

31st January, 2014

Investment Survey
October 2013

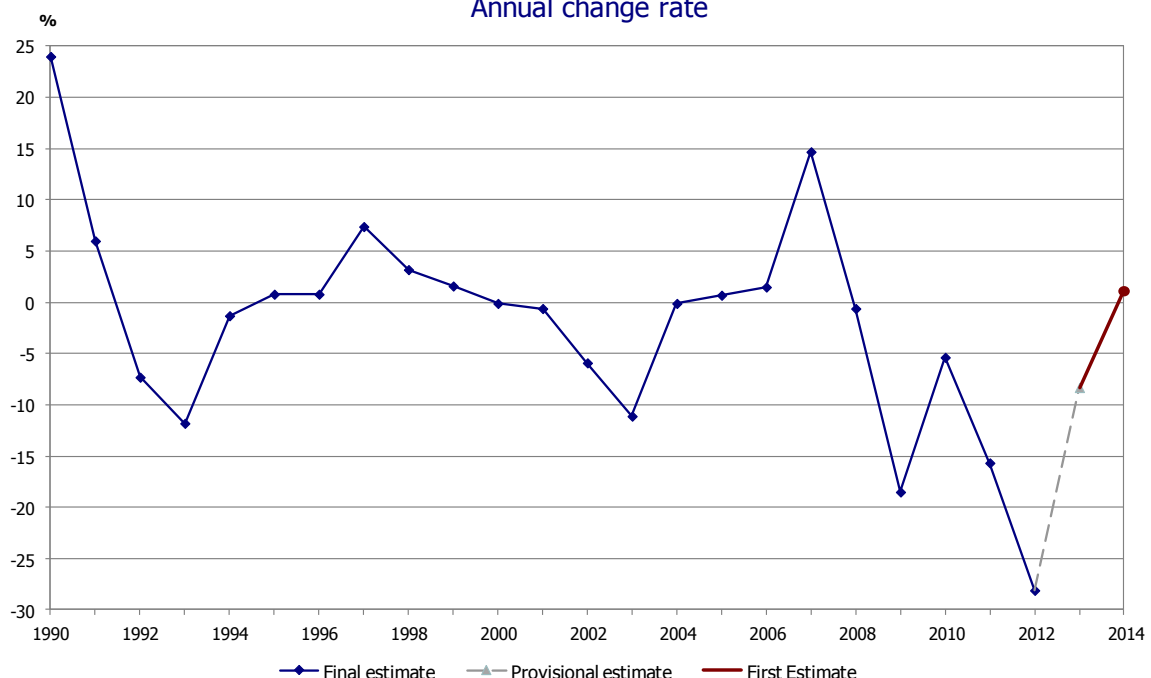
Downward revision of business investment in 2013.
Perspectives of a slight increase of investment in 2014.

Accordingly with the opinions expressed in the October 2013 Investment Survey (with an inquiring period between the 1st October 2013 and the 23rd January 2014), the entrepreneurial investment is expected to present a nominal change rate of 1.1% in 2014. The same survey points also to a reduction of investment of 8.3% in 2013, which represents a downward revision comparing with the perspectives revealed in the previous survey (change rate of -2.1%).

Among the investment objectives, the extension of the production capacity might have decreased its relative weight between 2013 and 2014, although remaining the most referred objective. Additionally, the results point to an increase in the relative weight of the replacement investments, the rationalization and restructuring investments, and the other investments, mainly in the last case.

Regarding the main limitative factor for business investment identified in the survey, the deterioration of the sales perspectives, followed by the uncertainty about the investment profitability, continued to be the most mentioned in both years, although decreasing its relative weight between 2013 and 2014 in the first case, and increasing in the second case.

Evolution of business GFCF in value
Annual change rate



The percentage corresponds to the last available estimate for each year. For 2013 and 2014, the change rate corresponds to the entrepreneurial perspectives.

The results from the October 2013 Investment Survey point to a 8.3% decrease of the entrepreneurial Gross Fixed Capital Formation in nominal terms in 2013. Comparing with the investment expectations obtained in the April 2013 survey (occurred between the 1st April and the 28th June 2013), there was a downward revision of the entrepreneurial investment change rate for 2013 by -6.2 percentage points (p.p.), which might reflected some postponement or even cancellation of investments.

