National accounts
2023

Detailed accounts

National Accounts Institute

National Bank of Belgium
Eurosystem

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Foreword

On 18 October 2024, the National Accounts Institute (NAI) published the detailed annual national accounts for Belgium drawn up in accordance with the ESA 2010 methodology.

The accounts were drawn up on the basis of data available on 6 September 2024. Figures for the last three years should be considered provisional.

The Scientific Committee on National Accounts approved the figures by written procedure closed on 11 October 2024.

This publication presents an outline of the recent developments in the main aggregates of national accounts. The full set of the detailed accounts can be consulted via the Nbb.Stat database.

The Chairman of the Board of Directors of
National Accounts Institute

Séverine Waterbley

Brussels, October 2024

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Methodological remark – 2024 benchmark revision

In accordance with Eurostat's recommendations, Belgium, like most European countries, carried out a benchmark revision of its national accounts in 2024. In principle, such a revision takes place every five years as part of the normal procedures to improve statistics.

On the one hand, such a revision incorporates the various action points identified by Eurostat which lead to adjustments considered to be “mandatory”. It also takes into account certain improvements to sources and methods developed on a “voluntary” basis to improve the quality of statistics or reinforce their relevance by taking into account new economic phenomena.

Finally, another guiding principle of the current revision was to further improve the consistency of the national accounts with the balance of payments and financial accounts.

The extensive adaptation of sources and methods is described in a ***separate document*** published on NBB’s website.

Developments in 2023

1. Economic activity

In 2020, Belgian economic growth was stunted by the Covid-19 pandemic, which was followed in 2021 by disruptions to global supply chains and surging prices for commodities, particularly energy, subsequently exacerbated by Russia's invasion of Ukraine, which caused gas and oil prices to soar to historically high levels in 2022.

After three years of exceptional economic circumstances, 2023 saw a return to quieter waters: inflation decreased thanks to falling energy prices, shortages gradually eased and delivery times improved.

Real GDP grew by 1.3%, a marked slowdown compared with 2022, when GDP rose by 4.2% as activity returned to normal following the pandemic. Although subdued, economic activity in Belgium could have been further depressed if, on the one hand, automatic wage indexation had not helped preserve the purchasing power of households and, on the other hand, had government support measures not been taken to limit the impact of price surges on businesses and households. The Belgian economy proved relatively more resilient than those of other euro area countries, where real GDP rose by 0.4% on average.

Table 1

Value added by sector of economic activity, in volume terms

(year-on-year change)

	2020	2021	2022	2023	*Weight*[1]
Agriculture	-3.8	-0.9	1.0	2.1	*0.7*
Industry and energy	-5.2	-5.0	6.4	0.4	*14.6*
Construction	-6.1	9.4	-0.1	-0.4	*4.7*
Services	-4.0	7.7	4.5	1.4	*70.0*
Tradeable services[2]	*-4.0*	*8.5*	*4.1*	*1.0*	*49.0*
Non-tradeable services[3]	*-3.7*	*5.8*	*5.4*	*2.2*	*21.1*
Value added, total	*-4.2*	*5.7*	*4.5*	*1.1*	*90.1*
Taxes on products, net of subsidies	-9.8	10.9	1.9	2.4	*9.9*
Gross domestic product	-4.8	6.2	4.2	1.3	*100.0*

Source: NAI.
1 Percentage weight in 2023 real GDP.
2 Trade, repair, transportation, accommodation and food, information and communication, financial, real estate and business services.
3 Government services and education, human health, social services and other services to households.

All sectors of activity displayed a more or less significant slowdown in 2023, aside from agriculture.

Growth in value added in ***industry and energy*** was mainly depressed by the plastic (-10.1%), chemical (-9.8%) and metal (-3.9%) industries. However, value added rose sharply in the energy industry (+15.5 %, more specifically for certain large electricity suppliers) and the manufacture of computer, electronic and optical products (+ 7.7%) as well as, albeit less so, in the pharmaceutical industry (+ 3.9%). Overall, industrial activity rose by a mere 0.4%, after a strong 6.4% increase in 2022.

In 2023, value added in ***construction*** fell by -0.4%. While residential building activity suffered from rising interest rates and construction costs, this was mostly offset by the boost generated by the electoral cycle, meaning local authorities tend to invest more in the year leading up to elections, which led to an increase in non-residential construction and public works.

