

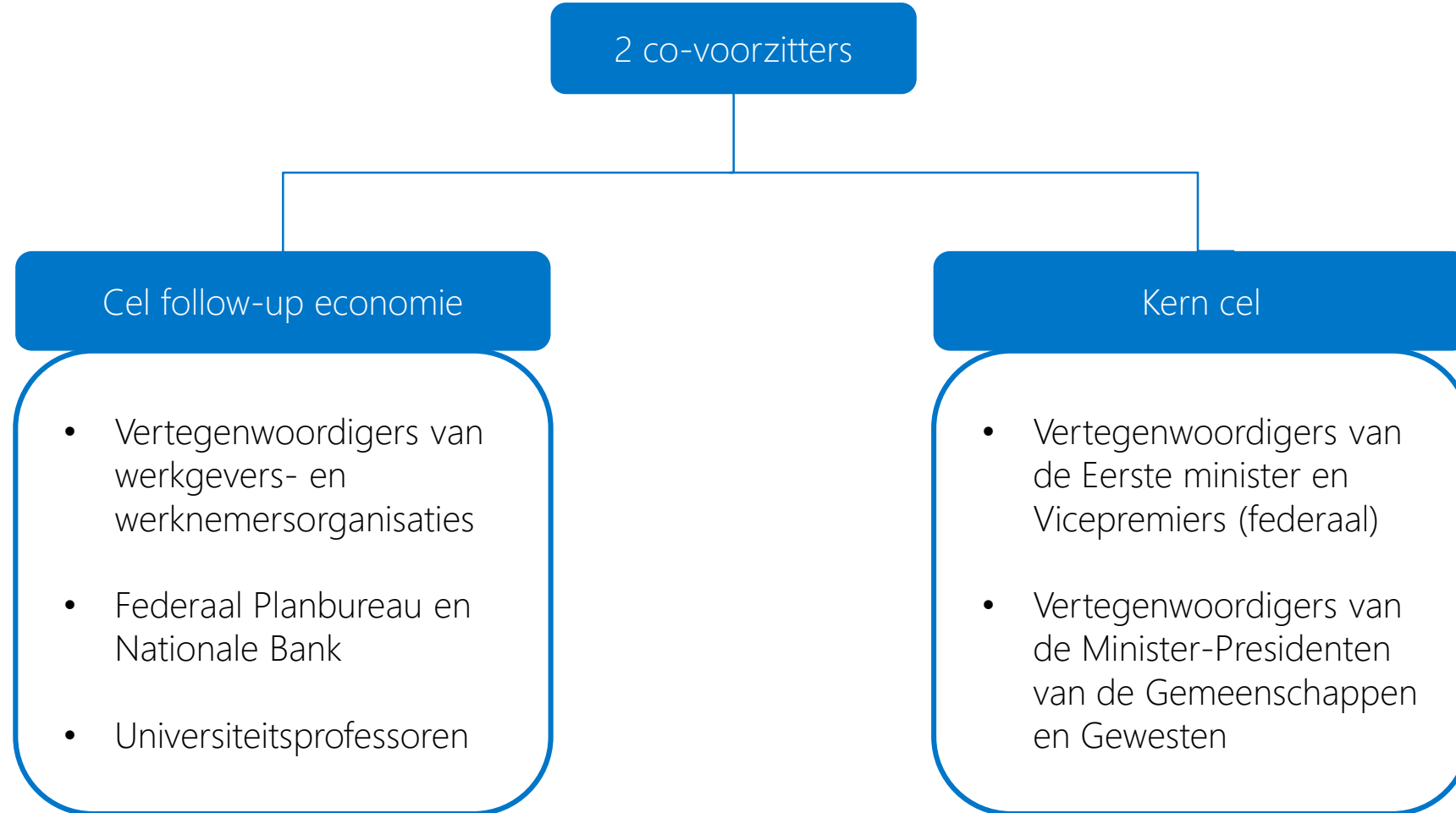
Hoorzitting van de co-voorzitters van de ERMG

De Kamer – Commissie Financiën en Begroting
20 oktober 2020

Overzicht van de uiteenzetting

- ◆ ERMG: korte reminder
- ◆ Business Continuity Planning
- ◆ Monitoring van de economie
- ◆ Belangrijkste boodschappen van vandaag

Economic Risk Management Group – Samenstelling



Economic Risk Management Group – Taken

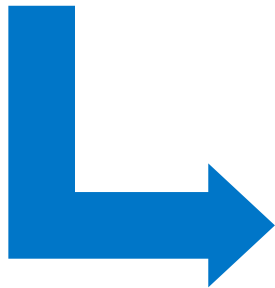
Initieel heeft de ERMG drie taken gekregen:

- ◆ Ervoor zorgen dat de voor ons land zeer kritieke bedrijven en infrastructuren blijven draaien ('business continuity');
- ◆ De impact van de coronapandemie meten op de bedrijven, de sectoren en de financiële markten;
- ◆ Maatregelen voorstellen aan de regering om deze crisis te bestrijden en daarbij een coördinerende rol spelen.

Economic Risk Management Group – Taken

Initieel heeft de ERMG drie taken gekregen:

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Snel bleek dat de ERMG niet het geschikte forum was voor het voorstellen van maatregelen, en dat haar meerwaarde vooral lag in volgende drie gebieden:

- ◆ Business continuity
- ◆ Monitoring van de economie
- ◆ Oplijsting van de genomen maatregelen

Plan de l'exposé

- ◆ ERMG: court rappel
- ◆ Business Continuity Planning
- ◆ Monitoring de l'économie
- ◆ Principaux messages aujourd'hui

Task Force Business Continuity Planning

Voornaamste focus

1. Garanderen van de Business Continuity
2. Begeleiden van de exit-strategie en ondersteuning van de GEES

'On hold' sinds juli 2020

Activiteitenverslag: https://www.nbb.be/doc/ts/other/ermg/ERMG_realisaties.pdf
Rapport d'activité: https://www.nbb.be/doc/ts/other/ermg/ERMG_realisations.pdf

I. Garanderen van de Business Continuity

1. End-to-end doorlichting van de business continuity van de Belgische voedselketen

2. Ad hoc realisaties inzake business continuity

- ◇ Akkoord sociale partners gezamenlijk standpunt "social distancing"
- ◇ Accijnsvrije fabricage en handel van handgels en ontsmettingsmiddelen
- ◇ Inventaris stockagemogelijkheden diepgevroren producten
- ◇ Afspraken met het Nationale Crisiscentrum m.b.t. aansturing politie
- ◇ Landing page voor de bedrijfswereld en afstemming van de verschillende FAQ's
- ◇ Advies seizoenarbeiders
- ◇ Ter beschikking stellen van maskers voor werknemers
- ◇ Overzicht socio-economische maatregelen in de buurlanden

II. Begeleiden van de exit-strategie en ondersteuning van de GEES

◆ Adviezen

- ◇ Check list protocollen
- ◇ Protocol cultuur, evenementensector en CERM
- ◇ Heropening dancings en nachtleven
- ◇ Modaliteiten winkelbezoek
- ◇ Modaliteiten openbare markten
- ◇ Hervatting van de maaltijdleveringen aan scholen en aan de speelpleinwerking
- ◇ Lijst van [kritische sectoren](#) versus identificatie [kritische functies](#) voor afwijking tijdelijke quarantaine

Overzicht van de uiteenzetting

- ◆ ERMG: korte reminder
- ◆ Business Continuity Planning
- ◆ Monitoring van de economie
 - ◇ Vooruitzichten van juni 2020
 - ◇ Recente ontwikkelingen
 - ◇ ERMG-enquête (22 september 2020)
 - ◇ Banksector
 - ◇ Samenvatting van de economische vooruitzichten
- ◆ Belangrijkste boodschappen van vandaag

June 2020 NBB projections: key messages

1 The Covid-19 crisis is worse than the "Great" recession (2008/2009)

2 The Belgian economy is not fully recovering

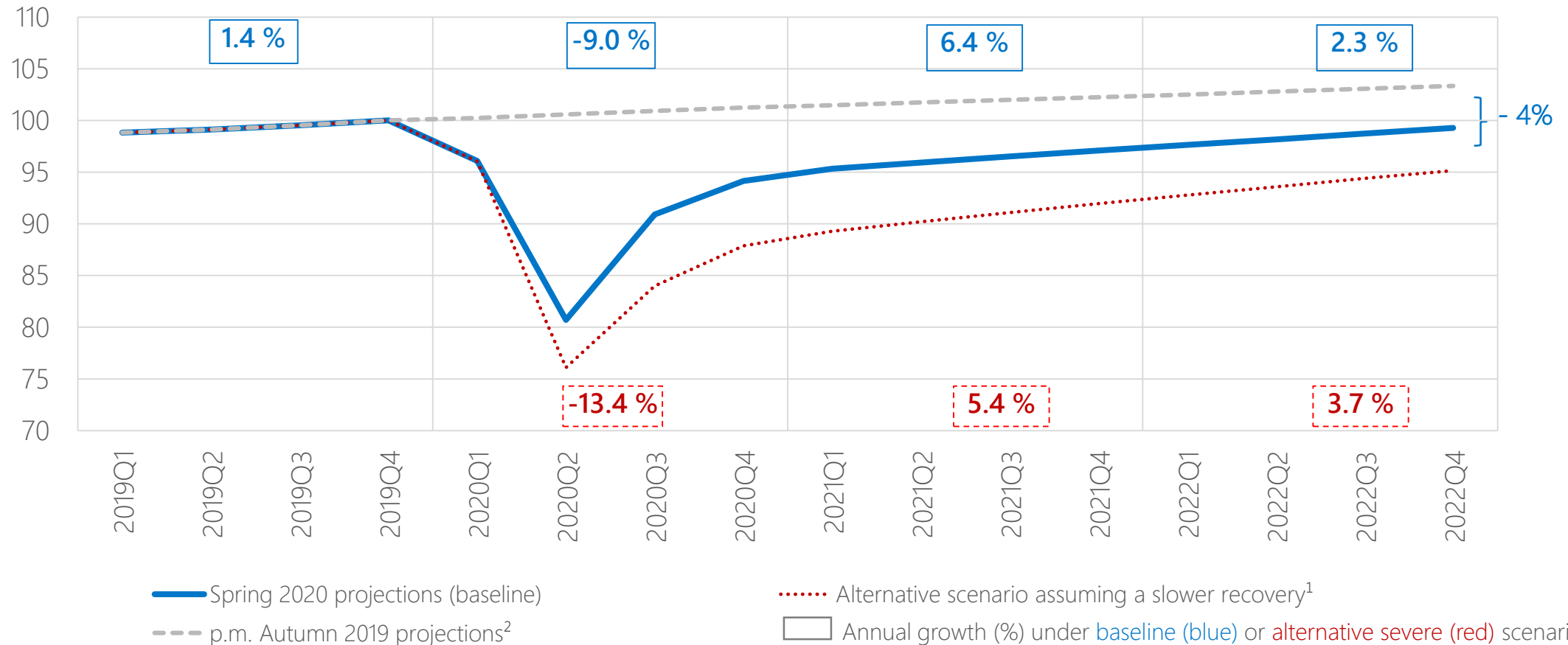
- ◆ No V-shaped recovery: **structural damages due to the coronavirus** (bankruptcies, unemployment,...) induce a decline in GDP
- ◆ **Household consumption** is recovering quickly, thanks to increasing purchase power (more than 2 % per person over the period 2020-2022).
- ◆ **Business investment** takes longer to recover
- ◆ Covid-19 crisis wipes out nearly 50 billion euro in welfare in 2020 and the Belgian economy does not recover completely by 2022
- ◆ Due to uncertainties, **these forecasts are much more uncertain than usual**

3 The crisis will have a permanent impact on the public debt, but also on the fiscal deficit, which would be twice as high in 2022 as it would have been without the crisis

The Belgian economy faces permanent damage due to bankruptcies, higher unemployment and decline in trade

Real GDP in Belgium

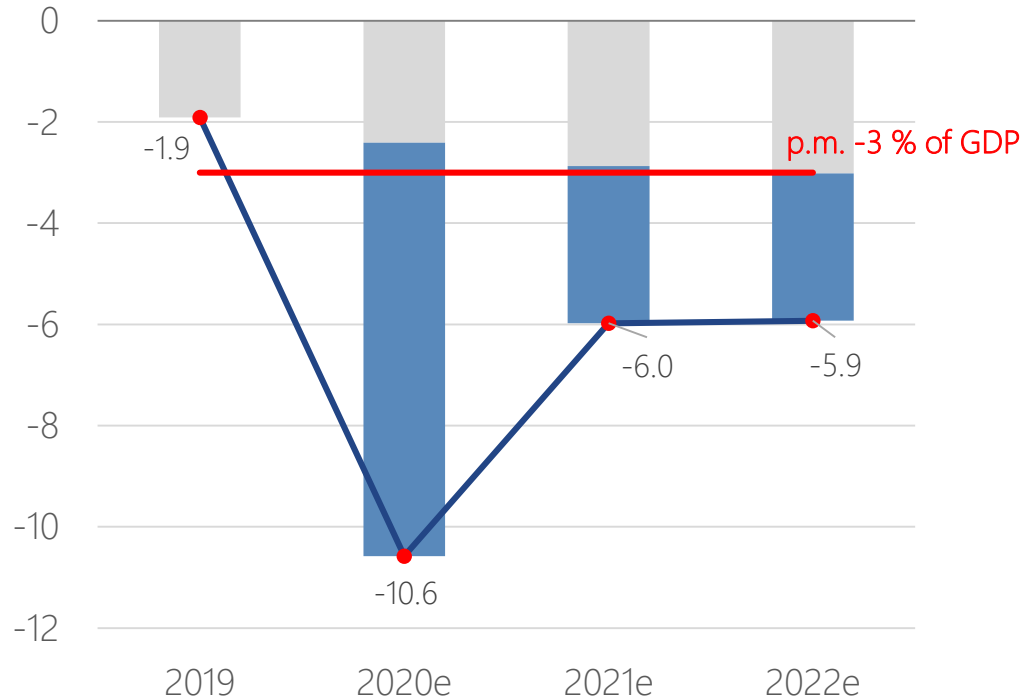
(quarterly data, index 2019Q4=100, unless otherwise stated)



