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# POPULAR ANNUAL FINANCIAL REPORT

CITY OF BRUSSELS,  
BELGIUM

# POPULAR FINANCIAL REPORT

POPULAR FINANCIAL REPORTS ARE REPORTS DISTRIBUTED TO CITIZENS AND OTHER INTERESTED PARTIES WHO LACK A BACKGROUND IN FORMAL GOVERNMENT FINANCIAL REPORTING BUT WHO DESIRE AN OVERVIEW OF THE GOVERNMENT'S FINANCIAL STATUS AND ACTIVITIES.

THE OVERALL ANNUAL FINANCIAL REPORT IS PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) AND INCLUDES AUDITED FINANCIAL STATEMENTS. AS SUCH, IT PROVIDES MUCH MORE DETAIL AS WELL AS COMPLETE DISCLOSURE ON ALL RELEVANT EVENTS, BOTH FINANCIAL AND NON-FINANCIAL. THE GAAP PRESENTATION ALSO INCLUDES THE CITY'S COMPONENT UNITS (RELATED ORGANIZATIONS) AND INDIVIDUAL FUND INFORMATION

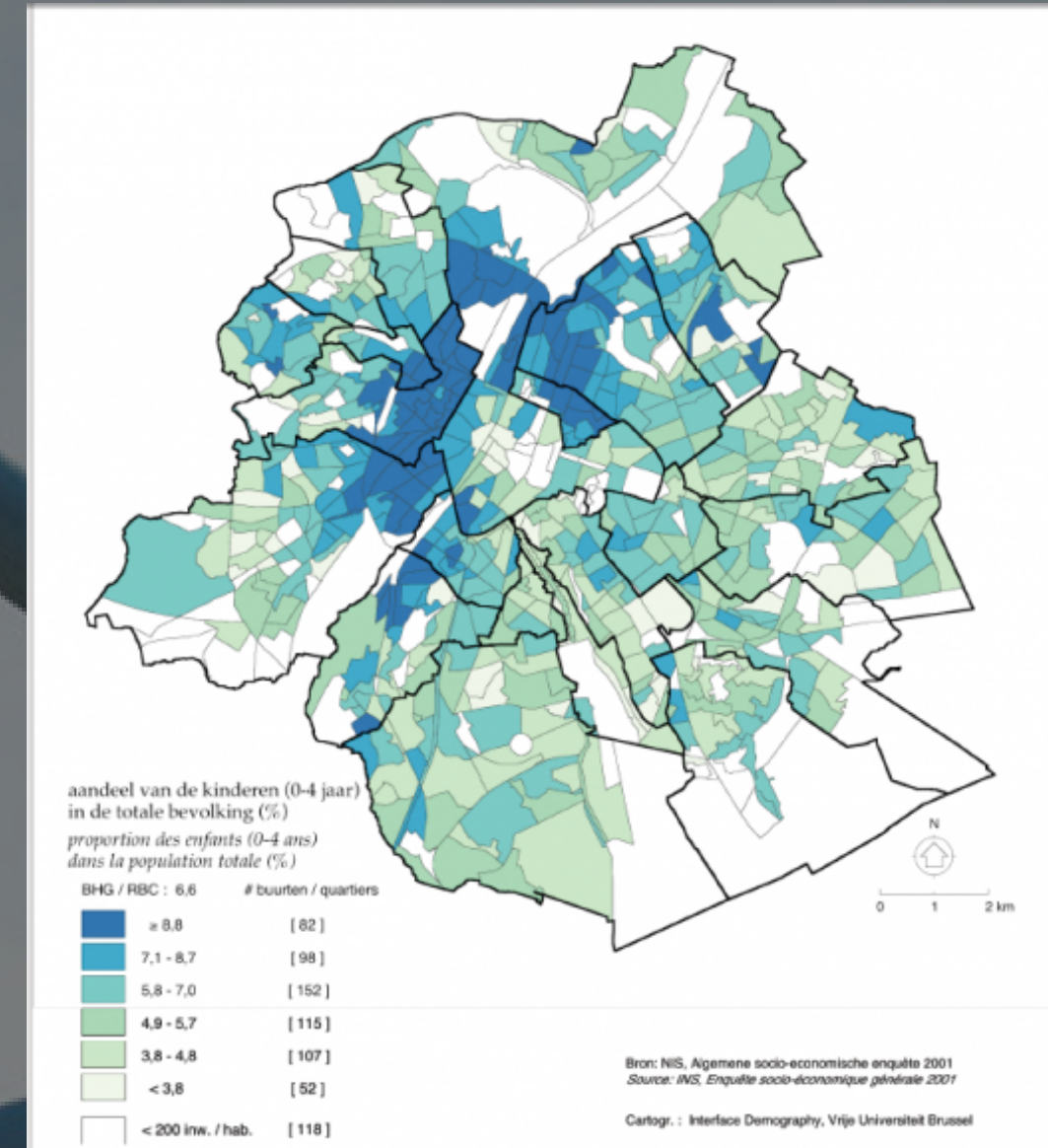
# ABOUT CITY OF BRUSSELS

THE CITY OF BRUSSELS IS THE LARGEST MUNICIPALITY AND HISTORICAL CENTRE OF THE BRUSSELS-CAPITAL REGION, AS WELL AS THE CAPITAL OF THE FLEMISH REGION AND BELGIUM. THE CITY OF BRUSSELS IS ALSO THE ADMINISTRATIVE CENTRE OF THE EUROPEAN UNION, AS IT HOSTS A NUMBER OF PRINCIPAL EU INSTITUTIONS IN ITS EUROPEAN QUARTER.

BESIDES THE CENTRAL HISTORIC TOWN LOCATED WITHIN THE PENTAGON, THE CITY OF BRUSSELS COVERS SOME OF THE CITY'S IMMEDIATE OUTSKIRTS WITHIN THE GREATER BRUSSELS-CAPITAL REGION, NAMELY THE FORMER MUNICIPALITIES OF HAREN, LAEKEN, AND NEDER-OVER-HEEMBEEK TO THE NORTH, AS WELL AS THE AVENUE LOUISE/LOUIZALAAN AND THE BOIS DE LA CAMBRE/TER KAMERENBOS PARK TO THE SOUTH-EAST, WHERE IT BORDERS MUNICIPALITIES IN FLANDERS.

