

COVID-19 Dashboard of Economic Indicators

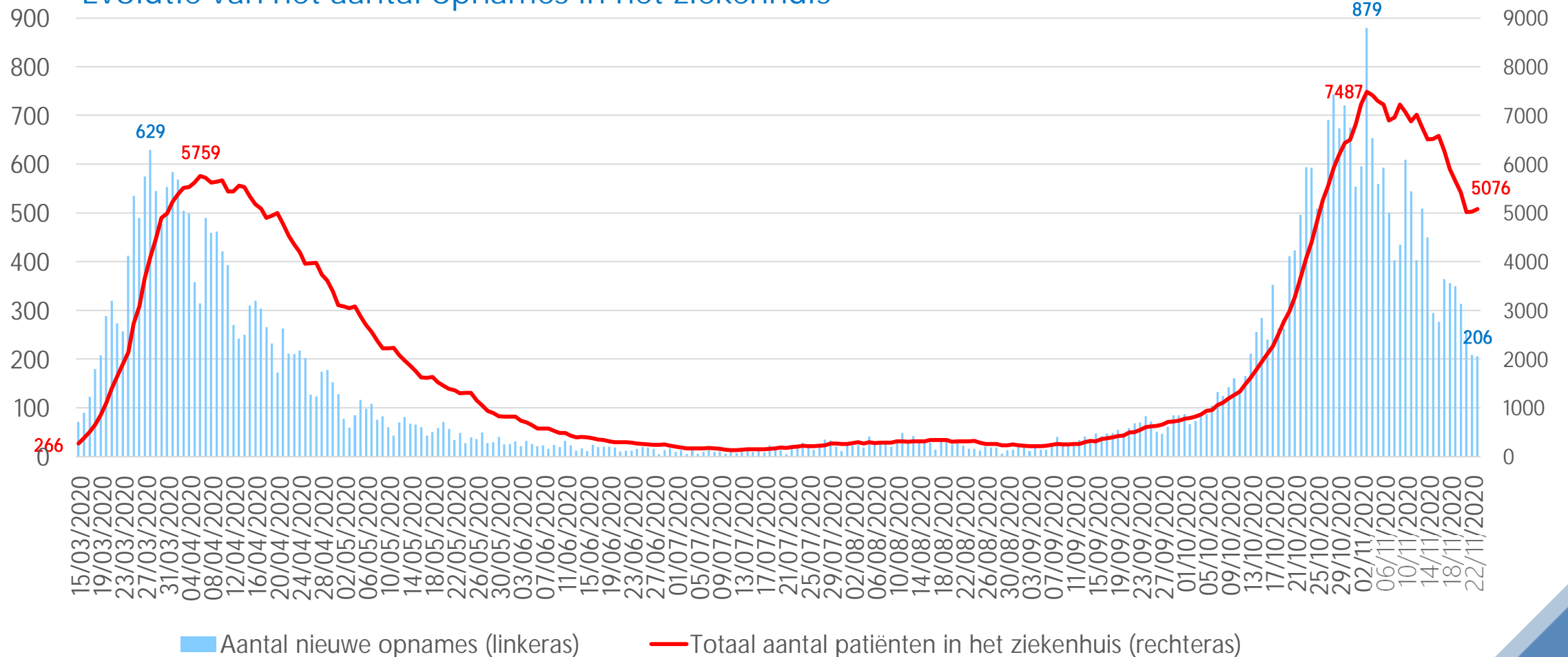
24 November 2020



COVID-19 in België

1. COVID-19 in België: aantal gehospitaliseerde patiënten daalt en bevindt zich op het niveau van halverwege april

Evolutie van het aantal opnames in het ziekenhuis



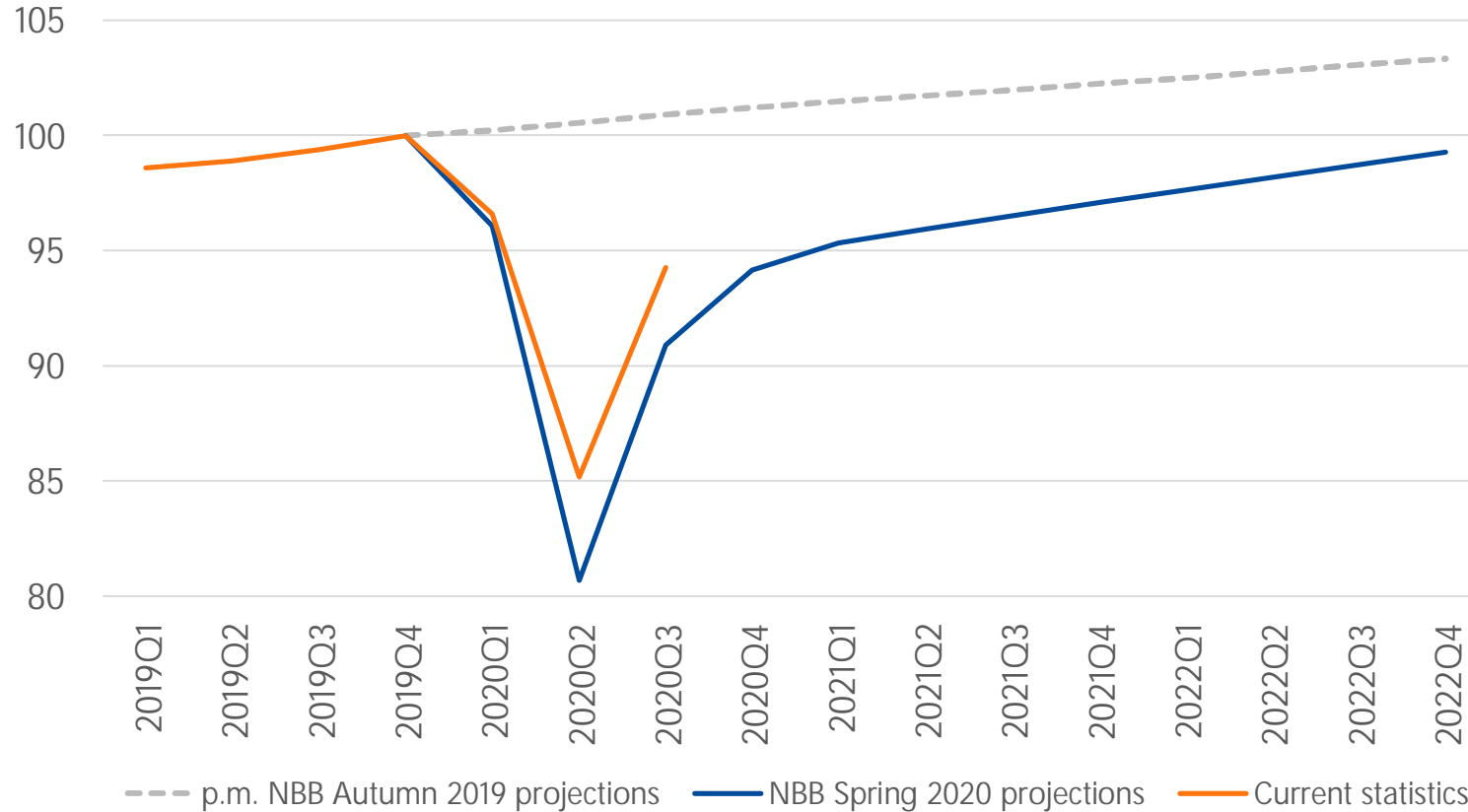
The background of the slide features a large, detailed 3D rendering of a coronavirus particle, showing its characteristic spherical shape and numerous spike-like protrusions. The particle is centered and rendered in a light blue, semi-transparent style, allowing the text to be clearly visible. The overall background is a soft, light blue gradient.

GDP and confidence indicators for Belgium

The downturn appears to have been less severe than predicted

Real GDP in Belgium

(quarterly data, index 2019Q4=100, unless otherwise stated)

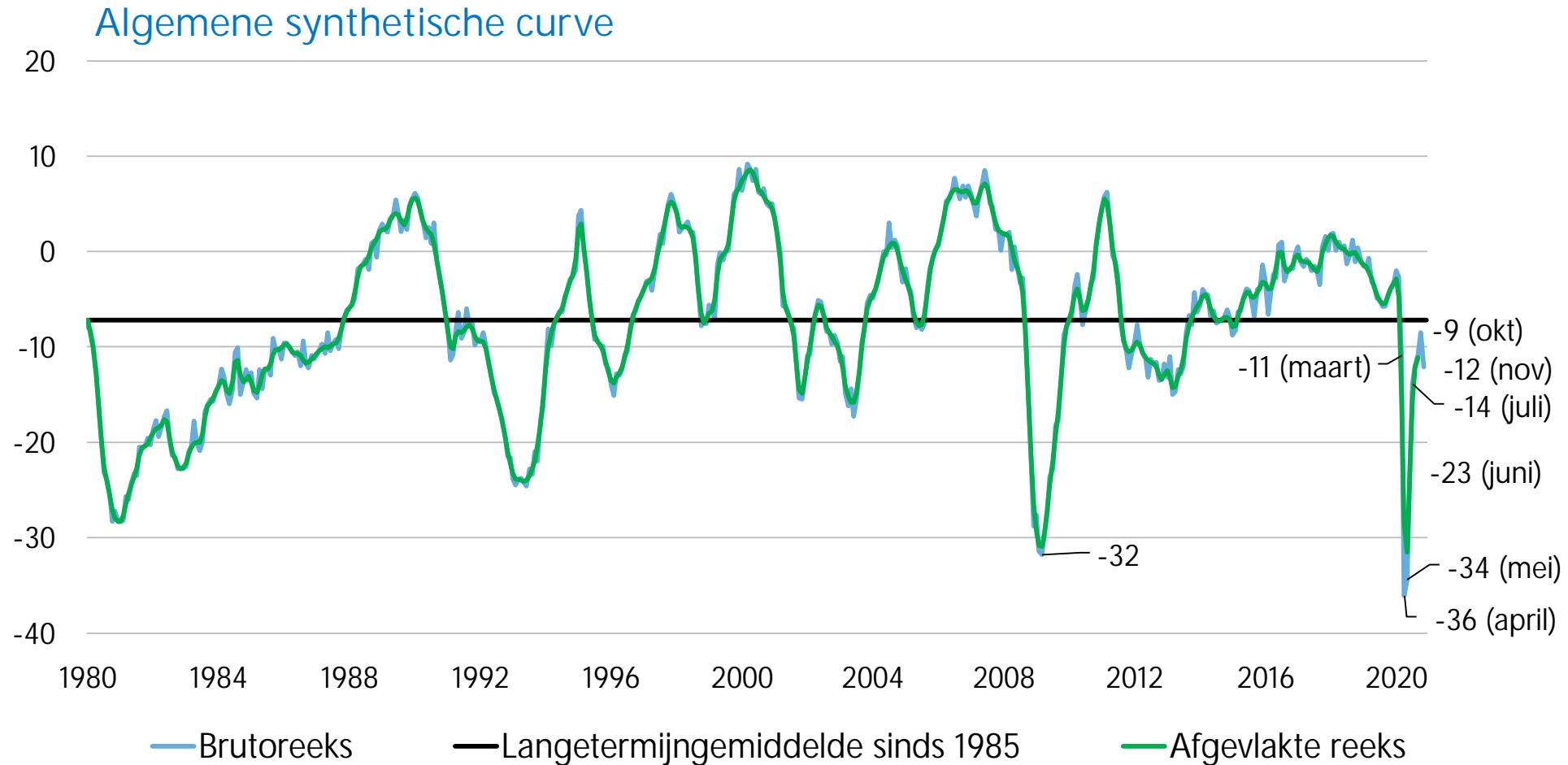


Real GDP in Belgium

(quarterly data, QoQ growth rate in %)

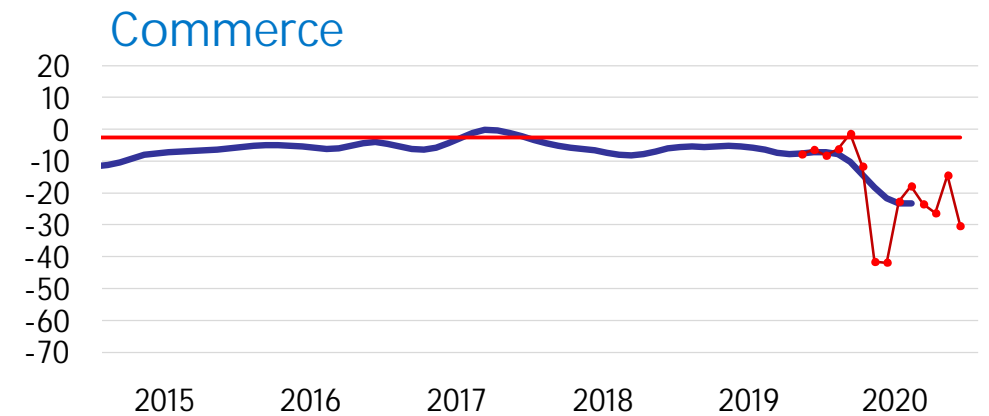
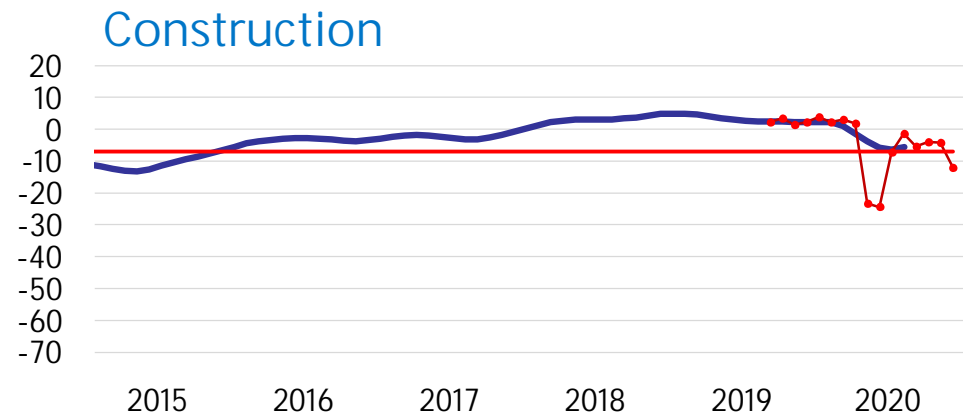
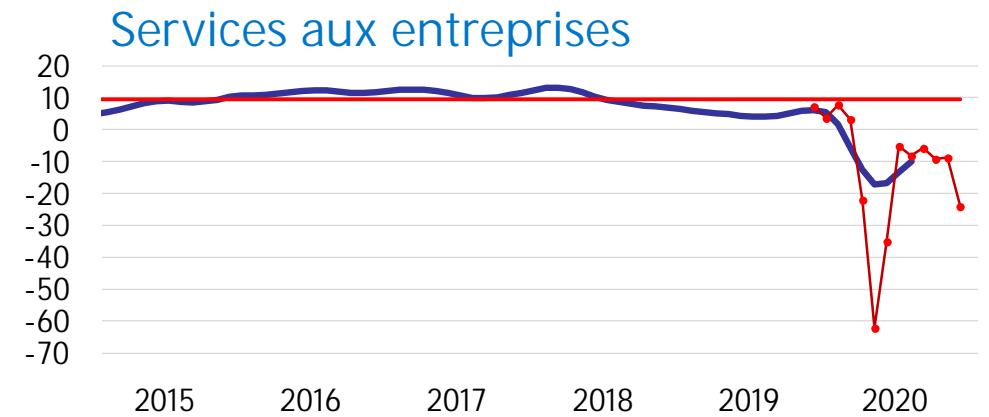
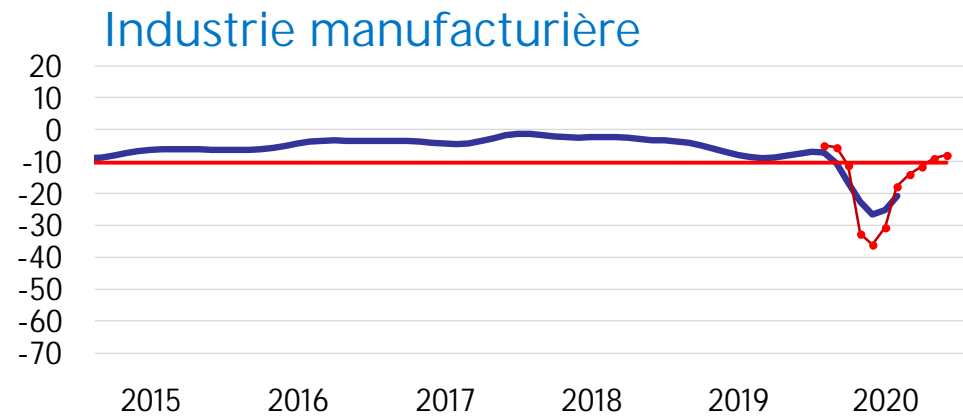
2019Q1	0.16
2019Q2	0.31
2019Q3	0.51
2019Q4	0.61
2020Q1	-3.42
2020Q2	-11.82
2020Q3	10.69

Na 6 maanden van opeenvolgende stijgingen is het NBB-ondernemersvertrouwen in november verzwakt



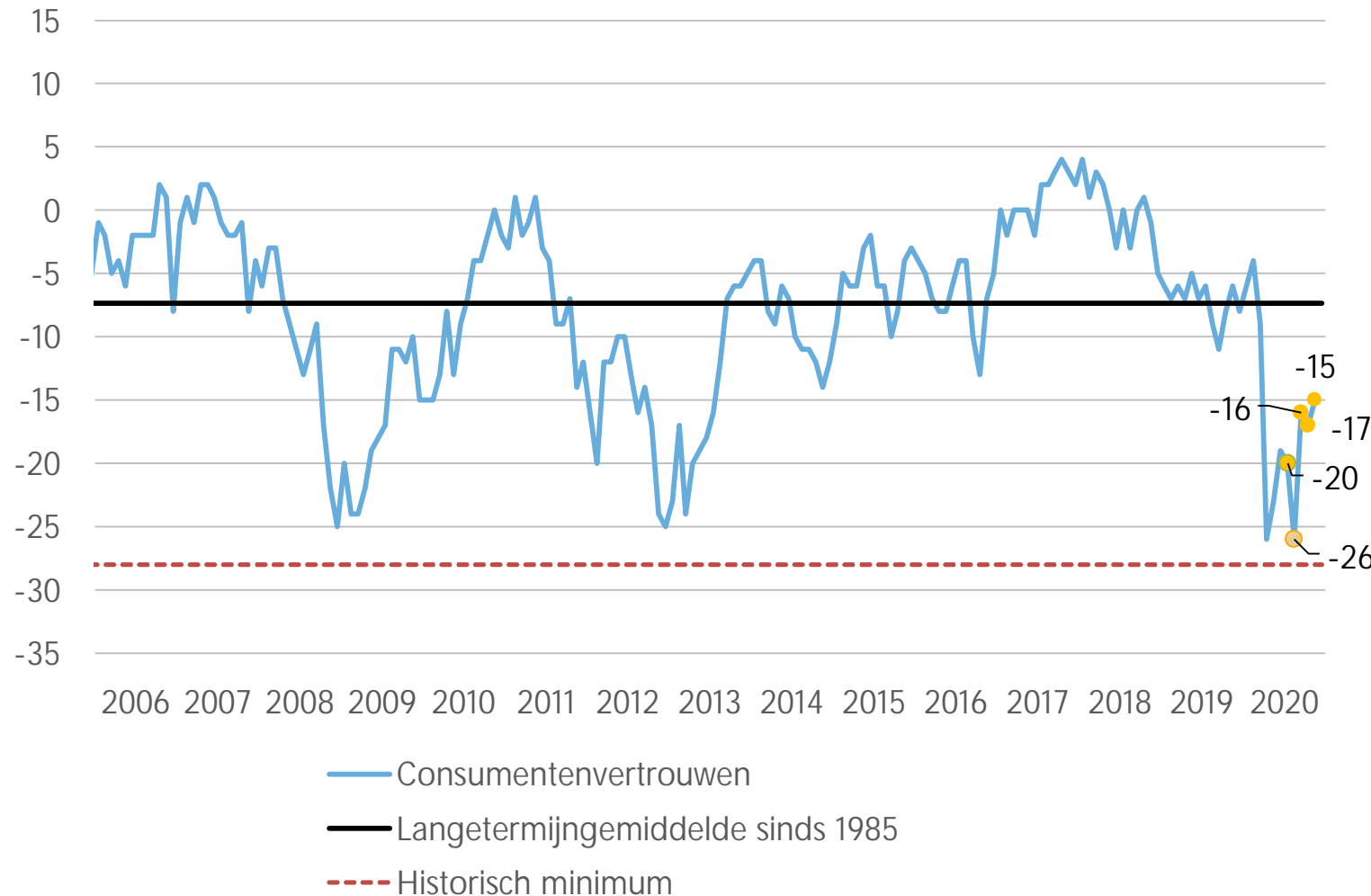
Une nette chute est enregistrée dans tous les secteurs, à l'exception de l'industrie manufacturière

Baromètre de conjoncture – Belgique : Branches d'activité – novembre 2020



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

Het consumentenvertrouwen neemt in november enigszins toe



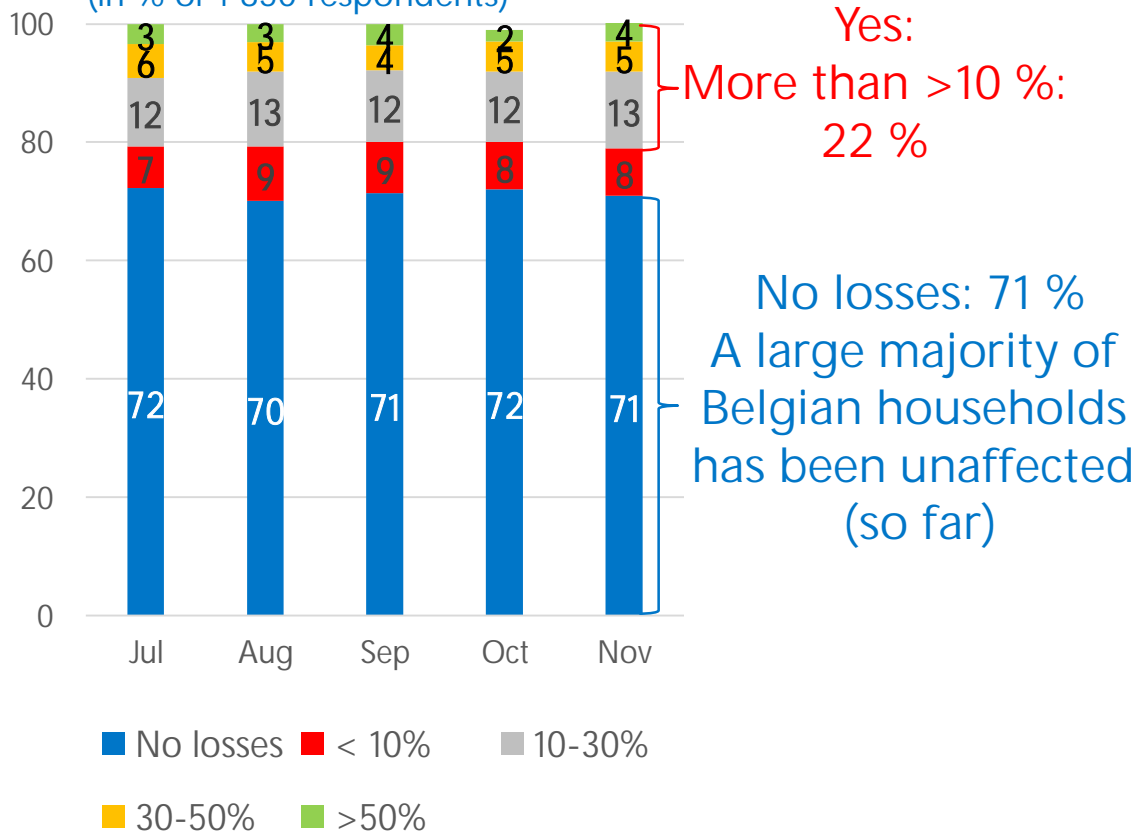
De indicator toonde in april de grootste verslechtering ooit op maandbasis (een daling tot -26) en herstelde deels sindsdien

De recente strengere beperkende maatregelen (die in werking traden op maandag 2 november, de eerste dag van de peiling) drukten aanvankelijk het vertrouwen van de gezinnen, waarna dat effect geleidelijk wegebde tijdens de enquêteperiode.

Around 22 % of households suffer an income loss of more than 10 % and 34 % of them have a savings buffer of less than 3 months¹

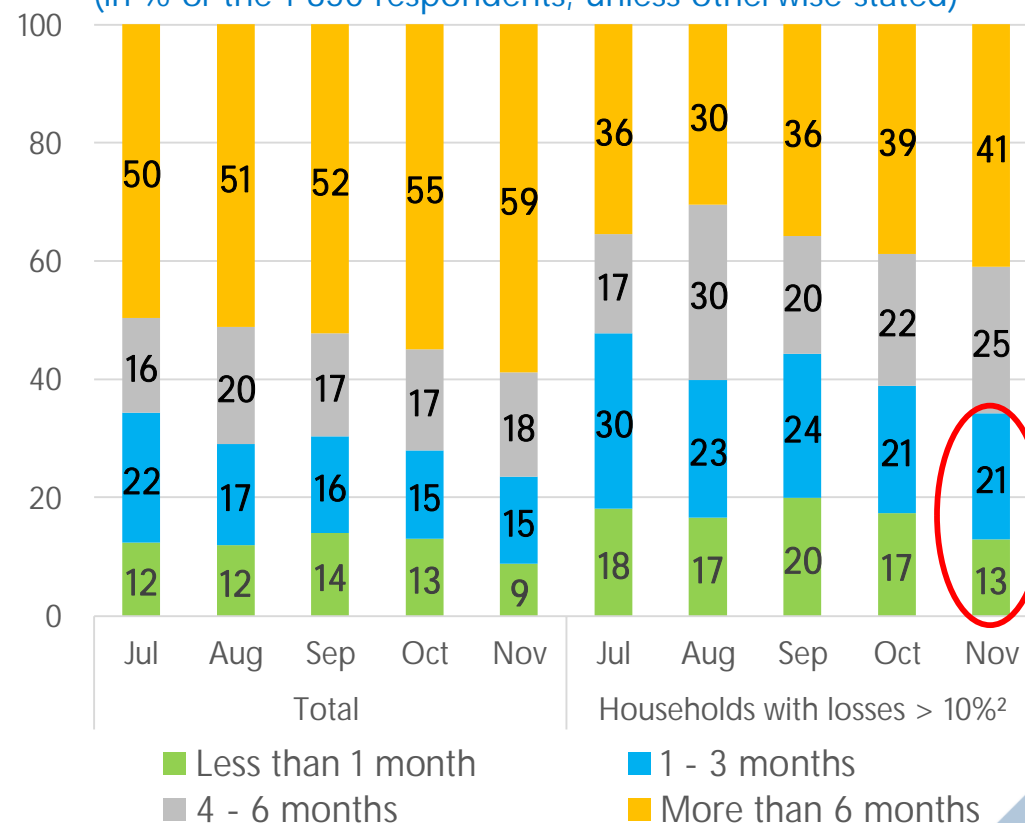
Is your household suffering a loss of income?

(in % of 1 850 respondents)



How long can you cover your expenses through a savings buffer?

(in % of the 1 850 respondents, unless otherwise stated)



Source: NBB, replies to November 2020 consumer survey (additional COVID-19 questions).

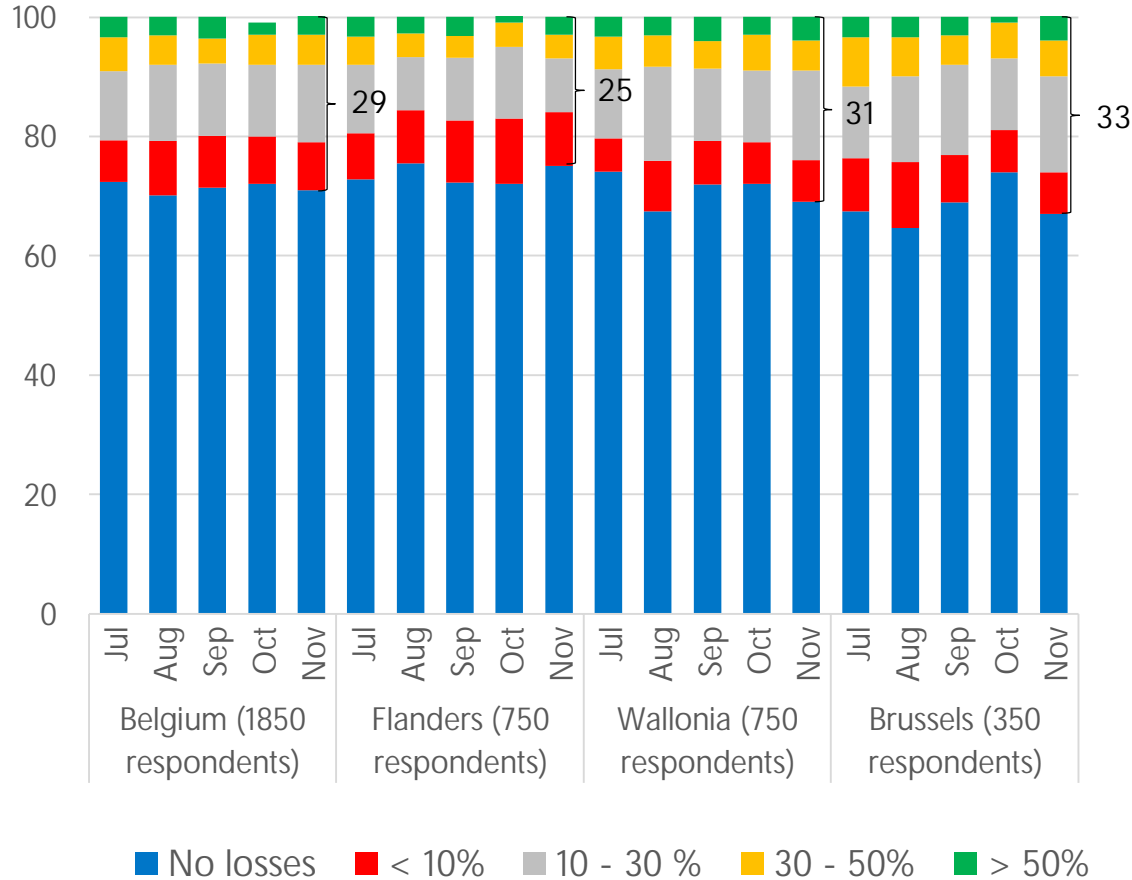
¹ Households with losses >10% (22 %) and less than three months savings (34 %) = 7 % of the total of households.

² 22 % of total respondents.

Losses of income rise sharply in Brussels

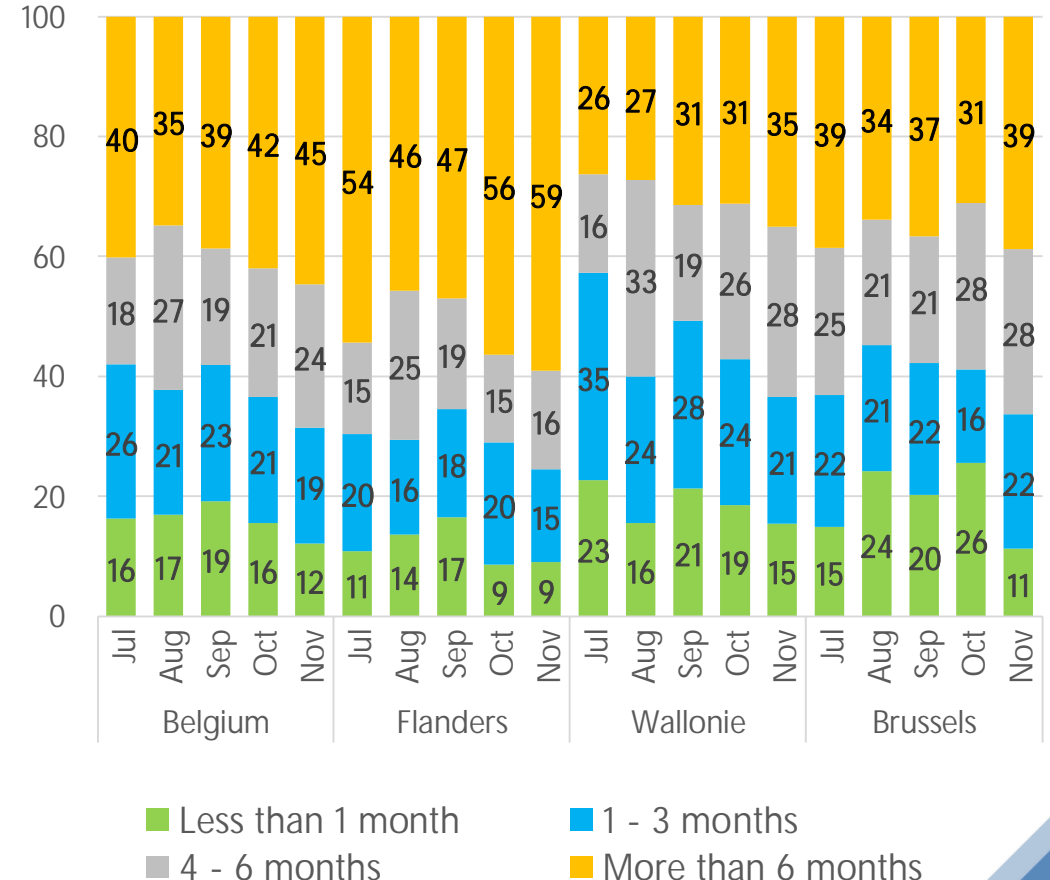
In November, higher share of households suffering a loss of income in Brussels and in Wallonia

(in % of respondents)

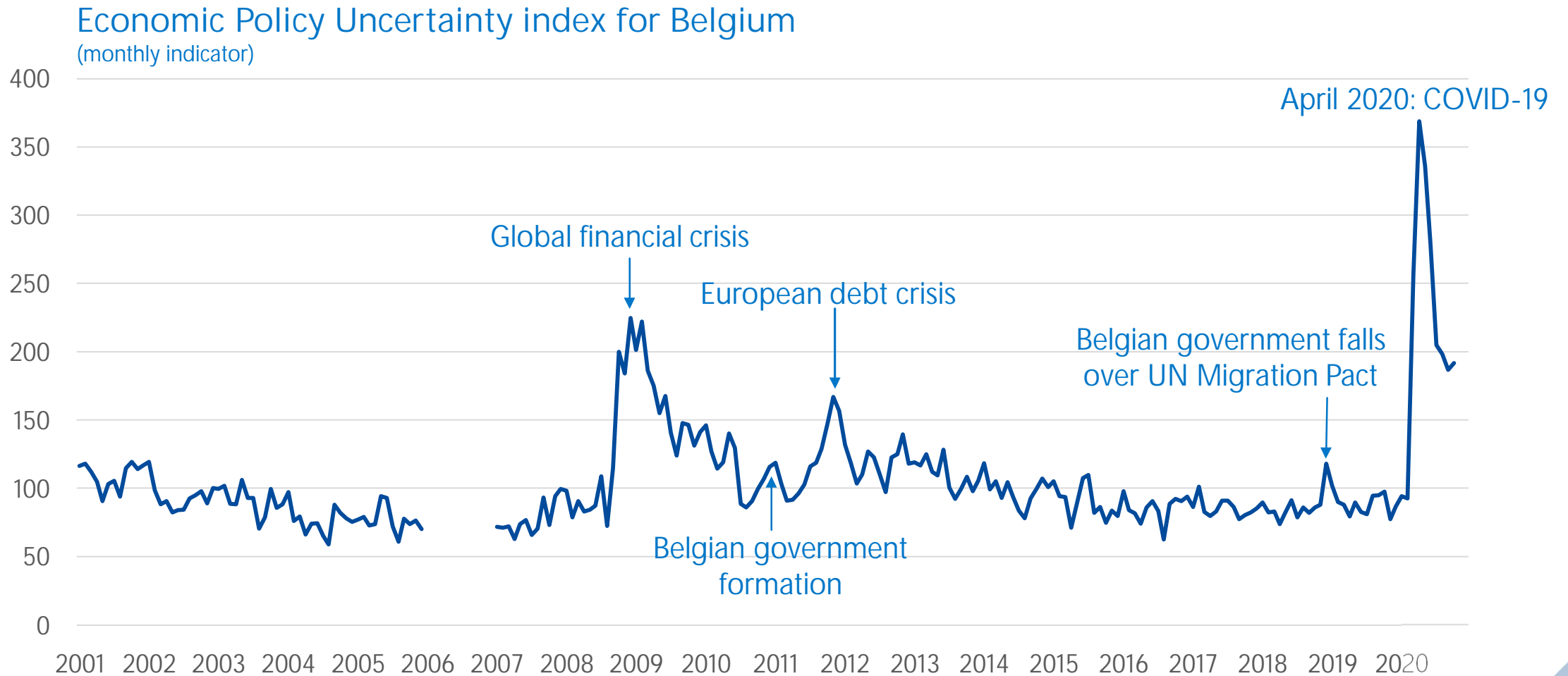


Savings buffer increases in all three regions but remains lower in Wallonia and in Brussels

(in % of respondents with loss of income)



Economic policy uncertainty slightly increased again in October and it remains very elevated (close to the level of the global financial crisis)

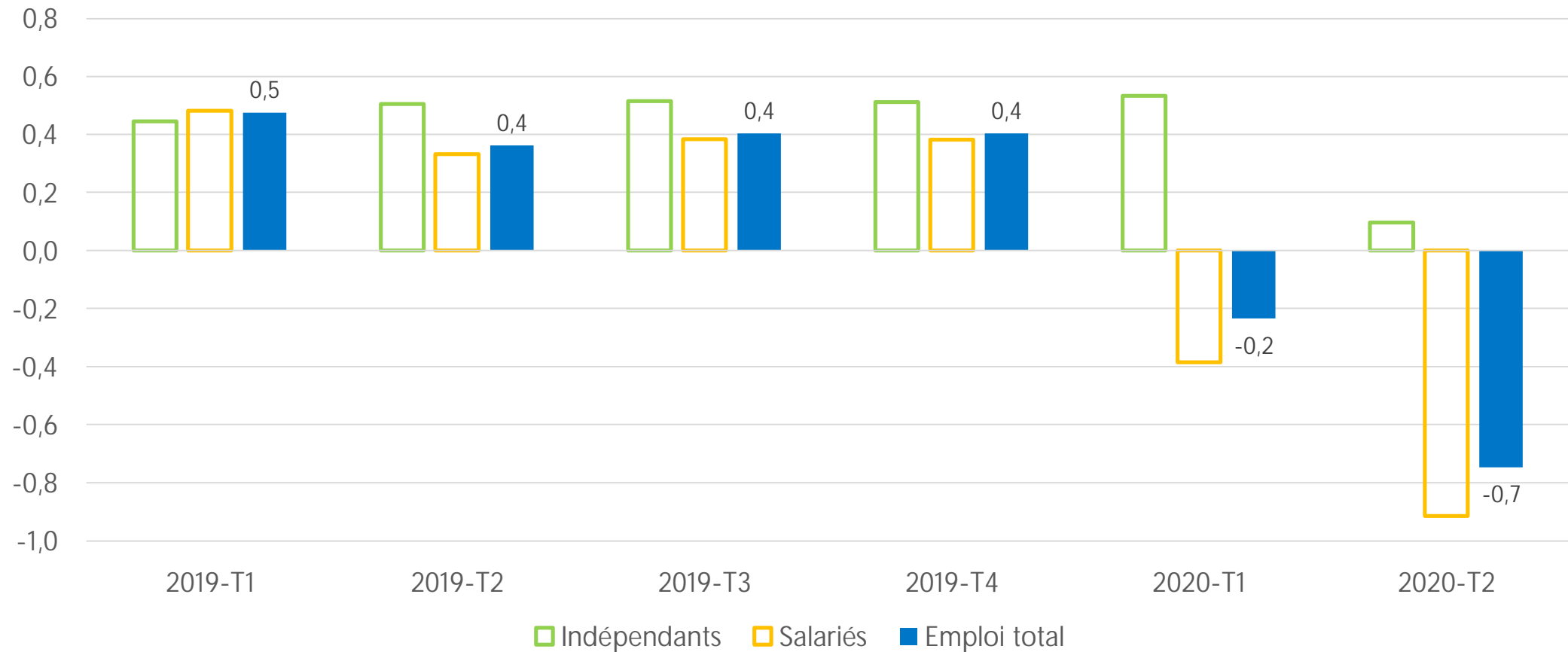




Labour market

L'emploi salarié plus durement impacté au 1^{er} semestre 2020 que l'emploi indépendant

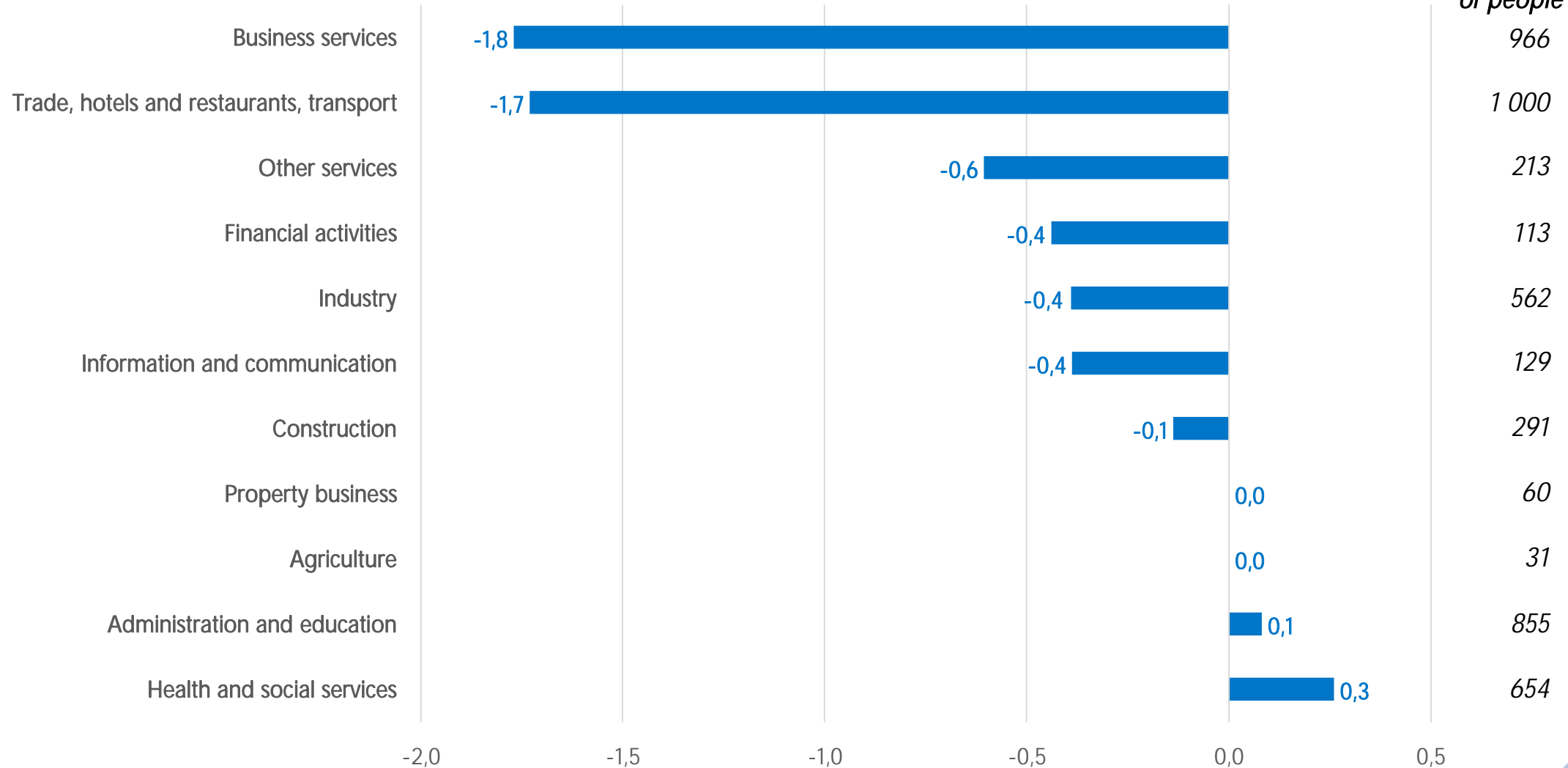
(emploi en personnes - variation trimestrielle en %)



Impact on employment stronger for some branches of activity

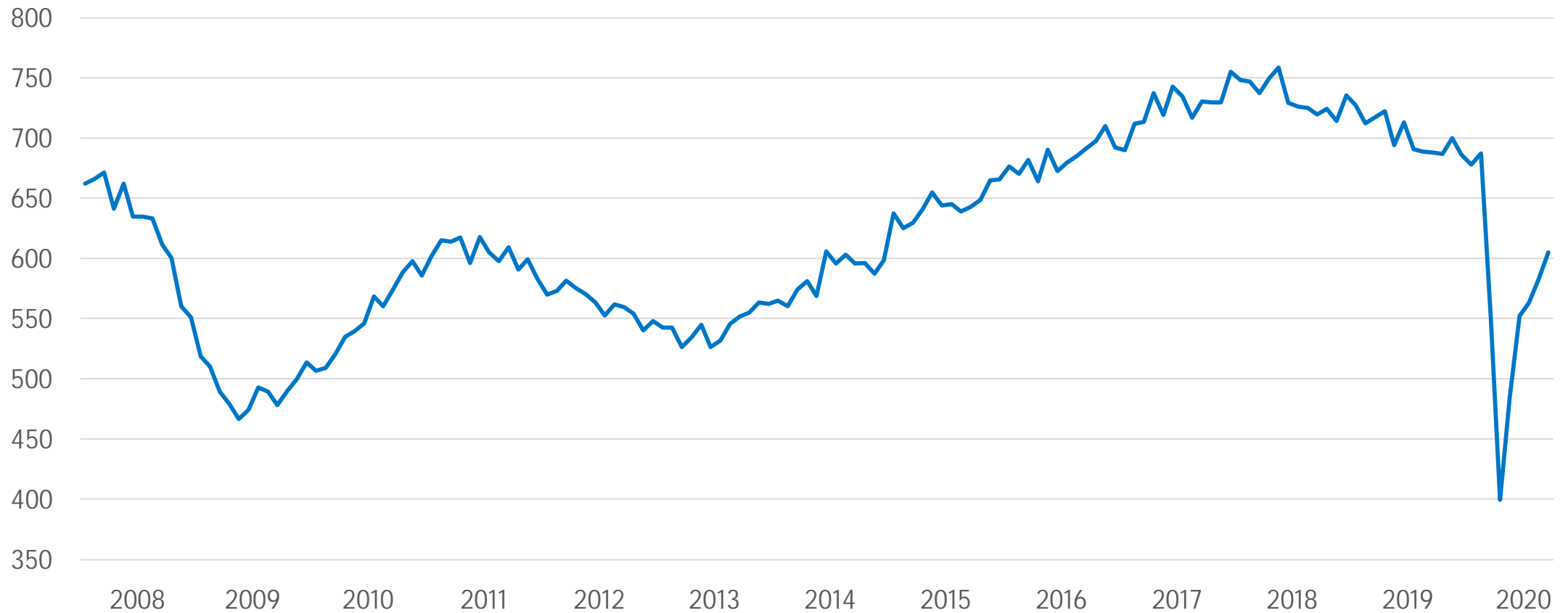
(QoQ variation in %)