The impact of the crisis on public finances is expected to be partly persistent

The budget deficit is twice as large in 2022

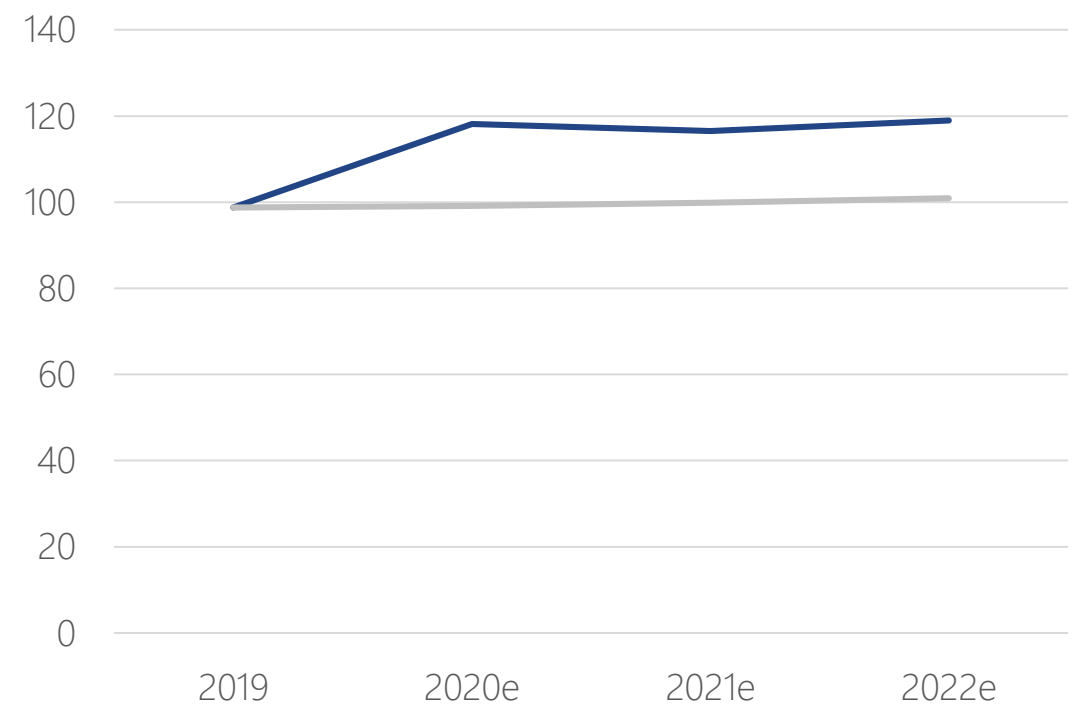
(in % of GDP)



- Impact Covid-19
- Budget balance excluding Covid-19 impact
- Budget balance

Public debt increases by 20pp

(in % of GDP)



- Government debt
- p.m. idem, excl. Covid-19 impact

Overview of measures taken by the Federal government and by the Communities and Regions¹

(impact in 2020, in € billion, unless otherwise stated)

	Federal government	Communities & Regions	Total	In % GDP	
Management of health crisis	4.3	0.9	5.2	1.2	
Temporary lay-off scheme	4.0	-	4.0	0.9	
Other social expenditure and support for households	3.3	0.4	3.6	0.8	
o.w. replacement income for self-employed	2.5	-	2.5	0.6	
Indirect tax (reduced VAT rate for hotels, restaurants and cafés)	0.3	0.0	0.4	0.1	Impact on budget balance and debt
Solvency (and liquidity) support	2.4	3.9	6.3	1.4	
Transfers to companies (nuisance premium , support)	0.5	3.2	3.7	0.8	
Taxes (carry back, investment deduction, tax exemption)	1.6	0.0	1.6	0.3	
Capital injections/subordinated loans	0.3	0.7	1.0	0.2	
Liquidity support (deferrals of tax payments, etc.)	<i>p.m.</i>	<i>p.m.</i>			Impact on debt
<i>p.m. Total impact on budget balance</i>	13.9	4.4	18.3	4.1	
<i>p.m. in % of GDP</i>	3.1	1.0	4.1		
<i>p.m. Guarantees</i>	50.0	2.0	52.0	11.7	Impact if guarantee is triggered

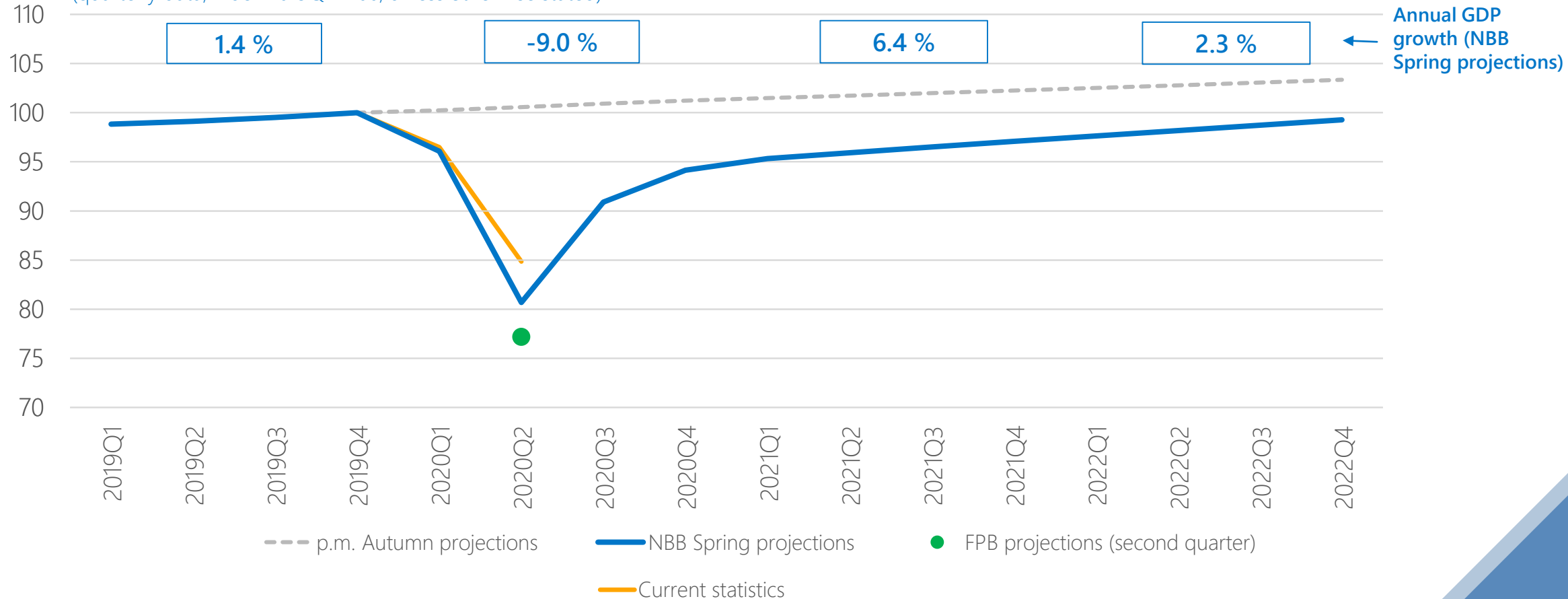


Recente ontwikkelingen

The downturn in 2020 Q2 appears to have been less severe than predicted

Real GDP in Belgium

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



Household consumption has driven the economic rebound as expected, but the losses are not fully offset

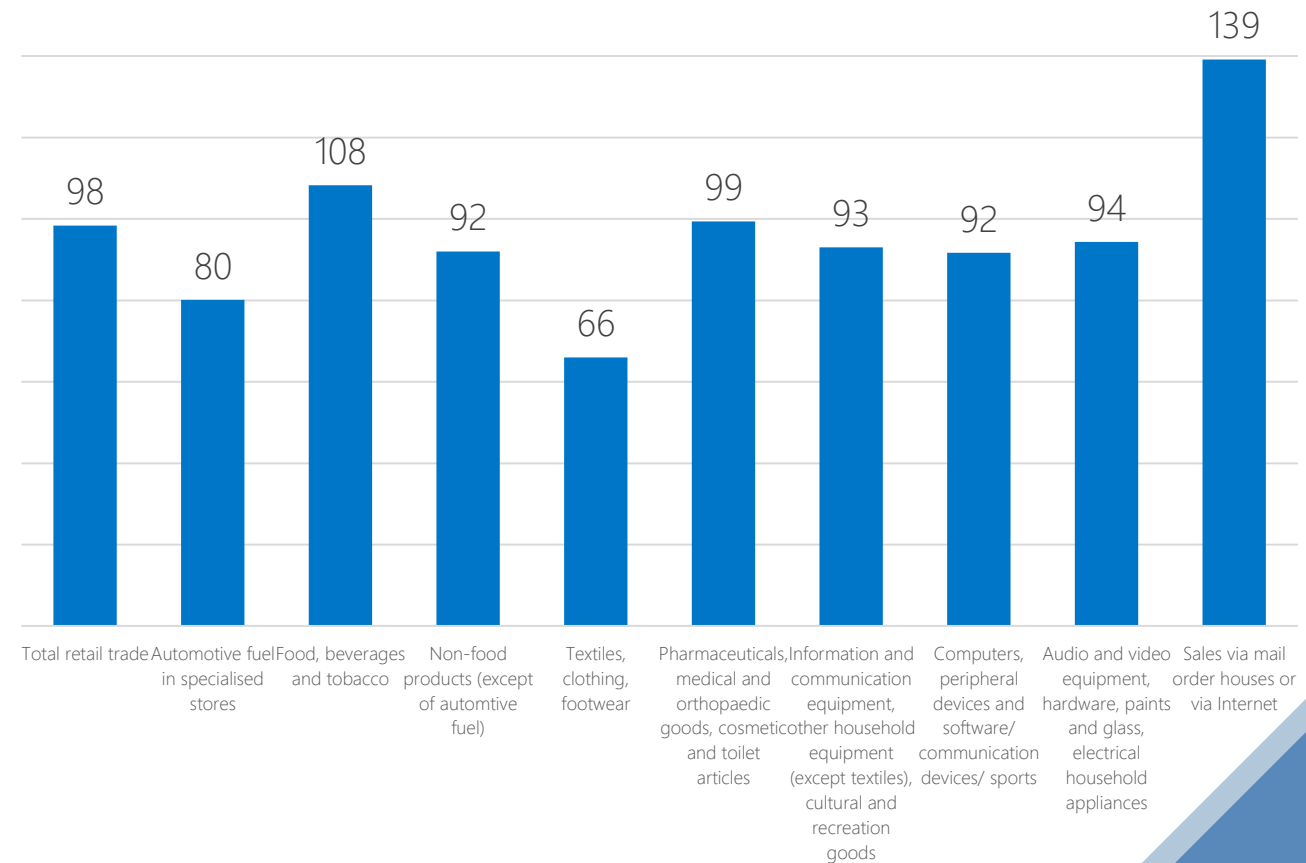
Retail sales¹

(100 = January of the current year, volume index)



March-August 2020 in % of March-August 2019

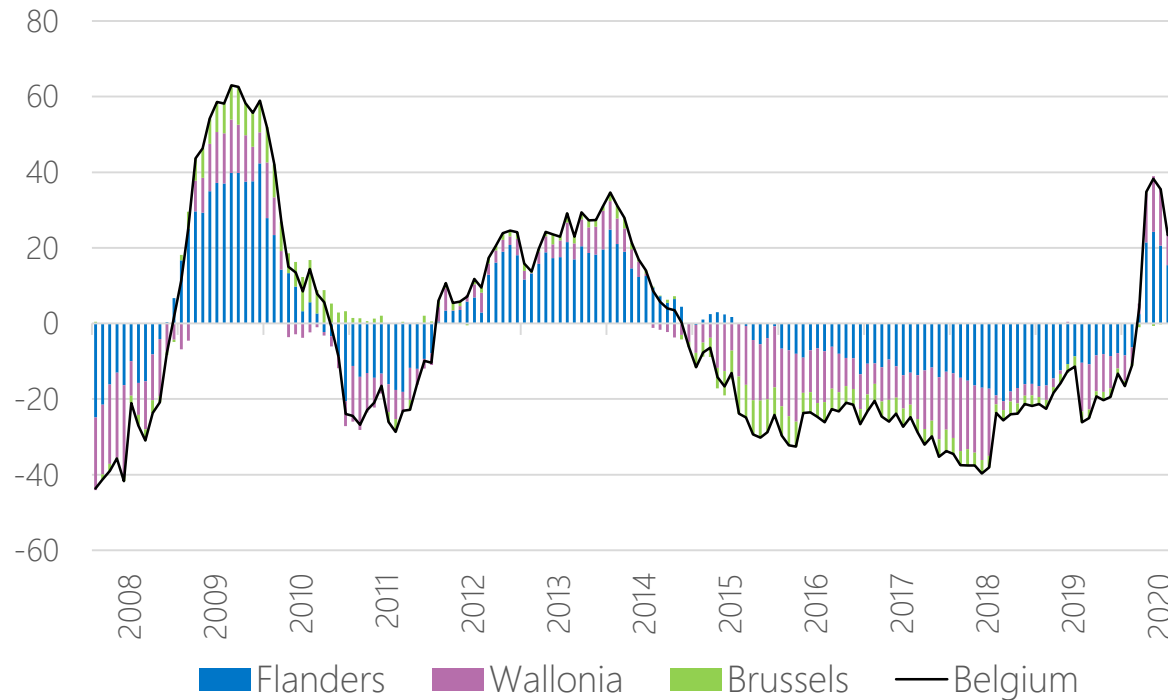
(ratio in %, quantity)



Job losses and bankruptcies remain limited ... for now

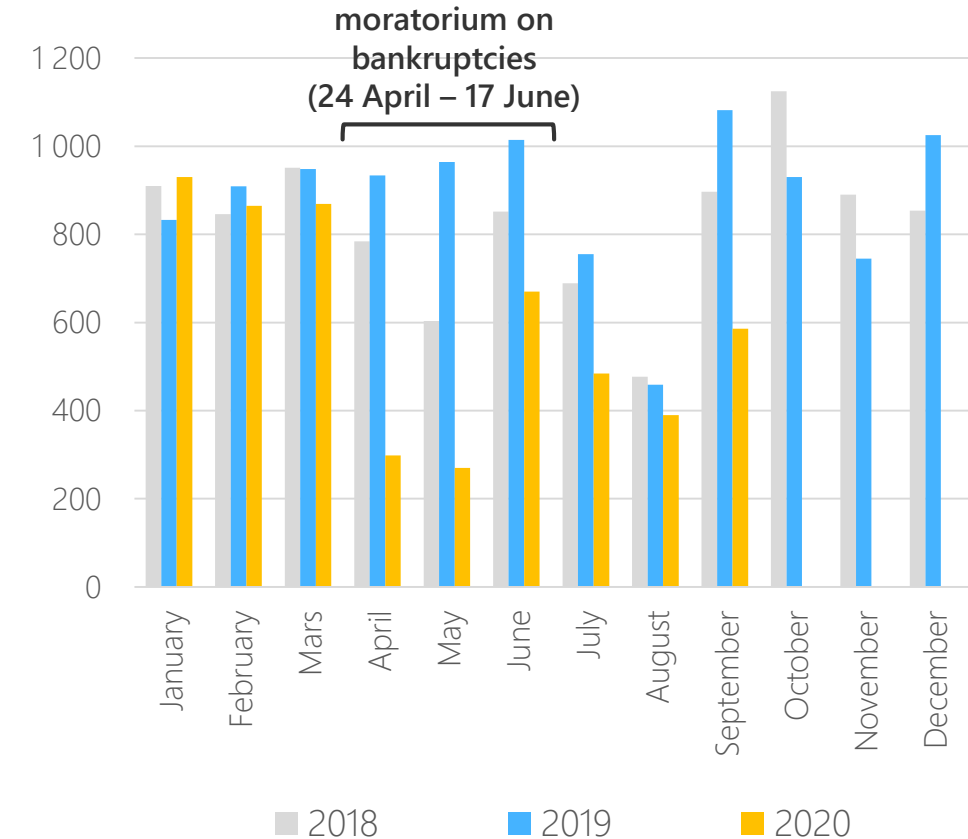
Spike in unemployment

(annual variation, monthly data, thousands of people)



- ◆ NBB June projections: increase of 103k people on average in 2020
- ◆ Currently only +17k on average from January to September