# GEOGRAPHICAL LOCATION

LOCATED BETWEEN THE ATLANTIC OCEANFRONT OF SANDY LOWLANDS AND POLDERS TO THE NORTH AND THE RUGGED ARDENNES HIGHLANDS TO THE SOUTH, BRUSSELS HAS LONG PLAYED THE ROLE OF ECONOMIC AND TRANSPORTATION NEXUS FOR THE BROADER REGION THAT SPANS THE VALLEYS OF THE SCHELDE, SAMBRE, AND MEUSE RIVERS.



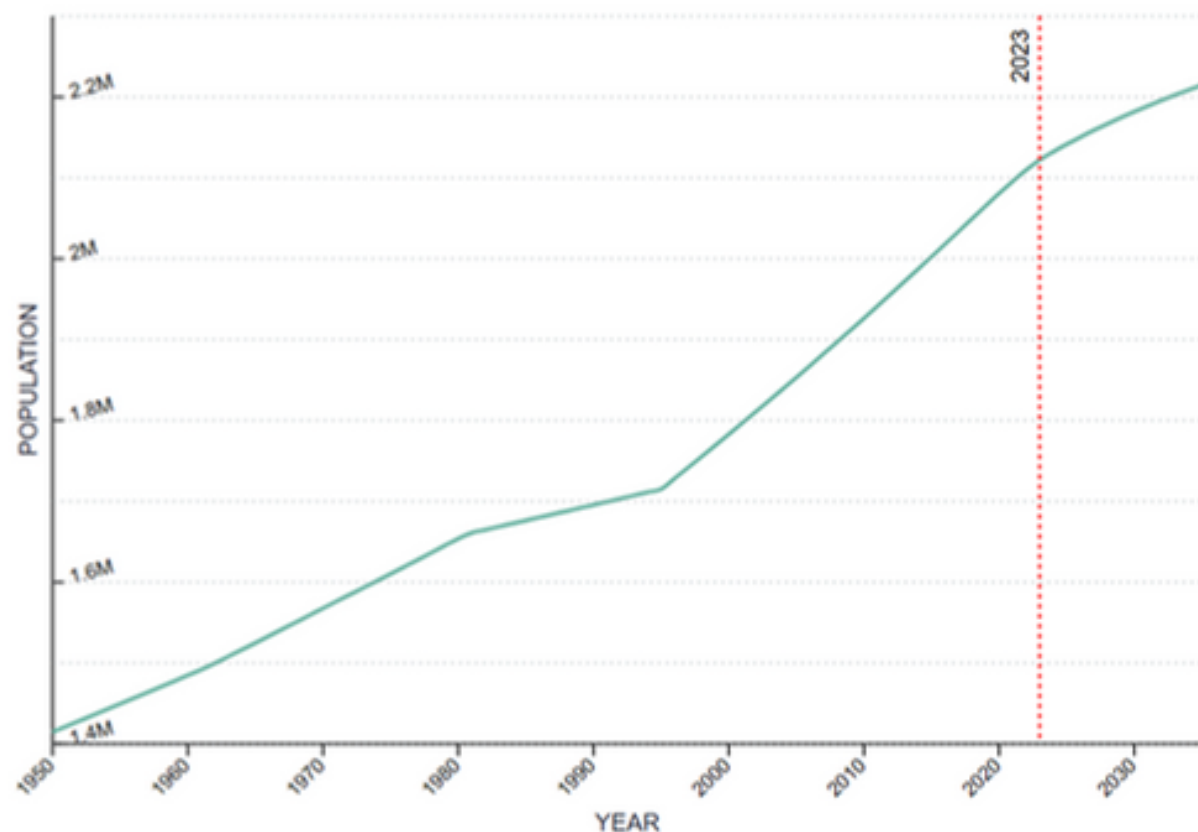
# CITY POPULATION

## DISTRIBUTION OF MAJOR AGE GROUPS:

IN 2021, THE AGE DISTRIBUTION IN BRUSSELS WAS AS FOLLOWS:

- 0-14 YEARS: APPROXIMATELY 17.5%
- 15-64 YEARS: APPROXIMATELY 68%
- 65 AND OVER: APPROXIMATELY 14.5%

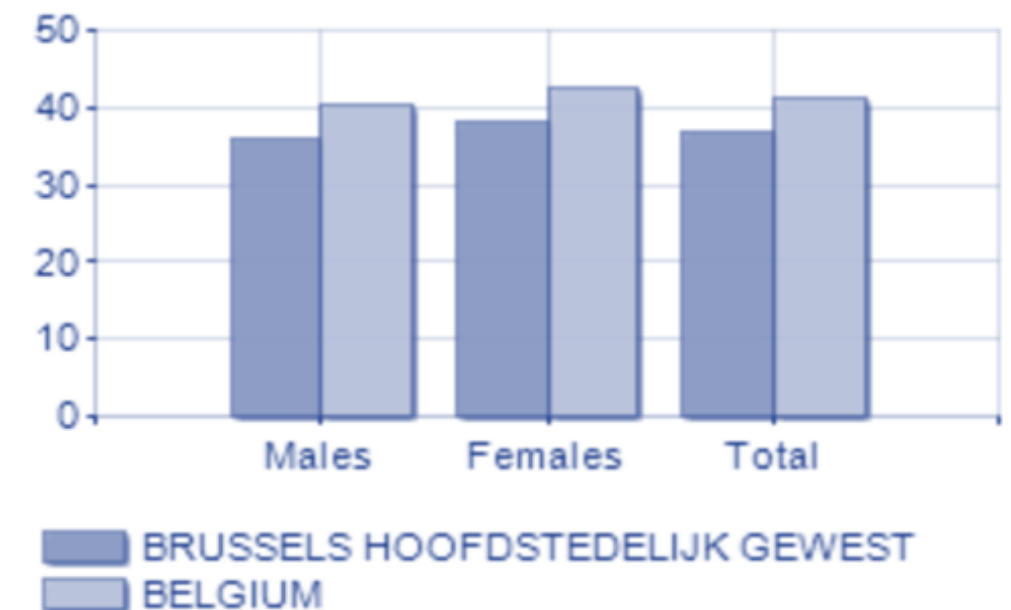
Brussels Population 2023



Country **Belgium**  
Growth Rate **0.59%**

Year	Population
2023	2,121,992
2022	2,109,631
2021	2,095,688
2020	2,080,788
2019	2,065,284
2018	2,049,510
2017	2,033,713
2016	2,018,038
2015	2,002,441
2014	1,986,986
2013	1,971,650

AVERAGE AGE (YEARS)



# POPULATION DESCRIPTION

**1. Population Trends Over Time:** Brussels has experienced population growth over the years, mainly due to immigration. The city is known for its diverse and multicultural population.

