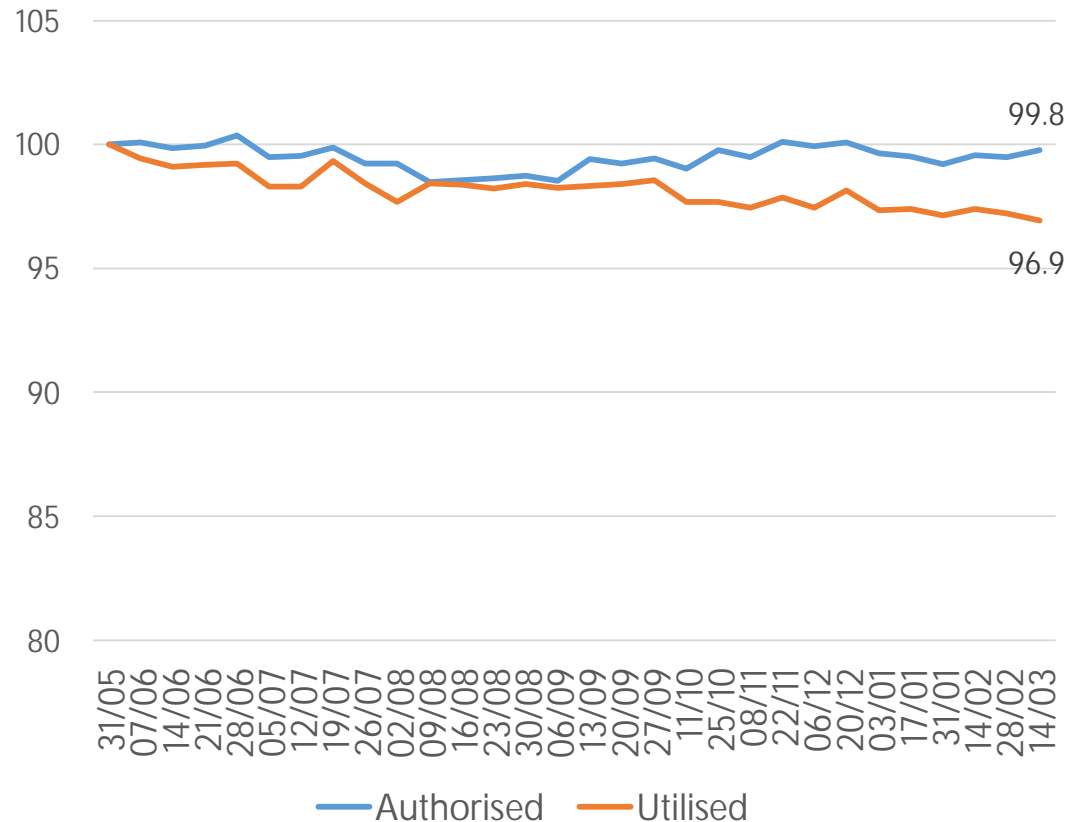


Loan developments - weekly

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

Evolution of total loans to NFCs

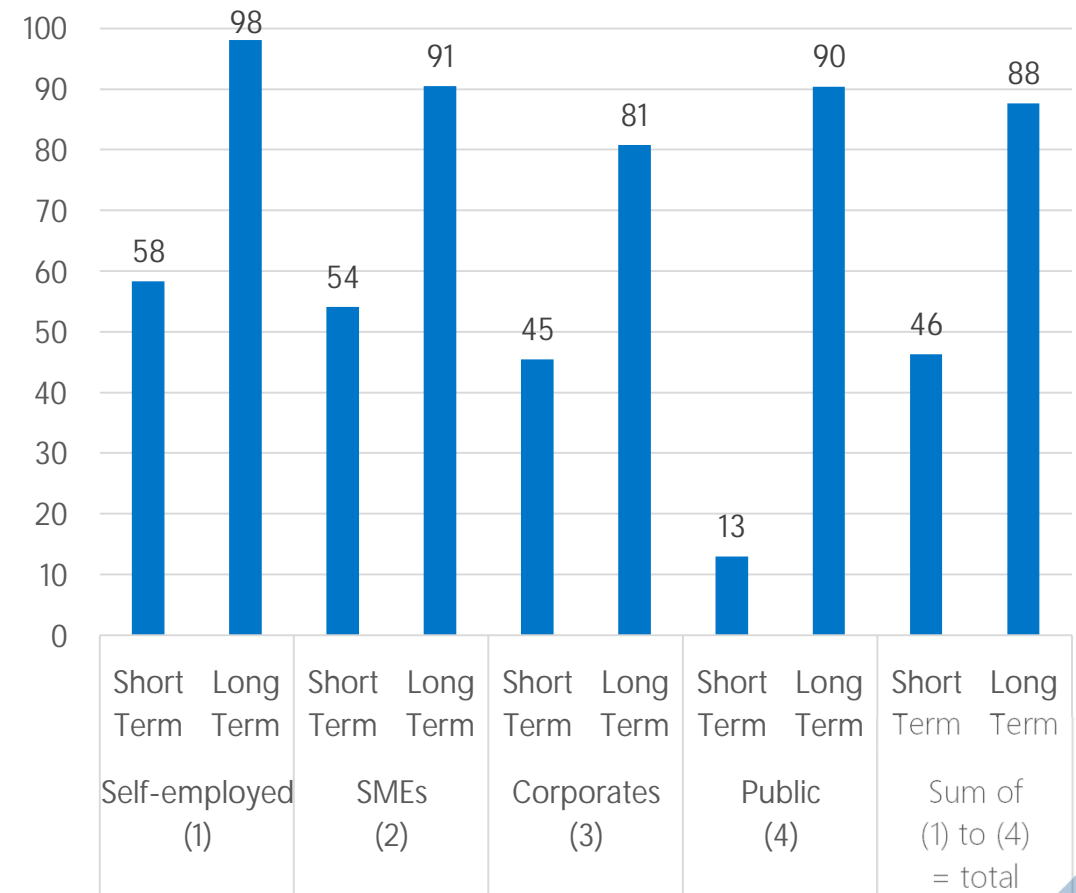
(in %)



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 %)

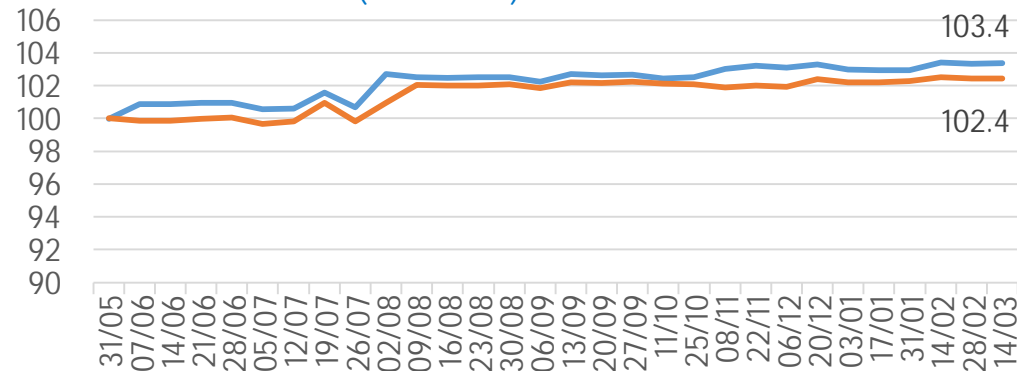


Stable loans for firms except for a decline for corporates

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

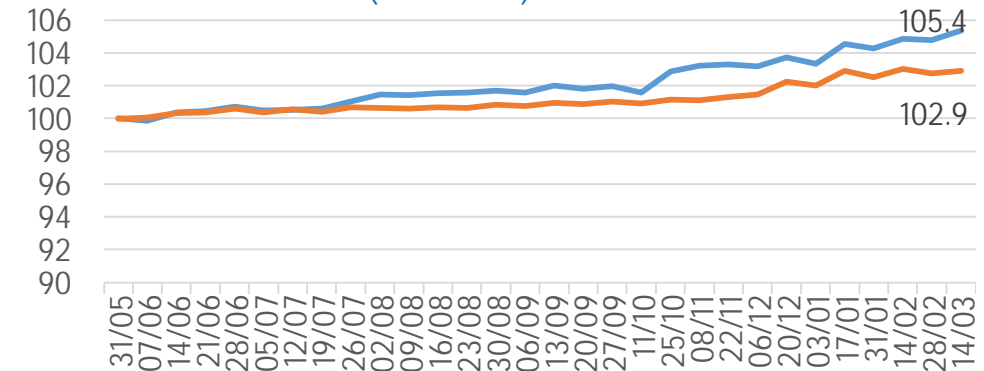
Evolution of total loans to self-employed

Latest observation (authorized) 23 billion EUR



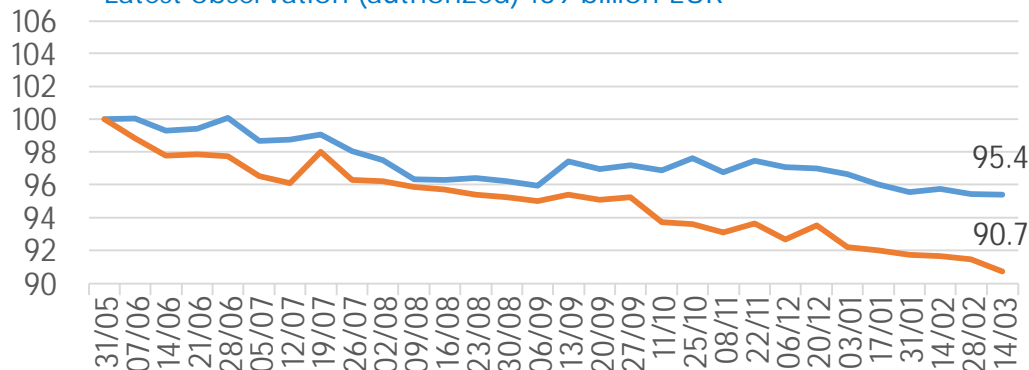
Evolution of total loans to SMEs

Latest observation (authorized) 83 billion EUR



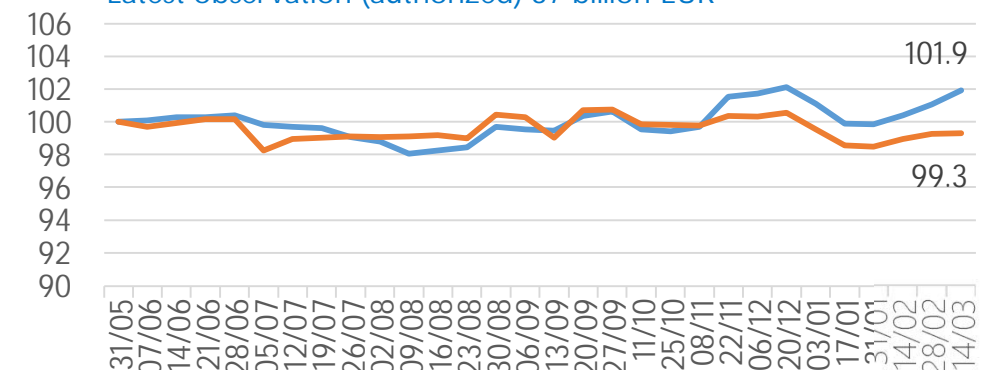
Evolution of total loans to corporates

Latest observation (authorized) 139 billion EUR



Total loans to public sector entities

Latest observation (authorized) 37 billion EUR



— Authorised

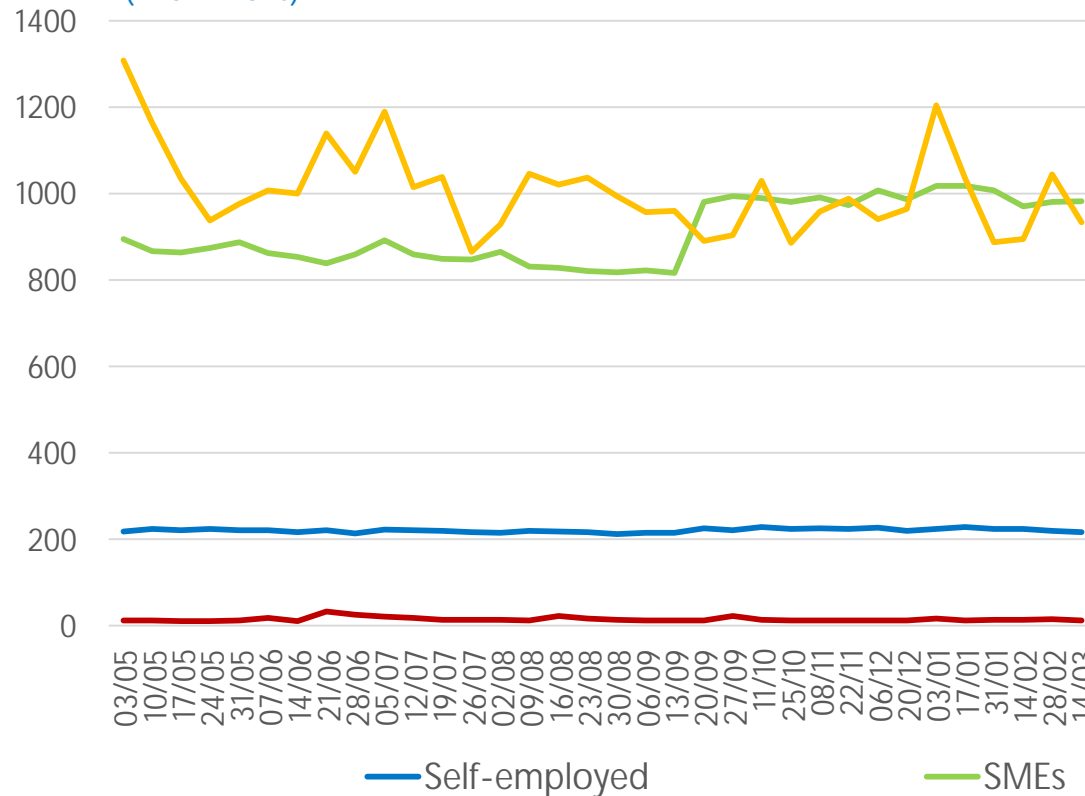
— Utilised

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

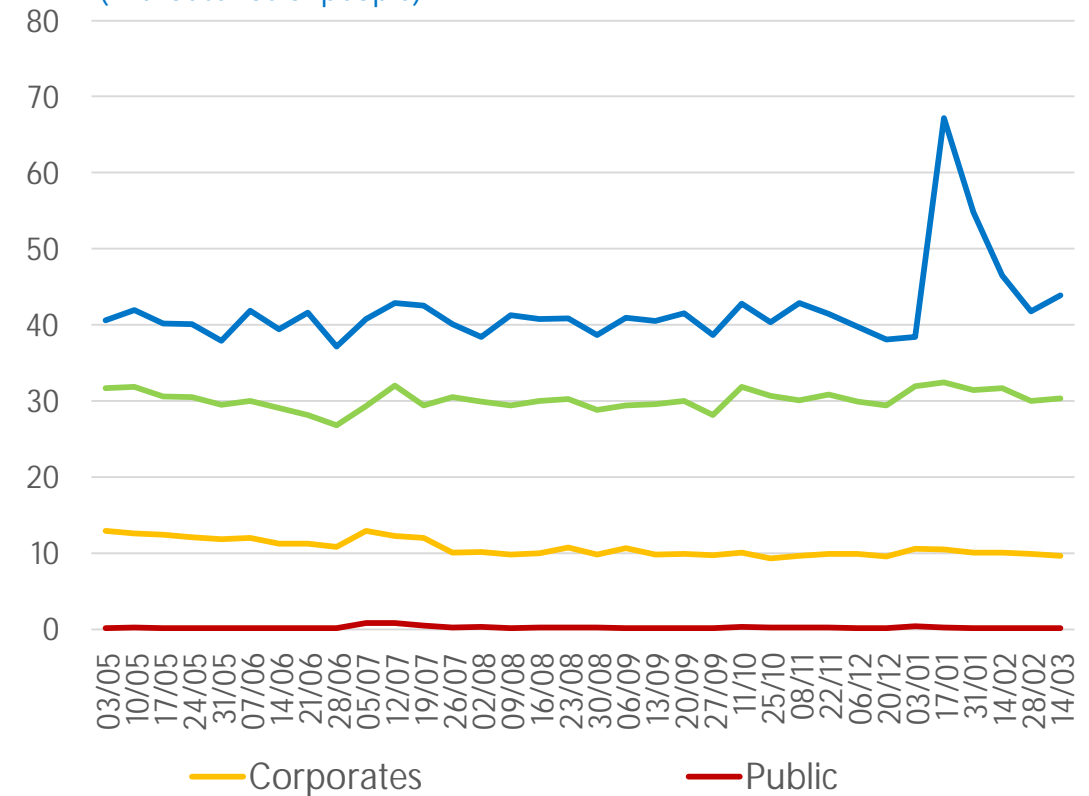
Number of loans in arrears or in default are not increasing (yet?)