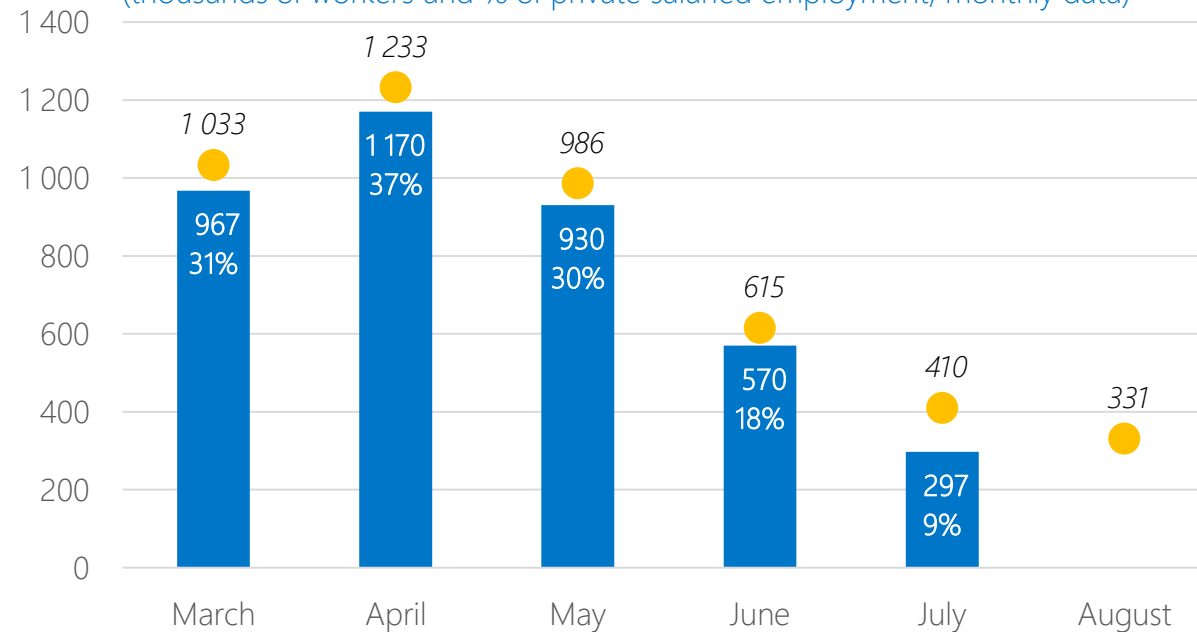
Number of bankruptcies by month



Many workers are still in temporary unemployment (that in some industries has been prolonged until end-2020)

Temporary unemployment: requests and monthly payments

(thousands of workers and % of private salaried employment, monthly data)



■ Actually paid

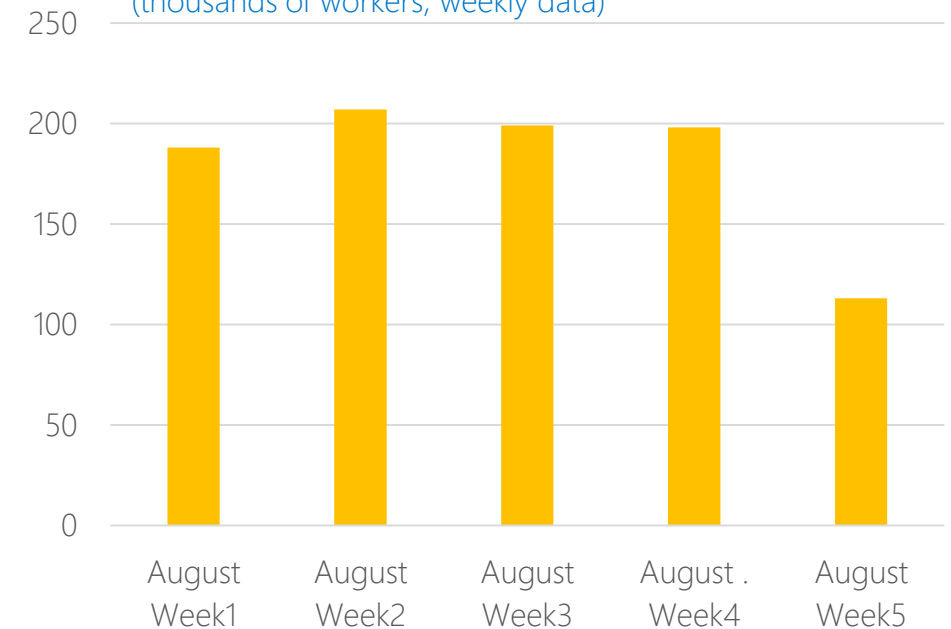
● Requests

Average number of days per worker

March	April	May	June	July
8.9	15.8	10.9	9.4	8.1

Temporary unemployment: weekly requests

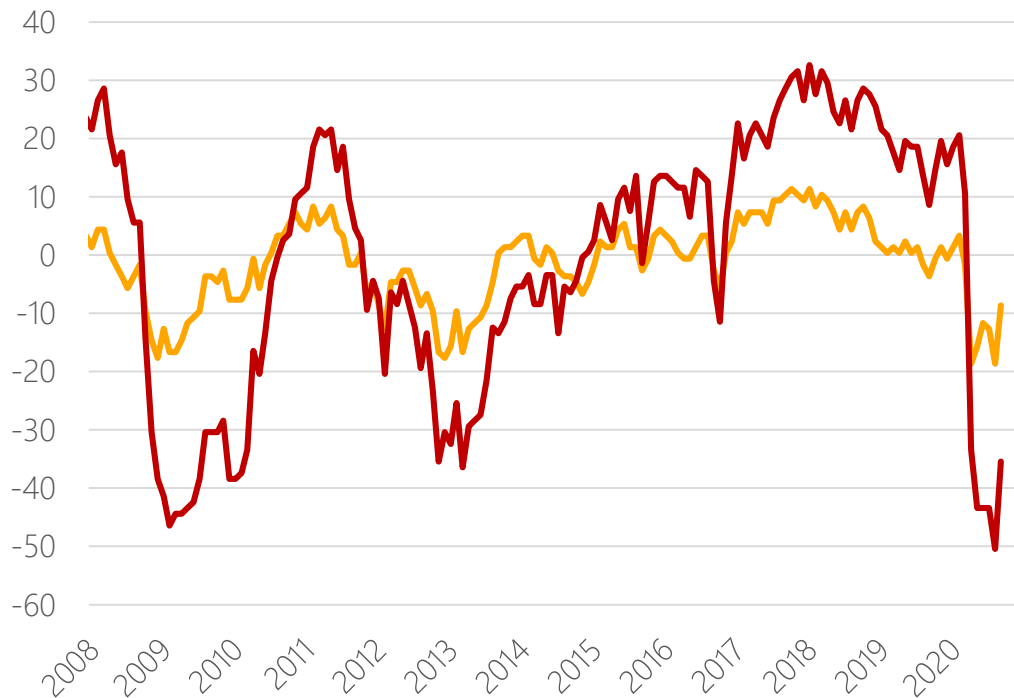
(thousands of workers, weekly data)



Consumer confidence has not recovered yet and the new COVID-19 upsurge could weigh on the rebound of household consumption

Consumer confidence index: Belgium

(difference from the historical average)

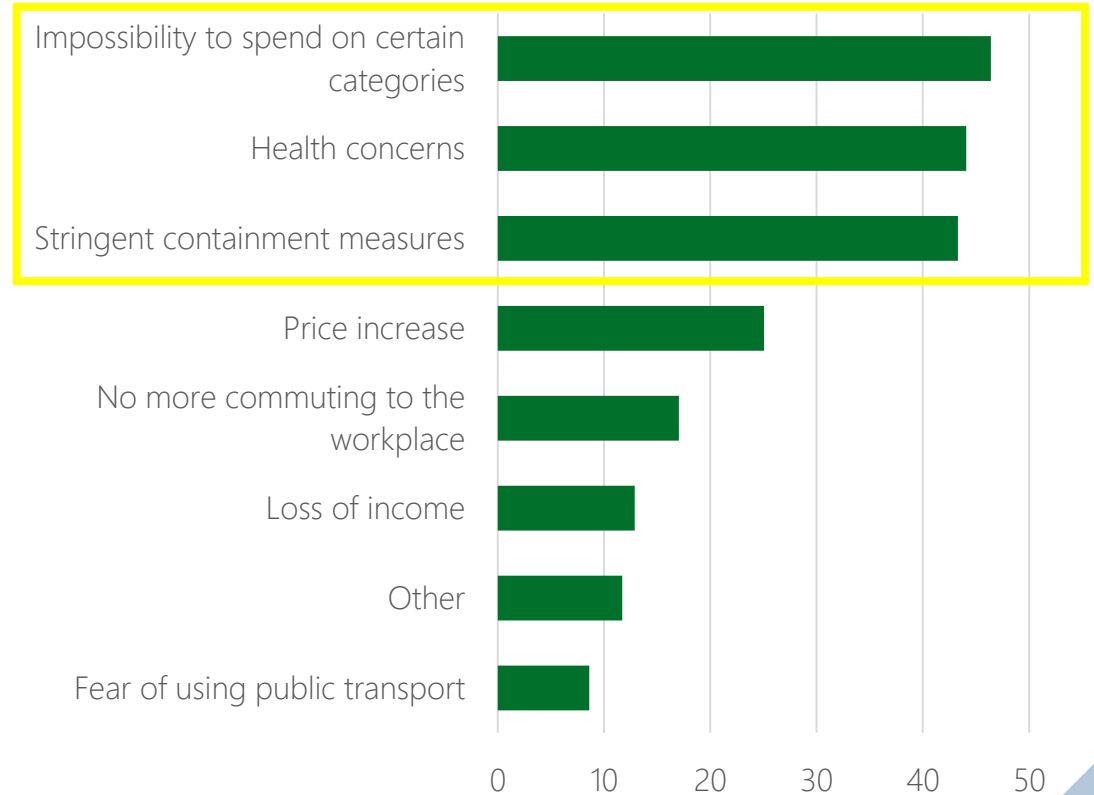


— Consumer confidence indicator

— Unemployment forecasts in Belgium for the next 12 months¹

Why is your spending decreasing?

(in %, July 2020)



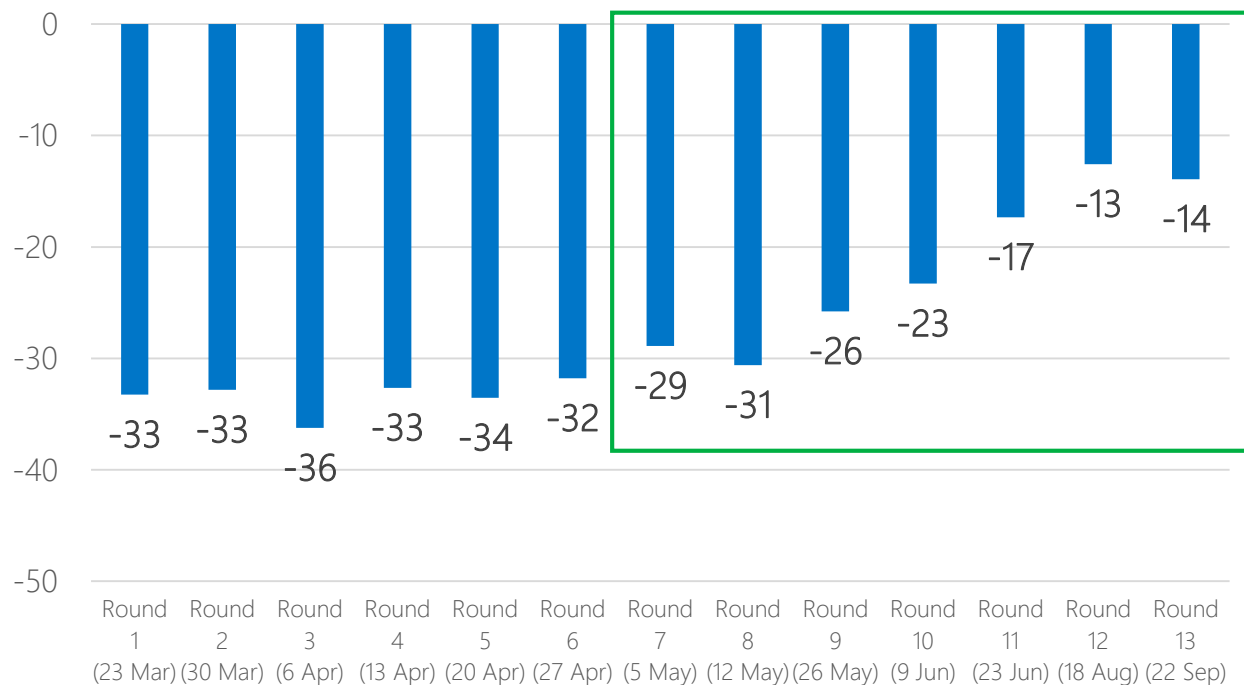
Enquête ERMG (22 septembre 2020)

Enquête en maandelijks dashboard beschikbaar op
<https://www.nbb.be/nl/covid-19/ermg/persberichten-ermg>

The slow and incomplete revenue recovery has come to a halt in September and no large improvement is expected for 2021

