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PRESS RELEASE

Results of the Autumn 2014 survey of investment in the manufacturing industry

Twice a year, the National Bank of Belgium conducts a survey of investment by firms in the manufacturing industry.

According to the findings from the autumn 2014 survey, investment in fixed capital goods - expressed in current prices - is estimated to have fallen by 1.6 % in 2014. In particular motor vehicle assembly, manufacture of wood products and printing contributed to this decline.

For 2014, investment dropped by and large in half of the branches of activity surveyed, namely in the technology industry - more particularly in motor vehicle assembly -, printing, manufacture of wood products, cement, manufacture of paper, as well as in non-ferrous metals manufactures and the chemicals industry, though to a lesser degree. On the other hand, in 2014, investment is estimated to have risen in the glass-making, paper processing, iron and steel, petrochemicals, ceramics, textiles, food industry and plastics.

After the capacity utilisation rate had risen to a level just above the long-term average (78.8 %) in the course of 2013, production stagnated in 2014. This helps to explain why the new investment estimate for 2014 is well below the 21 % increase projected in the spring 2014 survey. In this context, investment is likely to be revised downwards in all firm size categories, yet the largest decline manifested itself in firms with fewer than 50 employees.

For 2015, business investment is expected to increase by some 12 %. Apart from the textiles industry (excluding the clothing and knitwear sector), the food industry, the manufacture of paper and ceramics, investment is forecast to rise in all branches of activity. For 2015, survey participants expect to a higher degree than in 2014 that the invested sums will be channelled into expansion of production capacities than used for the replacement of existing equipment.

As always, the autumn survey figures should be interpreted with the necessary caution. On the basis of economic developments and expectations, investment projected in the autumn for the coming calendar year is sometimes only partially realised *ex post* or postponed until a later date.