



Belgium

Overview

EIB INVESTMENT SURVEY

2022

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EIB Investment Survey Country Overview 2022: Belgium

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About the EIB Investment Survey (EIBIS)

The EIB Group Survey on Investment, which has been administered since 2016, is a unique, annual survey of some 13 000 firms. It covers firms in all European Union Member States and also includes a sample of firms in the United States.

The survey collects data on firm characteristics and performance, past investment activities and future plans, sources of finance, financing issues and other challenges that businesses face, such as climate change and digital transformation. The EIBIS, which uses a stratified sampling methodology, is representative across all 27 EU Member States and the United States, as well as across four classes of firm size (micro to large) and four main economic sectors (manufacturing, construction, services and infrastructure). The survey is designed to build a panel of observations, supporting the analysis of time-series data. Observations can also be linked back to data on firm balance sheets and profit and loss statements. The EIBIS was developed by the EIB Economics Department. It is managed by the department with the support of Ipsos MORI.

About this publication

These reports provide an overview of data collected for the 27 EU Member States and the United States. They are intended to provide a snapshot of the data. For the purpose of these publications, data are weighted by value-added to better reflect the contribution of different firms to economic output. Contact: eibis@eib.org.

Download the findings of the EIB Investment Survey for each EU country or explore the data portal at www.eib.org/eibis.

About the Economics Department of the EIB

The mission of the EIB Economics Department is to provide economic analyses and studies to support the Bank in its operations and in the definition of its positioning, strategy and policy. The department and its team of 40 economists is headed by Debora Revoltella, director of economics.

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EIBIS 2022 – Belgium Overview

KEY RESULTS

Investment Dynamics and Focus

More Belgian firms report investment in EIBIS 2022 than in EIBIS 2021, but slightly fewer than in EIBIS 2020 and EIBIS 2019. This situation could nonetheless change as the net balance of firms expecting to increase rather than decrease investment (25%) is the highest since 2019. Moreover, this share is above the EU average.

Investment Needs and Priorities

Belgian firms do not perceive major investment gaps, with the majority of firms believing they invested the right amount over the past three years (80%). Looking ahead at the next three years, replacement (39%) and capacity expansion (28%) are expected to be the biggest investment priorities for Belgian firms. About one in ten (12%) have no investment planned, in line with EIBIS 2021 (10%) and the EU average (11%).

Covid-19 Impact

The pandemic was a major shock for Belgian firms, with 43% experiencing a negative impact on sales or turnover. Nevertheless 32% of firms expected sales to recover in 2022 by coming back to at least their 2019 levels. Four in ten firms (40%) did not experience a year-on-year drop in sales in 2020-2021 and expected their sales to improve in 2022 compared to pre-pandemic levels, thereby counting more 'winners' than the EU average (33%). The majority of Belgian firms (61%) expected their 2022 sales to be above those achieved prior to COVID. Fewer than 16% expected them to be lower.

Around 50% of Belgian firms received some form of financial support as a response to COVID-19, a lower share than the EU average (60%), with 8% continuing to do so.

Firms' Transformation, Innovation and Digitalisation

Possibly helped by the support received, 75% of Belgian firms now say they have taken at least one action in response to COVID-19. This is higher than in EIBIS 2021 (61%) and the current EU average (63%). The most frequent response, especially among large firms has been to become more digital. The majority (66%) of Belgian firms have done this while the proportion transforming its supply chain (22%) has almost doubled since EIBIS 2021 (10%).

Overall, 76% of Belgian firms are using at least one advanced digital technology, above the EU average (69%). While, around 30% of Belgian firms developed or introduced new products, processes or services as part of their investment activities.

International Trade

In line with the EU average, 85% of Belgian firms are facing disruptions associated with international trade. This is higher among Belgium's exporters and importers (90%). The majority of Belgian firms (79%) are impacted by either the Russia-Ukraine conflict or COVID-19 or both, in line with the EU average (78%). More than a half of firms (59%) are taking action to mitigate the impact of the international trade disruptions, in line with the EU overall (57%).

Drivers and Constraints

After last year's general improvement in sentiment, Belgian firms are now much more pessimistic again about the investment conditions they will face in the year ahead. Economic climate expectations have turned negative again in net terms (declining from +29% to -53%) as have business prospects in the sector (declining from +29% to -14%).

The most frequently mentioned long-term barriers to investment in Belgium are availability of skilled staff (91%), energy costs (83%) and uncertainty about the future (78%). Energy costs are a barrier for an increasing number of firms (83% versus 64% in EIBIS 2021) as is uncertainty about the future (78% versus 68% in EIBIS 2021).

EIBIS 2022 – Belgium Overview

Investment Finance

The share of financially constrained firms in Belgium is similar to the EU average (both 6.2%) and to EIBIS 2021 (5.3%). However, while this may suggest Belgian firms have broadly the same level of access to investment funds, other data point to finance being harder to access. While over one third (37%) of Belgian firms that invested in the last financial year financed at least some of their investment through external finance, this share is much lower than in EIBIS 2021 (61%) and below the EU average (45%). Meanwhile the proportion of total investment that is financed from external sources has almost halved since last year (from 43% to 23%).

Climate Change and Energy Efficiency

A half of firms in Belgium (53%) report that weather events are currently having an impact on their business, with 15% reporting they are having a major impact. Similar to the EU average, one third (35%) of Belgian firms have already developed or invested in measures to build resilience to the physical risks to their firm caused by climate change. Belgian firms are more likely than the average EU firm to have an adaptation strategy for the physical risks (19% versus 14%) and to have invested in solutions to avoid or reduce exposure to physical risks (26% versus 20%).

Almost four in ten (37%) Belgian firms see the transition to stricter climate standards and regulations as a risk, while 30% see it as an opportunity (versus 39% in EIBIS 2021). Nonetheless, almost all Belgian firms (95%) are taking actions to reduce Greenhouse Gas (GHG) emissions, thereby surpassing the EU average (88%). Moreover, almost half (48%) of Belgian firms report that they set and monitor targets for their own GHG emissions. This is also higher than the EU average (41%). In 2021 alone, 42% of Belgian firms were investing to improve their energy efficiency, in line with what was reported in EIBIS 2021 and the EU average.

Almost half (46%) of Belgian firms have already invested and over half of firms (51%) are planning to invest in tackling the impacts of weather events and dealing with the process of reducing carbon emissions in the next three years.

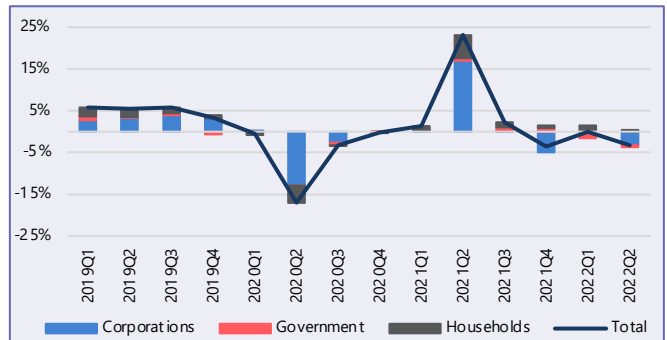
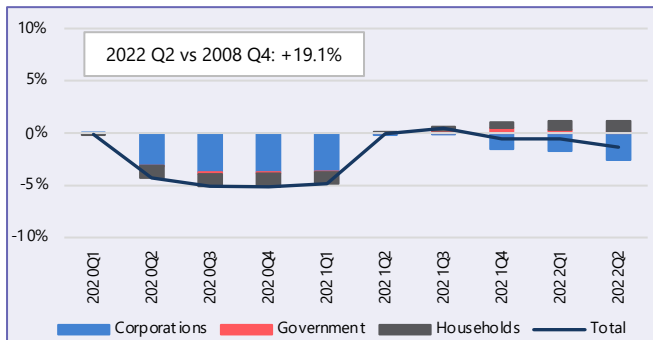
Firm Management, Gender Balance and Employment

Almost six in ten Belgian firms (57%) use a strategic monitoring system that compares the firm's current performance against a series of key performance indicators. This is higher than the EU average (51%). Belgium's firms (63%) are also striving for gender balance within their business, in line with the EU average (58%).

Investment dynamics and focus

INVESTMENT DYNAMICS BY INSTITUTIONAL SECTOR

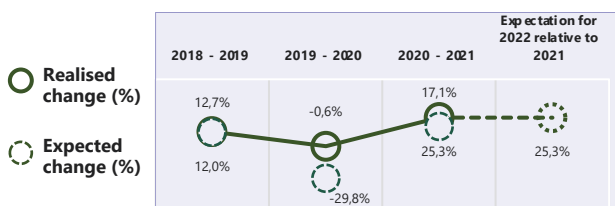
- In spite of the recovery to the pre-pandemic aggregate investment level in Q3 2021, following a pronounced fall during the first year of the pandemic (during which the lowest level reached relative to Q4 2019 was -5.1%), aggregate investment levels in Belgium declined again between Q4 2021 and Q2 2022.
- In Q2 2022, the level of aggregate investment was 1.4% lower than prior to start of the pandemic.
- This decline was mainly driven by a contraction in corporate investment, only partially compensated by a positive contribution from household investment.



The LHS chart shows the evolution of total gross fixed capital formation (GFCF) by institutional sector, in real terms and non seasonally nor calendar adjusted. The nominal GFCF source data was transformed into four-quarter sums and deflated using the implicit deflator for total GFCF (2015=100 euro). The four-quarter sum of total GFCF in 2019Q4 is normalised to 0. The RHS chart shows the y-o-y % change in total real GFCF by institutional sector. The implicit deflator for total GFCF (2015=100 euro) was used for deflating the nominal GFCF source data. Source: Eurostat, authors' own calculations.

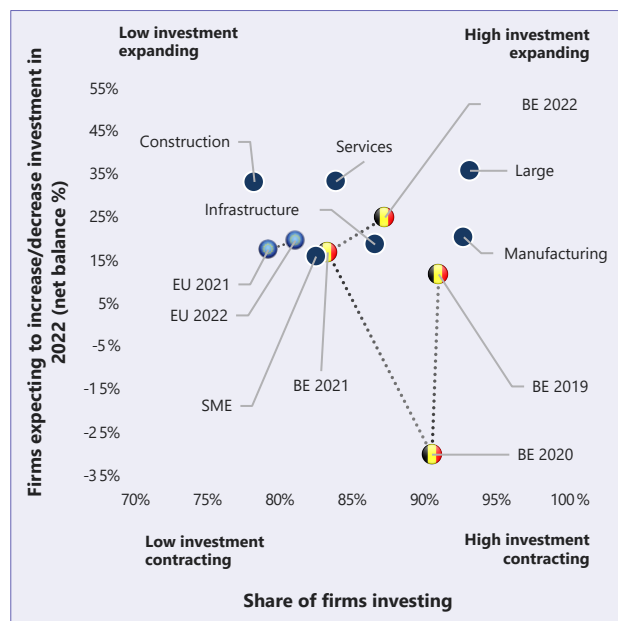
INVESTMENT CYCLE AND EVOLUTION OF INVESTMENT EXPECTATIONS

- More Belgian firms are investing than in EIBIS 2021, but slightly fewer than in EIBIS 2020 and EIBIS 2019. This situation could change as the net balance of firms expecting to increase rather than decrease investment (25%) is the highest since 2019. Moreover, this figure is above the EU average (20%).
- Large firms are both more likely to invest and to increase rather than decrease investment compared to SMEs. Manufacturing has the largest proportion of investing firms, whereas services and construction firms have a, on balance, more positive investment outlook.



