

Business demographics in BCR

Statistical note based on annual data at 31/12/2021

Key figures for companies, creations, closures, immigration, emigration, bankruptcies and the survival rate of companies in the Brussels-Capital Region (BCR)

* Companies: Situation as of 31/12/2021 based on annual data published by Statbel.
* Bankruptcies: Situation as of 31/12/2022 based on cumulative monthly data published by Statbel.

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Key figures

annual data

2021

115,541
Companies subject to VAT

3,0%
Entrepreneurial dynamic

11,471
Business creations

8,086
Business closures

2021 vs 2020

+2.1%
Companies subject to VAT

+2.7%
Net business creations

+2.5%
Business creations

+2.5%
Business closures

2021 vs 2018

+6.7%
Companies subject to VAT

-20.1%
Net business creations

-8.8%
Business creations

-3.1%
Business closures

cumulative monthly data

2022

1,776
Bankruptcies

2019

2,978
Bankruptcies

2022 vs 2021

+33.3%
Bankruptcies

2022 vs 2019

-40.4%
Bankruptcies

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Colophon

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Methodological note and digital format

Methodological note

Recurrence

This statistical note, based on annual data, is produced every year. The statistical note, based on monthly data, is produced every 6 months.

Data source

Statbel

This note includes annual data as well as monthly data published by the Belgian Statistical Office, Statbel, and is available via the website statbel.fgov.be. Most of this data can be downloaded via the interactive be.STAT application.

The data on **companies, creations, closures, immigration, emigration, survival rates and bankruptcies** relates to companies subject to VAT. The population of companies subject to VAT includes companies registered with the Crossroads Bank for Enterprises (CBE) which the VAT office has indicated are known to be subject to VAT. The address of the registered office/domicile is used to break down the statistics by geographical zone.

Following the **changes** made by Statbel to its **monthly** accounting **methodology** for the demographic movements of companies in 2021[1]:

- hub.brussels now calculates the indicators for company creation and closure rates;
- the monthly data for companies, creations, closures, immigration and emigration can be analysed by activity sector for 2021 and subsequent years;
- since 2021, it has included data on foreign companies as well as companies whose address is unknown. Given that there is no similar data available for previous years, the statistical data for Belgium presented in this note refers to the three regions only;
- monthly data on business migration is not comparable with data from previous years.

The **bankruptcy** statistics are prepared using data from the Crossroads Bank for Enterprises (CBE), the National Social Security Office (NSSO) and the company registry of FPS Economy's Directorate-General for Statistics.

[1] Since the methodology applied from 2021 involves minimal differences compared to previous years with respect to the accounting for demographic movements, the data about companies (excluding company migrations) are deemed to be comparable to previous years.

Annual data

The annual data corresponds to the situation at year end (31 December) and therefore does not include all demographic movements[2]. The total number of companies under the monthly or annual accounting method will however be identical. Annual data is not available until 9-10 months after the end of the period and is presented in the context of this note based on annual data. It concerns:

- the number of **companies subject to VAT** on 31 December of the year, by size and business sector;
- the number of company **creations**, which corresponds to the total number of first-time registrations and re-registrations; First-time registrations consist of companies which are subject to VAT for the first time, whereas, re-registrations consist of companies which become subject to VAT after having lost this status at least once in the past;
- the **rate of business creations** is the number of creations divided by the average number of companies subject to VAT during the period under review, expressed as a percentage;
- the number of business **closures**, i.e. VAT-registered companies which lost their VAT-registered status during the reference period;
- the **rate of business closures** is the number of closures divided by the average number of companies subject to VAT during the period under review, expressed as a percentage;
- the number of **net business creations**, which corresponds to the balance of the difference between the number of business creations and closures;
- the **entrepreneurial dynamic** is the number of net creations divided by the average number of companies subject to VAT, expressed as a percentage;
- the number of company **immigrations** and **emigrations**[3] of companies between the three regions of Belgium. The immigration and emigration of companies subject to VAT covers companies subject to VAT whose registered address changed during the reference period;
- **net migration** is the number of immigrations minus the number of emigrations;
- **Migration intensity** measures the proportion of businesses in a region that migrate during the reference period and is calculated by dividing the total migration of a region (immigration + emigration) by the average size of the population of VAT-registered companies in that region during the reference period ([VAT-registered companies n-1 + VAT-registered companies n] / 2);
- the **survival rate of companies after 1, 3 and 5 years**. This rate corresponds to the ratio of first-time registrations which have remained subject to VAT after 1, 3, or 5 years to the number of first-time VAT registrations[4].

[2] A company that was created during the year and ceased operations during that same year will not be included in annual creations based on this methodology.
[3] To account for migrations, Statbel compares the population of active VAT-registered companies on 31/12 between two years and accounts for companies whose registered office moved during this period. Migration between the three regions and abroad or unknown locations are not taken into account. These statistics are annual and therefore do not take into account events that occur during the year (if several migrations take place during a year, only the one observed on the annual photos on 31/12 is taken into account).
[4] This rate is somewhat underestimated because the conversion from self-employed person to company implies the termination of the first status and the creation of the second one.

Monthly data

The monthly data for companies are presented in the context of statistical notes based on the monthly data. The monthly data presented in this note covers:

- **bankruptcies**: bankruptcy is declared when a company meets two conditions - one, it is no longer able to pay its bills, and two, it can no longer obtain credit. Note that there is a delay between the time a company goes out of business and the declaration of bankruptcy by the commercial court. The economic impact is, therefore, only apparent in the numbers after a delay. In addition, the number of bankruptcies can be impacted by the pace of work of the commercial courts. The number of hearings is reduced during July and August;
- **job losses due to bankruptcies**: this corresponds to the total of full-time jobs, part-time jobs and salaried employees. These job losses are determined based on the latest situation, i.e. at the time of the bankruptcy. Source: NSSO.

Data on bankruptcies and associated job losses are only available on a monthly basis 1 month after the period. The data presented in this note pertain to the cumulative monthly data situation as of 31 December 2022, the last completed year.

Covid-19

In Belgium, the first measures to limit social contact as a result of the Covid-19 pandemic were taken during the first half of March 2020. The public authorities then implemented further health and economic measures to deal with the crisis. Since March 2020, several factors have had a significant impact on company demographics:

- the economic and health situation;
- the measures taken by the federal and regional authorities to manage the health crisis, on the one hand, and to support the economy, on the other (bankruptcy moratorium, reform of the judicial reorganisation process, support measures from FPS Finance and the Regions, amicable settlement plans from the NSSO, etc.);
- the slowdown in activity at courts and clerks' offices during certain lockdown periods.

Digital format

A **monitoring based on an annual (forthcoming) and monthly update** of the data on business demographics and bankruptcies in BCR is available via the Analytics.brussels platform.

Companies

Evolution of the number of companies subject to VAT

The gap between BCR and Belgium continues to widen

As of 31 December 2021, the BCR had **115,541** companies subject to VAT on its territory, i.e. 10.8% of the companies operating in Belgium[5]. A gradually declining share since 2018 (11.3%).

However, this represents an increase of 2.1% in the number of BCR companies during 2021, a rate that is stable compared to 2020 (+2.1%) but still below the rate for 2019 (+2.4%).

Until 2021, the **crisis** generated by Covid-19 had led to **a strong disparity** between BCR **and Belgium** in terms of growth in the number of companies. While Brussels has had somewhat lower rates in the last two years than in 2019, Belgium has seen an increase in the growth rate of its companies over the same period. As such, Belgium showed an increase of 4.4% in the number of companies in 2021, a relatively higher increase than those measured in 2020 (+4%) and 2019 (+3.4%). Annual growth continues to increase faster in Belgium than in the Brussels-Capital Region, widening the existing gap between the two.

This difference in the evolution of the number of companies in Brussels and in Belgium can be explained by a weaker recovery in the number of company creations in BCR, a higher rate of company closures than the rate observed at the Belgian level, and a negative migratory balance compared to the other two regions.

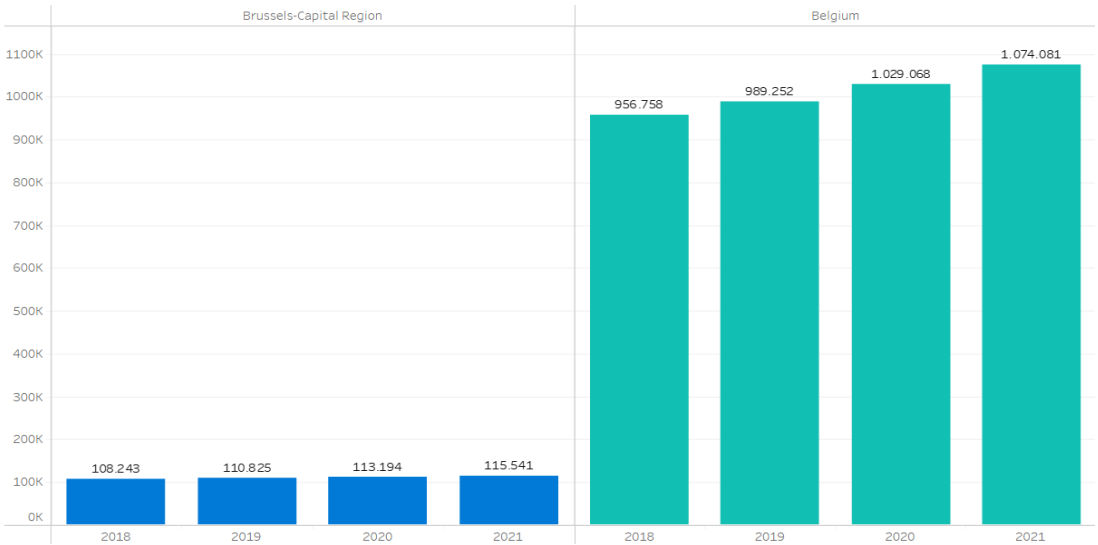


Figure 1. Number of VAT-registered companies, BCR and Belgium, 2018-2021, Statbel - Annual data

[5] As of 31/12/2021, the Flemish Region represented 63.2% of the companies subject to VAT in Belgium, and the Walloon Region 26%. If we include foreign companies in the Belgian total, we obtain the following distribution: BCR: 10.6%, FR 62%, WR: 25.5%, Foreign 1.9%. The geographical breakdown is defined on the basis of the registered office address of the legal entity and the domicile address of the natural person.

The data on company creations, closures, net creations, and migration will be analysed in more detail in the corresponding chapters.

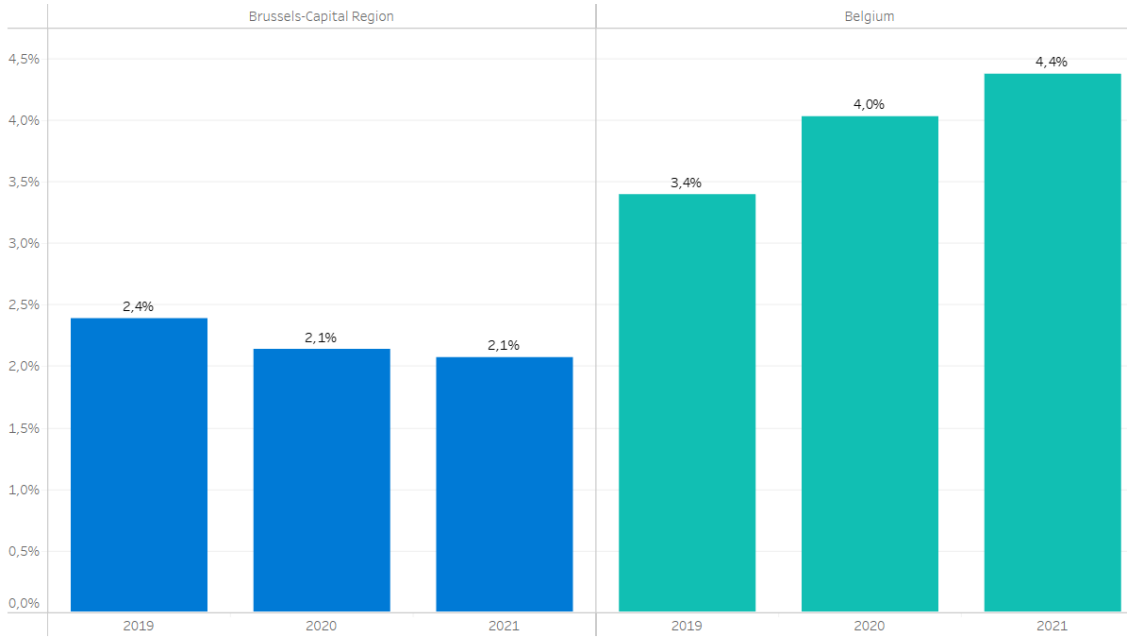


Figure 2. Evolution of the number of VAT-registered companies (%), BCR and Belgium, 2019-2021, Statbel - Annual data

Breakdown by sector

Professional, scientific and technical activities account for more than a quarter of all businesses in BCR

More than half of the companies in Brussels are active in just three sectors: construction (which accounts for 12% of companies in BCR), trade (15%) and professional, scientific and technical activities[6], which alone accounts for more than a quarter of companies (27%). This top 3 is identical at the Belgian level. It is worth noting, however, the preponderance of specialised activities sector in BCR compared to the national level (20%). In contrast, just over 5% of companies in BCR are active in education (2%), health (2%), financial and insurance activities (1%) and agriculture (0.2%).

[6] These are: rental and leasing; employment-related; travel agencies, tour operators, reservation services and related activities; investigation and security; building and landscaping services; office administration and other business support activities.

