



BELGIUM'S ECONOMY IN A NUTSHELL

ECONOMIC OUTLOOK
OF OCTOBER 2019



FPS Economy, S.M.E.s, Self-employed and Energy

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Introduction

Belgium, a **small and open economy** of 11.4 million inhabitants, is located in the heart of Europe. The economy benefits from a strong communication infrastructure and a highly qualified workforce. Nevertheless, foreign trade is essential for Belgium. Moreover, the share of Belgian exports in the European Union exports to other European members amount to 8.2 %, and to 5.5 % for countries outside the European Union. It is also important to note that 70.9 % of Belgian exports are directed to the European Union market. The most significant trade partners for Belgium are its neighbouring countries, namely Germany, France and the Netherlands. Yet, its trade balance was negative in 2018.

In 2018, the **products mainly exported** by Belgian companies concerned the chemical industries, as well as vehicles and transport equipment and finally machinery and equipment.

In 2018, the chemical industry was the main **value added creator**, followed by food and beverages and the pharmaceutical industry.

Recent cyclical developments indicate that **GDP growth** was relatively good in 2018 (+1.5 % year-on-year, compared to +2 % in 2017), thanks to a strong domestic demand (excluding inventories changes) and more precisely, investments. However, GDP growth was less robust in Belgium than in the European Union (+2 %) or even in the euro area (+1.9 %). GDP growth amounted 1.3 % in the second quarter of 2019 y-o-y, the same pace as the one observed during the previous quarter, due to a higher contribution from investments and a lower contribution from net exports.

Services are the main driver of economic growth since 2014 and they sustained almost all of it in 2018.

The **production index** in the manufacturing industry (construction excluded) increased in 2018 for the third time in a row. The same trend is observed in the construction sector. If the production growth remained dynamic in the manufacturing industry (construction excluded) in the second quarter of 2019, it decreased in the construction sector.

Business demography was also vigorous in 2018, with more creations than deletions, even though the entrepreneurial dynamism was less pronounced than in 2017. The second quarter of 2019 has also showed some entrepreneurial dynamism.

The **employment rate** rose up in 2018 while the **unemployment rate** decreased and this trend also continued at the beginning of the year. Despite this favourable development, progress still needs to be done to reach Belgian Europe 2020 employment rate target of 73.2 % in 2020. This target amounts to 75 % in 2020 for the European Union.

While **consumer prices** in Belgium have been rising at a faster pace than in its main neighbouring countries for several years now, data for the third quarter of 2019 show a stop to this trend, due to a decline in energy prices.

As regards the **near-term growth prospects for Belgium**, the National Accounts Institute (NAI) forecasts a deceleration in GDP growth to 1.1 % both in 2019 and 2020, after 1.5 % registered in 2018, according to the September 2019 Economic Forecasts.

1. Belgium at a glance

Belgium is **one of the six founding countries of the European Union**. Located in the heart of Western Europe, its position undoubtedly constitutes a key aspect of its economy and its capital, Brussels, is home to a large number of European and international institutions.

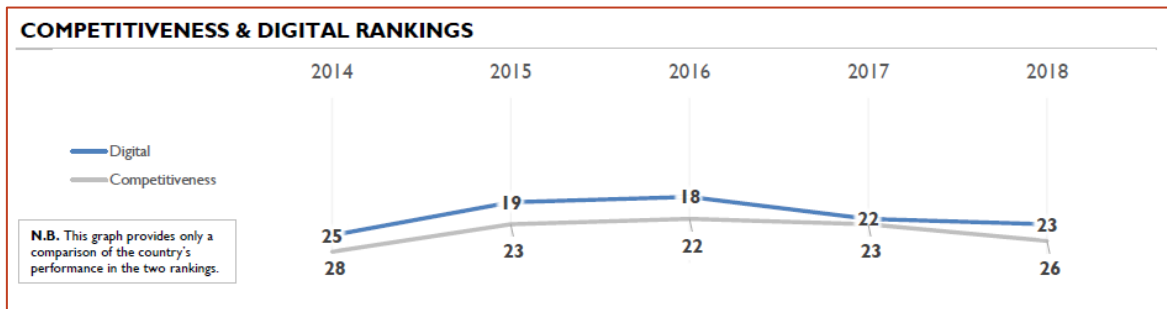


With a **surface** area of 31,000 km² and 11.4 million **inhabitants**, Belgium, along with the Netherlands, is one of the most densely populated countries in Europe.

Belgium is divided into **three Regions**: the Brussels-Capital Region, Flanders and Wallonia. Its population is also broken down into three language groups (Dutch, French and German) and therefore Belgium has also three communities: the Flemish Community, the French Community and the German-speaking Community.

Belgium has a highly developed **communication infrastructure** across the country and one of the most developed broadband telecommunications networks in Europe. Belgium therefore has a wide range of transport modes and infrastructures. For example, it has a network of main roads, railways and waterways. There are also international airports (Brussels, Liege, Charleroi, Ostend, Antwerp and Kortrijk) and seaports (Antwerp, Zeebrugge, Ghent and Ostend).

Graph 1. Competitiveness & digital rankings



Source: IMD World Competitiveness Center.

Furthermore, Belgium is **ranked as the 27th most competitive nation** out of 63, according to the Institute for Management Development¹ and is ranked **22nd** (out of 141) according to the World Economic Forum². The three most problematic factors for doing business in Belgium are the tax rates, the restrictive labour regulations and the tax regulations.

Belgium has a **highly-qualified workforce**.

Indeed, Belgium benefits from a strong primary and higher education as well as training, business sophistication and innovation that are amongst the most competitive in the world.

It is a quintessential “**small open economy**”: “small”, with a gross domestic product (GDP) of 459.8 billion euros in 2018, accounting for 2.9 % of the GDP of the European Union (4 % of the GDP of the euro area) and “open” with a level of openness³ of 82.7 % (81.6 % in 2017).

The openness of the Belgian economy and its membership to a single monetary zone justify a generally moderate inflation rate. Nonetheless, **consumer prices** have risen at a faster rate in Belgium than in its main neighbouring countries and trade partners (France, Germany and the Netherlands) since many years. However, the latest figures seem to show a reversal of the trend due to a decline in energy prices.

The Belgian economy, just like any modern industrialized economy, is characterized by the **growing importance of services**: the share of market services (including wholesale and retail, financial activities and insurance) in the total gross value added represented 56.5 % in 2018, while this share amounted to only 13.8 % for industry and 5.3 % for construction. The balance is distributed between non-market services (including healthcare), energy and agriculture.

¹ IMD World Competitiveness Yearbook 2019 Results

<https://www.imd.org/wcc/world-competitiveness-center-rankings/world-competitiveness-ranking-2019/>

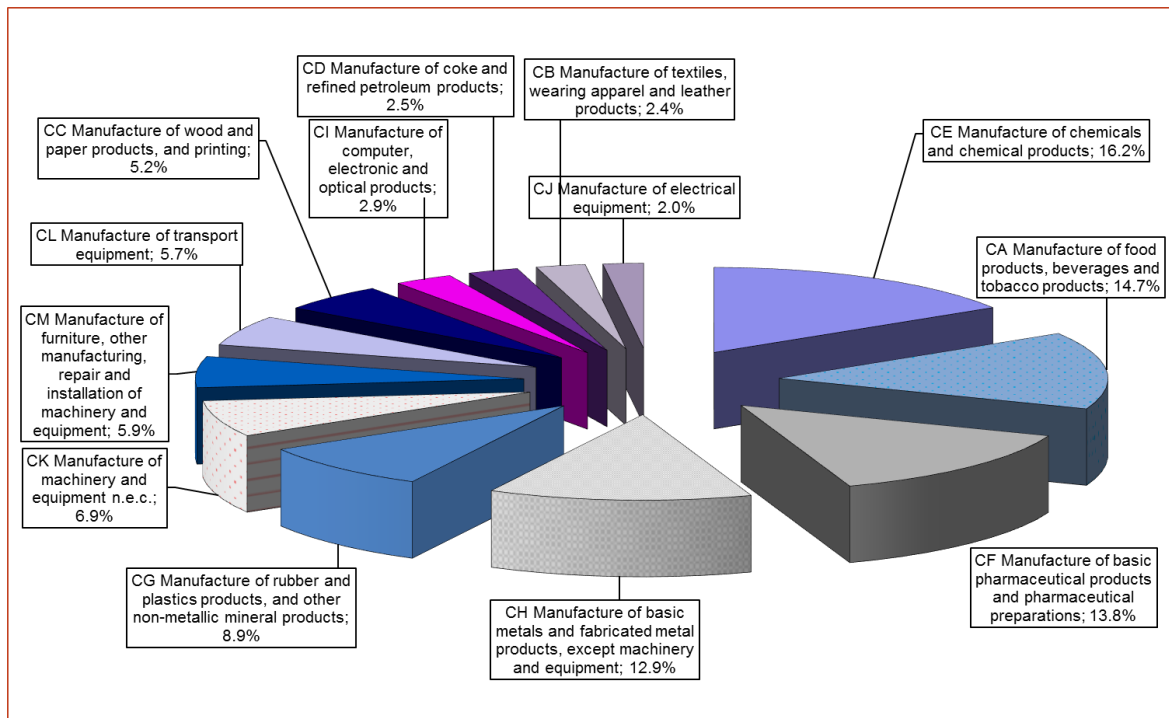
² Global Competitiveness Report 2019

<https://www.weforum.org/reports/how-to-end-a-decade-of-lost-productivity-growth>

³ Average value of its imports and exports of goods and services divided by GDP, multiplied by 100.

