Belgium Overview
EIB Group survey on investment and investment finance 2020
Country overview

Belgium
About the EIB Investment Survey (EIBIS)
The EIB Group Survey on Investment and Investment Finance, 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 businesses face. 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 European Investment Bank
The mission of the EIB Economics Department is to provide economic analyses and studies to support the Bank in its operations and in its positioning, strategy and policy. The department and its team of 40 economists is headed by Debora Revoltella, director of economics.

Main contributors to this publication
Fotios Kalantzis.

Disclaimer
The views expressed in this publication are those of the authors and do not necessarily reflect the position of the EIB.

About Ipsos Public Affairs
Ipsos Public Affairs works closely with national governments, local public services and the not-for-profit sector, as well as international and supranational organisations. Its around 200 research staff in London and Brussels focus on public service and policy issues. Its research makes a difference for decision makers and communities.

For further information on the EIB’s activities, please consult our website, www.eib.org. You can also contact our InfoDesk, info@eib.org.

Published by the European Investment Bank. Printed on FSC Paper.
EIBIS 2020 – Belgium

KEY RESULTS

Investment Dynamics
With the COVID-19 crisis affecting the economy, investment in Q2 2020 is 21% below the level of Q4 2019. The country has now moved into the ‘high investment contracting’ quadrant and is close to the EU average in terms of investment expectations.

Investment Focus
Around two fifths (39%) of firms with investment plans will abandon or delay at least some of their investments as a result of COVID-19, which is a similar share to the EU average (35%). Whilst around one in six (17%) firms with investment plans, intend to continue with at least some of their investment plans but with a reduced scale or scope, this is similar to the EU average (18%).

The most frequently cited long term impact of COVID-19 is the increased use of digital technologies (66%).

Investment Needs and Priorities
Around a half of all firms (54%) were operating at or above full capacity, in 2019 which is in line with EIBIS 2019 (49%), but remains lower than the EU average (61%).

Firms impacted by COVID-19 are more likely to be prioritising investment in new products or services over the next three years than firms who had not been impacted by COVID-19 (39% versus 22%).

Innovation Activities
Almost half of all firms in Belgium (45%) developed or introduced new products, processes or services as part of their investment activities, with one-fifth (20%) having undertaken innovation that is new to the country or the world. Approximately two out of three firms (68%) have implemented, either fully or partially, the digital technologies they were asked about.

Drivers and Constraints
Firms are much less optimistic about the overall economic climate (-63% versus -26% in EIBIS 2019), the business prospects in their sector (-20% versus 7% in EIBIS 2019) and the availability of internal finance (-15% versus 12% in EIBIS 2019).

The availability of skilled staff and uncertainty about the future remain the two most commonly cited barriers to investment (81% and 78% respectively).

Investment Finance
Three out of five firms in Belgium were financed by internal sources (60%) in 2019, which is broadly in line with EIBIS 2019 and the EU average (58% and 62% respectively). Almost eight in ten of firms (78%) reported generating a profit in 2019, similar to EIBIS 2019 and the EU average (both at 80%).

Access to Finance
Firms using external finance in 2019 are on balance satisfied with the amount, cost, maturity, collateral and the type of financing received. Four per cent of all firms in Belgium could be considered financially constrained in the past financial year.

Energy Efficiency
Two fifths (40%) of firms have invested in measures to improve their energy efficiency. This is a similar share to EIBIS 2019 (39%) but is lower than the EU average (47%). The average share of investment in measures to improve energy efficiency is 7% and this is the same as in EIBIS 2019 (7%), but remains lower than the EU average (12%).

Climate Change
Overall around two fifths (39%) of firms in Belgium feel their business has been impacted by climate change and the related changes in weather patterns, this is lower than the EU average (58%).

Overall, more firms in Belgium expect that the transition to a low-carbon future will have a positive rather than a negative impact on their reputation (38%) and on market demand (16%) over the next five years. In contrast more firms expect this transition to have negative rather than a positive impact on their supply chain (-16%) reflecting their anticipations of higher input costs due to stricter climate policies.

Four fifths of firms in Belgium (80%) have either already invested or plan to invest, in the next three years, in measures to tackle the impact of weather events and reduction in carbon emissions. This is above the EU average (67%).
**Investment Dynamics**

**INVESTMENT DYNAMICS BY INSTITUTIONAL SECTOR**

With the COVID-19 crisis abruptly affecting the economy, investment in Q2 2020 is 21% below the level of Q4 2019. Even though investment is still above levels at the beginning of the global financial crisis, the current dynamics halt the positive trend and call for extra vigilance.

