

## PRESS RELEASE

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### Monthly business survey – November 2023

## Business confidence bounces back in November

- **After last month's decline, the indicator picked up again in November.**
- **Confidence rose sharply in the business-related services sector, more than offsetting the large drop recorded in October. The business climate for trade is also improving.**

In the business-related services sector, all underlying components strengthened considerably, particularly the assessment of current activity. The indicator is thus back above the level seen in September, more than eclipsing the October downswing.

Business leaders in the trade sector are also more optimistic than last month, with their employment and, notably, their demand expectations both having risen. However, they expect to reduce their orders with suppliers.

Employment expectations also picked up in the manufacturing industry. However, a less favourable assessment of order book and stock levels resulted in the indicator in this sector falling.

Lastly, building industry confidence remained relatively stable. Demand expectations deteriorated significantly, but there were more positive assessments of equipment use and recent order book trends.

The decline in the smoothed synthetic curve, which reflects the underlying economic trend, markedly eased.

### Business survey indicators

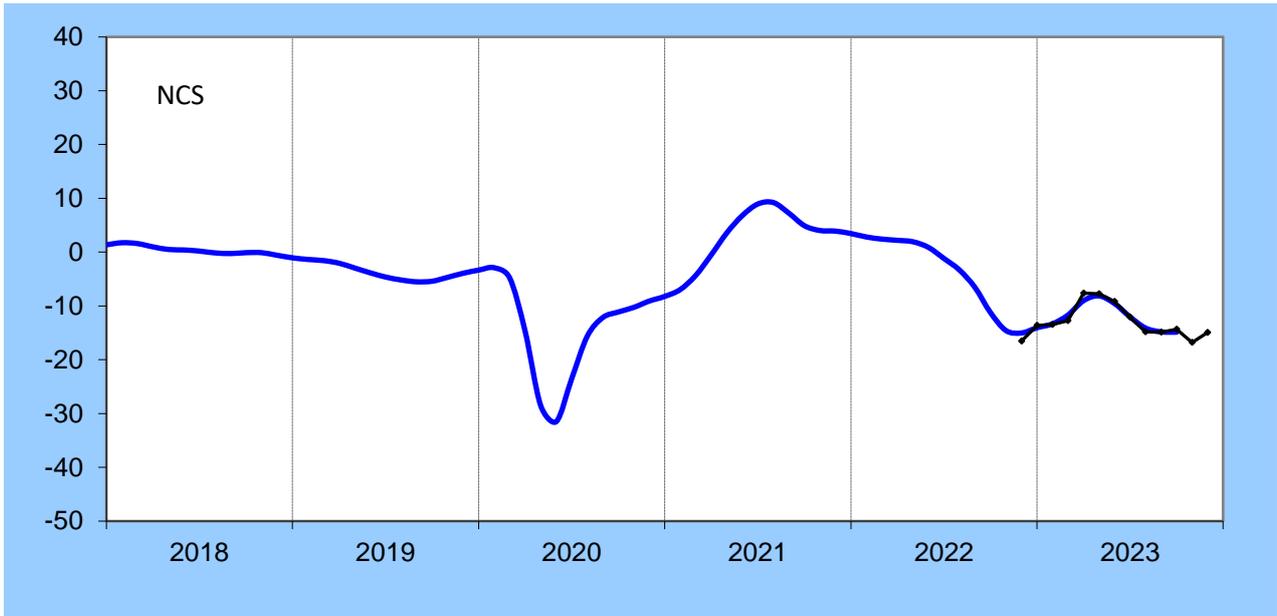
	Gross synthetic curve			Smoothed synthetic curve <sup>1</sup>
	October 2023	November 2023	Variation in points	Variation in Points
Manufacturing industry	-17.9	-19.3	-1.4	-0.9
Business-related services	-14.2	2.3	16.5	-4.3
Building industry	-13.6	-13.3	0.3	-0.9
Trade	-20.1	-15.5	4.6	-0.2
<b>Overall synthetic curve</b>	<b>-16.8</b>	<b>-15.0</b>	<b>1.8</b>	<b>-0.1</b>

<sup>1</sup> The smoothed curve has a two-month delay for the overall synthetic curve and a four-month delay for the sectors. This implies that the overall smoothed indicator reflects recent developments more closely than the smoothed indicators per sector.

