



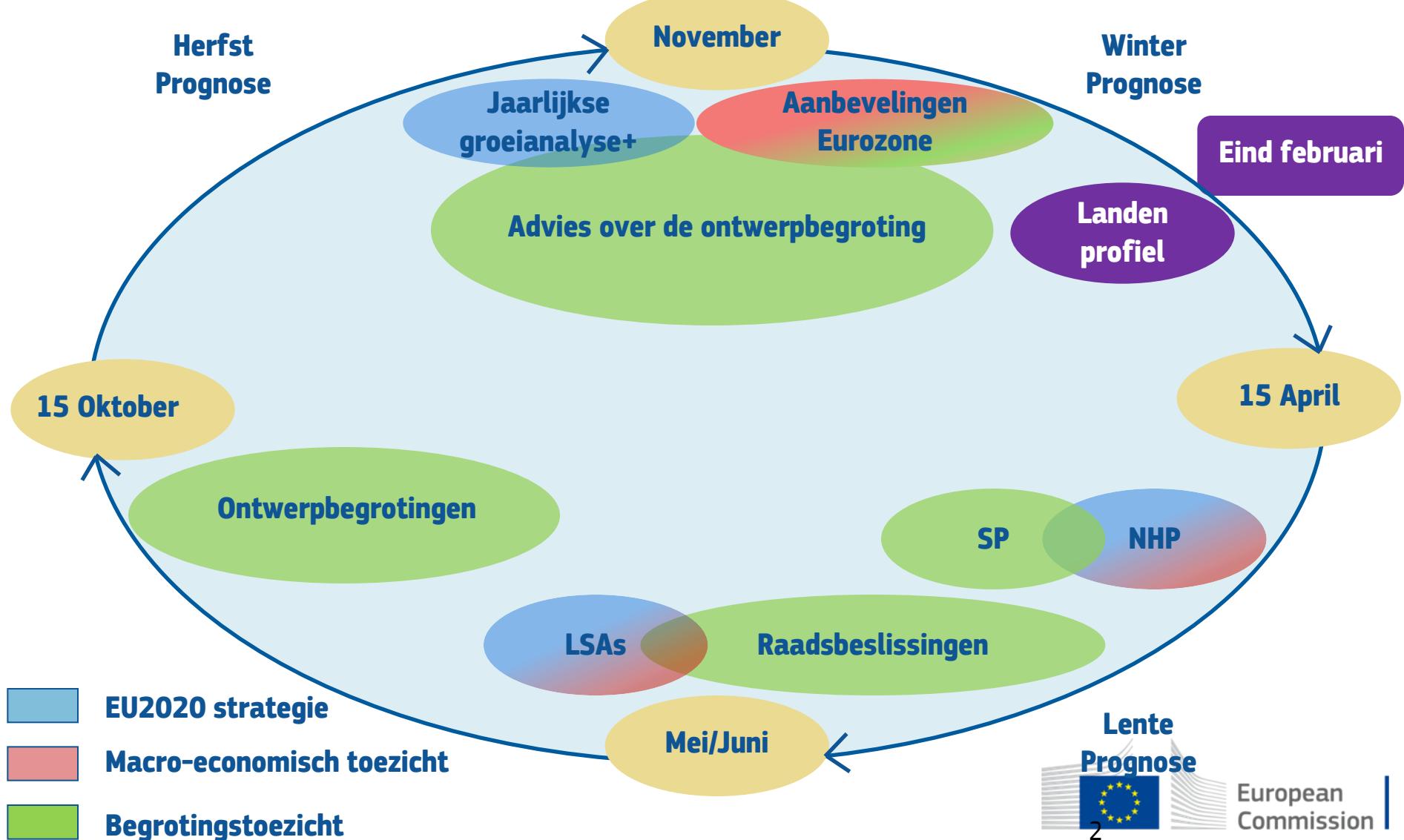
België

Landverslag 2018

Vlaams parlement - Commissie Algemeen Beleid, Financiën en Begroting
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European Semester Officer

De jaarlijkse coördinatiecyclus



De uitdaging die de EU de lidstaten voorlegt is drieledig

- **Behalen van de Europa 2020 doelstellingen voor slimme, duurzame en inclusieve groei**
- **...zonder macro-economische onevenwichten te creëren (cf. macro-economische onevenwichtenprocedure)**
- **... en zonder de houdbaarheid van de overheidsfinanciën op de lange termijn in gevaar te brengen (cf. stabiliteits- en groepact)**



Agenda van vandaag

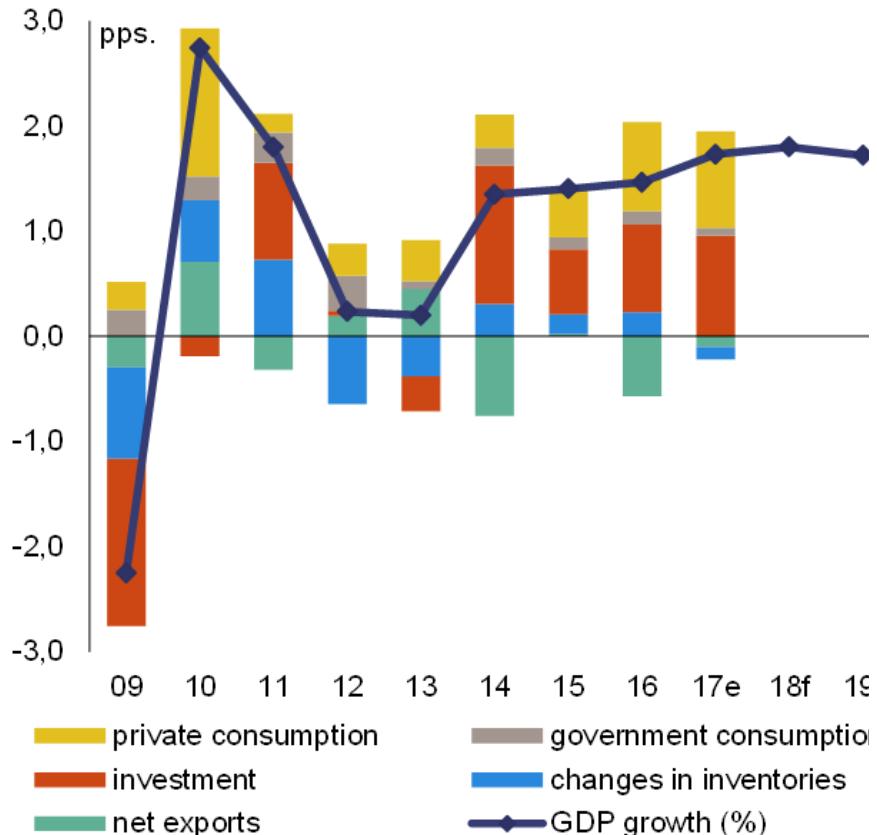
- 1. Economische vooruitzichten**

- 2. Uitdagingen en hervormingsprioriteiten**
 1. Overheidsfinanciën en belastingen
 2. Arbeidsmarkt, sociaal beleid en onderwijs
 3. Investeringen en concurrentievermogen
 4. Transport, energie, klimaat