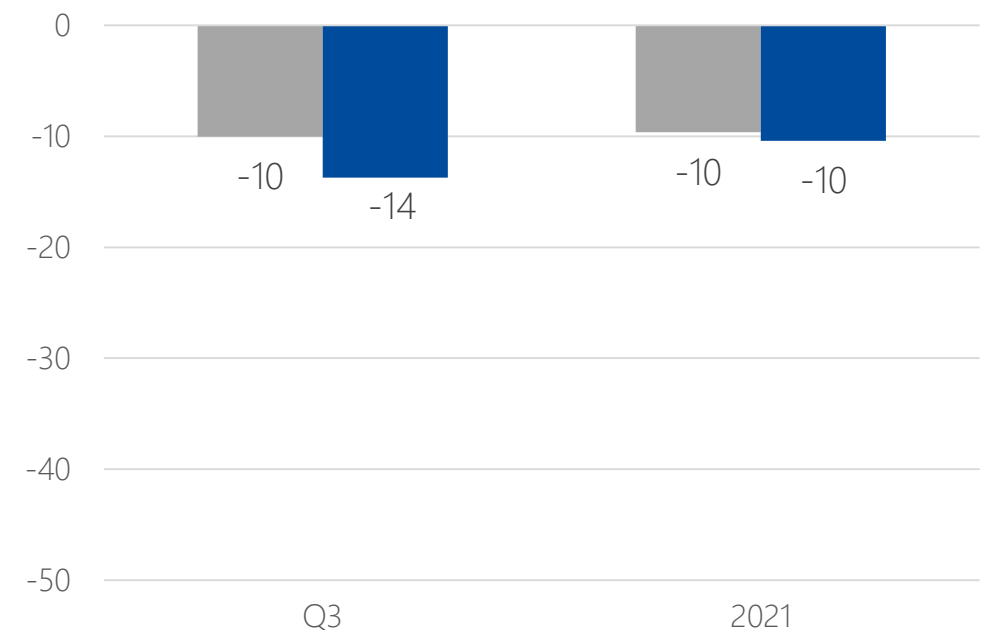
COVID-19 impact on weekly turnover

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



Expected impact on Q3 and 2021 turnover

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

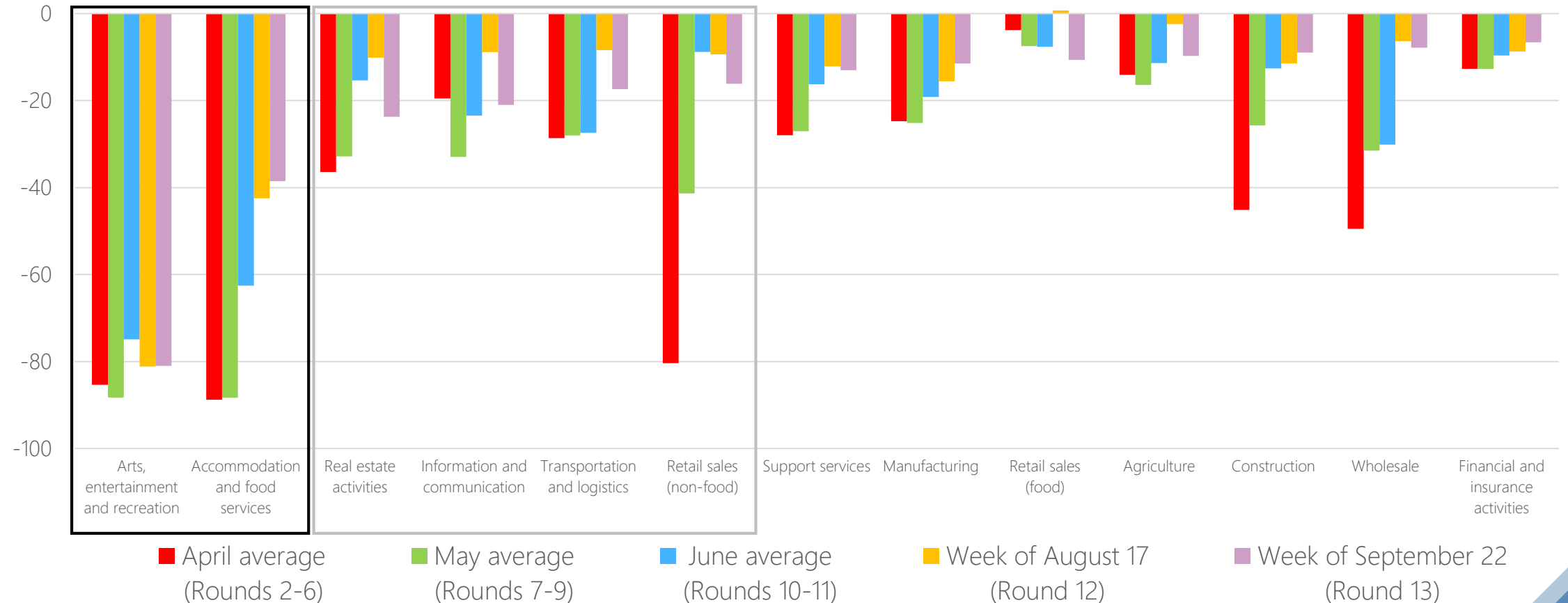


- Expectation of Round 12 (17 Aug)
- Expectation of Round 13 (22 Sep)

Revenue loss remains very high in events and recreation and horeca and it has worsened in real estate, retail sales, ICT and transportation

COVID-19 impact on weekly turnover

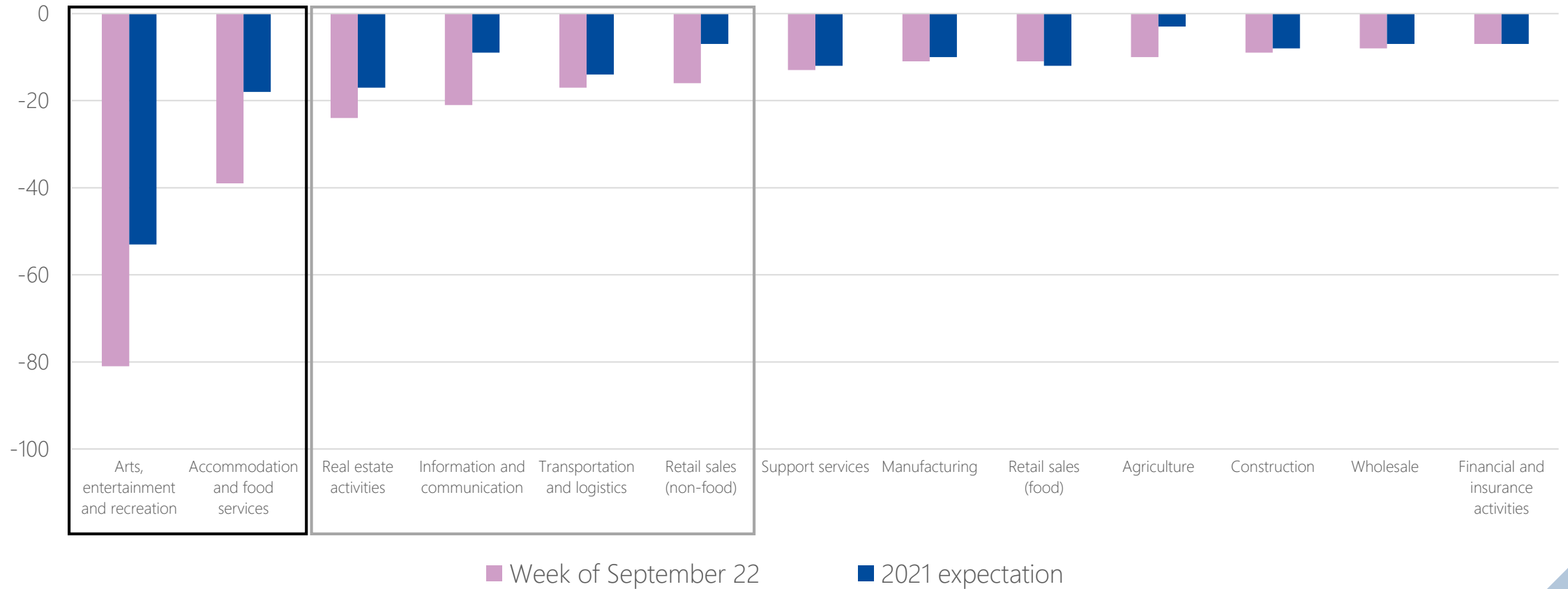
(in %, weighted average based on revenues)



These worst hit sectors are expected to only partially narrow their loss in 2021 while no further improvement is expected for the other sectors

Expected COVID-19 impact on turnover in the current week and in 2021 (Round 13)

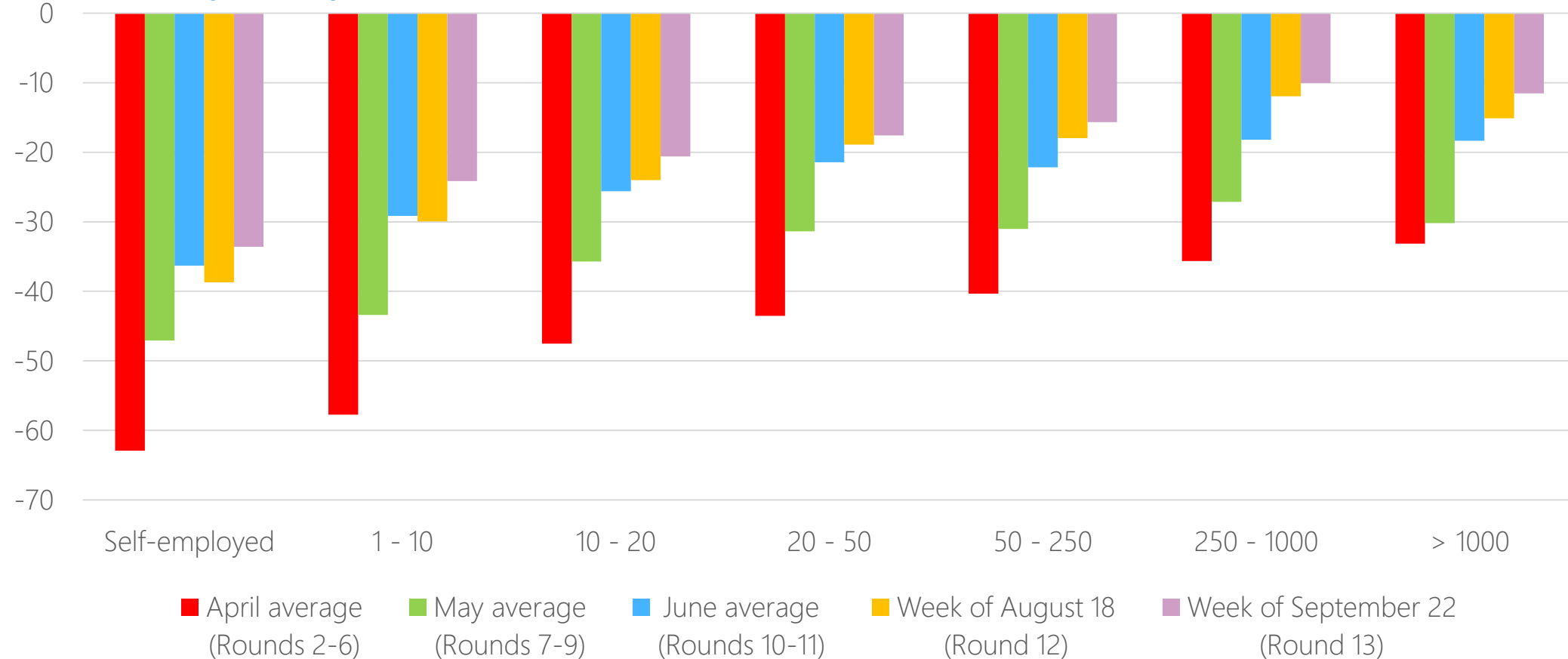
(in %, weighted average based on revenues)



Small firms took the largest hit during lockdown and still suffer most ...

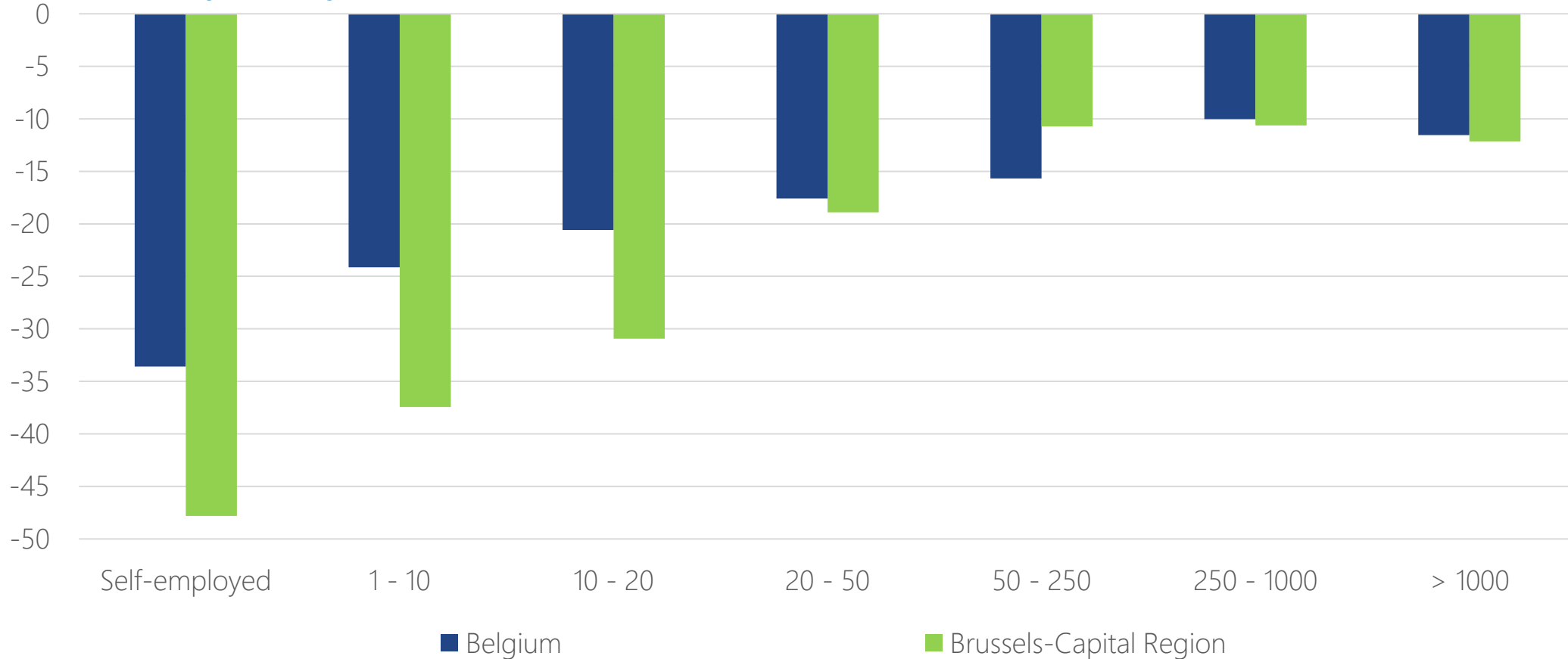
Reported impact on weekly turnover, by number of employees

(in %, unweighted average¹)



... and small Brussels firms are hit even more as Brussels receives fewer commuters (due to telework), tourists and business travelers

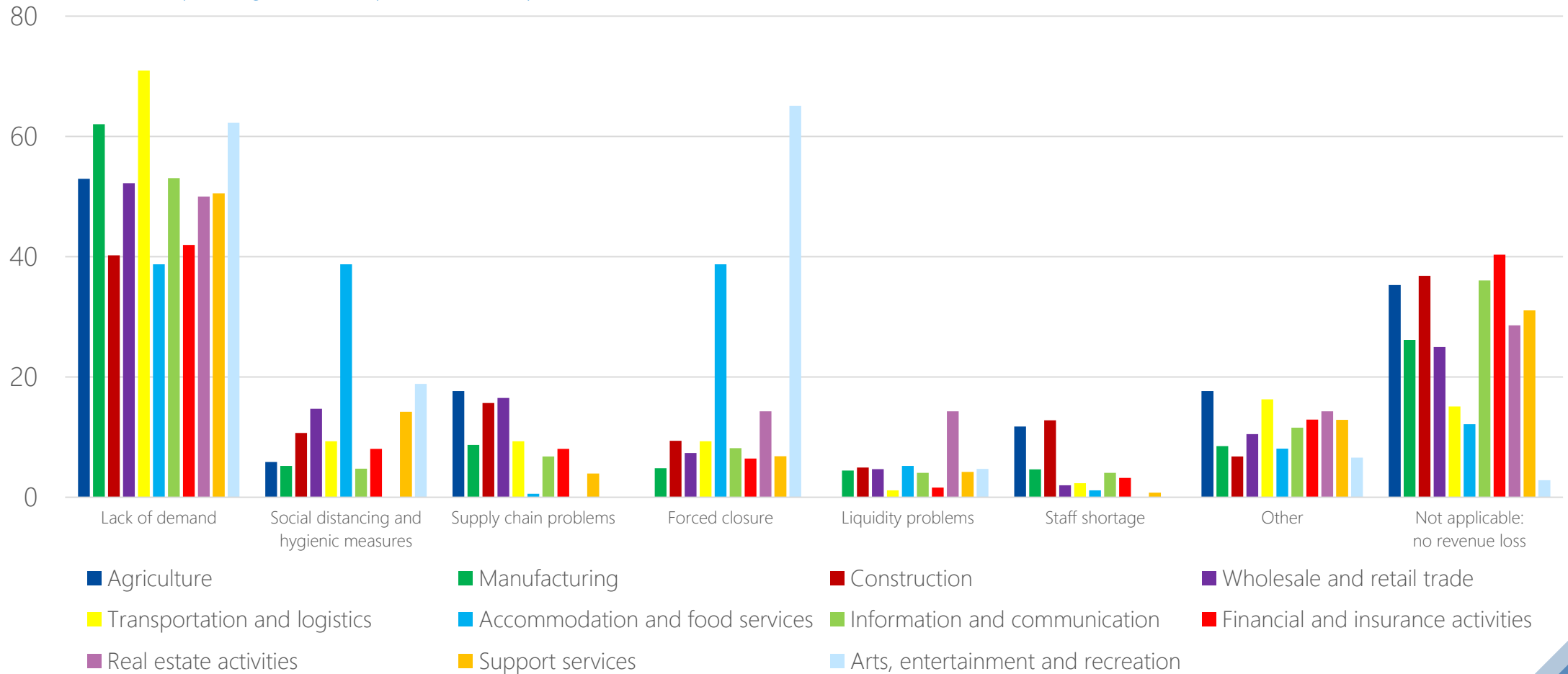
Reported impact on weekly turnover of Round 13 (22 September), by number of employees
(in %, unweighted average¹)



