



Belgium

Overview

EIB INVESTMENT SURVEY

2021

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Belgium

Overview

EIB Investment Survey Country Overview: 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 13 500 firms. It covers firms in all European Union Member States and also includes a sample of firms in the United Kingdom and 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 firms face, such as climate change and digital transformation. The EIBIS, which uses a stratified sampling methodology, is representative across all 27 EU Member States, the United Kingdom 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

The series of reports provide an overview of data collected for the 27 EU Member States, the United Kingdom and the United States. The reports 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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The views expressed in this publication are those of the authors and do not necessarily reflect the position of the EIB.

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EIBIS 2021 – Belgium

KEY RESULTS

Investment Dynamics and Focus

EIBIS 2021 shows that while fewer firms invested in 2020, firms have become more optimistic for 2021, with more Belgian firms expecting to increase rather than decrease investment. This represents a substantial positive shift from EIBIS 2020.

Impact of COVID-19

COVID-19 had a strong impact on Belgian firms, with nearly half of them (48%) reporting a decline in sales or turnover compared to the beginning of 2020. COVID-19 also had an impact on firms' investment, with a third (33%) revising their investment plans downwards. Despite this, more than half (53%) of Belgian firms say that they have taken action or made investments to become more digital due to COVID-19, more than the EU average.

Investment Needs and Priorities

COVID-19 undeniably had a long-term impact on needs and priorities. Again, digitalisation stands out, with the vast majority of firms indicating that they expect COVID-19 to lead to an increased use of digital technologies in the long-term (70%), even more so than across the EU as a whole (55%).

The majority of Belgian firms do not perceive gaps in terms of investment. In spite of the difficult circumstances, 84% believe their investment over the last three years was about the right amount. There has nevertheless been a decline in the share of firms operating at or above full capacity in 2020 (from 54% to 43%).

Innovation Activities

38% of firms developed or introduced new products, processes or services as part of their investment activities, similar to what was reported in the EU (36%). Around one-fifth (22%) of firms can be classified as 'active innovators' and 6% as developers. Around two-thirds of firms (64%) have implemented at least one of the advanced digital technologies they were asked about. This is in line with what was reported in EIBIS 2020 (64%) and the EU average (61%).

Drivers and Constraints

On balance, firms are optimistic about investment conditions, with sentiment indicators for the economic climate, business prospects in their sector and the availability of internal finance switching back to positive. Firms nevertheless remain pessimistic about the political or regulatory climate and the availability of external finance.

The availability of skilled staff and uncertainty about the future remain the two most commonly cited barriers to investment (87% and 68% respectively), with a higher share of Belgian firms citing the availability of skilled staff than the EU average (79%).

Investment Finance

Access to finance conditions are benign, as only 5% of firms in Belgium can be considered finance constrained, in line with the EU average. Firms using external finance are on balance satisfied with the finance received. The highest levels of dissatisfaction are with the collateral requirements (9%) and the cost of finance (8%).

As a result of COVID-19, around 13% of firms have increased their debt position. Around half of firms (47%) have received some kind of financial support in response to COVID-19, below the EU average of 56%. Subsidies or support that does not have to be paid back and deferrals were the main forms of financial support received.

Climate Change and Energy Efficiency

Climate change and the reality of the climate transition is beginning to be felt by firms. Half of firms (50%) feel their business has been impacted by climate change, higher than what was reported in EIBIS 2020 (39%), but still below the EU average (58%). EU firms are starting to internalise the risks associated with the transition to net zero. When asked about the impact of the transition to stricter climate standards and regulations, more firms see it as an opportunity rather than a risk for their business over the next five years (39% and 32% respectively).

Around six in ten firms have already invested to tackle climate change, and a similar share has plans to invest. This is higher than the EU average in both cases (43% and 47% respectively). As well as investing in climate change, four in ten firms (42%) invested in measures to improve energy efficiency in 2020. The share of Belgian firms setting and monitoring targets for carbon emissions and energy consumption, a factor associated with investment, and reflecting the regulatory push for accountability, is similar to the EU average.

Firm management, gender balance and employment

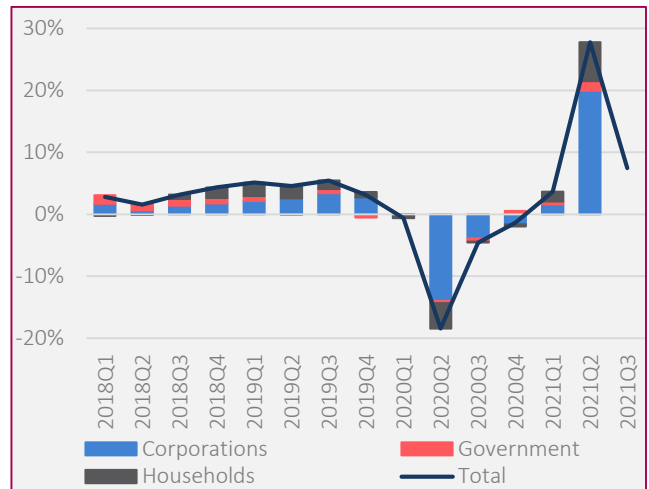
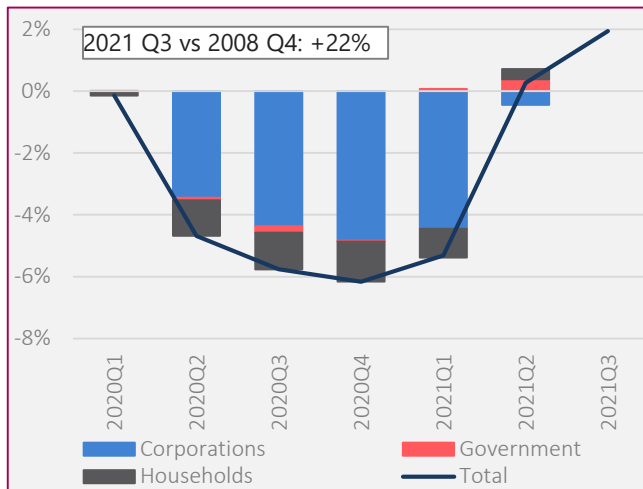
Firms in Belgium are less likely than EU firms to report having linked individual performance to pay in 2020 (47% versus 67% respectively). Overall, Belgian firms did not experience a large change in employment during COVID-19.

Investment Dynamics and Focus

INVESTMENT DYNAMICS BY INSTITUTIONAL SECTOR

With the COVID-19 crisis abruptly affecting the economy, investment started dropping from Q2 2020 onwards. The biggest drop was due to corporate investment, while government investment was only marginally impacted.

Investment in Belgium rose above pre-crisis levels again from the second quarter of 2021 onwards.

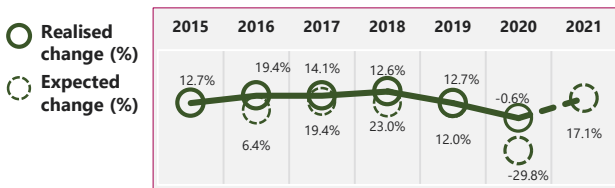


The graph on the left shows the evolution of total Gross Fixed Capital Formation (in real terms); by institutional sector. The data are transformed into four-quarter sums, deflated using the implicit deflator for total GFCF. The four-quarter sum of total GFCF in 2019 Q4 is normalized to 0. Source: Eurostat
The graph on the right shows the year-on-year growth of total gross fixed capital formation (in real terms); by institutional sector. The data are deflated using the implicit deflator for total GFCF. Source: Eurostat.