The graph shows the evolution of total Gross Fixed Capital Formation (in real terms); by institutional sector. The data has been indexed to equal 0 in 2008. Source: Eurostat.

**INVESTMENT CYCLE**

In Belgium, more firms expect to decrease rather than increase investment (net balance of firms) in the current financial year, presenting more pessimistic views compared to EIBIS 2019. The country has now moved into the ‘high investment contracting’ quadrant and is close to the EU average in terms of expectations.

Fewer firms in the infrastructure sector expect to reduce their investments in the current financial year than in other sectors.

Large firms and manufacturing firms have a high share of firms investing, but also present the highest share of firms expected to decrease rather than increase investments in the current financial year.

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 2016.

Base: All firms (excluding don’t know/refused responses)
Investment Dynamics

EVOLUTION OF INVESTMENT EXPECTATIONS
Realised/expected change in investment

On balance, more firms in Belgium increased rather than reduced their investment activities in 2019 (13%). The balance of firms increasing their investment matched expectations from EIBIS 2019.

The outlook for 2020 is largely pessimistic (net -30%), but this is in line with the outlook of firms across the EU (-28%).

Realised/expected change in investment

IMPACT OF COVID-19 ON INVESTMENT

In Belgium COVID-19 has affected firms’ investment strategies for 2020, with around a half (46%) of firms expecting to invest less and 5% expecting to invest more. The change in investment expectations is in line with the EU average (45% expecting less and 6% more).

The manufacturing and service sectors have been affected more than the construction sector and especially the infrastructure, which is the least likely to be investing less in 2020 due to COVID-19.

Q: Have your company’s overall investment expectations for 2020 changed due to coronavirus?

Base: All firms with investment plans for the current financial year (excluding don’t know/refused responses)
Investment Focus

**LONG TERM IMPACT OF COVID-19 BY SECTOR AND SIZE**

The most frequently cited long term impact of COVID-19 is the increased use of digital technologies (66%). Large firms are more likely to cite the increased use of digital technologies as a long term impact than (81% versus 54%).

Around two fifths of firms expect COVID-19 to have a long term impact on their supply chain (44%) and services or products portfolio (41%).

A fifth (20%) of firms expect there to be a permanent reduction in employment. SMEs are more likely to cite a permanent reduction in employment as a long term impact of COVID-19 than large firms (28% versus 11%).
Investment Focus

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

Around a half of firms’ investment (46%) was with the purpose of replacing buildings and equipment in the last financial year. This share is similar to EIBIS 2019 (49%).

Nearly a quarter of firms’ investment was either for capacity expansion (24%) or for introducing new products, processes or services (22%). The share of investment in new products and services has increased compared with EIBIS 2019 (22% versus 15%).

The share of investment for replacing capacity was higher among construction firms (58%) and SMEs (51%). Whilst the share of investment for introducing new products, processes or services was higher among manufacturing and large firms (29% for both groups).

INVESTMENT AREAS

Out of the six investment areas considered, the highest share of investment in Belgium was in machinery and equipment (44%), followed by investments in land, business buildings and infrastructure (16%), in training of employees (12%) and in software, data, IT and websites (12%).

Manufacturing firms tended to allocate a larger share of their investment to machinery and equipment (53%) than other sectors (ranging from 34% to 42%).

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)

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

Almost nine in ten firms (88%) believe their investment over the last three years was about the right amount, which is above the EU average (80%).

Fewer than one in ten (8%) firms in Belgium had invested too little, which is below the EU average of 15%.

Large firms are more likely than SMEs to have invested about the right amount (95% versus 83%).

SHARE OF FIRMS AT OR ABOVE FULL CAPACITY

Around a half of all firms (54%) were operating at or above full capacity in 2019, which is in line with EIBIS 2019 (49%), but remains lower than the EU average (61%).

Firms in the manufacturing sector were the least likely to be operating at or above full capacity in the last financial year (38%, compared with 59% to 68% share of firms in other sectors).
Investment Needs and Priorities

FUTURE INVESTMENT PRIORITIES (% of firms)

Looking ahead to the next three years, new products/services and replacing existing buildings and equipment are the most commonly cited investment priorities among firms (35% and 34% respectively).