Graph 2. Breakdown of the Belgian industry in 2018

(gross value added as a % share of total industry)



Source: National Accounts Institute (NAI) - Distribution per activity branches (A38).

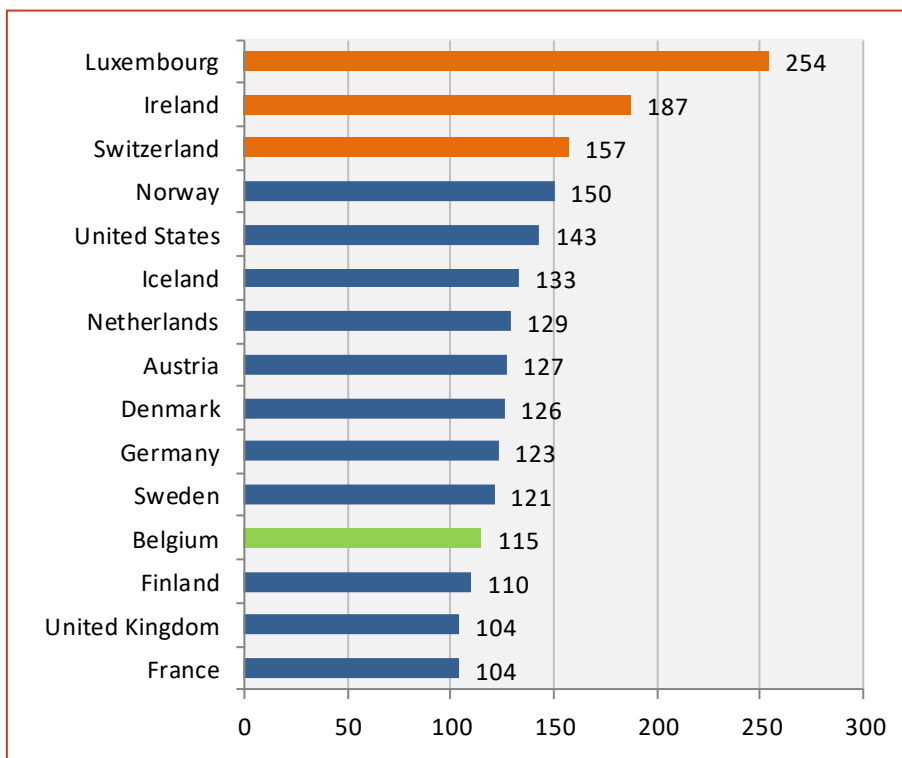
Despite its more limited size than before, the **manufacturing industry** is still key to the Belgian economy because, in addition to the fact that it generates a large share of market services, it also generates strong domestic value added by satisfying foreign demand thanks to Belgian exports.

The strong sectors of the Belgian industry are:

- the chemical industry (16.2 % of the total manufacturing value added);
- the food industries and beverages (14.7 %);
- the pharmaceutical industry (13.8 %);
- the manufacture of basic metals and fabricated metal products (12.9 %).

Graph 3. GDP per capita in PPS in 2018

EU28=100



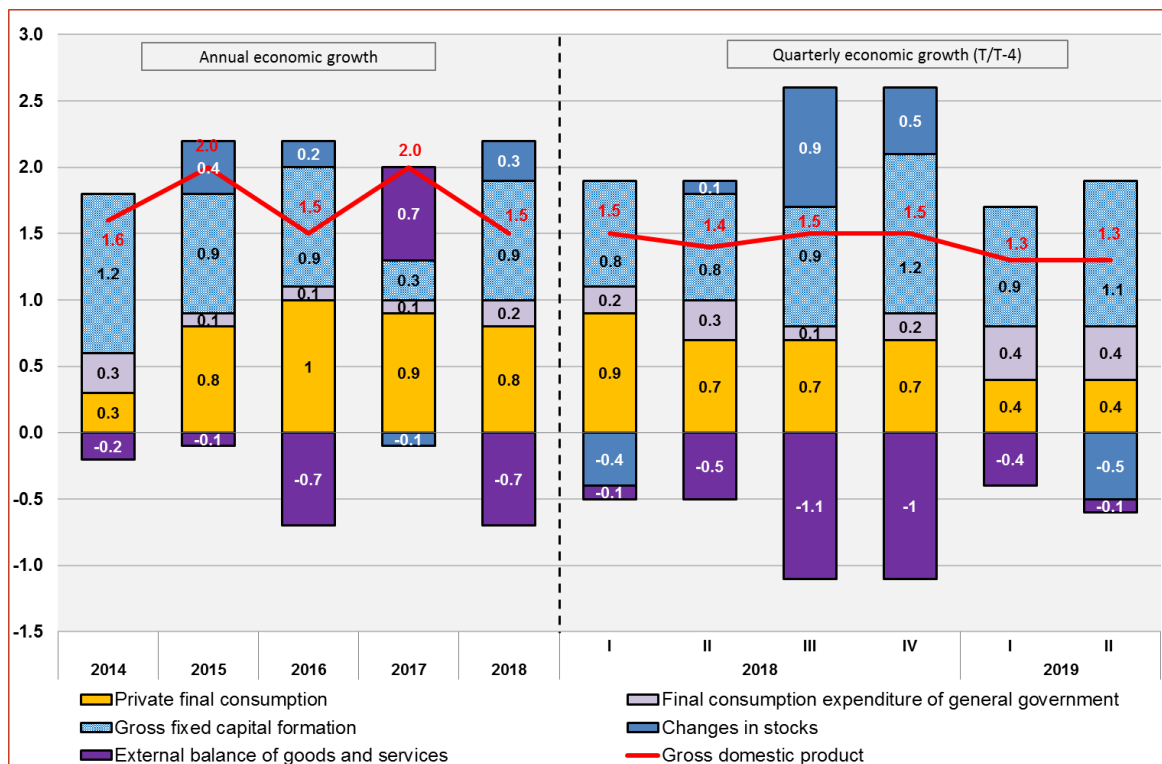
Source: Eurostat.

According to the European structural indicators from Eurostat, **Belgium's GDP per capita**, expressed in purchasing power standards, amounted to 115 in 2018 compared to the EU-28 average set equal to 100, which is one point lower than in 2017 and six points lower compared with 2012, its best performance over the last 10 years where it reached 121, even though this score is decreasing since then. Nevertheless, Belgium is one of the richest countries in the European Union, ranking eighth, just behind Sweden.

2. Cyclical developments in the economy

Graph 4. GDP evolution in % and contribution of the different components “expenditures concept”

(percentage points, year-on-year)



Source: National Accounts Institute (NAI) and National Bank of Belgium (NBB).

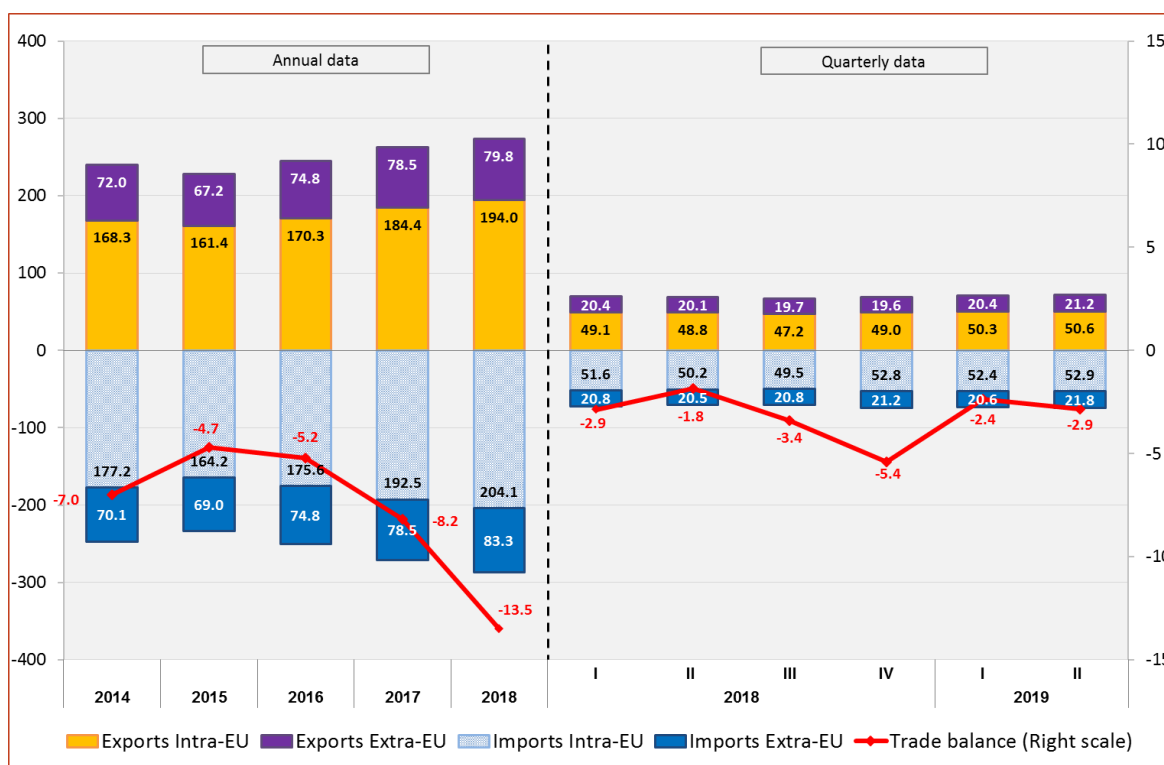
In 2018, the annual GDP growth in Belgium amounted to 1.5 %, against 2 % observed in 2017. This growth is completely driven by **domestic demand (excluding inventories)**, which contributed by 1.9 percentage points to GDP growth. In contrast to 2017, **net exports** negatively affected economic growth in 2018 (- 0,7 percentage points). The change in inventories fuelled economic growth in 2018 by 0.3 percentage points.

