



Eurotrans Economic Report Belgium – June 2010

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Agoria

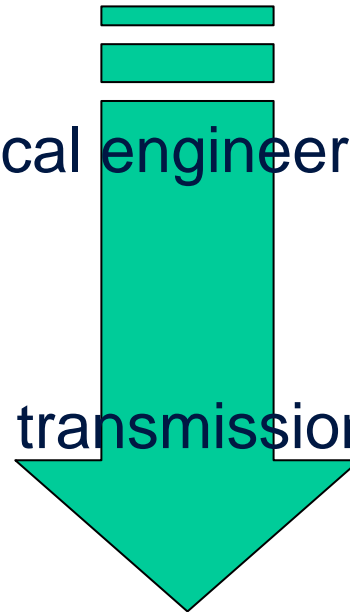
www.agoria.be

Presentation outline

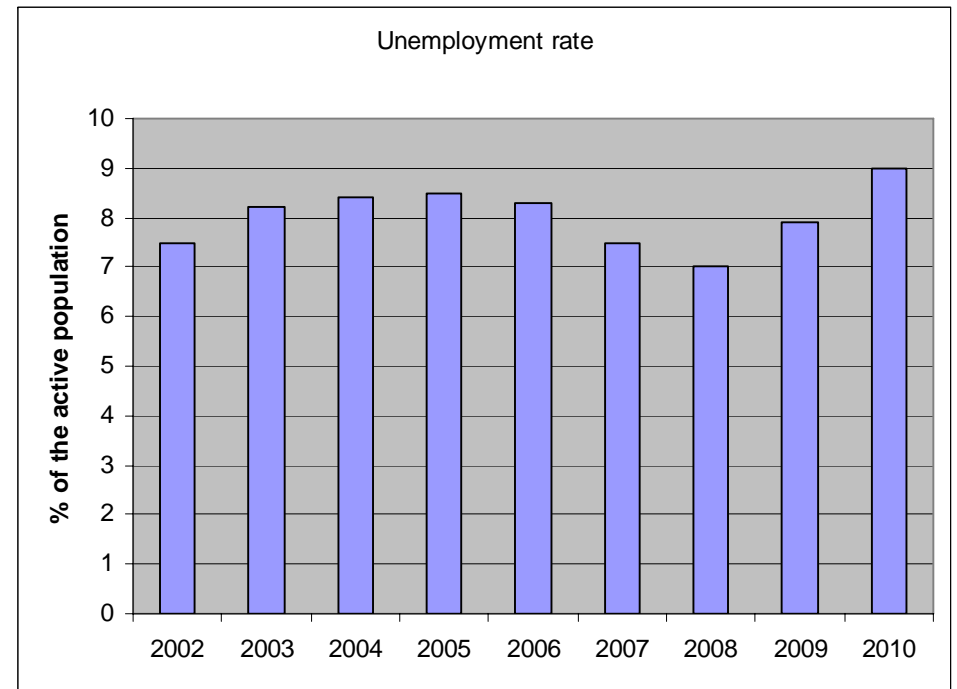
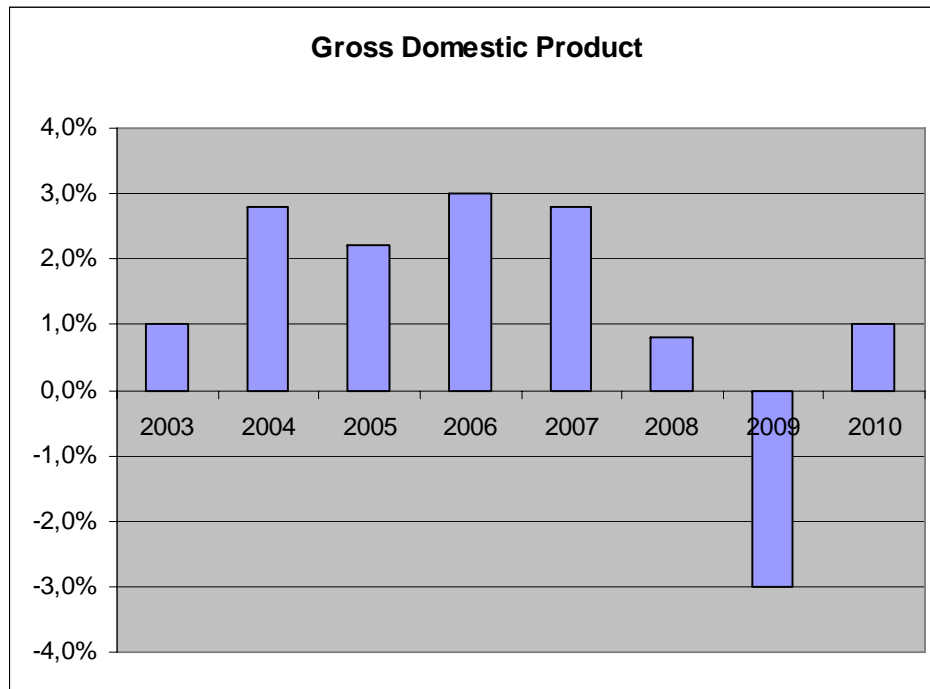
General economic situation