Manufacturing and large firms are the most likely to prioritise new products and services (46% and 47% respectively).

Fewer than one per cent of large firms had no investment planned.

COVID-19 IMPACT ON PRIORITIES

The pattern of investment priorities between firms impacted by COVID-19 and those who have not been impacted is slightly different in Belgium.

Impacted firms in Belgium are more likely to be prioritising investment in new products or services over the next three years than firms who had not been impacted by COVID-19 (39% versus 22%).

The share of impacted firms in Belgium who are prioritising new products or services is much higher than the EU average (39% versus 30%).

Fewer impacted firms in Belgium have no investment plans compared with in the EU average (7% versus 13%).
**Innovation Activities**

**INNOVATION ACTIVITY**

Almost half of all firms in Belgium (45%) developed or introduced new products, processes or services as part of their investment activities, with one-fifth (20%) having undertaken innovation that is new to the country or the world.

Manufacturing firms are the most likely to have innovated (56%), followed by firms operating in the infrastructure sector (45%).

Only one-third of SMEs (33%) invested in developing innovative products, processes or services, compared with three in five (60%) of large firms. Large firms also invested the most in innovations that are new to the country or the global market (30% versus 11% for SME).

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**

When firms’ innovation and research and development behaviour is profiled more widely, 27% of firms in Belgium are classified as ‘active innovators’, and a further 4% of firms are ‘developers’.

This share of ‘active innovators’ has increased since EIBIS 2019 (27% versus 23%) and is also above the EU average of 20%.

The ‘No innovation and no R&D’ group comprises firms that did not introduce any 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.

Base: All firms (excluding don’t know/refused responses)
Innovation Activities

IMPLEMENTATION OF DIGITAL TECHNOLOGIES

Approximately two out of three firms (68%) have implemented, either fully or partially, the digital technologies they were asked about.

Firms in the infrastructure and manufacturing are the most likely to have implemented digital technologies, either fully or partially (76% and 75% respectively), while those in the construction sector are the least likely to have done so (44%).

Large firms are more likely than SMEs to have implemented at least one digital technology (86% versus 54%).

Belgium infrastructure firms reported relatively high take-up of platform technologies, while firms in manufacturing highlighted automation via advanced robotics and internet of things.

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)

DIGITAL TECHNOLOGIES BY SECTOR

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)
Drivers And Constraints

SHORT TERM FIRM OUTLOOK

Over the next twelve months, more firms in Belgium expect a deterioration rather than improvement across all five short term barriers to investment. This is in line with firms across the EU.

Firms are much less optimistic about the overall economic climate (-63% versus -26% in EIBIS 2019), the business prospects in their sector (-20% versus 7% in EIBIS 2019) and the availability of internal finance (-15% versus 12% in EIBIS 2019).

SHORT TERM FIRM OUTLOOK BY SECTOR AND SIZE (NET BALANCE %)

All firms are consistently more negative than positive about the economic climate, with service sector firms and large firms being the most pessimistic (74% and 71% respectively).

Construction firms are also more negative than other sectors for their availability of external finance over the next twelve months (32% compared with 8% to 21% share of firms in other sectors).

Large firms and those in the infrastructure sector are relatively less pessimistic about the availability of internal finance (9% and 5% respectively).
Drivers And Constraints

LONG TERM BARRIERS TO INVESTMENT

The availability of skilled staff and uncertainty about the future remain the two most commonly cited barriers to investment (81% and 78% respectively) – with both measures in line with EIBIS 2019.

The share of firms who consider the demand for products/services as a barrier has increased since EIBIS 2019 (50% versus 36% respectively).

Conversely, fewer firms see energy cost as a barrier in EIBIS 2020 (54% versus 64% EIBIS 2019), as a result of falling energy prices.

Firms in the service sector are the most likely to cite business regulation as a barrier (74%), while manufacturing firms are the most likely to cite energy costs (61%) as a barrier, presumably given its importance in the production cost.

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?

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

Three out of five firms in Belgium were financed by internal sources (60%) which is broadly in line with EIBIS 2019 and the EU average (58% and 62% respectively).

Conversely, external finances made up more than one-third of the investment finance (38%).

Intra-group funding accounted for only two percent of investment finance in Belgium, and this represents a decline since EIBIS 2019 (6%).

