

Business demographics in the BCR

ANNUAL STATISTICAL NOTE BASED ON MONTHLY DATA AT 31/12/2023

Key figures for companies, start-ups, closures, arrivals, departures, and company bankruptcies in the Brussels Capital Region (BCR)

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Key figures

Companies: cumulative monthly data

Companies subject to VAT

2023	2023 vs. 2022	2023 vs. 2020
119.084	+0,7%	+5,2%

Entrepreneurial dynamic

2023	2023 vs. 2022	2023 vs. 2020
1,4%	-55,1%	-47,8%

Net business start-ups

Business start-ups

2023	2023 vs. 2022	2023 vs. 2020
11.964	-7,7%	+2%

Business closures

2023	2023 vs. 2022	2023 vs. 2020
10.315	+11%	+20,4%

Bankruptcies

2023	2023 vs. 2022	2023 vs. 2020	2020
1.679	-5,5%	+11,78%	1.502

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Colophon

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Methodological note and digital format

Methodological note and digital format

Methodological note

Data source

Statbel

This note includes the 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.

Data relating to **businesses, start-ups, closures, arrivals, departures and bankruptcies** relate to VAT-registered businesses. 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 relocations of companies in 2021[1]:

- hub.brussels now calculates the indicators for company start-up and closure rates;
- the monthly data for companies, start-ups, closures, arrival and departure 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 with regard to business relocations 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 the FPS Economy's Directorate-General for Statistics.

Monthly data

The monthly data presented in this note covers:

- the number of VAT-registered **companies**;
- the number of company **start-ups**, 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 start-ups** is the number of start-ups divided by the average number of companies subject to VAT during the period under review, expressed as a percentage;
- the number of company closures. **Closures** consist of VAT-registered companies which have 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 start-ups**, which corresponds to the balance of the difference between the number of business start-ups and closures;
- the **entrepreneurial dynamic** is the number of net start-ups divided by the average number of companies subject to VAT, expressed as a percentage;

1 Since the methodology applied from 2021 involves minimal differences as compared to previous years with respect to the accounting for demographic relocations, the data about companies (excluding company relocations) is deemed to be comparable to previous years.

- the number of company **arrivals** and **departures**[2] of companies between the three regions of Belgium. The arrival and departure of companies subject to VAT covers companies subject to VAT, the registered address of which has changed during the reference period;
- **net relocation** is the number of arrivals minus the number of departures;
- **relocation intensity** measures the proportion of businesses in a region which move during the reference period and is calculated by dividing the total relocations in a region (arrivals & departures) 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);
- **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, that means at the time of the bankruptcy. Source: NSSO.

Health and energy crises

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 increased the health and economic measures to deal with this crisis, followed by the subsequent crisis caused by the invasion of Ukraine and the rise in energy and raw material costs at the start of 2022. Since March 2020, several factors have therefore had a significant impact on company demographics:

- the economic and healthcare situation;
- the slowdown in activity at the offices of courts and clerks during some of the lockdown periods;
- the measures taken by the federal and regional authorities to manage the health and energy crises, on the one hand, and to support the economy on the other (bankruptcy moratorium, reform of the judicial reorganisation process, support measures from the FPS Finance and the Regions, amicable settlement plans from the NSSO, etc.). Some of these measures were still in place in 2023.

Legislative change affecting the healthcare sector

The law dated 11/07/2021 amending the Value Added Tax Code regarding tax exemption for personal medical care services came into force on 1 January 2022. This legislative change affects the obligation to register for VAT for (para)medical professions. In more concrete terms, the consequence of this change was a clear increase in company start-ups in the healthcare sector in 2022. This increase influenced other statistics described throughout this note in a relatively significant way. Accordingly, the a priori encouraging results observed in 2022 in terms of the number of businesses, start-ups, net start-ups, start-up rates and entrepreneurial dynamism had to be qualified by taking into account the tax liabilities attributable to this change in legislation. Similarly, the trends observed between 2022 and 2023 and presented in this note also need to be qualified.

Digital format

Monitoring based on an annual and monthly update of data relating to the demography of businesses and bankruptcies in BCR is available via the analytics.brussels platform.

2 Any relocation between the three regions and abroad or unknown locations are not taken into account.

Companies

Companies

Change in the number of companies subject to VAT

2023 saw a significant slowdown in growth in the number of businesses

As of 31 December 2023, the BCR had **119.084** businesses subject to VAT within its territory, representing **10.4%** of the businesses operating in Belgium[3]. This share has been **falling** steadily since 2018 (11.2%).

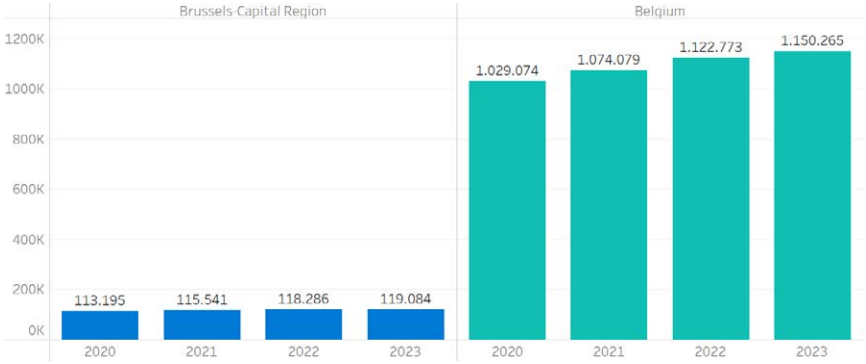
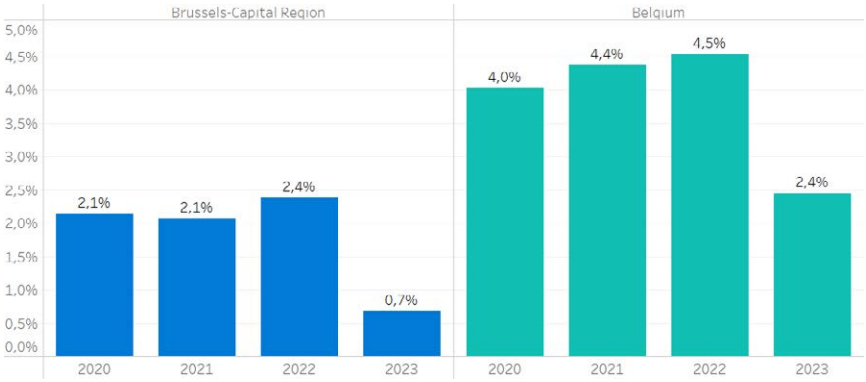


Figure 1. Number of businesses subject to VAT, BCR and Belgium, 12/2020-12/2023, Statbel - Monthly data

This represents, however, an increase of **0.7%** in the number of businesses in the BCR in 2023, a rate that **dropped significantly** compared to 2020 (+2.1%), 2021 (+2.1%) and 2022 (+2.4%). Although this drop is not confined to the BCR, the growth rate in Brussels remained slightly below the national rate (+4.5% in 2022 and +2.4% in 2023), maintaining the gap that has existed between the BCR and Belgium since the health crisis. So, while the growth rates in Brussels in 2020 and 2021 were somewhat lower than in 2019, Belgium recorded an increase in the growth rate of its businesses over the same period.

Figure 2. Change in the number of VAT-registered companies (%), BCR and Belgium, from 2020 to 2023, Statbel - Monthly data

This slower growth in the number of businesses in Brussels can be explained by a **negative migratory balance** compared with other regions - which is not the case in Flanders or Wallonia - and a **reduction** in **business start-ups** in recent years.



3 As of 31/12/2023, the Flemish Region accounted for 63.9% of businesses subject to VAT in Belgium and the Walloon Region for 25.7%. The geographical breakdown is defined on the basis of the registered office address of the legal entity and the residential address of the natural person.

The data with regard to company start-ups, closures, net start-ups, and arrivals and departures will be analysed in more detail in the corresponding chapters.

However, this reduction in the growth rate between 2022 and 2023 must be somewhat qualified.

As stated in the methodological note, a change in legislation was the reason for a significant increase in business creation in the healthcare sector in 2022. According to our assumption, the growth rate could have been estimated at 1.5% in 2022[4], already down sharply on the 2.1% recorded in 2020 and 2021.

Even if the drop in the growth rate had then been less marked under this assumption, from 1.5% in 2022 to 0.7% in 2023, the fact remains that the growth rate observed in 2023 is still **well below** that of 2022.

Breakdown according to sector

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

More than half of the companies in Brussels are active in just three sectors: **construction** (which accounts for 11.5% of businesses in the BCR), **retail** (14.3%) and **specialised, scientific and technical activities**[5], which account for more than a quarter of businesses alone (27.4%). This Top 3 is identical at Belgian level and identical compared to 2022. It is worth noting, however, the preponderance of the specialised activities sector in the BCR when compared to the national level (20.1%).

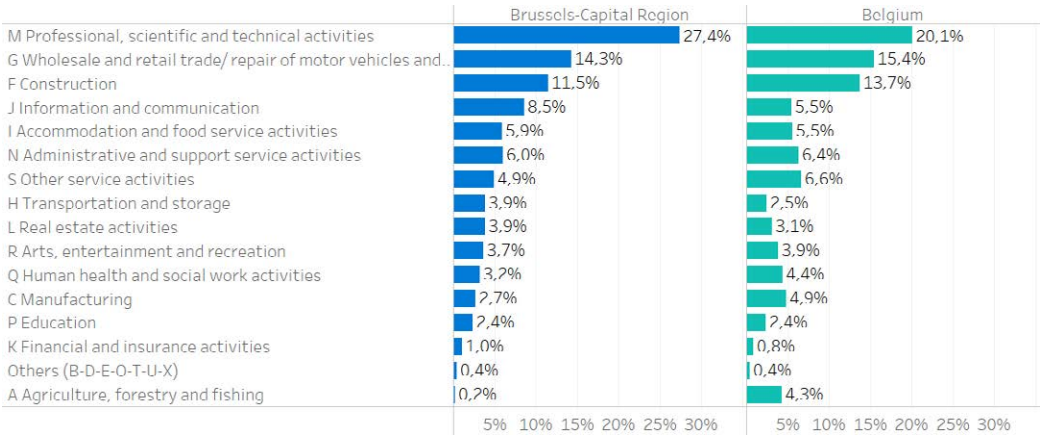


Figure 3. Breakdown of the number of businesses according to the sector of activity (% share), the BCR and Belgium, 2023, Statbel - Monthly data

4 As mentioned in the statistical note on the cumulative monthly data to 31/12/2022, the average growth rate of taxable persons for the health sector over the period 2008-2021 was 10.9%. In 2021, there were 2,301 companies in this sector. If we apply the assumption of a growth rate of 10.9%, we obtain a total of 2,551 businesses for the year 2022 instead of the 3,569 which this sector actually represented in 2022. The difference was 1,018 units, which would reduce the total number of businesses in the BCR to 117,268 as of 31/12/2022. This would be equivalent to growth of just 1.5% in the number of businesses compared with 2021.

5 These included management consulting, legal and accounting activities, architecture and engineering, specialised design activities and translation and interpretation. This involves: 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.

Change in the number of companies by sector

Decline in the number of companies in construction, retail, hospitality, manufacturing, finance and insurance

With declines of between -2.2% and -2.4%, the **accommodation and catering** and **construction** and **retail** sectors intensified the downward trend already begun in 2022. **Manufacturing**, which was already in deficit in 2022, also continued to drop in 2023, although more moderately (-0.4% in 2023 compared with -1.4% in 2022). These sectors are joined by the **financial and insurance** sector (-1.9%) and **transport and storage** (-0.2%), which recorded a negative net balance at the end of 2023.

On the other hand, and with the exception of the retail sector, these sectors are recording positive rates of between 0.2% and 3.4% at the national level.

Hospitality had already begun to decline in 2019, but the combined effect of the health and energy crises seems to have accelerated this trend. The sector lost 0.6% in 2021, 0.8% in 2022 and 2.2% in 2023. Between 2021 and 2023, there was a decline of 3% in this sector, compared with an increase of 2.5% at Belgian level.