*pm thousands
of people*

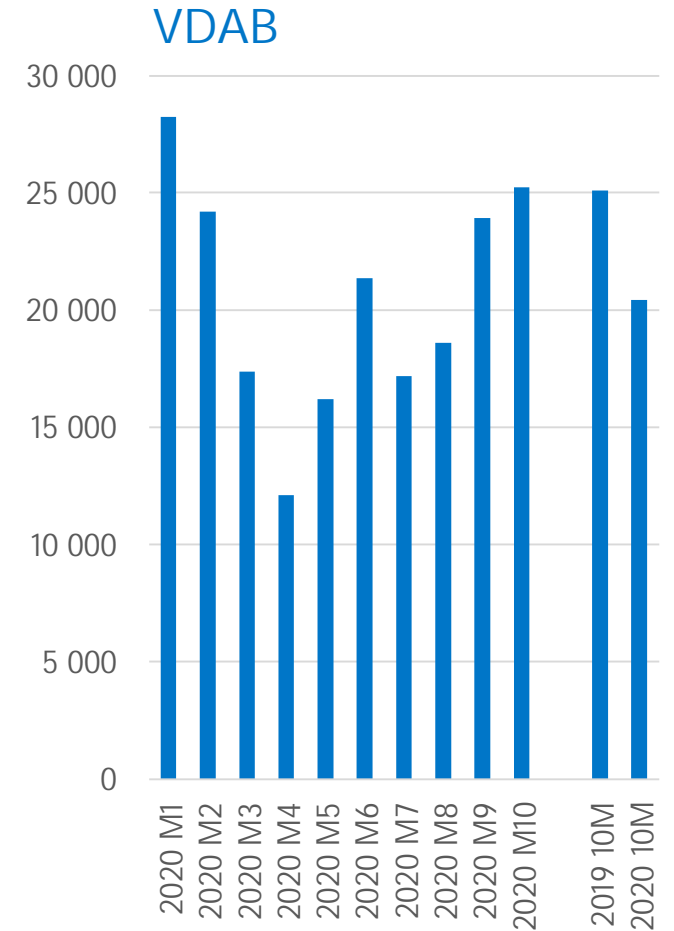
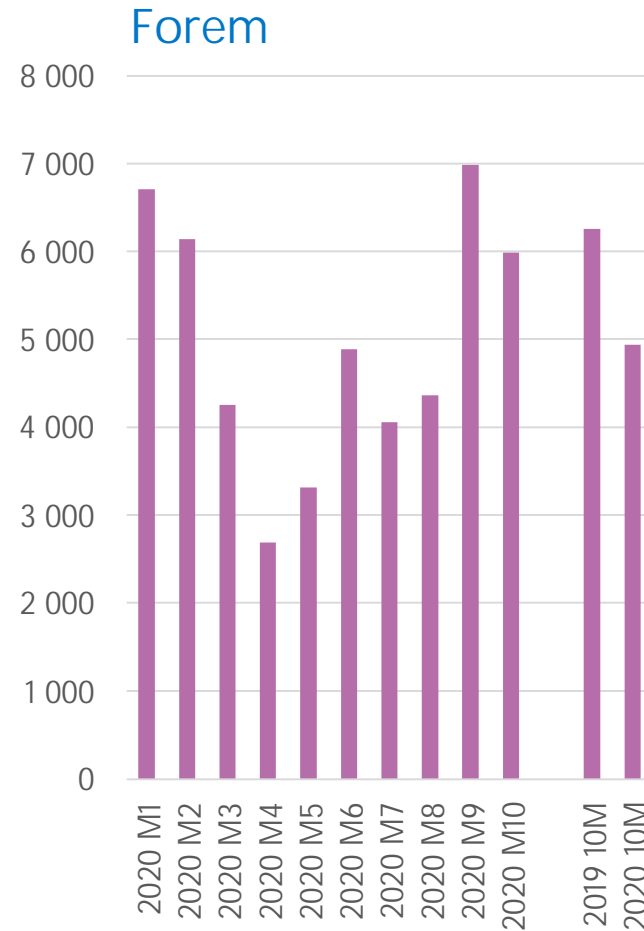
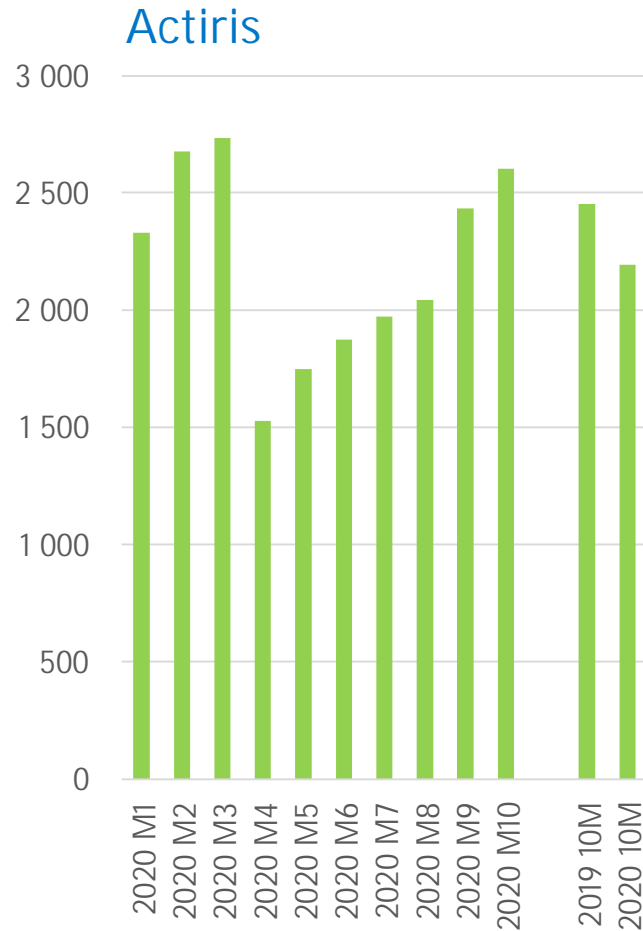


Chute brutale du travail intérimaire en avril, reprise partielle par après

(données mensuelles, en milliers d'heures)

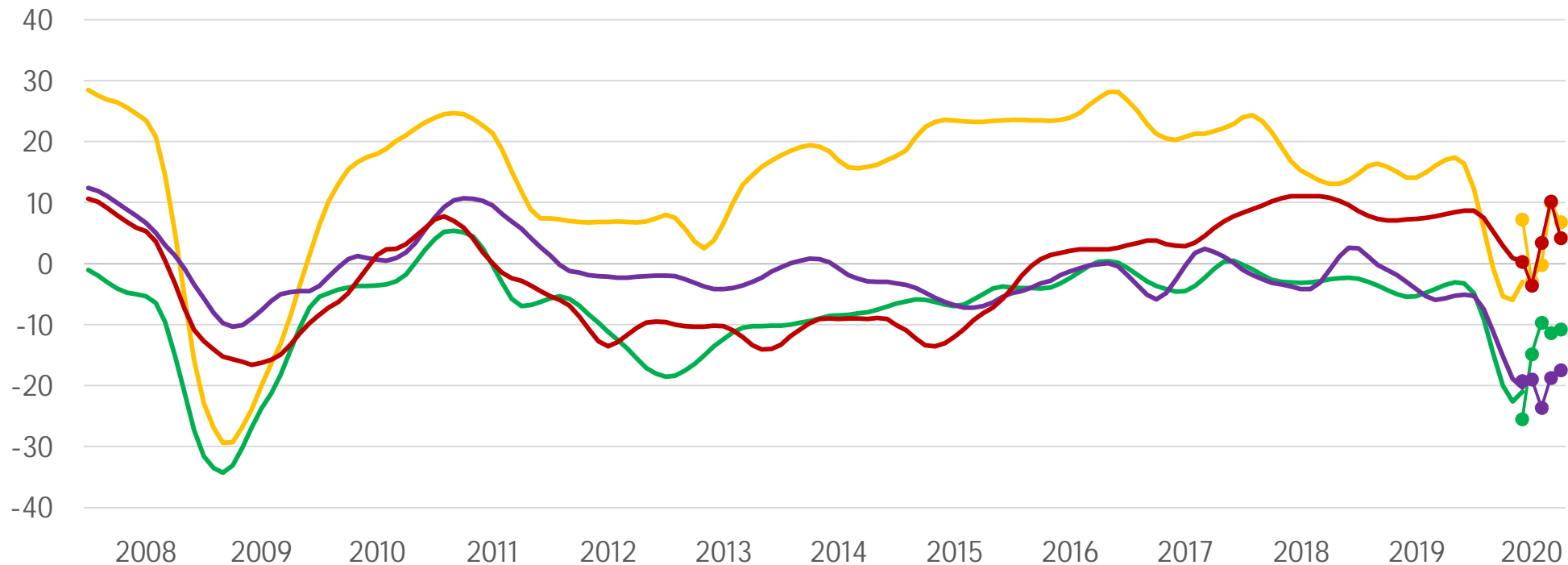


Net recul des opportunités d'emplois en avril, puis reprise progressive (moyenne mensuelle des offres d'emplois reçues par les services publics de l'emploi régionaux via le circuit ordinaire)



Les prévisions d'emplois issues des enquêtes de conjoncture repartent à la hausse

(données désaisonnalisées et lissées)



Services aux entreprises

Commerce

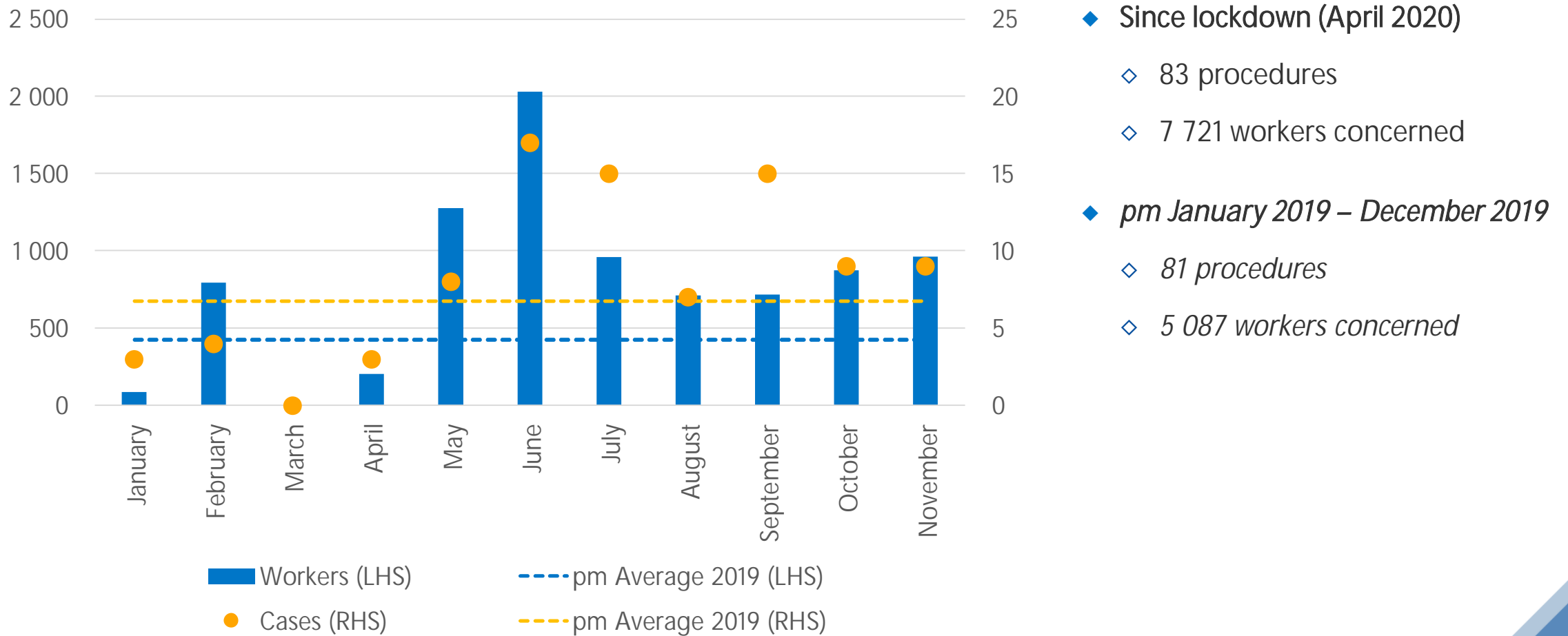
Construction (gros œuvre de bâtiments)

Industrie

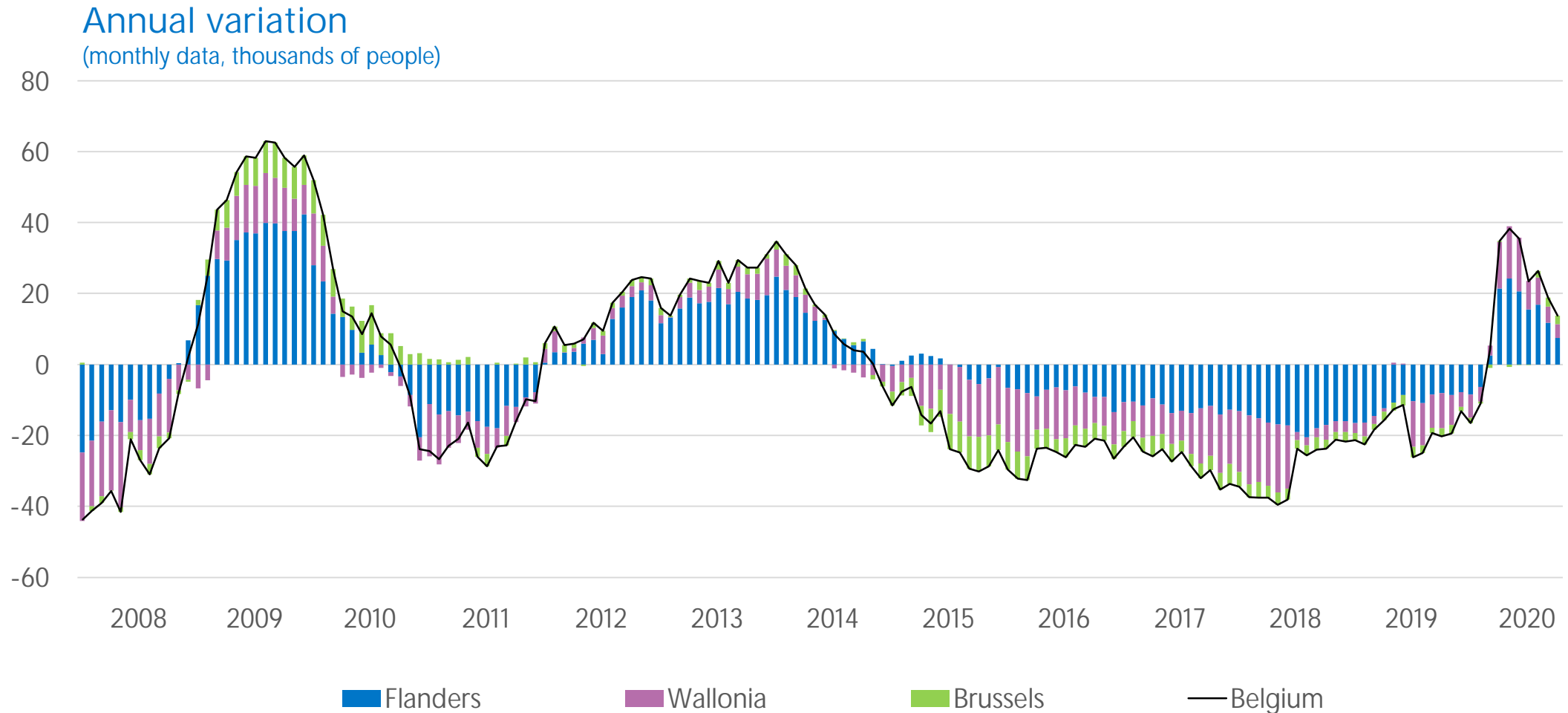
Série dessaisonnalisée et lissée

Série dessaisonnalisée

Mass redundancy procedures: already above 2019 average



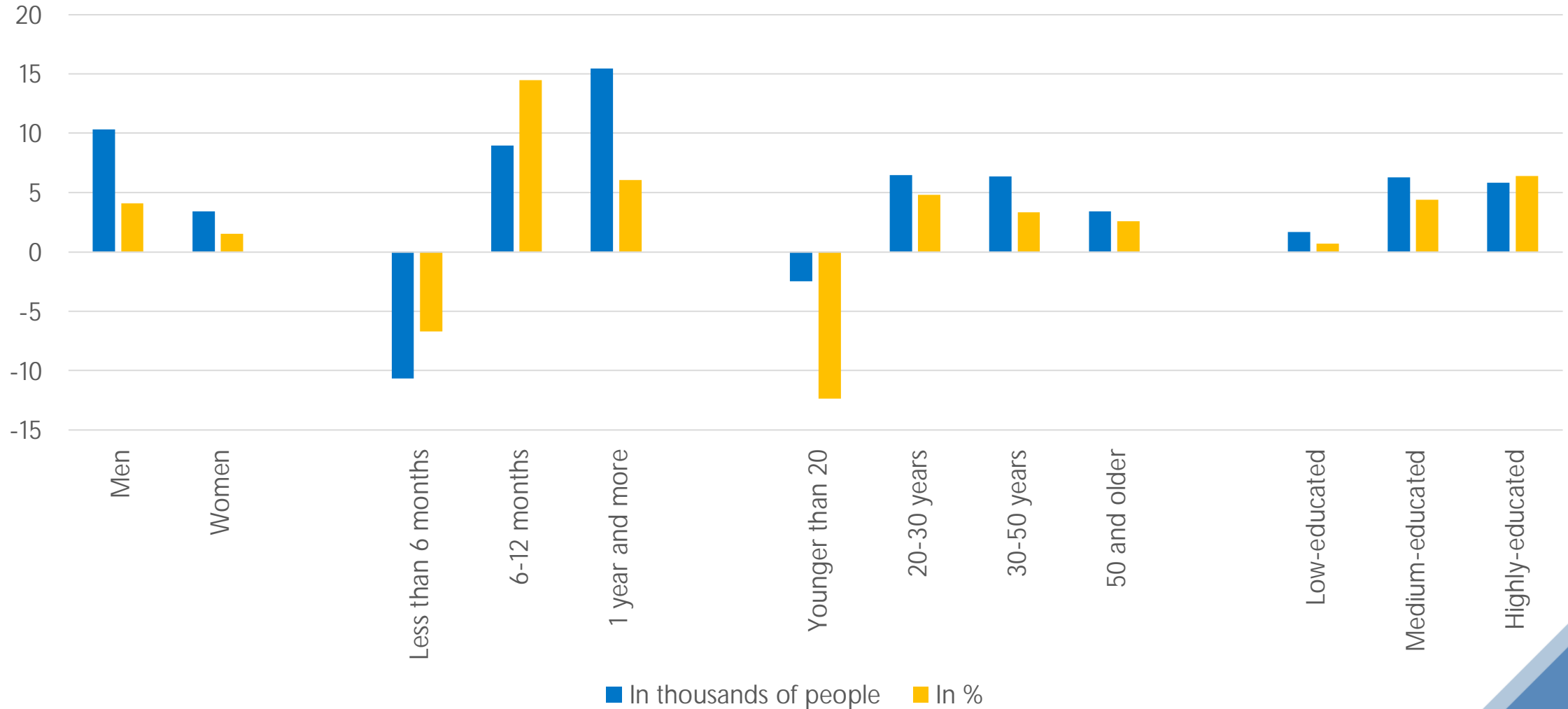
Limited rise in unemployment for the time being ...



◆ Peak observed in May: +38 000, situation in October: +14 000

... concentrated on men and educated people

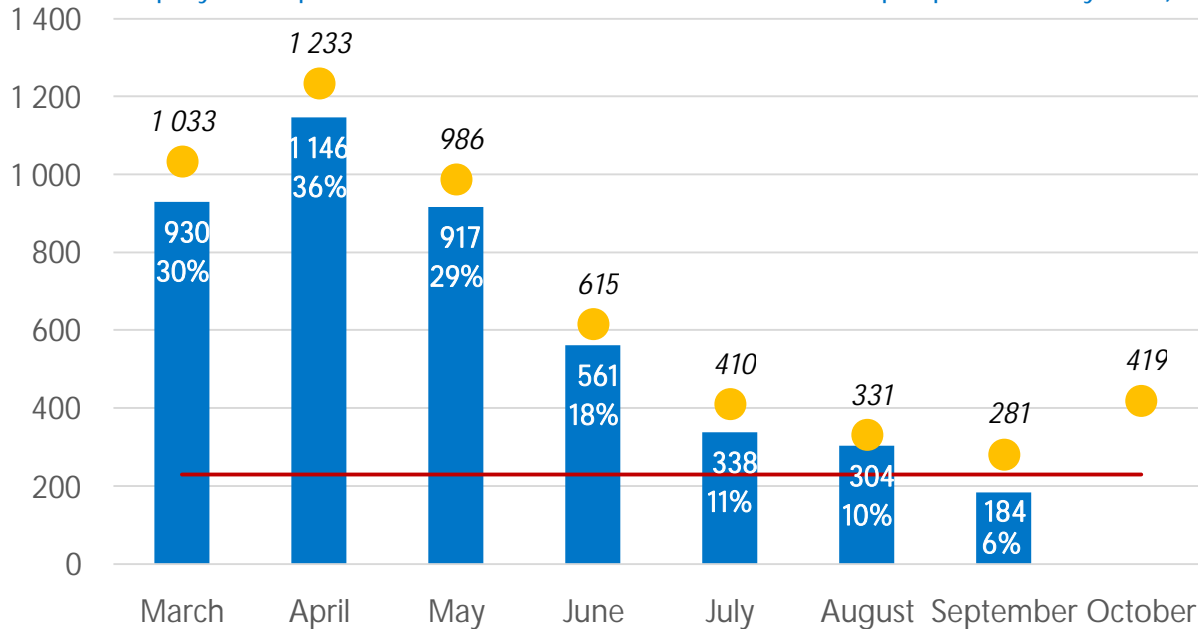
Annual variation
(monthly data)



Temporary unemployment: peak in April, decreasing but still high

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)



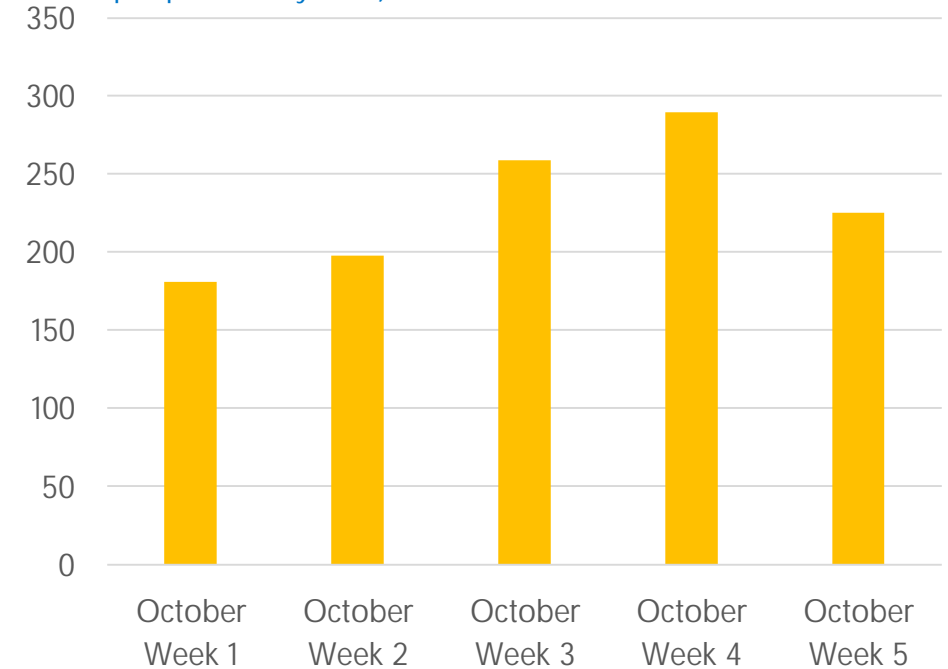
- Payments
- pm Employer's request (DRS)
- pm highest level recorded during the financial crisis

Average number of days per worker

Month	March	April	May	June	July	August	September
Average number of days per worker	8.9	15.5	11.1	9.8	8.6	8.7	9.5

Weekly access demands

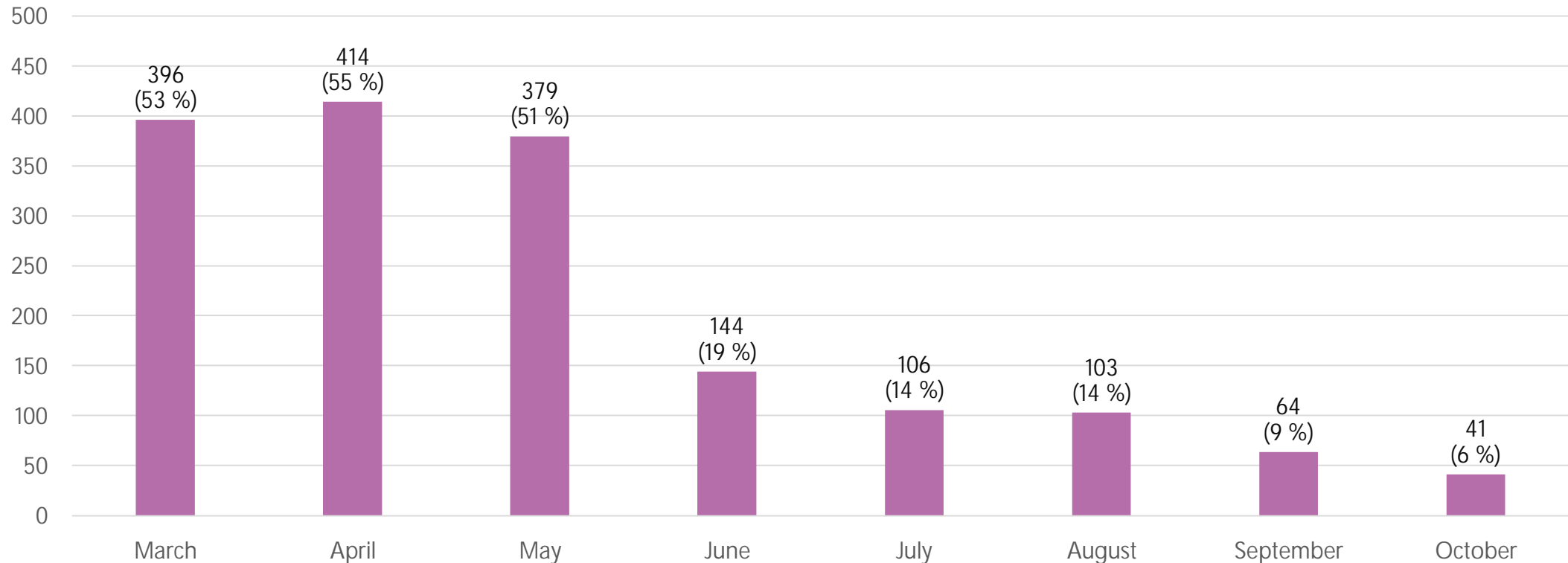
(Employer's request (DRS) linked to COVID-19, thousands of people, weekly data)



Self-employed: unprecedented use of financial support

Bridging right, provisional data¹

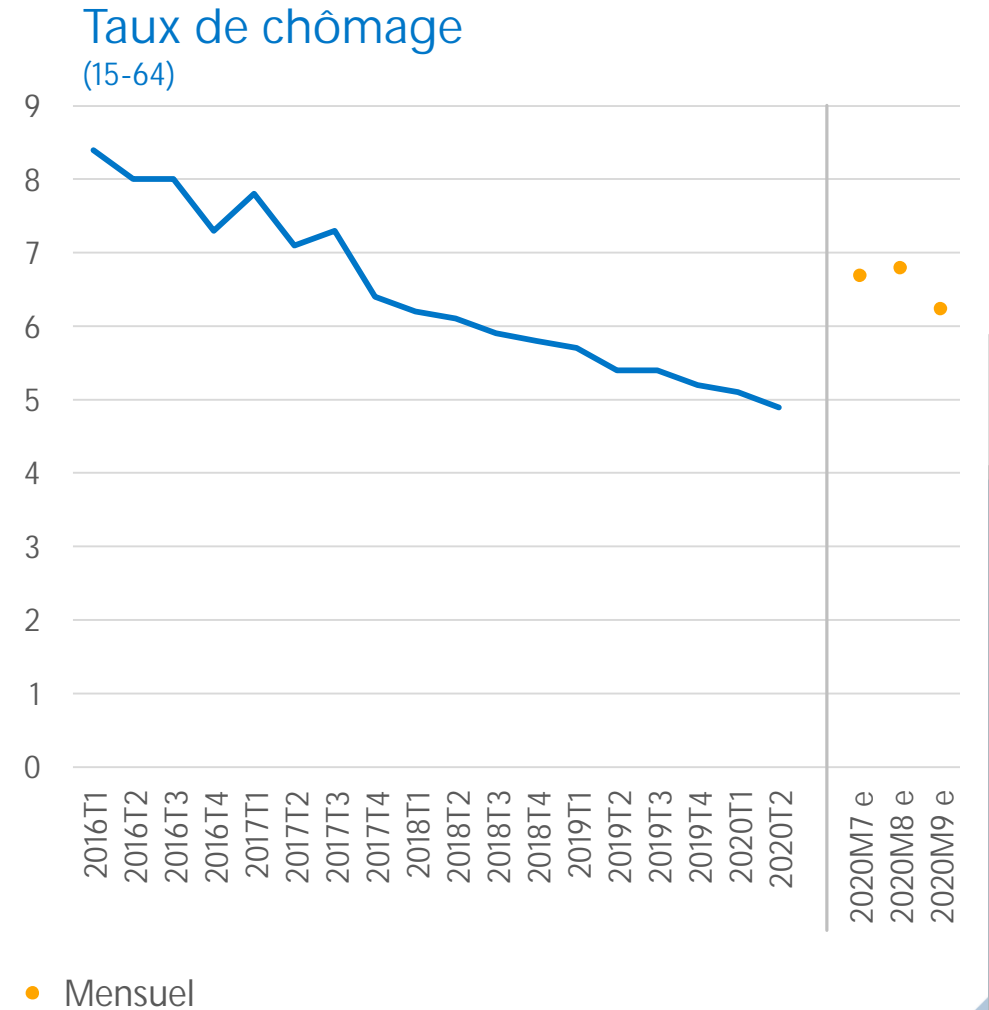
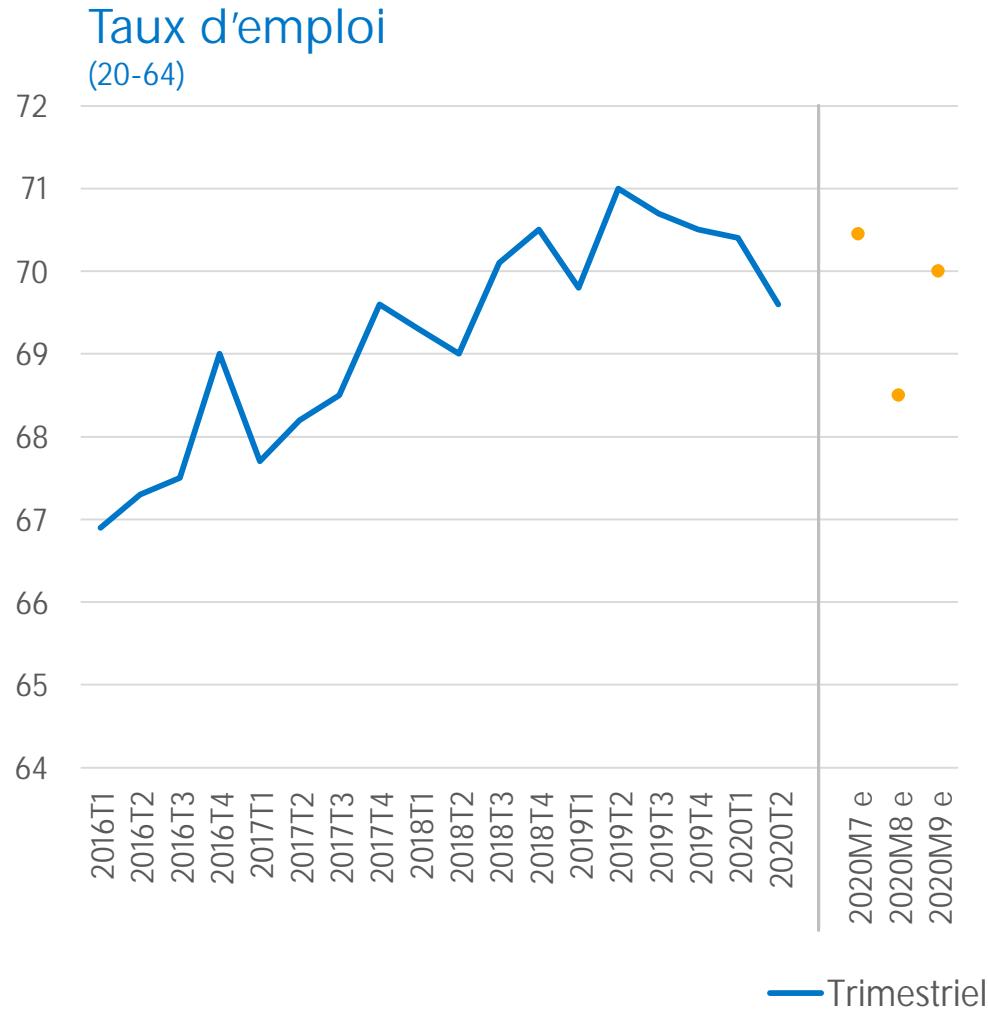
(thousands of people and % of self-employed in principal activity)



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

La crise sanitaire a interrompu une dynamique positive

(taux harmonisés issus des enquêtes force de travail¹)



Source: Statbel, dernières données disponibles: septembre 2020.

¹ Les indicateurs mensuels sont sujets à de plus fortes fluctuations aléatoires que les résultats trimestriels et annuels car ils reposent sur un douzième de l'échantillon annuel. Pour juin 2020 par exemple, il s'agit d'environ 8 600 répondants. Les variations d'une période à l'autre doivent être interprétés avec prudence.



ERMIG survey

The ERMG survey allows to monitor the COVID-19 impact on companies and self-employed in real time¹

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

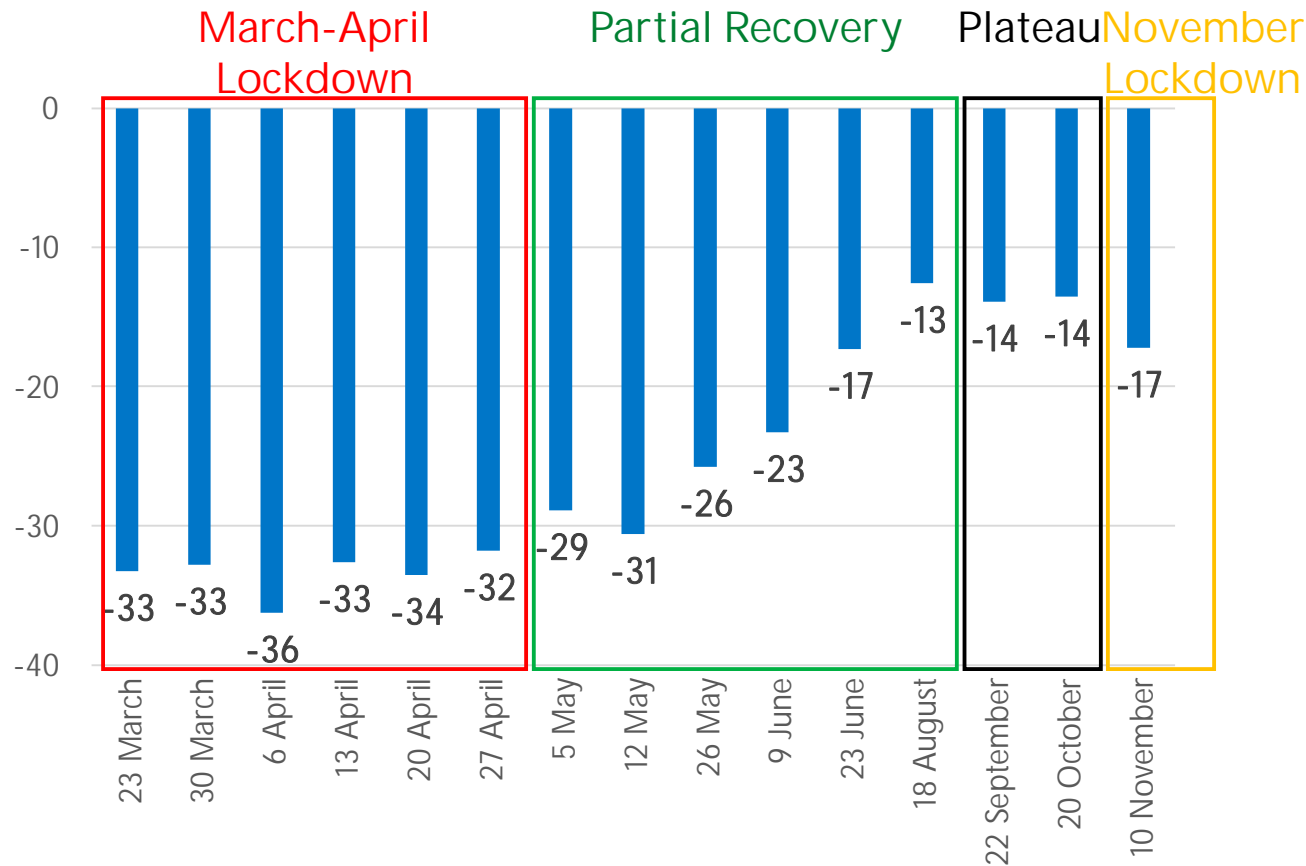


Round	Period	Federations	Replies	Comment
1	23-24 March	BECI, UWE, VOKA	1 700	Results not published
2	30-31 March	BECI, UNIZO, UWE, VOKA	4 725	First press release
3	6-7 April	BECI, BOERENBOND, NSZ, UNISOC, UNIZO, UWE, VOKA	6 900	UNISOC was analysed separately
4	14-15 April	BECI, NSZ, UNIZO, UWE, VOKA	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	

The direct impact of the second lockdown remains limited for now but the outlook for Belgian companies has worsened slightly

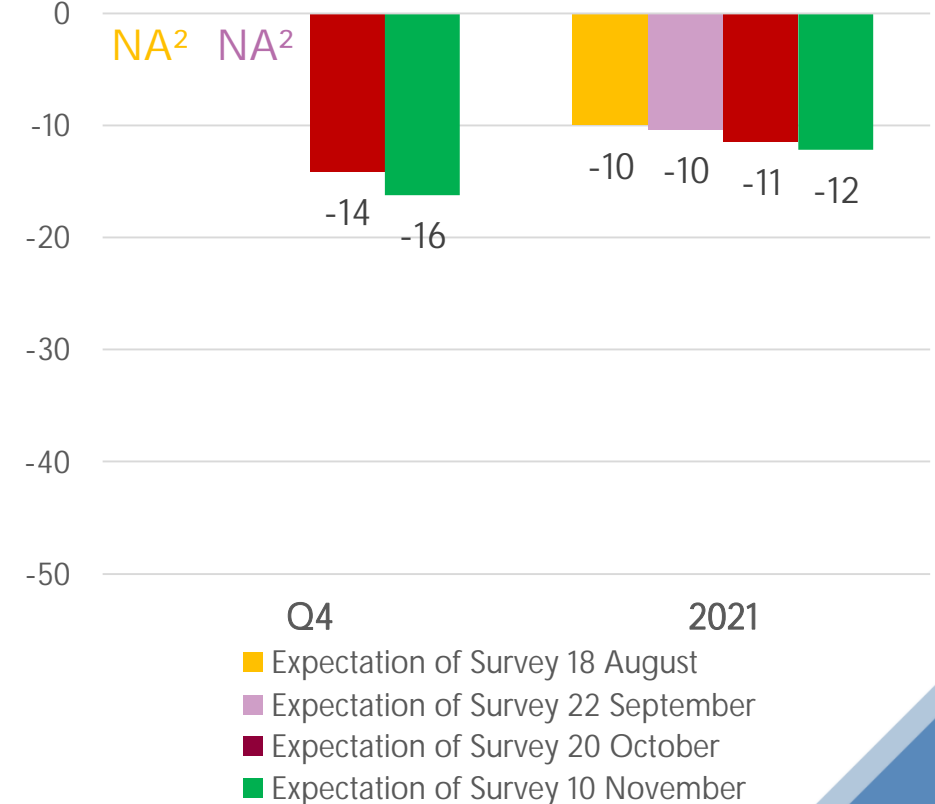
COVID-19 impact on weekly turnover

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



Expected impact on Q4 and 2021 turnover

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



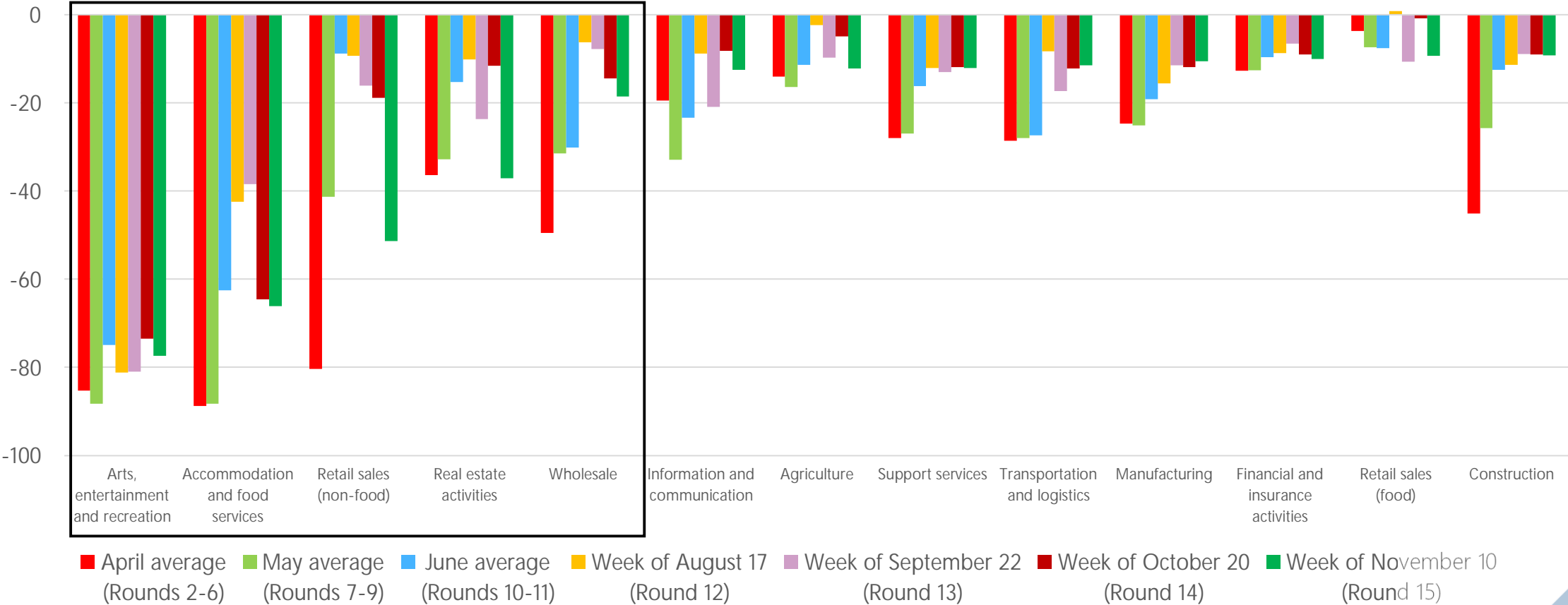
Source: ERMGM survey, latest available data: 10 November 2020.

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

² Q4 revenue expectations were not asked in the August and September surveys.