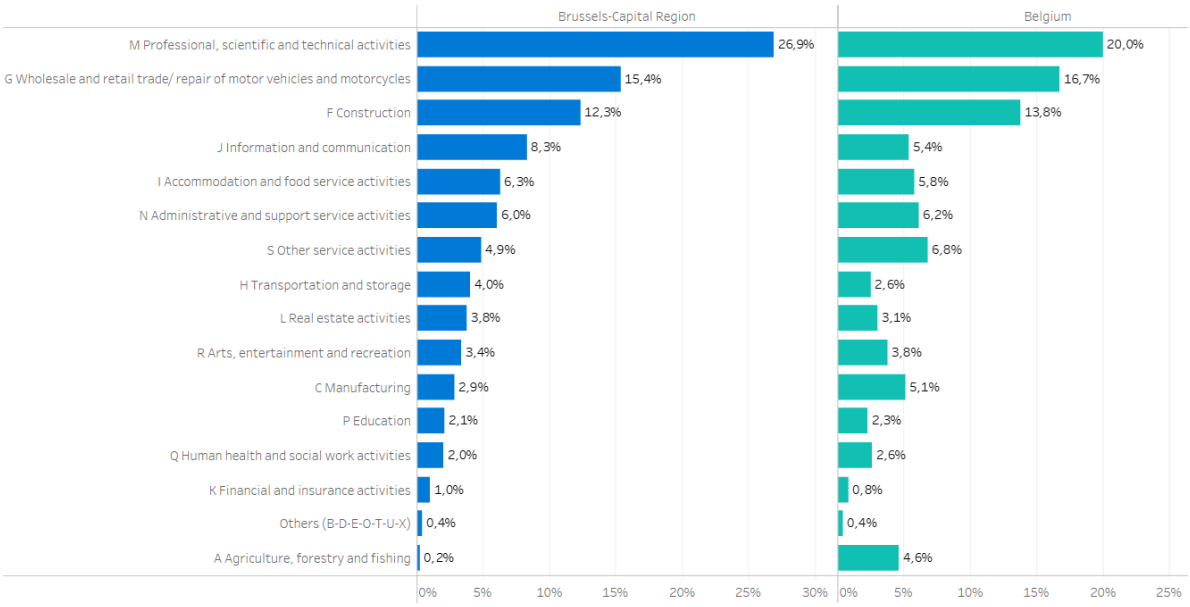


Figure 3. Breakdown of the number of companies by sector of activity (share in %), BCR and Belgium, 2021, Statbel - Annual data

Evolution of companies by sector

Decrease in the number of VAT-registered companies in the accommodation and food service activities, trade and manufacturing sectors compared to the pre-Covid period

Among the main sectors of the Brussels economy, the manufacturing industry, trade and accommodation and food services sectors show a negative net balance at the end of 2021 in the BCR compared to 2018 (-0.5%, -1.2% and -1.4% respectively compared to +10.7%, +5.3% and +4.2% in Belgium). Nevertheless, we can see that the trade sector regained some colour in 2021 (+0.2%), after several years of negative growth rates, including a slight decline in 2020 (-0.1%).

While the accommodation and food service activities industry had already started its decline in 2019 after a period of continuous growth over at least 10 years, the corona crisis seems to have accelerated this trend. This sector lost 0.3% of its companies in 2019, 0.5% in 2020 and 0.6% in 2021.

Furthermore, the administrative and support services sector also showed signs of weakening in 2021. The number of companies active in this sector decreased by 1.1% compared to the end of 2020, while growth rates of 1.5% to 2.6% had been observed during the previous five years.

The construction sector also performed poorly after several years of strong growth. The slowdown observed in 2019 (-0.5%), after annual growth of 3% to 7% during the previous five years, was followed by a relatively small increase in the number of companies (+0.6% in 2020 and +0.5% in 2021).

The human health and social work sector (+23.7%) and the education sector (+29.5%) recorded the highest growth rates in 2021 compared to 2018. The arts, entertainment and recreation sector is also growing well, with a 17.6% growth rate over the year.

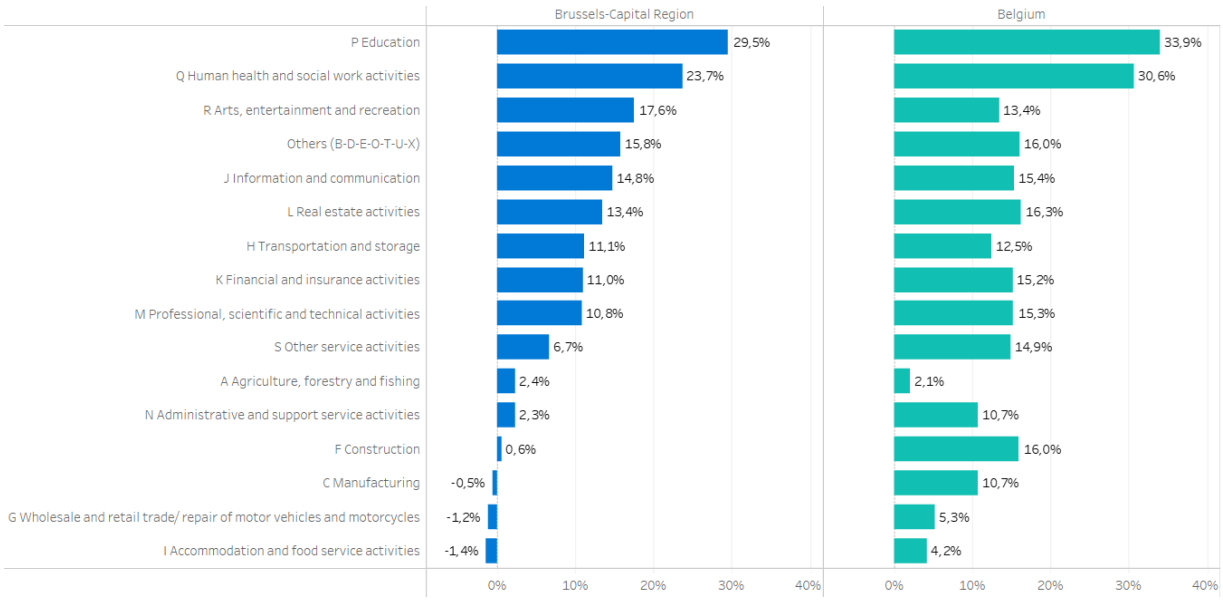


Figure 4. Evolution of the number of companies by sector of activity (%), BCR and Belgium, 2018-2021, Statbel - Annual data

Business creations

Evolution of the number of company creations

Moderate growth in the number of new companies

During 2021, 11,471 companies were set up in the BCR (=10.3% of the creations in Belgium), which is equivalent to an increase of 2.5% in the number of company creations compared to 2020, but a decrease of 8.8% compared to 2018.

The increase in the number of starters was nearly four times higher in Belgium in 2021 (+9.5% compared to +2.5% for the BCR). In addition, unlike the Brussels Region, Belgium recorded a small increase in the number of company creations in 2020 (+0.9% compared to -8.6% in BCR).

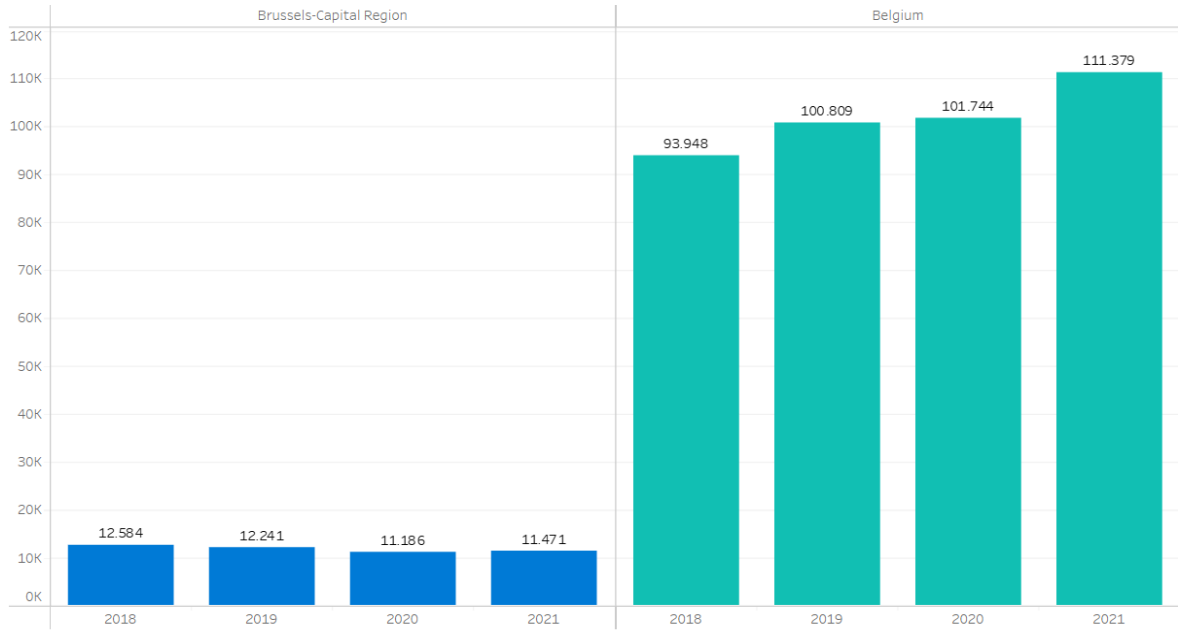


Figure 6. Number of company creations, 2018-2021, BCR and Belgium, Statbel - Annual data

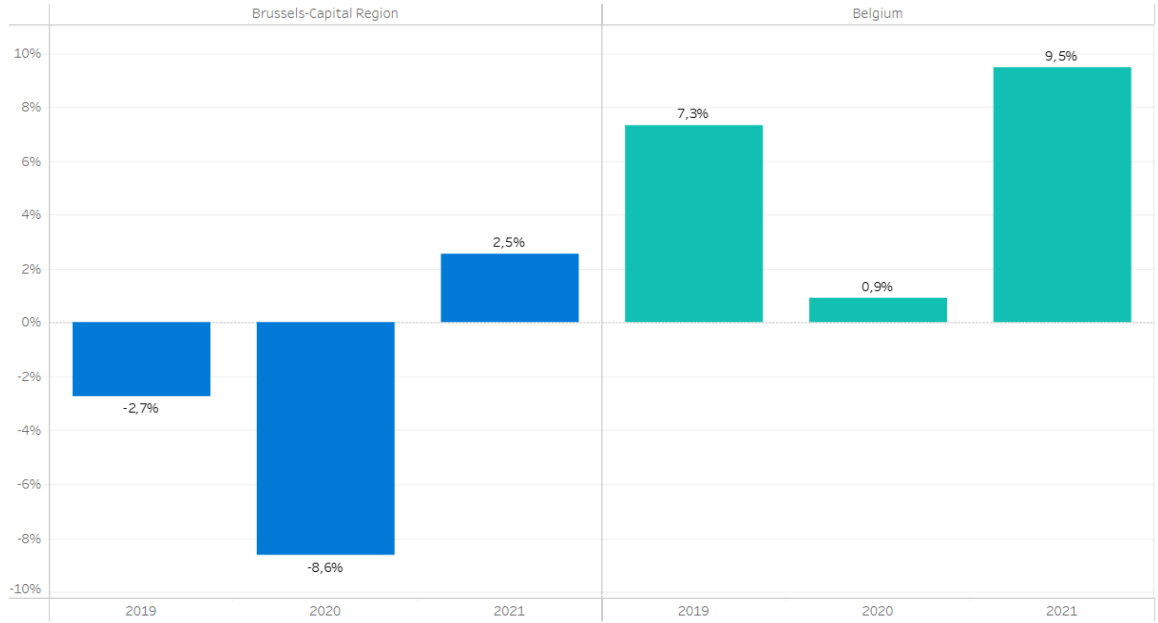


Figure 5. Evolution of the number of company creations (%), 2019-2021, BCR and Belgium, Statbel - Annual data

Breakdown by sector

The professional, scientific and technical activities sector accounted for nearly 3 out of 10 new companies

With a share of nearly 30% in the total number of Brussels starters, the professional, scientific and technical activities sector was the leading provider of new companies in Brussels. On a national scale, this sector was also in first place but its share was reduced to 19.6% of the total.

The second and third sectors generating the most starters in Brussels were trade and construction, with a share of 12.5% and 12.1% respectively of the total number of company creations in BCR. These sectors were more significant in Belgium: three percentage points more for the trade sector and 3.6 for the construction sector.

The information and communication sector was in fourth place in Brussels with a 10% share of starters in the region, compared to 6% in Belgium.