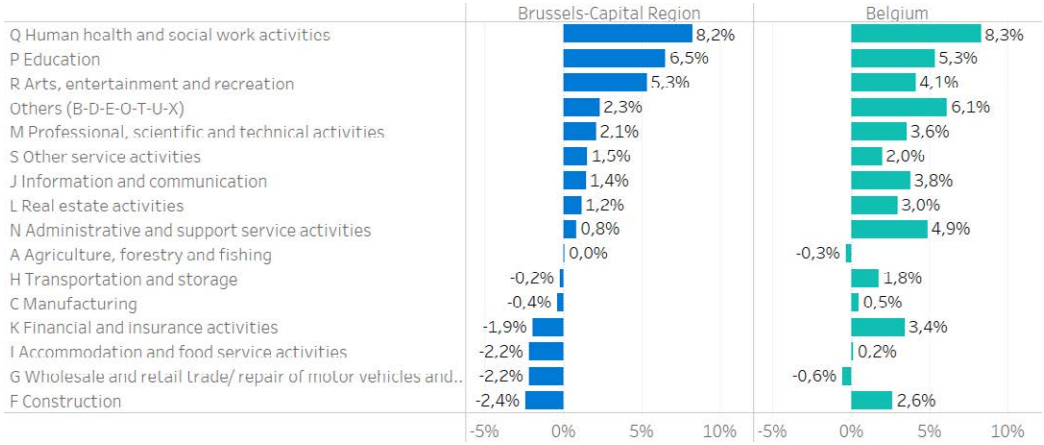


Figure 4. Change in the number of companies by sector of activity (%), BCR and Belgium, from 12/2022 to 12/2023, Statbel - Monthly data

Construction, which experienced a period of weak growth in 2020 (+0.6%) and 2021 (+0.5%), is now continuing its downward trend, with -1.6% at the end of 2022, and -2.4% in 2023. At national level, however, the sector showed growth of 2.6%, although less than the 4.1% growth in December 2022.

As last year, **human health and social work** (+8.2%), the **education** sector (+6.5%) and the **arts, entertainment and recreation** sector (+5.3%) recorded the highest growth rates in 2023 when compared with 2022. It should be noted that the human health and social work sector, which experienced very positive growth in 2022 following a legislative change (+55.2% between 2021 and 2022), saw a return to a more measured growth rate at the end of 2023.

Business start-ups

Business start-ups

Change in the number of company start-ups

The Brussels entrepreneurial landscape remained gloomy compared with the pre-Covid-19 period

During 2023, **11,964 companies** were **set up** in the BCR (=10% of the creations in Belgium), which is equivalent to a **decrease of 7.7%** in the number of company creations compared to 2022.

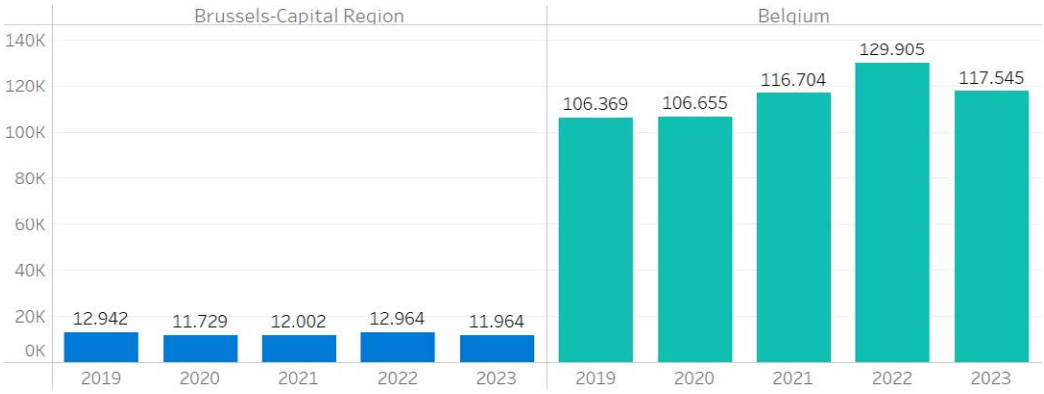


Figure 5. Number of business start-ups, from 2019 to 2023, BCR and Belgium, Statbel - Monthly data

This drop can be explained by the sharp rise in start-ups observed in the healthcare sector in 2022 following the change in legislation, which brought in a large number of new compulsory taxpayers. Following this strong and somewhat biased increase (+8% in start-ups in 2022 in the BCR for all sectors combined), it is not surprising that the number of start-ups should fall in 2023. However, it was still **below the number recorded in 2021** (-0.3%) **and in 2019** (-7.6%), the pre-Covid-19 period, reflecting a rather gloomy entrepreneurial climate.

Furthermore, this drop in the number of start-ups in 2023 seemed to be lower in the BCR (-7.7%) than in Belgium (-9.5%). However, when these figures are compared with those for the other regions, it turns out that, excluding the healthcare sector, the national average would do better than the BCR, which would record a -0.7% fall in the number of start-ups (as against an increase of 1.5% for Belgium). More specifically, the Flemish Region evolved from -3.6% to +2.2% and the Walloon Region from -2.1% to 0.6%. In addition, the number of Belgian start-ups in 2023 remained higher than in 2019 (+10.5%), 2020 (+10.2%) and 2021 (+0.7%).

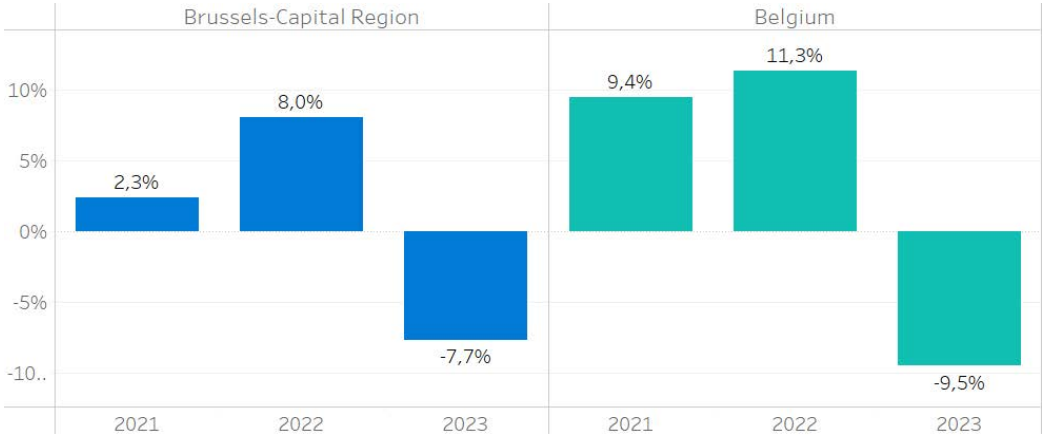


Figure 6. Change in the number of business start-ups (%), from 2021 to 2023, BCR and Belgium, Statbel - Monthly data

The Brussels entrepreneurial landscape therefore remains rather gloomy, with the number of start-ups not really catching up with the number recorded in 2019. Between 2019 and 2023, the number of start-ups in Brussels **fell by 7.6%**, while the number of start-ups in Belgium rose by 10.5% over the same period, driven mainly by Flemish start-ups (+15.5%).

Breakdown according to sector

The specialised, scientific and technical activities sector still generates the most start-ups in the BCR

With a share of 29.8% in the total number of Brussels creations, the **specialised, 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 19.9% of the total.

The **retail** sector came second with a share of 10.5%, closely followed by **construction**, which accounted for 10.3% of the Brussels total. It should be noted that the percentage of start-ups in these two sectors was higher than at national level, with +2.8pp for trade and +4.1pp for construction.

Between them, they accounted for more than half of all business start-ups in the Brussels region (50.6%), and 47.6% nationally.

In fourth place was the **information and communication** sector, whose proportion was higher in Brussels (9.3%) than at Belgian level (6%).

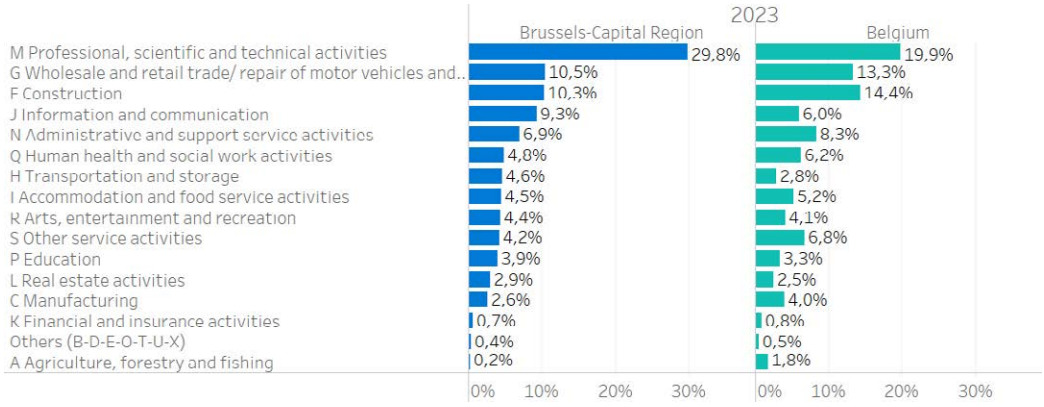


Figure 7. Breakdown of company start-ups according to the sector of activity, 2023, BCR and Belgium, Statbel - Monthly data

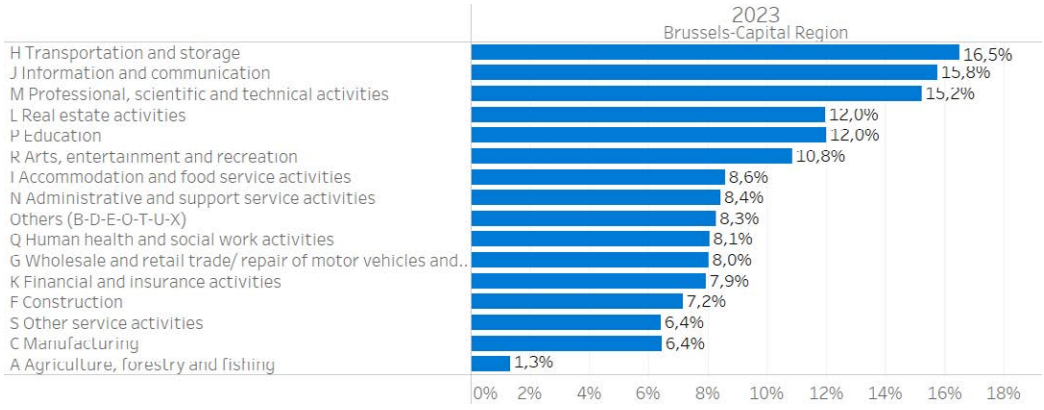


Figure 8. Share of the BCR in company start-ups in Belgium, according to the sector of activity, 2023, Statbel, Monthly data

As for the share of the BCR in company start-ups in Belgium according to the sector of activity, the rates have been relatively **stable** since 31/12/2022 for **almost all sectors.**

Transport and storage, specialised, scientific and technical activities and **information and communication** remained in the lead, although the percentage of the latter sector **fell slightly**, from 17.6% in 2022 to 15.8% in 2023.

Likewise, the **financial and insurance** sector represented a smaller percentage of Belgian start-ups, with a drop of **3.5%** in 2023.

Change in company start-ups according to the sector

Onderwijs, gezondheidszorg en kunst, amusement en recreatie hebben het hoogste oprichtingspercentage in het BHG

Within the five main sectors of the Brussels economy in terms of the number of businesses[6], only two sectors showed an increase in the number of start-ups in 2023 compared with 2022: **hospitality** (+4.93%) and **specialised, scientific and technical activities** (+3.32%). The other three recorded a reduction in the number of start-ups.

Retail and **construction** showed negative trends in the number of start-ups between 2022 and 2023, but this decline slowed compared to the previous year. Retail fell from 18.6% in 2022 (the biggest drop in all sectors combined) to -0.56% in 2023, and construction from -12.3% in 2022 to -5.7% in 2023. On the other hand, the number of start-ups in the **financial and insurance** and the **information and communication** sectors fell sharply, from +14% in 2022 to -17.3% in 2023 for the former, and from +7.4% in 2022 to -12.77 in 2023 for the latter.

