

COVID-19 Dashboard of Economic Indicators

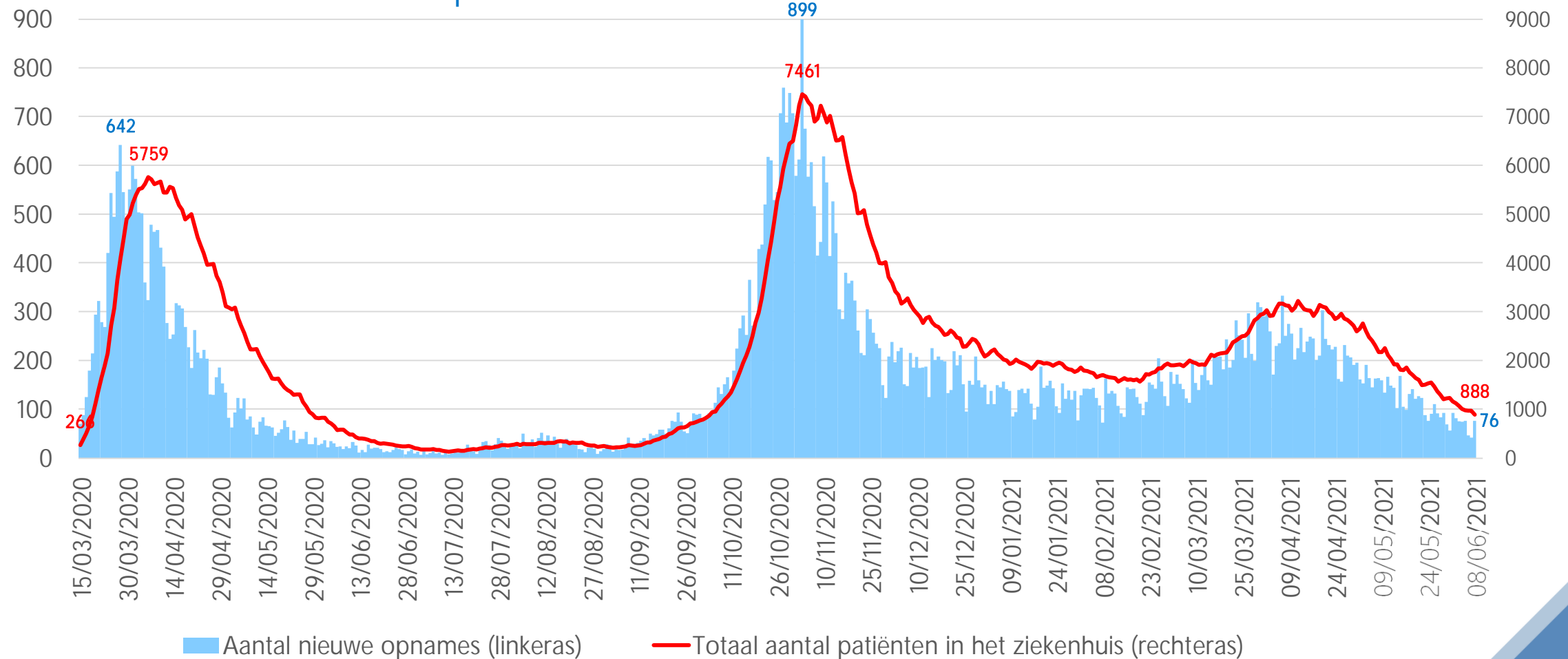
10 June 2021

The background of the slide features a light blue gradient with several semi-transparent, stylized images of COVID-19 virus particles. These particles are spherical with numerous spike-like protrusions on their surface, rendered in a slightly darker blue or grey tone. They are scattered across the slide, with one large, detailed particle centered behind the title text.

Evolutie van de COVID-19-pandemie

Aantal gehospitaliseerde patiënten daalt en evolueert gunstig

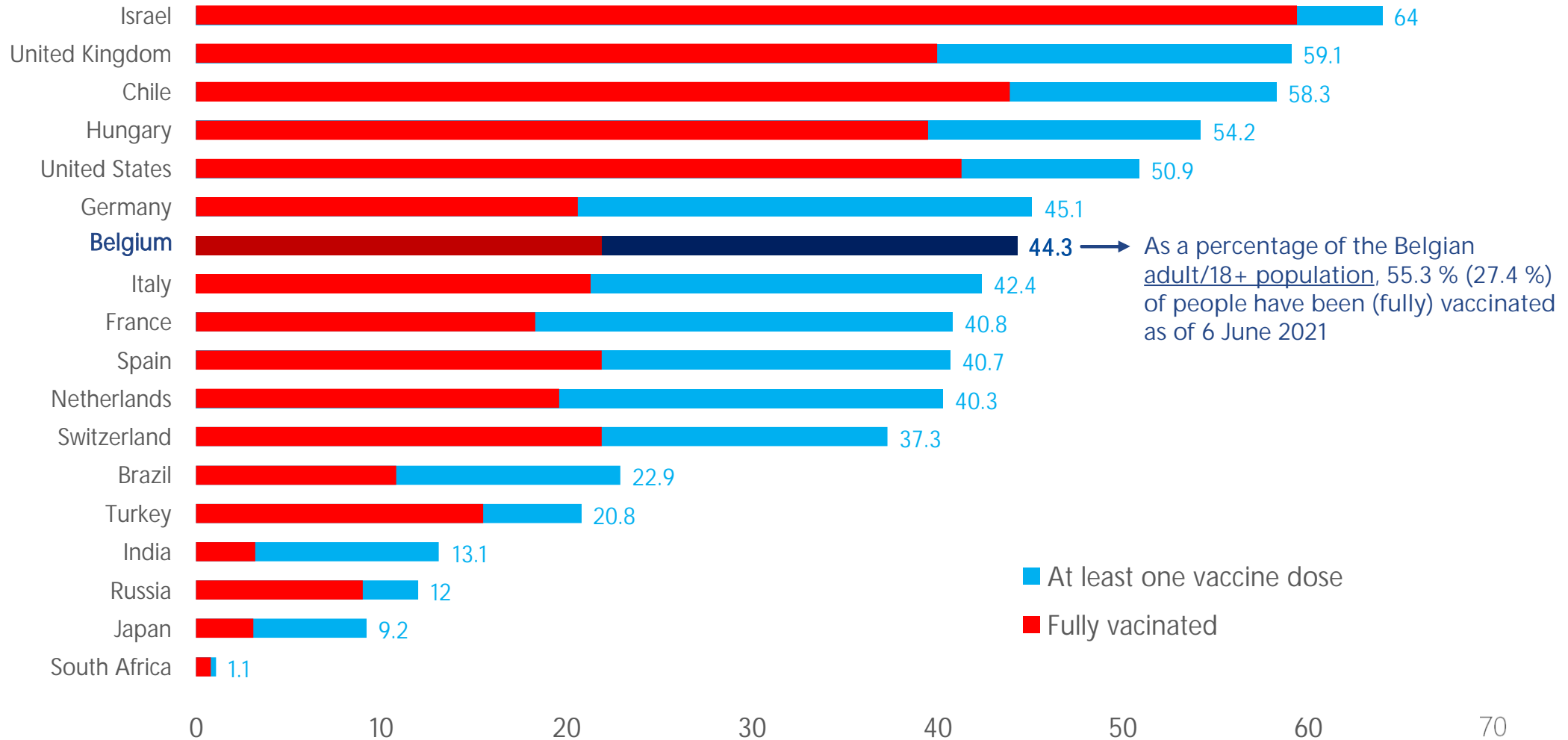
Evolutie van het aantal opnames in het ziekenhuis



Multispeed vaccination process

Number of people (fully) vaccinated¹

(per 100 people in total population, as of 6 June 2021 or most recent)

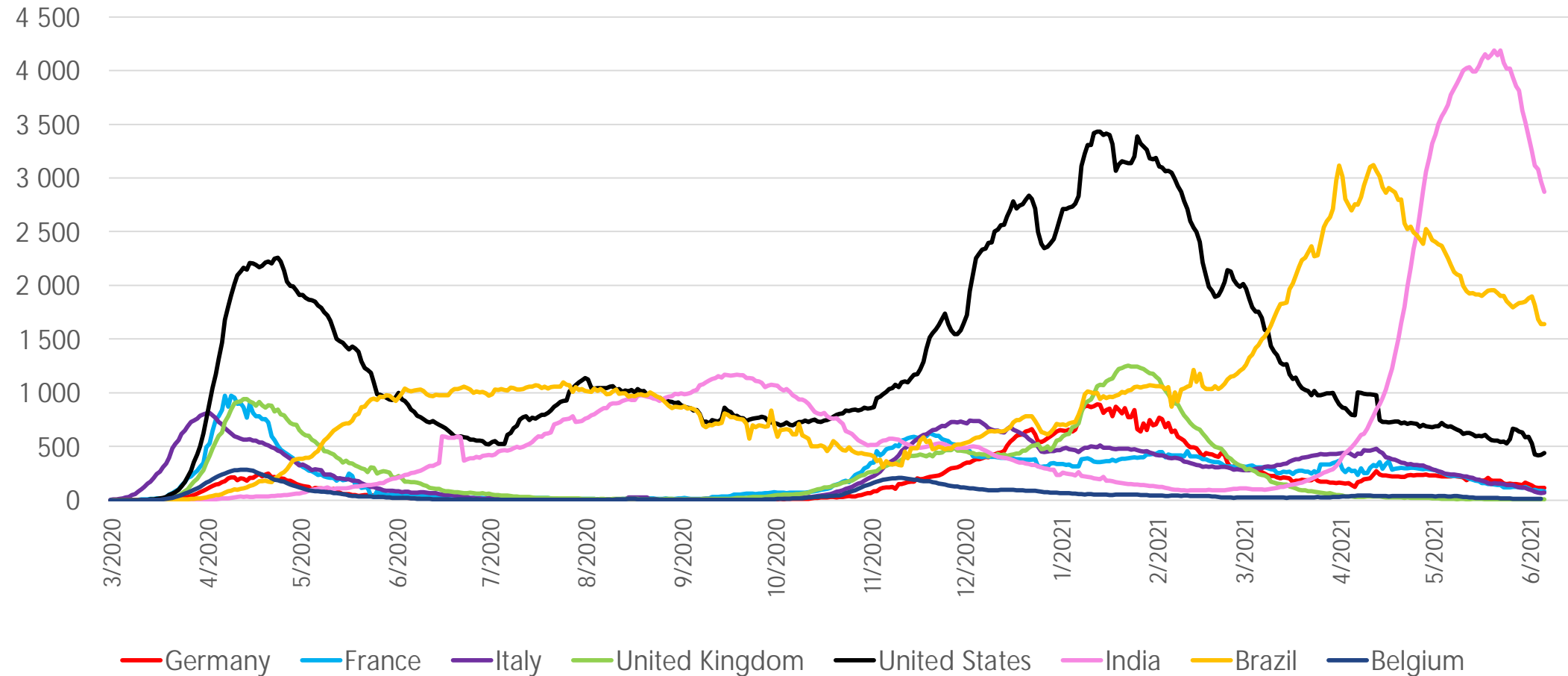


Epicentre of pandemic has shifted towards developing world

Vaccinating the world is good economic policy

New confirmed COVID-19 deaths¹

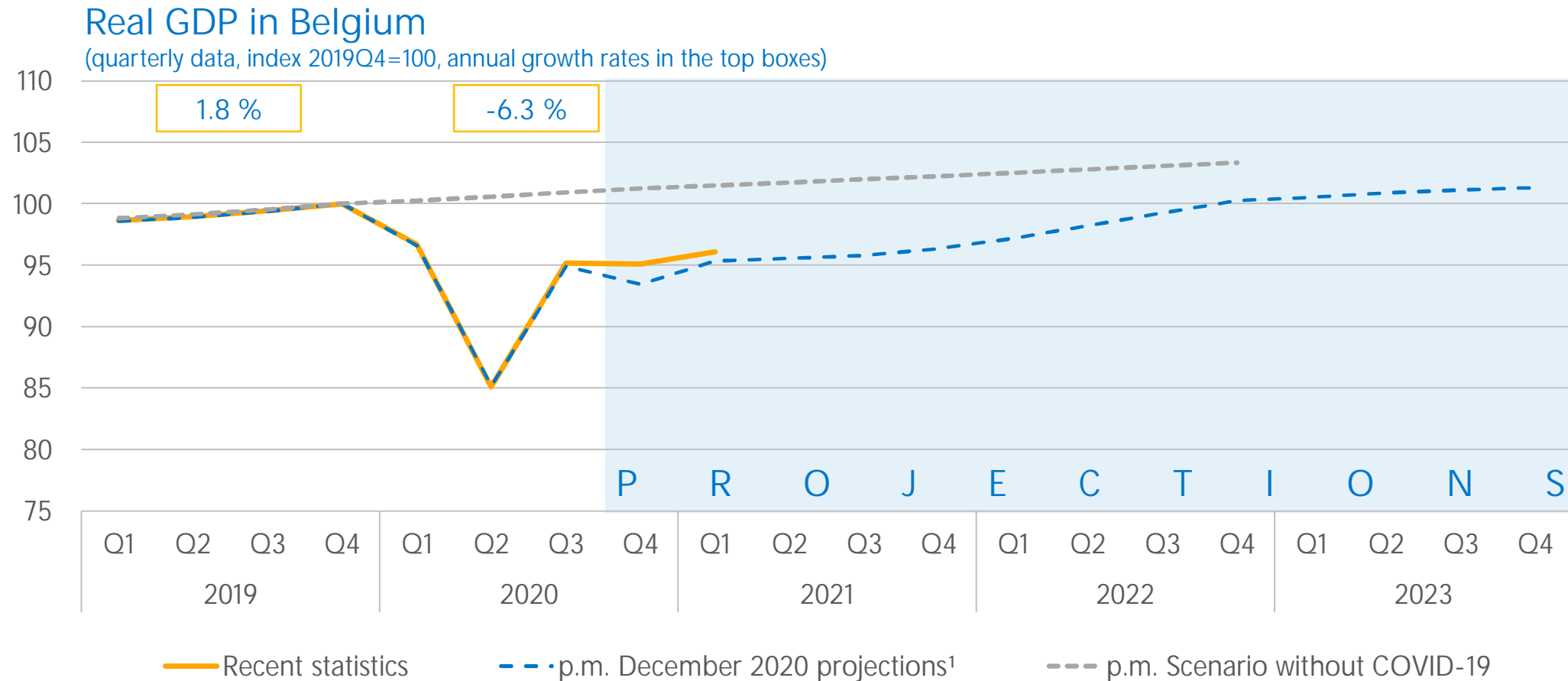
(selected countries; 7-day moving average)



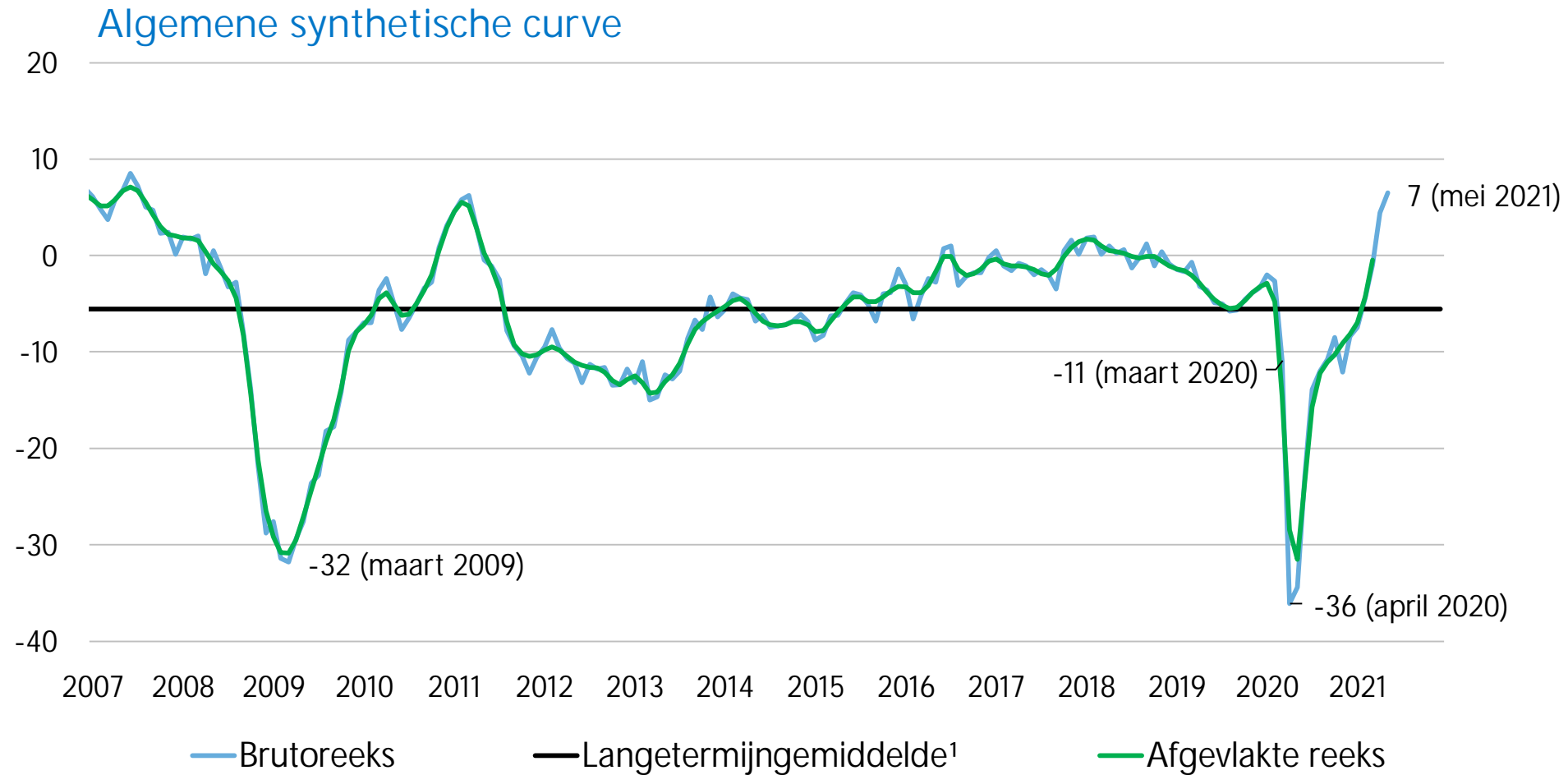
The background of the slide features a large, detailed, and semi-transparent image of a coronavirus particle, showing its characteristic spherical shape and numerous spike proteins. The particle is centered and slightly tilted, with a soft blue and white color palette. The overall background is a light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

GDP and confidence indicators for Belgium

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

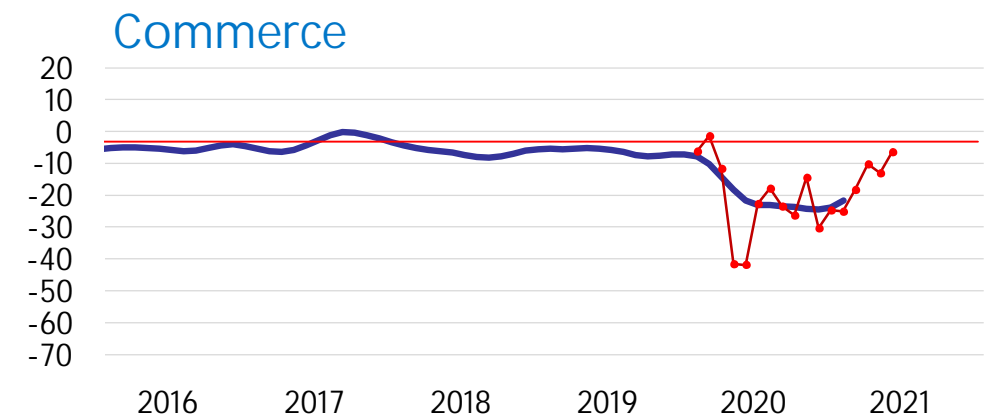
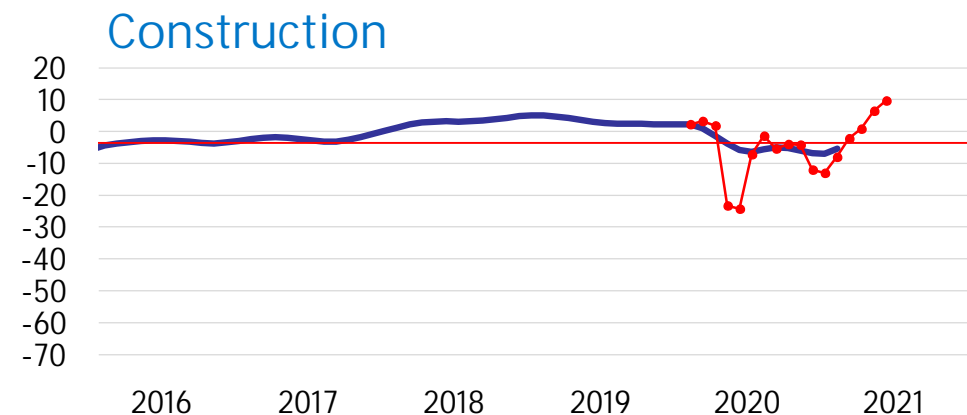
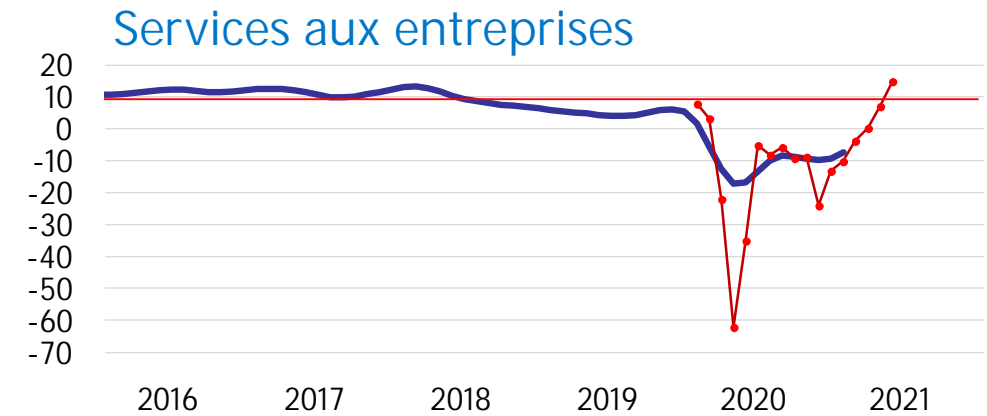
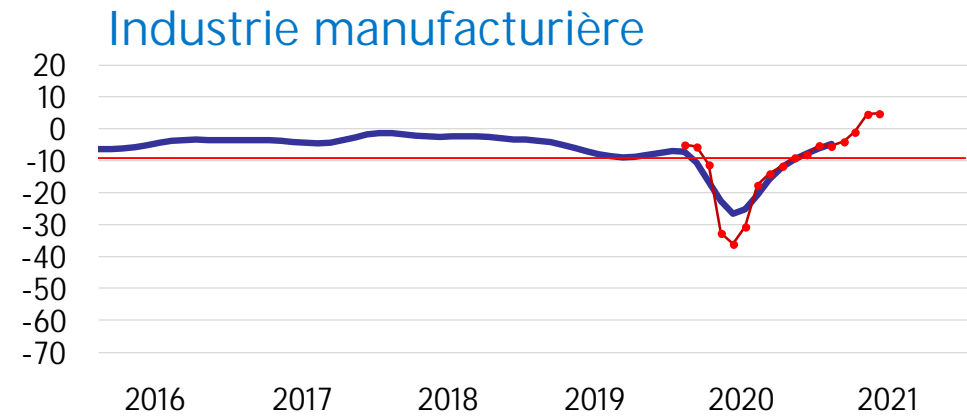


Het ondernemersvertrouwen stijgt verder



La hausse la plus marquée de la confiance est enregistrée dans les services aux entreprises; l'indicateur s'est stabilisé dans l'industrie

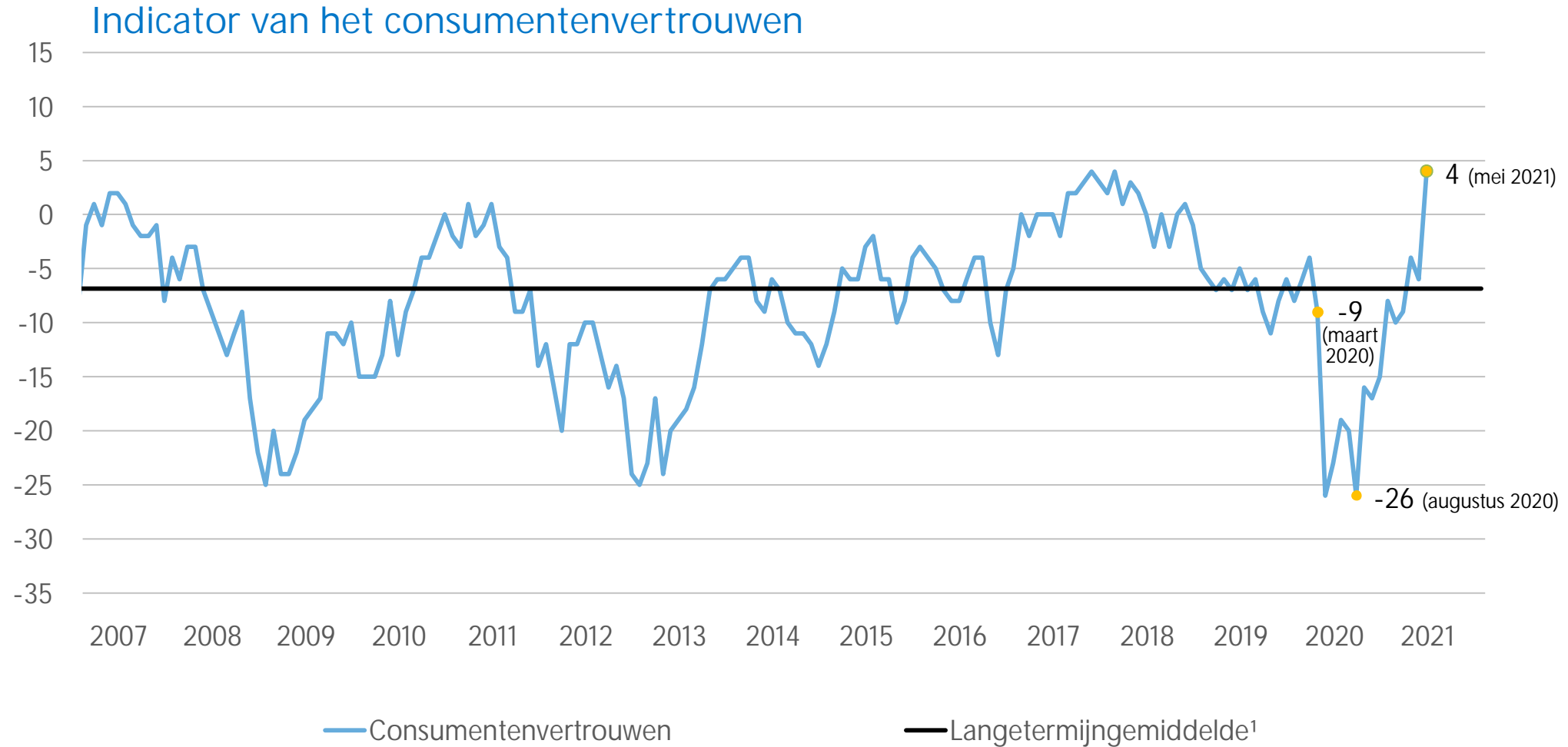
Baromètre de conjoncture – Belgique : Branches d'activité – mai 2021



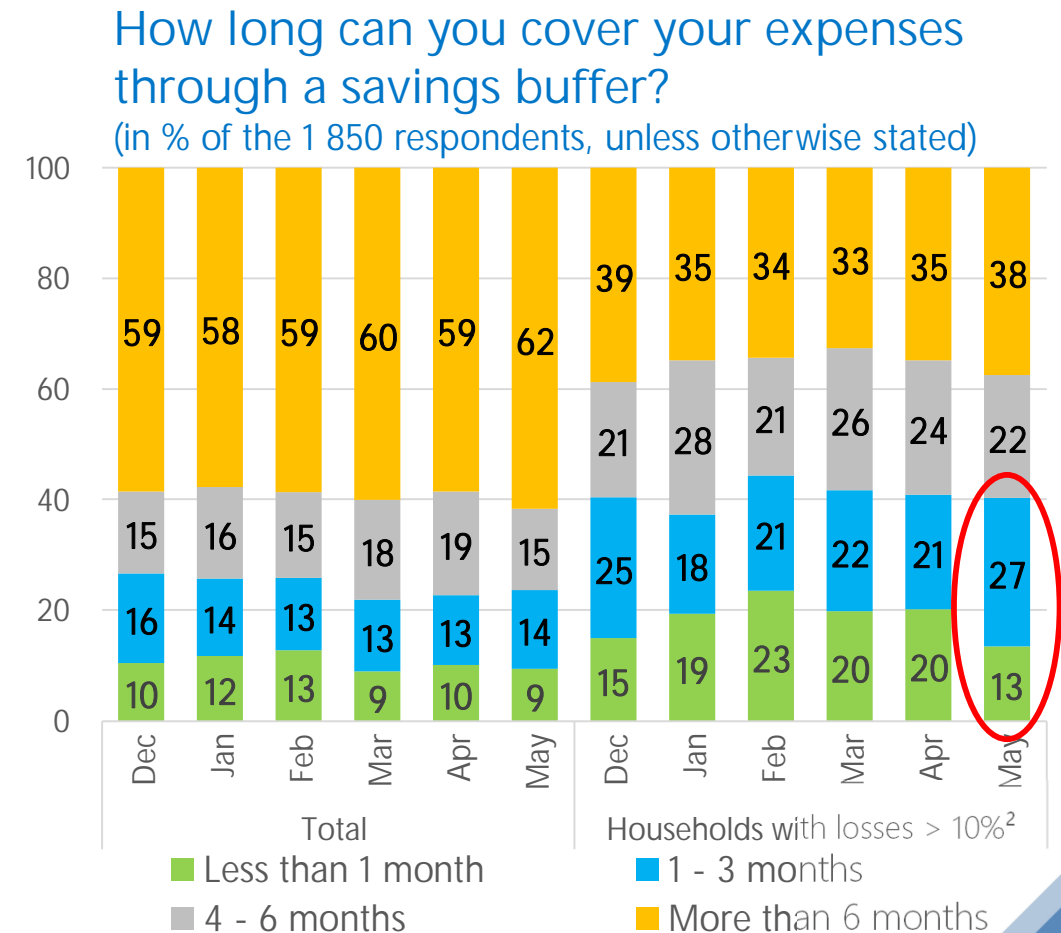
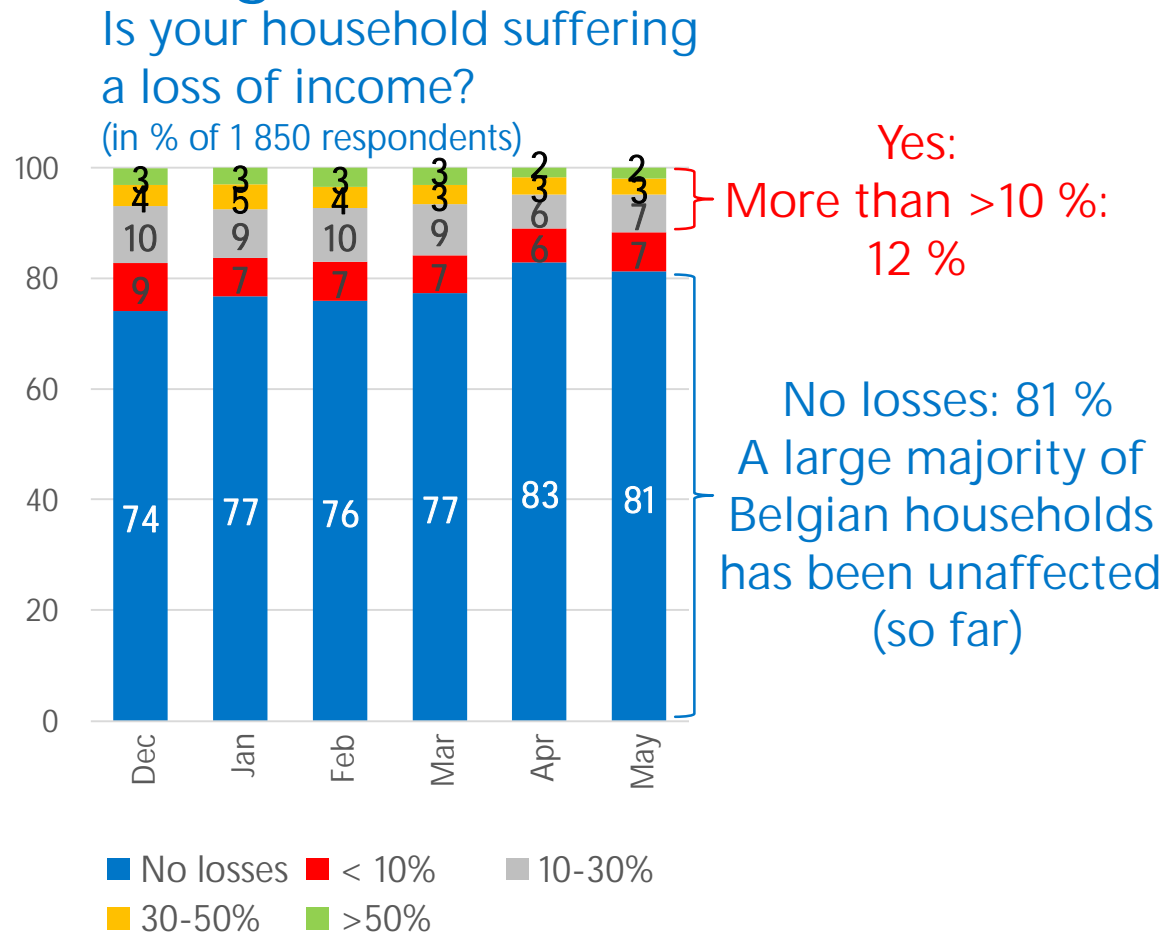
— Série dessaisonnée et lissée — Moyenne de long terme¹

● Série dessaisonnée

Het consumentenvertrouwen steeg fors in mei



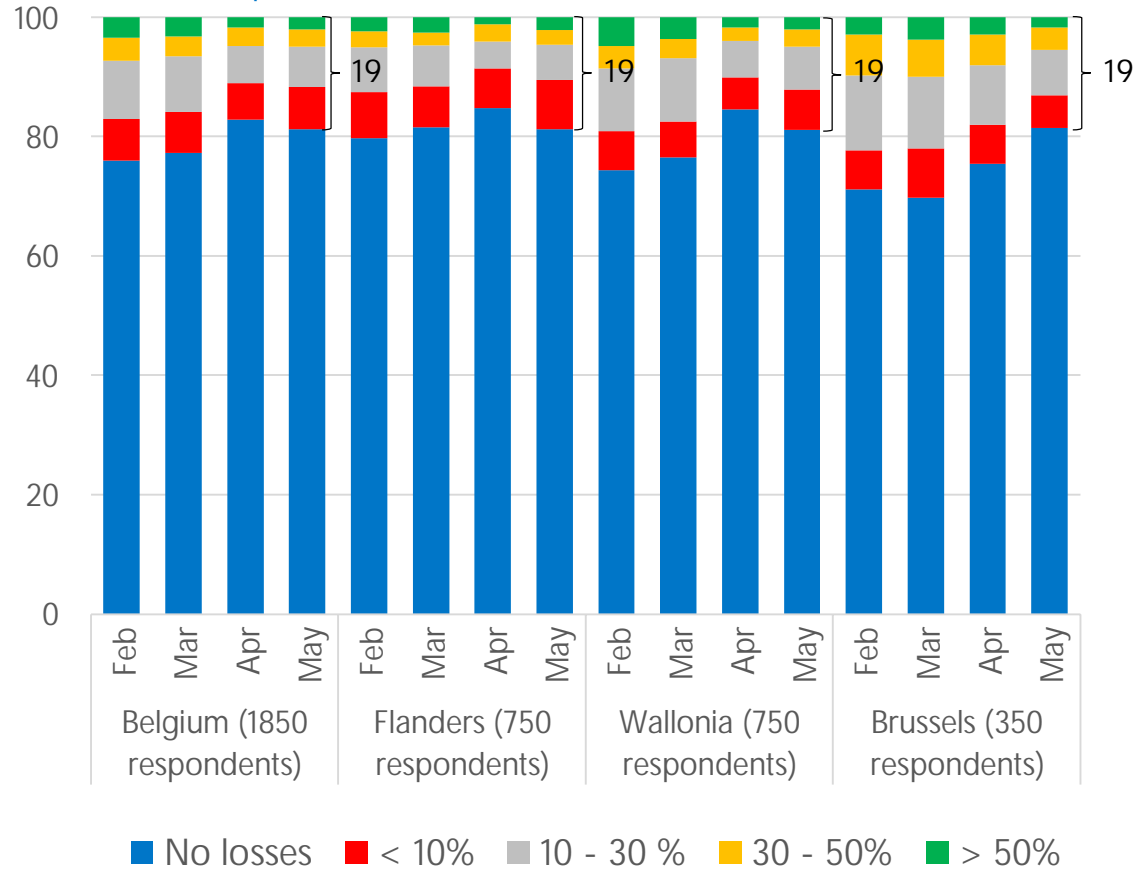
In May, around 12 % of households suffer an income loss of more than 10 % (very slight deterioration of the situation) and 40 % of them have a savings buffer of less than 3 months¹



Situation appears somewhat worse in Wallonia and in Brussels

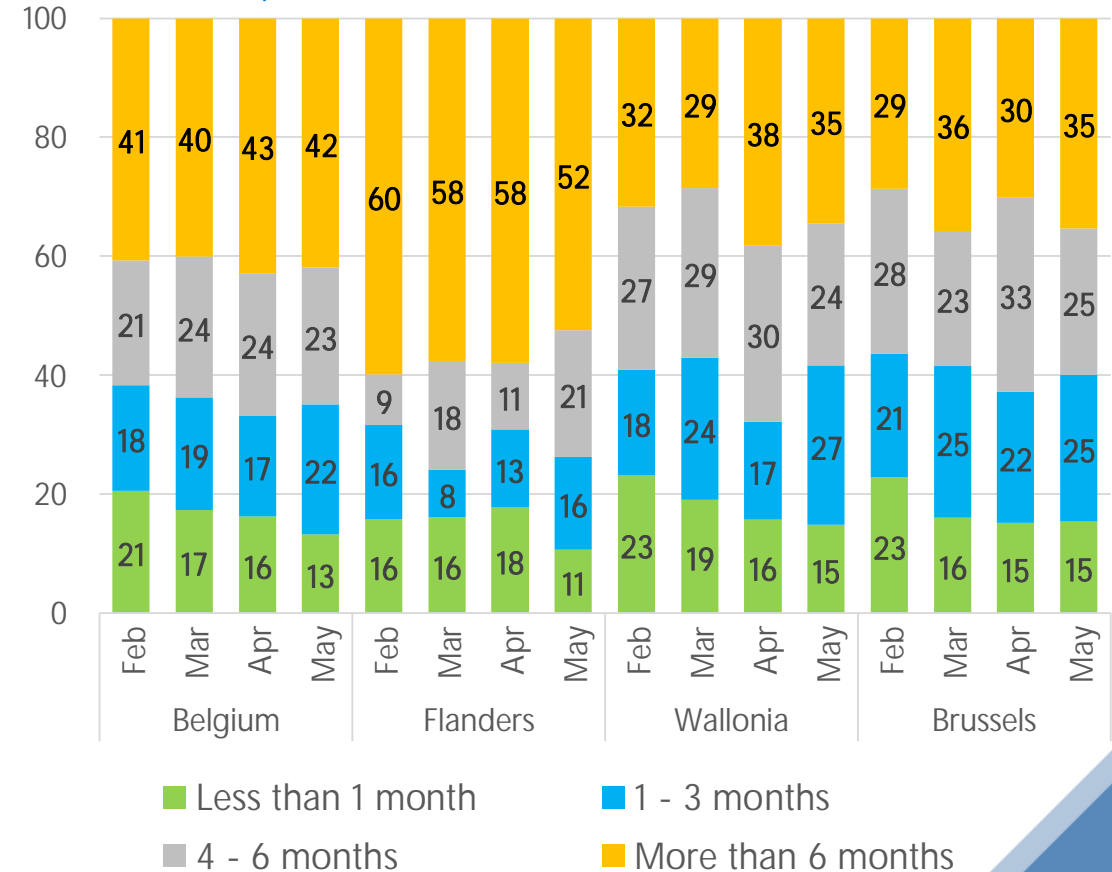
In May, the proportion of households suffering no loss of income decreases in Flanders and Wallonia but increases in Brussels

(in % of respondents)

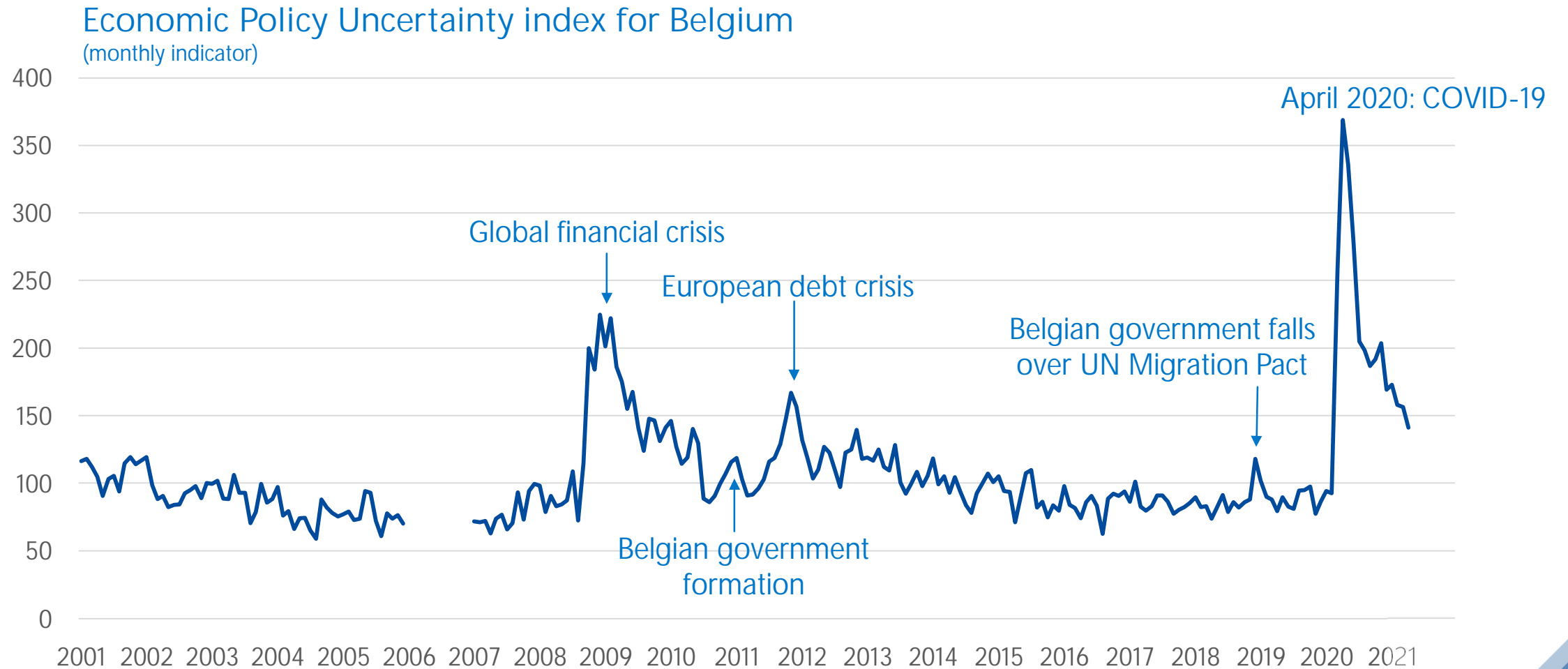


Savings buffer remains structurally higher in Flanders; in May, the saving buffer more than 6 months increases only in Brussels