(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: 14 February 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.

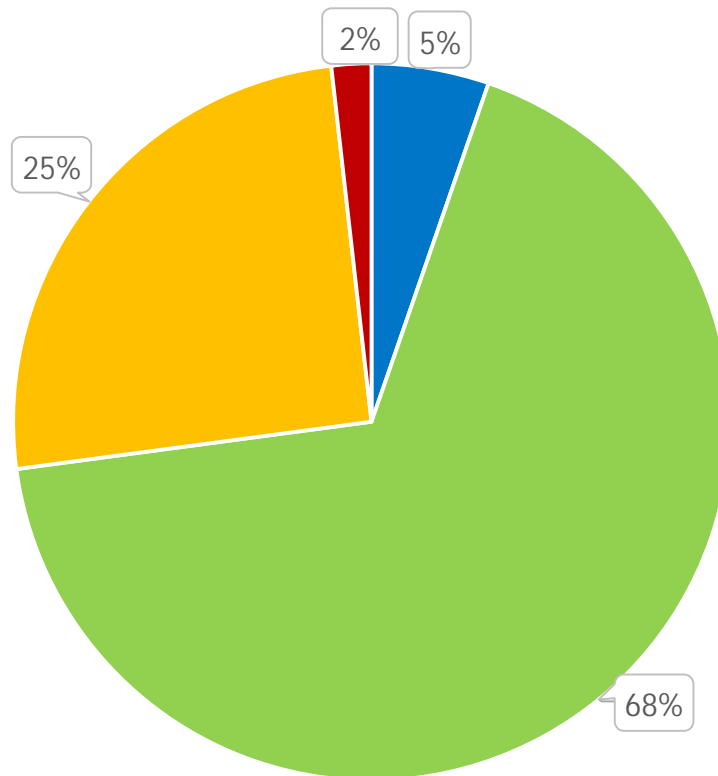
The increase of arrears for the corporate segment is linked to end-of-year operational events.

The increase of arrears for the self-employed segment is linked to end-of-year operational events

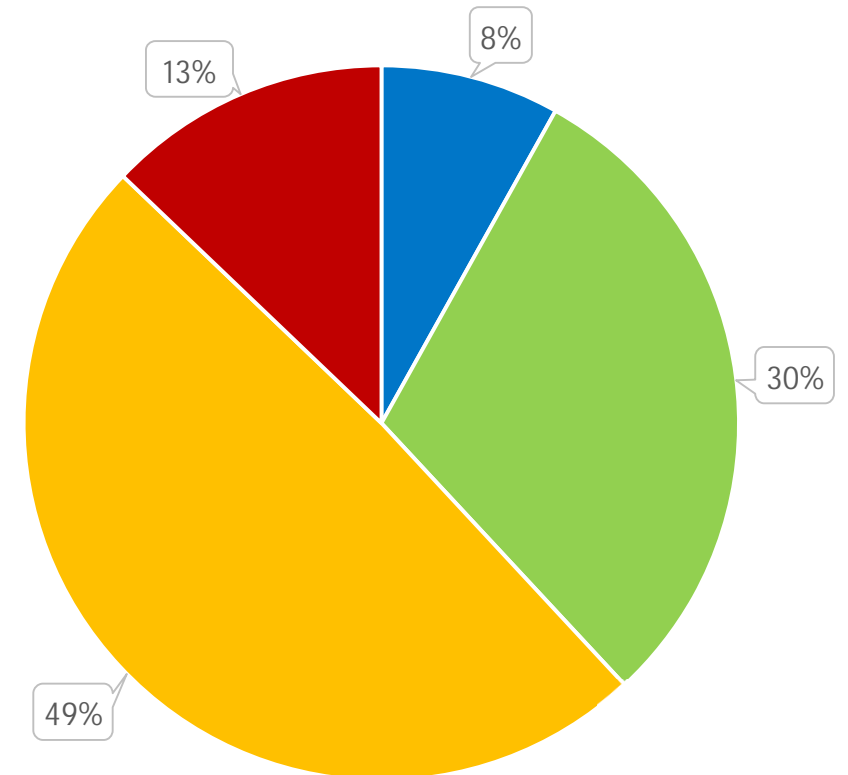
SMEs are the main beneficiaries of moratorium relative to their share of total loans

(moratorium – weekly)

Loan amounts in moratorium by type of counterparty



Total loan amounts by type of counterparty

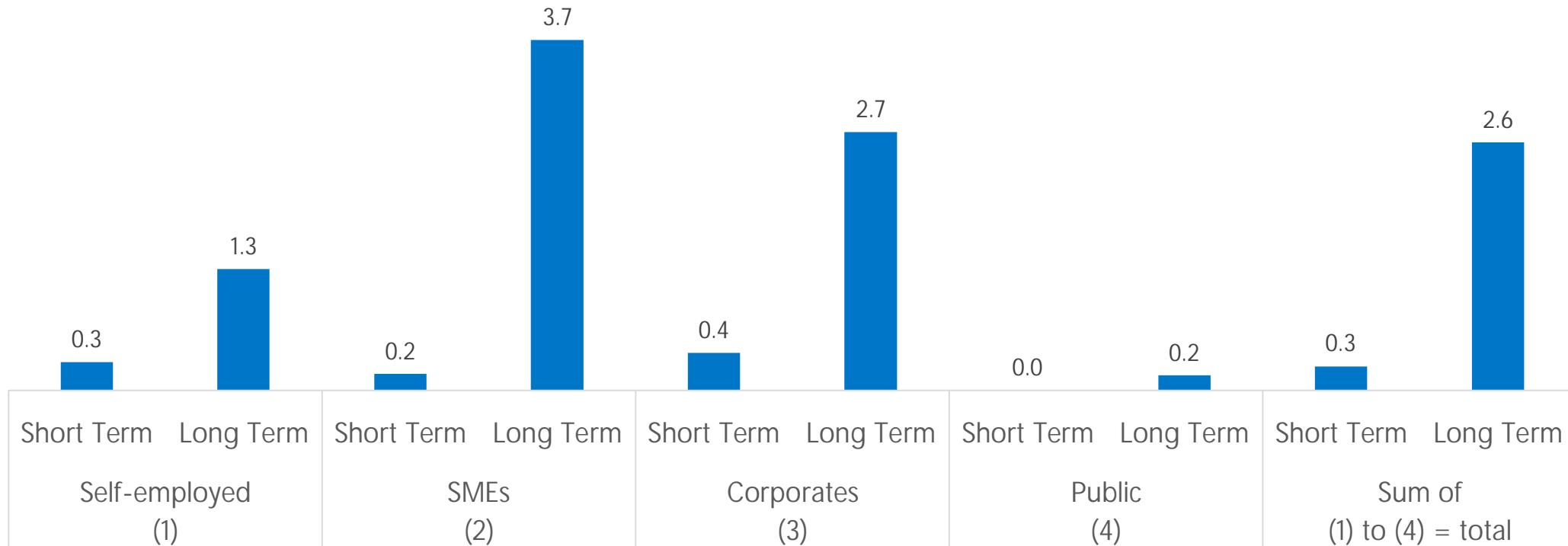


■ Self-employed ■ SMEs ■ Corporates ■ Public

Long term loans are the main type of loans in moratorium

(moratorium – weekly)

% of exposures in moratorium
(last weekly observation)



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. Other smaller, less distinct virus particles are visible in the background, creating a sense of depth. The overall lighting is bright and airy, with a light blue gradient.

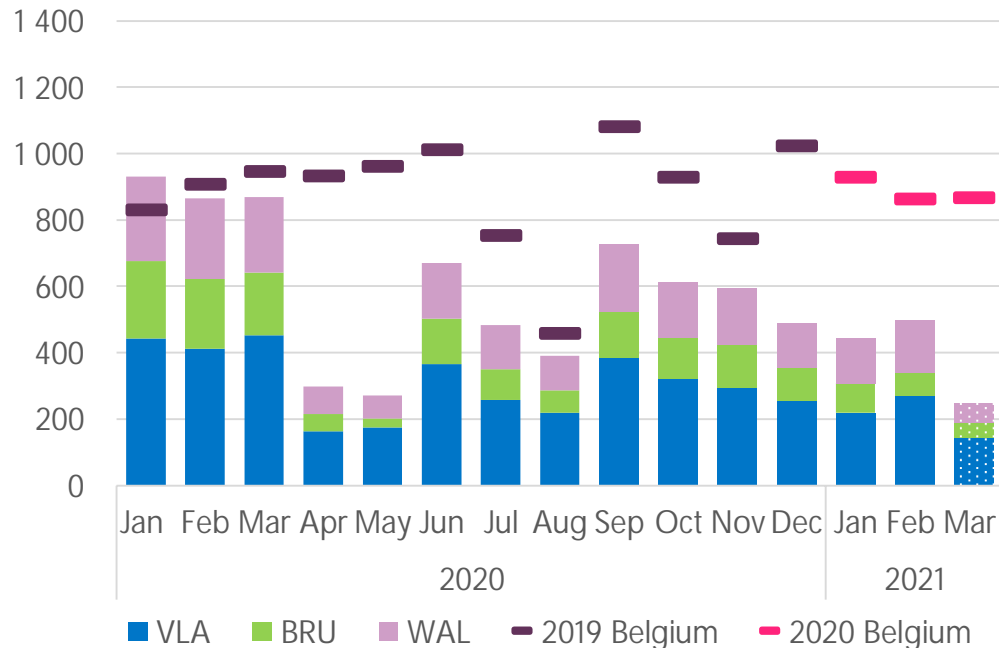
Bankruptcies and new business registrations

The number of bankruptcies¹ increases slightly in February 2021 but remains far below its 2019 & 2020Q1 levels ...

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

Bankruptcies

(# by region)



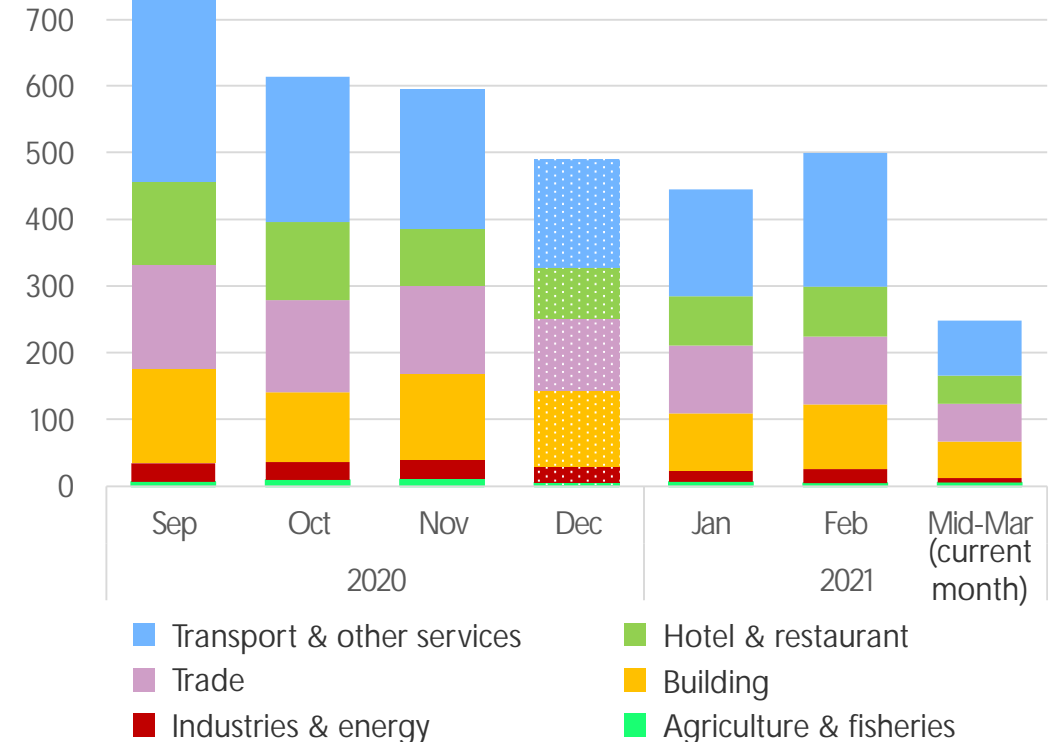
◆ About **96 % of bankruptcies** are within the '0 to 9 workers' company size class

Source: Statbel, latest available data: 14 March 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 maintains 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 and a further extension to 31 December for the payment of the annual company contribution. 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. A 15% reduction in the withholding tax for temporary unemployment and the tax exemption for overtime pay in crucial sectors, are applicable until 30 June 2021. In compensation for the end of the moratorium a new judicial reorganisation procedure (JRP) has been proposed. It provides that the procedure would be streamlined; it would no longer require publication in the Moniteur belge, which would allow mediators to reach agreements on claims in complete discretion; JRPs by amicable agreement would be encouraged through a tax exemption which has so far only been applied to JRPs obtained by court order.