In ***tradeable services***, the increase in value added was limited to 1.0%, well below the 4.1% rise recorded in 2022. Activity was however still lively in accommodation and food services (+11.3%) as well as in computer and information services (+6.4%). On the contrary, activity fell in telecommunication services (-6.6%) and administrative and support services (-1.1%).

The 2.2% growth in value added for ***non-tradeable services*** was less substantial than in 2022 but still above the growth rate for the economy as a whole. This increase was mainly driven by education services (+2.2%), arts, entertainment and recreation services (+2.5%), healthcare (+3.3%) and other services to households (+4.4%).

2. Demand

Domestic demand, like activity, slowed in 2023. Due to its predominant weight in the composition of demand, the final consumption expenditure of households and NPISH has a marked influence on the evolution of GDP under the expenditure approach; this explains the slowdown in demand noted in 2023, while government consumption held its ground. On the contrary, business investment and, even more so, government investment grew at a faster rate than the year before, while investment in dwellings by households fell again, albeit somewhat less than in 2022.

Net external demand exerted, for its part, a minor influence, with a contribution of -0.2% to real GDP growth.

Table 2

Main components of demand, in volume terms

(year-on-year change)

	2020	2021	2022	2023	*Weight[1]*
Final consumption expenditure of households and NPISH[2]	-7.2	5.6	3.6	0.6	*50.9*
Final consumption expenditure of general government Gross	-0.2	4.1	3.3	3.2	*23.8*
fixed capital formation	-5.1	4.3	1.7	3.5	*24.4*
Enterprises, self-employed workers and NPISH[2]	*-5.8*	*4.3*	*4.1*	*5.1*	*16.7*
Dwellings	*-5.9*	*4.2*	*-3.2*	*-2.5*	*4.9*
General government	*0.7*	*4.5*	*-2.3*	*5.9*	*2.8*
Changes in inventories[3]	-0.4	-0.3	1.2	-0.4	*2.6*
pm Domestic demand excl. changes in inventories	*-5.1*	*4.9*	*3.1*	*1.9*	*99.1*
Exports of goods and services	-6.0	14.7	5.8	-7.1	*87.4*
Imports of goods and services	-6.7	12.8	5.8	-6.8	*89.0*
External balance of goods and services[2]	0.6	1.6	0.1	-0.2	*-1.6*
Gross domestic product	-4.8	6.2	4.2	1.3	*100.0*

Source: NAI.
1 Percentage weight in 2023 real GDP
2 Non-profit institutions serving households
3 Contribution to GDP growth

The ***final consumption expenditure of households and NPISH*** rose modestly, by 0.6%, after two years of strong recovery following the pandemic.

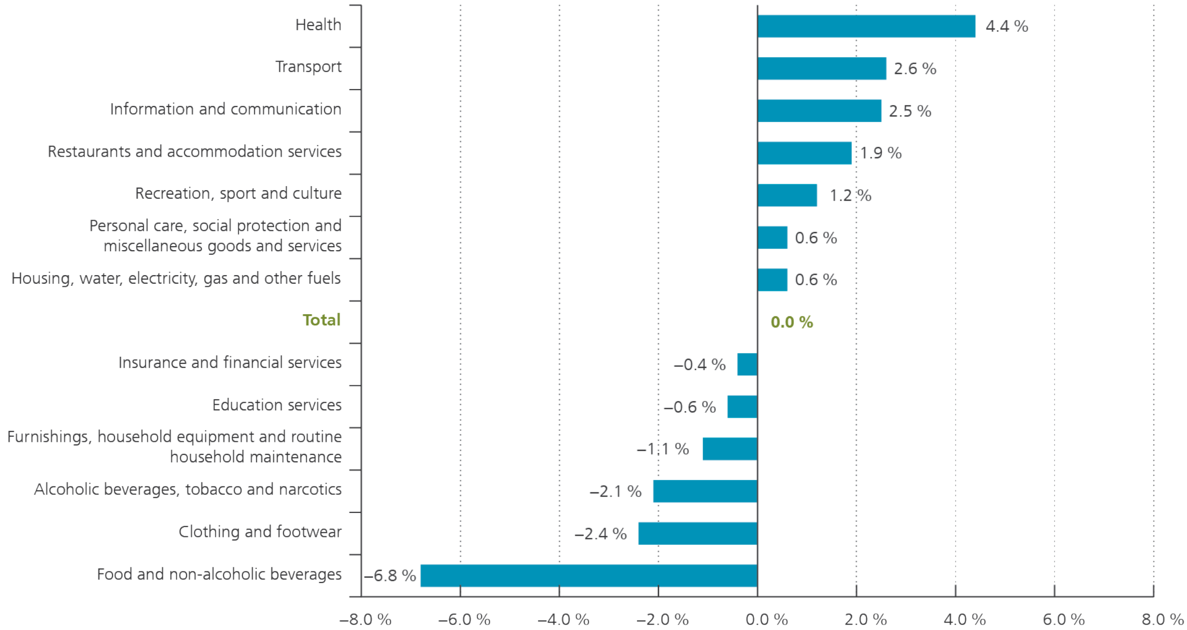
Households noticeably reduced their expenditure on *food products and non-alcoholic* beverages consumed at home, which declined by 6.8% in 2023. This reflected not only a fall in quantities consumed but also a shift in the quality of products purchased, with a rising preference for entry-level goods. Consumption of alcoholic beverages also dropped in 2023, by 4.9%.