(in % of respondents with loss of income)



Economic policy uncertainty has eased recently, but remains elevated

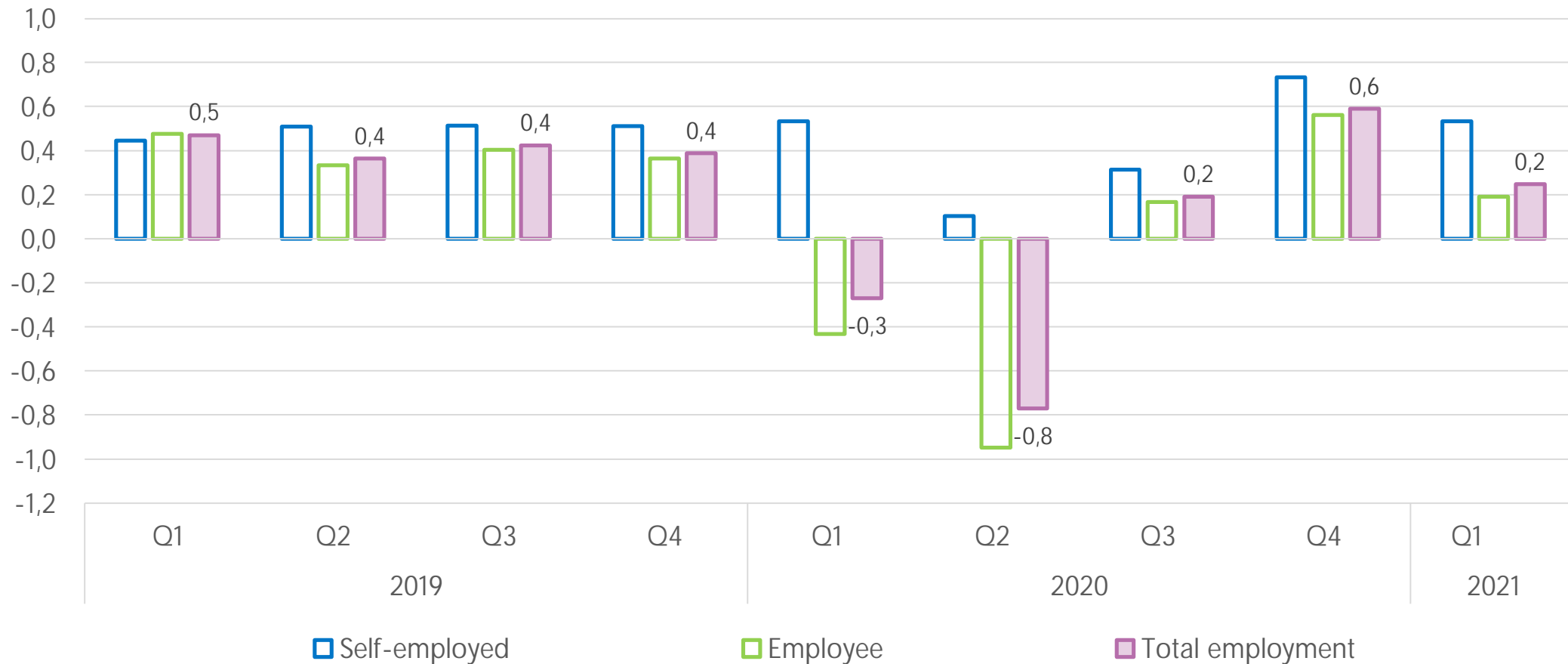


Labour market

Total employment has now also returned to growth

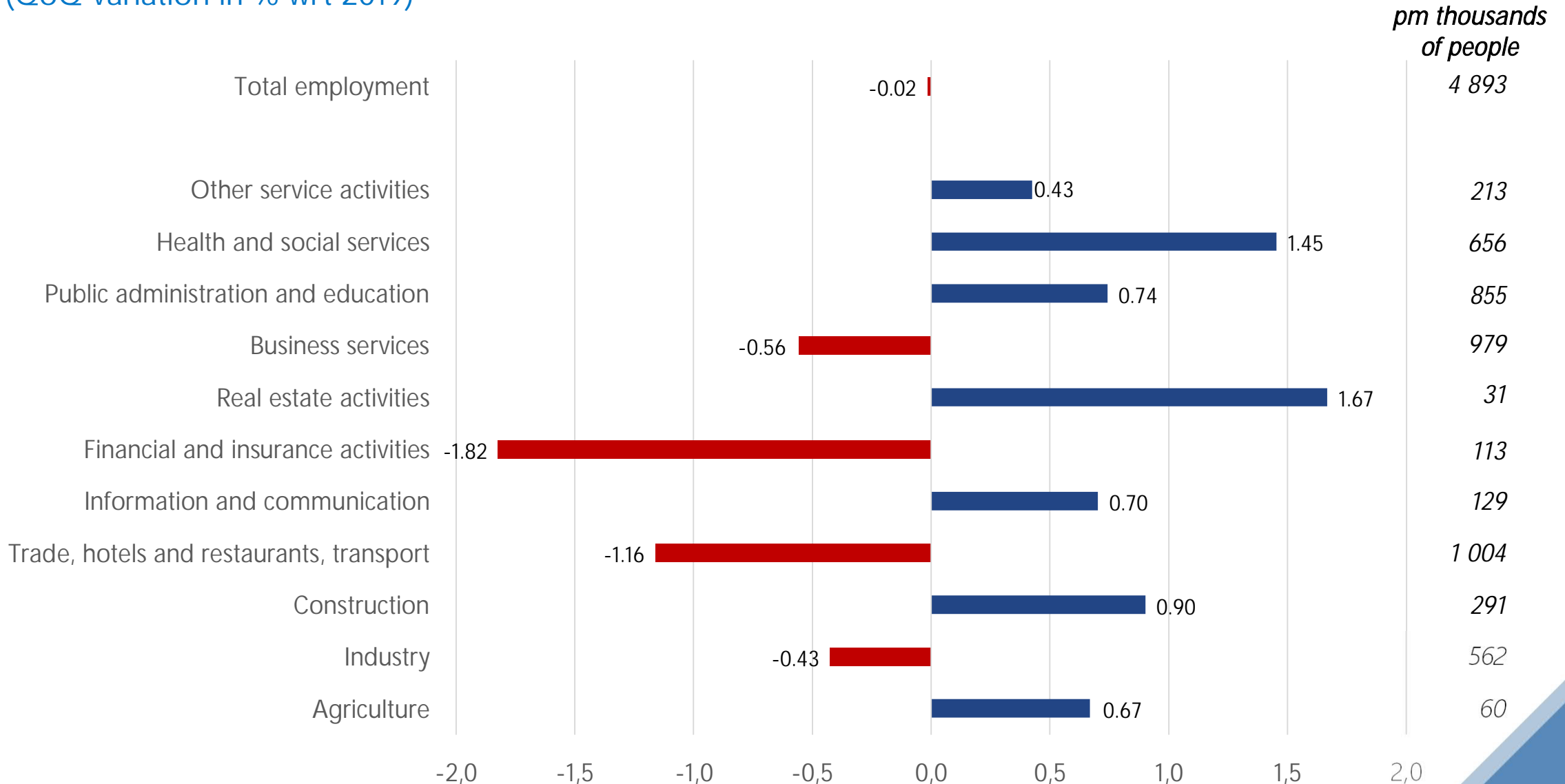
Self-employment growth was positive throughout the crisis

(QoQ variation in %)



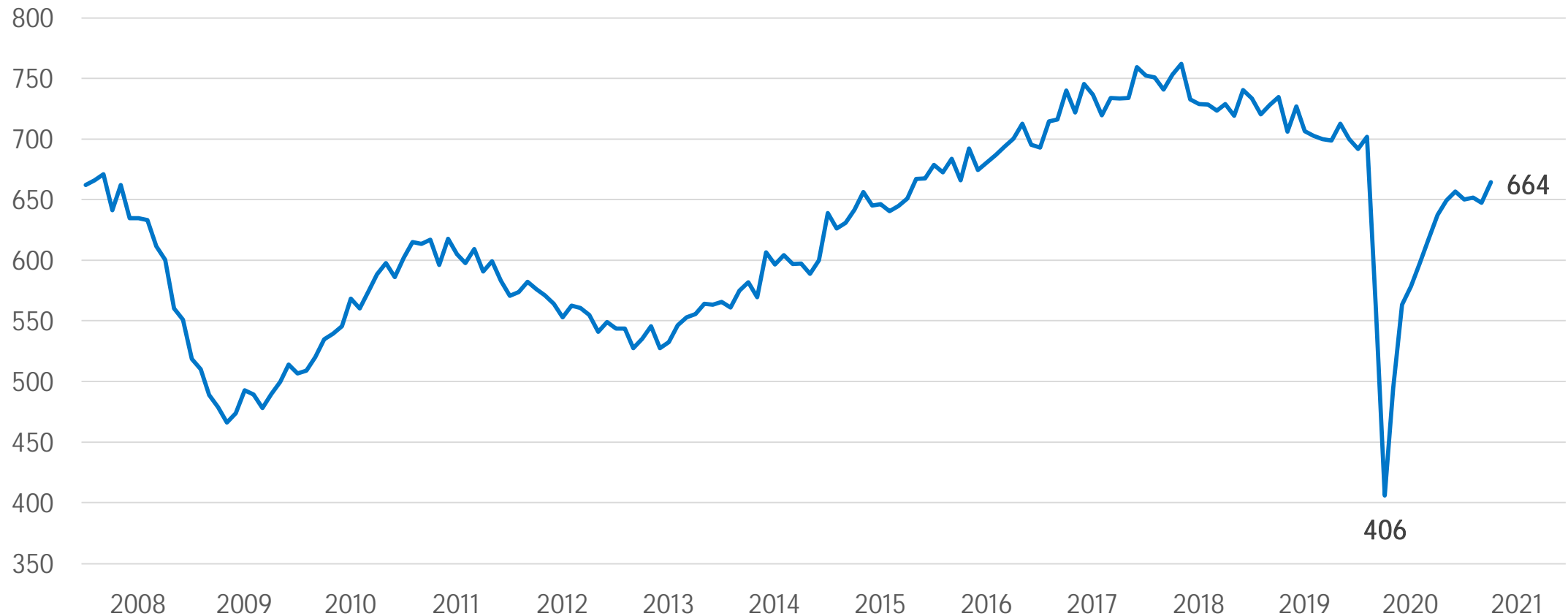
Impact on employment stronger for some branches of activity

(QoQ variation in % wrt 2019)



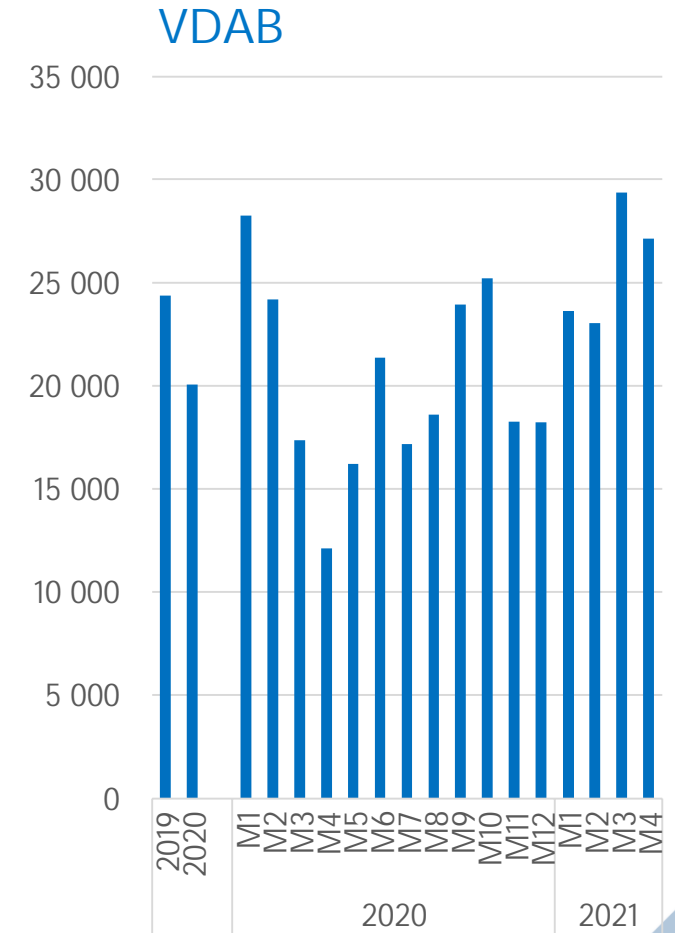
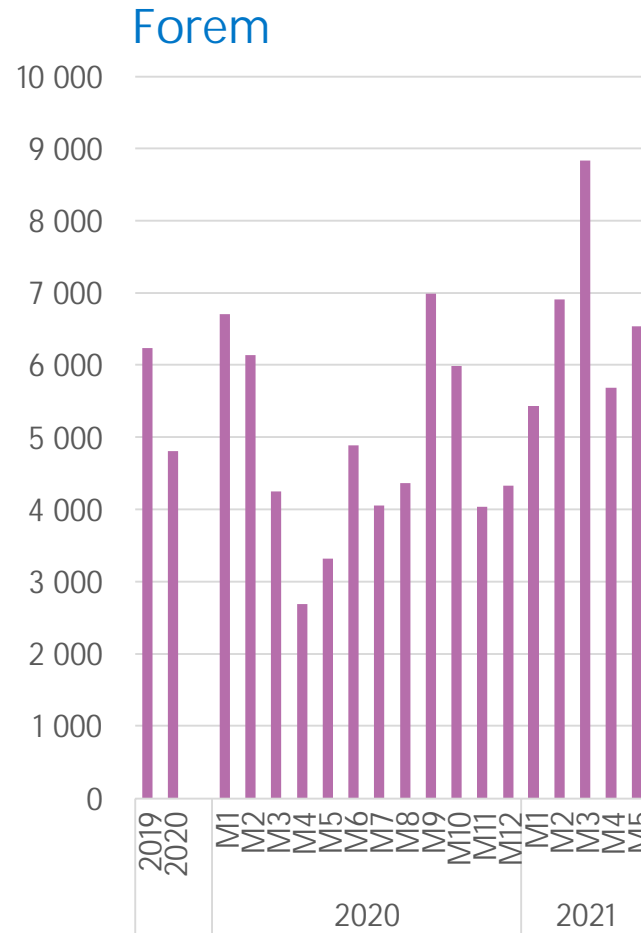
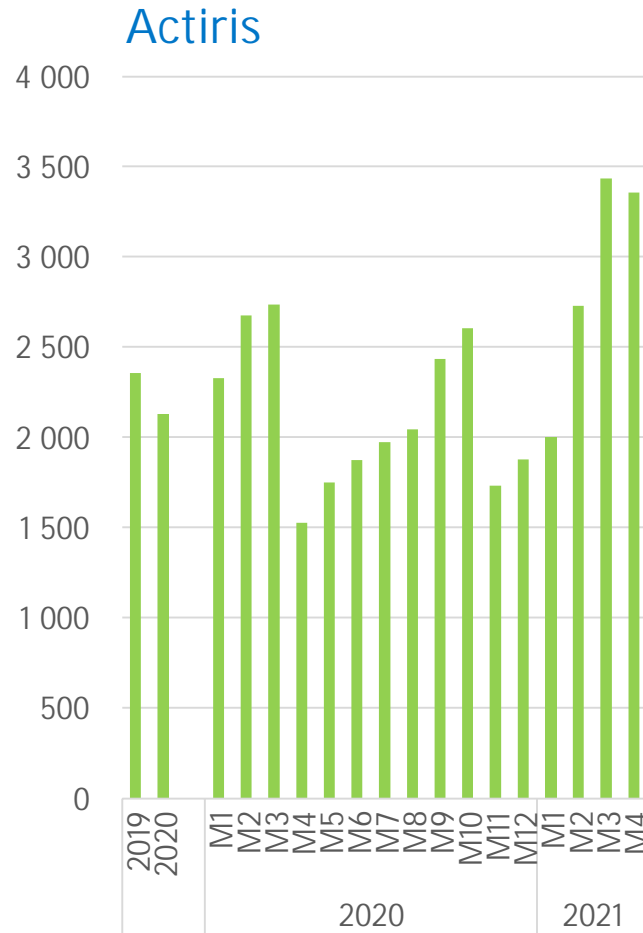
Stabilisation du travail intérimaire après une reprise partielle

(données mensuelles, en milliers d'heures)

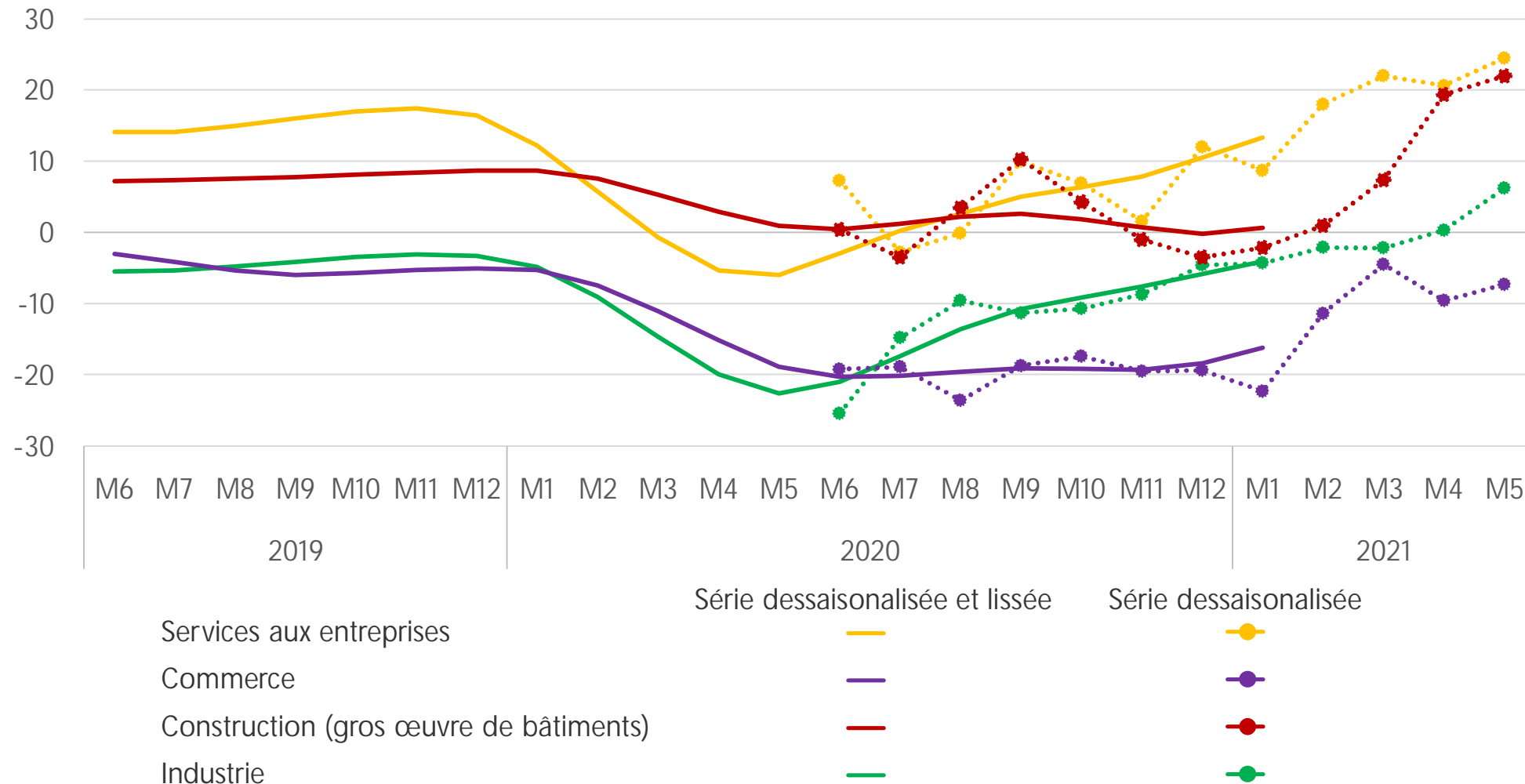


De nombreuses opportunités d'emplois sont présentes dans les trois Régions du pays

(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)



Services aux entreprises

Commerce

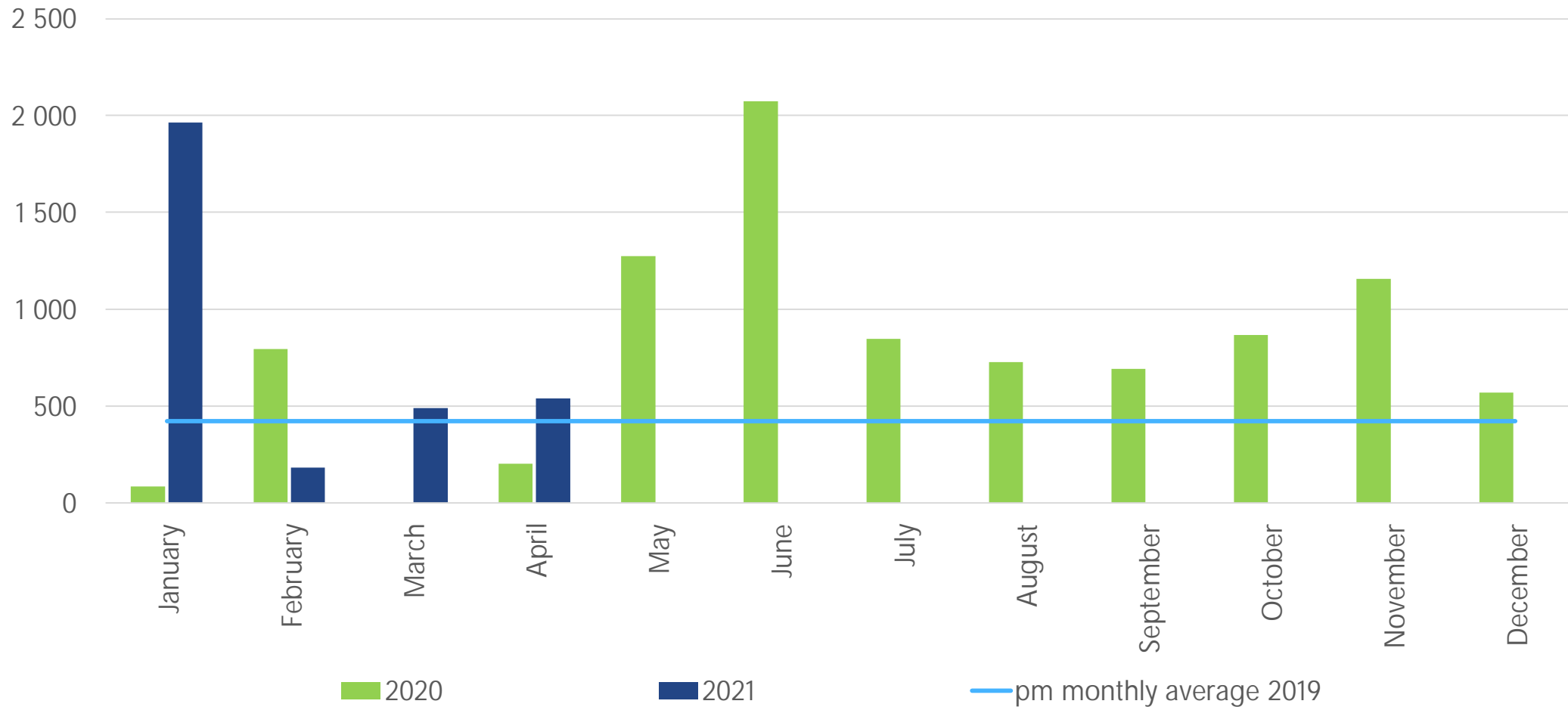
Construction (gros œuvre de bâtiments)

Industrie

Série dessaisonnalisée et lissée

Série dessaisonnalisée

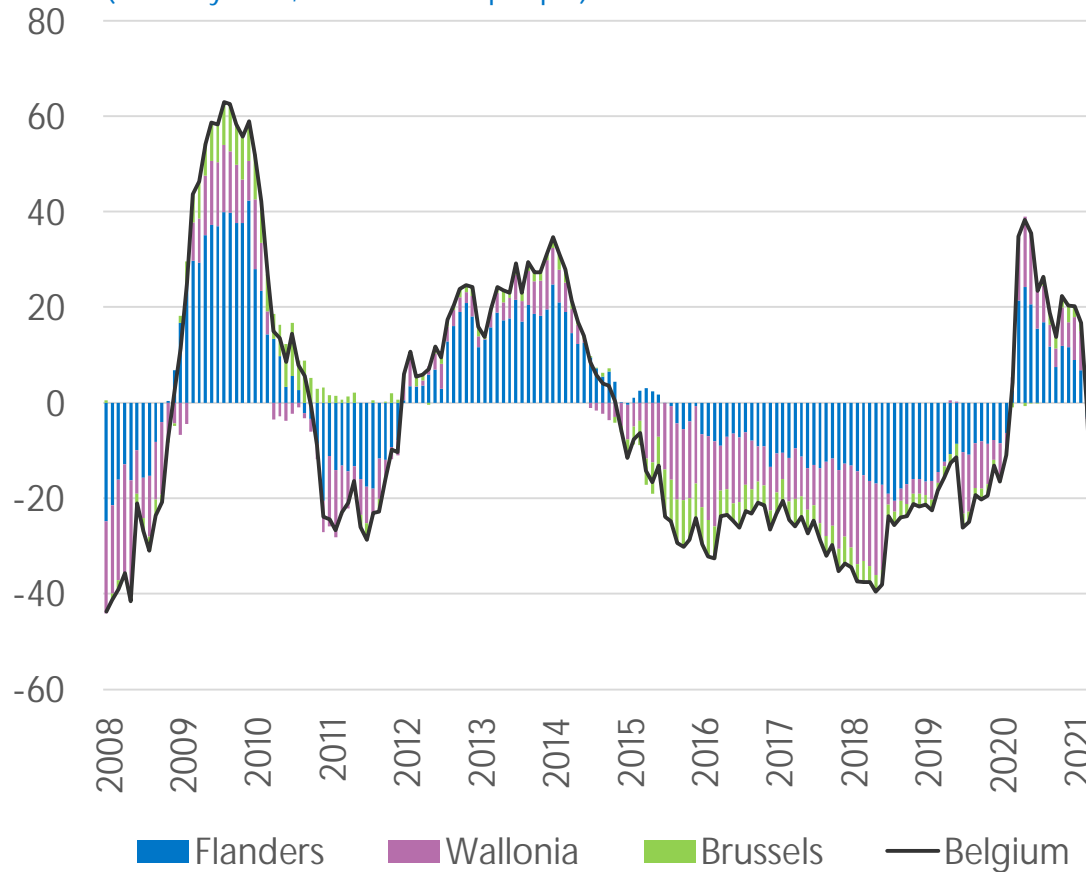
Mass redundancy procedure openings follow lockdowns (workers concerned)



Unemployment upsurge, fully compensated for the time being ...

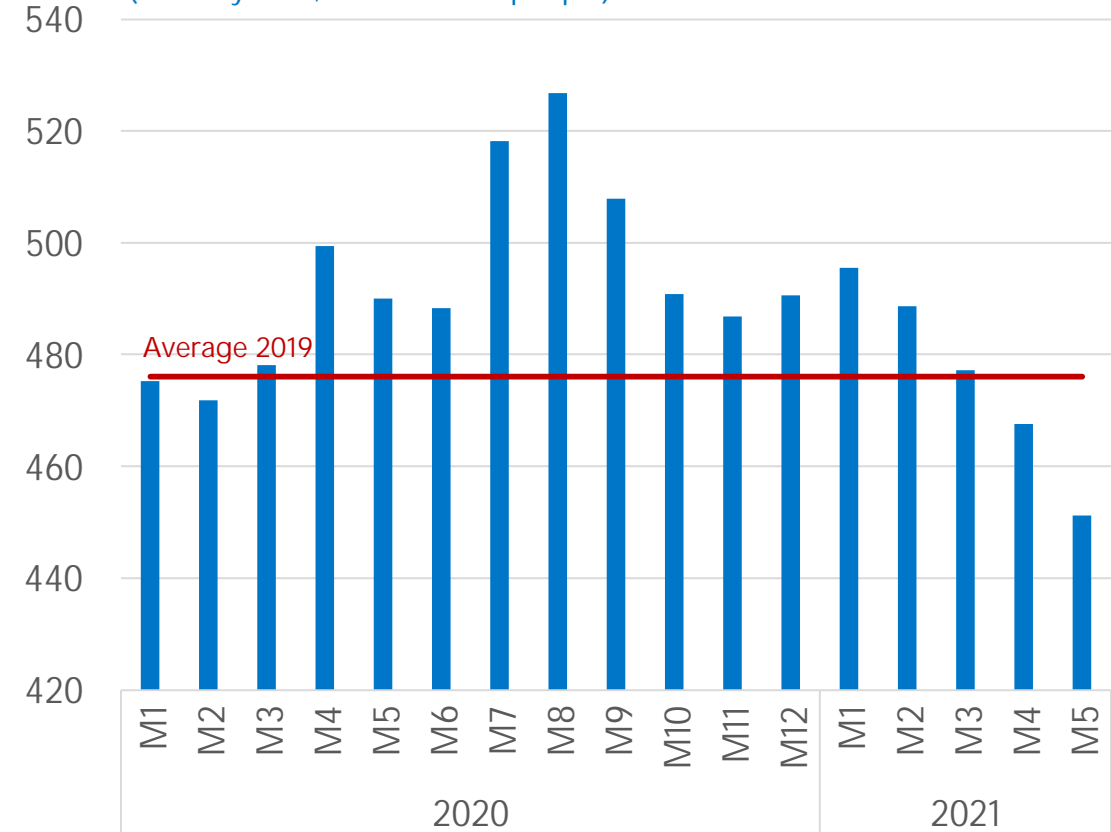
Annual variation

(monthly data, thousands of people)

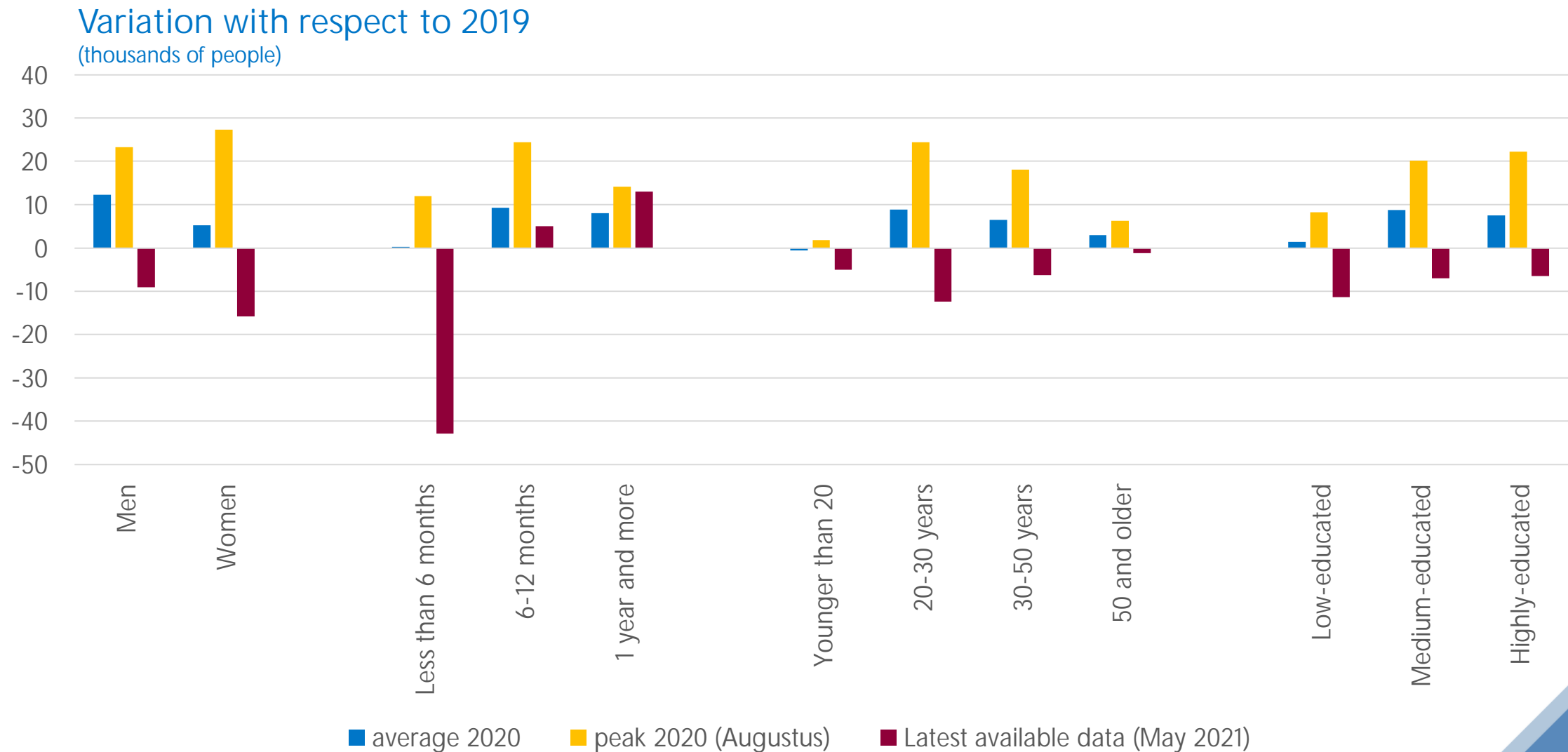


Number of unemployed job-seekers

(monthly data, thousands of people)



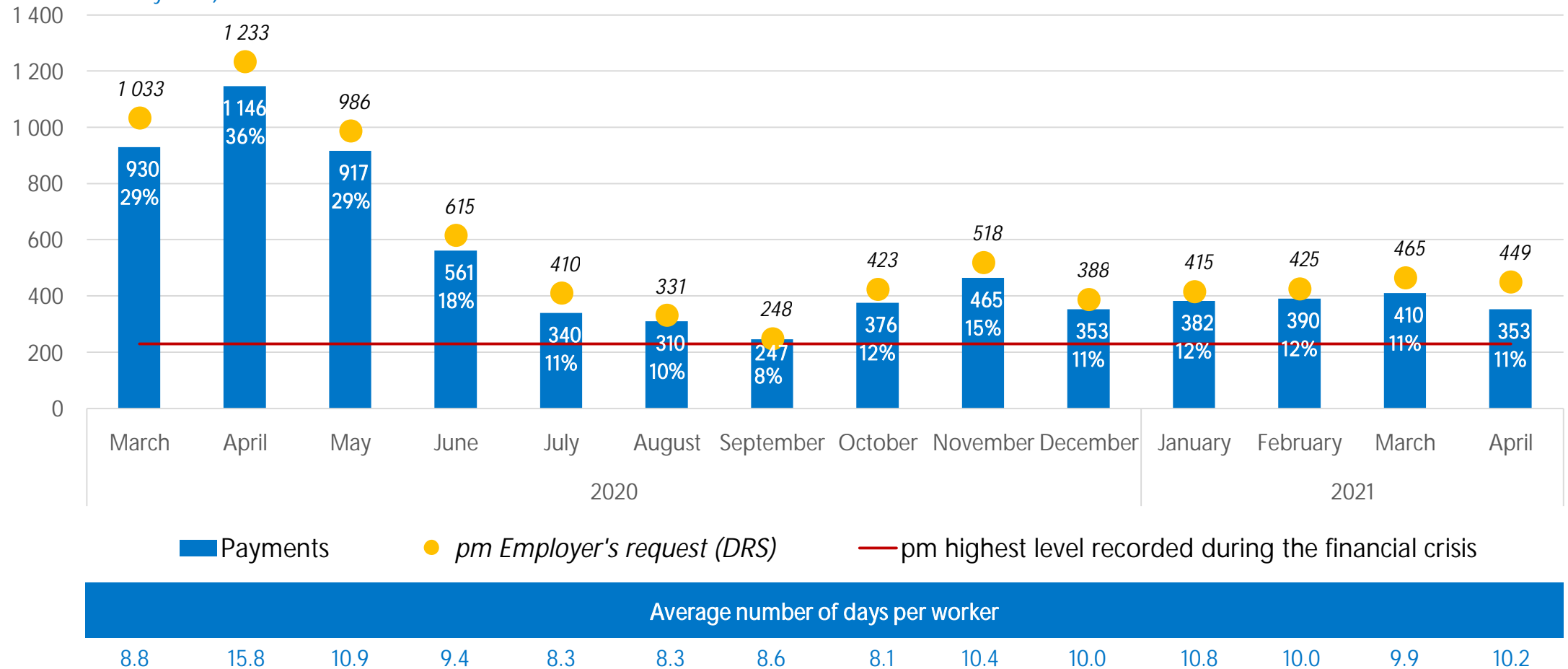
... but potential risk of rise in structural unemployment



Temporary unemployment: following lockdown measures

Monthly effective use and access demands

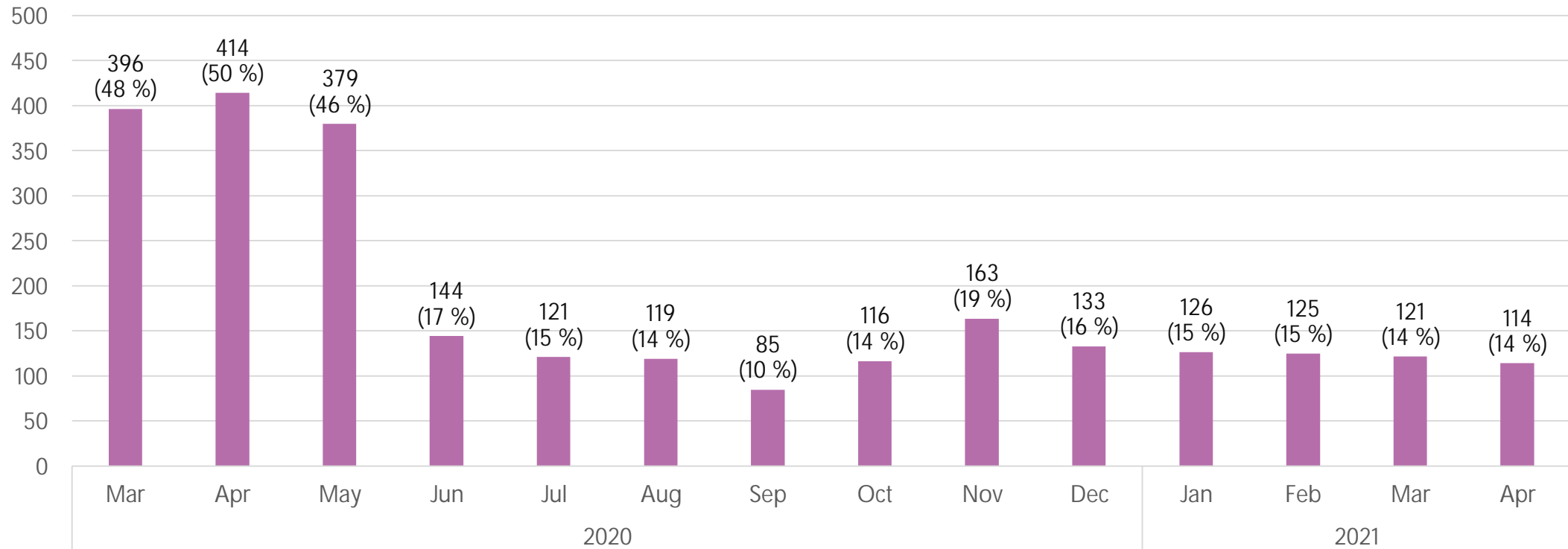
(payments linked to COVID-19, thousands of people and % of private salaried employment, p.m. DRS linked to COVID-19, thousands of people, monthly data)



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)

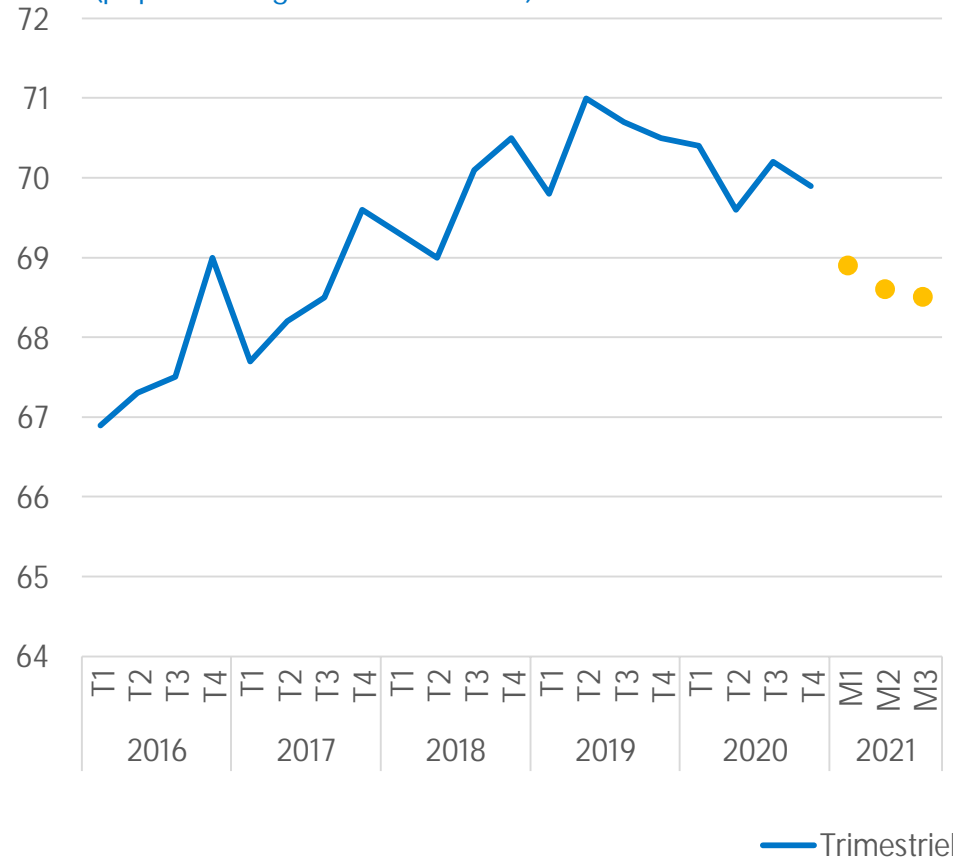


Before the crisis, about 90 self-employed benefited of the bridging right.
At the peak of the crisis, in April, they were 414 000.