The GDP grew by 1.3 % **during the second quarter of 2019** (year-on-year at the same pace as the one observed in the previous quarter).

The **domestic demand (excluding inventories)** has improved economic growth by 1.9 percentage points during the second quarter of 2019. Investment is the key element explaining this positive contribution to GDP growth (1.1 percentage point). During the second quarter of 2019, the support to economic growth remained stable for private consumption (0.4 percentage points) and public expenditures (0.4 percentage points).

Finally, during the second quarter of 2019, **net exports** slightly drove economic activity growth down. They contributed negatively to GDP growth by 0.1 percentage points during the second quarter of 2019 while this contribution amounted to - 0.4 percentage points during the previous quarter.

Graph 5. Foreign trade according to the national concept⁴
(in billion euros)



Source: National Accounts Institute (NAI) and National Bank of Belgium (NBB).

According to the national concept, the trade balance decreased in 2018 compared to 2017, due to a greater dynamism of imports (+6.0 %) than exports (+4.2 %) of goods. Thus, the trade balance keeps decreasing and the deficit reached 13.5 billion euros in 2018.

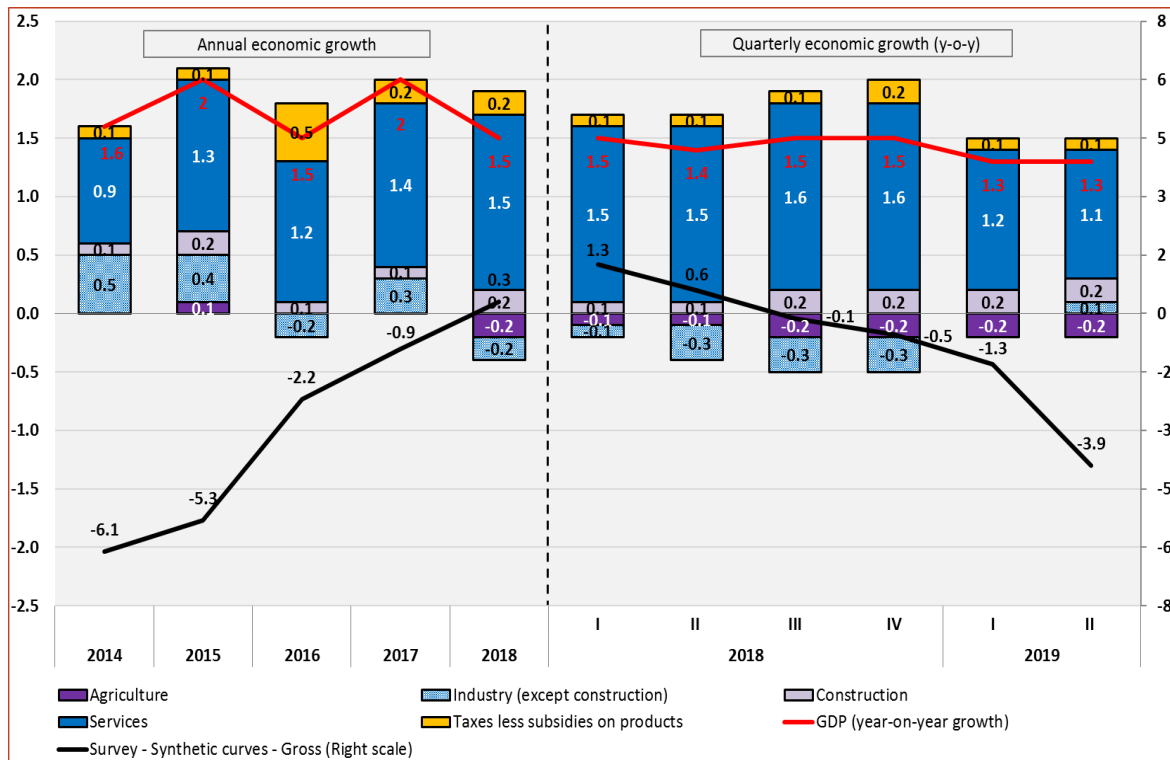
Belgian exports in value grew by 4.3 % during the **second quarter of 2019**, compared to the same period of 2018, reaching 71.8 billion euros (against 68.9 billion euros a year earlier). This result is due to both intra-EU exports, which rose by 3.7 % year-on-year, and to extra-EU exports, which grew by 5.7 % over the same period.

Belgian imports increased by 5.7 % in the **second quarter of 2019** year-on-year, reaching 74.7 billion euros, due to both stronger intra-EU imports (+5.3 %) and extra-EU imports (+6.5%).

These results translated into a **negative trade balance** in the second quarter of 2019 (-2.9 billion euros). The net trade balance decreased compared to the previous quarter (-2.4 billion euros) and to the corresponding quarter of the previous year (-1.8 billion euros).

⁴ The national concept refers solely to cross-border movements of goods involving a resident business counterpart (Source: NBB).

Graph 6. GDP growth in % and contribution of the different components
“production concept”
(percentage points, year-on-year)



Source: National Accounts Institute (NAI) and National Bank of Belgium (NBB).

The economic activity slowed down in **2018** compared to 2017, reaching 1.5 % growth compared to 2 % in 2017. Services were again the main driver of the economic growth in Belgium, supporting it by 1.5 percentage point (against 1.4 percentage points in 2017). Activity growth in manufacturing industry was negative in 2018, thus reducing total economic growth by 0.2 percentage points after having contributed positively (+0.3 percentage points) in 2017. Agriculture also negatively affected economic growth in 2018 by 0.2 percentage points.

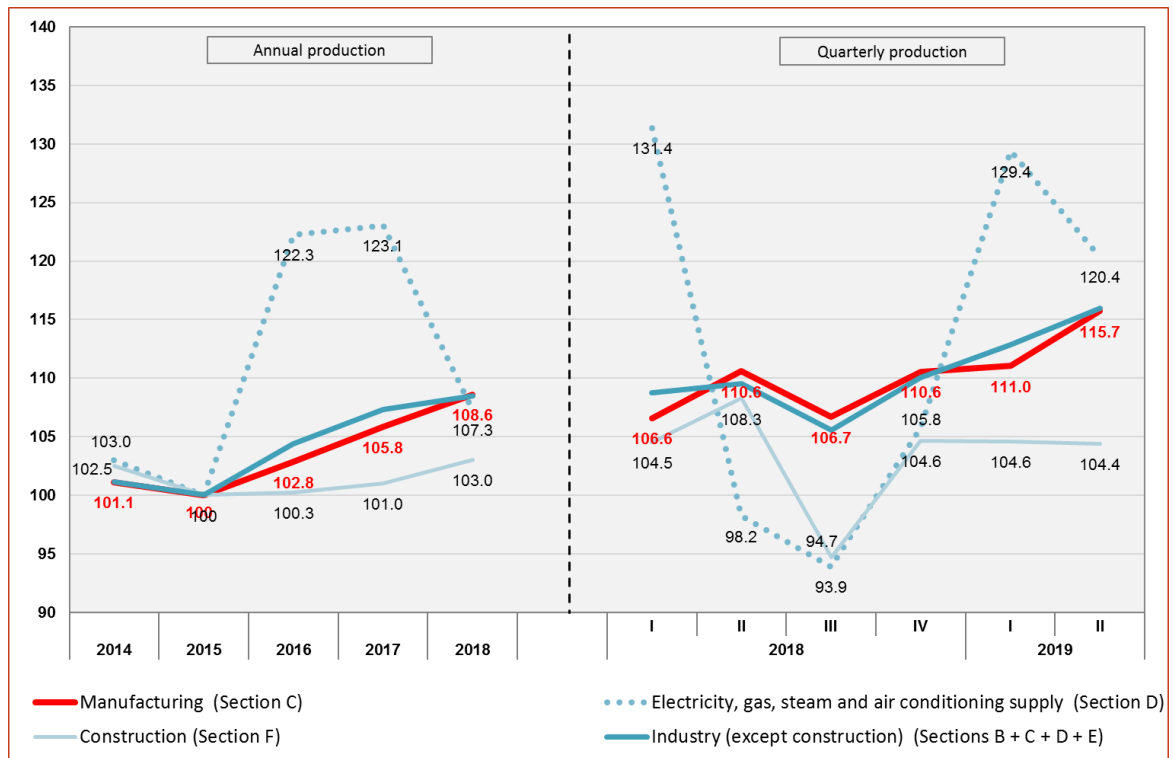
During the second quarter of 2019, the activity in the **industry** (excluding construction) contributed to GDP growth by 0.1 percentage points, a slight increase compared to the previous quarter.

The contribution of **services** to GDP growth slightly deteriorated from 1.2 percentage points in the first quarter of 2019 to 1.1 percentage points in the second quarter of 2019. However, as usual, services have almost entirely supported economic growth.

Finally, growth in **construction** activity slowed slightly in the second quarter of 2019 year-on-year. Nevertheless, as in the four previous quarters, the contribution of this sector to economic growth stabilized to 0.2 percentage points in the second quarter of 2019.

While **business confidence** peaked in the first quarter of 2018, it has steadily deteriorated since then.

Graph 7. Industrial production indices
(2015 = 100)



Source: Statbel, Working-day adjusted indices.