Conversely, and unsurprisingly, the **healthcare** sector recorded a considerable drop in the number of start-ups in 2023 (-61.2%), following the significant increase in start-ups in 2022 as a result of the legislative change mentioned above.

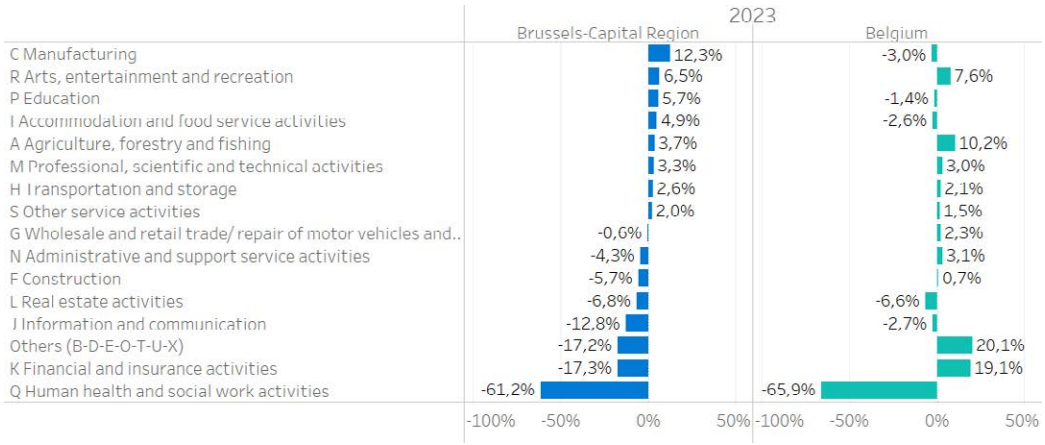


Figure 9. Change in the number of business start-ups according to the sector of activity (%), BCR and Belgium, from 2022 to 2023, Statbel - Mon

6 Professional, scientific and technical activities, retail, construction, information and communication and hospitality (please see figure 3).

Change in the rate of company creations

Lower business start-up rate

The business start-up rate for 2023 in Brussels is 10.1%, a **decrease** of 1 percentage point when compared to 2022. However, this decrease needs to be qualified with the new technical start-ups seen in the healthcare sector in 2022. This rate is nevertheless **lower than the Belgian rate** (10.3%) and **below** the rates observed in 2020 and 2021 (10.5%), as well as the pre-Covid-19 period (11.8% in 2019).

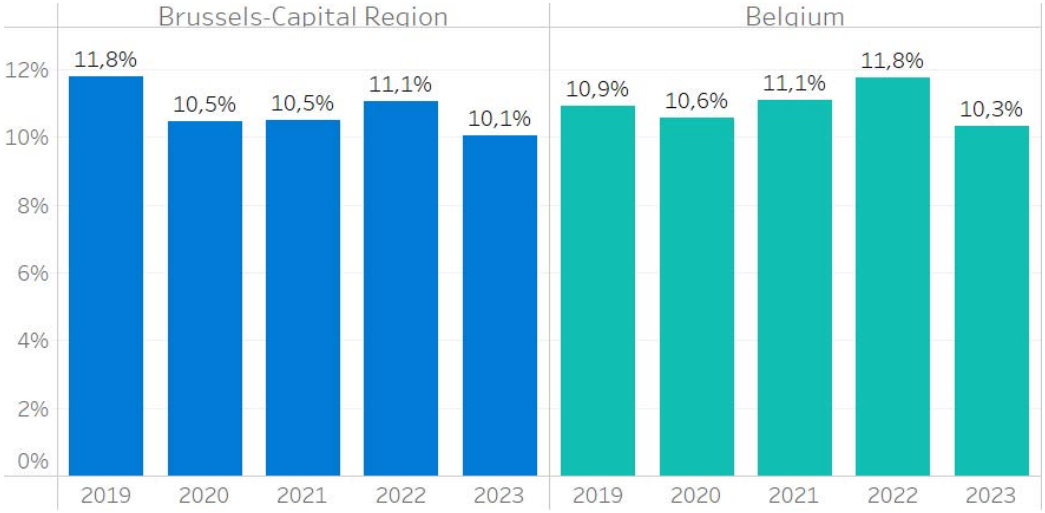


Figure 10. Business start-up rates, from 2020 to 2023, BCR and Belgium, Statbel - Monthly data

Start-up rate according to the sector

Education, health and arts, entertainment and recreation had the highest creation rate in the BCR

As in 2021 and 2022, the **education** and **healthcare** sectors had the highest rates of business start-ups in 2023, both in Brussels and in Belgium (17% and 15.6% respectively in the BCR). The third position occupied by information and communication in 2022 (13.1%) now went to the **arts, entertainment and recreation** sector, with a creation rate of 12.2% in 2023. Information and communication, however, fell to sixth place, with 11.1%.

The BCR has a higher rate of business start-ups than Belgium in the **education, healthcare**, the **arts, entertainment and recreation, transport and storage, specialist, scientific and technical activities, agriculture and manufacturing.**

The three sectors with the strongest growth in percentage points compared with 2022 in the BCR were: **manufacturing** (+1.2pp), **hospitality** (+0.4pp), and **transport and storage** (+0.3pp).

In terms of underperformance, the Brussels sectors with the lowest start-up rate in 2023 were **finance and insurance** (6.5%), **retail** (7.3%) and **hospitality** (7.4%).

At national level, however, it was **agriculture** (4.2%), **manufacturing** (8.3%) and **real estate** (8.6%).

The three sectors with the largest decrease in percentage points compared to 2022 were: **healthcare** (-35.4%, in reference to the technical increase in start-ups in 2022), **information and communication** (-2%), and **finance and insurance** (-1.5%).

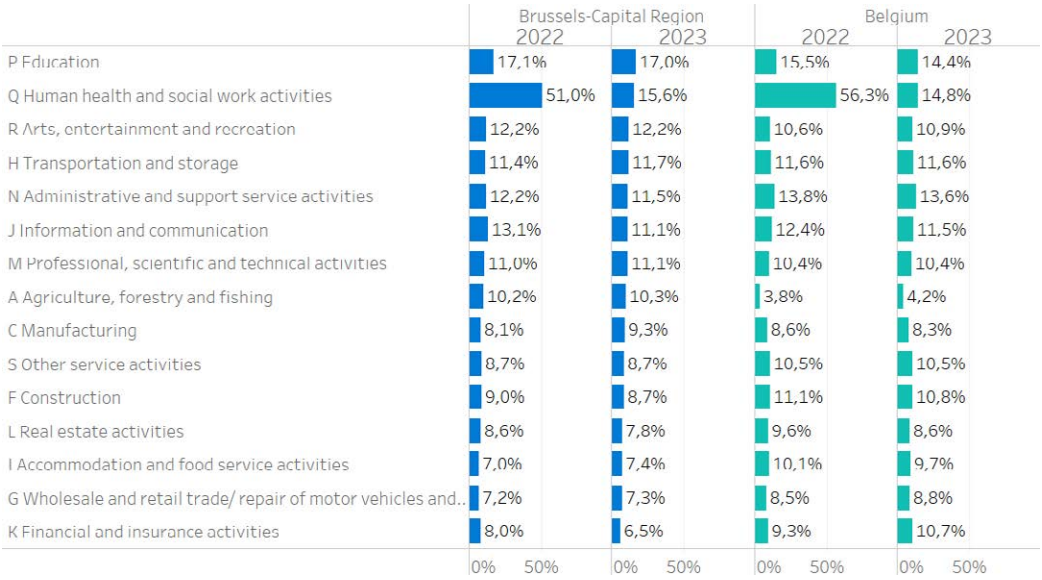


Figure 11. Business start-up rates according to the sector of activity, from 2022 to 2023, BCR and Belgium, Statbel - Monthly data

Business closures

Business closures

Change in the number of company closures

The number of closures exceeded pre-Covid-19 levels

The number of business closures in the BCR continued to **increase** in 2023[7] (+11% vs. 2022), and even exceeded the number recorded in 2019 (+7.4%); this was also the case at national level (+11.1% between 2022 and 2023 and +22.4% between 2019 and 2023).

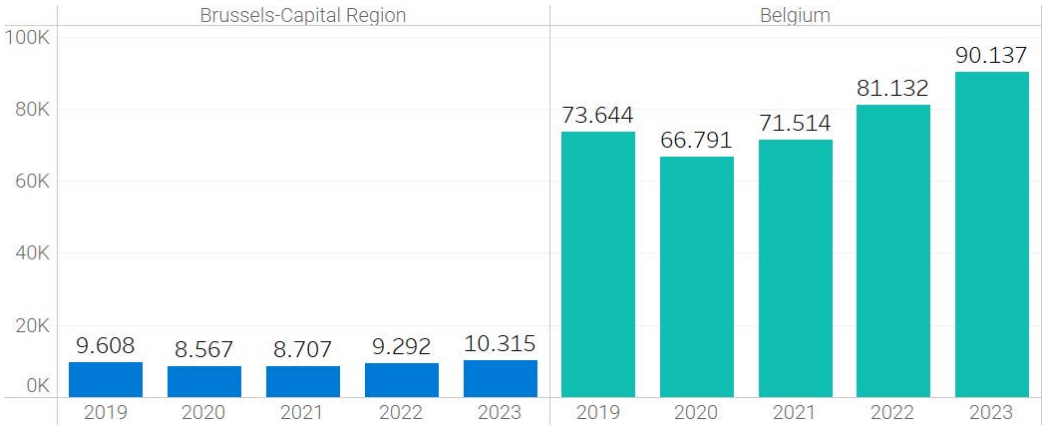


Figure 12. Number of business closures, from 2019 to 2023, BCR and Belgium, Statbel - Monthly data

Although these trends at national level seem less favourable than in the BCR, they need to be balanced against higher increases in the number of business start-ups (as a reminder, +10.5% of start-ups nationally between 2019 and 2023, compared with -7.6% in the BCR over the same period).

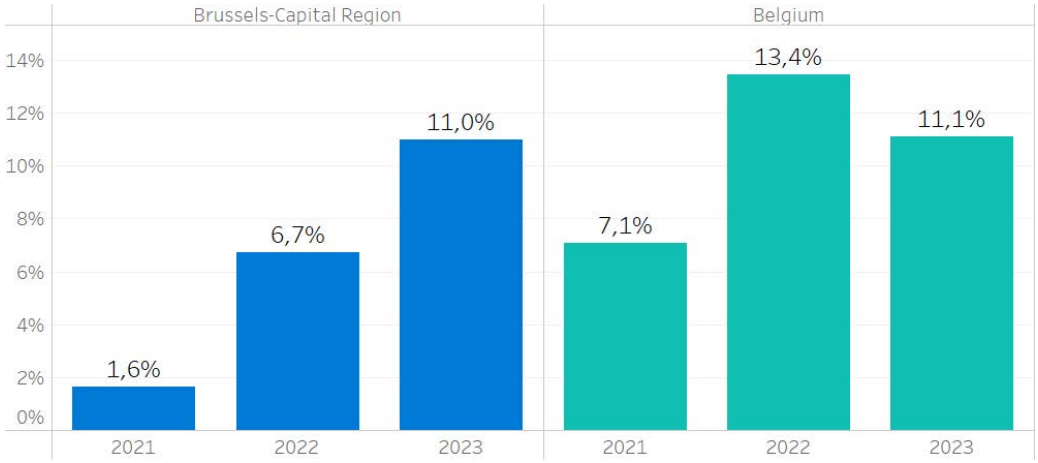


Figure 13. Change in the number of business closures (%), from 2021 to 2023, BCR and Belgium, Statbel - Monthly data

7 This increase in the number of cessations can be qualified by the increase in dissolution orders, as since 2018, the Brussels judicial authorities have stepped up the fight against 'ghost' companies, forcing many businesses to close. The number of dissolutions increased from year to year and is expected to peak in 2023, with 2,313 dissolutions pronounced in 2023 (source: figures from the Brussels Business Court).