'Realised change' is the share of firms who invested more minus those who invested less; 'Expected change' is the share of firms who expect(ed) to invest more minus those who expect(ed) to invest less.

Base for expected and realised change: All firms



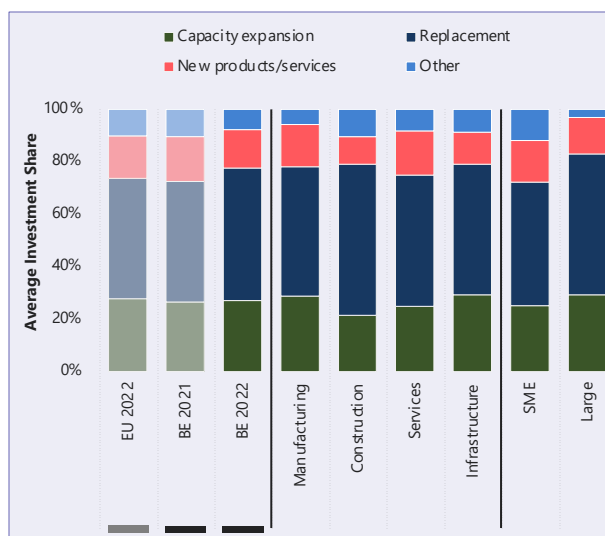
Share of firms investing shows the percentage of firms with investment per employee greater than EUR 500.

Base for share of firms investing: All firms (excluding don't know/refused responses)

Investment dynamics and focus

PURPOSE OF INVESTMENT IN LAST FINANCIAL YEAR (% of firms' investment)

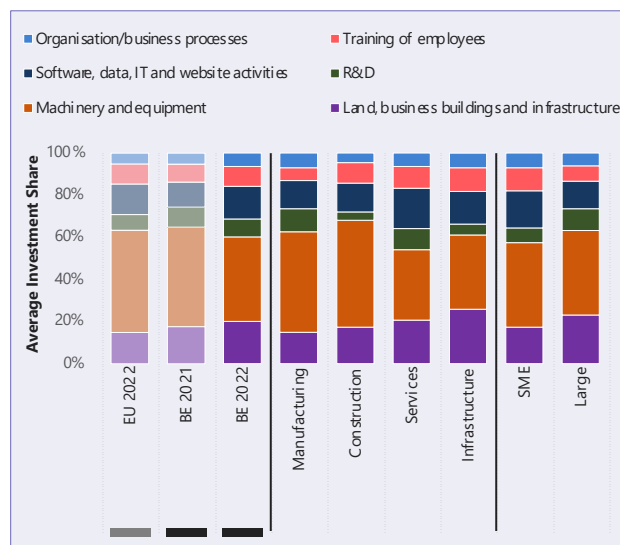
- Currently, half of Belgian firms' investment is directed towards replacement (50%), and around a quarter is directed towards capacity expansion (27%). This is in line with EIBIS 2021 and the EU average.
- Investment in new products and services accounted for a lower share of the total expenditure (15%), particularly in the construction sector (11%).
- Replacement accounts for a relatively high level of investment among large firms (54%) and construction firms (58%).



Q. What proportion of total investment was for (a) replacing capacity (including existing buildings, machinery, equipment, IT) (b) expanding capacity for existing products/services (c) developing or introducing new products, processes, services?

Base: All firms who have invested in the last financial year (excluding don't know/refused responses)

INVESTMENT AREAS



- The most common area of investment by Belgian firms remains machinery and equipment (40%), but this proportion is lower than in EIBIS 2021 (47%).
- One fifth of total investment was directed towards land, buildings and infrastructure (20%). This is above the current EU average (15%).
- Construction firms and manufacturing firms are more focussed on investment in machinery and equipment (51% and 48%) compared to other sectors, while the focus on investment in land, buildings and infrastructure is relatively high among infrastructure firms (26%) and large firms (23%).
- SMEs and firms operating in services and infrastructure have given a relatively higher priority to IT and employee training.

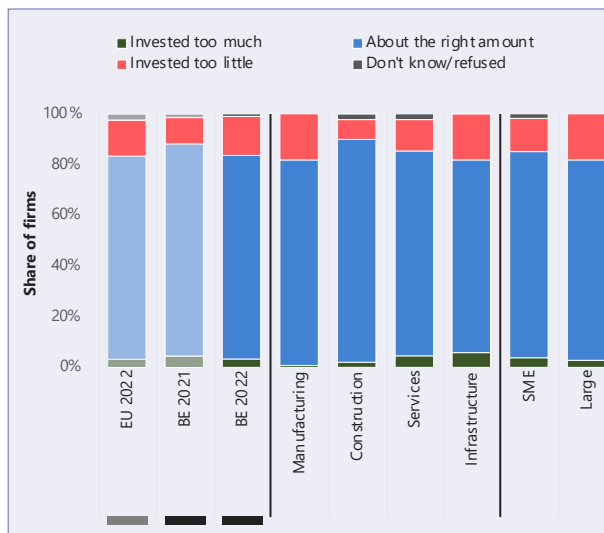
Q. In the last financial year, how much did your business invest in each of the following with the intention of maintaining or increasing your company's future earnings?

Base: All firms who have invested in the last financial year (excluding don't know/refused responses)

Investment needs and priorities

PERCEIVED INVESTMENT GAP

- Belgian firms do not perceive major investment gaps with the majority believing they invested the right amount over the past three years (80%) and only a very small proportion (3%) saying they have invested too much. All figures are similar to EIBIS 2021 and the current EU average.
- The proportion of firms saying they have invested too little is highest among large firms and firms in manufacturing and infrastructure (all 18%), while only 1% of those in manufacturing believe they invested too much.

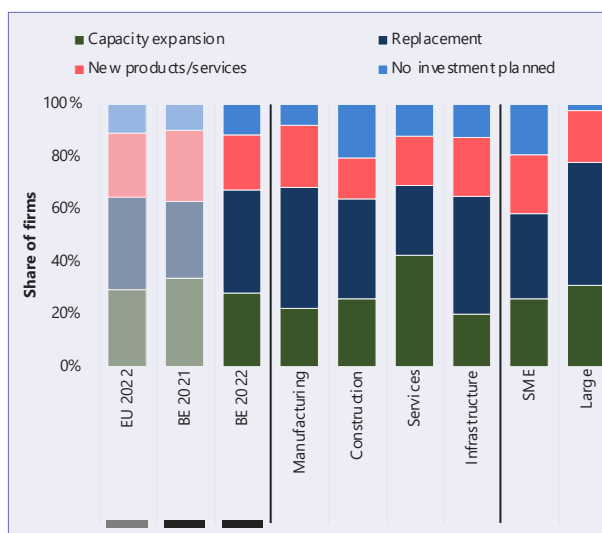


Q. Looking back at your investment over the last 3 years, was it too much, too little, or about the right amount?

Base: All firms (excluding 'Company didn't exist three years ago' responses)

FUTURE INVESTMENT PRIORITIES

- Replacement (39%) and capacity expansion (28%) will be the biggest investment priorities for Belgian firms over the next three years. By contrast, 12% of Belgian firms have no investment planned, in line with EIBIS 2021 (10%) and the EU average (11%).
- Compared to EIBIS 2021 there is more focus on replacement (39%, up from 29%).
- Services firms will be prioritising capacity expansion (42%) more than firms in other sectors. Replacement is a relatively high priority among large firms (47%) and firms in manufacturing (46%) and infrastructure (45%).
- SMEs are much more likely than large firms (19% and 2%) to have no investment planned for the next three years.

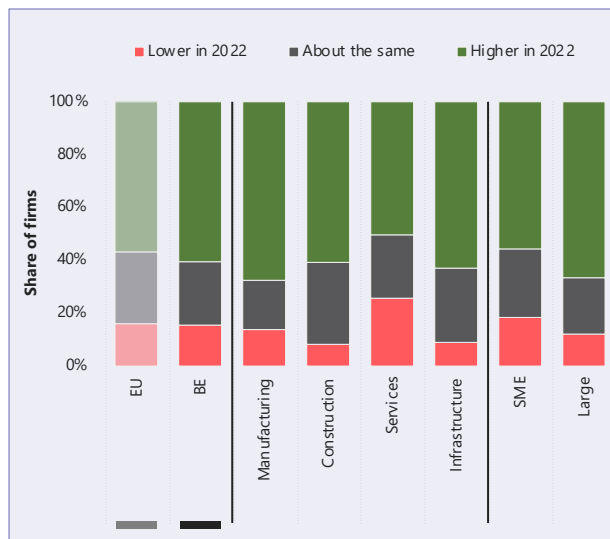


Q. Looking ahead to the next three years, which is your investment priority (a) replacing capacity (including existing buildings, machinery, equipment, IT) (b) expanding capacity for existing products/services (c) developing or introducing new products, processes, services?

Base: All firms (excluding don't know/refused responses)

Impact of COVID-19

IMPACT OF COVID-19 ON SALES OR TURNOVER BY END OF 2022 COMPARED TO 2019



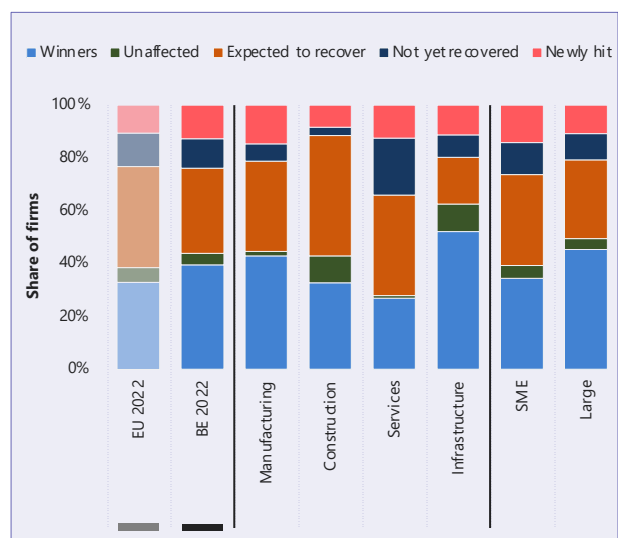
- Similar to the EU as a whole, the majority of Belgian firms (61%) expected their 2022 sales to be above those achieved prior to COVID. Fewer than 16% expected them to be lower.
- In all sectors, a majority of firms expected sales in 2022 to be higher than those achieved in 2019.
- Services firms were more pessimistic than other sectors, with 26% expecting their sales to be lower in 2022 than they were in 2019.
- SMEs and large firms are not significantly different in their expectations for sales in 2022.