Lack of demand remains the key reason for revenue loss in addition to social distancing, supply chain problems and forced closure

Reasons for revenue loss this week (Round 13)

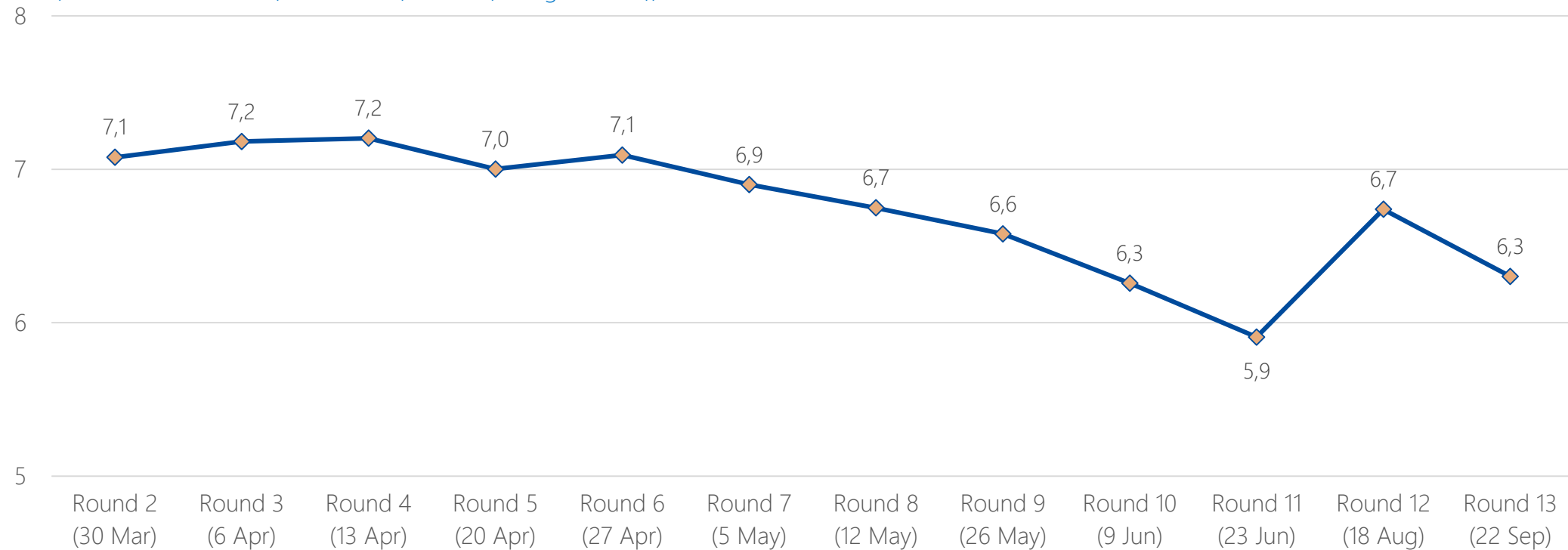
(in % of responding firms, multiple reasons are possible)



The improvement in the concern indicator also stalled over the past two months, in line with the revenue loss developments

Indicator of concern about current situation

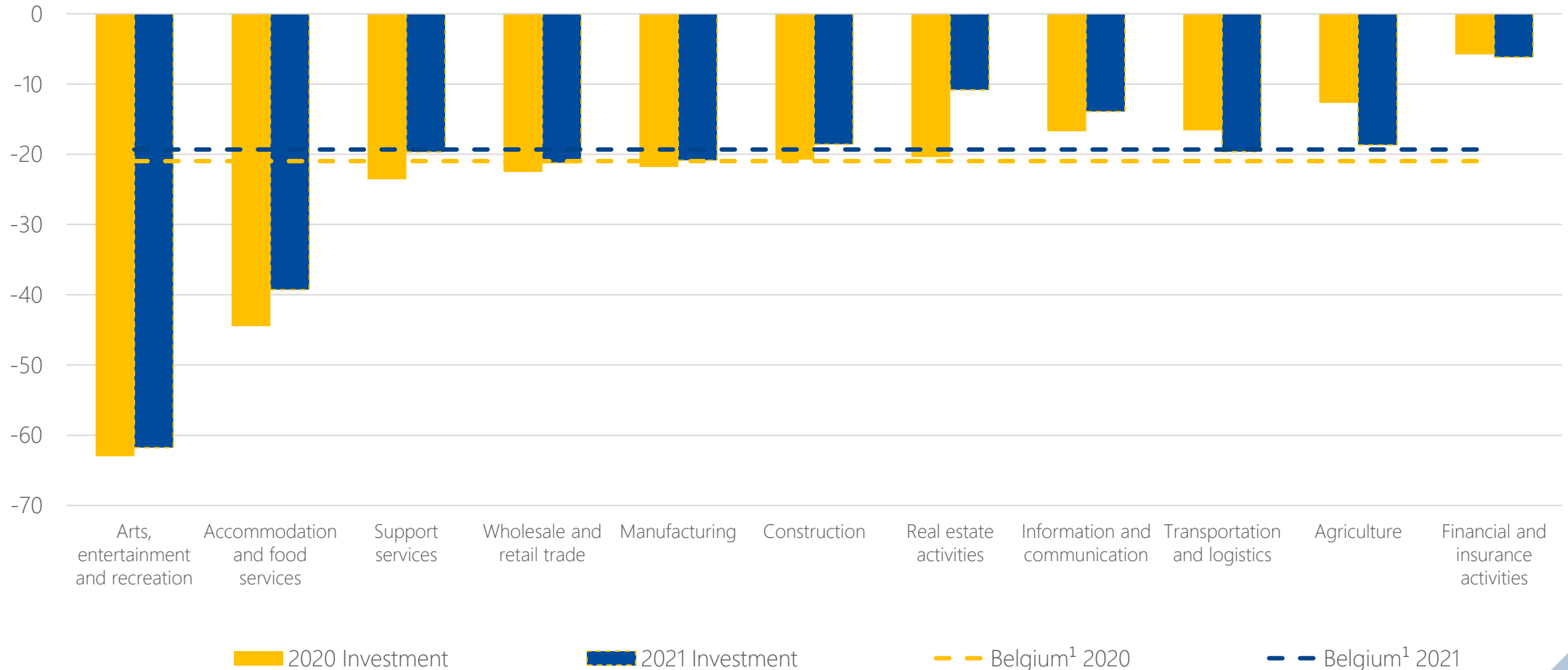
(Indicator¹ between 1 (low concern) and 10 (strong concern))



The average company expects to reduce its investment by 20 % in both 2020 and 2021

COVID-19 impact on expected investment in 2020 and 2021 (Round 13)

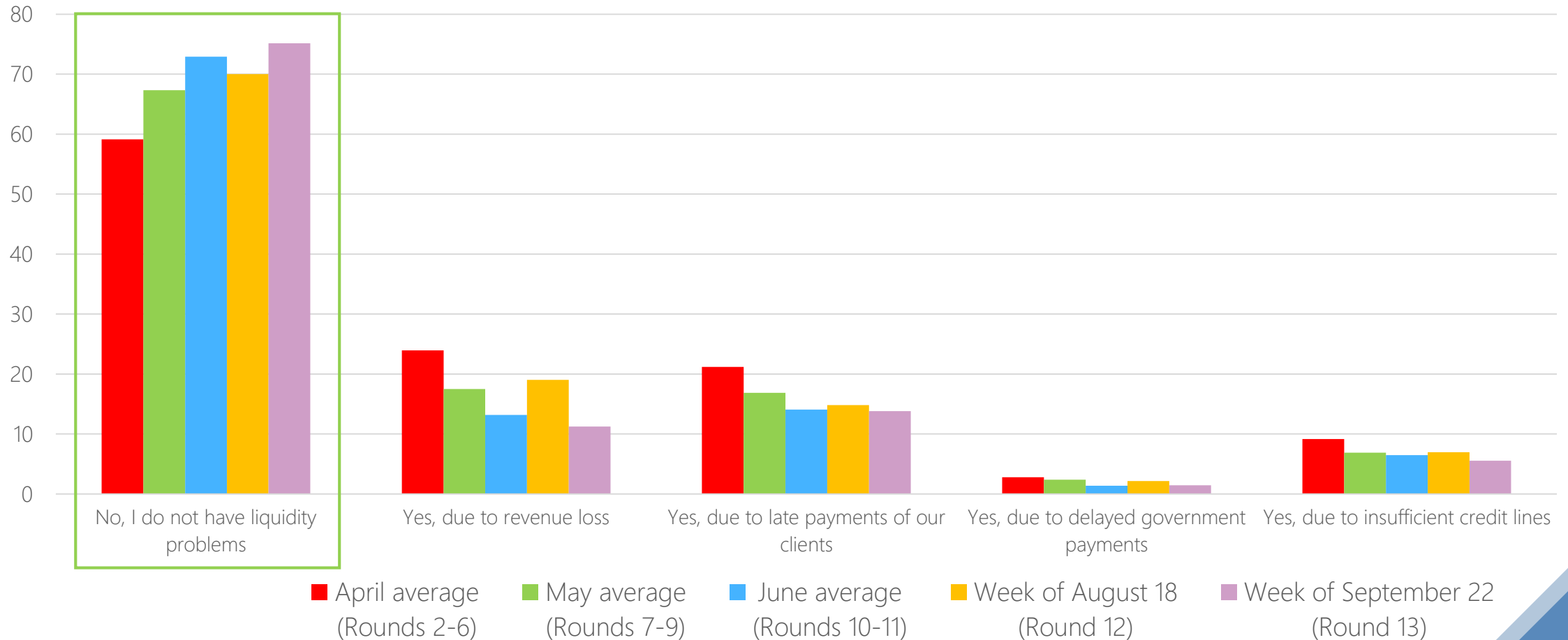
(in %, unweighted average change in investments of the responding firms with investment plans)



Liquidity problems have diminished since the lockdown period, but 25 % of companies still report liquidity problems ...

Do you have liquidity problems?

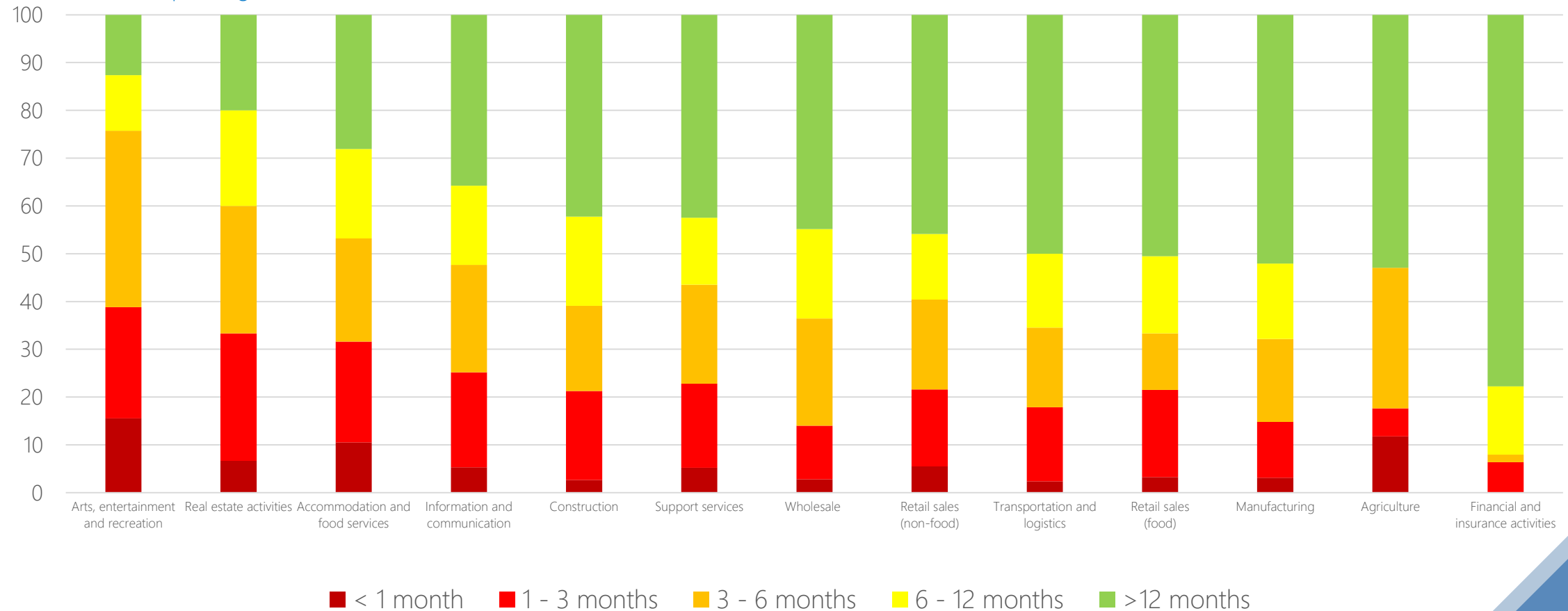
(in % of responding firms¹, multiple answers are possible)



... and half of the firms need additional financing in the short run to meet their current financial obligations

How long can you still meet your current financial obligations (debt repayment, rent, taxes, ...) without having to rely on additional equity or credit? (Round 13)