**2. Percentage of Foreign Residents:** Brussels has a significant percentage of foreign residents. In 2021, it was estimated that more than 30% of the population in the Brussels-Capital Region were foreign-born. This makes Brussels one of the most cosmopolitan cities in the world.

**3. Gender Distribution:** The gender distribution in Brussels is approximately equal, with a slight female majority. The exact breakdown would depend on the most recent data

**Italian Population:** The Italian population in Brussels is a part of the city's diverse international community. The exact number of Italian residents can vary, but in 2021, there were approximately 5,000 to 10,000 Italian nationals living in Brussels.

**Foreign Population:** In addition to Italians, Brussels is home to a large and diverse foreign population. You can find people from various nationalities, including French, Moroccan, Turkish, and many others. The exact numbers for each nationality can change over time, but it's a highly multicultural and international city.

# ***WHAT TYPE OF GOVERNMENT DOES BRUSSELS HAVE?***

THE POLITICS OF BELGIUM TAKE PLACE IN THE FRAMEWORK OF A FEDERAL, REPRESENTATIVE DEMOCRATIC, CONSTITUTIONAL MONARCHY.

THE KING OF THE BELGIANS IS THE HEAD OF STATE, AND THE PRIME MINISTER OF BELGIUM IS THE HEAD OF GOVERNMENT, IN A MULTI-PARTY SYSTEM. EXECUTIVE POWER IS EXERCISED BY THE GOVERNMENT.

THE EXECUTIVE POWER LIES WITH THE GOVERNMENT OF THE BRUSSELS-CAPITAL REGION .THE GOVERNMENT CONSISTS OF ONE MINISTER-PRESIDENT AND FOUR MINISTERS, TWO OF THEM FRENCH-SPEAKING AND TWO DUTCH-SPEAKING. THREE STATE SECRETARIES, AT LEAST ONE OF WHOM MUST BE DUTCH-SPEAKING, ARE ADDED TO THE REGIONAL MINISTERS.

FEDERAL LEGISLATIVE POWER IS VESTED IN BOTH THE GOVERNMENT AND THE TWO CHAMBERS OF PARLIAMENT, THE SENATE AND THE CHAMBER OF REPRESENTATIVES.

THE FEDERATION IS MADE UP OF (LANGUAGE-BASED) COMMUNITIES AND (TERRITORIAL) REGIONS. PHILIPPE IS THE SEVENTH AND CURRENT KING OF THE BELGIANS, HAVING ASCENDED THE THRONE ON 21 JULY 2013.



# ORGANIZATION CHART

for regional public service governance



# MAIN PUBLIC AUTHORITIES IN BRUSSELS

BELGIUM IS A MULTI-LAYERED FEDERAL STATE AND THE BRUSSELS-CAPITAL REGION IS ONE OF THE ENTITIES WITH LEGISLATIVE POWER ON ITS TERRITORY.

THE TERRITORY OF THE BRUSSELS-CAPITAL REGION ALSO COMPRISES NINETEEN LOCAL MUNICIPALITIES ("COMMUNES"), EACH OPERATING AUTONOMOUSLY THROUGH THEIR PUBLIC ADMINISTRATIONS.

THE OFFICE OF THE BRUSSELS COMMISSIONER FOR EUROPE AND INTERNATIONAL ORGANISATIONS ACTS AS AN INTERFACE BETWEEN THE INTERNATIONAL ORGANISATIONS AND THE BRUSSELS GOVERNMENT AND ITS PUBLIC ADMINISTRATIONS (THE "REGION"). INCIDENTALLY, IT MAY ALSO HELP IN LIAISING WITH THE MUNICIPAL LEVELS.

THE DIFFERENT ADMINISTRATIVE LEVELS YOU MAY FIND IN BRUSSELS ARE THE FOLLOWING:

- **THE FEDERAL GOVERNMENT**
- **THE BRUSSELS-CAPITAL REGION**
- **THE FLEMISH COMMUNITY**
- **THE FRENCH SPEAKING COMMUNITY**
- **THE COMMON COMMUNITY COMMISSION (COCOM)**
- **THE 19 BRUSSELS MUNICIPALITIES ("COMMUNES")**

# QUALITY OF LIFE

## BRUSSELS RANKED 27TH IN CITY WORLD RANKINGS FOR QUALITY OF LIFE

BRUSSELS CAME IN 27TH IN THE WORLD RANKINGS FOR QUALITY OF LIFE, THUS MAINTAINING ITS POSITION HELD LAST YEAR. THE DETAILS EMERGE FROM THE ANNUAL QUALITY OF LIVING RANKING REPORT, CONDUCTED BY MERCER, IN MORE THAN 400 CITIES WORLDWIDE. VIENNA DOMINATES THE RANKINGS FOR THE 9TH CONSECUTIVE YEAR, WHILST BAGHDAD (IRAQ) CAME IN LAST.

FOR 20 YEARS NOW, THE STUDY HAS OFFERED EMPLOYERS AN INSIGHT INTO THE QUALITY OF LIFE IN THE CITIES TO WHICH THEY SEND THEIR EXPATRIATE WORKERS. IN TOTAL, 39 DIFFERENT FACTORS ARE TAKEN INTO ACCOUNT, SUCH AS THE POLITICAL AND SOCIO-ECONOMIC SITUATION, EDUCATION AND HEALTHCARE.