In addition, expenditure on *clothing and footwear* was down by 2.2% in 2023, under the influence of strong price rises. Nevertheless, spending on online purchases continued to rise in 2023.

Figure 1

Households final consumption by product category[1]

(year-on-year change in volume terms)



Source : NAI

1 The households final consumption presented in Figure 1 (domestic concept, covering solely households) differs from the concept presented in Table 2 (national concept, covering households and NPISHs); this explains why the annual growth rate of these variables differs from each other. The breakdown by product category is only available for households consumption according to the domestic concept.

On the contrary, *healthcare* expenditure grew by 4.4%. This was a general trend but was especially noticeable in general medical practice and hospital services.

Expenditure on *transportation* increased by 2.6% after having declined for three years. This recovery was mainly due to vehicle purchases, which were up by 13.7% as production and supply difficulties came to an end; the number of new and used vehicle registrations rose by 12% and 6.7%, respectively. Conversely, the uptick in bicycle purchases that followed the health crisis ran out of steam, with expenditure falling by 2% in 2023.

Finally, spending continued to grow in those areas most penalised by the pandemic: expenditure on restaurants and *accommodation services* rose by 1.9% and on *recreation, sport and culture* by 1.2%.

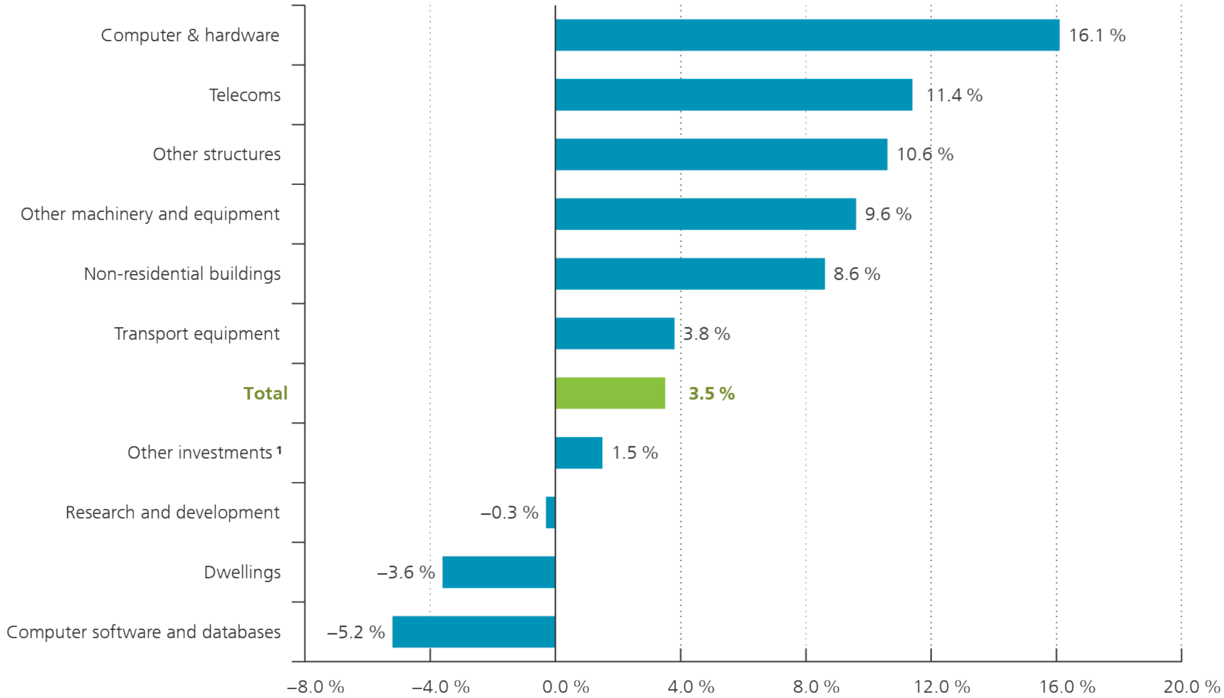
Government consumption rose by 3.2%, a rate similar to that observed a year earlier (3.3%) with sharply rising expenditure on healthcare being the main driver. The tumbling cost of the “social tariff” for electricity and gas consumption had, on the other hand, a limited impact on volume growth as it is mainly accounted for as a price effect.