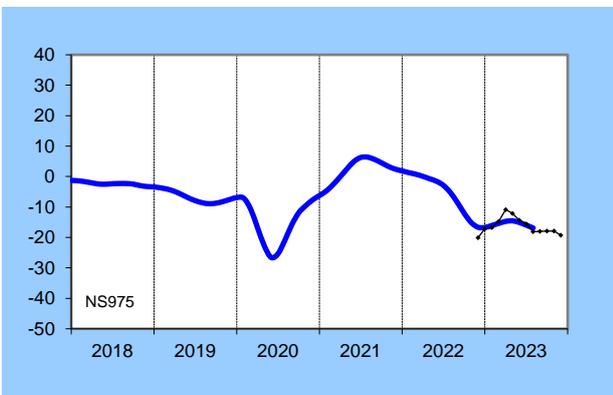
Source: NBB.

CHART 1 - SYNTHETIC CURVES

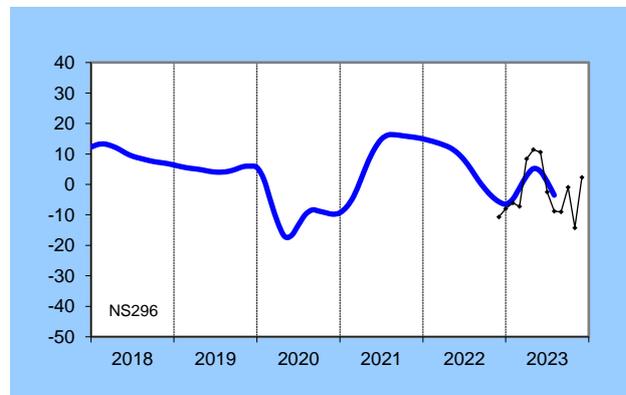
OVERALL SYNTHETIC CURVE



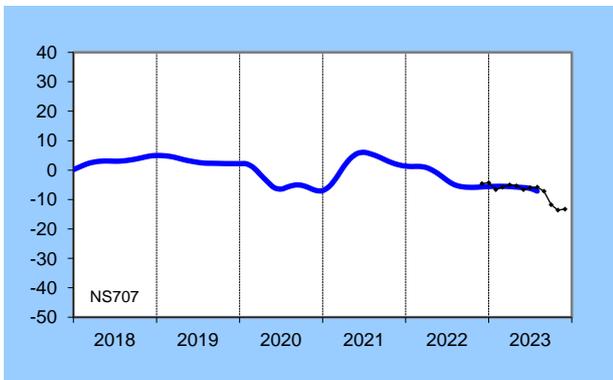
MANUFACTURING INDUSTRY



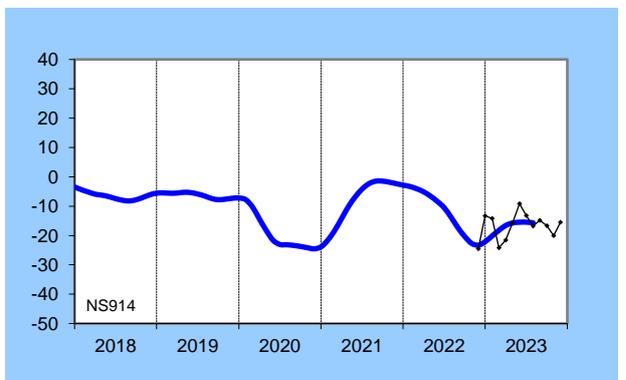
BUSINESS-RELATED SERVICES



BUILDING INDUSTRY



TRADE



— Seasonally adjusted and smoothed series  
Source: NBB

◆—◆ Seasonally adjusted series

## SYNTHETIC CURVES AND THEIR COMPONENTS

TABLE 1

Seasonally adjusted balances of "positive" answers or "higher than normal"(+) and "negative" answers or "lower than normal"(-).	Since 1990			Adjusted series				Smoothed series			
	Min. <sup>1</sup>	Max. <sup>1</sup>	Avg. <sup>2</sup>	2023				2023			
				Aug	Sep	Oct	Nov	Jun	Jul	Aug	Sep
<b>Overall synthetic curve</b>	-36.1	+10.1	-5.2	-14.9	-14.4	-16.8	-15.0	-12.0	-14.1	-14.8	-14.9
<b>Manufacturing industry curve</b>	-36.0	+10.0	-8.6	-18.0	-17.9	-17.9	-19.3	-16.0	-16.9	.	.
Assessment of total order books	-57.7	+10.0	-19.2	-35.6	-36.3	-36.6	-39.8	-32.5	-33.7	.	.
Assessment of level of stocks <sup>3</sup>	-19.0	+25.0	+4.7	+8.0	+9.1	+7.2	+10.7	+8.0	+7.9	.	.
Employment expectations	-41.4	+11.5	-7.1	-13.8	-9.8	-15.5	-13.9	-8.5	-10.2	.	.
Demand expectations	-37.9	+15.0	-3.2	-14.6	-16.3	-12.3	-12.7	-13.9	-14.8	.	.
<b>Business-related services curve</b>	-62.1	+34.0	+9.2	-9.0	-0.9	-14.2	+2.3	+0.8	-3.5	.	.