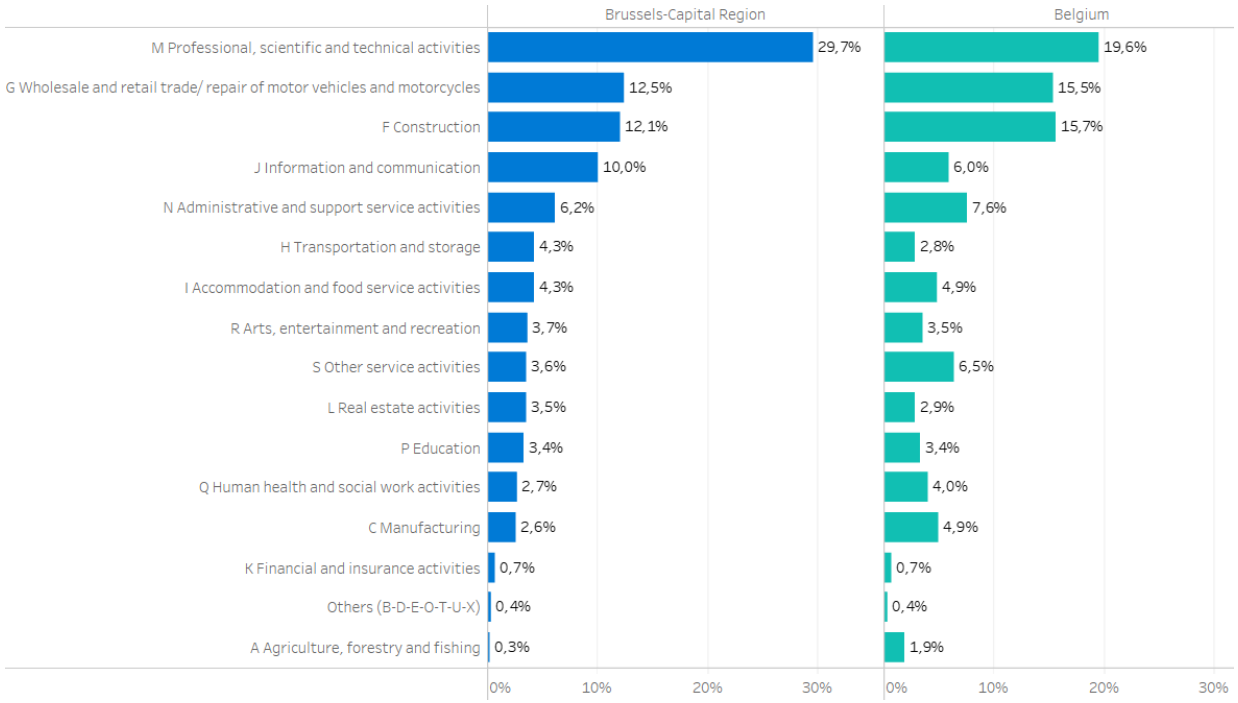


Figure 7. Breakdown of company creations by sector of activity, 2021, BCR and Belgium, Statbel - Annual data

Furthermore, in BCR three sectors stood out in 2021 with a significant proportion of business creations compared to the average share of Brussels businesses in the total number of company creations in Belgium, all sectors combined (a share which, as a reminder, amounts to 10.3%, represented by the vertical orange bar in the following graph). As such, the number of Brussels creations in the information and communication sector accounted for 17.4% of creations in this sector in Belgium, in the

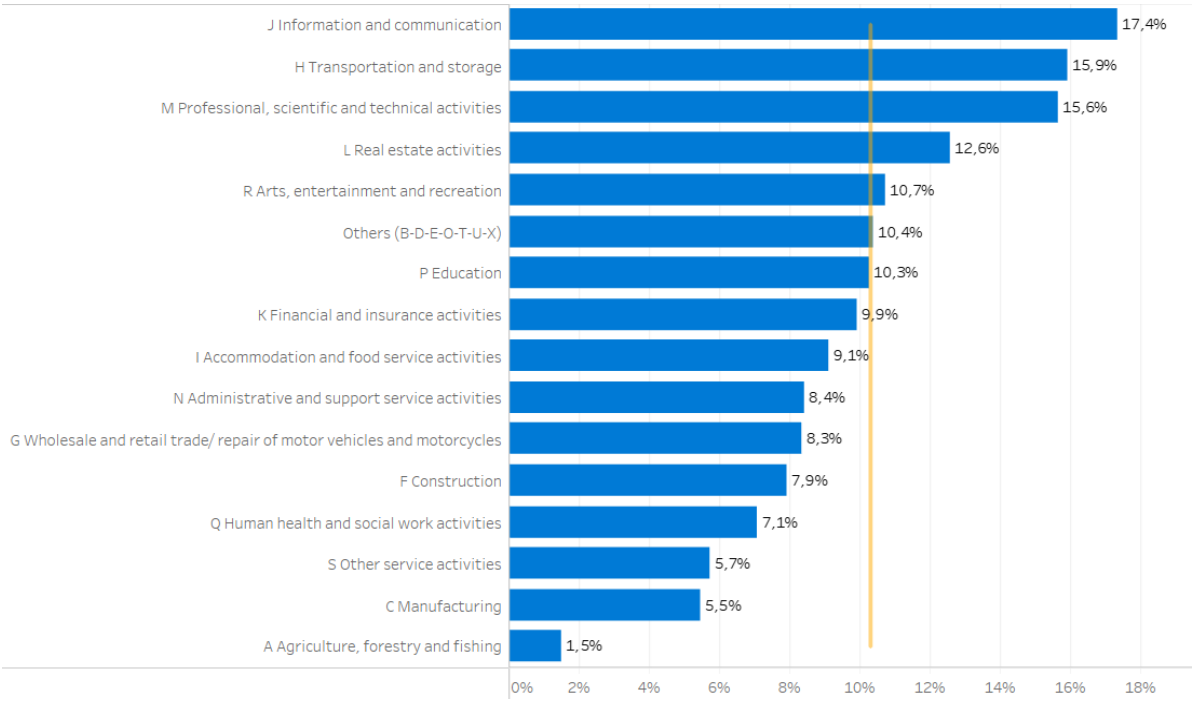


Figure 8. Share of the BCR in company creations in Belgium, by sector of activity, 2021, Statbel, Annual data

transportation and storage sector with 15.9% and in the professional, scientific and technical activities sector with 15.6%.

Evolution of company creations by sector

There are pronounced sectoral differences: only 6 sectors have seen an increase in the number of starters compared to the pre-Covid period

Among the main sectors of the Brussels economy, only 6 show an increasing number of new businesses compared to 2018: manufacturing, specialised activities, education, health, agriculture and real estate. These sectors show growth rates between 8% and 17% over this period. In contrast, all other sectors have seen a decline in the number of creations since 2018. The largest decreases were observed in the sectors of construction (-28.5%), accommodation and food service activities (-38.5%) and transportation (-43.4%).

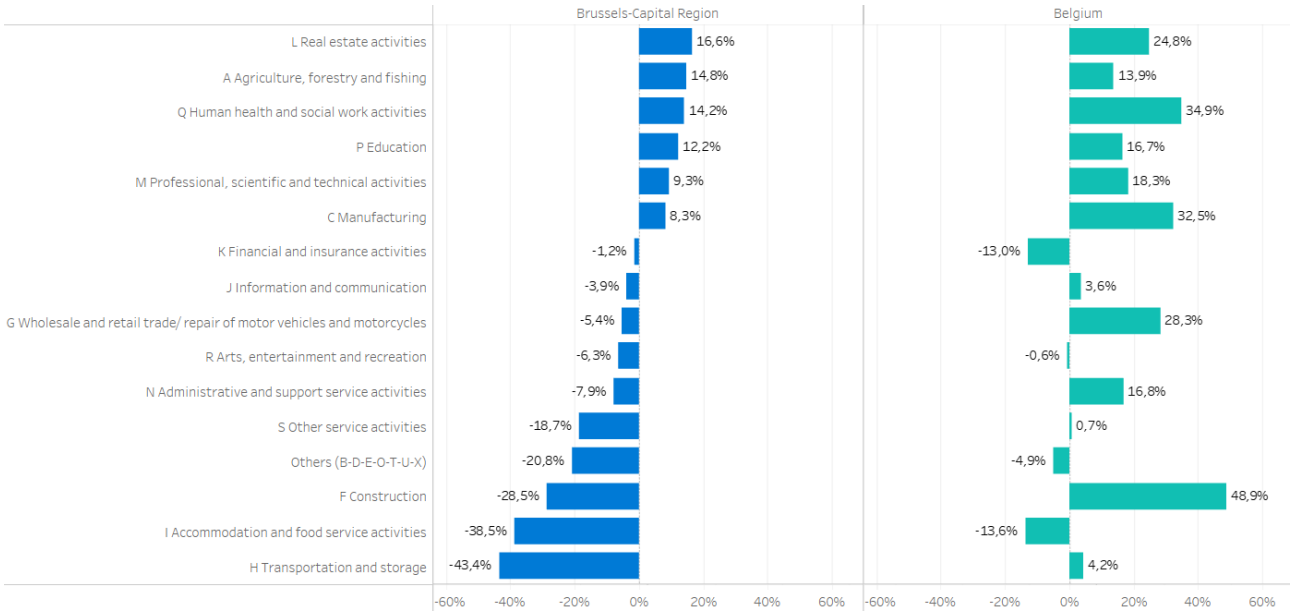


Figure 9. Evolution of the number of company creations by sector of activity (%), BCR and Belgium, 2018-2021, Statbel - Annual data

Evolution of the rate of company creations

Company creation rate similar to the 2020 rate

The rate of company creations during 2021 in Brussels was identical to the rate recorded during the first year of the corona crisis (10.1%). This rate was lower than the Belgian rate (10.8%) and remained relatively removed from the rate observed in 2019 (11.3%).

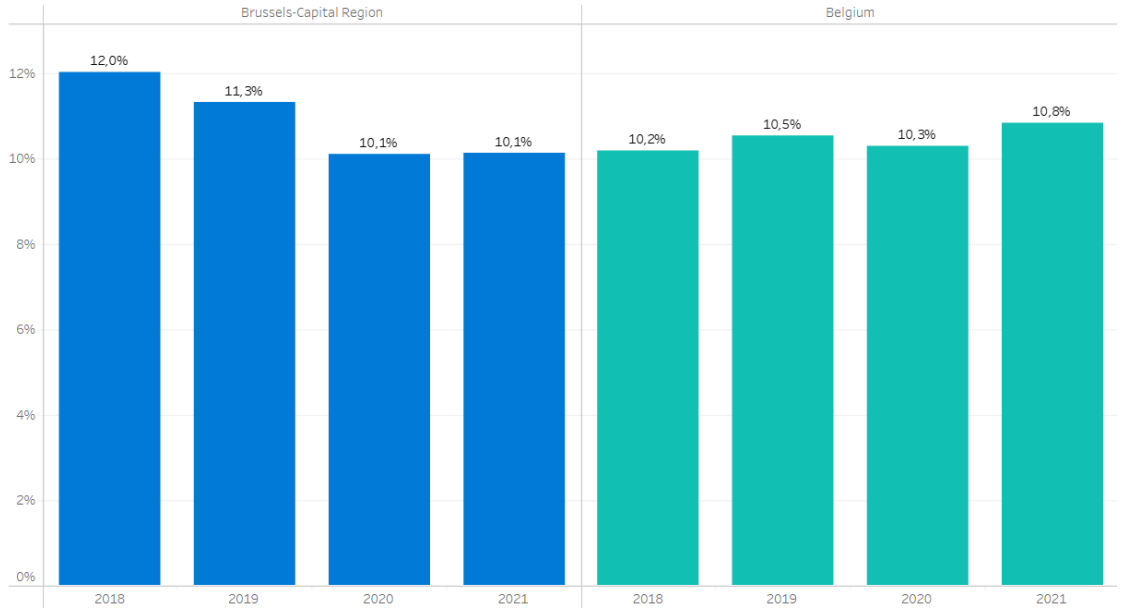


Figure 10. Rate of company creations, 2018-2021, BCR and Belgium, Statbel - Annual data

Top 2 for education and human health and social work

In 2021, both in Brussels and in Belgium, the education sector and the human health and social work sector presented the highest rates of company creation during the period analysed (16.9% and 15% respectively in BCR, well above the average rate of 10.1% for all sectors combined and represented by the orange vertical bar in the following graph). Third position is occupied by the information and communication sector with a percentage of new companies in the average number of VAT-registered companies of 12.4% in BCR.

The BCR had a relatively similar or higher rate of company creations than Belgium in the education sector (16.9% compared to 17.1%), information and communication (12.4% compared to 12.1%), agriculture (12% compared to 4.2%), arts, entertainment and recreation (11.4% compared to 10%) and professional, scientific and technical activities (11.3% compared to 10.7%). On the other hand, this rate is lower in all other sectors such as human health and social work (15% vs. 17.7%), administrative and support services (10.1% vs. 12.7%), construction (9.8% vs. 12.5%), other service activities (7.5% vs. 10.2%) and accommodation and food services (6.8% vs. 8.9%).

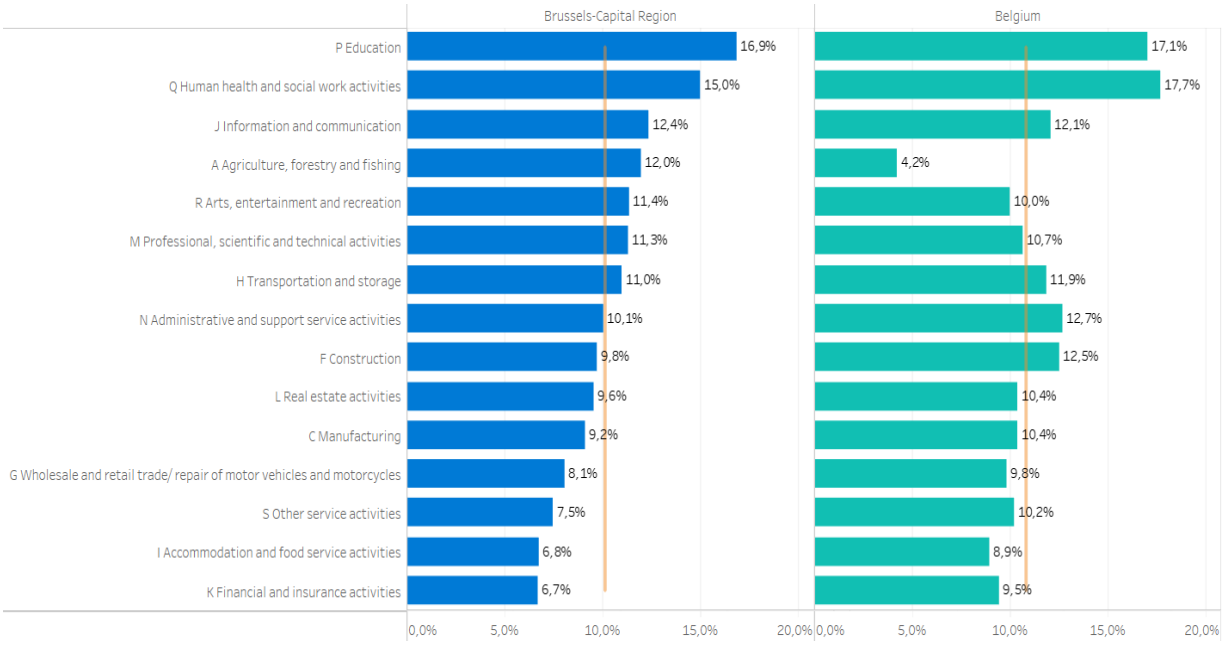


Figure 11. Rate of company creations per sector of activity, 2021, BCR and Belgium, Statbel - Annual data

Business closures

Evolution of the number of closures

The number of closures remained below pre-Covid-19 values

Business closures in BCR evolved similarly to company creations (+2.5% compared to 2020 and -3.1% compared to 2018). Nevertheless, in terms of comparison with 2018, the rate of decline in closures is lower than the rate of decline in business creations (as a reminder +2.5% compared to 2020 and -8.8% compared to 2018).