Mechanical engineering sector

Power transmission sector



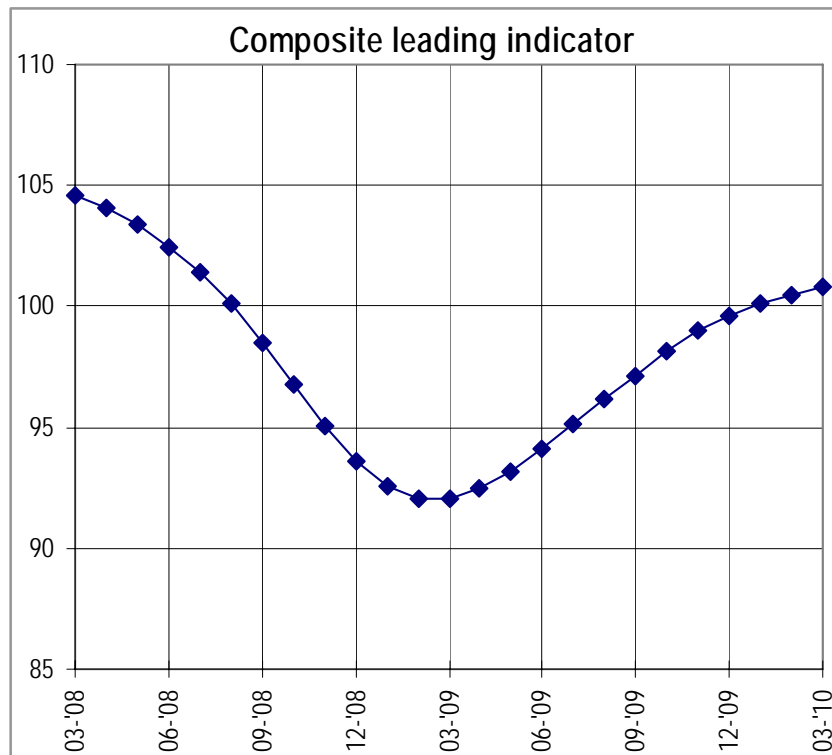
General economic situation



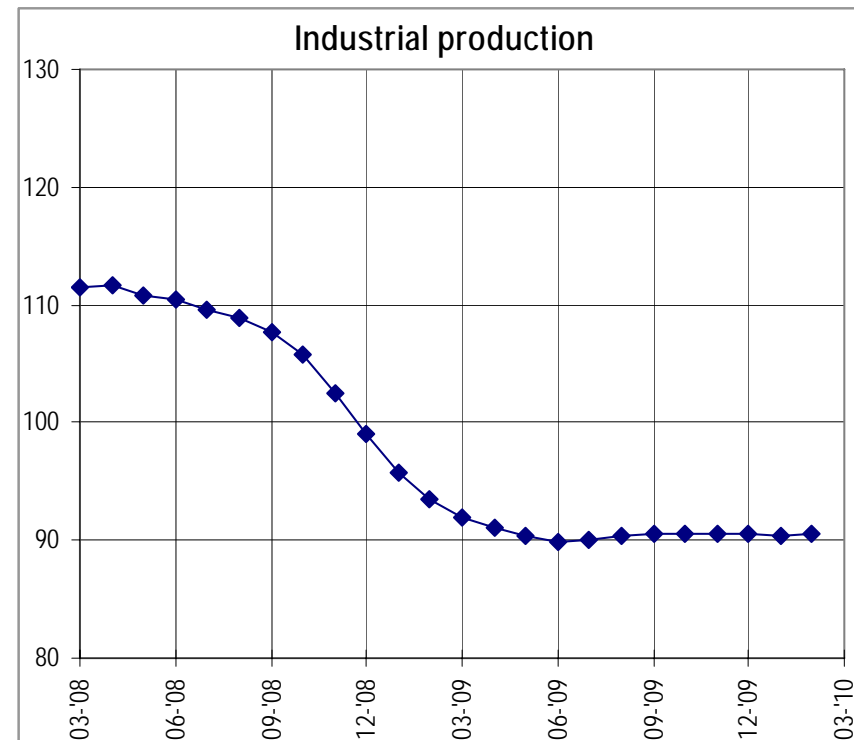
General economic situation

- Small, open economy hit by global crisis
 - fall in world trade
 - tightening of lending conditions
- Gradual recovery ahead
 - weak investments
 - higher unemployment
- The competitive position weakened in recent years and little improvement is expected
 - low tech export, low export to emerging countries
 - high wage costs
- Fiscal deterioration is to be reversed:
 - was 1,2% of GDP in 2008
 - is 6,0% of GDP in 2009
 - is projected to be 5% of GDP in 2010