Manufacturing firms report a higher share of internal finance (70%) when compared to firms in other sectors (ranging from 54% to 61%).

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)

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

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

Bank loans continued to account for the highest share of external finance (63%), followed by leasing (20%). This is broadly in line with EIBIS 2019 and the EU average.

The share of external finance accounted for by non-institutional loans has declined to zero percent, from four per cent in EIBIS 2019.

Leasing or hire purchases represented a smaller proportion of external financing among service sector firms (10%) when compared to other sectors (ranging from 21% to 25%).
Investment Finance

SHARE OF FIRMS HAPPY TO RELY EXCLUSIVELY ON INTERNAL SOURCES TO FINANCE INVESTMENT

Among all firms in Belgium, only thirteen percent cite the main reason for not applying for external finance is because they are happy to use internal funds or do not have a need for external finance. This is broadly similar to EIBIS 2019 (9%) and the EU average (17%).

Slightly fewer SMEs in Belgium are happy to rely exclusively on internal sources to finance investment (10%), compared large firms (17%), while this was the opposite in EIBIS 2019.

SHARE OF PROFITABLE FIRMS

Almost eight in ten of firms (78%) report generating a profit in the last financial year, similar to EIBIS 2019 and the EU average (both at 80%).

Specifically, 19% of firms claim to be highly profitable, defined as generating a profit level of at least 10% of the firms’ turnover. This is similar to the EIBIS average (17%).

Firms in the service sector are the least likely to be highly profitable (7%), which could be driven by the fact that they face greater competition.
Access To Finance

**DISSATISFACTION WITH EXTERNAL FINANCE RECEIVED**

Firms using external financing in 2019 report that they are, on balance, satisfied with the amount, cost, maturity, collateral and the type of financing received.

The highest levels of dissatisfaction recorded among firms in Belgium is with the cost of finance (7%) and the collateral requirements (6%), which is in line with the EU average.

**Share of dissatisfied firms**

Overall dissatisfaction levels are low, with the highest levels of dissatisfaction mentioned regarding the cost of financing among service sector (14%) and manufacturing firms (9%).

Levels of dissatisfaction with the collateral requirements is higher for SMEs (9%) than for large firms (0%).

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

Four per cent of all firms in Belgium could be considered financially constrained in the last financial year.

Six per cent of SMEs could be considered financially constrained, with the vast majority (4%) being classified ‘rejected’ i.e. they had sought external finances but did not receive it (were ‘rejected’).

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

FINANCING CONSTRAINTS OVER TIME

The share of financially constrained firms declined by 2 percentage points compared with EIBIS 2019 and remained broadly similar to previous years and in line with the current EU average (6%).

Base: All firms
Energy Efficiency

SHARE OF FIRMS INVESTING IN MEASURES TO IMPROVE ENERGY EFFICIENCY

Two fifths (40%) of firms have invested in measures to improve their energy efficiency. This is a similar share to EIBIS 2019 (39%) but is lower than the EU average (47%). Firms in the manufacturing sector (51%) were around twice as likely to invest in energy efficient measures than firms in the infrastructure and construction sectors (23% and 27% respectively).

The average share of investment in measures to improve energy efficiency is 7% and this is the same as in EIBIS 2019, but remains lower than the EU average (12%). The share of investment in measures to improve energy efficiency across all sectors and sizes has remained fairly stable since EIBIS 2019. The differences seen in the chart between EIBIS 2019 and 2020 are not statistically significant.
Energy Efficiency

ENERGY TARGETS, MANAGEMENT AND INTERNAL AUDIT

Q. In 2019 and under normal conditions, did your company set and monitor internal targets on carbon emissions and energy consumption?
Q. In 2019 and under normal conditions, did your company have a designated person responsible for defining and monitoring climate change strategies?
Q. And can I check, in the past four years has your company had an energy audit? By this, I mean an assessment of the energy needs and efficiency of your company’s building or buildings

Base: All firms

ENERGY TARGETS, MANAGEMENT AND INTERNAL AUDIT BY SECTOR AND SIZE

Belgium firms are more likely than EU firms to have a designated person to develop their climate change strategies (29% versus 23%) and to have set internal targets on carbon and energy (48% versus 41%).

Around a half of all firms in Belgium have had an energy audit in the past four years, which is lower than the EU average (45% versus 55%).