At the Belgian level, the evolutions progressed in the same direction as in BCR for 2021. That year, at the country level, the number of closures increased by +7.3% compared to 2020. In contrast, while the BCR recorded a decrease in the number of closures on its territory compared to 2018, Belgium recorded an increase of 8.9% over the same period. Although at first glance these rates seem less favourable than in BCR, they are to be counterbalanced by the higher rate of creations in Belgium than in BCR (+9.5% compared to 2020 and +18.6% compared to 2018).

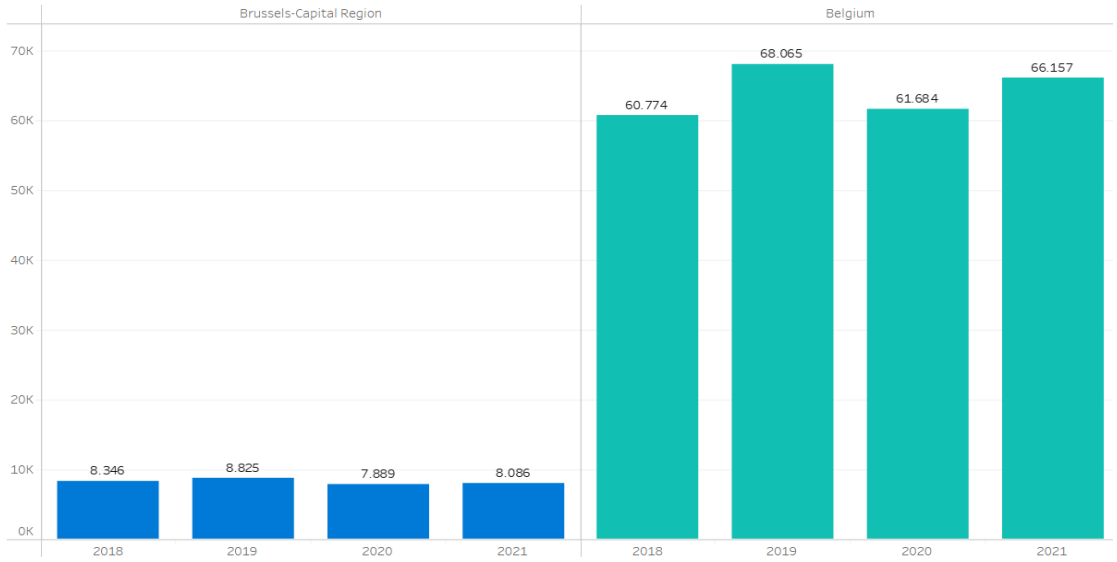


Figure 12. Number of company closures, 2018-2021, BCR and Belgium, Statbel - Annual data

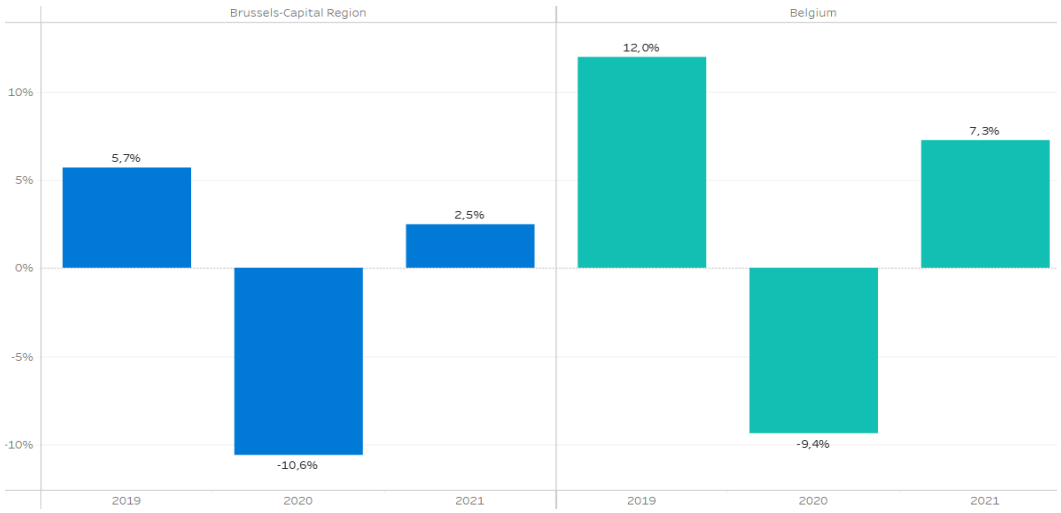


Figure 13. Evolution of the number of company closures (%), 2019-2021, BCR and Belgium, Statbel - Annual data

Breakdown by sector

The professional, scientific and technical activities sector accounted for more than 1 out of 4 closures

The sectors with the largest number of business closures were also those generating the greatest number of business creations, namely professional, scientific and technical activities, trade and construction.

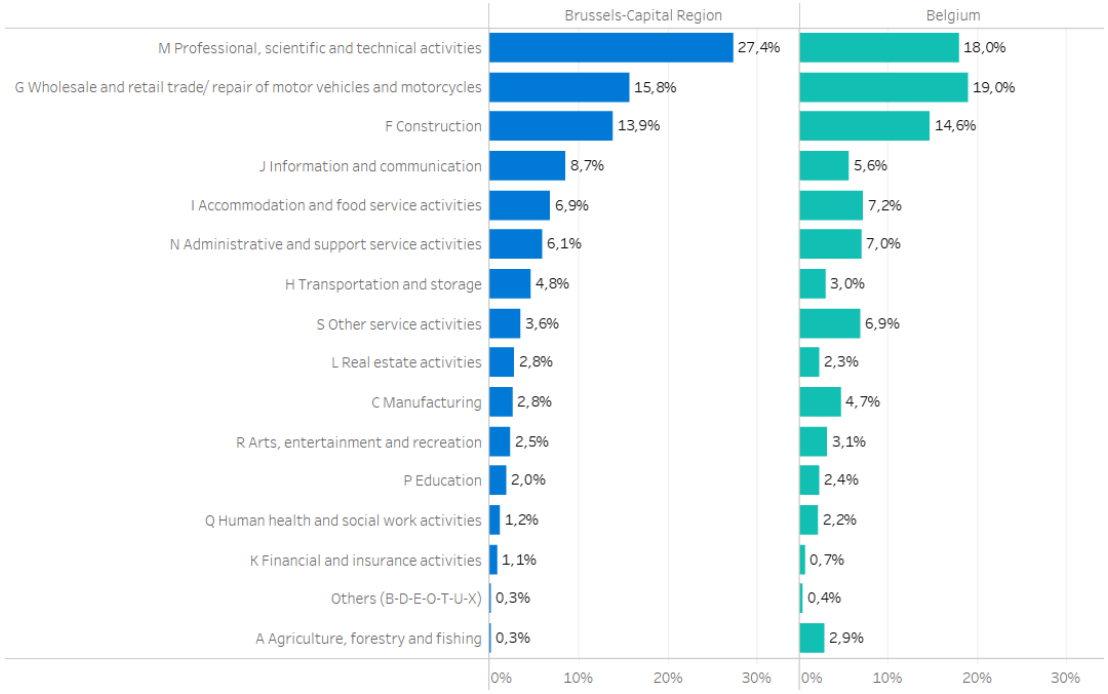


Figure 14. Breakdown of company closures by sector of activity, 2021, BCR and Belgium, Statbel - Annual data

In BCR, five sectors stood out in 2021 with a proportion of business closures higher than the average share of Brussels businesses in the total number of company closures in Belgium, all sectors combined (a share which amounts to 12.2%, represented by the vertical orange bar in the following graph). As such, the number of company closures in Brussels in the financial and insurance sector accounts for almost 20% of the total number of closures in this sector in Belgium, in the transportation sector for 19.3%, 18.9% for the information and communication sector, 18.6% for the professional, scientific and technical activities sector and 14.9% for real estate. All other sectors have shares below this average of 12.2%.

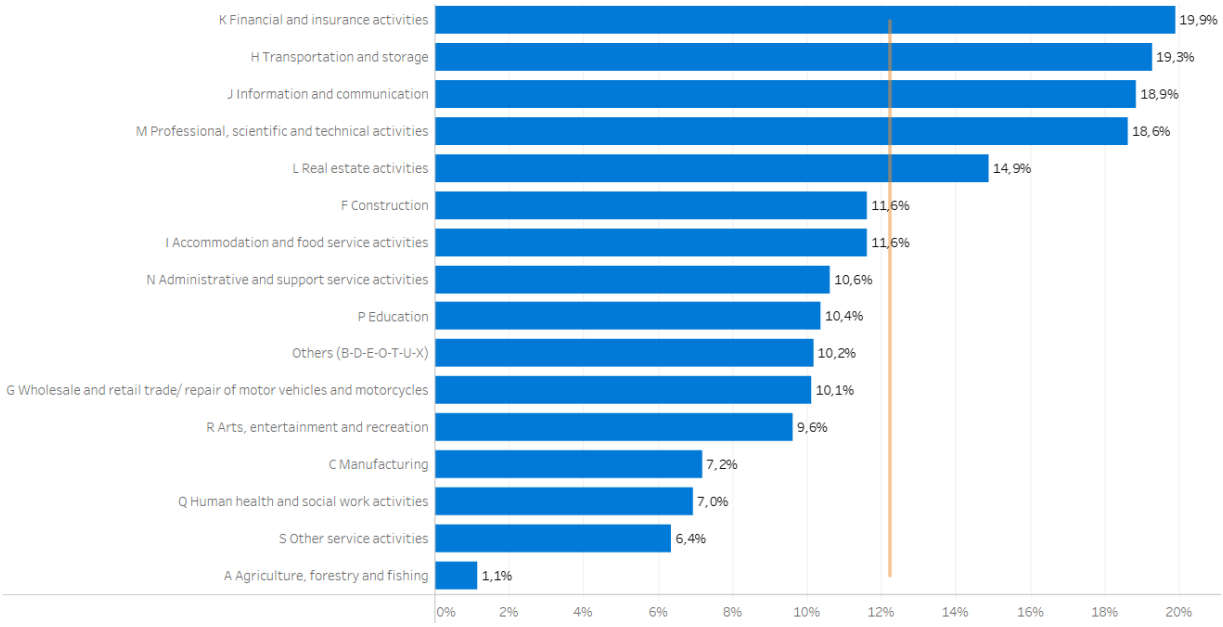


Figure 15. Share of the BCR in company closures in Belgium, by sector of activity, 2021, Statbel, Annual data

Evolution of company closures by sector

Almost half of the sectors recorded a decrease in closures compared to the pre-Covid period, compared to only one at the Belgian level

Between 2018 and 2021 in Brussels, four sectors recorded increases of more than 20% in the number of business closures in their sector. These were agriculture (+29.4%), real estate (+28.5%), information and communication (+26.8%) and financial and insurance activities (+24.6%). Over the same three-year period, the sectors showing the most dramatic declines in the number of closures in BCR were health (-18.9%), trade (-20.7%) and accommodation and food service activities (-21.2%). At the Belgian level, only the latter sector shows a decrease over this period (-13.5%), all the others having recorded an increase in the number of closures between 2018 and 2021.

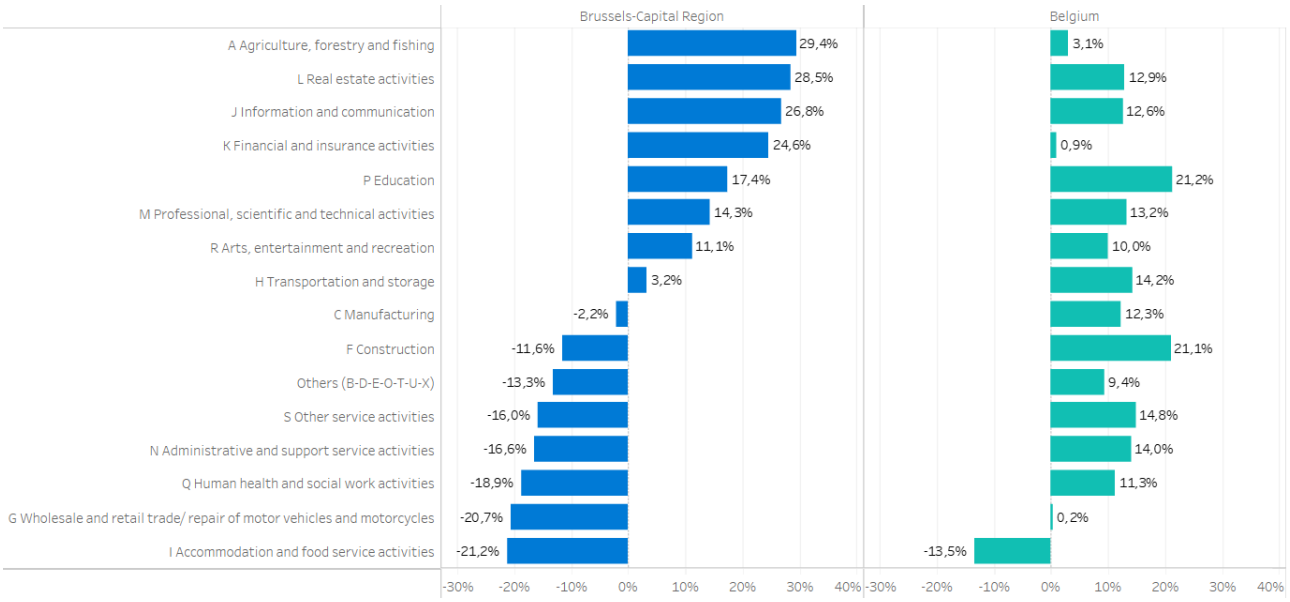


Figure 16. Evolution of the number of company closures by sector of activity (%), BCR and Belgium, 2018-2021, Statbel - Annual data

Evolution of the rate of company closures

The rate of company closures remained higher than in Belgium

The rate of company closure in 2021 in Brussels was higher than the Belgian rate (7.1% vs. 6.4%), but remained stable compared to the 2020 rate (7.1%) and lower than the 2019 rate (8.2%) and 2018 (8%).