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

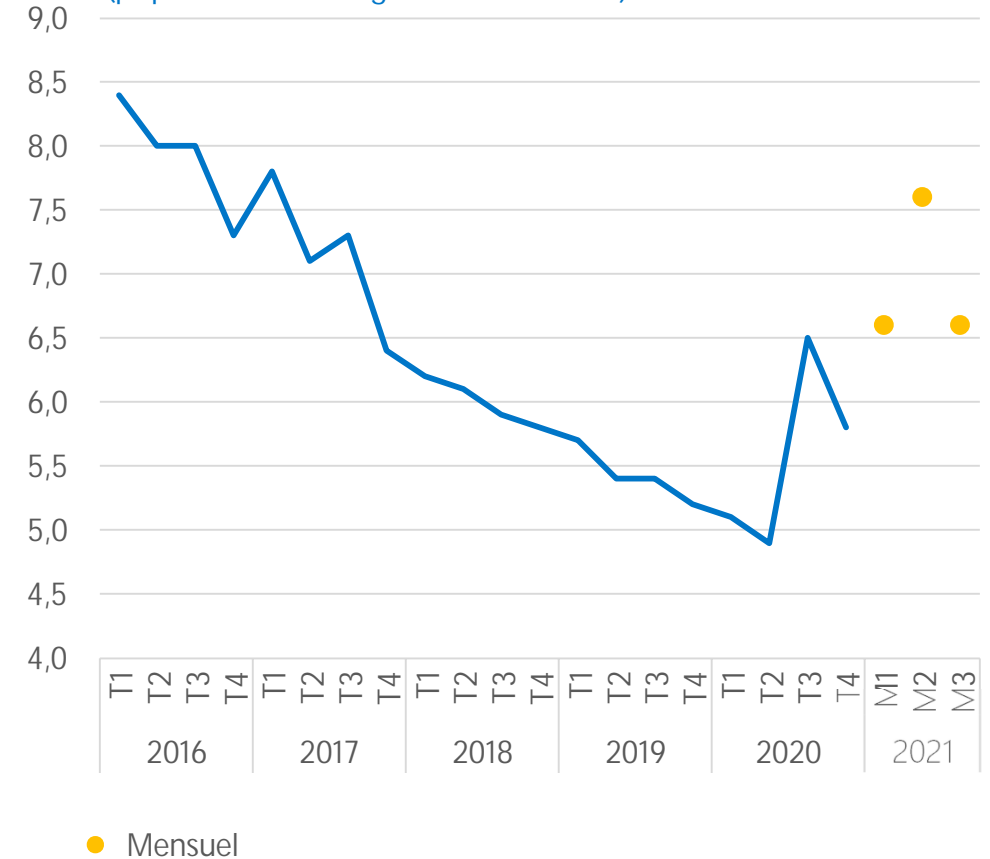
Taux d'emploi

(population âgée de 20 à 64 ans)



Taux de chômage

(population active âgée de 15 à 64 ans)



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:

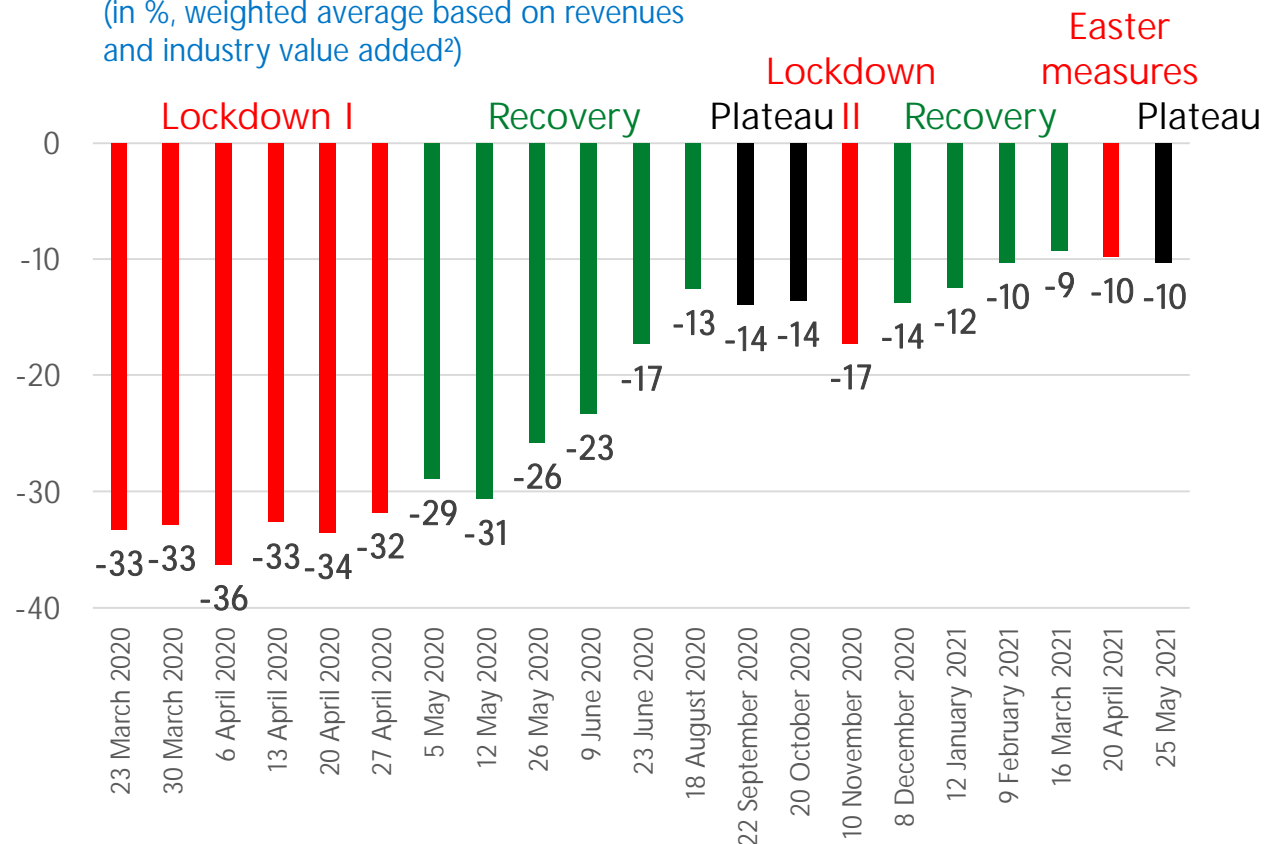


Round	Period	Federations	Replies	Comment
1	23-24 March 2020	BECI, UWE, VOKA	1 700	Results not published
2	30-31 March 2020	BECI, UNIZO, UWE, VOKA	4 725	First press release
3	6-7 April 2020	BECI, BOERENBOND, NSZ, UNISOC, UNIZO, UWE, VOKA	6 900	UNISOC was analysed separately
4	14-15 April 2020	BECI, NSZ, UNIZO, UWE, VOKA	5 500	
5	20-21 April 2020	BECI, NSZ, UNIZO, UWE, VOKA	3 528	
6	27-28 April 2020	BECI, NSZ, UNIZO, UWE, VOKA	4 208	
7	5-6 May 2020	BECI, BOERENBOND, UNIZO, UWE, VOKA	2 675	
8	12-13 May 2020	BECI, UNIZO, UWE, VOKA	2 185	
9	25-27 May 2020	BECI, NSZ, UNIZO, UWE, VOKA	2 993	
10	8-10 June 2020	BECI, NSZ, UNIZO, UWE, VOKA	2 365	
11	22-24 June 2020	BECI, NSZ, UNIZO, UWE, VOKA	3 136	
12	17-19 August 2020	BECI, NSZ, UCM, UNIZO, UWE, VOKA	4 430	
13	21-23 September 2020	BECI, NSZ, UNIZO, UWE, VOKA	2 868	
14	19-21 October 2020	BECI, UCM, UNIZO, UWE, VOKA	5 131	
15	9-10 November 2020	BECI, NSZ, UCM, UNIZO, UWE, VOKA	5 631	
16	7-9 December 2020	BECI, UCM, UNIZO, UWE, VOKA	3 798	
17	11-13 January 2021	BECI, NSZ, UCM, UNIZO, UWE, VOKA	5 348	
18	8-10 February 2021	BECI, NSZ, UCM, UNIZO, UWE, VOKA	3 194	
19	15-17 March 2021	BECI, BOERENBOND, NSZ, UCM, UNIZO, UWE, VOKA	3 884	
20	19-21 April 2021	BECI, NSZ, UCM, UNIZO, UWE, VOKA	3 334	Last week of Easter measures
21	25-26 May 2021	BECI, NSZ, UCM, UNIZO, UWE, VOKA	2 274	

Revenues and outlook stable in May despite the easing of measures (but slight improvement when correcting for composition effects⁴)

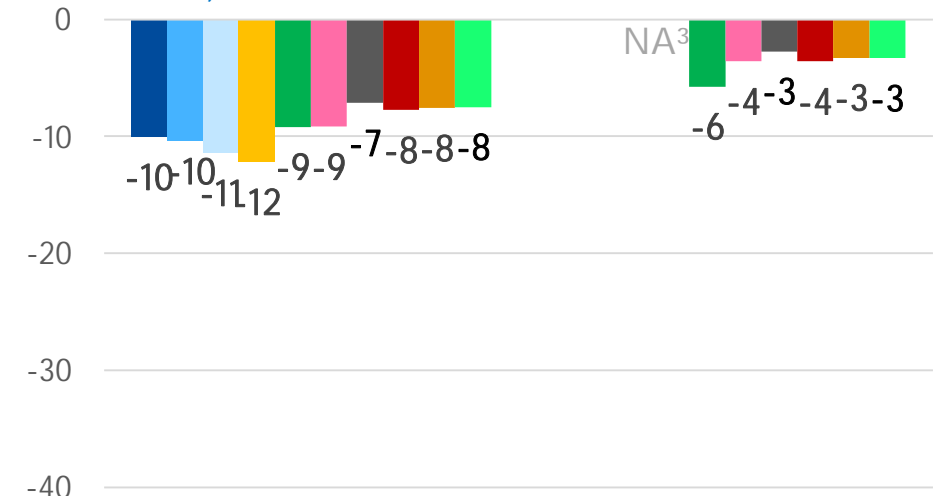
COVID-19 impact¹ on weekly turnover

(in %, weighted average based on revenues and industry value added²)



Expected impact¹ on turnover in 2021/2022

(in %, weighted average based on revenues and industry value added²)



Source: ERMG survey, latest available data: 25 May 2021.

¹ The COVID-19 impact shows the revenue loss compared to what would have happened without COVID-19.

² This approach excludes the human health industry, the public sector and firms that were identified as belonging to a miscellaneous 'other' industry.

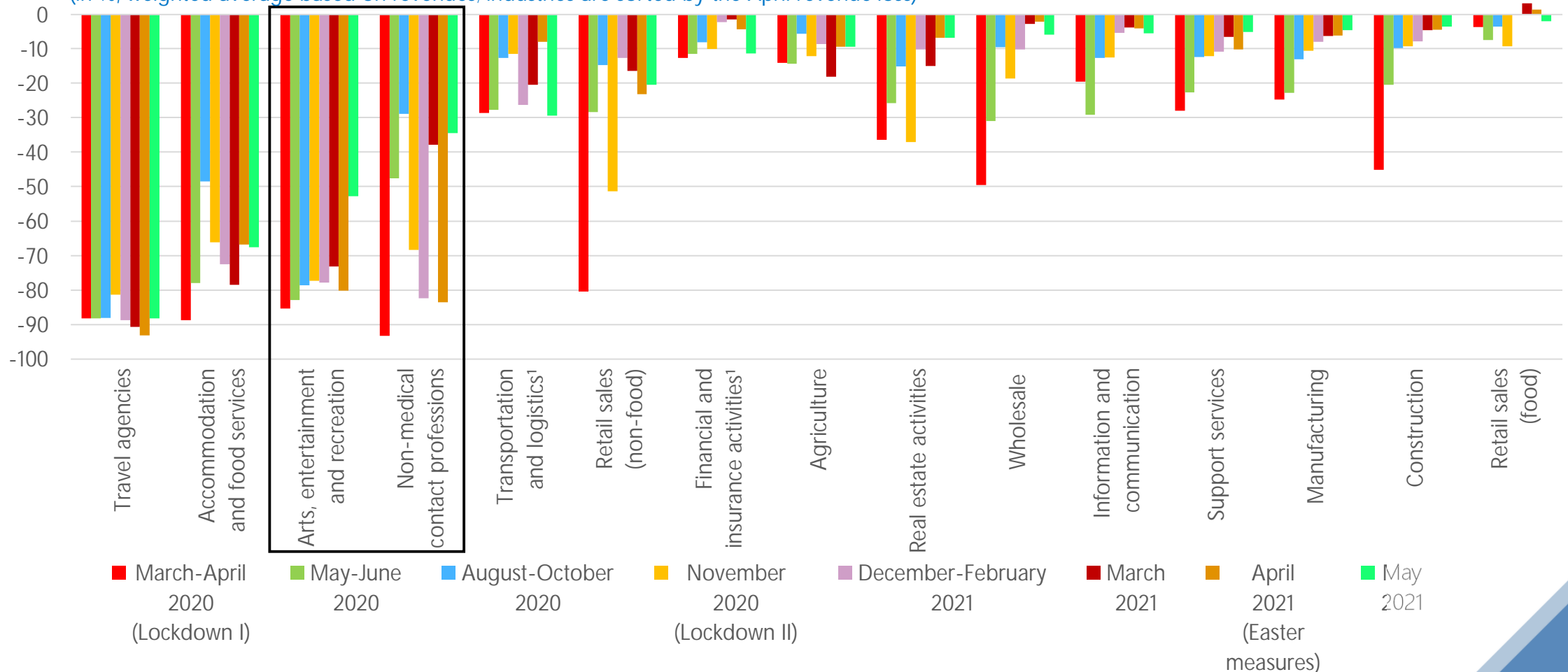
³ 2022 revenue expectations were not asked in the survey rounds before December.

⁴ Excluding the revenue deterioration in the transport and logistics and financial sectors, which is likely due to a sample composition effect, the current revenues and revenue expectations for 2021 and 2022 would have improved by respectively 2 pp and 1 pp compared to April.

Revenues recover strongly for contact professions and entertainment, while remaining broadly stable in the other industries¹

COVID-19 impact on weekly turnover

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



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

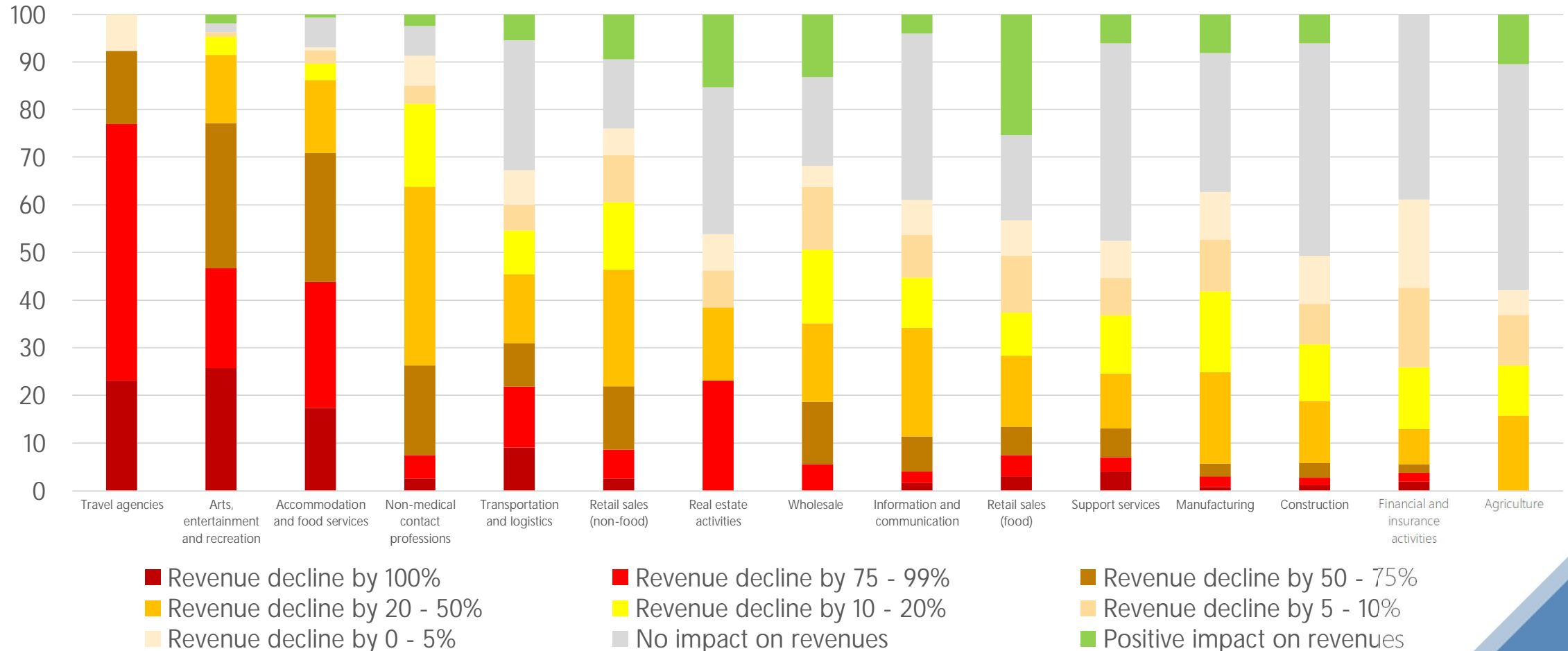
(in %, weighted average based on revenues)

	March-April 2020 (Lockdown I)	May-June 2020	August-October 2020	November 2020 (Lockdown II)	December-Feb. 2021	March 2021	April 2021 (Easter measures)	May 2021	
Travel agencies	-88	-88	-88	-81	-89	-91	-93	-88	< -50 %
Aviation ¹	-51	-60	-27	-15	-62	-42	-16	-87	
Road transport (persons)	-55	-57	-15	-13	-23	-81	-41	-78	
Accommodation and food service activities	-89	-78	-49	-66	-72	-78	-67	-68	
Events and recreation	-85	-83	-79	-77	-78	-73	-80	-53	
Non-medical contact professions	-93	-48	-29	-68	-82	-38	-84	-35	-20 to -50 %
Retail sales (non-food)	-80	-28	-15	-51	-13	-16	-23	-21	
Manufacture of transport equipment ¹	-54	-36	-12	-21	-15	-2	-15	-15	-10 to -20 %
Logistics	-22	-26	-11	-11	-8	-5	-2	-14	
Manufacture of machinery and electrical equipment	-29	-24	-14	-10	-10	-6	-3	-12	
Manufacture of wood and paper products, and printing	-36	-27	-11	-14	-11	-16	-12	-12	
Financial and insurance activities	-13	-11	-8	-10	-2	-1	-4	-11	
Agriculture and fishing	-14	-14	-6	-12	-9	-18	-9	-9	0 to -10 %
Liberal professions	-23	-18	-10	-12	-14	-9	-10	-9	
Consultancy	-17	-20	-11	-14	-7	-10	-4	-9	
Real estate activities	-36	-26	-15	-37	-10	-15	-7	-7	
Manufacture of textiles, wearing apparel and shoes	-61	-43	-6	-19	-12	-10	-10	-7	
Manufacture of food products	-18	-19	-9	-12	-13	-9	-16	-7	
Wholesale	-49	-31	-10	-19	-10	-3	-2	-6	
Information and communication	-20	-29	-13	-13	-5	-4	-4	-6	
Cleaning and security services ²	-41	-22	-10	-10	-12	-16	-8	-5	
Manufacture of furniture	-66	-31	-13	-7	-5	-2	-2	-5	
Human Resources	-35	-30	-13	-11	-16	-5	-25	-4	
Manufacture of pharmaceutical and chemical products	-16	-20	-11	-8	-5	-6	-3	-4	
Construction	-45	-20	-10	-9	-8	-5	-5	-4	
Retail sales (food)	-4	-8	-4	-9	0	3	1	-2	
Engineering services	-33	-15	-19	-12	-9	-4	-3	-2	
Manufacture of plastic and non-metallic products	-19	-19	-12	-10	-6	1	0	-1	
Metallurgy	-23	-30	-23	-10	-5	-2	-4	0	> 0 %
Manufacture of computer, electronic and optical products	-28	-19	-25	-11	-4	-6	-2	2	

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 25 May)

(in % of responding firms; unweighted¹)

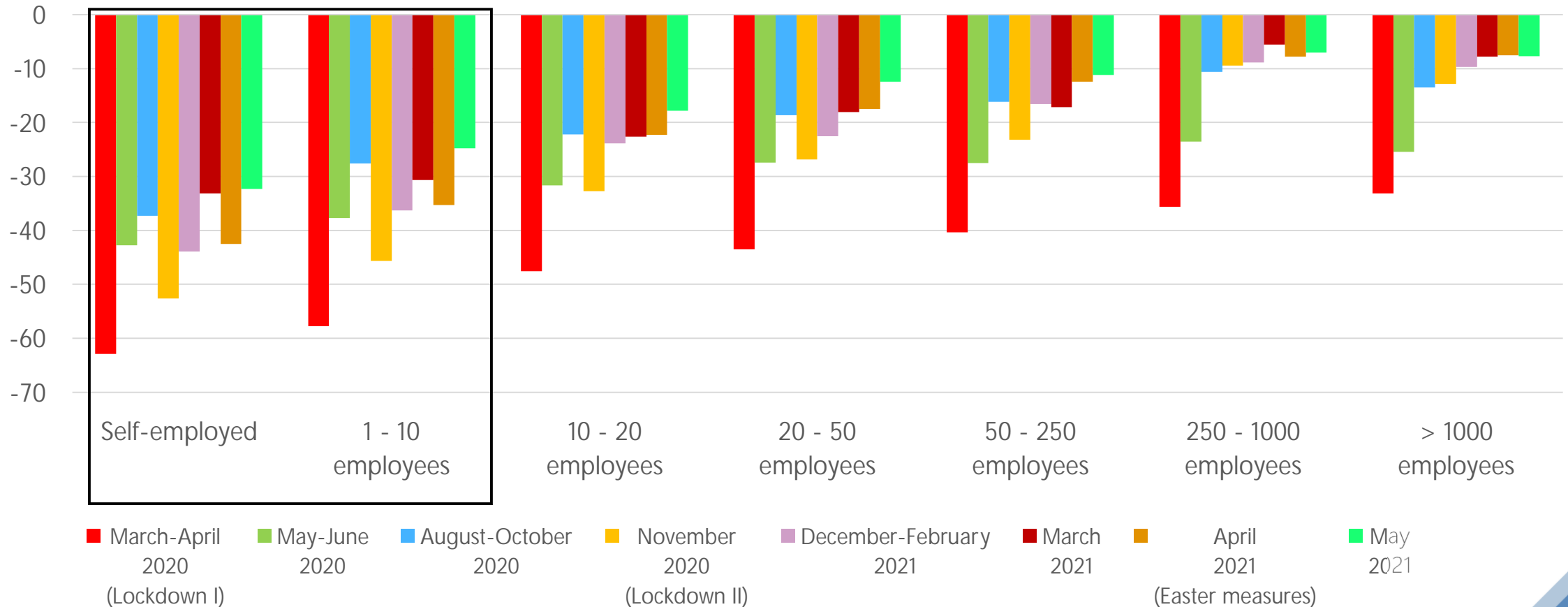


Source: Round 21 of ERMG survey, latest available data: 25 May 2021.

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.

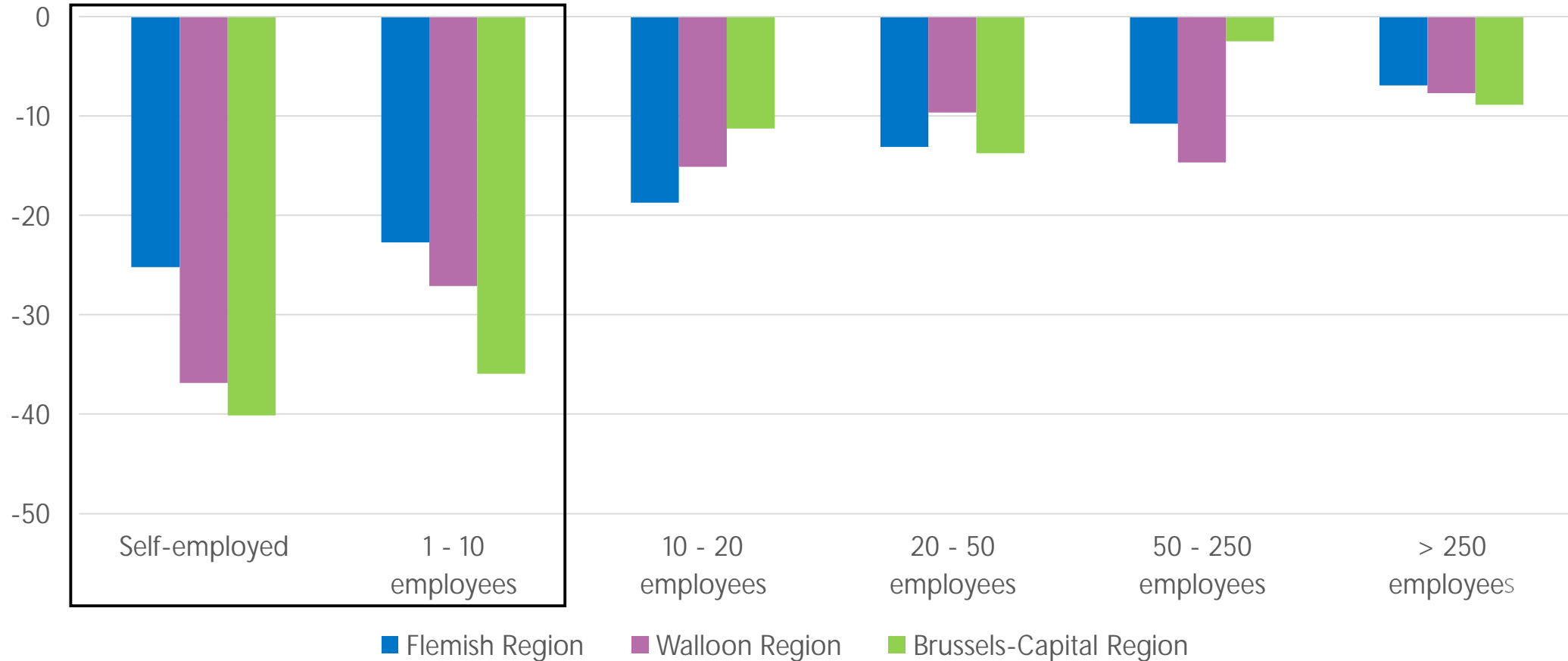
The revenue loss of the self-employed and smaller firms narrows in May (thanks to the easing of measures), but it remains elevated

COVID-19 impact on weekly turnover, by firm size
(in %, unweighted average¹)



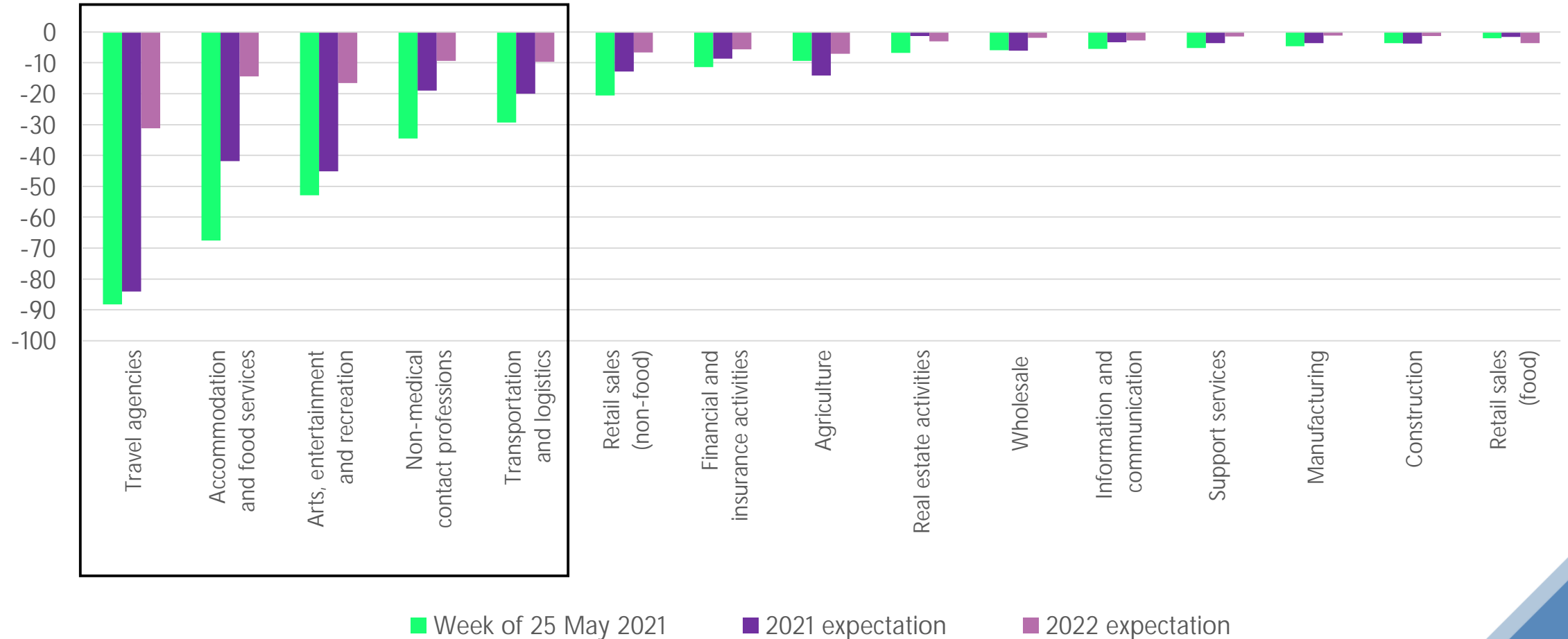
The revenue loss of the self-employed and the smallest firms continues to be larger in Wallonia and especially Brussels

COVID-19 impact on current turnover, by firm size and by region (survey 25 May)
(in %, unweighted average¹)



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

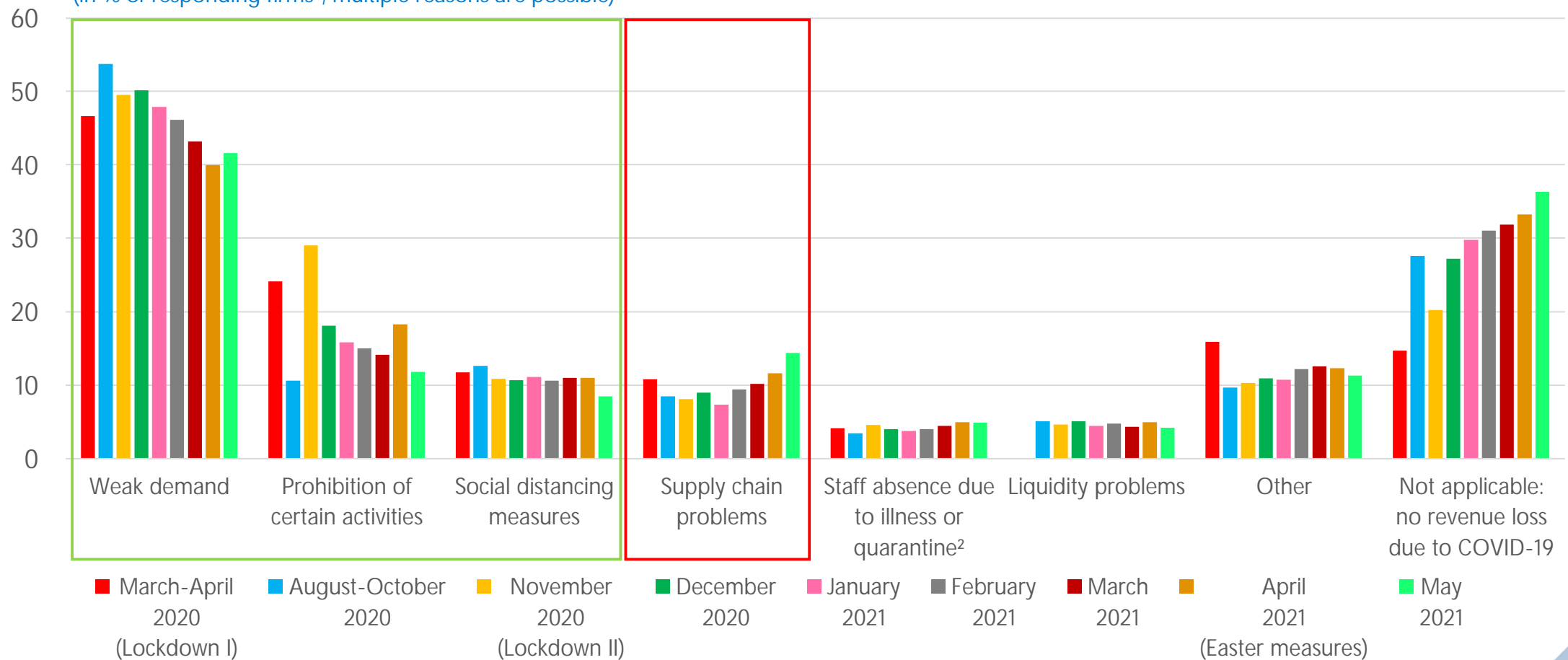
Expected COVID-19 impact on current turnover and on turnover in 2021 and 2022 (survey 25 May)
(in %, weighted average based on revenues)



Fewer firms are affected by the restrictive measures and weak demand, but supply chain issues are increasingly hampering the recovery in revenues

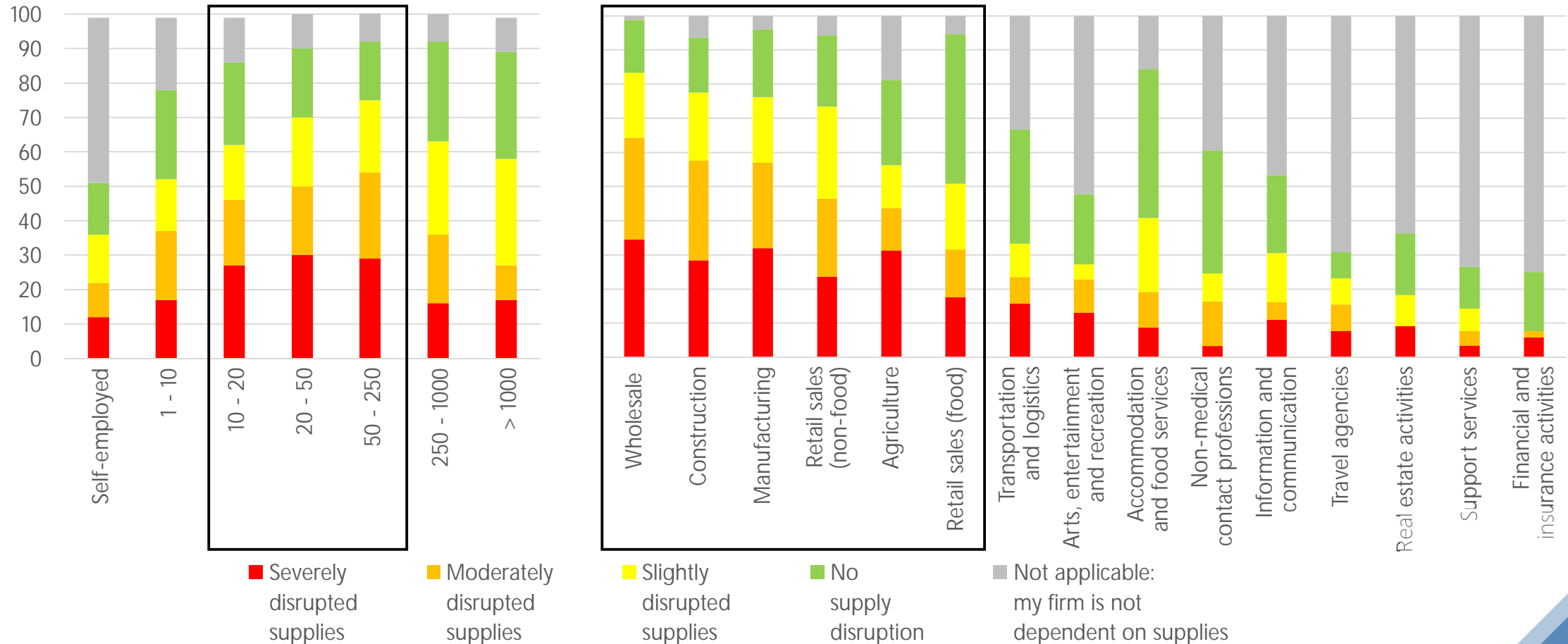
Reasons for the current revenue loss due to the COVID-19 crisis

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



Supplies are strongly disrupted, especially for SMEs and for firms in trade, construction, agriculture and manufacturing

Have you experienced supply problems (other than price increases) this month? (survey 25 May)
(in % of responding firms, by number of employees¹ and by industry)



The supply chain disruptions are mainly caused by supplier shortages and to a lesser extent also by transport issues

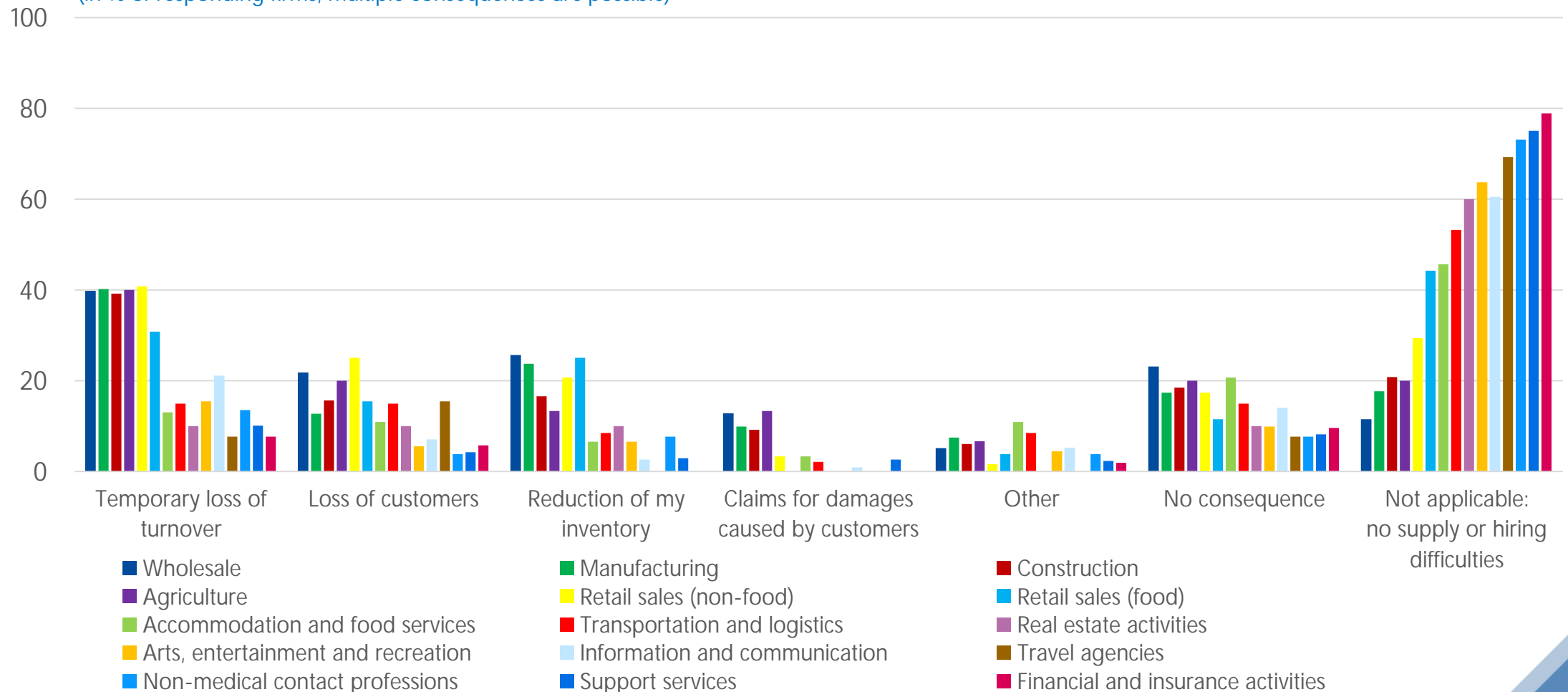
Reasons for the supply chain problems (survey 25 May)

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



The supply issues and hiring difficulties have resulted in a temporary revenue loss, loss of customers and a reduction of inventories

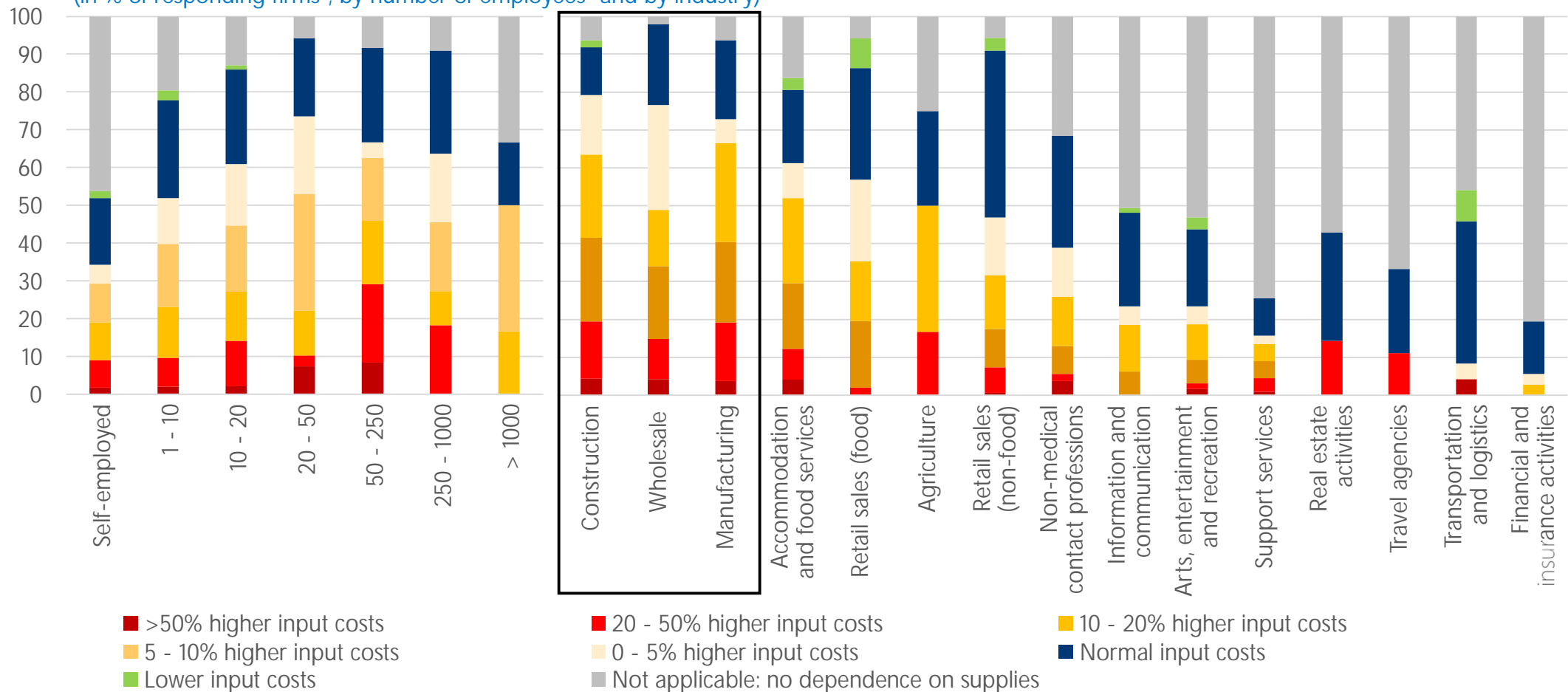
Impact of supply issues and hiring difficulties on your company this month (survey 25 May)
(in % of responding firms, multiple consequences are possible)



In addition, input costs of firms have substantially increased for many firms, especially in construction, wholesale and manufacturing ...