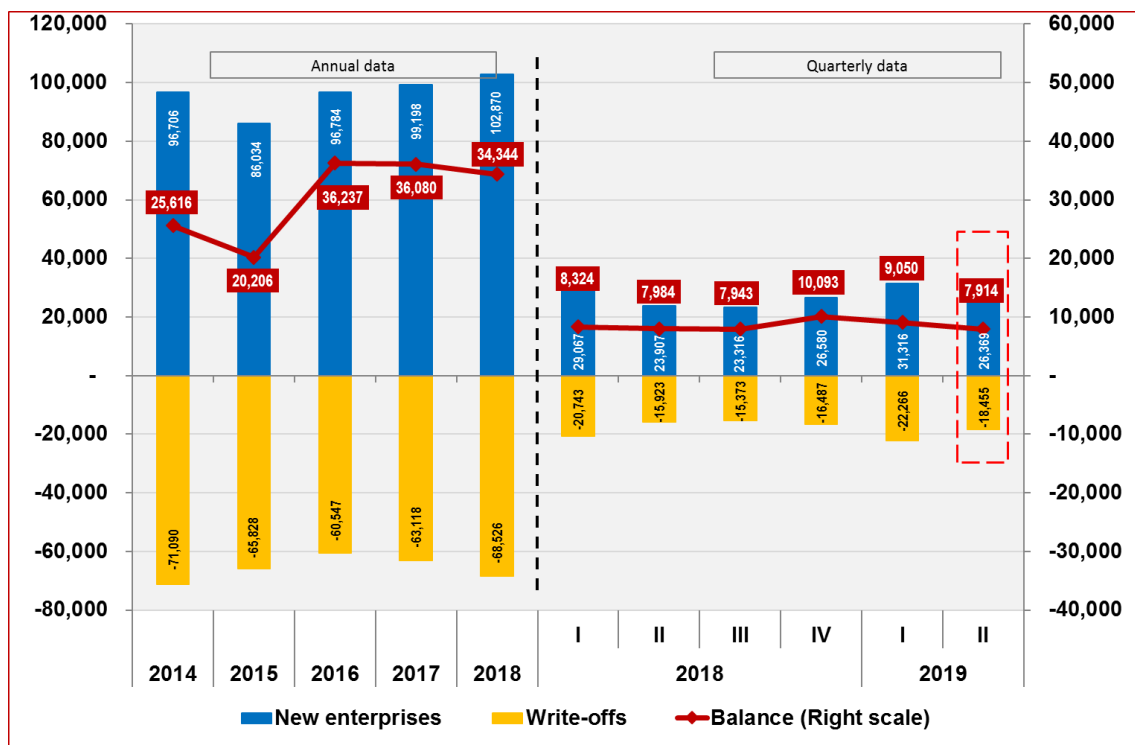
The annual growth rate of production in the **non-construction industry** has accelerated since the third quarter of 2018. In the second quarter of 2019, output growth was dynamic (+5.9% year-on-year, after 3.7% in the previous quarter).

The pace of output growth rate in **manufacturing industry** is similar to the one observed in industry excluding construction. It has raised by 4.6 % in the second quarter of 2019 compared with the corresponding quarter of 2018.

With a 22.5 % increase, **electricity, gas, steam and air conditioning** production has accelerated significantly in the second quarter of 2019 compared to the corresponding quarter of 2018, since the situation returned to normal in 2019 in terms of production capacity in the Belgian nuclear fleet.

Finally, after a sharp acceleration recorded in the fourth quarter of 2018 year-on-year, activity in the **construction** sector stabilized in the first quarter of 2019 and declined in the second quarter (-3.6 % year-on-year).

Graph 8. Business demography in Belgium



Source: Statbel.

In the second quarter of 2019, 26,369 new companies were created, thus 2,462 more enterprises than in the corresponding quarter of 2018.

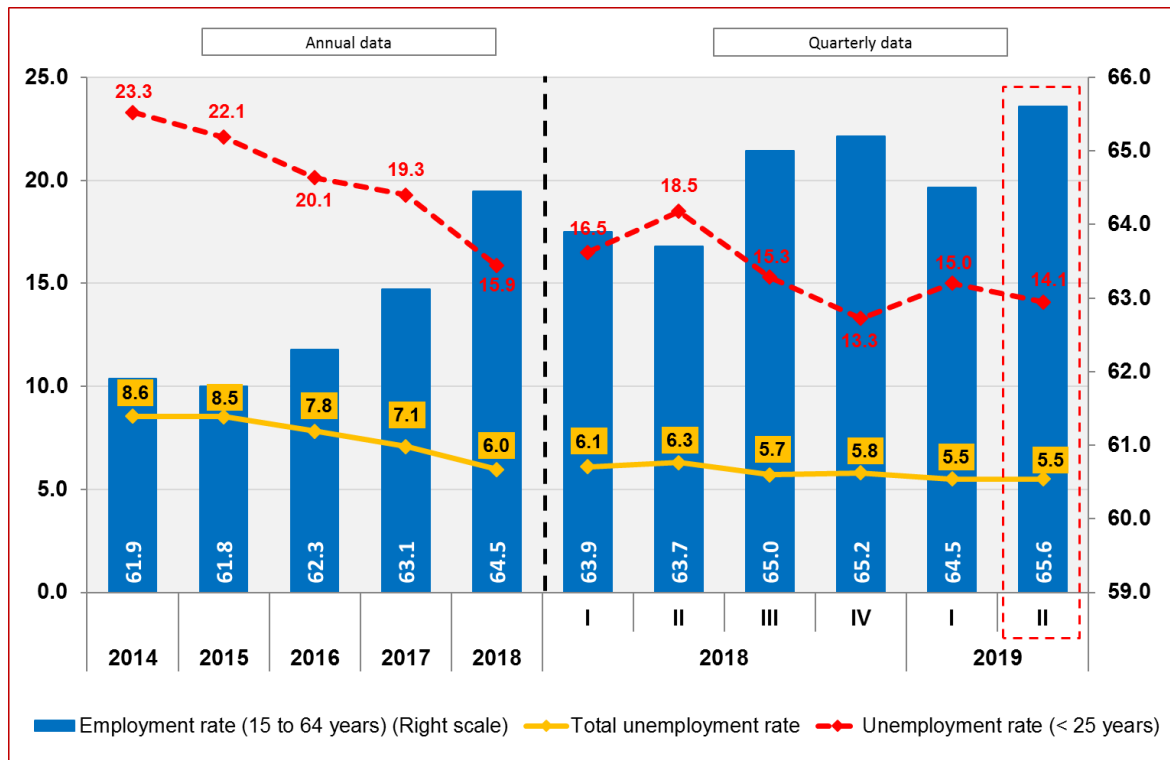
These new companies represent 87.2 % of first tax registration (51.5 % individuals and 35.7 % legal entities) and 12.8 % of renewed tax registrations (10.6 % individuals and 2.2 % legal entities).

On the other hand, 18,455 companies **stopped their activity** in the second quarter of 2019 (66.5 % individuals and 33.5 % legal entities), thus 2,532 more closures than in the second quarter of 2018.

In the second quarter of 2019, **the balance between “Business Creations” and “Business Closures”** was positive and amounted to 7,914 companies, 51.8 % of which were individuals and 48.2 % legal entities. This balance is almost stable compared to the one of the corresponding quarter of 2018.

Graph 9. Employment rate and harmonized unemployment

(in %)



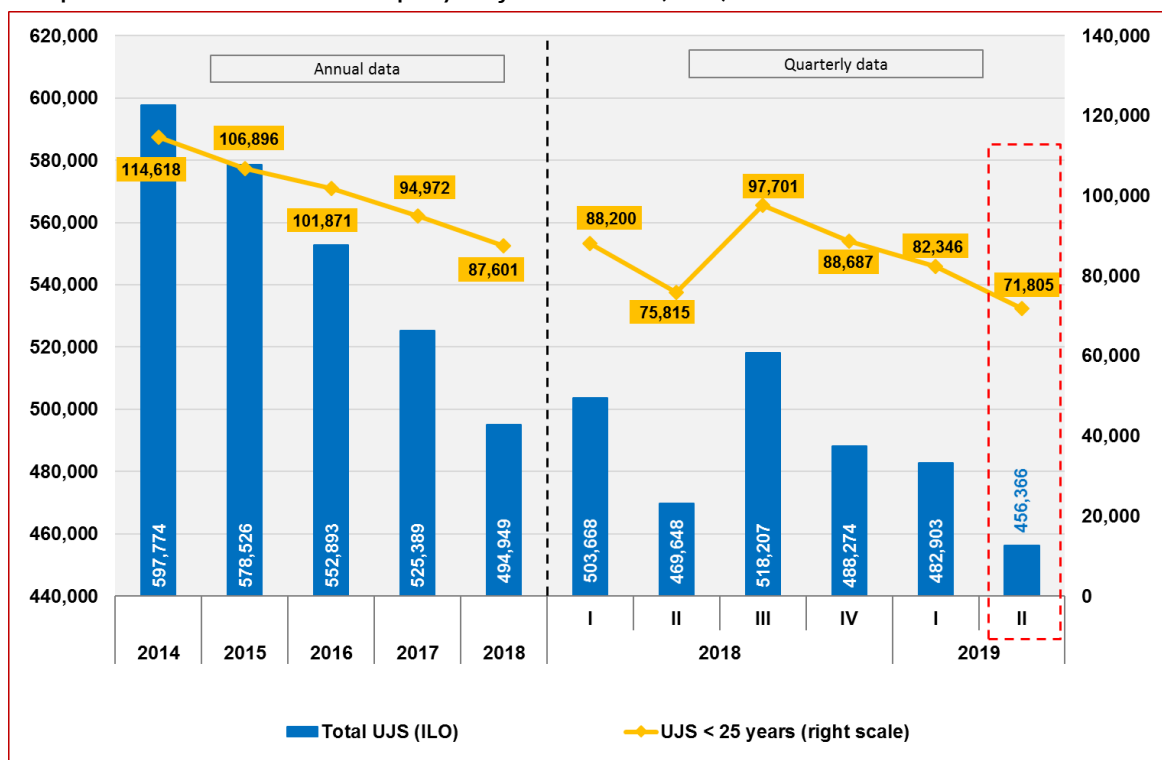
Source: Eurostat.