INVESTMENT CYCLE AND EVOLUTION OF INVESTMENT EXPECTATIONS

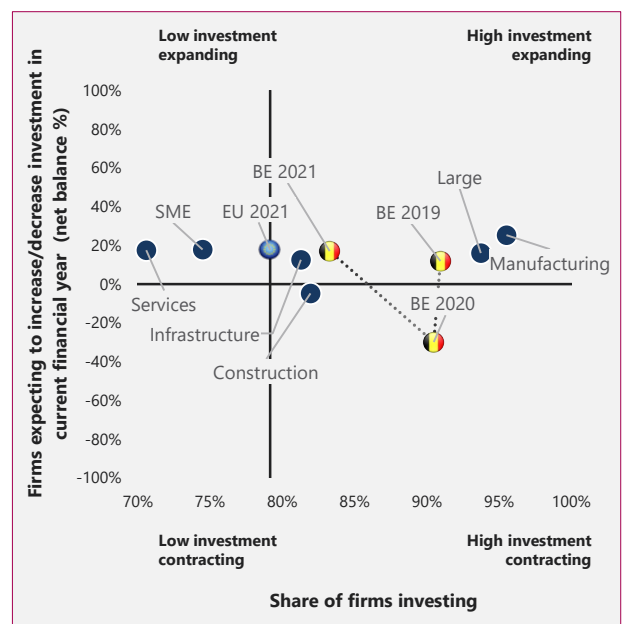
EIBIS 2021 shows that Belgian firms became more optimistic about their investment for 2021, bouncing back from low investment levels in 2020. This represents a substantial positive shift from EIBIS 2020.

Firms in the manufacturing sector were more likely to invest in 2020 than firms in other sectors.



'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: All firms



Share of firms investing shows the percentage of firms with investment per employee greater than EUR 500. The y-axis line crosses x-axis on the EU average for EIBIS 2021.

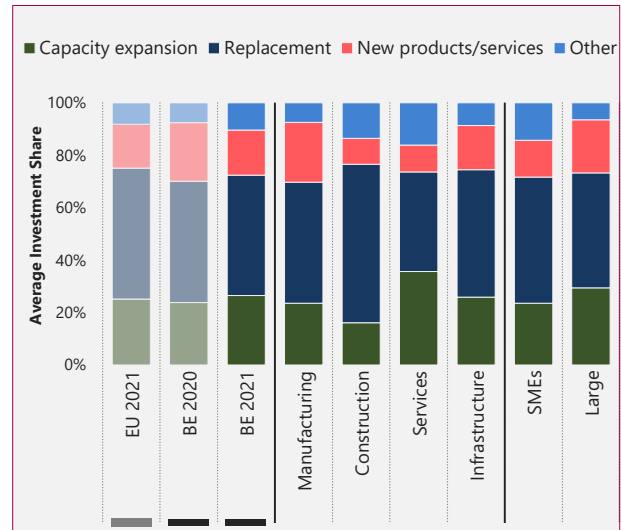
Base: All firms (excluding don't know/refused responses)

Investment Dynamics and Focus

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

On average, firms across Belgium spent nearly a half (46%) of their investment on replacing buildings and equipment in 2020, similar to what was reported in EIBIS 2020 (46%) and the EU average (50%). Investment in capacity expansion accounted for more than a quarter (27%) of the total investment spending by firms in Belgium and this share was highest among firms in the services sector (36%).

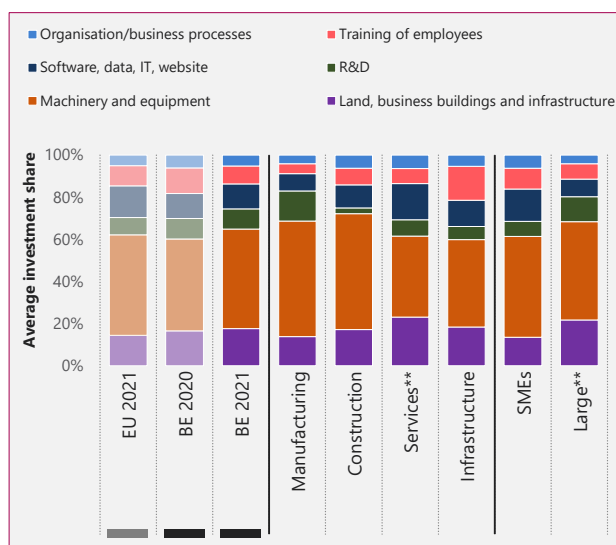
The share of investment for new products and services was highest among manufacturing firms (23%), while the share of investment in replacement was highest among construction firms (60%). SMEs spent a larger share of investment on other purposes than large firms (14% versus 7% respectively).



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



Out of the six investment areas considered, the highest share of investment in 2020 went into machinery and equipment (47%), followed by land, business buildings and infrastructure (18%) and software, data, IT and websites (12%). The share of investment in software, data, IT and websites by Belgian firms was slightly below the EU average (15%), but the overall pattern remains similar to EIBIS 2020.

Investment activities varied depending on the sector and size of the business. SMEs invested a lower share in land, business buildings and infrastructure than large firms (14% versus 22% respectively).

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?

** Caution small base size

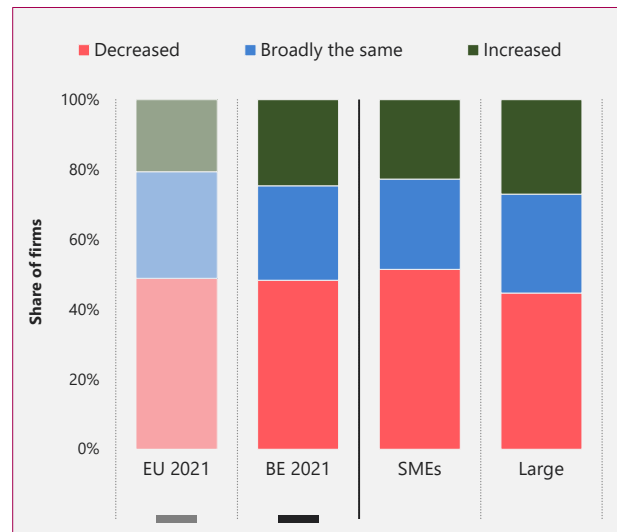
Base: All firms who have invested in the last financial year (excluding don't know/refused responses)

Impact of COVID-19

IMPACT OF COVID-19 ON SALES

COVID-19 hit firms in various ways. When asked about the impact on sales, almost half of firms in Belgium (48%) report a decline in sales or turnover due to COVID-19 compared to the beginning of 2020, while a quarter (25%) report an increase. This is similar to the EU average (49% and 21% respectively).

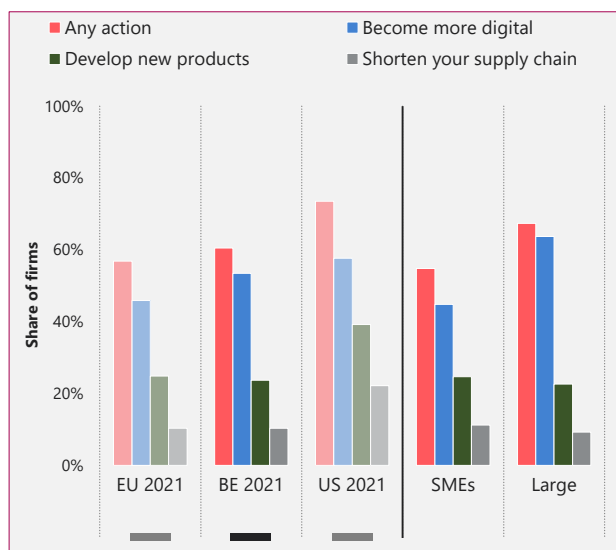
The picture is broadly similar among both SMEs and large firms.



Q. What has been the impact so far of the COVID-19 pandemic on your company's sales or turnover compared to the beginning of 2020?

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

SHORT-TERM ACTIONS AS A RESULT OF COVID-19



61% of firms in Belgium have taken at least one short-term action as a result of COVID-19.

The most cited area of action or investment is to become more digital, as reported by half (53%) of firms, more than across the EU as a whole (46%). Large firms are more likely to have become more digital compared to SMEs (64% versus 45%).