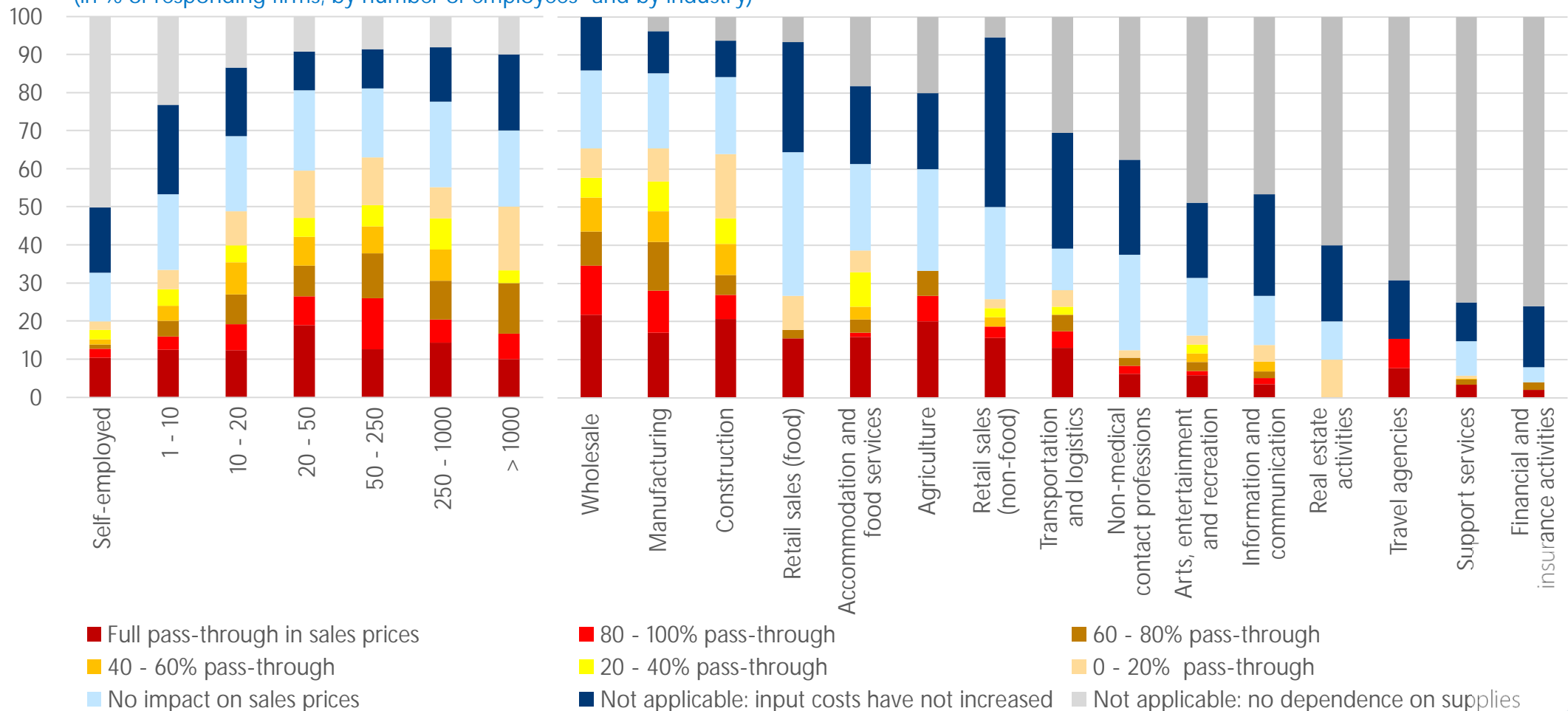
Are your input costs higher or lower than normal this month? (survey 25 May)

(in % of responding firms¹, by number of employees² and by industry)



... and companies report that they will pass on average half of their increased input costs onto their sales prices

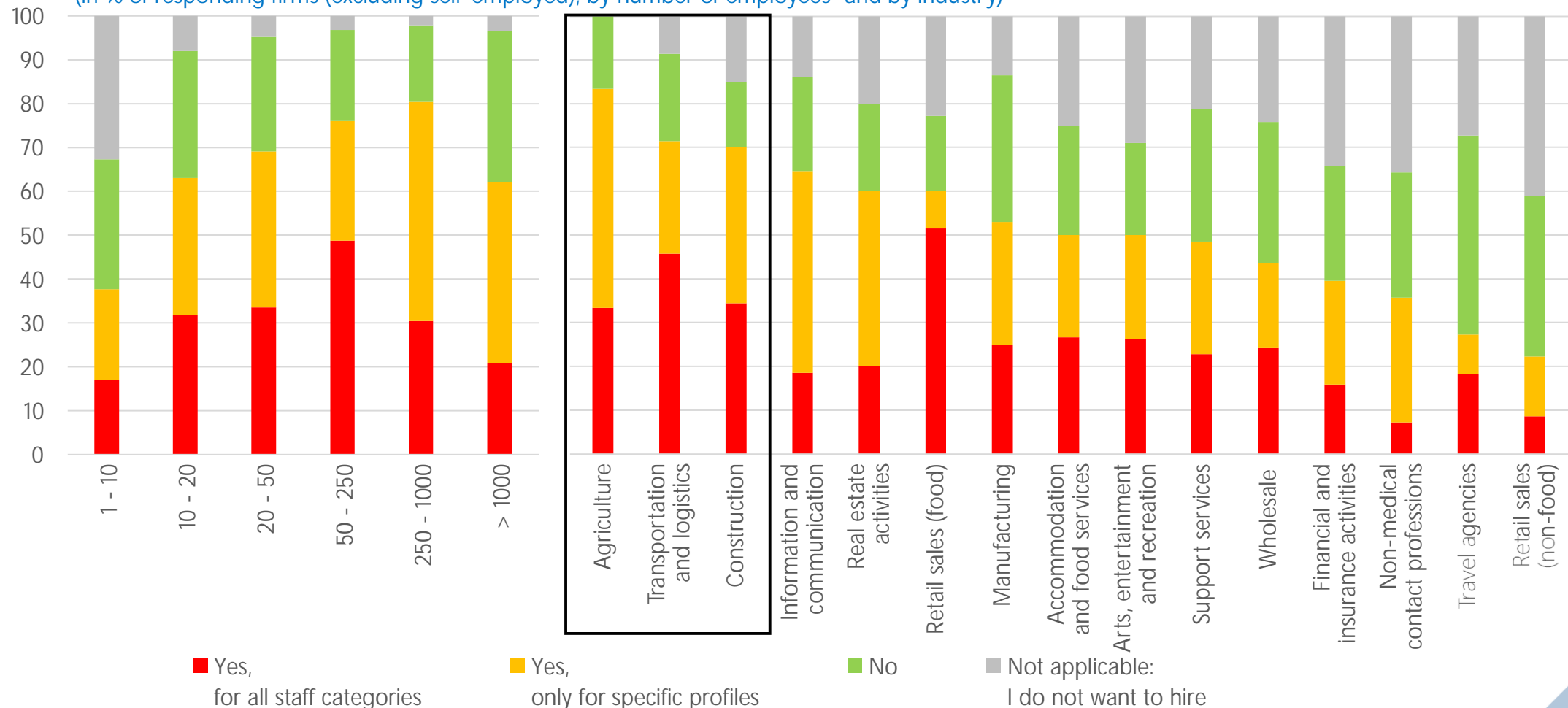
Will you pass your higher input costs on your sales prices in the next 6 months? (survey 25 May)
(in % of responding firms, by number of employees¹ and by industry)



The majority of companies report greater hiring difficulties than usual and these are often more general than a shortage of specific profiles

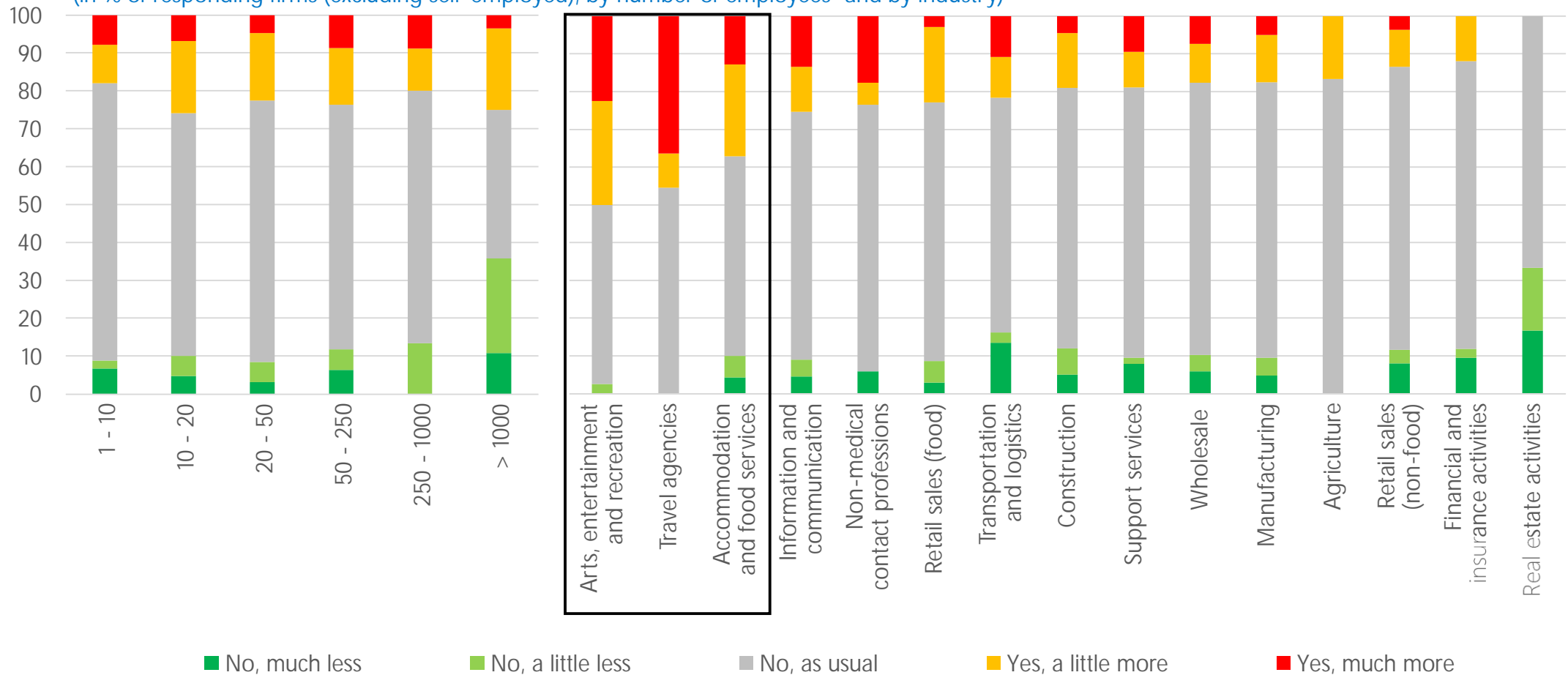
Are you experiencing greater difficulties than usual in finding right staff? (survey 25 May)

(in % of responding firms (excluding self-employed), by number of employees¹ and by industry)



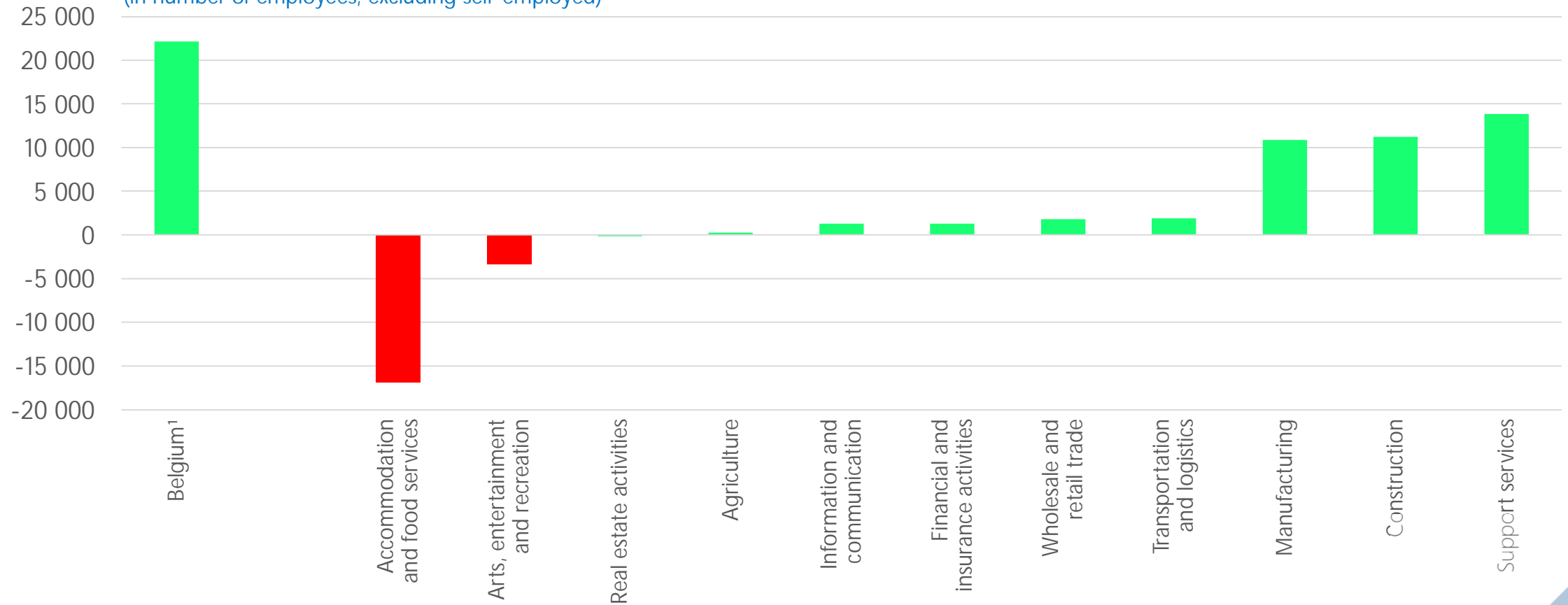
Staff turnover in the past year has been higher than usual, especially in entertainment, travel agencies and accommodation and food services

Has more staff than usual left the company on their own initiative since March 2020? (survey 25 May)
(in % of responding firms (excluding self-employed), by number of employees¹ and by industry)



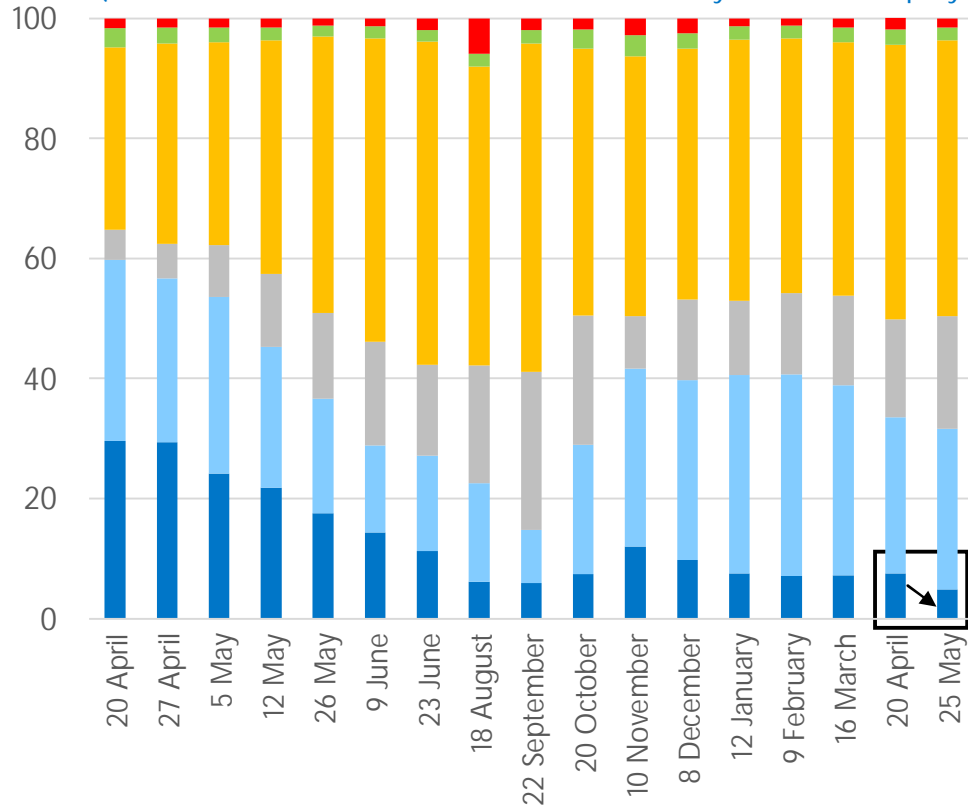
Lay-offs in the worst-hit industries could be more than offset in 2021 by planned hiring in several large industries

Expected net change in employees in 2021 (survey 25 May)
(in number of employees, excluding self-employed)

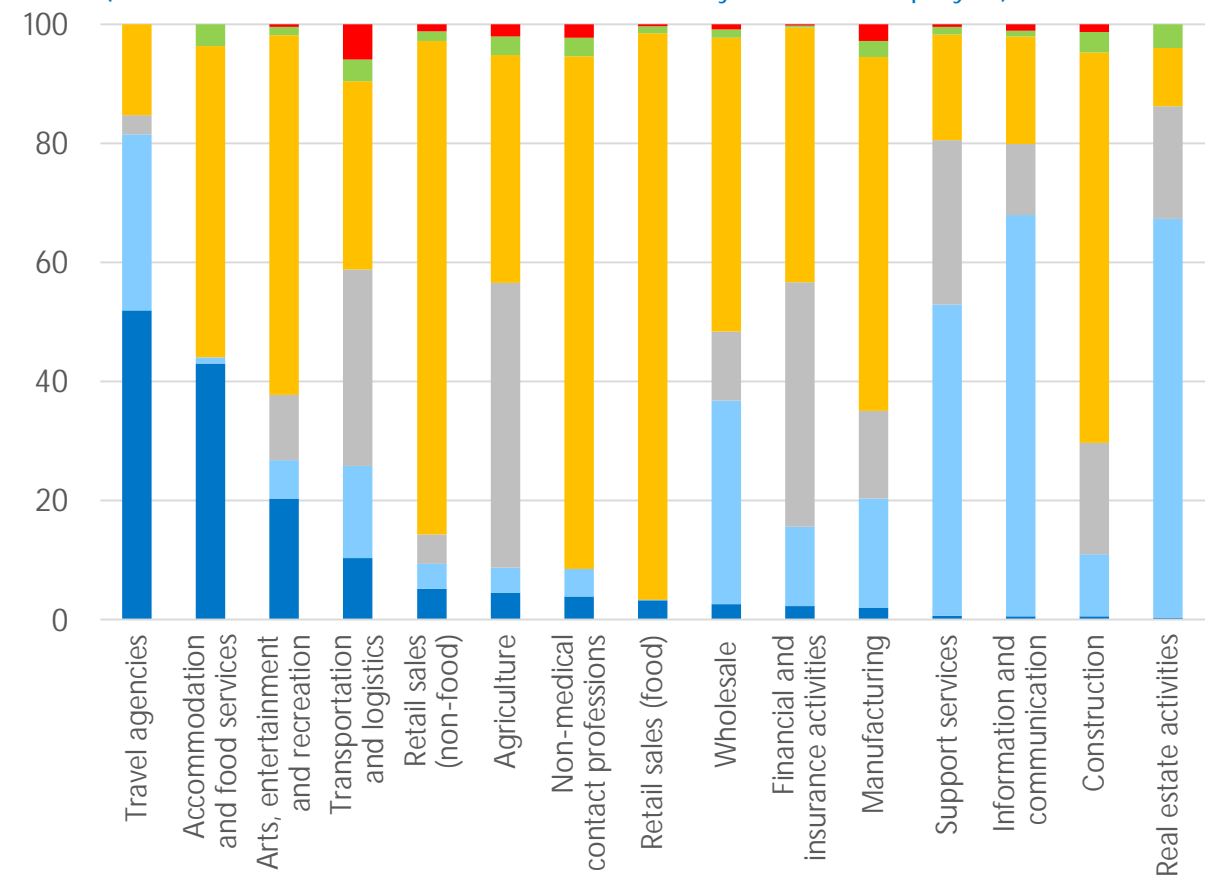


Strong reduction of temporary unemployment, especially in contact professions, entertainment, accommodation and non-food retail

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



Workforce organisation by industry (survey 25 May)
(in % of total staff size of the firms in the survey, excl. self-employed)

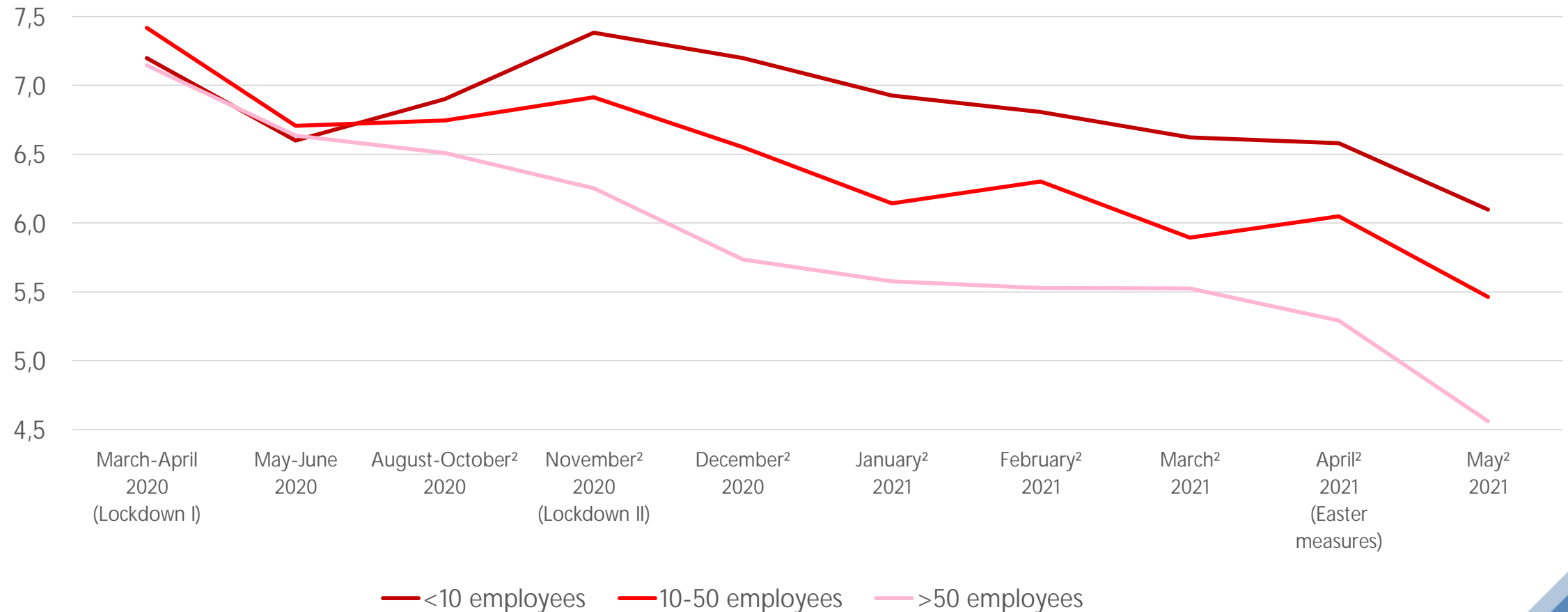


■ temporarily unemployed ■ full-time telework ■ mix telework/workspace ■ at workplace ■ sick leave ■ on leave

The degree of concern substantially decreases in May for all firm sizes and it continues to be lower for the large firms

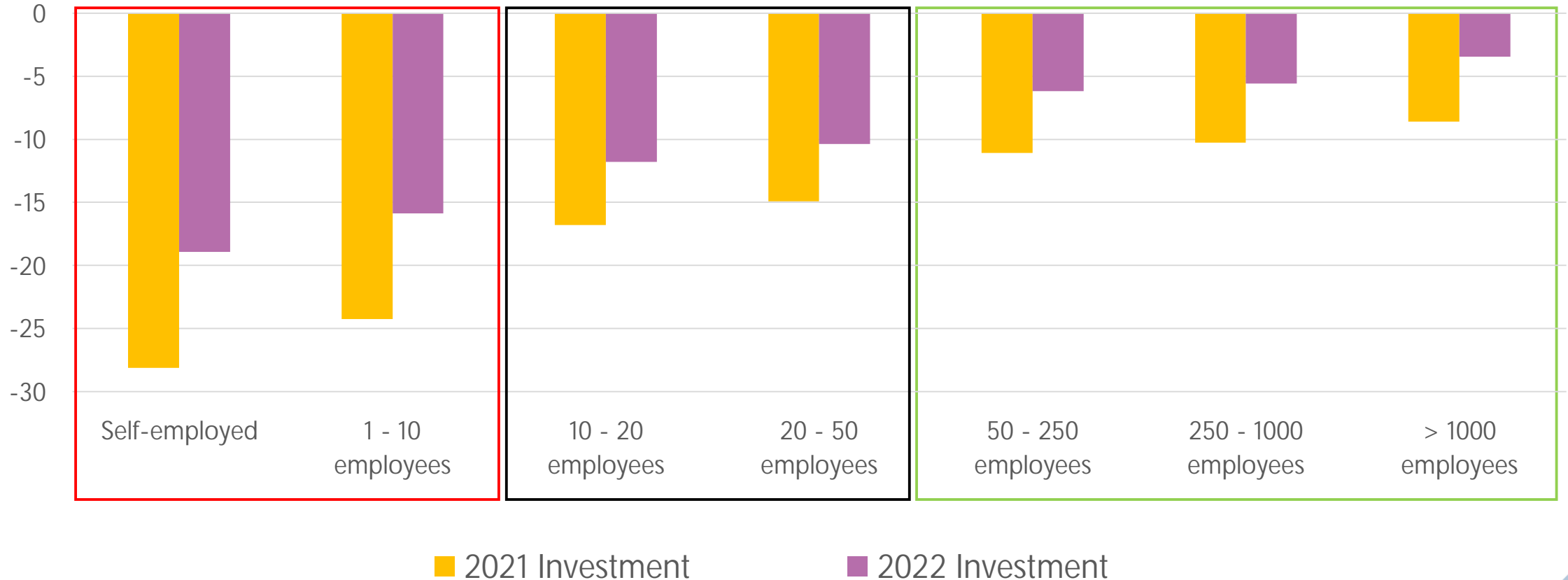
Degree of concern, by firm size

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



Investment plans of large firms are hit much less than those of small firms

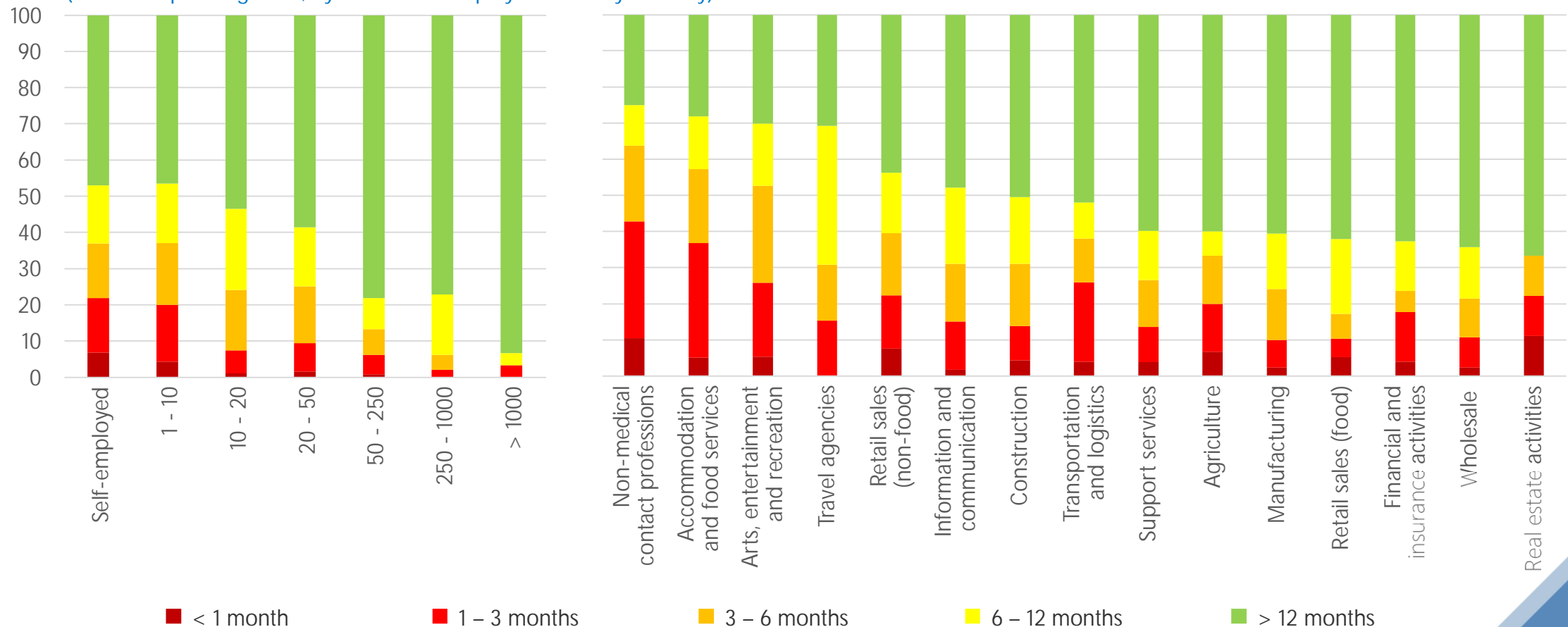
COVID-19 impact on planned investment in 2021 and 2022, by number of employees (survey 25 May)
(in %, unweighted average¹)



The short-term financing needs slightly decreased but continue to be much larger for the small firms and firms in the worst-hit industries

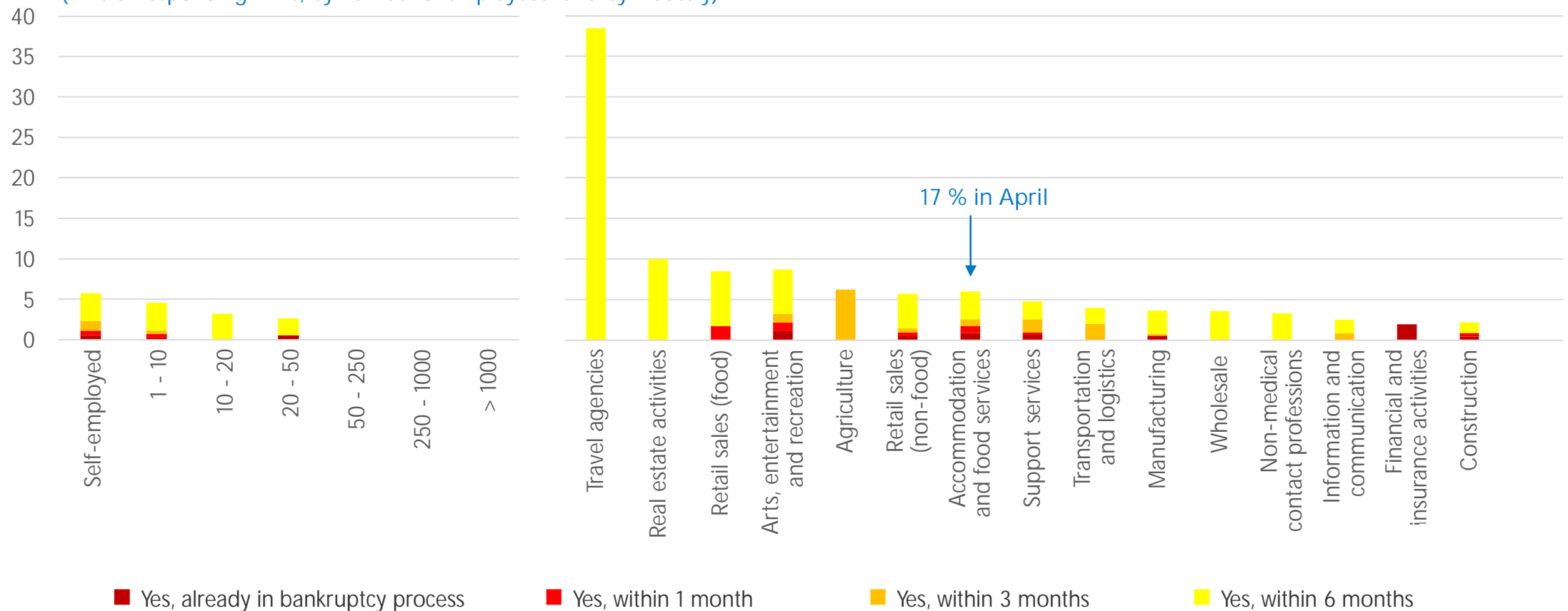
How long can you still meet your current financial obligations without having to rely on additional capital injections or additional loans? (survey 25 May)

(in % of responding firms, by number of employees¹ and by industry)



The number of firms that expect to file for bankruptcy has decreased in May, especially in accommodation and food services

Do you expect to file for bankruptcy within the next 6 months? (survey 25 May)
(in % of responding firms, by number of employees¹ and by industry)

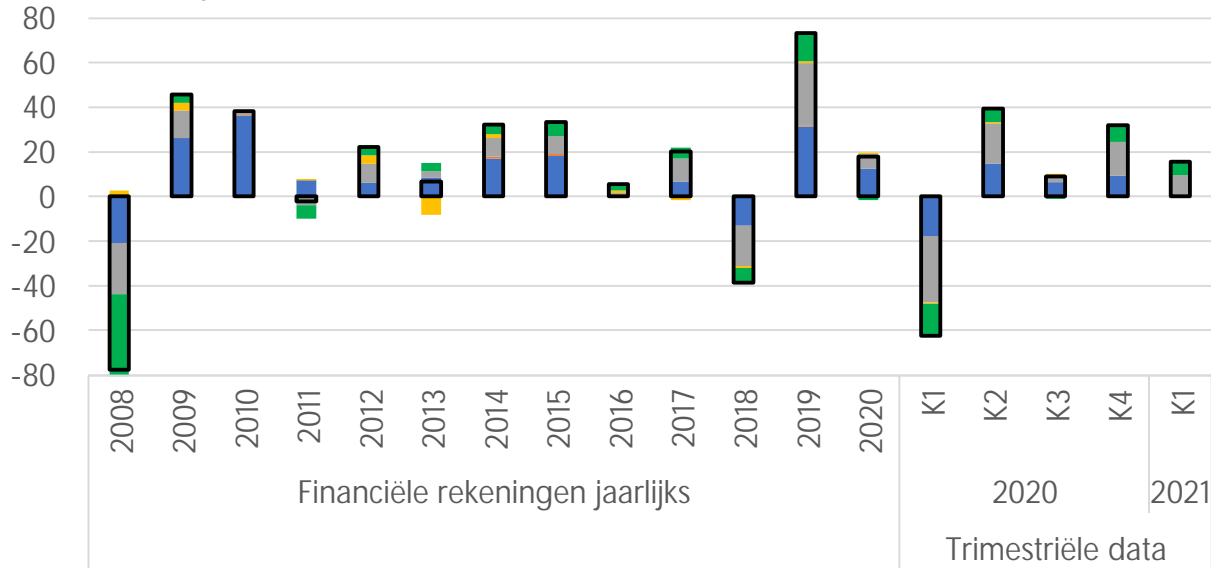




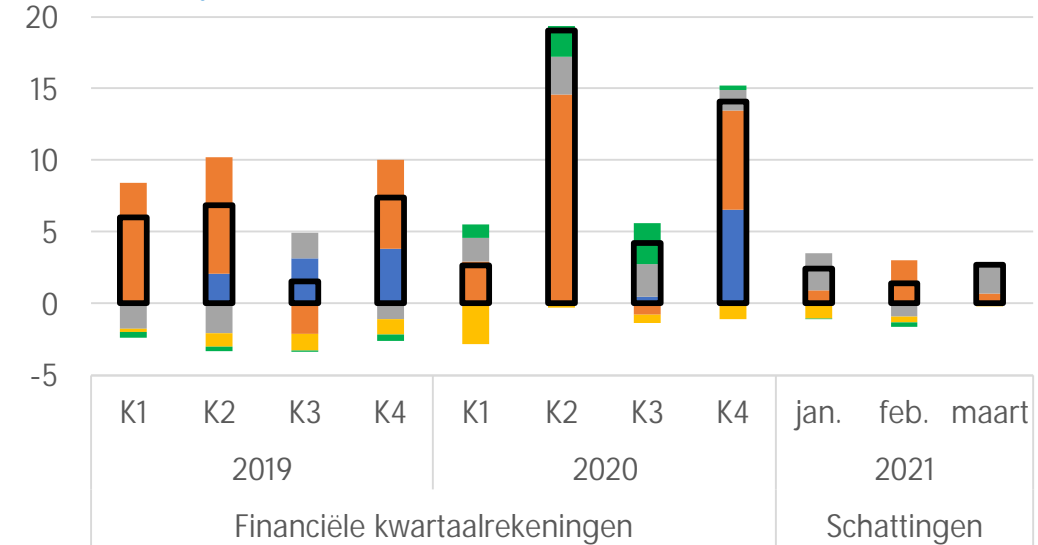
Credit indicators households

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)



■ Andere activa¹ ■ Deposito's ■ Beleggingsfondsen ■ Schuldbewijzen ■ Genoteerde aandelen ■ Totaal

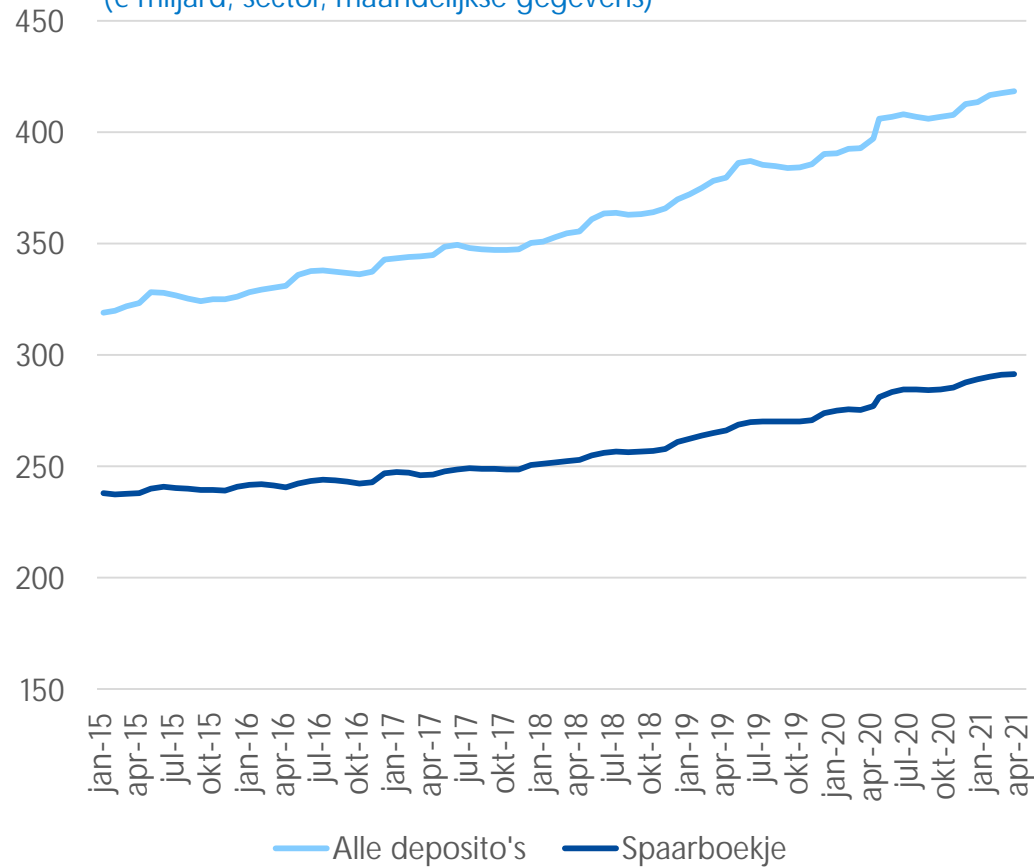
- ◆ In 2020K1 veroorzaakte de sterke daling in de beurskoersen waardedalingen in de financiële activa van de particulieren voor 62,8 miljard euro. Door het herstel van de beurzen in de daaropvolgende kwartalen werden de waardedalingen uit het eerste kwartaal volledig hersteld. Negatieve prijseffecten waren beduidend hoger tijdens de financiële crisis van 2008.
- ◆ p.m. de totale financiële activa van de particulieren bedroegen 1 466 miljard eind december 2020.

- ◆ De transacties in financiële activa van de particulieren in 2020 tonen forse investeringen voor totaal 40 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 kwamen eveneens hoger uit in 2020 tegenover voorgaande jaren. In 2021 werd voornamelijk geïnvesteerd in beleggingsfondsen.