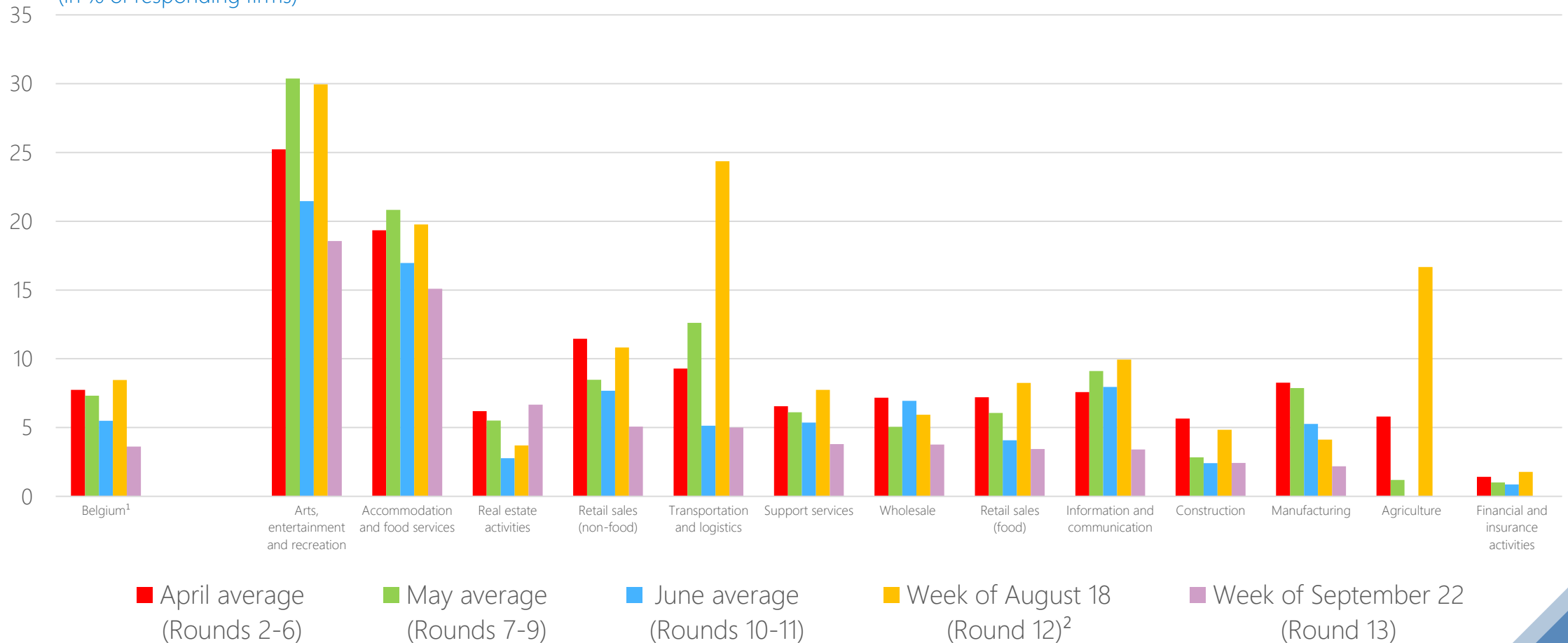
(in % of responding firms¹)



Perceived bankruptcy risk of firms has further decreased, but this could be due to the sample composition² and a survival bias ...

Firms that consider bankruptcy to be likely or highly likely

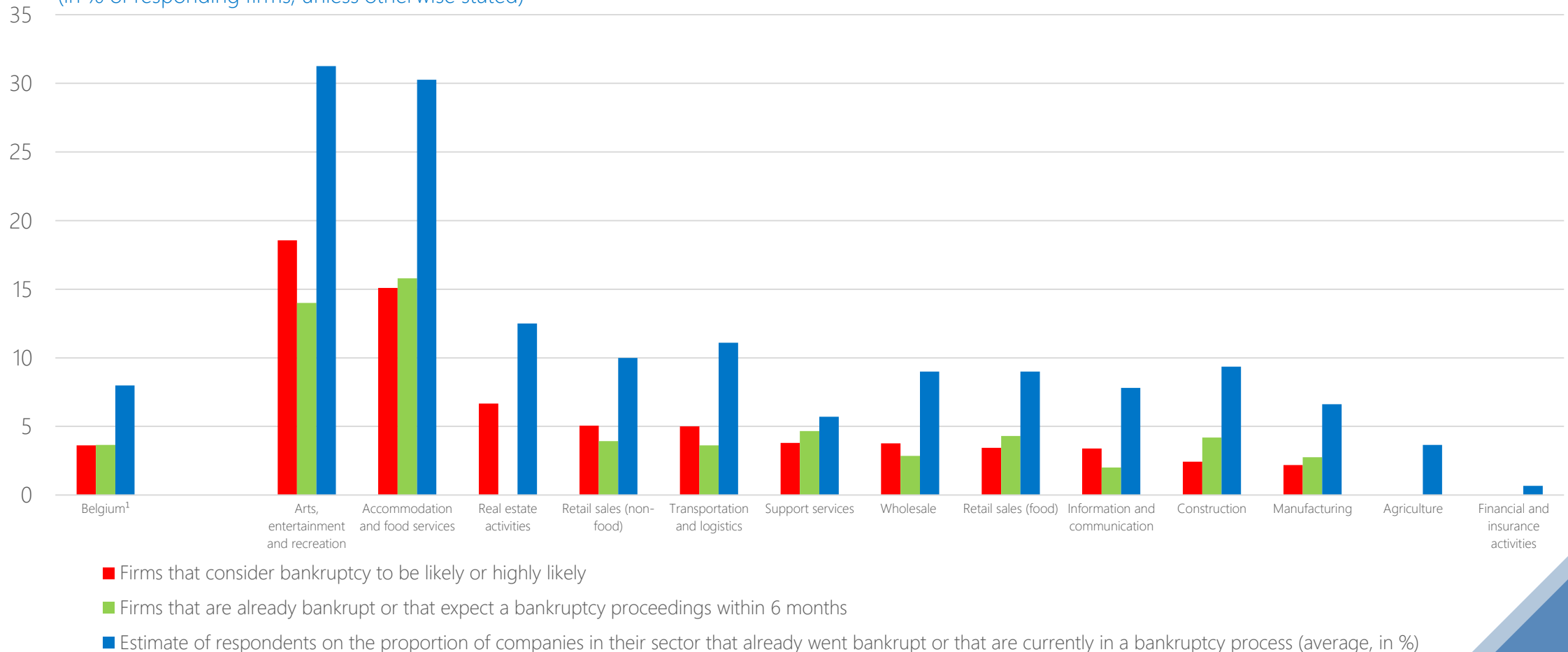
(in % of responding firms)



... as firms assess the bankruptcy risk in their industry to be much higher (suggesting a possible survival bias in the sample)

Bankruptcy risk assessment per sector according to three different questions of the survey (Round 13)

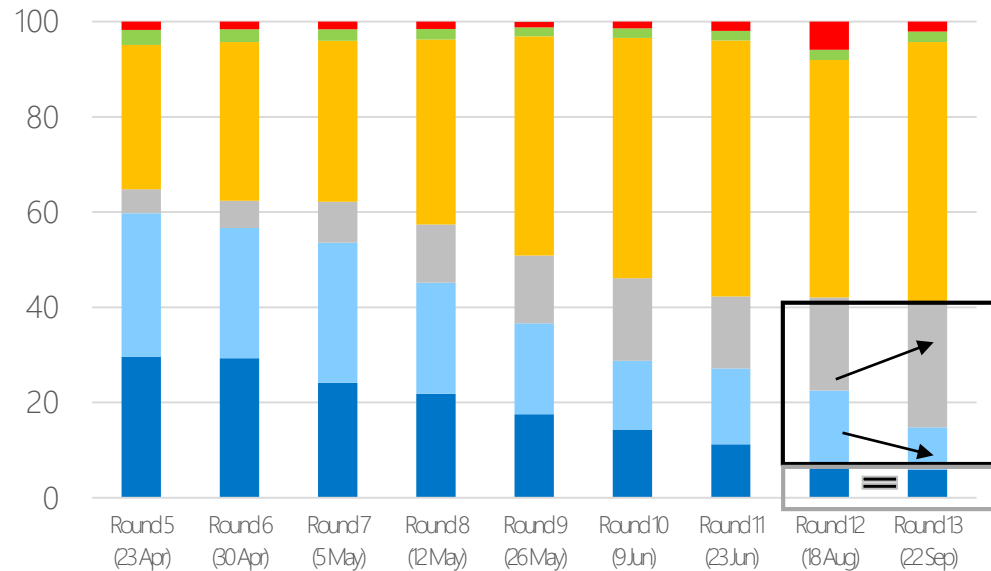
(in % of responding firms, unless otherwise stated)



Many employees shifted from full-time telework to part-time telework, while temporary unemployment has not declined further

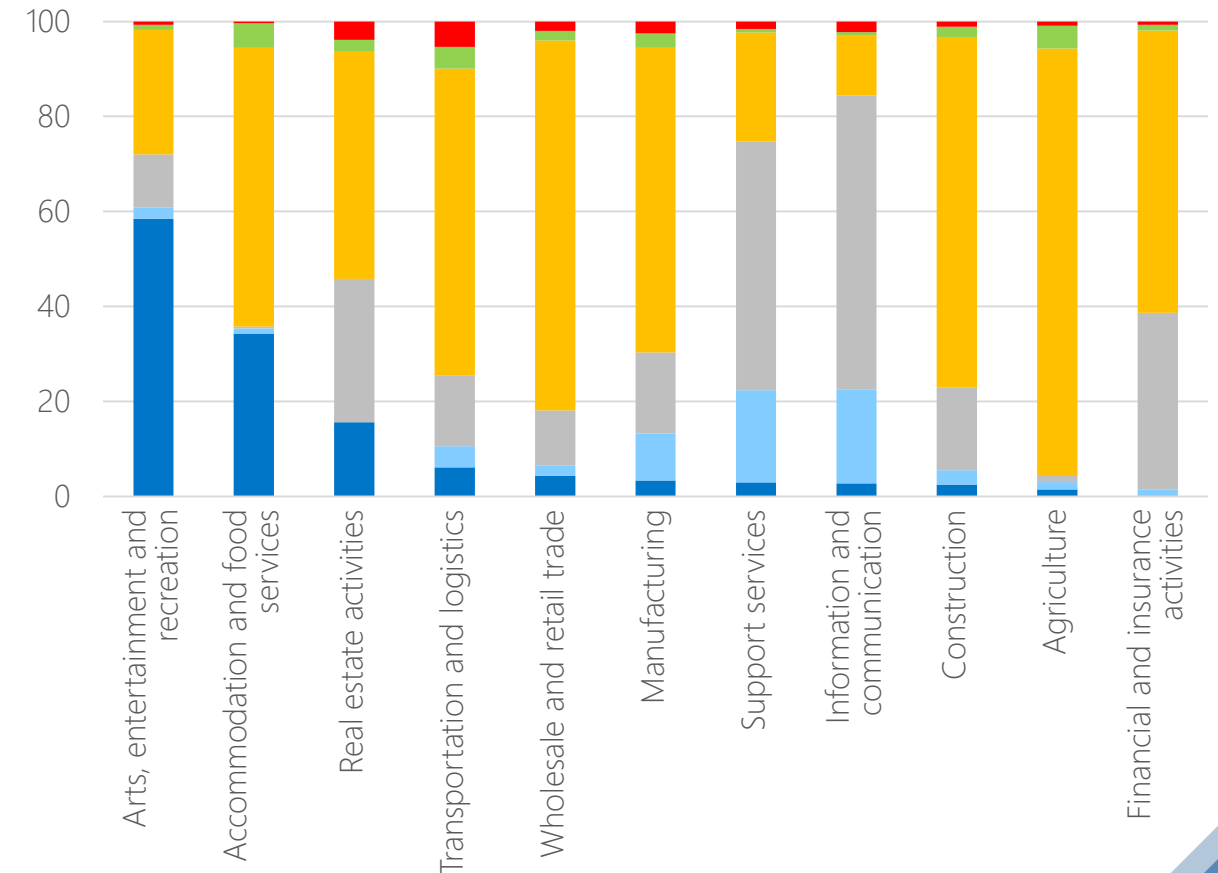
Workforce organisation over time, Belgium¹

(in % of total staff size of the firms in the survey, excl. self-employed)



Workforce organisation by industry (Round 13)

(in % of total staff size of the firms in the survey, excl. self-employed)

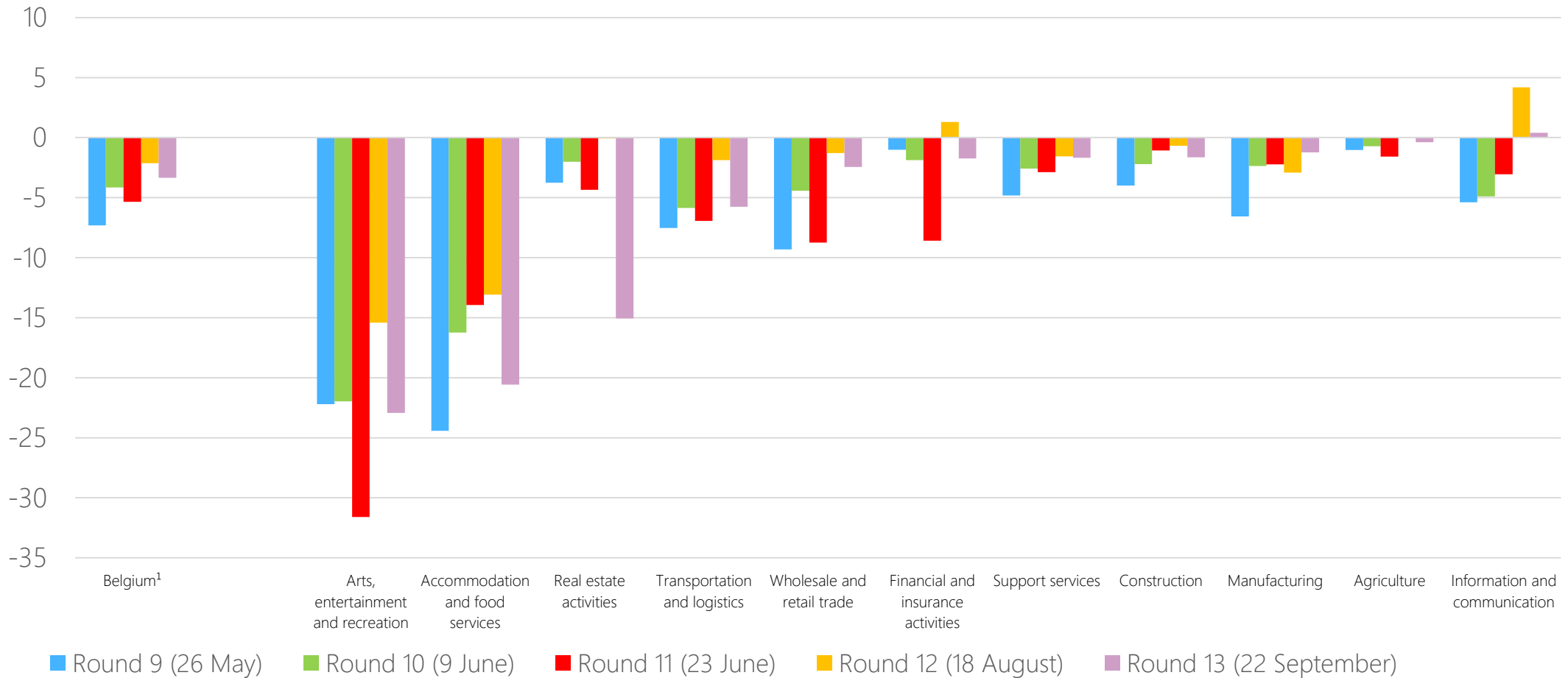


■ temporarily unemployed ■ telework ■ mix telework/workplace ■ at workplace ■ sick leave ■ on leave

Employment expected to decrease strongly in 2020 ... (and the extension of temporary unemployment could imply further lay-offs next year)