Despite tighter financing conditions, ***gross fixed capital formation*** rose by 3.5% in 2023, aided by the robust growth in corporate profit margins recorded in 2021 and 2022. Business investment varied widely, depending on the type of asset.

Figure 2

Investments by type of assets

(year-on-year change in volume terms)



Source: NAI.

1 Weapon systems, cultivated biological resources and intellectual property products.

Investment in *tangible assets* drove the revival. Investment was most dynamic in information technologies, with growth of 16.1% in computers and hardware and 11.4% in telecommunication equipment.

However, the assets that made the most substantial contribution were non-residential buildings (+8.6%) and other structures (+10.6 %); investment in these types of assets was mainly driven up by the electoral cycle, meaning public authorities are inclined to spend ahead of local elections. In current prices, investment in these assets rose by 20% in 2023, compared with 11.5% growth for the public sector as a whole.

Business investment in other machinery and equipment also rose sharply, in particular for firms active in the chemical sector and transportation services, due to building works at the Antwerp port, as well as in the energy industry.

On the contrary, investment in dwellings by households fell by 3.6% in 2023, undermined by higher mortgage rates and the rising cost of raw materials. The number of applications for building permits submitted in 2023 fell by 1.7% compared with 2022, when this figure already dropped by 10.7%. Having regard to the time needed to complete construction works, which has moreover been rising since 2021 due to the pandemic, shortages and the energy crisis, the decline in the number of new dwellings was particularly noticeable in 2023. Renovation works fared slightly better, as households have been seeking to improve the energy efficiency of their homes since the energy crisis.

The two main categories of gross capital formation in *non-tangible assets*, for their part, declined in 2023, after growing strongly in 2022. The virtual stagnation (-0.3%) of R&D investment was chiefly attributable to less buoyant research in the pharmaceutical industry. Investment in software and databases fell more sharply, by 5.2%, primarily due to the disposal by a multinational of its B2B online sales platform to a non-resident company, a disinvestment which had a balancing effect on services exports.

“Other investment”, which includes transactions in weapon systems, biological resources and intellectual property products, rose by a moderate 1.5% but had no impact on total growth due to the negligeable weight of this category.

Sharp fluctuations in the contribution of ***changes in inventories*** to growth were recorded over the past years. Multiple, successive shocks rendered the management of inventories even more complex, and businesses seemed to have difficulty correctly assessing the speed and intensity of the recovery. By the end of 2022, warehouses were full but were gradually emptied over the course of 2023, with changes in inventories making a contribution of -0.4% to real GDP growth. Over the period 2020-2023, however, the total contribution of changes in inventories had a neutral impact on GDP growth.