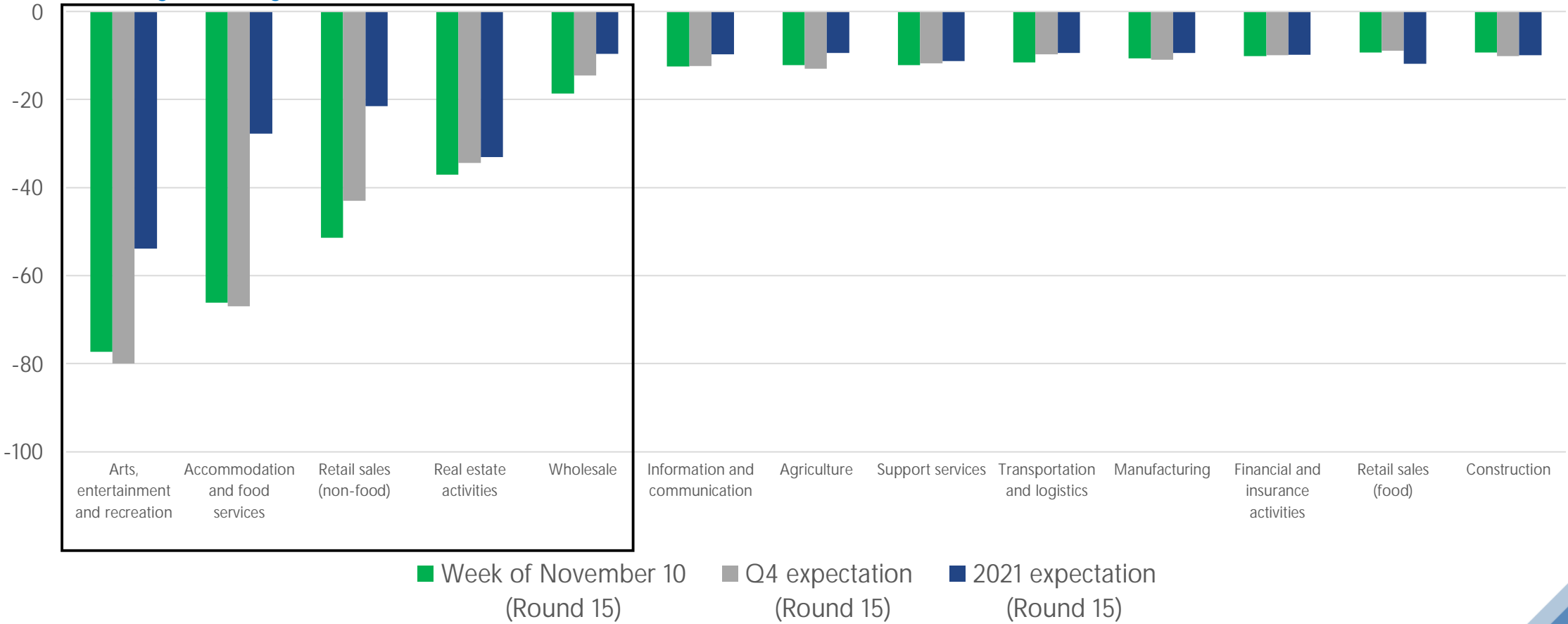
Revenue losses are largest for events, accommodation, real estate, retail and wholesale, while other industries are less affected

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



Worst hit industries expect to only partially recover the losses in 2021, while revenue will also remain below normal for the other industries

Expected COVID-19 impact on turnover in the current week, Q4 and in 2021 (Survey 10 November)
 (in %, weighted average based on revenues)



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

(in %, weighted average based on revenues)

	Survey 30 March	Survey 6 April	Survey 13 April	Survey 20 April	Survey 27 April	Survey 5 May	Survey 12 May	Survey 26 May	Survey 9 June	Survey 23 June	Survey 18 Aug	Survey 22 Sept	Survey 20 Oct	Survey 10 Nov
Events and recreation	-74	-92	-84	-88	-88	-84	-89	-92	-63	-86	-81	-81	-74	-77
Accommodation and food service activities	-93	-83	-88	-95	-84	-87	-93	-85	-75	-50	-42	-39	-65	-66
Retail sales (non-food)	-86	-85	-78	-70	-82	-70	-25	-29	-12	-6	-9	-16	-19	-51
Real estate activities	-36	-44	-43	-31	-28	-60	-38	0	-9	-21	-10	-24	-12	-37
Manufacture of transport equipment ²	-32	-63	-74	-29	-75	-59	-47	-36	-16	-23	-4	-16	-15	-21
Manufacture of textiles, wearing apparel and shoes	-48	-57	-70	-70	-57	-62	-50	-50	-29	-23	-9	-4	-7	-19
Wholesale	-50	-48	-59	-47	-44	-34	-43	-17	-36	-24	-6	-8	-15	-19
Aviation ²	-20	-40	-77	-63	-53	-61	-87	-88	-57	-6	-34	-32	-13	-15
Consultancy	-8	-16	-15	-28	-20	-23	-25	-20	-12	-19	-12	-10	-10	-14
Manufacture of wood and paper products, and printing	-52	-20	-26	-49	-32	-26	-23	-30	-30	-28	-11	-6	-15	-14
Road transport (persons)	-28	-45	-71	-67	-67	-84	-69	-34	-61	-35	-11	-11	-24	-13
Information and communication	-15	-21	-18	-23	-21	-29	-43	-27	-30	-17	-9	-21	-8	-13
Liberal professions	-25	-21	-15	-28	-27	-22	-27	-12	-11	-15	-14	-8	-10	-12
Agriculture and fishing	-34	-23	-11	1	-3	-33	0	-17	-4	-19	-2	-10	-5	-12
Engineering services	-34	-62	-13	-30	-27	-20	-16	-14	-10	-17	-10	-25	-21	-12
Manufacture of food products	-14	-17	-24	-20	-15	-21	-17	-22	-21	-12	-8	-9	-11	-12
Logistics	-29	-26	-23	-15	-16	-24	-10	-39	-25	-34	-7	-17	-10	-11
Manufacture of computer, electronic and optical products	-43	-9	-17	-37	-34	-14	-27	-27	-9	-21	-43	-21	-10	-11
Human Resources	-40	-46	-20	-36	-33	-37	-36	-35	-33	-12	-14	-13	-12	-11
Metallurgy	-21	-12	-34	-18	-33	-31	-25	-36	-27	-31	-25	-24	-18	-10
Financial and insurance activities	-20	-9	-8	-17	-10	-10	-17	-11	-10	-10	-9	-7	-9	-10
Manufacture of plastic and non-metallic products	-24	-14	-20	-15	-23	-21	-17	-22	-22	-11	-14	-12	-11	-10
Manufacture of machinery and electrical equipment	-25	-29	-29	-30	-32	-30	-24	-35	-20	-10	-19	-9	-14	-10
Retail sales (food)	-3	-4	-8	0	-5	-8	-16	1	-9	-6	1	-11	-1	-9
Construction	-47	-46	-43	-46	-44	-29	-34	-14	-20	-5	-11	-9	-9	-9
Manufacture of pharmaceutical and chemical products	-14	-20	-24	-11	-11	-23	-18	-21	-19	-21	-12	-10	-11	-8
Manufacture of furniture	-61	-63	-80	-58	-67	-36	-60	-30	-21	-6	-19	-19	-1	-7
Belgium ³	-33	-36	-33	-34	-32	-29	-31	-26	-23	-17	-13	-14	-14	-17

< -50 %

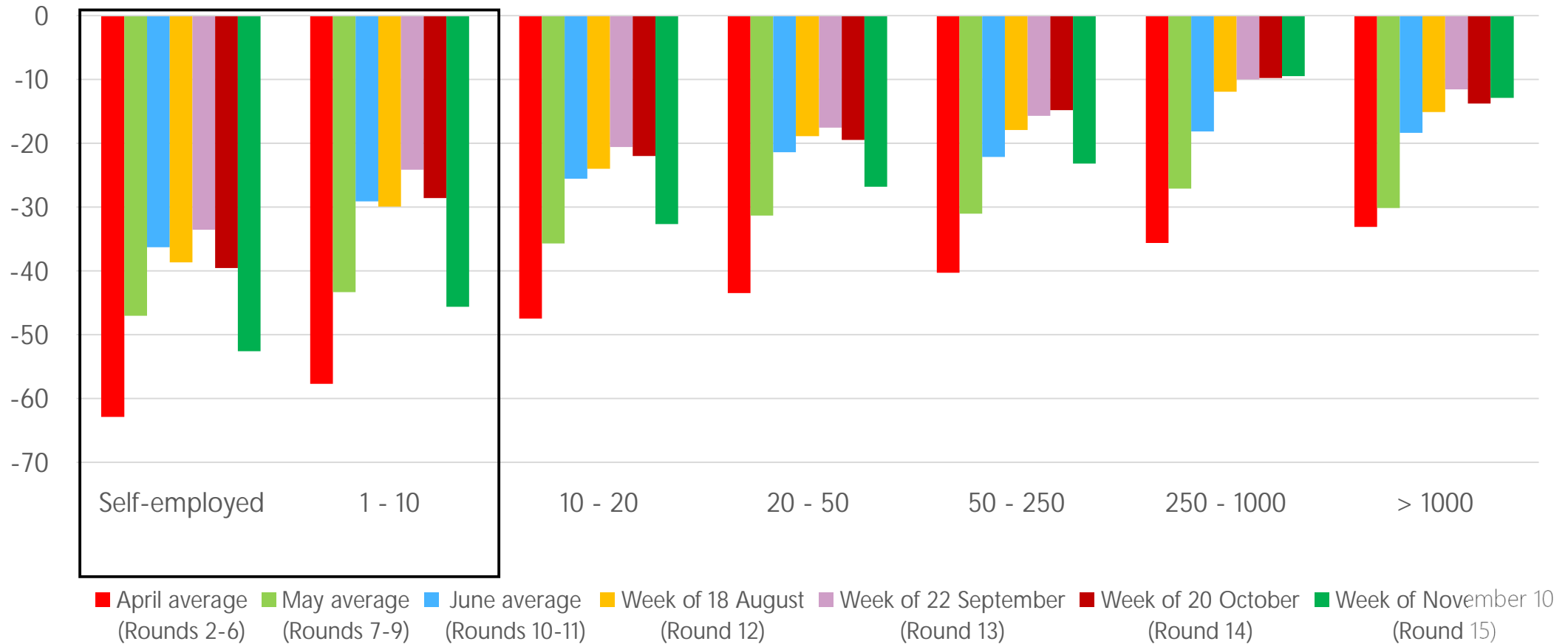
-20 to -50%

-10 to -20 %

≥ -10%

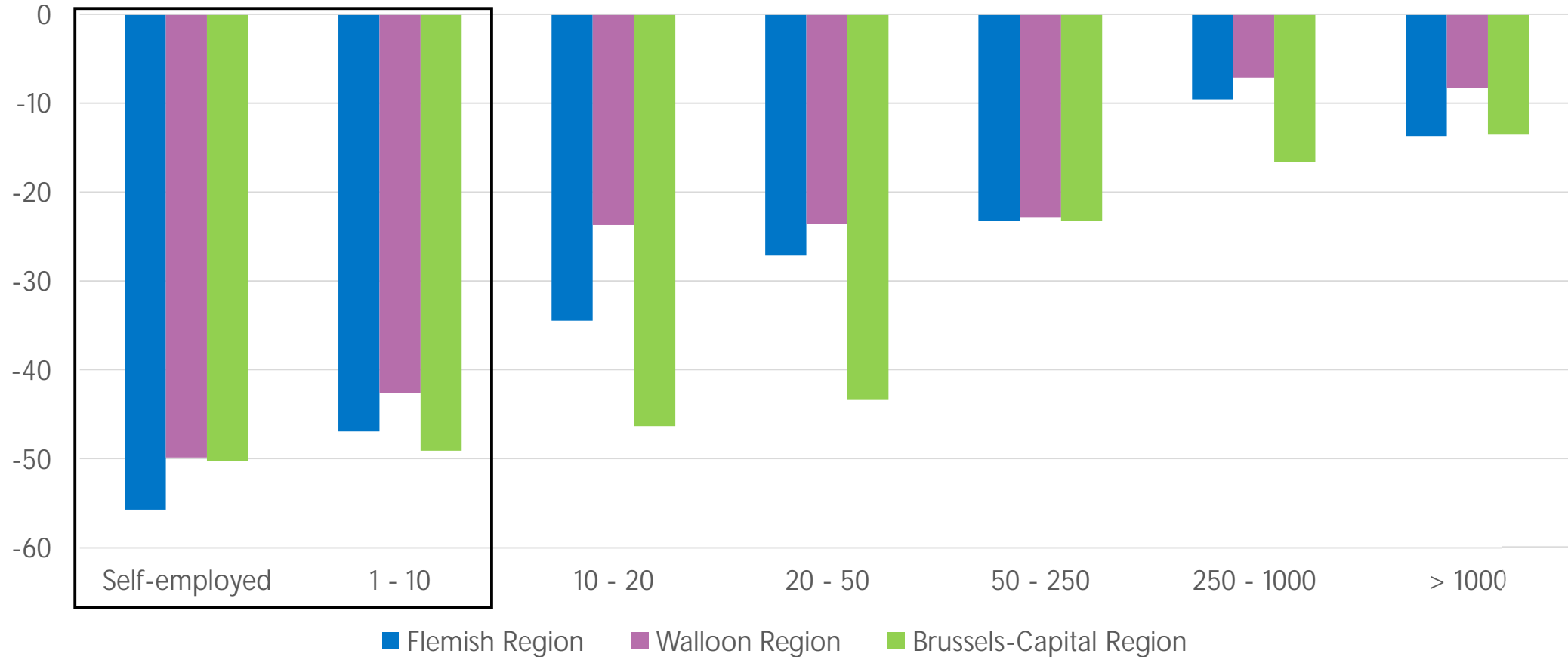
Revenues deteriorate especially for the smaller firms/self-employed, which also were hit hardest in the first lockdown

Reported impact on weekly turnover, by number of employees
(in %, unweighted average)



In all three regions, small firms lose up to half of their revenue (with a bigger impact for most size classes in Brussels)

Reported impact on weekly turnover by number of employees (Survey 10 November)
(in %, unweighted average¹)



Worst hit industries suffer from the forced closure of their activities, while lack of demand remains a key issue for all industries ...

Reasons for the current revenue loss (Survey 10 November)

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

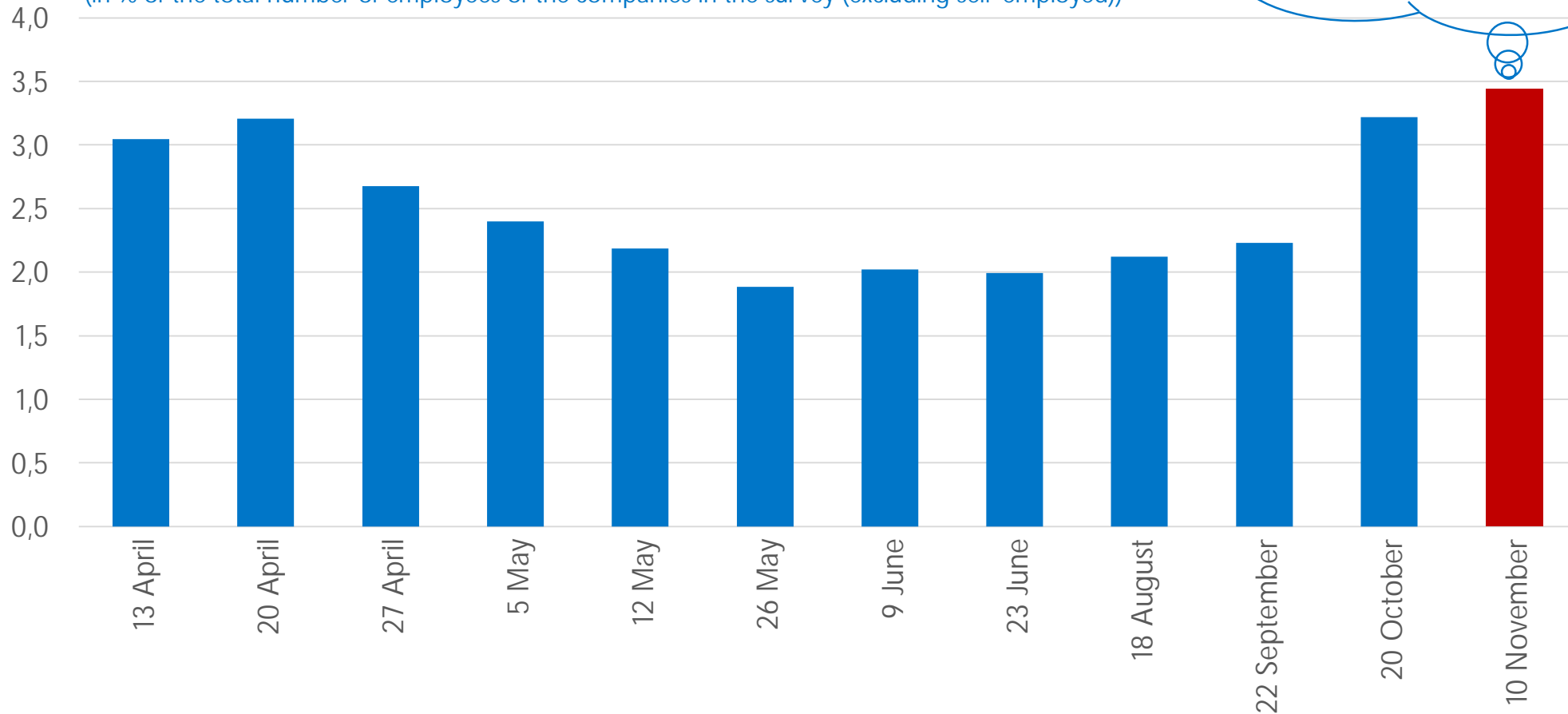


... with the rising sick leave (also due to quarantines) weighing on companies as well

Higher sick leave in Wallonia and in industries where telework is less feasible

Sick leave

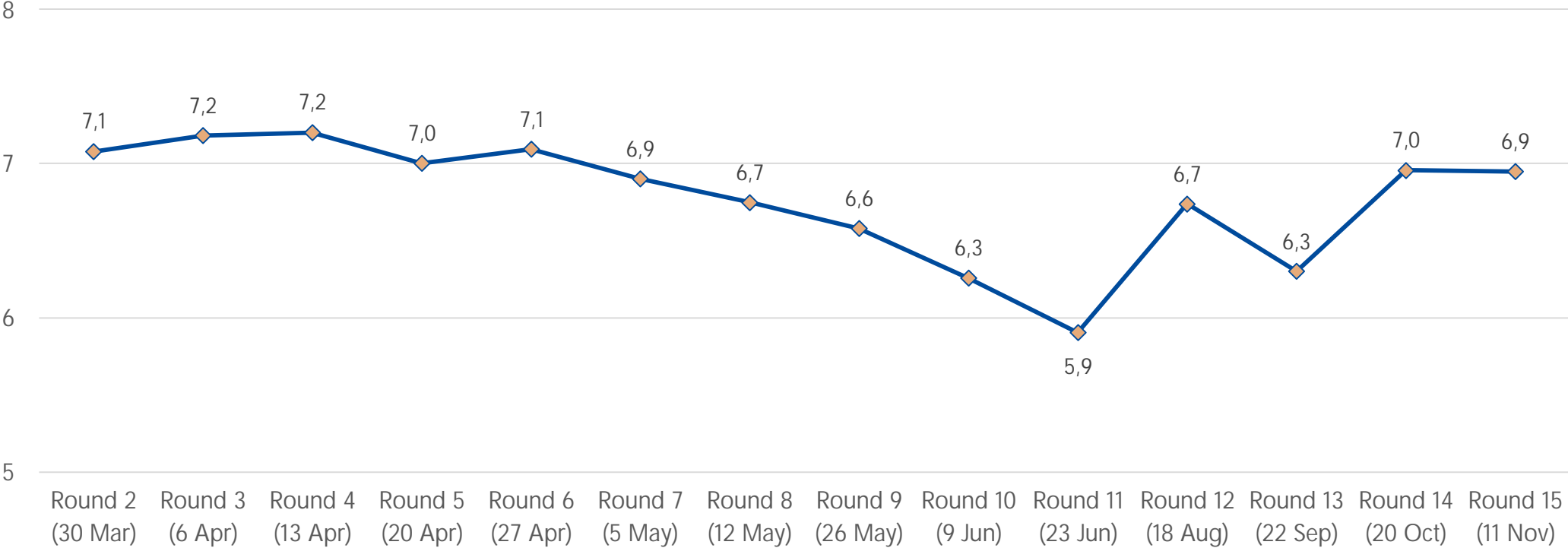
(in % of the total number of employees of the companies in the survey (excluding self-employed))



The concern indicator has gone up since August and it is now again at the level of the spring lockdown

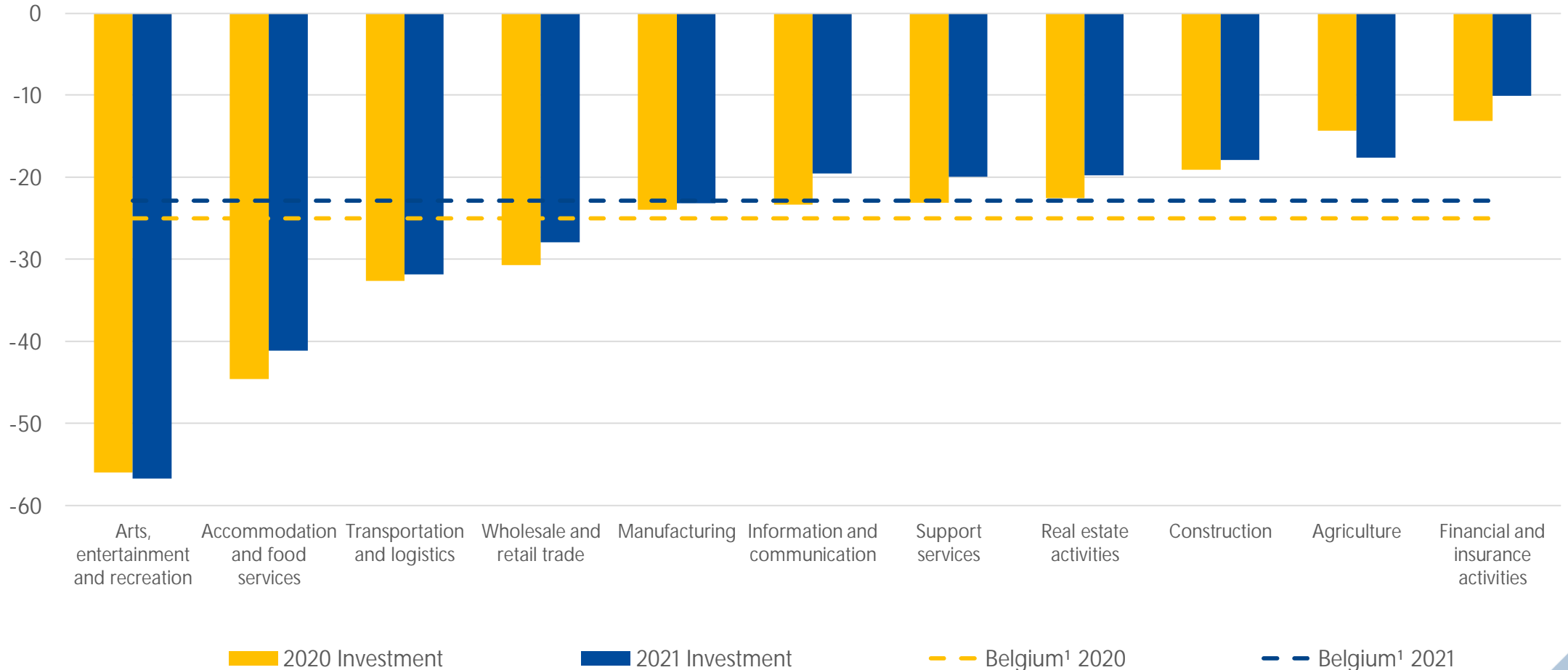
Indicator of concern about current situation

(Indicator¹ between 1 (low concern) and 10 (strong concern))



The average company expects its investment to be up to 25 % below normal in both 2020 and 2021

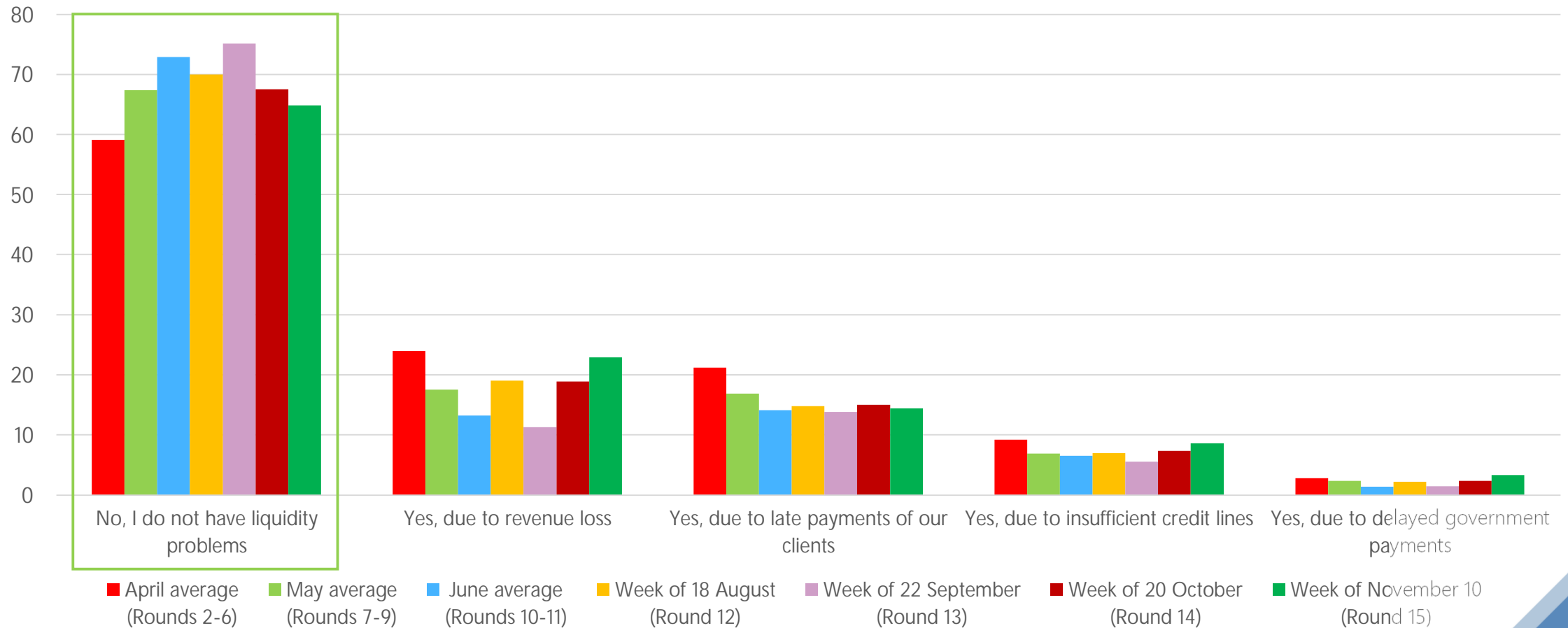
COVID-19 impact on expected investment in 2020 and 2021 (Survey 20 October)
(in %, unweighted average)



The number of companies with liquidity problems have increased again since October ...

Do you have liquidity problems?

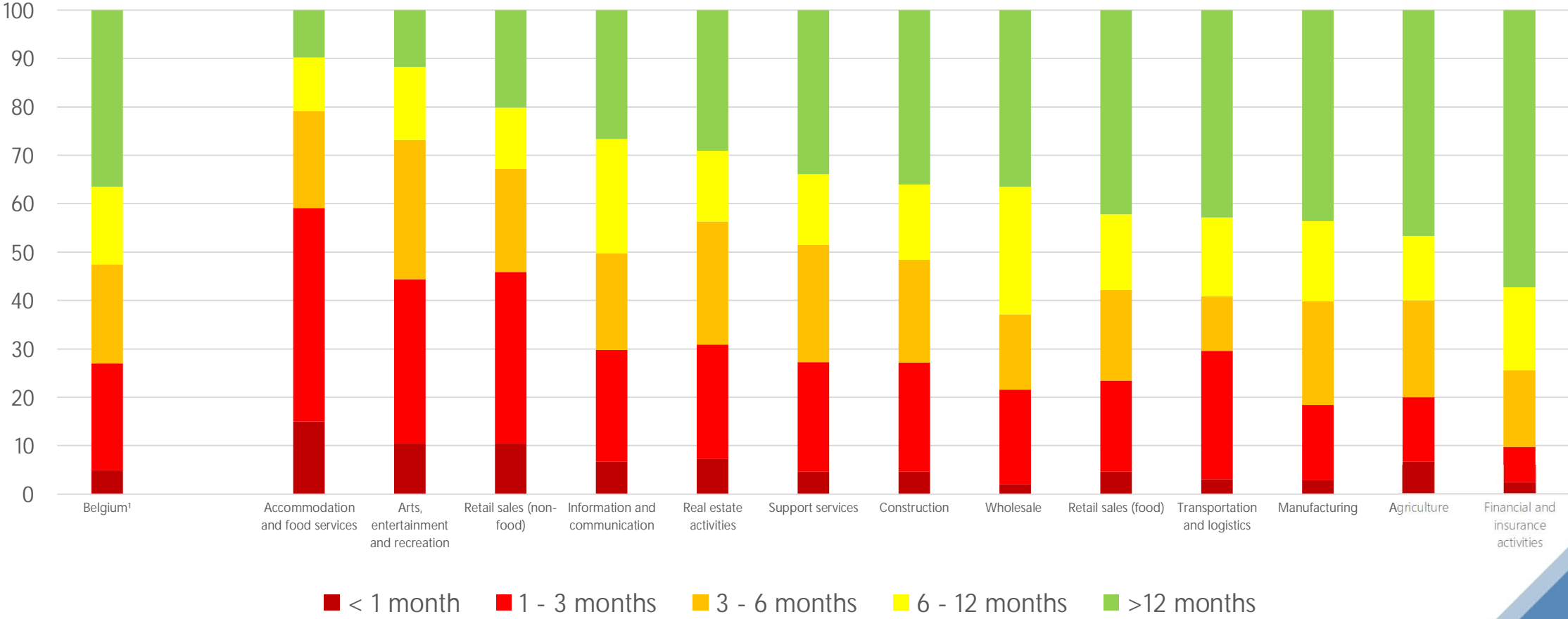
(in % of responding firms¹, multiple answers are possible)



... and more than 60 % of firms now need additional financing in one year to meet their current financial obligations

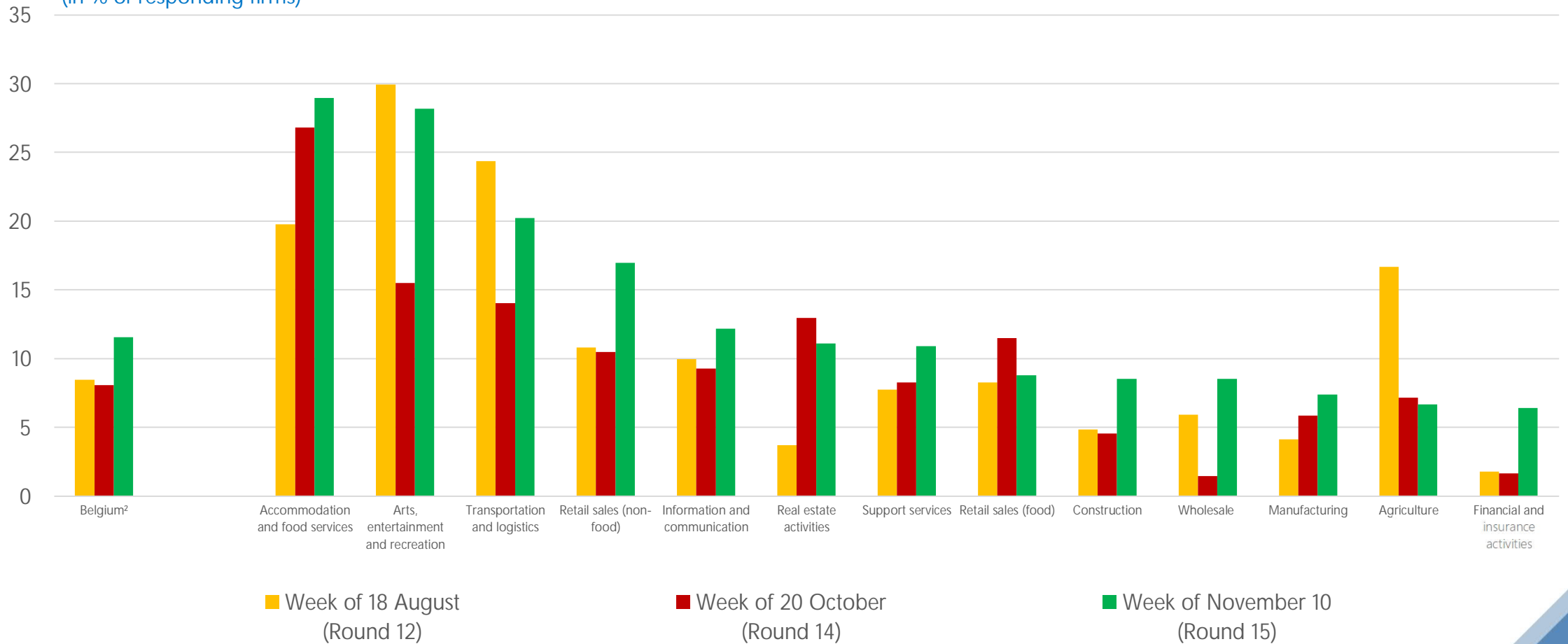
How long can you still meet your current financial obligations without having to rely on additional capital injections or additional loans?

(in % of responding firms)



Bankruptcy risk has increased again in November ...

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



Source: ERMG survey, latest available data: 10 November 2020.

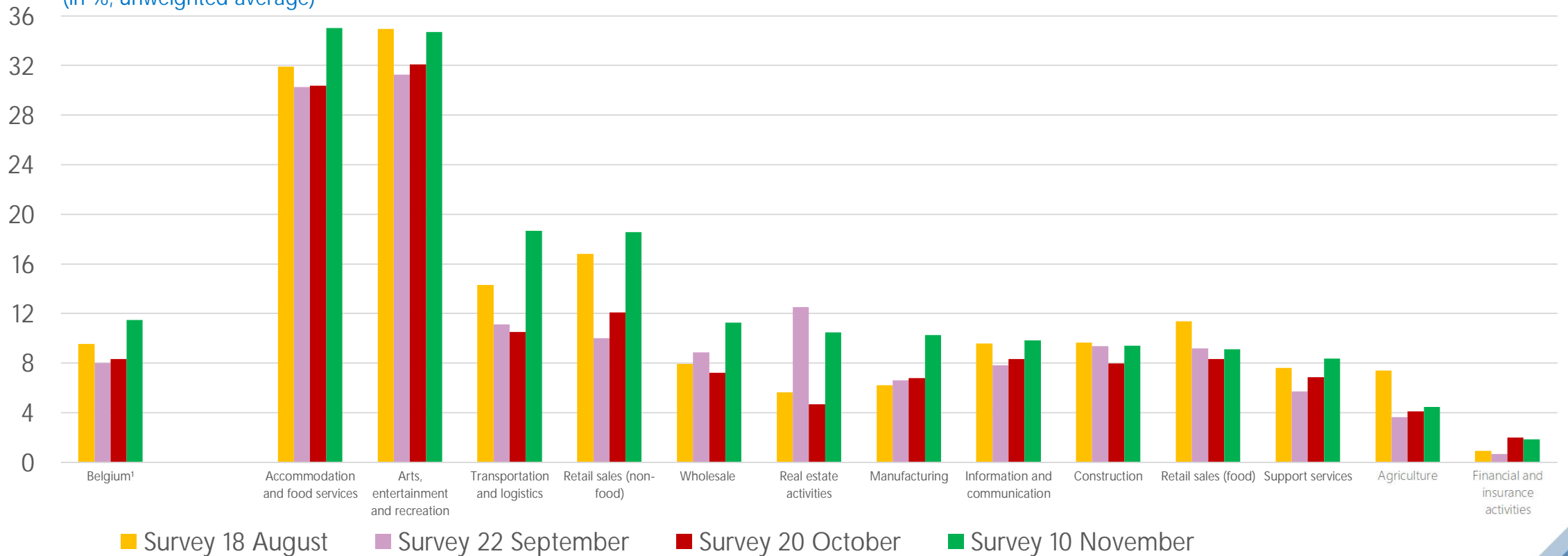
¹ The results of the September survey were left out as the sample was not representative (small firms based in Wallonia and Brussels, which regard the risk of bankruptcy as higher, were much less represented in that survey).

² Weighted average based on the industry value added.

... and firms estimate that many companies in their industry are currently in a bankruptcy process or already went bankrupt

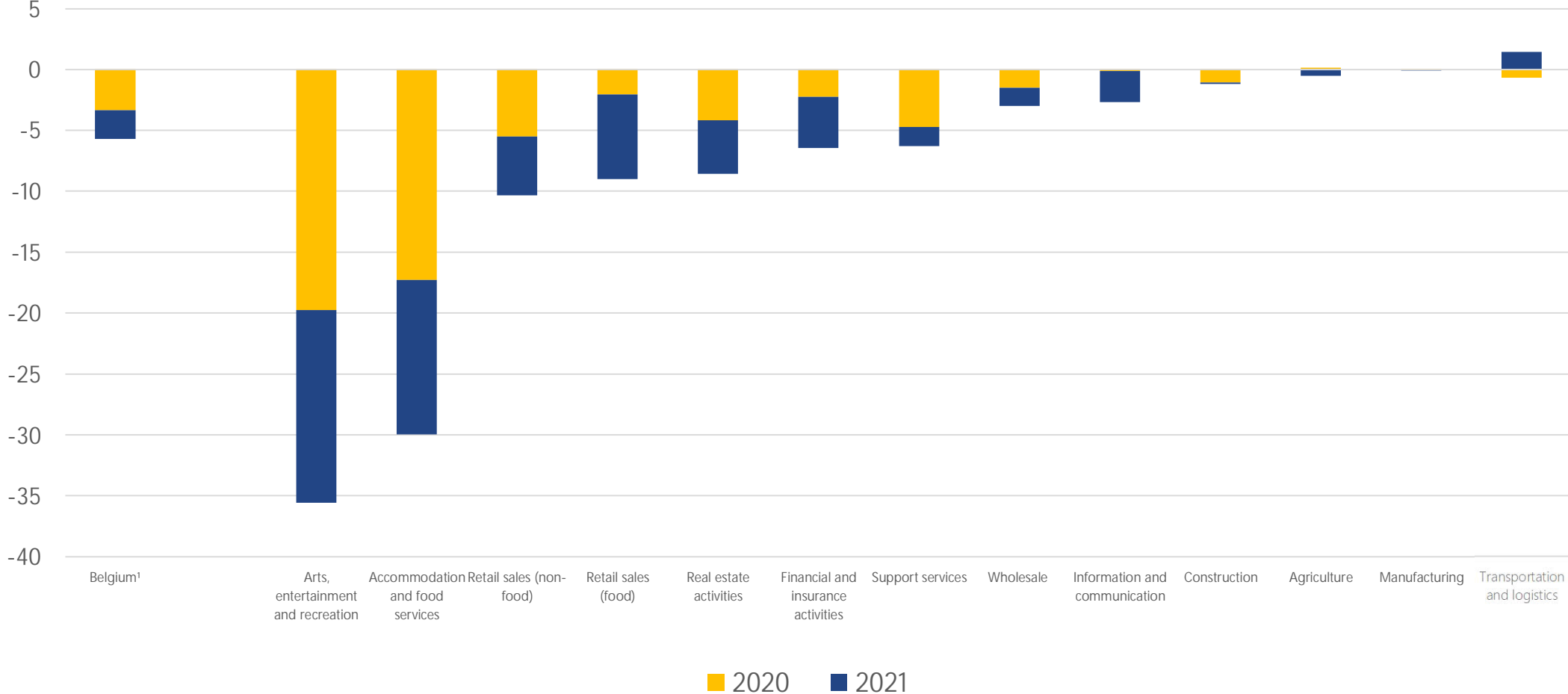
Estimate of respondents on the proportion of companies in their sector that already are currently in a bankruptcy process or that already went bankrupt

(in %, unweighted average)



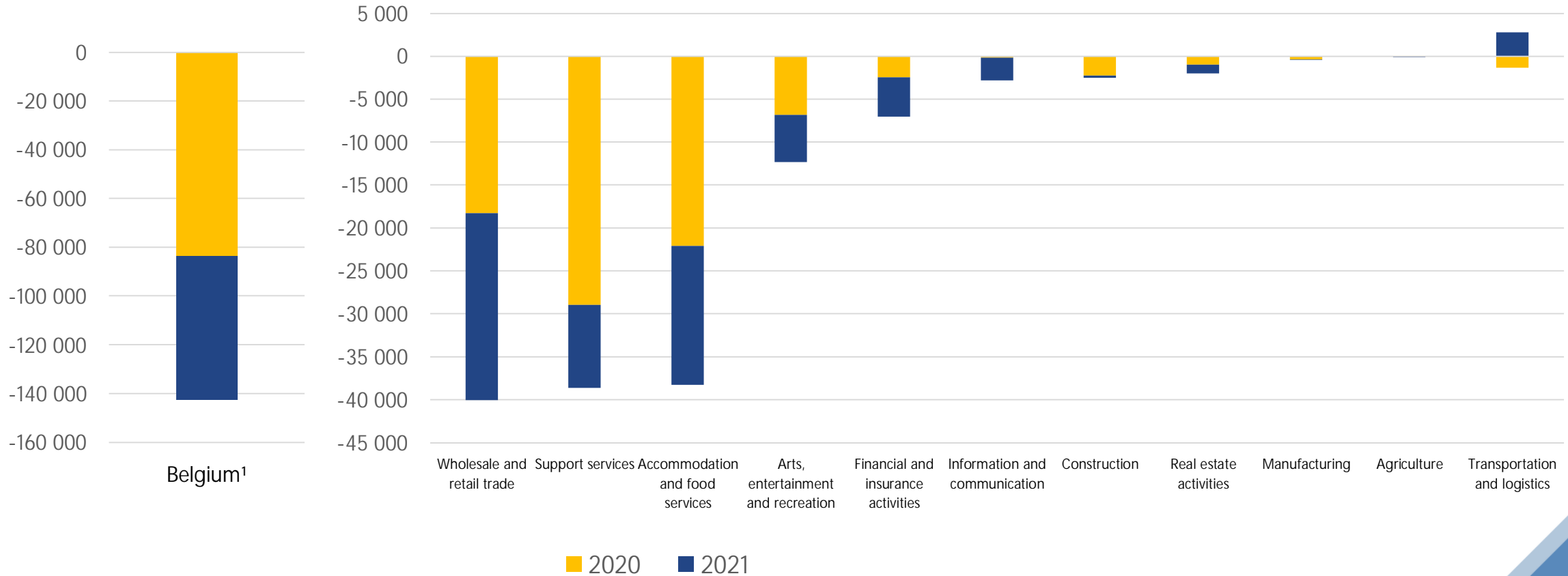
The number of employees in the private sector is expected to decline by almost 6 % by the end of 2021 ...

Expected change in staff size in 2020 and 2021 (Survey 10 November)
 (in % of total staff size of the firms in the survey, excluding self-employed)



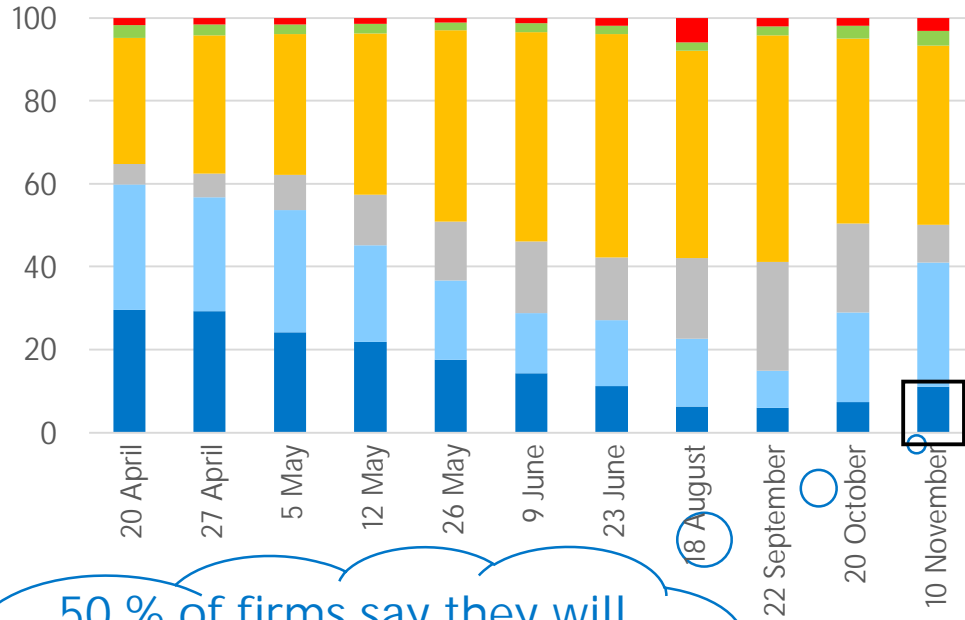
... corresponding to an expected decline by about 140 000 employees in the private sector

Expected change of staff size in 2020 and 2021 (Survey 10 November)
(in number of employees, excluding self-employed)

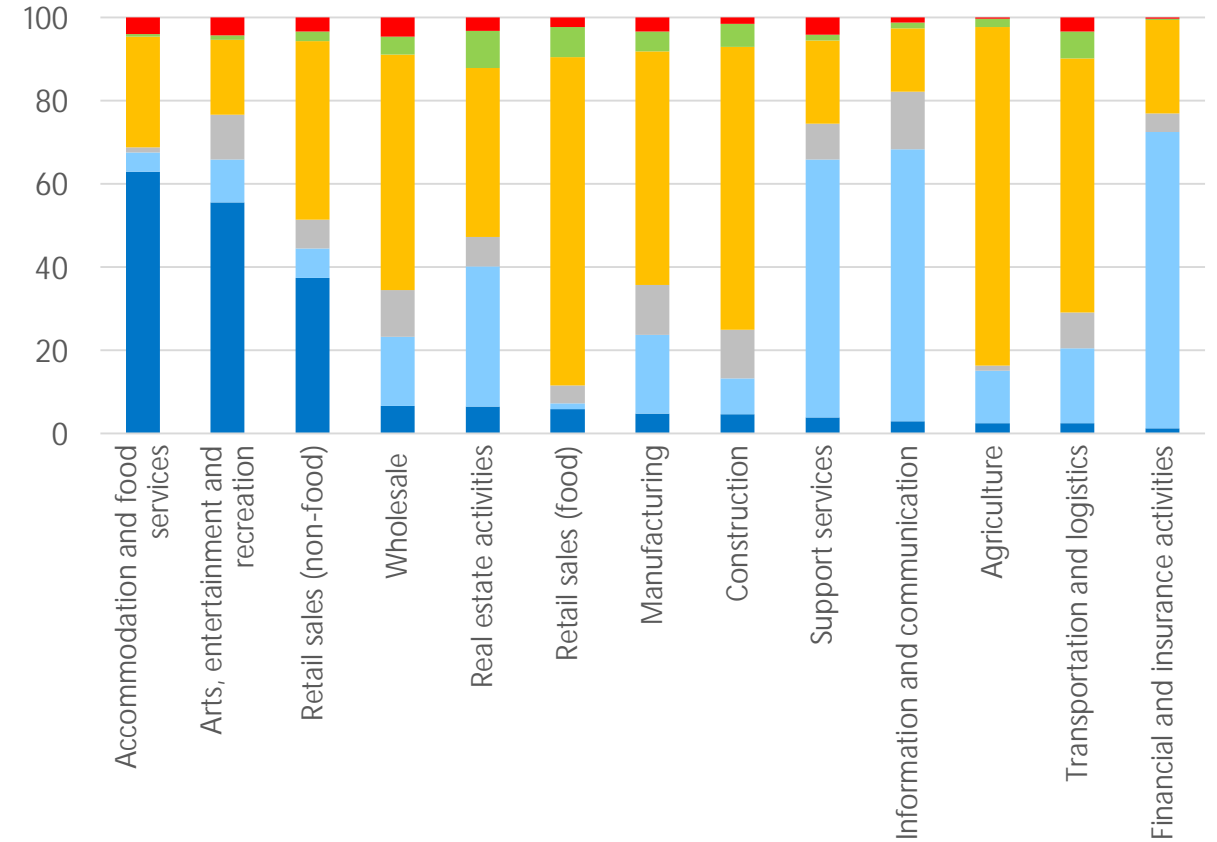


One in three employees is now in full-time telework, while temporary unemployment will further increase in the coming weeks

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



Workforce organisation by industry (10 November)
(in % of total staff size of the firms in the survey, excl. self-employed)

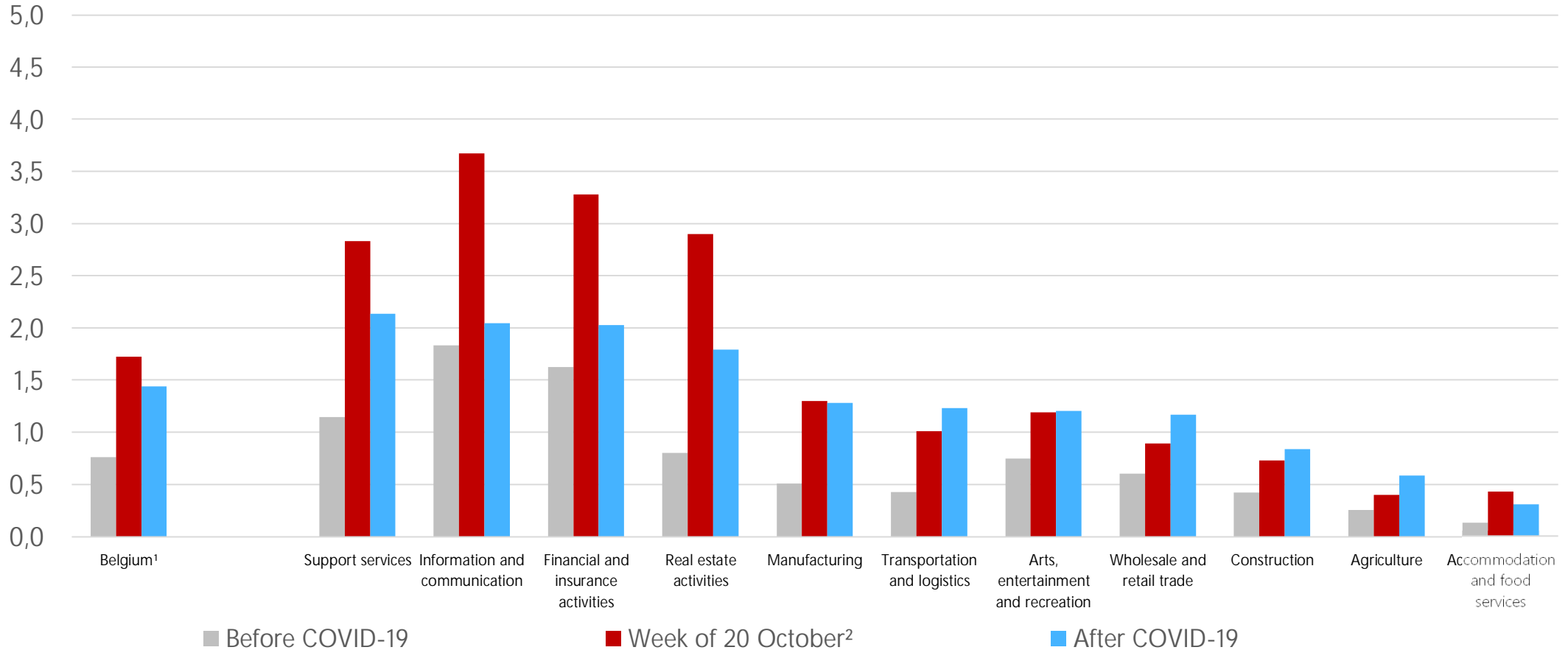


50 % of firms say they will increase their use of temporary unemployment in the coming weeks

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

The use of telework is expected to remain almost twice as large after the COVID-19 crisis ...