# BRUSSELS IN NUMBERS

**20**

ORGANISATIONS  
OF THE  
EUROPEAN  
UNION PRESENT  
IN BRUSSELS

**1,000,000M<sup>2</sup>**

OFFICE SPACE  
OCCUPIED BY  
THE EUROPEAN  
COMMISSION

**22,772**

PUPILS  
STUDYING AT 29  
INTERNATIONAL  
SCHOOLS

**5,200**

DIPLOMATS -  
THE HIGHEST  
NUMBER IN THE  
WORLD

**5 MONTHS**

AVERAGE  
LENGTH OF AN  
INTERNSHIP AT  
AN  
INTERNATIONAL  
ORGANISATION

**1,222,637**

OFFICIAL  
POPULATION OF  
THE BRUSSELS  
REGION IN 2022

**55.8%**

OF THE BRUSSELS  
POPULATION HAD  
FOREIGN  
NATIONALITY  
AT BIRTH

**104**

LANGUAGES  
SPOKEN IN  
THE BRUSSELS  
REGION

**29.7%**

BRUSSELS  
RESIDENTS  
THINK THEY  
SPEAK  
GOOD ENGLISH

**€160 MILLION**

ANNUAL  
EXPENDITURE  
BY THE 8,686  
LOBBY  
ORGANISATIONS  
AND

# ENVIRONMENTAL IMPACT OF SERVICES

Air quality in the Brussels area - Nitrogen dioxide (NO<sub>2</sub>) concentrations

	Année	Molenbeek (R001)	Arts-Loi (B001)[a3]	Ixelles (R002)	Sainte-Catherine (B004)
Number of hours > 200 µg/m <sup>3</sup> (hours:)[a2]	2019	0	0	0	0
Current mean concentration (µg/m <sup>3</sup> )	2020	24	36	27	23
Days share > 40 µg/m <sup>3</sup> (%)[a1]	2020	9	34	11	8
Number of hours > 200 µg/m <sup>3</sup> (heures)[a2]	2020	0	2	0	0
Current mean concentration (µg/m <sup>3</sup> )	2021	27	38	31	25
Days share > 40 µg/m <sup>3</sup> (%)[a1]	2021	12	37	18	9
Number of hours > 200 µg/m <sup>3</sup> (hours:)[a2]	2021	0	0	0	0
Current mean concentration (µg/m <sup>3</sup> )	2022	25	36	27	23
Days share > 40 µg/m <sup>3</sup> (%)[a1]	2022	11	31	13	8
Number of hours > 200 µg/m <sup>3</sup> (hours:)[a2]	2022	0	0	0	0

This document aims to show the trend of increasing pollution during those last three years.

# INVESTMENT PUBLIC PROJECTS & COST OF PROGRAMS OR SERVICES, RANKED PER EXPENDITURES

The city's top item of expenditure in 2022 was the metro and pre-metro. The pre-metro is the name given to the partially underground streetcar lines that offer a service comparable to that of the metro.



#	Entity in charge	Project description	Project expenditure in 2022	Part in percents %
1	STIB-MIVB	Expenditure for investment works related to construction and equipment for metro and pre-metro	81,982,620	16.57%
2	STIB-MIVB	Investment in buildings	72,949,173	14.75%
3	STIB-MIVB	Purchase of vehicles	72,475,655	14.65%
4	STIB-MIVB	Purchase of other equipment (IT, client communication)	69,915,248	14.13%
5	STIB-MIVB	Other goods and services	63,222,433	12.78%
6	SPRB-GOB	investment works on roads and road construction works including electrical and electromechanical equipment	30,054,614	6.08%
7	SPRB-GOB	Investment expenditure for improving safety in road tunnels and additional expenditure for investment in pre-bridges and viaducts	29,394,925	5.94%
8	SPRB-GOB	Land purchase to facilitate the Mediapark	27,641,000	5.59%
9	BGHM	Construction costs housing plan	26,205,727	5.30%
10	STIB-MIVB	Other goods and services	20,878,044	4.22%
Total			494,719,441	

This first item of expenditure is easily explained, as it was during this year that major lengthening and renovation work took place on the various lines. The transportation expenditures account for one-sixth of Brussels' total budget..

# 2022 BALANCE SHEET AFTER APPROPRIATION IN EUROS

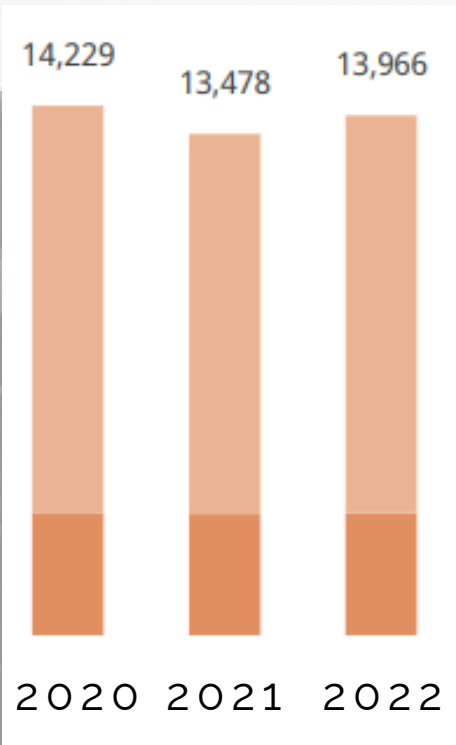
ASSETS		2022
<b>FIXED ASSETS</b>		<b>21/28</b>
II. Intangible assets (ann. II) * 1	21	356.607,72
III. Tangible fixed assets (ann. III) * 2	22/27	269.745,19
IV. Financial assets (ann. IV et V)	28	319,87
<b>CURRENT ASSETS</b>	<b>29/58</b>	<b>27.590.720,56</b>
VI. Inventories and orders in progress	3	1.153.016,30
VII. Amounts receivable within one year	40/41	25.259.464,38
IX. Available values	54/58	417.623,98
X. Accruals and deferred income (ann. VII)	490/1	760.606,90
<b>TOTAL ASSETS</b>	<b>20/58</b>	<b>28.217.393,34</b>
<b>LIABILITIES</b>		<b>2022</b>
<b>SOCIAL FUND</b>		<b>10/15</b>
IV. Restricted funds (ann. VIII)	13	1.104.048,53
V. Retained earnings	14	410.912,11
<b>PROVISIONS</b>	<b>16</b>	<b>728.758,08</b>
VII. A. Provisions for contingencies and charges	160/5	728.758,08
<b>DEBTS</b>	<b>17/49</b>	<b>25.973.674,62</b>
VIII. Amounts payable after more than one year	17	368.762,37
IX. Amounts payable within one year	42/48	22.639.538,84
X. Accruals and deferred income	492/3	2.965.373,41
<b>TOTAL LIABILITIES</b>	<b>10/49</b>	<b>28.217.393,34</b>