Deposito's van Belgische huishoudens

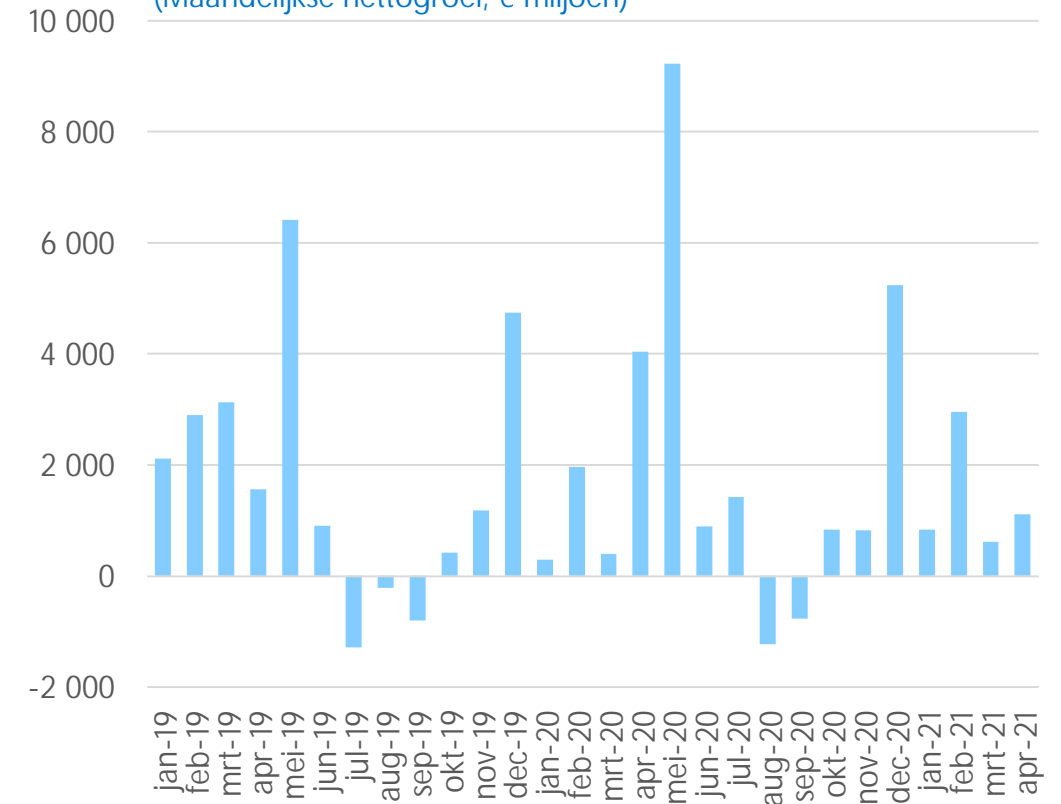
Deposito's Belgische huishoudens

(€ miljard, sector, maandelijkse gegevens)



Groei alle deposito's Belgische huishoudens

(Maandelijkse nettogroei, € miljoen)



Negatieve saldi op rekeningen / kredietkaarten

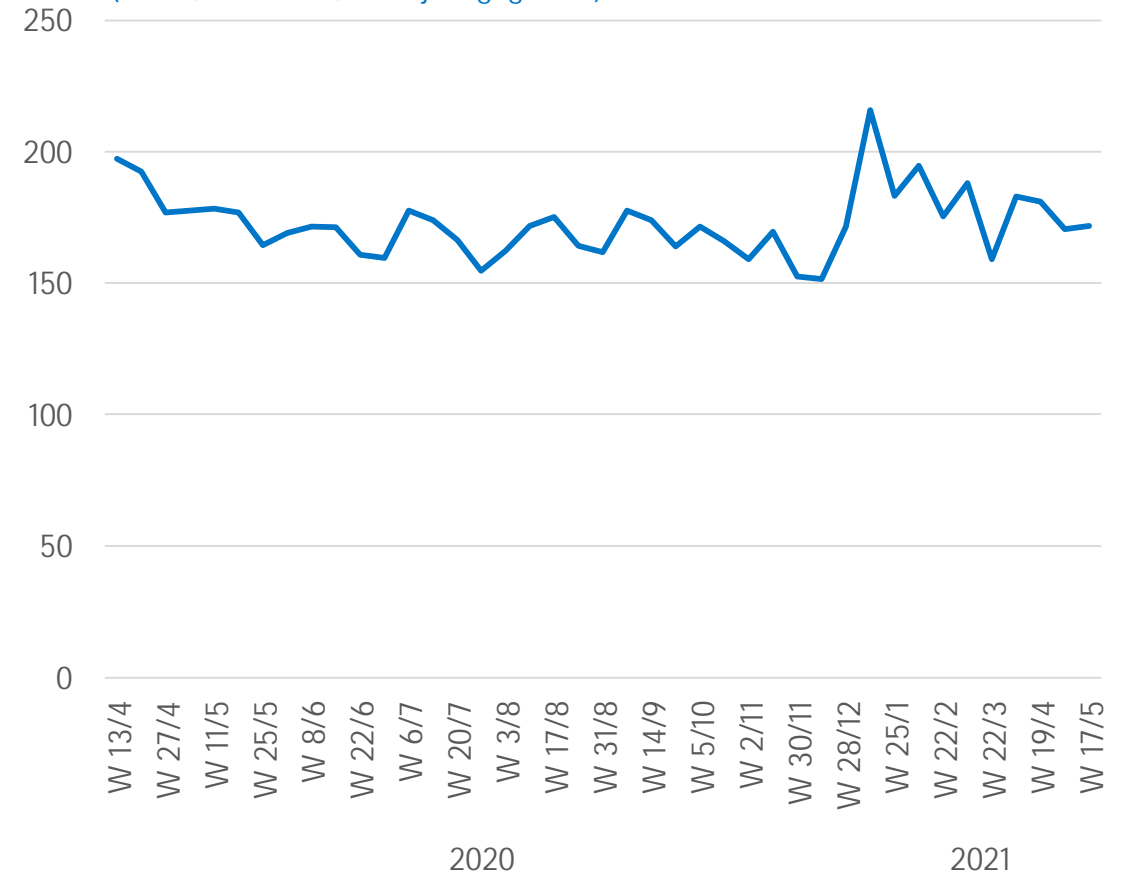
Negatieve saldi op rekeningen

(stock, in € miljoen, maandelijkse gegevens)

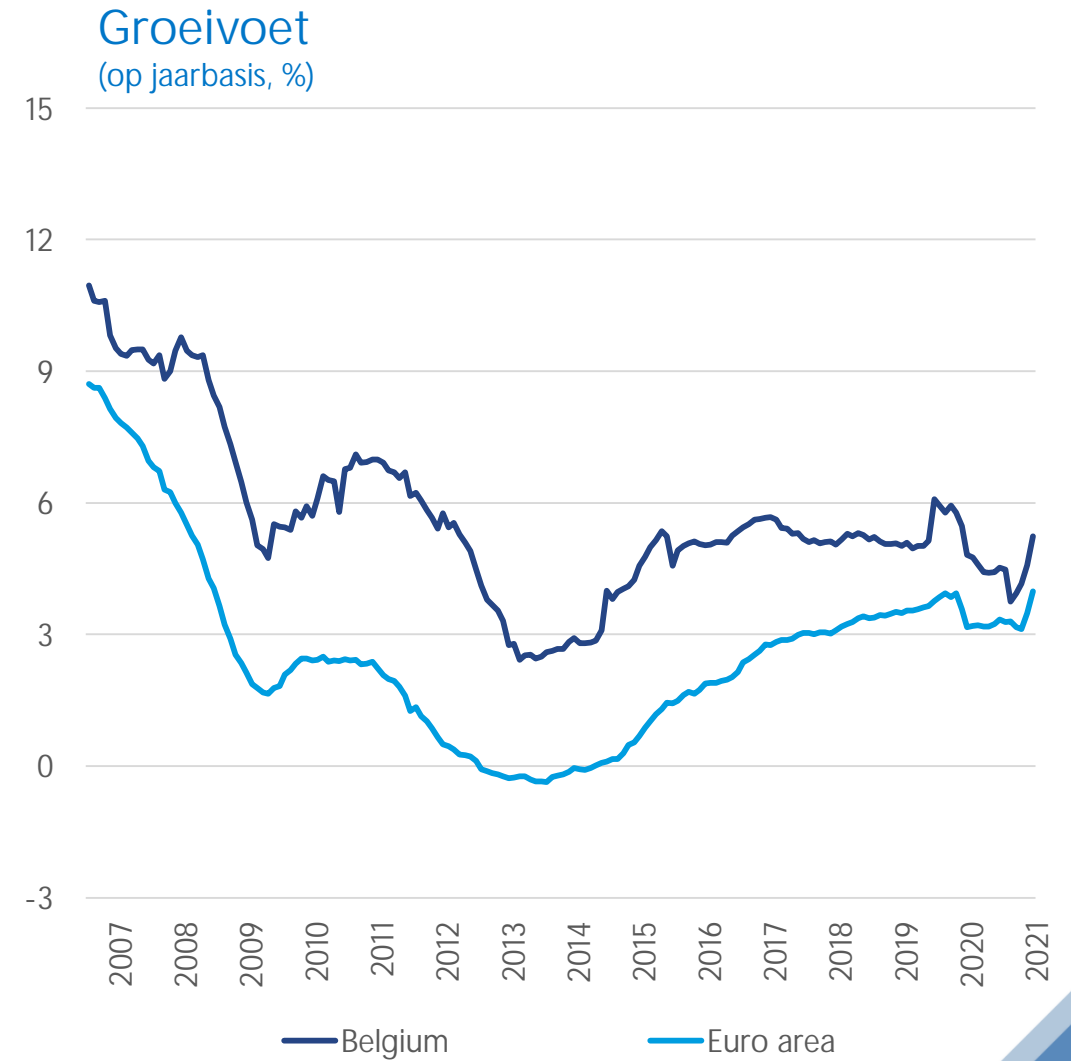
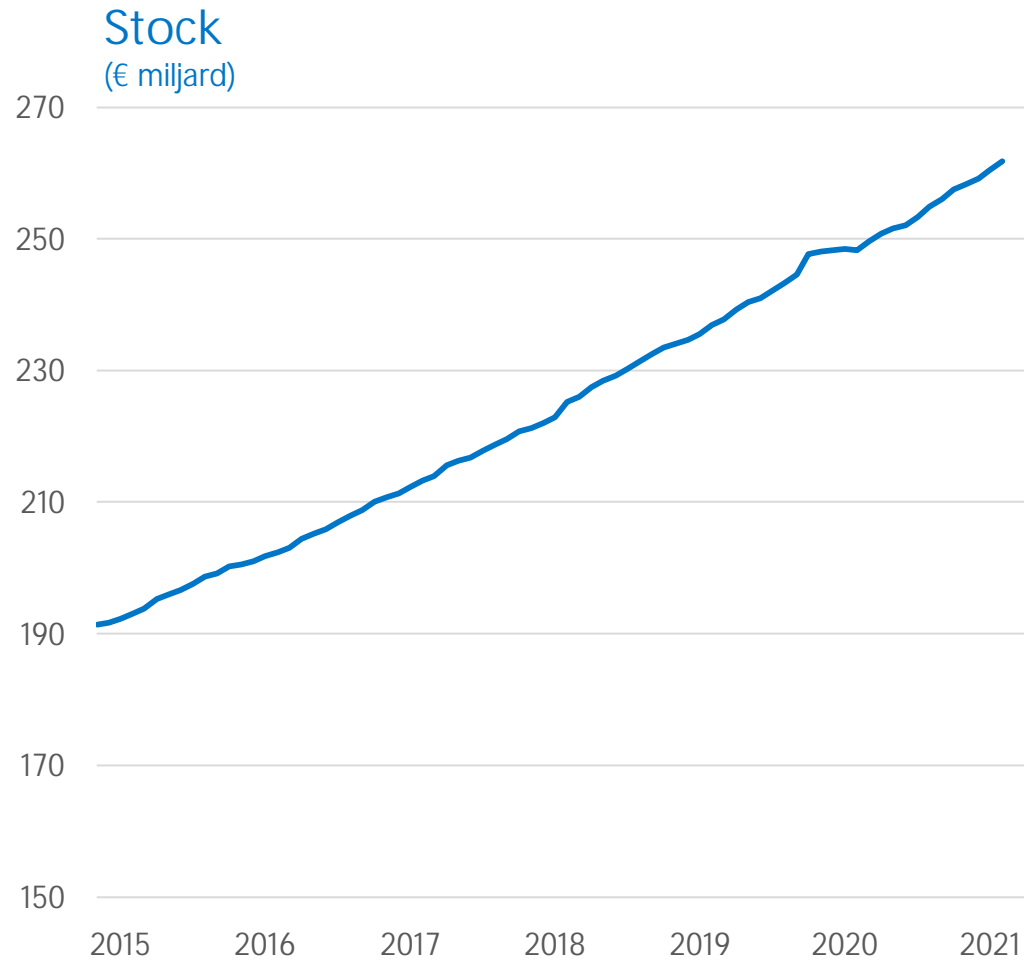


Aantal rekeningen "teveel in het rood"

(aantal, in duizend, wekelijkse gegevens)



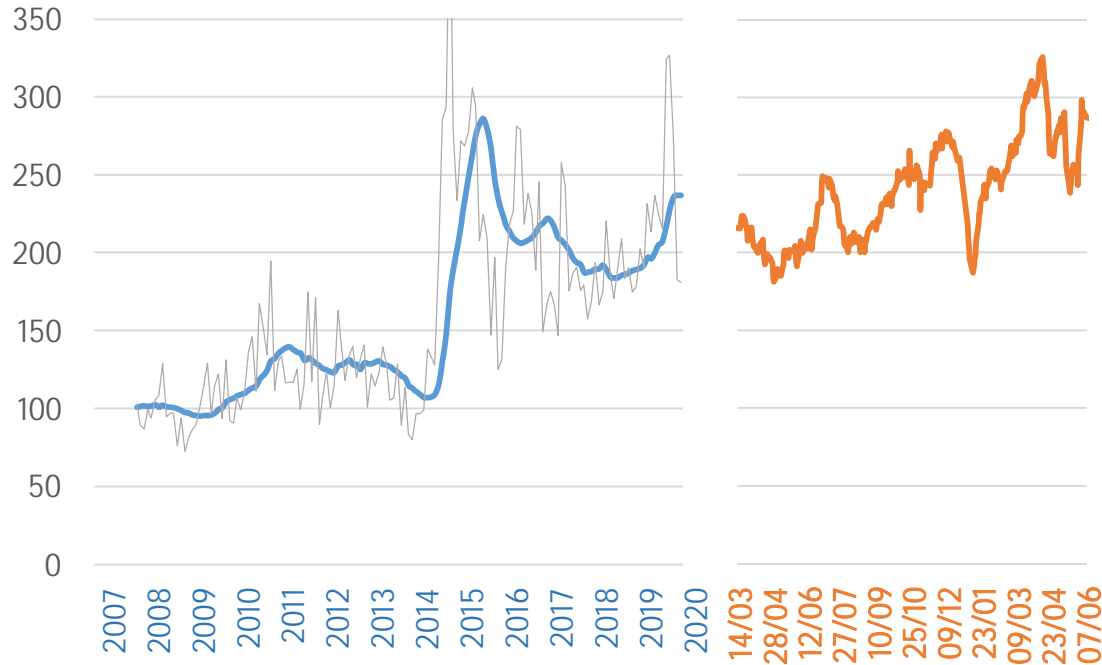
Bankkredieten van Belgische huishoudens



Hypotheekleningen: nieuwe leningen en wanbetalingsgraad

Nieuwe leningen

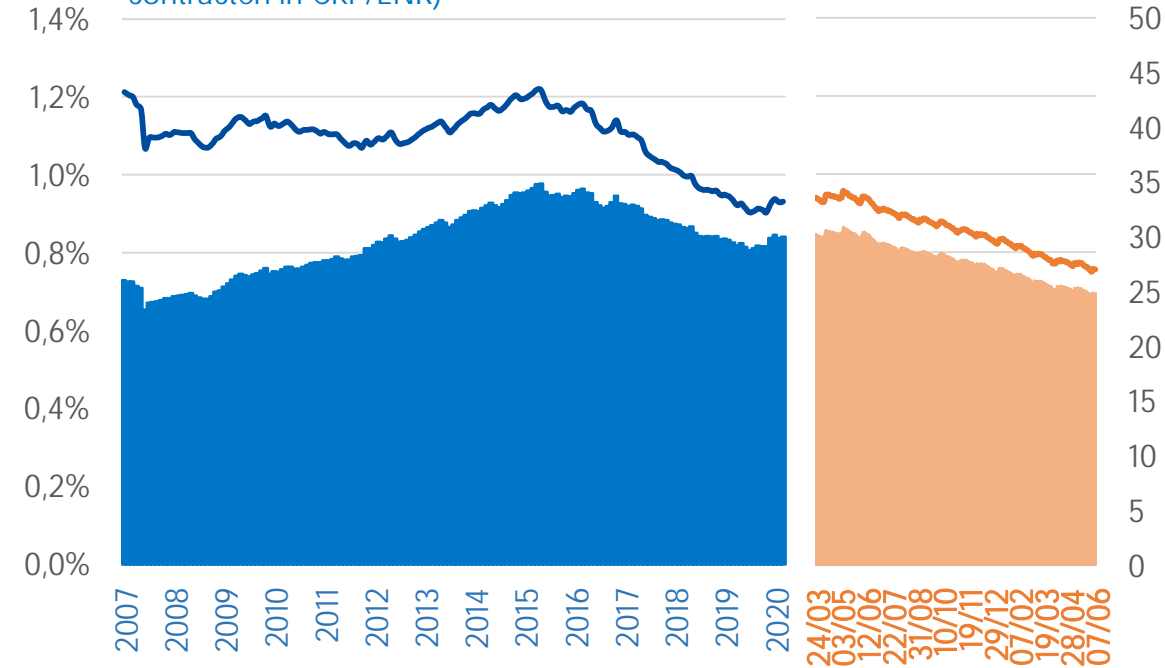
(geregistreerd bedrag per werkdag in CKP, in € miljoenen)



- 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)

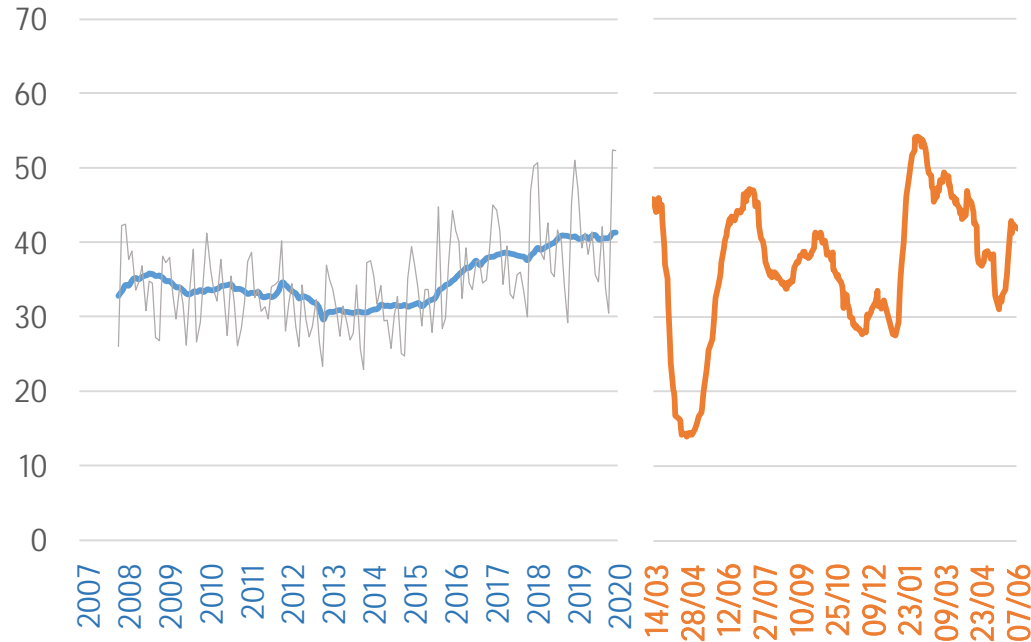


- Aantal uitstaande achterstallige contracten (maandelijkse gegevens, rechterschaal in duizenden)
- Wanbetalingsgraad (maandelijkse gegevens, linkerschaal in %)
- Aantal uitstaande achterstallige contracten (dagelijkse gegevens, rechterschaal in duizenden)
- Wanbetalingsgraad (dagelijkse gegevens, linkerschaal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

Consumentenkredieten¹: nieuwe leningen en wanbetalingsgraad

Nieuwe leningen

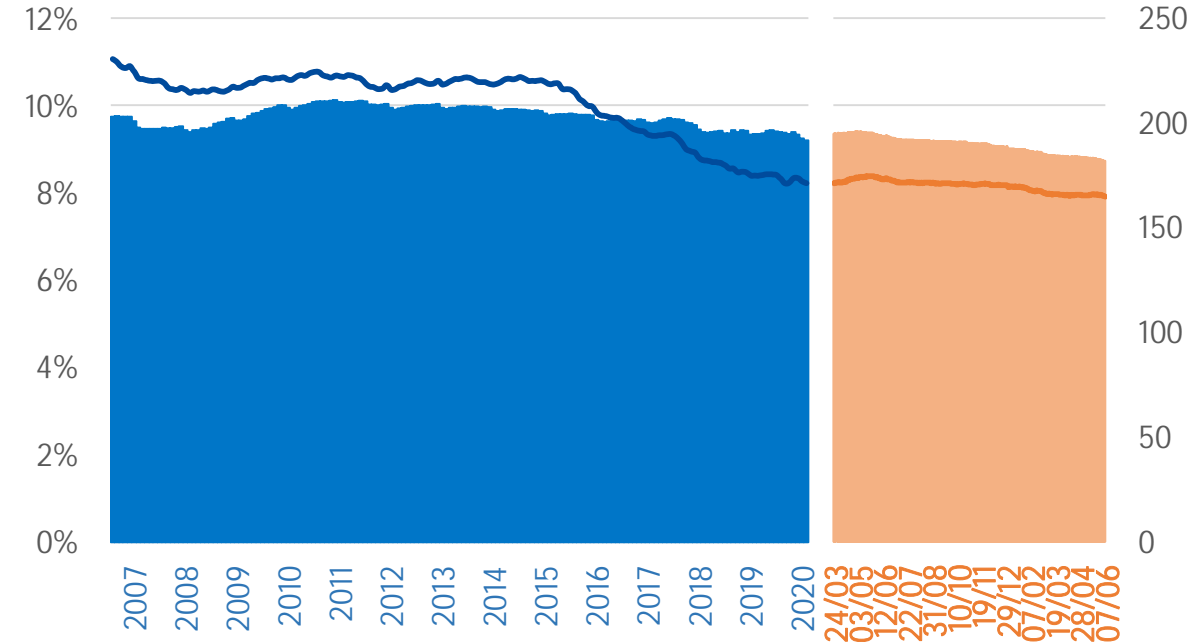
(geregistreerd bedrag per werkdag in CKP, in € miljoenen)



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

Wanbetalingsgraad

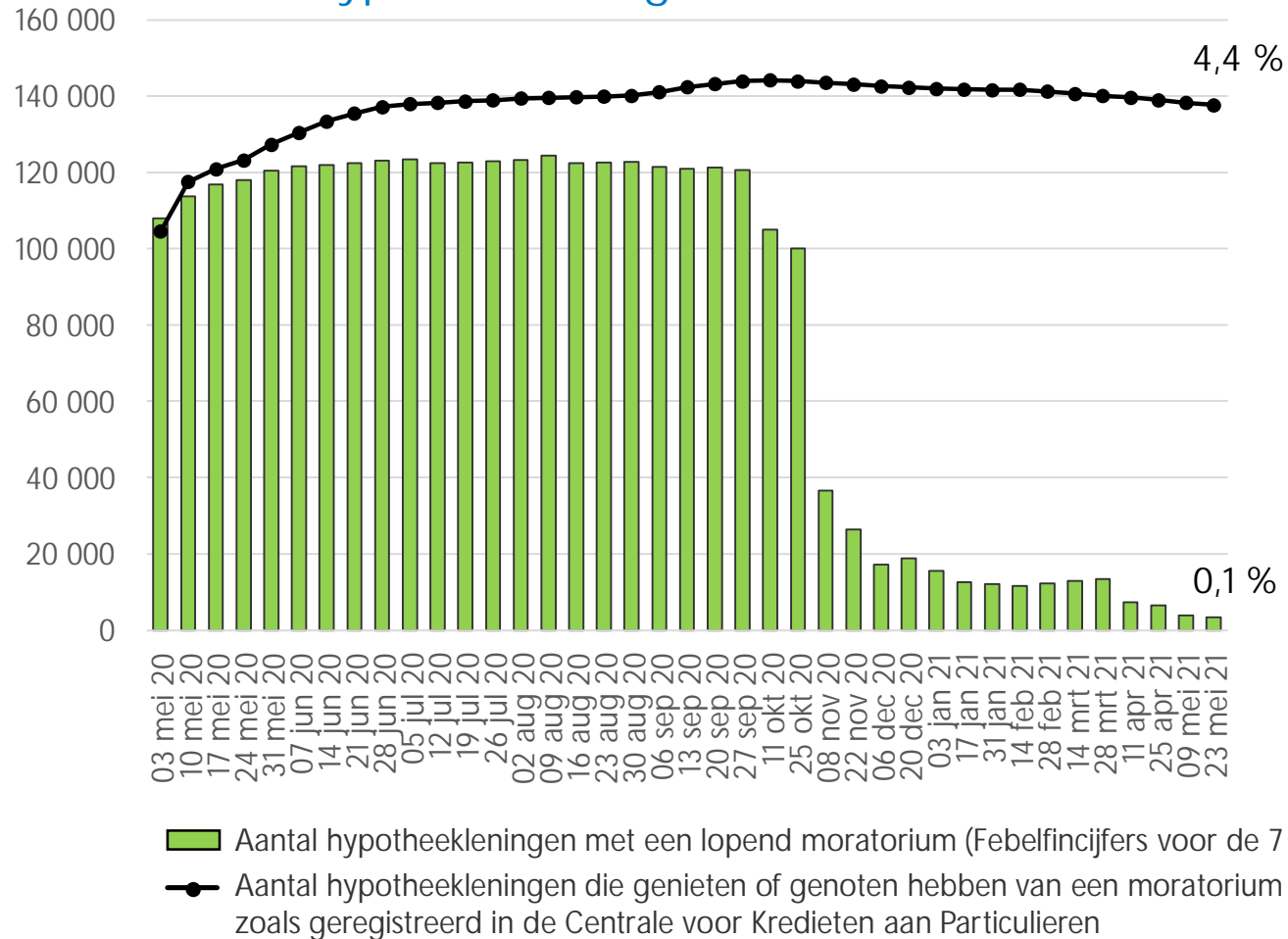
(Aantal uitstaande achterstallige contracten, % van alle uitstaande contracten in CKP/ENR)



- 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 %)

Moratoria voor leningen aan gezinnen

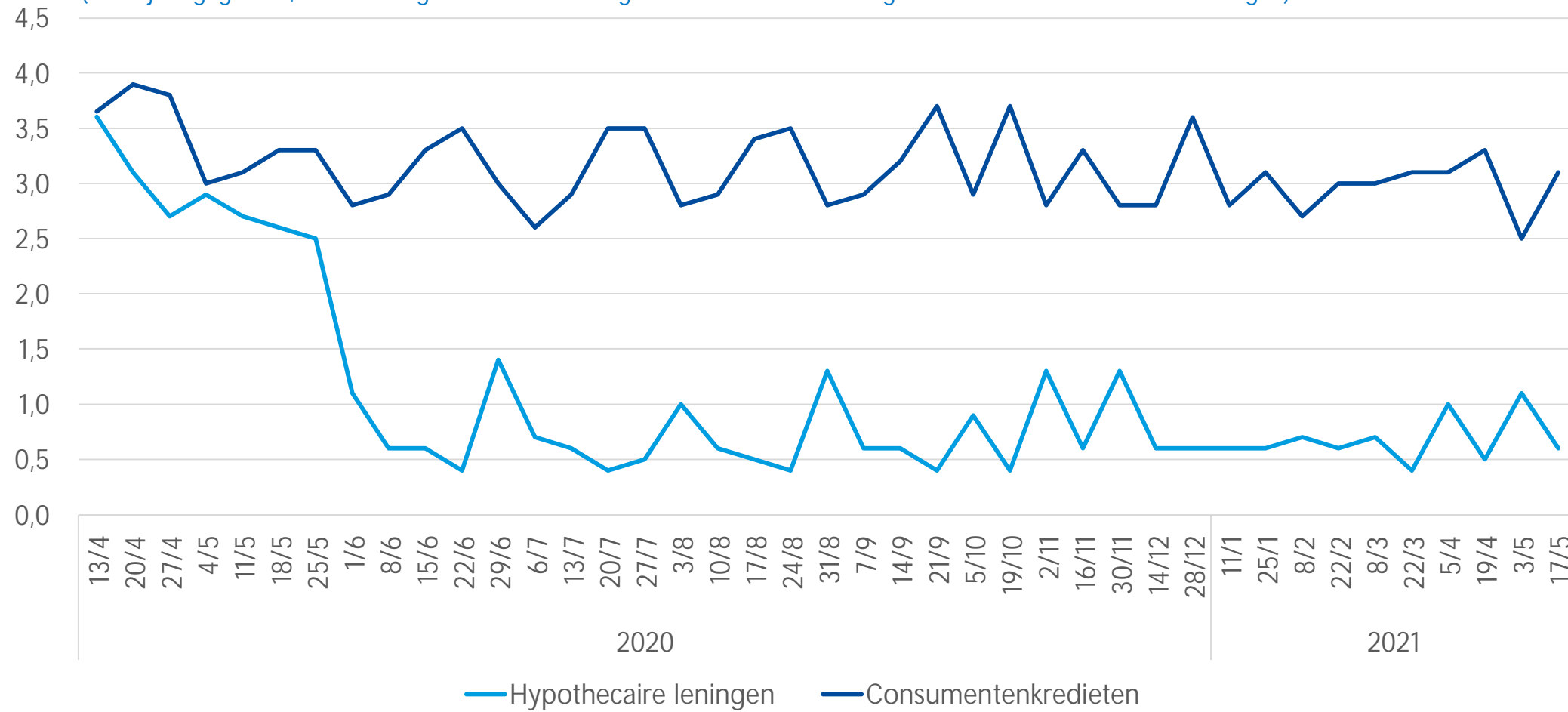
Aantal hypotheekleningen onder moratorium



- ◆ Aantal **consumentenleningen** die genieten of genoten hebben van een moratorium zoals geregistreerd in de Centrale voor Kredieten aan Particulieren (op 23 mei)
 - ◇ 9 595 leningen
 - ◇ waarvan 9 297 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, and semi-transparent image of a coronavirus particle, showing its characteristic spherical shape and numerous surface spikes. The particle is centered and slightly tilted, with other smaller, less distinct particles visible in the background, creating a sense of depth. The overall color palette is light blue and white, with a dark blue triangular graphic element in the top-left corner.

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 2020.
- ◇ The annual growth rate of authorised (granted) credit is now lower than that observed before the pandemic
- ◇ Growth rates of authorised and utilised loans since the start of the crisis have been lower than the average over recent years
- ◇ Loan arrears have been stable since May 2020
- ◇ Small or medium-sized enterprises (SMEs) have larger proportions of loans in moratorium than larger firms

- ◆ According to the January 2021 Bank lending survey:

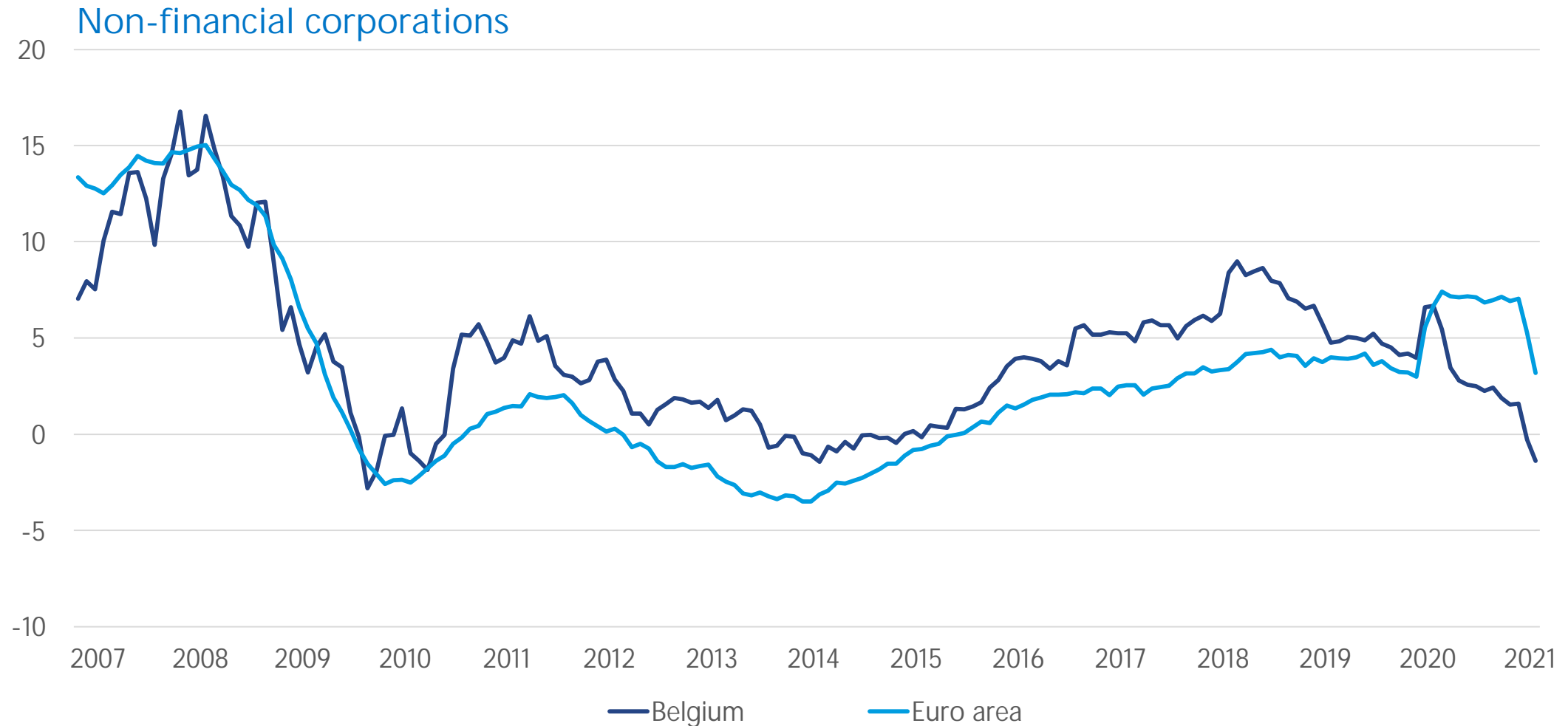
- ◇ Stabilised demand for loans from Belgian SMEs but declining demand from large firms in 2021Q1. Banks expect an overall decrease in demand in 2021Q2.
- ◇ Unchanged credit standards, following tightened conditions in the previous quarters. Perception of risk still exerted a tightening pressure.

Firms perceived less favorable credit conditions

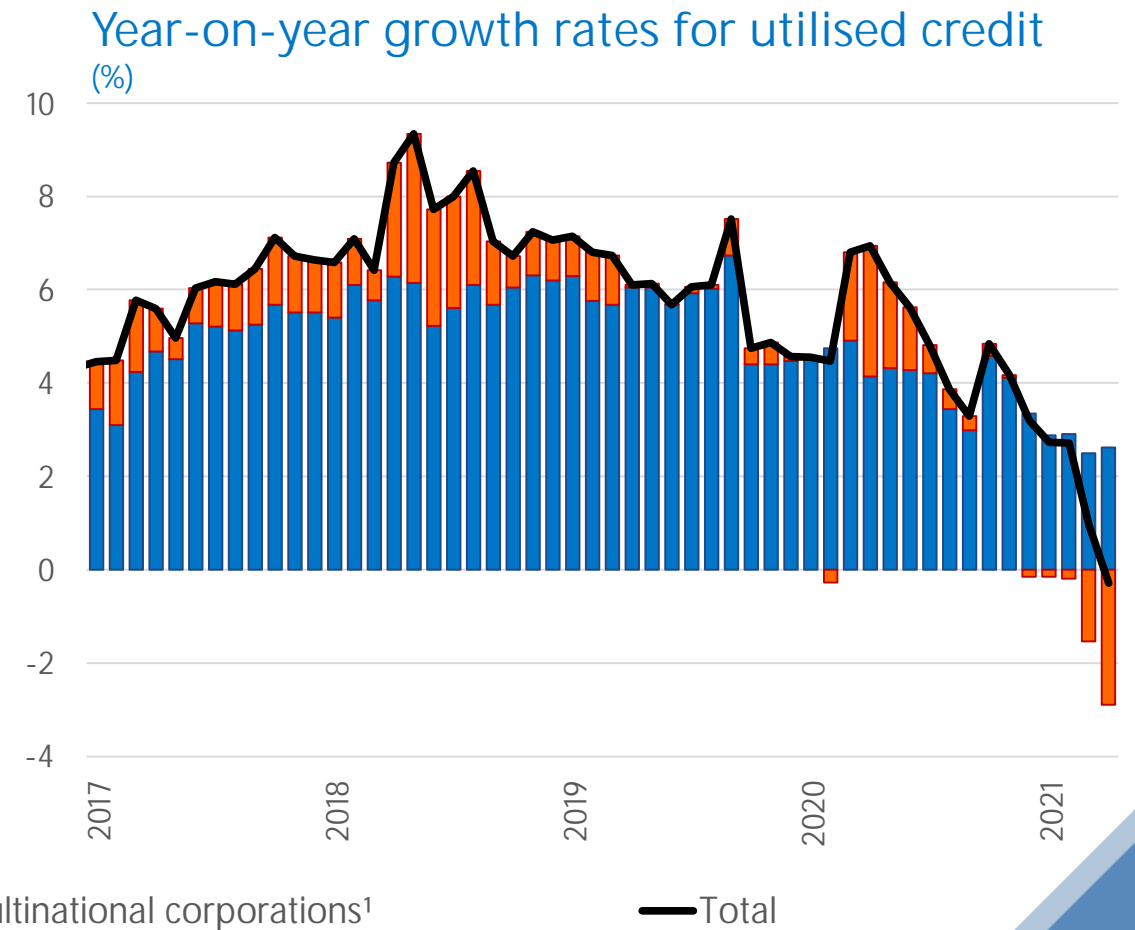
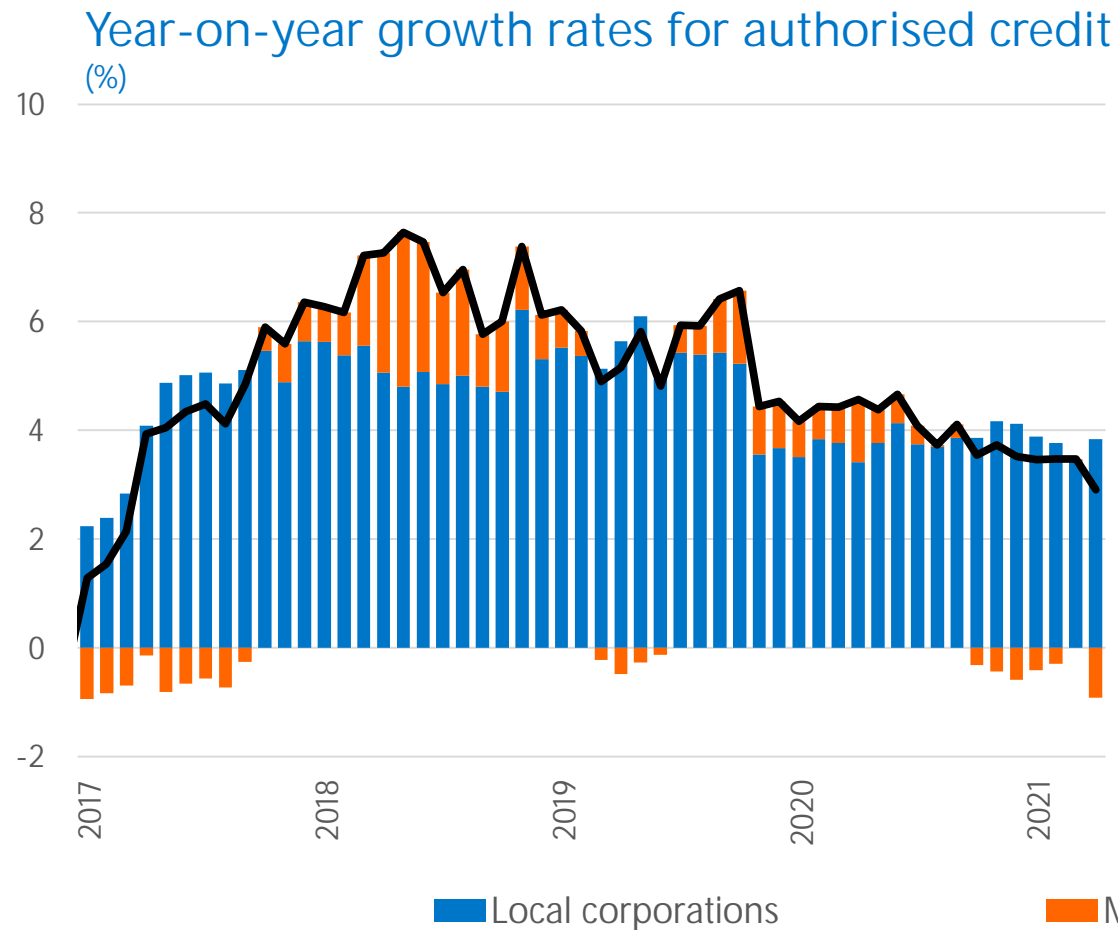
- ◆ **Belgian firms reported a slight deterioration of their credit conditions in 2021Q1 compared to 2020Q4**
 - ◇ Slight decline in the assessment of the general credit conditions by firms
 - Mainly due to the corporate services sector and large firms
 - The balance of the opinions (favourable vs unfavourable) is next to the historical average
 - ◇ Deterioration with respect to 2020Q4 regarding the assessment of interest rates
(source: NBB survey on credit conditions)
- ◆ **SMEs continue to fear a significant impact on bank loan availability in 2021Q2 and 2021Q3**
 - ◇ Deterioration regarding obstacles impeding access to bank financing between October 2020 and March 2021 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 = 9.2 % (against 5.9 % on average in 2017-2019 and 7.2 % from April to September 2020)
 - ◇ SMEs continue to expect a sharp deterioration in availability of bank loans over the next six months (April-September 2021)
(source: SAFE survey, conducted between 8 March and 22 April 2021)

NFC credit growth in Belgium: continued downward trend after the peak in March and April 2020

(year-on-year % changes¹, up to April 2021²)

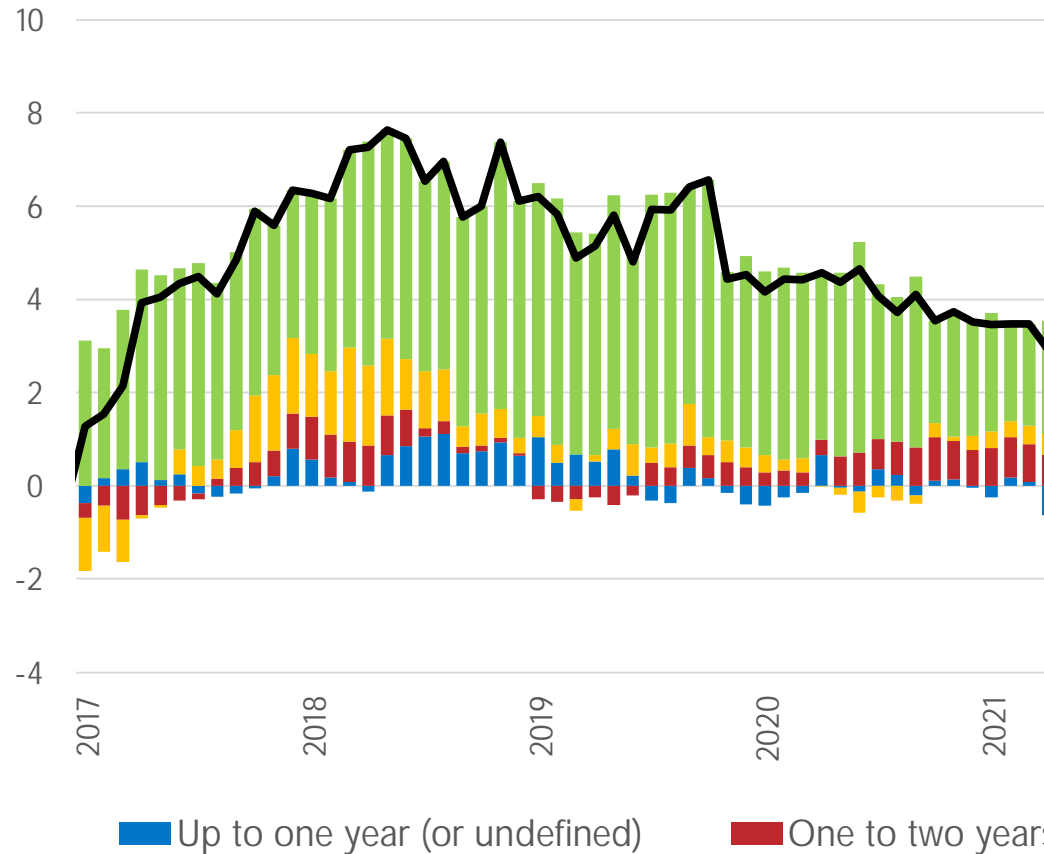


Negative contribution of multinational corporations in March & April 2021 as a result of a base effect linked to the massive drawdowns of credit lines 12 months earlier ...

