

Informations Rapides

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Principaux indicateurs



■ Survey of Industrial Investment – October 2013

In the manufacturing industry, business managers forecast a slight investment drop in 2014

For 2013, investment expectations were revised slightly downwards

Surveyed in **October 2013**, business managers forecast that investment in the manufacturing industry will decrease by 7% in 2013. They revised by 1 point downwards their previous expectations given in July 2013. This downwards revision concerns all sectors except the other manufacturing sector.

In 2013, the investment decrease has remained strong in the manufacturing of transport equipment (-20%) with a fall in the motor vehicles sector (-27%).

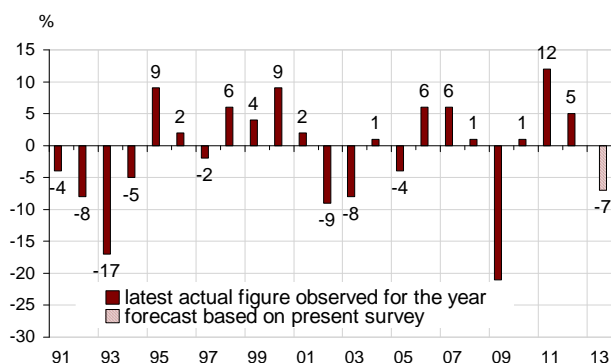
Real annual investment growth

NA* : (A17) et [A38]	In 2013		In 2014
	forecast Jul.13	forecast Oct.13	forecast Oct.13
C : MANUFACTURING INDUSTRY	-6	-7	-2
(C1): Manufacture of food products and beverages	0	-3	6
(C3): Electrical and electronic equipment; machine equipment	-1	-4	2
(C4): Manufacture of transport equipment	-13	-20	3
[CL1]: Motor vehicles	-25	-27	6
(C5): Other manufacturing	-6	-4	-6
Total sectors (C3-C4-C5)	-7	-7	-4

How to read this table: In manufacturing industry, business leaders surveyed in October 2013 predict a nominal investment decrease by 7% in 2013 compared to 2012 and forecast a decrease by 2% in 2014 compared to 2013.

* The codes correspond to the level of aggregation (A17) and [A38] of the "NA" aggregate classification based on NAF rev.2.

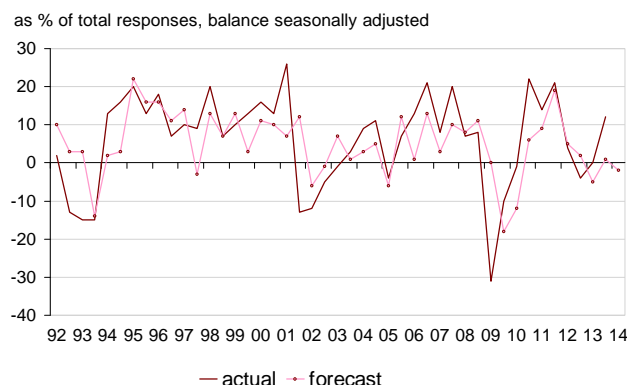
Annual nominal change in investment in manufacturing industry



Stabilization in investment in H1 2014

More business leaders in the manufacturing industry surveyed in October 2013 anticipated an increase than a decrease in their investment between H1 and H2 2013. More leaders anticipated a decrease than an increase in their investment between H2 2013 and H1 2014.

Opinion of industrials regarding six-month change in investment (first estimation*)

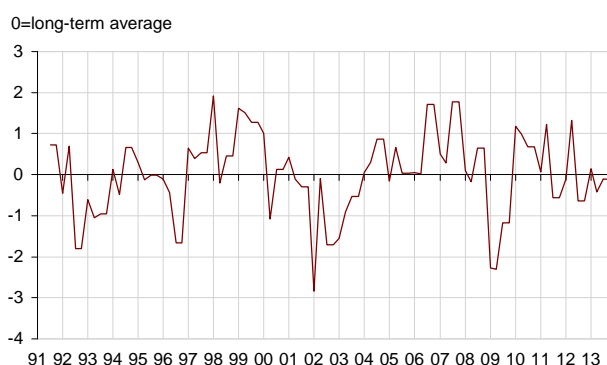


For more details, see the note in Informations Rapides on July 2010.

The investment revision indicator remained negative in October

The investment revision indicator was still negative, but larger than in last April. Based on investment amounts reported in at each survey by business leaders of the manufacturing industry except those of manufacture of food products and beverages (C1) and of coke and refined petroleum products (C2), this indicator is well-correlated with quarterly growth fixed capital formation of non-financial enterprises. That suggests that investment of these enterprises will stay at the same level at the end of 2013.

Investment revision indicator*



In 2014, investment will moderately drop

Surveyed for the first time on their 2014 investment prospects, business leaders forecast a drop by 2% in their equipment spending compared with 2013. Nevertheless, a rise is expected in the motor vehicles sector, (+6%), in the sector of manufacture of food products and beverages (+6%), and in the sector of electrical and electronic equipment, machine equipment (+2%).

In 2014, the purposes of investment will be similar to those in 2013

According to business leaders in the manufacturing industry, the purposes of investment will be similar in 2014 than to 2013 and close to their long-term averages. Half of the investment supports the replacement and modernization of equipment (53%) slightly above its long-term average (+2 points). The share of investment meant to the increase in productive capacity or the introduction of new products (27% in 2014) is slightly lower than its long-term average (-3 points).

Learn more:

The Survey results provide a picture of investment conditions in the industrial market sector. In this connection, it should be noted that investment in this sector, despite its critical role as an engine of economic change, accounts for only 25% of productive investment in France.

- Complementary data (long series) and metadata (methodology, linked internet pages...) are available on the HTML page of this index: <http://www.insee.fr/fr/themes/indicateur.asp?id=25&type=1>
- Historical data are available on the BDM: [G1249](#), [G1250](#), [G1251](#)
- Press contact: bureau-de-presse@insee.fr

Share of purposes of investment

	Average 1991-2013	2013 forecast	2014 forecast
Replacement	27	32	30
Modernization, streamlining	24	23	23
of which : automation	11	8	8
of which : new production methods	7	6	7
of which : energy savings	6	9	8
increase in productive capacity	16	13	14
Introduction of new products	14	12	13
Other purposes (safety, environment, working conditions...)	20	20	20

For 2014, 78% of industrial leaders consider that the expected profits from new investment are a stimulating factor for investment, this percentage significantly goes up to be closer to its long-term average. Demand is stimulating: the domestic demand outlook for 37% of firms (a stable percentage, lower than its long-term average) and the foreign demand outlook for 51% of firms (a rising percentage, from now on close to its long term average). The financial factors (cash flow, indebtedness, interest rates, overall financing conditions) are considered as less stimulating, but for a share which remains significantly above their long-term average.

Factors influencing investment decisions

Balance of opinion, as % of responses

	Average 1991-2013	in 2013 (observation)	in 2014 (prediction)
Domestic-demand outlook	49	36	37
Foreign-demand outlook	53	46	51
Expected profits from new investment	83	68	78
Cash flow	16	19	18
Indebtedness	-4	1	3
Interest rates	5	20	18
Overall financing conditions	11	19	18
Technical factors (1)	63	60	63
Other factors (such as tax incentives)	22	23	23

(1) Technological developments and need for labor to adjust to these new technologies

For each factor, the balance of opinion is calculated as the difference between the percentage of stimulating answers and the percentage of limiting answers.