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)

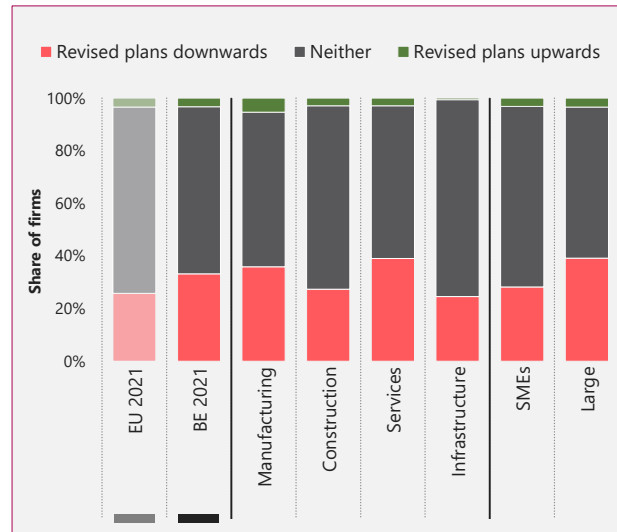
Impact of COVID-19

IMPACT OF COVID-19 ON INVESTMENT

When asked about whether they made any changes to their investment expectations during the pandemic, a third of firms in Belgium (33%) report revising plans downwards as a result of COVID-19, while only a few (3%) report revising plans upwards.

The share of firms reporting having revised plans downwards as a result of COVID-19 is higher than the EU average (33% versus 26%).

Firms in the services sector and large firms are the most likely to report revising plans downwards (both 39%).

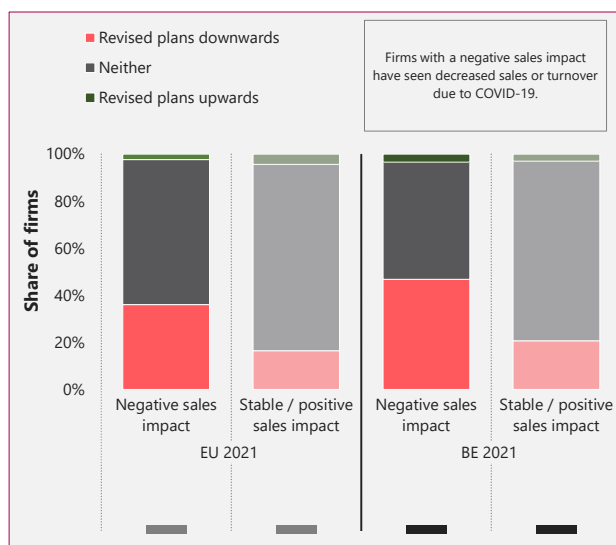


Q. Has your company taken any of the following actions as a result of the COVID-19 pandemic?

Q. You mentioned revising your investment plans due to the COVID-19 pandemic. Did you revise them upward or downward?

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

DIFFERENCES IN IMPACT OF COVID-19 ON INVESTMENT



In Belgium, firms whose sales or turnover had been negatively impacted by COVID-19 are more likely to report to have revised plans downwards compared to firms whose sales or turnover had been buoyant (47% versus 21%).

The share of firms in Belgium with a negative sales impact who revised their investment plans downwards is higher than the EU average (47% versus 36%).

Q. Do you expect the COVID-19 outbreak to have a long-term impact on any of the following?

Q. What has been the impact so far of the COVID-19 pandemic on your company's sales or turnover compared to the beginning of 2020? Has it...?

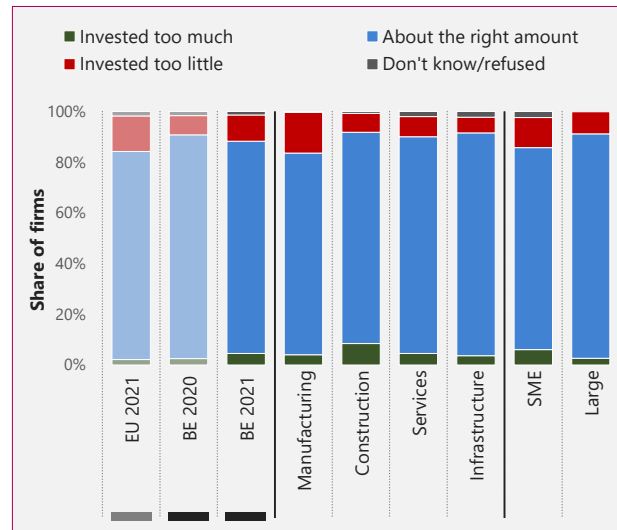
Base: All firms (excluding don't know/refused responses)

Investment Needs and Priorities

PERCEIVED INVESTMENT GAP

The majority of Belgian firms do not perceive gaps in terms of investment. In spite of the difficult circumstances, 84% of the firms in Belgium believe that their investment over the last three years was about the right amount, while 10% report having invested too little. This is similar to the EU average.

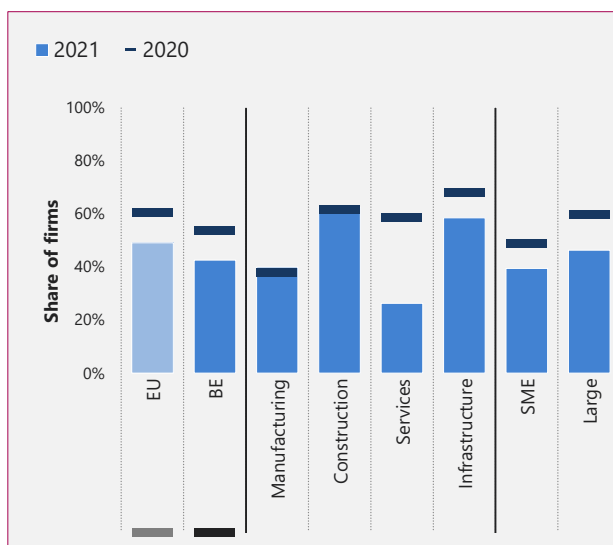
Manufacturing firms are most likely to say their investment was too little (16%), compared to other sectors. The same is true for SMEs compared to large firms.



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)

SHARE OF FIRMS AT OR ABOVE FULL CAPACITY



43% of Belgian firms report that they were operating at or above full capacity in 2020, lower than in EIBIS 2020 (54%) and the EIBIS 2021 EU average (49%).

Construction and infrastructure firms were more likely to be operating at or above full capacity (63% and 59% respectively) than firms in other sectors. The share of services firms who were operating at or above full capacity went down 33 percentage points from EIBIS 2020.

Full capacity is the maximum capacity e.g. company's general practices regarding the utilization of machines and equipment, overtime, work shifts, holidays etc.

Q. In the last financial year, was your company operating above or at maximum capacity attainable?

Base: All firms (data not shown for those operating somewhat or substantially below full capacity)

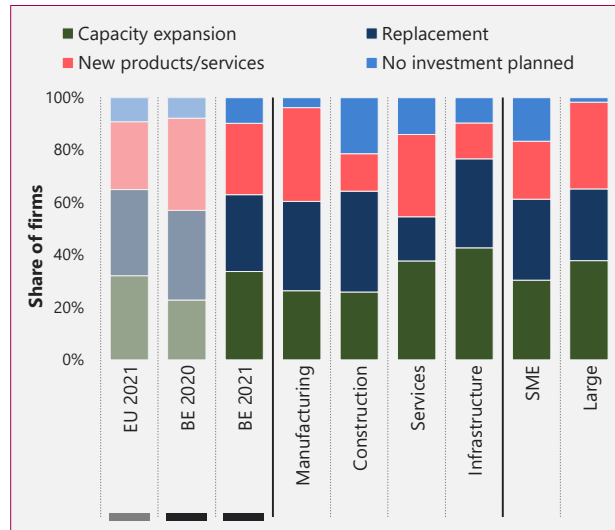
Investment Needs and Priorities

FUTURE INVESTMENT PRIORITIES (% of firms)

Looking ahead to the next three years, the share of firms prioritising capacity expansion has increased since EIBIS 2020, now making it the most commonly cited investment priority among firms (34% EIBIS 2021 versus 23% EIBIS 2020).

Compared to other sectors, manufacturing and services firms are more likely to cite new products or services as an investment priority (36% and 31% respectively), while services firms are less likely to cite replacing capacity (17%).