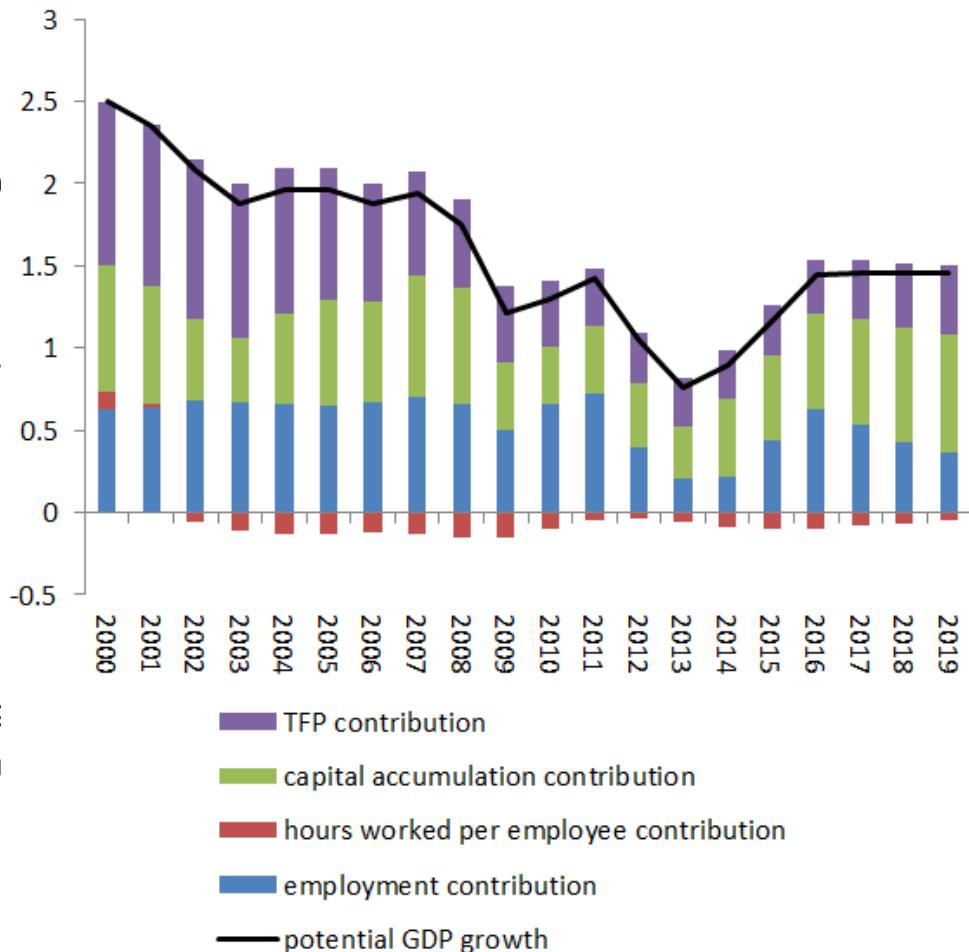
- 3. Gedachtwisseling**

Economische vooruitzichten

Breakdown of GDP growth

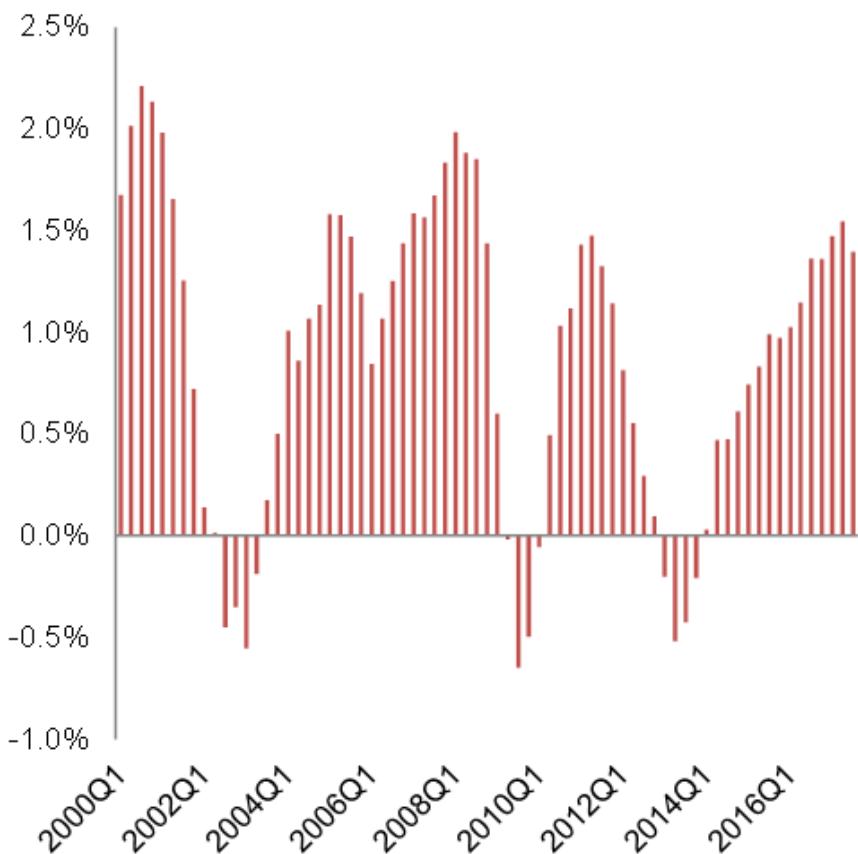


Breakdown of potential growth

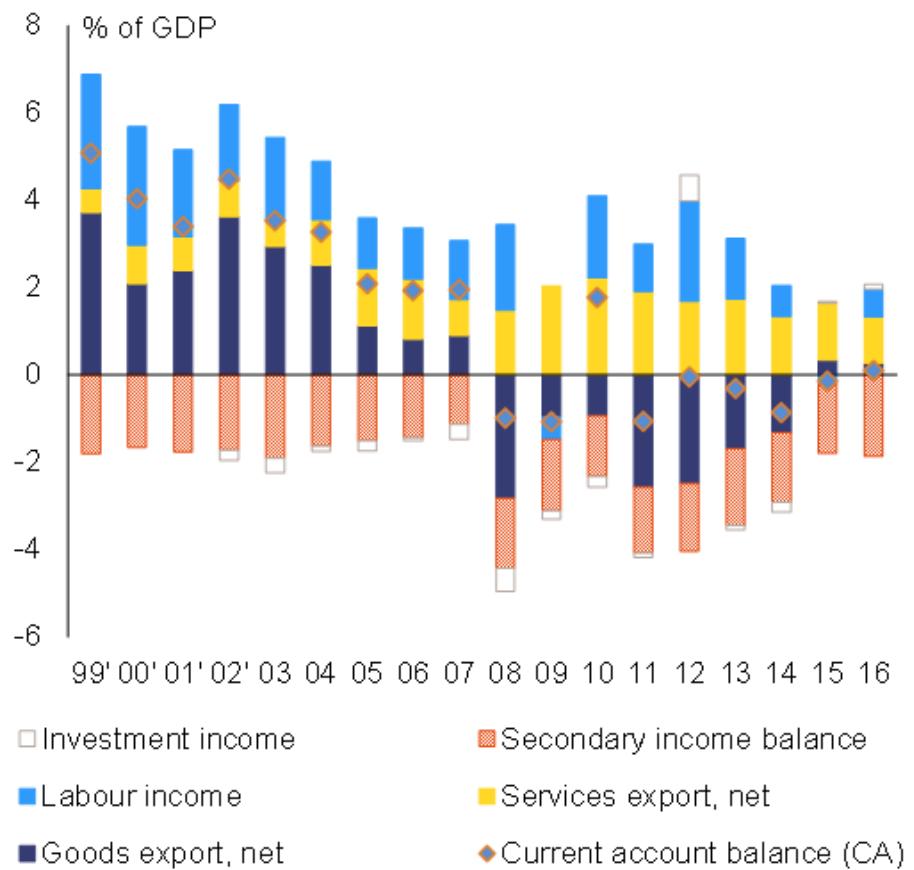


Economische vooruitzichten

Employment growth (y/y % change); self-employed and employees



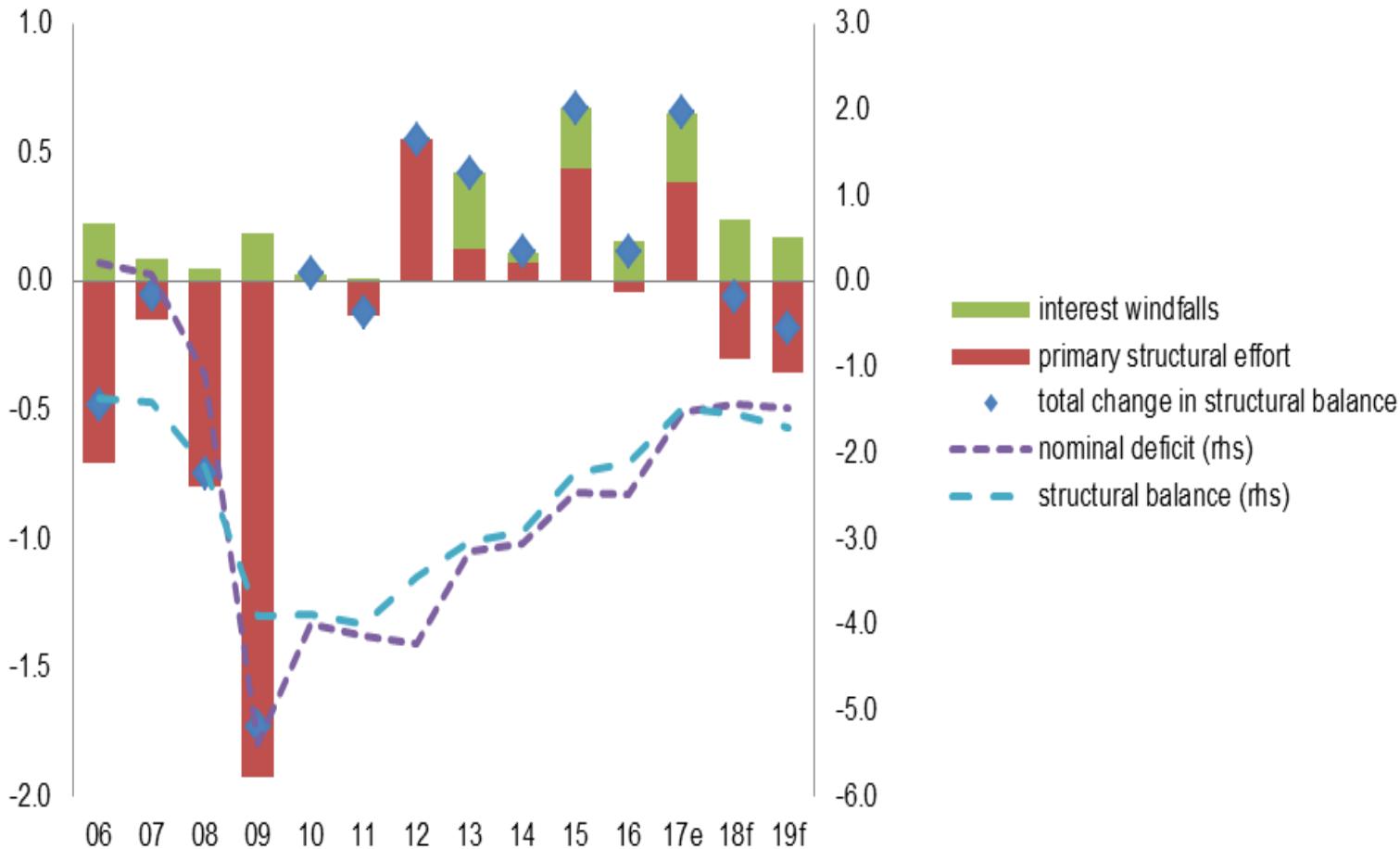
Breakdown of the current account balance



Uitdagingen en hervormingsprioriteiten

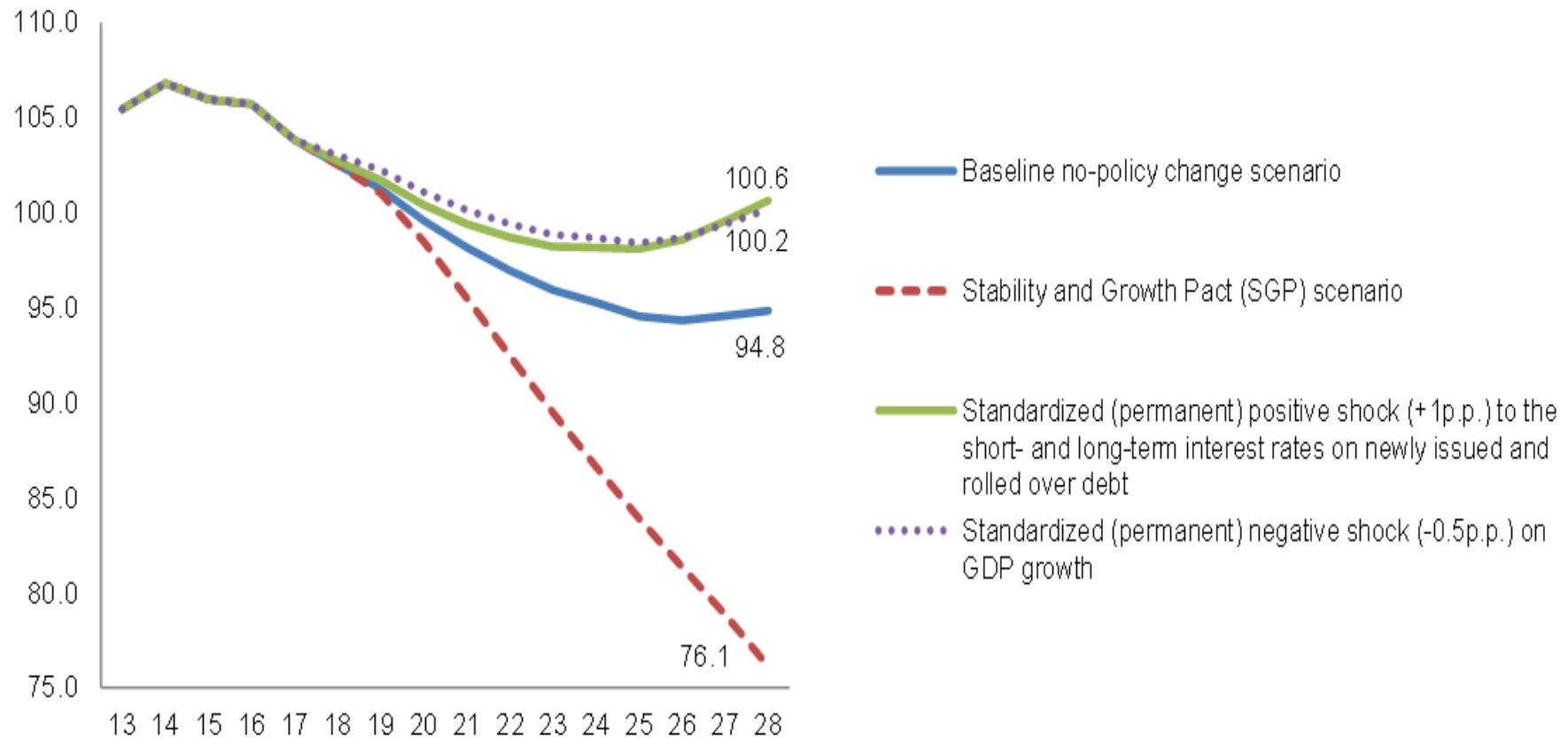
- 1. *Public finances and taxation***
- 2. *Labour market, social policies and education***
- 3. *Investment and competitiveness***
- 4. *Transport, energy, climate***

Begrotingsconsolidatie zal naar verwachting stagneren, terwijl primaire structurele inspanningen sinds 2011 beperkt bleven



