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PRESS RELEASE

Provisional results of the spring 2008 survey of investment in manufacturing industry

The National Bank of Belgium conducts twice a year a survey of investment in manufacturing industry in the strict sense (i.e. excluding construction firms and firms in the “electricity, gas and water” branch). According to national accounts data, manufacturing industry represented 20.1 p.c. of total business investment in 2006.

The provisional results of the May 2008 survey indicate that investment in fixed capital goods in manufacturing industry, expressed at current prices, grew by 12.3 p.c. in 2007, the sharpest increase since 1990. According to the same survey, investment growth would nearly stabilise at 12 p.c. in 2008.

The expansion of investment in 2007 was fairly widespread across all sectors, with the exception of the automobile industry. The expected increase in 2008 is mainly supported by the petroleum refining and chemical industry. In contrast, investment in the metalworking industry, including the automobile industry, and the food industry is likely to decline.

In the November 2007 survey, companies expected that their investments would grow by 13.3 p.c. in 2007 and 7 p.c. in 2008. Overall, the result for 2007 is therefore close to the findings of the previous survey. The still provisional outlook for the current year was adjusted upwards, despite the deterioration in the economic environment and contrary to what is usual in the spring survey.