Q. Compared to 2019, do you expect your sales or turnover in 2022 to be higher, lower or about the same?

Base: All firms (excluding don't know/refused responses)

IMPACT ON FIRMS' SALES OR TURNOVER AND EXPECTED RECOVERY

- Around 43% of Belgian firms were negatively impacted by COVID-19. Nevertheless 32% expected to recover in 2022 by coming back to at least their 2019 sales levels.
- Four in ten firms (40%) are COVID-19 'winners', meaning they did not experience a drop in sales in 2020-2021 and expected their sales to improve in 2022 compared to pre-pandemic levels. This is above the EU average (33%).
- One in five (21%) of services firms have their sales yet to recover from the impact of COVID-19. This is much higher than in other sectors.
- Over half of infrastructure firms (52%) can be categorized as winners. This is much higher than firms in construction and services (33% and 27%).



Q. Compared to 2019, before the pandemic started, did your companies sales and turnover in 2020 decline, increase or stay the same?

Q. Compared to 2020, did your companies sales and turnover in 2021 decline, increase or stay the same?

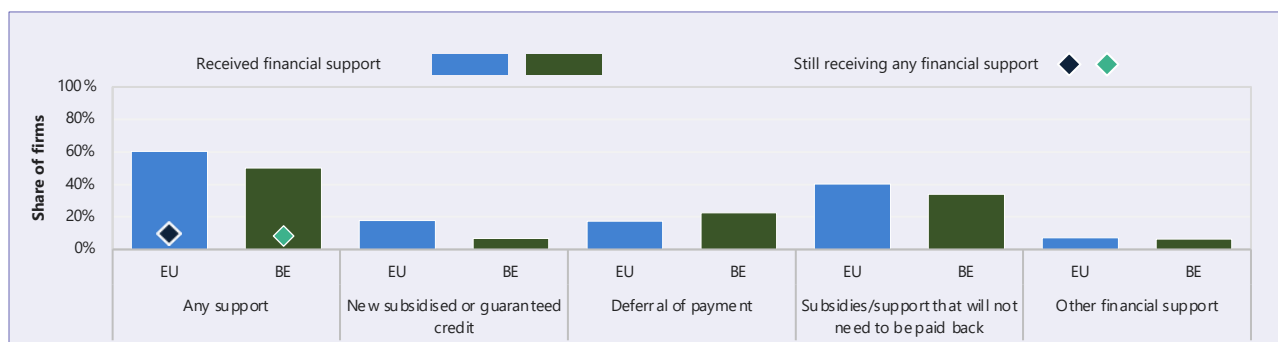
Q. Compared to 2019, do you expect your sales or turnover in 2022 to be higher, lower or about the same?

Base: All firms (excluding don't know/refused responses)

Impact of COVID-19

FINANCIAL SUPPORT RECEIVED IN RESPONSE TO COVID-19

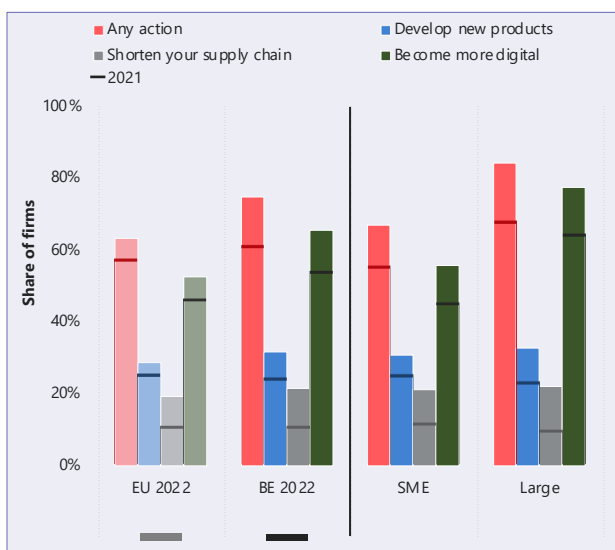
- Around 50% of Belgian firms received some form of financial support as a response to COVID-19, a lower share than the EU average (60%).
- The most frequent type of financial support received by Belgian firms is subsidies or another type of financial support that will not need to be paid back (34%) followed by deferral of payment (23%).
- Firms in Belgium are more likely than those across the EU to have received deferrals of payment (23% versus 17%), and less likely to have benefitted from subsidies/support that will not need to be paid back (34% versus 40%) or new subsidised or guaranteed credit (7% versus 18%).
- About 8% of Belgian firms are still receiving financial support, similar to the EU average (10%).



Q. Since the start of the pandemic, have you received any financial support?
Q. Are you still receiving (any of) this financial support?

Base: All firms (excluding don't know/refused responses)

ACTIONS AS A RESULT OF COVID-19



- Approximately 75% of Belgian firms now say they have taken at least one action in response to COVID-19. This figure is higher than in EIBIS 2021 (61%) and the EU average (63%).
- The most often cited area of action or investment is to become more digital, as reported by 66% of Belgian firms.
- The proportion of Belgian firms that has transformed its supply chain has doubled since EIBIS 2021, from 10% to 22%.
- Large firms are far more likely than SMEs to have taken action (84% versus 67%), with large firms being more likely than SMEs to have become more digital (78% versus 56%).

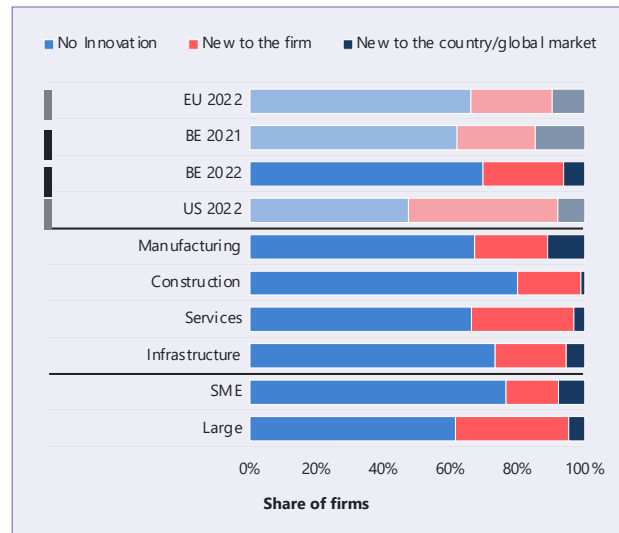
Q. As a response to the COVID-19 pandemic, have you taken any actions or made investments to...?

Base: All firms (excluding don't know/refused responses)

Innovation activities

INNOVATION ACTIVITY

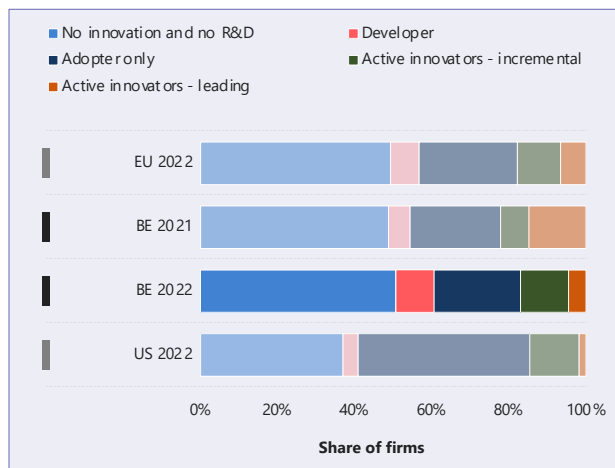
- Around 30% of Belgian firms developed or introduced new products, processes or services as part of their investment activities. This is not significantly different from EIBIS 2021 (38%) and the EU average (34%).
- Compared to EIBIS 2021, Belgian firms are less likely to have innovations that were new to the country or global market (6% versus 15%).
- The proportion of manufacturing firms with innovations that were new to the country or global market is far higher than for construction firms (11% versus 1%).
- Innovation was more common among Belgium's large firms (39%) than its SMEs (24%).



- Q. What proportion of total investment was for developing or introducing new products, processes, services?
Q. Were the products, processes or services new to the company, new to the country, new to the global market?

Base: All firms (excluding don't know/refused responses)

INNOVATION PROFILE



- One in six Belgian firms (17%) can be classified as an active innovator – a firm that invested significantly in research and development and introduced a new product, process or service. This is similar to EIBIS 2021 (22%) and the EU average (18%).
- Compared to EIBIS 2021, Belgium's active innovators are now more likely to be incremental and less likely to be leading.
- Half of Belgian firms (51%) did not innovate or invest in R&D in 2022, in line with EIBIS 2021 and the EU average (both 49%).

- Q. What proportion of total investment was for developing or introducing new products, processes, services?
Q. Were the products, processes or services new to the company, new to the country, new to the global market?
Q. In the last financial year, how much did your business invest in Research and Development (including the acquisition of intellectual property) with the intention of maintaining or increasing your company's future earnings?

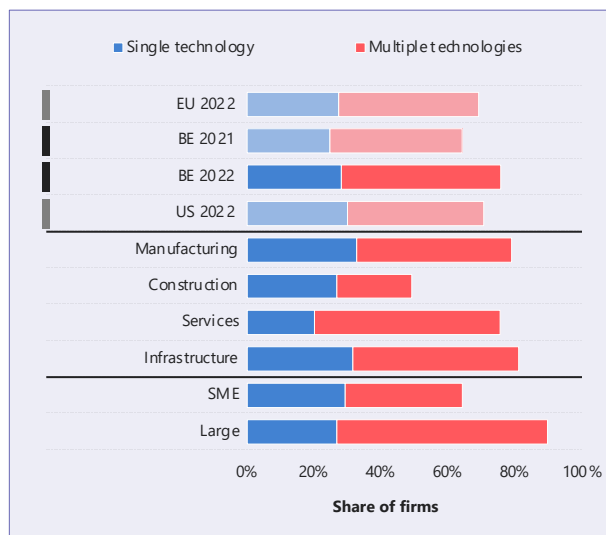
Base: All firms (excluding don't know/refused responses)

The 'No innovation and no R&D' group comprises firms that did not introduce any new products, processes or services in the last financial year. The 'Adopter only' introduced new products, processes or services but without undertaking any of their own research and development effort. 'Developers' are firms that did not introduce new products, processes or services but allocated a significant part of their investment activities to research and development. 'Incremental' and 'Leading innovators' have introduced new products, processes and services and also invested in research and development activities. The two profiles differ in terms of the novelty of the new products, processes or services. For incremental innovators these are 'new to the firm'; for leading innovators these are new to the country/world'.

Innovation activities

USE OF ADVANCED DIGITAL TECHNOLOGIES

- Overall, 76% of Belgian firms are using at least one advanced digital technology, above the EU average (69%).
- Construction firms have the lowest share of firms using digital technologies (49% versus 75% or above across other sectors).
- Large firms are more likely than SMEs to implement multiple technologies (63% versus 35%).
- Compared to the EU average, Belgian firms are relatively strong in their implementation of the Internet of Things, Big Data / AI and Virtual Reality. They are less likely to be employing 3D printing.



EIBIS 2022

Q. To what extent, if at all, are each of the following digital technologies used within your business? Please say if you do not use the technology within your business?

EIBIS 2021

Q. Can you tell me for each of the following digital technologies if you have heard about them, not heard about them, implemented them in parts of your business, or whether your entire business is organised around them?