België: Hoog risico schuldhoudbaarheid op middellange termijn

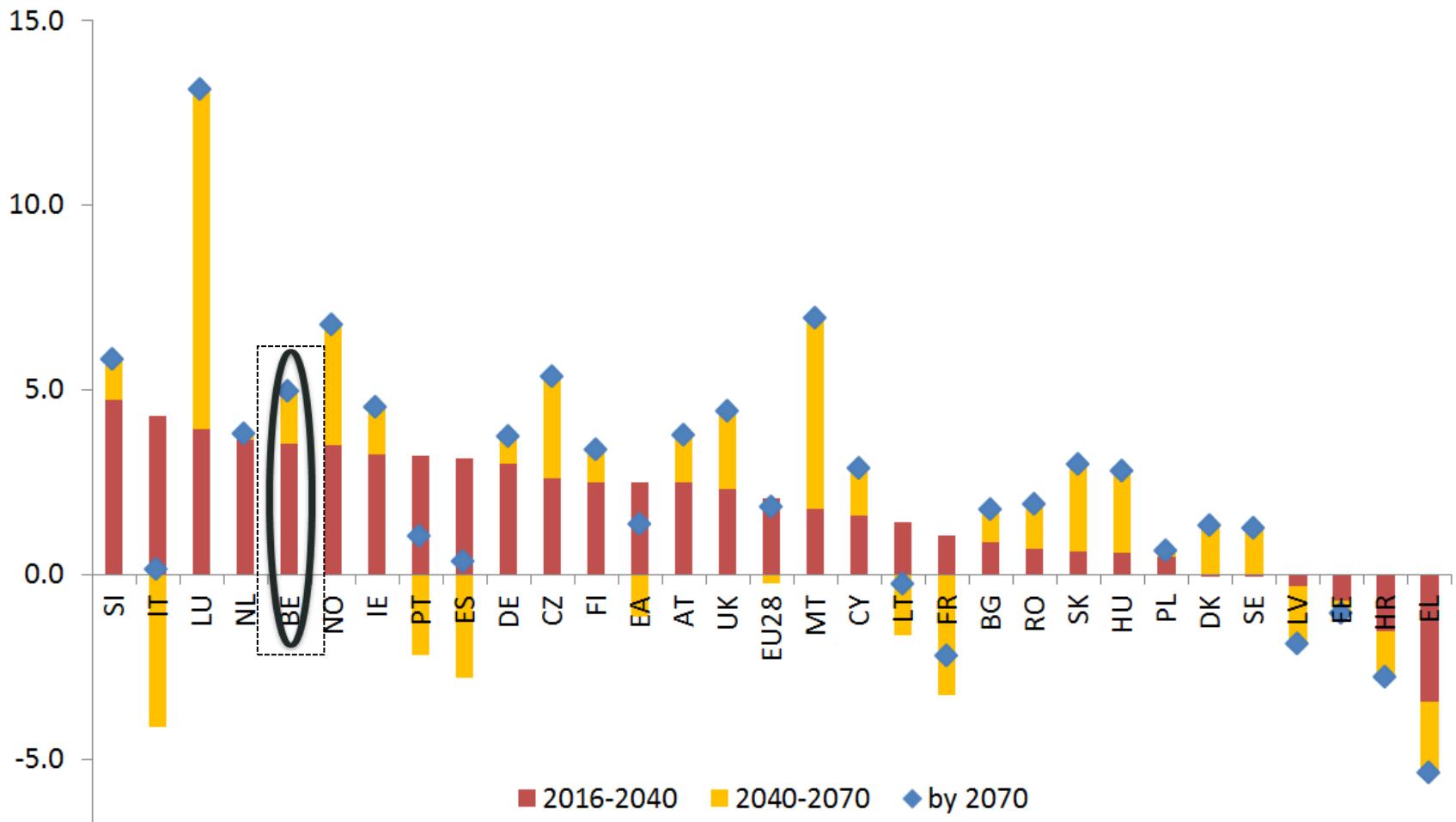
Public debt medium-term projection and scenarios (% of GDP)



Debt sustainability Monitor 2018

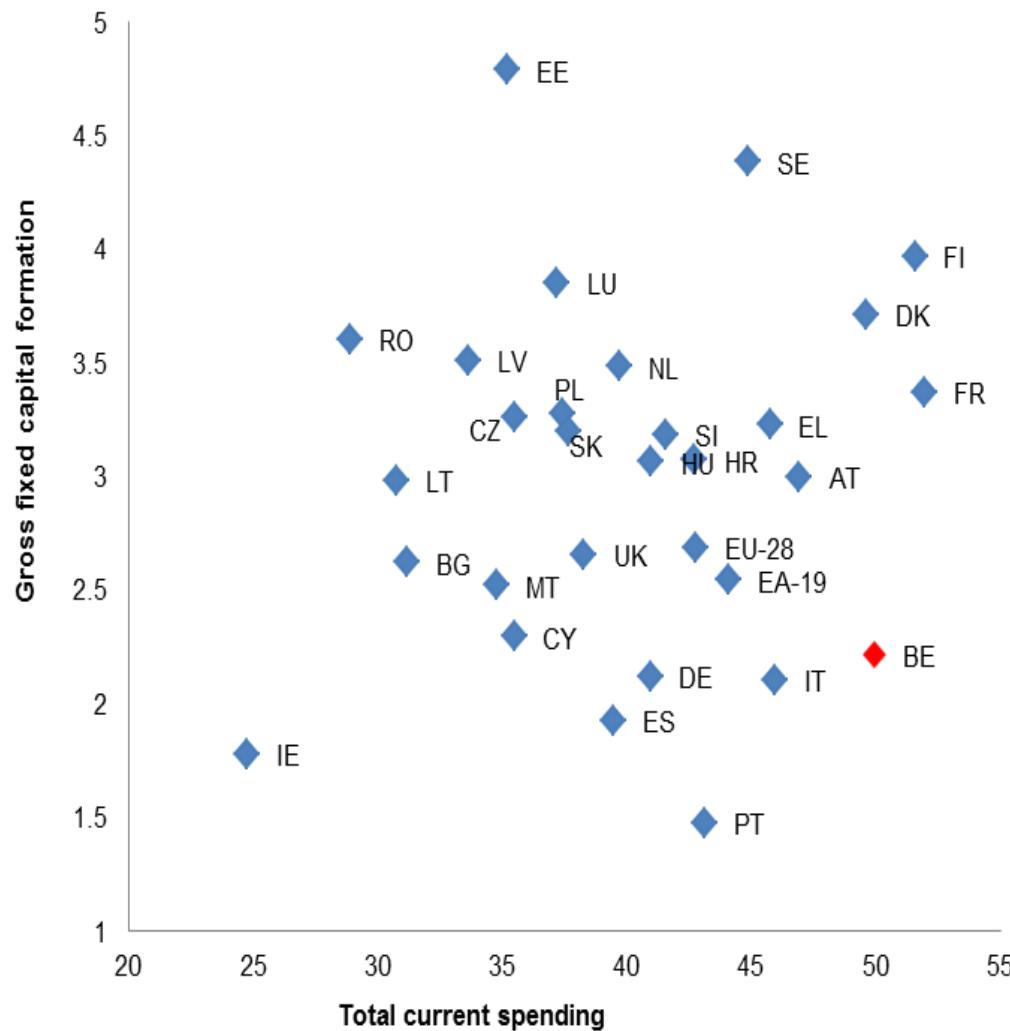
Aanzienlijke toename vergrijzingskost voorspeld

Projected increase of pension, health-care and long term care expenditure by 2040 and 2070 (% of GDP)
Basis scenario.



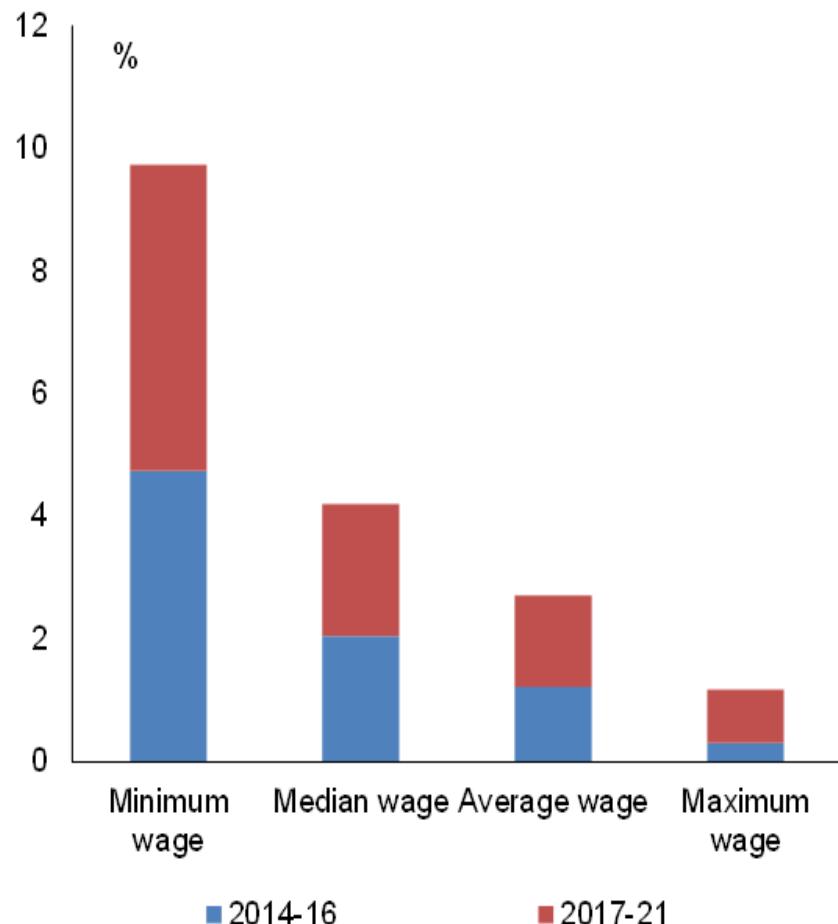
Gebrek aan publieke investeringen

Current spending vs public investment, 2016, % of GDP

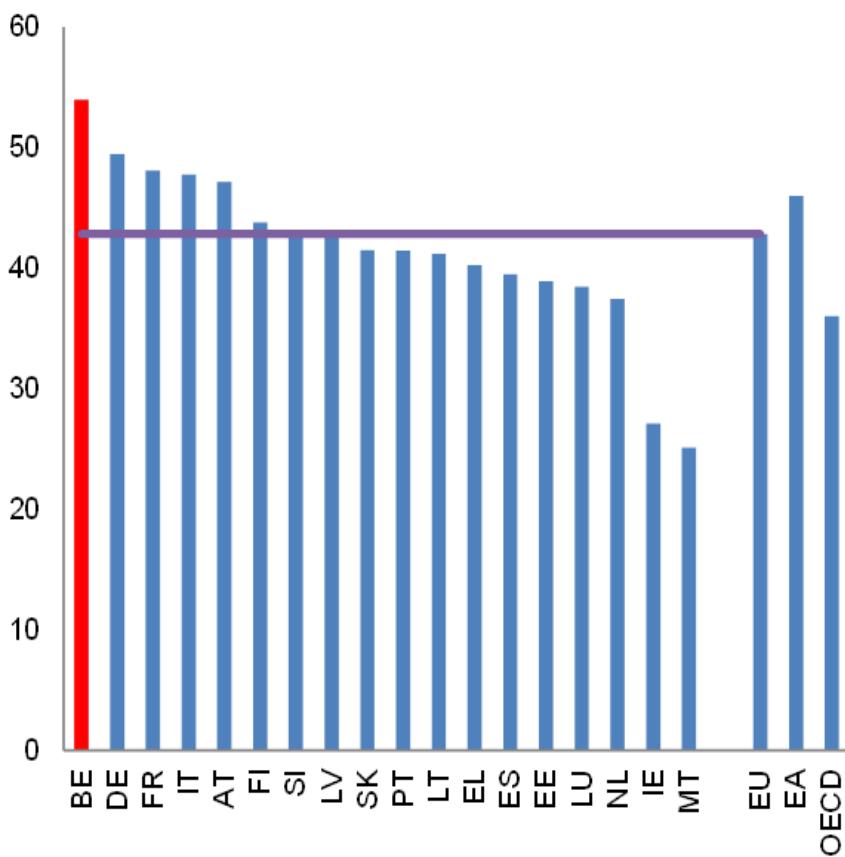


Loonwig nog steeds te hoog ondanks tax shift

Change in average take-home pay after the tax-shift



Tax burden on labour for a single person at the average wage (2016)



Belastingssysteem blijft complex

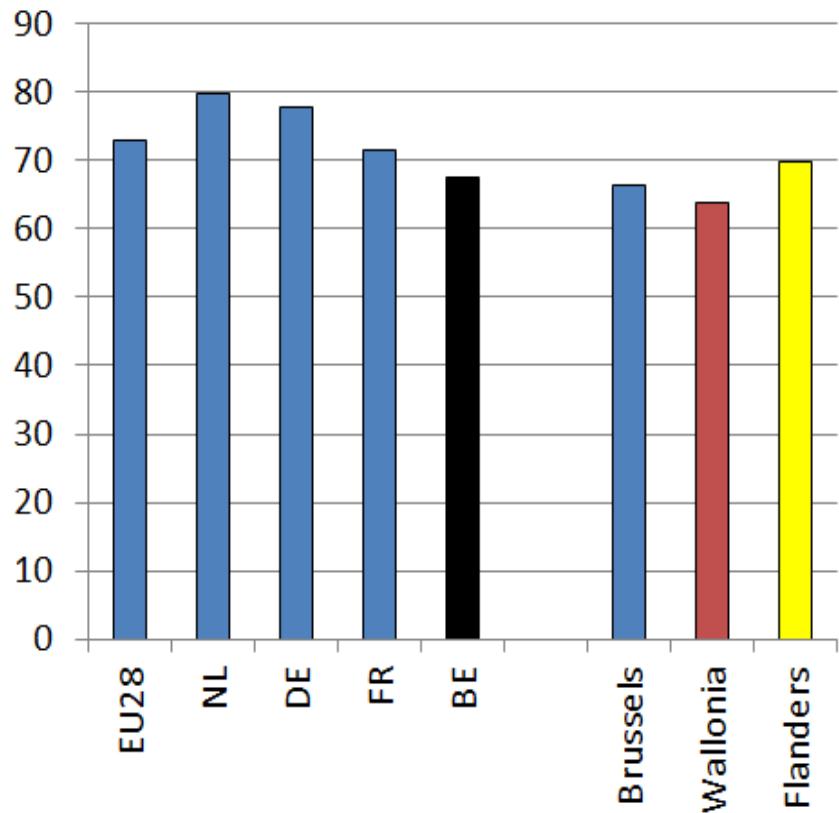
- The Belgian tax system remains **complex**, with tax bases eroded by **numerous exemptions, deductions and reduced rates**.
- Steps taken to amend aspects that facilitated **agressive tax planning**. Changes in the **Notional Interest Deduction** makes the corporate tax reform more budget-neutral and still alleviate the debt/equity bias. However, the absence of some specific anti-abuse rule may allow cascading of deductions within a multinational group.
- **Environmental taxes** remain among the lowest in the EU.