Breakdown according to sector

The specialised, scientific and technical activities sector accounted for more than one out of four closures

As was already the case in 2021[8], the sectors recording the highest number of business closures in 2023 were also those generating the highest number of business start-ups, namely **specialised, scientific and technical activities** (26.3% of Brussels closures), **retail** (15.5%) and **construction** (12.8%).

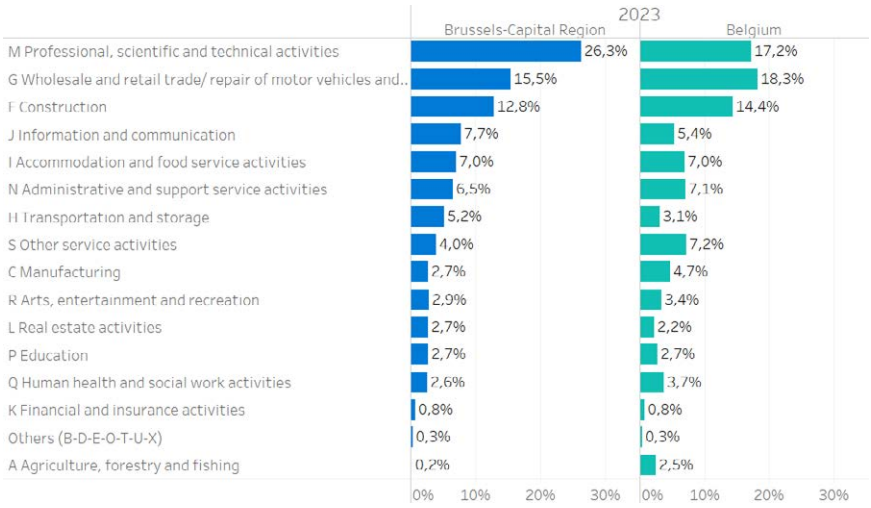


Figure 14. Breakdown of closures according to the sector of activity, 2023, BCR and Belgium, Statbel - Monthly data

With regard to the share of Brussels-based companies in Belgian redundancies in 2023, it is highest in the **transport and warehousing** sector, which is responsible for just under one redundancy in five (19.1%). The **specialised, scientific and technical activities** and **information and communication** sectors in Brussels follow closely behind, with a number of closures accounting for 17.5% and 16.5% of the total number of closures respectively at the Belgian level.

It should be noted that the Brussels percentages of most sectors showed an overweighting of cessations compared with start-ups. The main sectors were **financial and insurance** (3.8pp difference), the **grouping of other sectors** (3.8pp), **construction**[9] (3pp) and **hospitality** (2.9pp).

On the other hand, the Brussels sectors of the **arts, entertainment and recreational activities,** and **education** are the most disproportionately under-represented in terms of closures compared with the number of new businesses recorded in these sectors at the national level (advantages of 1 pp and 0.7 pp respectively).

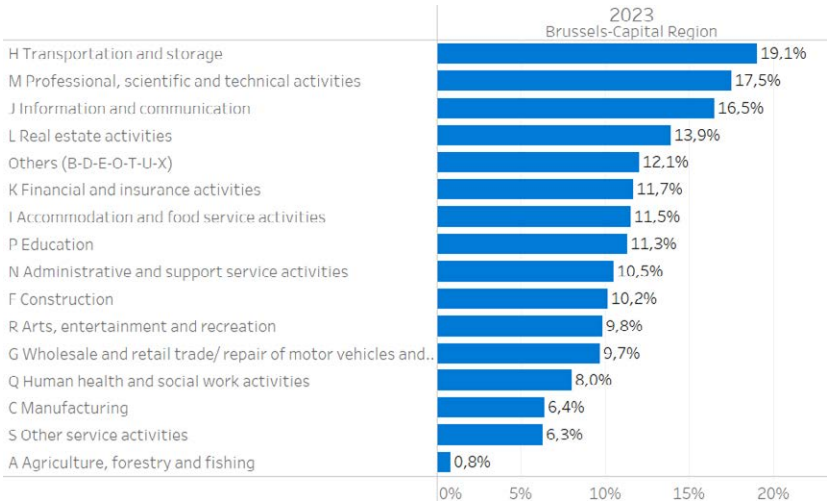


Figure 15. Share of the BCR in company closures in Belgium, according to the sector of activity, 2023, Statbel, Monthly data

8 In 2022, specialised, scientific and technical activities were in the lead for both start-ups and closures but were followed by healthcare and information and communication for start-ups.

9 These include the extractive industries (B), electricity production and distribution, etc. (D), water production and distribution, etc. (E), public administration (O), the activities of households as employers, etc. (T), offshore activities (U) and unknown activities (X).

Change in the number of company closures according to the sector

All sectors saw an increase in the number of cessations compared with 2022, with the exception of financial and insurance activities and agriculture.

Between 2022 and 2023, **almost all sectors** in Brussels and nationally saw an increase in the number of cessations. Only two sectors escaped this in the BCR: **financial and insurance activities** (-4.7% compared to 2022) and **agriculture** (-25%). In Belgium, only the **grouping of other sectors**[10] recorded a 17.8% decrease in cessations.

In Brussels, the biggest increases in closures were in the **healthcare** sector (+50% compared to 2022, and over-represented compared to the national level), **education** (+31.5%), **arts and recreation** (+26.8%) and **real estate** (+25.4%).

In Belgium, the **healthcare** and **arts and recreation** sectors also saw increases (+30.2% and +24.9% respectively) but were overtaken by the **financial and insurance activities** sector, which recorded an increase of 40.9% even though it showed a **decrease** in Brussels (-4.7%).

It should also be noted that **education**, which recorded a significant increase in Brussels (+31.5%), saw a much **more moderate** increase at national level (+9.2%).

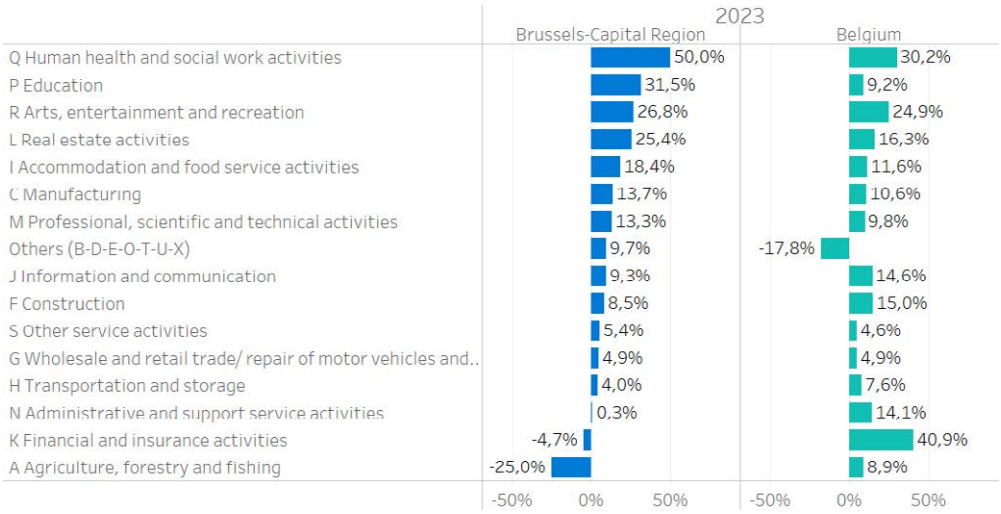


Figure 16. Change in the number of business closures according to the sector of activity (%), BCR and Belgium, from 2022 to 2023, Statbel - Monthly data

10 As a reminder, these include the extractive industries (B), electricity production and distribution, etc. (D), water production and distribution, etc. (E), public administration (O), the activities of households as employers, etc. (T), offshore activities (U) and unknown activities (X).

Change in the rate of company closures

The rate of company closures remained higher than in Belgium and caught up with the rate recorded in 2019

The rate of business closures in 2023 in Brussels is **higher than the Belgian rate** (8.7% as against 7.9%), and **increased** significantly when compared with 2020 and 2021 (7.6%) almost catching up with the rate from 2019 (8.8%).

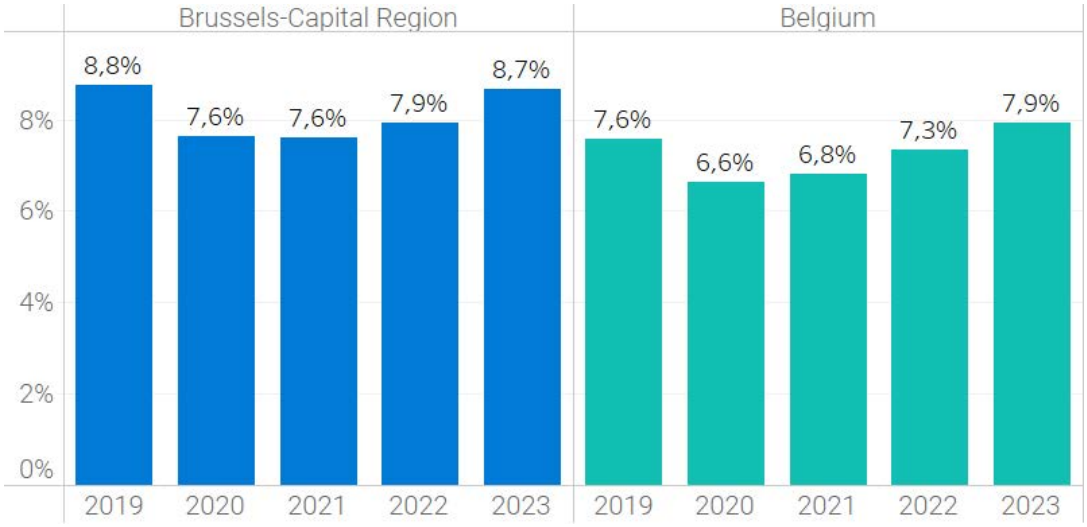


Figure 17. Business closure rates, from 2010 to 2023, BCR and Belgium, Statbel - Monthly data

This trend was similar at national level, but with slightly lower rates: the Belgian cessation rate was 7.9% in 2023, which is higher than in 2020 (6.6%) and **exceeded** the rate recorded in 2019 (7.6%).

Closure rate according to the sector

Transport, education and hospitality had the highest cessation rates

In 2023, as in 2022, the sectors with the highest cessation rates were **transport and storage** (11.6%), **education** (10.2%) and **hospitality** (10.1%). It should be noted that these last two sectors also recorded the highest **increases** over the previous year (+1.9 pp and +1.7 pp respectively), together with the **health** sector (+1.7 pp). These sectors were closely followed by **construction** (9.5%), **administrative and support services** (9.4%) and **retail** (9.3%).