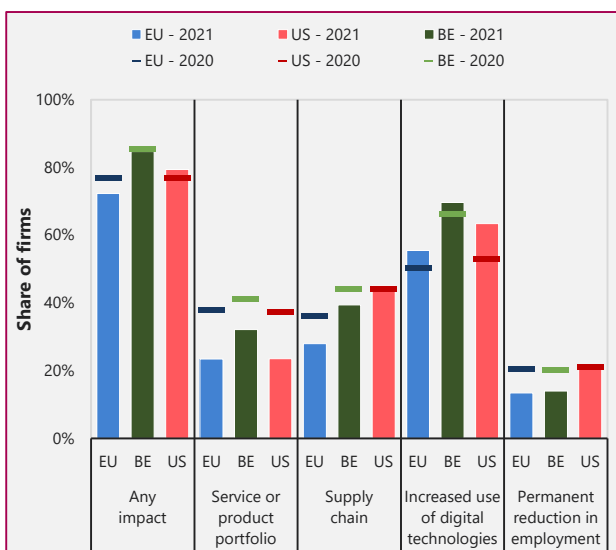
Construction firms and SMEs are more likely to have no investment planned (21% and 17% respectively).



Q. Looking ahead to the next 3 years, which is your investment priority (a) replacing 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)

COVID-19 LONG-TERM IMPACT



COVID-19 will undeniably have a long-term impact on needs and priorities as reported by 85% of Belgian firms, more than across the EU as a whole (72%).

Digitalisation stands out, with nearly seven in ten firms expecting COVID-19 to lead to an increased use of digital technologies (70%), higher than across the EU (55%).

Firms in Belgium are more likely than firms across the whole of the EU to expect a long-term impact on their supply chain (39% versus 28% respectively) and their service or product portfolio (32% versus 23% respectively).

Q. Do you expect the COVID-19 outbreak to have a long-term impact on any of the following?

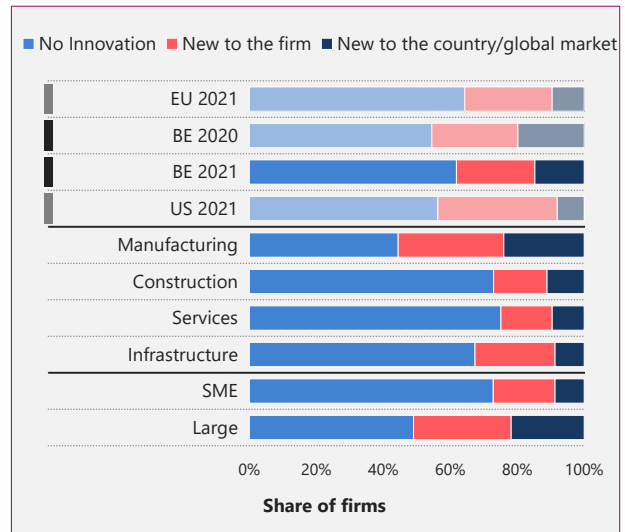
Base: All firms

Innovation Activities

INNOVATION ACTIVITY

38% of Belgian firms were developing or introducing new products, processes or services as part of their investment activities in 2020, with 15% having undertaken innovation that is new to the country or the world. This is broadly in line with the EU average.

Manufacturing firms were more likely to innovate (56%), compared to firms in other sectors (ranging from 25% to 33%), while large firms were more likely to innovate than SMEs (51% versus 27% respectively).

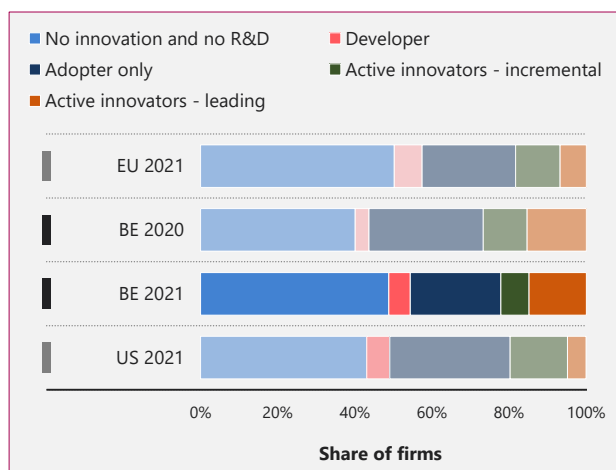


Q. What proportion of total investment was for developing or introducing new products, processes, services?

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



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)

When firms' innovation and research and development behaviour is profiled more widely, 22% of firms in Belgium can be classified as 'active innovators', and a further 6% of firms as 'developers'.

This breakdown is broadly in line with EIBIS 2020 and the EU average.

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'.

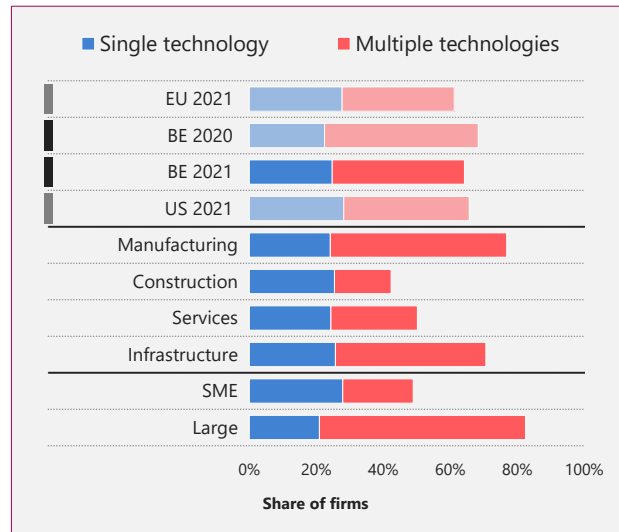
Innovation Activities

IMPLEMENTATION OF ADVANCED DIGITAL TECHNOLOGIES

Around two-thirds of firms (64%) have implemented at least one of the advanced digital technologies they were asked about. This is similar to EIBIS 2020 (68%) and the EU average (61%). Nevertheless, firms in Belgium are more likely to have implemented multiple advanced digital technologies than the EU average (39% versus 33% respectively).

Manufacturing and infrastructure firms are more likely to have implemented advanced digital technologies (77% and 71% respectively), compared to firms in the construction (42%) and services (50%) sectors. This is due to manufacturing and infrastructure firms being more likely to have implemented multiple technologies (53% and 45% respectively).

Large firms are also more likely than SMEs to have implemented multiple advanced digital technologies (61% versus 21%).

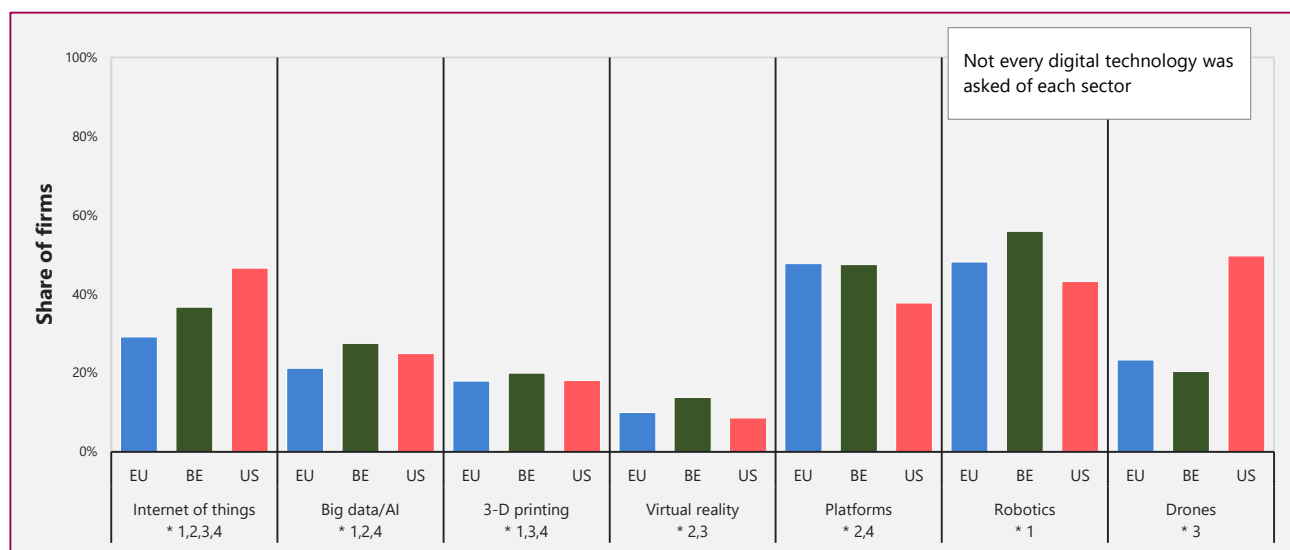


Q. Can you tell me for each of the following digital technologies if you have heard about them, not heard about them, implemented them in parts of your business, or whether your entire business is organised around them?