Uitdagingen en hervormingsprioriteiten

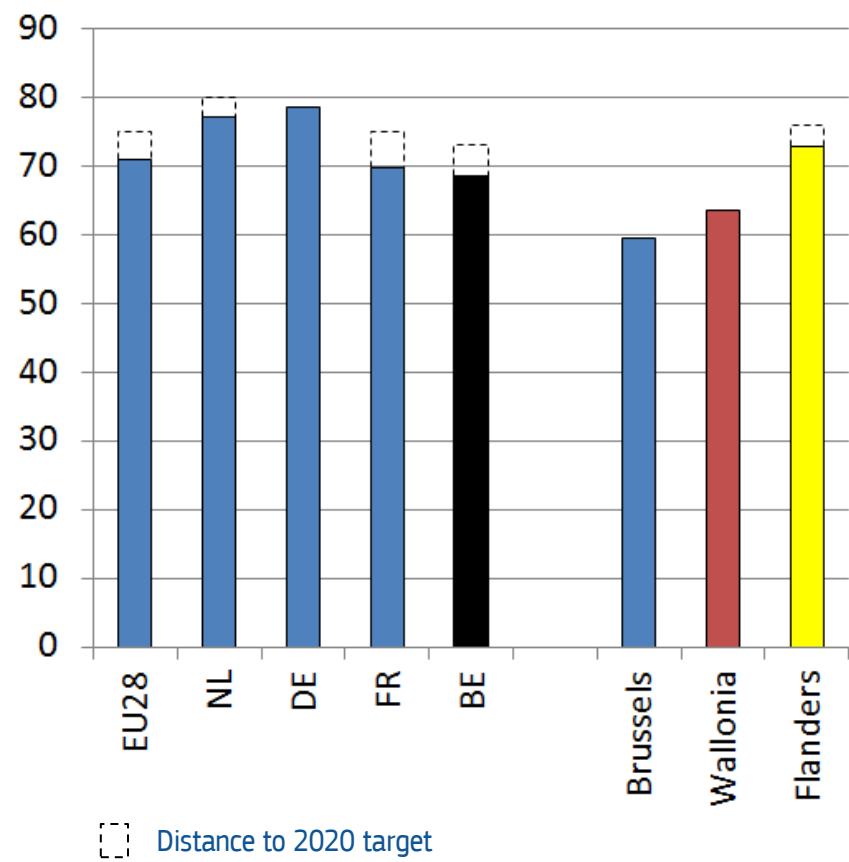
- 
1. *Public finances and taxation*
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Lage activiteits-en twerkstellingsgraad

Activity rates (15-64)

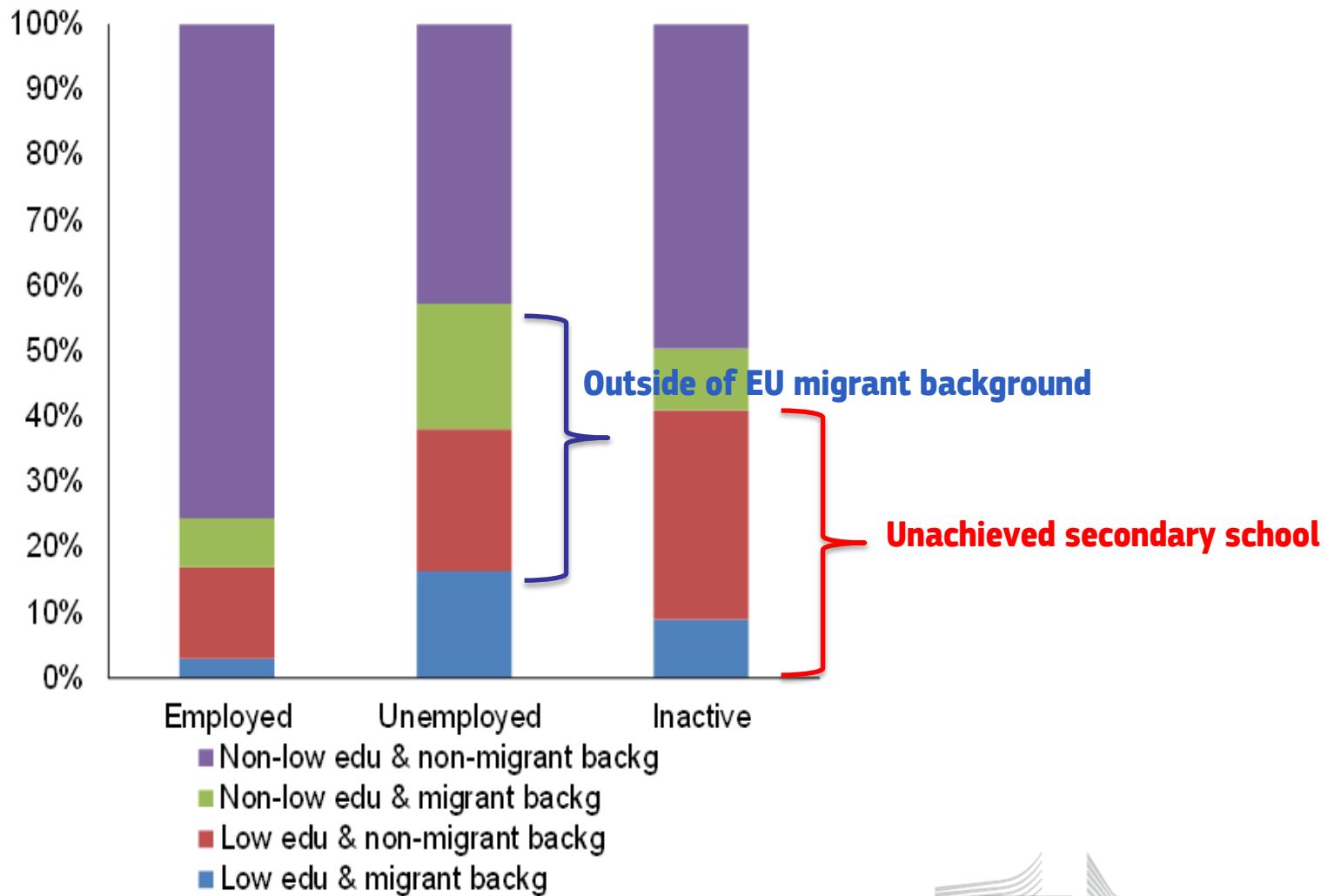


Employment rates (20-64)



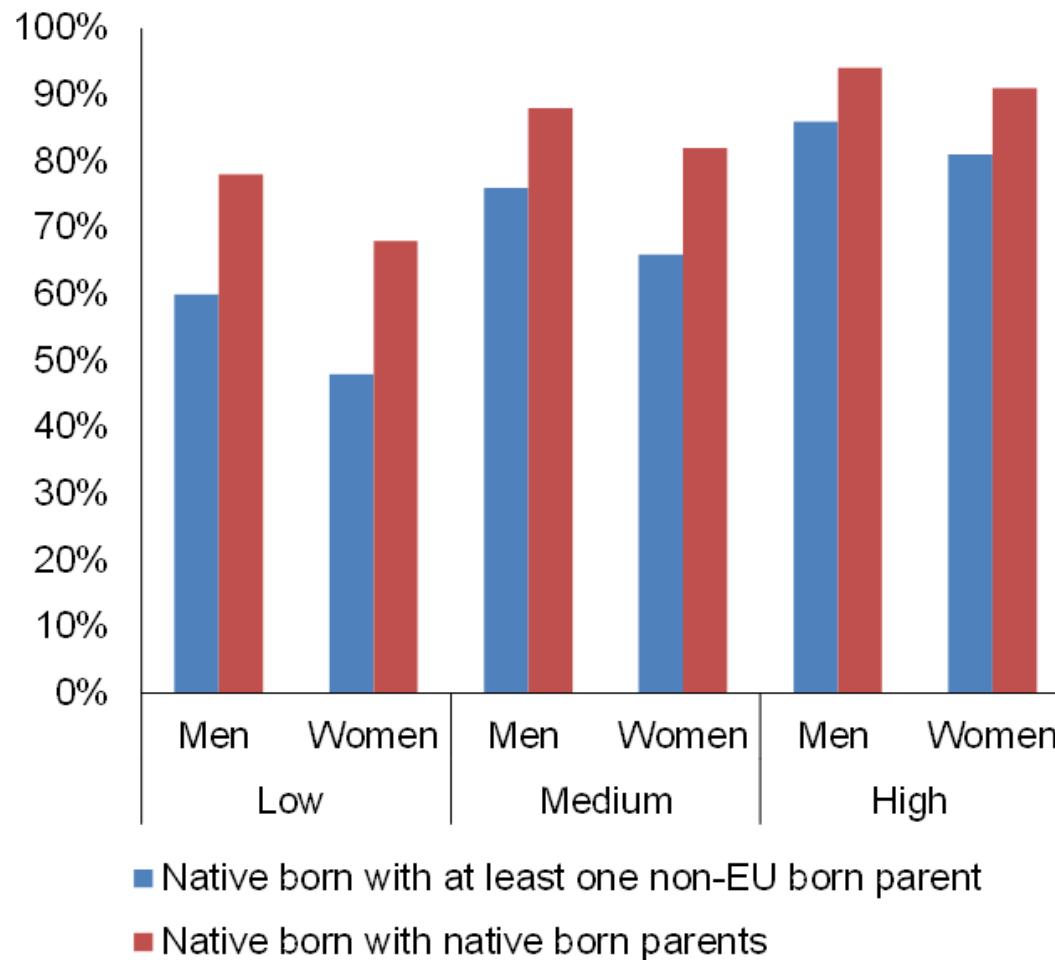
Inactiviteit en werkloosheid geconcentreerd in groepen van laaggeschoolden en mensen met migratie-achtergron

