

6 January 2006

PRESS RELEASE

Provisional results of the autumn 2005 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 20.7 p.c. of total business investment in 2004.

In accordance with the provisional results of the November 2005 survey, investments in fixed capital goods in manufacturing industry expressed at current prices would be down for the fifth consecutive year in 2005. The decline would amount to 7.3 p.c., against 9.9 p.c. in 2004.

In the May 2005 survey, enterprises had expected their investments to expand by 7.8 p.c. Overall, the still provisional forecasts for 2005 have therefore been sharply revised downwards since the spring survey. The present survey shows that the drop in investment in the manufacturing industry mainly results from a major decrease in the chemical industry, following the execution of important projects in 2004, and from a decline in the textile sector. On the other hand, several branches, such as the metal-working industry, announce an increase in their investment for 2005.

Investments are expected to recover strongly in manufacturing industry in 2006. According to the forecasts expressed in the present survey, investment spending would rise by 21.3 p.c.