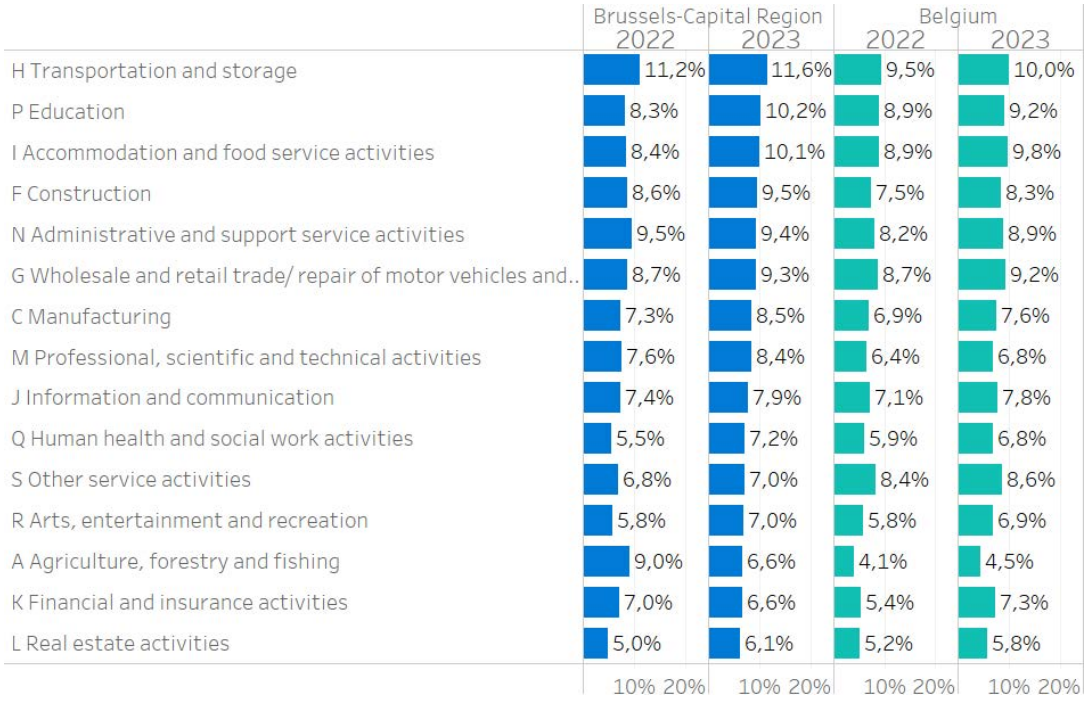


Figure 18. Business closure rates according to the sector of activity, from 2022 to 2023, BCR and Belgium, Statbel - Monthly data

Conversely, the Brussels sectors with the lowest rates were **real estate** (6.1%), **financial and insurance activities** and **agriculture** (6.6%). The latter also showed the **biggest** decrease compared with 2022 (-2.4 pp). The distribution was relatively similar at national level for the sectors with the highest rate. Similarly, **agriculture** and **real estate** activities stood out for their lower cessation rates (4.5% and 5.8% respectively). However, financial and insurance activities had a **higher** cessation rate here than in Brussels and also represented the largest **increase** in Belgium between 2022 and 2023 (+1.9 pp). Lastly, it should be noted that no sector had a reduction in the cessation rate at national level in 2023.

Net start-ups and entrepreneurial dynamic

Net start-ups and entrepreneurial dynamic

Change in the number of net start-ups

Net start-ups halved in the BCR.

The BCR is currently generating more new businesses than it is losing as a result of business closures: there were **1,649 net new businesses** in Brussels in 2023, corresponding to 6% of net new businesses in Belgium.

However, there was a **sharp drop** in the number of net start-ups in 2023 (-55.1% compared with 2022), which broke with the gradual rise seen since 2020. The number of net creations was therefore the lowest it has been in recent years, and this trend can also be observed at **national level,** although more moderately (-43.8%). It should be noted that, unlike the BCR, the country was already experiencing a slowdown in the growth of its net start-ups in 2022.

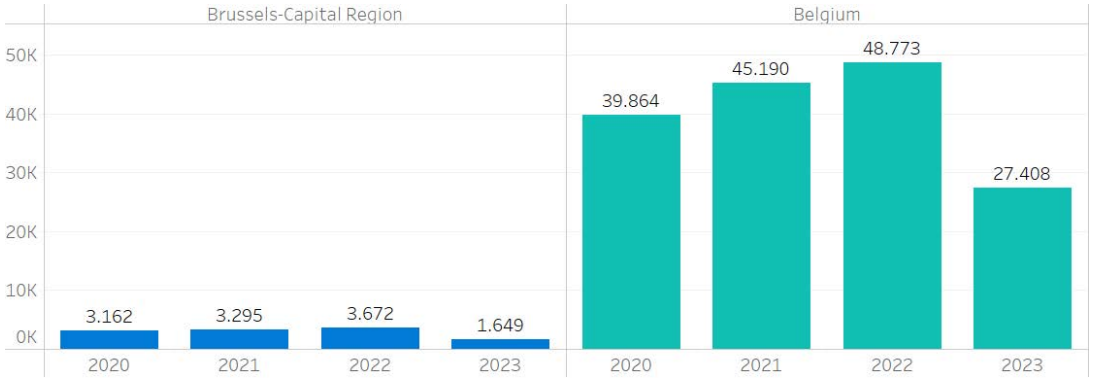


Figure 19. Number of net business creations, from 2020 to 2023, BCR and Belgium, Statbel - Monthly data

This decrease in net creations is explained by the combined effect of a drop in creations (-7.7% in the BCR and -9.5% in Belgium) and an increase in cessations (+11% in the BCR and Belgium) in 2023 compared with the previous year.

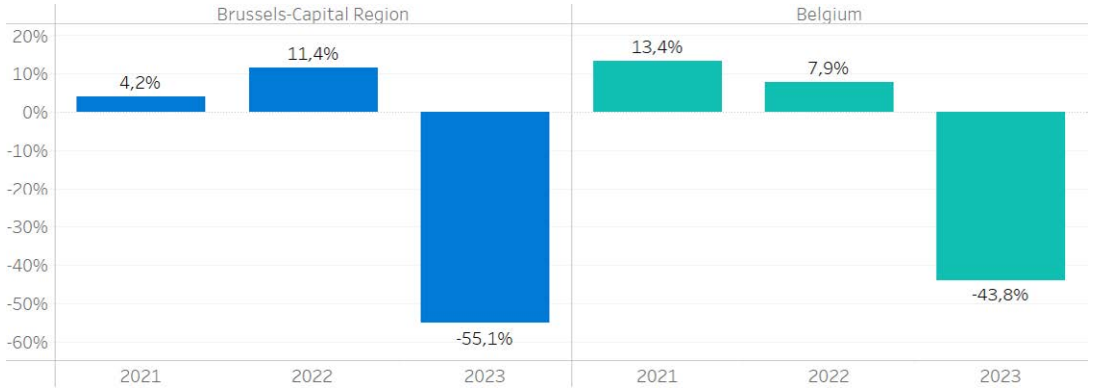


Figure 20. Change in the number of net business creations (%), from 2021 to 2023, BCR and Belgium, Statbel - Monthly data

Net creations according to region

Flanders was the location of more than 75% of the net creations in Belgium in 2023

An analysis of the change in the share of net creations attributable to each region from 2020 to 2023 shows the predominance of Flanders in this respect. It accounted for more than 7 out of every 10 net start-ups in the country, and this percentage is increasing, from 70.9% in 2022 to 75.5% in 2023. The percentage for the Walloon Region was around 20%, decreasing slightly in 2023 (18.5%).

The share attributable to the BCR has fallen steadily over the period, from 7.9% in 2020 (and even 10.2% in 2019) to 6% in 2023. This is due to a slower growth in the number of start-ups than in the other regions of the country.

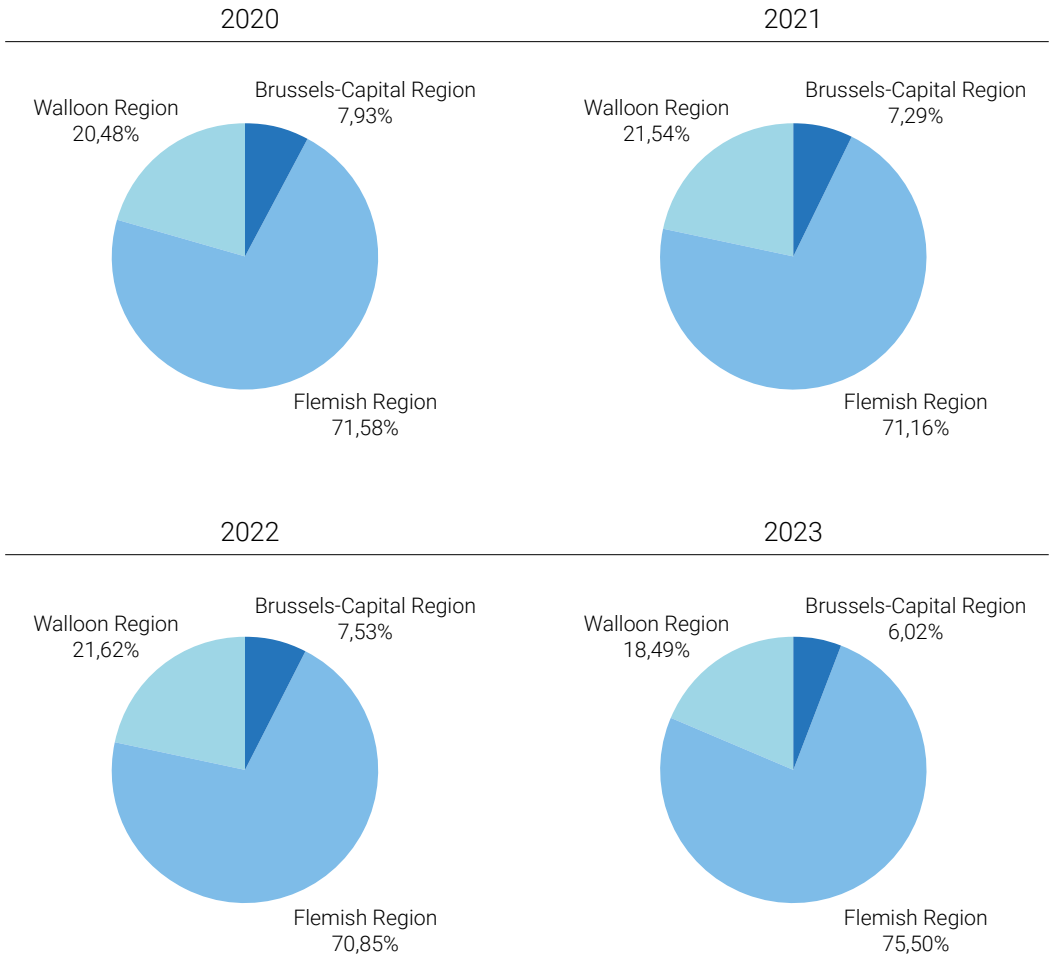


Figure 21. Breakdown of net company creations according to region, from 2020 to 2023, Statbel - Monthly data

Breakdown according to sector

Leading net creator of companies in 2023 in the BCR and nationally: the specialised, scientific and technical activities sector

Within the sectors of the Brussels economy, four recorded a higher number of closures than start-ups during 2023: **retail** (-346 companies at the end of the year[11]), **hospitality** (-190), **construction** (-115) and **financial and insurance activities** (-1).

In Belgium, only **agriculture** (-144) and **hospitality** (-87) also saw a decline in the number of net creations during this period.

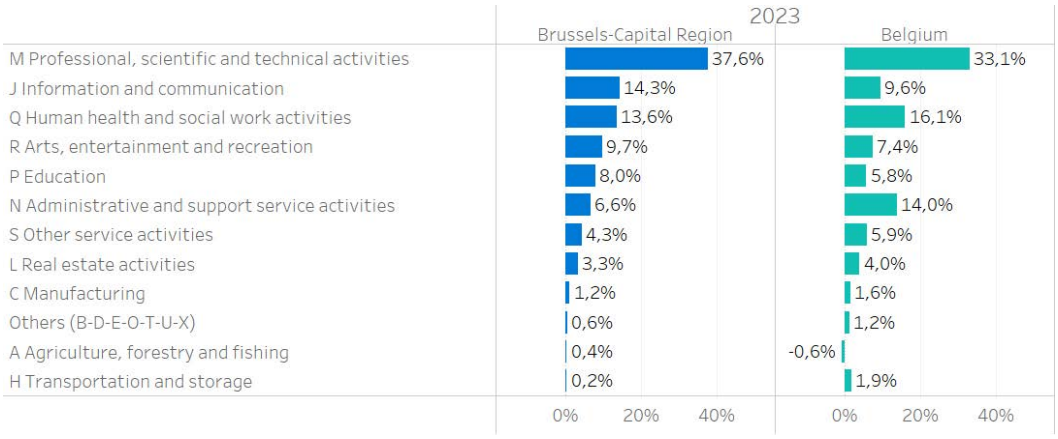


Figure 22. Breakdown of net company creations by sector of activity (excluding retail, construction, hotel and catering and finance and insurance), 2023, BCR and Belgium, Statbel - Monthly data

Among the sectors generating a positive net number of starters in BCR in 2023, the **specialised, scientific and technical activities** sector was the most productive with a share of 37.6% of total net creations (33.1% in Belgium). They were followed by **information and communication** (14.3%) and **healthcare** (13.6%). In Belgium, **healthcare** was also the source of a large number of net creations (16.1%), as were **administrative and support activities**, with a share of 14%, double the Brussels share of net creations in this sector (6.6%).