(# by activity)

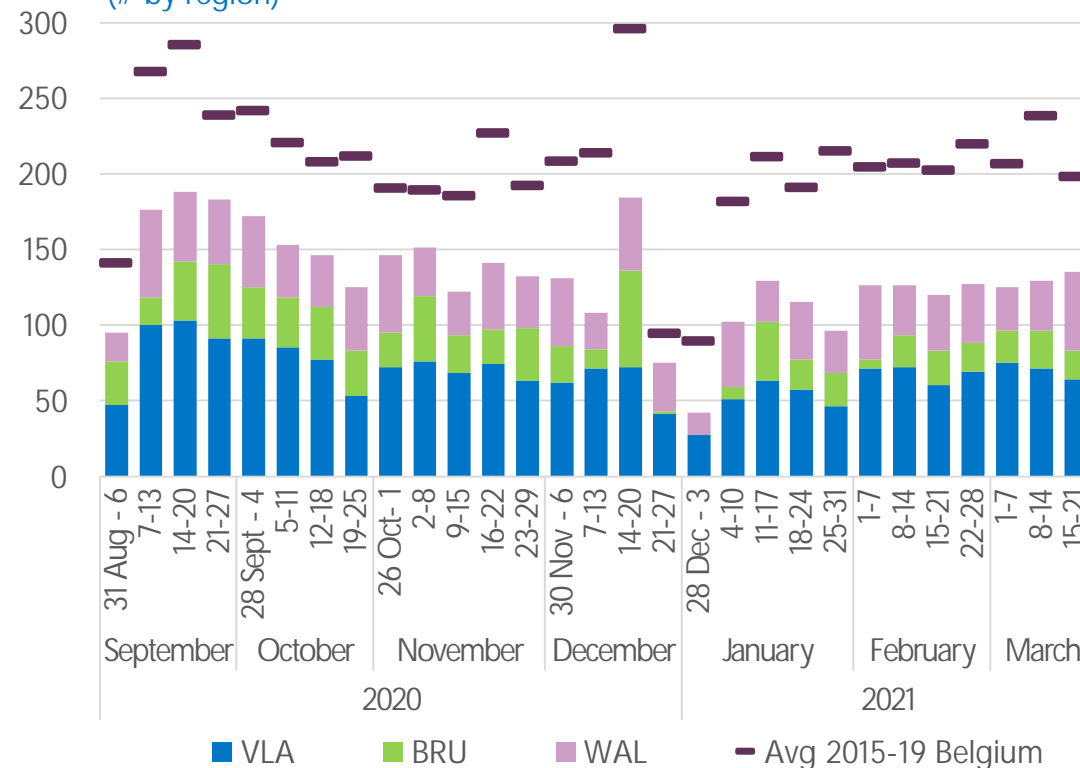


2021: weekly bankruptcies figures increase since end-2020 according to seasonal patterns ...

... but remain well below the 2015-19 average

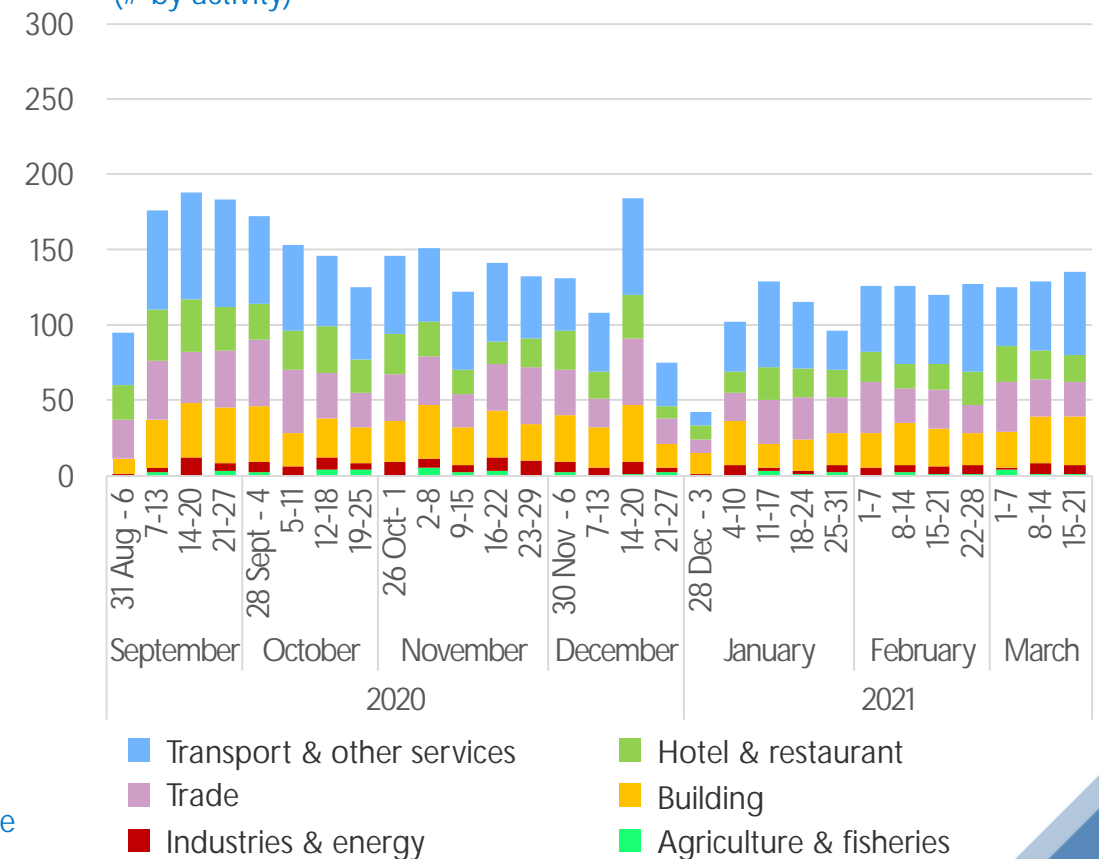
Bankruptcies¹

(# by region)



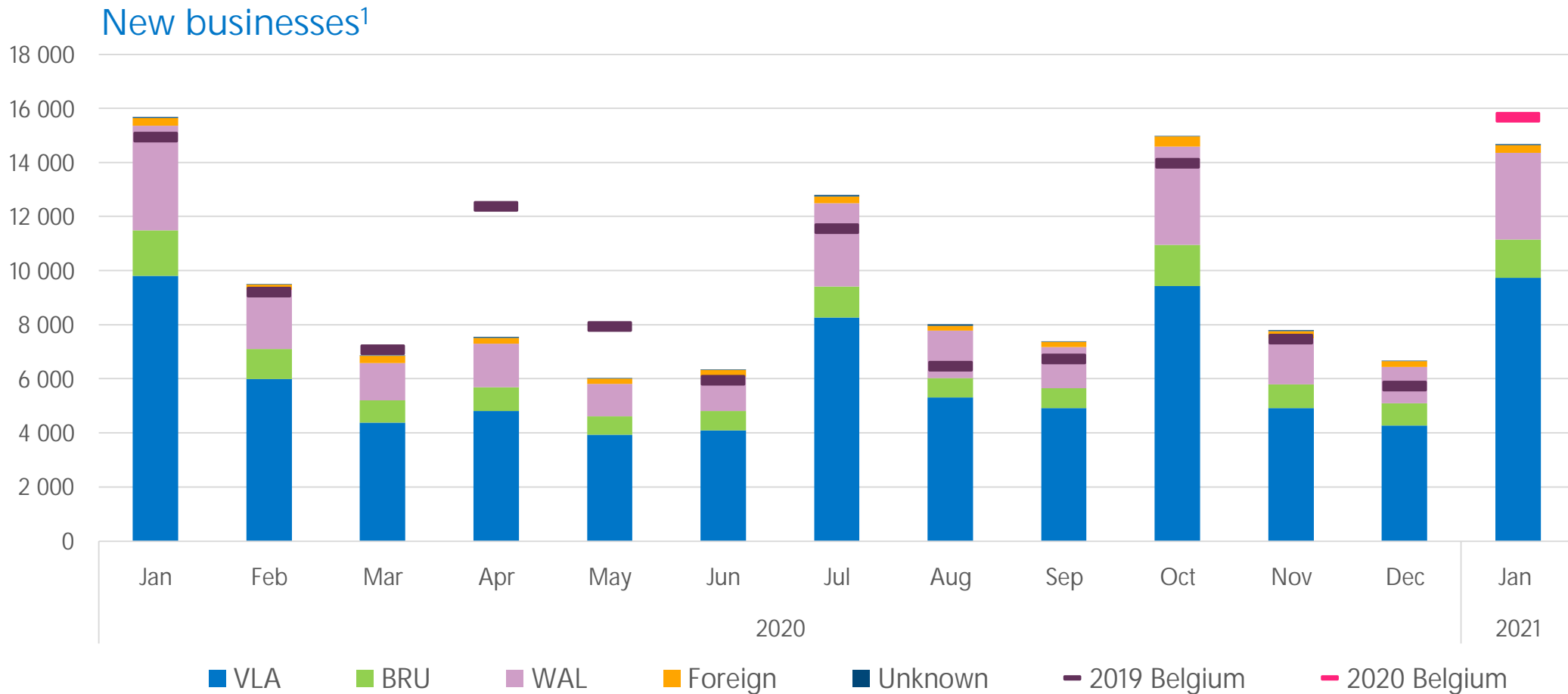
- ◆ Since August 31st, 2020, the number of bankruptcies remains 36 % below the 2015-19 average while in August, declared bankruptcies were close to it

(# by activity)



Business startups rise in January according to seasonal patterns ...

... but is below the year-on-year level



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.

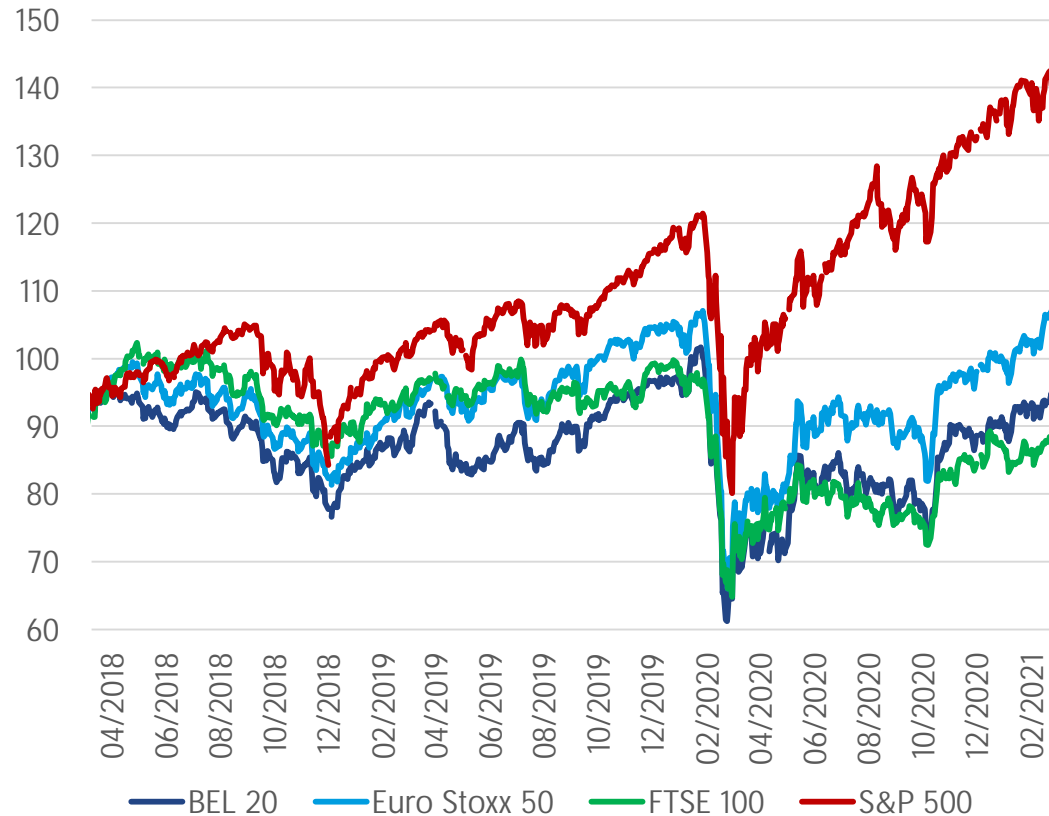
Financial markets

Financial markets held back by US yield rise and EA lockdown

- ◆ In the US, upward revisions in growth forecasts and vaccine rollouts (topped by President Biden's recent pledge to double jobs) have supported stocks, which have been under pressure due to fears over a possible rise in inflation and, consequently, interest rates.
- ◆ In Europe, positive PMI data attenuated the negative impact of the rise in infections and new lockdown restrictions.
- ◆ Volatility has eased downwards close to its historical average. However, sudden spikes occurred concomitant to US Treasuries sell-offs

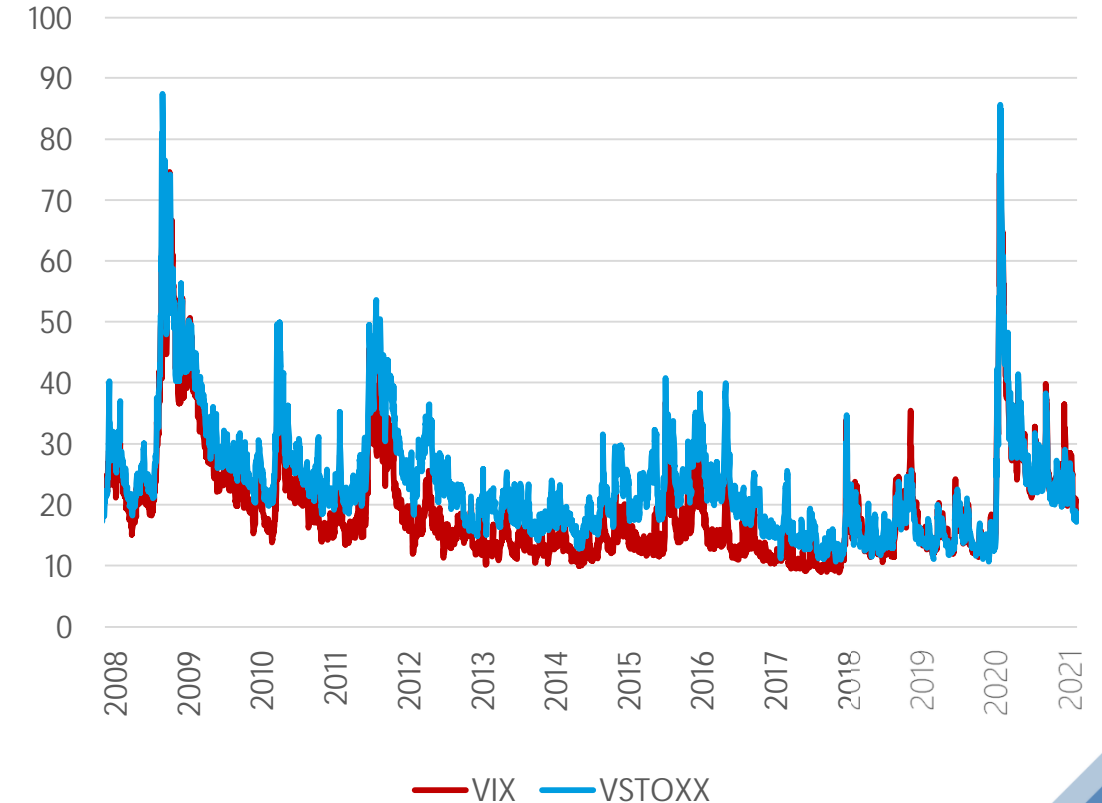
Major stock market indices

(01/2018=100)