General economic situation



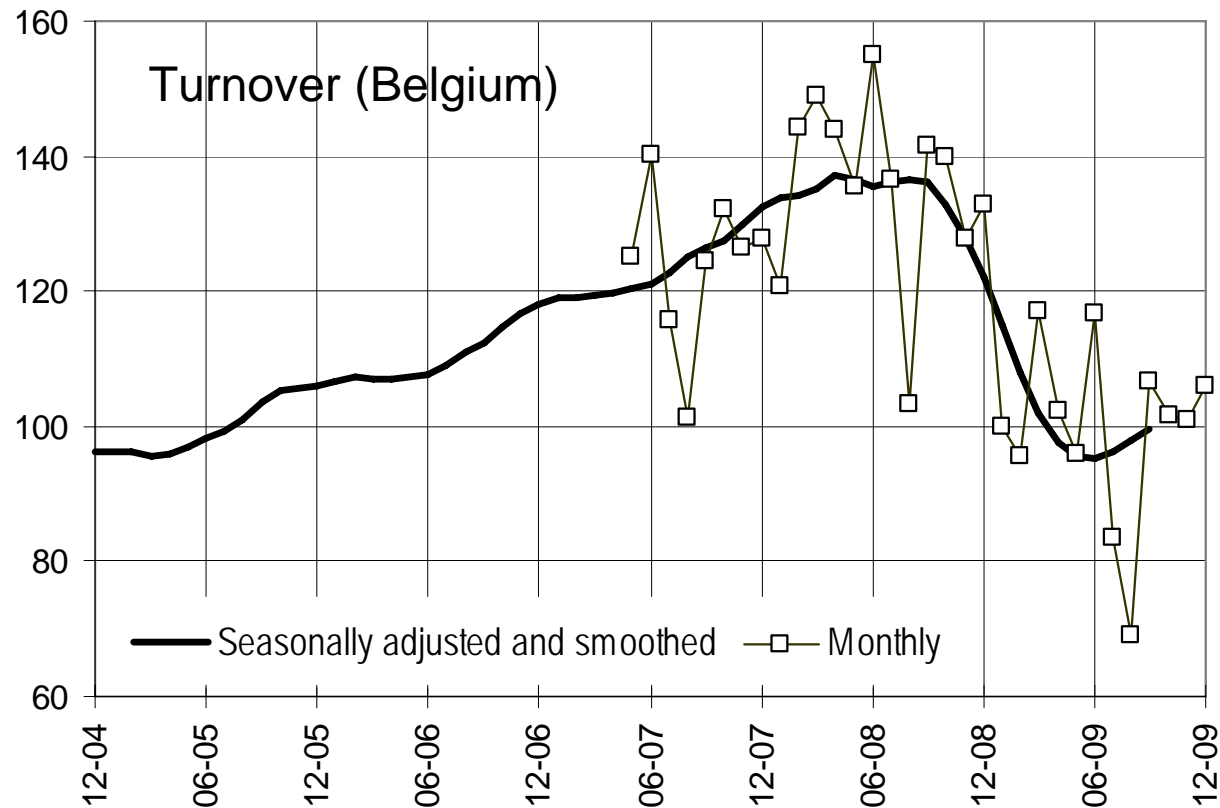
Gives an indication of the anticipated development of the economy
Long Term Tendency = 100



Gives an indication of climate in the Industry, 3 months mobile average,
Index 2005 = 100