Use of telework in October and before and after the COVID-19 crisis (Survey 20 October)
 (average number of days per week, weighted averages based on staff size, excluding self-employed)



Source: Round 14 of ERMG survey, latest available data: 20 October 2020.

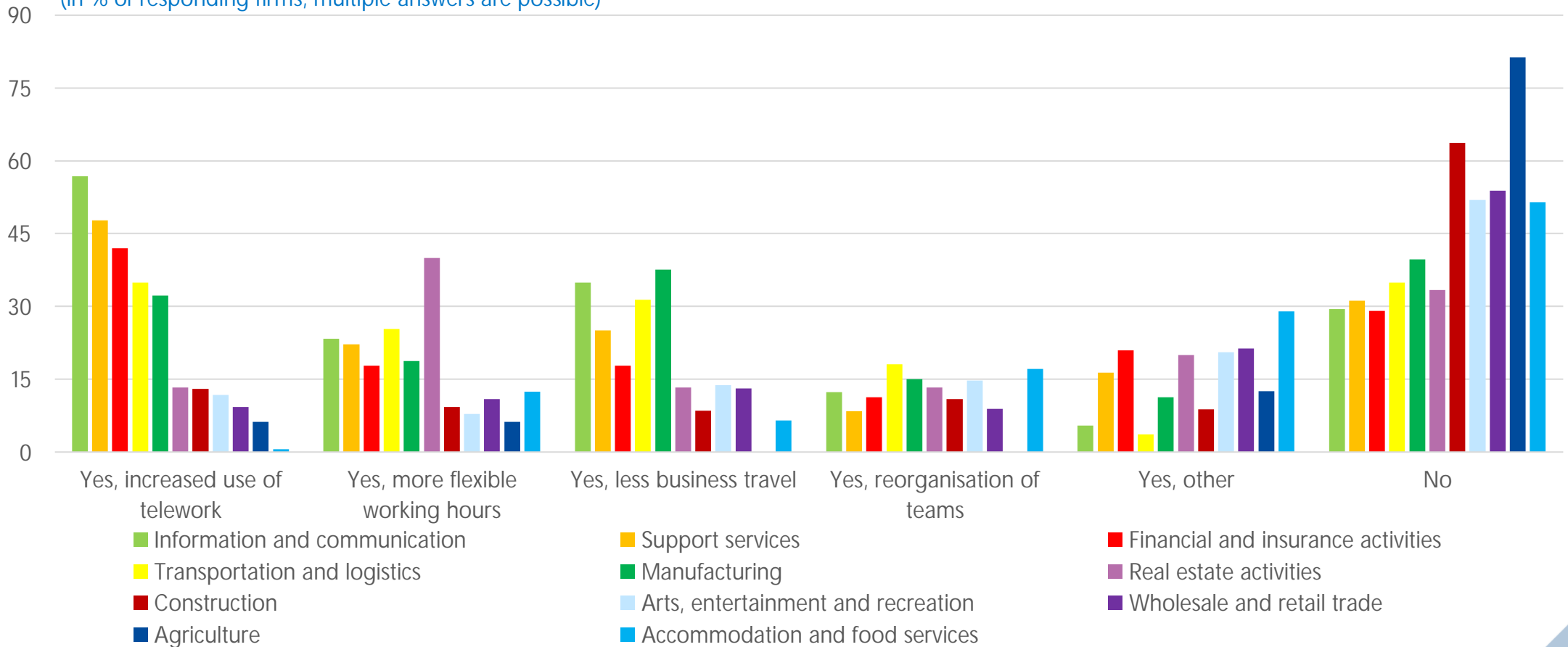
¹ Average, weighted by the number of private sector employees in the industries.

² The average days of telework for the week of 20 October is computed based on the survey question on the workforce organisation. It pertains to the staff that is currently working (thus excluding temporarily unemployed and absent staff) and it assumes that partial telework corresponds to 2 days a week.

... as the crisis will have a lasting impact on the way of working with increased use of telework, more flexible working hours and less travel

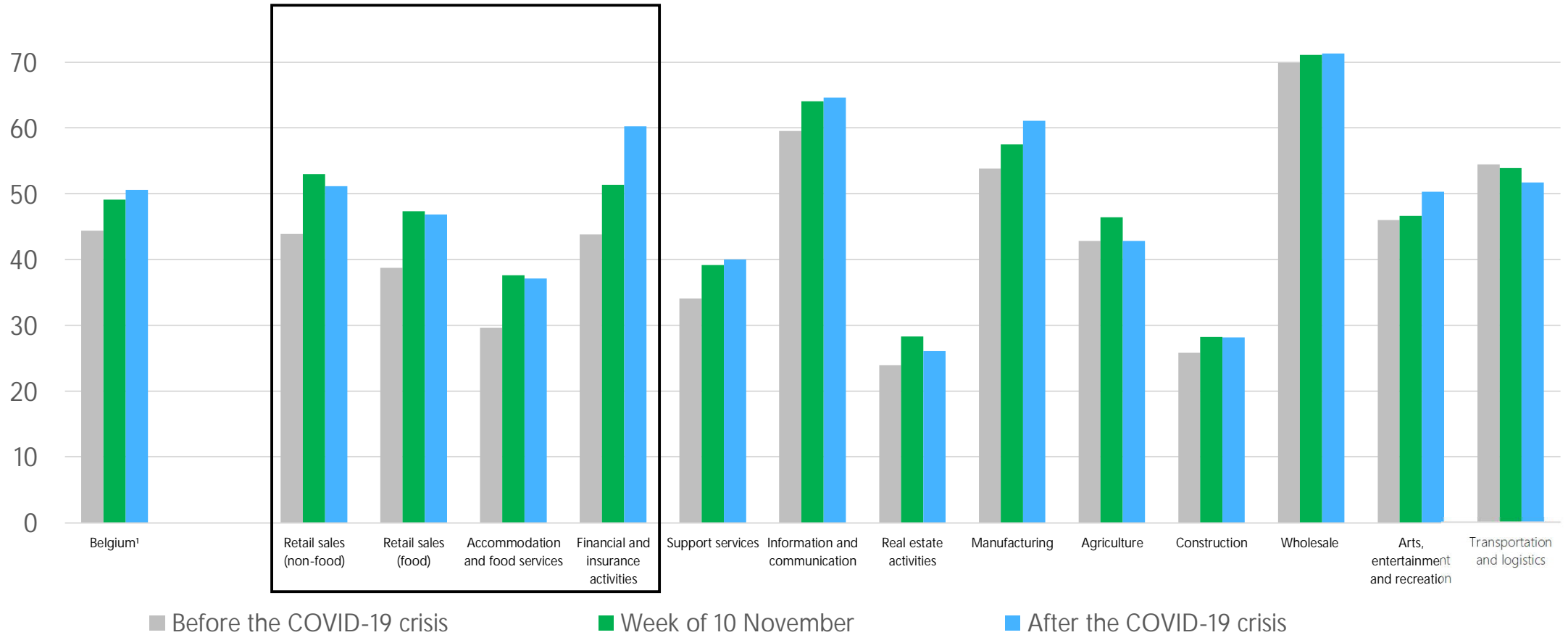
Do you expect that the way of working in your company will be permanently different from the situation before the crisis? (Survey 22 September)

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



The COVID-19 crisis has led to a structural increase in E-sales/distance orders, especially in retail, accommodation and financial services

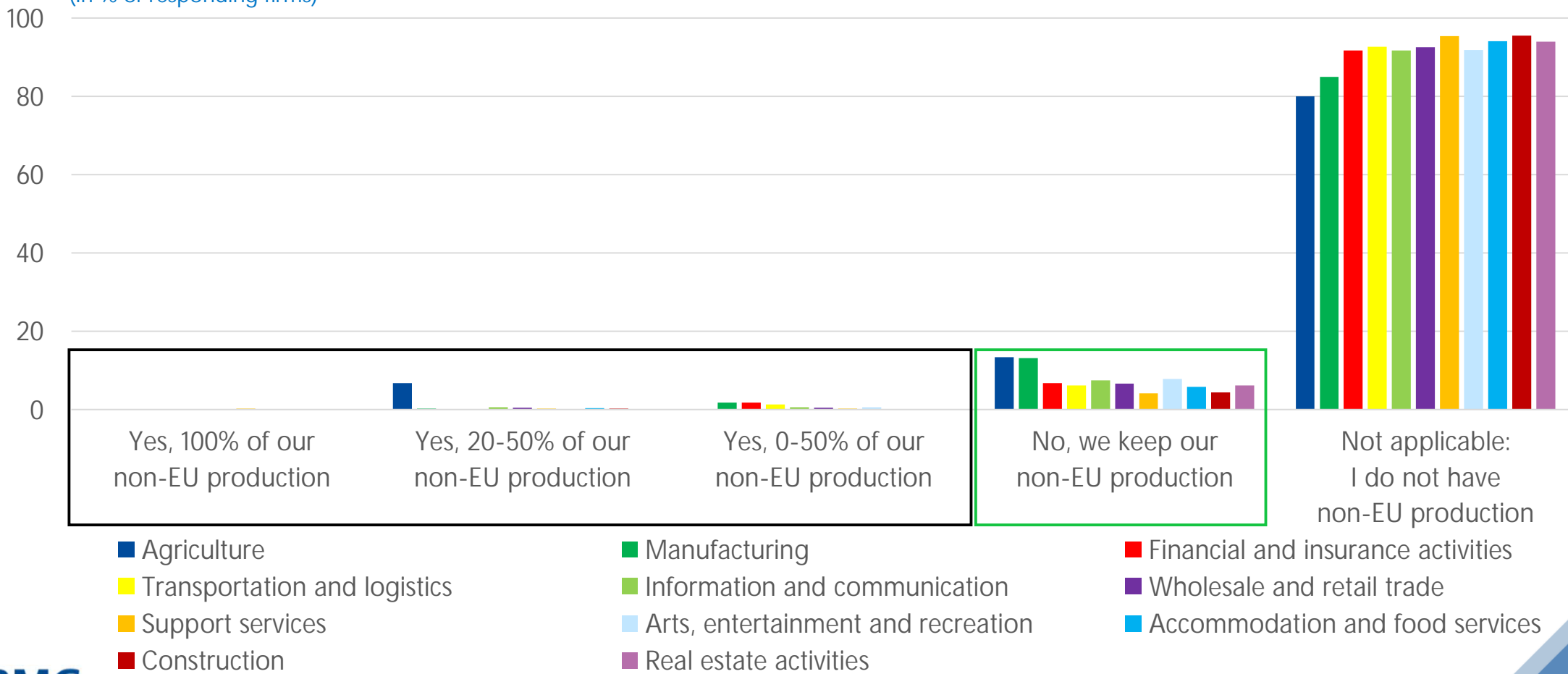
Share of companies that generate sales through distance orders or online sales (Survey 10 November)
 (in % of responding firms, sectors are ranked by increase from the pre-COVID-19 situation)



Only few firms have non-EU production and the vast majority of these firms will not reshore this production

Do you expect that, as a result of the COVID-19 crisis, the production of your company that is currently produced outside the EU will be moved to a country within the EU? (Round 12)

(In % of responding firms)

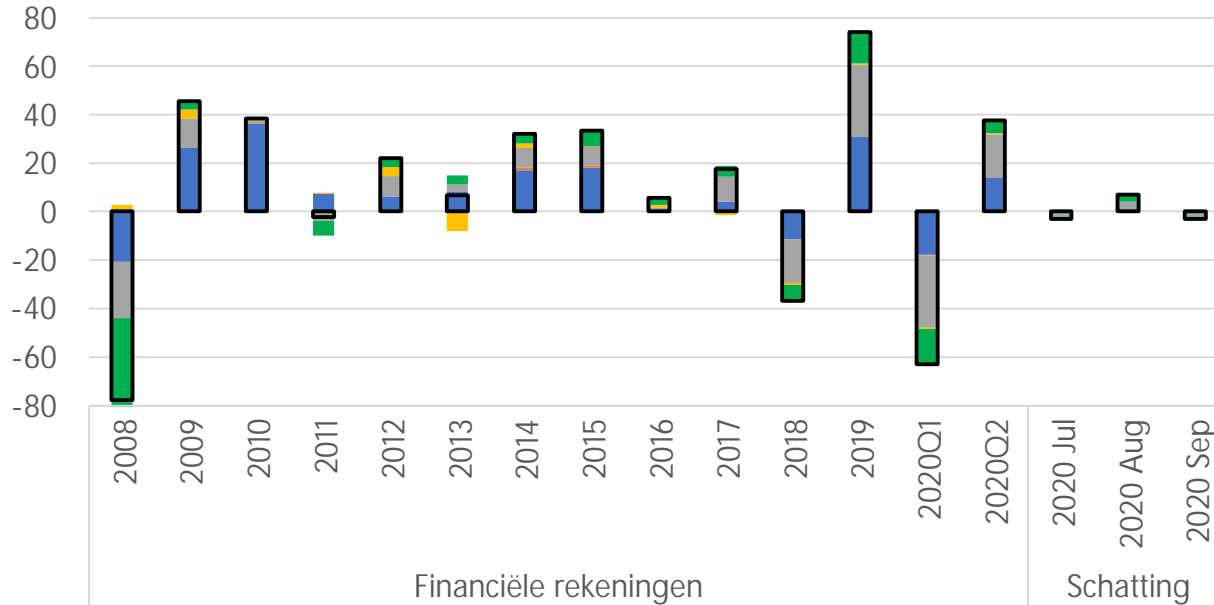




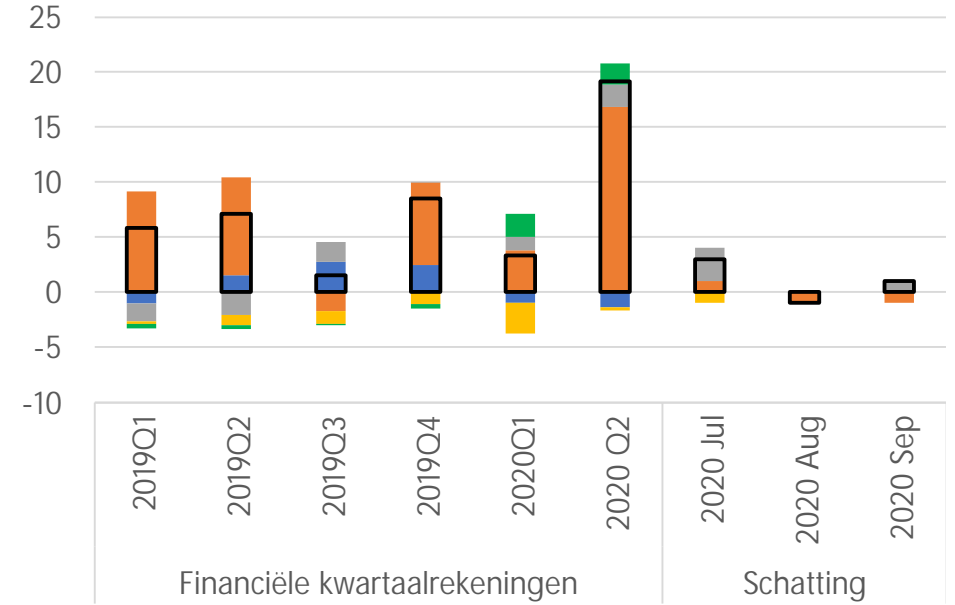
Credit indicators households

Minwaarden op bestaande beleggingen maar meer deposito's en aankoop aandelen en beleggingsfondsen door gezinnen in 2020

Min- en meerwaarden op financiële activa van huishoudens
(in € miljard)



Netto financiële investeringen
(in € miljard)



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

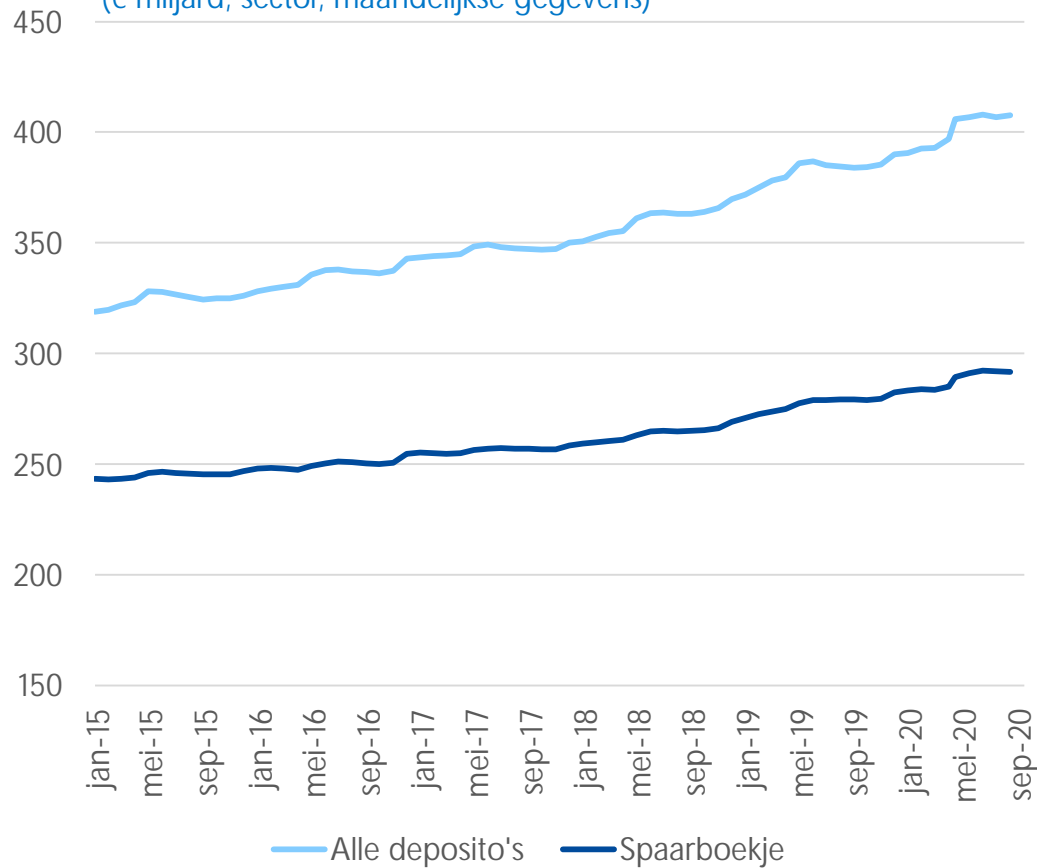
- ◆ In 2020Q1 veroorzaakten de sterke daling in de beurskoersen waardedalingen in de financiële activa van de particulieren voor 63,1 miljard euro. Door het herstel van de beurzen vertoont 2020Q2 positieve herwaarderingen van 37,1 miljard. Negatieve prijseffecten waren beduidend hoger tijdens de financiële crisis van 2008.
- ◆ p.m. de totale financiële activa van de particulieren bedroegen 1 406 miljard eind juni 2020.

- ◆ De transacties in financiële activa van de particulieren in het tweede kwartaal tonen forse investeringen voor totaal 19,1 miljard euro, voornamelijk door de stijging van de deposito's, en in mindere mate van de beleggingsfondsen en genoteerde aandelen, illustratief voor het "geforceerd sparen" van de gezinnen. In de maanden juli tot september zijn de evoluties minder uitgesproken.

Deposito's van Belgische huishoudens

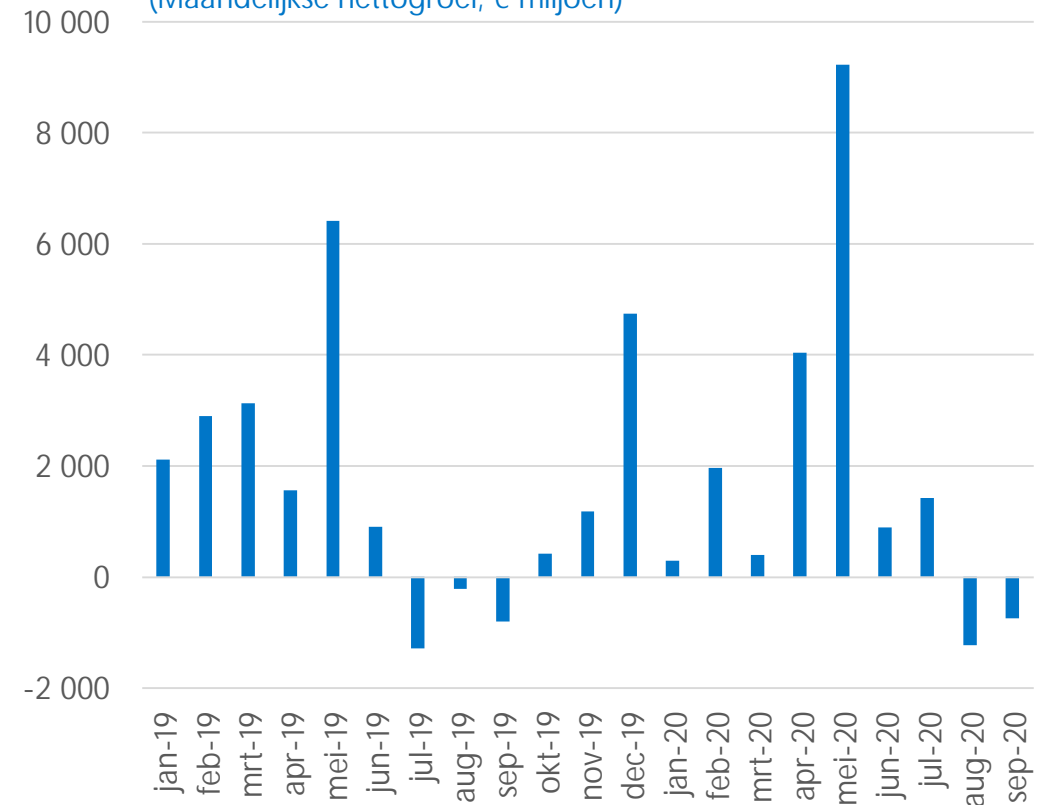
Deposito's Belgische huishoudens

(€ miljard, sector, maandelijkse gegevens)



Alle deposito's

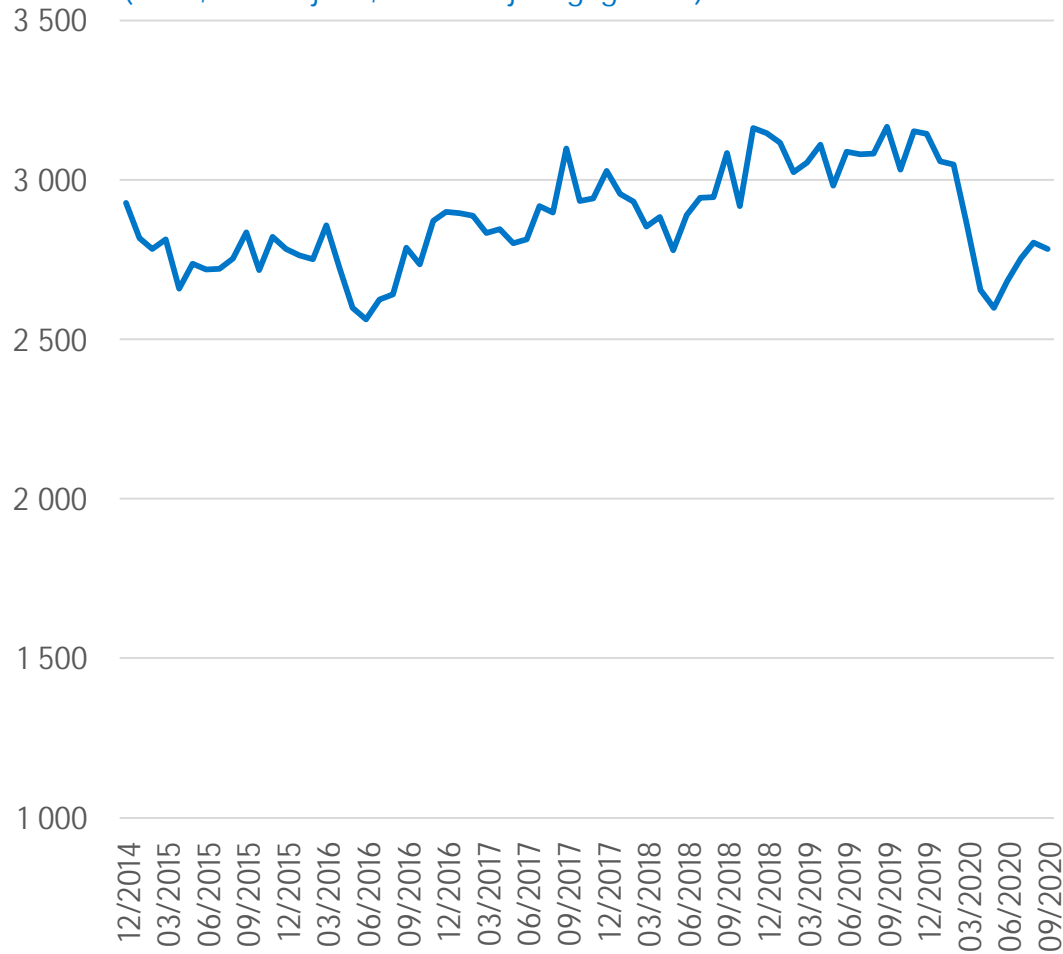
(Maandelijkse nettogroei, € miljoen)



Negatieve saldi op rekeningen / kredietkaarten

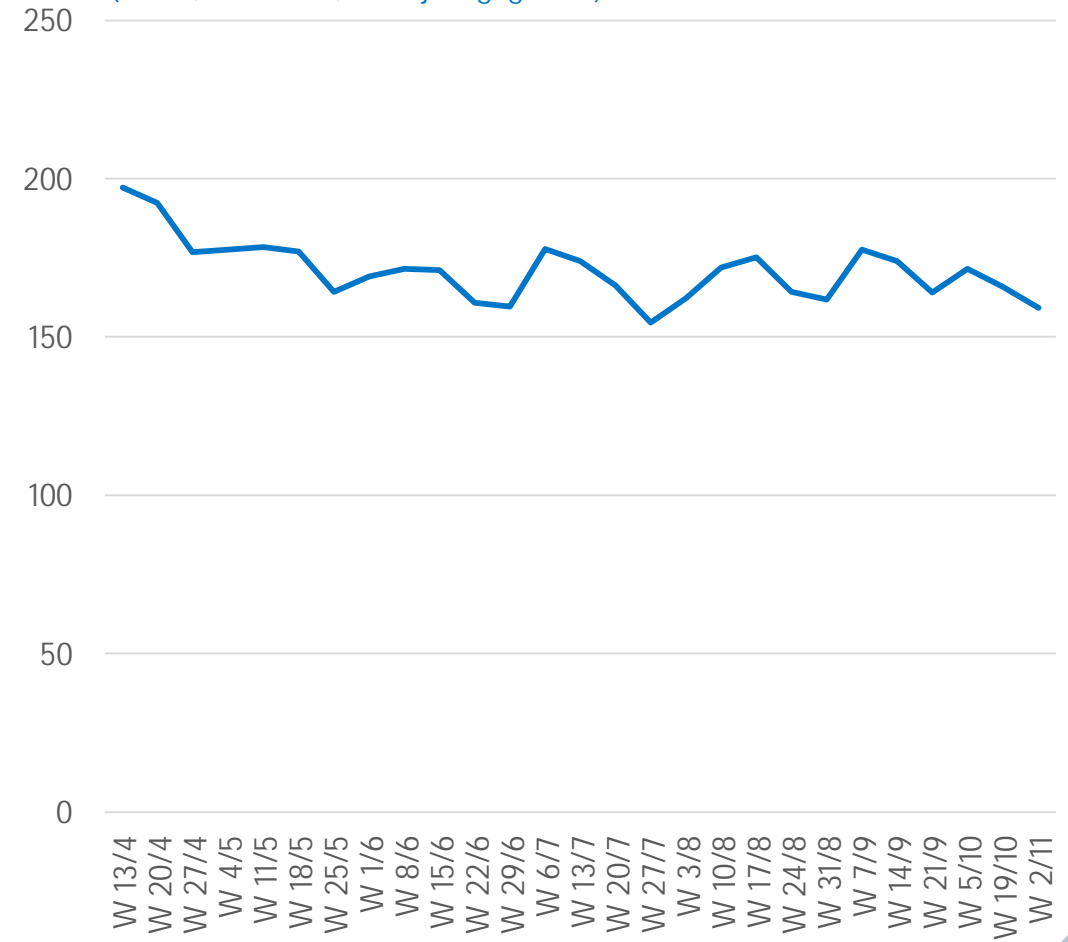
Negatieve saldi op rekeningen

(stock, in € miljoen, maandelijkse gegevens)



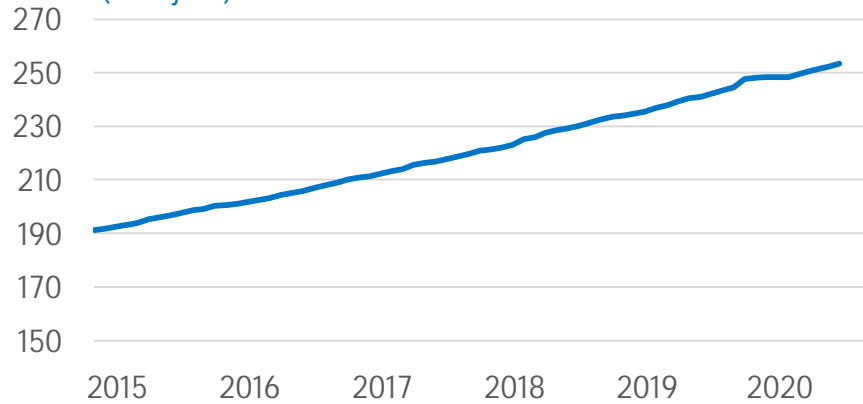
Aantal rekeningen "teveel in het rood"

(aantal, in duizend, wekelijkse gegevens)

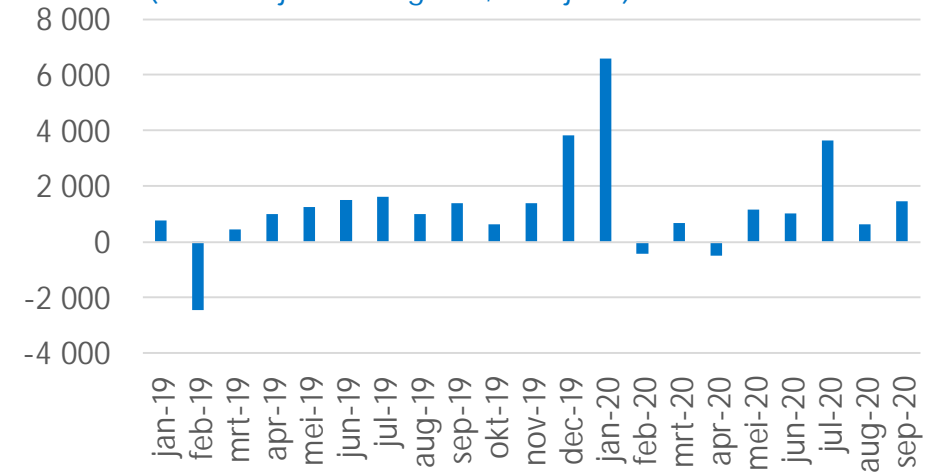


Bankkredieten van Belgische huishoudens

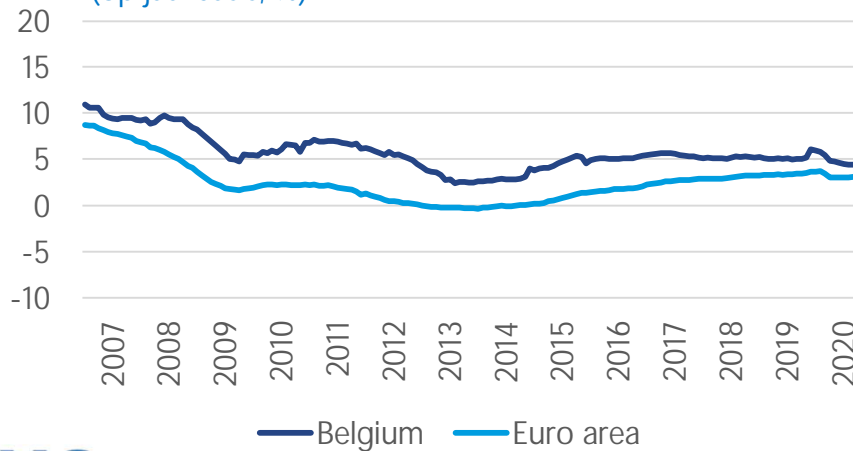
Stock
(€ miljard)



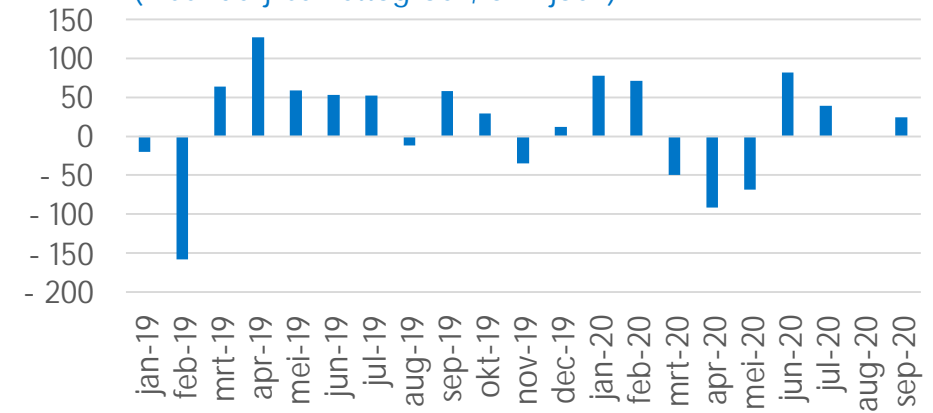
Hypothecaire leningen
(maandelijkse nettogroei, € miljoen)



Groeivoet
(op jaarbasis, %)



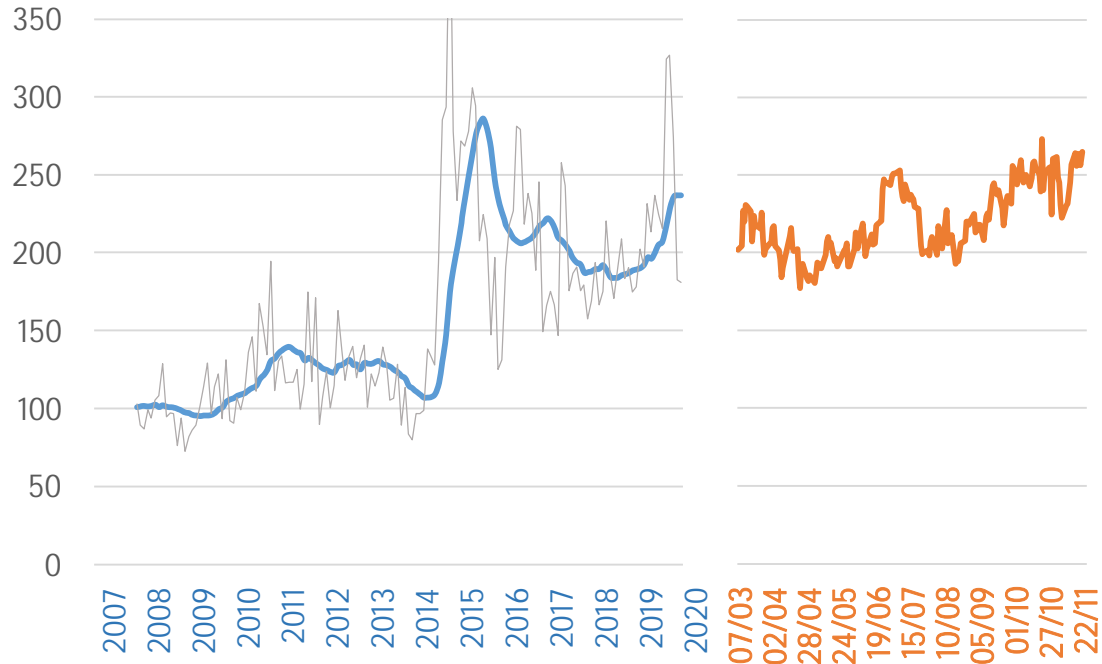
Consumentenleningen
(maandelijkse nettogroei, € miljoen)



Hypotheekleningen: nieuwe leningen en wanbetalingsgraad

Nieuwe leningen

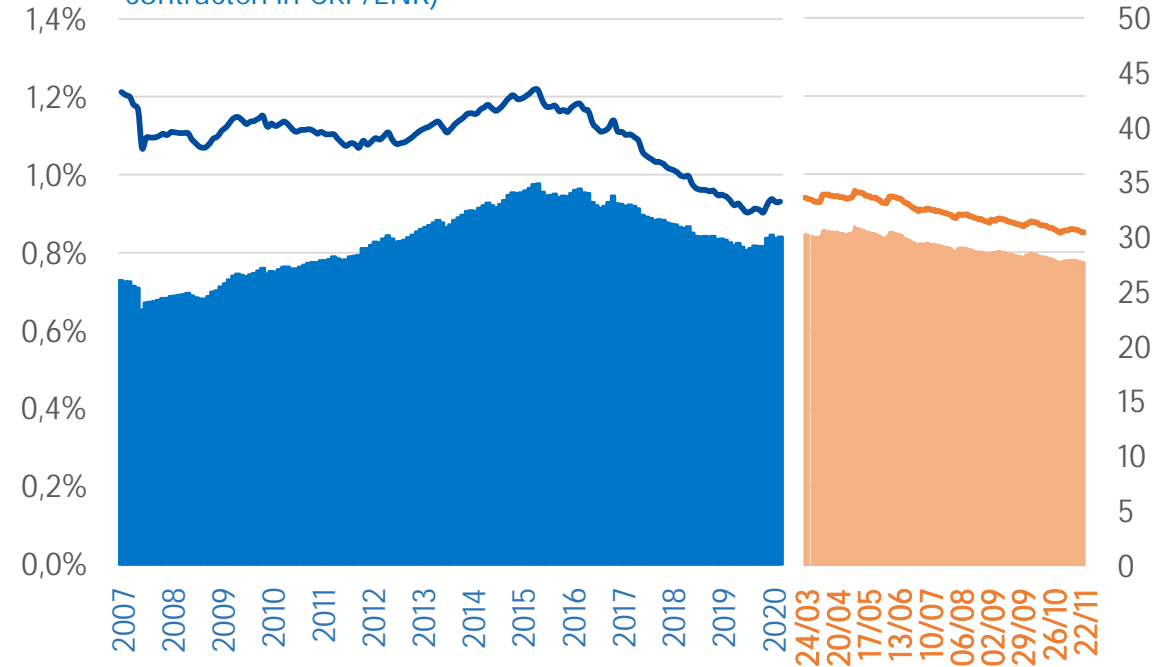
(geregistreerd bedrag per werkdag in CKP, in € miljoenen)



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

Wanbetalingsgraad

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

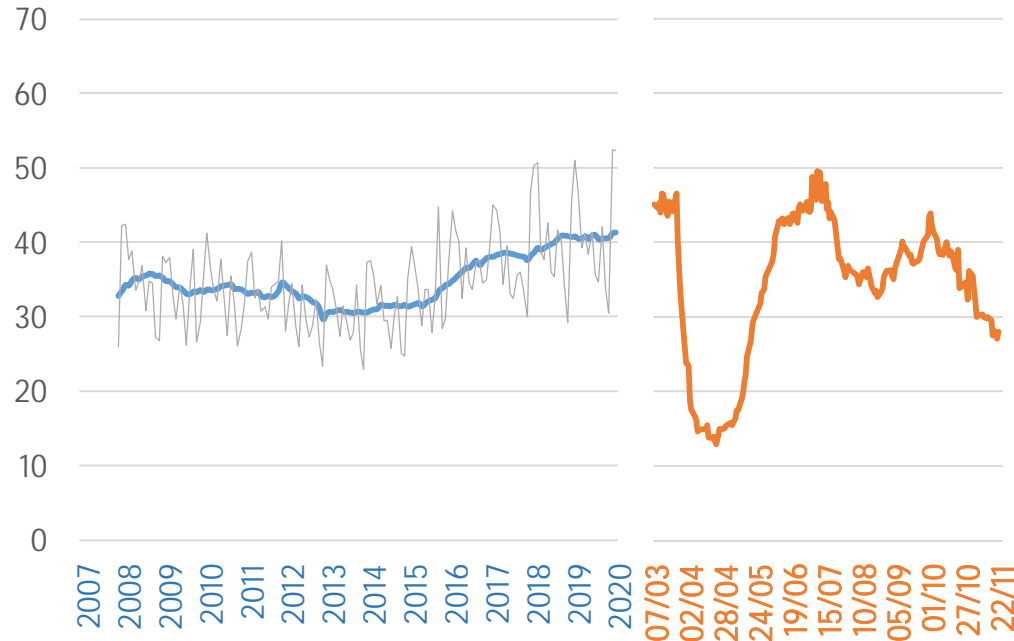


- Aantal uitstaande achterstallige contracten (maandelijkse gegevens, rechterschaal in duizenden)
- Wanbetalingsgraad (maandelijkse gegevens, linkerschaal in %)
- Aantal uitstaande achterstallige contracten (dagelijkse gegevens, rechterschaal in duizenden)
- Wanbetalingsgraad (dagelijkse gegevens, linkerschaal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

Consumentenkredieten¹: nieuwe leningen en wanbetalingsgraad

Nieuwe leningen

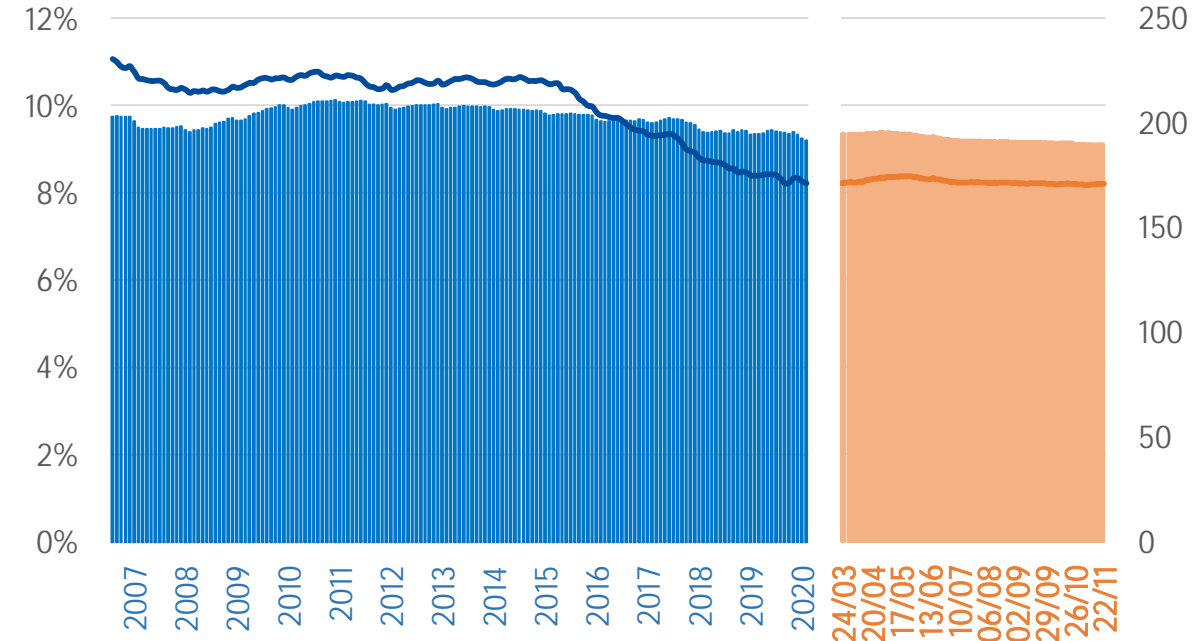
(geregistreerd bedrag per werkdag in CKP, in € miljoenen)