Assessment of activity	-71.6	+20.0	-6.4	-12.8	-11.2	-31.0	-1.8	-14.3	-13.9	.	.
Activity expectations	-70.7	+47.0	+21.2	-7.6	+11.5	-3.0	+5.3	+10.2	+4.9	.	.
Market demand expectations	-59.9	+44.0	+12.7	-6.7	-3.0	-8.6	+3.5	+5.7	+0.2	.	.
<b>Building industry curve</b>	-24.3	+24.3	-3.3	-7.2	-11.7	-13.6	-13.3	-6.2	-7.1	.	.
Trend in orders	-30.1	+33.0	-0.1	-2.6	-12.3	-13.7	-10.6	-5.5	-6.7	.	.
Trend in equipment	-38.4	+24.0	+1.6	-1.2	-7.2	-8.4	-5.4	-1.4	-1.9	.	.
Assessment of order books	-50.0	+30.0	-14.5	-8.1	-10.6	-12.4	-12.5	-4.7	-6.2	.	.
Demand expectations	-26.0	+18.0	-0.4	-17.0	-16.8	-19.8	-24.7	-12.7	-13.9	.	.
<b>Trade curve</b>	-41.8	+16.0	-3.6	-14.8	-16.7	-20.1	-15.5	-15.5	-15.7	.	.
Employment expectations	-33.0	+18.0	+1.1	-8.2	-8.0	-12.1	-8.4	-5.2	-6.2	.	.
Demand expectations	-56.0	+29.0	-3.1	-16.6	-21.5	-26.6	-12.2	-18.4	-18.1	.	.
Intentions of placing orders	-40.1	+15.0	-8.7	-19.6	-20.5	-21.6	-25.8	-23.2	-22.4	.	.

<sup>1</sup> Minimum and maximum of each indicator (raw series) from January 1990 to the month under review.

<sup>2</sup> Average of each indicator (raw series) from January 1990 until end 2022.

<sup>3</sup> A positive or negative balance, as the case may be, means that stock levels, according to the assessment of business leaders, are higher or lower, respectively, than normal for the season. When calculating the synthetic curve, the sign of this indicator is therefore reversed.