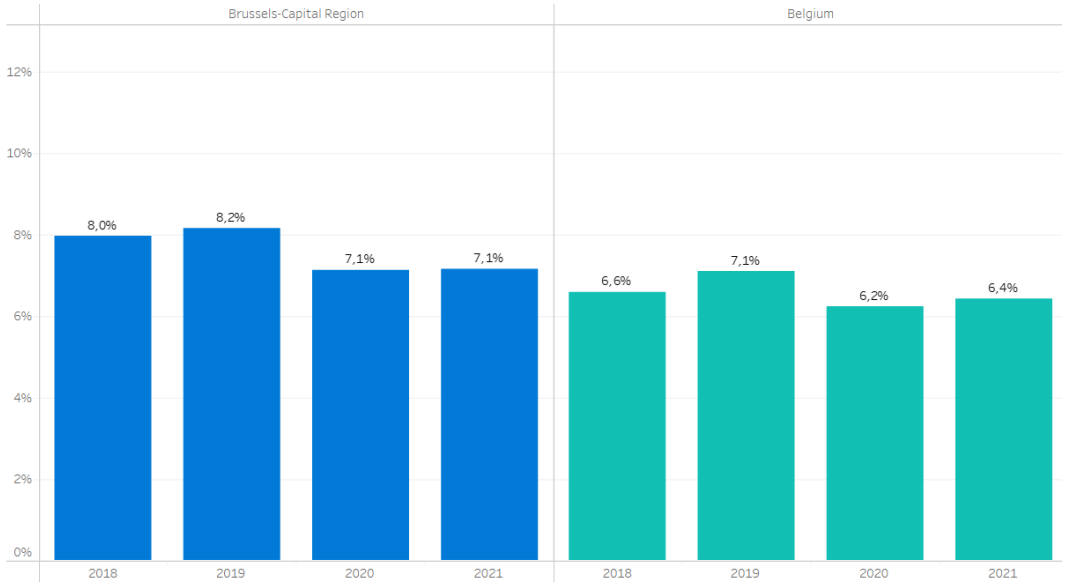


Figure 17. Rate of company closures, 2018-2021, BCR and Belgium, Statbel - Annual data

Closure rate by sector

Transportation, agriculture and construction in the top-3 highest closure rates

The transportation and storage sector and the agriculture and construction sectors had the highest closure rates in Brussels, respectively 8.5% of companies in the transportation and agriculture sectors, and 7.9% of companies in the construction sector ceased their activities in 2021. With rates between 6.8% and 7.6%, most other sectors nevertheless had closure rates similar to these and to the average closure rate of 7.1% in Brussels (compared to 6.4% for Belgium), all sectors combined (represented by the vertical orange bar in the following graph). Only four sectors stand out with lower closure rates between 4.7% and 5.4%: human health and social work, other activities, real estate activities, and arts, entertainment and recreation.

The largest sectoral differences between the Brussels and Belgian closure rates were in agriculture (delta of 4.6 percentage points) and financial and insurance activities (delta of 2.1 percentage points)[7]. In these sectors, closure rates in the BCR are higher than the national rates.

In contrast, Brussels has a lower closure rate in the accommodation and food services sector, the other service activities sector (personal services, non-profit organisations, repairs) and the human health and social work sector.

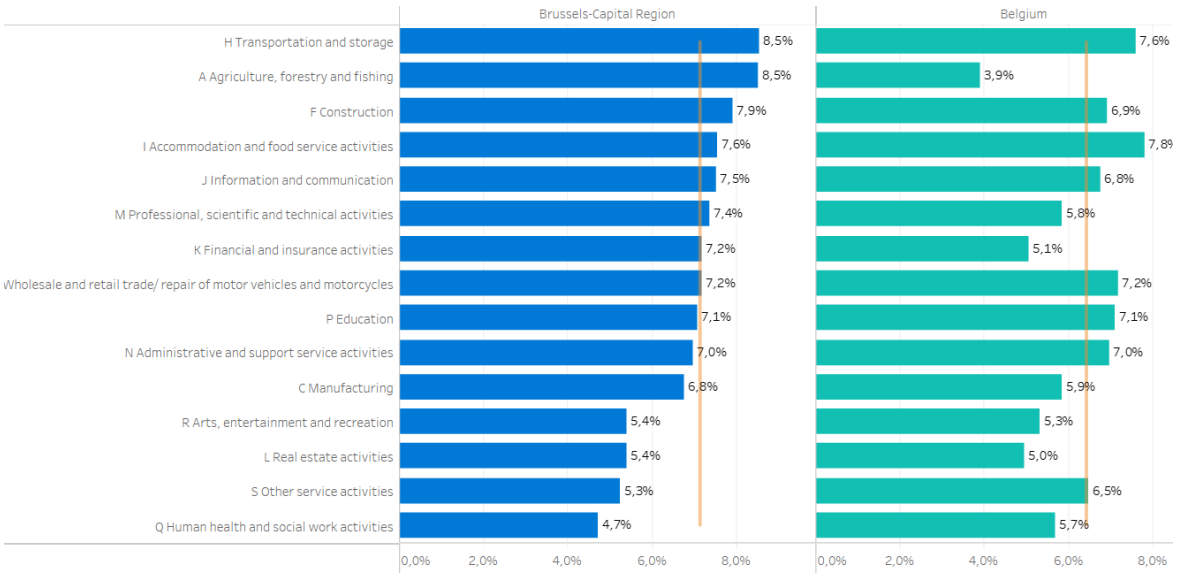


Figure 18. Company closure rate per sector of activity, 2021, BCR and Belgium, Statbel - Annual data

[7] As a reminder, the transformation of an individual company into a corporation implies the closure of the former and the creation of the latter.

Net creations and entrepreneurial dynamic

Evolution of the number of net creations

Positive net creations but relatively low compared to Belgium

BCR created more companies than it lost through closures: there were 3,385 net creations in 2021 in Brussels (=7.5% of net creations in Belgium). This number is higher than the previous year (+2.7%) but remains slightly below the value observed in 2019 (-0.9%) and well below the number recorded in 2018 (-20.1%).

Belgium, on the other hand, stood out with an impressive increase in the number of net creations compared to previous years: +12.9% compared to 2020 and +36.3% compared to 2018. This strong increase in the number of net companies created in Belgium in 2021 is explained by high growth in the number of starters in Belgium (+9.5%), combined with a smaller increase in the number of closures (+7.3%).

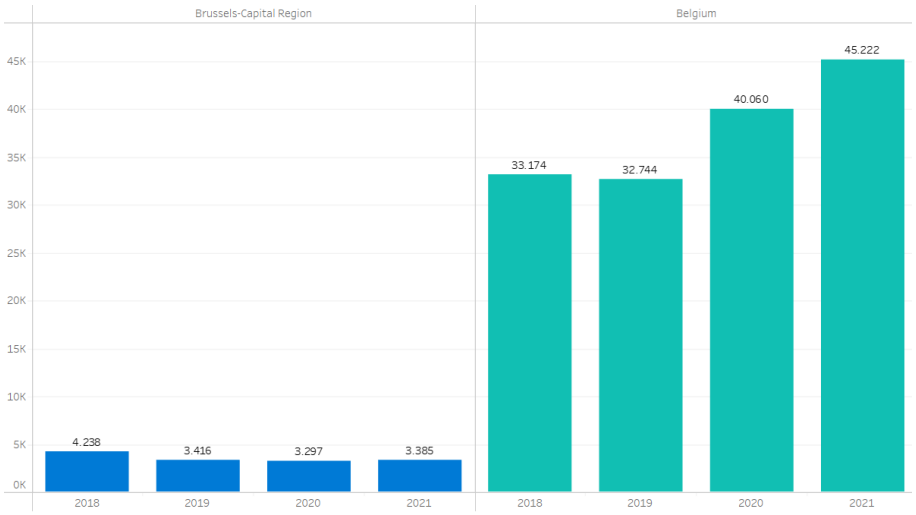


Figure 20. Number of net company creations, 2018-2021, BCR and Belgium, Statbel - Annual data

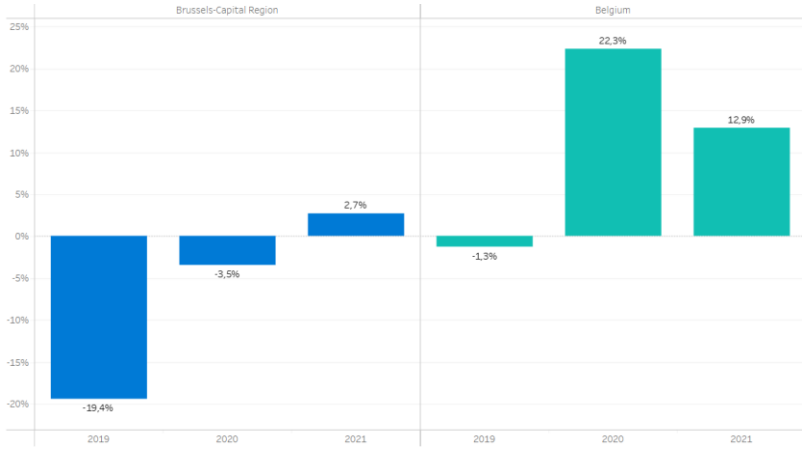


Figure 19. Evolution of the number of net company creations (%), 2019-2021, BCR and Belgium, Statbel - Annual data

Net creations by region

Flanders was the location of more than 70% of the net creations in Belgium

Analysing the evolution of the share of net creations attributable to each region from 2018 to 2021 shows the predominance of Flanders in this respect. It was the source of more than 7 out of 10 net creations in the country. The Walloon Region's share is around 20%, with the exception of 2019 when its share dropped to 15.8%. The share attributable to BCR declined steadily over the period, from 12.8% in 2018 to 7.5% in 2021. This is due to a slower growth in the number of net creations than in the other regions of the country.

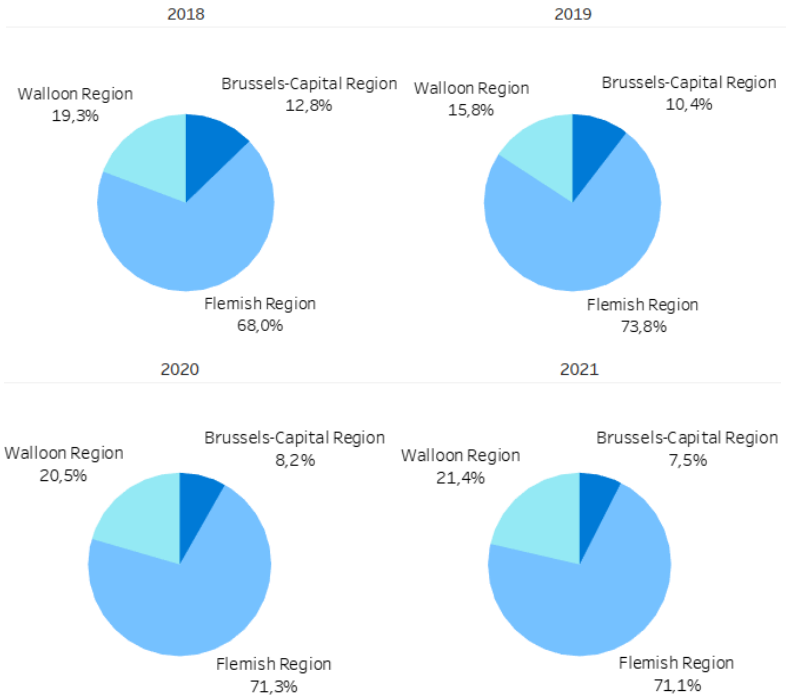


Figure 21. Breakdown of net creations by region, 2019-2021, Statbel - Annual data

Breakdown by sector

Leading net creator of companies: the professional, scientific and technical activities sector

Within the main sectors of the Brussels economy, only the accommodation and food service activities and financial and insurance sectors recorded a higher number of company closures than creations during 2021. At the end of the year, their net balance was -58 and -6 companies respectively[8].

[8] This balance corresponds to the difference between company creations and closures.

Among the sectors generating a positive net number of starters in BCR in 2021, the professional, scientific and technical activities sector was the most productive with a share of 34.5% of total net creations (22.4% in Belgium).

The second sector with the highest number of net creations was the information and communication sector (13.1% of net creations in Brussels). This was nearly double the share obtained at the Belgian level (6.6%). Brussels therefore accounts for 15.5% of net creations in the information and communication sector in Belgium, compared to an average of 7.5% for all sectors (represented by the vertical orange bar in the ad hoc graph below).

The construction sector was also among the champions of net creations at the Belgian level, boosted by a net number of creations in Flanders of more than 6,533 units in 2021[9]. At the Belgian level, 17.6% of net creations came from this sector, while the proportion was 7.5% in BCR.

Finally, we can also see that the Brussels sectors of trade, construction and manufacturing represent very small shares in the net creation of companies at the Belgian level for these sectors. Only 3.3%-3.4% of the net creations recorded in these sectors at the national level are the result of Brussels companies.

