

BELGIUM

Country profile

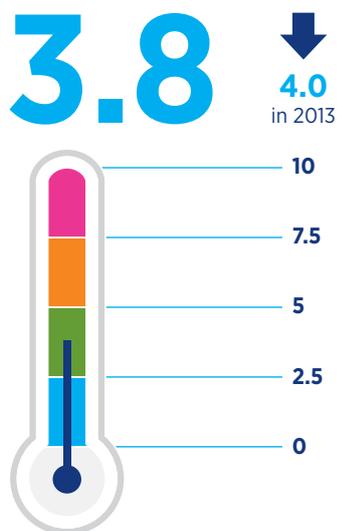
Belgium's decline in its overall score this year reflects continued weakness in GDP growth which is expected to be 1.2% during 2014.

Although this is well above last year's growth rate of 0.2% it remains well below the long-term growth average.

Unemployment remains persistently high and is projected to increase slightly during 2014 to 8.6%.

Staffing costs faced by firms have been increasing in Belgium and this is behind the moderately high overall wage pressure.

Overall score

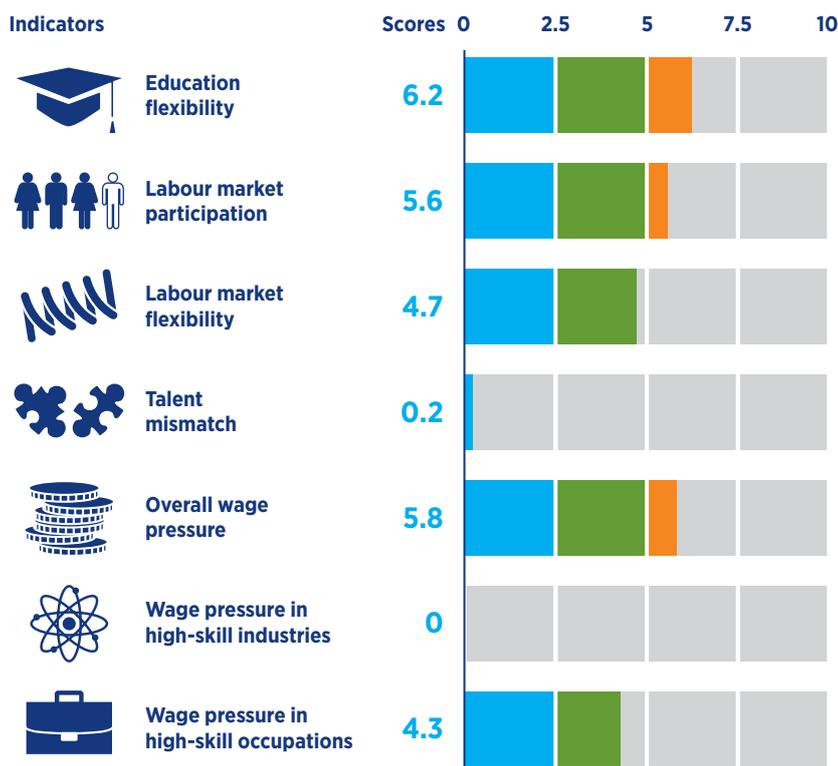


Background economic data

	2013	2014 [†]
Population	11.2m	11.3m
GDP		
GDP (Billion EUR*)	385	390
GDP growth	0.2%	1.2%
GDP/head (EUR*)	34,400	34,600
Unemployment		
Unemployment rate	8.4%	8.6%
Long-term unempl. rate	3.8%	3.8%

*2014 prices †Average forecast figures for 2014

Breakdown of seven indicator scores



Key finding

Talent mismatch is surprisingly low given the overall unemployment rate but that is because Belgium's unemployment rate was also high pre-recession.

Downward pressure from:

- Talent mismatch
- Wage pressure in high-skill industries
- Wage pressure in high-skill occupations

Upward pressure from:

- Labour market participation
- Overall wage pressure
- Increase in education levels

View from the ground

During the recession, the Belgian Government took preventive cost measures (e.g. part-time unemployment for white collars) in order to protect the Belgian GDP and labour market, leaving the country's revival weaker compared to other European countries. These decisions resulted in less GDP growth compared to other countries in the EU region. These preventive decisions made the unemployment rate (8.5%) much lower compared to the European average but resulted in a smaller candidate pool. Finally, the qualitative shortage of high-skilled employees following the brain drain in life sciences, IT and engineering and technology has resulted in levelling at lower levels which is only partially covered by the hiring of foreign young potentials.

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