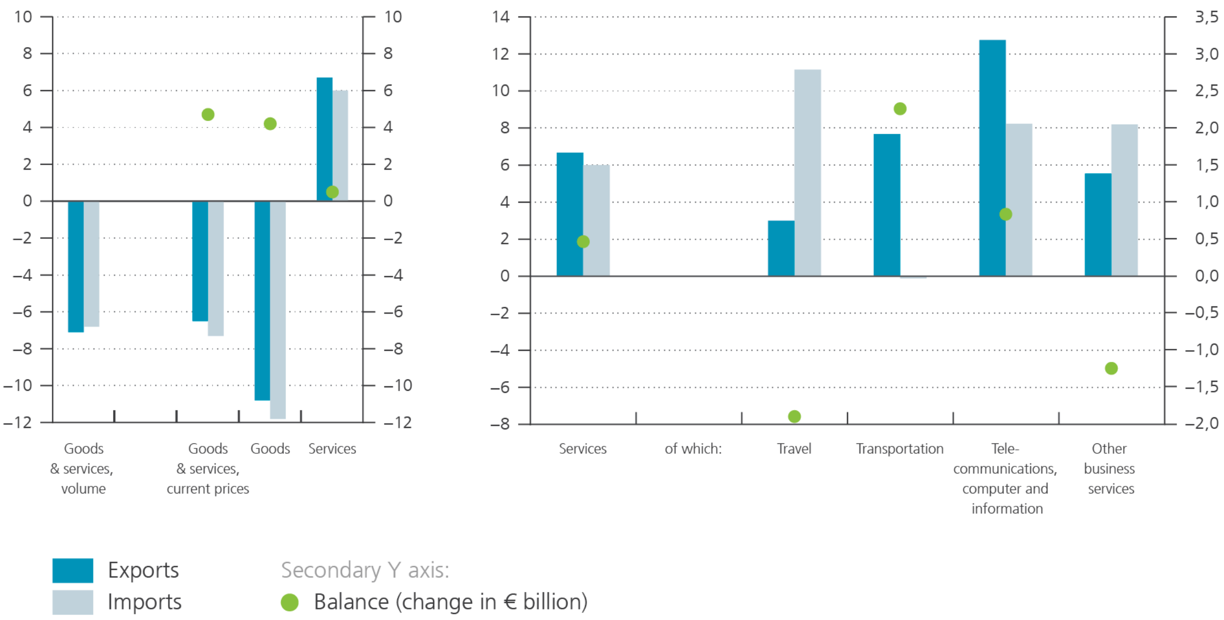
Although the slowdown in economic activity is mostly a European phenomenon, the volume of world trade stagnated in 2023 after growing by more than 5% in 2022. As a small open economy, Belgium is substantially affected by these developments: its total ***exports and imports of goods and services*** declined in volume, by -7.1% and -6.8%, respectively, resulting in a small negative contribution of -0.2% to GDP growth.

This overall picture masks contrasting developments in international trade in goods and services, with a sharp fall in the former category and modest growth in the latter.

Figure 3

Exports and imports of goods and services[1]

(year-on-year change)



Sources : NAI, NBB.
1 Information from the balance of payments.

The terms of trade improved by 1.2%, mainly under the influence of falling prices for energy and other raw materials, with the decrease in exports at current prices less pronounced (-6.5%) than that of imports (-7.3%).This overall picture obscures, however, contrasting developments in international trade in goods and services, with the former falling sharply and the latter growing at a respectable pace.

The fall in trade in goods, far in excess of the stagnation in world trade, was mainly due to a factor very specific to Belgium: after being the “star” export product for two years, foreign sales of Covid-19 vaccines fell precipitously in 2023. According to foreign trade statistics, exports at current prices of these vaccines amounted to €7.1 billion in 2023, while they reached €22.5 and €24.8 billion in 2021 and 2022, respectively. On the imports side, the fall in the value of energy imports mainly explains the overall decrease. Total exports and imports of goods dropped by 10.8% and 11.8%; the balance improved by €4.2 billion, largely due to a fall in the value of net energy imports.

In contrast, trade in services expanded in 2023, by 6.7% for exports and 6.0% for imports, leading to a limited improvement in the overall deficit by €0.5 billion to -€6.4 billion.

The four main categories of services traded with the rest of the world contributed to this development in different ways.

On the one hand, exports of transportation services grew while imports remained unchanged; the surplus therefore widened, by €2.3 billion. So did the surplus in trade in telecommunications and computer services, by €0.8 billion, as a result of vigorous exports of computer services mainly owing to the aforementioned disposal of an online sales platform.

On the other hand, spending by non-residents in Belgium (exports, +23.6%) grew at a high rate, fairly similar to that of Belgians' spending abroad (imports, +24.7%), but as the latter was on a much smaller scale, the travel balance deteriorated by €1.9 billion. Finally, imports of "other business services" rose faster than imports, transforming the €0.6 billion surplus to a deficit of the same amount.

3. Income

After a balanced distribution of growth between the production factors in 2022, the labour factor gained the upper hand in 2023, with compensation of employees rising by 8.7%. After two years of strong growth, the gross operating surplus of corporations rose mildly in 2023, by 2.3%; mixed income of the self-employed displayed a similar pattern.