Considering the firms size by number of workers, the 1st group (employing less than 50 workers) and the 2nd group (employing between 50 and 249 workers) presented the most intense negative contributions (-5.1 p.p. and -4.3 p.p.) to the reduction of the investment in 2013, diminishing 22.9% and 14.3%, respectively. On the contrary, the firms of the 4th group (employing 500 or more workers) registered a positive contribution (2.5 p.p.), due to an increase of 6.8% of the investment.

For 2014, the survey points to a nominal increase of the enterprises' investment of 1.1%. This result represents a recovery of 5.3 p.p. when comparing with the first estimate for 2013 obtained in the October 2012 survey (-4.2%).

Accordingly with the results of the October 2013 survey, the growth of the investment in 2014 mainly reflects the contribution of the 4th group (4.0 p.p.), which predict a change rate of 9.4%. Only the firms of the 1st group contributed negatively (-3.9 p.p.) for the investment in 2014, with a change rate of -20.8%.

The recovery of the investment in 2014, compared with the rate observed in the previous year (difference of 9.4 p.p.), reflects especially the positive contribution of the investment in firms of the 2nd group (4.9 p.p.), which is expected to shift from a change rate of -14.3% in 2013 to 2.3% in 2014.

In this survey, the diffusion indicator of investment (percentage of firms with investments or intending to invest) maintained the downward evolution in the three years analyzed. This indicator stood at 85.6%, 77.2% and 72.4%, for 2012, 2013 and 2014, respectively.

STRUCTURE, CHANGE AND DIFFUSION OF INVESTMENT

NACE-Rev.2	STRUCTURE (a)			CHANGE (b)		DIFFUSION (c)		
	2012	2013	2014	2013	2014	2012	2013	2014
Mining and quarrying (Section B)	1.7	2.0	1.9	4.1	-0.7	91.7	83.3	79.2
Manufacturing (Section C)	28.2	26.4	28.0	-13.9	7.2	88.8	80.7	74.7
<i>Of which: exporting firms</i>	-	-	-	-11.0	18.6	95.3	90.5	87.0
Electricity, gas, steam and air-conditioning supply (Section D)	10.9	12.6	11.6	5.7	-6.4	90.9	90.9	95.5
Water supply; sewerage, waste management and remediation activities (Section E)	5.6	5.3	5.9	-12.0	12.3	90.5	89.3	83.3
Construction (Section F)	4.7	3.1	2.4	-38.9	-23.5	75.8	59.6	55.9
Wholesale and retail trade; repair of motor vehicles and motorcycles (Section G)	10.3	10.9	11.0	-2.8	2.2	81.9	72.4	67.7
Transportation and storage (Section H)	9.6	9.9	9.9	-5.0	1.4	90.8	81.6	74.3
Accommodation and food service activities (Section I)	1.7	1.8	1.5	-6.8	-11.1	93.1	80.5	75.9
Information and communication (Section J)	11.5	13.0	12.9	3.4	0.4	84.5	74.3	71.6
Financial and insurance activities (Section K)	5.1	5.3	4.9	-5.2	-6.1	76.6	78.7	73.4
Real estate activities (Section L)	1.3	1.0	0.9	-26.5	-12.3	61.3	64.5	58.1
Professional, scientific and technical activities (Section M)	3.1	2.8	2.5	-14.6	-11.5	82.2	74.0	76.0
Administrative and support service activities (Section N)	6.4	5.9	6.4	-15.9	10.3	77.6	67.6	65.6
TOTAL	100	100	100	-8.3	1.1	85.6	77.2	72.4

(a) Percentual investment distribution by NACE sections

(b) Year-on-year change rate, nominal (%)

(c) Percentage of firms with investments or expecting to invest

Technical note:

The Investment Survey was based on a sample of 3638 firms with more than 4 workers, that belong to the activities of NACE revision 2 (divisions 05 to 82) and that have a yearly turnover of, at least, €125,000. The firms with 200 or more workers were exhaustively surveyed.

The survey was conducted between the 1st October 2013 and the 23rd January 2014 and the global response rate was 85.6%.

Considering the number of workers as the stratification/extrapolation variable, these firms represent 90.0% of the sample.

Next report will be released on July 2014.

For further information, please consult the website of INE.