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

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

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. 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?

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

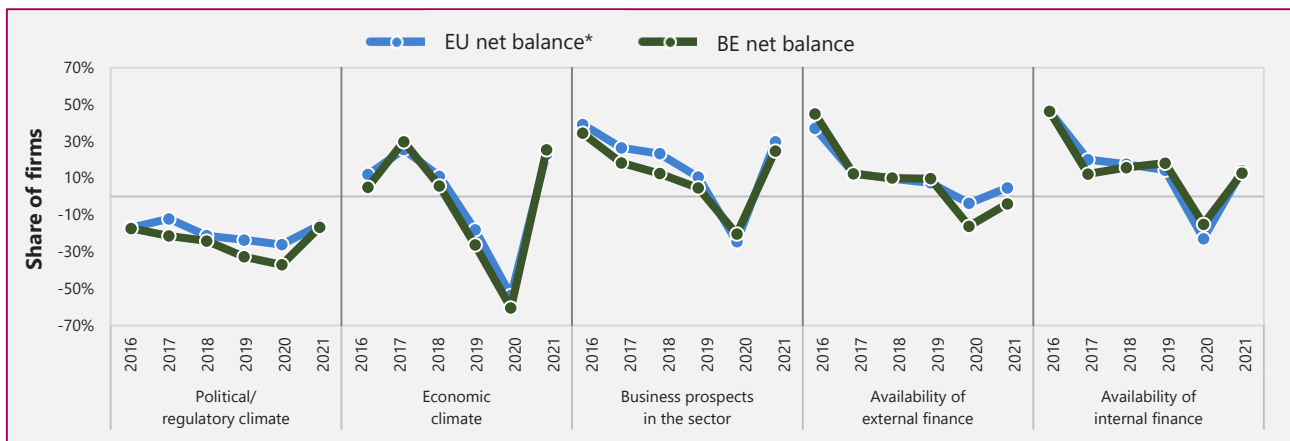
Base: All firms (excluding don't know/refused responses);
Sample size BE: Manufacturing (144); Construction (101); Services (128); Infrastructure (100).

Drivers And Constraints

SHORT-TERM FIRM OUTLOOK

Firms remain on balance pessimistic about the political and regulatory climate. Nevertheless, expectations for the overall economic climate have become more positive again (rising from -63% to +29%,) similar to the perception of business prospects in the sector (rising from -20% to +29%)

and availability of internal finance (rising from -14% to +16%). Firms' outlook on availability of external finance has improved but still remains negative. The short-term outlook in the EU as a whole is very similar.

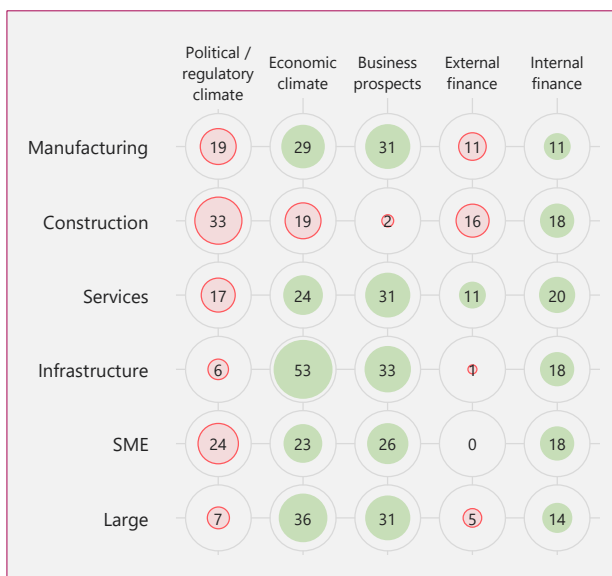


Q. Do you think that each of the following will improve, stay the same, or get worse over the next twelve months?

*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

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

Across different sectors and size classes, firms are consistently more negative than positive about the political or regulatory climate, but consistently more optimistic on balance about the availability of internal finance.

Construction firms are the most pessimistic overall, and more pessimistic than other sectors about the economic climate (-19%), business prospects (-2%) and external finance (-16%).

Compared to large firms, SMEs are more pessimistic on balance about the political or regulatory climate, and less optimistic about the economic climate, compared to large firms.

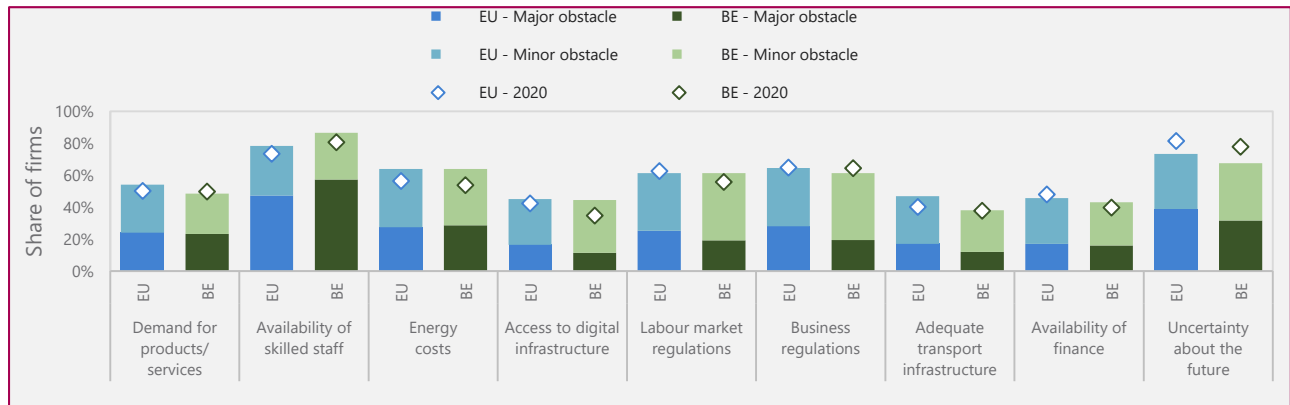
Drivers And Constraints

LONG-TERM BARRIERS TO INVESTMENT

The availability of skilled staff and uncertainty about the future remain the two most frequently mentioned barriers to investment (87% and 68% respectively). The availability of skilled staff is more likely to be cited than the EU average (79%), while fewer firms are concerned that uncertainty about the future will be a barrier to investment compared to both the EU average (73%) and what was reported in EIBIS 2020 (78%).

Energy costs and access to digital infrastructure are increasingly seen as barriers to investment by Belgian firms.

Construction firms are the most likely to cite digital infrastructure and labour regulations as barriers (61% and 80% respectively).



