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PRESS RELEASE

Autumn 2004 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 those in the "electricity, gas and water" branch). According to the national accounts' data, manufacturing industry represented 21.8 p.c. of total business investment in 2003.

In accordance with the provisional results of the November 2004 survey, investments in fixed capital goods in manufacturing industry expressed at current prices would be down for the fourth consecutive year in 2004. The decline would amount to 11.3 p.c., against 4.2 p.c. in 2003.

In the May 2004 survey, enterprises had expected their investments to expand by 1.5 p.c. Overall, the still provisional forecasts for the current year have therefore been sharply revised downwards since the spring survey. The fall in investment in 2004 would be seen in most branches of activity.

However, investments are expected to recover strongly in manufacturing industry next year. According to the forecasts expressed in the present survey, investment spending would rise by 26.7 p.c. in 2005. It seems that substantial projects originally planned for 2004 have at this stage been postponed until next year.

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