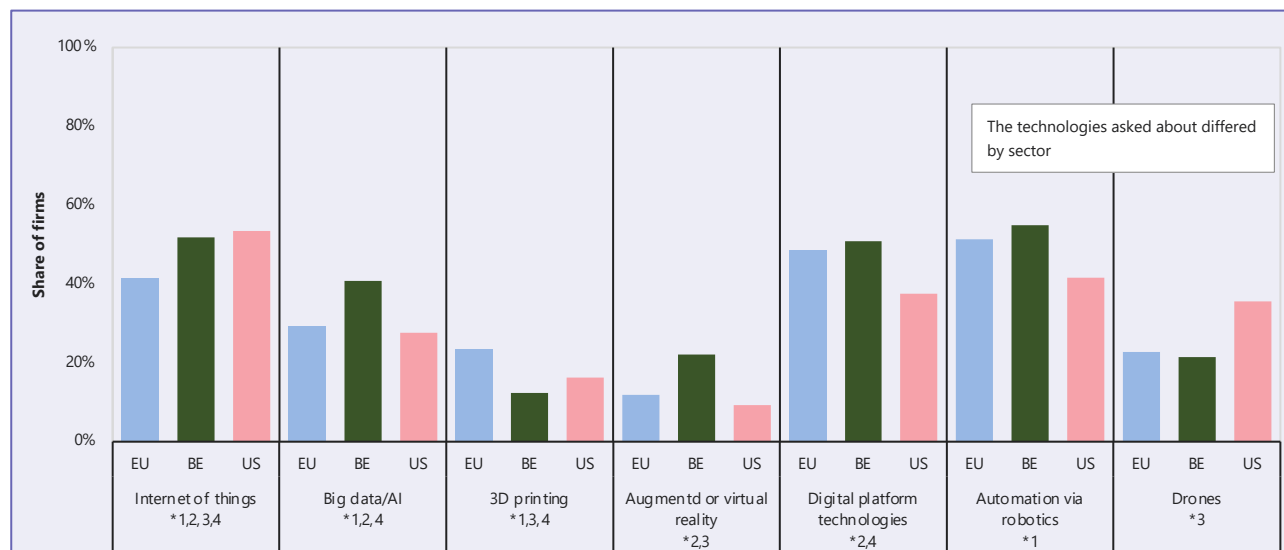
Base: All firms (excluding don't know/refused responses)

Please note: question wording and definitions changed between 2021 and 2022, comparisons between the two waves should not be made.

Reported shares combine used the technology 'in parts of business' and 'entire business organised around it'

Single technology is where firms have used one of the technologies asked about. Multiple technologies is where firms have used more than one of the technologies asked about

ADVANCED DIGITAL TECHNOLOGIES



* Sector: 1 = Asked of Manufacturing firms, 2 = Asked of Services firms, 3 = Asked of Construction firms, 4 = Asked of infrastructure firms

Q. To what extent, if at all, are each of the following digital technologies used within your business? Please say if you do not use the technology within your business?

Base: All firms (excluding don't know/refused responses);
Sample size BE: Manufacturing (154); Construction (85); Services (116); Infrastructure (111).

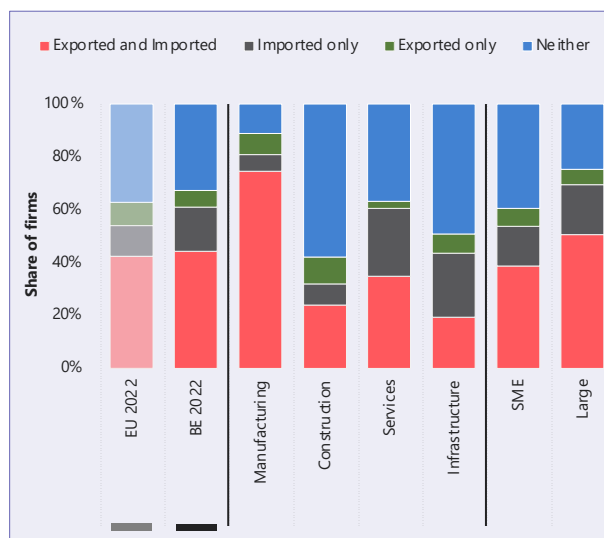
Reported shares combine used the technology 'in parts of business' and 'entire business organised around it'

Please note: question wording changed between 2021 and 2022, comparisons between the two waves should not be made.

International trade

ENGAGEMENT IN INTERNATIONAL TRADE

- Two thirds of Belgian firms are involved with international trade (67%), in line with the EU average (63%). Most of these firms are both exporters and importers.
- Manufacturing firms are far more likely to be involved with international trade (89%) than firms in other sectors. Construction is the only sector where a minority of firms are involved with international trade (42%).
- The services (26%) and infrastructure (24%) sectors have a higher proportion of importer-only firms than other sectors.
- Large firms are more likely than SMEs to be trading internationally (75% versus 61%).

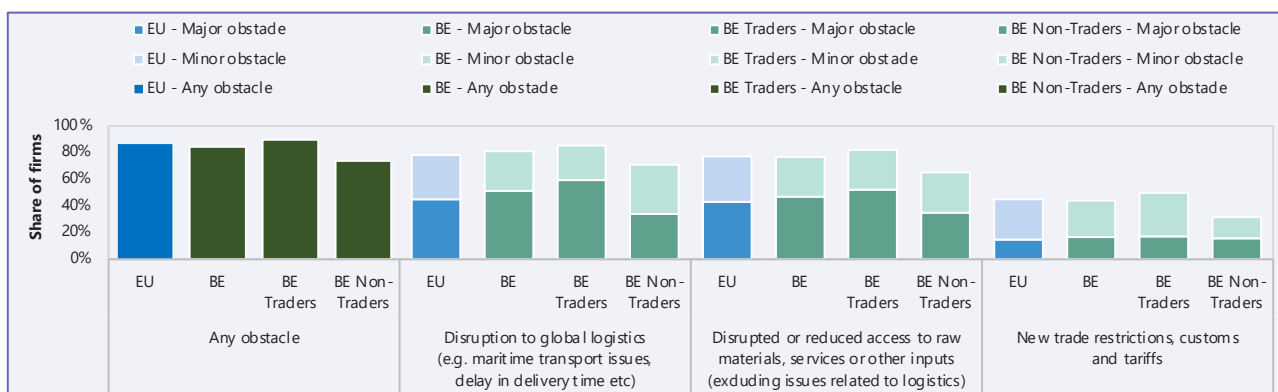


Q. In 2021, did your company export or import goods and/or services?

Base: All firms (excluding don't know/refused responses)

DISRUPTIONS RELATED TO INTERNATIONAL TRADE

- In line with the EU average, 85% of Belgian firms are facing disruptions associated with international trade. This is higher among Belgium's traders (90%).
- Overall, disruptions to global logistics (81%) and reduced access to raw materials, services or other inputs (77%) are the main obstacles.
- Disrupted global logistics is the main obstacle for both traders (86%) and non-traders (71%).
- A minority of both traders (50%) and non-traders (32%) report trade restrictions, customs and tariffs as an obstacle to their activities.



Any obstacle combines 'minor' and 'major' obstacles into one category

Q. Since 2021, did any of the following present an obstacle to your business's activities?

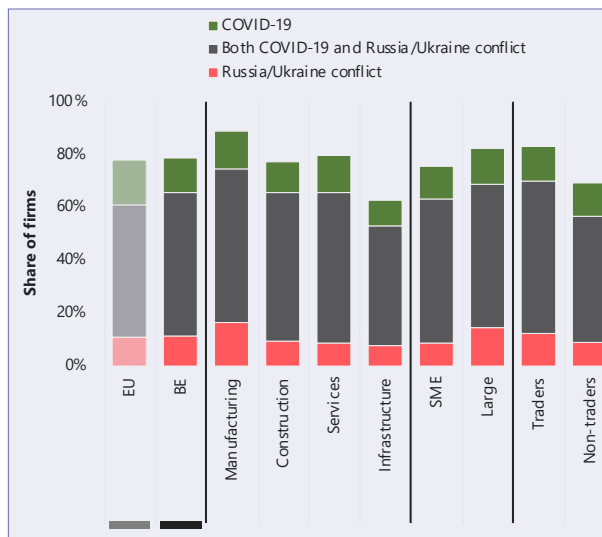
Base: "Any obstacle" - All firms (excluding those who said don't know/refused/not applicable responses to all three international trade obstacles)

Base: Individual obstacles - All firms (excluding those who said don't know/refused/not applicable)

International trade

EXTERNAL FACTORS IMPACTING INTERNATIONAL TRADE

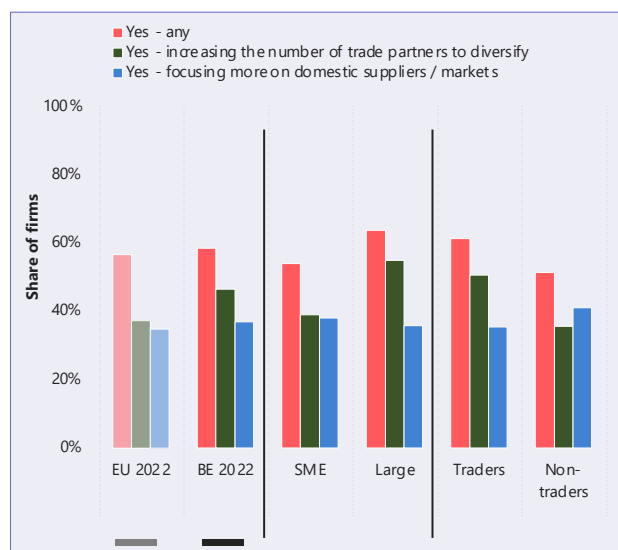
- Eight in ten Belgian firms (79%) are impacted by at least one of the external factors impacting international trade.
- More than a half of Belgian firms (54%) are impacted by both the Russia-Ukraine conflict and COVID-19, in line with the EU average (50%). COVID-19 alone is less problematic for Belgian firms (13%) than across the EU on average (17%).
- The infrastructure sector has the lowest share of firms impacted by the international obstacles mentioned, although it still constitutes more than a half of infrastructure firms (63%).
- More traders (83%) than non-traders (69%) are impacted by one or both of the external factors.



Q. You have just said that you experienced (an obstacle/obstacles) to your business activities since 2021. Did Covid-19 and/or the Russia-Ukraine conflict, including the sanctions imposed by the International community, contribute to this in anyway?

Base: All firms (excluding don't know/refused responses)

ACTIONS TO MITIGATE INTERNATIONAL TRADE DISRUPTIONS



- Around six in ten Belgian firms (59%) are taking action to mitigate the impact of the international trade disruptions, in line with the EU overall (57%).
- More Belgian firms are increasing the number of trade partners to diversify than firms across the EU as a whole (47% versus EU 37%).
- Large firms (55%) are more likely than SMEs (39%) to be increasing the number of trade partners to diversify.
- Traders (51%) are also more likely than non-traders (36%) to be increasing the number of trade partners to diversify.

