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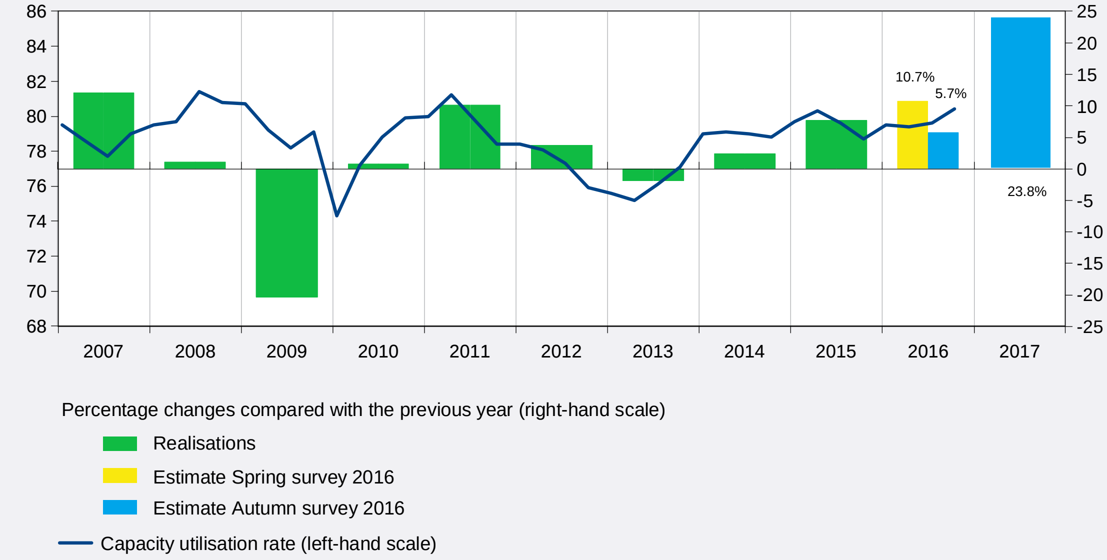
PRESS RELEASE

Results of the autumn 2016 survey of investment in the manufacturing industry

TREND IN INVESTMENT[1] AND PRODUCTION CAPACITY



[1] Source: NBB - twice-yearly survey, percentages of variation in current prices of the investments (except for leasing).

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 survey, fixed capital investment – expressed in current prices – is estimated to have risen by 5.7% in 2016, driven by the motor vehicle, chemicals, woodworking and non-ferrous metal industries. By contrast, the amount of money invested in the technology sector (excluding motor vehicle assembly), food and petrochemicals industries is estimated to have dropped back.

The new estimate for 2016 is almost half as low as the 10.7% anticipated in the survey carried out last spring. Although still in positive territory, growth in investment has been adjusted sharply downwards in large and very large firms (250 workers or more). Conversely, in medium-sized enterprises (employing between 50 and 249 workers), the sums invested have been revised upwards. Only small firms (with less than 50 workers) appear to post a larger drop in their investment than had been estimated six months ago. If the export ratio is taken into consideration, all company categories should see their 2016 investment figures pick up, with the exception of the category with an export share of between 21 and 40 %. Compared with the spring survey, growth in investment has been revised downwards significantly in firms that export more than 60 %.

For 2017, business investment is expected to expand by about 24 %. Investment is forecast to rise in the vast majority of sectors surveyed, especially in the technology, food, woodworking and chemicals industries. It is nevertheless expected to continue to fall in the petrochemicals industry.
The rise in investment expected in 2017 is likely to affect all company size categories, and more particularly firms with less than 50 workers, where it is very probably a case of projects being postponed in 2016. Considering the export ratio, only firms that export less than 20 % are anticipating a decline in their investment level.

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