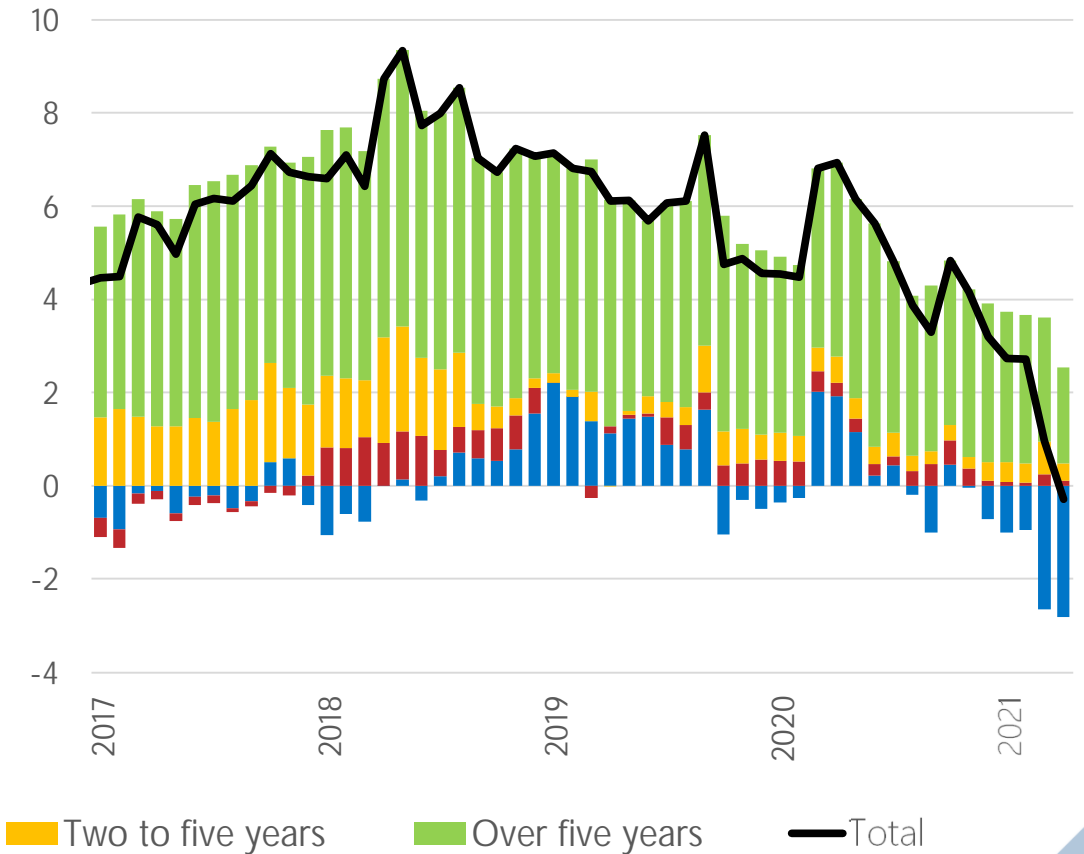


... which also translates into a negative contribution of short-term loans

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



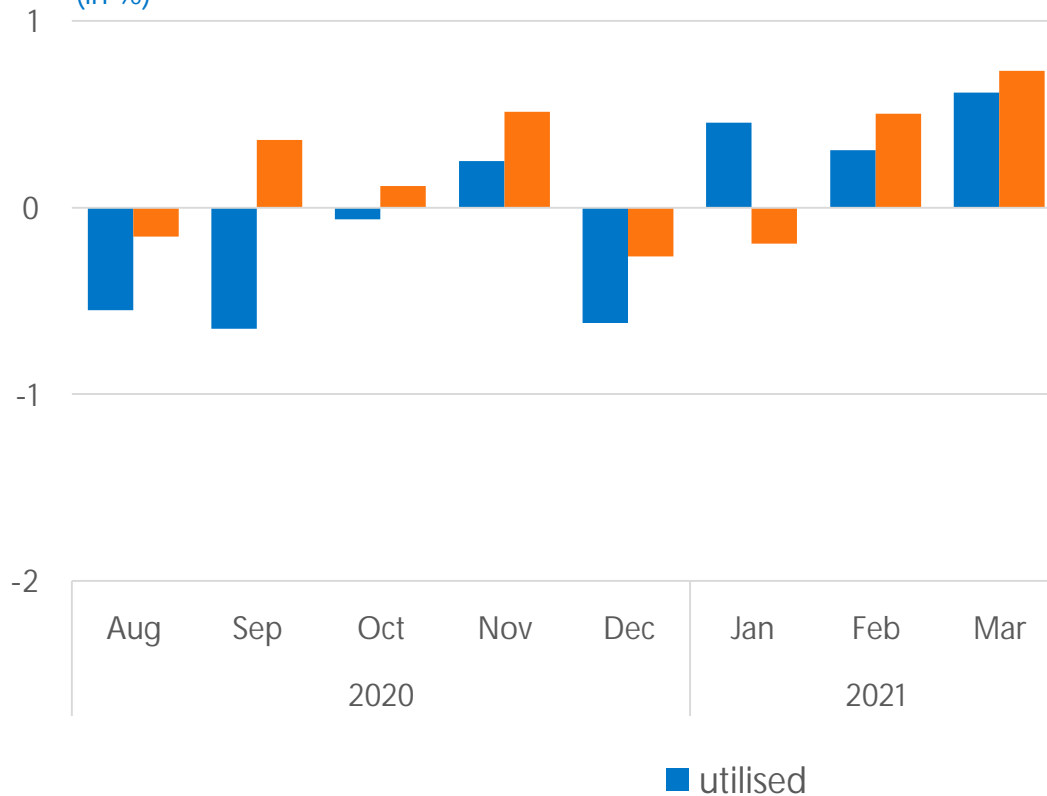
Decomposition of YoY used corporate credit growth by maturity (%)



Monthly growth of authorised loans in March similar to previous years

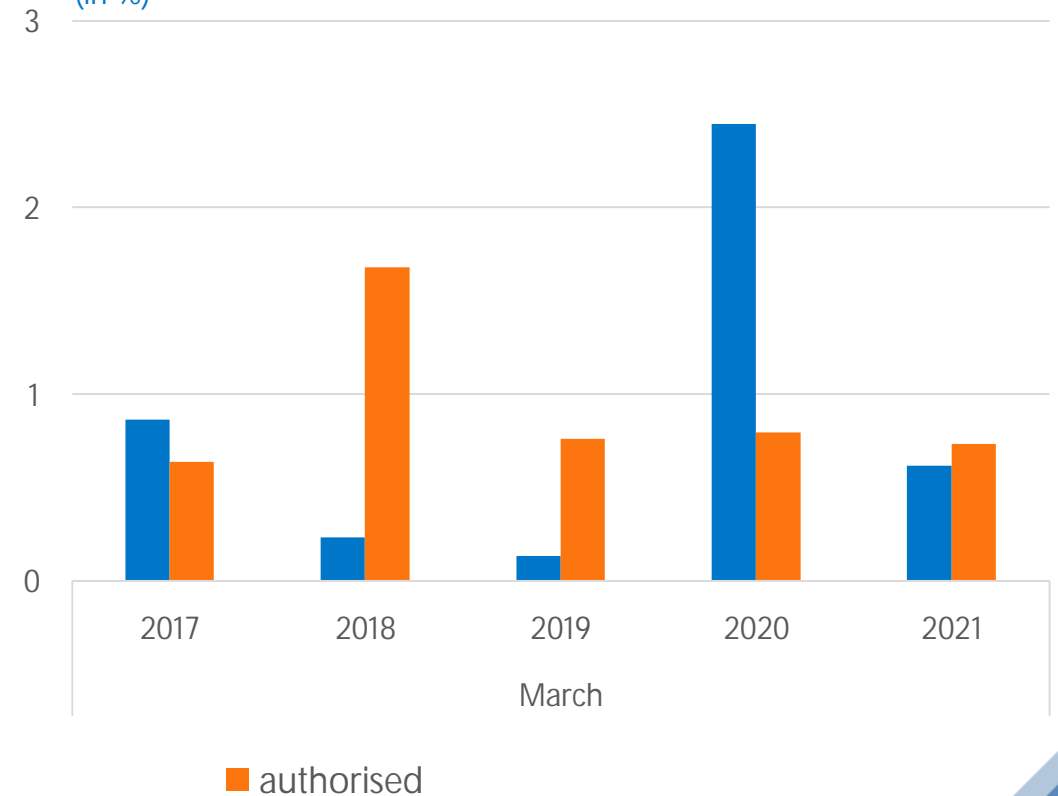
Monthly growth rates of authorised and utilised loans

(in %)



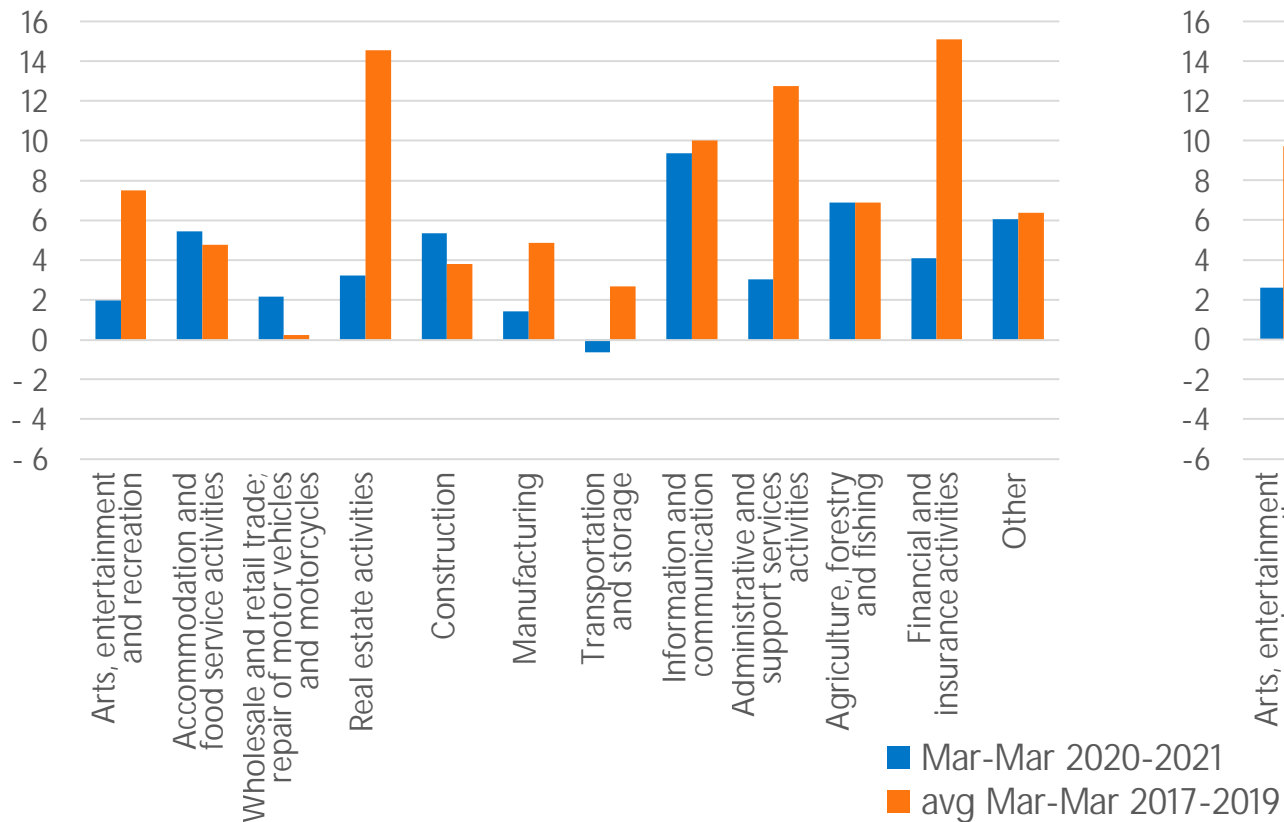
Monthly growth rates of loans for March of previous years

(in %)

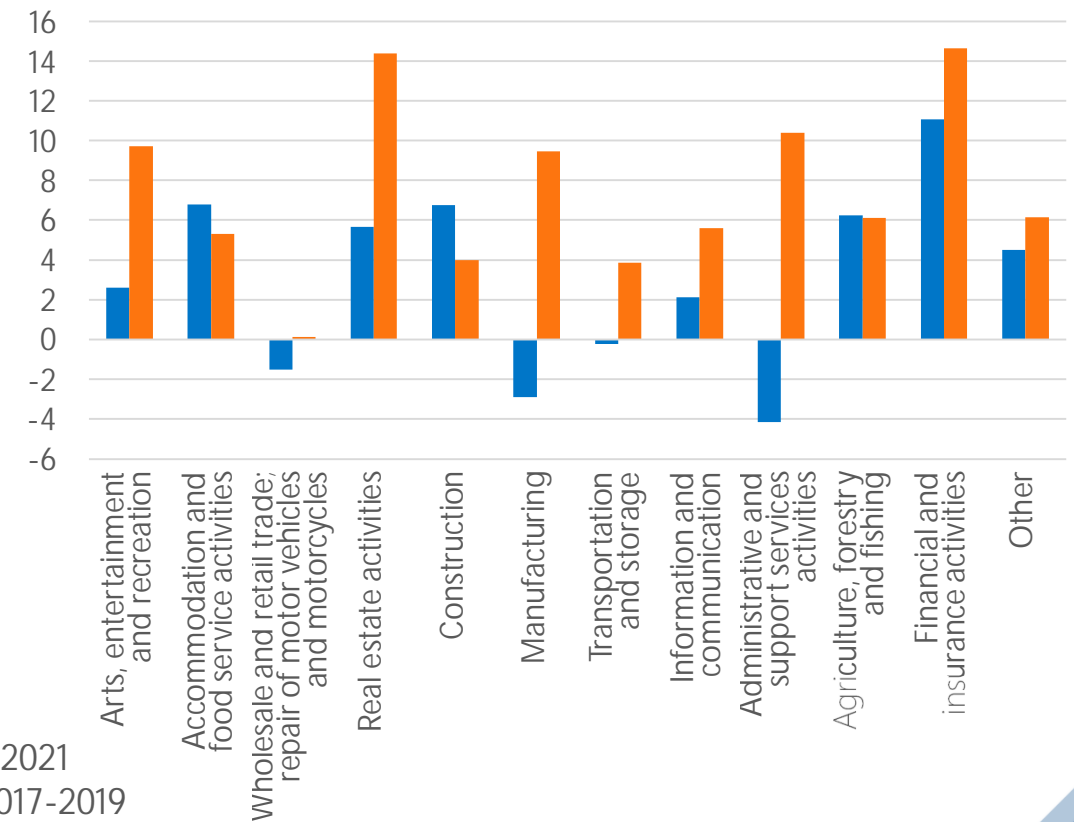


Growth in authorised and utilised loans since start of crisis is below historical averages for many vulnerable sectors

March-March growth rates of authorised loans
(in %)



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

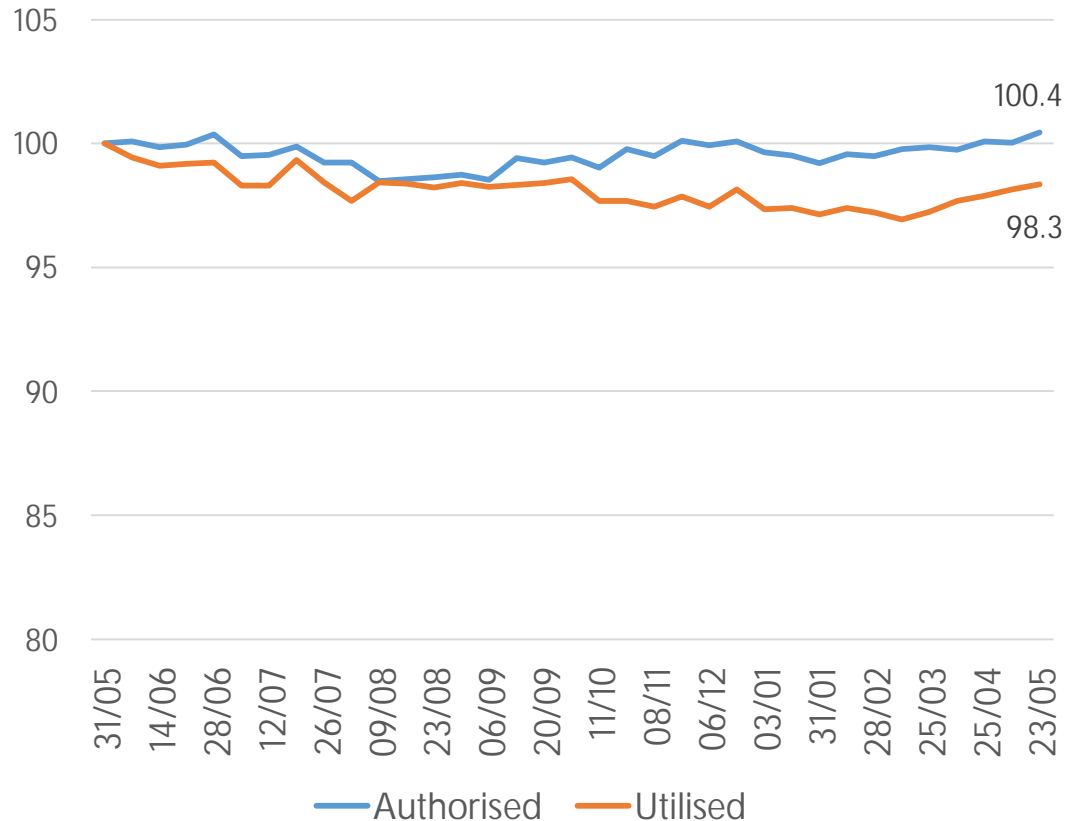


Loan developments - weekly

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

Evolution of total loans to NFCs

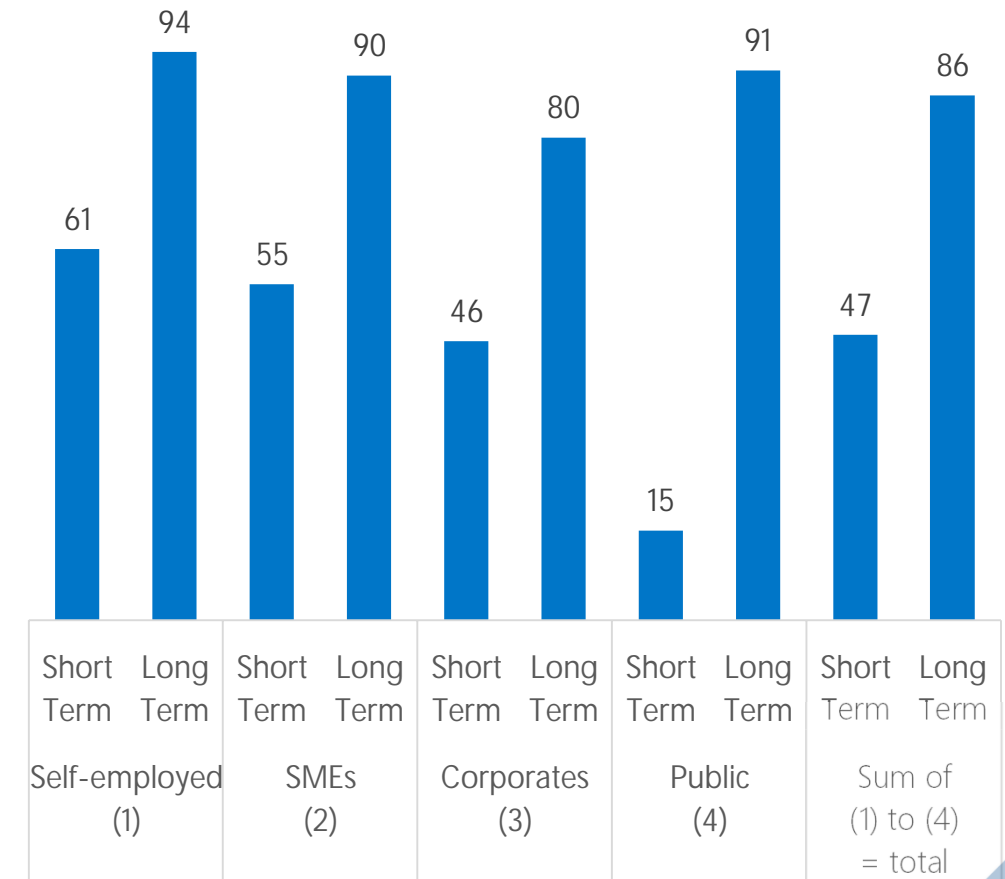
(in %)



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 %)

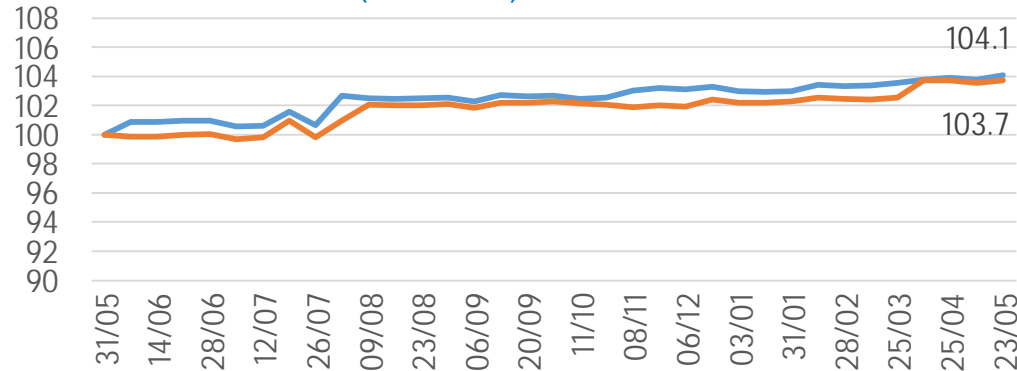


Stable loans for firms except for a decline for corporates

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

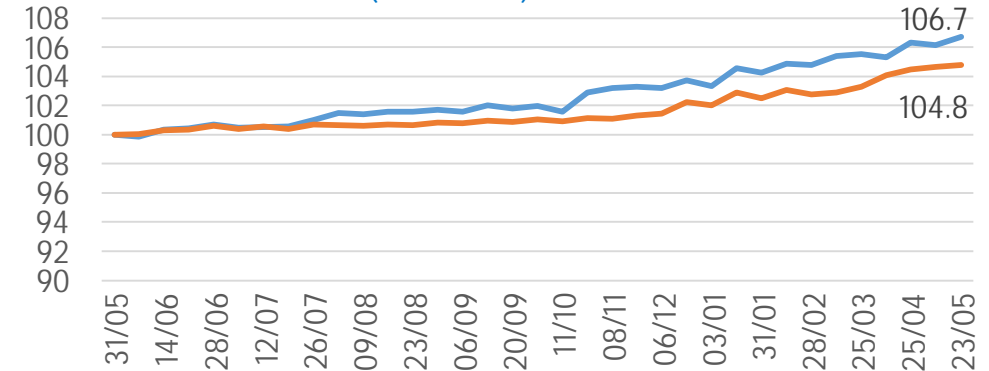
Evolution of total loans to self-employed

Latest observation (authorized) 23 billion EUR



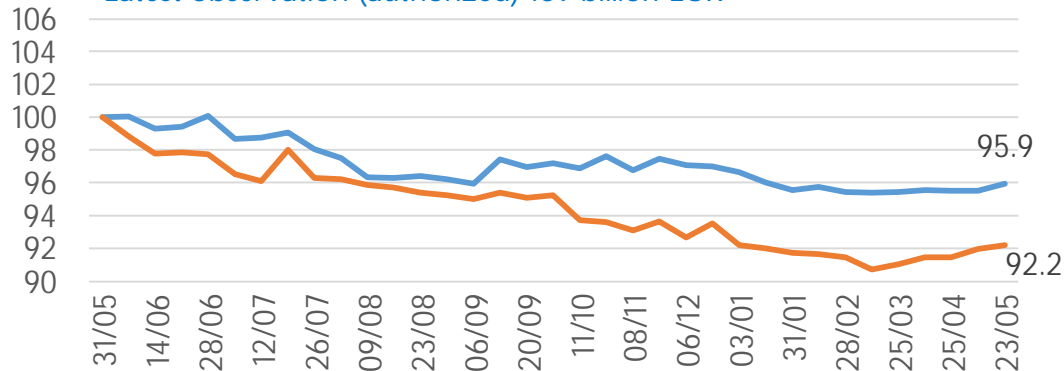
Evolution of total loans to SMEs

Latest observation (authorized) 83 billion EUR



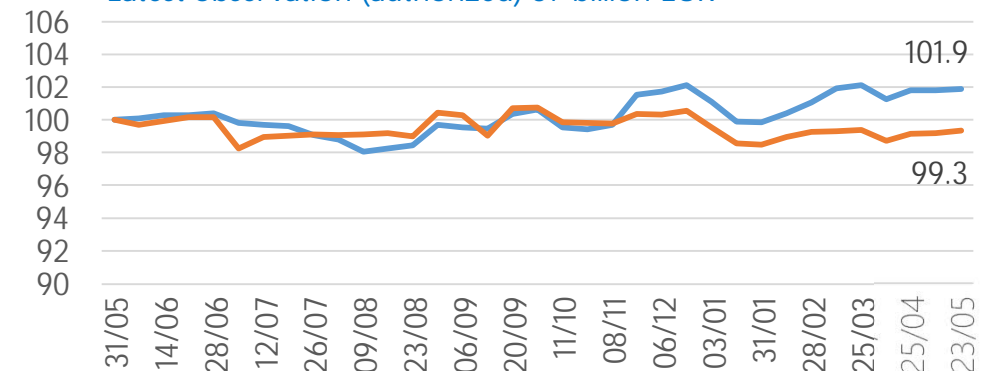
Evolution of total loans to corporates

Latest observation (authorized) 139 billion EUR



Total loans to public sector entities

Latest observation (authorized) 37 billion EUR



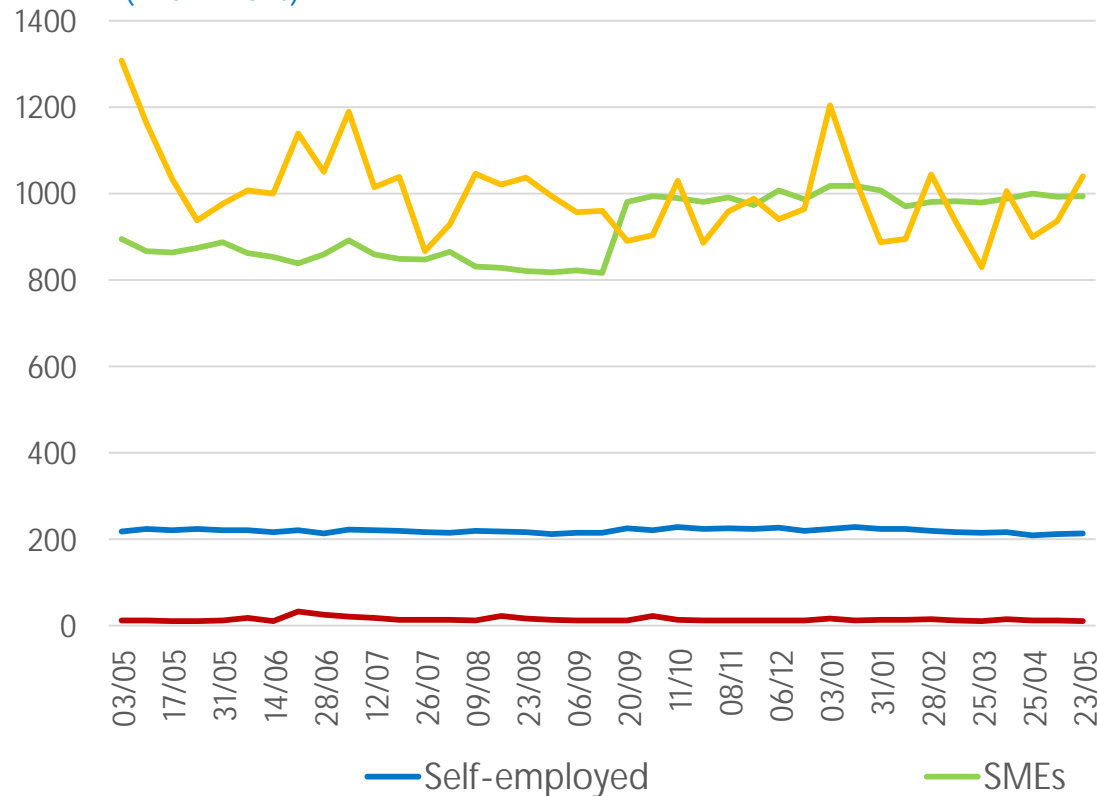
— Authorised

— Utilised

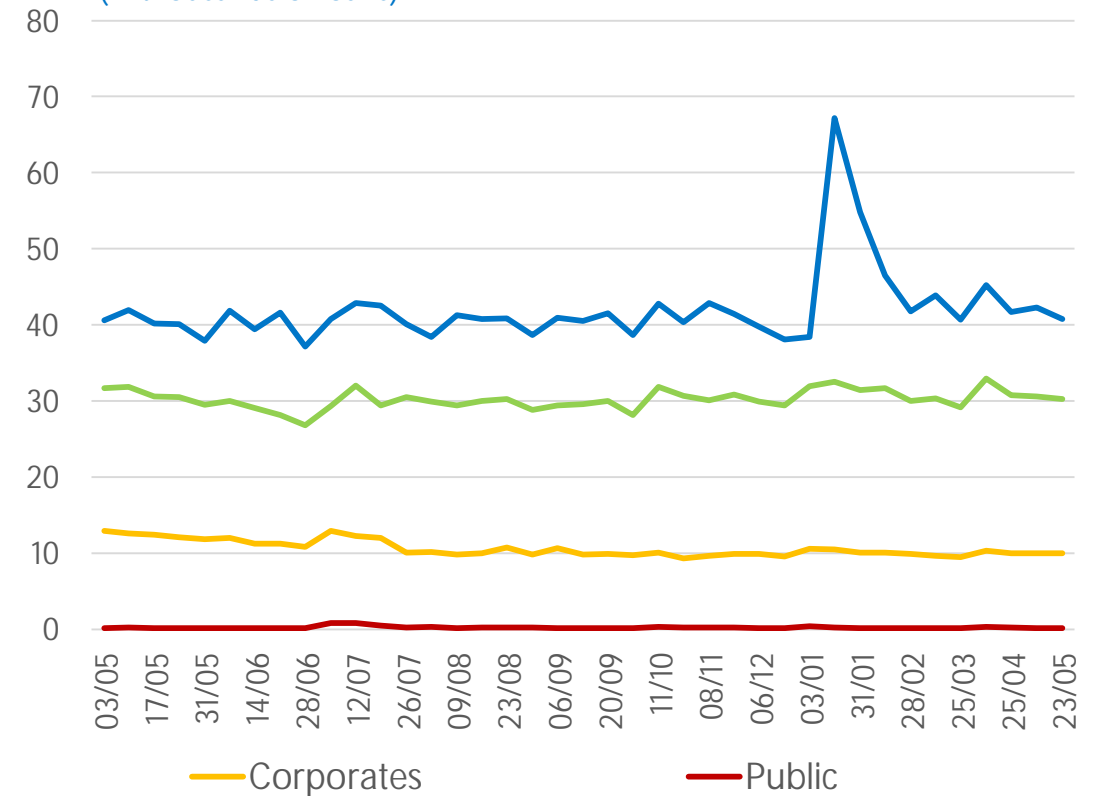
Total loans to NFCs represented as an index normalized to 100 % by end May 2020 stock of loans

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 loans)



Source: NBB/Febelfin ad hoc weekly reporting, latest available data: 23 May 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.

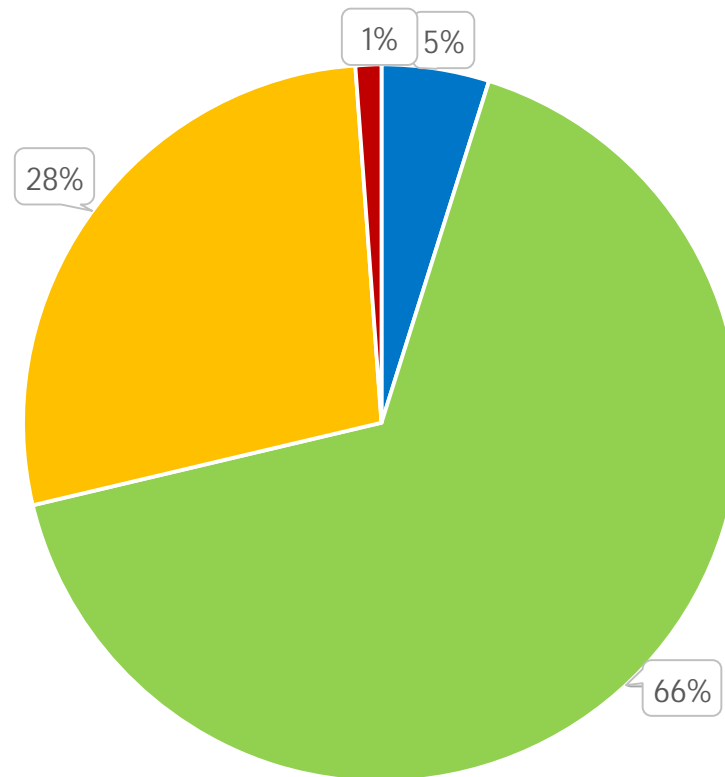
The increase of arrears for the corporate segment is linked to end-of-year operational events.

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

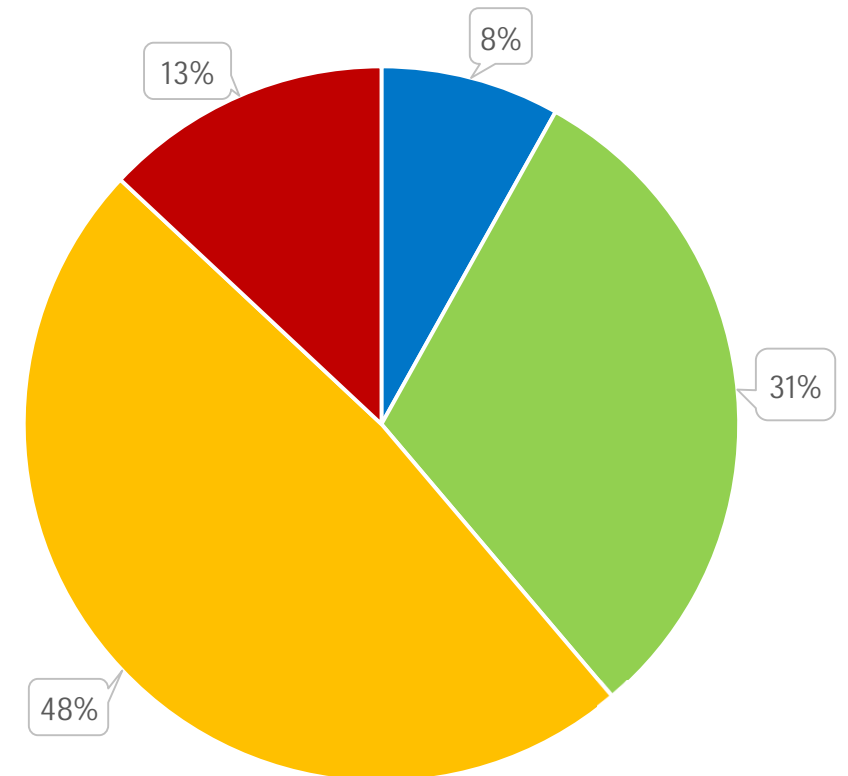
SMEs are the main beneficiaries of moratorium relative to their share of total loans

(moratorium – weekly)

Loan amounts in moratorium by type of counterparty



Total loan amounts by type of counterparty

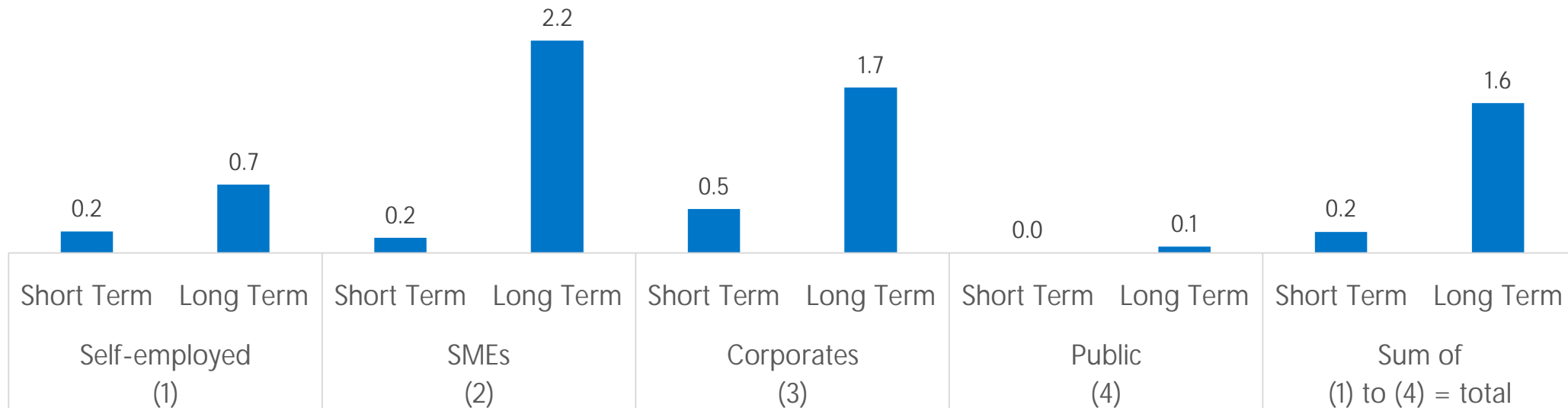


■ Self-employed ■ SMEs ■ Corporates ■ Public

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 surface spikes. The particle is centered and slightly tilted, with other smaller, less distinct particles visible in the background, creating a sense of depth. The overall color palette 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.

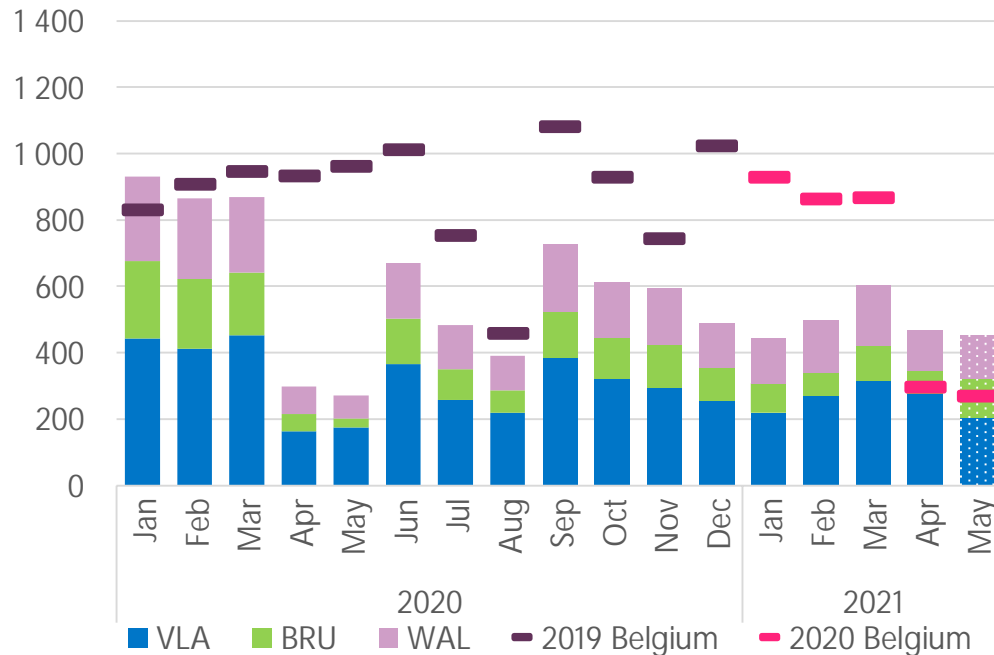
Bankruptcies and new business registrations

The number of bankruptcies¹ recedes in April and May 2021 but is much higher than one year ago at the start of the COVID-19 pandemic

It remains by far lower than in 2019 since several provisions adopted to support businesses are still in place²

Bankruptcies

(# by region)



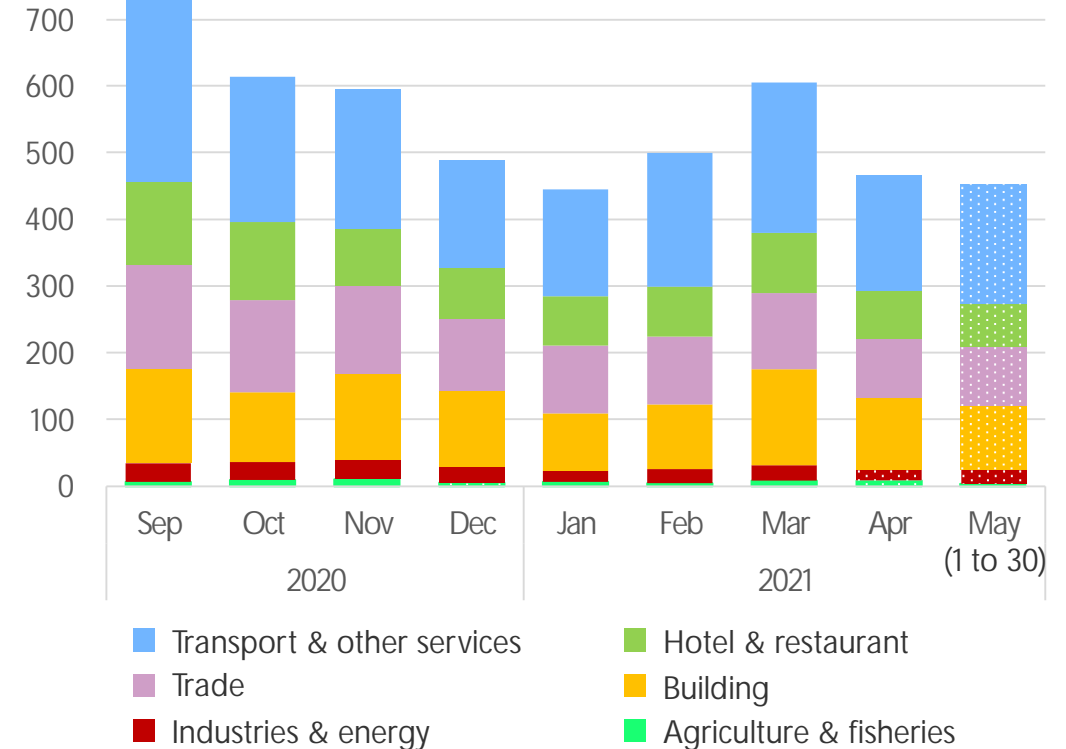
◆ About **96 % of bankruptcies** are within the '0 to 9 workers' company size class

Source: Statbel, latest available data: 30 May 2021.

¹ Declaration of bankruptcy by the company court.