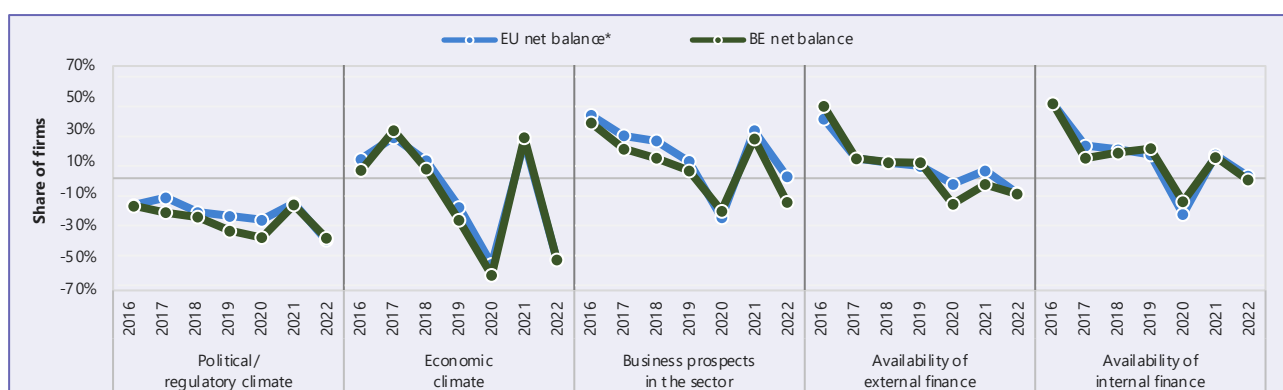
Q. Is your company taking any actions to mitigate the impact of these disruptions?

Base: All firms facing trade disruptions (excluding don't know/refused responses)

Drivers and constraints

SHORT-TERM FIRM OUTLOOK

- Despite the upward trend in the outlook last year, Belgian firms are again more pessimistic about the investment conditions for the next year.
- Economic climate expectations have sharply dropped again in net terms (declining from +29% to -53%) as have business prospects in the sector (declining from +29% to -14%), returning close to COVID levels.
- The availability of internal finance has also reversed its trend and just remains positive (+1%).
- The outlook for both the political/regulatory climate (-38%) and the availability of external finance (-9%) remain negative.
- Both the downward trend in sentiment and the absolute figures for each element of the wider trading environment reflect those across the EU.

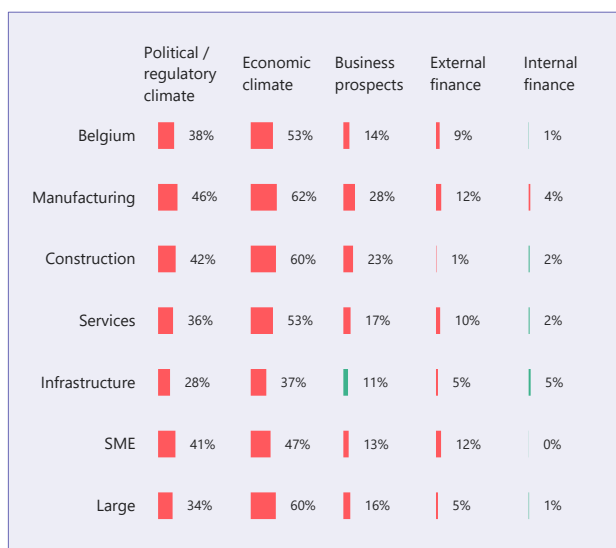


Q. Do you think that each of the following will improve, stay the same, or get worse over the next 12 months?

*Net balance is the share of firms seeing improvement minus the share of firms seeing a deterioration

Base: All firms

SHORT-TERM FIRM OUTLOOK BY SECTOR AND SIZE (net balance %)



Please note: green figures are positive, red figures are negative

- Firms are consistently more negative than positive about the political/regulatory climate, the economic climate and the availability of external finance across different sectors and firm sizes.
- Firms are weakly positive about internal finance, except for manufacturing firms (-4%).
- Only infrastructure firms are positive about business prospects (+11%).
- Manufacturing firms are generally the most pessimistic across each element of the trading environment.

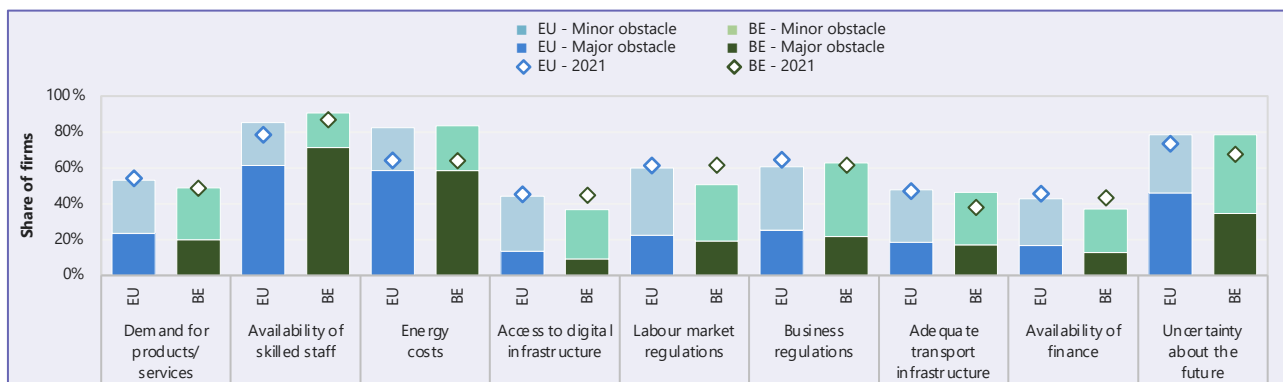
Q. Do you think that each of the following will improve, stay the same, or get worse over the next twelve months?

Base: All firms

Drivers and constraints

LONG-TERM BARRIERS TO INVESTMENT

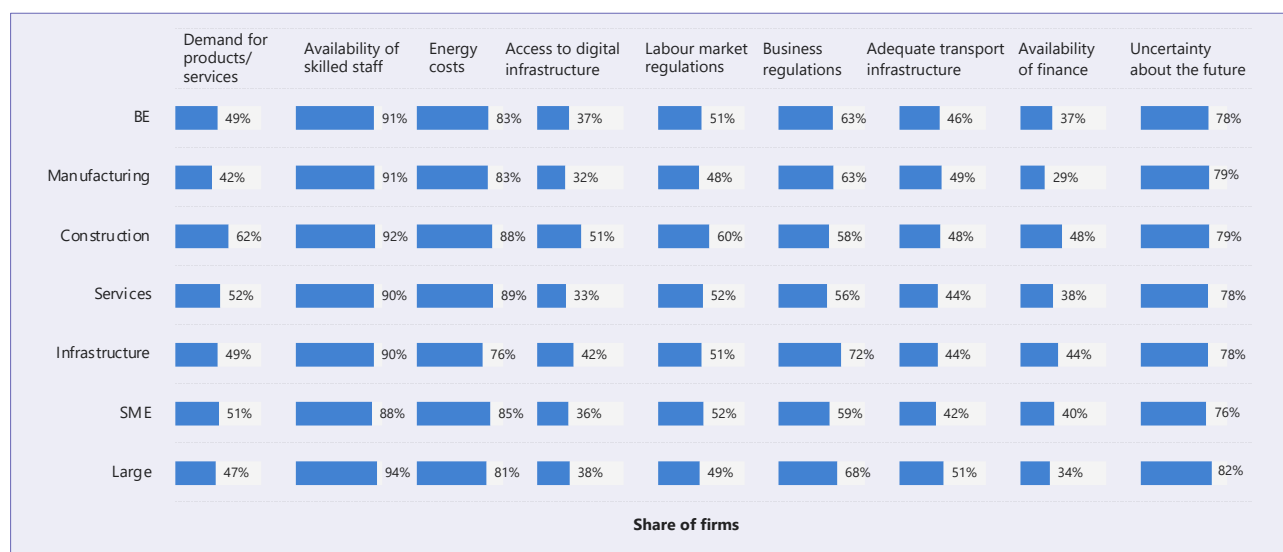
- The most frequently mentioned long-term barriers to investment in Belgium are availability of skilled staff (91%), energy costs (83%) and uncertainty about the future (78%).
- Energy costs are a barrier for an increasing number of firms (83% versus 64% in EIBIS 2021) as is uncertainty about the future (78% versus 68% in EIBIS 2021).
- Labour market regulations are a barrier for fewer firms than in EIBIS 2021 (51% versus 61%).
- Compared to the EU as a whole, Belgian firms are more likely to mention availability of skilled staff as a barrier, but less likely to mention access to digital infrastructure, labour market regulations and availability of finance as barriers.



Q. Thinking about your investment activities, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

Base: All firms (data not shown for those who said not an obstacle at all/don't know/refused)

LONG-TERM BARRIERS BY SECTOR AND SIZE



Reported shares combine 'minor' and 'major' obstacles into one category

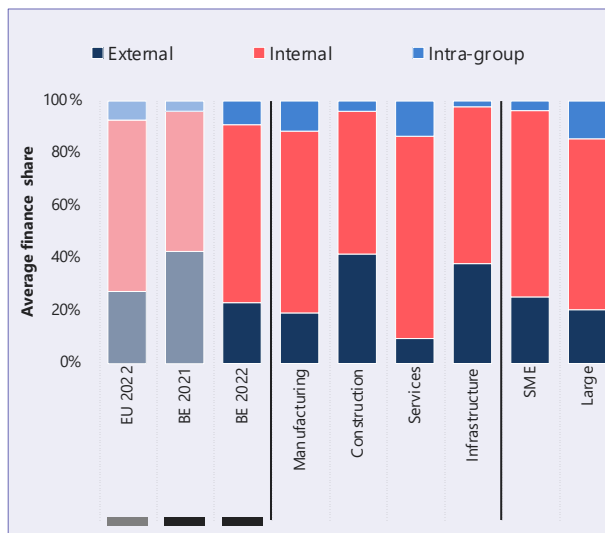
Q. Thinking about your investment activities, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

Base: All firms (data not shown for those who said not an obstacle at all/don't know/refused)

Access to finance

SOURCE OF INVESTMENT FINANCE

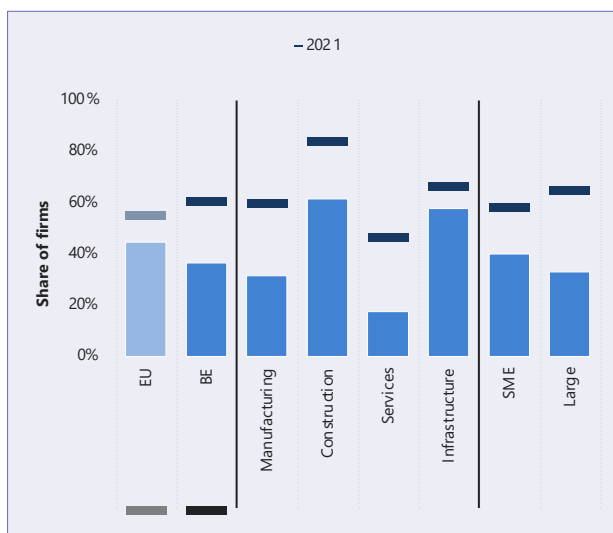
- More so than EIBIS 2021, internal sources account for the largest share of investment finance for Belgian firms (68%).
- The proportion of Belgian firms' investment that is financed from external sources has almost halved since last year (from 43% to 23%), and is below the EU average (28%).
- Firms in construction and infrastructure financed a greater share of their investment from external sources (42% and 38%) than firms in other sectors.
- Large firms have made more use of intra-group funding than small firms (14% versus 4% of investment).