Q. Thinking about your investment activities in Belgium, 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



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

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

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

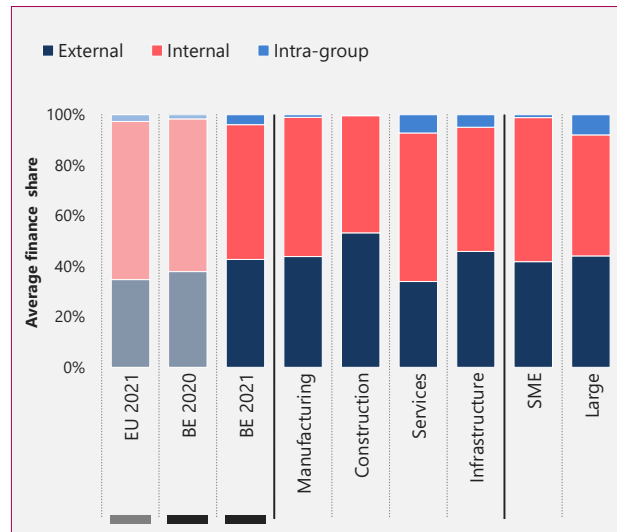
Investment Finance

SOURCE OF INVESTMENT FINANCE

Firms in Belgium continued to fund slightly more than half (53%) of their investment in 2020 through internal financing, less than in the EU (63%).

Firms in the construction sector report the largest share of investment funded through external finance (53%), while firms working in the services sector had the lowest share (34%).

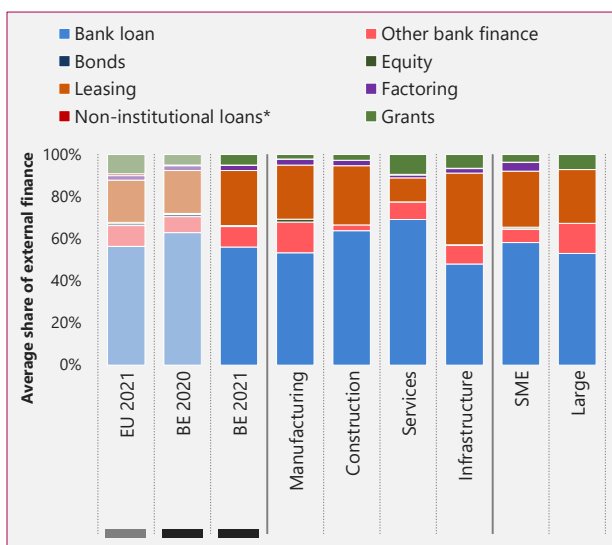
Large firms financed a higher proportion of their investment through intra-group funding than SMEs (8% compared with 1%).



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)

TYPE OF EXTERNAL FINANCE USED FOR INVESTMENT ACTIVITIES



The pattern of external finance used for investment activities amongst Belgian firms remains fairly stable. Bank loans continued to make up the highest share of external finance in 2020 (56%). This is broadly in line with what reported in EIBIS 2020 (63%) and the EU average (56%).

Services firms report the lowest share of leasing or hire purchase (11%) compared to other sectors (ranging from 26% to 34%).

Q. Approximately what proportion of your external finance does each of the following represent?

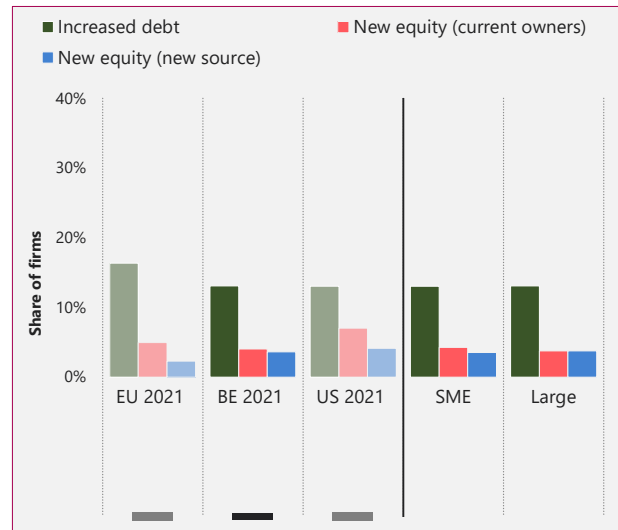
*Loans from family, friends or business partners

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

Investment Finance

ACTIONS TAKEN AS A RESULT OF COVID-19

As a result of the COVID-19 pandemic 13% of firms in Belgium have increased their debt position, 4% have raised new equity through their current owners and 4% have raised new equity through a new source. This is in line with the EU average.



Q. Has your company taken any of the following actions as a result of the COVID-19 pandemic?

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

SHARE OF FIRMS RECEIVING FINANCIAL SUPPORT IN RESPONSE TO COVID-19



Just under half of firms in Belgium (47%) have received some kind of financial support in response to COVID-19, lower than across the EU as a whole (56%). Firms in Belgium are less likely to have received new subsidised or guaranteed credit (5%) and subsidies that do not need to be paid back (24%) when compared to the EU overall (17% and 36% respectively), but they are more likely to have received deferral of payments than the EU average (24% versus 16%).

Q. Since the start of the pandemic, have you received any financial support in response to COVID-19? This can include finance from a bank or other finance provider, or government-backed finance

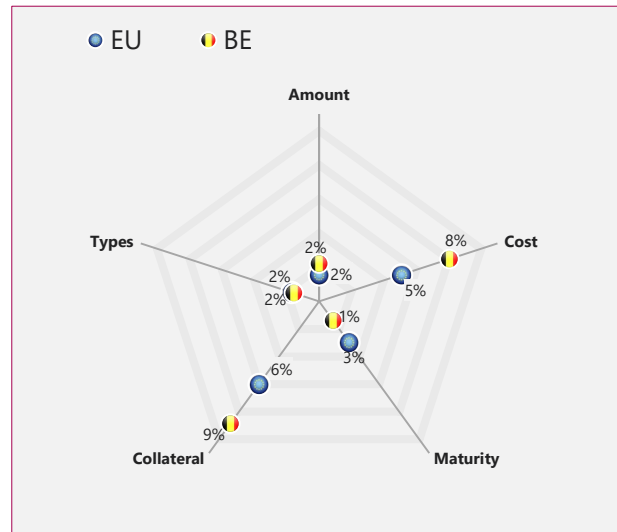
Base: All firms (excluding don't know/refused responses)

Access To Finance

DISSATISFACTION WITH EXTERNAL FINANCE RECEIVED

Firms who received external finance in 2020 report that they are, on balance, satisfied with the amount, cost, maturity, collateral and the type of external finance received.

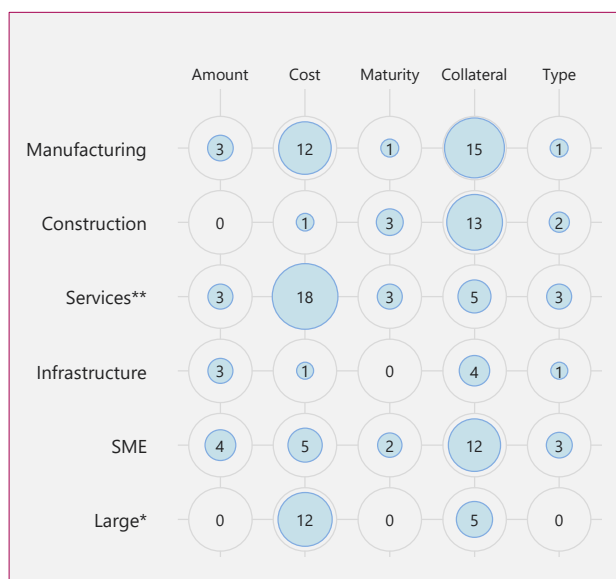
The highest levels of dissatisfaction recorded among firms in Belgium are with the collateral requirements (9%) and the cost of finance (8%).



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 (%)



Overall dissatisfaction levels are low, with the highest levels of dissatisfaction being with the cost of finance for services firms (18%), and the collateral requirements for manufacturing firms (15%).

When considering the size of firms, large firms are the most likely to report dissatisfaction with the cost of finance (12%), while SMEs are the most likely to report dissatisfaction with the collateral requirements (12%).