Manufacturing firms are the most likely to have had an energy audit (66%) and to set internal targets on carbon and energy (61%).

Large firms are more likely than SMEs to have a designated a person to develop their climate change strategies (44% versus 16%) and to have internal targets on carbon emissions and energy consumption (69% versus 30%).

Base: All firms
Climate Change

CLIMATE CHANGE IMPACT

Overall around two fifths (39%) of firms in Belgium feel their business has been impacted by climate change and the related changes in weather patterns, this is lower than the EU average (58%). Large firms are more likely to feel that climate change currently has a major impact on their business than SMEs (25% versus 11%).

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)

REDUCTION IN CARBON EMISSIONS OVER NEXT FIVE YEARS BY SECTOR AND SIZE (NET IMPACT %)

Overall, more firms in Belgium expect that the transition to a low-carbon future will have a positive rather than a negative impact on their reputation (38%) and on market demand (16%). In contrast more firms expect this transition to have negative rather than a positive impact on their supply chain (-16%) reflecting their anticipations of higher input costs due to stricter climate policies.

Service firms hold the most negative views about the impact of carbon reduction on their supply chain (-31%), while manufacturing and construction firms hold the most positive views on the impact of carbon reduction measures on their reputation (49% and 53% respectively).

Large firms are more likely than SMEs to think that climate change will have a positive impact rather than a negative impact on their reputation (44% versus 33%).

*Net balance is the share of firms seeing positive impact minus the share of firms seeing a negative impact
Climate Change

INVESTMENT PLANS TO TACKLE CLIMATE CHANGE IMPACT

Four fifths of firms in Belgium (80%) have either already invested or plan to invest, in the next three years, in measures to tackle the impact of weather events and reduction in carbon emissions. This is above the EU average (67%).

Large firms are more likely to have either already invested or plan to invest than SMEs (88% versus 73%).

The most frequently cited barriers to investing in activities to tackle climate change risks are uncertainty about the regulatory environment and taxation (81%) and the cost of investment activities (73%).

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

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

BARRIERS TO INVESTING IN ACTIVITIES TO TACKLE CLIMATE CHANGE BY SECTOR AND SIZE

<table>
<thead>
<tr>
<th>Sector</th>
<th>Cost of investment activities</th>
<th>Availability of finance</th>
<th>Uncertainty about climate change impacts</th>
<th>Uncertainty about regulatory environment and taxation</th>
<th>Uncertainty about new technologies to help tackle the impact</th>
<th>Availability of staff with the right skills to identify and implement investments related to climate change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>80</td>
<td>59</td>
<td>53</td>
<td>79</td>
<td>65</td>
<td>66</td>
</tr>
<tr>
<td>Construction</td>
<td>67</td>
<td>69</td>
<td>56</td>
<td>82</td>
<td>64</td>
<td>59</td>
</tr>
<tr>
<td>Services</td>
<td>75</td>
<td>59</td>
<td>49</td>
<td>84</td>
<td>63</td>
<td>59</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>65</td>
<td>57</td>
<td>62</td>
<td>81</td>
<td>64</td>
<td>69</td>
</tr>
<tr>
<td>SME</td>
<td>73</td>
<td>56</td>
<td>56</td>
<td>78</td>
<td>61</td>
<td>59</td>
</tr>
<tr>
<td>Large</td>
<td>74</td>
<td>56</td>
<td>59</td>
<td>84</td>
<td>64</td>
<td>59</td>
</tr>
</tbody>
</table>

Q. To what extent is the following an obstacle to investing in activities to tackle weather events and emissions reduction? Is it a major obstacle, minor obstacle or not at obstacle at all?

Base: All firms (data not shown for those who said not at obstacle at all / don’t know / refused)
Profile of Firms

CONTRIBUTION TO VALUE ADDED

Large firms with 250+ employees (46%) and the manufacturing sector (36%) continue to account for the greatest shares of value-added in Belgium. The distribution of firms based on both size and sector is similar to the overall distribution in the EU.

The charts reflect the relative contribution to value-added by firms belonging to a particular size class/sector in the population of firms considered. That is, all firms with 5 or more employees active in the sectors covered by the survey. Micro: 5-9 employees; Small: 10-49; Medium: 50-249; Large: 250+

FIRM MANAGEMENT

Firms in Belgium are more likely than EU firms to report using a formal strategic monitoring system (63% versus 55%), but they are less likely to link individual performance to pay (59% versus 70%).