## OTHER BUSINESS SURVEY INDICATORS

TABLE 2

Seasonally adjusted balances of "positive" answers or "higher than normal"(+) and "negative" answers or "lower than normal"(-).	Since 1990			Adjusted series				Smoothed series			
				2023				2023			
	Min. <sup>1</sup>	Max. <sup>1</sup>	Avg. <sup>2</sup>	Aug	Sep	Oct	Nov	Jun	Jul	Aug	Sep
<b>Manufacturing industry</b>											
Trend in production rate	- 53.0	+ 20.0	- 1.1	- 19.2	- 4.6	- 6.6	- 4.5	- 6.0	- 7.5	.	.
Trend in domestic orders	- 48.7	+ 16.0	- 7.4	- 16.9	- 16.4	- 19.4	- 14.7	- 16.6	- 16.8	.	.
Trend in export orders	- 56.3	+ 30.0	- 2.6	- 19.9	- 11.7	- 10.3	- 20.3	- 9.4	- 11.1	.	.
Assessment of export order books	- 61.0	+ 10.0	- 20.1	- 35.1	- 35.5	- 36.5	- 43.0	- 30.6	- 32.0	.	.
Trend in prices	- 21.0	+ 34.3	+ 0.3	- 8.0	- 8.8	- 7.2	- 9.3	- 4.9	- 6.6	.	.
Price expectations	- 24.0	+ 54.2	+ 4.4	- 10.1	- 9.0	+ 0.5	- 3.4	- 5.9	- 8.4	.	.
<b>Production capacity</b>											
(in percentage of the total production capacity)	70.1	84.6	79.6	-	-	74.4	-				
Source: quarterly production capacity survey											
<b>Business-related services</b>											
Trend in activity	- 73.0	+ 37.0	+ 9.4	- 6.8	+ 7.6	+ 3.5	+ 1.4	+ 0.5	- 1.2	.	.
Trend in employment	- 49.4	+ 34.0	+ 6.5	- 15.3	- 0.3	- 0.3	- 6.0	+ 1.9	+ 0.4	.	.
Employment expectations	- 35.0	+ 48.0	+ 17.8	+ 5.5	+ 21.8	+ 12.3	+ 22.2	+ 18.0	+ 15.1	.	.
Trend in prices	- 15.8	+ 25.6	+ 2.3	+ 4.4	+ 3.2	- 0.0	- 0.8	+ 5.0	+ 4.2	.	.
Price expectations	- 13.0	+ 46.9	+ 7.9	+ 11.5	+ 7.3	+ 6.1	+ 12.2	+ 16.8	+ 13.6	.	.
<b>Building industry</b>											
Trend in activity	- 66.6	+ 34.7	- 1.7	- 0.2	- 7.4	- 12.1	- 10.3	- 4.9	- 5.2	.	.
Trend in employment	- 27.0	+ 22.0	- 3.1	- 4.0	- 0.3	- 0.0	+ 0.7	- 5.5	- 4.9	.	.
Employment expectations	- 31.0	+ 30.0	+ 1.0	+ 3.6	- 0.6	- 4.7	- 2.4	+ 6.9	+ 4.5	.	.
Trend in prices	- 27.1	+ 52.8	- 2.0	+ 10.6	+ 6.7	+ 5.8	+ 3.6	+ 13.3	+ 10.7	.	.
Price expectations	- 20.6	+ 64.0	+ 3.8	+ 20.1	+ 3.9	+ 0.2	- 0.7	+ 20.5	+ 16.2	.	.
<b>Trade</b>											
Trend in sales	- 50.1	+ 43.0	- 2.0	+ 2.7	+ 6.4	- 8.3	- 2.7	+ 4.7	+ 4.2	.	.
Assessment of sales	- 50.0	+ 28.0	- 8.6	- 1.5	- 5.1	- 13.7	- 15.4	- 5.4	- 4.6	.	.
Assessment of level of stocks <sup>3</sup>	- 17.1	+ 38.1	+ 10.9	+ 24.5	+ 23.1	+ 26.9	+ 20.2	+ 16.9	+ 19.7	.	.
Trend in prices	- 23.5	+ 55.3	+ 0.1	+ 9.2	+ 4.3	- 2.4	- 1.5	+ 18.7	+ 14.6	.	.
Price expectations	- 14.2	+ 69.5	+ 7.3	+ 19.0	+ 7.7	+ 20.5	+ 0.2	+ 27.2	+ 23.1	.	.