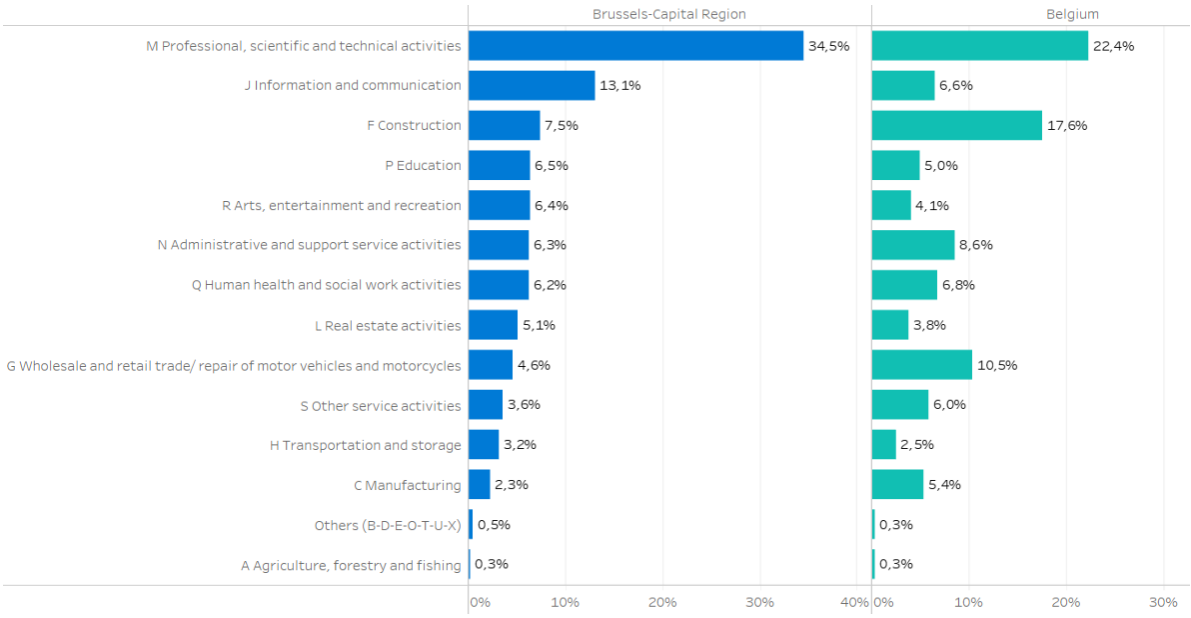


Figure 22. Breakdown of net company creations by sector of activity (excluding accommodation and food services activities and financial and insurance activities), 2021, BCR and Belgium, Statbel - Annual data

[9] = 84% of Belgian net creations in the sector

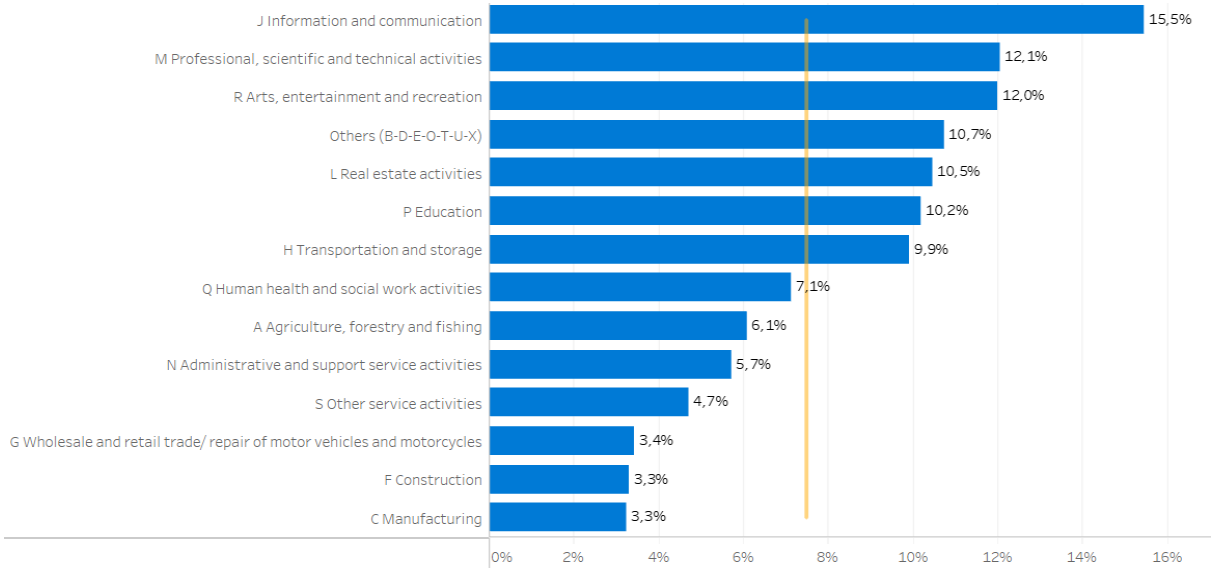


Figure 23. Share of the BCR in net company creations by sector of activity (excluding accommodation and food services activities and financial and insurance activities), 2021, Statbel - Annual data

Evolution of net company creations by sector

Net creations in the trade sector up sharply compared to 2018

After recording a negative number of net creations in 2018 and 2019 (which occurs when the number of closures exceeds the number of creations), the trade sector in Brussels has recorded a positive number of net creations since 2020, which translates into a 275% increase in the number of net creations between 2018 and 2021 (i.e. 250 more net company creations). This is the best increase over this period for both BCR and Belgium (+442.5%). Manufacturing (+56%) and human health and social work (+40.5%) also show nice growth in the number of net creations within these sectors since 2018.

In contrast, the construction (-61%), transportation (-78%), financial and insurance activities (-150%) and accommodation and food service activities (-156%) sectors recorded the largest drops in the number of net creations in BCR.

At the Belgian level, the figures follow the same upward and downward trends as in Brussels, with the exception of the agriculture sector (-10% in BCR, compared with +415% in Belgium) and construction (-61% in BCR, compared with +109% in Belgium).

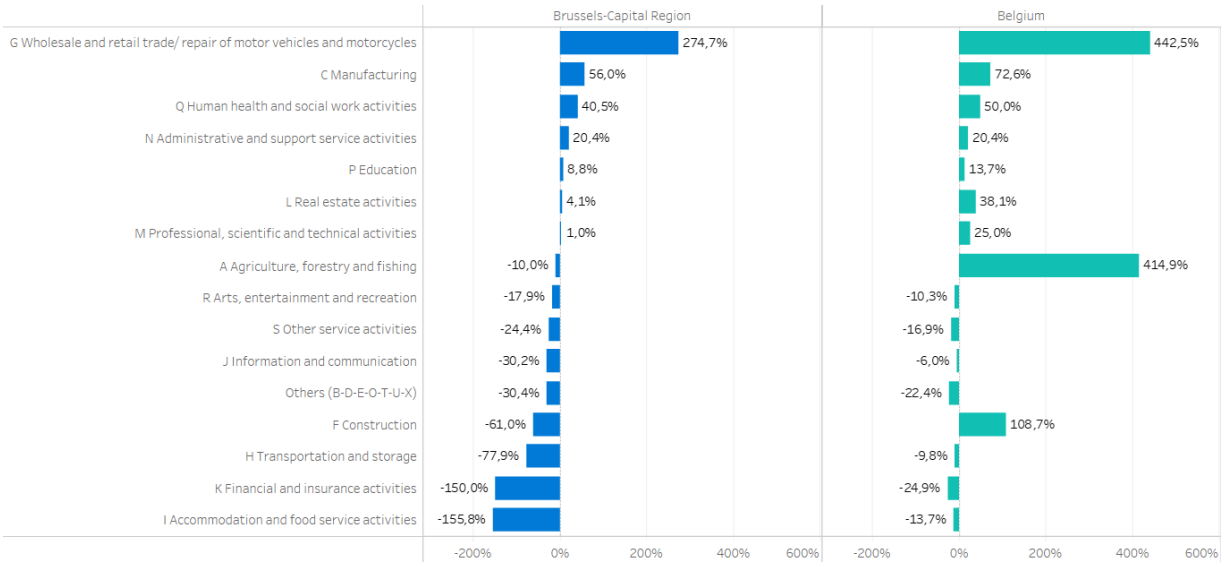


Figure 24. Evolution of the number of net company creations by sector of activity (%), BCR and Belgium, 2018-2021, Statbel - Annual data

Entrepreneurial dynamic

An entrepreneurial dynamic struggling to take off in BCR

In BCR, the share of the net balance of new companies in the average number of active companies was 3.0% for 2021. This rate is identical to the rate recorded in 2020 but is down on 2018 (-1 pp). At the Belgian level, entrepreneurial dynamism exceeded 3% over the whole period. In 2021, it was 4.4%, or 47% higher than the rate observed in BCR.

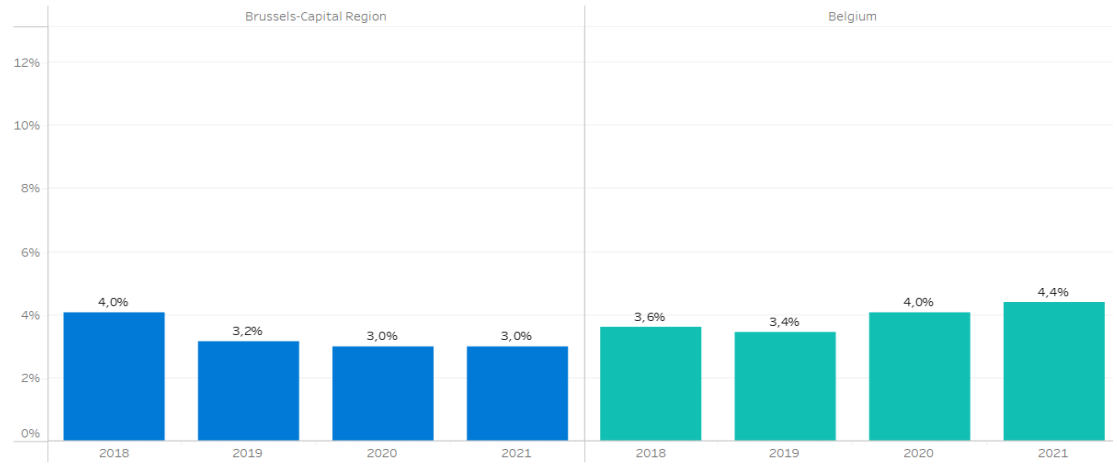


Figure 25. Entrepreneurial dynamic, 2018-2021, BCR and Belgium, Statbel – Annual data

Entrepreneurial dynamic by sector of activity

Negative entrepreneurial dynamic in the accommodation and food service activities sector and in the financial and insurance sector

At the head of the table of the most dynamic sectors, both at the BCR and Belgian levels, we find the two sectors with the highest rates of company creation: human health and social work and education. These two sectors had entrepreneurial dynamic rates around 10%. In contrast, the sectors of trade (0.9%), financial and insurance activities (-0.5%) and accommodation and food service activities (-0.8%) show the weakest entrepreneurial dynamic.

With the exception of the arts, entertainment and recreation sector, and agriculture, all sectors recorded rates below the Belgian rates. The largest differences appear in the construction sector (1.8% in BCR compared to 5.6% in Belgium) and in financial and insurance activities (-0.5% compared to 4.9%).

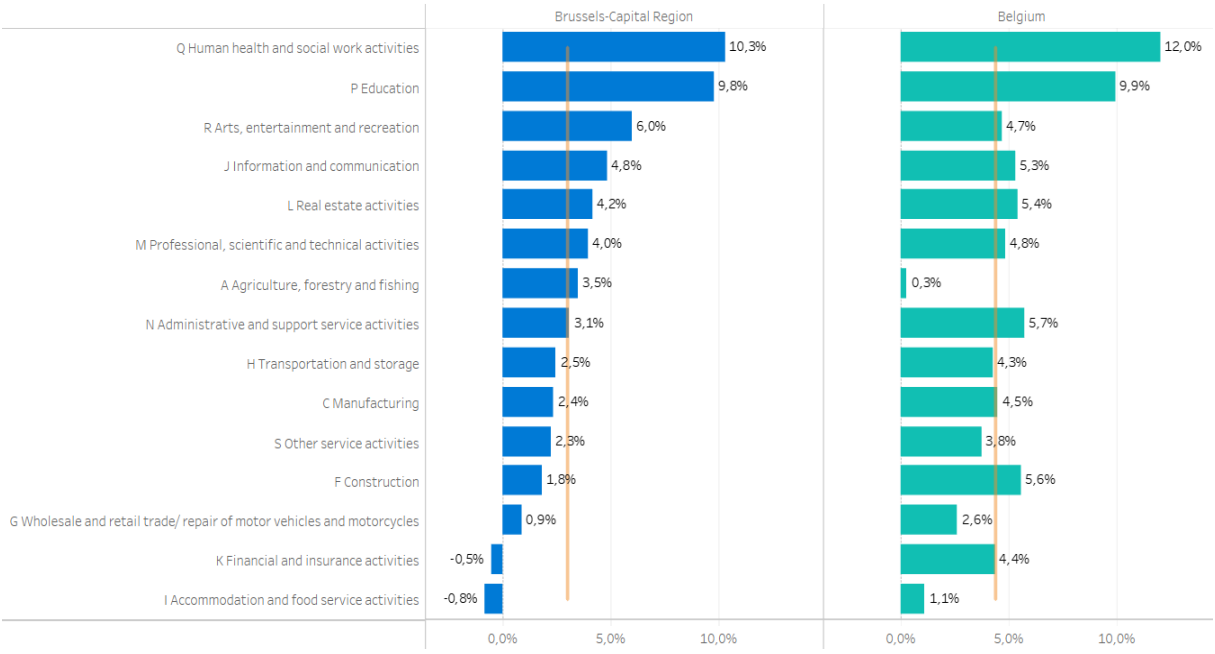


Figure 26. Entrepreneurial dynamic according to sector of activity, BCR and Belgium, 2021, Statbel – Annual data

Bankruptcies[10]

Evolution of the number of bankruptcies

Bankruptcies on the rise, but still down on the pre-Covid-19 period

Despite a significant rise in the number of bankruptcies recorded in 2022 compared to 2021 (+33%), the number of bankruptcies remains at a level well below the levels observed in 2019 (-40%). 1,776 Brussels businesses were declared bankrupt in 2022, representing a 19.2% share of the total number of Belgian bankruptcies (23.8% for Wallonia and 57.1% for Flanders). Belgium shows similar trends, although the rise in the number of bankruptcies is more marked there than in BCR: +42% compared to 2021 and -13% compared to 2019.

