



BELGIUM

State of Play – Winter 2017



MACROECONOMIC SITUATION

- Modest growth in 2016, driven both by domestic and external demand
- No imbalances (no In-Depth Review)**
- Competitiveness continues to improve
 - Government measures bearing fruit with job creation in the private sector but the employment rate is still low, in particular for certain groups
 - Public debt is expected to start decreasing as of 2017 from a high level



PROGRESS ON COUNTRY-SPECIFIC RECOMMENDATIONS

Substantial progress

- on reforming the wage-setting framework

Some progress

- on improving the functioning of the labour market and on educational reforms
- on tax reform; tax shift supports employment growth and reduces tax wedge on labour
- on addressing investment shortfalls with the proposed national pact for strategic investments

Limited progress

- on an enforceable distribution of fiscal targets among the various levels of government, as well as on competition in the business services and retail sectors and on boosting innovation



FISCAL SITUATION

- No excessive deficit
- Structural balance is far from the medium-term budgetary objective
- Public debt above the 60% of GDP reference value, required to be put on an appropriate downward path
- Draft Budgetary Plan 2017 assessed as being at risk of non-compliance with the rules of the Stability and Growth Pact



POLICY HIGHLIGHTS

- Pension reform projected to significantly reduce the increase in the cost of ageing

More info at

<https://ec.europa.eu/info/strategy/european-semester/european-semester-timeline/analysis-phase>