

BELGIUM

The economy embarked on a slow recovery during the second half of 2009, supported by fiscal and monetary easing and an acceleration in world trade. Growth will not suffice to prevent further increases in unemployment until mid-2011, which is likely to push up the already high level of structural unemployment.

As the economy recovers, attention must return to securing fiscal sustainability. Consolidation measures should concentrate on achieving medium-term expenditure restraint at all levels of government and on controlling ageing-related costs. This should be complemented by implementing labour market reforms to increase the flexibility of wage formation and enhance job search incentives.

Belgium: Demand, output and prices

	2006	2007	2008	2009	2010	2011
	Current prices € billion	Percentage changes, volume (2007 prices)				
Private consumption	163.5	1.6	1.0	-1.7	0.6	1.4
Government consumption	71.4	2.6	3.3	1.7	1.5	1.2
Gross fixed capital formation	67.1	5.7	3.8	-3.8	-1.4	3.0
Final domestic demand	301.9	2.7	2.2	-1.4	0.4	1.7
Stockbuilding ¹	5.0	0.2	-0.2	-0.9	0.3	0.0
Total domestic demand	307.0	2.9	1.9	-2.3	0.7	1.7
Exports of goods and services	262.0	4.4	1.4	-12.7	2.5	5.2
Imports of goods and services	250.4	4.4	2.7	-12.0	2.7	5.3
Net exports ¹	11.6	0.2	-1.0	-0.7	-0.1	0.0
GDP at market prices	318.5	2.8	0.8	-3.1	0.8	1.7
GDP deflator	–	2.2	1.9	1.3	1.1	0.8
<i>Memorandum items</i>						
Harmonised index of consumer prices	–	1.8	4.5	-0.1	1.0	0.9
Private consumption deflator	–	2.8	3.8	0.9	1.4	0.9
Unemployment rate	–	7.5	7.0	7.9	8.9	9.2
Household saving ratio ²	–	11.2	11.5	12.7	12.2	12.0
General government financial balance ³	–	-0.2	-1.2	-5.7	-5.6	-5.2
Current account balance ³	–	2.2	-2.5	-0.8	-0.6	-0.5

Note: National accounts are based on official chain-linked data. This introduces a discrepancy in the identity between real demand components and GDP. For further details see *OECD Economic Outlook Sources and Methods* (<http://www.oecd.org/eco/sources-and-methods>).

1. Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.

2. As a percentage of disposable income.

3. As a percentage of GDP.

Source: OECD Economic Outlook 86 database.

[Click here for table in excel](#)