

**Investment Survey**  
**April 2014**

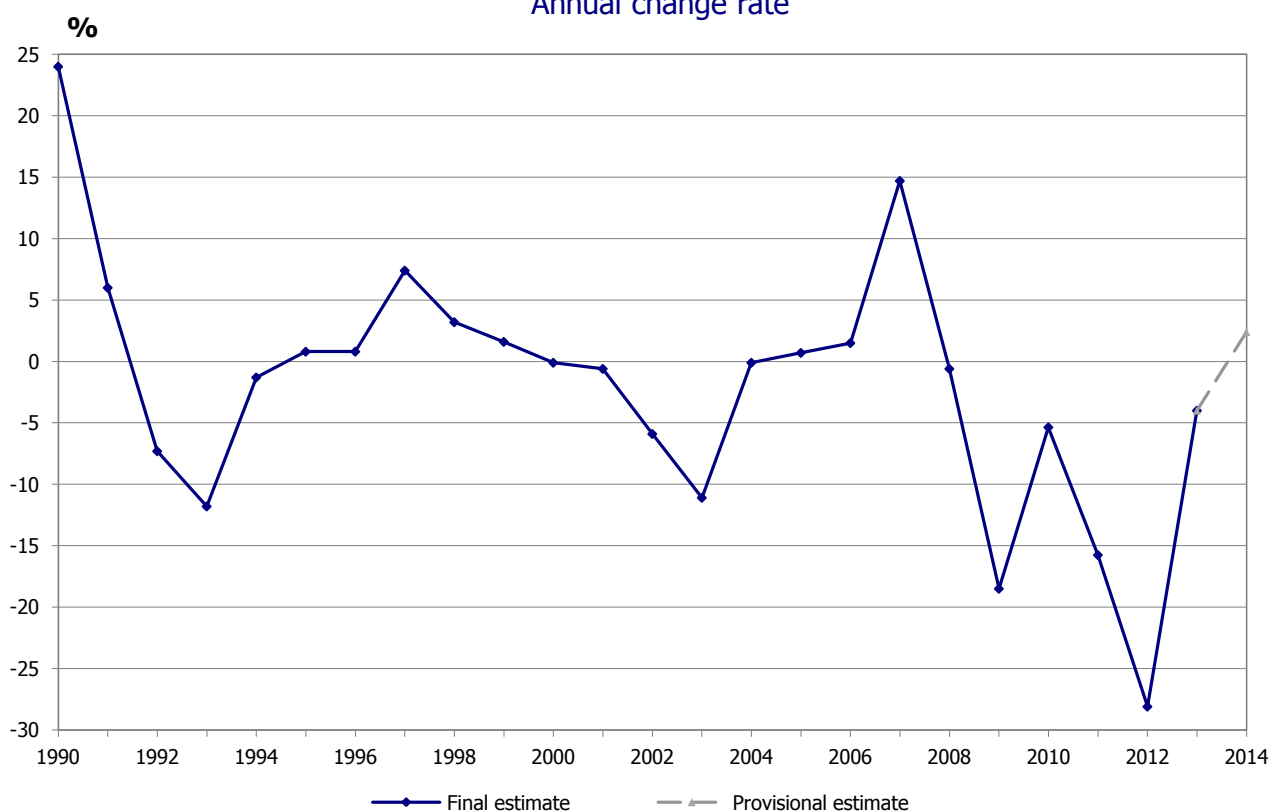
**Downward revision of business investment in 2013.**

Accordingly with the opinions expressed in the April 2014 Investment Survey (with an inquiring period between the 1<sup>st</sup> April and the 30<sup>th</sup> January 2014), the entrepreneurial investment is expected to present a nominal change rate of 2.4% in 2014, which compares with the change rate of 1.1% obtained in the previous survey. The same survey also points to a reduction of investment of 4.0% in 2013, which represents an upward revision comparing with the perspectives revealed in the previous survey (change rate of -8.3%).

Among the investment objectives, the relative weights of the replacement and the rationalization and restructuration investments might increase from 2013 to 2014. The extension of the production capacity decreased its relative weight, although remaining the most referred objective.

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, with an increase of their relative weights between 2013 and 2014. The percentage of firms that refer the difficulty in obtaining bank loans, the interest rate level and the self-funding capacity as the main limitative factors decreased.