2018 was a favourable year for the labour market and this positive trend has continued in 2019 for the three indicators monitored. **In the second quarter of 2019**, the **employment rate** reached 65.6 %, increasing by 1.1 percentage points compared to the previous quarter and by 1.9 percentage points compared to the second quarter of 2018.

In the second quarter of 2019, the **unemployment rate** (gross data) stabilized at 5.5 %, unchanged from the previous quarter but 0.8 percentage points less on a year-on-year basis.

At 14.1 %, **youth unemployment rate** has also declined in the second quarter of 2019 on a year basis, falling by 4.4 percentage points compared to the rate recorded in the second quarter of 2018 (18.5 %).

Graph 10. Number of unemployed jobseekers (UJS)



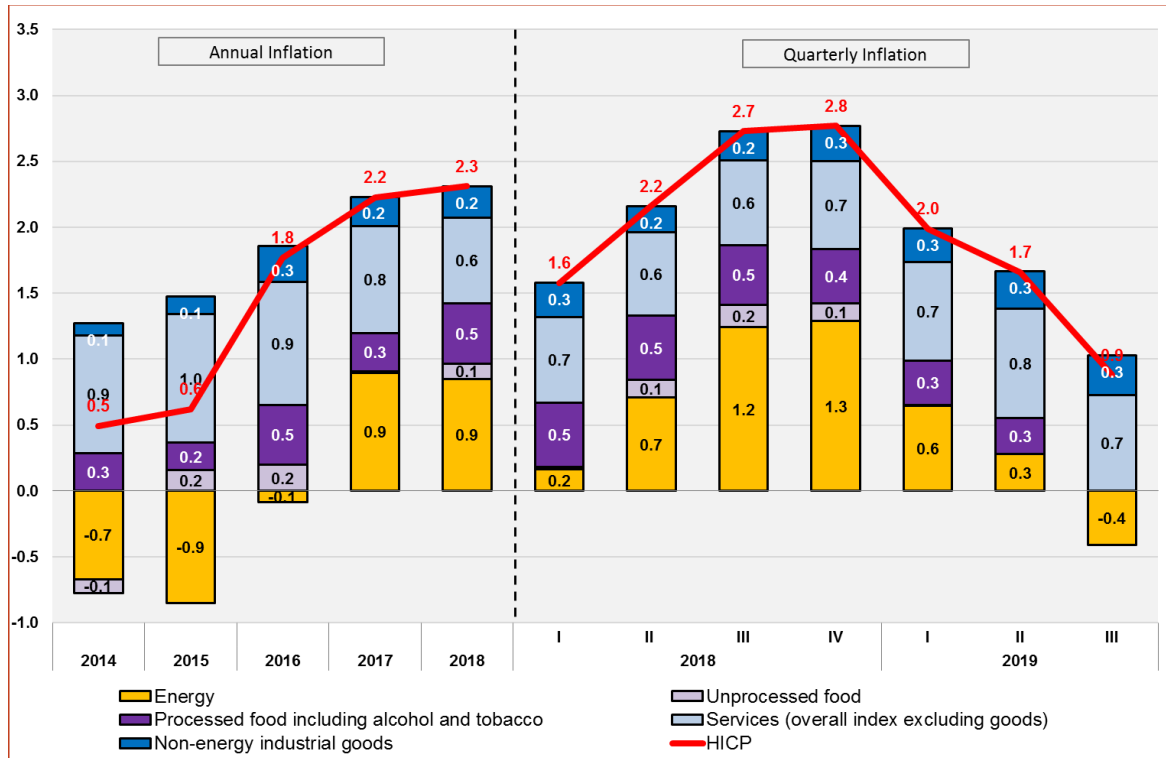
Source: NEO.

In **2018**, the number of **unoccupied job seekers (UJS)** evolved favourably compared to 2017 (down by 5.8 %), as did the **youth UJS** which decreased by 7.8 %.

The **number of unemployed jobseekers (UJS)** kept decreasing during the four quarters of 2018 (year-on-year). 456,366 UJS were registered in the **second quarter of 2019**, which means 2.8 % UJS less than those observed in the same period of 2018.

The number of youth **unoccupied job seekers (less than 25 years old) (UJS)** also declined during the fourth quarters of 2018 (year-on-year). With 71,805 youth UJS recorded in the **second quarter of 2019**, there has been a year-on-year reduction of 5,3 % of them.

Graph 11. Harmonized consumer price index (HICP) evolution (in %) and contribution to inflation of the 5 major product groups (in percentage points)



Source: Statbel.

After the slight acceleration in **the headline inflation** in Belgium, based on the Harmonised Index of Consumer Prices (HICP), in **2018** (2.3 %) compared to 2017 (2.2 %), it slowed down in the first three quarters of 2019. Indeed, it fell to 0.9 % **in the third quarter of 2019**, after reaching 1.7 % in the previous quarter.

The inflation slowdown observed **in the third quarter of 2019**, compared to the previous quarter, can be explained by the main **energy products**, which experienced again a sharp drop in inflation (-4.3 %). The contribution of this group of products to headline inflation was therefore negative (-0.4 percentage points).

Consumer prices of **processed food products** rose by 1.7 % in the third quarter of 2019 (slightly faster than in the previous quarter +1.6 %), contributing 0.3 percentage points to headline inflation. Consumer prices of **unprocessed food products** fell by 0.5 %, but due to their moderate weight in the consumer basket, their contribution to headline inflation was insignificant.

Due to its high weight in the consumer basket (over 40 %), the increase in **services** inflation (+1.7 % in the third quarter of 2019 compared to 2 % in the previous quarter), pushed total inflation upwards by 0.7 percentage points.

The fifth product group, **non-energy industrial products**, recorded a slight increase in inflation in the third quarter of 2019 (+1.1 %), a stabilization compared to the previous quarter, thereby fuelling headline inflation by 0.3 percentage points.

3. Foreign Trade – Overview of Trade Flows

Table 1. Share of national exports in world exports (in %)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
EU28	16.3%	16.9%	15.6%	15.6%	15.1%	15.8%	15.5%	15.6%	15.9%	15.8%	15.5%
Russia	4.0%	3.3%	3.5%	3.7%	3.7%	3.6%	3.4%	2.7%	2.4%	2.7%	3.0%
USA	11.0%	11.7%	11.1%	10.7%	10.8%	10.8%	11.1%	11.8%	12.0%	11.5%	11.2%
China	12.1%	13.3%	13.7%	13.7%	14.3%	15.1%	16.0%	17.9%	17.3%	16.9%	n.a.
Japan	6.6%	6.4%	6.7%	5.9%	5.6%	4.9%	4.7%	4.9%	5.3%	5.2%	5.0%
India	1.5%	2.0%	1.9%	2.2%	2.0%	2.3%	2.2%	2.1%	2.1%	2.2%	2.2%

Source: Eurostat.

The share of the **European Union** as a whole (EU28) in the world trade exports has slightly decreased between 2008 and 2018, in contrast to the growing importance of **China**. Indeed, its export share in world exports has grown by more than one third, rising from 12.1 % in 2008 to 16.9 % in 2017 (last year available), even though it is decreasing since 2016. **Russia** has followed an opposite path compared to China, with a **share of its national exports** in world exports **decreasing** from 4 % in 2008 to 3 % in 2018. It is the same for **Japan** with a share that reduced from 6.6 % in 2008 to 5 % in 2018. The share of India has increased over the years, reaching 2.2 % in 2018.

Between 2017 and 2018, the share of the EU28, the USA and Japan exports in world trade exports decreased.

Table 2. The share of Belgian exports going to the main geographical areas of the world

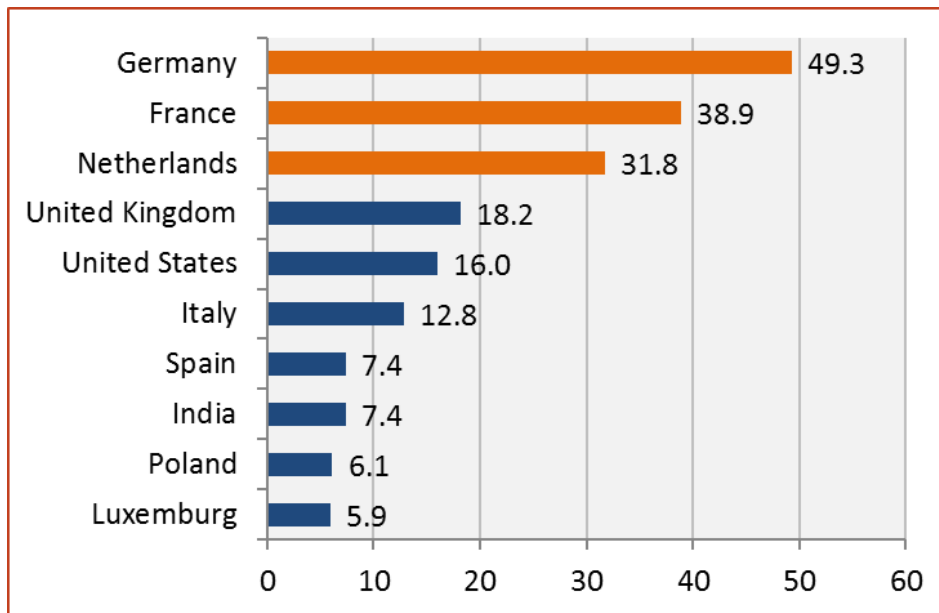
	2014	2015	2016	2017	2018
World (all entities)	100%	100%	100%	100%	100%
European Union	70.0%	70.6%	69.5%	70.1%	70.9%
Other European countries	5.0%	4.3%	4.7%	4.7%	4.4%
Africa	2.9%	2.8%	2.7%	2.8%	2.7%
America	7.1%	8.1%	8.9%	8.1%	8.5%
<i>United States</i>	4.8%	5.5%	6.8%	6.2%	6.7%
Asia	12.7%	12.3%	12.8%	12.5%	11.1%
<i>China</i>	2.3%	2.0%	2.2%	2.4%	1.9%
<i>India</i>	3.4%	3.2%	3.2%	2.9%	2.7%
<i>Japan</i>	0.8%	0.8%	1.1%	1.0%	1.0%
<i>Vietnam</i>	0.1%	0.1%	0.1%	0.2%	0.2%
Australia and Oceania	0.5%	0.6%	0.6%	0.6%	0.9%
Other	1.7%	1.3%	0.9%	1.2%	1.5%

Source: National Accounts Institute (NAI), national concept.