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

Wanbetalingsgraad

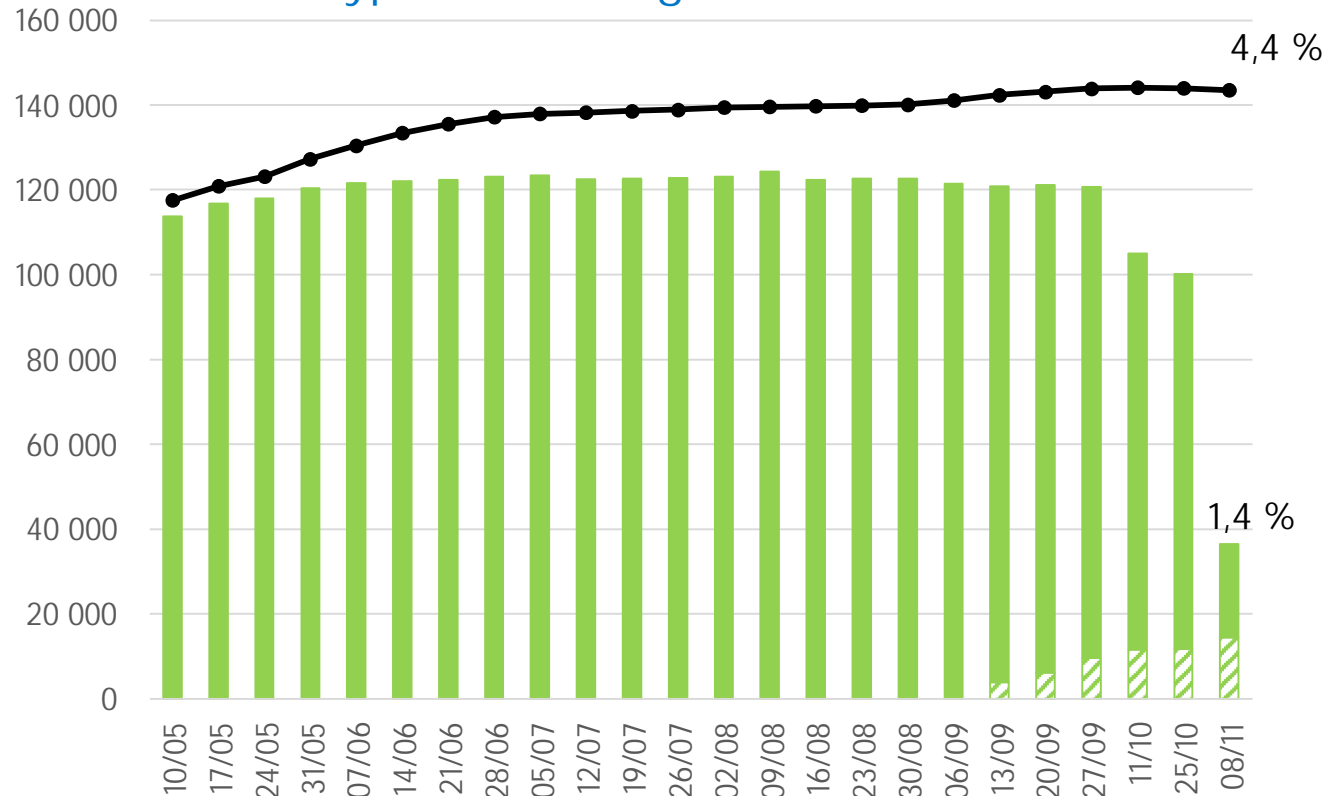
(Aantal uitstaande achterstallige contracten, % van alle uitstaande contracten in CKP/ENR)



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

Moratoria voor leningen aan gezinnen

Aantal hypotheekleningen onder moratorium



◆ Aantal **consumentenleningen** die genieten of genoten hebben van een moratorium zoals geregistreerd in de Centrale voor Kredieten aan Particulieren (op 8 november)

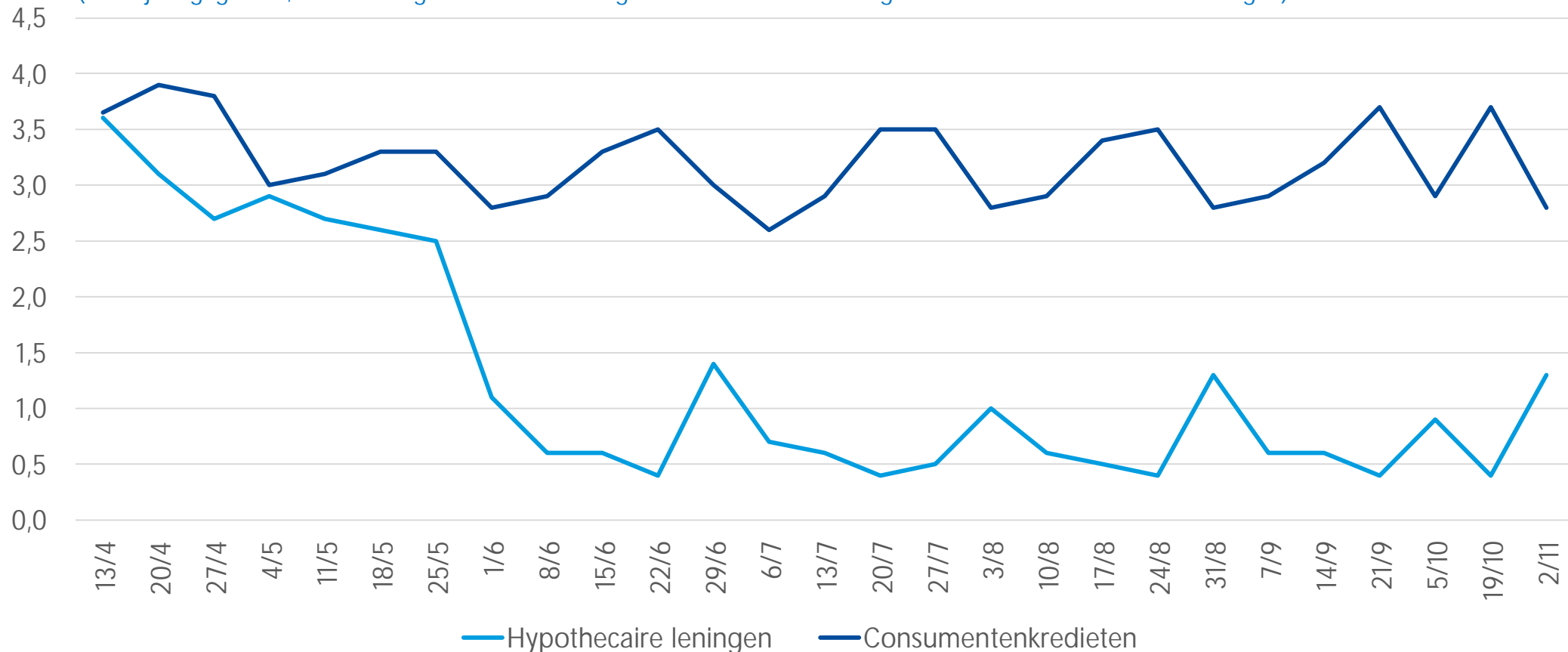
◆ 8 353 leningen

◆ waarvan 8 100 leningen op afbetaling (0,4 % van alle leningen op afbetaling)

- Aantal hypotheekleningen met een lopend moratorium
 - ▨ waarvan: verlenging van eerder verleende moratoria
 - Aantal hypotheekleningen die genieten of genoten hebben van een moratorium zoals geregistreerd in de Centrale voor Kredieten aan Particulieren
- } Febelfincijfers voor de 7 grootste banken

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)





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 comparable to 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 October 2020 Bank lending survey:**
 - ◇ Demand for loans from Belgian enterprises in 2020Q3 was driven by liquidity needs, but also curbed by a decline in fixed investment
 - ◇ Slight tightening in credit standards prompted by higher risk perception and lower risk tolerance

Firms perceived less favorable credit conditions

◆ Belgian firms reported a slight improvement of their credit conditions compared to 2020Q2

- ◇ Slight improvement in the assessment of the general credit conditions by firms
 - Mainly due to the industry sector and large firms
 - From 2020, the balance of the opinions (favorable vs unfavorable) is below the historical average
- ◇ Small deterioration with respect to 2020Q2 regarding requirements for collateral
(source: NBB survey on credit conditions)

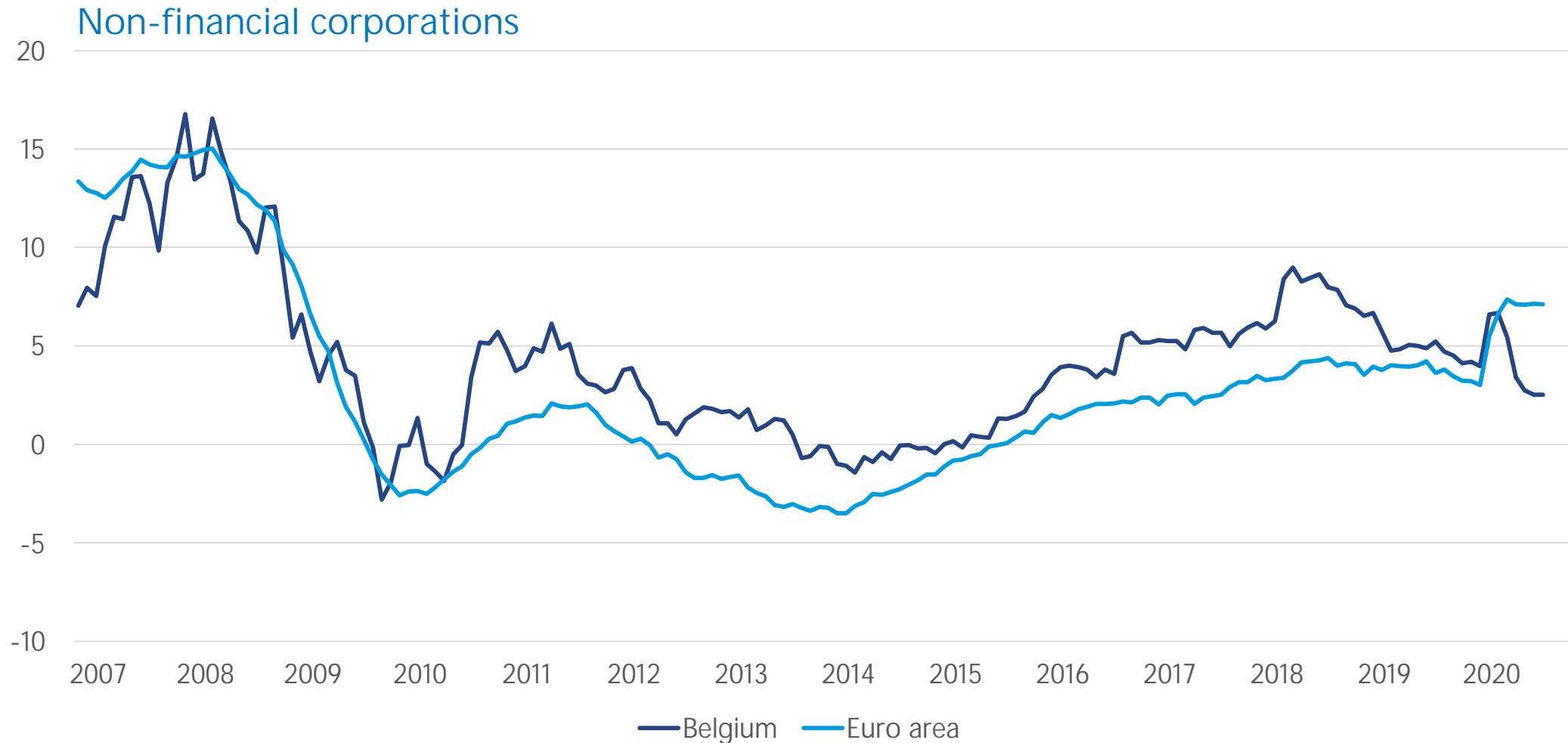
◆ SMEs feared a significant impact on bank loan availability in 2020Q2

- ◇ No significant changes regarding obstacles impeding access to bank financing between October 2019 and March 2020
 - 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 = 5,2 % (against 5,9 % on average in 2017-2019)
- ◇ But SMEs expected a sharp deterioration in availability of bank loans over the next six months (April-September 2020)
 - Widespread across sectors

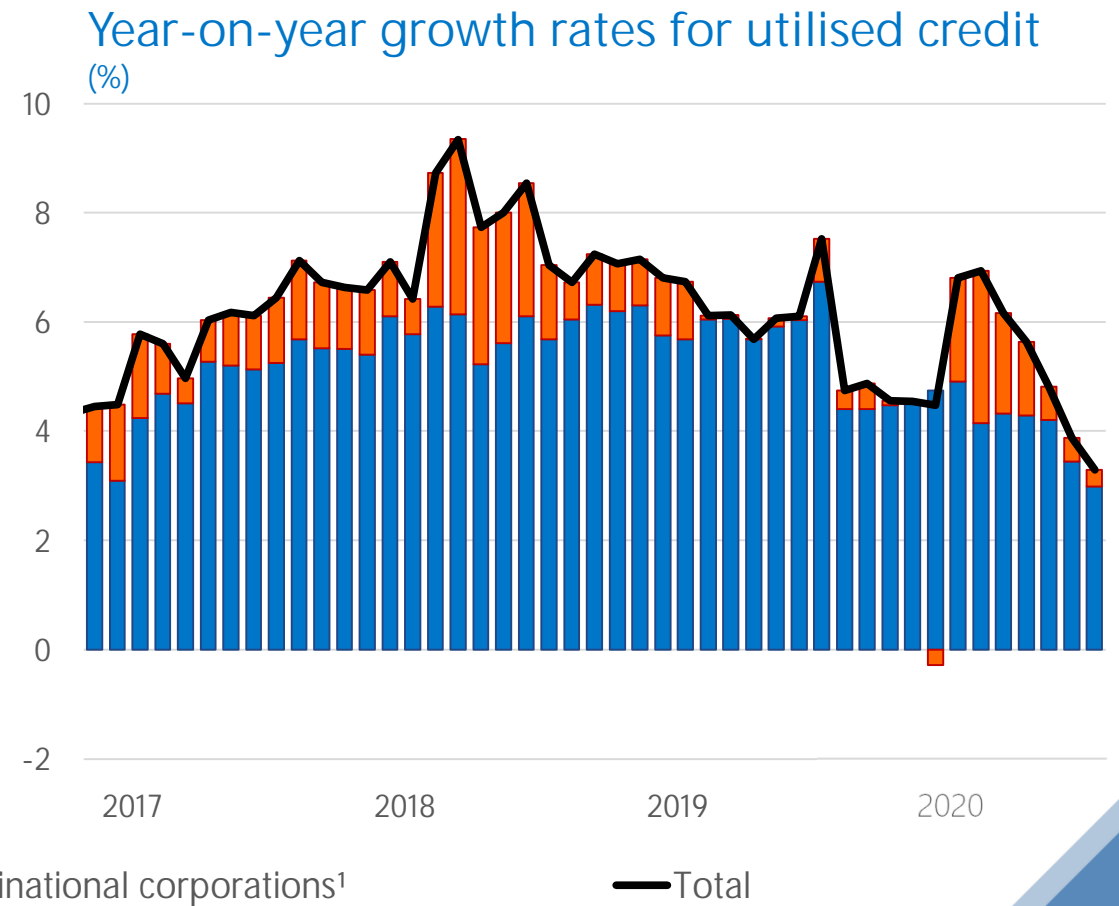
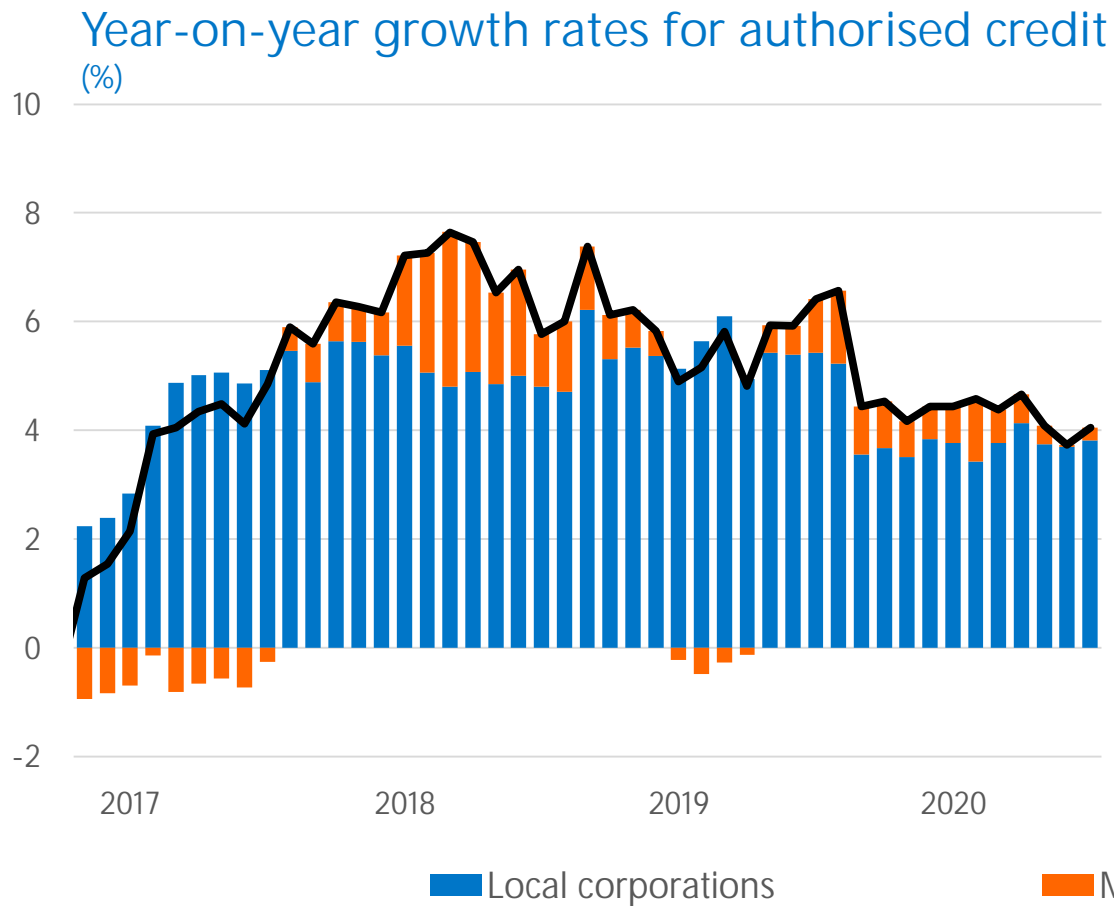
(source: SAFE survey, conducted between 2 March and 8 April 2020.)

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

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

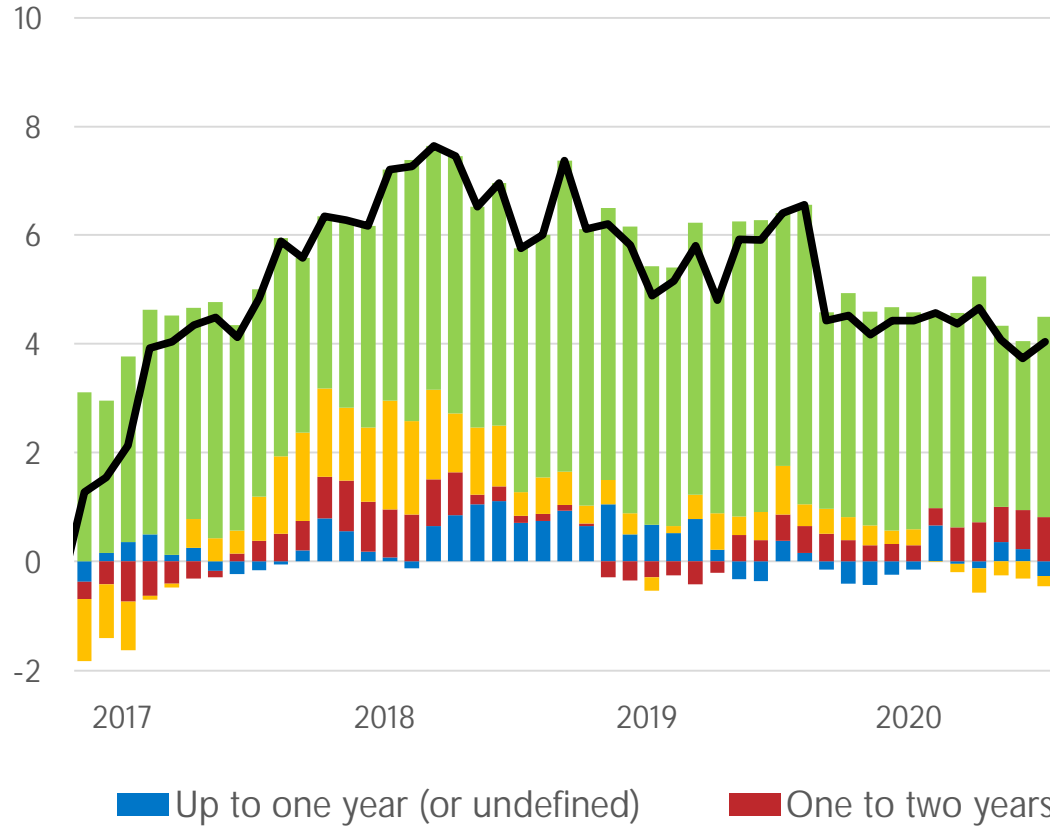


Reduced contribution of multinational corporations to total credit growth, after massive drawdowns of credit lines in March and April ...

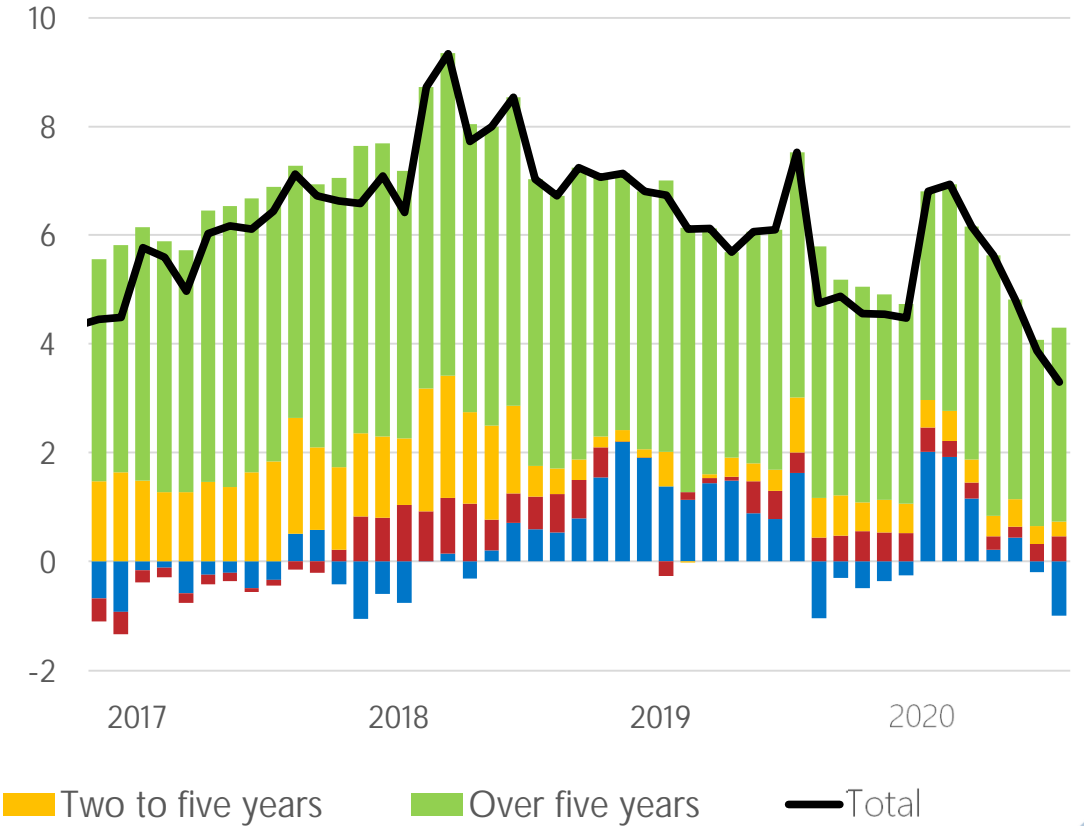


... which also translates into a lower contribution of short-term loans

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



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

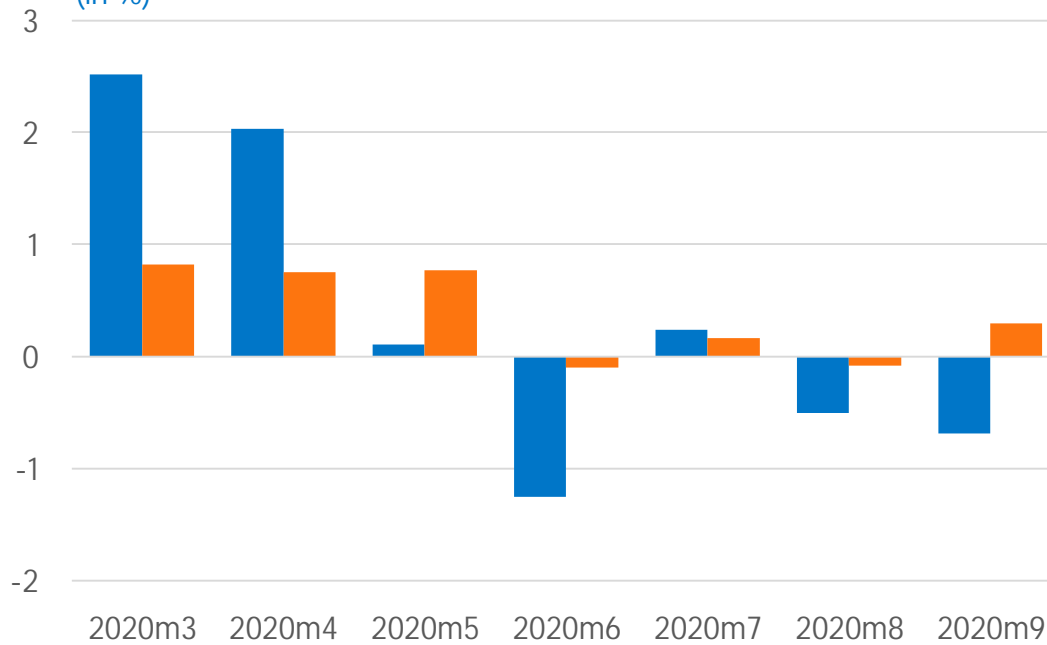


Negative growth of utilised loans in September, but also true for previous years

Positive growth in September for authorised loans

Monthly growth rates of authorised and utilised loans

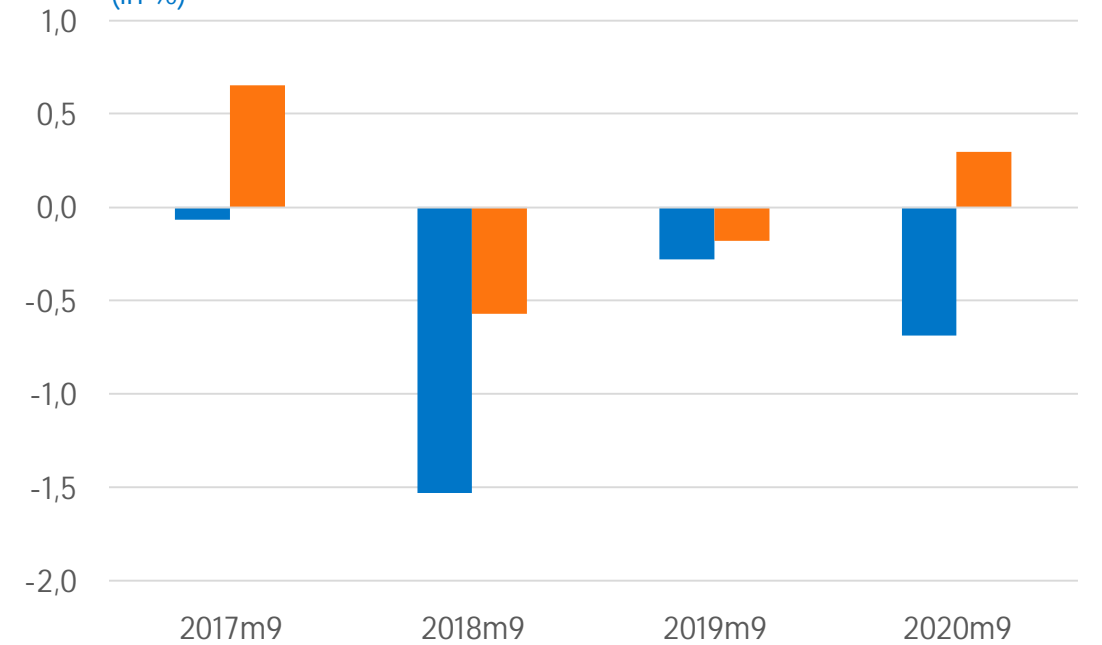
(in %)



■ utilised

Monthly growth rates of loans for September of previous years

(in %)

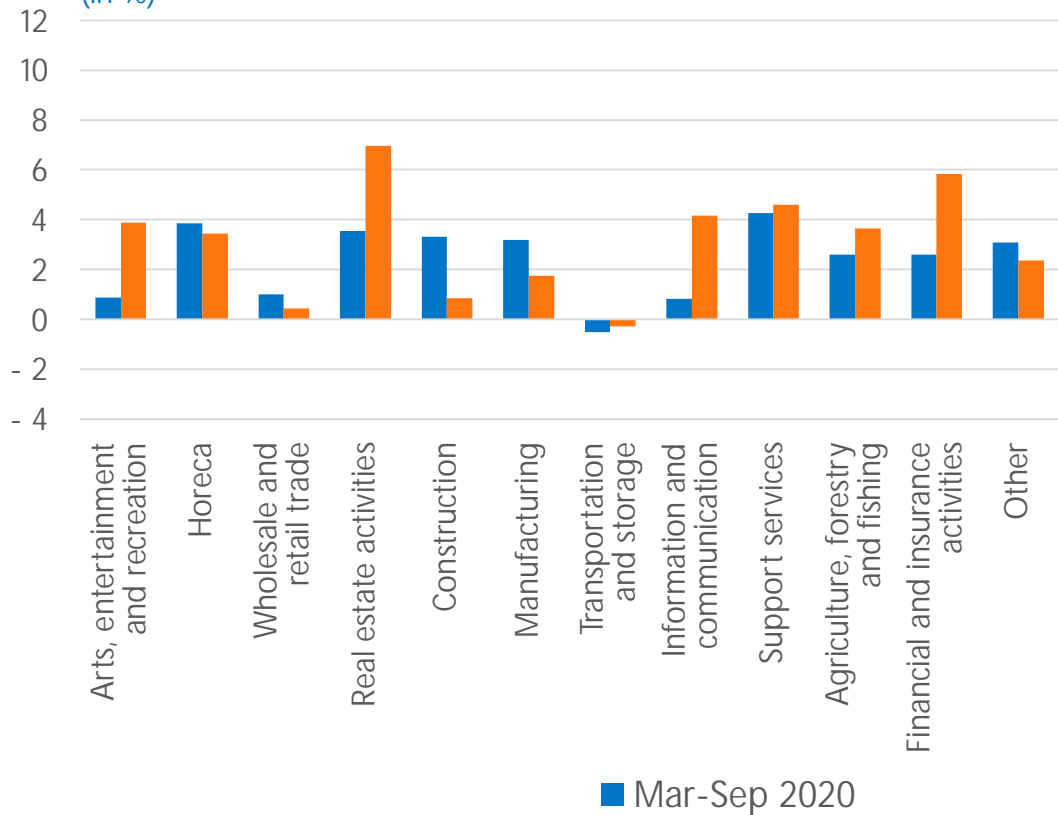


■ authorised

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

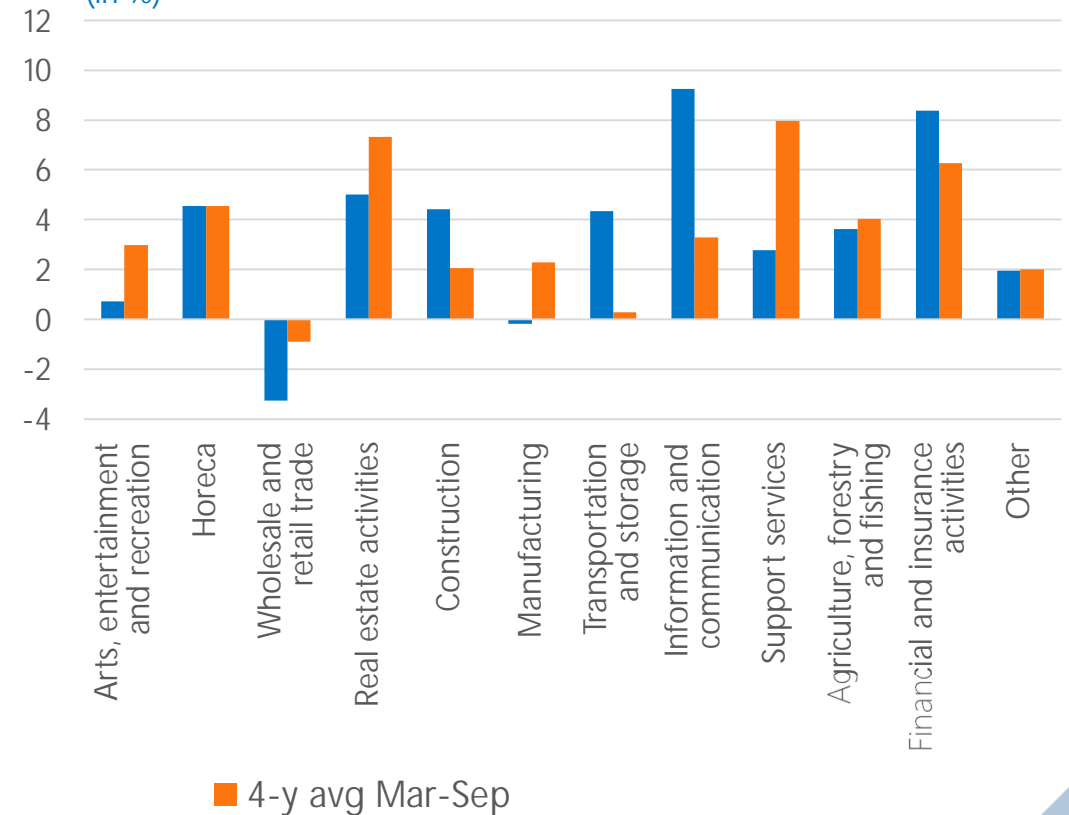
March-September growth rates of authorised loans

(in %)



March-September growth rates of utilised loans

(in %)

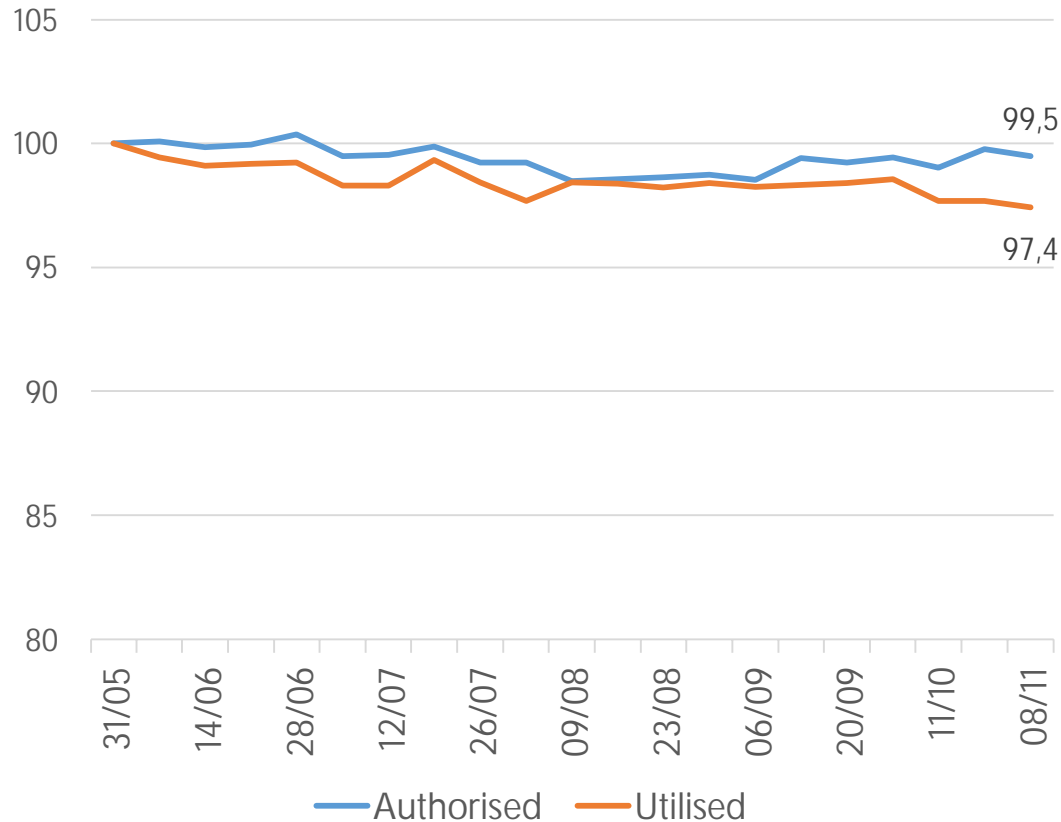


Loan developments - weekly

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

Evolution of total loans to NFCs

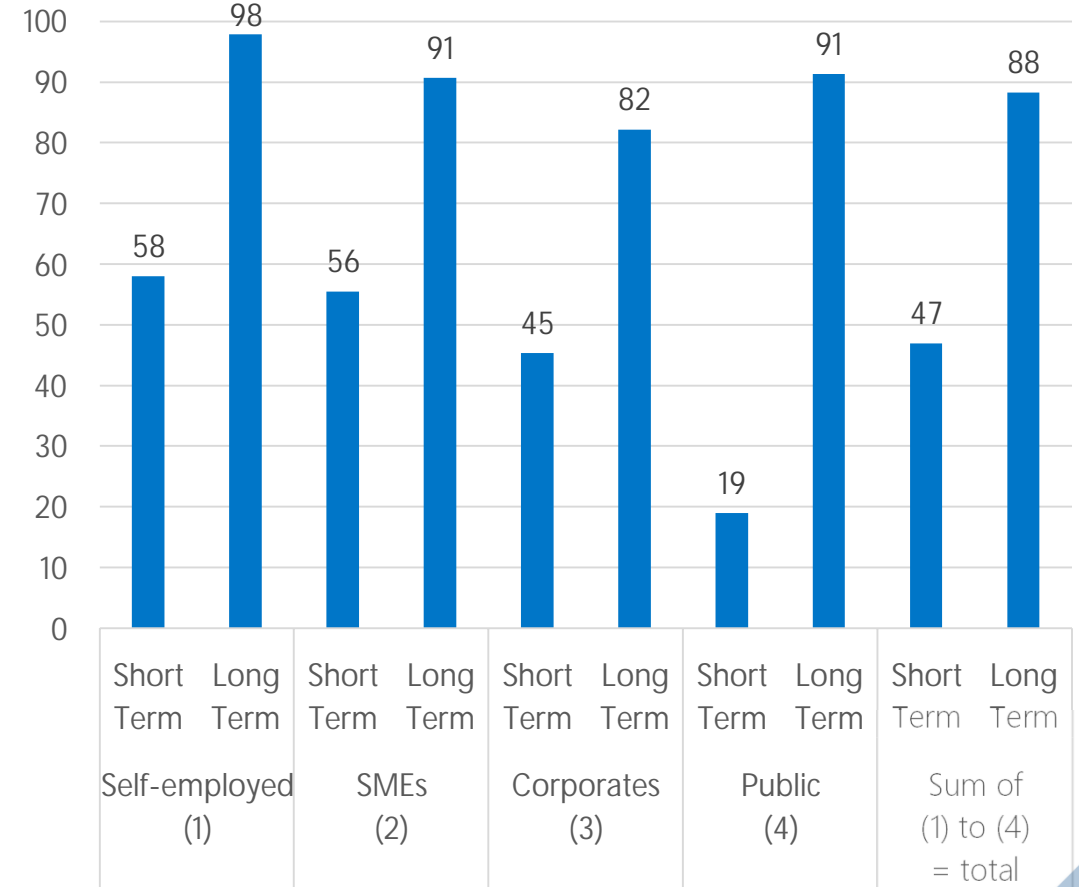
(in %)



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 %)

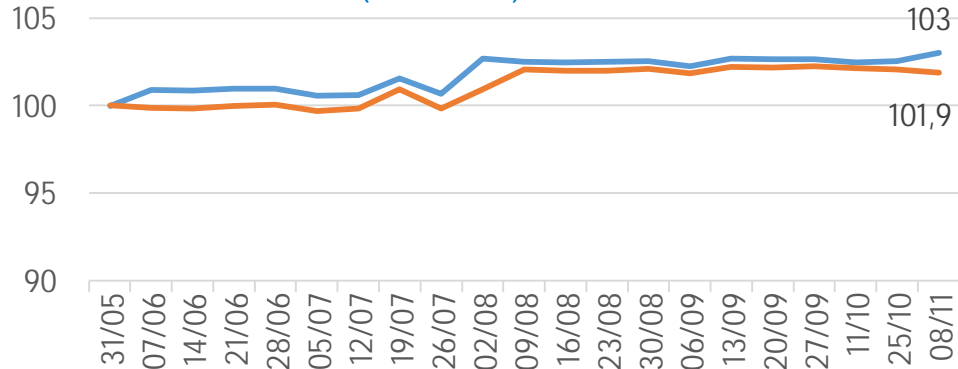


Stable loans for firms except for a slight decline for corporates

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

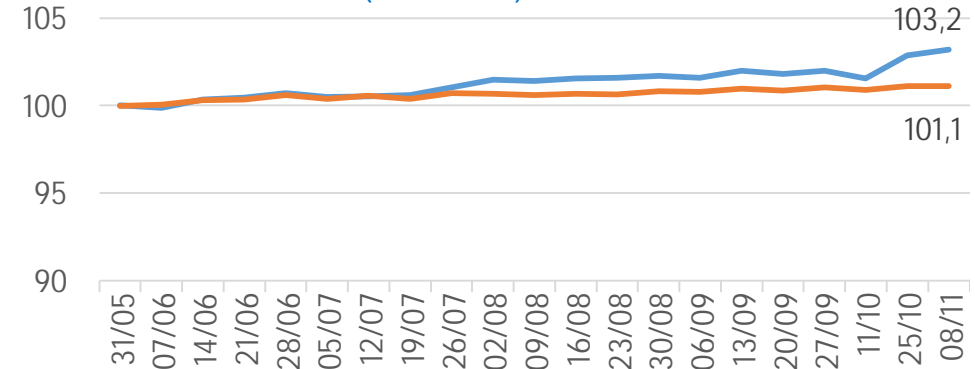
Evolution of total loans to self-employed

Latest observation (authorized) 23 billion EUR



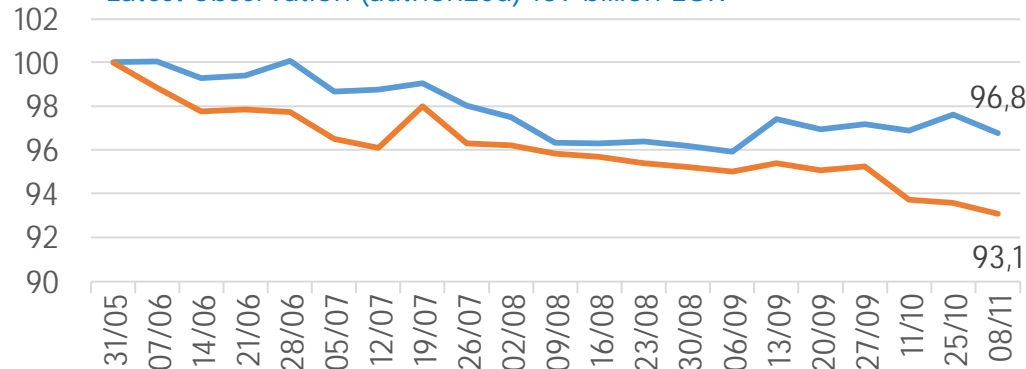
Evolution of total loans to SMEs

Latest observation (authorized) 83 billion EUR



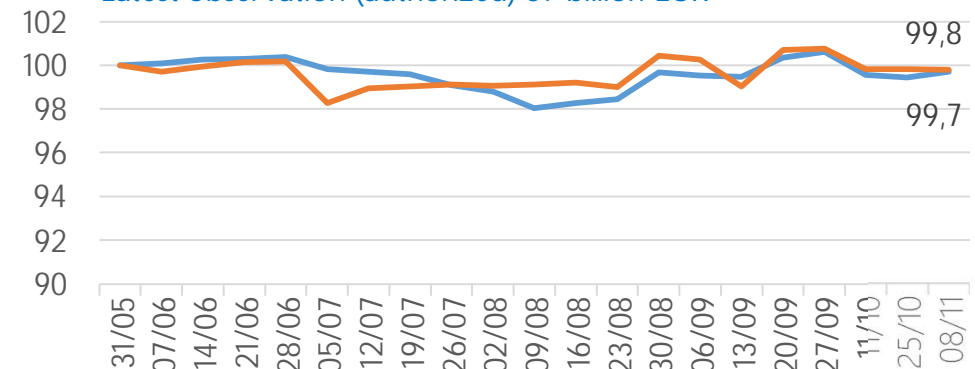
Evolution of total loans to corporates

Latest observation (authorized) 139 billion EUR



Total loans to public sector entities

Latest observation (authorized) 37 billion EUR



— Authorised

— Utilised

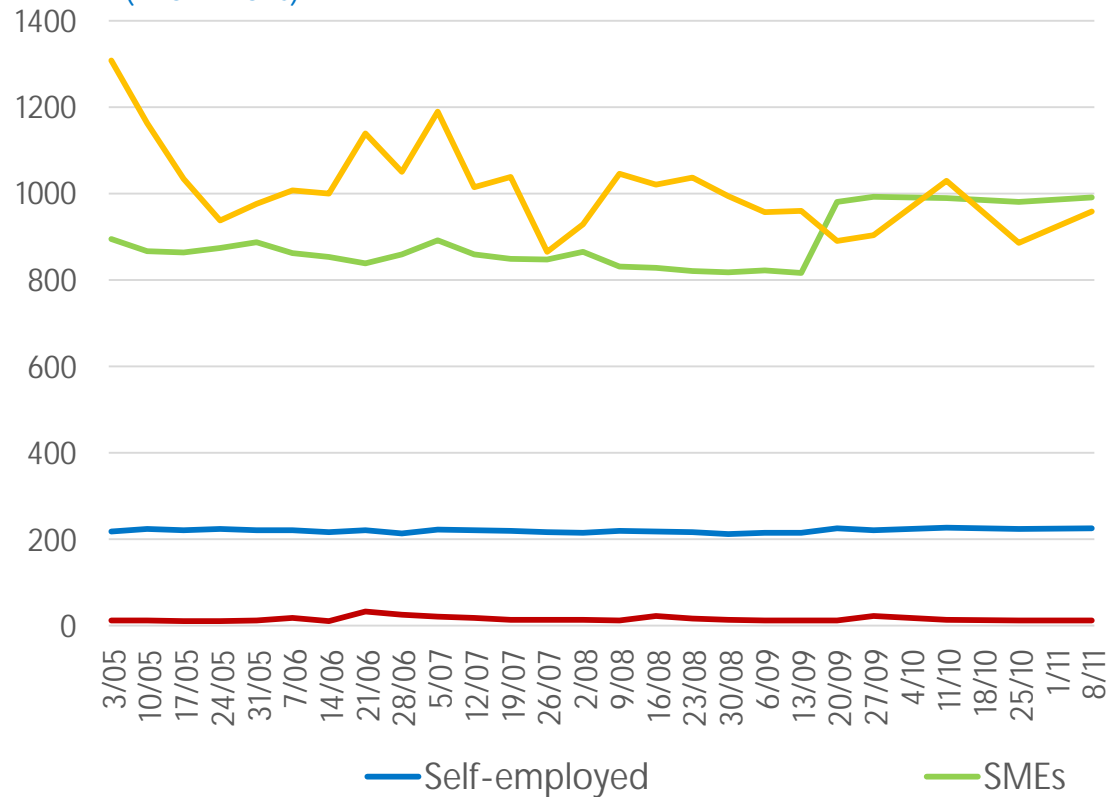
Total loans to NFCs represented as an index normalized to 100 % by end May stock of loans