Implied stock market volatility

(in %)

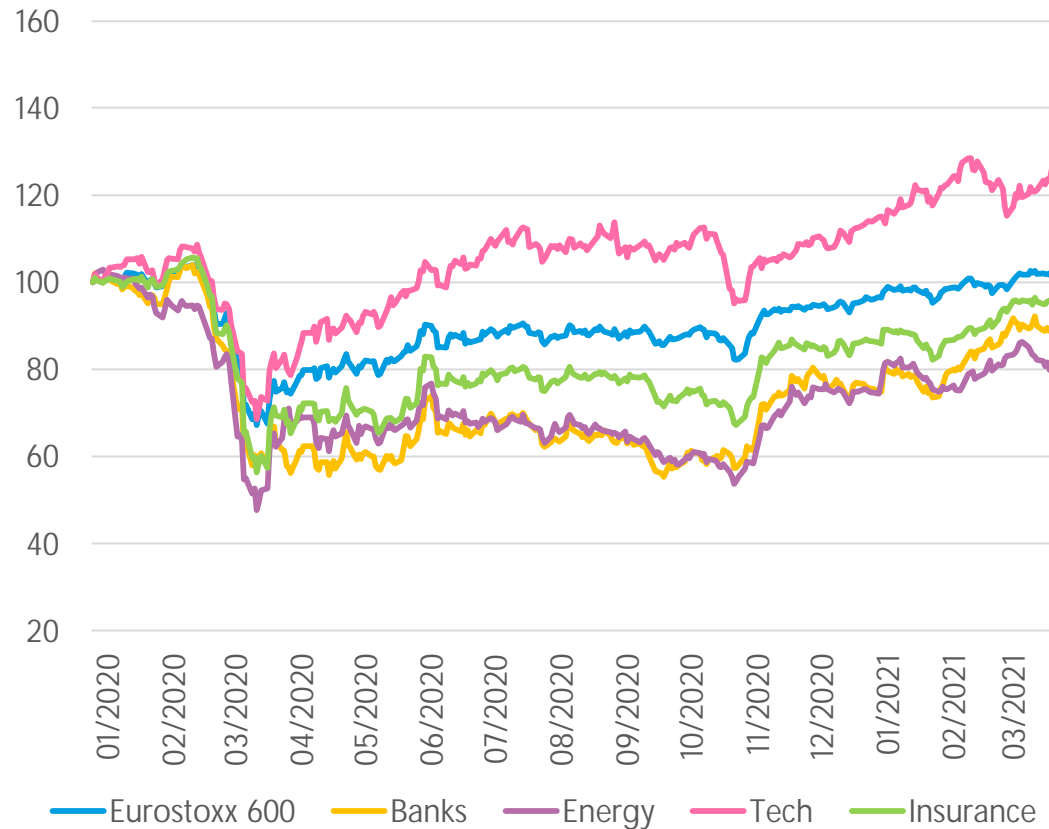


Equity performance remains highly heterogenous across sectors

- ◆ Rise in long-term US yields led to a repricing of tech stocks, whereas it favoured performance of financials (e.g., banks and insurance)
- ◆ Advances of US vaccine campaign and the prospect of strong economic recovery has pushed cyclical stocks, such as energy
- ◆ However, new tightening lockdown restrictions and delays of vaccinations in Europe have caused these gains to retreat

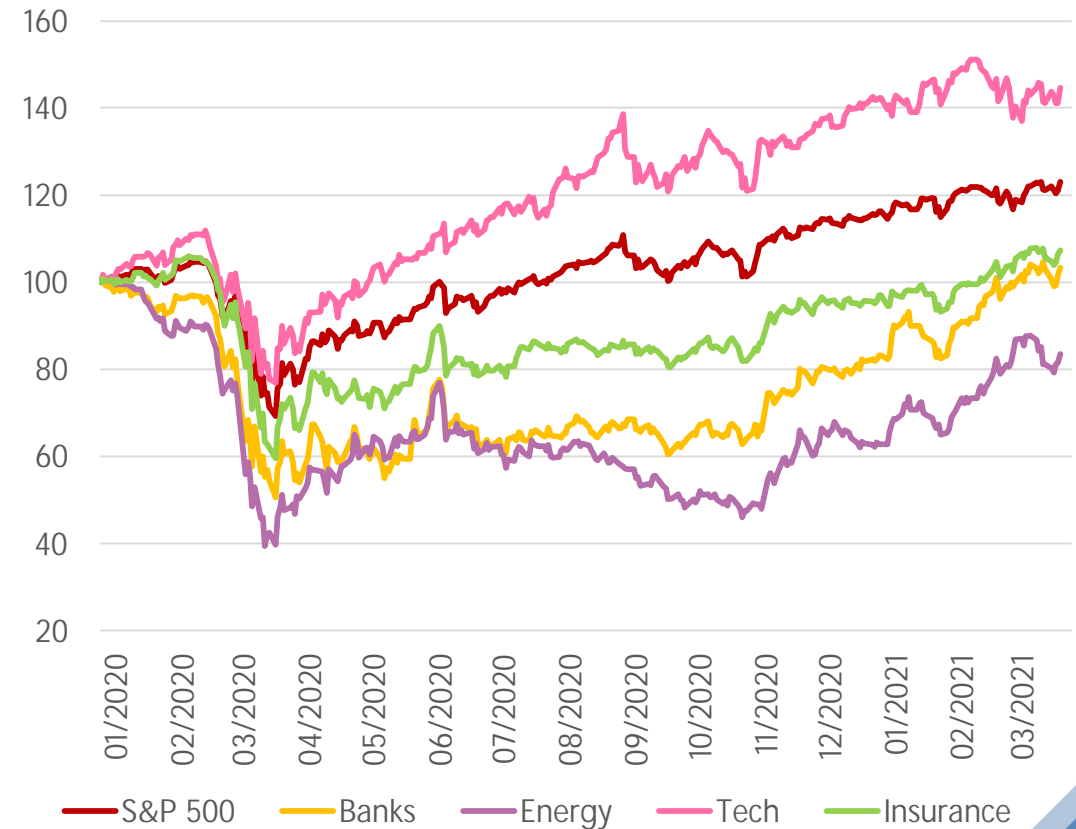
Euro Stoxx 600 by sectors

(01/01/2020=100)



S&P 500 by sectors

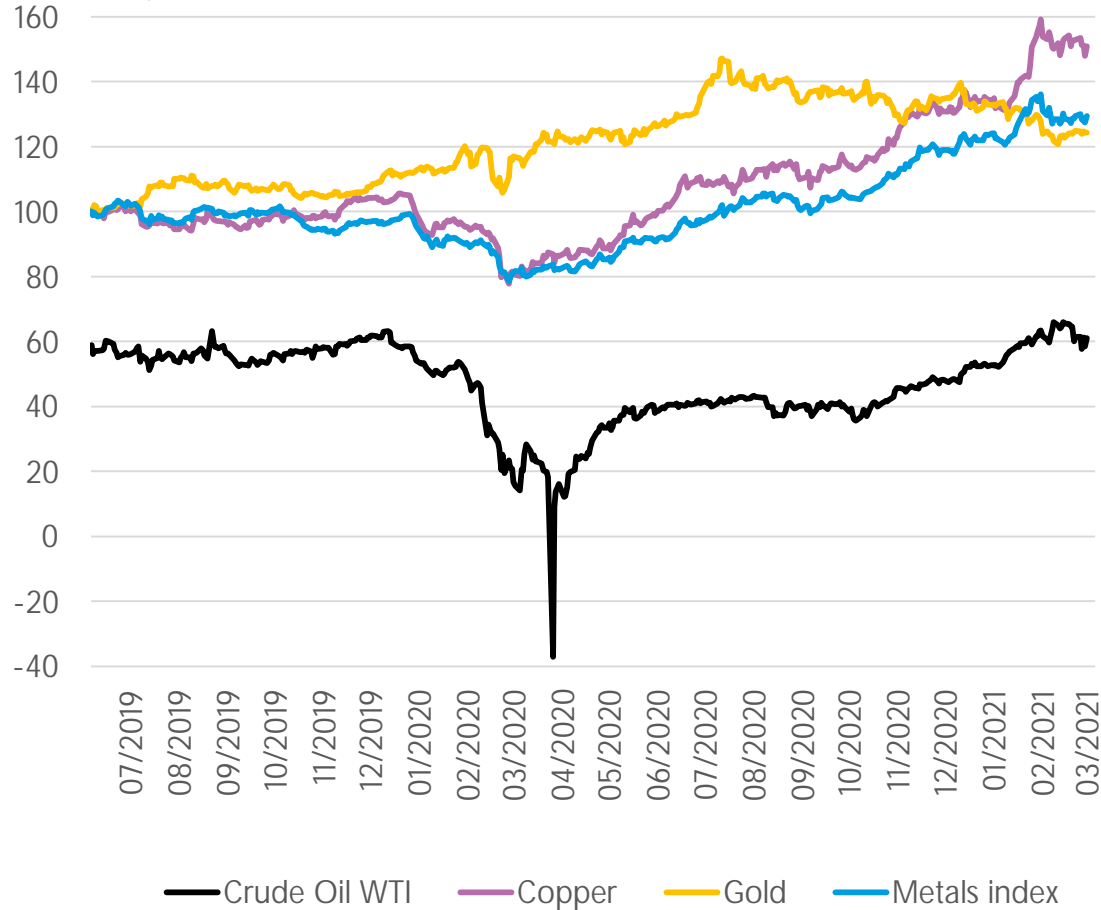
(01/01/2020=100)



Commodities rally pauses, as EU lockdown heightens demand risk

Commodity price indices

(Oil prices in \$/barrel, other indexes are normalized: 01/07/2019 = 100)



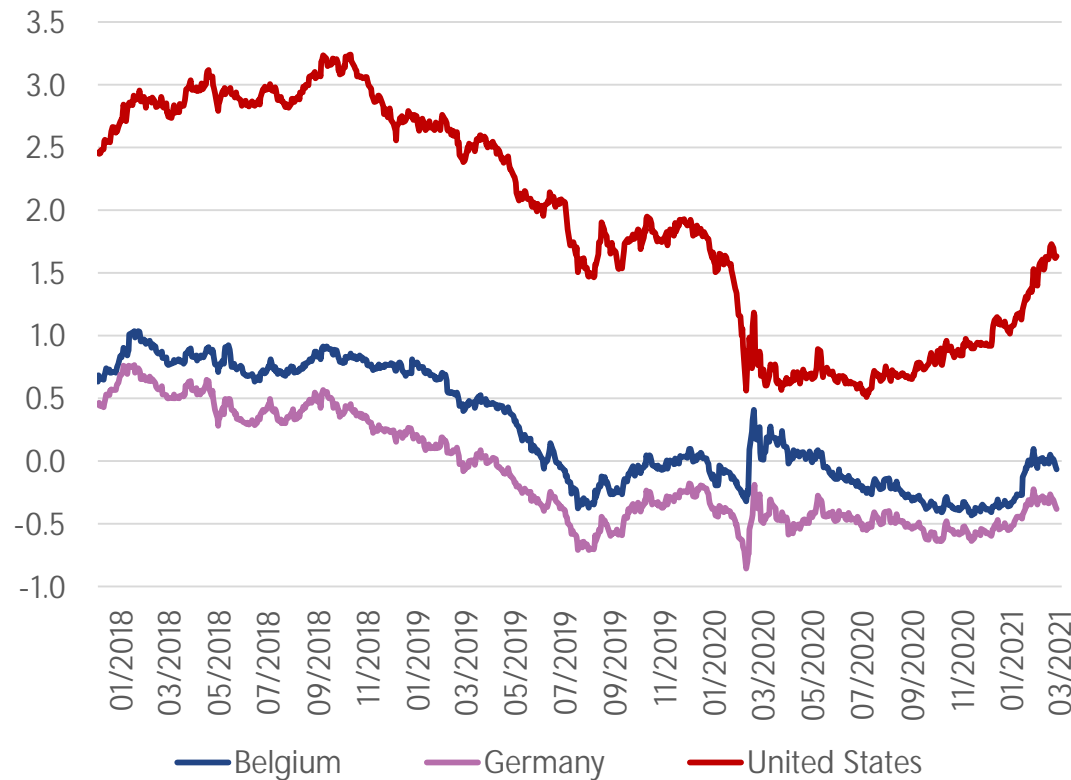
- ◆ Optimism over vaccine rollouts and the recent decision by OPEC and Russia to keep production cuts have supported oil prices
 - ◇ However, tightening of mobility restrictions in EU weighed on oil prices
 - ◇ For now, supply disruptions due to the Suez incident have only temporarily impacted prices
- ◆ After a prolonged rally in previous months, driven by strong demand and inflationary expectations, metal prices have plateaued in the recent weeks
 - ◇ In part, this could be due to the US dollar's recovery
- ◆ High US yields put downward pressure on gold price which, however, is supported by rising inflation expectations and the uncertain environment

Long-term government bond yields and inflation expectations are rising

- ◆ The proposed US fiscal package and vaccine rollout are impacting inflation prospects on the back of the expected strong recovery.
- ◆ This reflation theme is pressuring long-term bonds, especially in the US. US 10-year yields are close to a 14-month high, whereas the Fed's policy stance remains unchanged.
- ◆ In February and early March this reflation trade has spilled over to the EA. However, recent announcements by the ECB to speed up purchases under PEPP have kept EA yields stable. EA inflation expectations increased but remain well below the ECB target.