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

*Caution small base

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

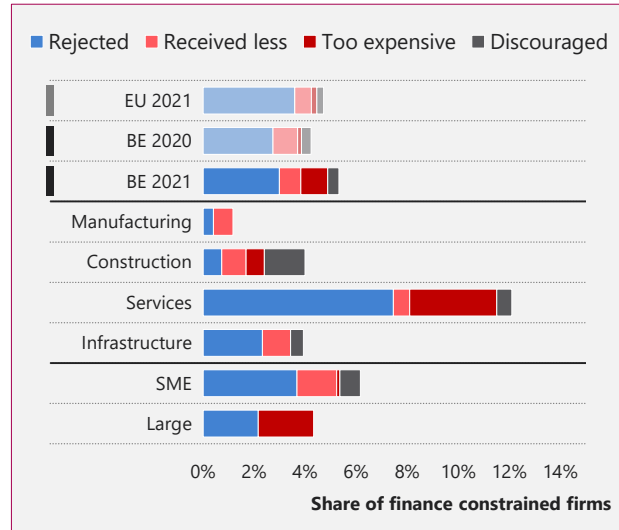
Access To Finance

SHARE OF FINANCE CONSTRAINED FIRMS

5% of all firms in Belgium can be considered finance constrained, in line with the EU average.

Firms in the services sector are more likely to be considered finance constrained (12%) compared to firms in other sectors (ranging from 4% to 6%).

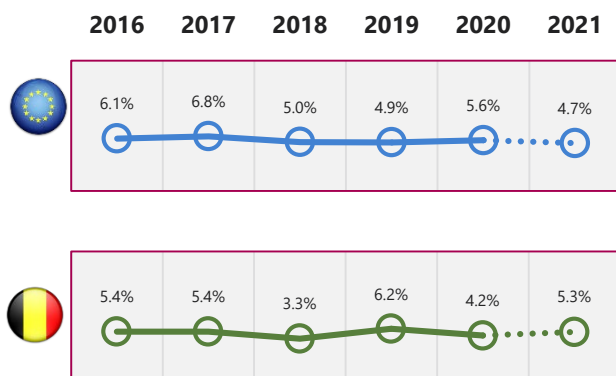
Moreover, 6% of SMEs can be considered finance constrained, with the majority (4%) being classified as 'rejected', i.e. they had sought external finance but did not receive it.



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 share of finance constrained firms in Belgium has remained relatively stable over time, in line with the EU average (5%).

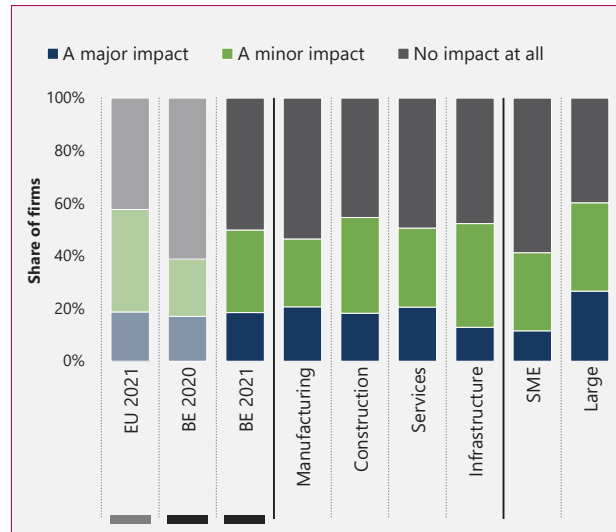
Base: All firms (excluding don't know/refused responses)

Climate Change and Energy Efficiency

IMPACT OF CLIMATE CHANGE – PHYSICAL RISK

Half of firms (50%) feel their business has been impacted by climate change and the related changes in weather patterns. This is higher than in EIBIS 2020 (39%), but still below the EU average (58%).

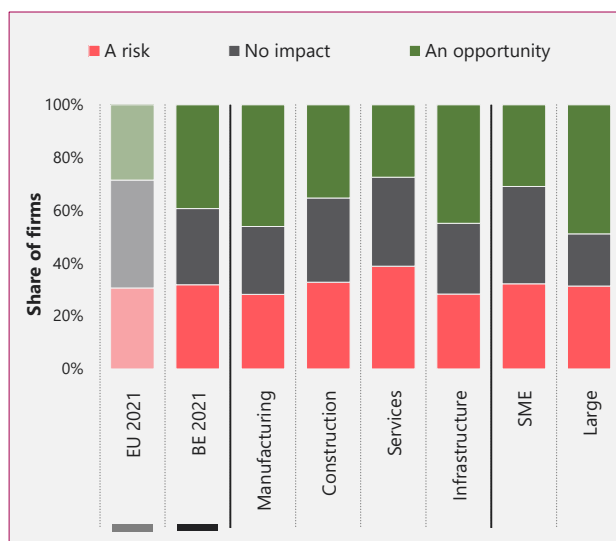
Large firms are more likely to report being impacted by climate change than SMEs (60% versus 41% respectively), with more than a quarter of large firms (27%) reporting a major impact (versus 12% of SMEs).



Q. Thinking about climate change and the related changes in weather patterns, would you say these weather events currently have a major impact, a minor impact or no impact at all on your business?

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

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



Belgian firms are starting to internalise the risks associated with the transition to net zero. Around a third of firms (32%) believe the transition to stricter climate standards and regulations over the next five years will be a risk to the company, in line with the EU average (31%). At the same time, firms in Belgium are more likely to believe the transition to a low carbon future will be an opportunity compared to the EU (39% versus 28%).

Firms in the services sector are the least likely to believe that the transition to net zero will be an opportunity to the company (27%).

Large firms are more likely to believe the transition will be an opportunity for their business than SMEs (49% versus 31%).

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?

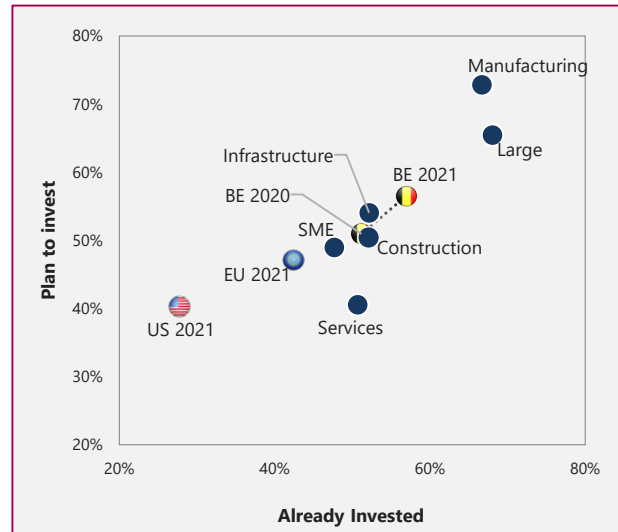
Base: All firms (excluding don't know / refused responses)

Climate Change and Energy Efficiency

INVESTMENT PLANS TO TACKLE CLIMATE CHANGE IMPACT

On average, 57% of Belgian firms have already invested to tackle the impact of climate change, and the same proportion plan to invest. This is well above the average in both cases (43% and 47% respectively) and similar to EIBIS 2020.

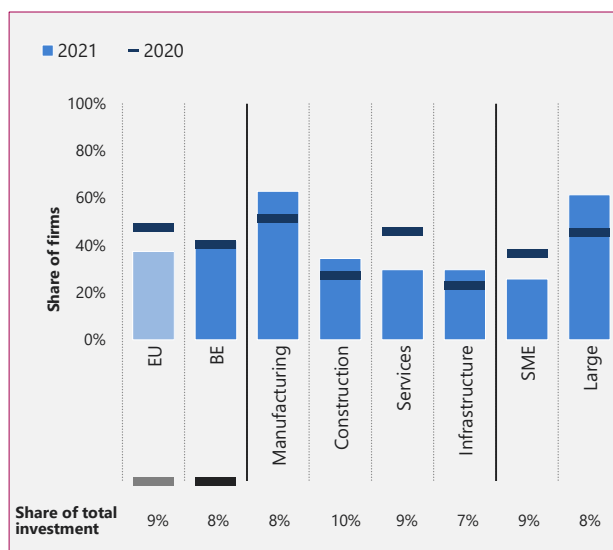
Manufacturing firms and large firms are the most likely to have already invested to tackle the impact of climate change and to plan similar investments.



