



VBO

Verbond van
Belgische
Ondernemingen

FEB

Fédération des
Entreprises de
Belgique

Joint Conference - Promoting and Reinforcing the EU Social Dialogue

5th of July

Edward Roosens – Chief Economist

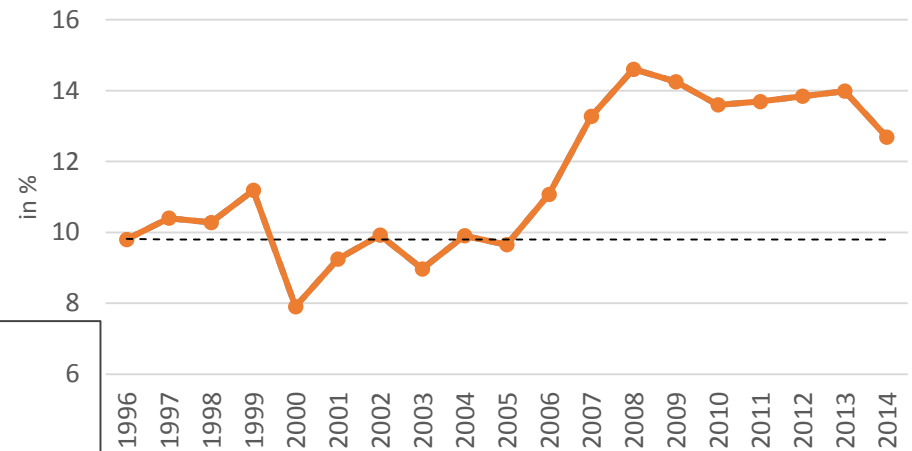
Belgian Federation of Enterprises

ECONOMIC SITUATION IN 2013: LACK OF COMPETITIVENESS

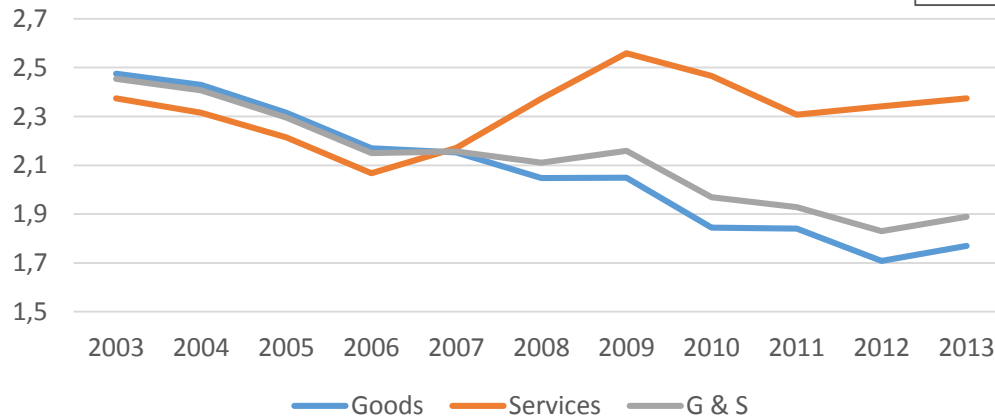


- Wage gap with neighbours (DE, FR, NL) was still 14% in 2013 ...

Wage gap with neighbours (CCE)



Belgian trade shares in world trade (%; Eurostat)



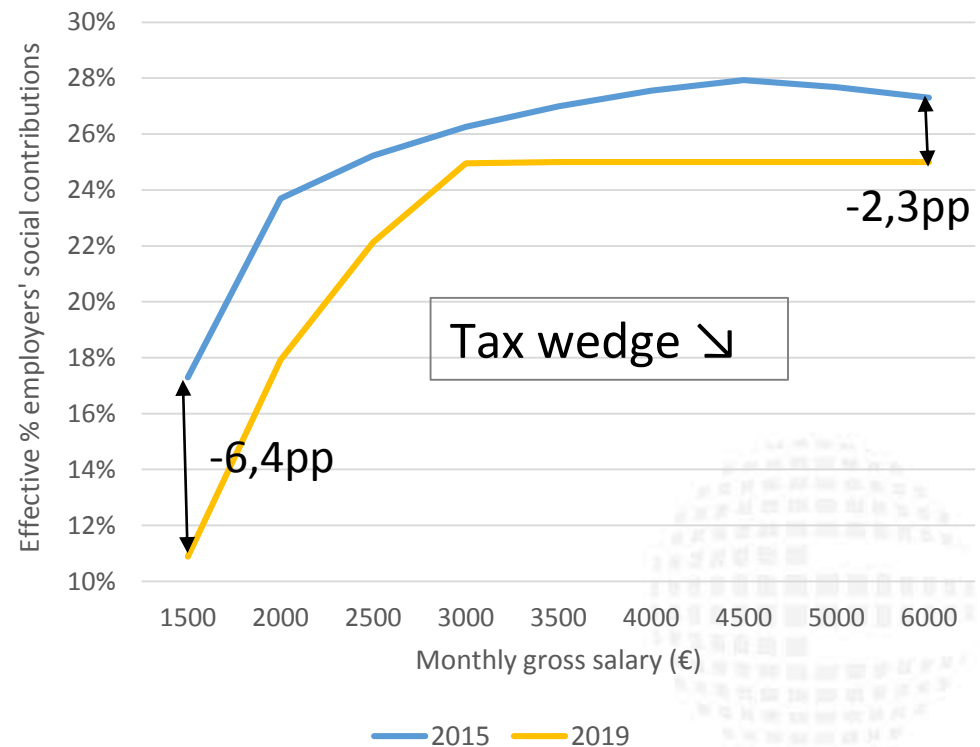
- Belgium loses trade shares, especially on the goods market

LABOUR COST REFORM: A STEP IN THE RIGHT DIRECTION



- Government has taken measures in order to **lower labour cost**
- **Wage cost moderation**
- **Indexation stop: -2%**
- Tax shift (gradual):
 - Reducing effective **employers' social contributions** to a maximum of 25% in 2019: 3 bn€
 - Increasing **purchasing power** (e.a. personal tax scheme): 4,25 bn€

Reform of employers' social contributions: much lower labor cost --> more competitiveness



LABOUR COST REFORM: INVOLVEMENT OF SOCIAL PARTNERS



- Since 2013, wage cost moderation took place
- BUT no unanimous agreement between social partners
 - 2013-2014: Government had to intervene
 - 2015-2016: 1 union did not sign the agreement
- Next periods: new Law is in negotiation between social partners, but positions widely divergent
- Lack of consent between social partners on these measures somewhat surprising, as clear positive impact on private sector employment is already showing

EMPLOYMENT: RECOVERY ON TRACK ?



Number of employees in private sector (x1000; BNB)