Table 3

Income

(year-on-year change at current prices)

	2020	2021	2022	2023	*Weight*[1]
Compensation of employees	-1.7	6.4	9.6	8.7	*49.1*
Wages and salaries	*-2.1*	*7.1*	*9.8*	*9.0*	*36.9*
Employers' social contibutions	*-0.6*	*4.5*	*8.7*	*8.1*	*12.2*
Gross operating surplus	0.0	9.8	15.3	2.3	*35.7*
Gross mixed income	-6.8	9.6	8.6	2.7	*6.4*
Taxes on production and imports less subsidies	-20.0	22.6	7.6	7.0	*8.9*
Gross domestic product	-3.3	9.1	11.4	5.8	*100.0*

Source: NAI.
1 Percentage weight in 2023 GDP at current prices

As was the case in 2022, the sharp rise, by 8.7%, in labour costs seen in 2023 largely stemmed from price changes: costs per hour rose by 7.9%, due almost entirely to the effects of indexation (7.8%), while the number of hours worked rose by 0.8%.

In the private sector, having regard to the different indexation mechanisms applied under various collective bargaining agreements, inflation was passed on less quickly, as a large share of employees had to wait until the first quarter of 2023 to see their wages adjusted to the high inflation measured in 2022; the impact of indexation in 2023 was, at 8.0%, higher than in 2022 (+5.4%). In general government, the impact was similar for both years (7%). In 2023, growth in the health index slowed: while the pivot threshold, the crossing of which triggers indexation, was exceeded only once in 2023, the year was affected by the delayed impact of the five crossings that occurred in 2022.

Taxes on production and imports, net of subsidies, grew at a sustained rate of 7.0 %. Taxes increased by 5.6 %, driven mainly by much higher excise duties on oil products and contribution from nuclear operators. The rise in subsidies was, however, much smaller, at 2.3 %, namely because subsidies to promote green power production declined sharply.

4. Labour market

In 2023, employment growth mirrored the marked slowdown in economic activity growth, increasing by 0.8% after rising 1.9% in 2022; in terms of the number of persons employed, this meant the net creation of 39,500 jobs compared with 95,500 a year earlier.

Table 4

Domestic employment

(year-on-year change, unless otherwiese stated)

	2020		2021		2022		2023		2023, level
Thousands persons (% in parentheses)									Thousands
Self-employed	15.8	(1.9)	25.7	(3.1)	17.0	(2.0)	10.0	(1.1)	887.2
Employees	-21.0	(-0.5)	56.4	(1.4)	78.6	(1.9)	29.5	(0.7)	4,205.2
Total	-5.3	(-0.1)	82.3	(1.7)	95.5	(1.9)	39.5	(0.8)	5,092.4
Millions hours worked (% in parentheses)									Millions
Self-employed	-245.5	(-13.0)	254.5	(15.4)	92.1	(4.8)	33.9	(1.7)	2,030.5
Employees	-388.8	(-6.6)	321.6	(5.9)	252.9	(4.4)	46.0	(0.8)	6,083.2
Total	-634.3	(-8.2)	576.0	(8.1)	345.2	(4.5)	79.8	(1.0)	8,113.7

Source: NAI.