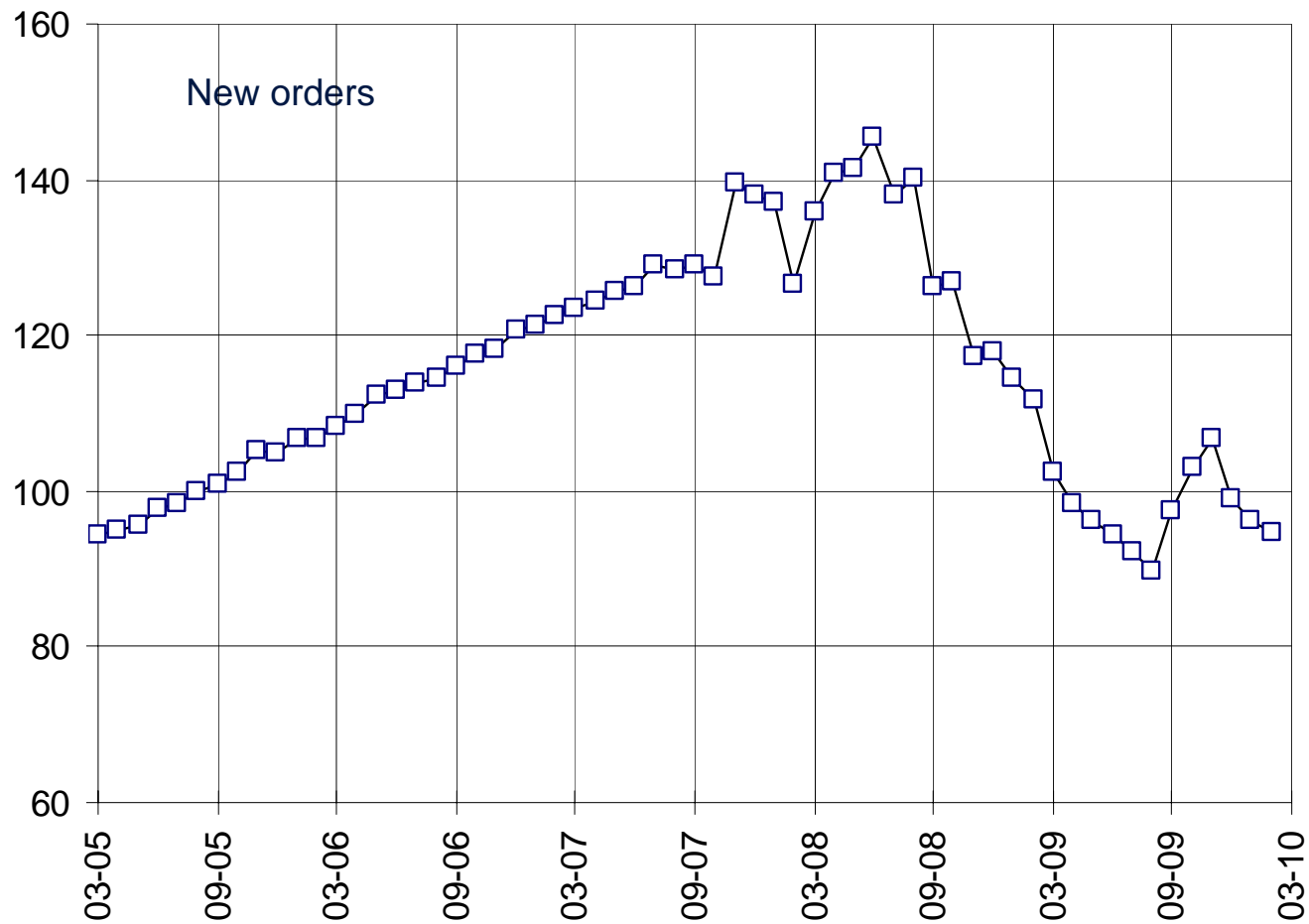
Mechanical engineering sector

The mechanical engineering sector suffered a severe fall back



Seasonally adjusted and smoothed 2005 = 100

Mechanical engineering sector



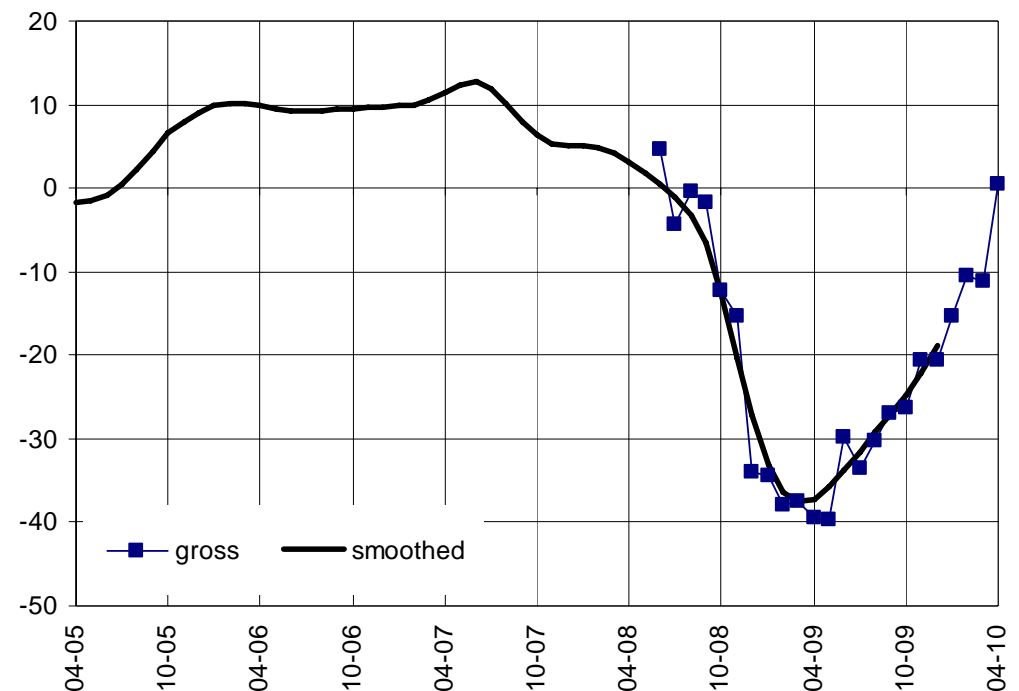
Seasonally adjusted and smoothed 2005 = 100

Mechanical engineering sector

“The mechanical engineering sector suffered severely from the worldwide economic crisis”

- The economic barometer is recovering
- Forecasts are pointing to a slow recovery