Q. What proportion of your investment was financed by each of the following?

Base: All firms who invested in the last financial year (excluding don't know/ refused responses)

USE OF EXTERNAL FINANCE



- Over one third (37%) of Belgian firms that invested in the last financial year financed at least some of their investment through external finance. This is much lower than in EIBIS 2021 (61%) and below the EU average (45%).
- Services firms that had invested in the last financial year were less likely than firms in other sectors to have used external finance (18%).
- In the construction and infrastructure sectors, a majority of firms that invested in the last financial year used external finance (62% and 58%), more than firms in other sectors.

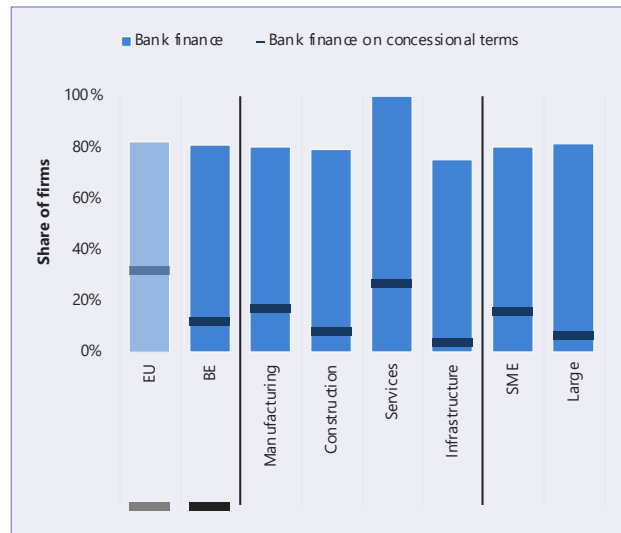
Q. Approximately what proportion of your investment in the last financial year was financed by each of the following

Base: All firms who invested in the last financial year (excluding don't know/ refused responses)

Access to finance

ACCESS TO BANK FINANCE AND CONDITIONS

- Eight in ten (81%) Belgian firms using external finance received bank finance, in line with the EU average (82%).
- Only 12% obtained bank finance on concessional terms, far below the EU average (32%).
- Services firms that used external finance are most likely to have received bank finance (100%) and most likely to have obtained it on concessional terms (27%).

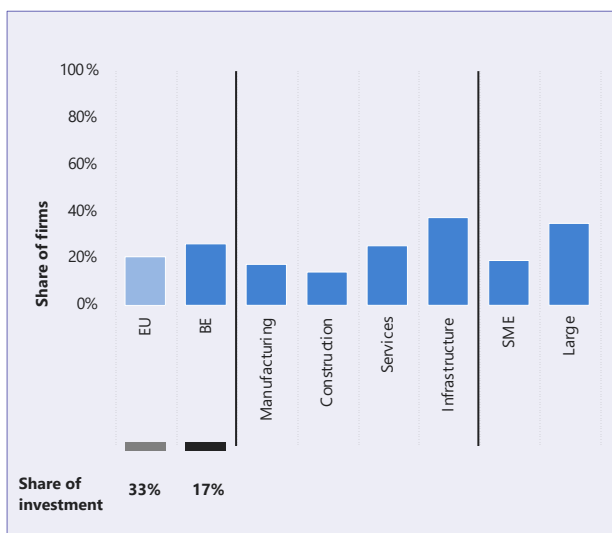


Q. Which of the following types of external finance did you use for your investment activities in the last financial year?

Q. Was any of the bank finance you received on concessional terms (e.g. subsidised interest rates, longer grace period to make debt payments)?

Base: All firms who used external finance (excluding don't know/refused responses)

SHARE OF FIRMS WITH FINANCE FROM GRANTS



- One quarter (26%) of Belgian firms using external finance received grants, in line with the EU average (21%).
- Belgian firms receiving grants financed about 17% of their investment in this way (versus 33% in the EU).
- Firms in the infrastructure sector and large firms are most likely to have received grants (38% and 35%, respectively).

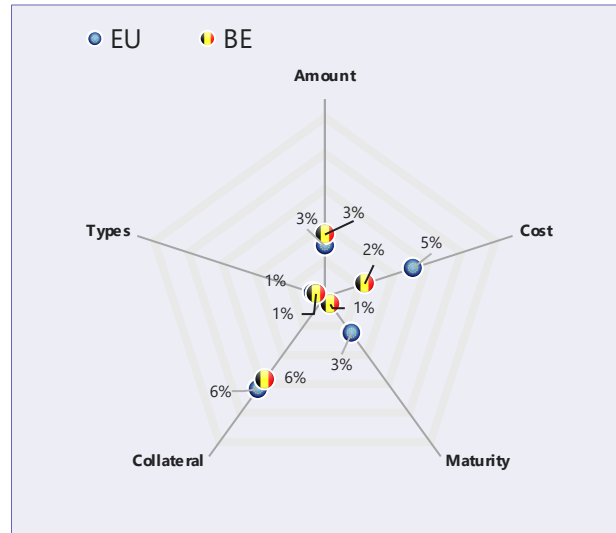
Q. What proportion of your total investment in your last financial year was financed by grants?

Base: All firms using external finance (excluding don't know/refused responses)

Access to finance

DISSATISFACTION WITH EXTERNAL FINANCE RECEIVED (% of firms)

- Only a very small proportion of the Belgian firms that used external finance in the last financial year are dissatisfied with the conditions received. For none of the conditions did more than 6% say they are dissatisfied.
- Belgian firms are most dissatisfied with the collateral, in line with the EU average (both 6%).



Q. How satisfied or dissatisfied are you with ...?

Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)

DISSATISFACTION BY SECTOR AND SIZE (% of firms)

	Amount	Cost	Maturity	Collateral	Type
BE	3%	2%	1%	6%	1%
Manufacturing	3%	3%	0%	3%	0%
Construction	4%	0%	0%	4%	0%
Services	4%	0%	0%	8%	0%
Infrastructure	4%	4%	1%	8%	1%
SME	6%	4%	1%	7%	1%
Large	0%	0%	0%	4%	0%

- Overall dissatisfaction levels are low, with the highest levels of negativity linked to the collateral requirements.
- The pattern is similar across all sectors, although services and infrastructure firms have a relatively high level of dissatisfaction with collateral requirements (both 8%).
- Large firms only report dissatisfaction with the collateral requirements (4%), whereas the amount (6%) and cost (4%) of external finance are also reported as relevant by small and medium-sized enterprises.

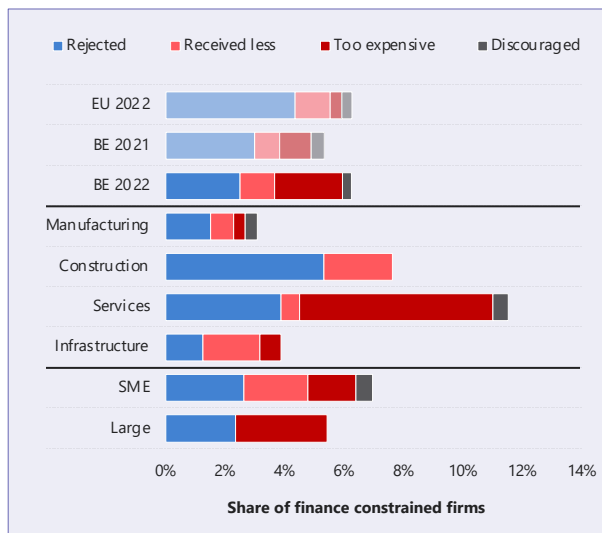
Q. How satisfied or dissatisfied are you with ...?

Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)

Access to finance

SHARE OF FINANCE CONSTRAINED FIRMS

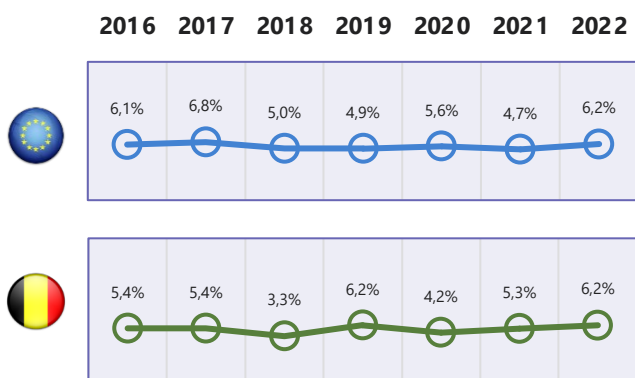
- The share of financially constrained firms in Belgium is similar to the EU average (both 6.2%) and to the one reported in EIBIS 2021 (5.3%).
- Belgian firms are equally likely to report rejection (2.5%) as they are to report finance being too expensive (2.3%).
- Firms in the services (11.5%) and construction (7.6%) sectors are the most finance constrained. Services firms are more likely to say finance is too expensive (6.5%) than firms in other sectors.



Finance constrained firms include: those dissatisfied with the amount of finance obtained (received less), firms that sought external finance but did not receive it (rejected) and those who did not seek external finance because they thought borrowing costs would be too high (too expensive) or they would be turned down (discouraged)

Base: All firms (excluding don't know/refused responses)

FINANCING CONSTRAINTS OVER TIME



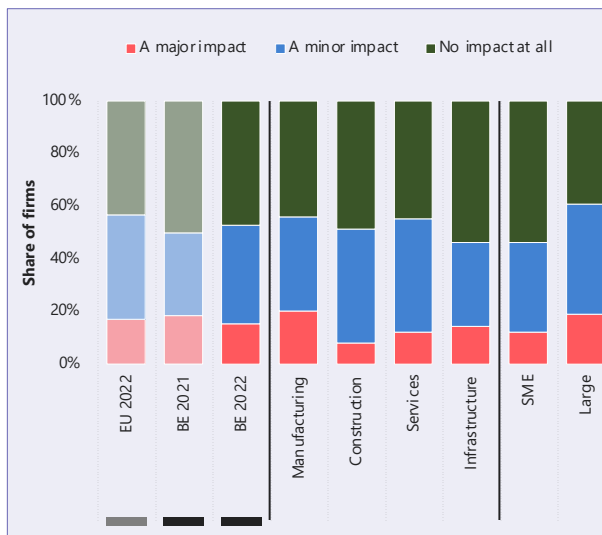
- The proportion of Belgian firms that are finance constrained is similar to that recorded in EIBIS 2021 and all previous waves of the study. It is also similar to the EU average, as in previous years.