<sup>1</sup> Minimum and maximum of each indicator (raw series) from January 1990 to the month under review.

<sup>2</sup> Average of each indicator (raw series) from January 1990 until end 2022.

<sup>3</sup> A positive or negative balance, as the case may be, means that stock levels, according to the assessment of business leaders, are higher or lower, respectively, than normal for the season.

## Quarterly business survey on credit conditions – October 2023

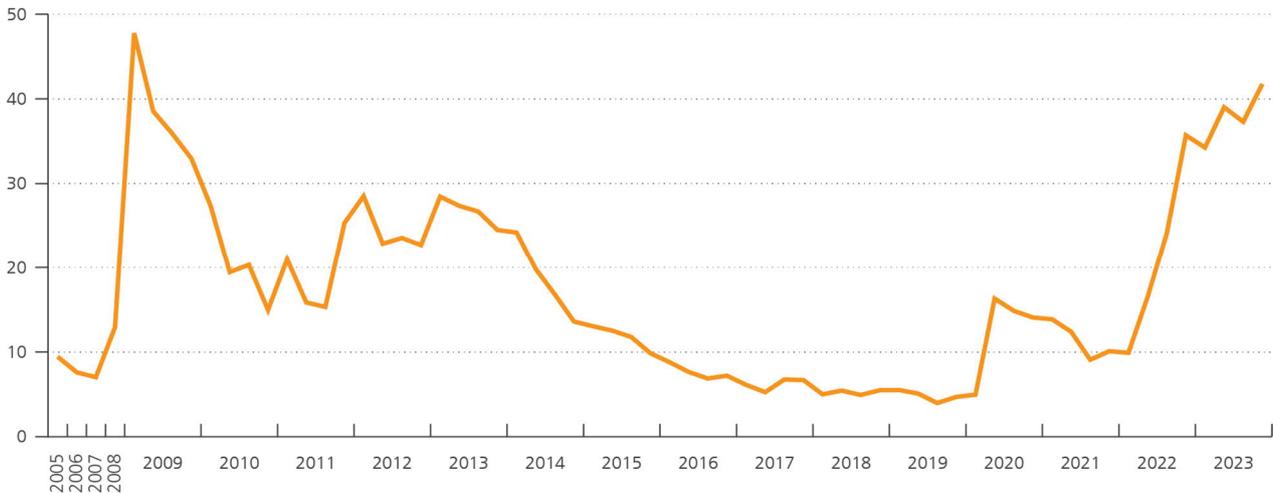
### Tighter credit conditions in October according to businesses

General conditions to access bank credit deteriorated compared with the previous quarter, reveals the October 2023 quarterly survey of businesses' perceptions of credit conditions. 41.8% of firms surveyed considered credit conditions to be tight, compared with 37.3% in the last quarter. Credit conditions, according to businesses, therefore remained particularly hard.

All sectors surveyed judged credit conditions to be more restrictive compared with the previous quarter. In the manufacturing industry, 41.5% of firms perceived credit conditions as tight in October (compared with 37.4% in July). This assessment was shared by 42.8% of firms in the business-related services sector (37.6% in July) and 39% of firms in the building industry (35.5% in July).

This tightening of conditions was reported by companies of all sizes, though to varying degrees. Small companies (with fewer than 50 employees) noted slighter tougher conditions, while very large companies (with 500 or more employees) were feeling the pinch most keenly. In absolute terms, medium-sized companies (with 50 to 249 employees) reported the most difficulty in accessing credit.