Economic barometer

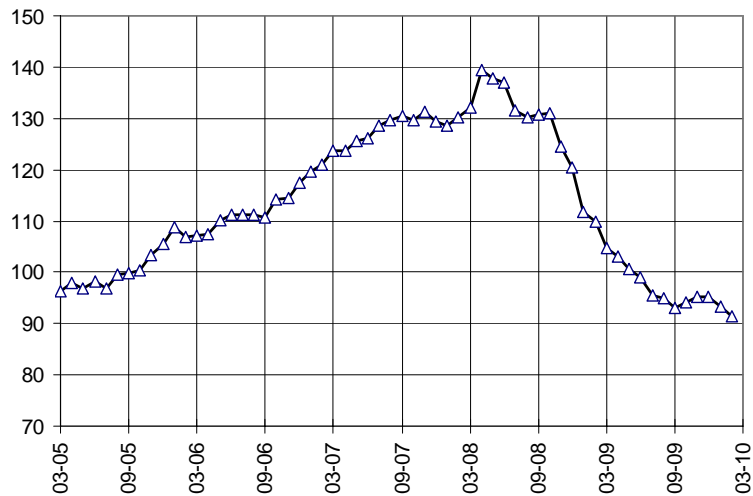


Mechanical engineering sector

“The mechanical engineering sector suffered from the worldwide economic crisis”

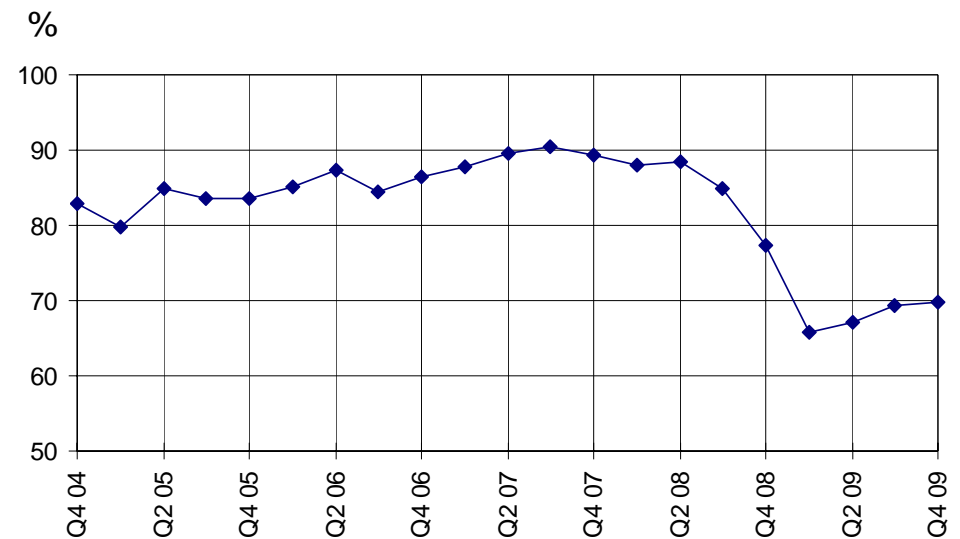
- > Employment fell 10%
- > Sales prices remain stable

Production (Belgium)



Year 2005 = 100

Utilisation of production capacity

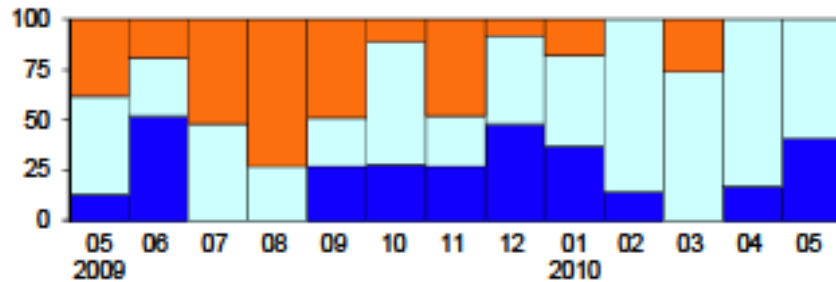


Power transmission sector

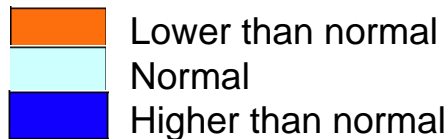
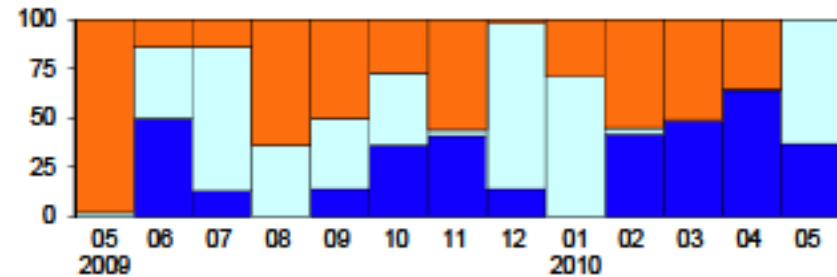
“Compared to other mechanical engineering sectors, the power transmission sector succeeded in limiting the damage”

The number of new orders received in Q1 10 are improving but still on a low level.