Base: All firms (excluding don't know/refused responses)

Climate change and energy efficiency

IMPACT OF CLIMATE CHANGE – PHYSICAL RISK

- More than a half (53%) of firms in Belgium report that weather events are currently having an impact on their business, with 15% reporting they are having a major impact.
- Firms in the manufacturing sector are most likely to report that weather events are having a major impact on their business (20%).
- A half or more of firms in all sectors report that weather events are having an impact on their business, except in the infrastructure sector (46%).
- Large firms are more likely than SMEs to say climate change has presented a physical risk to their company (61% versus 46%).

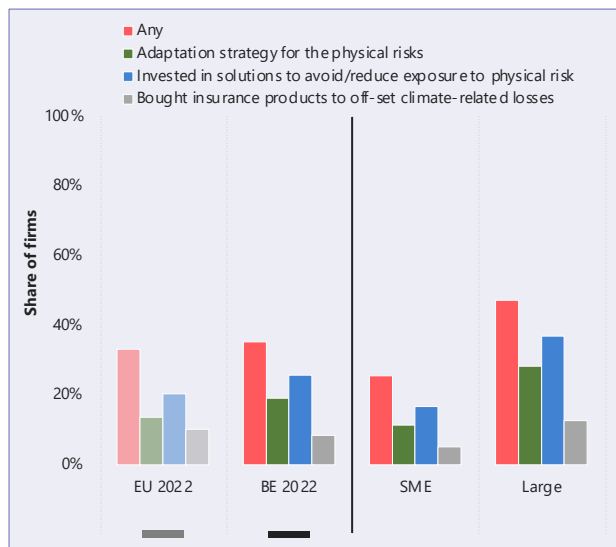


Q. Thinking about the impact of climate change on your company, such as losses due to extreme climate events, including droughts, flooding, wildfires or storms or changes in weather patterns due to progressively increasing temperature and rainfall. What is the impact, also called physical risk, of this on your company?

Please note: question wording changed between 2021 and 2022. Comparisons should be treated with caution.

Base: All firms (excluding don't know/refused responses)

BUILDING RESILIENCE TO PHYSICAL RISK



- Similar to the EU average, one third (35%) of Belgian firms have already developed or invested in measures to build resilience to the physical risks caused by climate change.
- Belgian firms are more likely than the average EU firm to have an adaptation strategy for the physical risks (19% versus 14%) and to have invested in solutions to avoid or reduce exposure to physical risks (26% versus 20%).
- Large firms are far more likely than SMEs (47% versus 26%) to have developed or invested in measures to build resilience to physical risks. This difference between large firms and SMEs is seen across each measure.

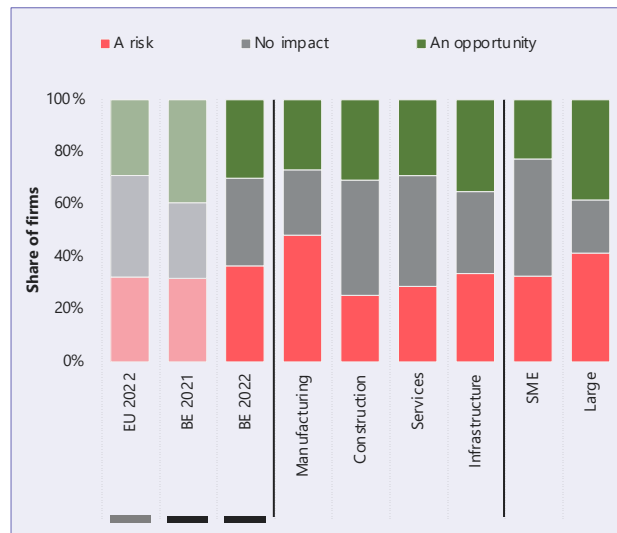
Q. Has your company developed or invested in any of the following measures to build resilience to the physical risks to your company caused by climate change?

Base: All firms (excluding don't know/refused responses)

Climate change and energy efficiency

IMPACT OF CLIMATE CHANGE – RISKS ASSOCIATED WITH THE TRANSITION TO A NET ZERO EMISSION ECONOMY OVER THE NEXT FIVE YEARS

- Almost four in ten (37%) Belgian firms see the transition to stricter climate standards and regulations as a risk, while 30% see it as an opportunity.
- Compared to EIBIS 2021, fewer Belgian firms now regard the transition to stricter climate standards and regulations as an opportunity (30% versus 39%).
- Almost half of manufacturing firms (48%) say the transition to stricter climate standards and regulations represents a risk, far higher than firms in construction (25%) and services (29%).
- The feeling of opportunity is higher among large firms (38%) than among SMEs (23%).

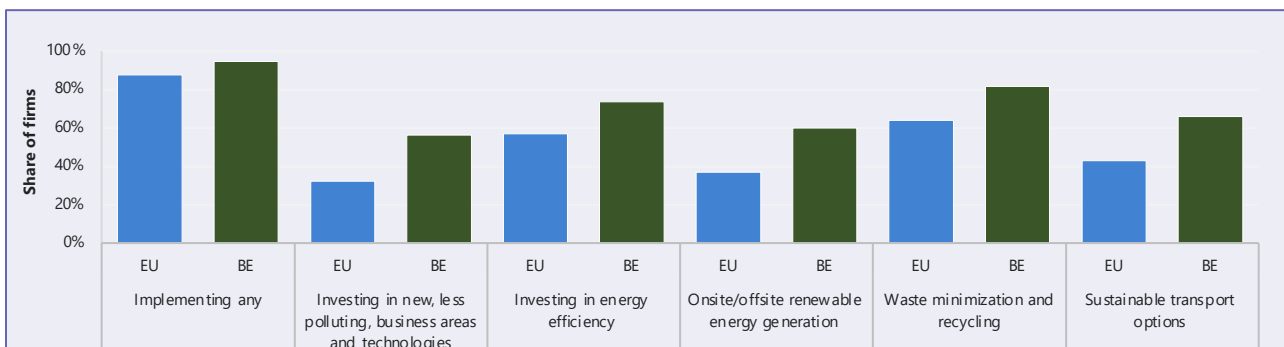


Q. Thinking about your company, what impact do you expect this transition to stricter climate standards and regulations will have on your company over the next five years?

Base: All firms (excluding don't know/refused responses)

ACTIONS TO REDUCE GHG EMISSIONS

- Almost all Belgian firms (95%) are taking actions to reduce Greenhouse Gas (GHG) emissions, above the EU average (88%).
- The main actions in Belgium are waste minimization and recycling (82%) and investments in energy and efficiency (74%).
- Belgian firms are more likely than the EU average to be taking action in each of the areas they were asked about.



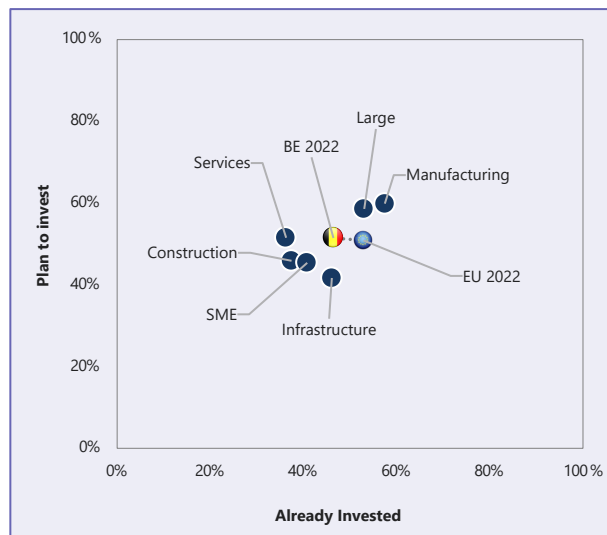
Q. Is your company investing or implementing any of the following, to reduce Greenhouse Gas (GHG) emissions?

Base: All firms (excluding don't know/refused responses)

Climate change and energy efficiency

INVESTMENT PLANS TO TACKLE CLIMATE CHANGE IMPACT

- Almost half (46%) of Belgian firms have already invested in tackling the impacts of weather events and dealing with the process of reducing carbon emissions, below the EU average (53%). Just over half (51%) of Belgian firms are planning to invest in the next three years.
- The manufacturing sector (60%) has the highest share of firms planning on investing in the next 3 years.
- Large firms are more likely than SMEs to be planning to invest in tackling climate change impacts in the next three years (59% versus 45%).



Please note: question change and an additional answer option was included in 2022, this may have influenced the data. Treat comparison to previous waves with caution.

EIBIS 2021

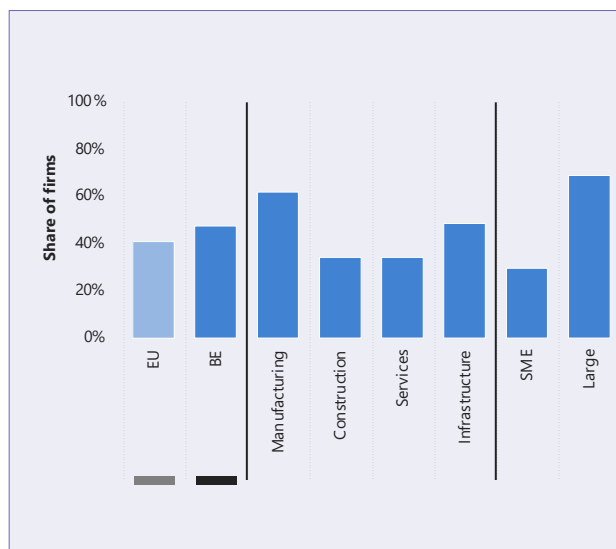
Q. Now thinking about investments to tackle the impacts of weather events and to deal with the process of reduction in carbon emissions, which of the following applies?

EIBIS 2022

Q. Which of the following applies to your company regarding investments to tackle the impacts of weather events and to help reduce carbon emissions?

Base: All firms (excluding don't know/refused responses)

CLIMATE CHANGE TARGETS FOR OWN GREENHOUSE GAS (GHG) EMISSIONS



- Almost half (48%) of Belgian firms report that they set and monitor targets for their own Greenhouse Gas emissions. This share is higher than the EU average (41%).
- Manufacturing is the only sector where a majority of firms (62%) monitor GHG emission targets.
- Large firms are more than twice as likely as SMEs to be setting and monitoring targets for their own Greenhouse Gas emissions (69% versus 30%).

Q. Does your company... set and monitor targets for its own Greenhouse Gas (GHG) emissions

Base: All firms (excluding don't know/refused responses)

Climate change and energy efficiency

SHARE OF FIRMS INVESTING IN MEASURES TO IMPROVE ENERGY EFFICIENCY

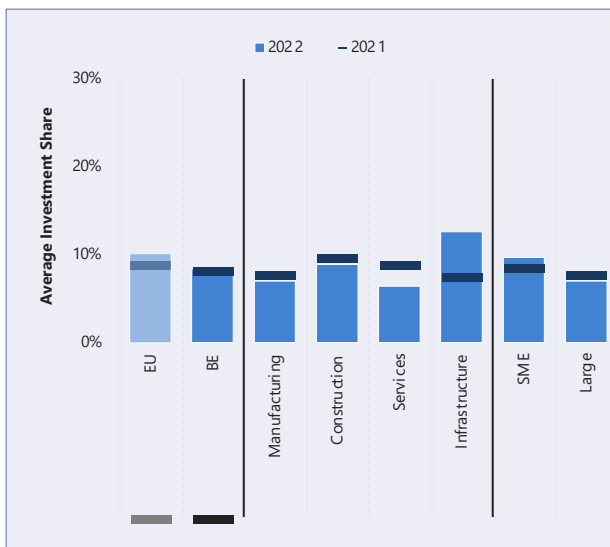
- The share of Belgian firms investing in measures to improve energy efficiency in 2022 is the same as in EIBIS 2021 (both 42%). The current level moreover matches the EU average (40%).
- A bit over half (52%) of manufacturing firms are investing in energy efficiency, a higher share than among construction and services firms.
- Similarly, half (53%) of large firms are investing in energy efficiency, far more than among SMEs (33%).