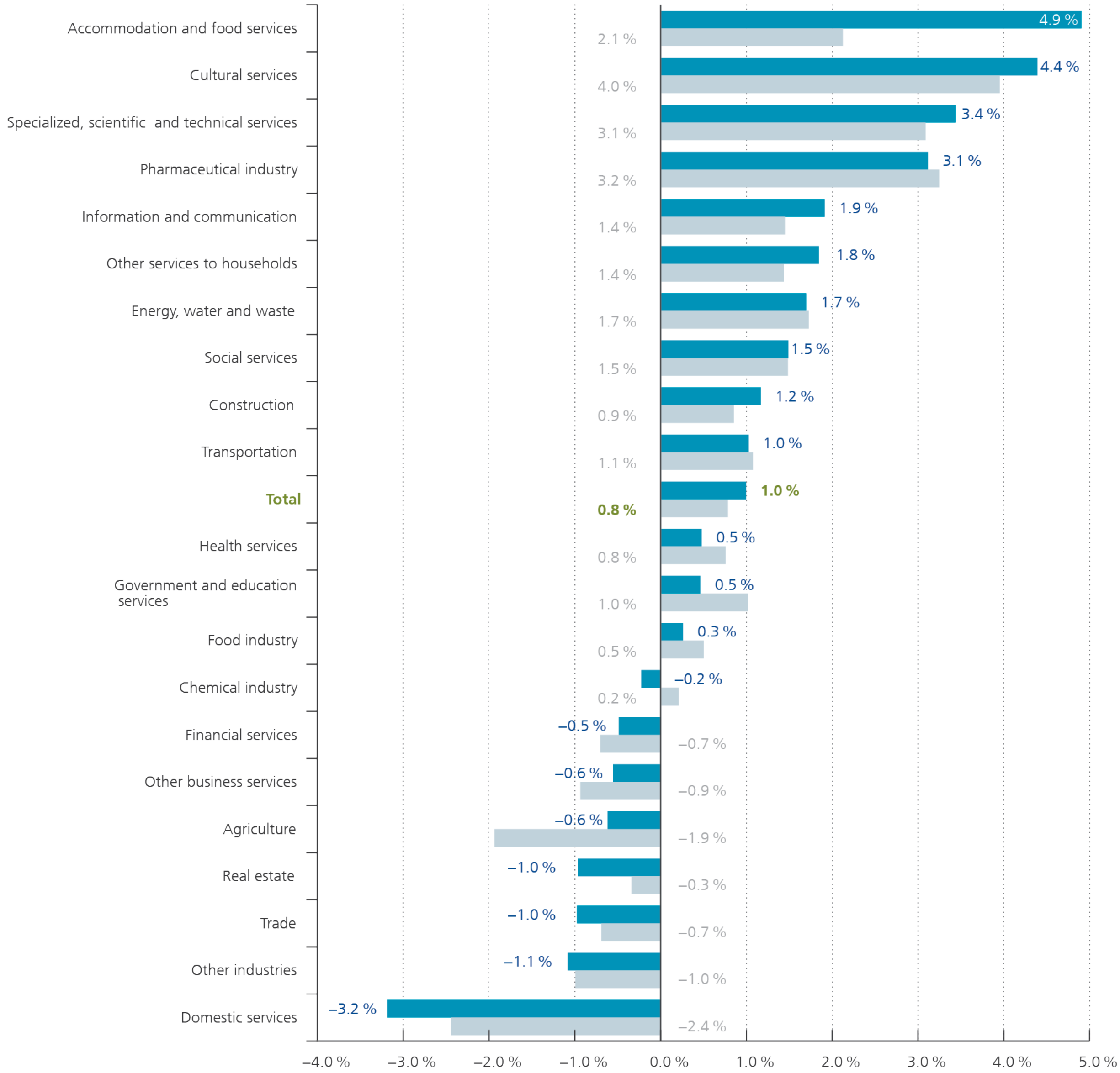
The change in the number of employees was somewhat more pronounced: this figure rose by 1.9% (or +78,600 persons) in 2022 but by a more modest 0.7% (or +29,500 persons) in 2023. For its part, growth in self-employment slowed from 2.0% (or +17,000 persons) in 2022 to 1.1% (or +10,000 persons) in 2023.

Growth remained robust in those service sectors most affected by the pandemic, namely accommodation and food services (+4.9%) and cultural services (+4.4%) as well as in areas with a relatively high technological content such as specialised, scientific and technical activities (+3.4%) and the pharmaceutical industry (+3.1%). Despite falling or stagnating economic activity, employment continued to grow in the largest industrial sectors, the chemical and food industries. On the contrary, employment declined on average in other areas of industrial activity and in several service sectors, with the largest falls seen in agriculture and domestic services

Figure 4

Employment in persons and hours worked by activity in 2023

(year-on-year change)



Source: NAI..

Average hours worked per person rose further in 2023, albeit modestly (by +0.2%) so that growth in the number of ***hours worked*** (+1.0%) exceeded that of employment in persons. Such a pattern was observed in most areas of activity with positive employment growth but was most pronounced in accommodation and food services, where shortages seem to persist. In those areas of activity in which hours worked declined the most, namely real estate, trade, other industries and domestic services, the fall was sharper than the decline in the number of persons employed; this is a quite common trend, as employers tend to reduce the number of hours worked before proceeding with layoffs.