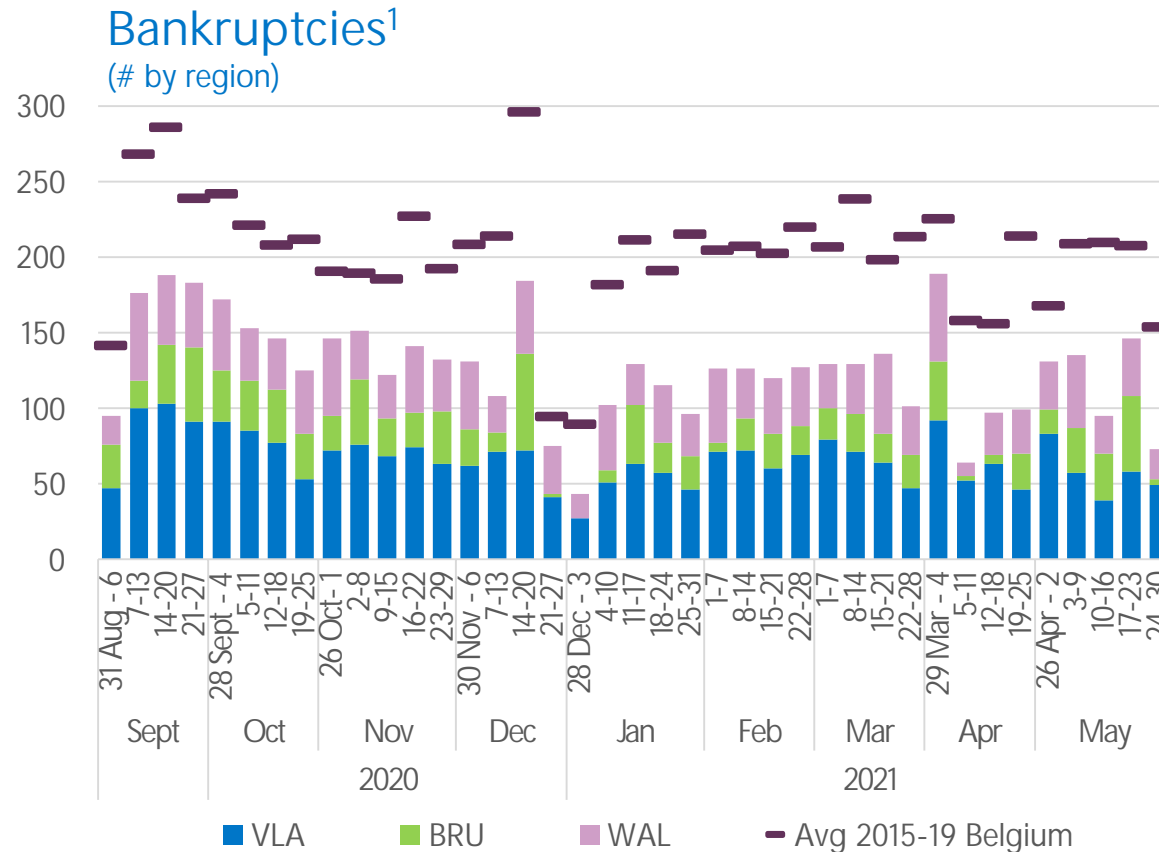
² Although the moratorium on filings for bankruptcies came to an end on 17 June 2020, **the tax administration and the ONSS maintains a de facto moratorium on tax and social security debts**. Other measures taken were the deferment of payment of the annual company contribution (until 31 October 2020) 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)

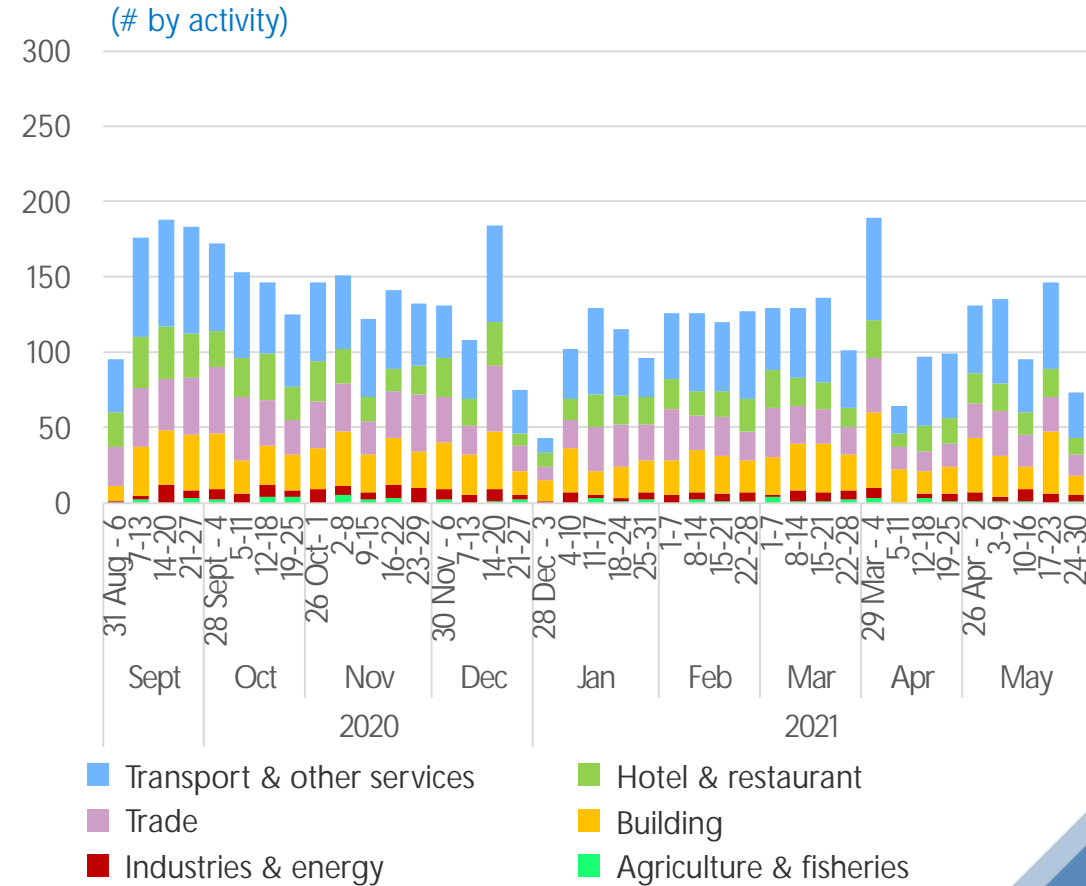


2021: weekly bankruptcies figures recede in April and May ...

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

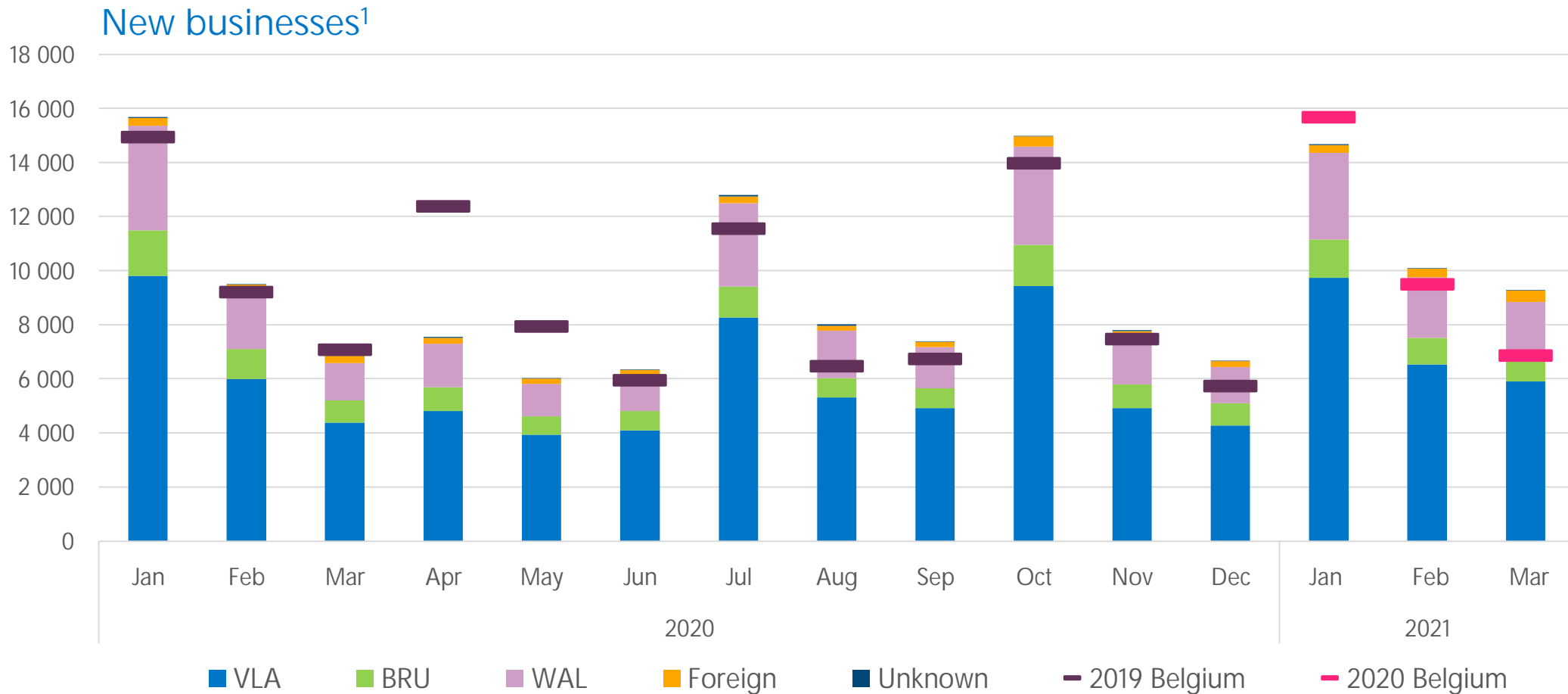


- ◆ Since August 31st, 2020, the number of bankruptcies remains 37 % below the 2015-19 average while in August, declared bankruptcies were close to it



Business startups recede slightly in March ...

... but are noticeably stronger than for the same month in previous years



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.

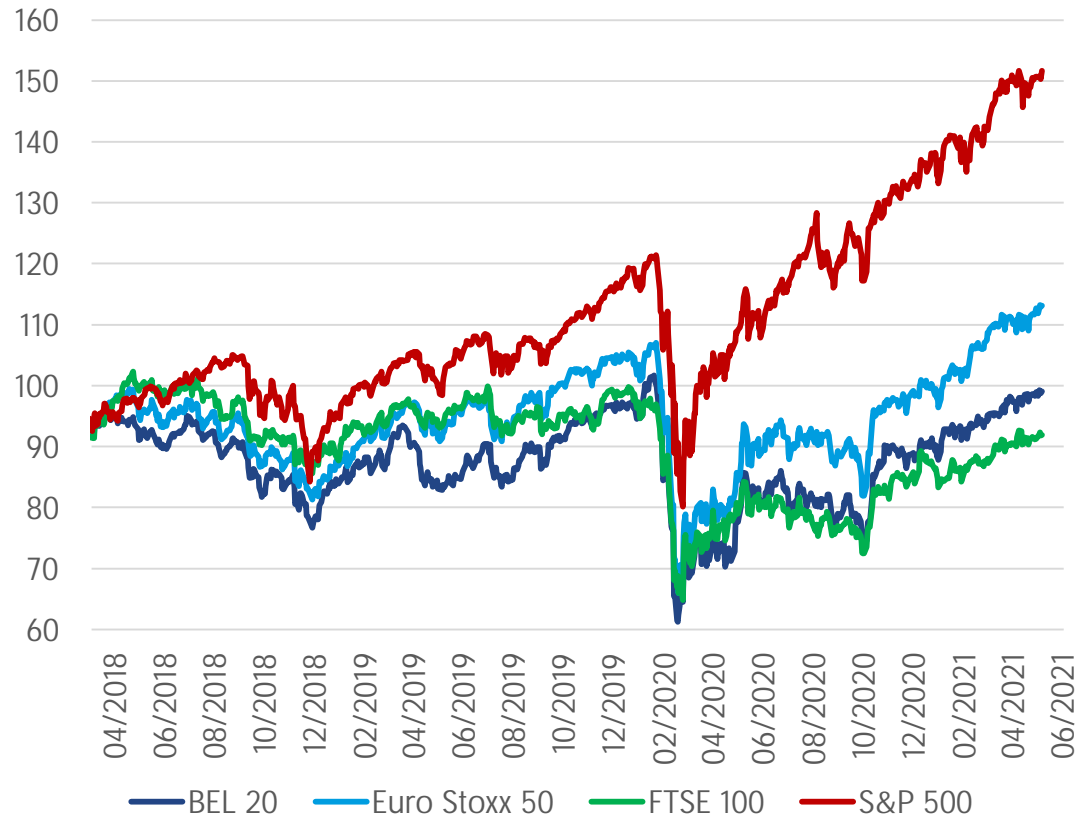
Financial markets

Financial markets strengthen, despite some inflation agitations

- ◆ Reopening of economies, progress with the vaccination campaign, and positive economic indicators (e.g. PMI), have supported stock prices, especially in cyclical sectors.
- ◆ However, inflation data releases, showing signs of accelerating prices, led to volatility bouts, as they heightened fears of a tightening of monetary policy.
- ◆ In May, a sudden large decline in crypto-currencies spilled-over to related stocks, such as some tech, and, partly, to the S&P 500.

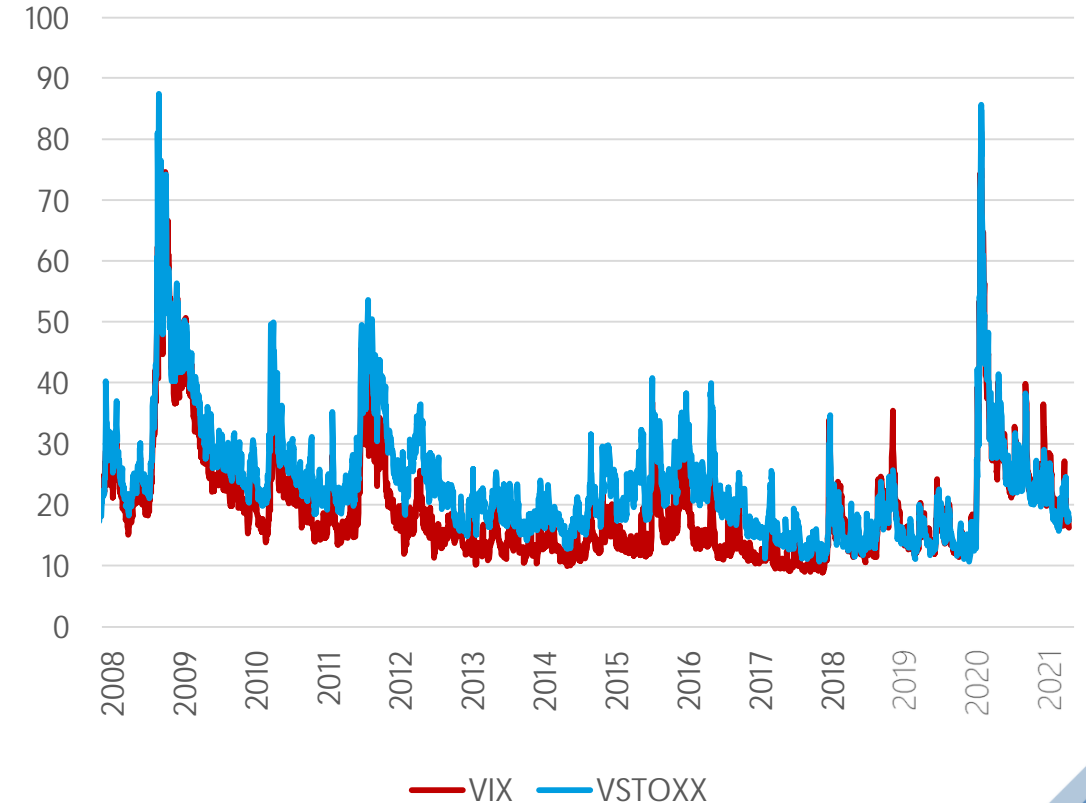
Major stock market indices

(01/2018=100)



Implied stock market volatility

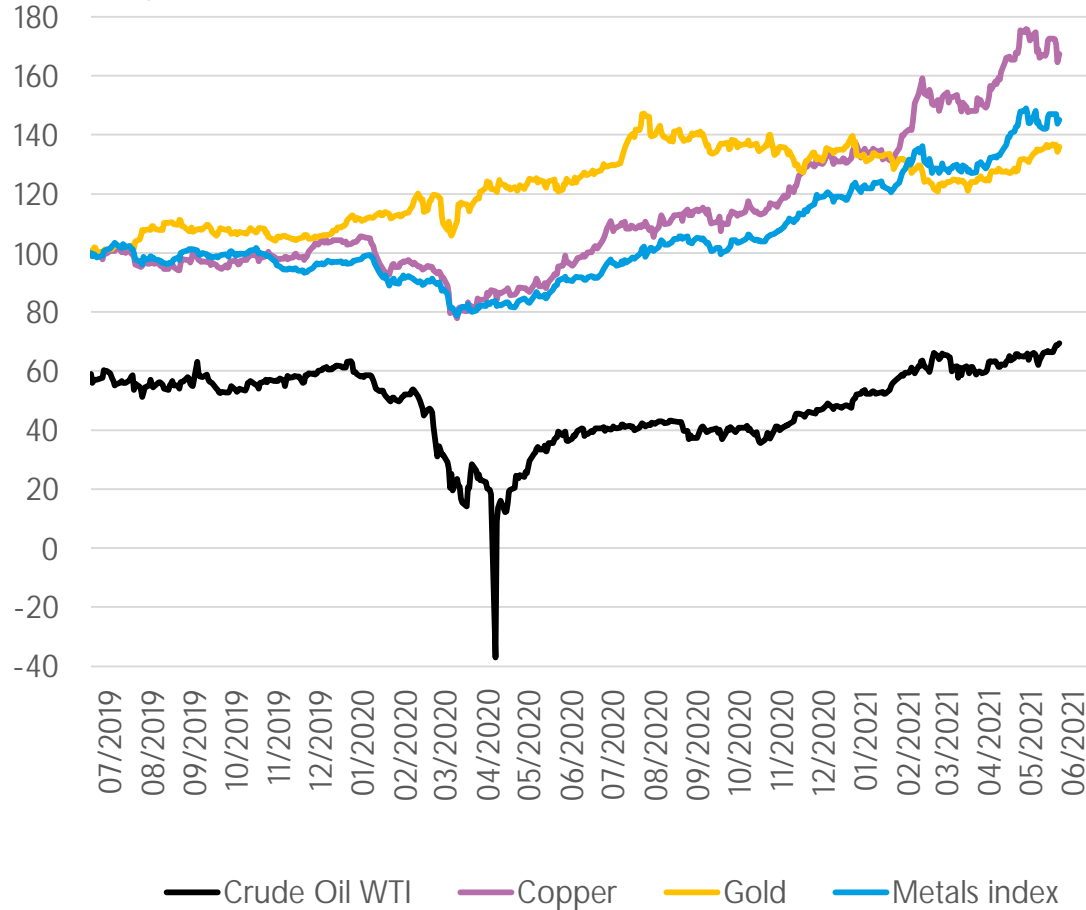
(in %)



Gold and industrial metal prices sustained by growing demand

Commodity price indices

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



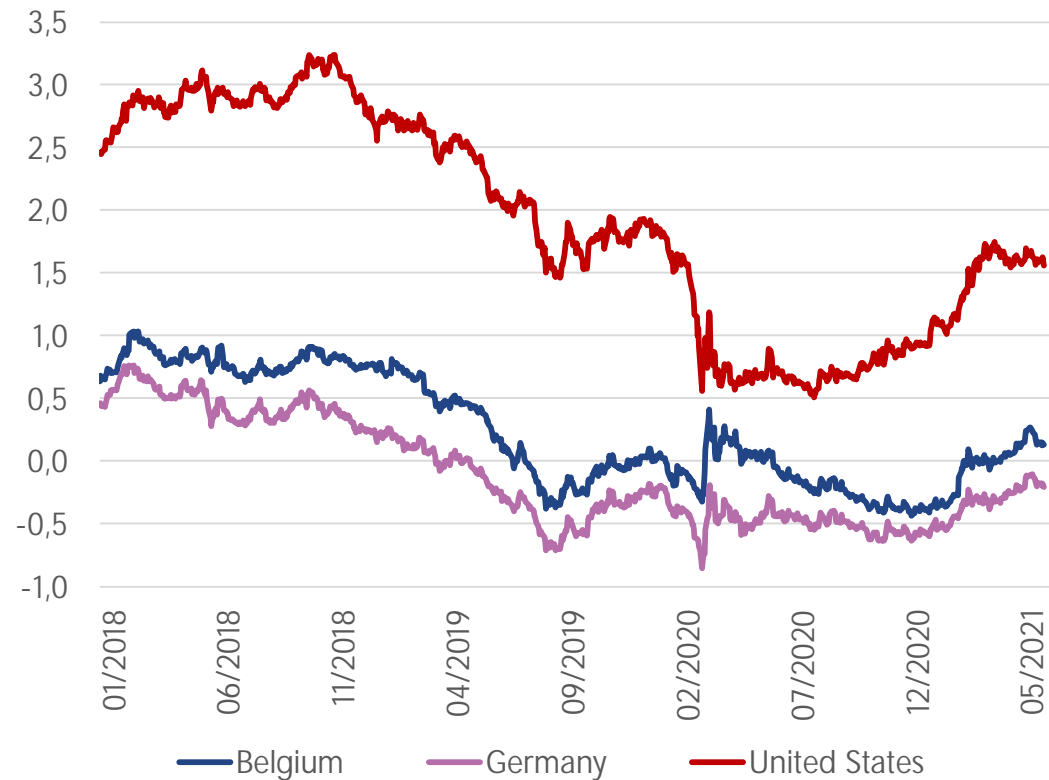
- ◆ Increasing demand, especially from China, as well as the depreciating dollar, have supported industrial metal prices, including copper and iron ore.
- ◆ Following an announcement by Chinese government to act against commodity speculation, copper price fell abruptly, but rebounded swiftly.
 - ◇ Recently, political uncertainty in producer countries, Chile and Peru, is also supporting copper price.
- ◆ Despite the rise in US yields, gold price continued its ascent, backed by the inflation outlook.
- ◆ The rollout of vaccines has supported oil demand
 - ◇ OPEC+ group agreed to go forward with their plan to gradually increase supply this summer.

Upward trend in yields slows, amidst high uncertainty over inflation

- ◆ During the first three weeks of May, long-term government yields trended upwards, albeit at a slower pace than earlier this year. The improving economic outlook and speedy progress with vaccinations led to speculation over the future course of monetary policy.
- ◆ Both the Fed and the ECB have eased pressure on yields by reassuring markets that inflation increases will be temporary and signaling that supportive measures will be in place until the recovery is well-established.
- ◆ Uncertainty over the “type” of future inflation (transitory or persistent) has heightened sovereign bond market sensitivity. Recently, releases of US and EA inflation data sent yields higher.

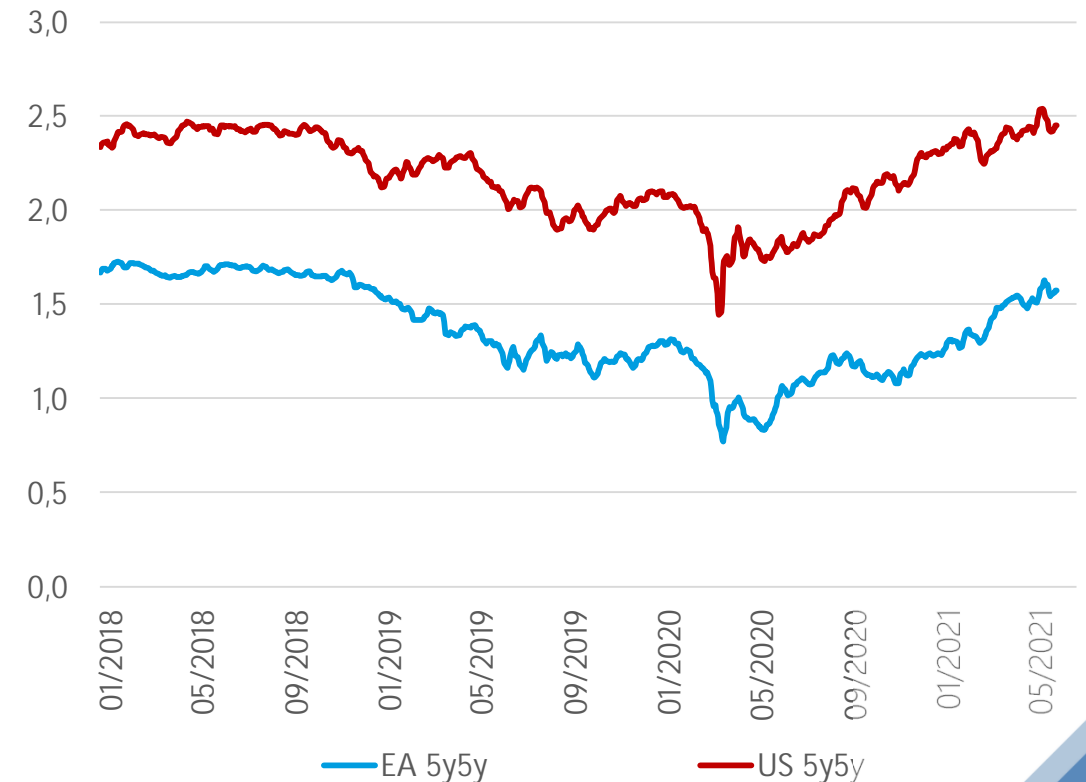
10-year government bond yields

(in %)



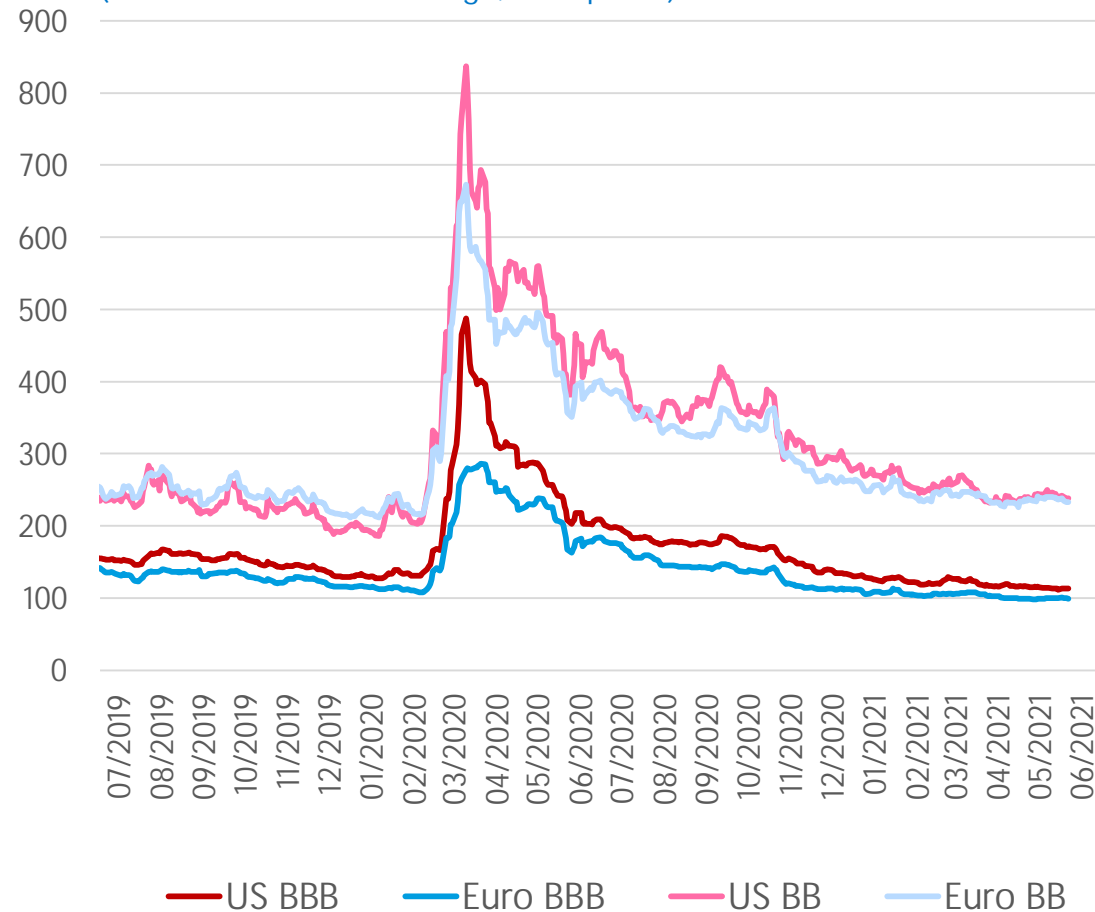
Market based inflation expectations¹

(in %)



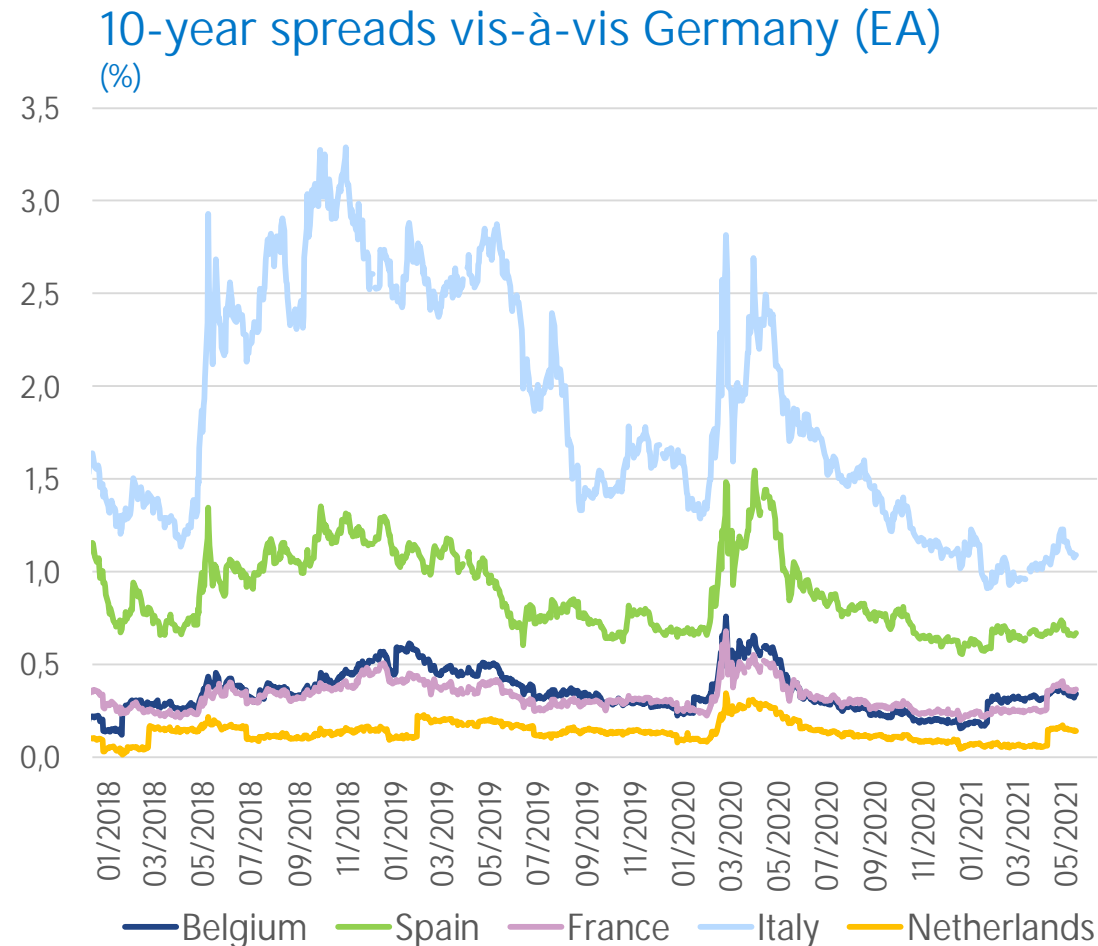
Corporate spreads remain close to pre-pandemic levels

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.
- ◆ Recently, the Fed announced it would gradually unwind its Secondary Market Corporate Credit Facility. This did not prompt notable changes in US corporate spreads.

Sovereign bond spreads remain stable



- ◆ Following a eurozone bond sell-off in May, IT spread widened while also German yields increased. However, the trend reversed following communications by ECB officials, signalling that monetary support measures will remain in place until the recovery is secured, and better-than-expected economic data.
- ◆ NB: Apparent rise of BE spreads in early 2021 and of FR and NL spreads in April 2021 are due to change of benchmark.

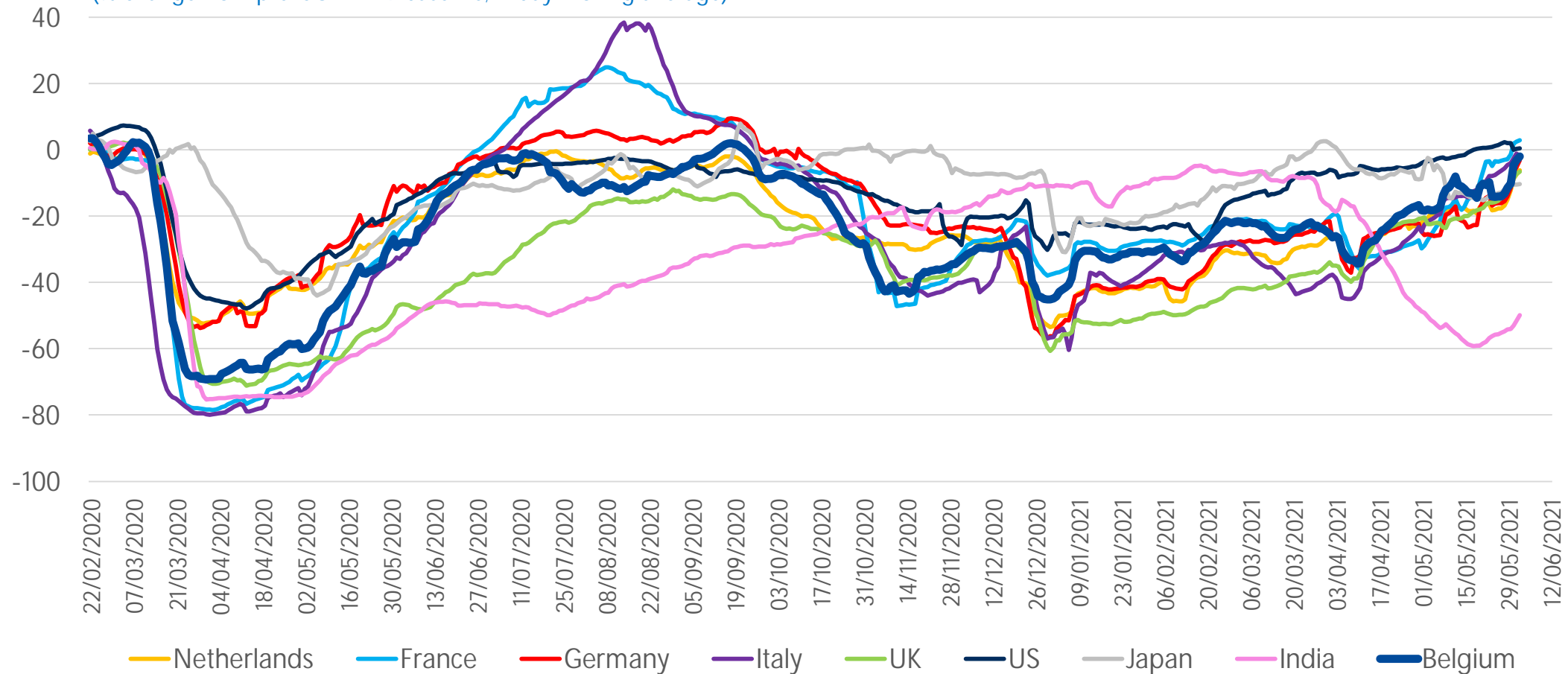
The background of the slide features a large, detailed illustration of a coronavirus particle in the center, with several smaller, less detailed particles scattered around it. The particles are depicted with a textured, spherical surface and numerous protruding spike proteins. The entire scene is set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

International outlook

Mobility is close to pre-COVID-19 levels in most advanced economies

Composite mobility indicator¹

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



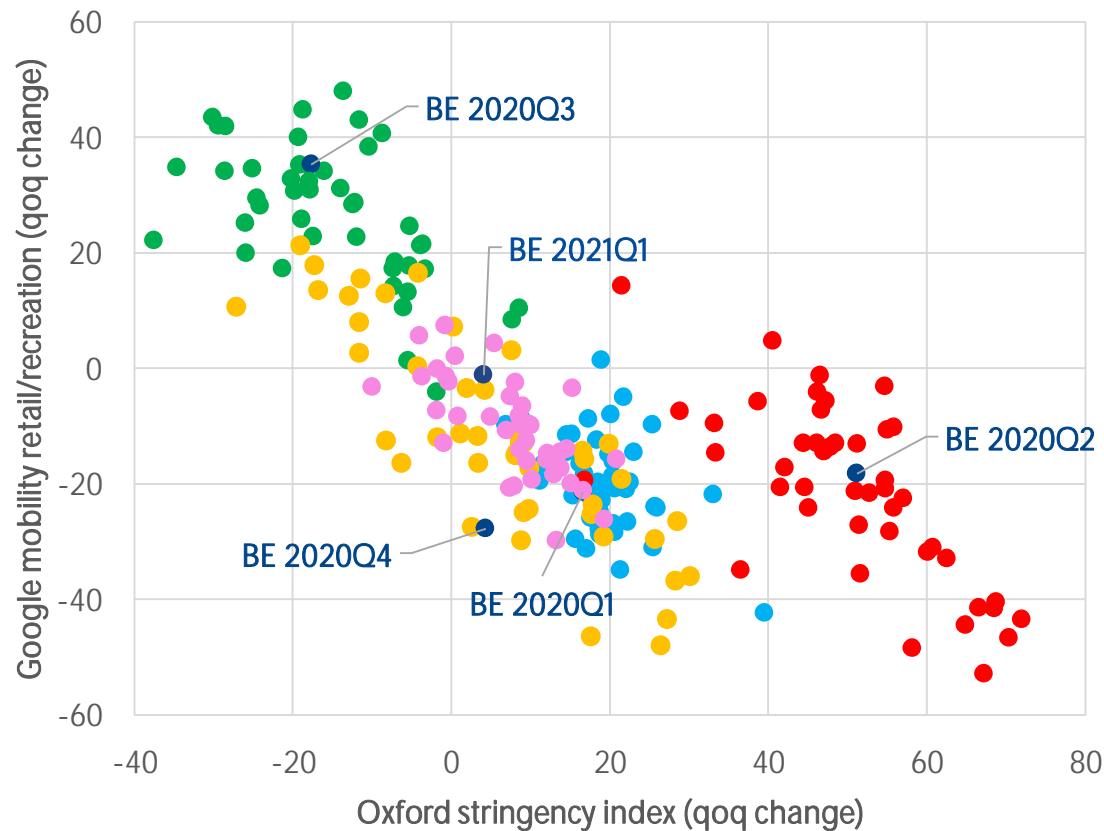
Sources: Google, Apple. Construction of mobility composite inspired by Capital Economics.

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 2 June 2021.

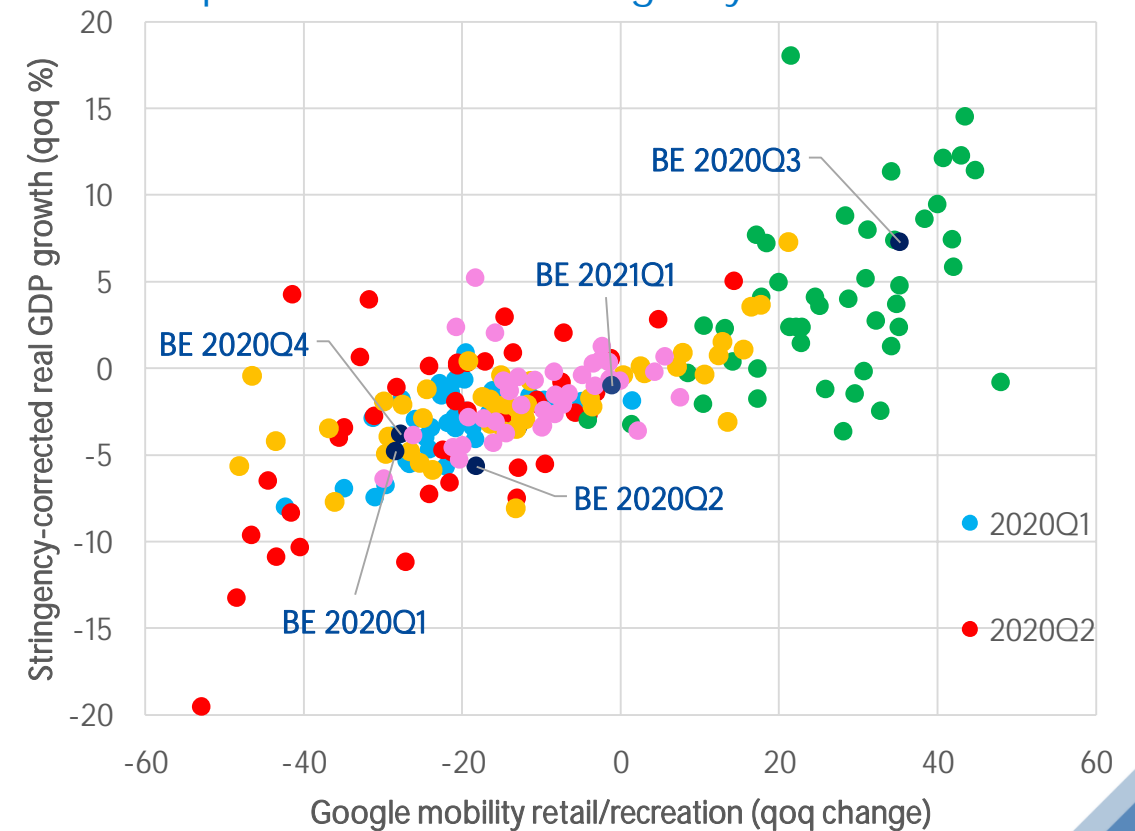
Hit on GDP growth: it's actual mobility!

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).

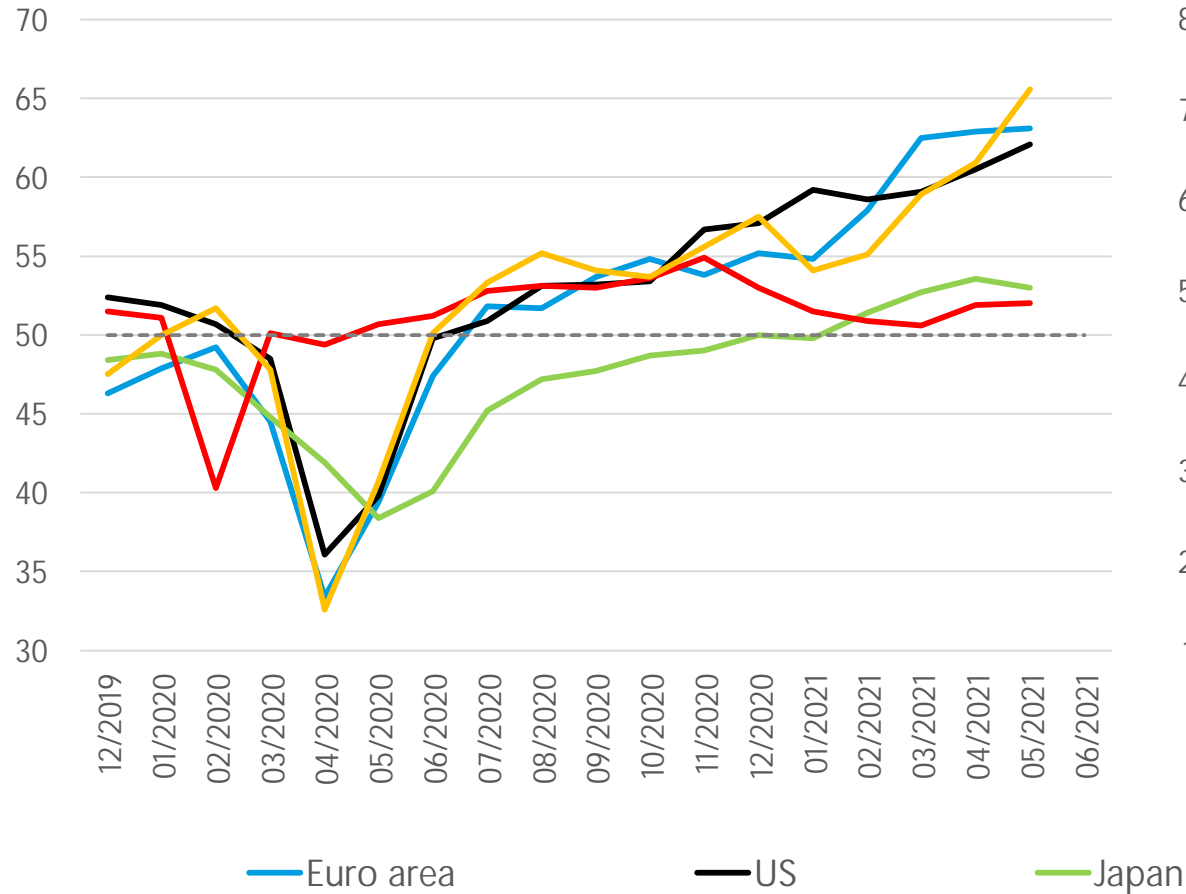
¹ Country sample consists of 46 OECD and major non-OECD countries over 2020Q1-2021Q1. Each dot represents a country-quarter. Oxford Stringency index codifies 9 types of containment measures. Index levels take values between 0 (no restrictions) and 100 (hard nationwide lockdown). Google mobility report 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.