**Evolution of business GFCF in value**  
Annual change rate



The results from the April 2014 Investment Survey point to a 4.0% nominal decrease of the entrepreneurial Gross Fixed Capital Formation in 2013. Comparing with the investment expectations obtained in the October 2013 survey (occurred between the 1<sup>st</sup> October 2013 and the 23<sup>rd</sup> January 2014) there was an upward revision of the entrepreneurial investment change rate for 2013 by 4.3 percentage points (p.p.).

Considering the firms size by number of workers, the firms from the 1<sup>st</sup> group (employing less than 50 workers) presented the only negative contribution (-4.3 p.p.) to the reduction of the investment in 2013, diminishing 19.2%.

For 2014, the survey points to a nominal increase of the enterprises' investment of 2.4%, which compares with the perspective of a 1.1% growth rate obtained in the previous survey.

Accordingly with the results of the April 2014 survey, the growth of the investment in 2014 reflects the positive contribution of the 4<sup>th</sup> group (4.1 p.p.), due to a change rate of 10.7%, and in less extent, of the 3<sup>rd</sup> group (employing between 250 and 499 workers), with a growth of 6.2%. The firms of the 1<sup>st</sup> and 2<sup>nd</sup> groups contributed negatively (-2.3 p.p. and -0.1 p.p., respectively) for the investment in 2014, with change rates of -12.3% and -0.5%, respectively.

The recovery of the investment in 2014, compared with the rate observed in the previous year (difference of 6.4 p.p.), reflects especially the positive contribution of the investment in firms of the 4<sup>th</sup> group (3.9 p.p.), which is expected to shift from a change rate of 0.6% in 2013 to 10.7% in 2014.

The results obtained for the exporting firms from the Manufacturing section, point to a 1.5% decrease of the investment in 2013. This reduction was less intense than the observed in the section (-6.7%) and in total firms (-4.0%). For 2014, the investment is expected to increase 4.8%, which compares with a change rate of -1.5% for the Manufacturing section and 2.4% for total firms.

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 86.5%, 81.6% and 77.3%, 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	1.9	1.7	9.2	-10.9	90.5	85.7	76.2
Manufacturing (Section C)	28.3	27.6	26.5	-6.7	-1.5	89.6	85.5	79.9
<i>Of which: exporting firms</i>	-	-	-	-1.5	4.8	95.9	93.4	90.6
Electricity, gas, steam and air-conditioning supply (Section D)	12.1	13.1	12.6	3.9	-1.1	91.7	91.7	95.8
Water supply; sewerage, waste management and remediation activities (Section E)	4.1	3.1	4.4	-27.6	44.8	91.6	90.4	86.7
Construction (Section F)	5.3	4.0	3.0	-28.2	-23.8	78.3	71.4	68.9
Wholesale and retail trade; repair of motor vehicles and motorcycles (Section G)	10.1	12.2	11.9	16.9	-0.5	83.5	77.8	71.8
Transportation and storage (Section H)	5.4	5.7	7.0	1.6	25.5	91.3	87.3	80.0
Accommodation and food service activities (Section I)	2.3	1.9	1.4	-17.6	-23.9	93.3	80.0	78.9
Information and communication (Section J)	11.6	12.2	12.8	1.2	7.6	84.6	77.2	75.2
Financial and insurance activities (Section K)	4.8	4.8	4.6	-4.7	-0.4	75.3	80.4	77.3
Real estate activities (Section L)	0.7	0.9	0.8	22.2	-4.5	60.0	70.0	66.7
Professional, scientific and technical activities (Section M)	2.6	2.7	2.6	-0.6	-3.1	81.0	72.5	75.8
Administrative and support service activities (Section N)	11.0	9.8	10.6	-14.0	10.7	79.4	70.8	69.1
<b>TOTAL</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>-4.0</b>	<b>2.4</b>	<b>86.5</b>	<b>81.6</b>	<b>77.3</b>

(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 3596 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 1<sup>st</sup> April and the 30<sup>th</sup> June 2014 and the global response rate was 87.1%.

Considering the number of workers as the stratification/extrapolation variable, these firms represent 92.5% of the sample.

**Next report will be released on January 2015.**

For further information, please consult the website of INE.