Characteristics of the employed, unemployed and inactive (20-64) 2014



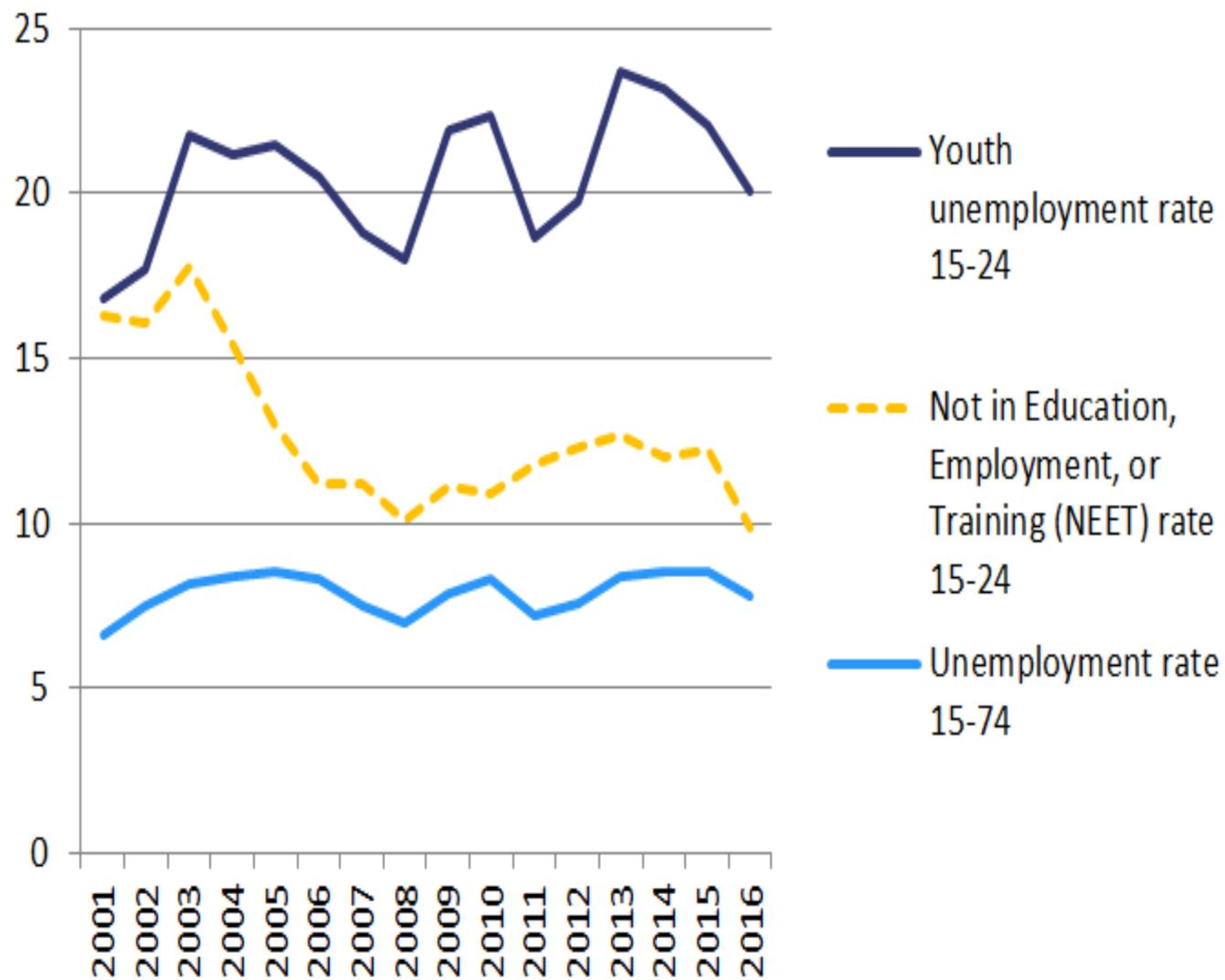
Mensen met migratie-achtergrond zijn minder vaak tewerkgesteld

Likelihood of employment by origin, gender and educational attainment



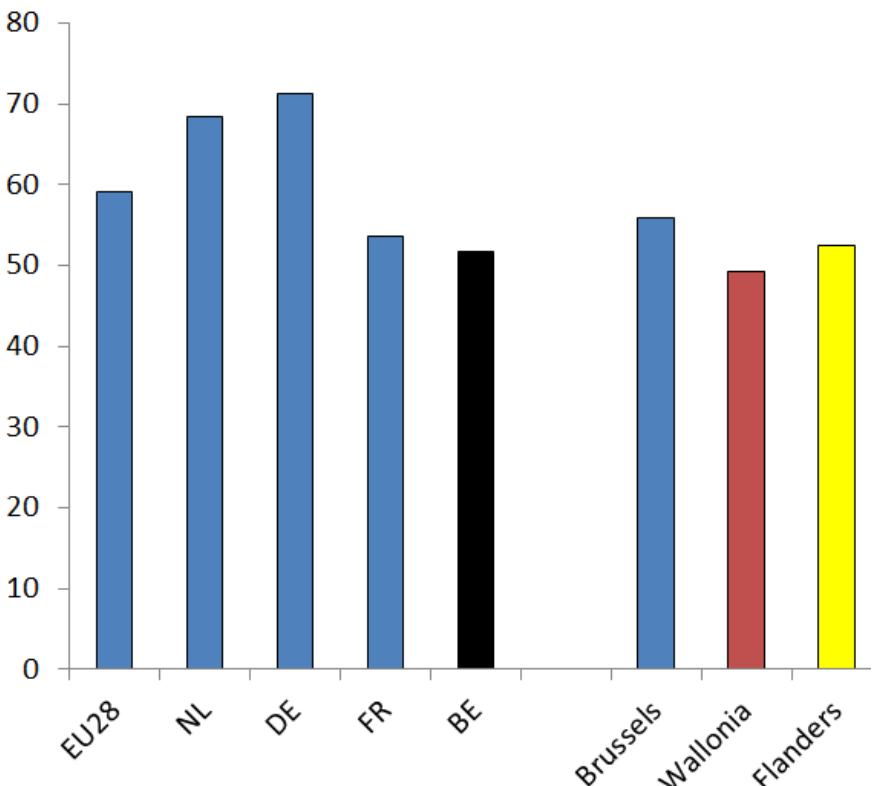
Based on a logit regression, which allows estimating the adjusted probability of employment controlling for age, education and gender. Source: Commission calculations based on the 2014 AHM of the Labour Force Survey

Jeugdwerkloosheid gaat omlaag maar blijft hoog

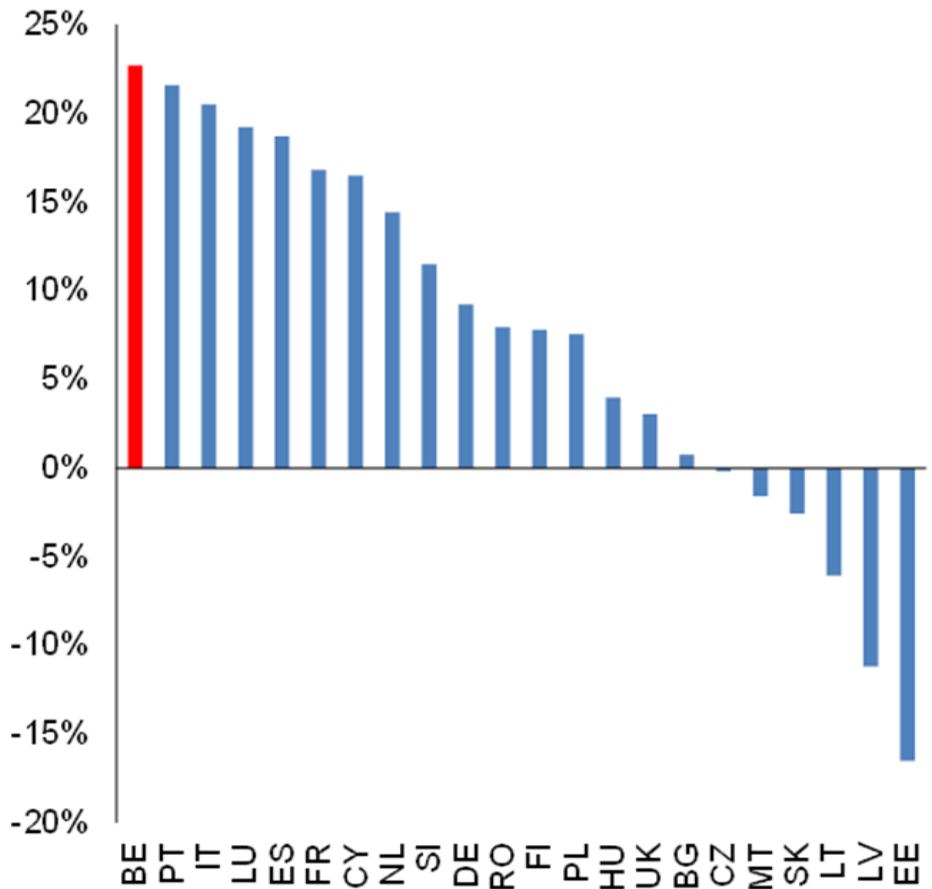


Oudere bevolking in werkende leeftijd grotendeels inactief of werkloos

Inactivity rate (55 -64; %)