Sentiment continues to improve, now also in services

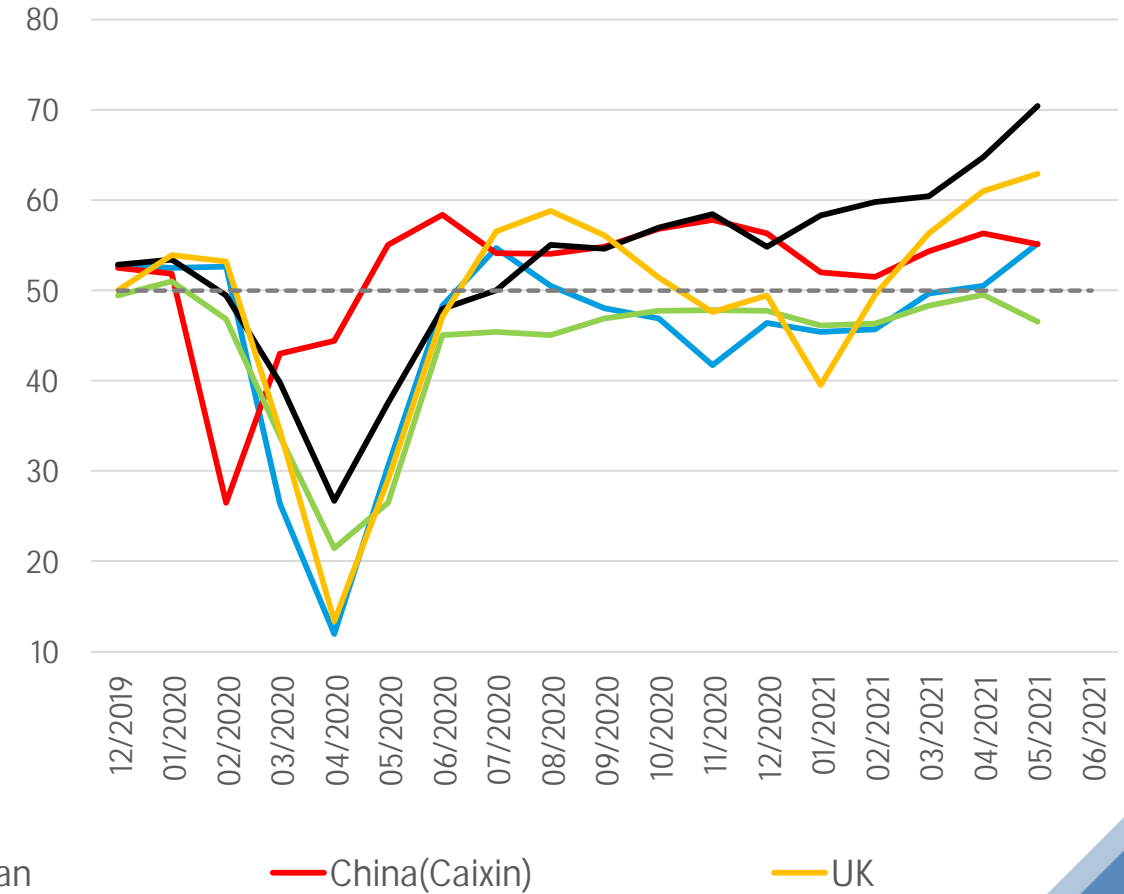
Manufacturing PMIs

(diffusion index; 50+ signals expected expansion)



Service sector PMIs

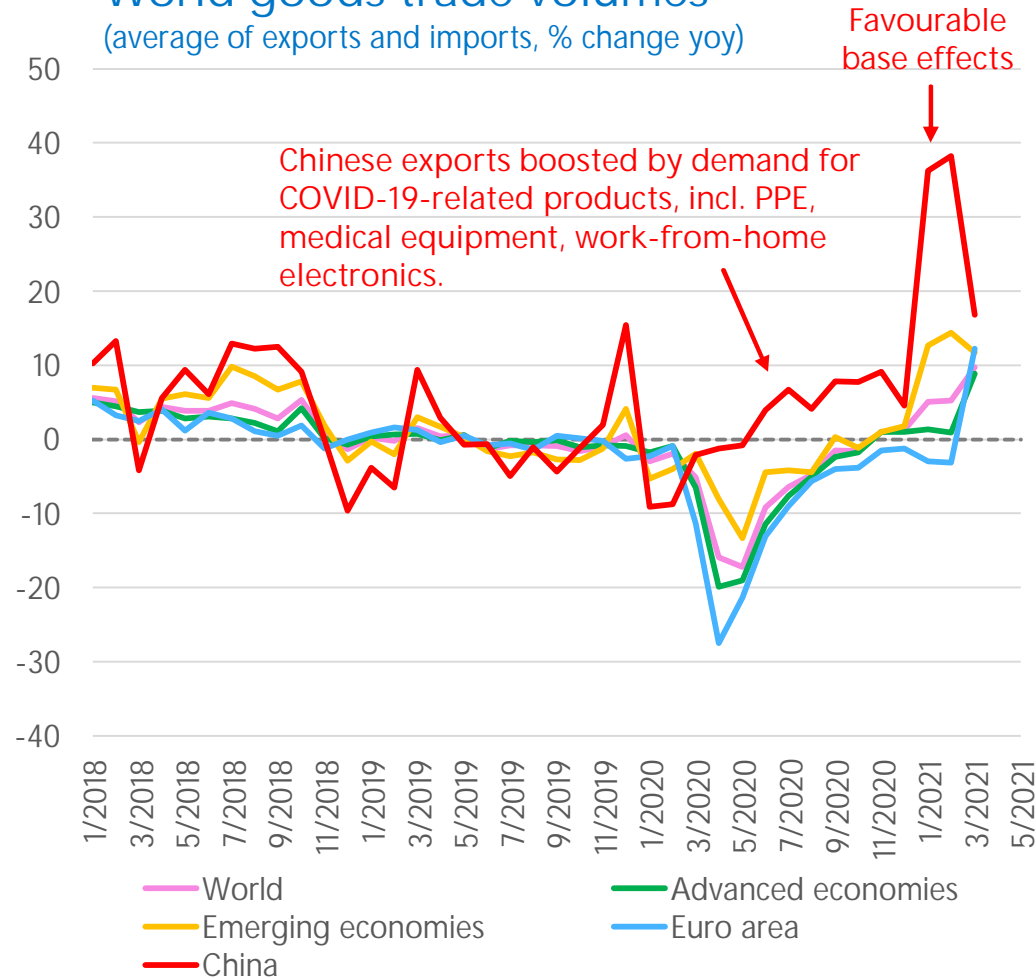
(diffusion index; 50+ signals expected expansion)



International trade: Above pre-COVID-19 levels and increased momentum

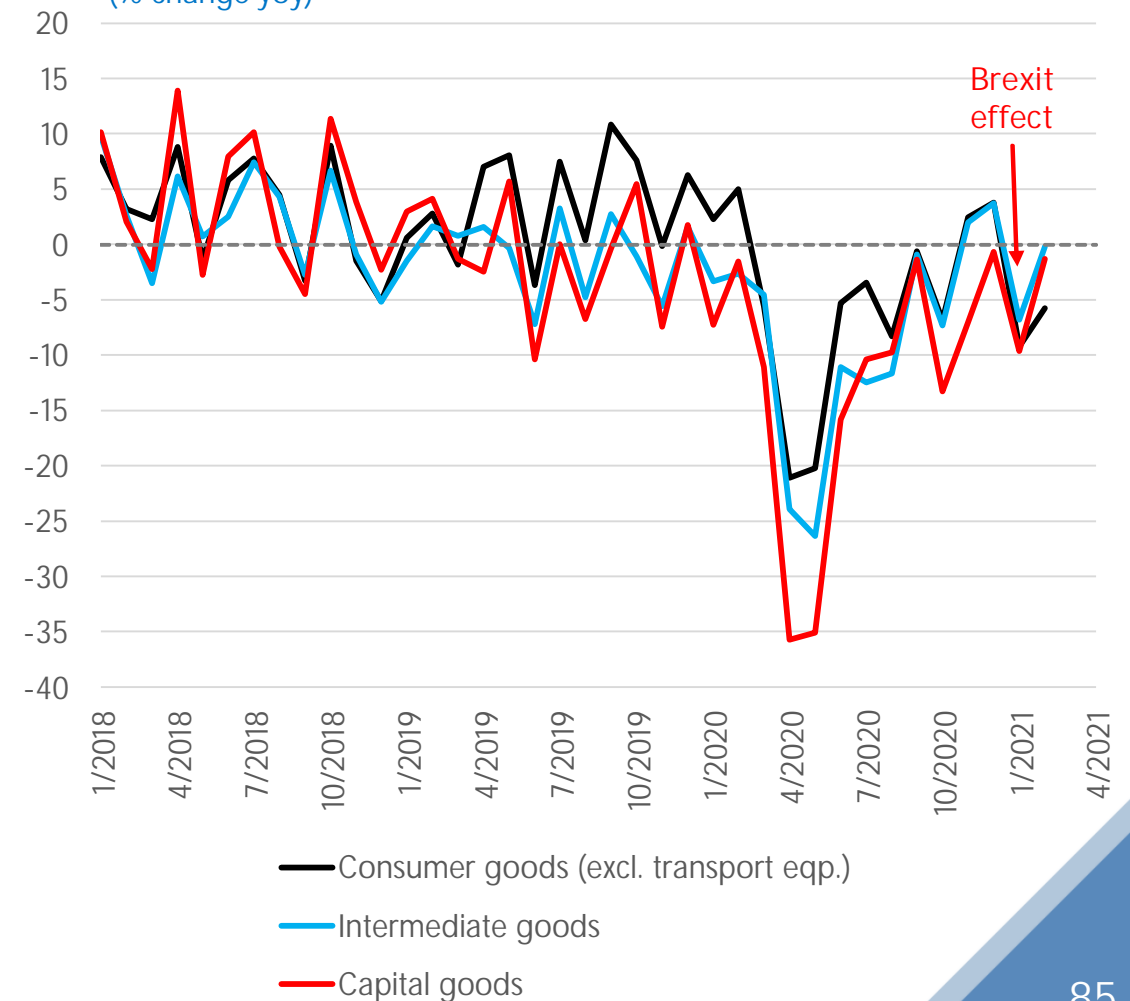
World goods trade volumes¹

(average of exports and imports, % change yoy)



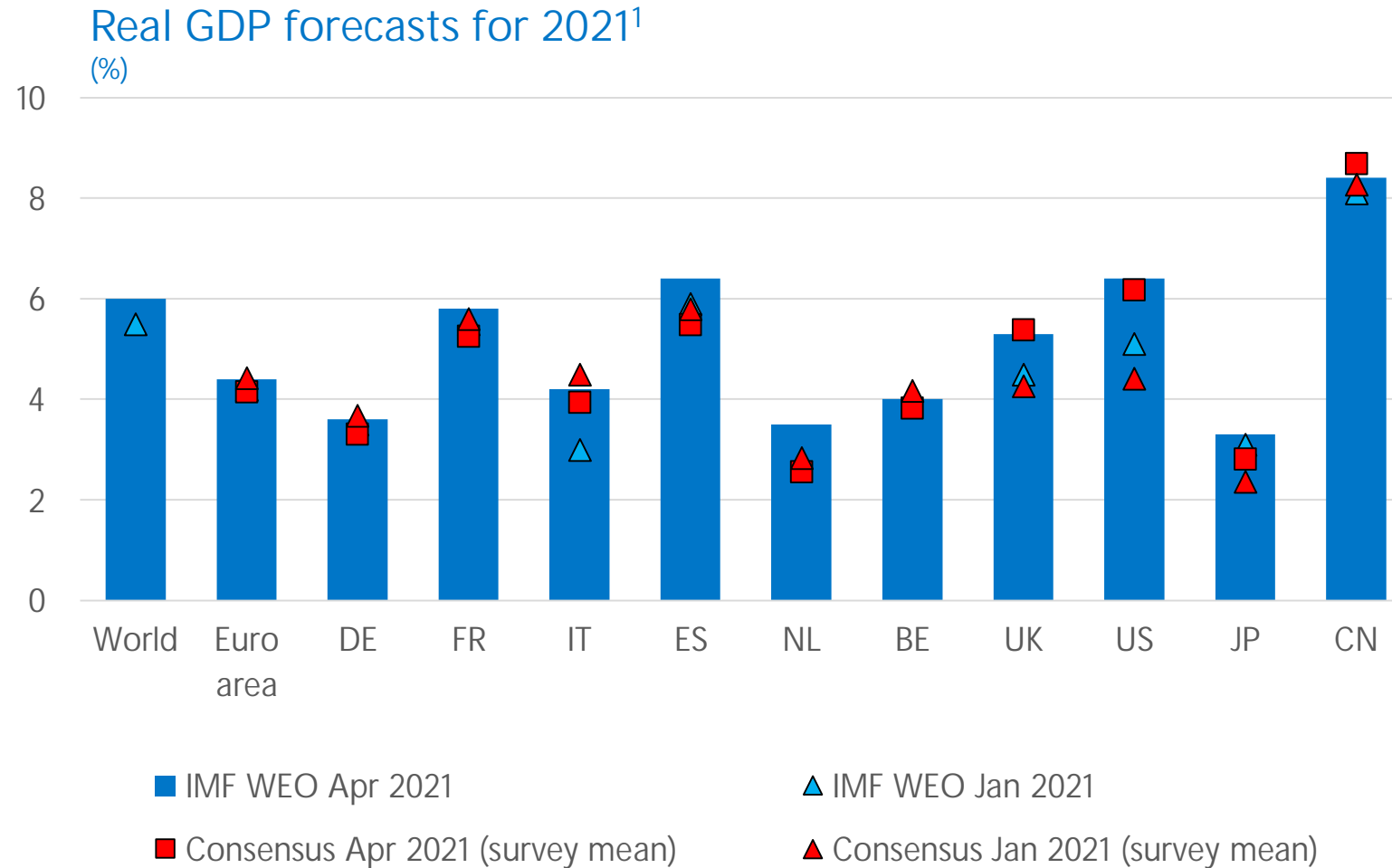
Euro area: extra-EA-19 goods export volumes²

(% change yoy)



Latest IMF forecasts for 2021

World Economic Outlook: "Managing divergent recoveries"

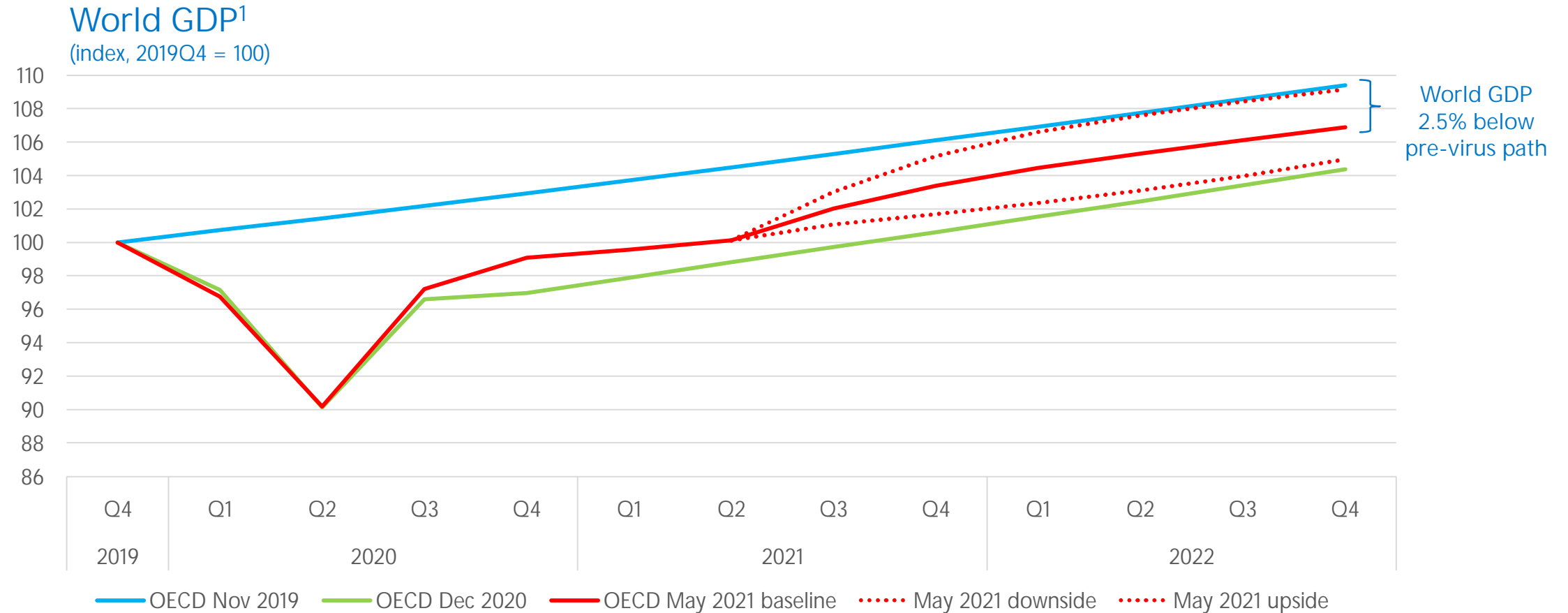


Revisions to IMF forecasts for 2021 since January reflect:

- ◆ Acceleration 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, compared to the early stages of pandemic
- ◆ Assumption that new virus outbreaks remain contained, vaccine rollout proceeds smoothly, and financing conditions remain accommodative

World economy

Uncertainty remains around baseline projections

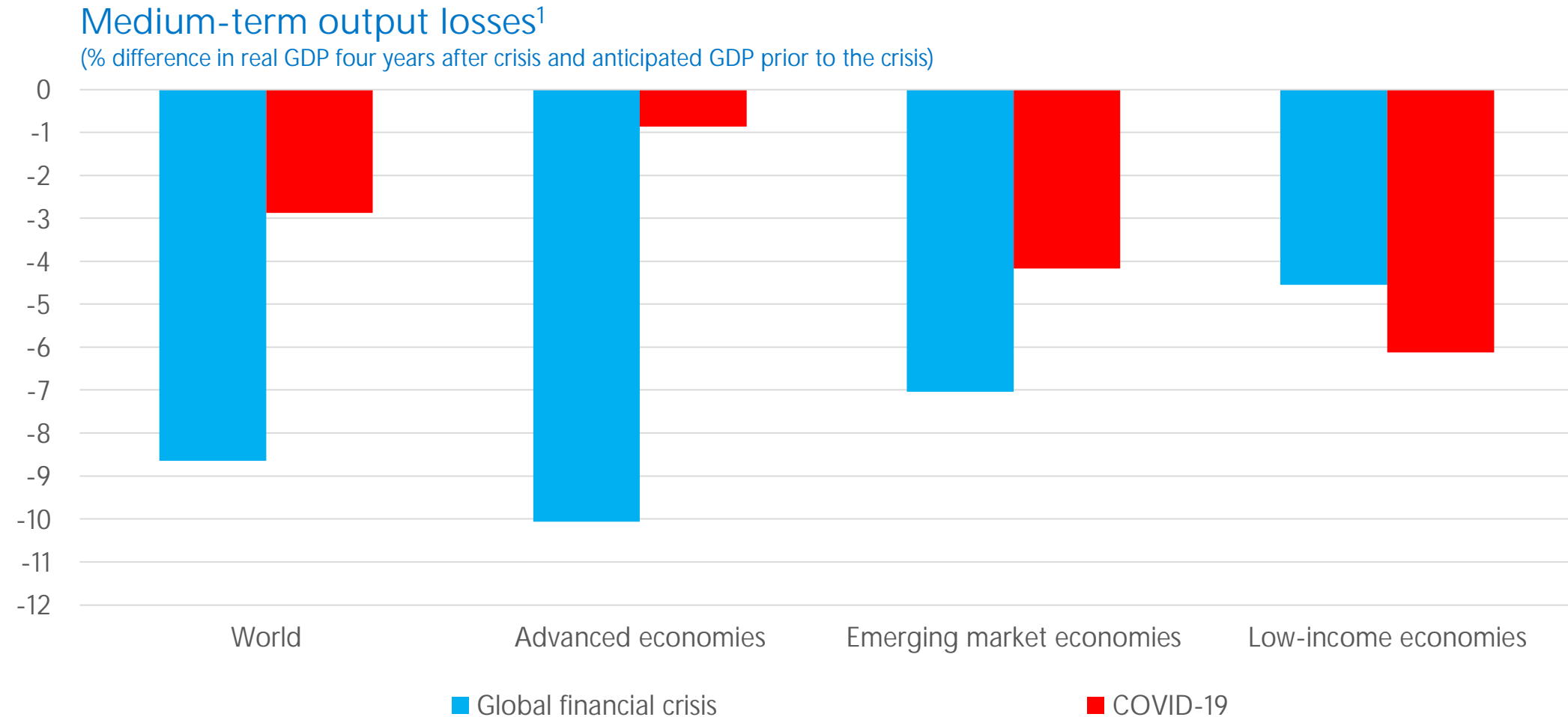


Source: OECD

¹ Dashed lines represent upside scenario (faster vaccination progress boosting business and consumer confidence) and downside scenario (vaccine production and deployment not fast enough to stop virus transmission or prevent emergence of new virus variants, leading to weaker business and consumer confidence) around baseline OECD (May 2021) projections.

World economy

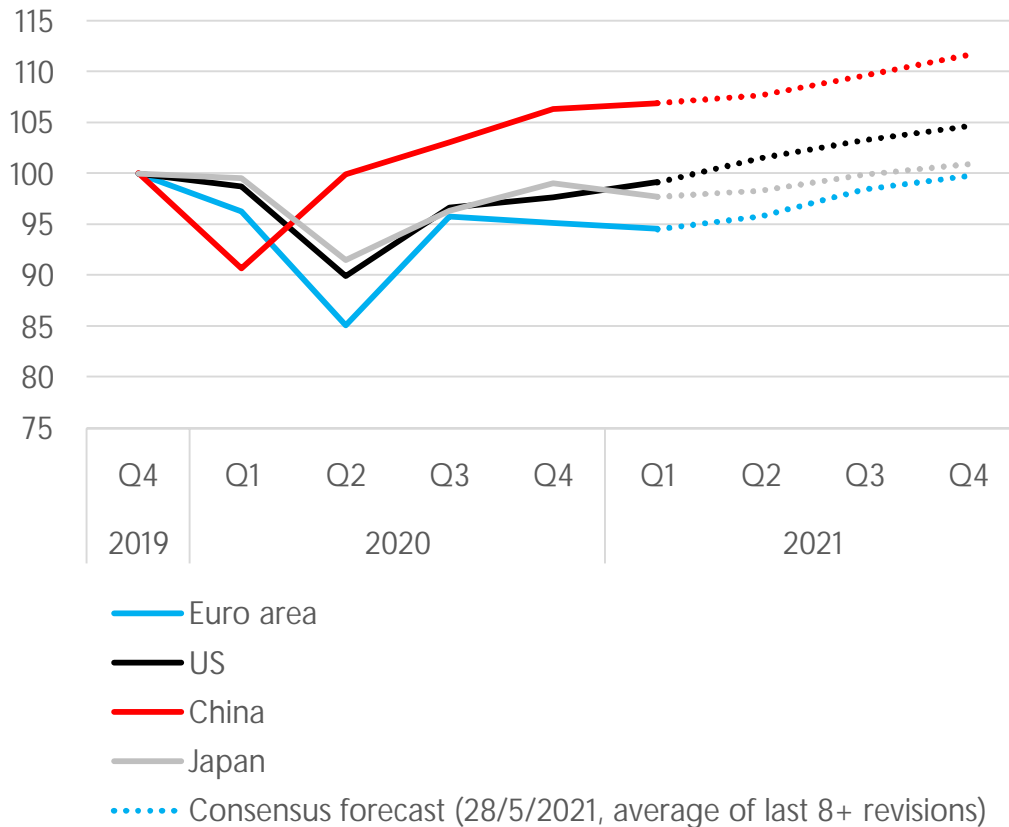
IMF expects overall scars from COVID-19 recession to be less than from GFC, but with poorer countries hurt relatively more



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

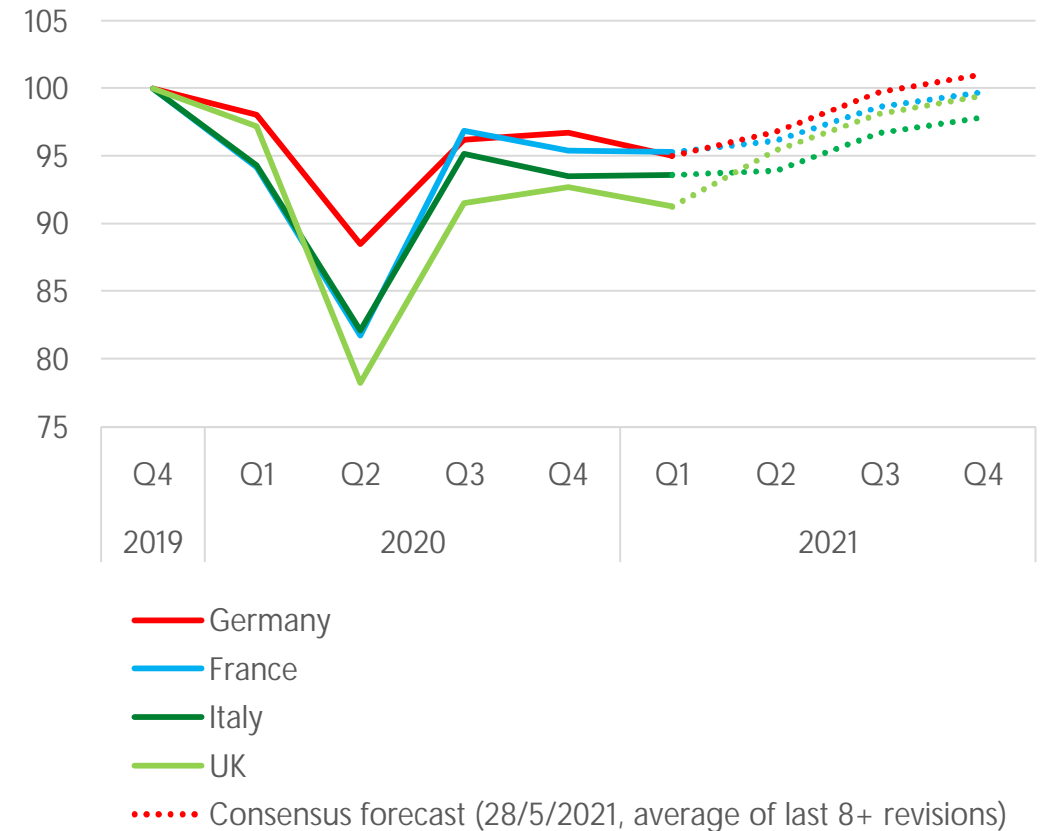
Major blocs: Real GDP¹

(index, 2019Q4 = 100)



Selected European countries: Real GDP¹

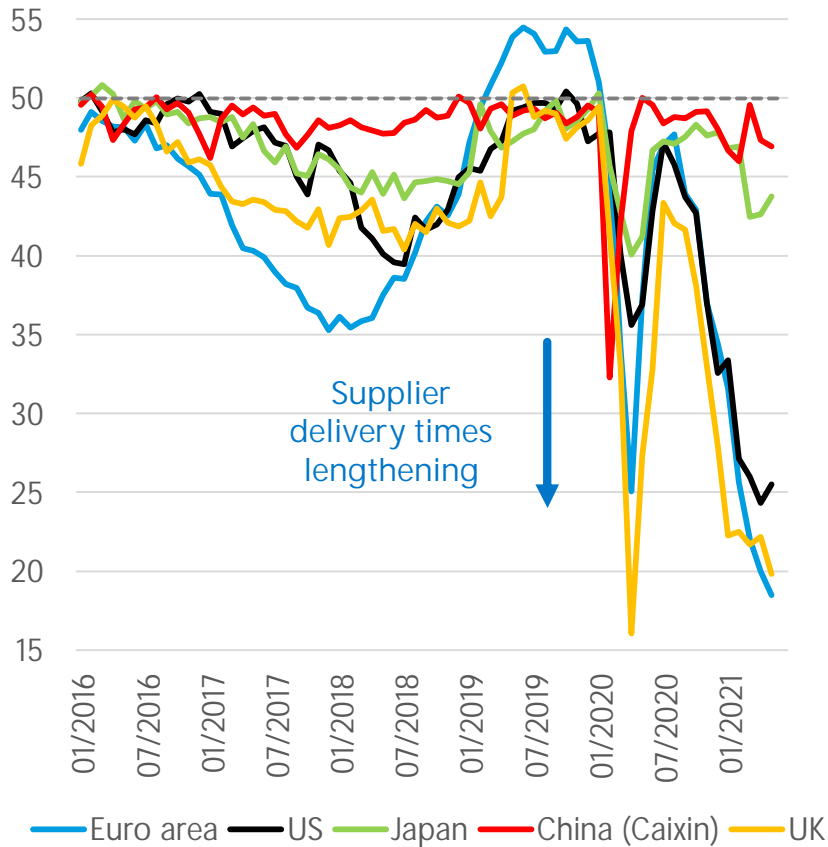
(index, 2019Q4 = 100)



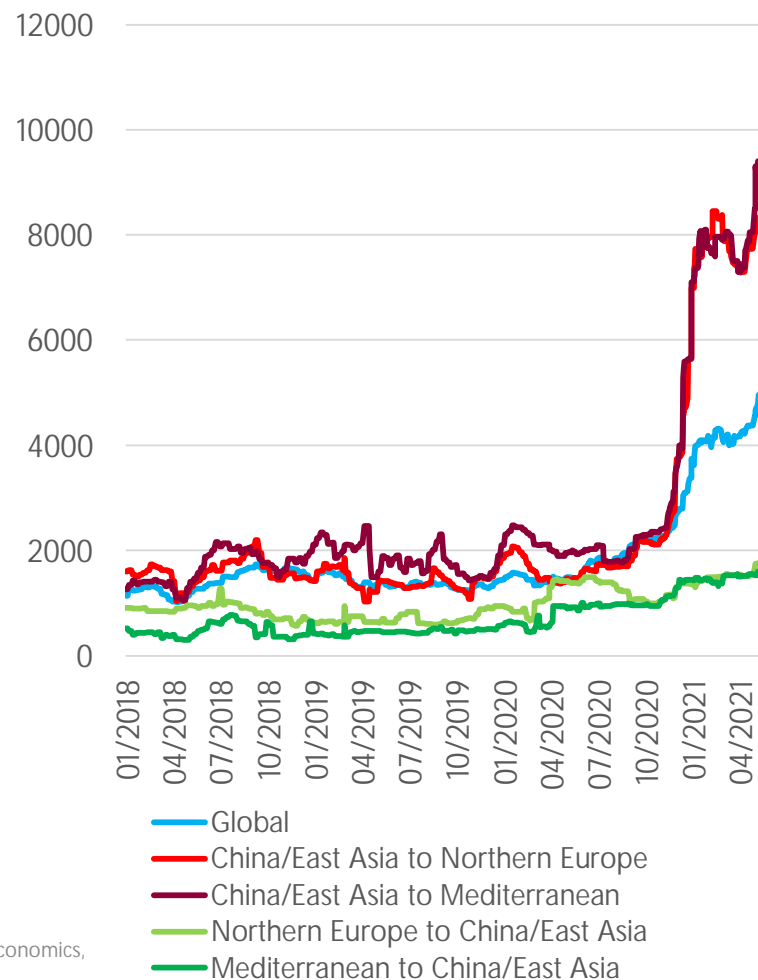
Recovery is leading to supply shortages and upward price pressures

Temporary or more persistent?

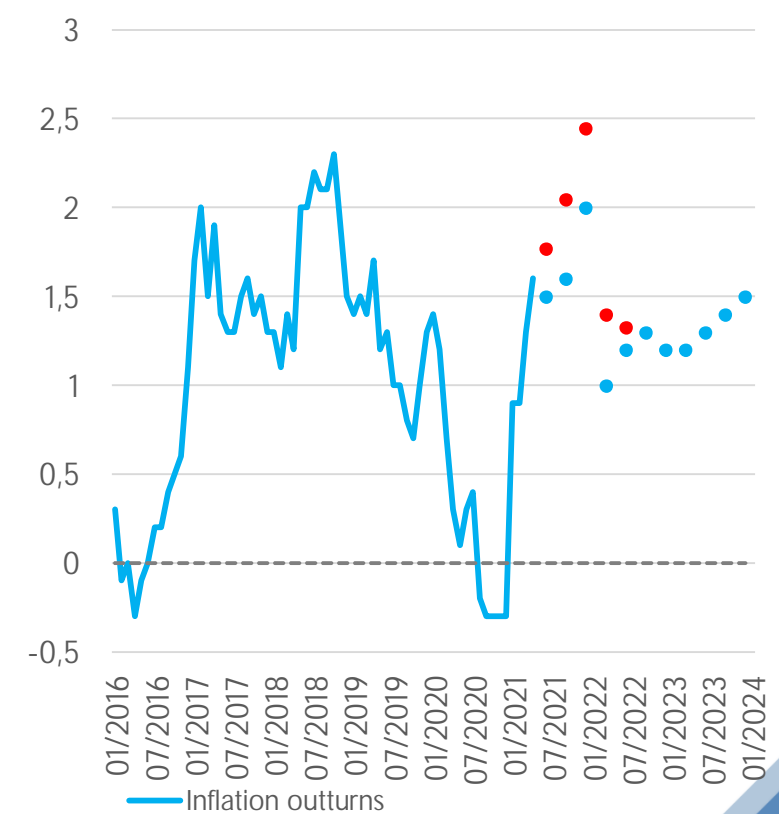
Manufacturing PMIs –
Supplier delivery times
(diffusion index)



Freightos Baltic container shipping
index
(US\$)



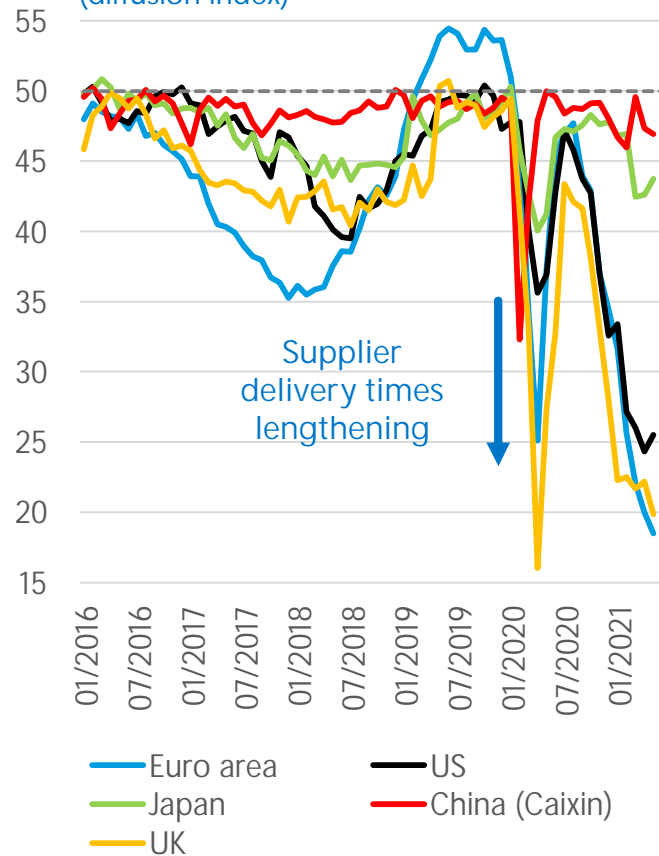
Euro area HICP inflation
(overall index, % change yoy)



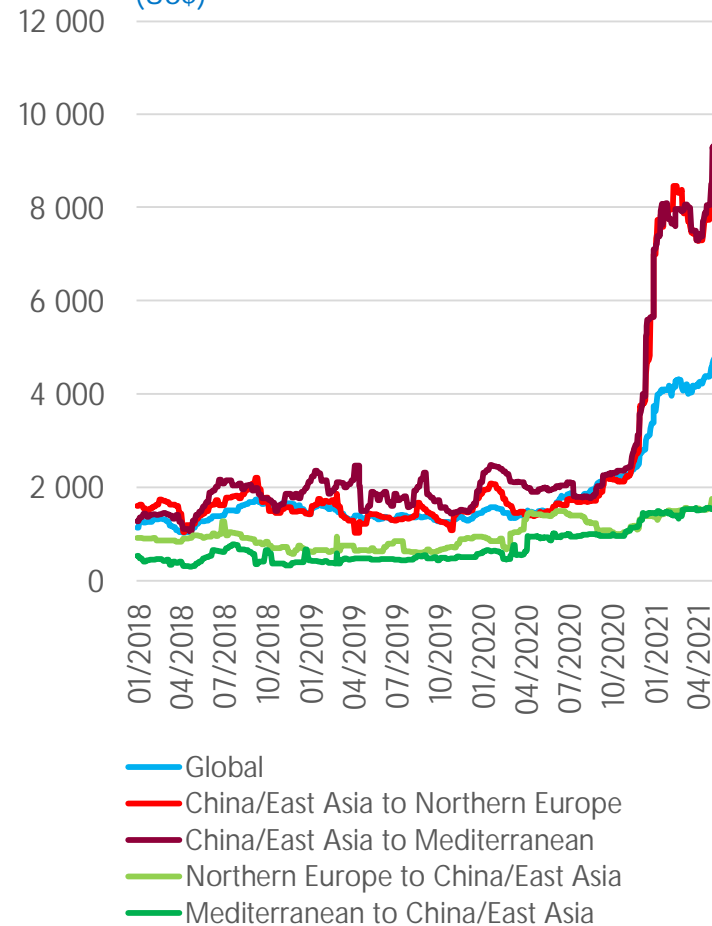
Recovery is leading to supply shortages and upward price pressures

Temporary or more persistent?

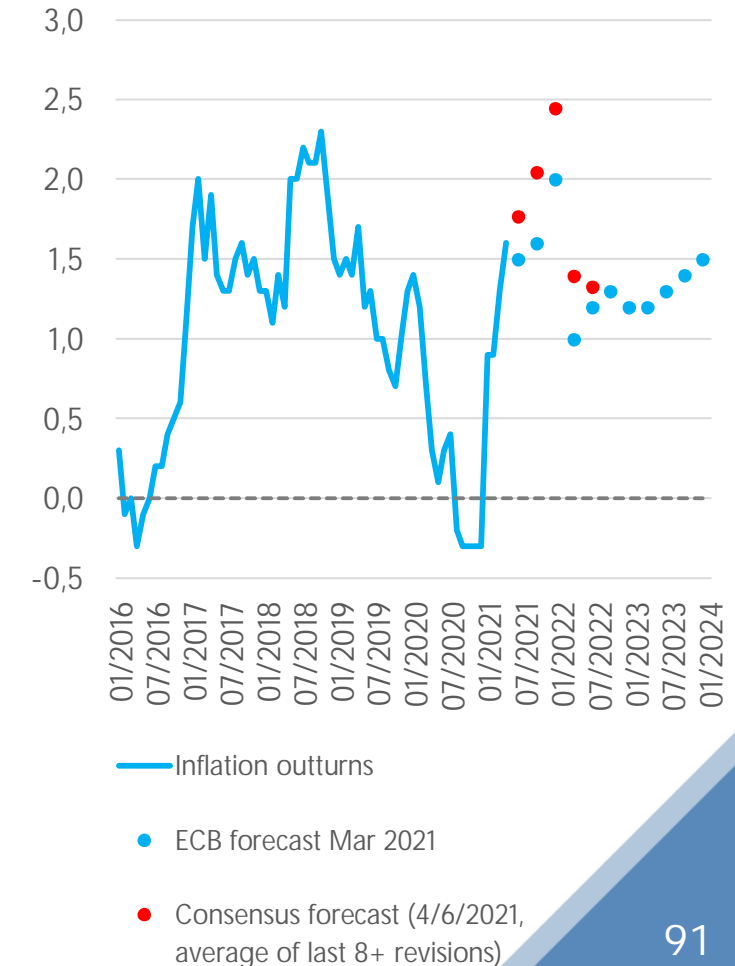
Manufacturing PMIs –
Supplier delivery times
(diffusion index)



Freightos Baltic container
shipping index
(US\$)



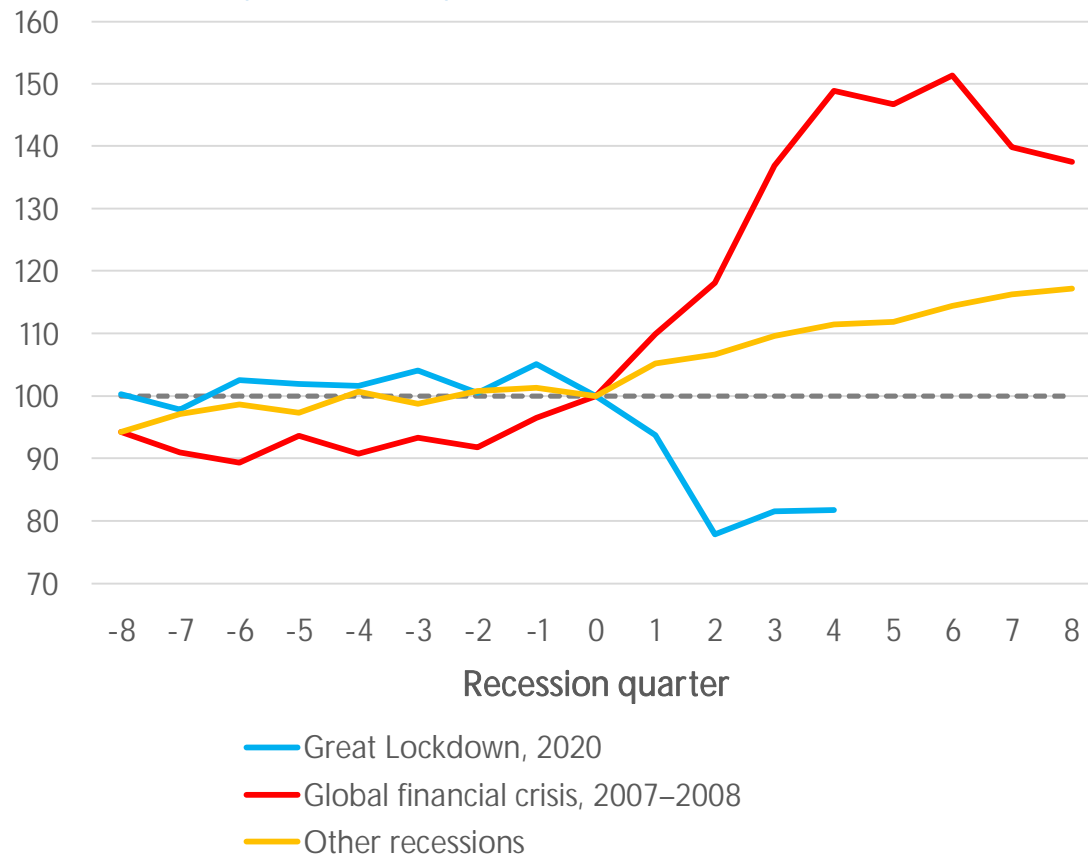
Euro area HICP inflation
(overall index, % change yoy)



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 3D rendering 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 light blue and white, with the virus rendered in a semi-transparent, glowing blue. The text is overlaid on this background.

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