NOT FOR HUMAN CAPITAL BC WE ALREADY DID  
CONCRETELY, WHAT THEY DO WITH THIS AMOUNT  
HOW MANY BUILDINGS ARE USED FOR POLICE OR  
SO

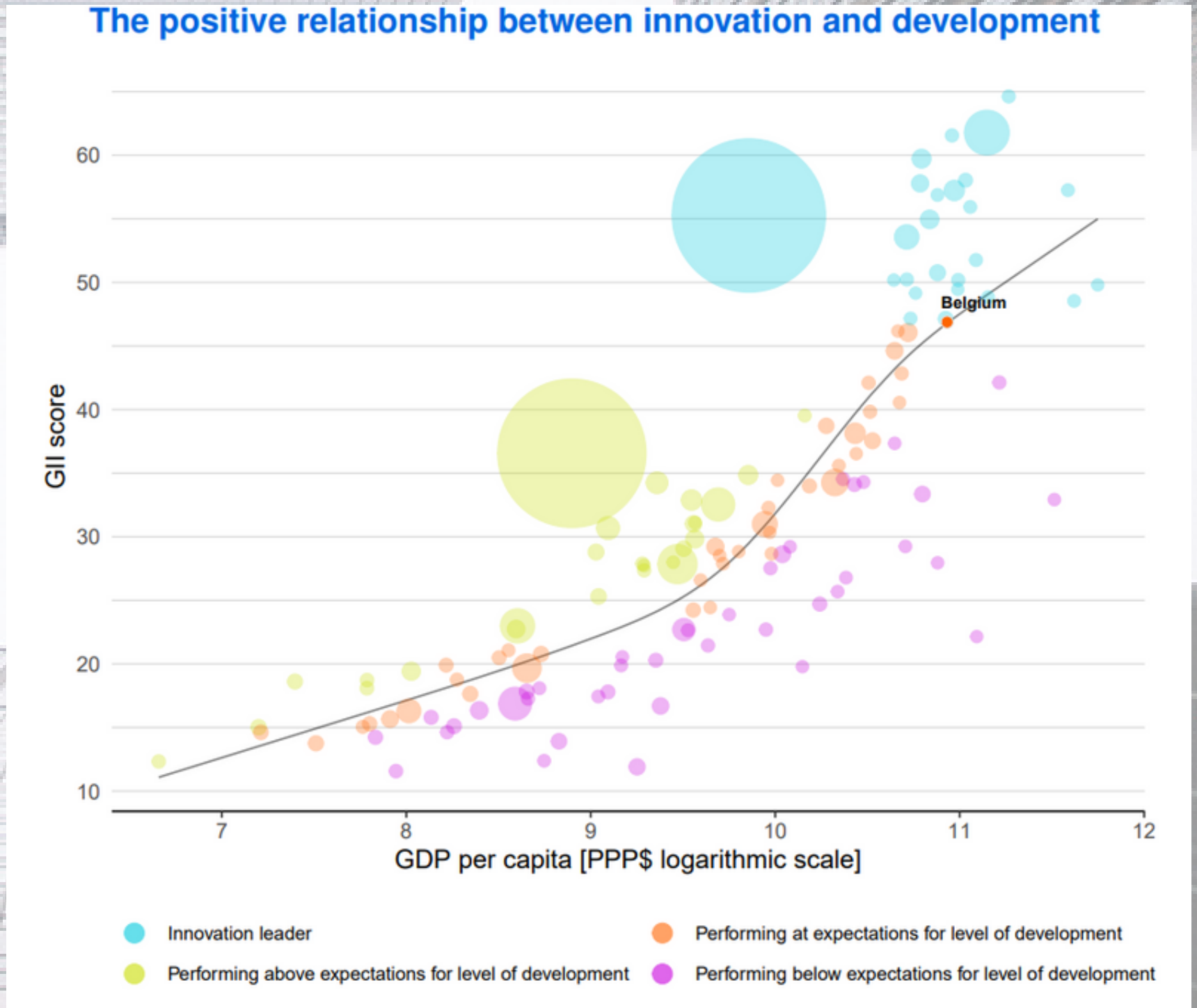
# 2022 BALANCE SHEET, FURTHER INFORMATION ABOUT SIX CAPITAL

\* 1 For information about human capital, please refer to the upper section "Organization Chart" as it defines the level of skills each regional public service governance member.

Patents allocated in Brussels during the last 3 years



For Brussels, Intellectual and Social Capital is mostly represented by technical and scientific knowledge processes and systems, which is innovation, licenses and patents (see bar chart under).



# 2022 BALANCE SHEET, FURTHER INFORMATION ABOUT SIX CAPITAL

\* 2 About Natural Capital, there are slightly more than 8,000 hectares of parks, gardens, woods and forests, almost half of the surface of the city is green space. On average, this represents 28 m<sup>2</sup> of green space per inhabitant. To be more precise, there is no forest as such in Brussels. [read in visit.brussel](https://www.visit.brussel.com/), the touristic website of the city.

The Productive Capital of Brussels City can be quantified by the number of cars allocated to the Police service. The local police is made up of 185 police forces constituted from the former communal and gendarmerie brigades. 50 police forces cover the territory of one municipality (one-city zone) and 146 cover more than one municipality (multi-city zone). The local police can be compared to municipal police forces.