Moreover, **the construction sector** remains one of the leaders in net creations across Belgium, boosted by a large number of net creations in **Flanders**, where 3,656 units were recorded in 2023[12]. However, this number is lower than in 2021 (6,490 net start-ups).

11 This balance corresponds to the difference between company start-ups and closures.

12 94.5% of Belgian net creations in the sector.

In Belgium, 13.6% of net creations came from this sector, whereas in the BCR, the number of cessations was higher than the number of creations (-115 net start-ups).

Lastly, we can also see that the **transport and storage sector** represents a very small share (0.9%) of net business creations in Belgium.

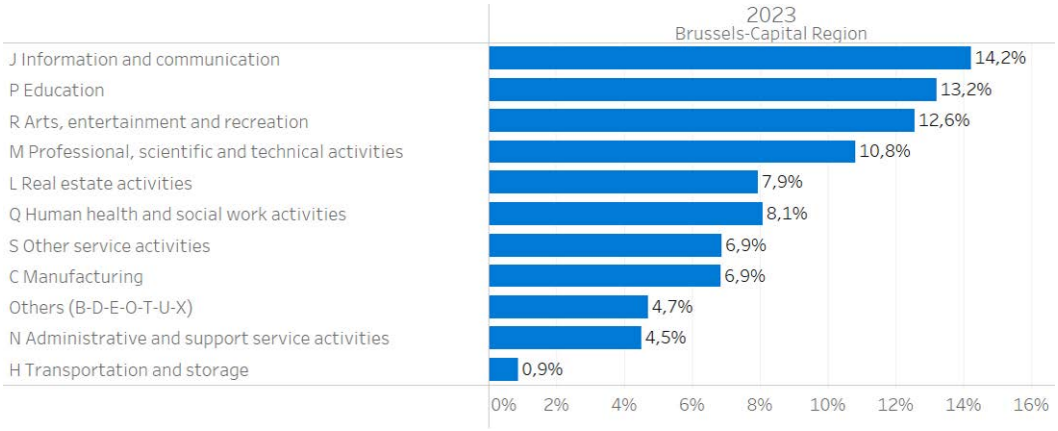


Figure 23. BCR proportion of net company creations by sector of activity (excluding construction, retail, hotel and catering, finance and insurance, and agriculture), 2023, Statbel - Monthly data

Change in net creations according to the sector

Net creations down sharply in construction, financial and insurance activities and hospitality

In Brussels, the biggest drops were in **construction** (-285.5%), **financial and insurance activities** (-108.3%) and **hospitality** (-84.5%). **Healthcare** was in 4th place (-76%), which is less surprising considering the sharp increase in start-ups recorded the previous year following the legislative changes that affected this sector. In Belgium, these decreases were mainly seen in **hospitality** (-28.9%), **retail** (-96.1%) and **healthcare** (-79.2%).

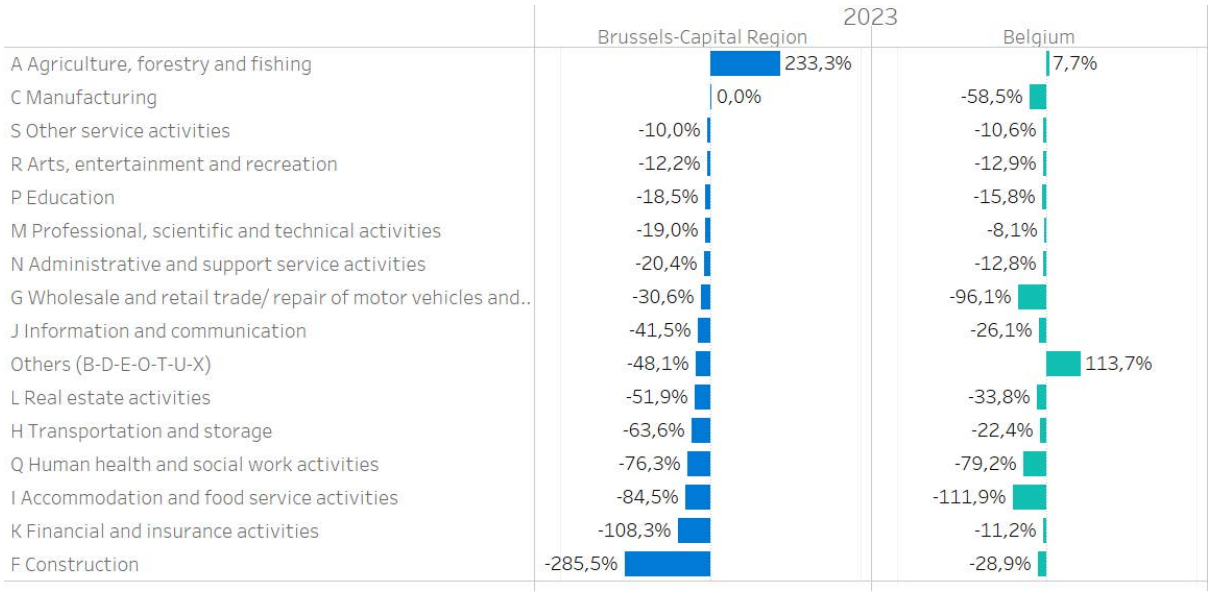


Figure 24. Change in the number of net business creations according to the sector of activity (%), BCR and Belgium, from 2022 to 2023, Statbel - Mon

However, the increases only involved **agriculture** in the BCR, which rose from 3 net creations at the end of 2022 to 10 in 2023 (+233%). In Belgium, the number of net creations also increased in agriculture (from -156 to -144, i.e. +7.7%) and in the **grouping of other sectors** (139 net creations in 2022 to 297 in 2023, representing an increase of 113.7%).

It should be noted that, while net creations in these other sectors increased nationally, they **decreased** in the BCR (-48%). Other decreases were also more significant in the BCR than in Belgium, particularly in the **construction** sector (-285.5% in the BCR vs. -28.9% in Belgium) and **financial and insurance activities** (-108.3% vs. -11.2%). Conversely, some decreases seemed more significant nationally than in the BCR: **retail** (-30.6% in the BCR and -96.1% in Belgium) and, to a lesser extent, **hospitality** (-84.5% vs -111.9%).

Entrepreneurial dynamic

An entrepreneurial dynamic in free fall in 2023, with the rate halving

In the BCR, the net balance of businesses which have been started up rose to **1.4%** of the average number of active businesses in 2023. This rate **was half** (-1.7 pp) that recorded in previous years: there was a gradual increase from 2.8% in 2020 to 3.1% in 2022.

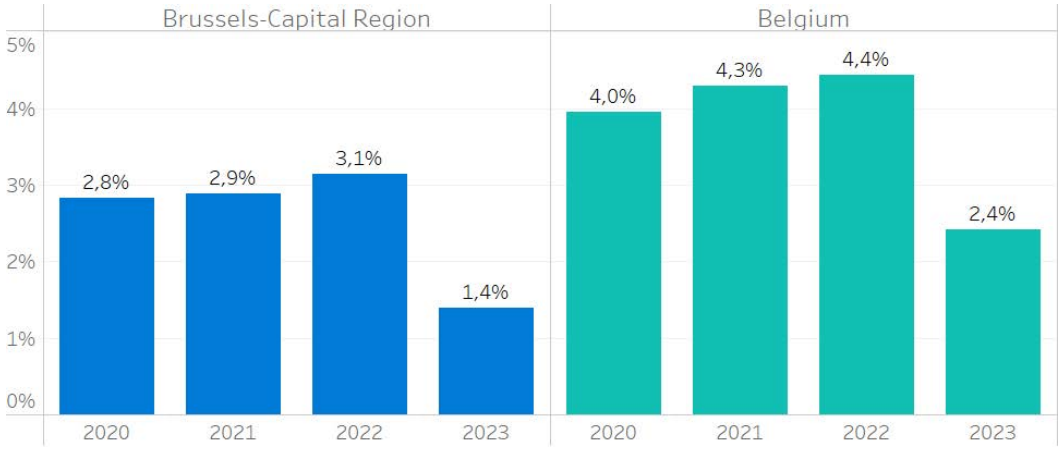


Figure 25. Entrepreneurial dynamic, from 2020 to 2023, BCR and Belgium, Statbel - Monthly data

The entrepreneurial dynamic also collapsed in **Belgium**. It was 4.4% in 2022 and is now just 2.4%, dropping 2.2 pp in the process. These rates are the lowest recorded for several years. In Brussels, there was even an entrepreneurial dynamic of 4% in 2018.

It should also be noted that the figures for 2022 must be qualified by the large number of new jobs attributable to the healthcare sector as a result of the legislative changes with regard to this sector. Excluding this sector from the calculation, the entrepreneurial dynamic would fall to **2.1%** for the BCR (1 pp less than the posted rate), and to **2.8%** for Belgium (-1.6 pp). Rather than increasing in 2022, the entrepreneurial dynamic started to fall.

Although these rates remain positive, meaning that the number of creations continues to exceed the number of cessations, they indicate a **drastic drop in the entrepreneurial dynamic in 2023**, in Brussels and in the rest of the country.

Entrepreneurial dynamic according to the sector of activity

Negative entrepreneurial dynamic in the hotel and catering, retail and construction sectors and in the financial and insurance sector

In addition to the **consolidation of other sectors** with the fewest businesses, at the top of the table we find the two sectors with the highest business start-up rates: **human health and social work** (with a rate of 8.4% in the BCR and 7.9% in Belgium) and **education** (6.8% in the BCR and 5.2% in Belgium). It should be noted that the entrepreneurial dynamic in the healthcare sector decreased compared with 2022, a year in which it was boosted by the legislative changes and the many new start-ups.

In contrast, the sectors of **hospitality** (-2.7%), **retail** (-2%), **construction** (-0.1%) and **financial and insurance activities** (-0/8%) show a negative entrepreneurial dynamic: the number of company closures exceeded the number of business start-ups. The other Brussels sectors show rates of between 0.1% and 5.3%. Lastly, it should be noted that this rate **fell** between 2022 and 2023 **for most sectors** (with the exception of agriculture, which has few businesses, and manufacturing, whose rate remained stable).

The **majority of sectors in Brussels** have recorded **rates lower than the Belgian rates,** with the exception of **healthcare, education,** the **arts, entertainment and recreational activities, agriculture** and **manufacturing**. The largest differences appear in the **financial and insurance activities** sector (-0.1% in the BCR compared with 3.3% in Belgium) and in **construction** (-0.8% compared with 3.3%).