Q. What proportion of the total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

Base: All firms

AVERAGE SHARE OF INVESTMENT IN MEASURES TO IMPROVE ENERGY EFFICIENCY



- Among Belgian firms, the average share of total investment directed towards measures to improve energy efficiency is 8%. This is in line with EIBIS 2021 (8%) and the current EU average (10%).
- The highest share of investment directed towards energy efficiency is among infrastructure firms (13%).

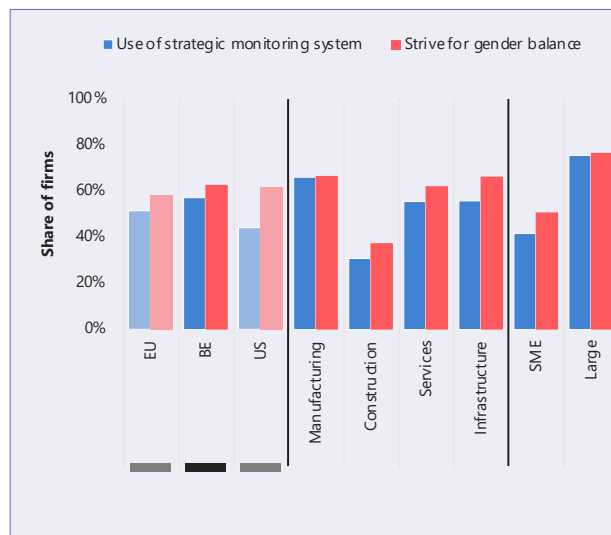
Q. What proportion of the total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

Base: All firms who have invested in the last financial year (excluding don't know/refused responses)

Firm management, gender balance and employment

FIRM MANAGEMENT AND GENDER BALANCE

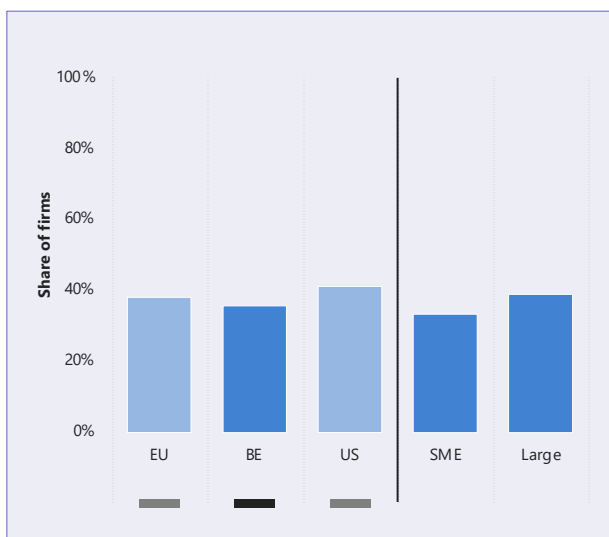
- Almost six in ten Belgian firms (57%) use a strategic monitoring system that compares the firm's current performance against a series of key performance indicators. This is higher than the EU average (51%) and the US average (44%).
- With respect to gender balance, 63% of Belgian firms are striving for this within their business, in line with the EU overall (58%) and the US (62%).
- Except for construction (31%), strategic monitoring systems are used by a majority of firms in each sector. Similarly, with the exception of construction (37%), around two-thirds of firms in each sector are striving for gender balance.
- Around three-quarters of large firms use strategic monitoring systems (75%) or are striving for gender balance (77%), both far higher than among SMEs (42% and 51%, respectively).



Q Does your company...?

Base: All firms (excluding don't know/refused responses)

FIRMS WHO HAVE INCREASED EMPLOYEE NUMBERS SINCE 2019



- Over one third (36%) of Belgian firms have increased their employee numbers since 2019. This is in line with the EU average (38%).
- There are no significant differences by size of firm.

Q. How many people does your company employ either full or part time at all its locations, including yourself?

Q. How many people did your company employ either full or part time at all its locations at the beginning of 2019, before the COVID-19 pandemic?

Base: All firms (excluding don't know/refused/did not exist in 2019 responses)

EIBIS 2022 – Country technical details

SAMPLING TOLERANCES APPLICABLE TO PERCENTAGES AT OR NEAR THESE LEVELS

The final data are based on a sample, rather than the entire population of firms in Belgium, so the percentage results are subject to sampling tolerances. These vary with the size of the sample and the percentage figure concerned.

	EU	US	BE	Manufacturing	Construction	Services	Infrastructure	SME	Large	EU vs BE	Manuf vs Constr	SME vs Large
	(12021)	(800)	(482)	(155)	(85)	(117)	(111)	(398)	(84)	(12021 vs 482)	(155 vs 85)	(398 vs 84)
10% or 90%	1.1%	4.1%	2.9%	4.8%	6.0%	5.6%	5.8%	2.6%	5.5%	3.1%	7.7%	6.0%
30% or 70%	1.7%	6.2%	4.4%	7.4%	9.2%	8.6%	8.8%	3.9%	8.4%	4.7%	11.8%	9.2%
50%	1.8%	6.8%	4.8%	8.0%	10.1%	9.4%	9.6%	4.3%	9.1%	5.1%	12.8%	10.1%

GLOSSARY

Investment	A firm is considered to have invested if it spent more than EUR 500 per employee on investment activities with the intention of maintaining or increasing the company's future earnings.
Investment cycle	Based on the expected investment in current financial year compared to last one, and the proportion of firms with a share of investment greater than EUR 500 per employee.
Manufacturing sector	Based on the NACE classification of economic activities: firms in group C (Manufacturing).
Construction sector	Based on the NACE classification of economic activities: firms in group F (Construction).
Services sector	Based on the NACE classification of economic activities: firms in group G (wholesale and retail trade) and group I (accommodation and food Services activities).
Infrastructure sector	Based on the NACE classification of economic activities: firms in groups D and E (utilities), group H (transportation and storage) and group J (information and communication).
SME	Firms with between 5 and 249 employees.
Large firms	Firms with at least 250 employees.

Note: the EIBIS 2022 country overview refers interchangeably to 'the past/last financial year' or to '2021'. Both refer to results collected in EIBIS 2022, where the question is referring to the past financial year, with the majority of the financial year in 2021 in case the financial year is not overlapping with the calendar year 2021.

EIBIS 2022 – Country technical details

The country overview presents selected findings based on telephone interviews with 482 firms in Belgium (carried out between April and July 2022).

BASE SIZES (*Charts with more than one base; due to limited space, only the lowest base is shown)

Base definition and page reference	EU 2022/2021	US 2022	BE 2022/2021	Manufacturing	Construction	Services	Infrastructure	SME	Large
All firms, p. 3, p.12, p.13, p. 21 (top)	12021/11920	800	482/480	155	85	117	111	398	84
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 4 (top)	9704/9670	668	400/371	136	64	95	96	322	78
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 4 (bottom)	9501/9523	668	378/380	115	64	93	96	313	65
All firms (excluding 'Company didn't exist three years ago' responses), p. 5 (top)	11735/11648	778	445/463	137	81	108	107	369	76
All firms (excluding don't know/refused responses), p. 5 (bottom)	11814/11765	780	473/472	153	84	116	106	390	83
All firms (excluding don't know/refused responses), p. 6 (top)	11810/NA	795	478/NA	154	84	117	110	395	83
All firms (excluding don't know/refused responses), p. 6 (bottom)	11725/NA	784	476/NA	153	84	117	109	393	83
All firms (excluding don't know/refused responses), p. 7 (top)	11945/11857	762	479/479	155	83	116	111	395	84
All firms (excluding don't know/refused responses), p. 7 (bottom)	11989/11891	796	481/480	155	84	117	111	397	84
All firms (excluding don't know/refused responses), p. 8 (top)	11735/11648	778	445/463	137	81	108	107	369	76
All firms (excluding not applicable/don't know/refused responses to all 3 questions), p. 8 (bottom)	8728/8780	615	326/334	99	57	76	87	267	59
All firms (excluding don't know/refused responses), p. 9	11980/NA	800	479/NA	154	85	116	111	396	83
All firms (excluding don't know/refused responses), p. 10 (top)	11975/NA	798	480/NA	155	84	116	111	396	84
All firms (excluding those who said don't know/refused/not applicable responses to all three international trade obstacles) p. 10 (bottom)	11382/NA	790	469/NA	152	84	116	103	388	81
All firms (excluding don't know/refused responses), p. 11 (top)	9339/NA	680	392/NA	140	73	98	69	321	71
All firms facing trade disruptions (excluding don't know/refused responses), p. 11 (bottom)	9265/NA	707	390/NA	136	75	98	69	319	71
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 14	10051/8675	665	417/282	138	69	101	98	334	83
All firms who used external finance (excluding don't know/ refused responses), p. 15 (top)	4107/4059	275	165/174	42	43	24	52	137	28
All firms who used external finance (excluding don't know and refused) p. 15 (bottom)	4155/4100	280	168/175	44	44	24	52	140	28
All firms who used external finance in the last financial year (excluding don't know/refused responses), p. 16	3988/3964	270	151/171	40	38	21	47	126	25
All firms (excluding don't know/refused responses), p. 17	11504/11518	715	460/461	146	80	114	106	378	82
All firms (excluding don't know/refused responses), p. 18 (top)	11911/11849	790	478/479	153	85	116	110	395	83
All firms (excluding don't know/refused responses), p. 18 (bottom)	11909/NA	784	481/NA	154	85	117	111	398	83
All firms (excluding don't know/refused responses), p. 19 (top)	11172/11384	759	451/467	145	82	111	100	371	80
All firms (excluding don't know/refused responses), p. 19 (bottom)	11964/NA	794	481/NA	154	85	117	111	398	83
All firms (excluding don't know/refused responses), p. 20 (top)	11685/NA	763	463/NA	147	83	111	108	382	81
All firms (excluding don't know/refused responses), p. 20 (bottom)	11712/NA	783	472/NA	150	85	115	109	390	82
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 21 (bottom)*	9752/9617	677	409/382	134	66	102	97	335	74
All firms (excluding don't know/refused responses) p. 22 (top)	11696/11616	785	464/464	146	82	113	109	383	81
All firms (excluding don't know/refused/did not exist in 2019 responses) p. 22 (bottom)	11662/11718	783	458/468	148	78	113	105	381	77






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Belgium

Overview

EIB INVESTMENT SURVEY

2022