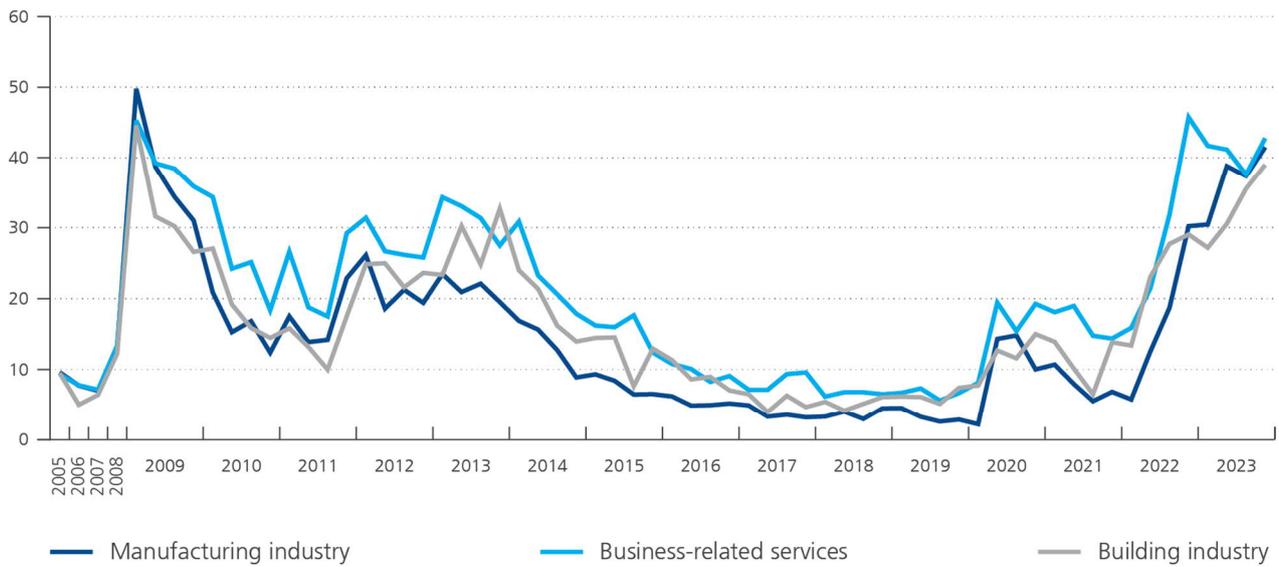
Chart 2 - Credit constraints perception<sup>1</sup> - Overall indicator



Source: NBB - quarterly survey on credit conditions.

<sup>1</sup> Percentage of firms that perceive current credit conditions as constrained.

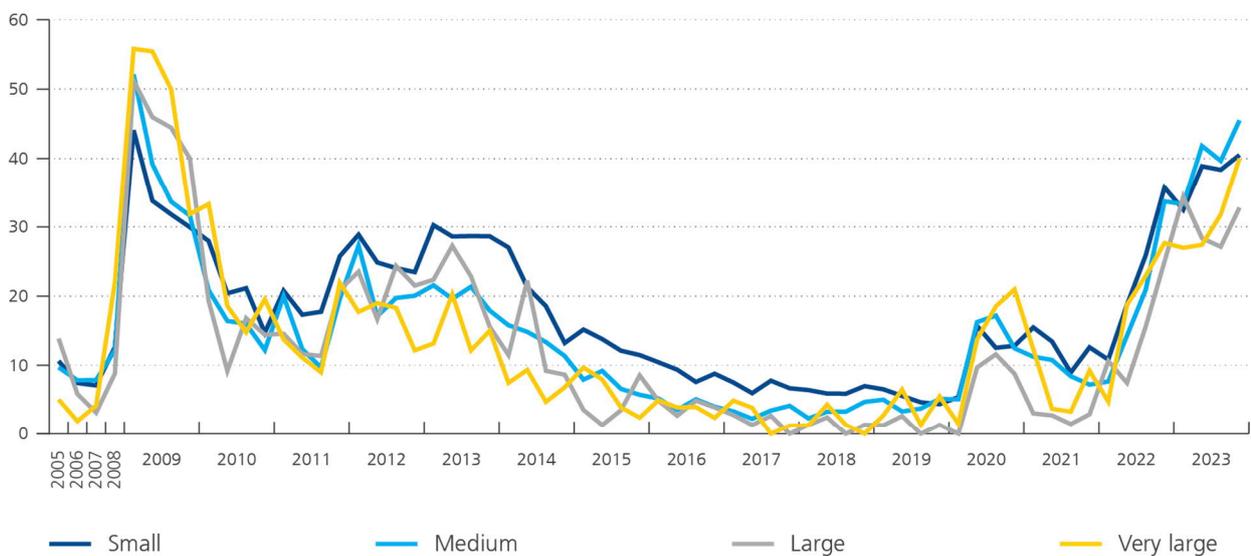
Chart 3 - Credit constraints perception<sup>1</sup> - Breakdown by sector



