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Article

## Belgium's lockdown exit strategy in four key dates

Belgium has agreed to ease lockdown measures, which should lead to a gradual re-start of economic activity. But in any case, we've revised our growth forecasts downwards yet again



Next week, Belgium will begin a timid exit from the Covid-19 lockdown measures. But for the next two months, the economy will be operating at far from full capacity.

After a full month of containment in April, activity in the second quarter should be very weak. Even if we assume a strong recovery thereafter, this will weigh very heavily on growth for 2020 as a whole.

As the lockdown has now lasted longer than our previous base case and the exit will be very gradual, we revise our growth forecast downwards again - with at least another 2ppt shaved off our previous -4.5% GDP growth forecast for 2020.



### 4 May

From next week, companies will be encouraged to resume operations in accordance with very specific procedures. The social partners have, in fact, agreed to define common hygiene rules for companies. This should allow an increase in economic activity, but activity is unlikely to be at full capacity because of hygiene rules and social distancing. Leisure activity is also expected to pick up slowly, as sports facilities will be able to reopen under certain conditions. Public transport will run at almost full capacity. However, 'working from home' will still be the norm wherever possible and non-essential shops will remain closed, which should limit the use of transport. Lastly, restaurants and bars will remain closed.



### 11 May

The rules of the previous week will remain in force but, in addition, shops will be allowed to re-open. This should boost an important sector of the Belgian economy. But again, this will have to be done according to strict rules, which will prevent a return to full capacity.



### 18 May

Schools will partially reopen. Activities involving contact (like hairdressers) will be able to resume, but again under strict hygienic conditions that will not allow activities to resume completely.



### 8 June

A re-opening of other economic activities will be considered too, such as restaurants. Other issues should also be decided by then, such as foreign travel and domestic tourism.

It is important to point out that this calendar will have to be validated from week to week by new government meetings, depending on the evolution of the pandemic in Belgium.

Any increase in the number of new cases will lead to a revision of the calendar. Moreover, as the political situation in Belgium remains very fragile (a minority government supported by a majority of political parties in parliament), there is a lot of criticism of this plan, despite the initial agreement, so some tweaks cannot be ruled out.

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