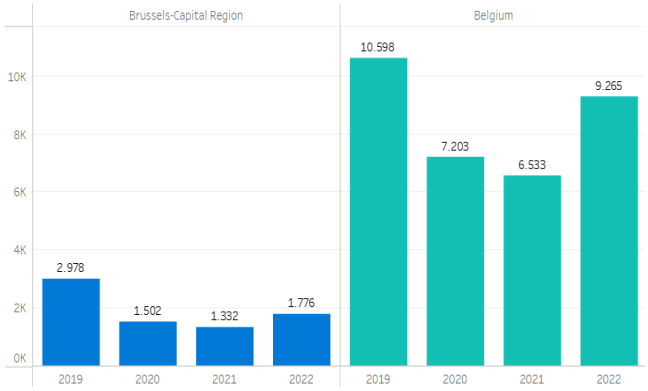


Figure 28. Number of bankruptcies, 2019-2022, BCR and Belgium, Statbel - Annual data

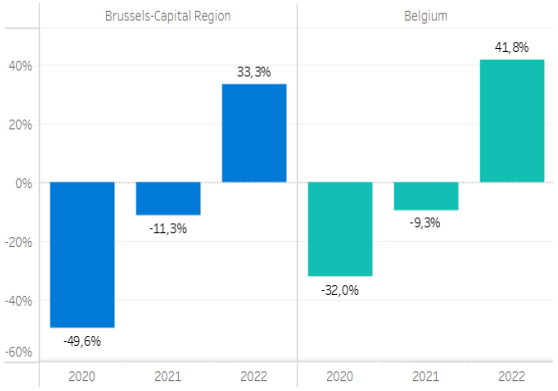


Figure 27. Evolution of the number of bankruptcies (%), 2020-2022, BCR and Belgium, Statbel - Annual

4,266 job losses due to business bankruptcies were observed in 2022 in the BCR, a slight increase from 2021 (+4.3%) but a clear decline compared to 2019 (-32.3%).

Breakdown by sector

The construction sector accounted for almost 1 in 4 bankruptcies in Brussels and the trade sector for the largest number of job losses

The sectors recording the greatest number of business bankruptcies were construction (accounting for 23.5% of the bankruptcies recorded in 2022 in the BCR and corresponding to 677 job losses), trade (20.5% and 894 job losses) and accommodation and food service activities (16.3% and 693 job losses), both in the BCR and in Belgium.

[10] Note: A bankruptcy moratorium was in effect until 31 January 2021. On 21 March 2021, judicial reorganisation procedures were made more flexible and are now more accessible to SMEs (Act of 21 March 2021 amending Book XX of the Code of Economic Law and the Income Tax Code 1992).

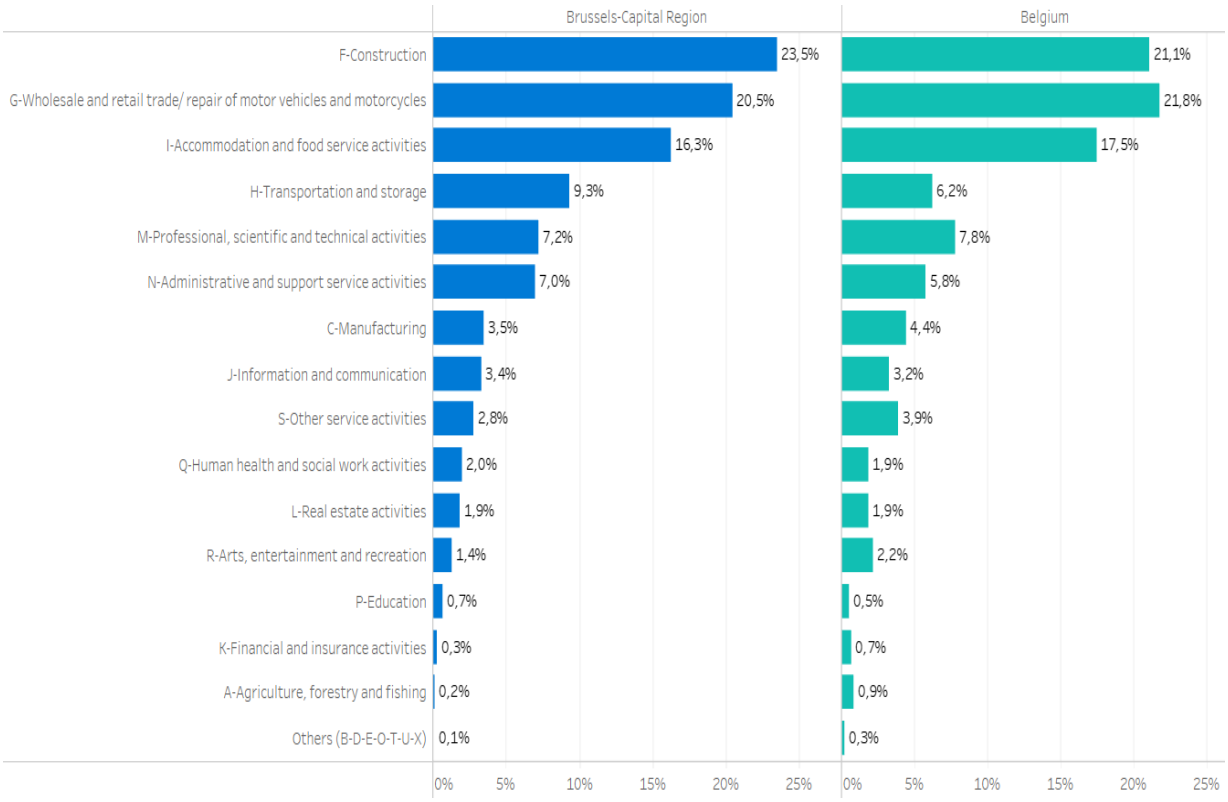


Figure 29. Breakdown of company bankruptcies by sector of activity, 2022, BCR and Belgium, Statbel - Annual data

In BCR, six sectors stood out in 2022 with a proportion of business bankruptcies higher than the average share of Brussels business bankruptcies in the total number of bankruptcies in Belgium, all sectors combined (a share which amounts to 19.2%, represented by the vertical orange bar in the following graph).

As such, the number of Brussels business bankruptcies in the following sectors represented shares between 20 and 30% of the total number of bankruptcies recorded in Belgium in these sectors: transportation (29%), education (25.5%), administrative and support service activities (23%), construction (21%), health (21%) and information and communication (20%). All other sectors have shares below the average of 19.2%.

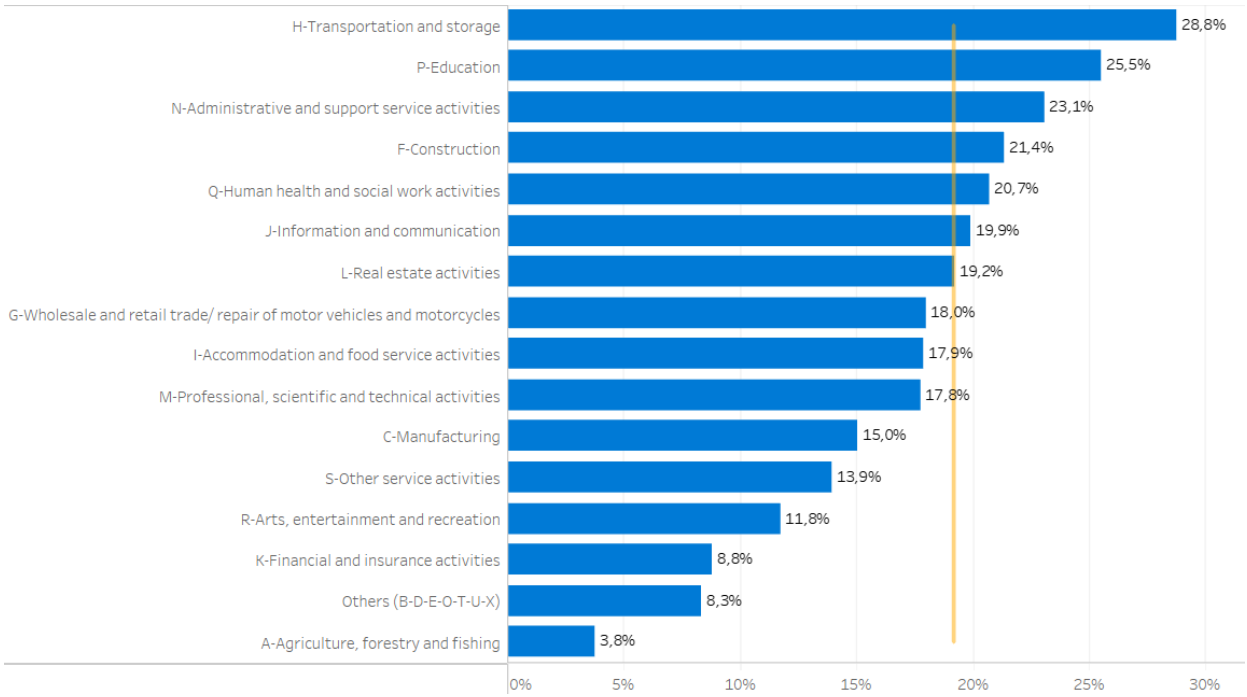


Figure 30. Share of the BCR in company bankruptcies in Belgium, by sector of activity, 2022, Statbel, Annual data

Evolution of bankruptcies by sector

Only education saw an increase in bankruptcies compared to the pre-Covid period in BCR

The number of business bankruptcies in Brussels in 2022 was down in all sectors compared to 2019, with the exception of manufacturing and agriculture, where the number of bankruptcies did not change over the period, and the education sector, which saw an increase of 140%. Nevertheless, the latter rate should be put into perspective, as it corresponds to 7 additional bankruptcies observed in 2022 compared to 2019 (when there were 5 bankruptcies in this sector). At the Belgian level, only the transportation (+14.5%), agriculture (+2.6%) and arts (+2.5%) sectors saw an increase in the number of bankruptcies over the period.

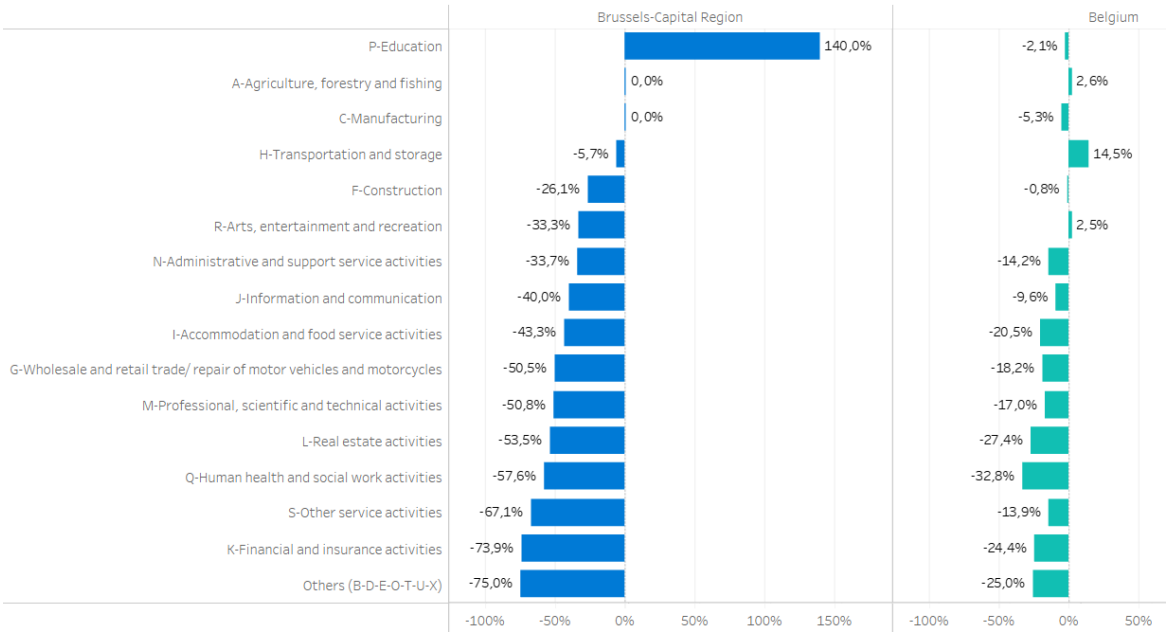


Figure 31. Evolution of the number of bankruptcies by sector of activity (%), BCR and Belgium, 2019-2022, Statbel - Annual data

Survival of companies

Survival rate of companies after 1, 3 and 5 years

The survival rate at 3 and 5 years for Brussels companies is lower than in the rest of the country

Although the survival rate of its businesses after 1 year was almost identical to the national average in 2021 (91% for the BCR, compared with 90.8% for Belgium), the number of surviving businesses in the BCR decreases more sharply than in the other regions the longer the business is in existence. As such, in 2021, after three years of existence, only 74.6% of Brussels companies created in 2018 were still in business, compared to 75.8% of Belgian companies (a difference of 1.2 percentage points). The discrepancy between the BCR and the rest of the country widens further after 5 years of business, rising to 2.8 percentage points for companies created in 2016 (64.3% for the BCR and 67.1% for Belgium).