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

(arrears – weekly)

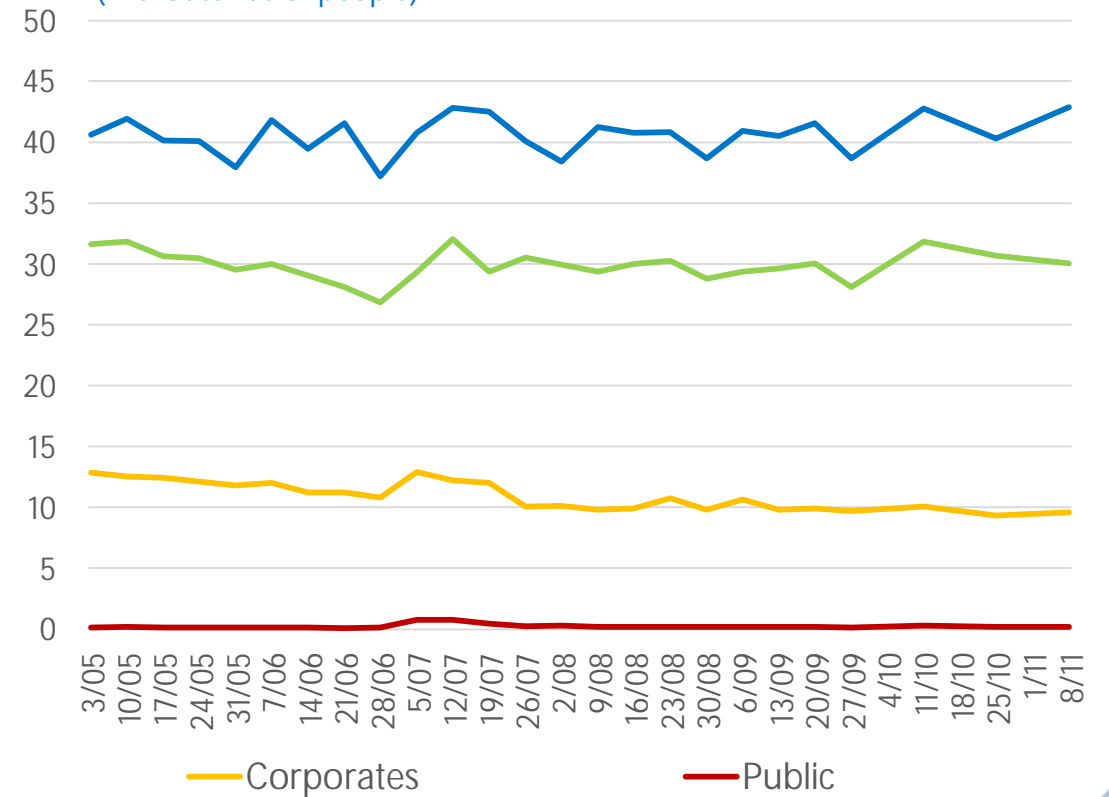
Amounts in arrears or in default

(in € millions)



Number of loans in arrears or in default

(in thousands of people)

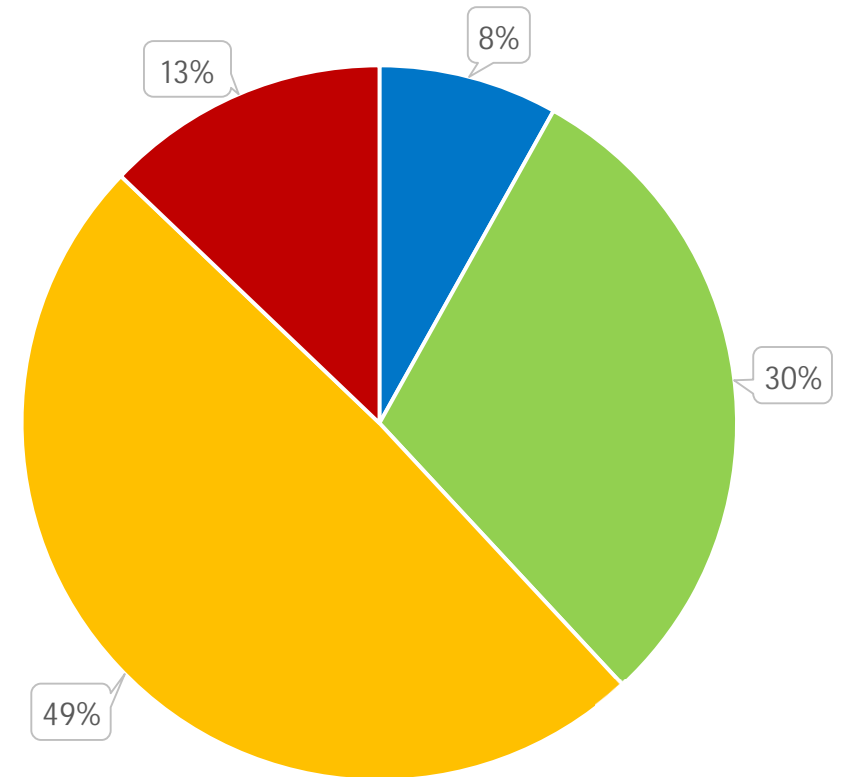
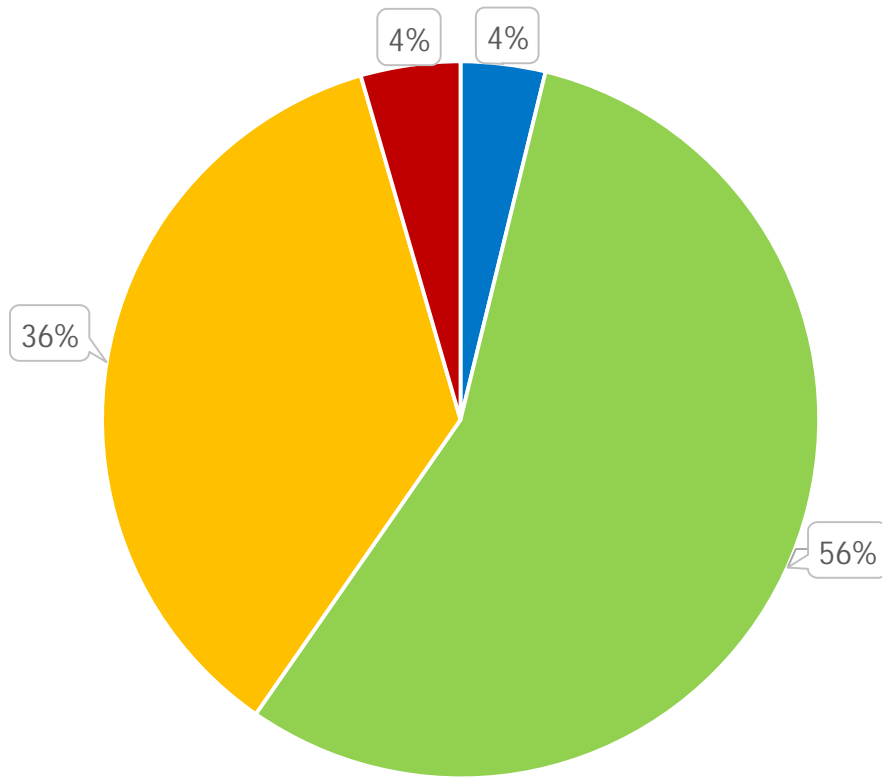


SMEs are the main beneficiaries of moratorium relative to their share of total loans

(moratorium – weekly)

Loan amounts in moratorium by type of counterparty

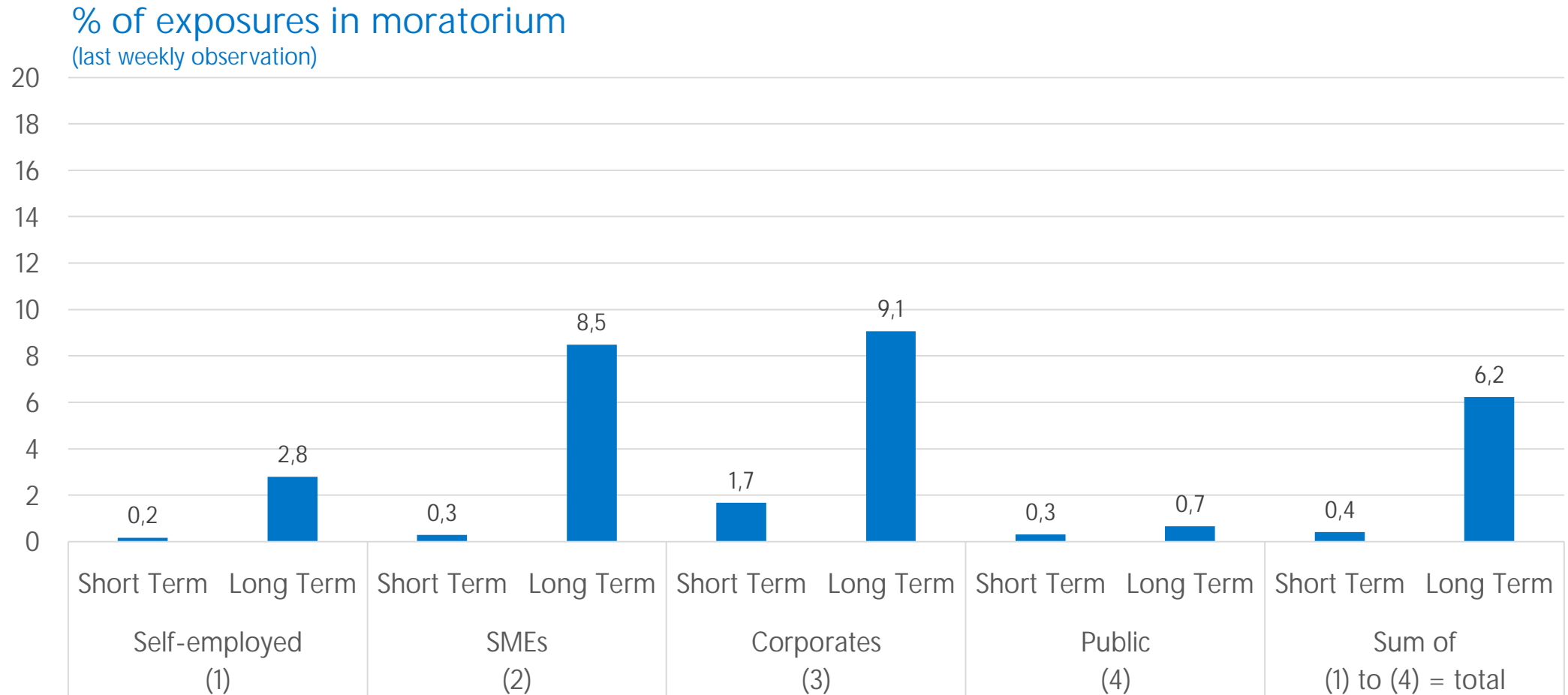
Total loan amounts by type of counterparty



■ Self-employed ■ SMEs ■ Corporates ■ Public

Long term loans are the main type of loans in moratorium

(moratorium – weekly)



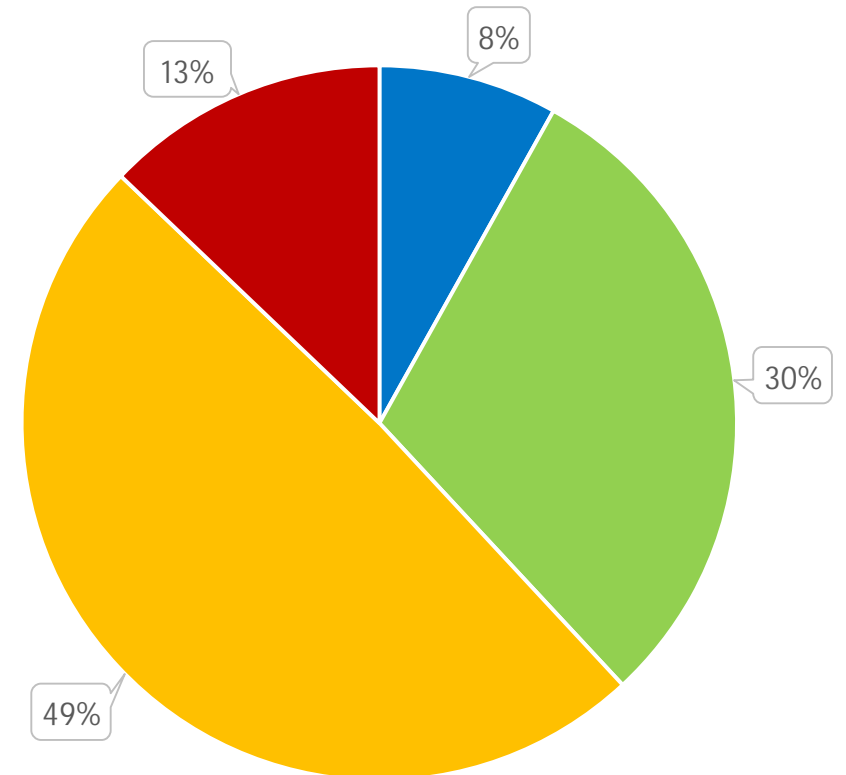
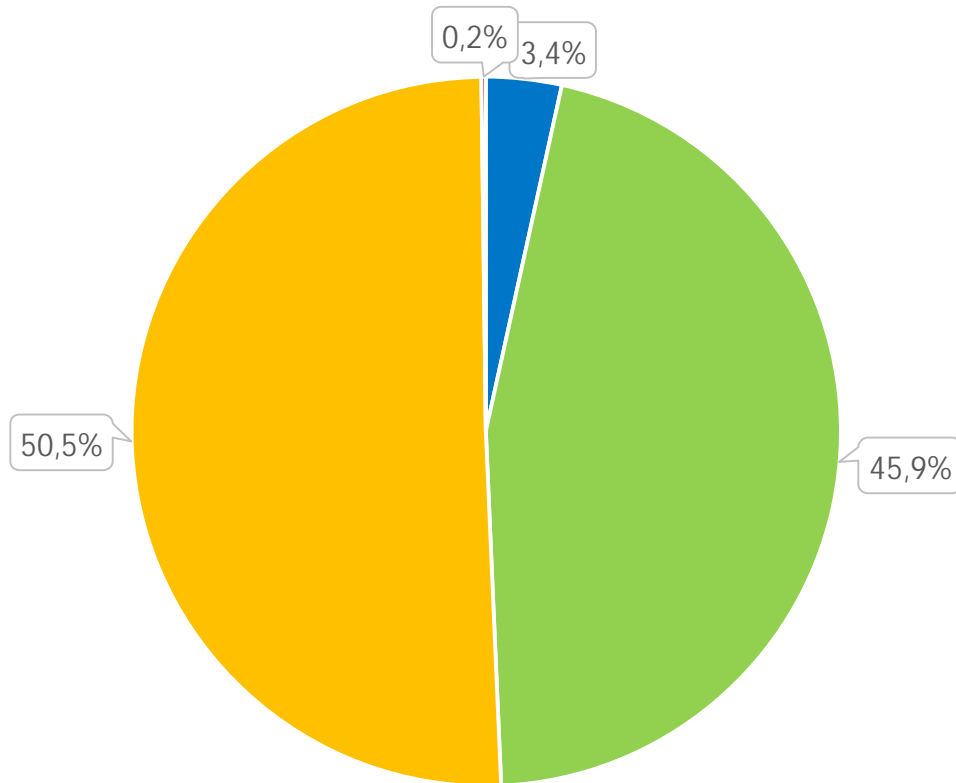
Take-up of the state guarantee - by type of counterparty

Results, taking into account only state guarantee I

(weekly data)

Loan amounts under state guarantee by type of counterparty

Total loan amounts by type of counterparty



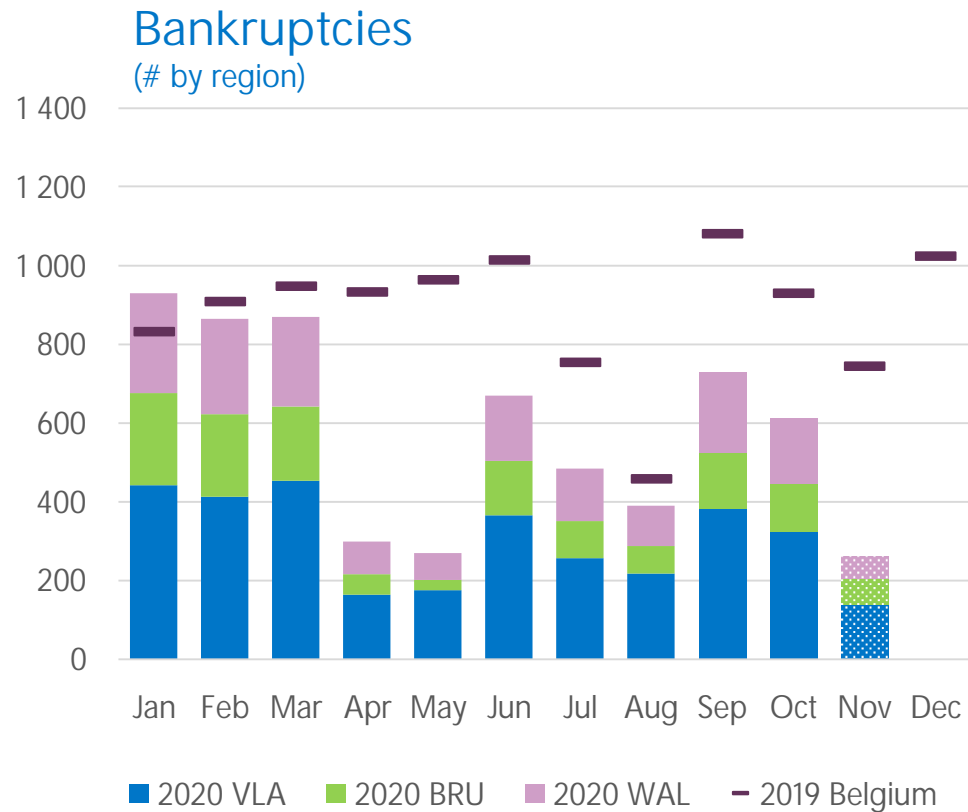
■ Self-employed ■ SMEs ■ Corporates ■ Public



Bankruptcies and new business registrations

The number of bankruptcies¹ declines in October and remains well below the 2019 level ...

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

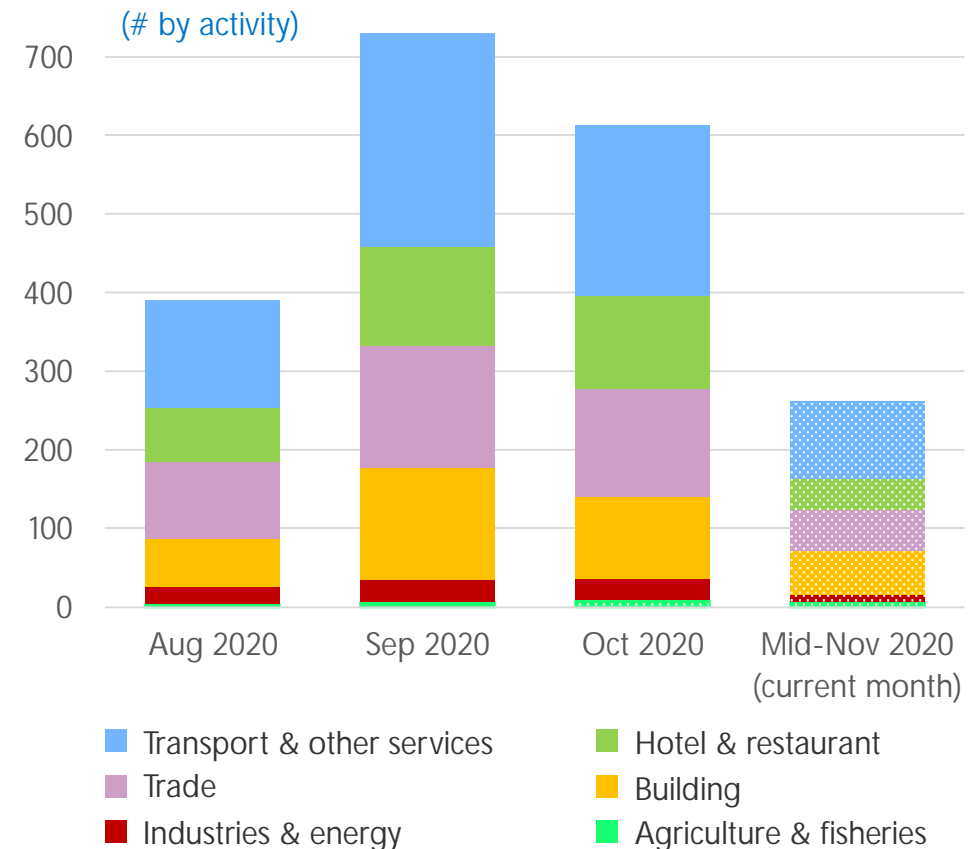


- ◆ About 96 % of bankruptcies are within the '0 to 9 workers' company size class

Source: Statbel, latest available data: 15 November 2020.

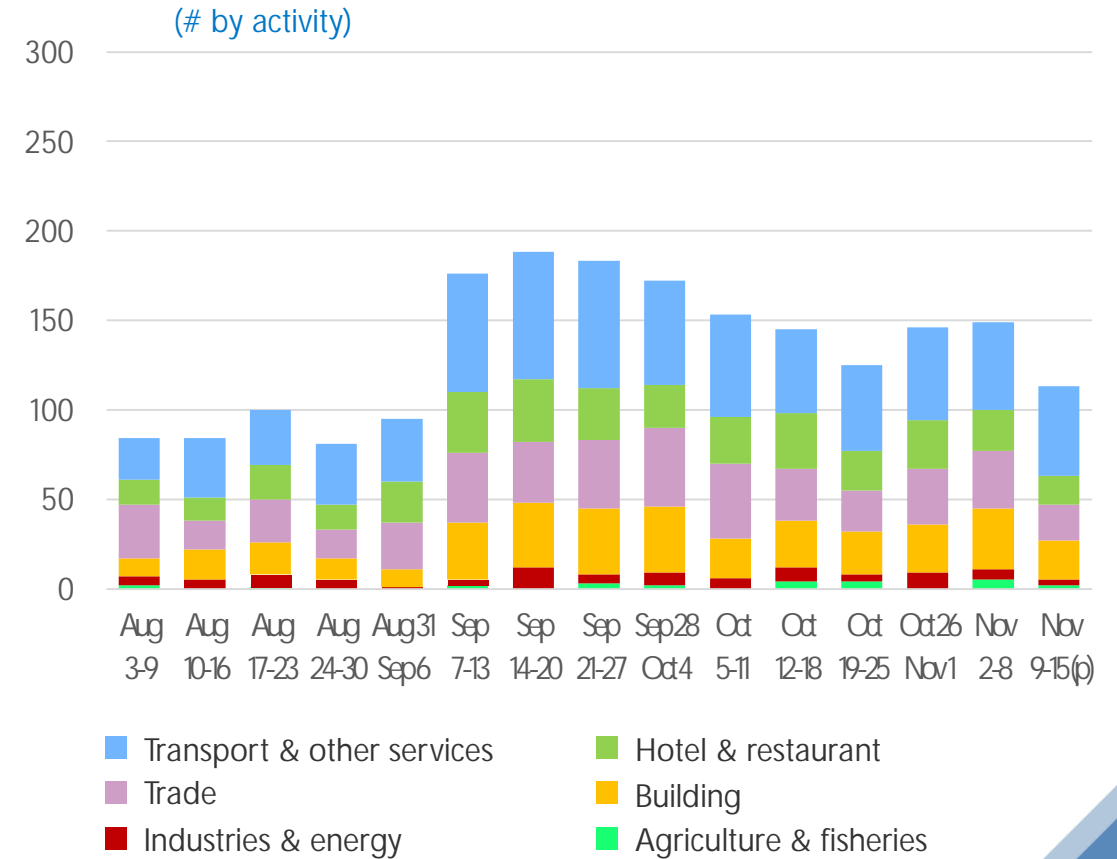
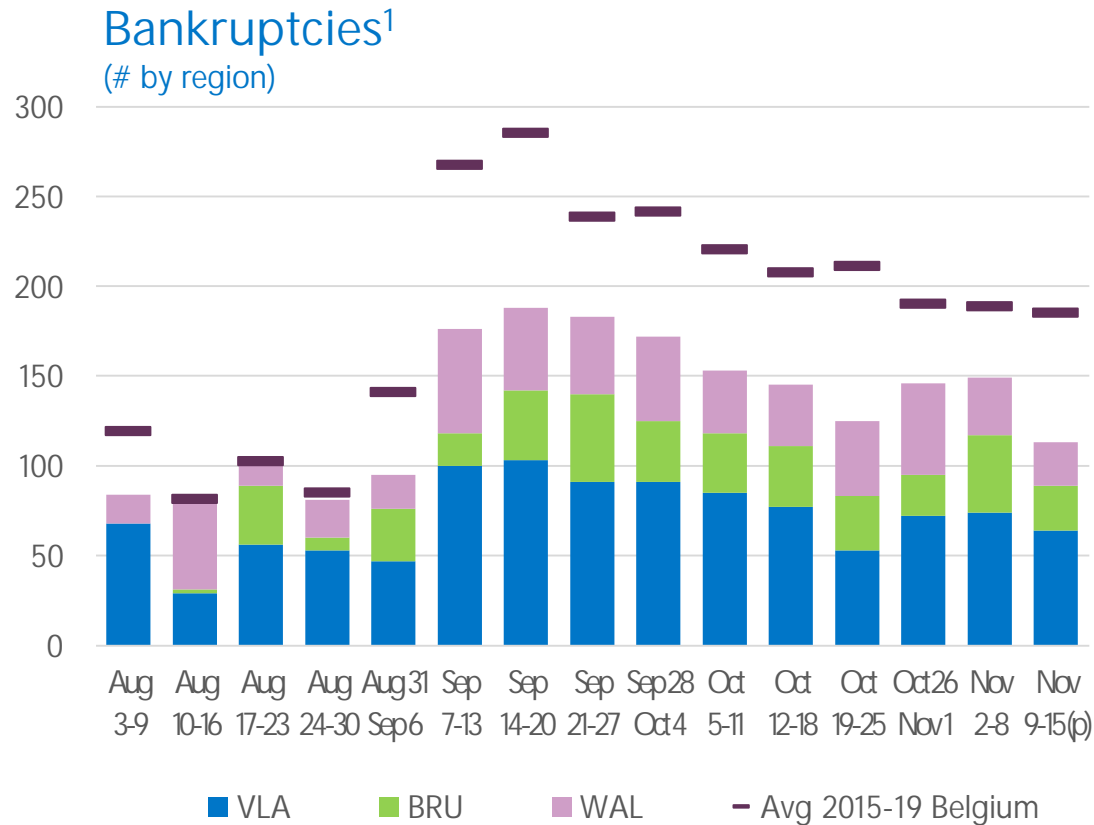
¹ Declaration of bankruptcy by the company court.

² Although the moratorium on filings for bankruptcies came to an end on 17 June 2020, the tax administration and the ONSS applied a de facto moratorium on tax and social security debts. Other measures taken are the deferment of payment of the annual company contribution (until 31 October 2020) and the social security contributions (until 15 December 2020), as well as the reintroduction of a temporary suspension of seizures. On Friday 6 November 2020, a new moratorium on bankruptcies until 31 January 2021 was approved towards businesses forced to close temporarily following the emergency measures taken to limit COVID-19 and a further extension to 31 December for the payment of the annual company contribution. A new draft judicial reorganisation procedure is expected by 31 January 2021.



Weekly bankruptcies figures decline to almost the end of October and then increase again

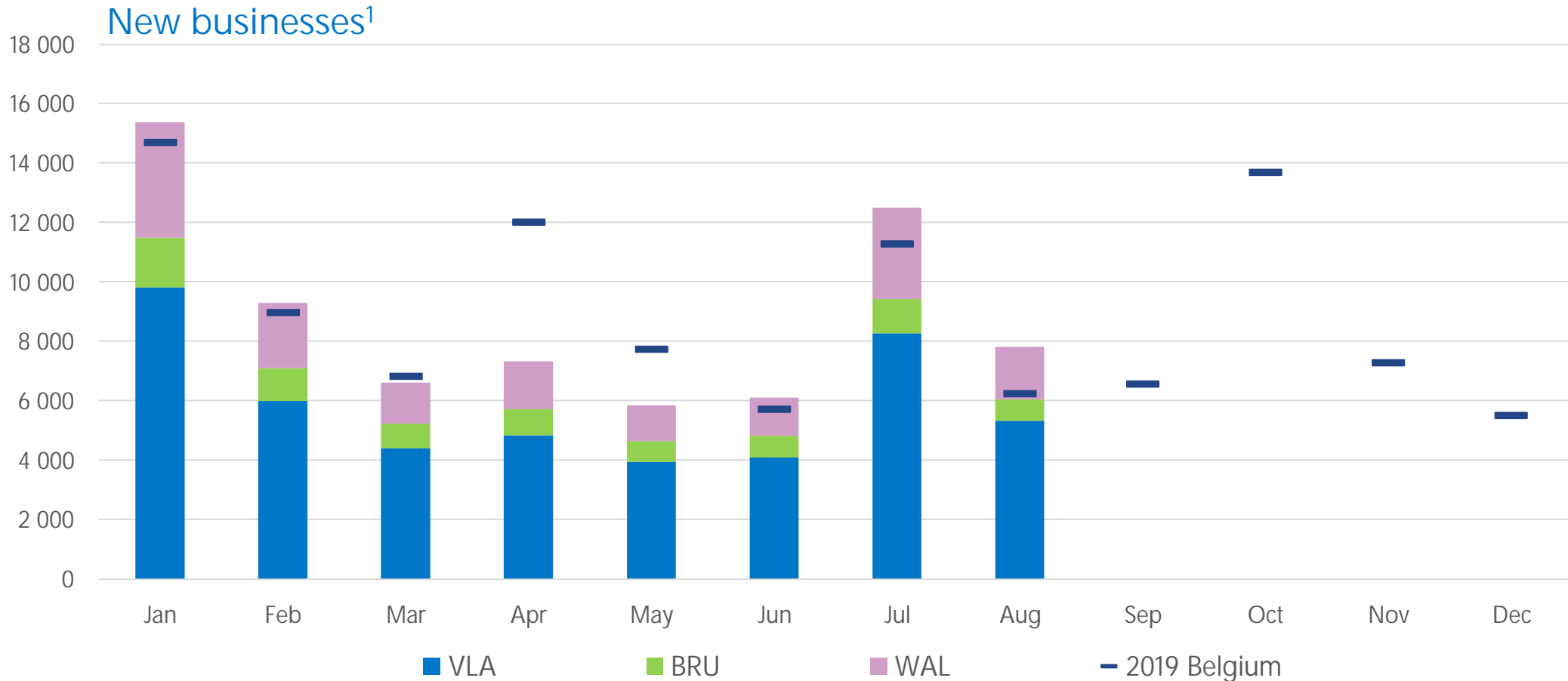
... temporarily 20 % below the 2015-19 average



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

Business startups recede in August according to seasonal patterns

... and, as in July, remain stronger than in 2019



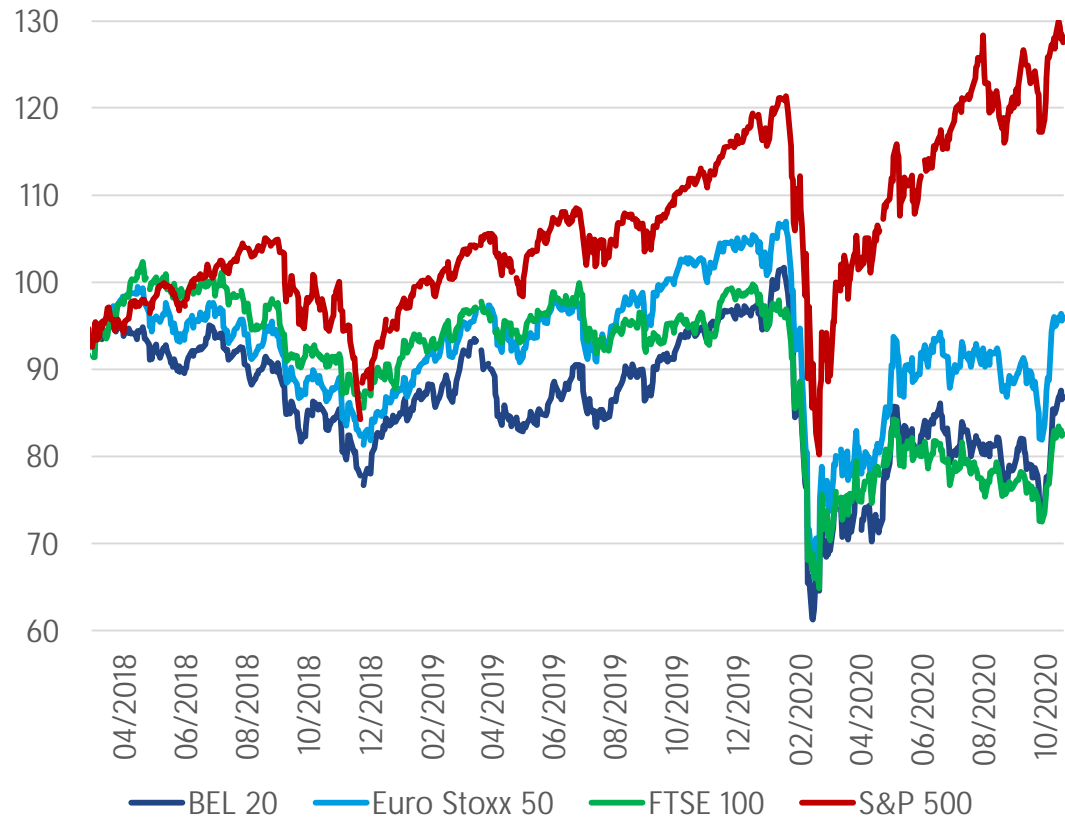
Financial markets

Financial markets respond to positive vaccine trial results

- ◆ Stock prices declined late October, as the second pandemic wave struck countries worldwide and new mobility restrictions were imposed in Europe.
- ◆ Early November, stock prices recovered as uncertainty tied to the US elections unraveled. In addition, the publication of favorable vaccine trial results led to a stock market rally.
- ◆ Volatility followed a similar pattern: increasing in late-October with COVID-19 cases and the build-up to US elections. Despite easing in November, volatility currently continues to remain above its historical average.

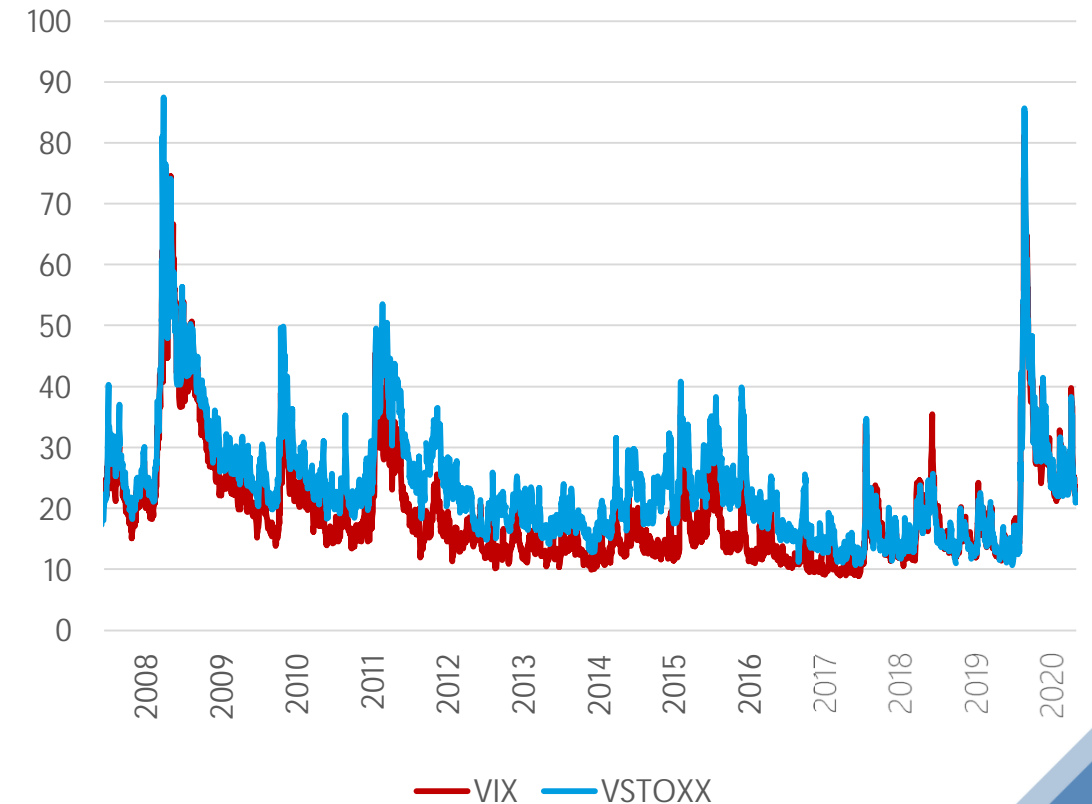
Major stock market indices

(01/2018=100)

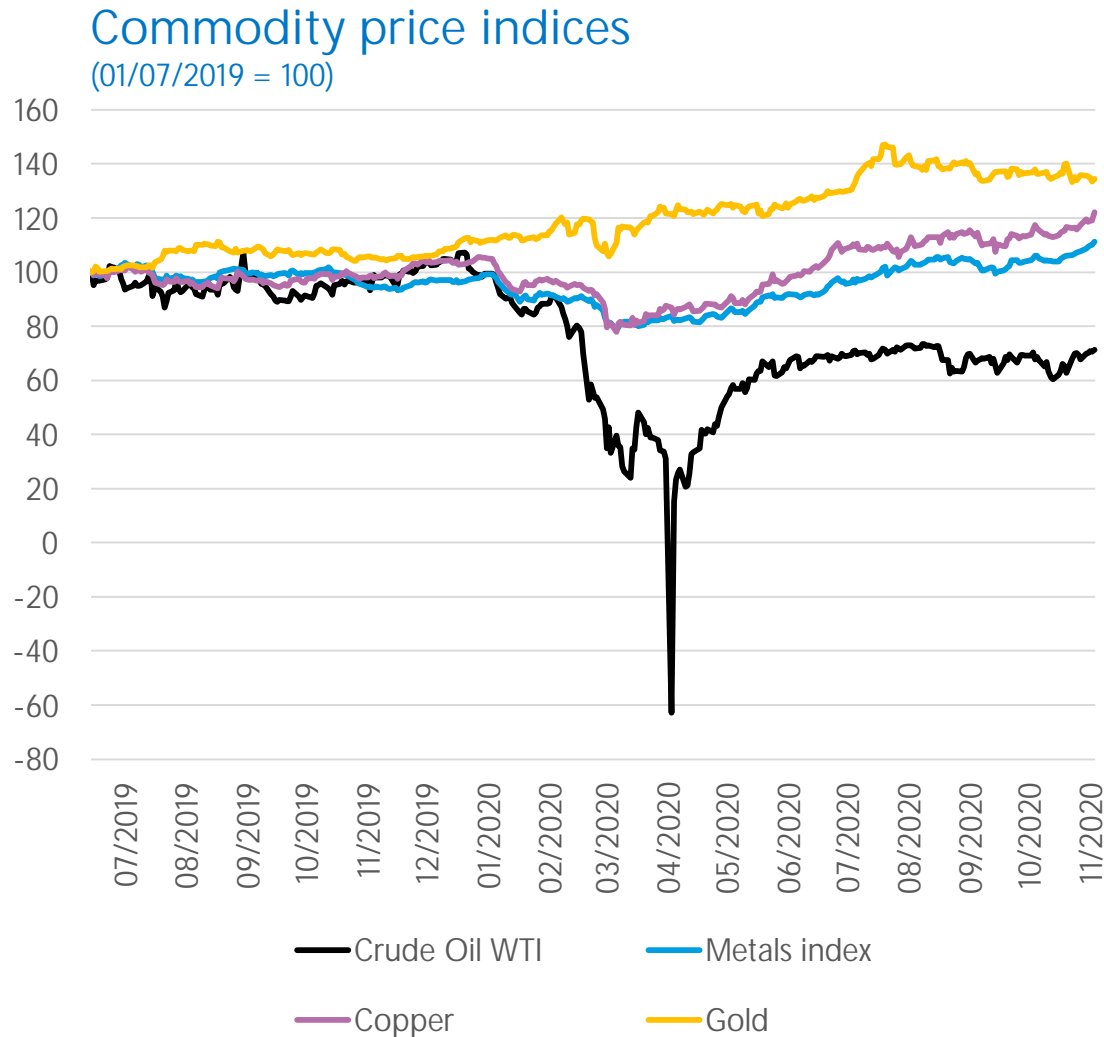


Implied stock market volatility

(in %)



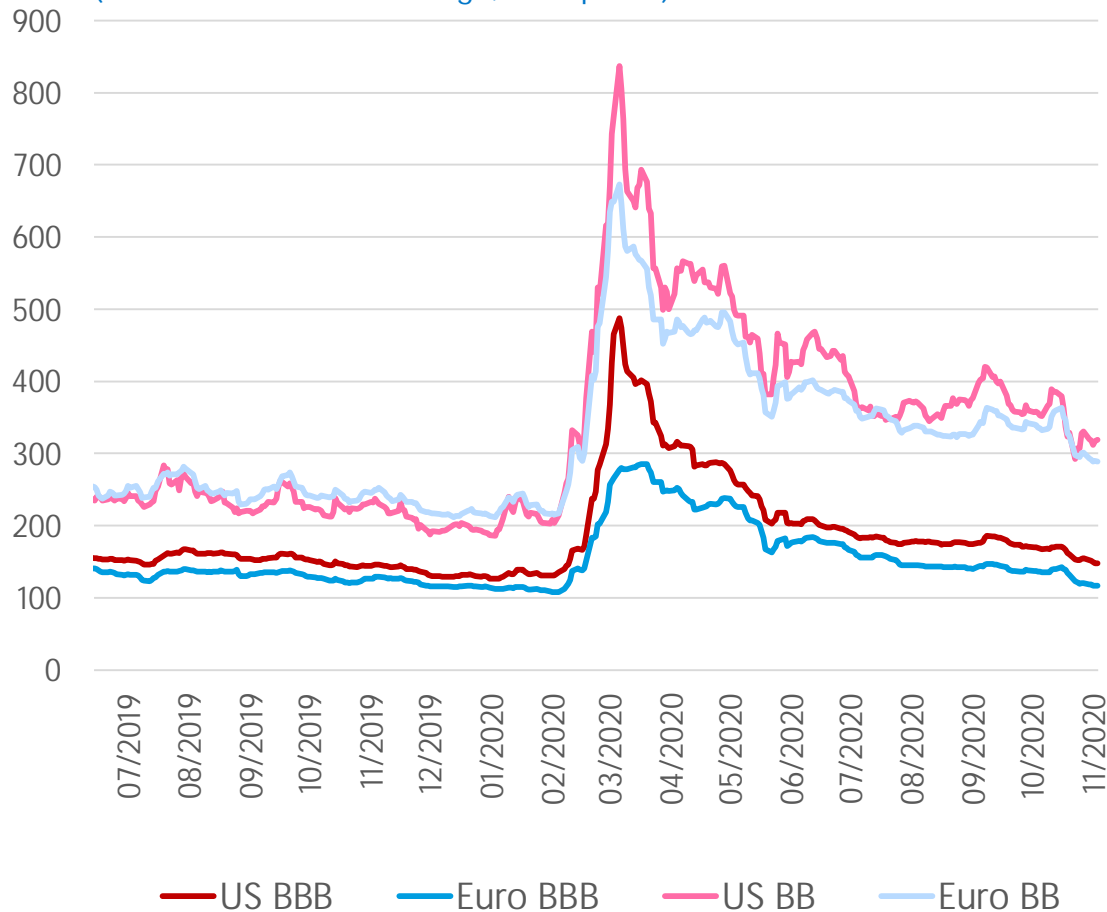
Ups and downs in oil prices following the evolution of the pandemic and the publication of positive vaccine trial results



- ◆ Oil prices fell by late October due to a resurgence in COVID-19 cases worldwide, which hindered demand. Later in November, the announcement of positive vaccine clinical trial results raised the prospects of future demand, which sustained oil prices.
- ◆ Despite declining 8 % from its August peak, gold price remains high in an uncertain environment
- ◆ Prices of other metals tied to industrial demand are benefitting from the prospect of a post-pandemic recovery and investments in green technologies.