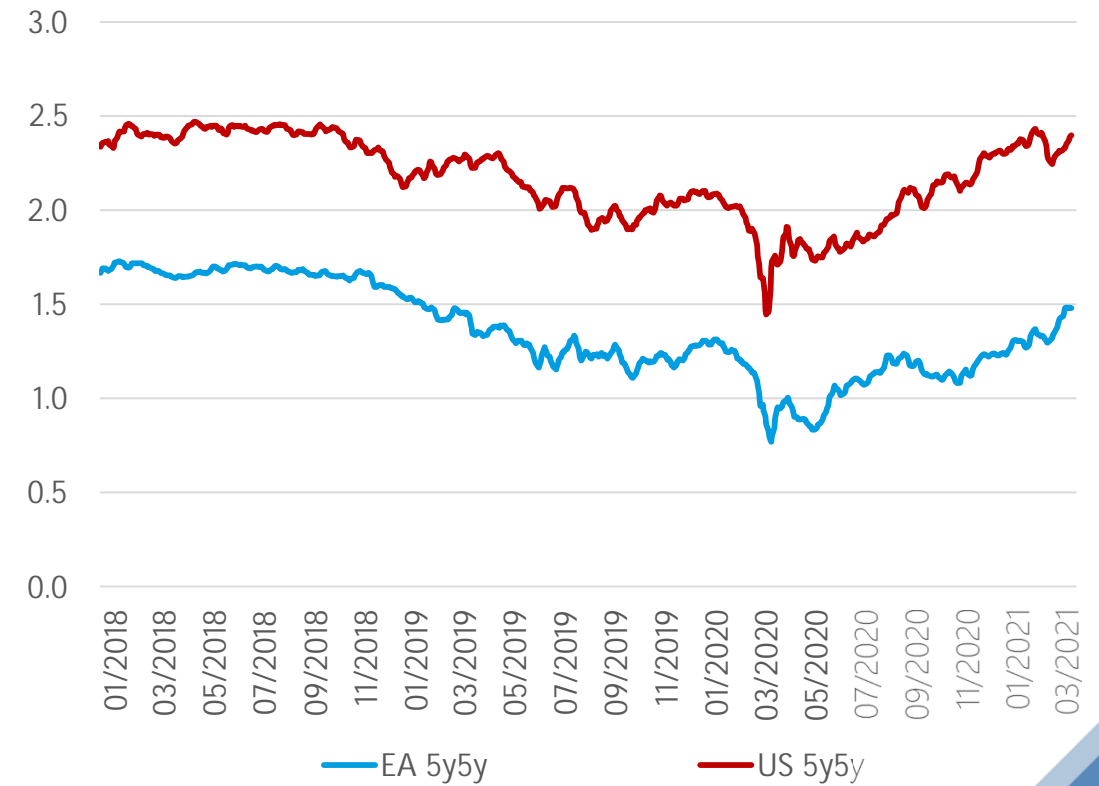
10-year government bond yields

(in %)



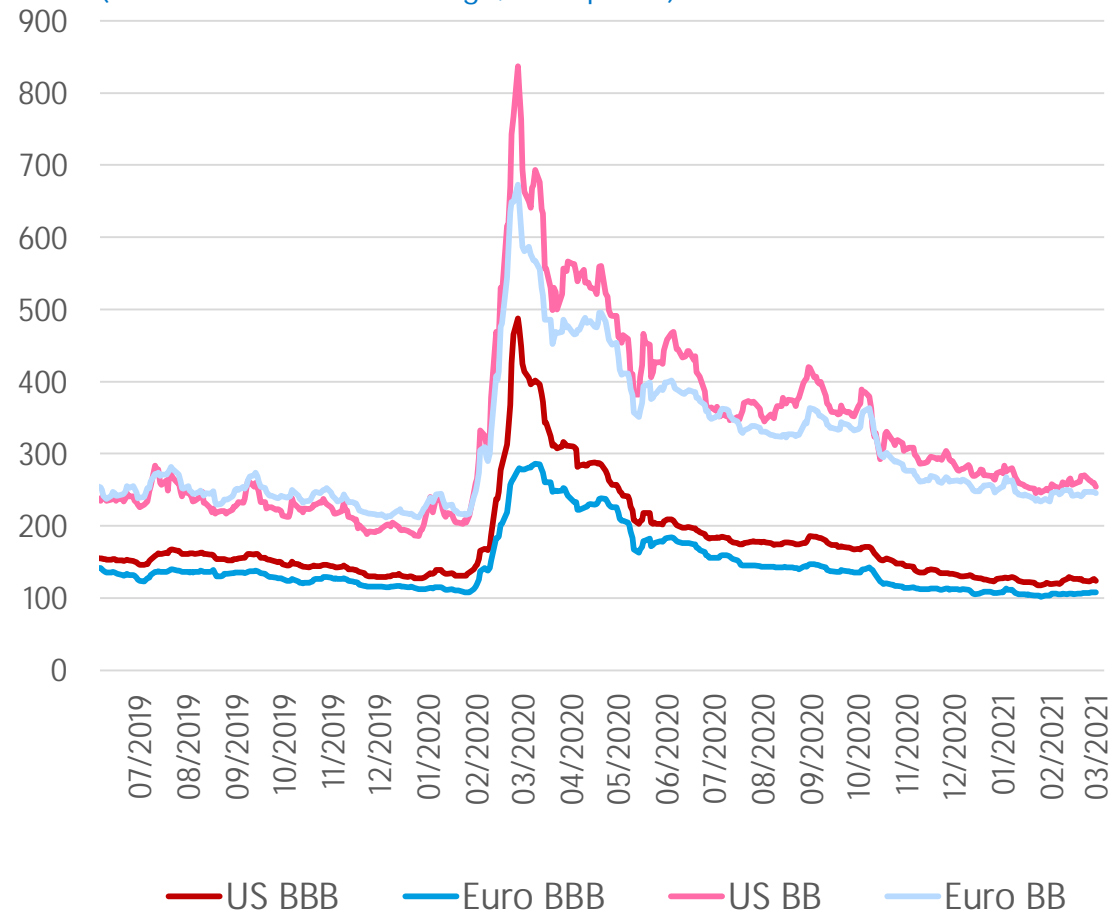
Market based inflation expectations¹

(in %)



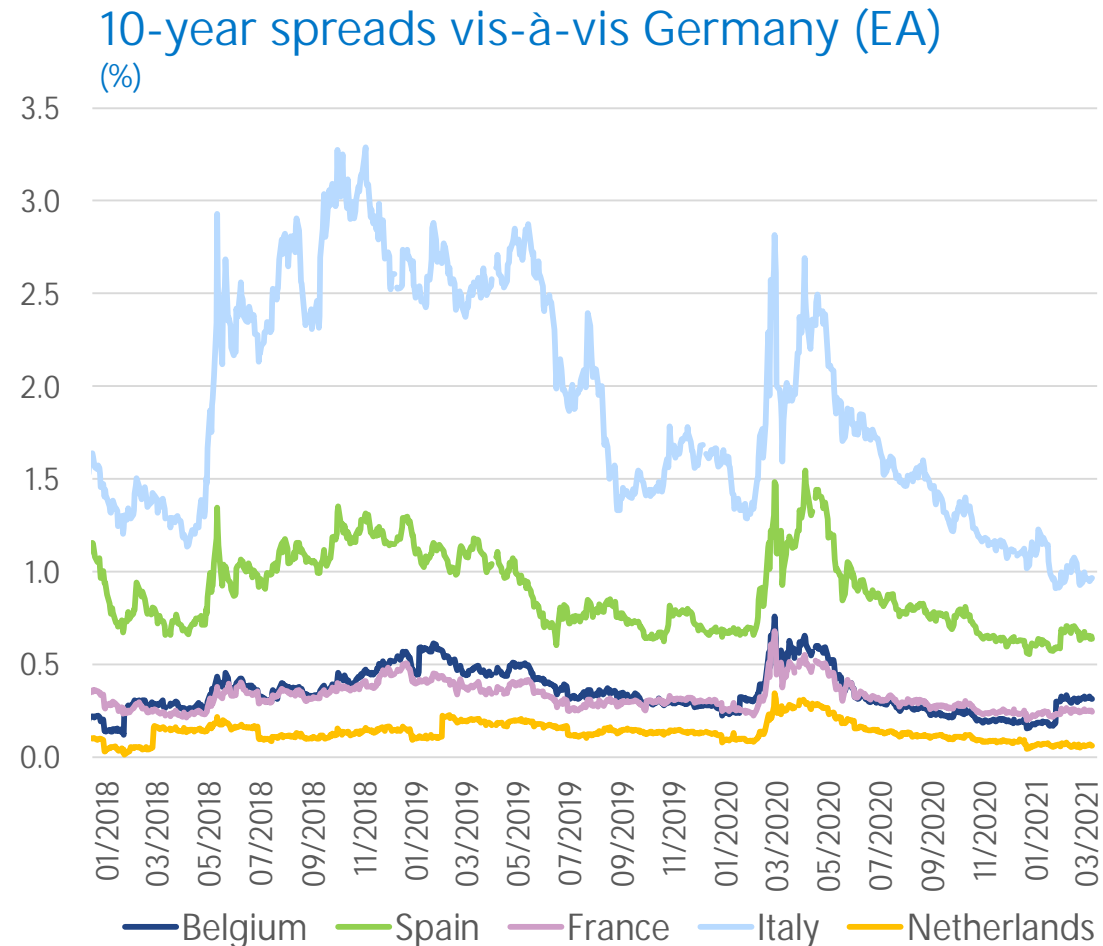
Corporate spreads remain stable and close to pre-pandemic levels

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



- ◆ Both for Europe and for the US, the improved economic outlook helped preserve narrow corporate spreads.
- ◆ The low interest rate environment has kept favourable financing conditions for firms.
 - ◇ However, the recent rise in long-term interest rates could make it more difficult for firms to refinance debt.

Sovereign bond spreads remain low



- ◆ US government bond sell-off and rising 10-year yields spilled over to European sovereign bond market. However, European sovereign bond yields were kept under control after announcement by President Lagarde that ECB would increase its weekly purchases under PEPP
 - ◇ The announcement also helped to narrow spreads in Spain and Italy
- ◆ Fitch and S&P recently held their rating and outlook for Belgium unchanged.
- ◆ NB: Apparent rise in BE spreads due to change of benchmark.

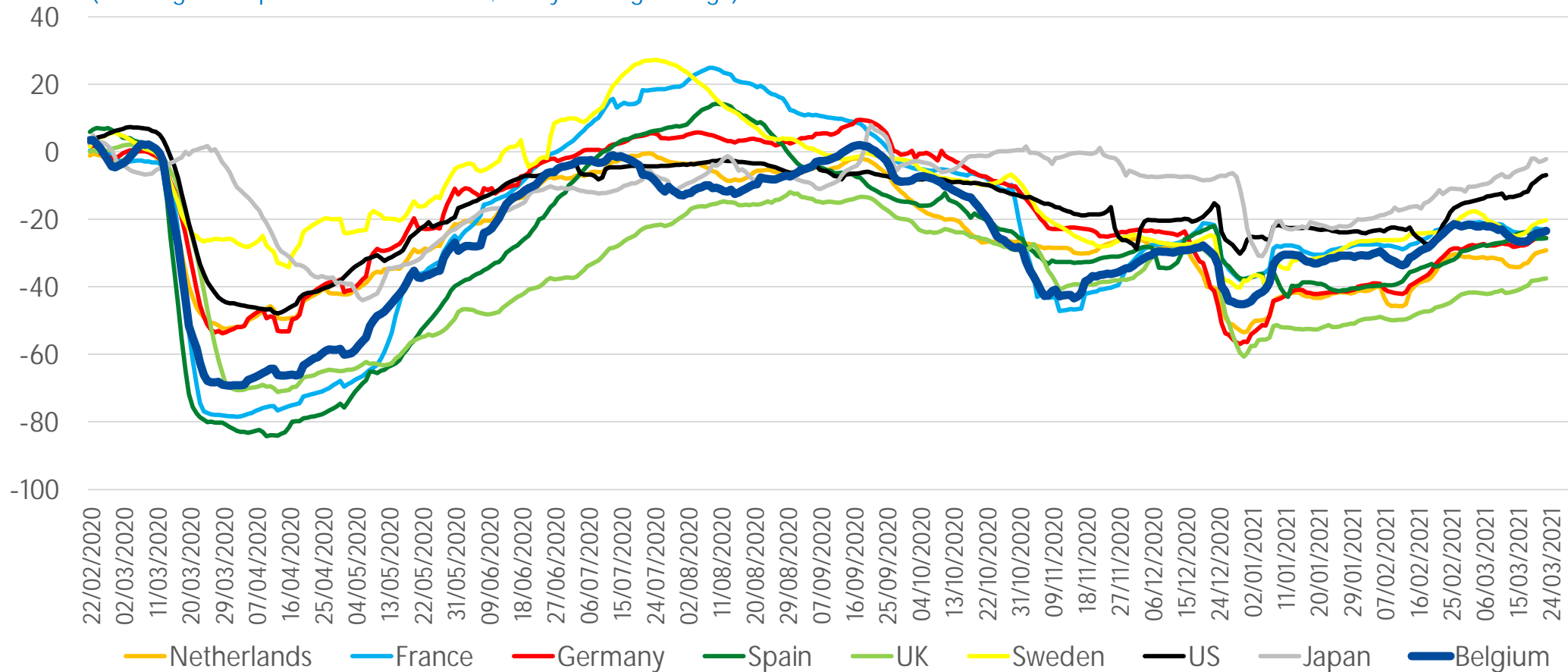
The background of the slide features a large, detailed 3D rendering of a coronavirus particle, showing its characteristic spherical shape and numerous spike proteins (S-glycoproteins) protruding from its surface. The particle is centered and slightly out of focus, with several other smaller, similar particles visible in the background, creating a sense of depth. The overall color palette is a soft, light blue, which complements the white and grey tones of the virus model.

International outlook

Mobility less affected than in the spring of 2020 but still subdued

Composite mobility indicator¹

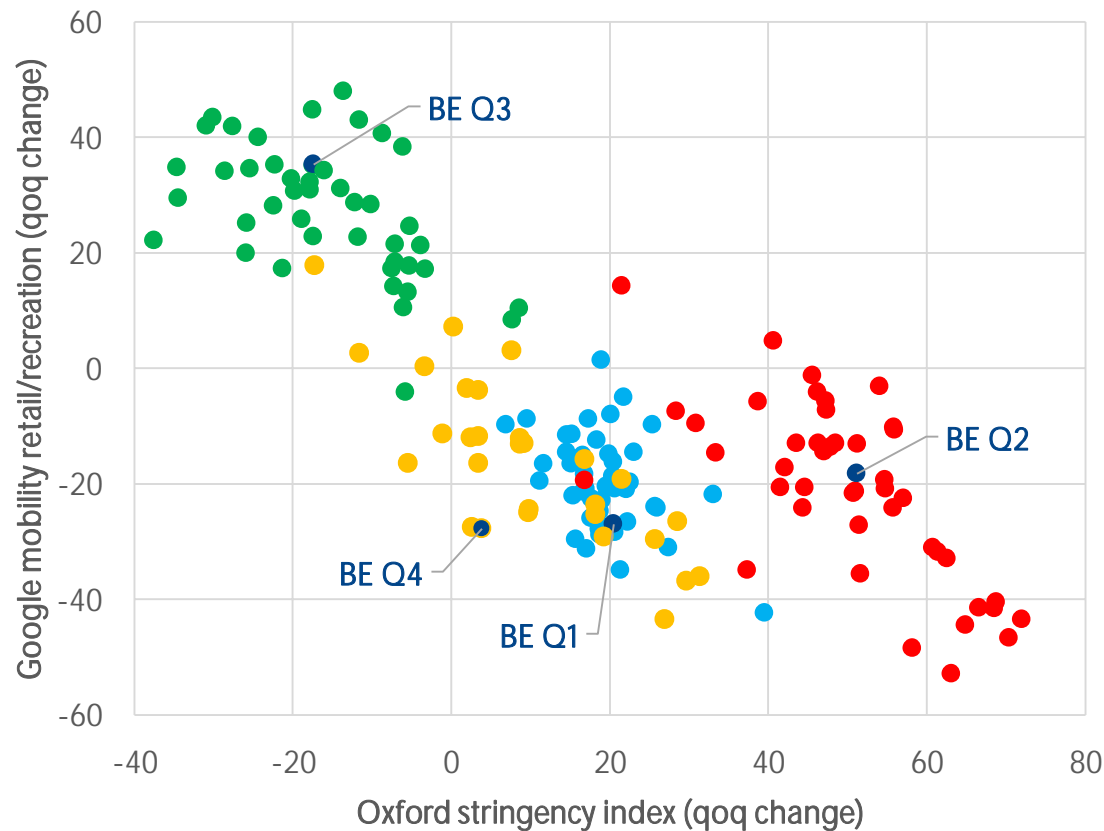
(% change from pre-COVID-19 baseline; 7-day moving average)