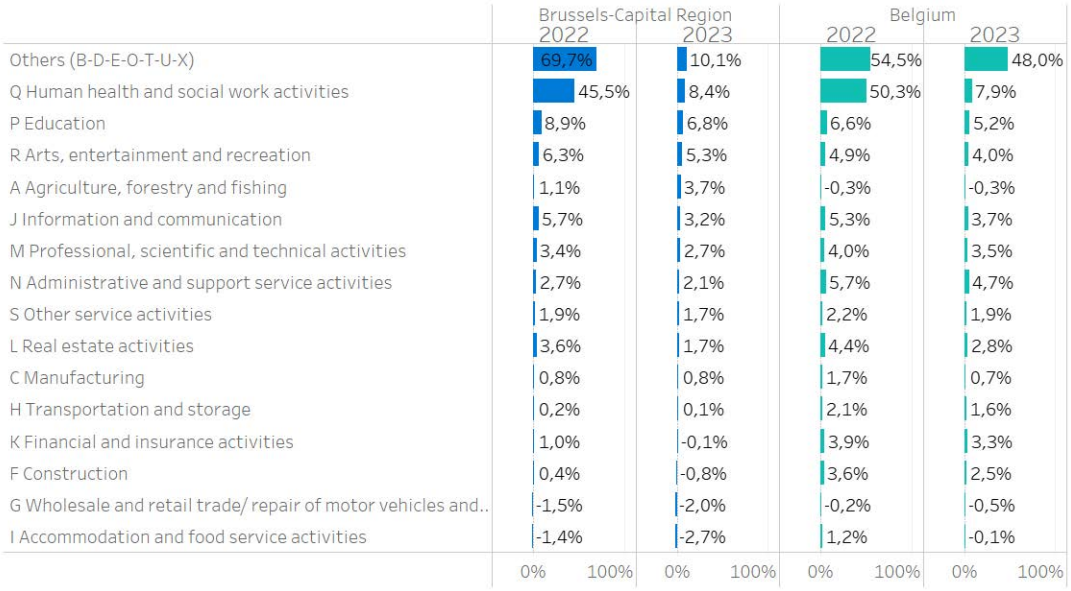


Figure 26. Entrepreneurial dynamic according to the sector of activity, BCR and Belgium, from 2022 to 2023, Statbel - Monthly data

Bankruptcies

Bankruptcies[13]

Change in the number of bankruptcies

The number of bankruptcies fell slightly in 2023, remaining higher than in 2020 and 2021, but still down on the pre-Covid-19 period.

In 2023, **1,679** Brussels businesses were declared **bankrupt,** representing 16.4% of Belgian bankruptcies (57.7% for Flanders and 25.9% for Wallonia), 2.8 pp less than in 2022.

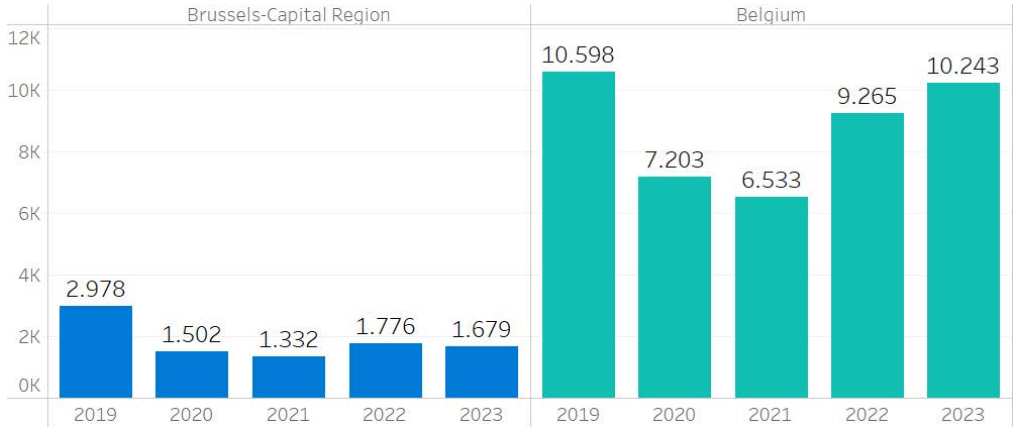


Figure 27. Number of bankruptcies, from 2019 to 2023, BCR and Belgium, Statbel - Monthly data

Despite a **slight drop** compared with 2022 (-5.5%) and an **increase** compared with the values recorded in 2020 and 2021 (+11.8% and +26.1% respectively), the number of bankruptcies recorded in 2023 was still **well down compared with the pre-Covid-19 period,** with 43.6% fewer than in 2019[14].

In **Belgium**, on the other hand, the number of bankruptcies recorded **rose** by 10.6% compared with 2022, gradually catching up with the level reached in 2019 (-3.4%).

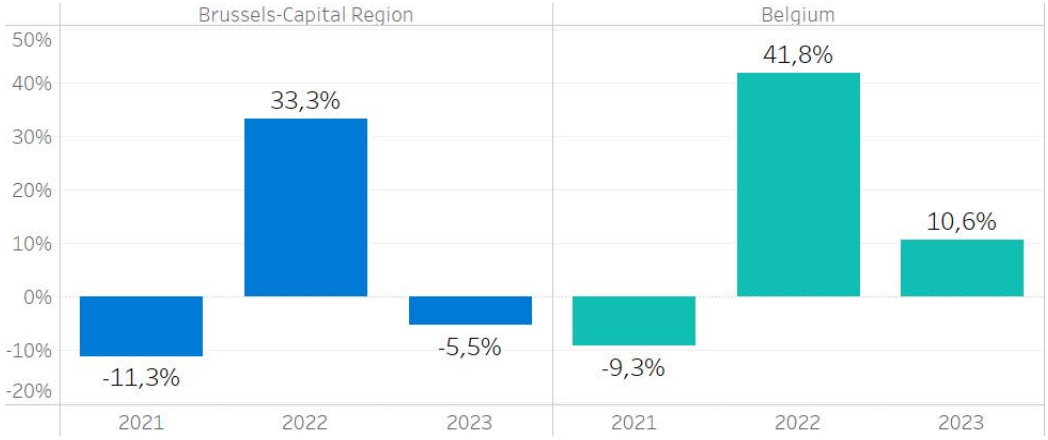


Figure 28. Change in the number of bankruptcies (%), from 2021 to 2023, BCR and Belgium, Statbel - Monthly data

13 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).

14 According to Graydon, the fall in bankruptcies in Brussels could also be partly explained by the fact that the tax and social security authorities are issuing more and more dissolution summonses, which would somewhat truncate the usual bankruptcy statistics.

In the BCR in 2023, the bankruptcy rate (ratio between the number of bankruptcies and the average taxpayer population over the period) was 1.4%, or 1 bankruptcy for every 70 businesses (compared with 1.5% in 2022, the equivalent of 1 bankruptcy for 66 businesses). These rates are **much higher** than the bankruptcy rates for the country as a whole, which were 0.9% in 2023 (1 bankruptcy for every 112 businesses) and 0.8% in 2022 (1 bankruptcy for every 120 businesses).

4,013 job losses due to business bankruptcies were observed in 2023 in the BCR, a slight decrease from 2022 (-5.9%) but a clear decline compared to 2019 (-36%).

Breakdown according to sector

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

The sectors recording the highest number of business bankruptcies, both in the BCR and in Belgium, are **retail** (responsible for 23.4% of the bankruptcies recorded in 2023 in the BCR and corresponding to 777 job losses), **construction** (19.8% and 585 job losses) and **hospitality** (17.4% and 900 job losses - the sector with the highest job losses in 2023).

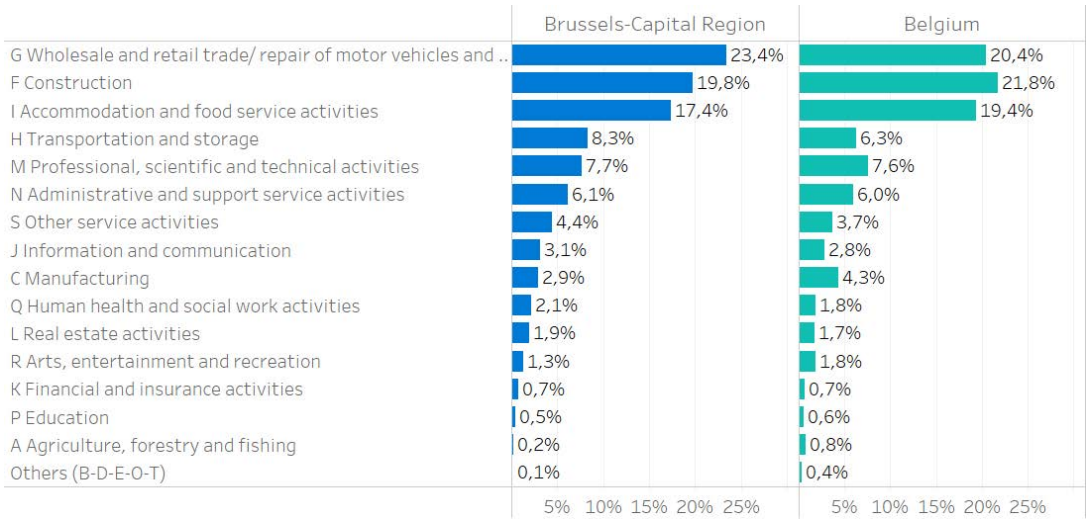


Figure 29. Breakdown of bankruptcies according to the sector of activity, 2023, BCR and Belgium, Statbel - Monthly data

In 2023 in the BCR, nine sectors stood out with a higher proportion of business bankruptcies than the average 16.4% share of Brussels business bankruptcies in all Belgian bankruptcies, all sectors combined. Accordingly, the number of Brussels business bankruptcies in the following sectors represented between 16% and 22% of the total number of bankruptcies recorded in Belgium in these sectors: **transport** (21.5%), **other service activities** (19.4%), **health** (19.1%), **retail** (18.8%), **real estate** (18.6%), **information and communication** (18.4%), **financial and insurance activities** (17.9%), **administrative and support service activities** (16.8%) and **specialised, scientific and technical activities** (16.6%). All other sectors have shares below the average of 16.4%.

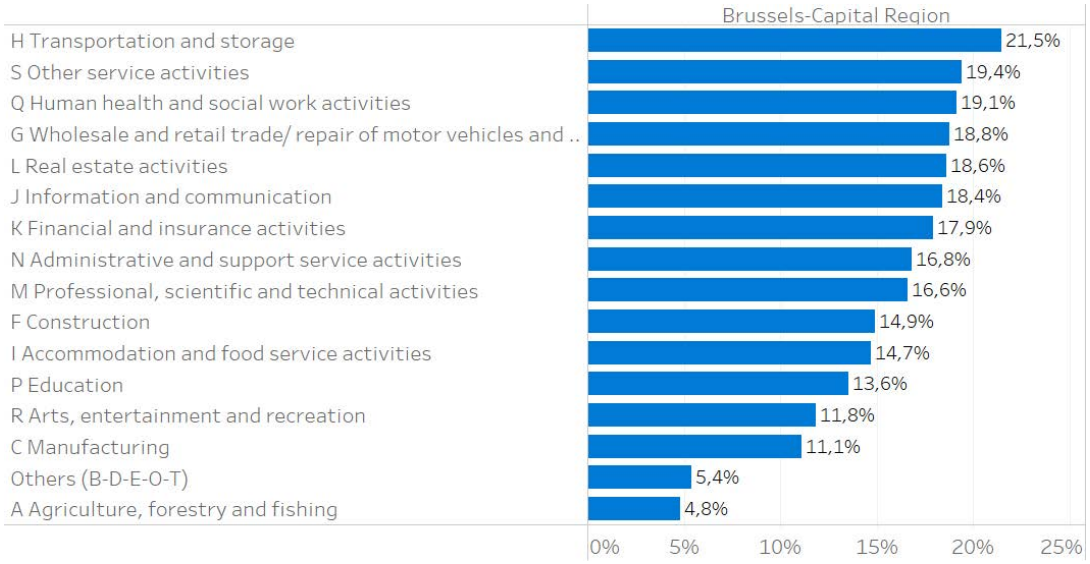


Figure 30. Share of the BCR in company bankruptcies in Belgium, according to the sector of activity, 2023, Statbel, Monthly data

Change in bankruptcies according to the sector

Bankruptcies decreased in a number of sectors, including education, manufacturing and construction.

Unlike 2022, which saw only a **drop** in bankruptcies in education, in 2023 we saw a drop in many sectors: **education** (-33% and already down in 2022), **manufacturing** (-21%), **construction** (-20%), **administrative and support activities** (-17%), **transport and storage** (-16%), **information and communication** (-13%), **arts, entertainment and recreation** (-8%) and **real estate** (-3%).

Some sectors showed little or no change, such as hospitality (+1%), specialised, scientific and technical activities (+0.8%), healthcare (0%) and the grouping of other sectors (0%).

Lastly, four sectors experienced an increase in the number of bankruptcies compared with the previous year. This was the case for **financial and insurance activities** (+100% and declining in 2022), **other service activities** (+48%) and **agriculture** (+33%), although this must be qualified given the small number of employees concerned. **Retail** also experienced an 8% increase compared with 2022.