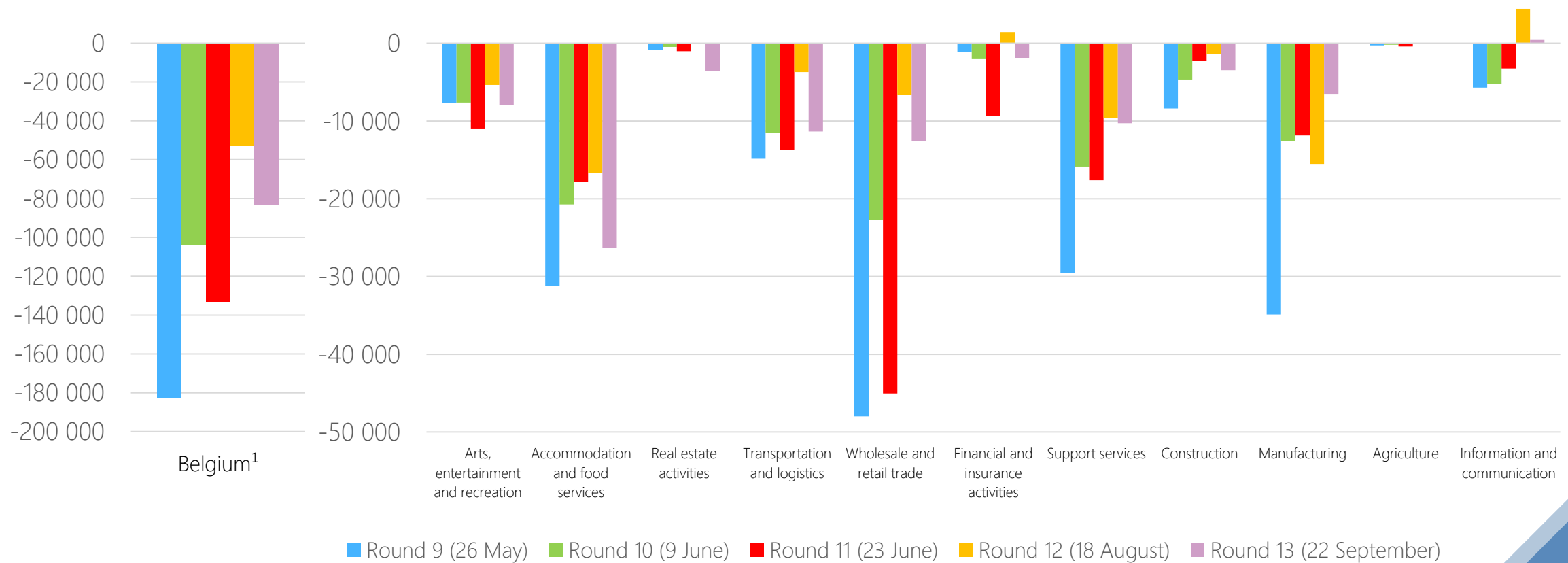
Expected change in staff size by the end of the year compared to the pre-crisis level

(in % of total staff size of the firms in the survey, excluding self-employed)



... pointing to an expected decline by about 84 000 employees in the private sector by the end of the year compared to before the crisis

Expected change of staff size by the end of the year compared to the pre-crisis level
(in number of employees, excluding self-employed)



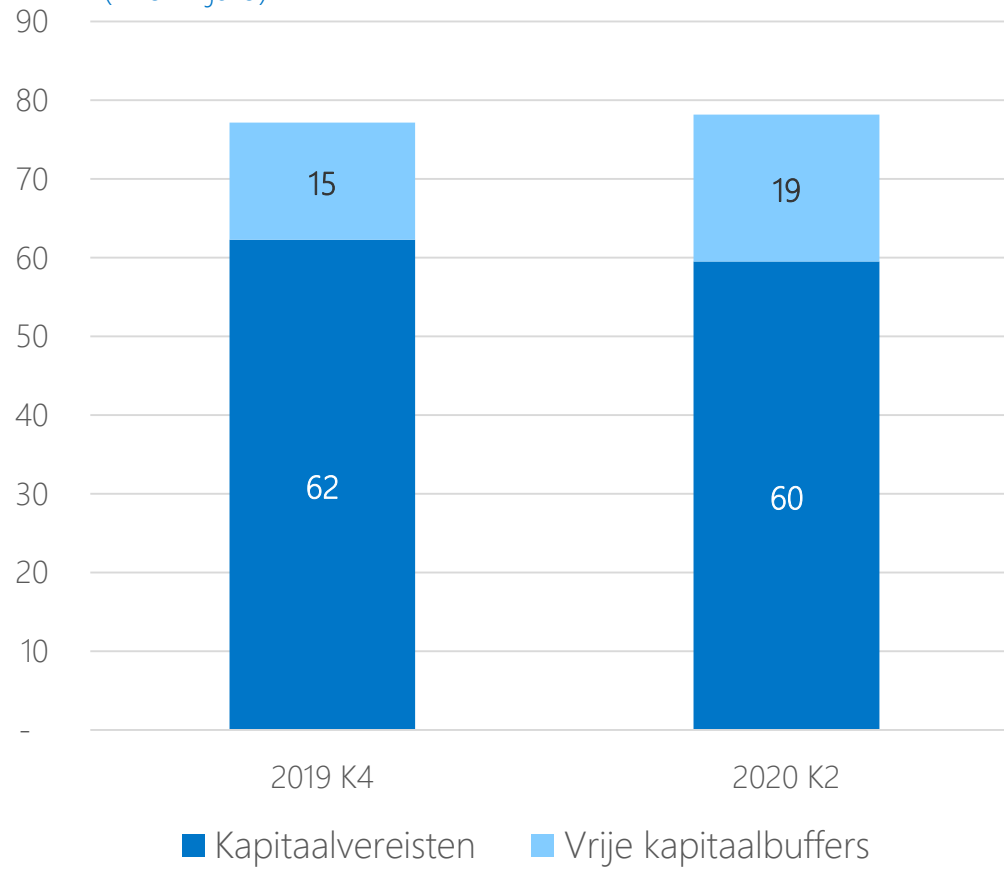
The background of the slide features a large, detailed illustration of a coronavirus particle in the center, with several smaller, less detailed particles scattered around it. The particles are depicted with a textured, spherical surface and numerous protruding spike proteins. The entire scene is set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

Secteur bancaire

Banken beschikken over sterke buffers om kredietverliezen op te vangen en kredietverlening aan de reële economie te blijven verzekeren

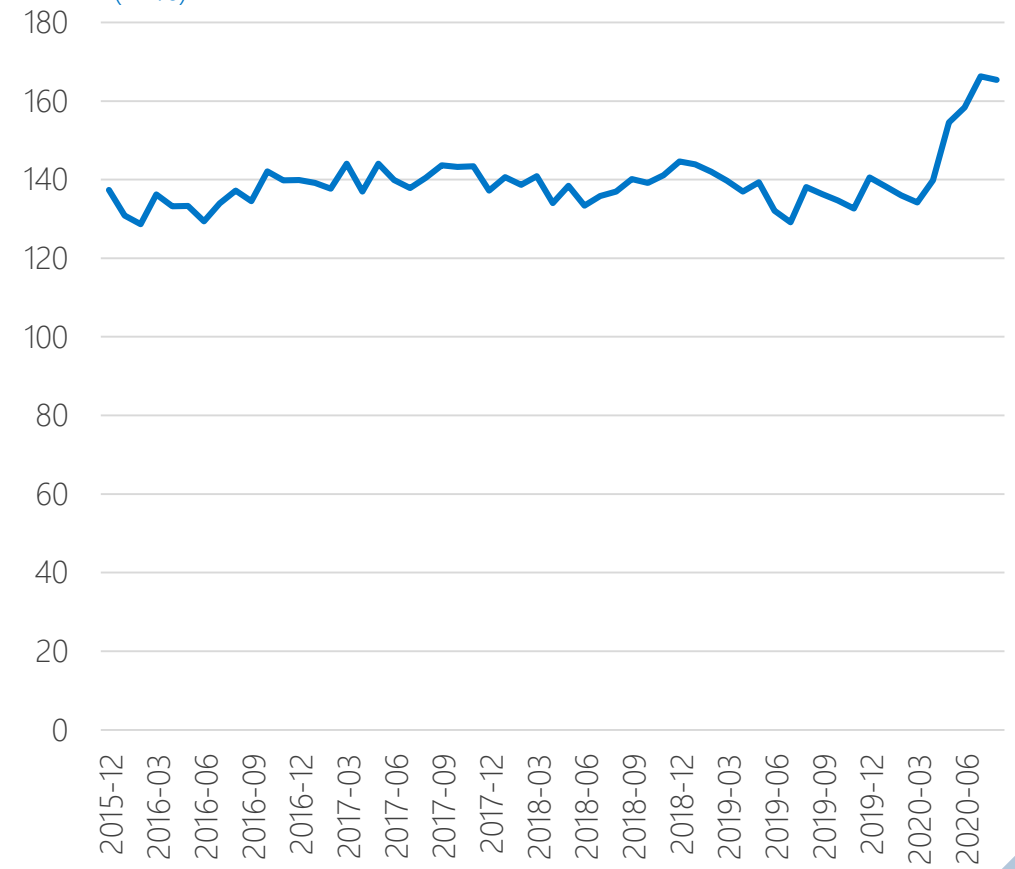
Belgische banken totale kapitaalbuffers

(in € miljard)



Liquiditeitsdekkingsratio

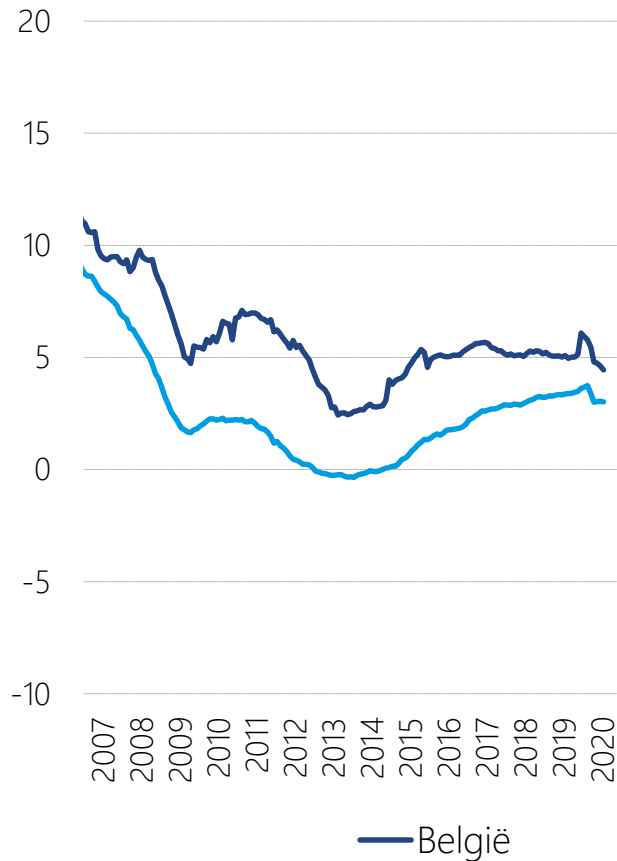
(in %)



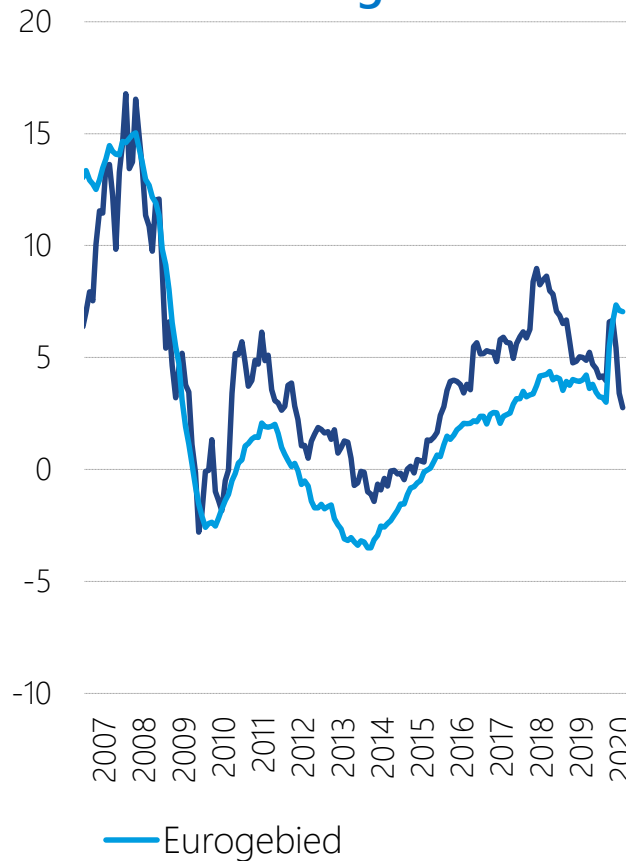
Kredietverlening aan Belgische bedrijven en gezinnen

(jaarlijkse kredietgroei - vergelijking met eurozone)

Huishoudens



Niet-financiële ondernemingen



Steunmaatregelen banksector / overheid

Moratorium (aantal leningen en kredietbedrag):

- ◆ 145 000 hypotheekleningen (€ 15 miljard)
- ◆ 141 000 leningen aan bedrijven (€ 24 miljard)

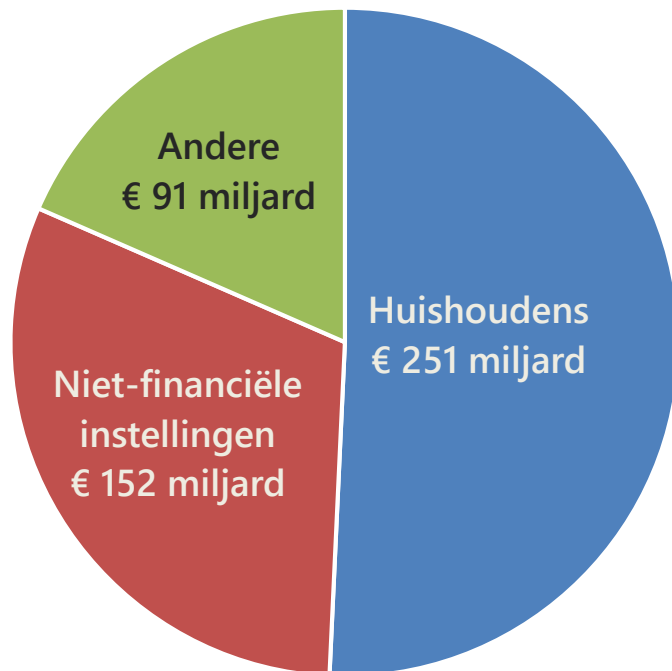
Leningen met staatsgarantie

- ◆ Gewestelijke en federale systemen
- ◆ Verliesdeling kredietverstrekker / overheid
- ◆ Federaal garantiesysteem:
 - ◇ Kader 1: leningen t.e.m. 1 jaar
 - ◇ Kader 2: leningen t.e.m. 3 jaar
 - ◇ Ongeveer € 1,5 miljard euro verstrekt

