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PRESS RELEASE

Results of the May 2004 survey on investment in manufacturing industry

According to the provisional results of the May 2004 investment survey conducted by the National Bank of Belgium in manufacturing industry in the strict sense (i.e. excluding enterprises in the building industry and the "electricity, gas and water" branch), investment in fixed capital goods expressed at current prices would increase by 2.3 p.c. in 2004.

In the November 2003 survey, enterprises had expected their investments to decrease by 4.6 p.c. in 2004. Overall, the still provisional forecasts for the current year have therefore been revised upwards since last autumn, although they are generally adjusted downwards in the period between the survey held the previous autumn and the one held in the spring of the current year. The results of the present survey thus confirm that the improvement of the overall economic climate should favour the recovery of investments, even though the expected increase is still limited.

A clear upward revision of the investments for this year is recorded in the chemical industry, the metal-working industry excluding the motor vehicle industry, as well as in non-metallic mineral products. The fall in investments in the motor vehicle industry is smaller in comparison with the results of the previous survey. On the other hand, companies in the iron and steel industry, in the textile industry, in the paper branch and printing industry and in the plastic industry are expecting investments to show an even sharper fall than had been anticipated in the autumn.

The increase expected to take place in the whole of the manufacturing industry in 2004 comes after three consecutive years of decrease in investment, as reported in the survey. The present survey mentions a 3.4.p.c. decrease in investment spending for the year 2003.