New orders Home Market



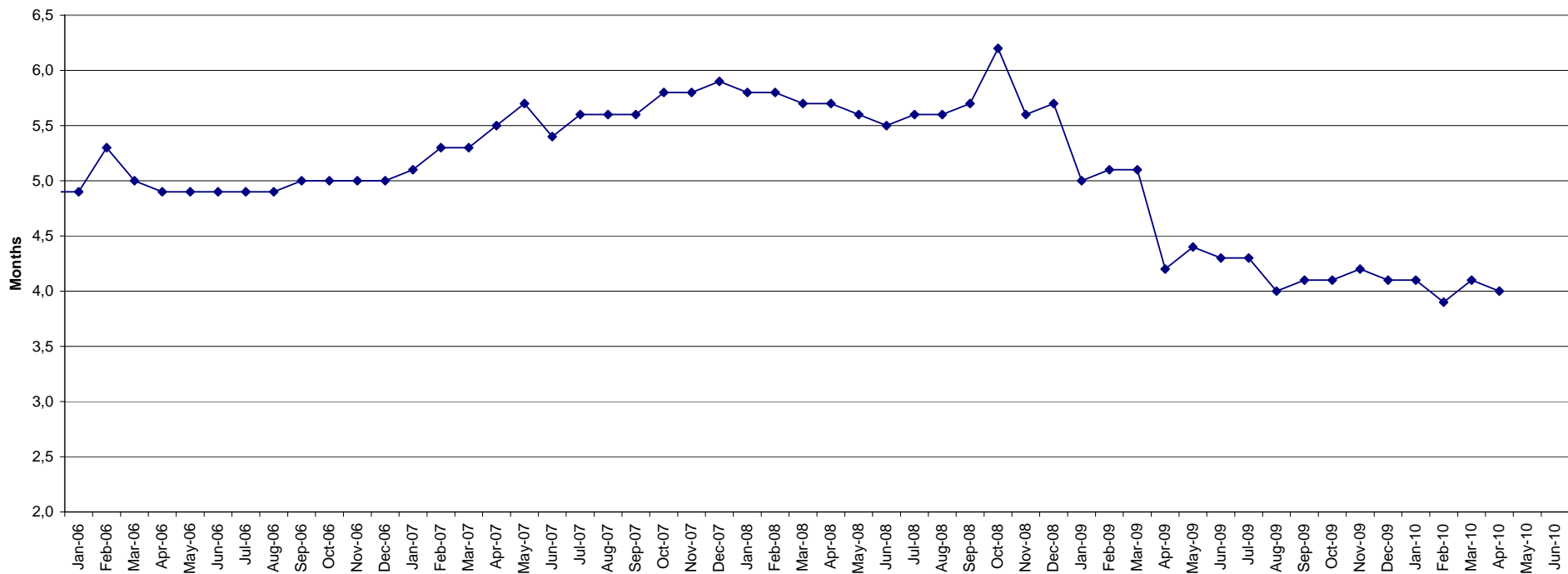
New orders Export Market



Survey sent to: Grimonprez, Twin Disc, Jtekt Torsen, SOHB, HTI, Genker machienefabriek