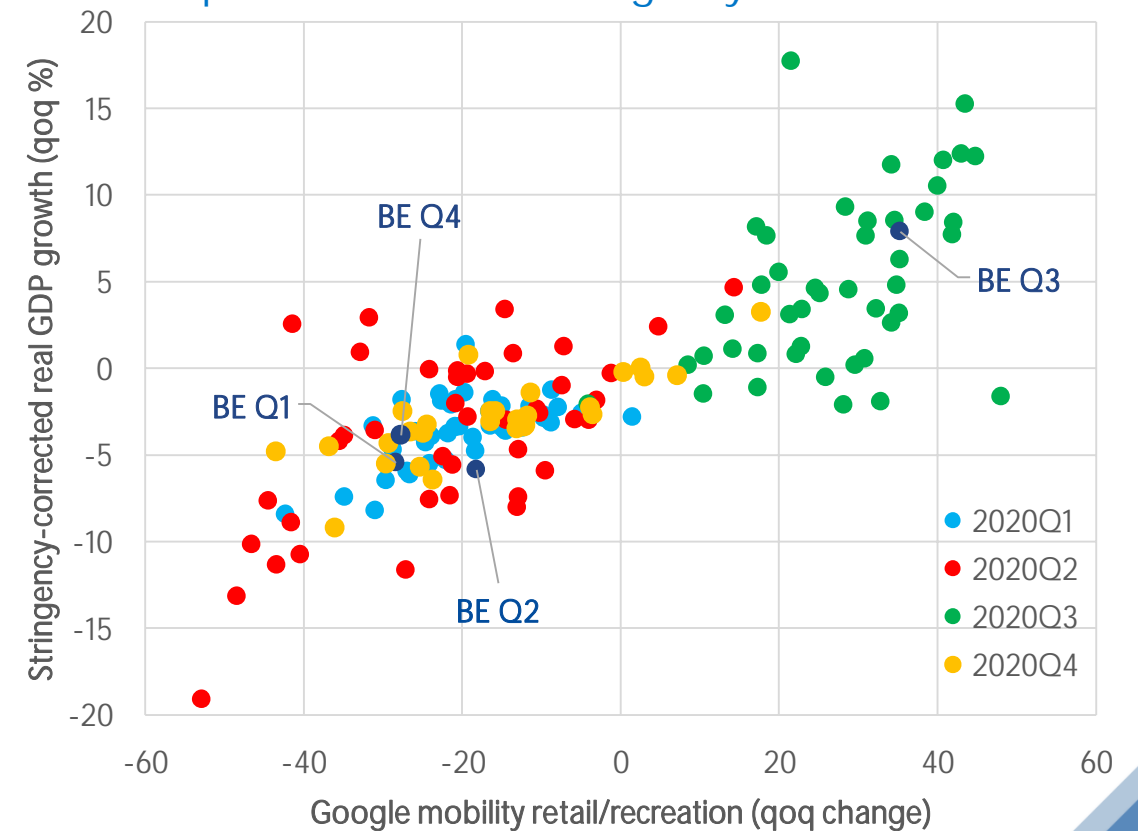
Hit on GDP growth: it's actual mobility!

Actual reductions in mobility are strongly related to GDP losses, and this goes beyond the effect of containment stringency : effective enforcement and self-compliance arguably matter.

More stringent lockdowns are associated with greater reductions in people's actual mobility¹ ...



... and changes in actual mobility are strongly correlated with GDP growth, over and above the impact of lockdown stringency or COVID deaths²



Sources: OECD, Oxford COVID-19 Government Response Tracker (OxCGRT), Google, Our World in Data (OWID).

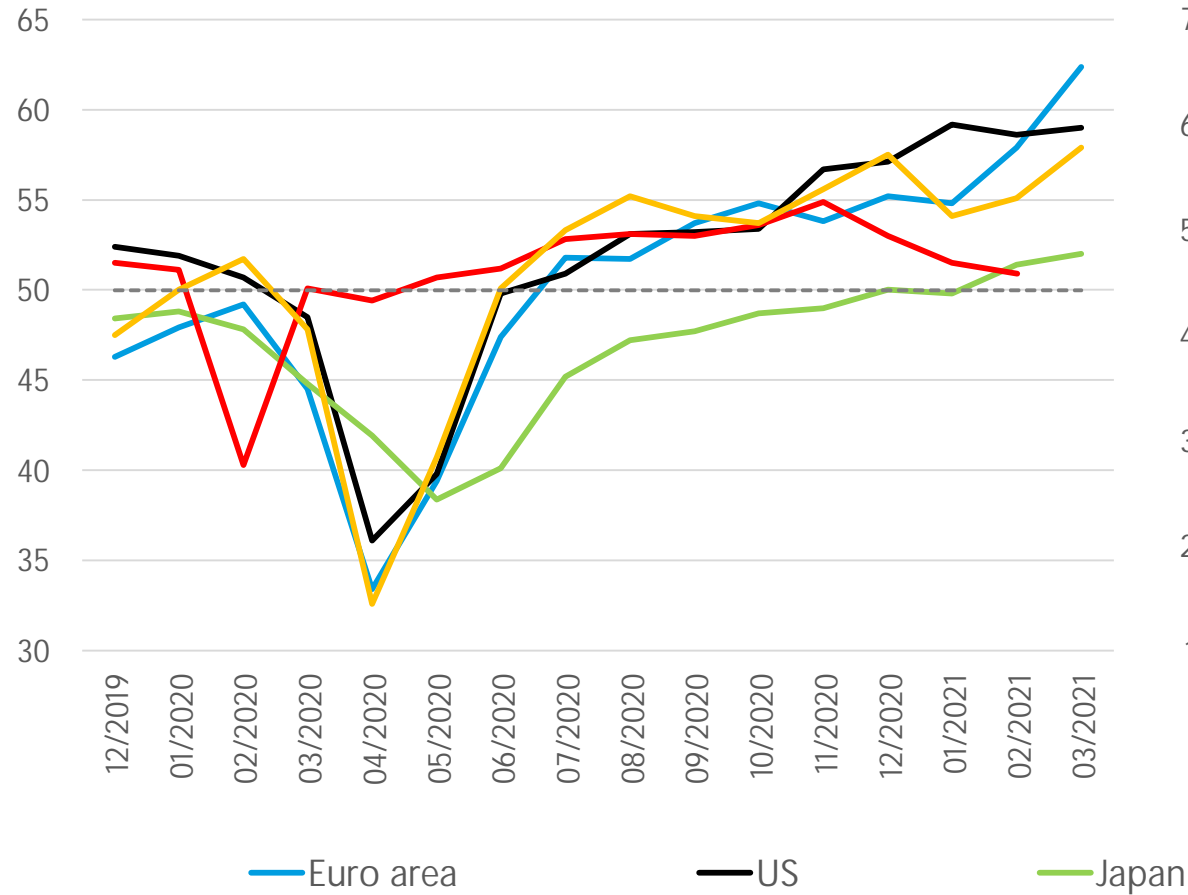
¹ Country sample consists of 45 OECD and major non-OECD countries over 2020Q1-Q4. Each dot represents a country-quarter. Oxford Stringency index codifies 9 types of containment measures. Index levels take values between 0 (no restrictions) and 100 (hard nationwide lockdown). Google mobility report scores for category "retail and recreation". Level scores indicate percentage deviation from pre-COVID baseline. China is excluded due to lack of mobility data.

² Y-axis represents partial residuals from regression of real GDP growth on lockdown stringency, COVID deaths and quarter dummies.

Lockdowns continue to weigh on sentiment in services

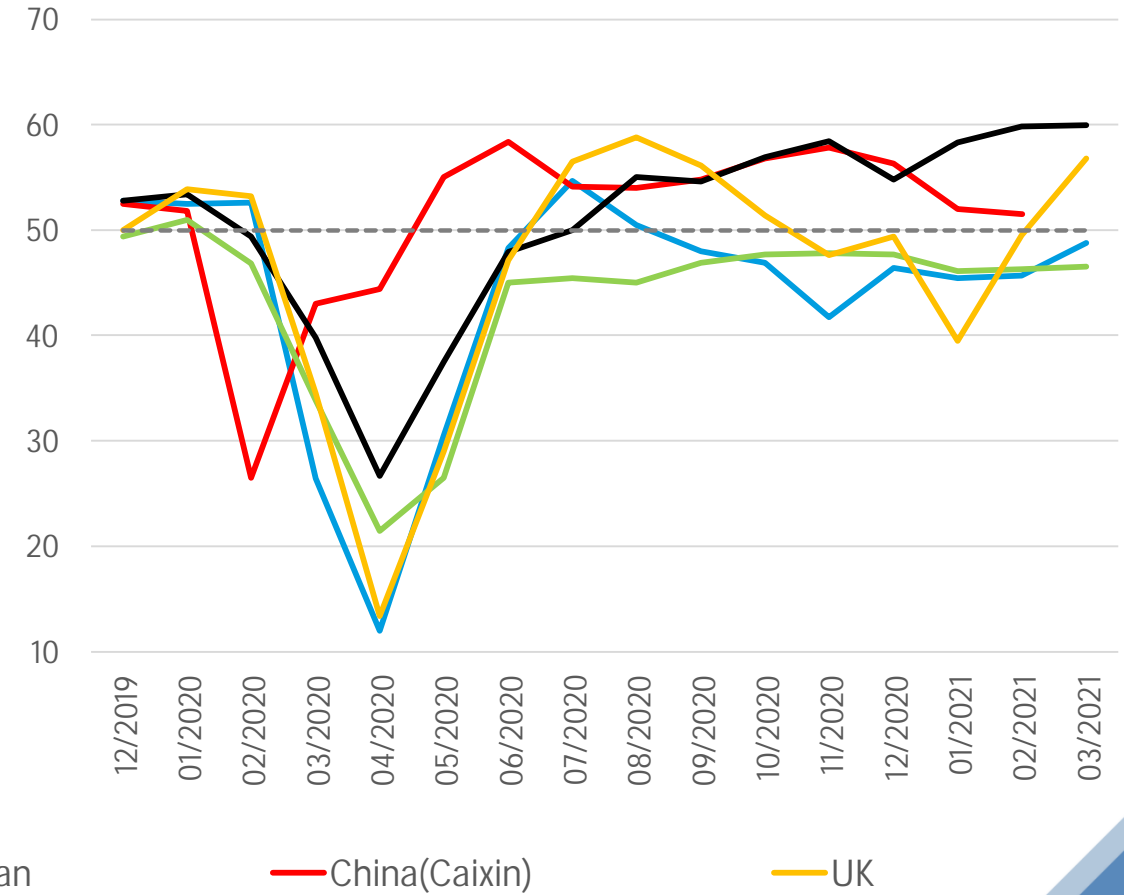
Manufacturing PMIs

(diffusion index; 50+ signals expected expansion)

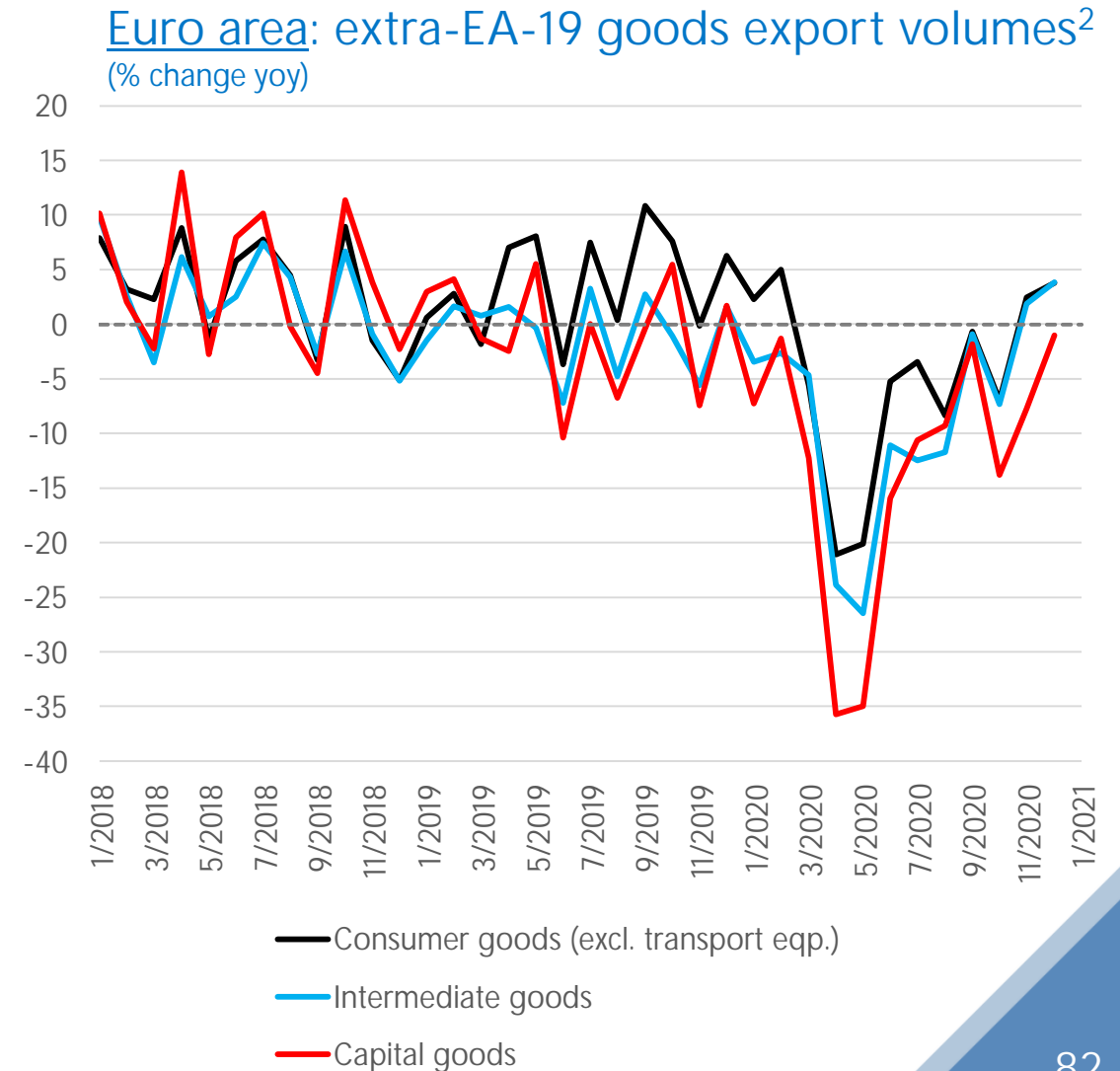


Service sector PMIs

(diffusion index; 50+ signals expected expansion)