For Financial Capital in 2022, the renovation of the SIBELGA networks district (70 merchants impacted by this 9-month project), a similar approach has led to a similar approach for the renovation of the Quai aux Briques electricity network (30 merchants impacted for 5 months).

During the redevelopment of Place Bockstael provided for by the neighborhood contract, the service was able to move and adapt the September fair and the weekly market in order to maintain these activities for the neighborhood, so to protect economy.

The service has tried to provide front-line support throughout the year, at the height of the proximity link expected from a municipality to its users.



# SUMMARY OF SCORES AND PERFORMANCE TABLE

Indicator/Dimension	Score	Brief justification for score
PI-1. Aggregate expenditure outturn	A	Expenditure was between 95% and 105% of original budget in 2 of the 3 years 2017-19.

## GENERAL DESCRIPTION OF THE CHARACTERISTICS OF THE INDICATOR WITHIN THE SCOPE COVERED :

THIS INDICATOR MEASURES THE EXTENT TO WHICH AGGREGATE BUDGET EXPENDITURE OUTTURN REFLECTS THE AMOUNT ORIGINALLY APPROVED, AS DEFINED IN GOVERNMENT BUDGET DOCUMENTATION AND FISCAL REPORTS. IN ACCORDANCE WITH THE 2006 ORDINANCE BCR USES A WIDE DEFINITION OF THE BUDGET, INCLUDING WITHIN IT THE REVENUE AND EXPENDITURE OF SUBSIDIARY BODIES WHOSE OPERATIONS ARE SUBJECT TO CONTROL BY GOVERNMENT DEPARTMENTS (EXAMPLES ARE THE EMERGENCY SERVICES AND THE CLEANING AGENCY) AS WELL AS THE REVENUE AND EXPENDITURE DIRECTLY MANAGED BY GOVERNMENT DEPARTMENTS. THIS DEFINITION OF THE BUDGET REFLECTS THE EUROPEAN STATISTICAL DEFINITION OF THE BUDGET RESULT **IN TERMS OF SURPLUS OR DEFICIT** AND IS ALSO CONSISTENT WITH THE DEFINITION OF BUDGET UNITS IN THE CONCEPT NOTE.

EXPENDITURE IS DEFINED AS TOTAL CURRENT AND CAPITAL EXPENDITURE, INCLUDING LOANS TO BODIES NOT DIRECTLY INCLUDED IN THE BUDGET AND INTEREST ON OUTSTANDING DEBT, BUT IN ACCORDANCE WITH EU STATISTICAL DEFINITIONS CAPITAL REPAYMENTS ARE EXCLUDED.

# VIEW OF THE BALANCE SHEET

Net fixed assets **627k€**

Current assets  
**27 591k€**

Shareholders' equity  
and long-term debt  
**2 613 k€**

Current liabilities  
**25 605k€**

# BUSINESS TRENDS AND RESULTS

I-CITY'S ACTIVITIES ARE CONSTANTLY EXPANDING TO MEET THE GROWING NEED FOR IT SOLUTIONS FOR THE CITY OF BRUSSELS AND OTHER CUSTOMERS.

IN 2022, ACTIVITIES FOCUSED ON THE MOVE OF THE CITY OF BRUSSELS TO BRUCITY AND THE IMPLEMENTATION OF ALL THE FUNCTIONALITIES REQUIRED FOR THIS MOVE.

ASSETS	2022	2021	2020	2019	2018
FIXED ASSETS	626.673	815.917	1.529.376	2.754.035	3.510.927
CURRENT ASSETS	27.590.721	20.348.705	19.392.163	19.171.974	13.903.236
<b>TOTAL ASSETS</b>	<b>28.217.393</b>	<b>21.164.622</b>	<b>20.921.539</b>	<b>21.926.010</b>	<b>17.414.163</b>
LIABILITIES	2022	2021	2020	2019	2018
SHAREHOLDERS' EQUITY	1.514.961	1.259.568	1.777.926	2.185.203	-320.293
PROVISIONS AND DEFERRED TAXES	728.758	928.758	1.626.509	1.508.508	3.354.750
DEBTS	25.973.675	18.976.296	17.517.104	18.232.297	14.379.706
<b>TOTAL LIABILITIES</b>	<b>28.217.393</b>	<b>21.164.622</b>	<b>20.921.539</b>	<b>21.926.010</b>	<b>17.414.163</b>
INCOME STATEMENT	2022	2021	2020	2019	2018
SALES	58.250.697	51.706.433	53.846.236	44.359.945	34.801.230
COST OF SALES AND SERVICES	-57.988.055	-52.468.647	-54.840.489	-42.331.484	-34.116.484
OPERATING PROFIT/LOSS(+/-)	262.642	-500.026	-604.422	2.239.458	827.703
NON-RECURRING INCOME AND EXPENSES	-9.906	-20.249	247.744	269.154	-3.096
<b>PROFIT/LOSS FOR THE YEAR(+/-)</b>	<b>255.393</b>	<b>-518.359</b>	<b>-407.278</b>	<b>2.505.496</b>	<b>820.198</b>

THE YEAR CLOSED WITH A PROFIT OF €253,318, COMPARED WITH A LOSS OF €520.27 THE PREVIOUS YEAR.

THE BALANCE SHEET STRUCTURE IS THEREFORE FAIRLY HEALTHY, WITH SHAREHOLDERS' EQUITY AND LONG-TERM DEBT FAR EXCEEDING FIXED ASSETS.

TURNOVER AMOUNTED TO €57,853,240, COMPARED WITH €51,706,433 THE PREVIOUS YEAR. THIS REFLECTS THE INCREASED BUDGET GRANTED BY THE CITY OF BRUSSELS, WHICH WAS NECESSARY TO PURSUE PROJECTS LINKED TO BXL2021.

