

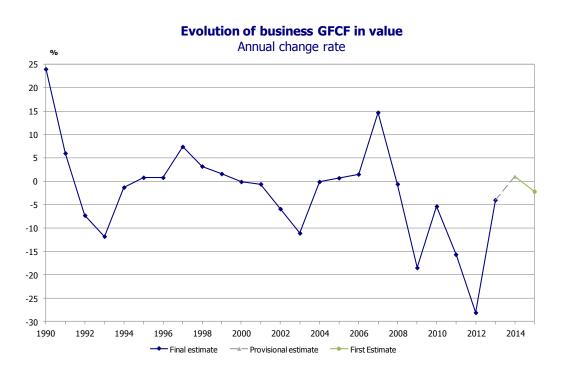
Investment Survey October 2014

> Downward revision of business investment in 2014. Perspectives of a decrease of investment in 2015.

Accordingly with the opinions expressed in the October 2014 Investment Survey (with an inquiring period between the 1st October 2014 and the 19th January 2015), the entrepreneurial investment is expected to present a nominal change rate of -2.2% in 2015. The same survey also points to an increase in investment by 1.0% in 2014, which represents a downward revision comparing with the perspectives revealed in the previous survey (change rate of 2.4%).

Among the investment objectives, the relative weight of the extension of the production capacity might decrease from 2014 to 2015, although remaining the most referred objective. On the other hand, the replacement and the rationalization and restructuration investments relative weights might increase, especially in the first case.

Regarding the main limitative factor for business investment identified in the survey, the deterioration of the sales perspectives, followed by the uncertainty about the investment profitability, continued to be the most mentioned in both years. The relative weight between 2014 and 2015 might decrease in the first case and increase in the second case.



The percentage corresponds to the last available estimate for each year. For 2014 and 2015, the change rate corresponds to the entrepreneurial perspectives.



Investment Survey – October 2014



The results from the October 2014 Investment Survey point to a 1.0% nominal increase of the entrepreneurial Gross Fixed Capital Formation in 2014. Comparing with the investment expectations obtained in the April 2014 survey (occurred between the 1st April and the 30th June 2014) there was a downward revision of the entrepreneurial investment change rate for 2014 by 1.4 percentage points (p.p.), which might reflected some postponement or even cancellation of investments.

Considering the firms size by number of workers, the fourth group (employing 500 or more workers) presented the most intense positive contribution (5.1 p.p.) to the evolution of the investment in 2014, increasing 14.0%. On the contrary, the firms of the first group (employing less than 50 workers) registered the most significant negative contribution (-3.0 p.p.), due to a decrease of 12.6% of the investment. It should be noted that the downward revision comparing with the results of the April 2014 survey is mainly due to the firms of the third group (employing between 250 and 499 workers).

For 2015, the survey points to a nominal change rate of the enterprises' investment of -2.2%. This result represents a reduction of 3.3 p.p. when comparing with the first estimate for 2014 obtained in the October 2013 survey (1.1%).

Accordingly with the results of the October 2014 survey, the decrease of the investment in 2015 reflects the negative contribution of the first group (-3.8 p.p.), due to a change rate of -18.4%, and to a lesser extent, of the second group (employing between 50 and 249 workers), with a reduction of 2.3% (contribution of -0.7 p.p.). The firms of the third and fourth groups contributed positively (1.0 p.p. and 1.3 p.p., respectively) for the investment in 2015, with change rates of 10.9% and 3.1%.

The decrease of the investment in 2015, compared with the rate observed in the previous year (difference of 3.2 p.p.), reflects especially the positive contribution reduction of the investment in firms of the fourth group (from 5.1 p.p. to 1.3 p.p.), which is expected to shift from a change rate of 14.0% in 2014 to 3.1% in 2015.

The results obtained for the exporting firms from the Manufacturing section, point to a 3.2% decrease of the investment in 2014. This reduction was less intense than the observed in the section (-7.6%), while the investment has increased for total firms (1.0%). For 2015, the investment is expected to present a change rate of -5.1%, which compares with a change rate of -3.2% for the Manufacturing section and -2.2% for total firms.

In this survey, the diffusion indicator of investment (percentage of firms with investments or intending to invest) maintained the downward evolution in the three years analyzed. This indicator stood at 87.8%, 80.9% and 76.5%, for 2013, 2014 and 2015, respectively.



STRUCTURE, CHANGE AND DIFFUSION OF INVESTMENT

NACE-Rev.2	STRUCTURE (a)			CHANGE (b)		DIFFUSION (c)		
	2013	2014	2015	2014	2015	2013	2014	2015
Mining and quarrying (Section B)	1.7	1.5	1.8	-10.8	11.8	90.9	81.8	77.3
Manufacturing (Section C)	29.0	26.5	26.2	-7.6	-3.2	91.6	83.0	78.8
Of which: exporting firms	-	-	-	-3.2	-5.1	97.1	<i>93.2</i>	89.9
Electricity, gas, steam and air-conditioning supply (Section D)	12.7	13.1	11.0	4.9	-17.8	88.0	92.0	92.0
Water supply; sewerage, waste management and remediation activities (Section E)	3.5	4.4	5.1	26.8	12.8	92.9	90.6	88.2
Construction (Section F)	4.0	3.1	2.5	-23.7	-20.2	79.2	72.0	65.1
Wholesale and retail trade; repair of motor vehicles and motorcycles (Section G)	12.4	12.9	13.6	5.2	2.8	84.3	79.2	74.5
Transportation and storage (Section H)	8.4	10.0	10.8	20.3	5.8	90.3	84.1	81.5
Accommodation and food service activities (Section I)	1.9	1.5	1.5	-19.0	0.3	85.7	82.8	75.3
Information and communication (Section J)	10.7	12.5	12.4	17.4	-2.5	83.4	79.7	74.5
Financial and insurance activities (Section K)	4.8	4.4	5.0	-6.2	11.1	83.7	78.8	70.7
Real estate activities (Section L)	1.4	1.0	0.7	-30.2	-24.8	64.5	67.7	58.1
Professional, scientific and technical activities (Section M)	1.4	1.3	1.3	-12.1	4.3	83.6	81.7	73.9
Administrative and support service activities (Section N)	8.1	7.8	7.9	-2.2	-1.1	80.5	70.6	70.6
TOTAL	100	100	100	1.0	-2.2	87.8	80.9	76.5

(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 3590 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, \notin 125,000. The firms with 200 or more workers were exhaustively surveyed.

The survey was conducted between the 1st October 2014 and the 19th January 2015 and the global response rate was 90.2%.

Considering the number of workers as the stratification/extrapolation variable, these firms represent 95.8% of the sample.

Next report will be released on July 2015.

For further information, please consult the website of INE.