Large firms are more likely to use a formal strategic monitoring system than SMEs (82% versus 47%).

Around two thirds of firms are owned or controlled by their CEO or a member of the CEO’s family (63%), with higher share of such firms among SMEs (80%) than large businesses (35%).

Q. And does your company (a) use a formal strategic business monitoring system (that compares the firm’s current performance against a series of strategic key performance indicators) (b) link individual performance with pay?

Q. Does the CEO/ company head of your firm own or control the firm, or have a family member that owns/controls it?

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

<table>
<thead>
<tr>
<th>EU</th>
<th>US</th>
<th>BE</th>
<th>Manufacturing</th>
<th>Construction</th>
<th>Services</th>
<th>Infrastructure</th>
<th>SME</th>
<th>Large</th>
<th>EU vs BE</th>
<th>Manuf vs Constr</th>
<th>SME vs Large</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1971)</td>
<td>(800)</td>
<td>(480)</td>
<td>(150)</td>
<td>(92)</td>
<td>(118)</td>
<td>(107)</td>
<td>(416)</td>
<td>(64)</td>
<td>(11971 vs 480)</td>
<td>(92 vs 150)</td>
<td>(416 vs 64)</td>
</tr>
</tbody>
</table>

| 10% or 90% | 1.1% | 3.5% | 3.2% | 5.5% | 6.4% | 6.1% | 6.4% | 2.5% | 6.3% | 3.4% | 8.4% | 6.7% |
| 30% or 70% | 1.7% | 5.3% | 4.9% | 8.4% | 9.8% | 9.3% | 9.7% | 3.9% | 9.6% | 5.1% | 12.9% | 10.3% |
| 50% | 1.9% | 5.8% | 5.5% | 9.1% | 10.7% | 10.2% | 10.6% | 4.2% | 10.5% | 5.6% | 14.1% | 11.2% |

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.

EIBIS 2019: The previous wave of the EIB Investment Survey, with interviews carried out between April-July 2019.

EIBIS 2020: The current wave of the EIB Investment Survey, with interviews carried out between May-August 2020.

Note: the EIBIS 2020 overview refers interchangeably to ‘the past/last financial year’ or to ‘2019’. Both refer to results collected in EIBIS 2020, where the question is referring to the past financial year, with the majority of the financial year in 2019 in case the financial year is not overlapping with the calendar year 2019.
EIBIS 2020 – Country Technical Details

The country overview presents selected findings based on telephone interviews with 480 firms in Belgium (carried out between May and August 2020).