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?

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

SHARE OF FIRMS INVESTING IN MEASURES TO IMPROVE ENERGY EFFICIENCY AND SHARE OF TOTAL INVESTMENT



Four in ten firms (42%) invested in measures to improve energy efficiency in 2020, with an average of 8% of their total investment going towards such measures. This is in line with the EU average.

Manufacturing firms were more likely to invest in measures to improve energy efficiency (63%) compared to other sectors (ranging from 30% to 34%).

Large firms were also more likely to be investing in such measures (61%) compared to SMEs (26%).

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 (for share of firms investing)

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

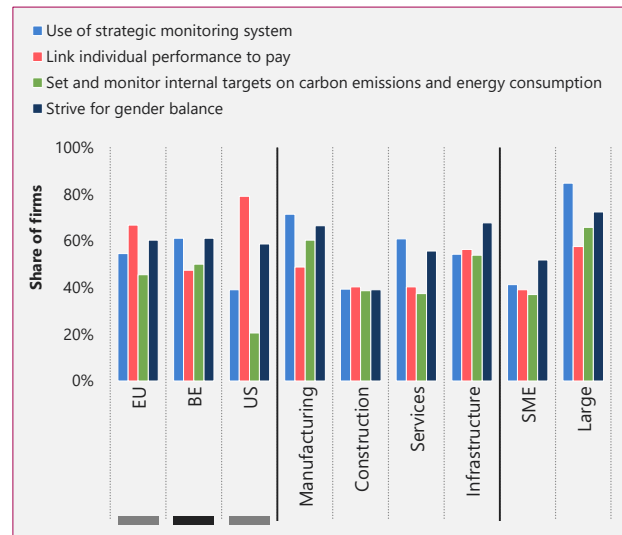
Firm management, climate targets, gender balance and employment

FIRM MANAGEMENT, CLIMATE TARGETS AND GENDER BALANCE

Firms in Belgium were less likely than EU firms to report linking individual performance to pay in 2020 (47% versus 67% respectively).

Firms in the manufacturing sector are the most likely to have used strategic monitoring systems (71%), whilst construction firms are the least likely to have strived for gender balance (39%)

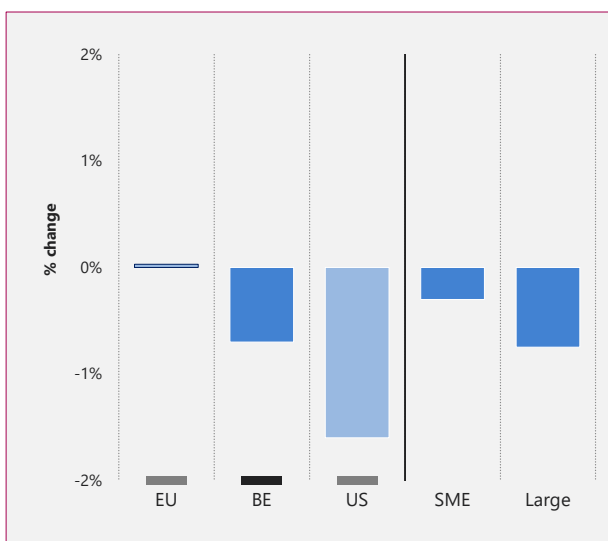
Large firms are more likely than SMEs to have taken all of these actions in 2020.



Q. In 2020, did your company...?

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

CHANGE IN EMPLOYMENT DURING COVID-19



Overall, firms in Belgium did not experience a large change in employment during COVID-19 (-1%). This is in line with the EU average.

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 2020, before the COVID-19 pandemic?

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

EIBIS 2021 – 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	Constr vs Manuf.	SME vs Large
	(11920)	(802)	(480)	(144)	(101)	(128)	(100)	(423)	(57)	(11920 vs 480)	(101 vs 144)	(423 vs 57)
10% or 90%	1.1%	3.5%	3.3%	5.8%	6.5%	6.1%	7.0%	2.5%	6.6%	3.5%	8.7%	7.1%
30% or 70%	1.7%	5.3%	5.1%	8.8%	10.0%	9.3%	10.7%	3.8%	10.1%	5.3%	13.3%	10.8%
50%	1.8%	5.8%	5.5%	9.6%	10.9%	10.1%	11.7%	4.2%	11.1%	5.8%	14.5%	11.8%

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 2021 country overview refers interchangeably to 'the past/last financial year' or to '2020'. Both refer to results collected in EIBIS 2021, where the question is referring to the past financial year, with the majority of the financial year in 2020 in case the financial year is not overlapping with the calendar year 2020.

EIBIS 2021 – Country Technical Details

The country overview presents selected findings based on telephone interviews with 480 firms in Belgium (carried out between March and July 2021).

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




Base definition and page reference	EU 2021/2020	US 2021	BE 2021/2020	Manufacturing	Construction	Services	Infrastructure	SME	Large
All firms, p. 2, p. 6, p. 7, p. 10, p. 11	11920/11971	802	480/480	144	101	128	100	423	57
All firms (excluding 'Company didn't exist three years ago' responses), p. 6	11910/11949	802	480/479	144	101	128	100	423	57
All firms (excluding don't know/refused responses), p. 2	11620/11634	768	470/470	140	98	127	98	414	56
All firms (excluding don't know/refused responses), p. 4 (top)	11860/NA	800	480/NA	144	101	128	100	423	57
All firms (excluding don't know/refused responses), p. 4 (bottom)	11891/NA	802	480/NA	144	101	128	100	423	57
All firms (excluding don't know/refused responses), p. 5 (top)	11814/11971	768	478/480	143	101	127	100	421	57
All firms (excluding don't know/refused responses), p. 5 (bottom)	11760/0	766	478/0	143	101	127	100	421	57
All firms (excluding don't know/refused responses), p. 7 (top)	11765/11727	793	472/470	143	98	127	97	417	55
All firms (excluding don't know/refused responses), p. 8 (top)	11648/11720	779	463/466	138	100	121	97	407	56
All firms (excluding don't know/refused responses), p. 8 (bottom)	8780/9039	618	334/365	119	69	71	69	286	48
All firms (excluding don't know/refused responses), p. 9	11891/11938	802	480/480	144	101	128	100	423	57
All firms (excluding don't know/refused responses), p. 13 (top)	11882/NA	777	479/NA	144	101	127	100	422	57
All firms (excluding don't know/refused responses), p. 13 (bottom)	11857/NA	775	479/NA	144	101	127	100	422	57
All firms (excluding don't know/refused responses), p. 15	11518/11477	743	461/455	139	93	124	98	405	56
All firms (excluding don't know/refused responses), p. 16 (top)	11849/11898	798	479/479	144	101	127	100	422	57
All firms (excluding don't know/refused responses), p. 16 (bottom)	11384/NA	783	467/NA	143	97	124	96	410	57
All firms (excluding don't know/refused responses), p. 17	11659/11739	775	473/475	143	99	126	98	417	56
All firms (excluding don't know/refused responses), p. 18 (top)*	11616/NA	774	464/NA	140	100	122	96	409	55
All firms (excluding don't know/refused responses), p. 18 (bottom)	11664/11402	794	469/447	142	99	125	96	414	55
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 3 (top)	9670/10138	674	371/392	131	74	84	76	319	52
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 3 (bottom)	9523/9874	667	380/429	126	79	89	79	326	54
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 12	8675/9255	621	282/328	80	66	67	64	255	27
All firms who have invested in the last financial year (excluding don't know/refused responses)*, p. 17	11920/11971	802	480/480	144	101	128	100	423	57
All firms who used external finance in the last financial year (excluding don't know/refused responses), p. 12	4003/4354	284	171/195	48	52	26	43	154	17
All firms who used external finance in the last financial year (excluding don't know/refused responses), p. 14*	3964/4310	281	171/190	47	52	28	40	153	18



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Belgium

Overview

EIB INVESTMENT SURVEY

2022

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