

# Informations *Rapides*

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Principaux indicateurs



## ■ Survey of Industrial Investment – October 2015

### In the manufacturing industry, business managers forecast that investment will slightly increase in 2016 after being steady in 2015

Surveyed in **October 2015**, business managers forecast investment in the manufacturing industry will remain stable in 2015 (+1%). They revised by 1 point downwards their previous expectations given in July 2015. This downward revision is notable in the sector of food products and beverages (–8 points).

#### For 2016, investment in the manufacturing industry would increase slightly

On average over 2016, business leaders forecast a slight increase of 3% in their equipment spending compared with 2015. This increase would be notable in the manufacture of food products and beverages (+7%) and in the sector of electrical and electronic equipment, and machine equipment (+9%).

slightly more numerous than business leaders that anticipated a decrease.

#### Real annual investment growth

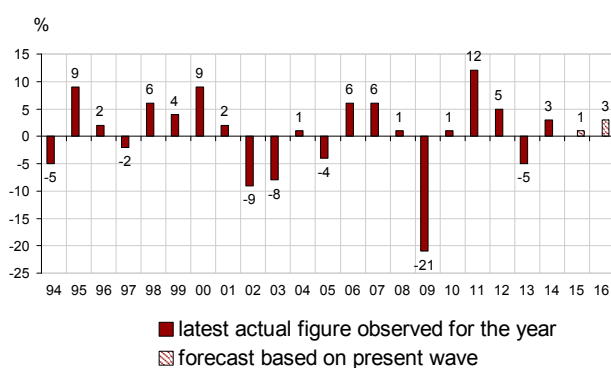
NA* : (A17) et [A38]	In 2015		In 2016
	forecast Jul.15	forecast Oct.15	forecast Oct.15
<b>C : MANUFACTURING INDUSTRY</b>	<b>2</b>	<b>1</b>	<b>3</b>
(C1): Manufacture of food products and beverages	9	1	7
(C3): Electrical and electronic equipment; machine equipment	–1	–4	9
(C4): Manufacture of transport equipment	4	5	–3
[CL1]: Motor vehicles	2	–2	–3
(C5): Other manufacturing	1	1	2
Total sectors (C3-C4-C5)	1	1	2

How to read this table: In manufacturing industry, firms surveyed in October 2015 forecast an increase by 1% of their nominal investment in 2015 comparing to 2014 and an increase of 3% in 2016 comparing to 2015.

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

Source: Industrial investment survey - INSEE

#### Annual nominal change in investment in the manufacturing industry

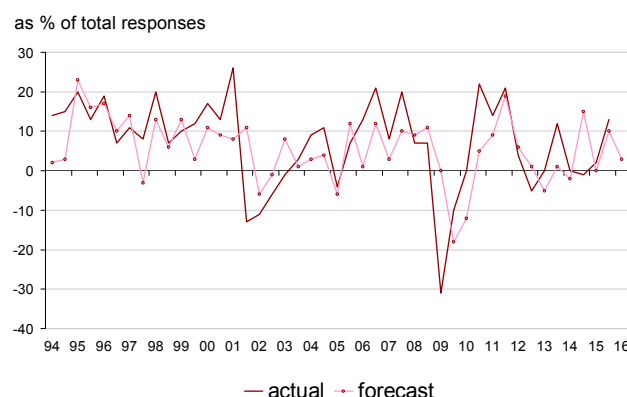


Source: Industrial investment survey - INSEE

#### Business leaders that anticipated an increase between H2 2015 and H1 2016 are more numerous

More business leaders reported an increase between H1 2015 and H2 2015 than business leaders who reported a decrease. Business leaders that anticipated an increase between H2 2015 and H1 2016 were also

#### Six-month change in investment (first estimation)

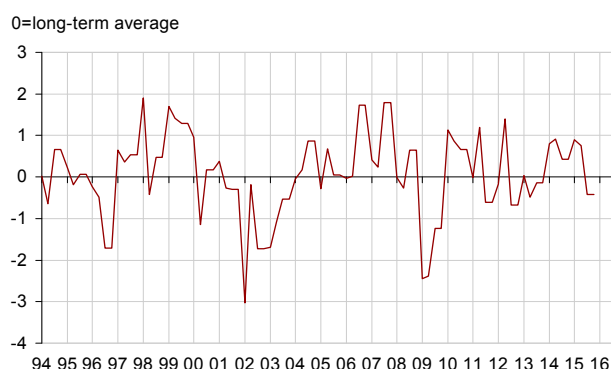


Source: Industrial investment survey - INSEE

### The investment revision indicator became negative

In October, for the first time since two years, the investment revision indicator has become negative which indicate that business managers were more numerous to revise downwards their expectations for 2015. Indicator's calculation use investment amounts reported in at each survey by business leaders of the manufacturing industry (manufacture of food products and beverages and coke and refined petroleum products excepted).

#### Investment revision indicator



Source: Industrial investment survey - INSEE

### Investment is stimulated by foreign-demand and the financial factors

For 2015 and 2016, the foreign-demand outlook and the financial factors (cash flow, indebtedness, interest rates, overall financing conditions) are considered to be more stimulating: the balances of opinion are significantly above their long-term average. The domestic-demand outlook increases but the balances of opinion are lower than its long-term average.

### Factors influencing investment decisions

Balance of opinion, as % of responses

	Average 1991-2015	in 2015 actual	in 2016 forecast
Domestic-demand outlook	49	45	47
Foreign-demand outlook	53	54	59
Expected profits from new investment	82	72	82
Cash flow	16	19	19
Indebtedness	-3	6	7
Interest rates	7	32	28
Overall financing conditions	12	29	27
Technical factors (1)	63	61	62
Other factors (such as tax incentives)	23	31	29

(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.

Source: Industrial investment survey - INSEE

### In 2016, the investment incentives are likely to be similar to those of 2015

In 2016, the purposes of investment will be similar to those of 2015. The share of investment meant to the replacement of equipment will remain slightly above its long-term average. On the contrary, the share of investment meant to increase productive capacity or purposed to introduction of new products is likely to remain below its long-term average.

### Share of purposes of investment

	Average 1991-2015	2015 actual	2016 forecast
Replacement	27	29	29
Modernization, streamlining	24	23	23
of which : automation	11	8	8
of which : new production methods	7	7	6
of which : energy savings	6	8	9
increase in productive capacity	16	15	14
Introduction of new products	14	13	13
Other purposes (safety, environment, working conditions...)	20	20	21

Source: Industrial investment survey - INSEE

### Learn more:

The Survey of Industrial Investment provides a picture of investment conditions in the industrial market sector. 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, etc.) are available on the web 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](mailto:bureau-de-presse@insee.fr)
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