Banken bereiden zich voor op toename wanbetalingen en kredietverliezen

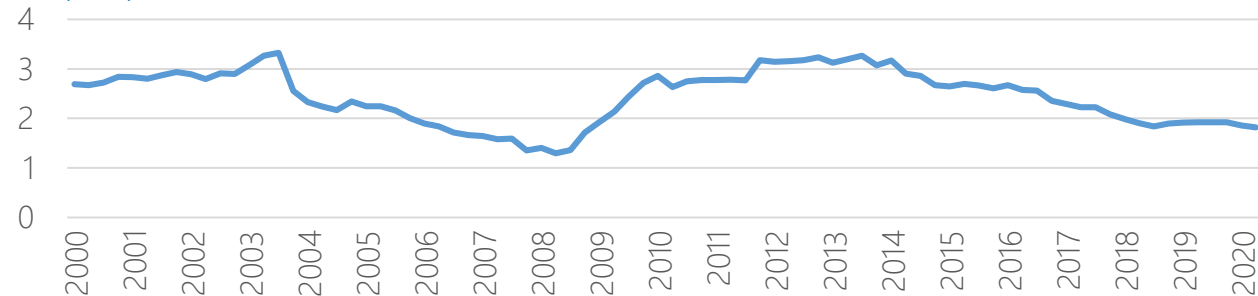
Toename van aandeel problemleningen tot dusver stabiel dankzij steunmaatregelen

Samenstelling kredieten aan Belgische tegenpartijen



Aandeel problemleningen

(in %)



Resultatenrekening van de Belgische kredietinstellingen

(in € miljard)

	2018	2019	Eerste helft 2019	Eerste helft 2020
Netto-renteresultaat	14,4	14,6	7,2	7,2
Niet-renteresultaat, waarvan:	8,3	8,5	4,3	3,6
Nettoresultaat vergoedingen en commissies	5,6	5,6	2,7	2,8
Nettoresultaat financiële instrumenten	1,2	0,5	0,4	-0,3
Bedrijfskosten	13,9	13,7	7,3	7,2
Brutobedrijfsresultaat	8,8	9,4	4,2	3,6
Waardeverminderingen en voorzieningen	0,8	1,3	0,5	2,1
Overige componenten van de resultatenrekening	2,4	2,0	0,7	0,5
Nettowinst- of verlies	5,6	6,1	3,0	1,0

The background of the slide features a large, detailed illustration of a coronavirus particle, showing its characteristic spherical shape and numerous spike proteins protruding from its surface. The particle is rendered in a light blue and white color scheme, giving it a translucent, almost ethereal appearance. It is centered on the slide, with other smaller, less distinct virus particles visible in the background, creating a sense of depth and focus on the central subject.

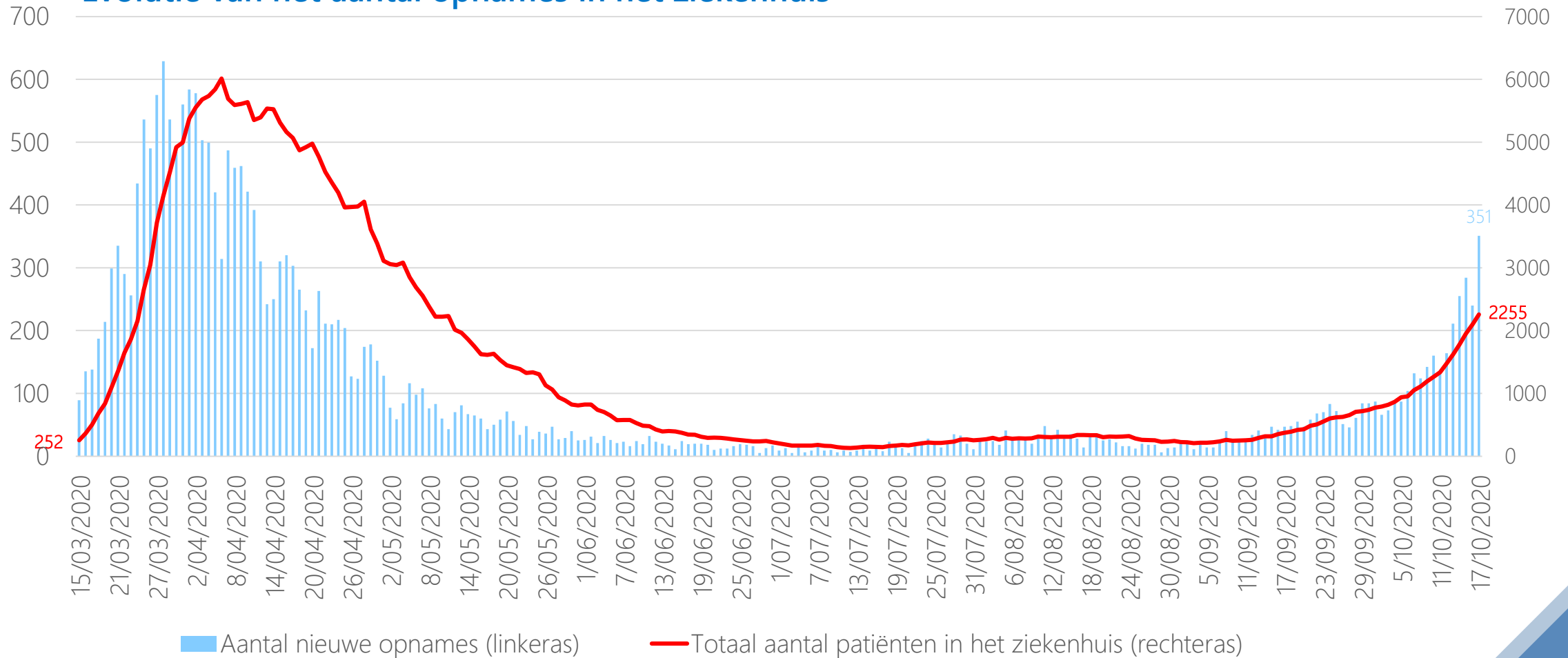
Samenvatting van de economische vooruitzichten

Wrap-up voor het economische perspectief in België

- ◆ De daling in de eerste helft van het jaar is misschien niet zo diep geweest als verwacht
 - ◇ Een technisch scenario waarin de huidige statistieken worden gecombineerd met de geraamde bbp-niveaus voor de tweede helft van 2020 zou een **inkrimping van 8 % voor heel 2020 betekenen (in plaats van 9 %) ...**
- ◆ ... maar de **gezondheidssituatie is sinds de zomer weer verslechterd**
 - ◇ wat waarschijnlijk zal wegen op het herstel van de binnenlandse consumptie
 - ◇ met aanhoudende onzekerheid die ook op de investeringen weegt
- ◆ Alle indicatoren wijzen erop dat **het herstel aan het verzwakken is, op een niveau dat ver onder het niveau van voor de crisis ligt**
- ◆ Daarboven: **veel werknemers zitten nog in tijdelijke systemen en we verwachten dat er nog een sterkere faillissementsgolf zal komen**
- ◆ Dus, **we zien nog steeds geen V-vormig herstel**

1. COVID-19 in België: aantal gehospitaliseerde patiënten stijgt terug

Evolutie van het aantal opnames in het ziekenhuis

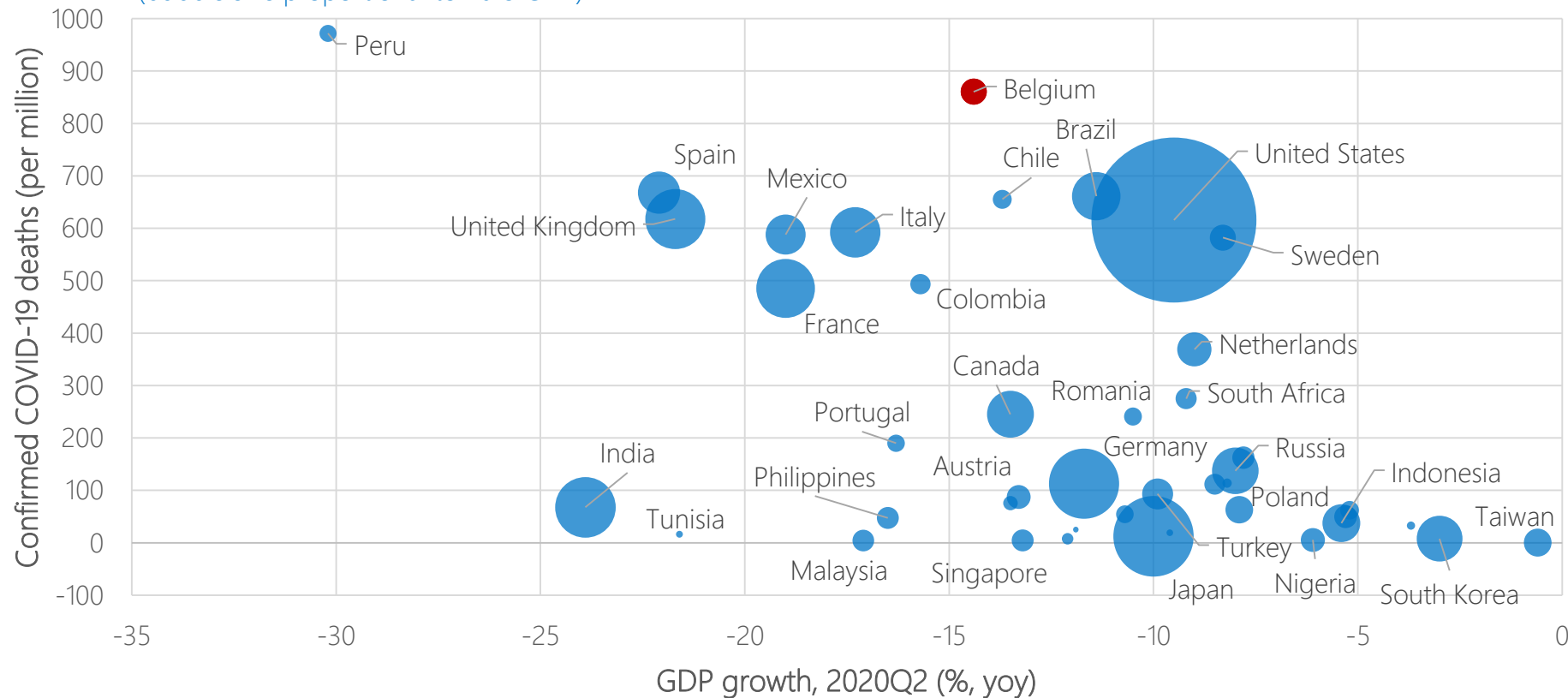


The great dive:

the harder the sanitary shock, the deeper Q2 GDP contraction

Economic decline in 2020Q2 vs confirmed COVID-19 deaths¹

(bubble size proportional to 2019 GDP)



Caveats to country comparisons:

- Heterogenous approaches to COVID death count.
- Different measurement of public sector value added (hours of work in FR, UK vs. wages in DE).

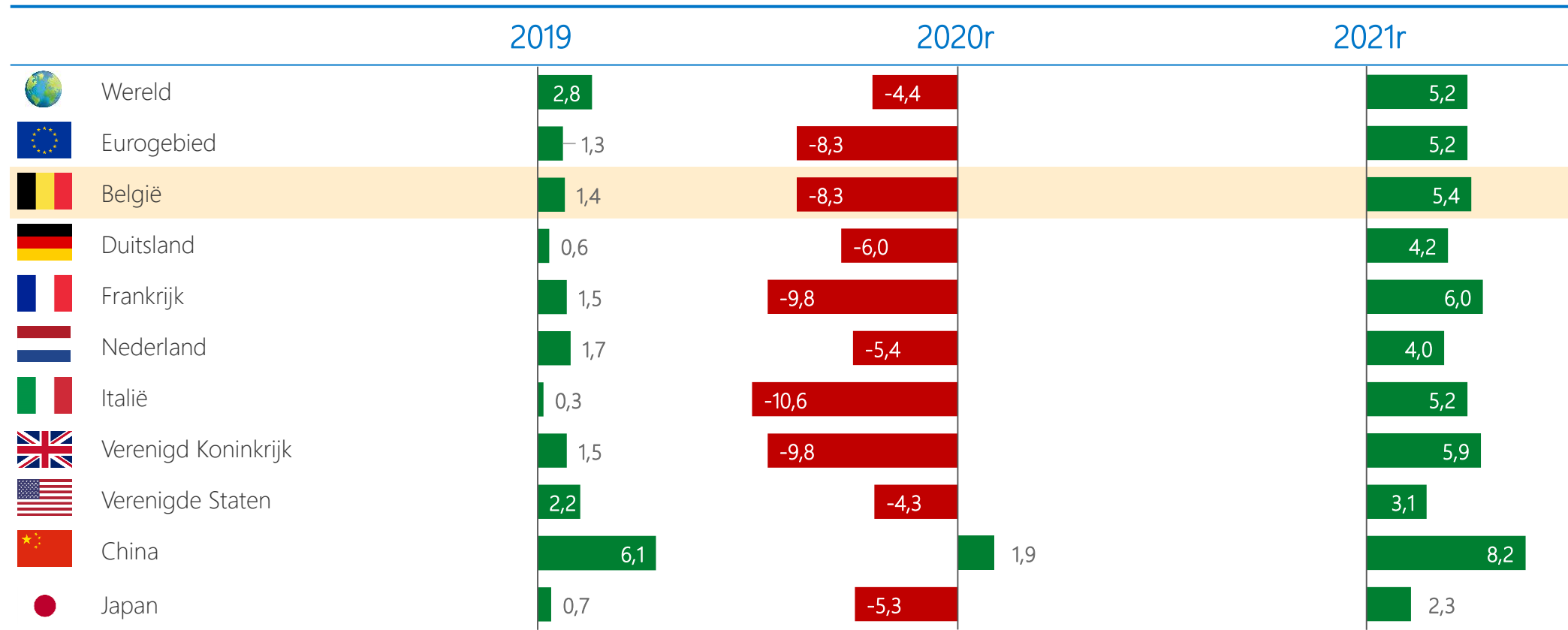
Sources: European Centre for Disease Prevention and Control (ECDC), Eurostat, Organisation for Economic Cooperation and Development (OECD), Our World in Data (OWID), Refinitiv and World Bank.

¹ Confirmed deaths are cumulative numbers as of 26 September 2020. Data for China is not shown given the earlier timing of its economic slowdown (-6.8 % yoy in 2020Q1).

Recente groeivoorzichten van het IMF: in 2021 blijft de economische activiteit in de meeste landen onder het niveau van vóór de crisis

Reële groei van het BBP

(percentages op jaarbasis)



Overzicht van de uiteenzetting

- ◆ ERMG: korte reminder
- ◆ Business Continuity Planning
- ◆ Monitoring van de economie
- ◆ Belangrijkste boodschappen van vandaag

Principaux messages aujourd'hui

◆ Aujourd'hui, le front sanitaire domine

- ◇ Contrôler la pandémie est essentiel pour restaurer la confiance des ménages et des entreprises
- ◇ Vivre avec la pandémie: appliquer les leçons apprises de la première phase

◆ Un support ciblé reste nécessaire en 2021 ...

- ◇ Mesures temporaires et ciblées
- ◇ Pour les personnes et les secteurs vulnérables

◆ ... en gardant la vue sur le déficit à moyen terme

- ◇ Définir et mettre en œuvre une stratégie crédible de consolidation...
- ◇ ... sinon vulnérabilité en cas de choc

◆ Plan de relance: renforcer le potentiel économique

- ◇ Les moyens ne sont pas illimités

Audition des co-présidents de l'ERMG

La Chambre – Commission Finances et Budget
20 octobre 2020