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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>All firms, p. 3, p. 4, p. 6, p. 10, p. 11, p. 13, p. 15, p. 16, p. 17, p. 18, p. 19, p. 20</td>
<td>11971/12071</td>
<td>800/803</td>
<td>480/486</td>
<td>150</td>
<td>92</td>
<td>118</td>
<td>107</td>
<td>416</td>
<td>64</td>
</tr>
<tr>
<td>All firms (excluding don't know/refused responses), p. 2</td>
<td>11634/11417</td>
<td>748/711</td>
<td>470/464</td>
<td>147</td>
<td>91</td>
<td>113</td>
<td>106</td>
<td>407</td>
<td>63</td>
</tr>
<tr>
<td>All firms with investment plans for the current financial year (excluding don't know/refused responses), p. 3 (bottom), p. 4 (top)</td>
<td>9605/NA</td>
<td>643/NA</td>
<td>405/NA</td>
<td>135</td>
<td>73</td>
<td>94</td>
<td>91</td>
<td>343</td>
<td>62</td>
</tr>
<tr>
<td>All firms who have invested in the last financial year (excluding don't know/refused responses), p. 5 (top)</td>
<td>10138/9716</td>
<td>682/624</td>
<td>392/401</td>
<td>128</td>
<td>73</td>
<td>87</td>
<td>93</td>
<td>339</td>
<td>53</td>
</tr>
<tr>
<td>All firms who have invested in the last financial year (excluding don't know/refused responses), p. 5 (bottom)</td>
<td>9874/9506</td>
<td>683/620</td>
<td>429/371</td>
<td>135</td>
<td>82</td>
<td>104</td>
<td>95</td>
<td>370</td>
<td>59</td>
</tr>
<tr>
<td>All firms (excluding 'Company didn't exist three years ago' responses), p. 6</td>
<td>11949/12042</td>
<td>799/802</td>
<td>479/486</td>
<td>149</td>
<td>92</td>
<td>118</td>
<td>107</td>
<td>415</td>
<td>64</td>
</tr>
<tr>
<td>All firms (excluding don't know/refused responses), p. 7 (top)</td>
<td>11727/11757</td>
<td>787/775</td>
<td>470/477</td>
<td>147</td>
<td>89</td>
<td>117</td>
<td>105</td>
<td>408</td>
<td>62</td>
</tr>
<tr>
<td>All firms (excluding don't know/refused responses), p. 7 (bottom)</td>
<td>11608/0</td>
<td>780/0</td>
<td>466/0</td>
<td>146</td>
<td>88</td>
<td>116</td>
<td>104</td>
<td>405</td>
<td>61</td>
</tr>
<tr>
<td>All firms (excluding don't know/refused responses), p. 8 (top)</td>
<td>11720/11770</td>
<td>769/772</td>
<td>466/462</td>
<td>146</td>
<td>92</td>
<td>114</td>
<td>101</td>
<td>402</td>
<td>64</td>
</tr>
<tr>
<td>All firms (excluding don't know/refused responses), p. 8 (bottom)</td>
<td>9039/8380</td>
<td>600/516</td>
<td>365/328</td>
<td>118</td>
<td>71</td>
<td>82</td>
<td>84</td>
<td>314</td>
<td>51</td>
</tr>
<tr>
<td>All firms (excluding don't know/refused responses), p. 9</td>
<td>11938/11937</td>
<td>799/800</td>
<td>480/481</td>
<td>150</td>
<td>92</td>
<td>118</td>
<td>107</td>
<td>416</td>
<td>64</td>
</tr>
<tr>
<td>All firms who have invested in the last financial year (excluding don't know/refused responses), p. 12</td>
<td>9255/9008</td>
<td>648/587</td>
<td>328/326</td>
<td>84</td>
<td>72</td>
<td>79</td>
<td>80</td>
<td>295</td>
<td>33</td>
</tr>
<tr>
<td>All firms who used external finance in the last financial year (excluding don't know/refused responses), p. 12</td>
<td>4354/4369</td>
<td>314/252</td>
<td>195/184</td>
<td>47</td>
<td>44</td>
<td>39</td>
<td>56</td>
<td>180</td>
<td>15</td>
</tr>
<tr>
<td>All firms who used external finance in the last financial year (excluding don't know/refused responses), p. 14*</td>
<td>4310/4292</td>
<td>314/245</td>
<td>190/175</td>
<td>47</td>
<td>42</td>
<td>40</td>
<td>51</td>
<td>174</td>
<td>16</td>
</tr>
<tr>
<td>All firms (excluding don't know/refused responses), p. 13</td>
<td>10711/10490</td>
<td>637/605</td>
<td>442/439</td>
<td>140</td>
<td>83</td>
<td>108</td>
<td>99</td>
<td>379</td>
<td>63</td>
</tr>
<tr>
<td>All firms who used external finance in the last financial year (excluding don't know/refused responses), p. 14*</td>
<td>4310/4292</td>
<td>314/245</td>
<td>190/175</td>
<td>47</td>
<td>42</td>
<td>40</td>
<td>51</td>
<td>174</td>
<td>16</td>
</tr>
<tr>
<td>All firms (excluding don't know/refused responses), p. 18</td>
<td>11898/NA</td>
<td>794/NA</td>
<td>479/NA</td>
<td>150</td>
<td>91</td>
<td>118</td>
<td>107</td>
<td>416</td>
<td>63</td>
</tr>
<tr>
<td>All firms (excluding don't know/refused responses), p. 19</td>
<td>11739/NA</td>
<td>772/NA</td>
<td>475/NA</td>
<td>150</td>
<td>91</td>
<td>116</td>
<td>106</td>
<td>412</td>
<td>63</td>
</tr>
<tr>
<td>All firms (excluding don't know/refused responses), p. 20*</td>
<td>11740/11627</td>
<td>777/762</td>
<td>474/472</td>
<td>148</td>
<td>91</td>
<td>115</td>
<td>106</td>
<td>411</td>
<td>63</td>
</tr>
</tbody>
</table>