5. Sector accounts and financing balance

The profit margin of ***non-financial corporations*** receded from 45.2% in 2022 to 42.4% in 2023, due to an 8.8% decrease in gross operating surplus as a result of fast-growing labour costs, while value added grew by 4.9%. The fall in gross operating surplus, combined with less negative net property income than in 2022, had a negative impact on the saving rate of non-financial corporations, which fell to 27.7% from a peak of 31.1% in 2022. However, investment was up sharply in 2023 (+9.9%), even more than value added, causing the investment rate to rise to 27.4%. Lastly, the rise in investment could not offset the fall in gross savings and the negative impact of changes in inventories, so that financing capacity came to 0.2% of GDP, compared with 0.5% a year earlier.

Table 5

Key indicators of the sector accounts

(%, at current prices)

	2020	2021	2022	2023
Non financial corporations				
Profit share (gross operating surplus/gross value added)	43.2	43.8	45.2	42.4
Savings ratio (gross saving/gross value added)	30.1	29.0	31.1	27.7
Investment rate (gross fixed capital formation/gross value added)	26.5	26.4	26.1	27.4
Net lending (+) or borrowing (-) /GDP	2.4	1.6	0.5	0.2
Financial corporations				
Net lending (+) or borrowing (-) /GDP	1.8	2.0	0.6	0.8
General governement				
Net lending (+) or borrowing (-) /GDP	-9.0	-5.4	-3.6	-4.2
Households[1]				
Gross primary income (year on year change)	-2.4	7.1	10.7	8.3
Gross disposable income (year on year change)	1.9	5.4	9.0	8.4
Final consumption (year on year change)	-6.3	8.4	14.2	6.6
Savings ratio (gross saving/gross disposable income)	19.1	16.6	12.7	14.1
Investment rate (gross fixed capital formation/gross disposable income)	9.6	10.0	9.6	9.0
Net lending (+) or borrowing (-) /GDP	5.6	3.9	1.4	2.8
Rest of the world				
Balance of foreign trade in goods and services/GDP	-1.4	-1.9	1.5	0.6
Net lending (+) or borrowing (-) /GDP	-0.8	-2.1	1.2	0.5

Source : ICN.
1 Including non-profit institutions serving households (NPISH).

Net lending by ***financial corporations*** expanded somewhat, from 0.6% of GDP in 2022 to 0.8% in 2023. Their operating surplus rose (+12.9%) while their net property expenses decreased, as interest income growth outpaced the rise in interest expense. Although transfer expenses grew faster than transfer revenue, disposable income and gross savings were up sharply, by 26.6% and 32.9%, respectively, a rise that was not completely offset by the increase in investment (+17.5%).

The primary income of ***households (including NPISH)*** progressed strongly (+8.3% in 2023) for the third consecutive year: in addition to the fast-growing labour income mentioned above, net property income also increased in 2023, by 10.1%. Although net transfers rose as well, gross disposable income grew by 8.4%, almost as fast as in 2022 (+9.0%). With inflation receding, consumption expenditure grew at a slower pace (6.6%) pushing up the saving rate again, to 14.1%. Higher gross savings combined with lower investment (mainly in dwellings) resulted in a growing financing capacity, which reached 2.8% of GDP, up from 1.4 % in 2022.

On the contrary, the ***general government*** deficit widened to -4.2% of GDP, compared with -3.6% a year earlier. Primary expenditure, expressed as a percentage of GDP, rose to 51.3%, up from 50.7% in 2022. This was due to the impact of policy measures, such as a further increase in minimum benefits, as well as a structural increase in the cost of population ageing and the automatic indexation of social benefits and public sector salaries. Interest expense rose from 1.6% of GDP in 2022 to 2.0% in 2023, along with the upswing in market interest rates. For its part, the revenue-to-GDP ratio also increased over the course of the year, from 48.6% to 49.1%.

The ***Belgian economy as a whole*** reported a financing requirement with the rest of the world amounting to around -0.5% of GDP in 2023, smaller than the -1.2% need recorded in 2022, as the growing surplus of households was large enough to offset the widening government deficit.

Conventional signs

e	estimation
p	provisional
-	the data does not exist or is meaningless
n.	not available
p.m.	pro memoria
0 or 0,0	zero or less than the half of the last chosen unit

List of abbreviations

EUR	Euro
GDP	Gross Domestic Product
NAI	National Accounts Institute
NBB	National Bank of Belgium
R&D	Research and development

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More informations

We suggest people wanting more information on the contents, the methodology, the methods of calculation and the sources to get in touch with the Statistical Information Systems of the National Bank of Belgium.

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