

Belgium: Disappointing GDP growth

Preliminary figures point to a below-consensus 0.3% GDP growth in 3Q, but previous quarters were revised upwards



According to the flash estimate, Belgian GDP grew by 0.3% quarter-on-quarter and by 1.7% year-on-year in the third quarter. This was slightly below the consensus estimate, looking for 0.4% growth. At the same time, quarterly growth figures for 1Q and 2Q were revised upwards by 0.1 percentage point to 0.7% and 0.5% respectively.

It was to be expected that 3Q would be somewhat weaker than 1Q and 2Q on the back of more subdued business confidence over the summer months. And although consumer confidence was more upbeat in the third quarter, poor confidence in the retail sector seems to suggest that household consumption didn't grow very strongly.

1.8%

Expected GDP Growth 2018

ING Forecast

The fourth quarter started on a stronger footing, with activity in industry picking up significantly,

while construction and retail trade also signalled better prospects. We believe GDP growth will accelerate again in 4Q, with overall 2017 GDP growth likely to come out at 1.7%. For next year, we're looking at 1.8% growth. While these figures might seem low compared to the Eurozone average, one has to bear in mind that the Belgian economy had performed better than average throughout the crisis years. In that regard, it is normal that some of the growth laggards are now catching up, pushing up the Eurozone average relative to Belgium.

We now have figures for both Spanish (0.8%) and Belgian (0.3%) 3Q GDP growth. These figures seem compatible with our estimate of 0.6% growth for the whole of the Eurozone.

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