The **European Union** is the **leading destination for Belgian exports of goods** with a share of 69.7 % of total Belgian exports of goods in 2018. Although this share remained quite stable compared with 2014, it reduced by 1 percentage point in 2018 compared to 2017 and benefited to Africa (+0.6 percentage points) and America (+0.7 percentage points). This stability with 2014 is also observed in the trade relations with other European countries, Africa and Australia. However, in 2018, Asia's share of the Belgian exports of goods decreased compared with 2014 (+1.3 percentage points), while America's share rose (+1.6 percentage points). The share of Belgian exports to Vietnam has remained quite stable in recent years, coming from 0.1 % in 2014 to 0.2 % in 2018.

Graph 12. Most important export partners in 2018

(in billion euros)



Source: National Accounts Institute (NAI), national concept.

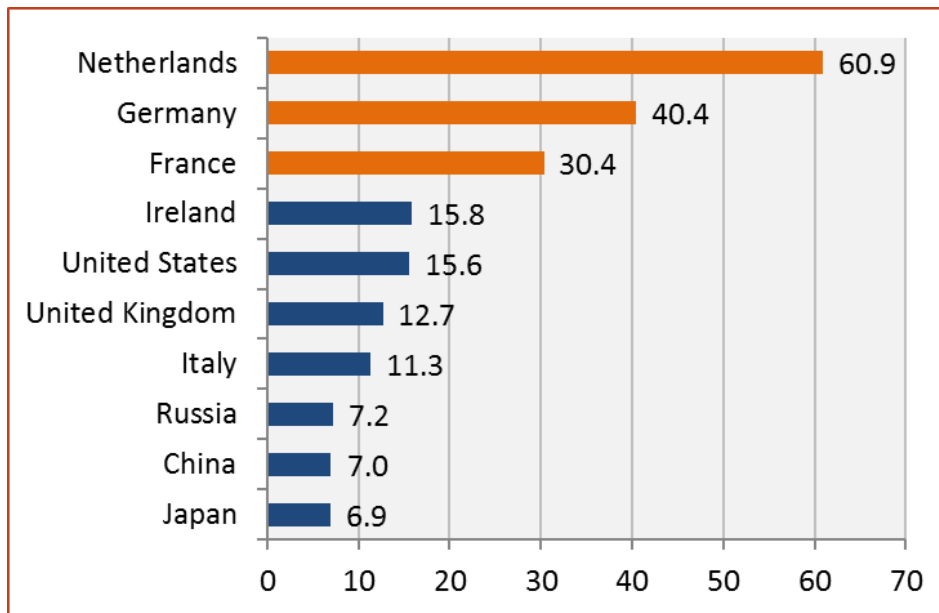
In 2018, Belgian exports of goods went mainly to nearby countries. The first destination was **Germany**, accounting for 49.3 billion euros, followed by **France** with 38.9 billion euros and **the Netherlands** with 31.8 billion euros. Together, those three countries received 43.8 % of total Belgian exports of goods.

The **United Kingdom** comes in 4th place with approximately 18.2 billion euros of Belgian exported goods to this country, which represents 6.6 % of total Belgian exports.

Vietnam is the 51st largest export market for Belgium in 2018, with 0.4 billion euros of goods exported to this country.

Graph 13. Most important import partners in 2018

(in billion euros)



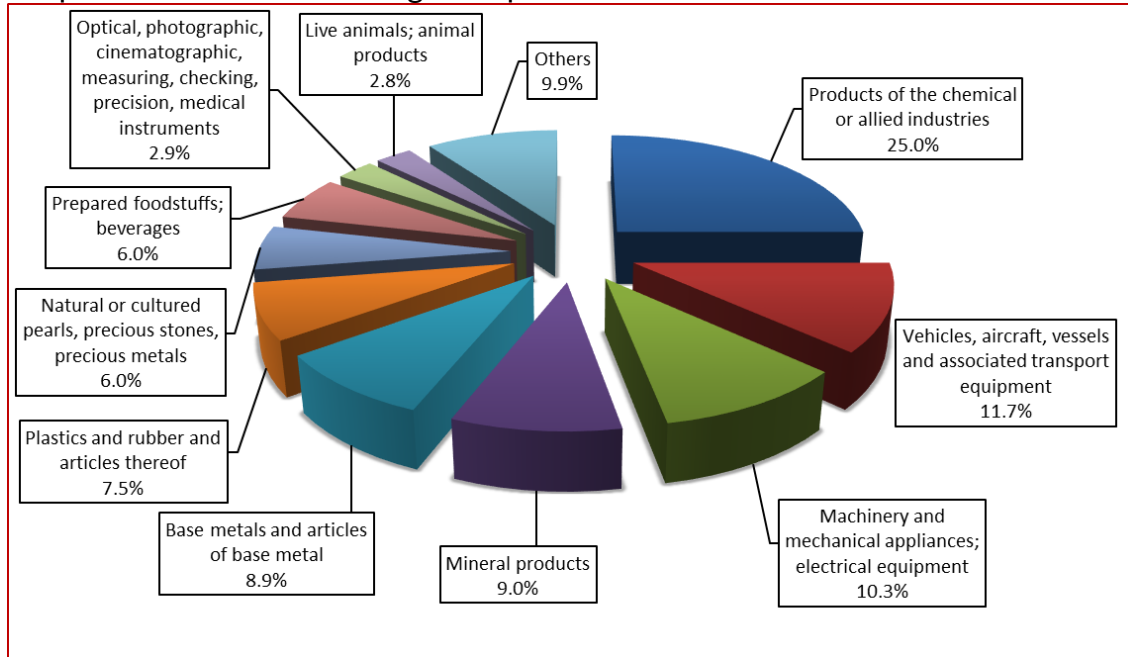
Source: National Accounts Institute (NAI), national concept.

The main partners for Belgian imports of goods in 2018 were the same ones as those for its exports. Thereby, the first provider was **the Netherlands**, accounting for 60.9 billion euros, followed by **Germany** with 40.4 billion euros and **France** with 30.4 billion euros. Together, those three countries supplied 45.8 % of total Belgian imports of goods.

Although **the United Kingdom** lost ground in the ranking compared to 2017, it still appears in the top 10 (6th) of Belgian partners for its imports of goods (it was still 5th in 2017). Indeed, the United Kingdom delivered goods for an amount of 12.7 billion euros in 2018, which is equivalent to a share of 4.4 % of total Belgian imports.

Vietnam ranks 44th among the suppliers of the Belgian market in terms of imports. Belgium imported goods from Vietnam for 0.6 billion euros in 2018.

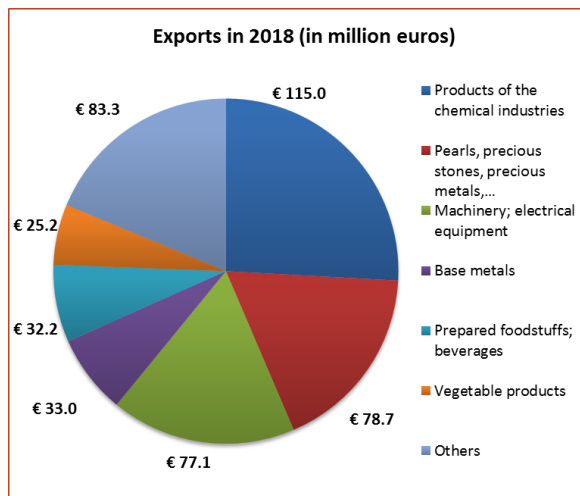
Graph 14. Breakdown of Belgian exports in 2018



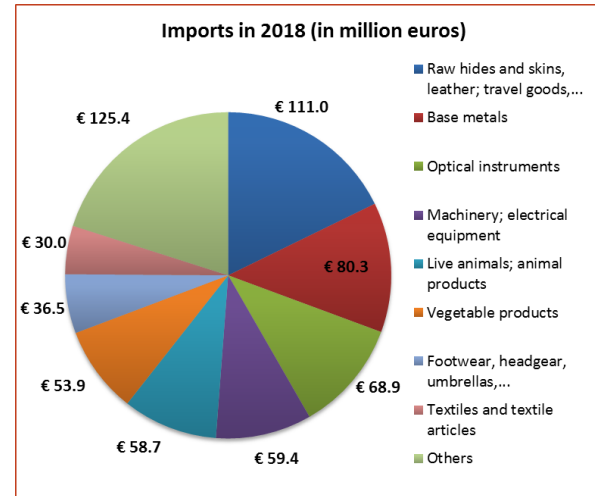
Source: National Accounts Institute (NAI), national concept.

