

Investment Survey  
October 2011

**Perspectives of business investment strongly decrease in 2012. Investment for 2011 revised downward comparing with the results of the previous survey.**

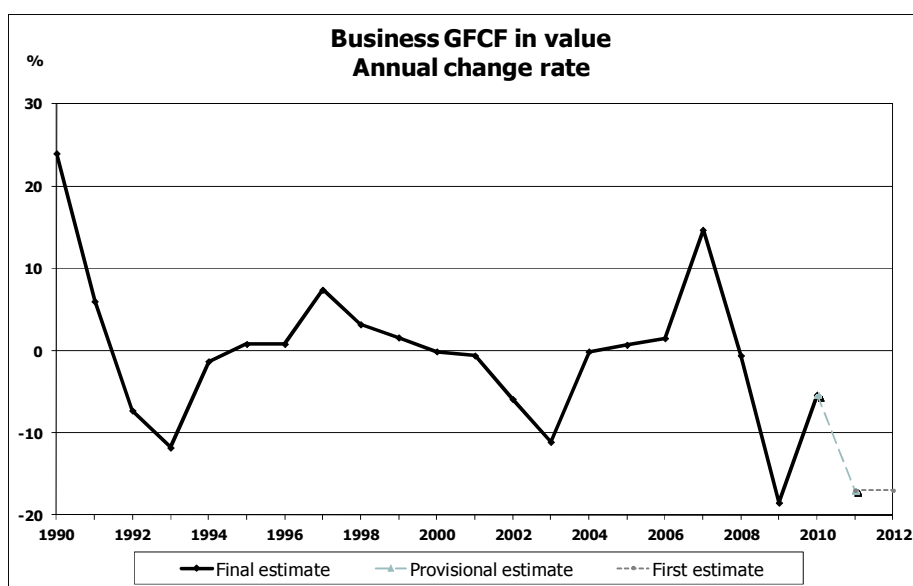
According to the opinions expressed in the October 2011 Investment Survey (with an inquired period between the 1<sup>st</sup> October of 2011 and 20<sup>th</sup> January 2012), the entrepreneurial investment is expected to decrease 17.0% in 2012 in nominal terms. The same survey points also to a change rate of -17.0% in 2011, which represents a significant downward revision comparing with the perspectives revealed in the previous (-9.3 percentage points).

Among the investment objectives, from 2011 to 2012, the perspectives points to an increase of the relative weight of the investment in replacement and a decrease of the relative weight of the investment for the extension of the production capacity and, to a greater extent, for the rationalization and restructuring.

As main limitative factors for business investment identified in the survey, in 2011 and 2012, the deterioration of the sales perspectives followed by the uncertainty on the yield of the investments continue to be the factors mentioned by a larger number of firms.

The results from the October 2011 Investment Survey (occurred between the 1<sup>st</sup> October 2011 and the 20<sup>th</sup> January 2012) points to a decrease of 17.0%, in 2011, of the entrepreneurial Gross Fixed Capital Formation in nominal terms. Comparing with the investment expectations stated in the previous survey (occurred between the 1<sup>st</sup> April 2011 and the 29<sup>th</sup> June 2011), there was a downward revision of the entrepreneurial investment change rate for 2011 (-9.3 p.p.). This revision reflected mainly the cancellation or postponing of the previously revealed investment expectations due to the deterioration of the economic activity perspectives for 2011. Considering the firms size by number of workers, all the groups contributed negatively to the reduction of the investment in 2011, especially the 1<sup>st</sup> (employing 49 or less workers) and the 4<sup>th</sup> (employing 500 or more workers), with change rates of -37.3% and -13.9% and contributions of -8.4 p.p. and -5.6 p.p., respectively.

For 2012, the survey points to a nominal decrease of the enterprises' investment of 17.0%. This result represents a reduction of -13.3 p.p. when comparing with the first estimate for 2011 obtained in the October 2010 survey. The negative change rate for 2012 mainly reflected the evolution of the investment of the 1<sup>nd</sup> and 4<sup>th</sup> groups, with contributions of -4.5 and -8.3 p.p. (changes rates of -26.6% and -19.5)%, respectively.



The percentage corresponds to the last available estimate for each year. For 2011 and 2012, the change rate corresponds to the entrepreneurial perspectives.

## STRUCTURE, CHANGE AND DIFFUSION OF INVESTMENT

NACE-Rev.2	STRUCTURE (a)			CHANGE (b)		DIFFUSION (c)		
	2010	2011	2012	2011	2012	2010	2011	2012
Mining and quarrying (Section B)	1,2	1,4	1,6	-1,9	-5,7	90,5	90,5	71,4
Manufacturing (Section C)	25,0	23,7	20,4	-21,1	-28,7	91,8	82,9	75,6
Electricity, gas, steam and air conditioning supply (Section D)	8,3	11,5	13,8	14,3	0,0	86,4	86,4	86,4
Water supply; sewerage, waste management and remediation activities (Section E)	5,0	7,9	7,4	32,0	-22,6	97,4	92,1	86,8
Construction (Section F)	8,5	7,0	6,7	-31,3	-20,1	89,0	76,6	66,2
Wholesale and retail trade; repair of motor vehicles and motorcycles (Section G)	12,2	9,3	9,5	-36,5	-15,3	89,7	75,3	66,3
Transportation and storage (Section H)	12,3	12,5	10,7	-15,8	-28,6	90,3	80,6	76,4
Accommodation and food service activities (Section I)	1,9	1,3	1,2	-41,6	-24,9	96,2	84,6	73,1
Information and communication (Section J)	12,1	12,5	13,1	-14,3	-13,1	92,6	78,5	72,7
Financial and insurance activities (Section K)	4,4	4,3	5,1	-17,8	-2,0	83,7	76,1	70,7
Real estate activities (Section L)	0,1	0,2	0,2	28,0	-30,9	66,7	55,6	48,1
Professional, scientific and technical activities (Section M)	1,7	1,3	1,6	-35,4	2,6	89,6	82,1	76,1
Administrative and support service activities (Section N)	7,4	7,0	8,7	-21,7	2,9	88,8	73,3	66,3
<b>TOTAL</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>-17,0</b>	<b>-17,0</b>	<b>90,7</b>	<b>80,5</b>	<b>73,1</b>

(a) Percentual investment distribution by NACE sections

(b) Year-on-year change rate, nominal (%)

(c) Percentage of firms with investments or expecting to invest

### Technical note:

The Investment Survey was based on a sample of 3708 firms with more than 4 workers, that belong to the activities of NACE revision 2 (divisions 05 to 82) and that have a yearly turnover of, at least, €125.000. The firms with 200 or more workers were exhaustively surveyed.

The survey was conducted between the 1<sup>st</sup> October 2011 and the 20<sup>th</sup> January 2012 and the global response rate was 78.2%.

Considering the number of workers as the stratification/extrapolation variable, these firms represent 83.6% of the sample.

***Next report will be released on July 2012.***

For further information, please consult the website of INE.