# ECONOMIC FORECAST FOR BELGIUM

ECONOMIC GROWTH IN BELGIUM IS EXPECTED TO REACH 1.2% IN 2023 AND 1.4% IN 2024, ON THE BACK OF RESILIENT PRIVATE CONSUMPTION. FOLLOWING THE DECLINE IN ENERGY PRICES AND THE EFFECT OF FISCAL MEASURES, INFLATION IS FORECAST TO REACH 3.4% IN 2023 AND 3.5% IN 2024. THE GOVERNMENT DEFICIT IS PROJECTED AT 5% OF GDP IN 2023, AND AT 4.7% OF GDP IN 2024.

Indicators	2022	2023	2024
GDP growth (% , yoy)	3,2	1,2	1,4
Inflation (% , yoy)	10,3	3,4	3,5
Unemployment (%)	5,6	5,8	5,7
General government balance (% of GDP)	-3,9	-5,0	-4,7
Gross public debt (% of GDP)	105,1	106,0	107,3
Current account balance (% of GDP)	-2,9	-1,8	-1,8

THE ONGOING REPERCUSSIONS OF RISING WAGES AND STRICTER FINANCIAL CONDITIONS ARE EXPECTED TO PERSISTENTLY BURDEN BUSINESS INVESTMENT DUE TO STRONG COST PRESSURES. DESPITE THE POSITIVE IMPACT OF INCREASED NEEDS FOR THE ENERGY TRANSITION, RESIDENTIAL CONSTRUCTION IS PROJECTED TO CONTINUE FACING CHALLENGES DUE TO ELEVATED FINANCING COSTS. ON THE OTHER HAND, THE RECOVERY AND RESILIENCE PLAN WILL CONTINUE TO DRIVE POSITIVE CONTRIBUTIONS FROM PUBLIC INVESTMENT. IN CONCLUSION, FOLLOWING A CONTRACTION IN 2022, INVESTMENT IS EXPECTED TO MAKE A SLIGHT RECOVERY IN 2023 AND THEN EXPERIENCE A MORE SIGNIFICANT REBOUND IN 2024. THE MUTED OUTLOOK FOR GLOBAL TRADE IS EXPECTED TO HAVE A NEGATIVE IMPACT ON THE IMPORT AND EXPORT ACTIVITIES IN 2023. IN 2022, NET EXPORTS MADE A FAVORABLE IMPACT, BUT THEY ARE PROJECTED TO HAVE A NEGATIVE INFLUENCE ON GROWTH IN 2023 AND 2024. THIS IS PRIMARILY BECAUSE EXPORTS WILL BE STRAINED BY ESCALATING PRICES. LOOKING AHEAD, THE FORECAST INDICATES A RISE IN REAL GDP GROWTH, WITH EXPECTATIONS OF REACHING 1.2% IN THE YEAR 2023 AND FURTHER EXPANDING TO 1.4% IN 2024.

### **SLOWDOWN IN THE LABOUR MARKET**

AFTER GROWING AT A FAST PACE OF 2.0% IN 2022, EMPLOYMENT DECELERATED IN THE LAST QUARTER OF THE YEAR AMID SUBDUED ECONOMIC ACTIVITY. IT IS PROJECTED TO REMAIN WEAK IN 2023. AS SUCH, EMPLOYMENT GROWTH IS FORECAST TO DECLINE TO 0.6% THIS YEAR, BEFORE REGAINING SOME STRENGTH TO 0.9% IN 2024, MIRRORING THE INCREASE IN ECONOMIC GROWTH. THE UNEMPLOYMENT RATE IS EXPECTED TO INCREASE SLIGHTLY FROM 5.6% IN 2022 TO 5.8% IN 2023 BEFORE A SMALL DECLINE TO 5.7% IN 2024.

### **A DECLINE IN INFLATION**

AFTER HAVING REACHED 10.3% IN 2022, HEADLINE HICP INFLATION IS FORECAST TO FALL TO 3.4% IN 2023 DUE TO THE FAST TRANSMISSION OF THE DECLINE IN WHOLESALE GAS AND ELECTRICITY PRICES TO RETAIL PRICES AND THE EFFECT OF GOVERNMENT MEASURES TO LIMIT PRICES. HEADLINE INFLATION IS PROJECTED TO REMAIN BROADLY STABLE AT 3.5% IN 2024, AS THE EFFECT OF THESE MEASURES EXPIRES. THE PASS-THROUGH OF INCREASED COSTS IS EXPECTED TO KEEP CORE INFLATION ELEVATED IN THE FIRST HALF OF 2023 BEFORE SLOWLY RECEDING AS COST PRESSURES EASE.

### **PERSISTENTLY HIGH GOVERNMENT BUDGET DEFICITS**

THE GOVERNMENT BUDGET DEFICIT LANDED AT 3.9% OF GDP IN 2022, REFLECTING THE FURTHER UNWINDING OF PANDEMIC-RELATED SPENDING AND THE CONTINUATION OF THE ECONOMIC RECOVERY. HOWEVER, PUBLIC FINANCES REMAINED UNDER PRESSURE DUE TO THE TEMPORARY SUPPORT MEASURES ADOPTED IN RESPONSE TO SOARING ENERGY PRICES AND THE WAR IN UKRAINE.

GOVERNMENT DEBT LANDED AT 105% OF GDP IN 2022, AND IT IS FORECAST TO INCREASE TO 106% IN 2023 AND TO 107% OF GDP IN 2024, DRIVEN BY HIGH BUDGET DEFICITS AND BY DEBT-INCREASING STOCK FLOW ADJUSTMENTS IN 2023 AND IN 2024.

# BUDGET PROCESS

THE BUDGET PROCESS OF BRUSSELS CITY PLAYS A CRUCIAL ROLE IN THE EFFECTIVE ALLOCATION OF FINANCIAL RESOURCES TO SUPPORT THE CITY'S DEVELOPMENT AND DELIVER ESSENTIAL SERVICES TO ITS RESIDENTS. HERE IS AN OVERVIEW OF THE BUDGET PROCESS IN BRUSSELS CITY OVER THE PAST FIVE YEARS, SUPPORTED BY RELEVANT SOURCES.