At Belgian level, almost all sectors experienced an **increase** in the number of bankruptcies of between 3% and 54%, with the exception of arts, entertainment and recreational activities (-9%), information and communication (-6%) and financial and insurance activities (-1.5%) (but only by one bankruptcy).

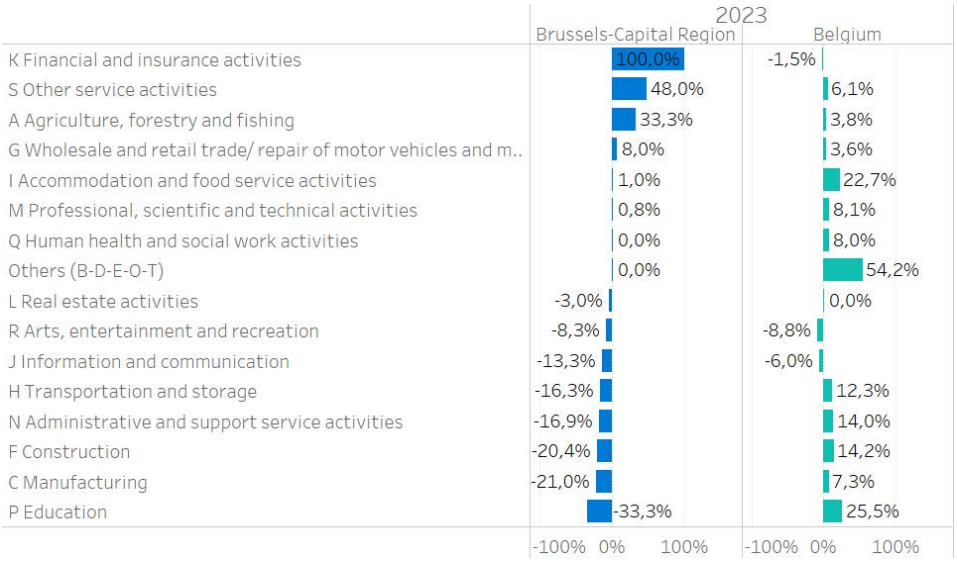


Figure 31. Change in the number of business bankruptcies according to the sector of activity (%), BCR and Belgium, from 2022 to 2023, Statbel - Monthly data

Company arrivals and departures

Company arrivals and departures[15]

Change in the number of relocations

Despite a slight positive trend, the BCR remains the only region with a net outflow

The net number of businesses leaving the **BCR** was **851** in 2023. In the same year, **Flanders** and **Wallonia** recorded an inward increase of **510** and **425** units respectively.

Between 2022 and 2023, Brussels continued to see an **improvement in its net outward relocation deficit**, which fell by 8.2%. However, the total relocation figures (arrivals & departures) remained relatively stable over the period, both in the BCR (+0.2%) and in Wallonia (+0.1%). Flanders experienced a very small drop (-3.2%). As between 2021 and 2022, it also recorded a significant increase in net immigration (+20.3%) between 2022 and 2023, mainly as a result of a decrease in emigration (-5%).

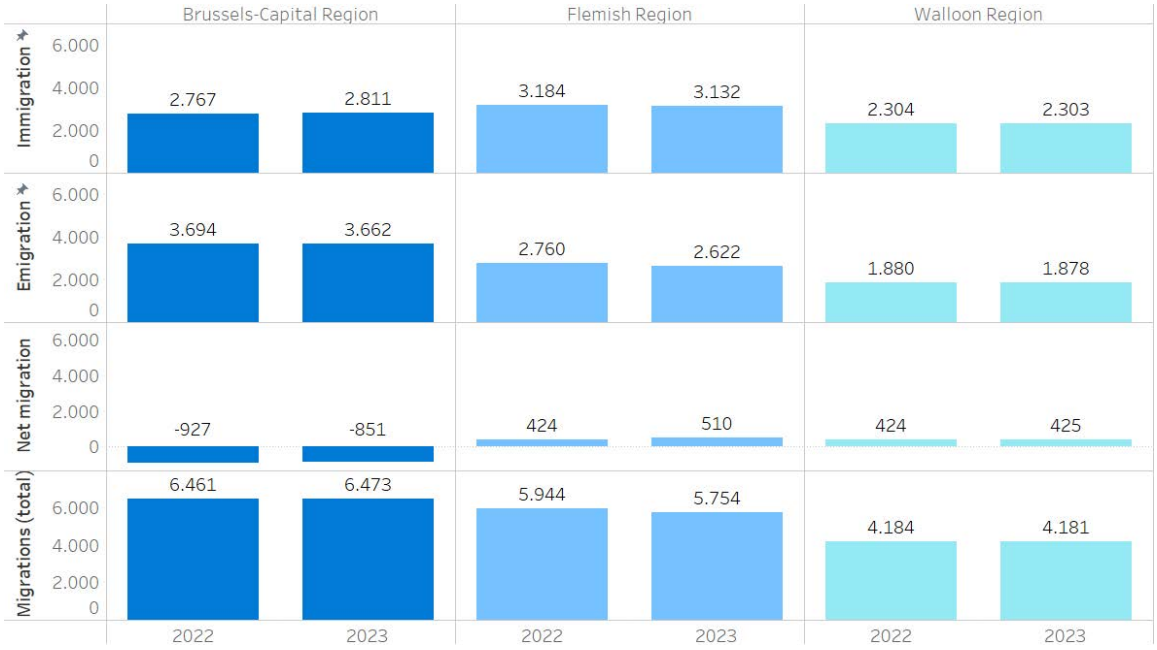


Figure 32. Number of arrivals, departures, net relocations and total relocations by region, from 2022 to 2023, BCR, Flemish Region and Walloon Region, Statbel - Monthly data

15 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 corrections to addresses.

Net relocation according to the sector of activity

Hospitality and retail, the only sectors with a migratory surplus in the BCR

In the Brussels economy, only the **hospitality** and **retail** sectors recorded a higher number of immigrations than emigrations in 2023 (16 and 1 respectively). As in 2021 and 2022, the three sectors with the largest migratory deficits were **construction** (migratory deficit of 245 units), **information and communication** (deficit of 181 units) and **specialised, scientific and technical activities** (deficit of 161 units).

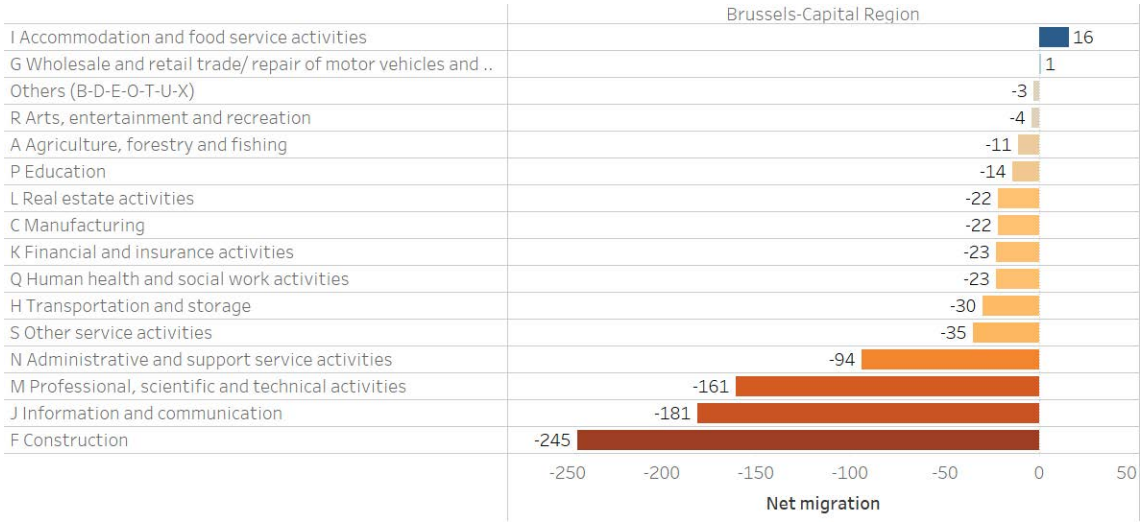


Figure 33. Net migration by sector, 2023, RBC, Statbel - Monthly data

Business relocation intensity according to region

Brussels has the highest business relocation intensity in the country

The proportion of companies which have relocated (inward and outward) has remained stable between 2022 and 2023, in all three regions of the country. However, over the period under review, the BCR has the highest number of companies relocating relative to its business population. In 2023, 5.5% of its companies were subject to arrival or departure from its territory, compared with 1.4% for Wallonia and only 0.8% for Flanders.

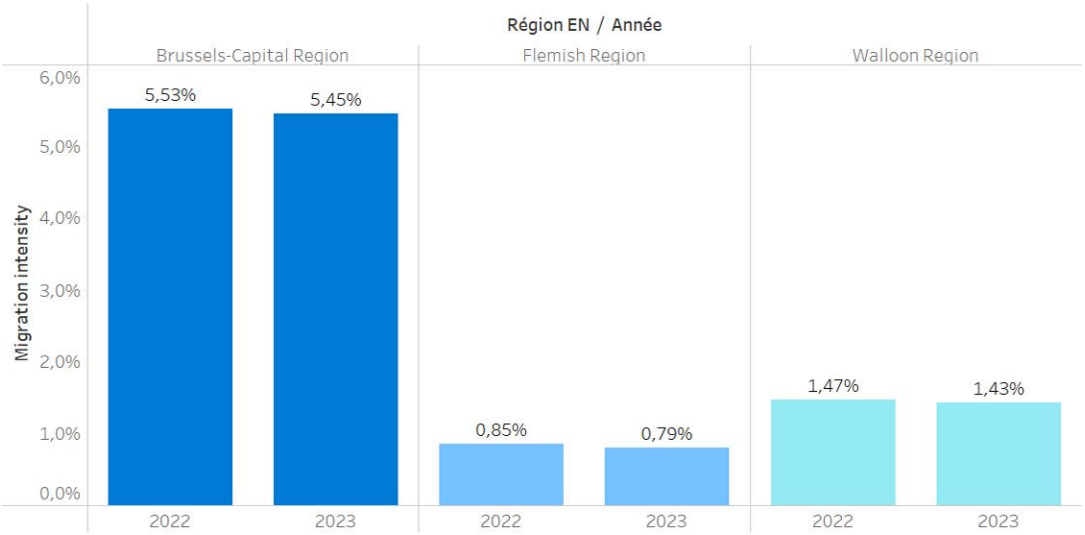


Figure 34. Intensity of business relocations (%) according to region, from 2022 to 2023, BCR, Flemish Region and Walloon Region, Statbel - Monthly data

Appendix

Appendix: Summary tables[16]

Companies

	Number				Change (%)		
	2020	2021	2022	2023	2021-2022	2022-2023	2020-2023
Companies	113.195	115.541	118.286	119.084	+2,4	+0,7	+5,2

Dynamic: start-ups/closures

	Number				Change (%)		
	2020	2021	2022	2023	2021-2022	2022-2023	2020-2023
Start-ups	11.729	12.002	12.964	11.964	+8,0	-7,7	+2,0
Start-up rate	10,5%	10,5%	11,1%	10,1%	+5,7	-9	-3,8
Closures	8.567	8.707	9.292	10.315	+6,7	+11,0	+20,4
Closure rate	7,6%	7,6%	7,9%	8,7%	+3,9	+10,1	+14,5
Net creations	3.162	3.295	3.672	1.649	+11,4	-55,1	-47,9
Entrepreneurial dynamic	2,8%	2,9%	3,1%	1,4%	+6,9	-54,8	-50,0

Bankruptcies

	Number				Change (%)		
	2020	2021	2022	2023	2021-2022	2022-2023	2020-2023
Bankruptcies	1.502	1.332	1.776	1.679	+33,3	-5,5	+11,8

Dynamics: arrival/departure

	Number		Change (%)
	2022	2023	2022-2023
Immigration	2.767	2.811	+1,6
Departures	3.694	3.662	-0,9
Net relocations[17]	-927	-851	+8,2

16 Based on monthly (cumulative) data as of 31/12.

17 Balance of relocations: Arrivals - Departures

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