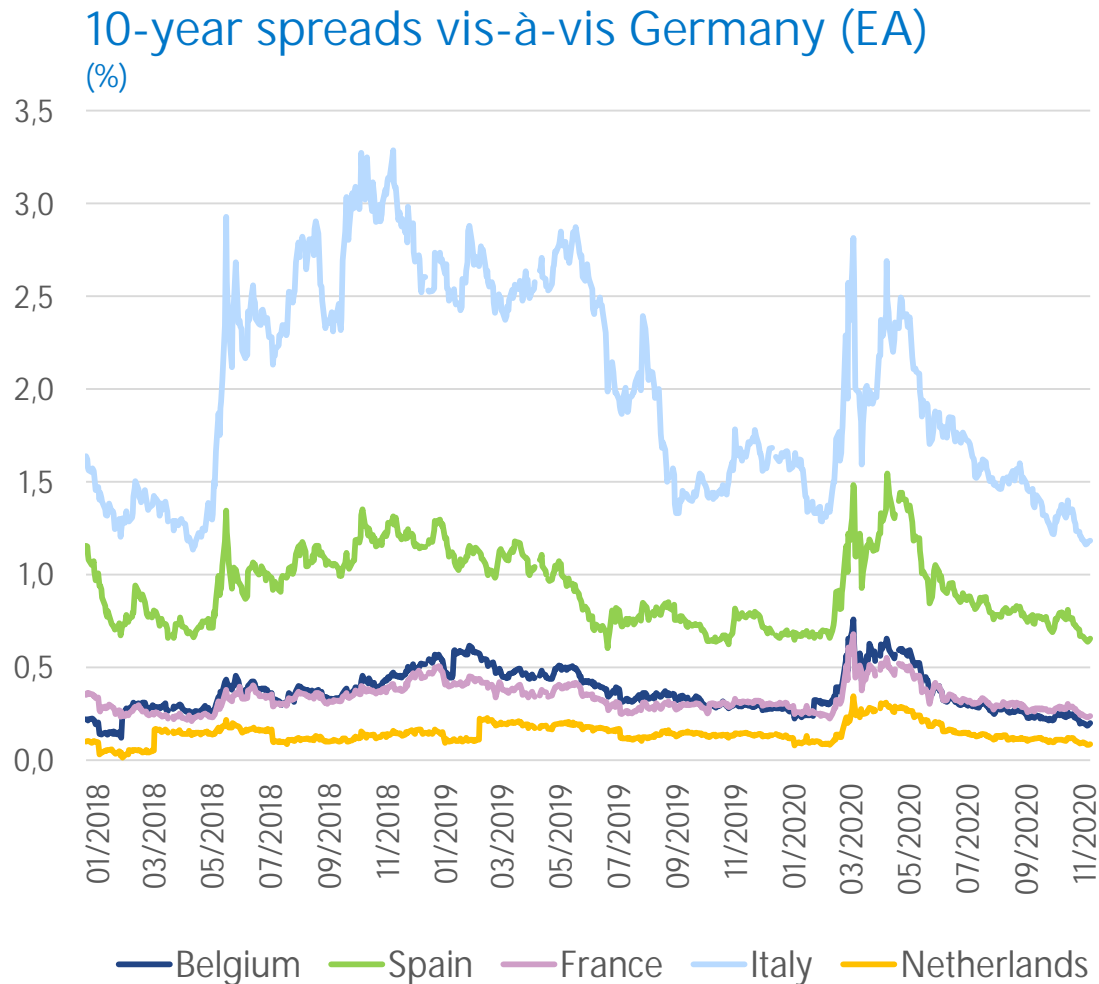
Corporate spreads still above their pre-crisis level for the most vulnerable companies

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



- ◆ Despite episodes of renewed uncertainty related to the sanitary and economic prospects, spreads eased gradually since late March, helped by supportive monetary and fiscal policies
- ◆ After a temporary surge related to the increase in COVID-19 cases and the uncertainty around the US fiscal stimulus and elections, corporate spreads recently eased following US elections results and the favorable vaccine trial results

Sovereign bond spreads trending downwards



- ◆ Sovereign spreads now closer to their pre-crisis levels with IT spread reaching a two-year low.
- ◆ Despite the increase in new COVID-19 cases in Europe (until early November) and the following mobility restrictions, sovereign spreads still follow a downward trend, also helped by the publication of favorable vaccine trial results and expectations of further ECB support.

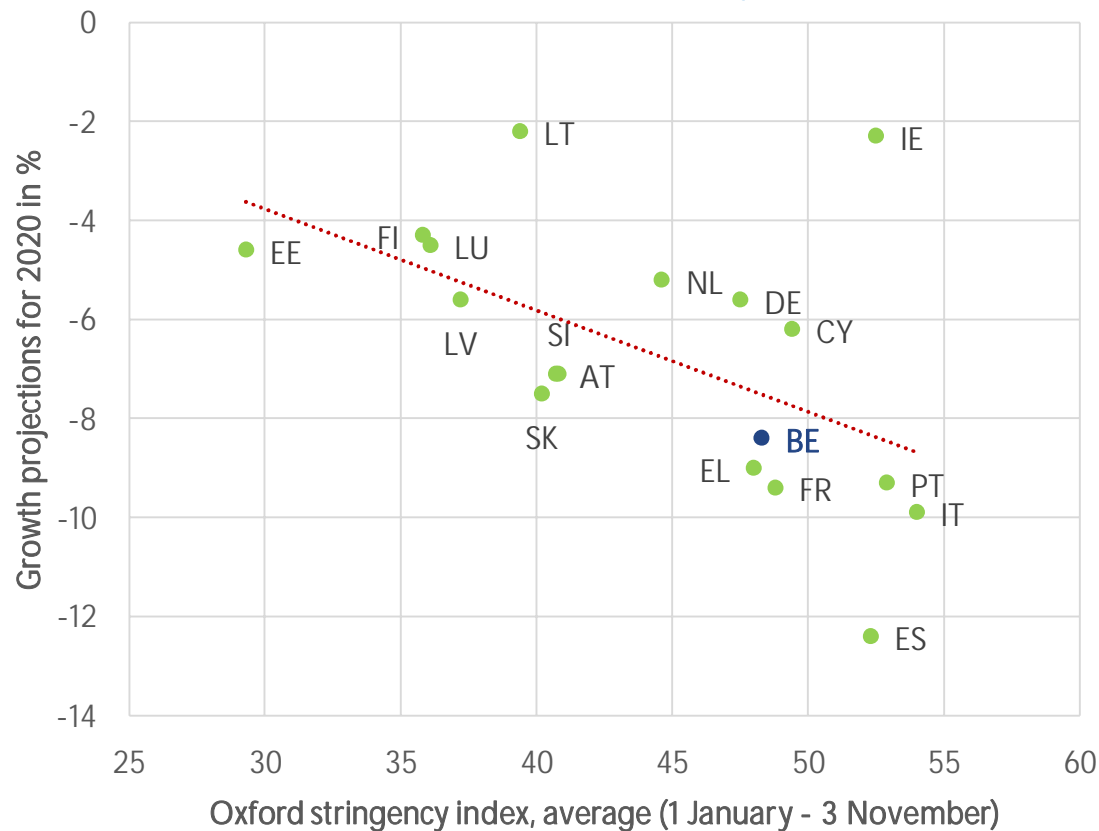


International outlook

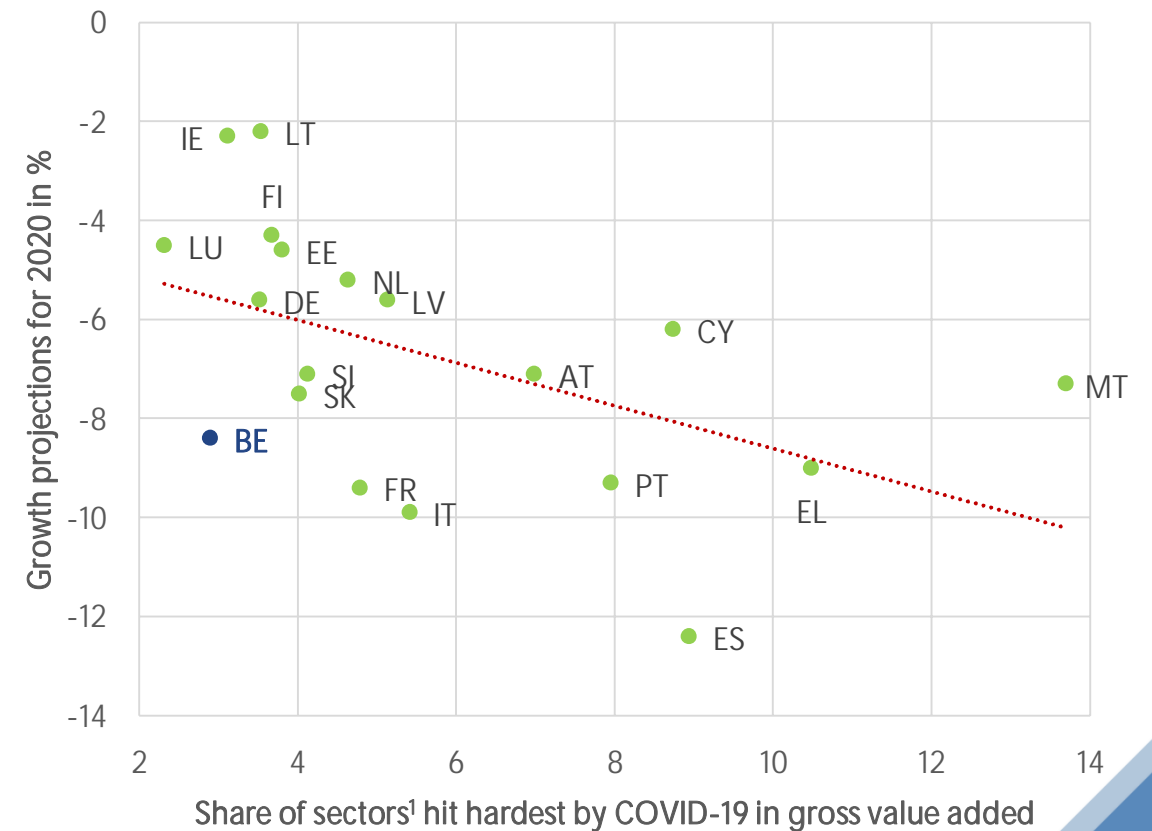
Growth disparities in euro area: complex story that goes beyond lockdown stringency and economic structure

Growth disparities partly explained by intensity of confinement measures ...

(index between 0 (no measures) and 100 (complete national lockdown))



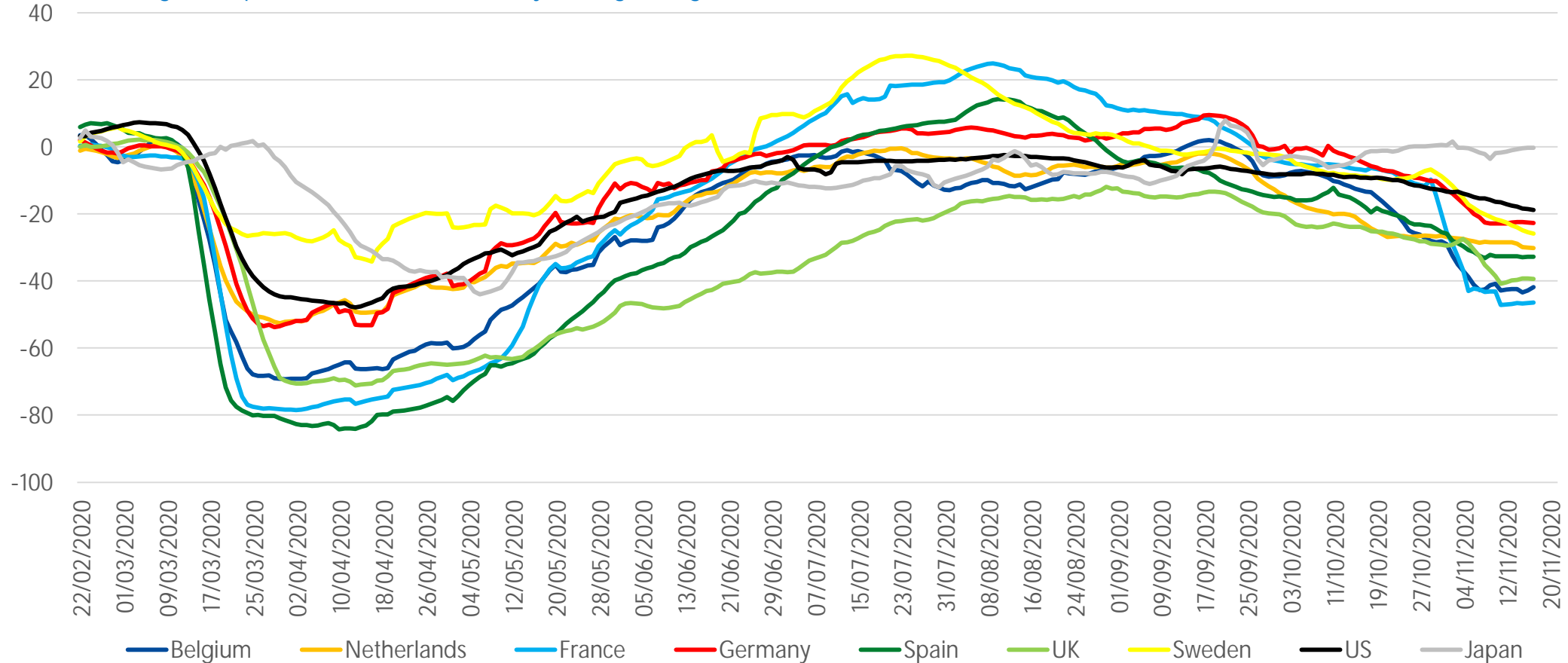
... and partly by differences in economic structure



New COVID infections and lockdowns weigh on mobility, but less so than during first wave

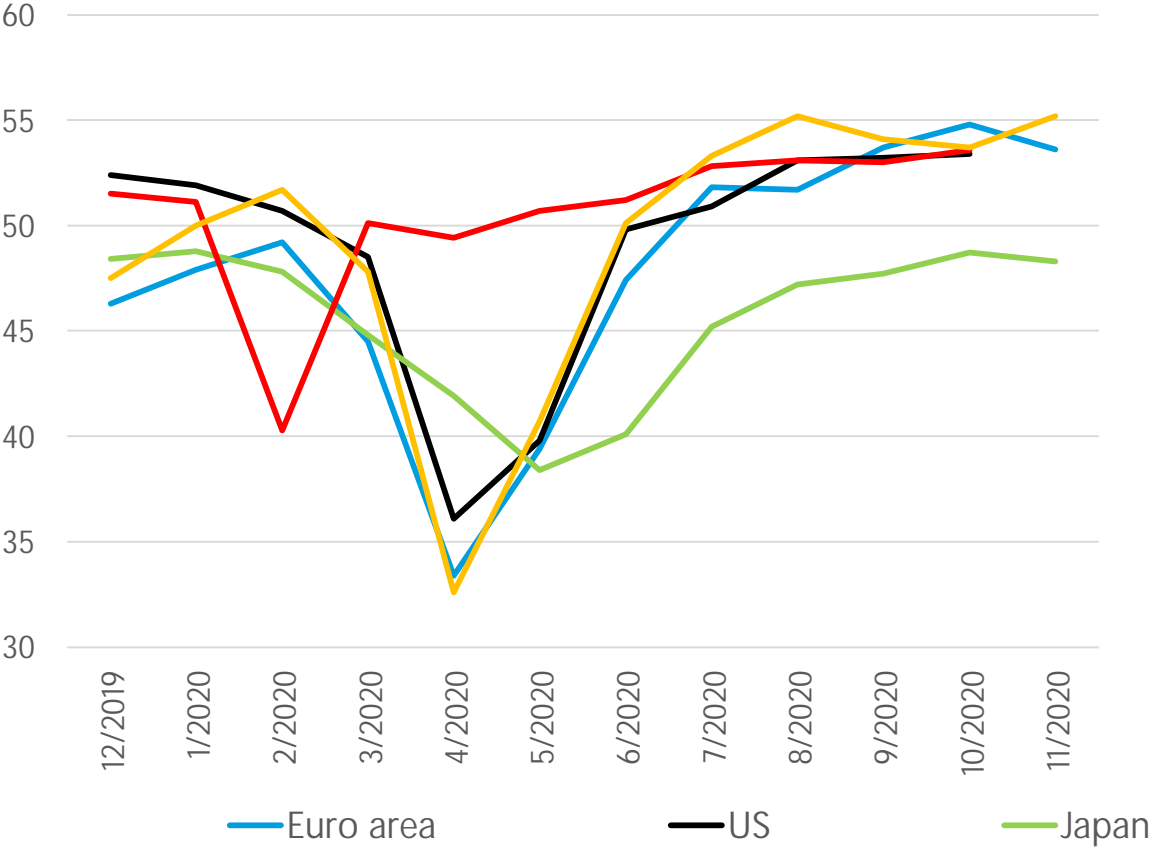
Composite mobility indicator¹

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

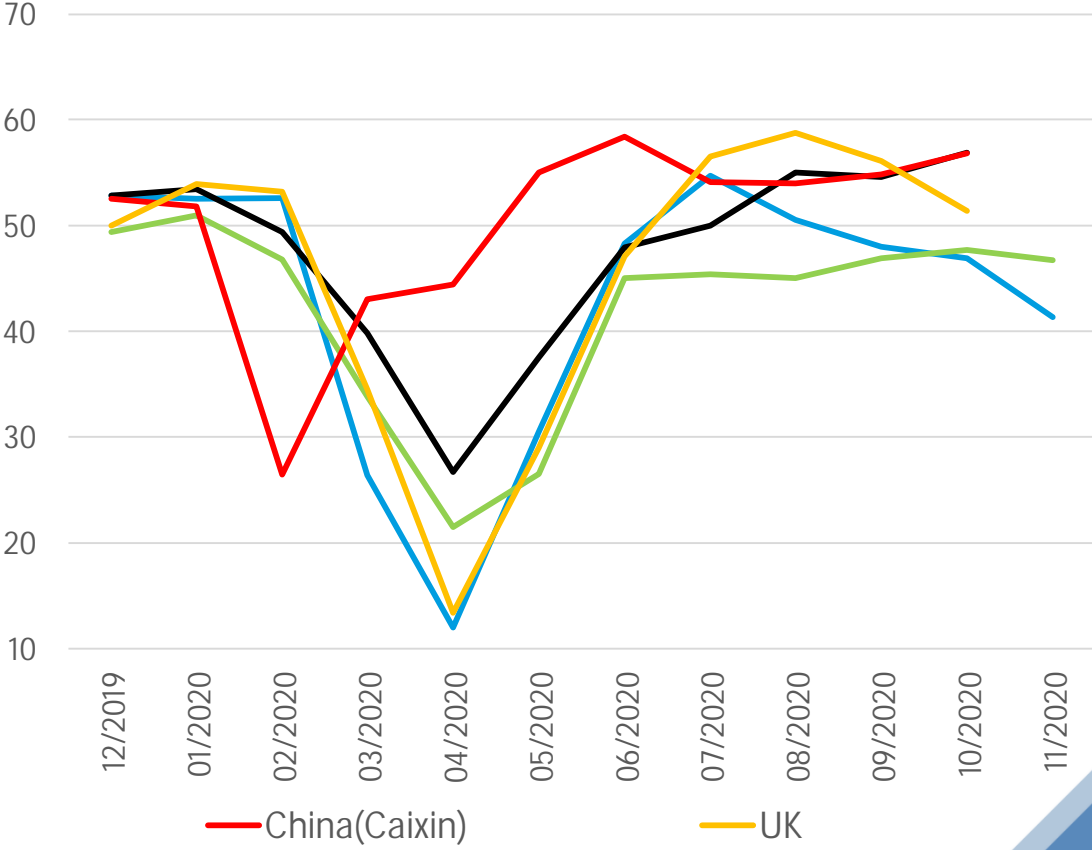


Second wave of COVID infections and lockdowns weighs on euro area sentiment, especially in services sector

Manufacturing PMIs
(diffusion index; 50+ signals expected expansion)



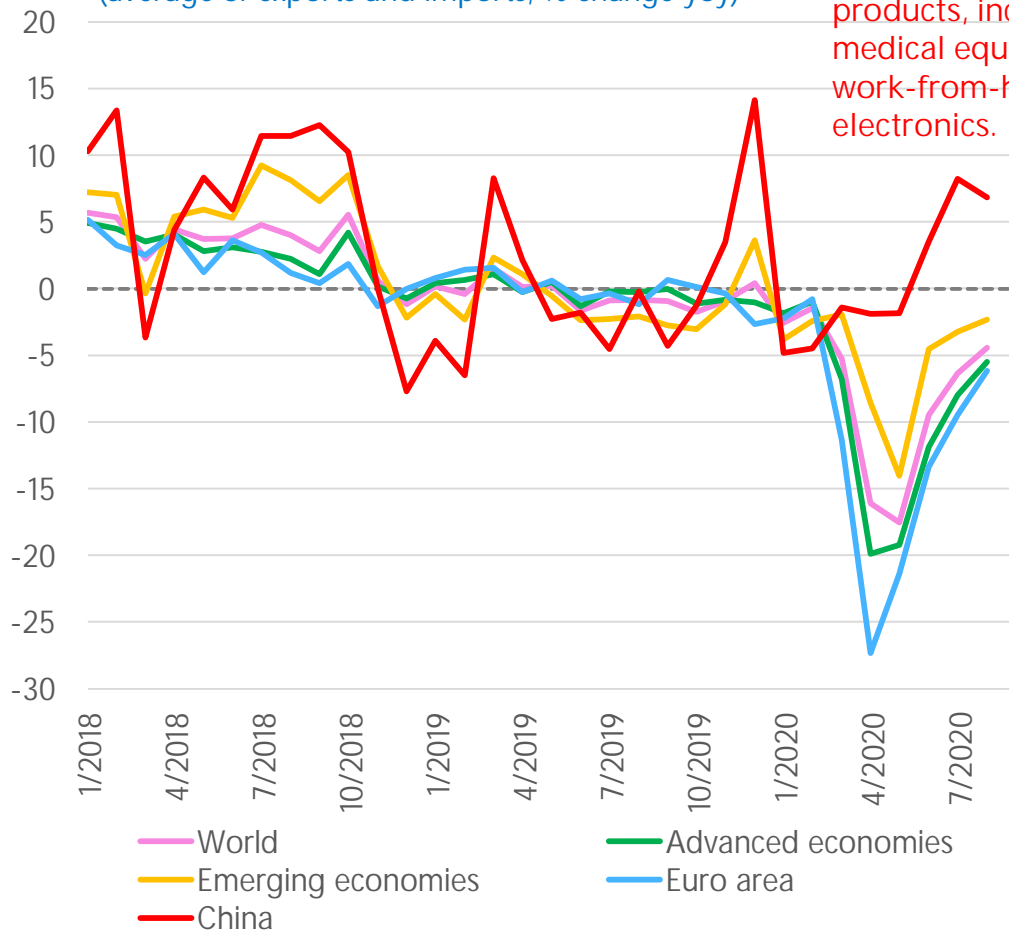
Service sector PMIs
(diffusion index; 50+ signals expected expansion)



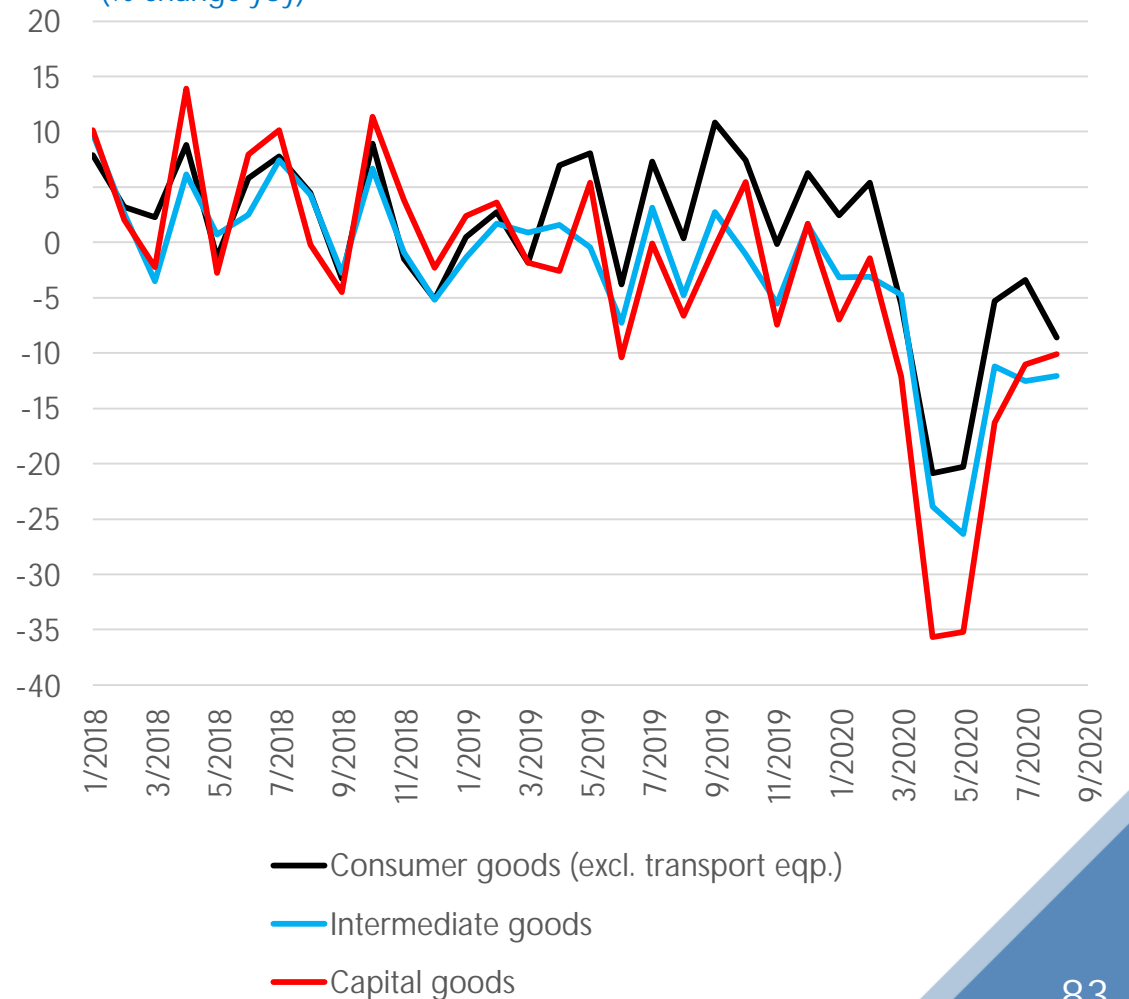
World trade

Towards a protracted repair of global value chains?

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

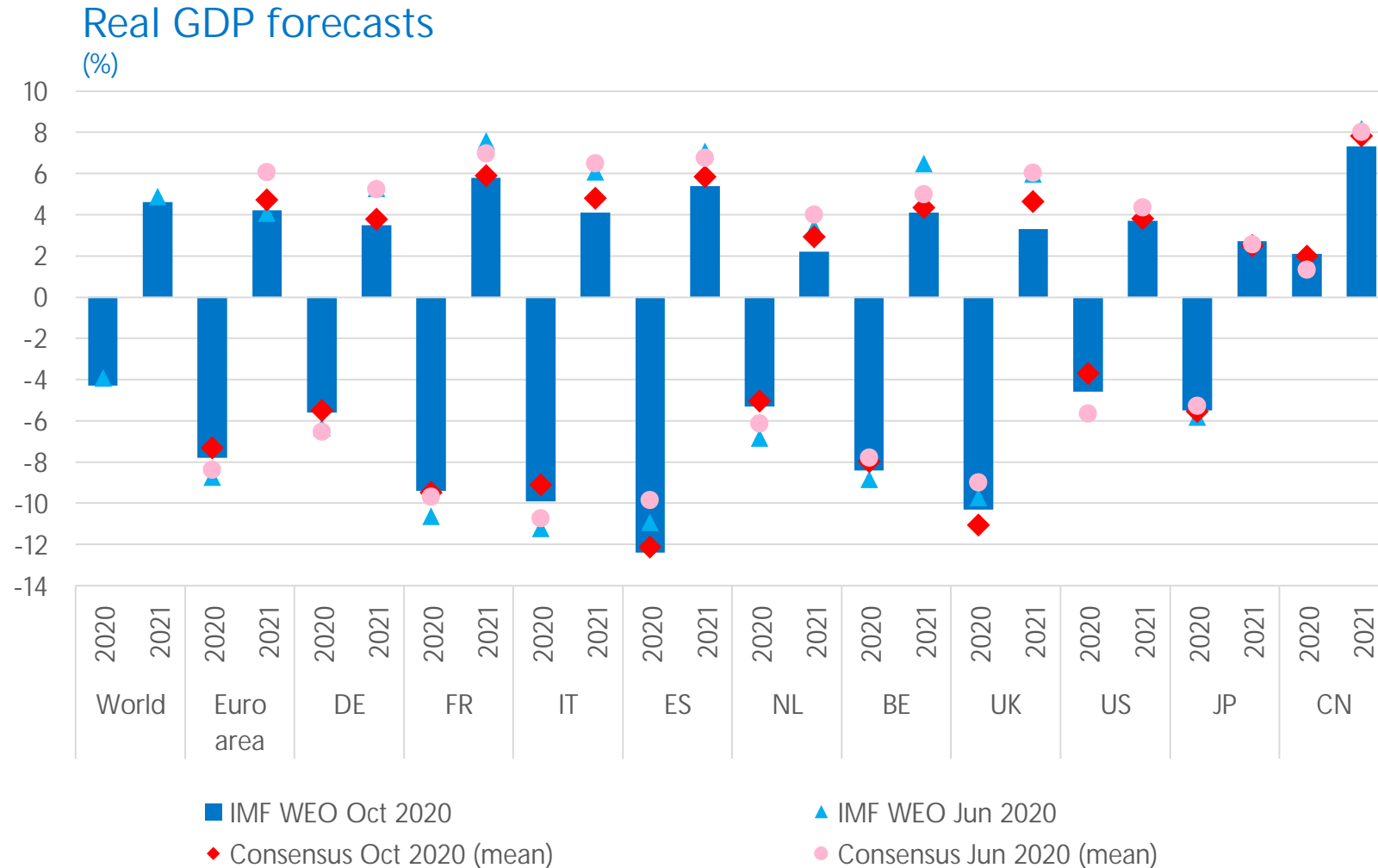


Euro area: extra-EA-19 goods export volumes²
(% change yoy)



Forecasts for 2020/2021

Is the bottom shallower than expected in June?



Upward revisions for 2020 since June reflect:

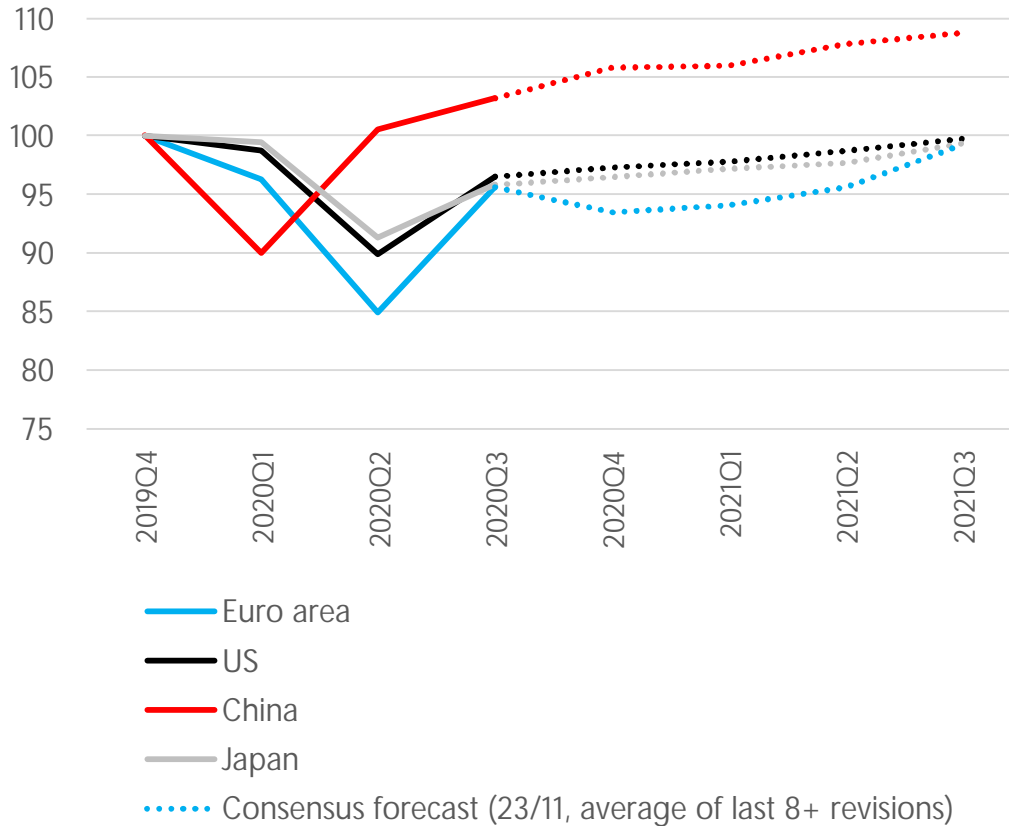
- ◆ Massive deployment of emergency measures
- ◆ Faster than expected recovery in some sectors, incl. consumption of durable goods (pent-up demand), and in China

New lockdowns are expected to delay but not derail the recovery

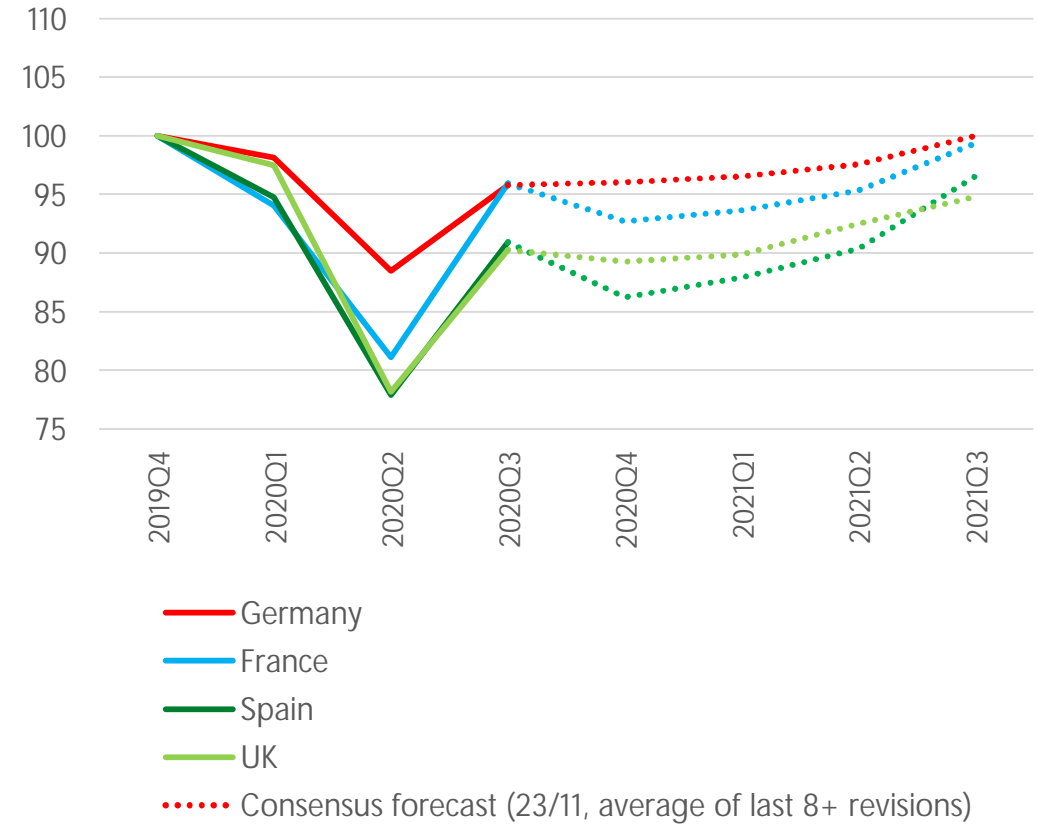
Expected recovery

Variations across countries

Major blocs: Real GDP¹
(index, 2019Q4 = 100)

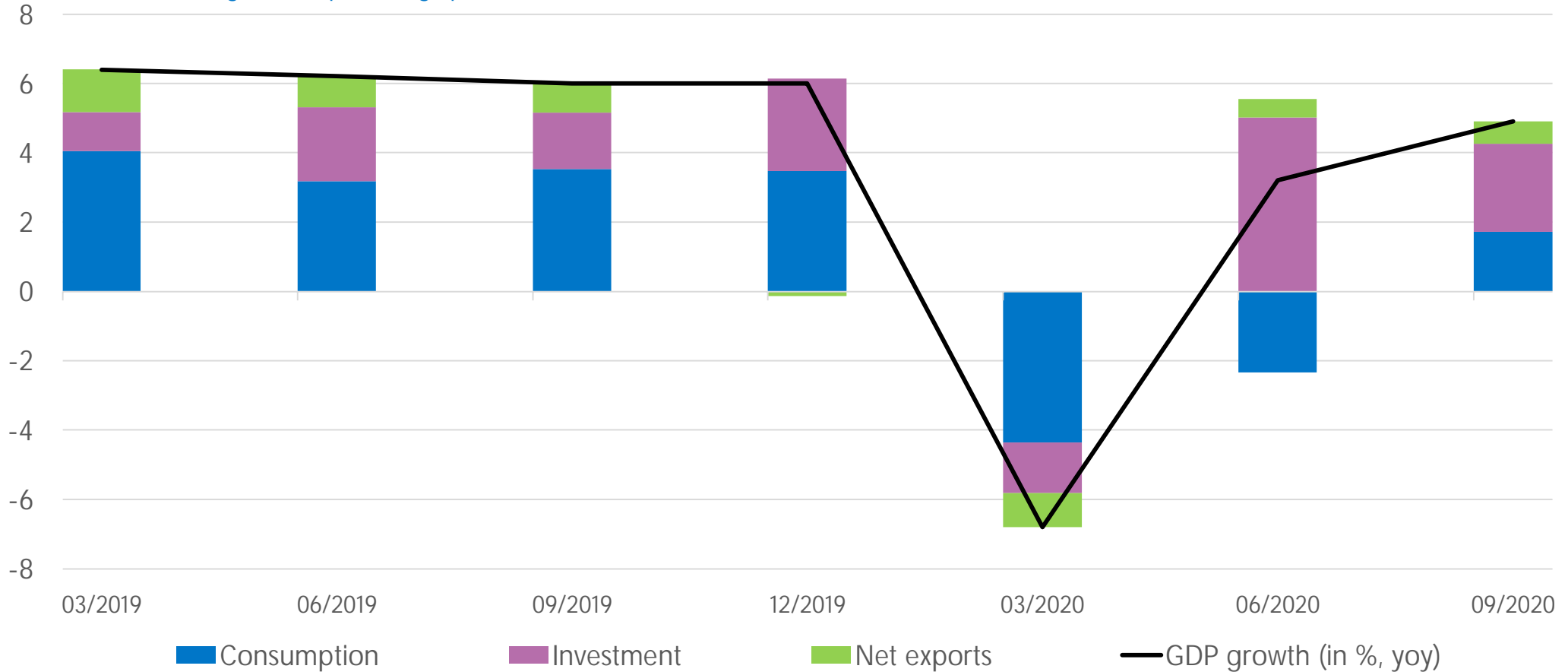


Selected European countries: Real GDP¹
(index, 2019Q4 = 100)

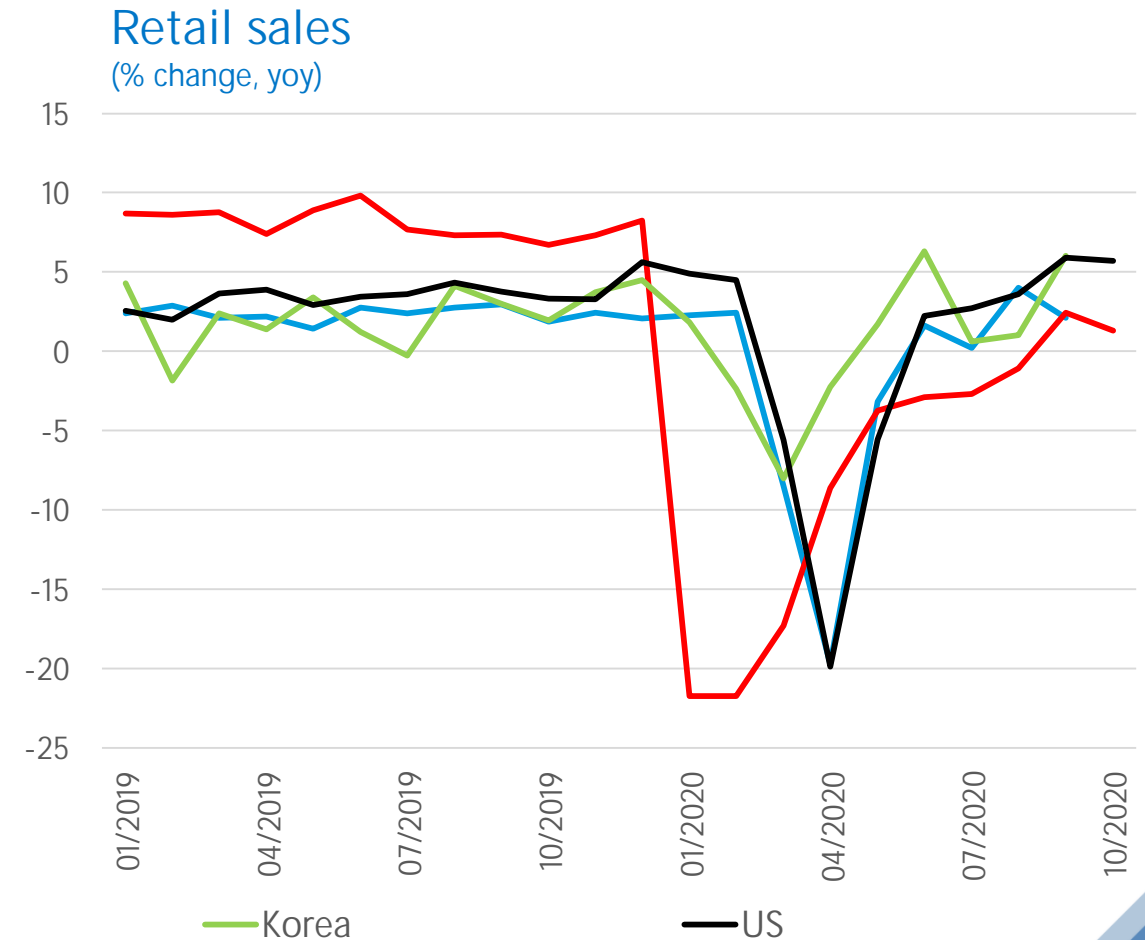
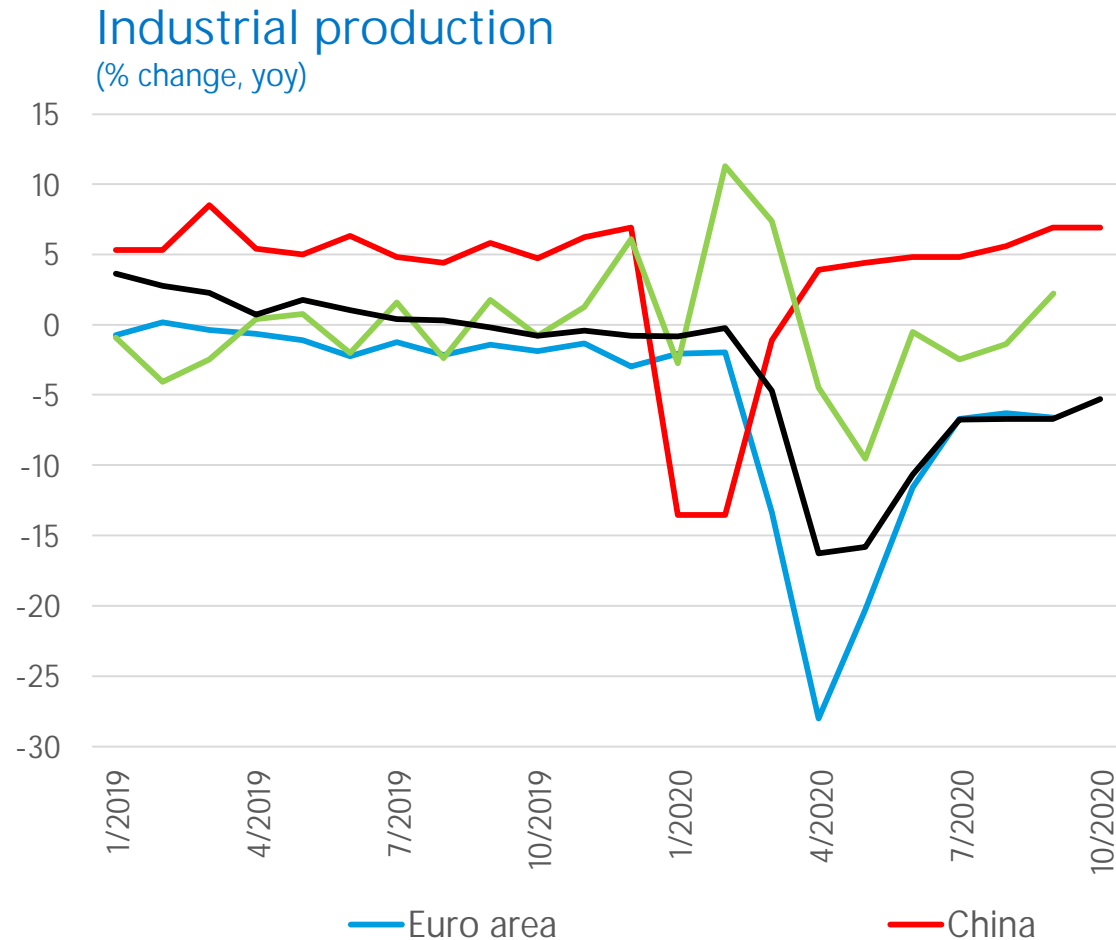


China seems to engineer a V-shaped recovery

Investment-driven growth, while private consumption improves
(contribution to growth in percentage points)



China vs the rest: more resilient supply, more hesitant demand?

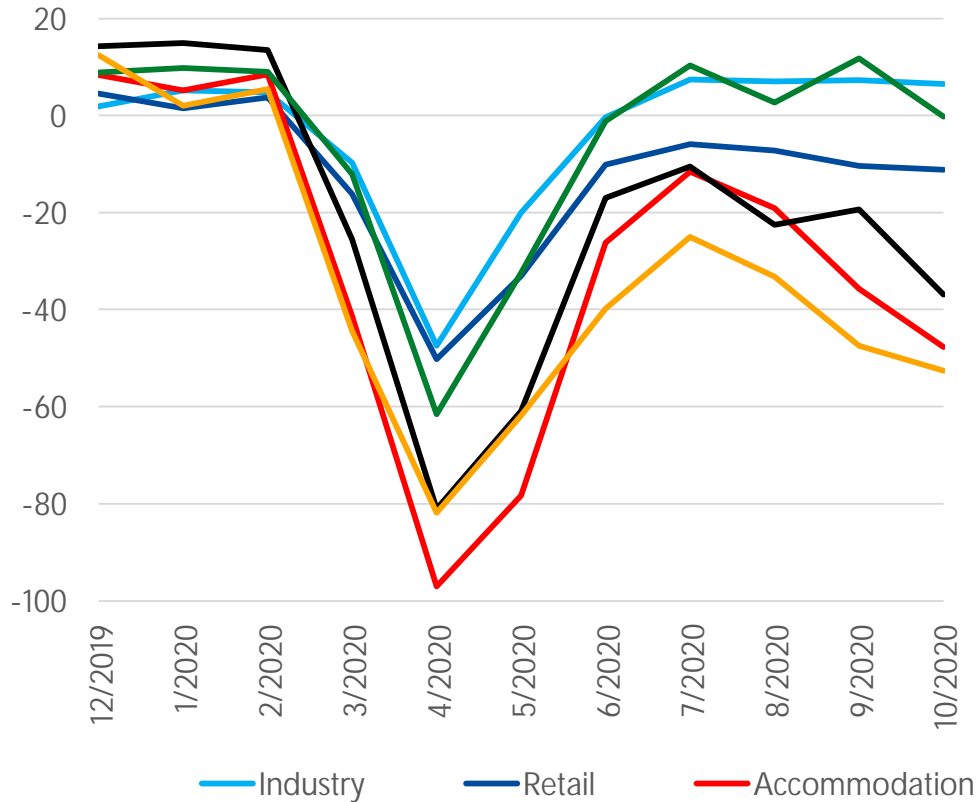


Euro-Area: K-recovery in the making?