Pay gap between older (50+) and younger (30-39) workers is high



Aanzienlijke mismatch in vaardigheden blijft bestaan

Relative dispersion of employment rates by education level,
2005 and 2016

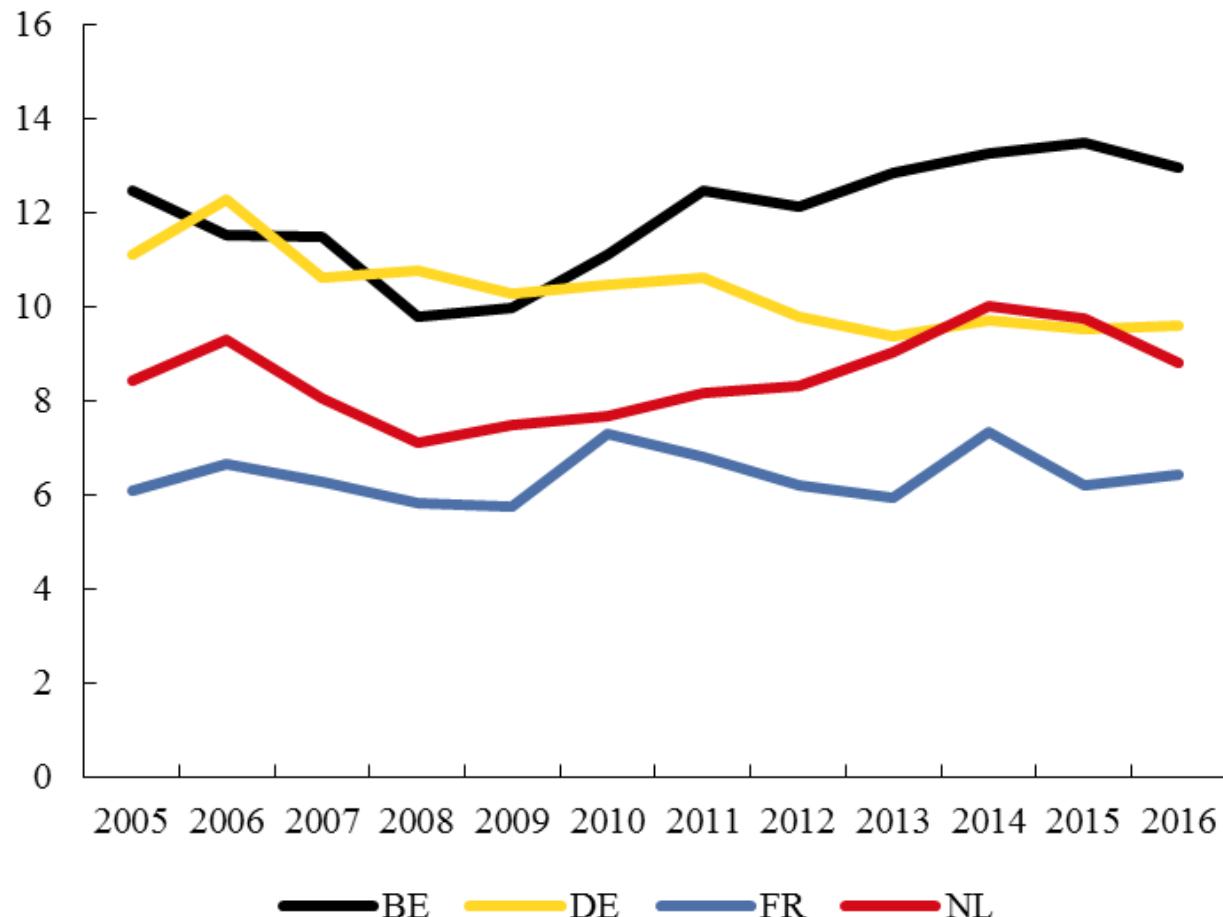


■ 2016 ◆ 2005



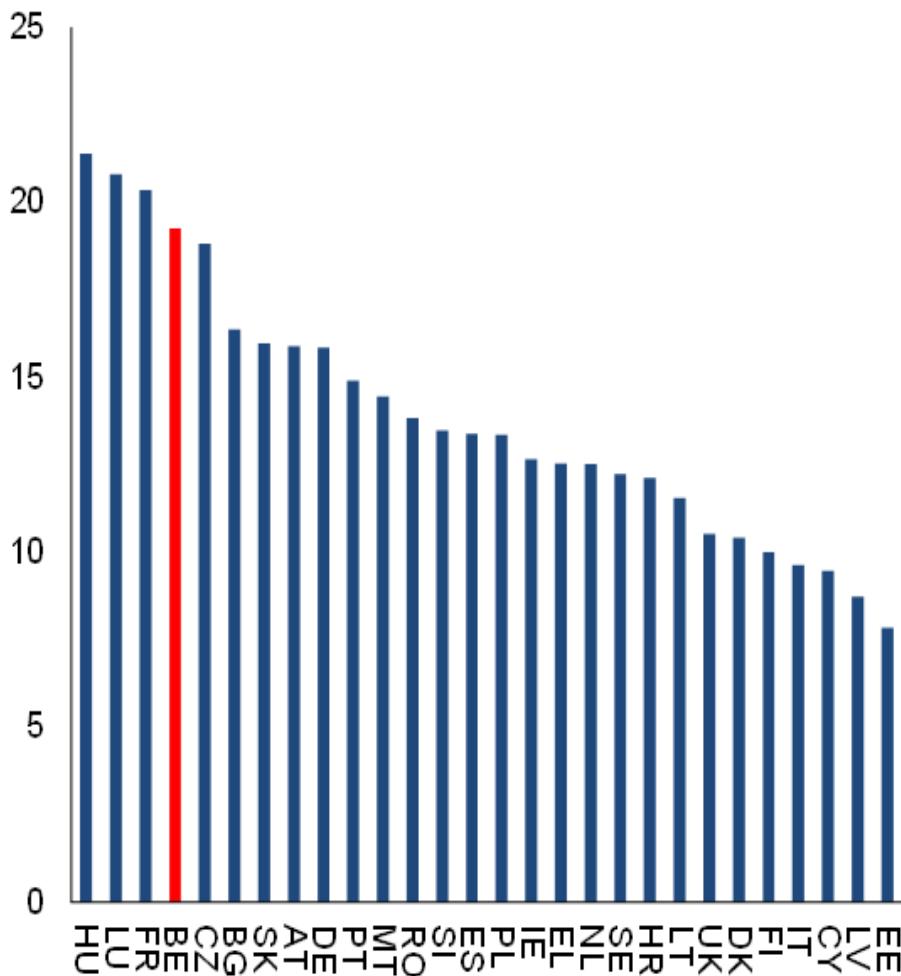
Armoederisico geassocieerd met bijna-werkloze gezinnen

Share of the population (25-54) living in very low work intensity households, 2005-2016



Onderwijsysteem goed maar grote verschillen tussen Gemeenschappen en scholen

Percentage of variation in science performance explained by students' socio-economic status (PISA 2015)



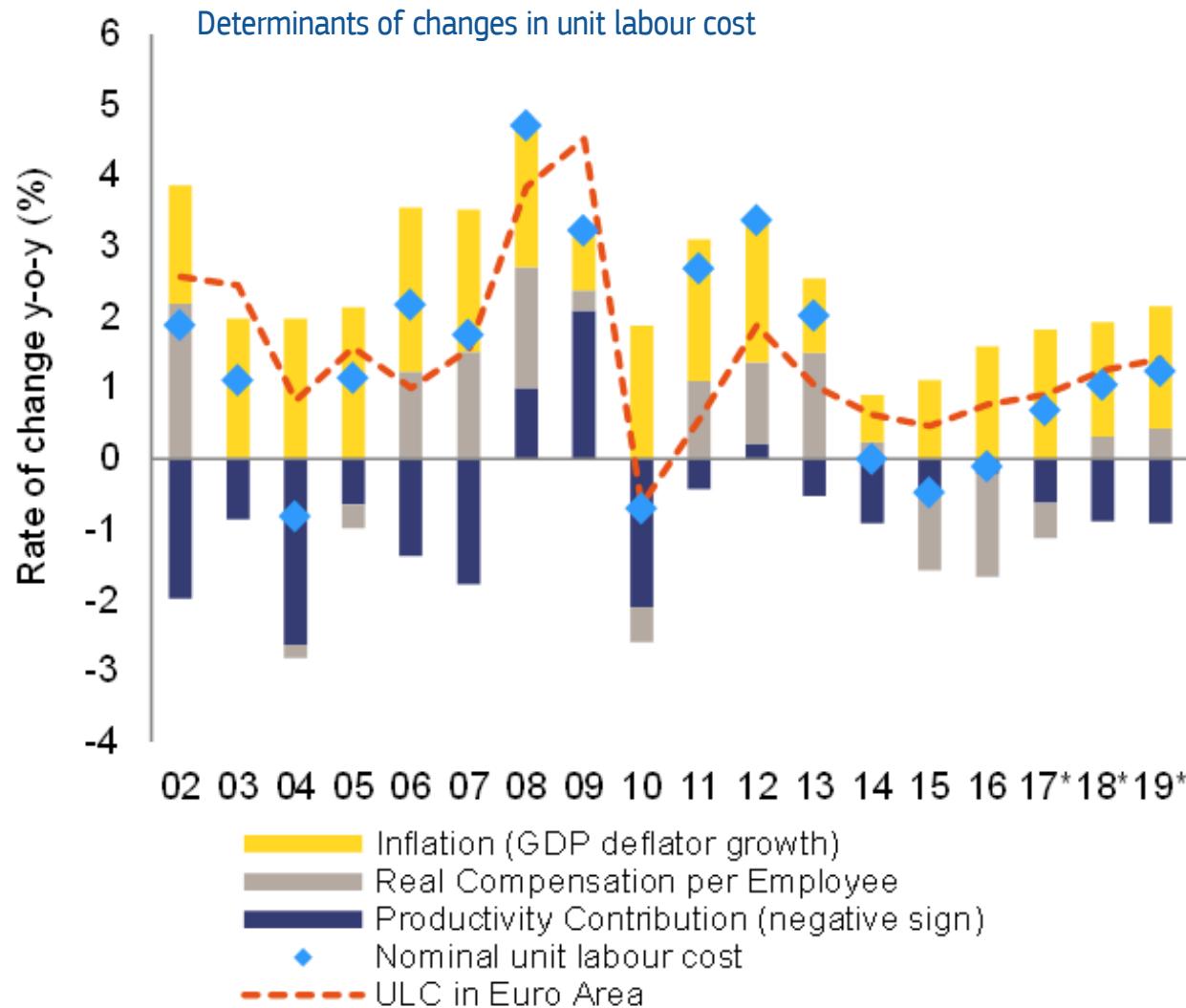
- Large impact of socioeconomic status on performance
- Lower performance of pupils with a migrant background is a concern. The challenge will increase with the projected fast growth of school population.
- Declining share of top performers math and science is a concern. Share of graduates in Science, Technology, Engineering and Mathematics (STEM) is low.
- Major school reforms are ongoing whose implementation is planned over the next decade(s).



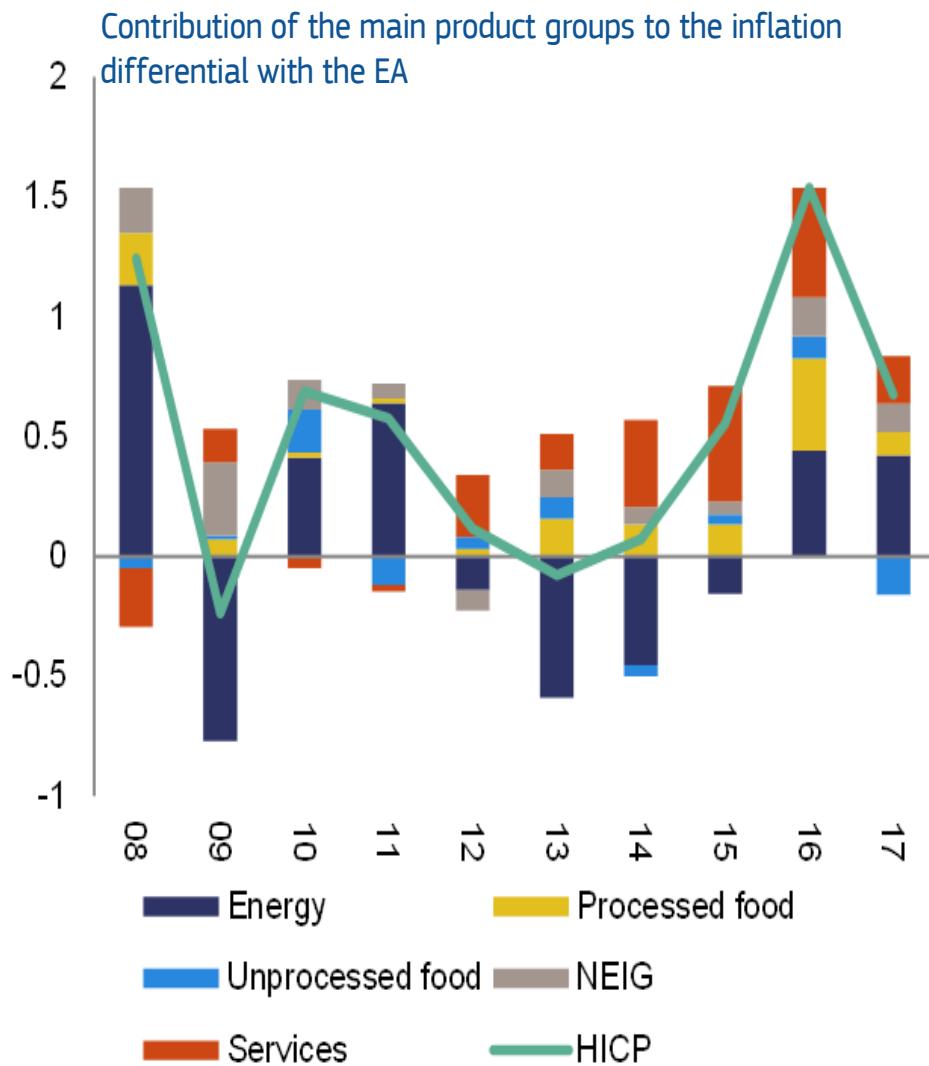
Uitdagingen en hervormingsprioriteiten

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Loonmatiging heeft kostencompetitiviteit verbeterd