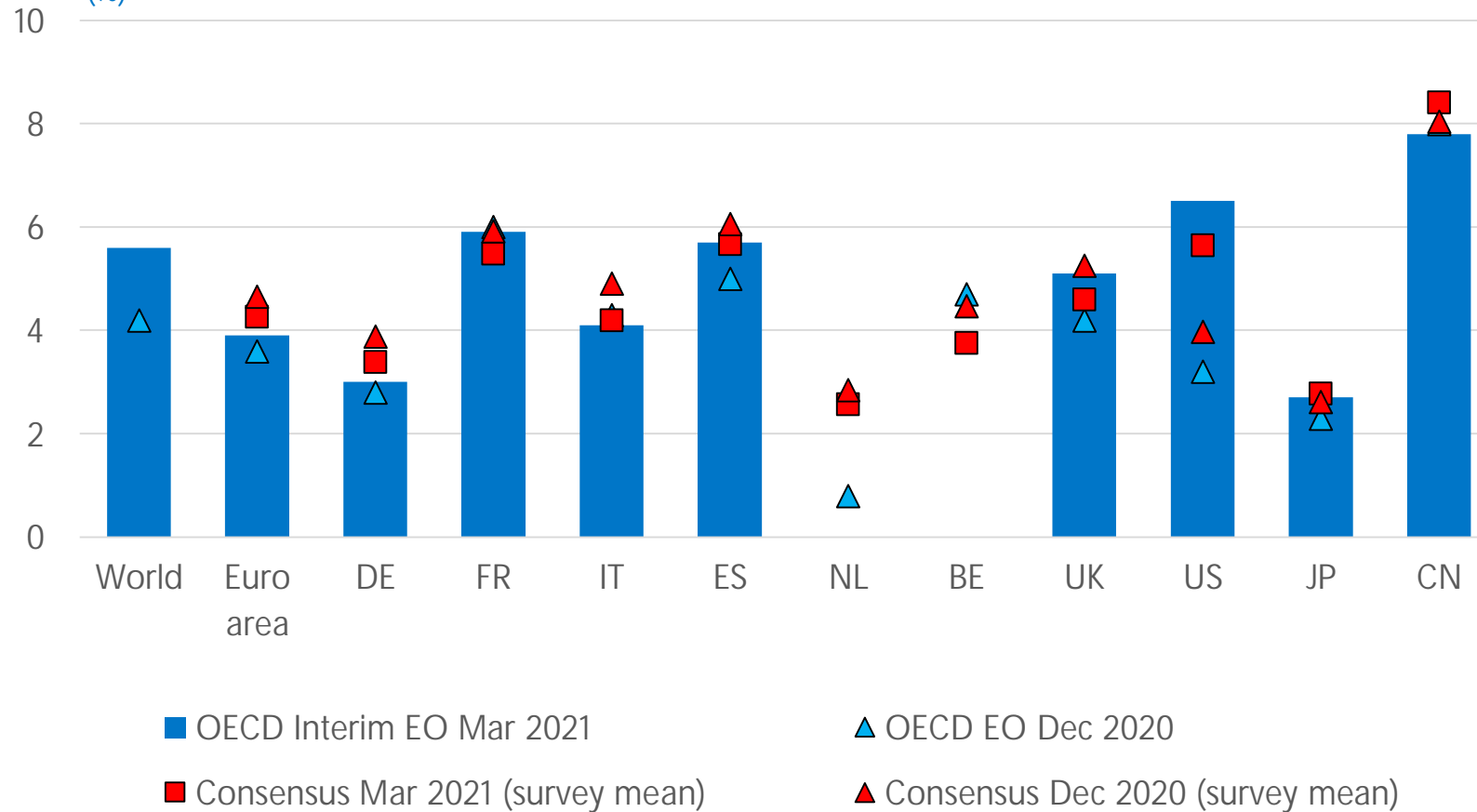
International trade: World is back to pre-COVID levels, EA lags behind



Latest OECD forecasts for 2021

Interim Economic Outlook: "Strengthening the recovery: the need for speed"

Real GDP forecasts for 2021¹
(%)

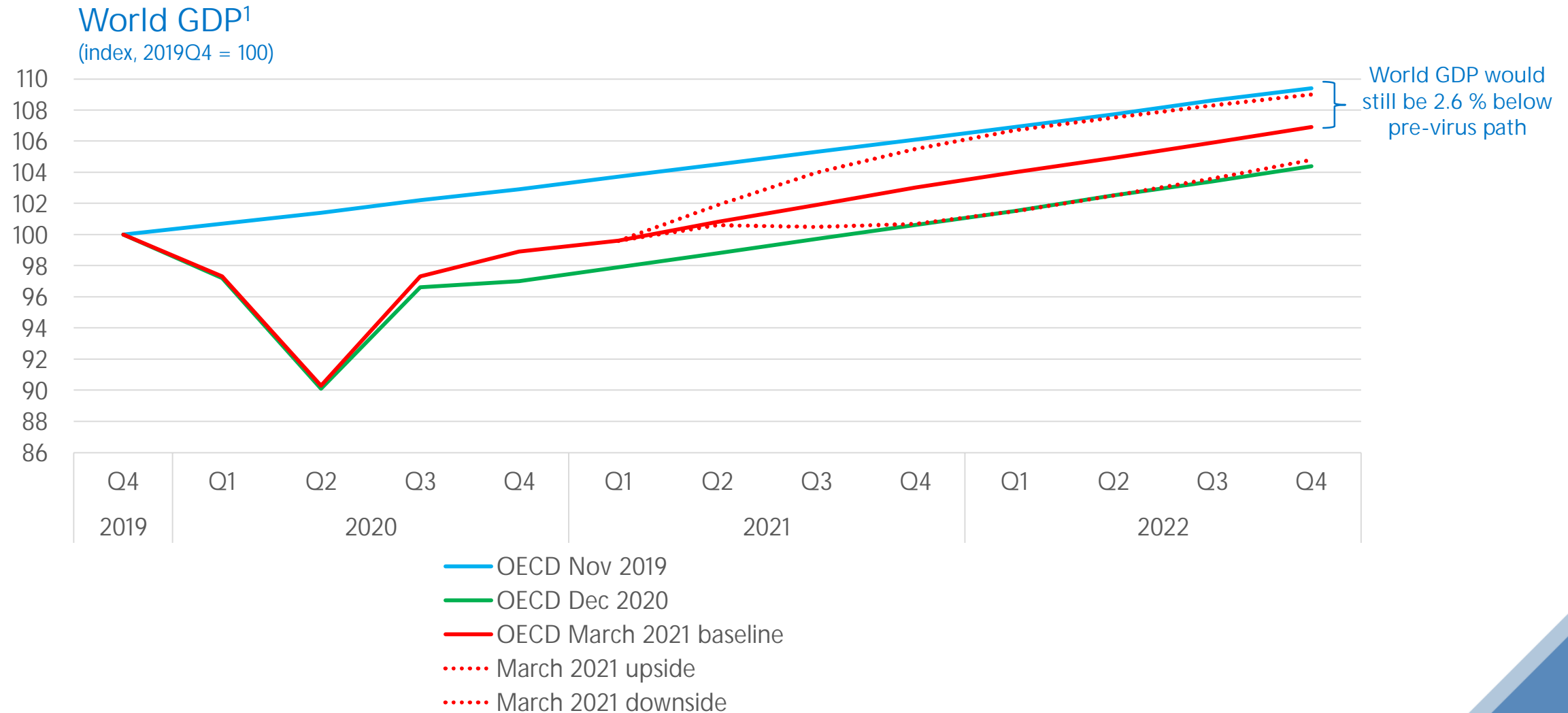


Revisions to OECD forecasts for 2021 since December reflect:

- ◆ Start of mass vaccination campaigns that could allow for faster withdrawal of containment measures and resumption of economic activity in second half of year
- ◆ Announcements of large additional fiscal policy support in a few major economies (most notably the US)
- ◆ Smaller adverse impact on economic activity of containment measures and associated mobility declines, compared to the early stages of the pandemic
- ◆ Assumption that new virus outbreaks remain contained and vaccine rollout proceeds smoothly

World economy

Distribution of risks has become better balanced, but wide range of outcomes remains possible



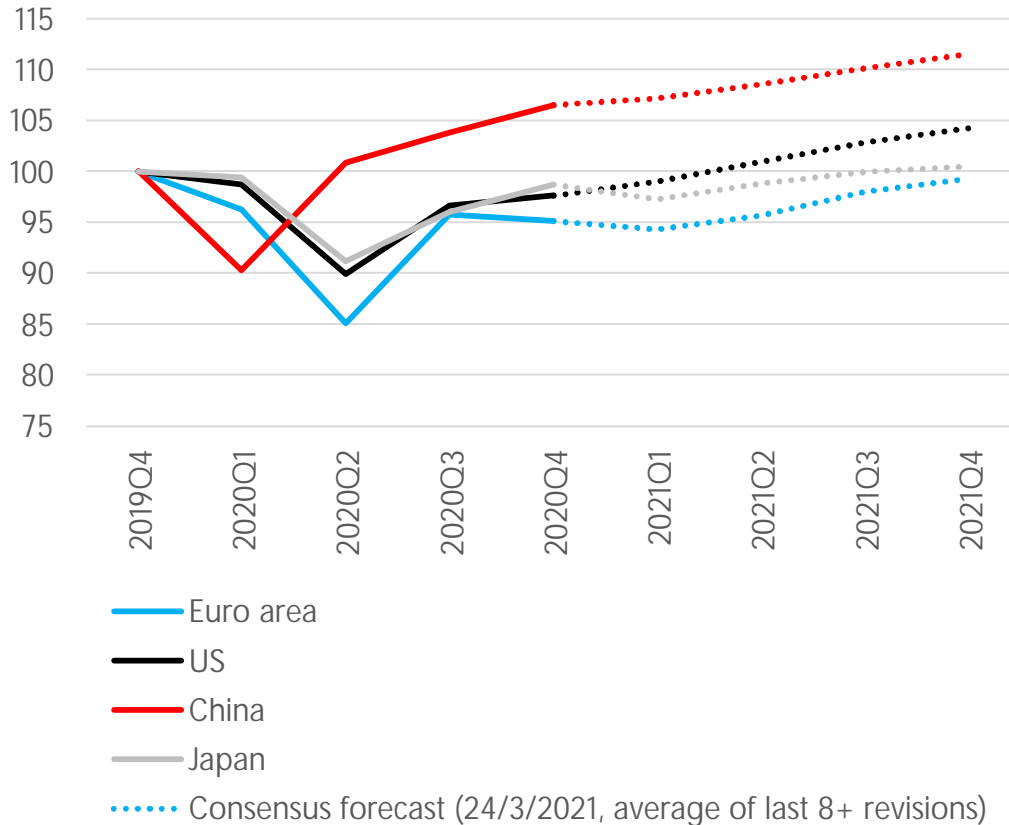
Source: OECD

¹ Dashed lines represent upside scenario (faster-than-expected release of pent-up saving) and downside scenario (slower-than-expected vaccine rollout and emergence of new, more resistant virus mutations) around baseline OECD Interim (March 2021) projections.

Recovery across countries: I do it my way ...

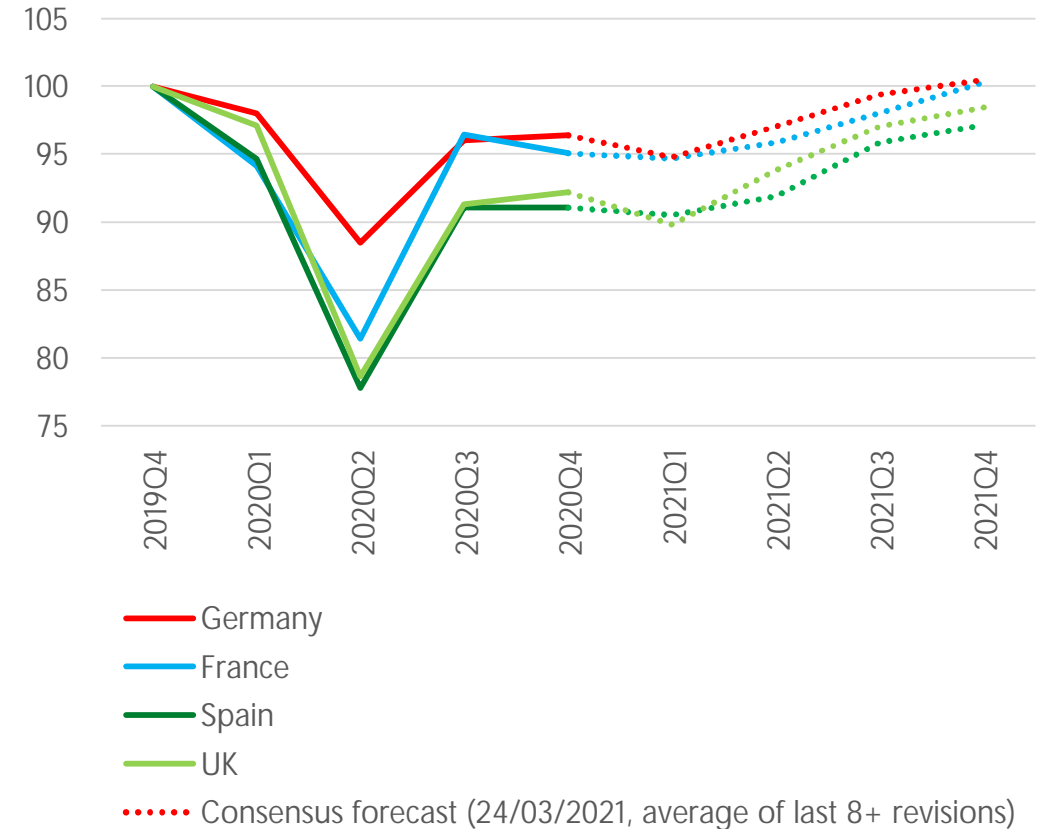
Major blocs: Real GDP¹

(index, 2019Q4 = 100)



Selected European countries: Real GDP¹

(index, 2019Q4 = 100)

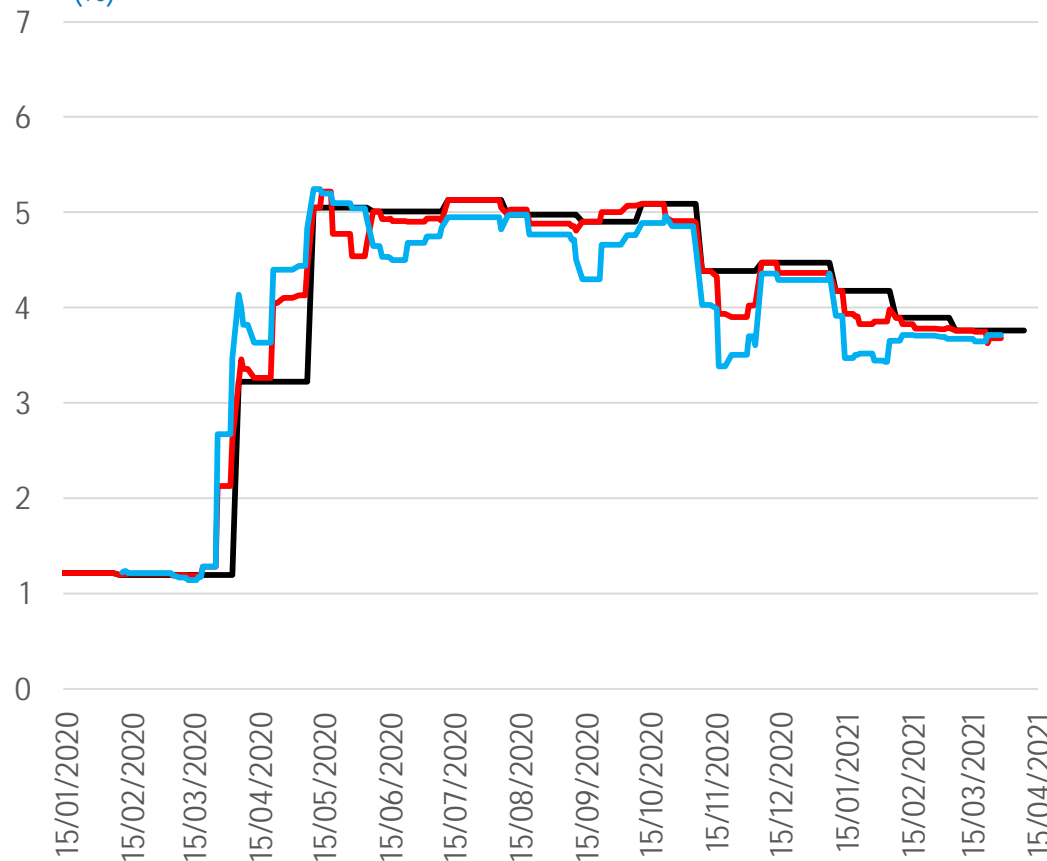


Consensus forecasts for 2021: not so fast ...