Heterogeneity across sectors: V for some, long-lasting scars for others

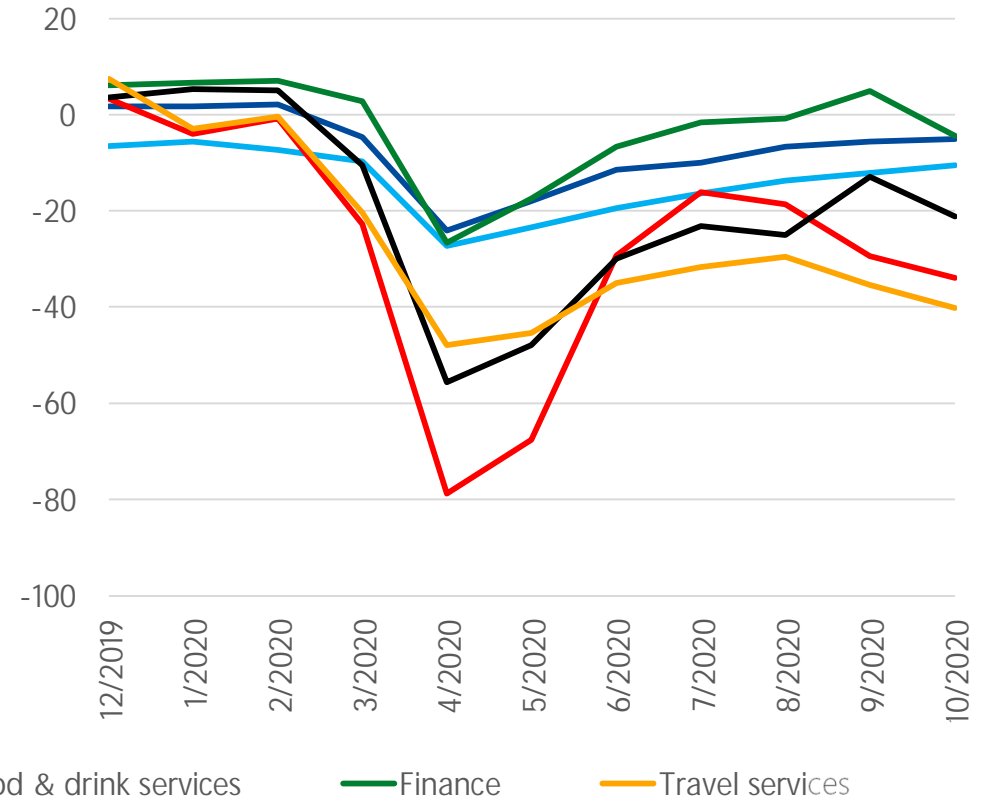
Euro Area: Demand expectations

(balance of firms; expectations over next 3 months)



Euro Area: Employment expectations

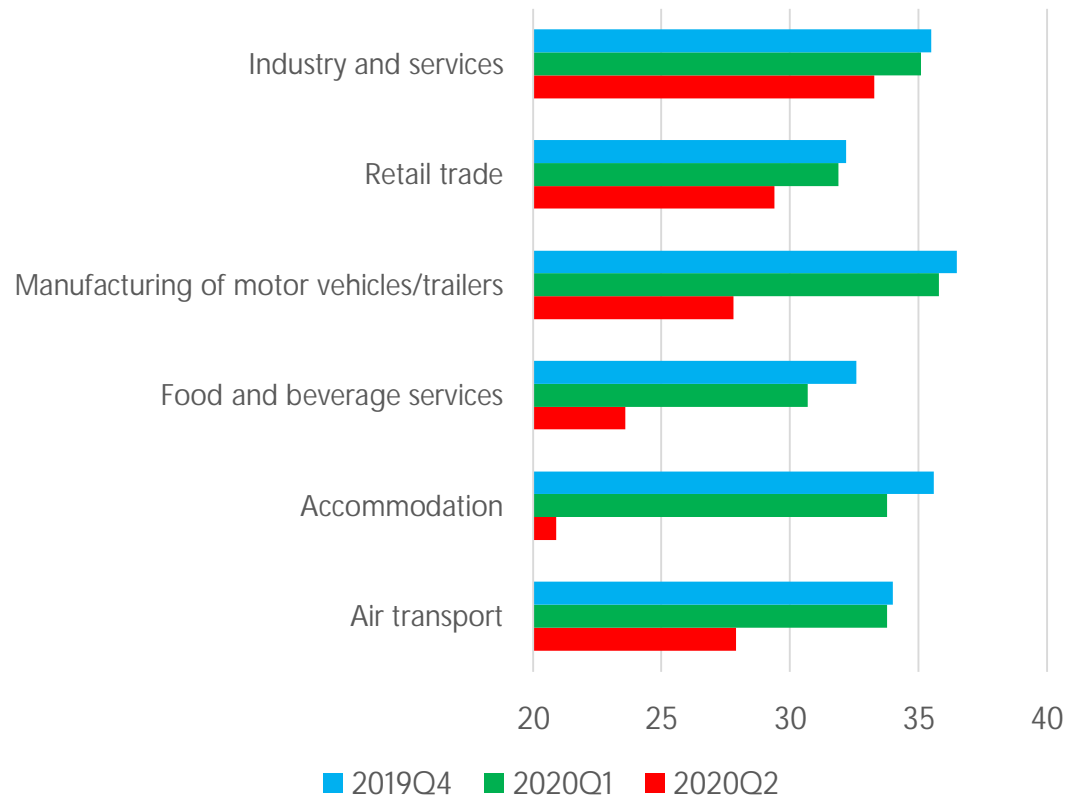
(balance of firms; expectations over next 3 months)



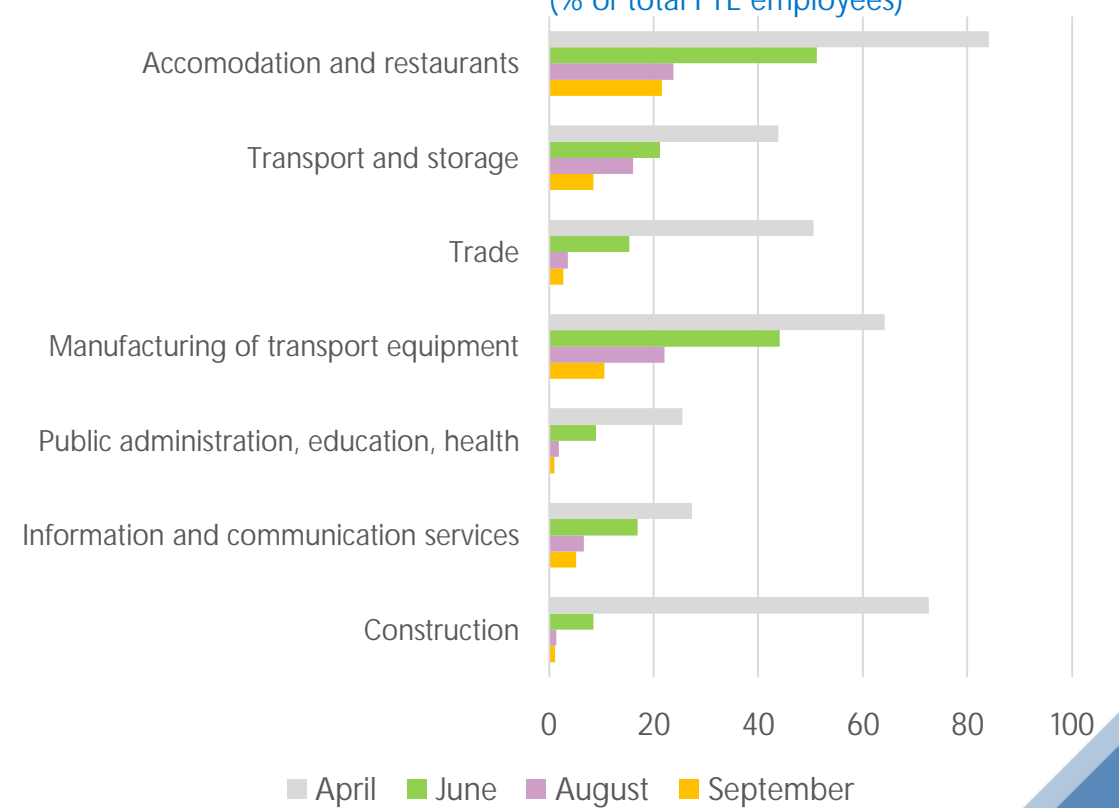
Euro Area: K-recovery in the making?

Labour market view ... paving the way for sectoral reallocations?

Germany:
Average weekly paid working hours



France:
Share of employees in temporary unemployment (% of total FTE employees)



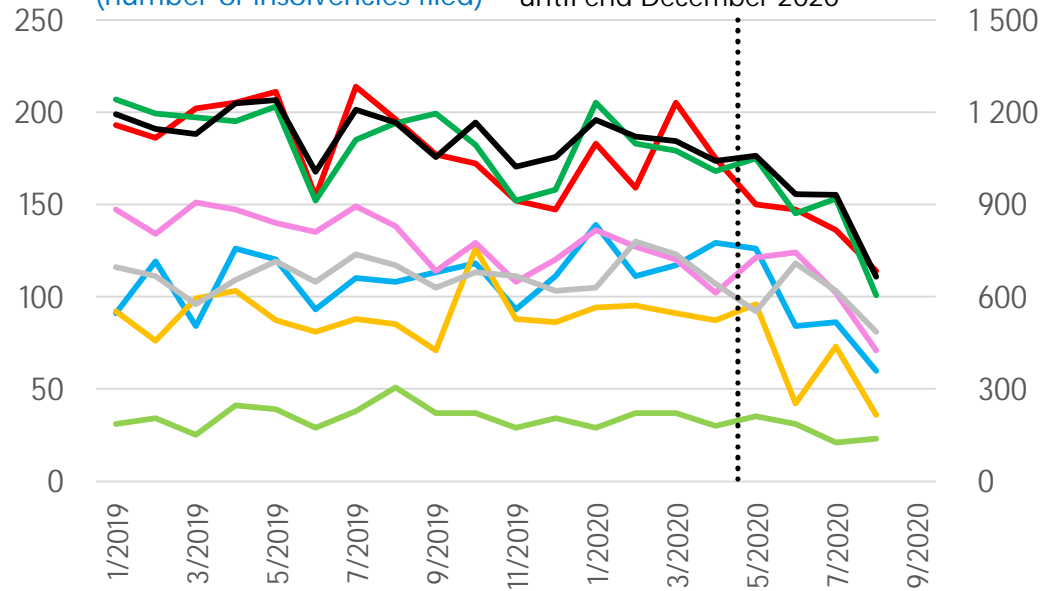
Euro Area: Zombification or creative destruction?

Too early to tell as temporary measures protect against destruction

Germany: Company insolvency proceedings

(number of insolvencies filed)

Obligation to file for insolvency suspended until end December 2020

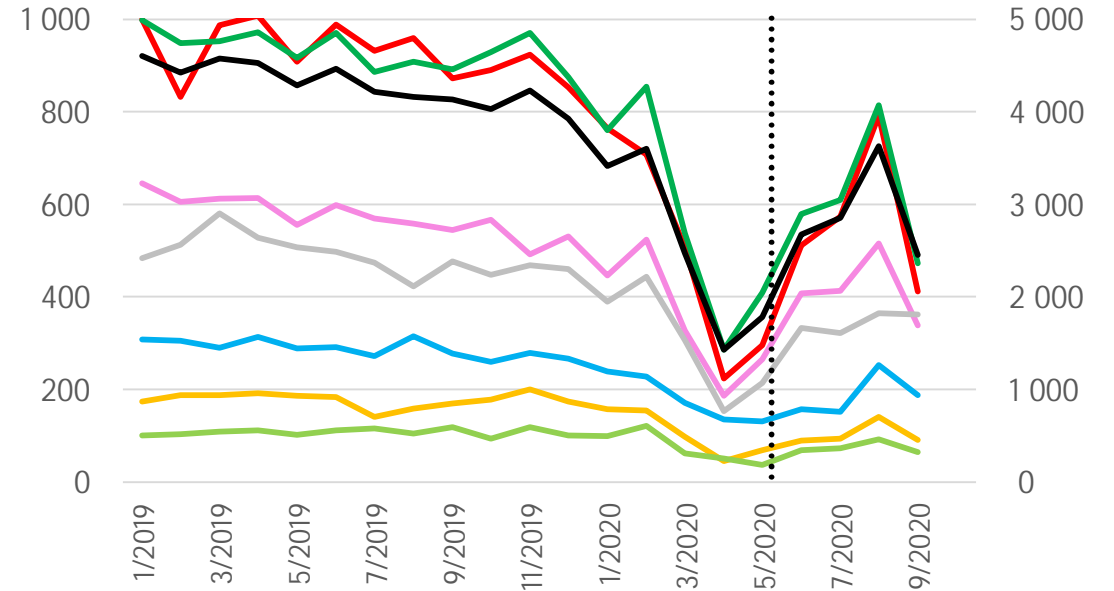


- Manufacturing
- Construction
- Wholesale, retail trade, repair of motor vehicles
- Transport and storage
- Accommodation and restaurants
- Information and communication services
- Business support services
- All sectors (right-hand scale)

France: Company failures

(number of legal entities, seasonally and working day-adjusted)

Obligation to file for insolvency suspended until end August 2020



- Industry
- Construction
- Sale, maintenance and repair of motor vehicles
- Transport and storage
- Accommodation and restaurants
- Information and communication services
- Business support services
- All sectors (right-hand scale)

The background of the slide features a large, detailed 3D rendering of a virus particle, likely a coronavirus, centered in the frame. The virus is depicted with a spherical, textured surface and numerous protruding spike proteins. The overall color palette is light blue and white, with a subtle gradient. In the top-left and bottom-right corners, there are dark blue triangular shapes that serve as design accents.

NBB online surveys in cooperation with the Microsoft Innovation Center

NBB Survey on impact on households' income

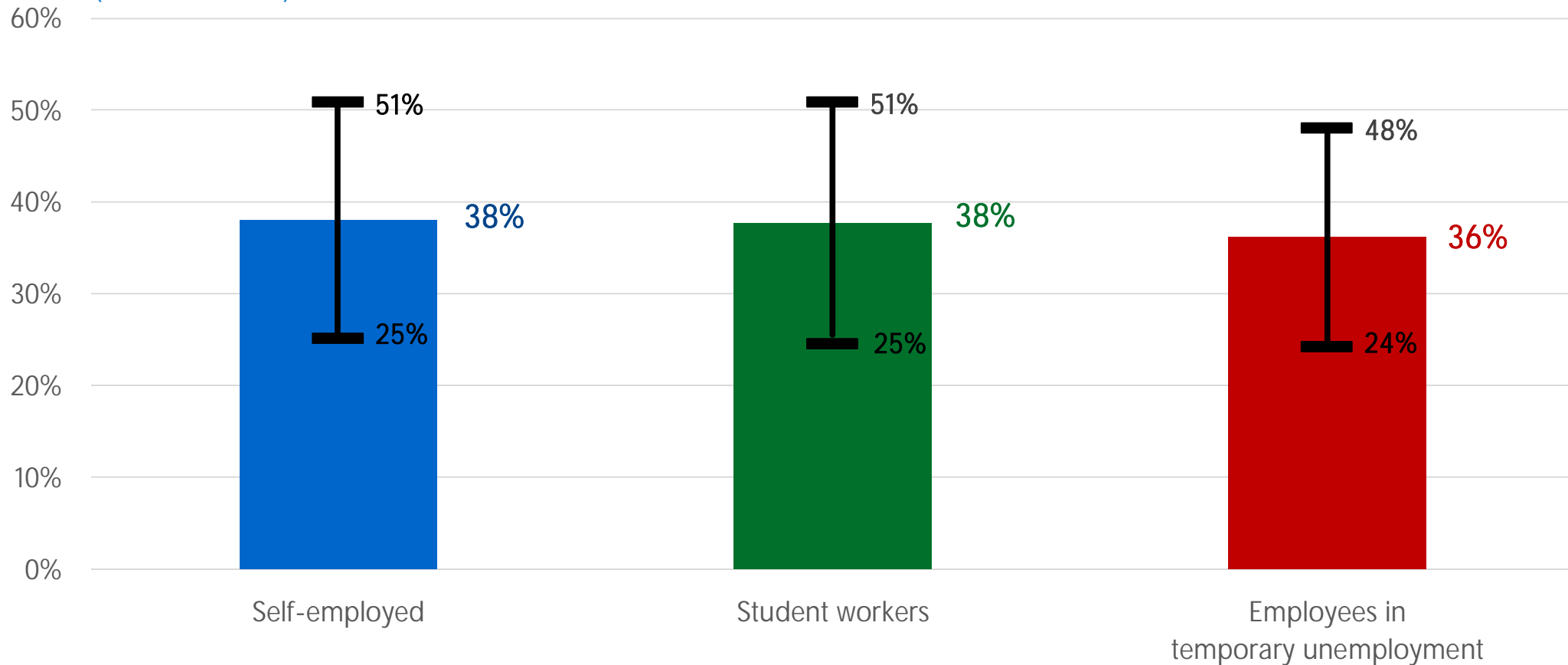
7-24 May

[Press release](#)



Large average income losses for specific groups

Average loss of income by job categories
(households losses)

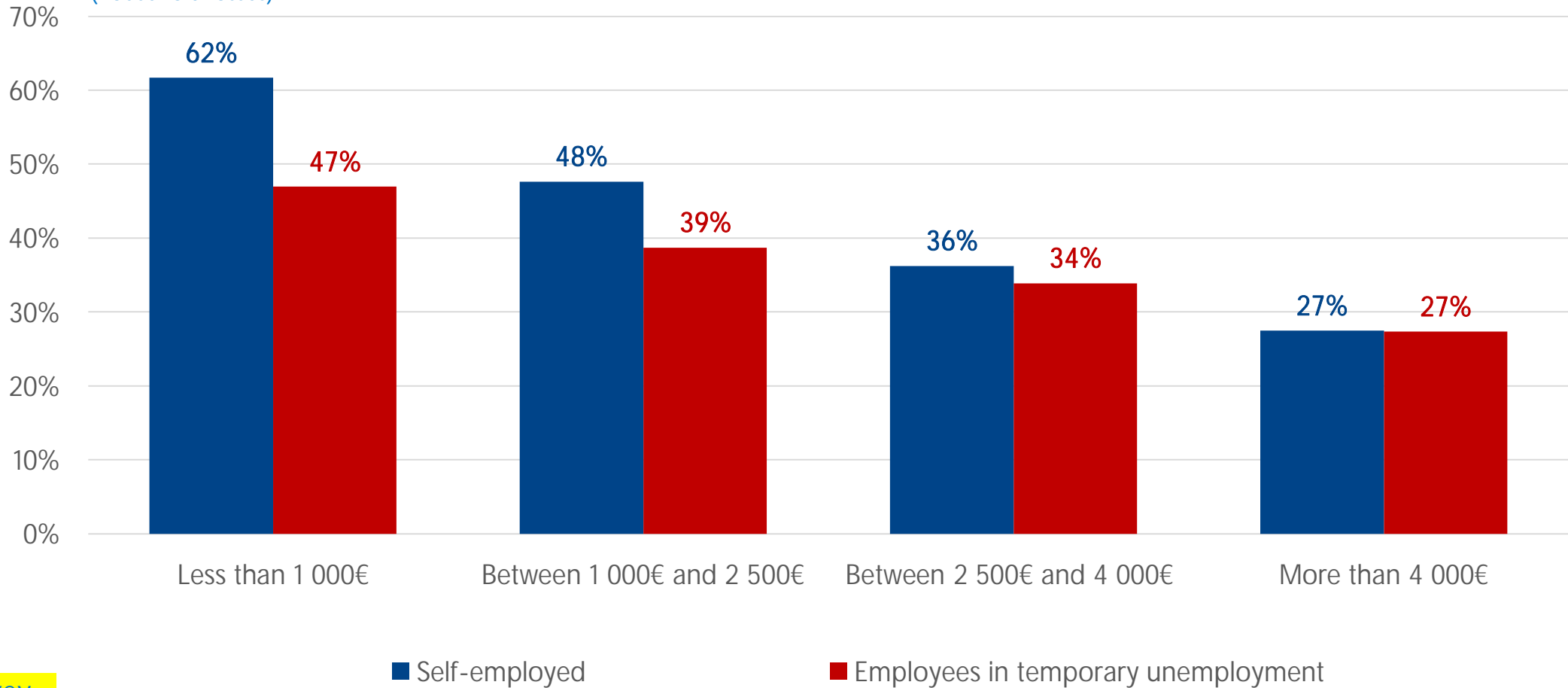


- ◇ Average levels based on midpoints of income intervals in replies
- ◇ p.m. Margins of uncertainty due to replies in terms of ranges

Survey
7-24 May

Low-income households suffer higher relative income losses

Average loss of income by (monthly) net income ranges and job categories
(household losses)



Survey
7-24 May

NBB Survey on changes in consumer patterns

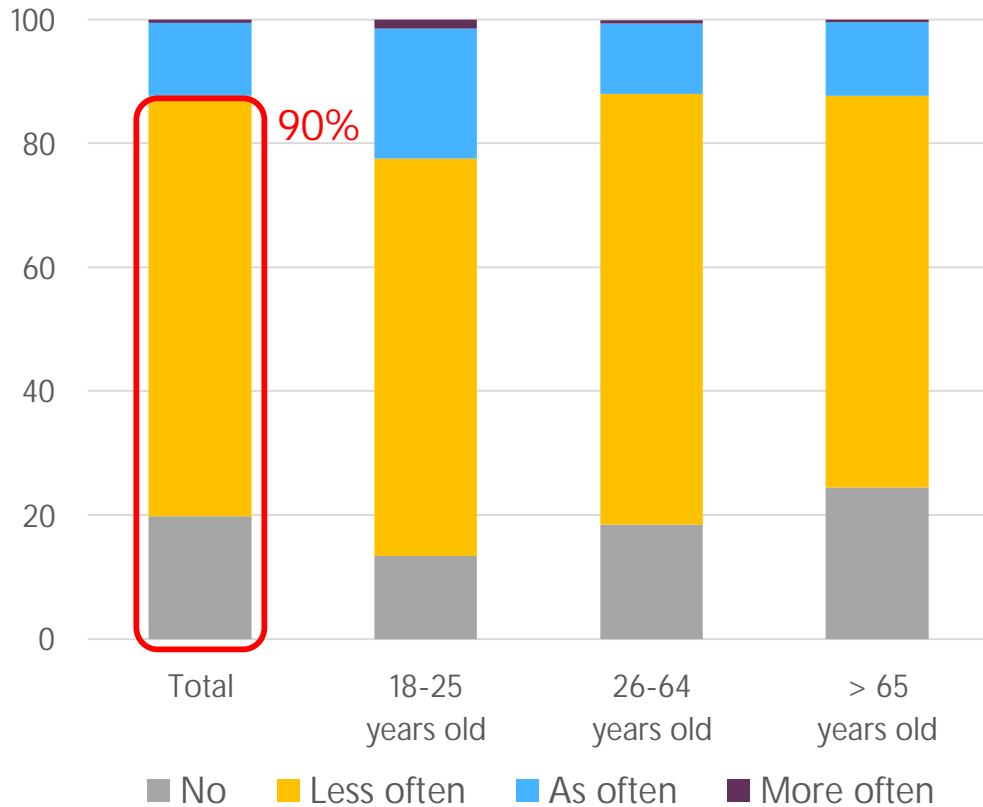
14 – 21 July

Perscommuniqué

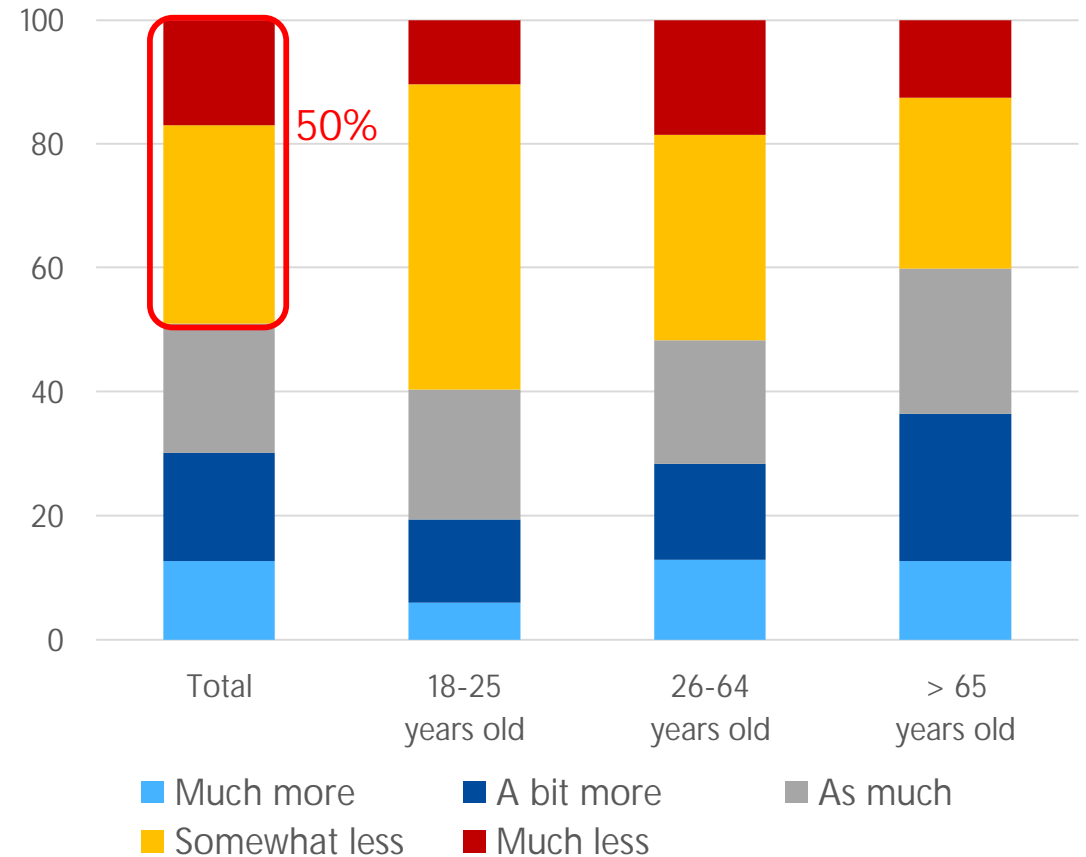


Most people go to the shops less often and 50 % spend less

Did you go back to the shops?
(in %, since the stores have reopened)



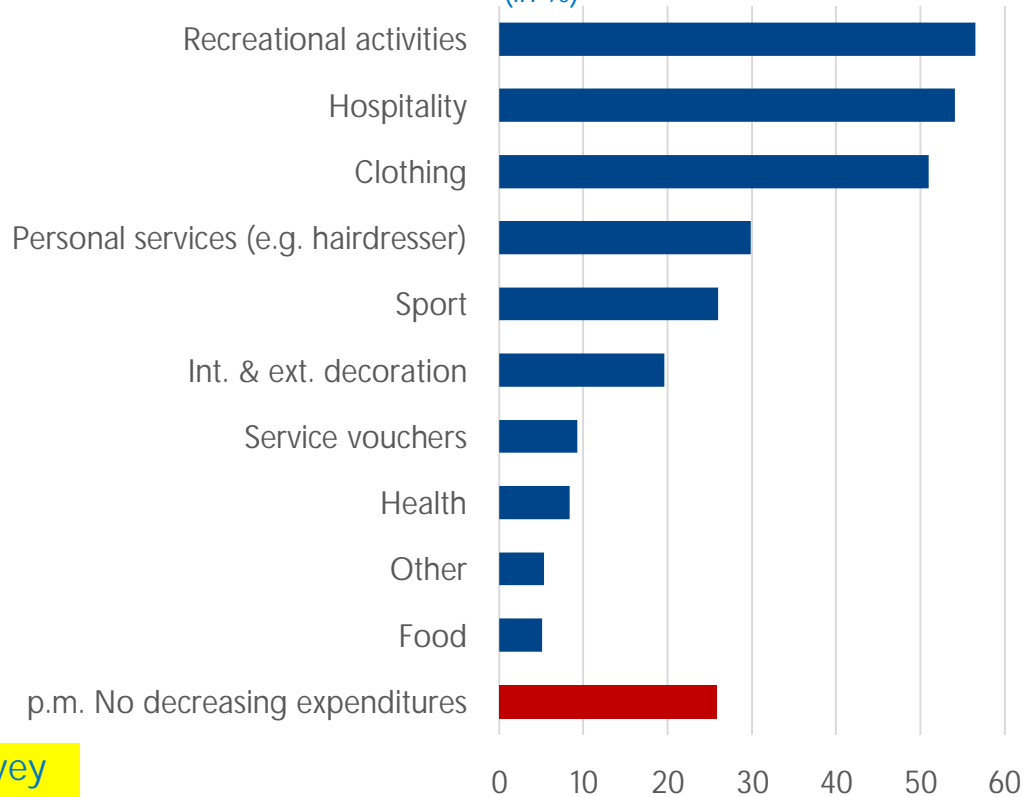
How has your consumer spending evolved?
(in %, compared to the period before the containment)



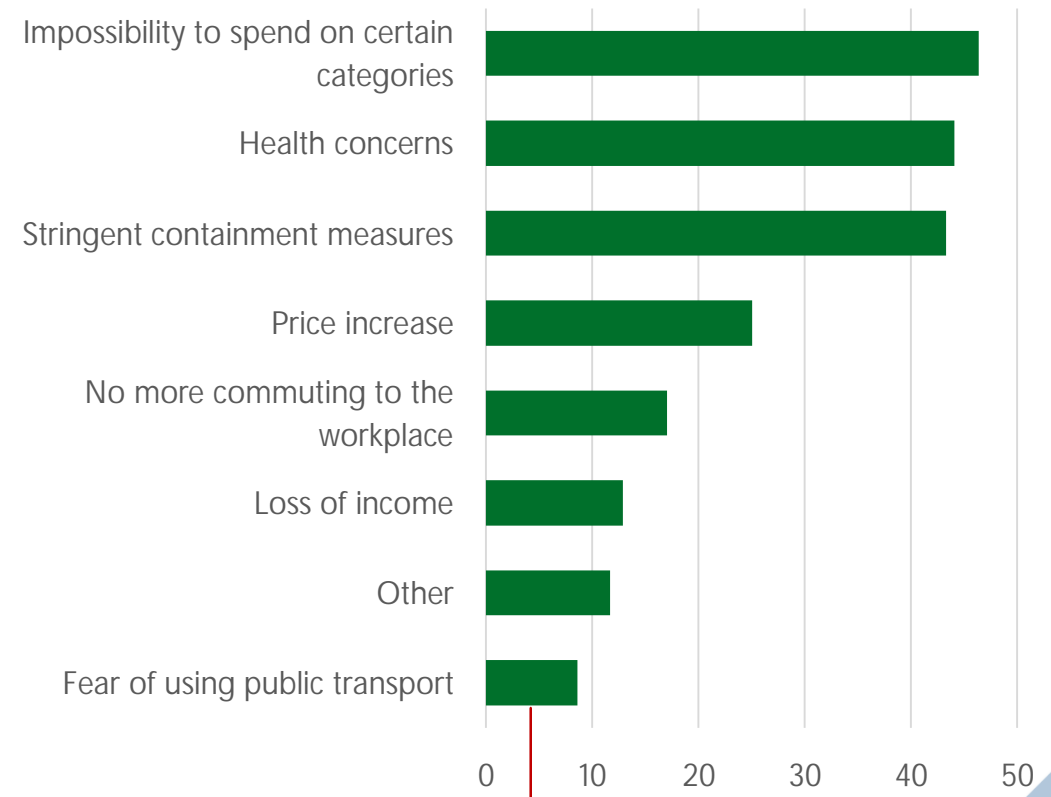
Survey
14-21 July

Lower spending mostly reflects remaining measures and health concerns (much lower impact of purchasing power issues)

Which of your spending categories are currently decreasing ? (in %)



Why is your spending decreasing? (in %)



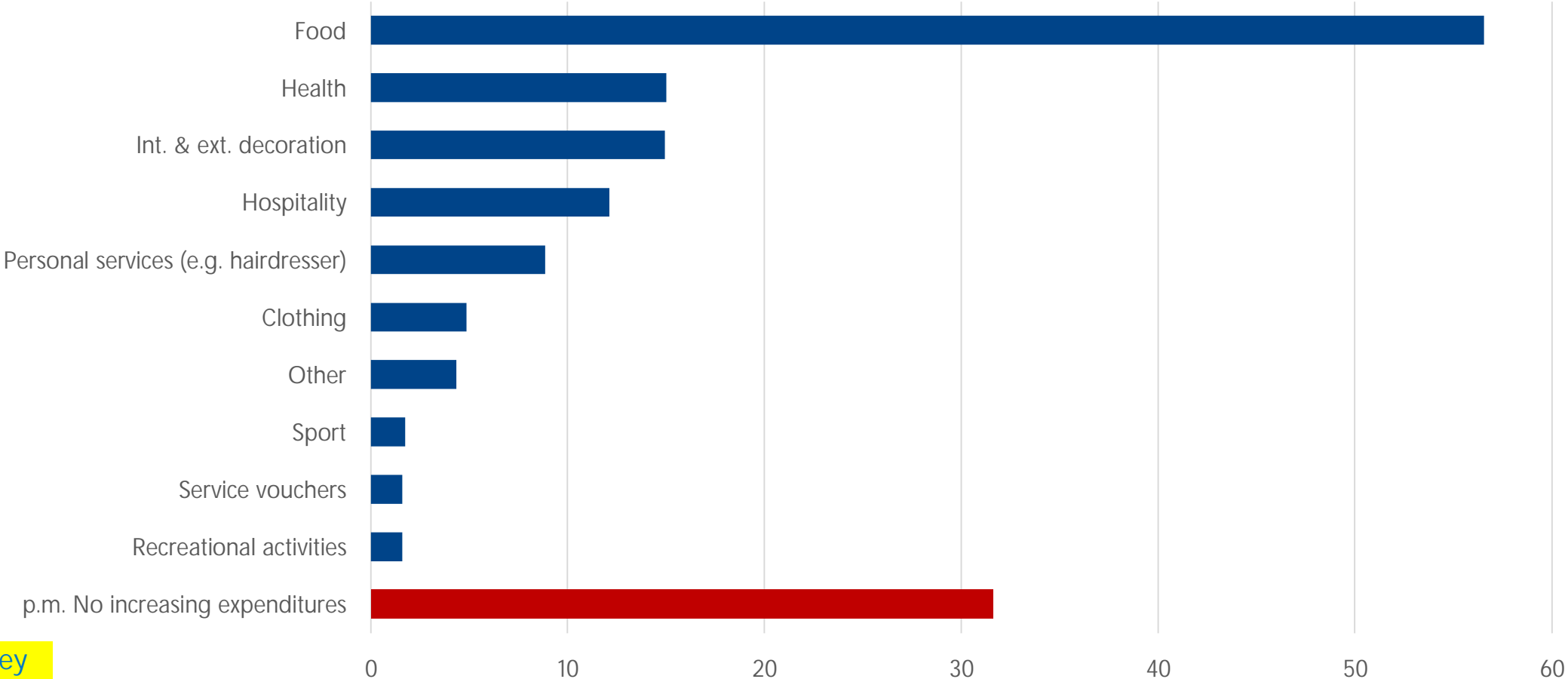
Higher fear of using public transport in Brussels: 23 %

Survey
14-21 July

Significant increase in food spending: related to homeworking or also price increases?

Which of your spending categories are currently increasing?

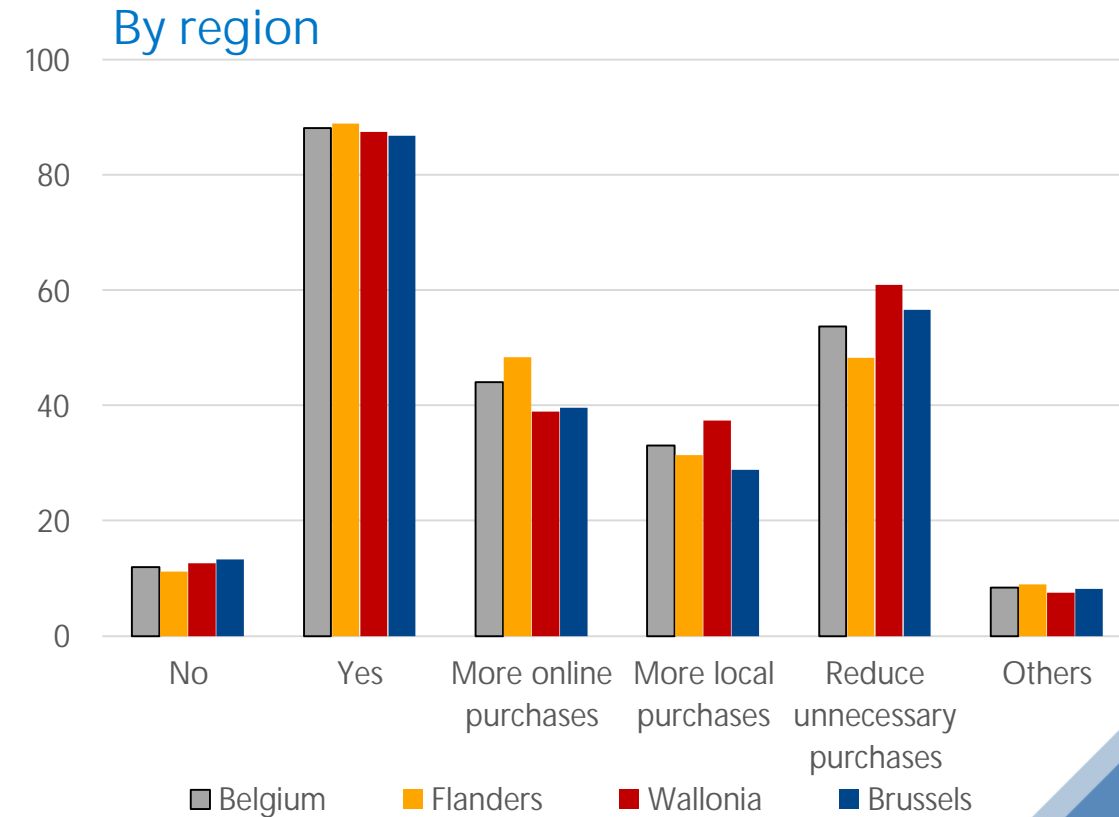
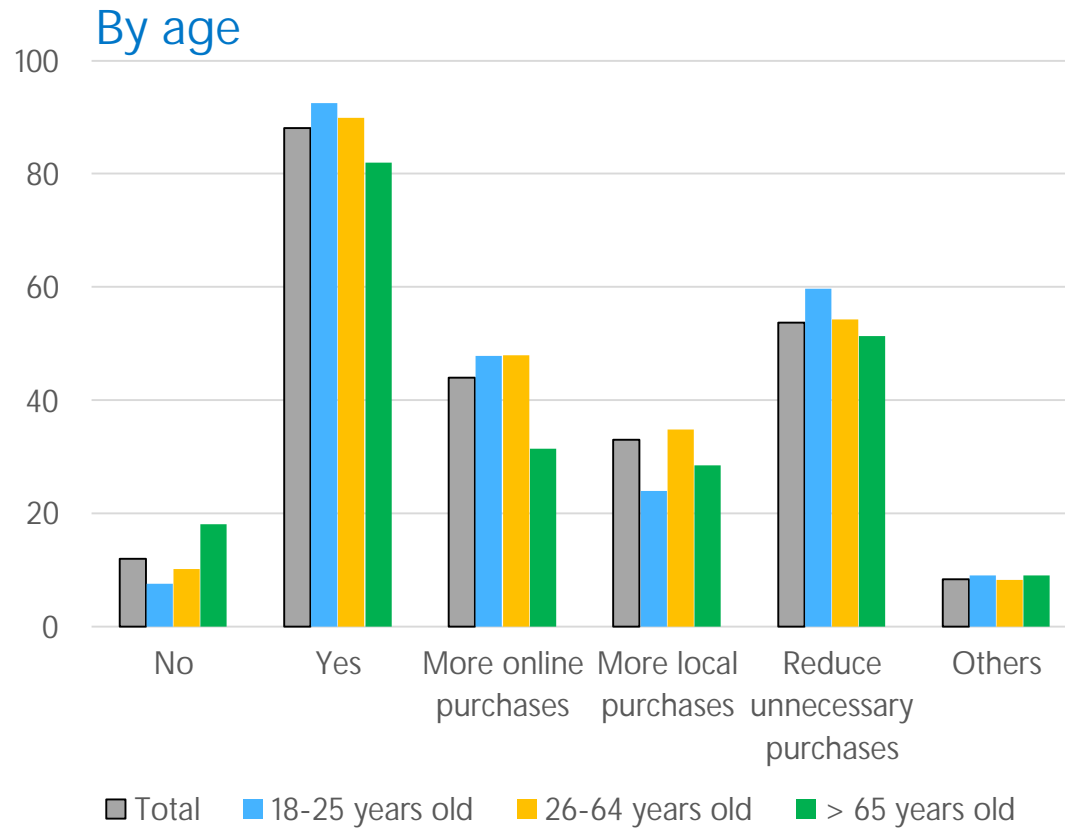
(in %)



Survey
14-21 July

Consumption patterns have changed during the crisis and more than 75 % of them intend to maintain them in the future

Did you change your consumption pattern?
(in %, during the containment period)



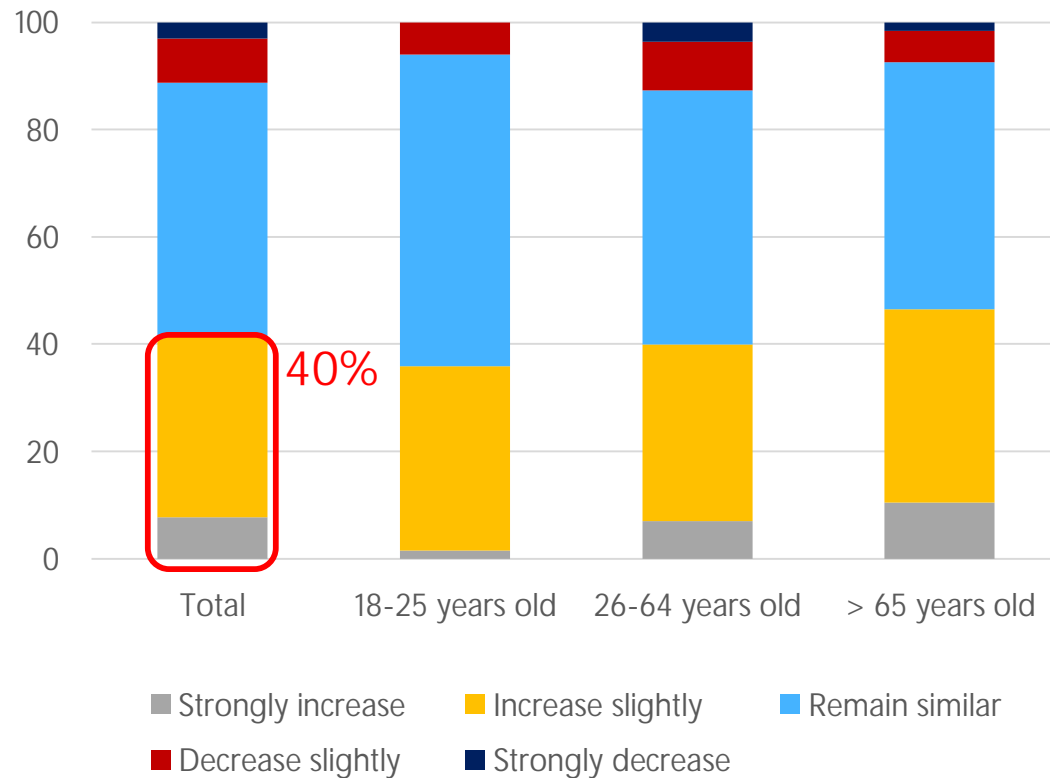
Survey
14-21 July

Online and local purchases have increased while 'unnecessary' expenditures have decreased: no strong differences between ages and regions

Only 40 % of respondents expect to spend more in the coming weeks, particularly in the hospitality industry

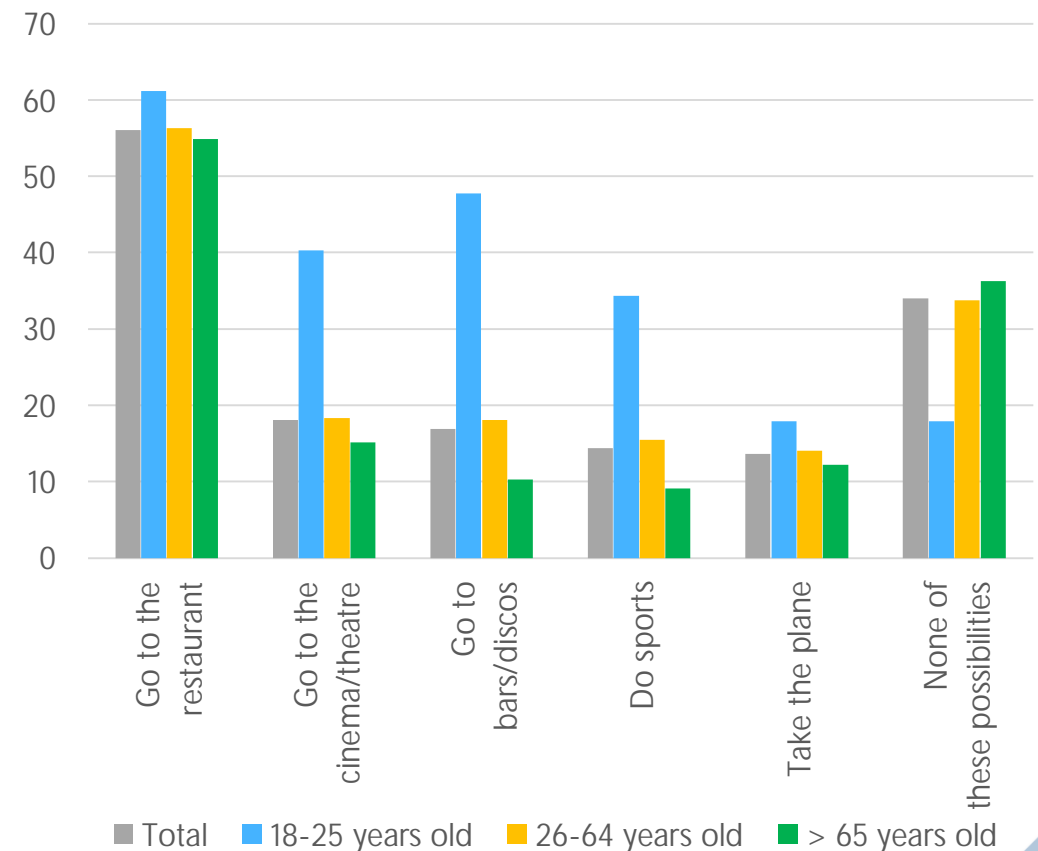
How your household's consumer spending will evolve?

(in %, by age, compared to the period before the containment)



What activities are you planning in the coming weeks?

(in %, by age)



Survey
14-21 July

Younger respondents plan to do more activities in the coming weeks

p.m. these results do not yet reflect the current deterioration in the health situation