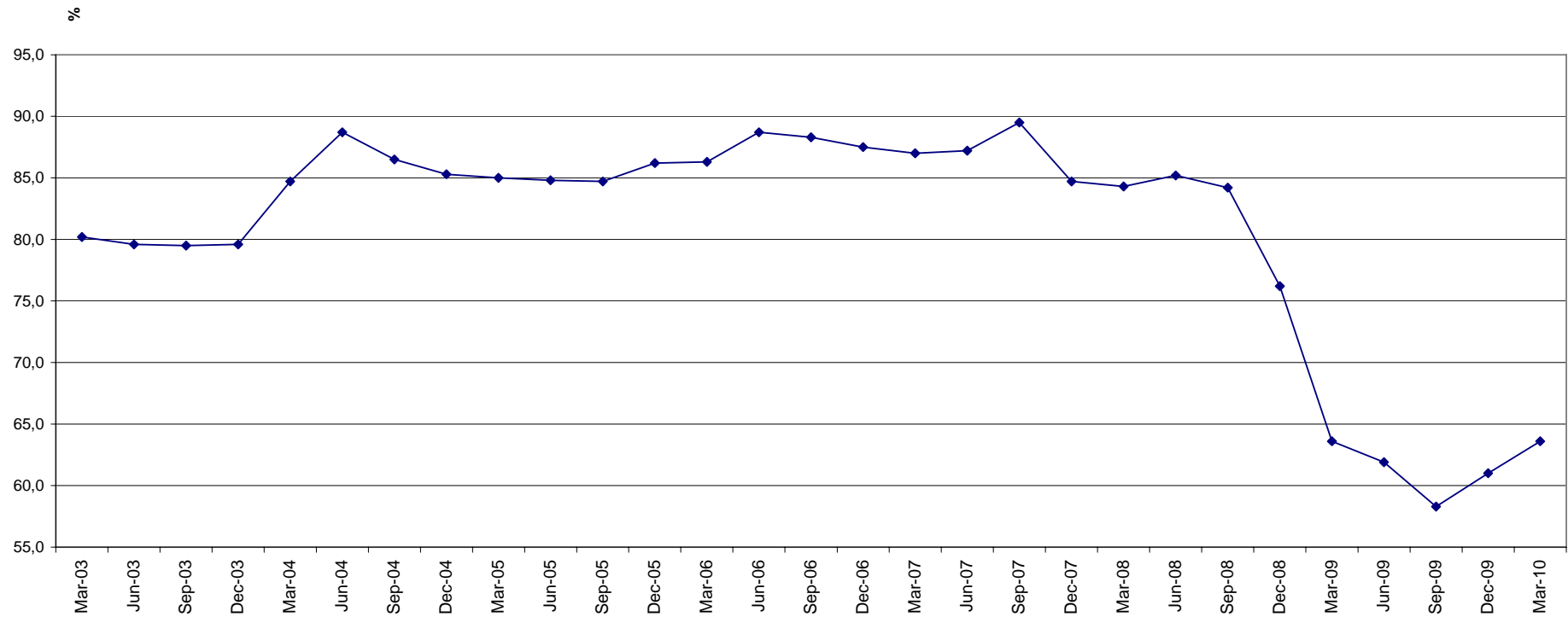
Power transmission sector

Average assured activity duration in months

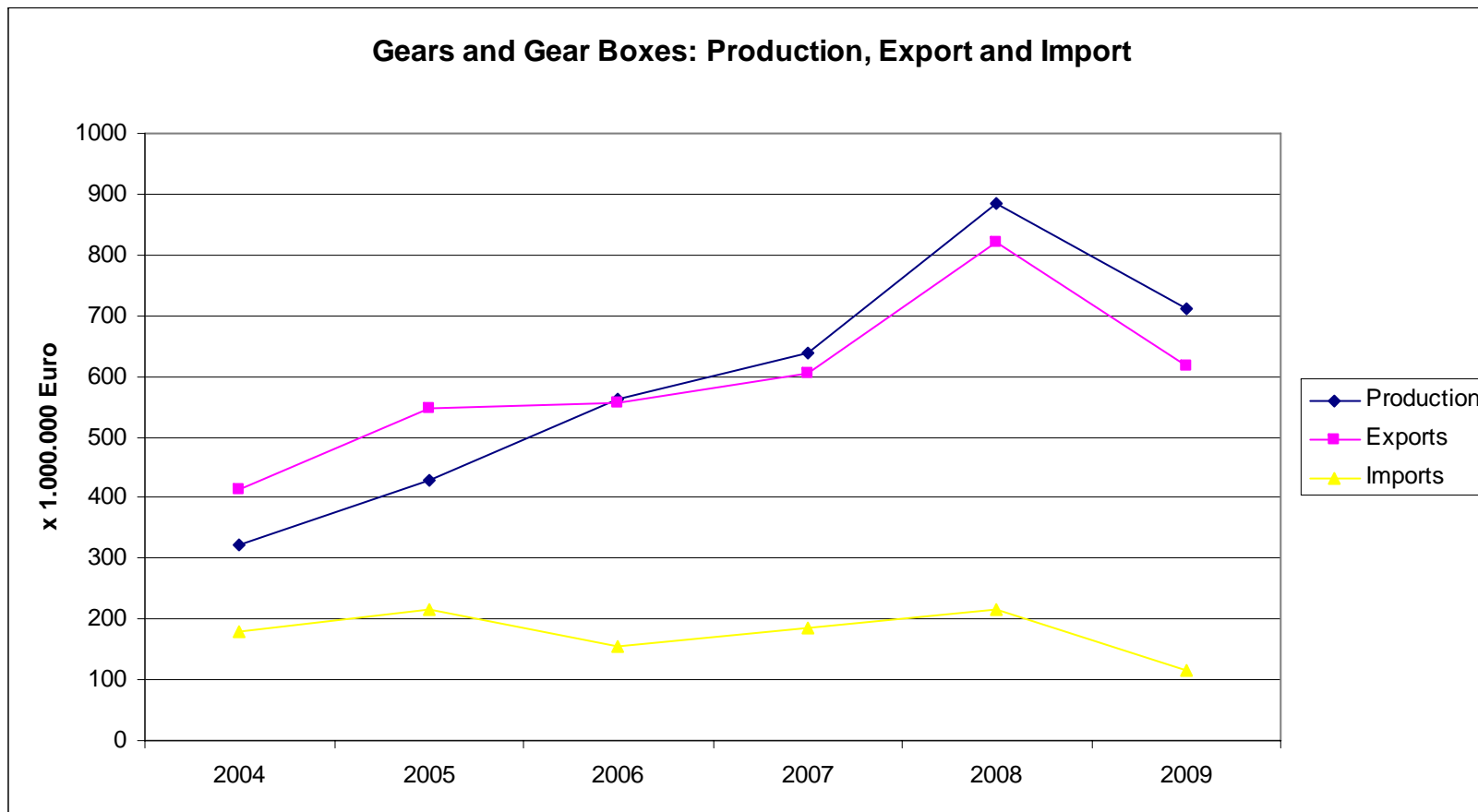


Power transmission sector

Utilisation of capacity



Power transmission sector



State of business EUROTRANS "BELGIUM" 2005 - 2009

Country: **Belgium**
 Organisation: **Agoria**
 Date: 01/06/2010



1. PRODUCTION	2005		2006		2007		2008		2009	
	Mio. EURO	%	Mio. EURO	%	Mio. EURO	%	Mio. EURO	%	Mio. EURO	%
Gears & Gearboxes					638,814		884,027	38,4%	710,629	-19,6%
Transmission Elements										
Chains										
Total	431,815	24,6%	565,453	23,6%	642,002	11,9%	888,032	38,3%	713,377	-19,7%
2. EXPORTS (in total)	Mio. EURO	%	Mio. EURO	%	Mio. EURO	%	Mio. EURO	%	Mio. EURO	%
Gears & Gearboxes	546,773	32,3%	557,613	2,0%	605,228	8,5%	820,962	35,6%	617,923	-24,7%
Transmission Elements	101,060	13,7%	109,288	8,1%	133,951	22,6%	300,358	11,0%	216,638	-27,9%
Chains	17,069	8,3%	19,945	16,8%	27,254	36,6%	27,529	1,0%	19,766	-28,2%
Total	664,902	28,3%	686,846	3,3%	766,433	11,6%	1148,849	49,9%	854,327	-25,6%
3. IMPORTS (in total)	Mio. EURO	%	Mio. EURO	%	Mio. EURO	%	Mio. EURO	%	Mio. EURO	%
Gears & Gearboxes	216,867	20,3%	155,858	-28,1%	186,697	19,8%	215,931	15,6%	116,615	-46,0%
Transmission Elements	201,624	12,2%	217,772	8,0%	271,08	24,5%	409,628	3,9%	257,111	-37,2%
Chains	23,386	11,3%	25,915	10,8%	30,057	16,0%	29,623	-1,4%	21,793	-26,4%
Total	441,877	16,0%	399,545	-9,6%	487,834	22,1%	655,182	34,3%	395,519	-39,6%
<i>in real terms</i>	2005		2006		2007		2008		2009	
	Power T. change %	ME change %	Power T. change %	ME change %	Power T. change %	ME change %	Power T. change %	ME change %	Power T. change %	ME change %
4. Turnover**										
Home market	-2,4%	9,1%	33,2%	6,3%	30,6%	13,6%	8,5%	N/A	-35,4%	N/A
