

SPRING 2010 REFORM BAROMETER - BELGIUM

1. SUMMARY TABLE

Belgium				<u>Rank among 29 **</u>			<u>Relative Gap</u>	
	2008	2009	Change	2008	2009	Change	EU 5 top performers 2009	Gap to EU 5 top performers 2009
GDP per capita (Purchasing Power Parity - PPP)	29753	28303	-4.9%	8	7	1	LU, IE, NL, AT, BE	-17%
GDP per capita (€ at 2000 prices)	27456	26473	-3.6%	12	11	1	LU, DK, SE, IE, UK	-23%
Labour Utilisation (Annual hours worked per capita)	649	624	-3.9%	29	29	0	CY, SI, GR, CZ, PL	-29%
Annual hours worked per person employed	1562	1525	-2.4%	24	25	-1	GR, HU, PL, SI, CZ	-24%
Employment as % of labour force (100-unemployment rate)	93.0	91.8	-1.2	20	15	5	NL, DK, AT, CY, LU	-3
Labour participation (labour force as % of active population)	67.1	67.0	-0.1	22	23	-1	NL, DK, SE, DE, UK	-14
Dependency ratio (working age population as % of total population)	66.6	66.5	0.0	21	21	0	SK, PL, CY, CZ, RO	-6
Labour Productivity (GDP per hour worked, in PPP)	45.4	44.9	-1.1%	3	3	0	LU, BE, NL, FR, DE	4%
Labour Productivity (GDP per hour worked, € at 2000 prices)	41.9	42.0	0.3%	5	4	1	LU, SE, BE, DK, FR	-11%
Capital deepening (capital stock per hour worked)*	5.4	5.5	1.9%	9	9	0	IE, FR, LU, AT, SE	-6%
Total Factor Productivity (level of economic efficiency per hour worked)*	7.7	7.6	-1.6%	6	6	0	LU, UK, DK, SE, BE	-12%
Corporate Investment (private investment excluding non-residential, % GDP)	16.4	15.5	-0.8	3	2	1	BE, RO, AT, DK, SK	2.4
Current Account Balance (as % GDP)	0.2	0.6	0.4	10	12	-2	LU, SE, LV, DE, EE	-5.8
Export market share measured in volume relative to main 35 trading partners (from 2000)	-7.7	-11.4	-3.7	22	23	-1	RO, LT, HU, CZ, PL	-66.1
Unit labour Costs relative to main 35 trading partners (from 2000)	0.1	-0.2	-0.3	9	8	1	DE, PL, AT, SE, GR	6.9
Government gross debt (as % GDP)	89.8	97.2	7.3	27	27	0	EE, LU, BG, RO, LT	79.3
Net lending/net borrowing of general government (as % GDP)	-1.2	-5.9	-4.7	12	16	-4	BG, DK, SE, LU, FI	-3.9
Required budgetary adjustment related to ageing (as % GDP)	N/A	3.5	N/A	N/A	19	N/A	PL, EE, HU, BG, SE	3.4
Public Investment (as % total public expenditure)	3.5	3.6	0.0	26	26	0	BG, RO, EE, CZ, PL	-12.8
Tax burden (as % GDP)	44.3	42.8	-1.5	27	27	0	LV, RO, IE, SK, LT	15.0

Note: Labour utilisation and productivity are a product of its sub-components.

* Rank refers to EU15 ** EU 27, Norway and Switzerland

2. PRIORITIES FOR REFORM: ANSWERS FROM FEB-VBO (BELGIUM)

	1. Priority areas	2. Concrete Recommendations	3. Are the proposed recommendations already in the agenda of your Government?	
			Yes	No
Priority 1	Orientation and sustainability of public finances	As soon as there is sustainable growth, a rigorous application of the Stability and Growth Pact for Belgium. The Commission should follow this from nearby.	X	
Priority 2	Labour taxation to stimulate labour demand	Labour taxation is the highest in the whole EU. In order to close the gap between gross and net. Any policy measure in that area should be positive		X
Priority 3	Active labour market policies	Although the government is aware that an activation policy is absolutely necessary, additional measures are needed in order to dynamise the unemployed. Many vacancies are not filled in.	X	
Priority 4	Labour market mismatch and labour mobility	Labour mobility is traditionally low in Belgium. The idea of flexicurity is rejected by trade unions. Nevertheless the existing burdens to change jobs, should decrease.		X
Priority 5	Financial markets and access to finance			