In 2018, mainly four sectors dominated the total Belgian exports of goods. These were **chemical products** (25.0 % - 68.4 billion euros), **vehicles and transport equipment** (11.7 % - 32.2 billion euros), **machinery and equipment** (10.3 % - 28.3 billion euros) and **mineral products** (9.0 % - 24.7 billion euros). Together, those four sectors represented more than half of total Belgian exports.

Focus: Trade flow between Belgium and Vietnam in 2018.



Source: NBB (national concept)

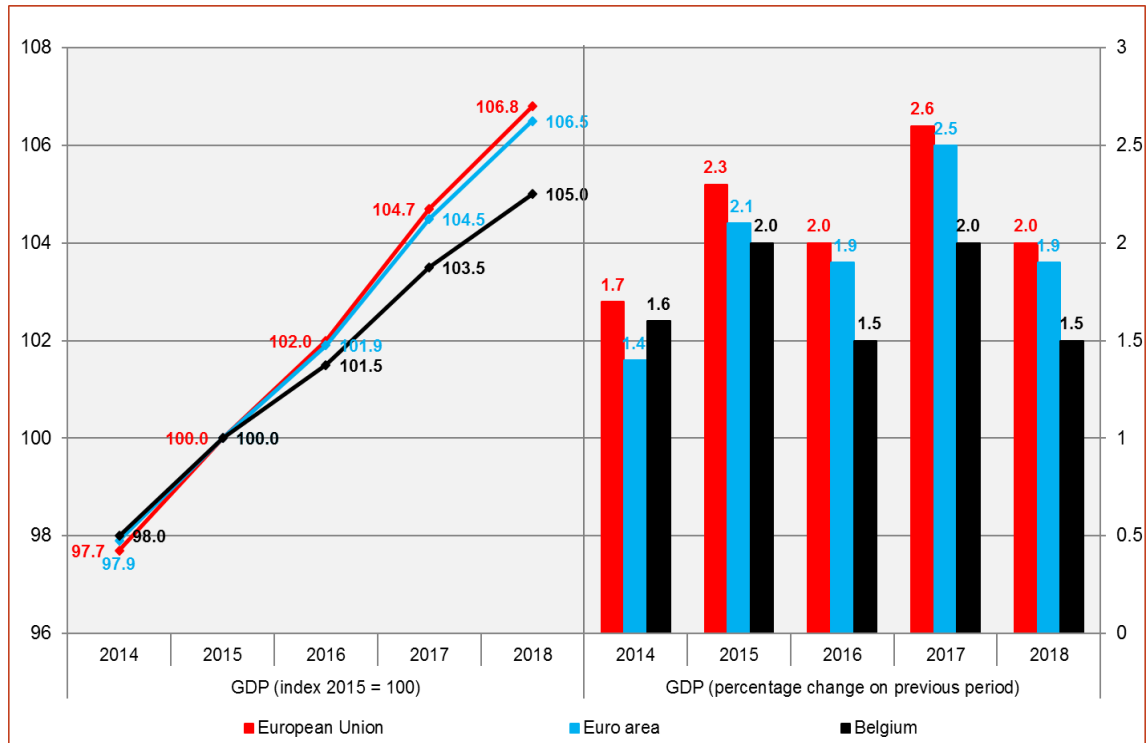


Source: NBB (national concept)

- The main exported products to Vietnam by Belgium in 2018 were **chemical products** and accounted for 115 million euros, representing 25.9 % of total Belgian exports to Vietnam;
- **Pearls and precious stones** were the second main exported products dedicated to Vietnam, accounting for 78.7 million euros, equivalent to 17.7 % of all Belgian exported goods going to Vietnam;
- Belgian exports of **chemical products** and **pearls**, added to exports of **machinery** represented together more than half of total Belgian exports of goods going to Vietnam in 2018 (60.9 %).
- The main imported products from Vietnam by Belgium in 2018 were **raw hides and skins and leather**, and amounted to 111 million euros. (17.8 % of total Belgian imports from Vietnam in 2018);
- The second most imported products from Vietnam by Belgium in 2018 were the **base metals**, and they accounted for 80.3 million euros, which means a share of approximately 12.9 % of Belgian imports coming from this country;
- Finally, imports of these two categories of products (**leather and base metals**) added to imports of **optical instruments** and **machinery** represented more than half of Belgian imports coming from Vietnam in 2018 (51.8 %).

4. The place of Belgium compared to the European Union

Graph 15. GDP in Belgium, the European Union and the euro area

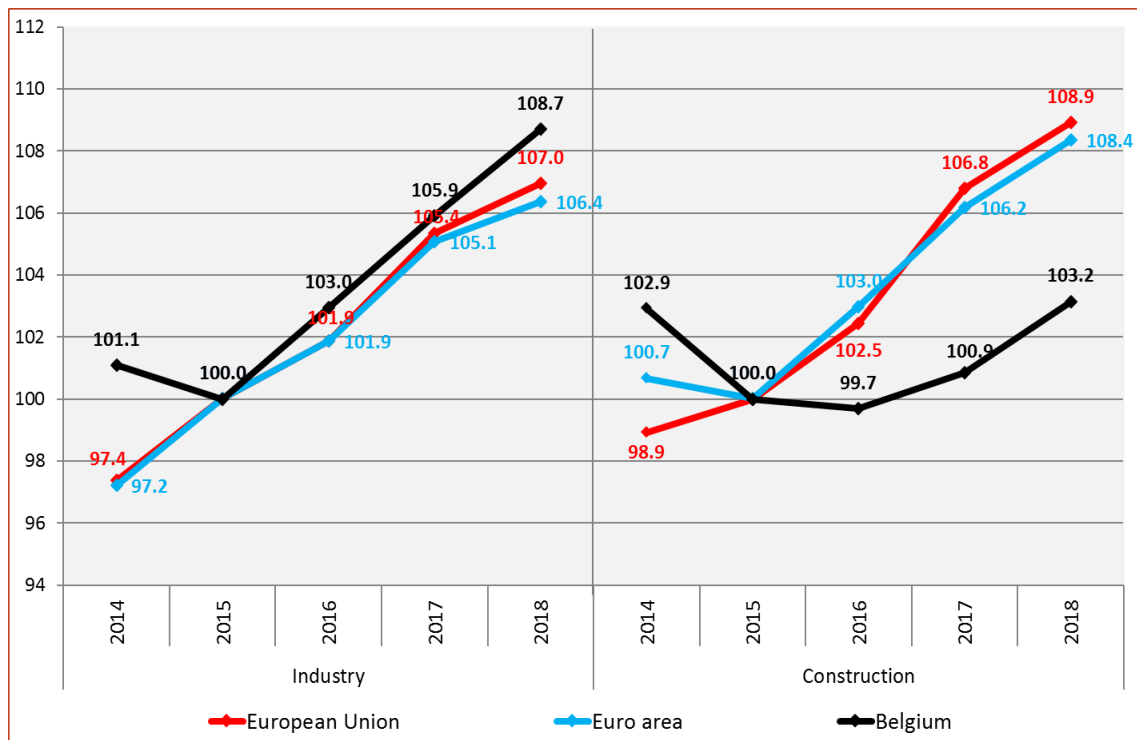


Source: Eurostat.

Increase in the **GDP** since 2010 in Belgium, since 2013 in the European Union, and since 2014 in the euro area.

Since 2015, GDP grows at a **slower pace in Belgium** than in the two other areas.

Graph 16. Production index in the industry and in the construction
(index 2015 = 100)

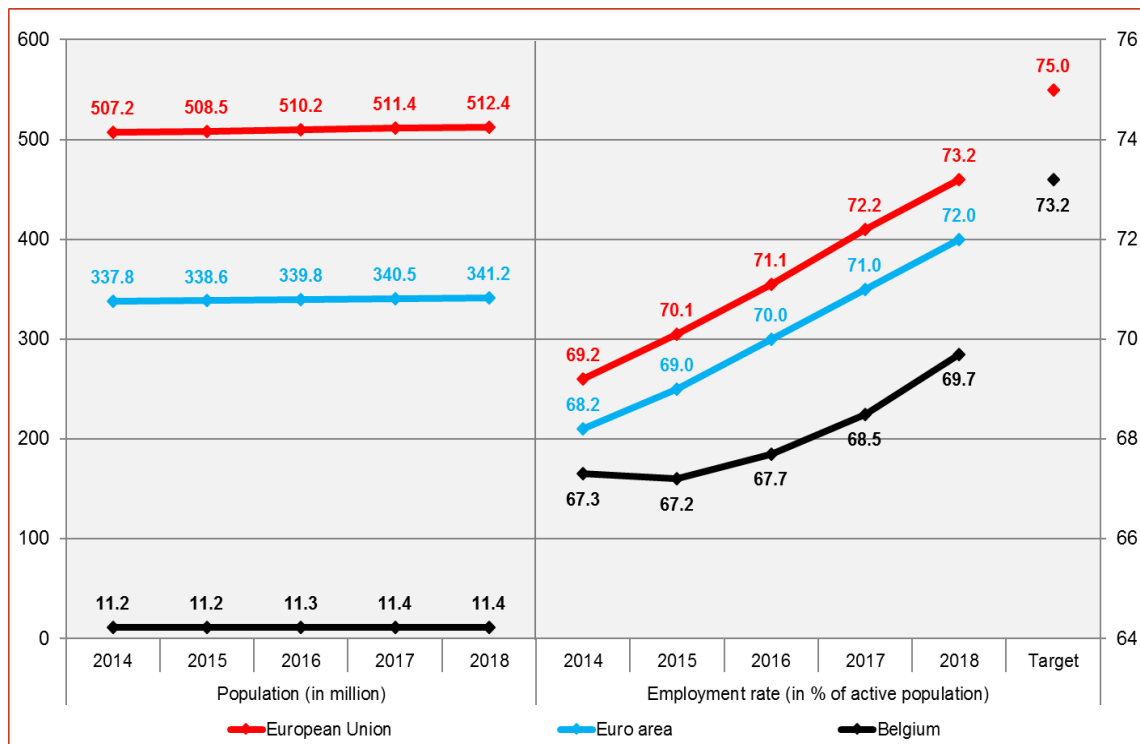


Source: Eurostat.