Source : NBB - quarterly survey on credit conditions.

<sup>1</sup> Percentage of firms that perceive current credit conditions as constrained.

Chart 4 - Credit constraints perception<sup>1</sup> - Breakdown by company size<sup>2</sup>



Source : NBB - quarterly survey on credit conditions.

<sup>1</sup> Percentage of firms that perceive current credit conditions as constrained.

<sup>2</sup> Small = 1-49 employees ; medium = 50-249 employees ; large = 250-499 employees ; very large = 500 or more employees.

**TABLE 3** PERCEPTION OF CREDIT CONSTRAINTS INDICATOR<sup>1</sup>

	10-2022	01-2023	04-2023	07-2023	10-2023
<b>Overall indicator</b> <sup>2</sup>	<b>35.7</b>	<b>34.3</b>	<b>39.0</b>	<b>37.3</b>	<b>41.8</b>
<b>By sector</b>					
Manufacturing industry	30.2	30.5	38.8	37.4	41.5
Business-related services	45.7	41.7	41.1	37.6	42.8
Building industry	29.1	27.2	30.6	35.5	39.0
<b>By company size</b> <sup>3</sup>					
Small	35.8	32.5	38.9	38.4	40.5
Medium	33.7	33.3	41.8	39.7	45.5
Large	25.0	34.4	28.4	27.1	32.8
Very large	27.7	27.0	27.4	31.8	40.0

<sup>1</sup> Percentage of firms that perceive current credit conditions as constrained.

<sup>2</sup> Weighted average of the manufacturing industry, business-related services and the building industry (weighting criterion: outstanding debt with credit institutions). Within the individual sectors, however, the responses of firms are not weighted.

<sup>3</sup> Small: 1-49 employees; medium: 50-249 employees; large: 250-499 employees; very large: 500 employees or more.

#### Methodological note on the “perception of credit constraints” indicator

The National Bank of Belgium (NBB) compiles an indicator based on the results of its quarterly survey on business credit conditions. This indicator on the perception of credit constraints reveals the percentage of firms with an unfavourable assessment of current credit conditions.

In terms of statistical properties, this type of indicator is more relevant than one showing the percentage of favourable assessments or the difference between favourable and unfavourable assessments. The indicator is also easy to interpret, as a rise (or fall) means that firms believe credit conditions are tightening (or easing).

The NBB's indicator on the perception of credit constraints has been published on a quarterly basis since January 2009.<sup>1</sup>

<sup>1</sup> The results of the quarterly survey on business credit conditions are included and commented on in the quarterly press releases of the Monitoring Centre for Credit to Non-financial Corporations, along with the Belgian results of the ESCB Bank Lending Survey ([https://www.nbb.be/doc/dq/bls/en/bls\\_home.htm](https://www.nbb.be/doc/dq/bls/en/bls_home.htm)).