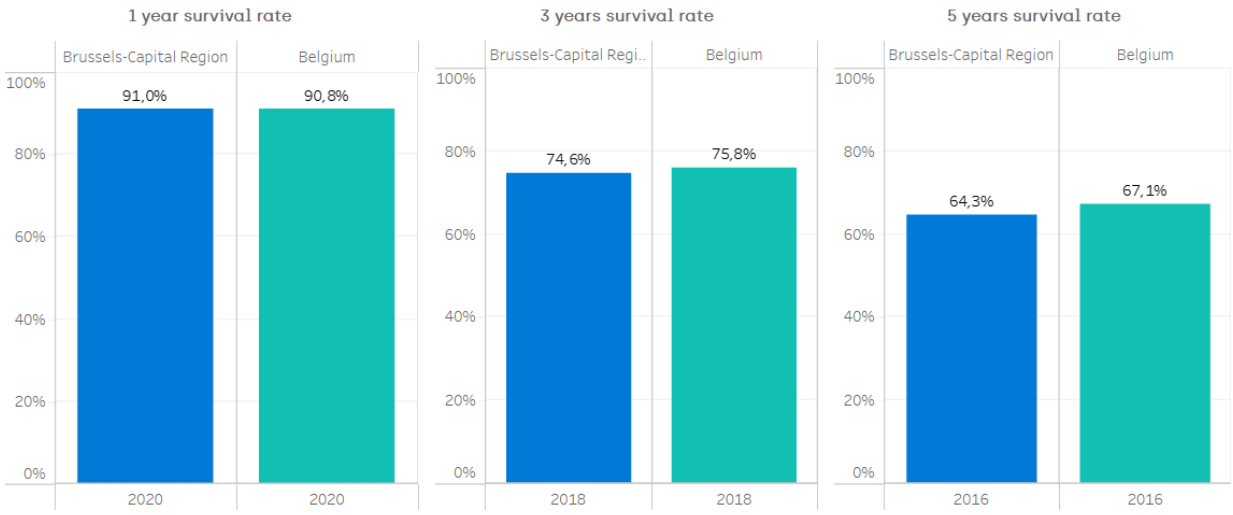


Figure 32. Survival rates of companies after 1, 3 and 5 years by year of creation, 2021, BCR and Belgium, Statbel - Annual data

Company immigrations and emigrations.[11]

Evolution of the number of migrations

BCR was the only region with a migration deficit

The net number of companies emigrating from BCR was 1,016 in 2021. In the same year, Flanders recorded 456 net immigrations and Wallonia had a migration surplus of 560 units.

Between 2018 and 2021, Brussels experienced a worsening of its migration deficit by 53.5%. This is mainly due to an increase in the number of companies leaving the region (+12.3% over the period), while the number of companies arriving remains stable (-0.6%). Flanders, on the other hand, recorded a 50% increase in net immigration, which is explained by an increase in immigration (+15.8%) that was higher than the increase in emigration (+9.9%) during the period under review. Wallonia also saw a clear improvement in its migratory surplus (+56.4%), attributable in its case to a decrease in the number of emigrations (-1.7%) and an increase in the number of immigrations over the period (+10.7%).

[11] Statbel's caveat regarding this data: the address of the registered office/domicile was used to break down the statistics by region. Economic activity does not always take place at the address of the registered office/domicile, so comparing regional data requires some caution. Some demographic "false moves" could be caused by address corrections.

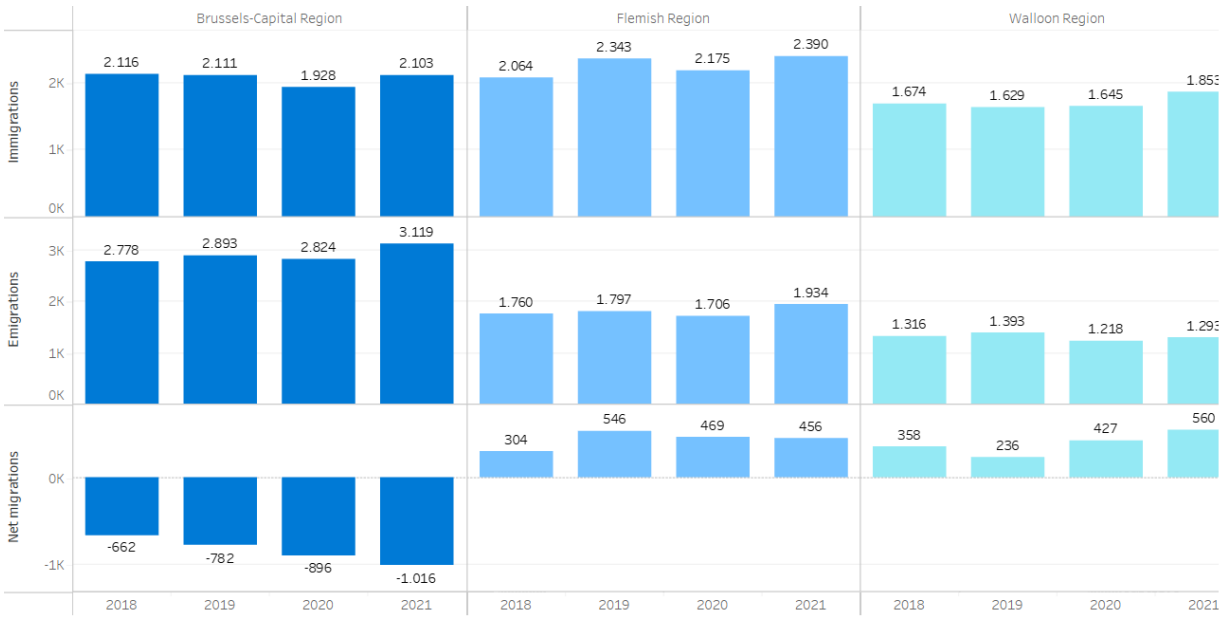


Figure 33. Number of immigrations, emigrations and net migration by region, 2018-2021, BCR, Flemish Region and Walloon Region, Statbel - Annual data

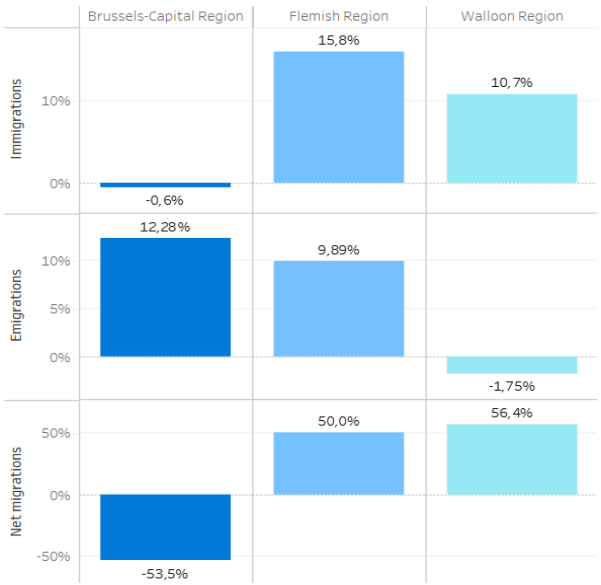


Figure 34. Evolution in the number of immigrations, emigrations and net migration (%), 2018 to 2021, BCR, Flemish Region and Walloon Region, Statbel - Annual data

Net migration by sector of activity

Transportation and storage: the only sector with a migration surplus in Brussels

Within the main sectors of the Brussels economy, only the transportation and storage sector recorded a higher number of business immigrations than emigrations in 2021. The sectors with the largest migration deficits in that year were professional, scientific and technical activities and construction. These two sectors recorded more than 200 more company emigrations than immigrations. With a migration deficit of over 100, the administrative and support services, trade and information and communication sectors are next.

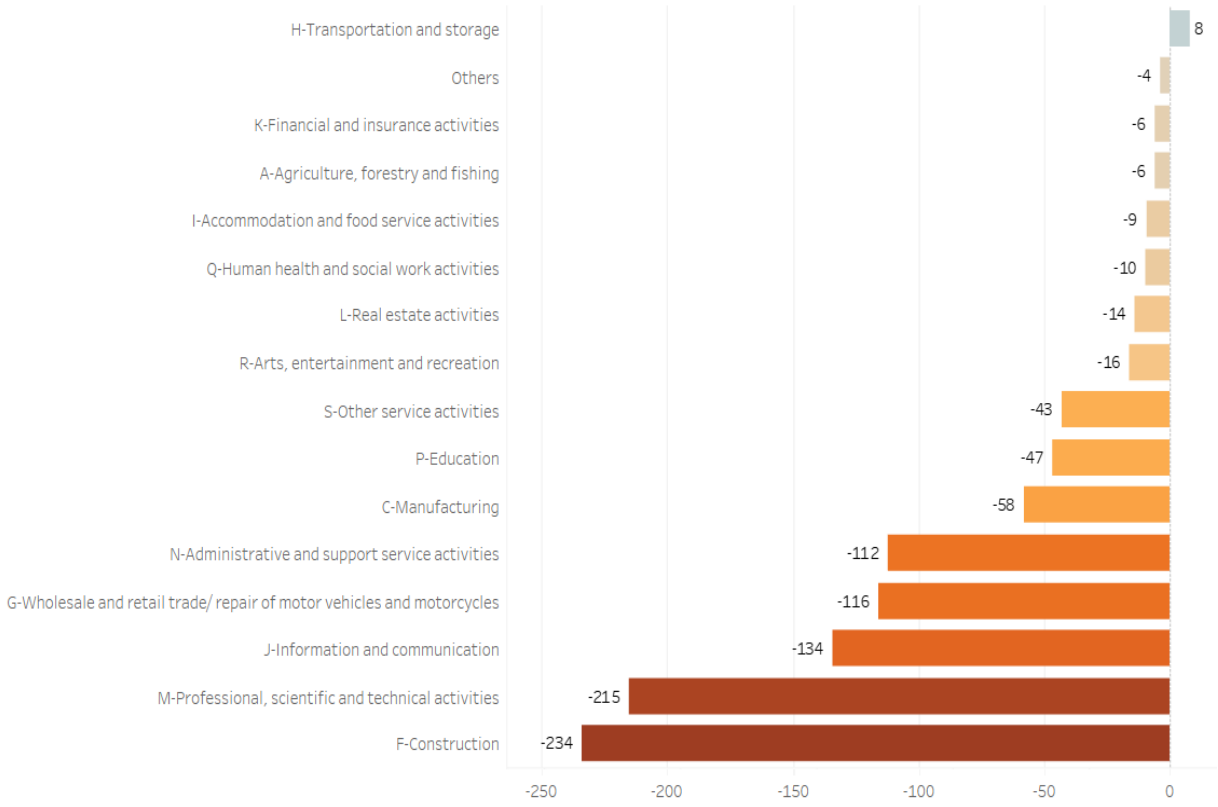


Figure 35. Net migration by sector, 2021, RBC, Statbel - Annual data

Migration intensity by region

Brussels has the highest migration intensity in the country

The proportion of companies that have migrated (immigration and emigration) has remained stable in recent years in all three regions of the country. However, over the period under review, BCR has the highest number of migrant companies relative to its business population. As such, in 2021, 4.57% of its companies either immigrated to or emigrated from its territory, compared to 1.15% for Wallonia and only 0.65% for Flanders.

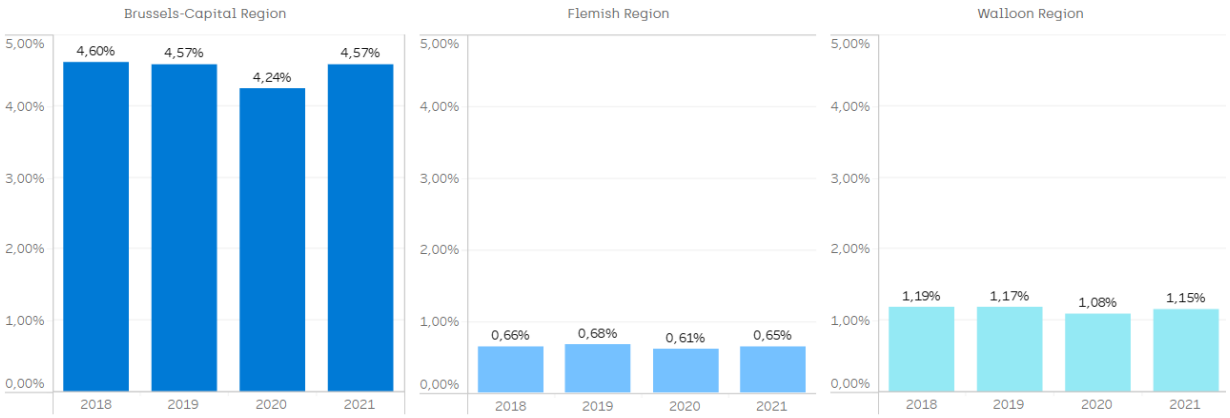


Figure 36. Migration intensity of companies (%) by region, 2018-2021, BCR, Flemish Region and Walloon Region, Statbel - Annual data

Appendix: Summary tables

Companies

	Number				Change (%)		
	2018	2019	2020	2021	2019-2020	2020-2021	2018-2021
Companies	108,243	110,825	113,195	115,541	+2.1	+2.1	+6.7

Dynamic: creations/closures

	Number				Change (%)		
	2018	2019	2020	2021	2019-2020	2020-2021	2018-2021
Creations	12,584	12,241	11,186	11,471	-8.6	+2.5	-8.8
Creation rate	12.0%	11.3%	10.1%	10.1%	-10.6	-	-3.8
Closures	8,436	8,825	7,889	8,086	-10.8	+2.5	-3.1
Closure rate	8.0%	8.2%	7.1%	7.1%	-13.4	-	-11.3
Net creations	4,238	3,416	3,297	3,385	-3.5	+2.7	-20.1
Entrepreneurial dynamic	4.0%	3.2%	3.0%	3.0%	-6.3	-	-25.0

Bankruptcies

	Number				Change (%)		
	2019	2020	2021	2022	2020-2021	2021-2022	2019-2022
Bankruptcies	2,978	1,502	1,332	1,776	-11.3	+33.3	-40.4

Survival rate of businesses active in 2021

	1 year	3 years	5 years
Survival rate	91.0%	74.6%	64.3%

Dynamics: immigration/emigration

	Number		Change (%)
	2018	2021	2018-2021
Immigrations	2,116	2,103	-0.6
Emigrations	2,778	3,119	+12.3
Net migration[12]	-662	-1,016	-53.5

[12] Net migration: Immigrations - Emigrations