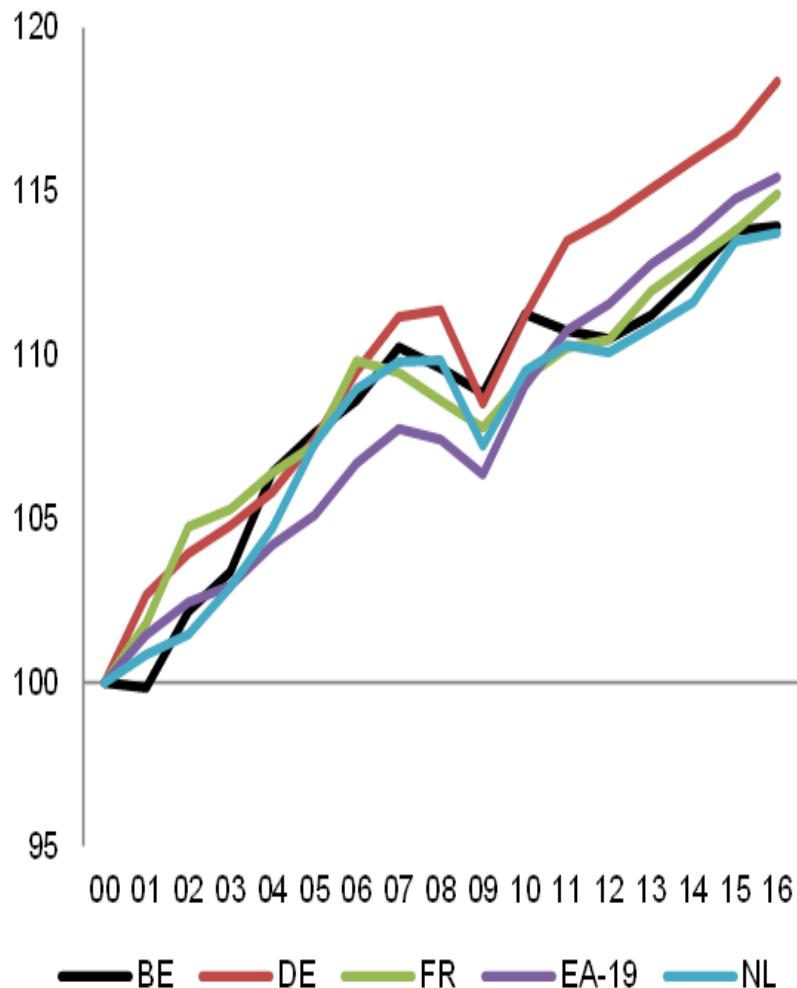


Inflatieverschil met eurozone kleiner maar structurele problemen blijven bestaan

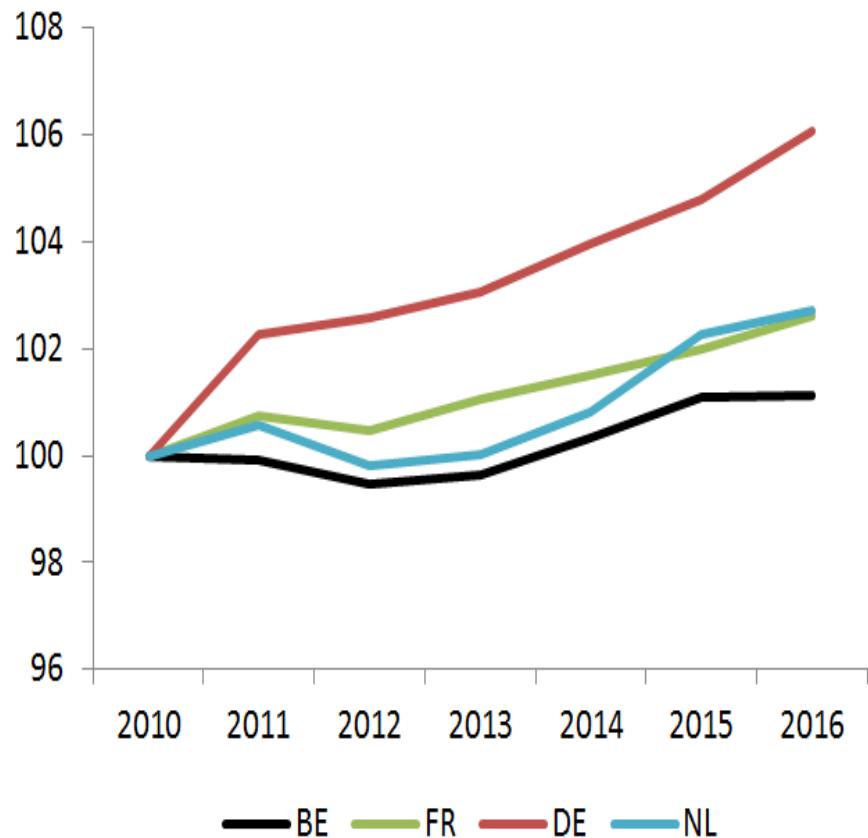


Lage productiviteitsgroei blijft uitdaging

Evolution of labour productivity growth (gross value added per hours worked)



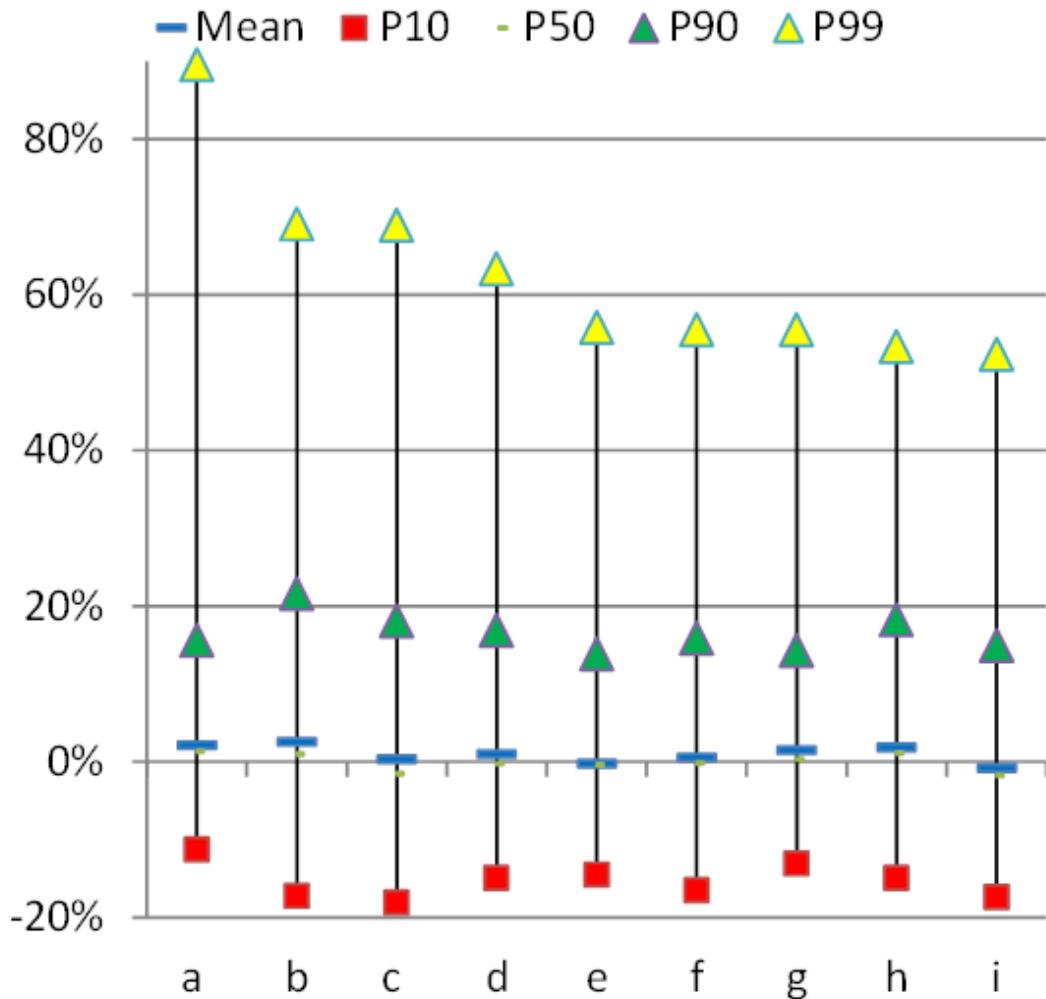
Evolution of Total Factor Productivity Growth



European
Commission

Afstand wordt groter tussen top performers en middelmatige performers

Distribution of labour productivity growth, Belgium (average 2011-2013)



- a) Real estate activities;
- b) Manufacturing;
- c) Professional, scientific and technical activities;
- d) Accommodation and food service activities;
- e) Administrative and support service activities
- f) Information and communication;
- g) Transportation and storage;
- h) Construction;
- i) Wholesale and retail trade.

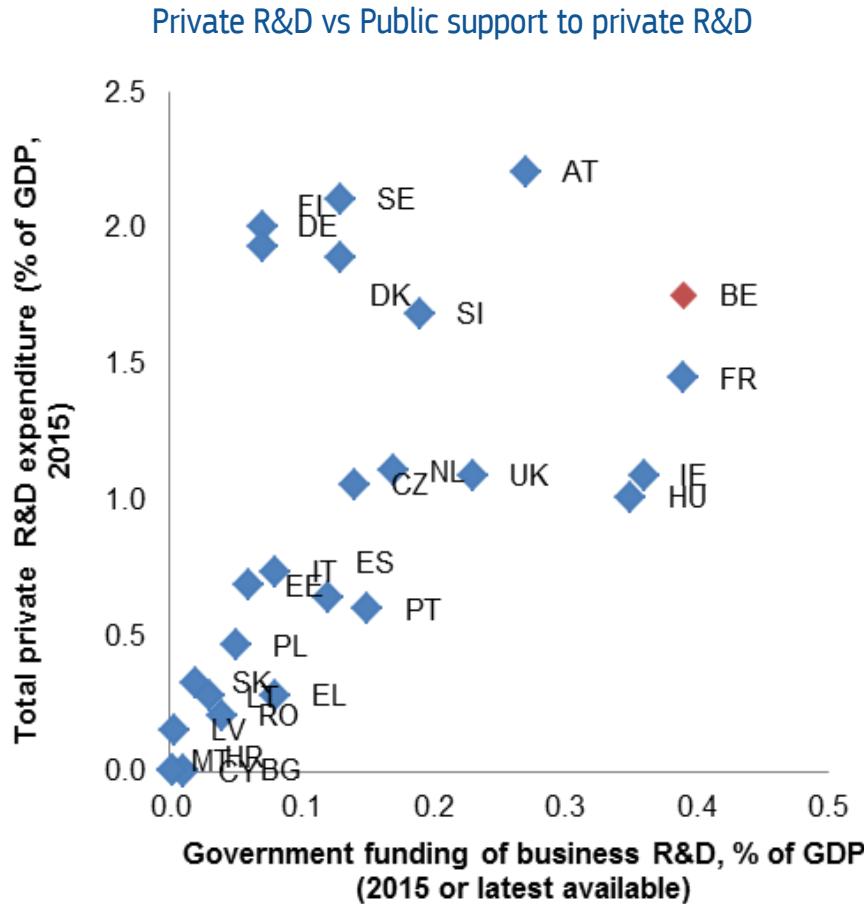


Specifieke problemen in België die de productiviteit aantasten

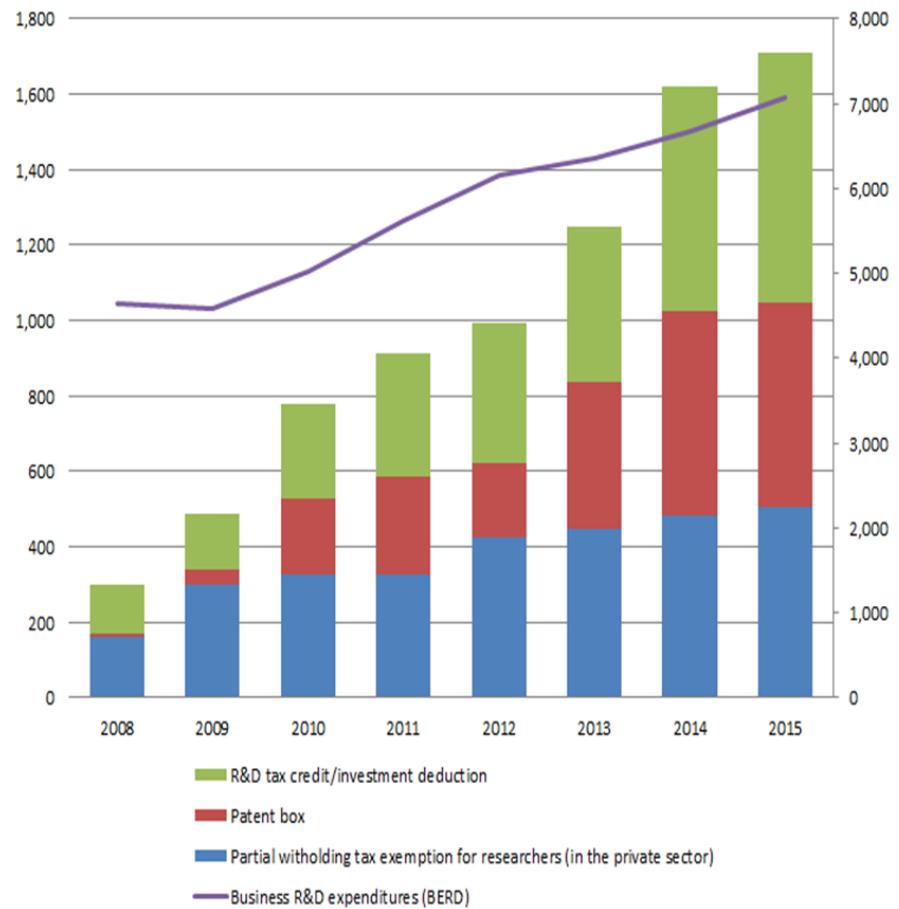
Some specific issues in Belgium:

1. Some inefficiencies in public support to R&I
2. Heavy administrative burden and complex tax system
3. Low entrepreneurship scores and low business dynamics
4. Low competition in services
5. Low level of public investment, notably transport

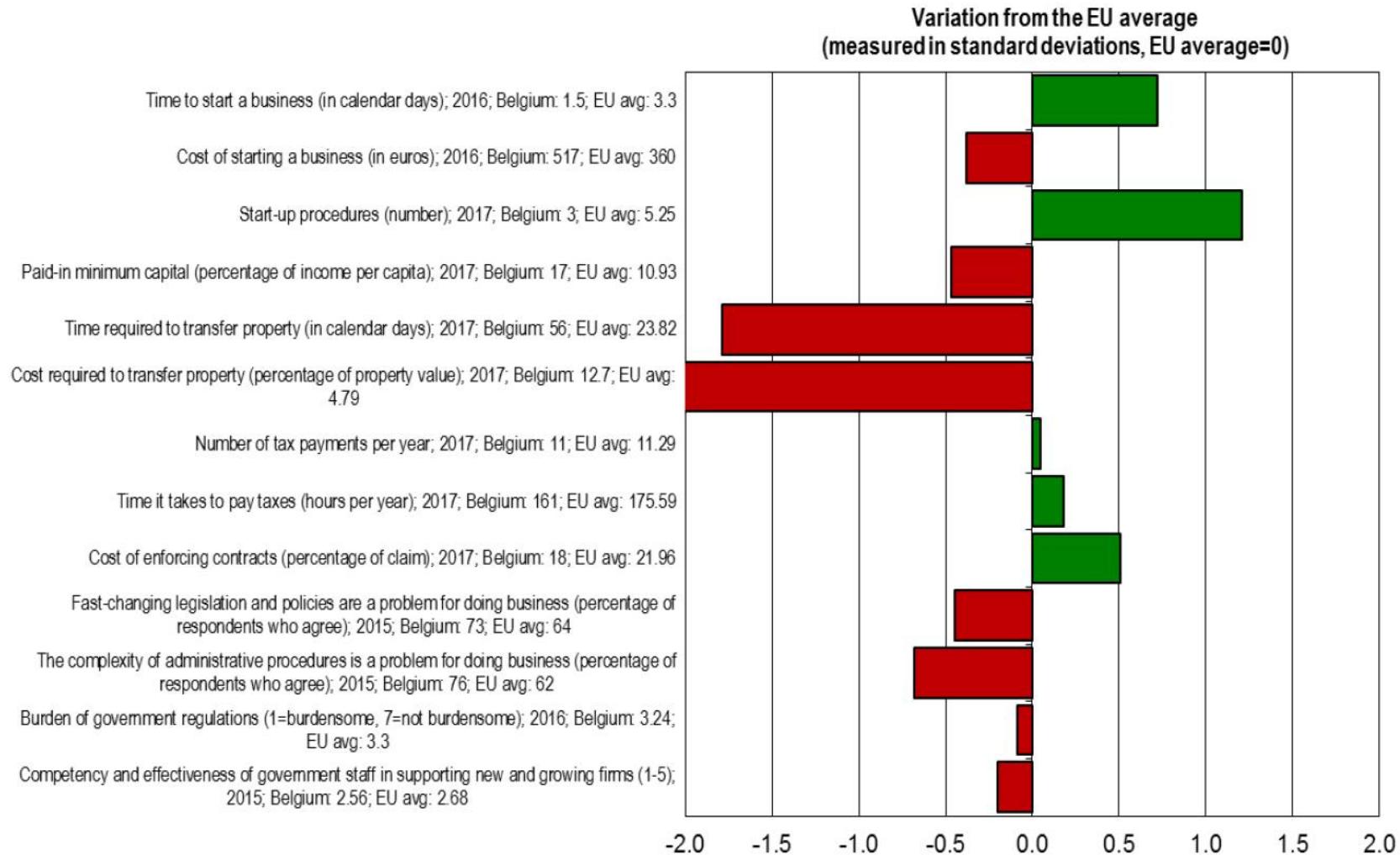
Hoge overheidssteun voor onderzoek en ontwikkeling, maar efficientie fiscale prikkels twijfelachtig



Evolution of private R&D (rhs) and of fiscal incentives to private R&D (2008-2015) million EUR

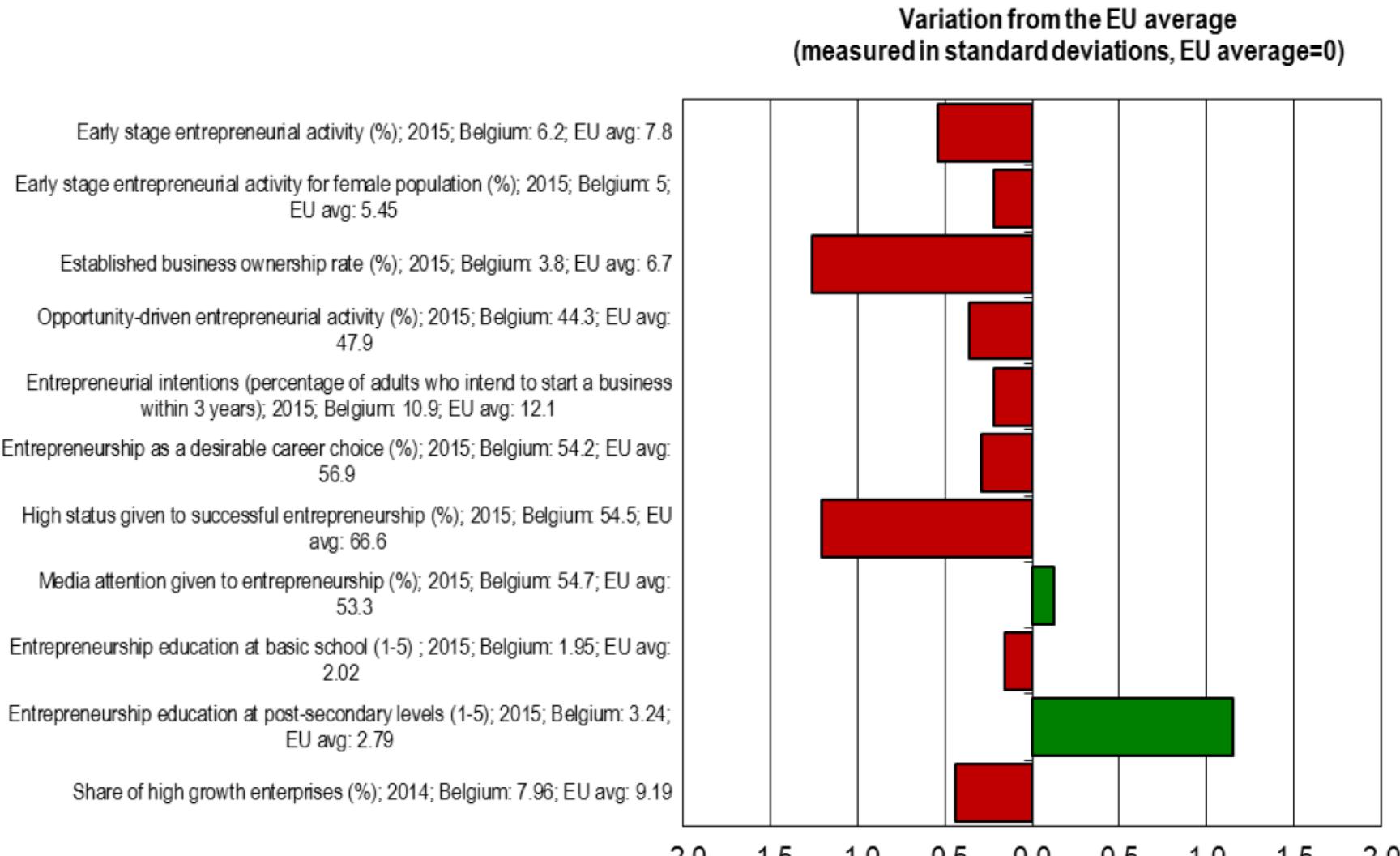


Vrij zware administratieve last



Source: 2017 SBA factsheet

Lage ondernemerschapsindicatoren



Source: 2017 SBA factsheet

Laag bedrijfsdynamisme

- **Lowest enterprise birth rate** in the EU (6.4% vs 10.1% EU28), share of start-ups since 2008 lowest in EU15.
- Few **high-growth** firms 8% (9.2% EU) (and tendency to decline) and **Low employment in high-growth innovative firms** 2.5% (4.8% EU)
- **Potentially high share of non-viable businesses:** 14% of capital sunk in an increasing number of zombie firms* (9% of the total number of firms)

* Firms aged 10y or more and with an interest coverage ratio below one for over three consecutive years.

Concurrentieobstakels in dienstensector en detailhandel

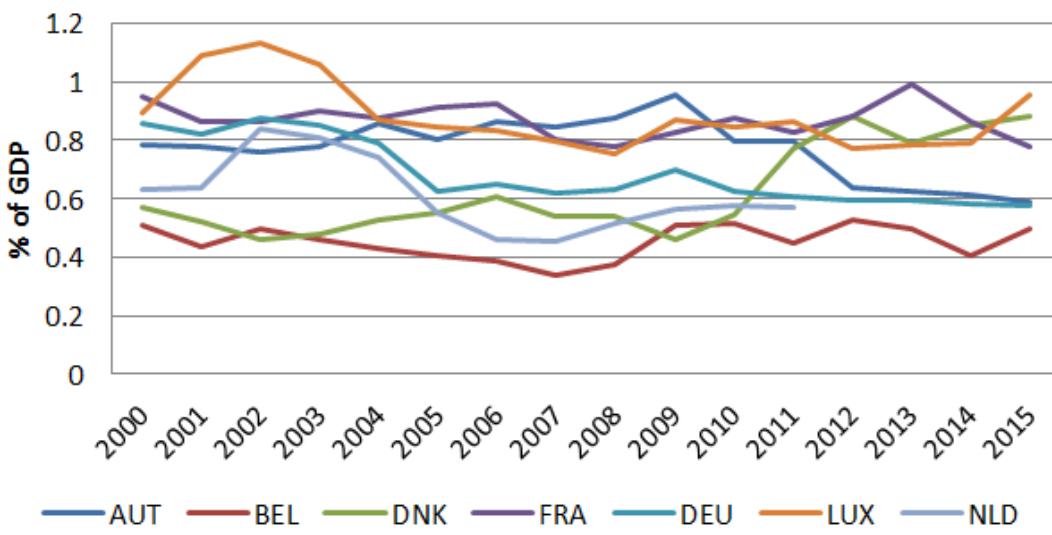
- Many **business authorisation requirements**. Lack of tacit approval mechanisms in many sectors. Differences between regions may fragment market.
- In **professional services** :
 - Low competition evidenced by low entry and exit rates, for legal, accounting, architectural and engineering professions.
 - High regulation of real estate agents, architects and accountants (Restrictiveness indicator).
- In **retail**,
 - Establishement restrictions persist: regional autorisation procedures were simplified but still broad margin of interpretation on the local implementation.
 - Operational regulations subsist. Opening, sales, promotions, ban on sales below cost (although exceptions exist).
 - E-commerce largely below its potential.
 - Possible territorial supply constraints

Uitdagingen en hervormingsprioriteiten

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Groearend Mobiliteitsprobleem

Investment in inland transport infrastructure (per year as % of GDP)



- Low investment in infrastructure. Poor efficiency of public expenditures on transport.
- Distortive tax incentives
- Several passenger transport services markets are not open to competition (urban, rail, long-distance coaches)

Energie- en klimaatbeleid

- Climate and environmental polices are not sufficient for limiting **air pollution and GHG emissions.**
- Significant **investments** in the energy system are needed.
- A **long-term energy and climate policy** is needed. The Interfederal 'Energy Pact' could form the basis for the integrated National Energy and Climate Plan required under the Energy Union.

Bedankt voor uw aandacht