Continuation of the upward trend of the **production index** in the **manufacturing industry** in Belgium but also in the other two areas, although at a slower pace in 2018.

In Belgium, the **production index in the construction sector** grew for the second year in a row in 2018, after a downward trend observed until 2016. The production continued to grow dynamically in the two other areas.

Graph 17. Population and employment rate

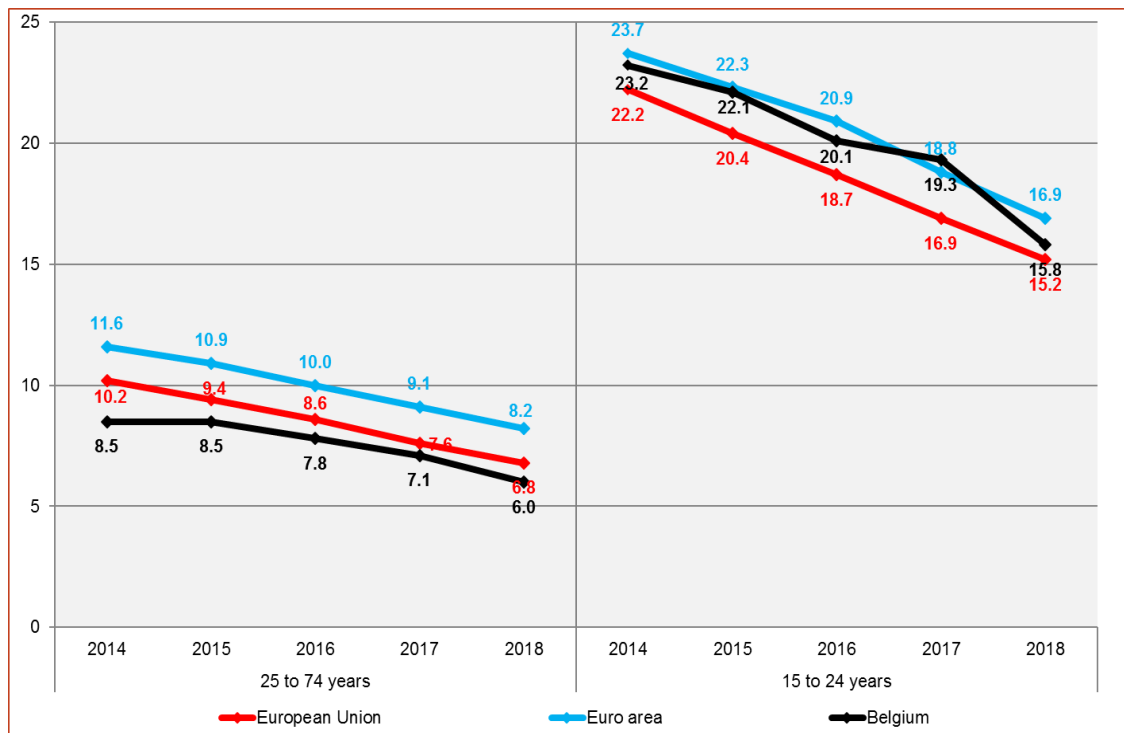


Source: Eurostat.

With 11.4 million **inhabitants** on 1st January 2018, Belgium's population accounted for 3.3 % of the one in the euro area (341.2 million inhabitants) and for 2.2 % of the European Union's population as a whole (512.4 million inhabitants).

With 69.7 %, Belgium's **employment rate** in 2018 is close to the average rates registered in the euro area (72 %) and in the European Union (73.2 %).

Graph 18. Unemployment rate



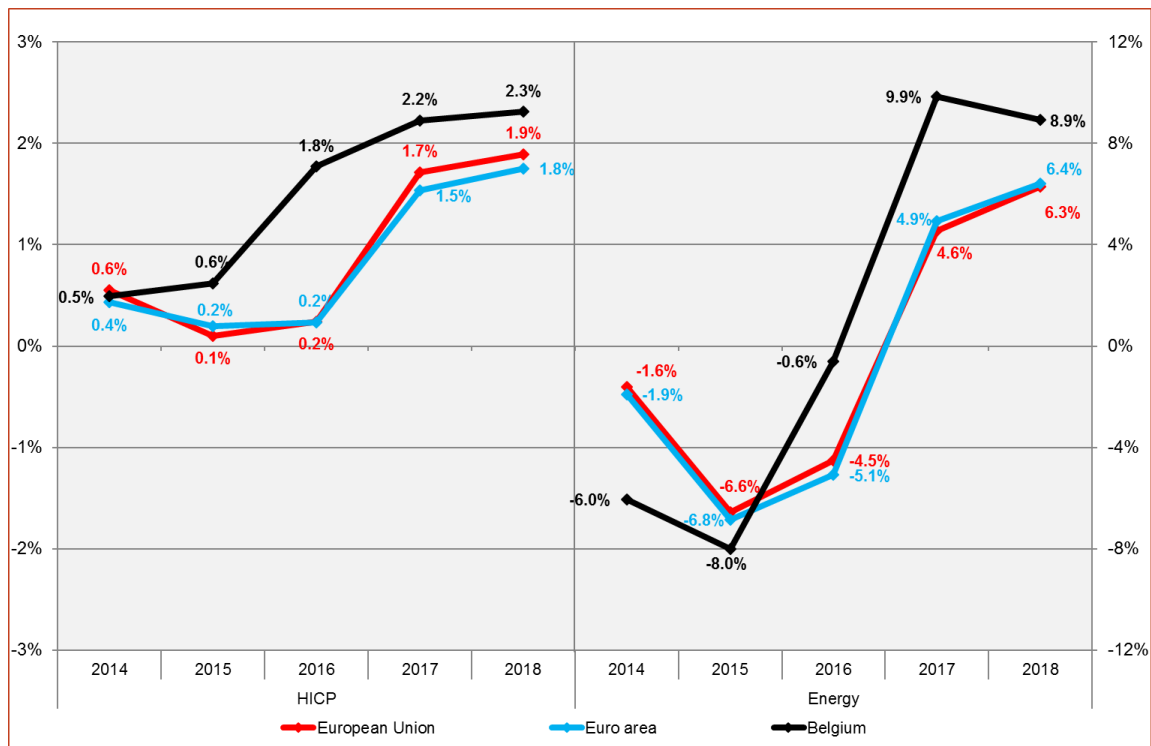
Source: Eurostat.

In 2018, Belgium's **unemployment rate** (25-74 year-olds) pursued its downward path and reached its lowest level in the analysed period. This is also true for the euro area and the European Union, but the decline has been more pronounced in Belgium than in the two other zones. Compared with 2017, this rate is down by 1.1 percentage points in Belgium, by 0.9 percentage points in the euro area and by 0.8 percentage points in the European Union.

The downward trend in the **youth unemployment rate** (15-24-year-olds) initiated in 2014 has continued in 2018: -3.5 percentage points in Belgium compared to 2017 (euro area: -1.9 pp; EU: -1.6 pp). For many years, the youth unemployment rate in Belgium has been higher than in the European Union but lower than in the euro area, with the exception of 2017 as far as the euro area is concerned.

In 2018, the gap between Belgium and the European Union is narrowing regarding the youth unemployment rate, while widening with the euro area.

Graph 19. Inflation



Source: Eurostat.

Inflation has risen faster in Belgium than in its main neighbouring countries and trade partners (France, Germany and the Netherlands) and in the euro area since various years.

A widening of the gap in **energy prices** has been observed between Belgium and the euro area since 2016, although it has narrowed somewhat in 2018.

5. Macroeconomic forecasts

Table 3. GDP growth forecasts in the international environment

(in %)

International environment	2017	2018	2019 (e)	2020 (e)
World	3.8	3.6	3.0	3.4
United States	2.2	2.9	2.4	2.1
China	6.8	6.6	6.1	5.8
Euro area	2.5	1.9	1.2	1.4
Germany	2.5	1.5	0.5	1.2
France	2.3	1.7	1.2	1.3
The Netherlands	2.9	2.6	1.8	1.6
United Kingdom	1.9	1.4	1.2	1.4

(e) = estimate.

Source: IMF (World Economic Outlook, October 2019), Eurostat.

Table 4. GDP growth forecasts in Belgium

(in %, unless otherwise indicated)

Belgium	2017	2018	2019 (e)	2020 (e)
GDP	2.0	1.5	1.1	1.1
Final consumption expenditure of households and NPI	1.8	1.5	0.8	1.2
Final consumption expenditure of general government	0.3	0.9	1.2	1
Gross fixed capital formation	1.3	4	3.2	1.8
Net exports (goods and services) (contribution to growth, in percentage points)	0.7	-0.7	0.2	-0.2
Total inflation (ICP)	2.1	2.1	1.5	1.4

(e) = estimate.

Source: NAI ([Economic outlook 2019-2020](#), September 2019), own calculations.