Exports	26,0%	5,8%	3,3%	14,5%	11,6%	16,2%	49,9%	N/A	-25,6%	N/A
Total	24,6%	6,9%	10,5%	12,0%	17,1%	15,1%	36,6%	-7,7%	-28,1%	-28,5%
5. Incoming Orders**										
Home market										
Exports										
Total										
6. Forecast** (next 6 months):										
7. Utilization of capacity	2005		2006		2007		2008		2009	
average < 80%	Low									XXX
80-90%	Normal	XXX		XXX		XXX		XXX		
> 90%	High									
8. ORDER BOOK										
(in months)	4,3		5,0		5,6		5,7		4,4	
9. National values:	2005		2006		2007		2008		2009	
GDP [Mio. EURO]	302.112		318.223		334.917		330.565		327.720	
Unemployment Rate [%]	8,3		8,2		7,4		7,0		7,9	
Inflation Rate [%]	2,8		1,8		1,8		4,5		0,3	
(app) Employees ME	43.832		44.349		45.920		44.469		38.565	

World trade gears

Country: Belgium

Product: Gears and Gearboxes (Nace 2815)

Year: 2009

[Mio €]

Shipments To

Shipments From	Shipments To																
	Americas	USA	Others as needed	Europe	-France	-Italy	-Germany	-Belgium	-Finland	-Denmark	-Others	Asia and Africa	-Japan	-China	-India	-Others	Rest of the World
Americas -- total								12									
-USA								12									
-Others as needed								0									
Europe -- total								97									
-France								14									
-Italy								41									
-Germany								17									
-Belgium	67	59	8	442	17	73	29		8	206	109	95	1	31	47	16	14
-Finland								0,2									
-Denmark								3									
-Others as needed								21,8°									
Asia and Africa -- total								7									
-Japan								5									
-China								1									
-India								1									
-Others as needed								0									
Rest of the World								1									

° mainly to The Netherlands (7), the UK (5) and Tsjech Republic

Increase (Δ 2008)
 Constant (Δ 2008)
 Decrease (Δ 2008)