1. **BUDGET PREPARATION:** THE BUDGET PREPARATION PROCESS INVOLVES THE EVALUATION OF THE CITY'S FINANCIAL NEEDS, REVENUE PROJECTIONS, AND EXPENDITURE PRIORITIES. THE BRUSSELS CITY GOVERNMENT ASSESSES VARIOUS FACTORS, INCLUDING ECONOMIC TRENDS, POPULATION GROWTH, AND POLICY OBJECTIVES, TO DETERMINE THE BUDGET PRIORITIES FOR EACH FISCAL YEAR.
2. **PUBLIC CONSULTATION:** BRUSSELS CITY ENGAGES IN PUBLIC CONSULTATION TO GATHER INPUT FROM RESIDENTS, BUSINESSES, AND STAKEHOLDERS REGARDING BUDGET PRIORITIES AND SPENDING DECISIONS. THIS PARTICIPATORY APPROACH ENSURES TRANSPARENCY AND INCLUSIVITY IN THE BUDGETING PROCESS.
3. **BUDGET APPROVAL:** AFTER THOROUGH ANALYSIS AND CONSULTATION, THE BUDGET PROPOSAL IS PRESENTED TO THE BRUSSELS CITY COUNCIL FOR REVIEW AND APPROVAL. THE COUNCIL SCRUTINIZES THE PROPOSED BUDGET, MAKES NECESSARY AMENDMENTS, AND ULTIMATELY VOTES ON ITS ADOPTION.
4. **BUDGET IMPLEMENTATION:** ONCE THE BUDGET IS APPROVED, THE BRUSSELS CITY GOVERNMENT IMPLEMENTS THE ALLOCATED FUNDS ACCORDING TO THE APPROVED BUDGETARY PROVISIONS. THIS INVOLVES MONITORING EXPENDITURES, ENSURING COMPLIANCE WITH FINANCIAL REGULATIONS, AND EVALUATING THE EFFECTIVENESS OF BUDGET UTILIZATION.
5. **FINANCIAL REPORTING:** BRUSSELS CITY MAINTAINS TRANSPARENCY AND ACCOUNTABILITY BY PROVIDING REGULAR FINANCIAL REPORTS TO THE PUBLIC. THESE REPORTS OUTLINE THE ACTUAL REVENUES AND EXPENDITURES, PROVIDING AN OVERVIEW OF THE CITY'S FINANCIAL PERFORMANCE DURING THE FISCAL YEAR.

# **BRUSSELS CITY HAS ACHIEVED SIGNIFICANT MILESTONES AND ACCOMPLISHMENTS IN VARIOUS SECTORS OVER THE PAST FIVE YEARS.**

**INFRASTRUCTURE DEVELOPMENT:**  
BRUSSELS HAS WITNESSED SUBSTANTIAL INFRASTRUCTURE DEVELOPMENT PROJECTS AIMED AT IMPROVING TRANSPORTATION, PUBLIC FACILITIES, AND URBAN SPACES. THE EXPANSION OF METRO LINES, CONSTRUCTION OF NEW TRAM LINES, AND RENOVATION OF KEY LANDMARKS HAVE ENHANCED THE CITY'S ACCESSIBILITY AND LIVABILITY

**INNOVATION AND ENTREPRENEURSHIP:** THE CITY HAS FOSTERED A VIBRANT ECOSYSTEM FOR INNOVATION AND ENTREPRENEURSHIP. INITIATIVES SUCH AS STARTUPS.BE AND CO.STATION HAVE PROVIDED SUPPORT TO STARTUPS, ATTRACTING INVESTMENT AND PROMOTING TECHNOLOGICAL ADVANCEMENTS

**SUSTAINABLE INITIATIVES:**  
BRUSSELS HAS MADE SIGNIFICANT PROGRESS IN PROMOTING SUSTAINABILITY AND COMBATING CLIMATE CHANGE. THE CITY HAS IMPLEMENTED VARIOUS MEASURES TO REDUCE CARBON EMISSIONS, ENHANCE ENERGY EFFICIENCY, AND ENCOURAGE SUSTAINABLE MOBILITY OPTIONS

**TOURISM DEVELOPMENT:**  
BRUSSELS HAS EXPERIENCED GROWTH IN TOURISM, WITH AN INCREASING NUMBER OF VISITORS EXPLORING THE CITY'S HISTORICAL SITES, MUSEUMS, AND CULINARY OFFERINGS. EFFORTS TO PROMOTE BRUSSELS AS A TOURIST DESTINATION HAVE RESULTED IN A BOOST TO THE LOCAL ECONOMY AND JOB CREATION IN THE HOSPITALITY SECTOR

**CULTURAL AND ARTISTIC EVENTS:** BRUSSELS HAS ESTABLISHED ITSELF AS A CULTURAL HUB, HOSTING A WIDE RANGE OF ARTISTIC AND CULTURAL EVENTS. FESTIVALS LIKE BRUSSELS SUMMER FESTIVAL AND KUNSTENFESTIVALDESARTS HAVE ATTRACTED BOTH LOCAL AND INTERNATIONAL AUDIENCES, CONTRIBUTING TO THE CITY'S VIBRANT CULTURAL SCENE

# METHODOLOGICAL NOTE

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## CRITERIA APPLIED FOR THE REPORT

This report aims to present the city of Brussels in its most complete aspect, speaking of Finance mainly but also including what it leads to, such as economic benefits, environment in a micro and macroeconomics aspect.



# COMMITTEES INVOLVED

THIS REPORT HAS BEEN ELABORATED AND THOUGHT OUT BY  
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## REFERENCES

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- PUBLIC EXPENDITURE AND FINANCIAL ACCOUNTABILITY (PEFA) PERFORMANCE ASSESSMENT REPORT for the financial part
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- <https://servicepublic.brussels/bruxelles-finances-et-budget> for the organization chart

# DISSEMINATION PLAN

This report has for final goal to be published widely, therefore, the release will be done in :

- <https://pkp.odvcasarcobaleno.it/index.php/index>  
which is the European Journal of volunteering and community-based projects
- The Committee of European Economic Co-operation (CEEC)
- The European Economic and Social Committee (EESC)
- City of Brussels webpage ([www.Brussels.be](http://www.Brussels.be))
- City of Brussels Instagram page and other social network such as Twitter or Facebook
- By making a physical event at the Brussels town hall and so making posts printed in the city

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