Downgrades for Euro Area growth due to new infections, lockdowns and vaccination hiccups

Belgium: Real GDP growth forecasts, 2021

(%)



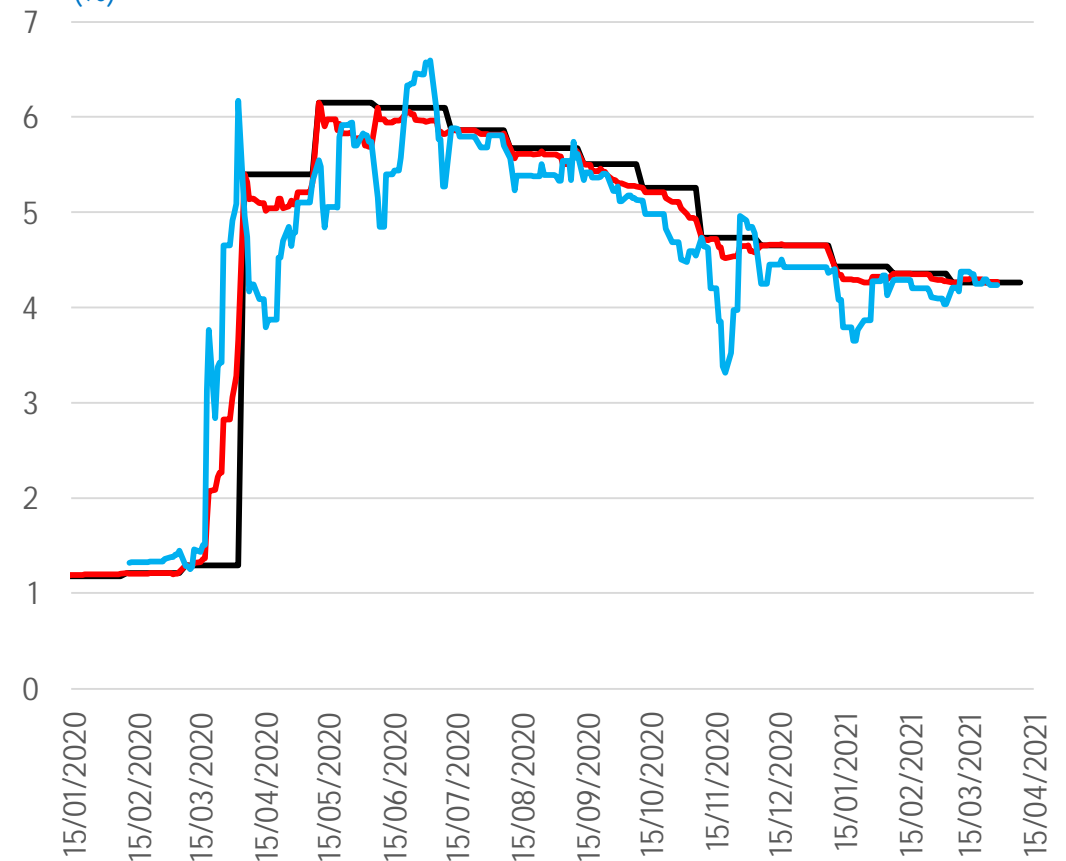
— Monthly survey mean

— Mean on replacement basis

— Moving average of latest 8+ changes

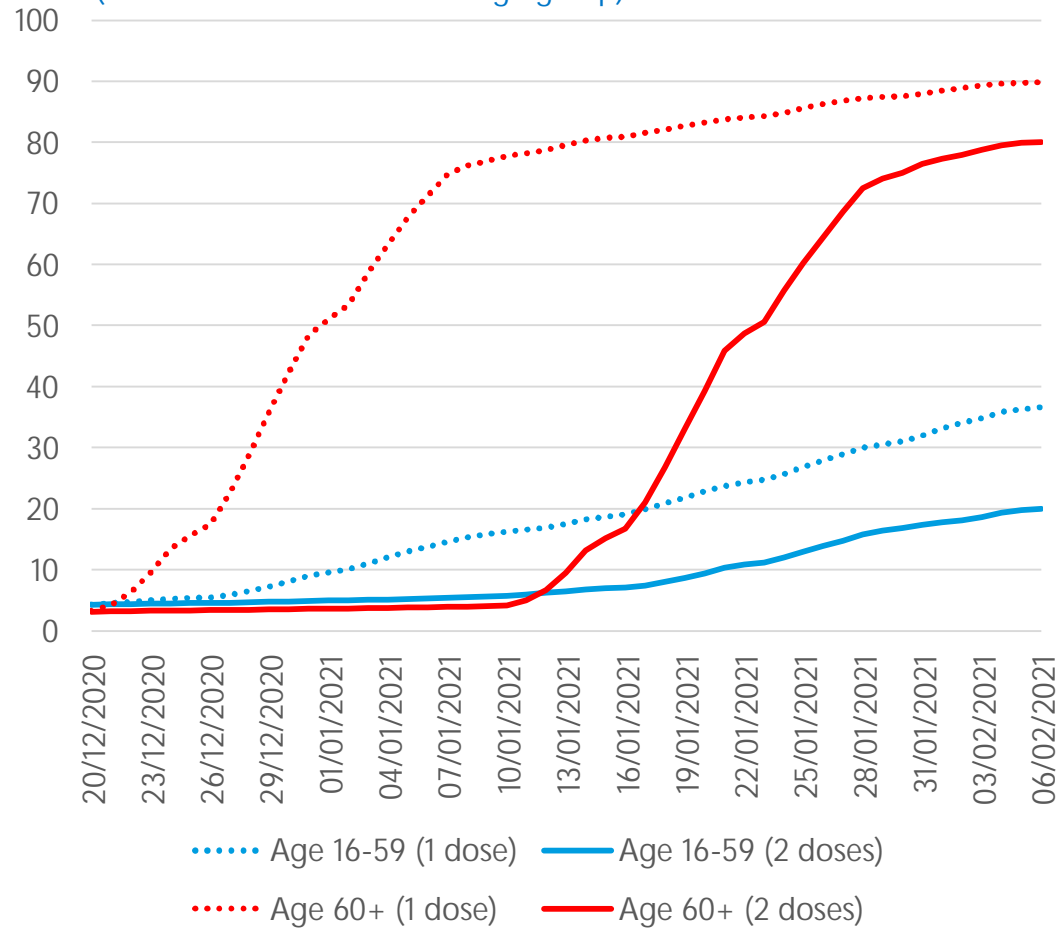
Euro area: Real GDP growth forecasts, 2021

(%)

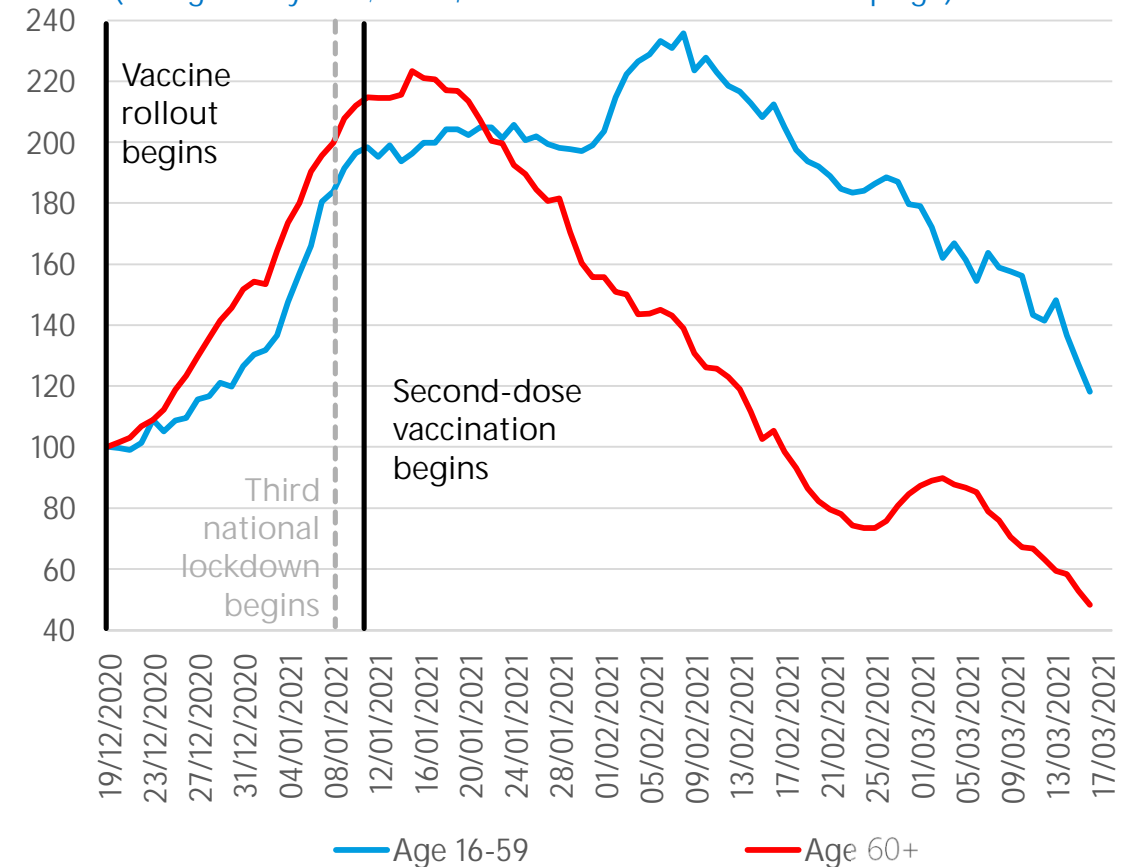


Vaccination works! Evidence from the world's fastest vaccine rollout

Israel: COVID vaccinations by age group¹
(cumulative % share of each age group)



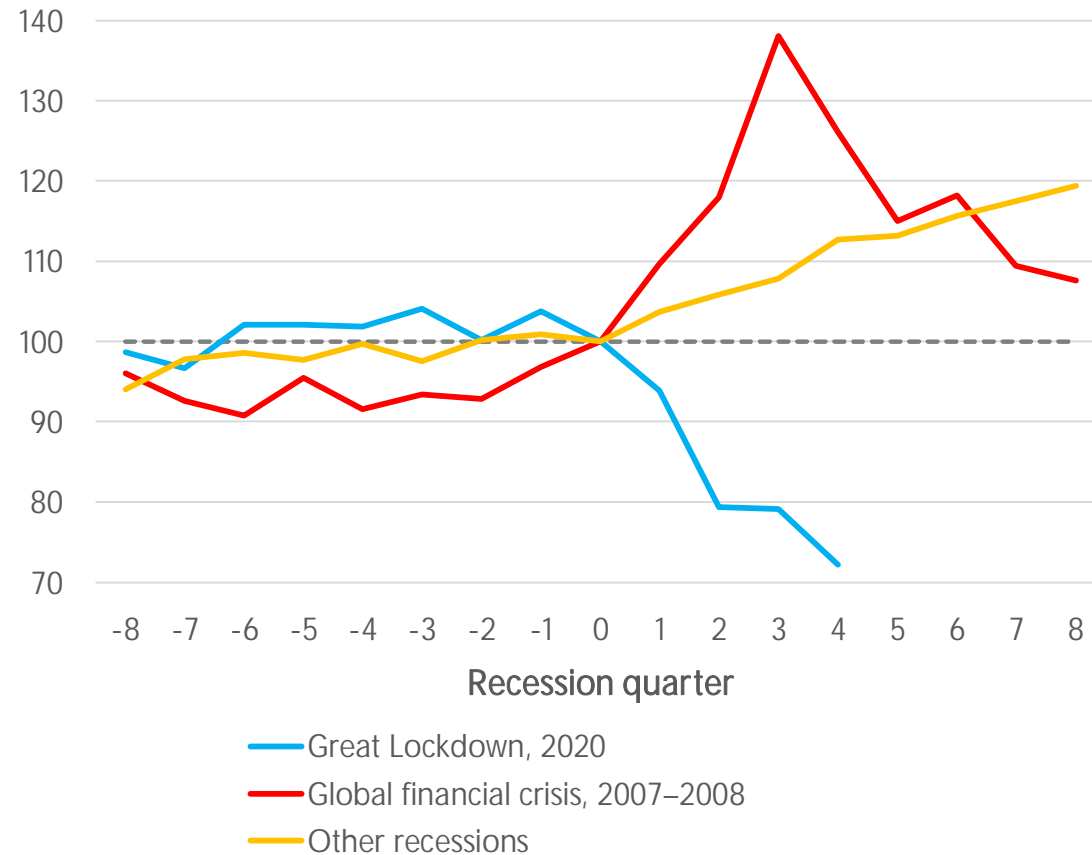
Israel: New COVID hospitalizations by age group
(rolling weekly sum; index, 100 = start of vaccination campaign)



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 illustration of a coronavirus particle, showing its characteristic spherical shape and numerous spike proteins protruding 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, and the text is overlaid on it.

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

