

29<sup>th</sup> January, 2010

## Investment Survey

October 2009

### Perspectives of a slight increase of business investment in 2010. Investment for 2009 revised downward comparing with the results of the previous survey.

According to the opinions expressed on the October 2009 Investment Survey (occurred between the 1<sup>st</sup> October and 19<sup>th</sup> January 2010), the entrepreneurial investment might increase 1.4% in 2010 in nominal terms. The same survey points to a nominal change rate of investment of -17.1% for 2009, which represents a significant downward revision relatively to the perspectives revealed in the previous survey.

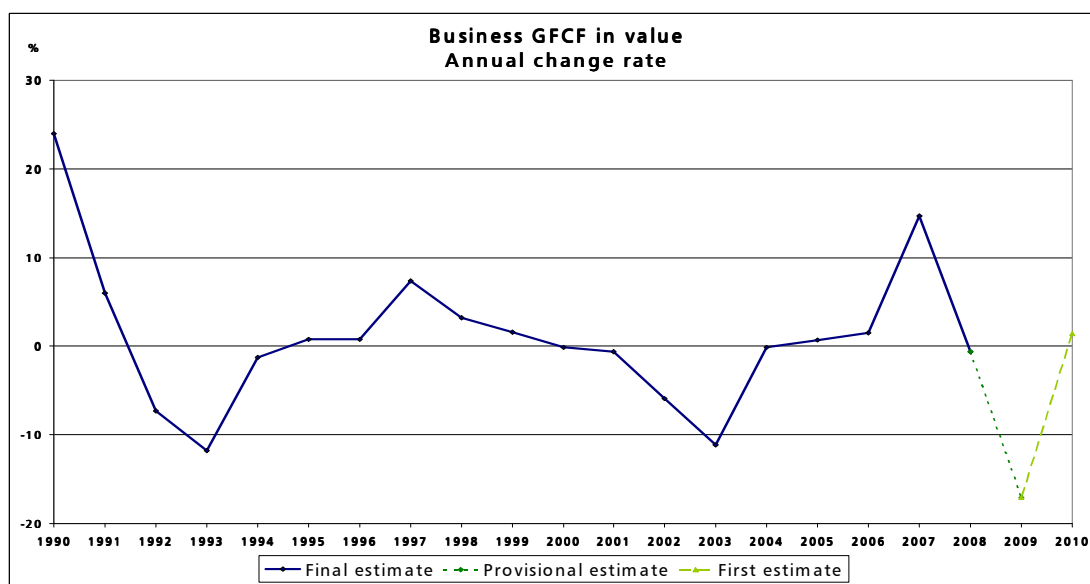
Among the investment objectives, from 2009 to 2010 the perspectives point to an increase of the relative weight of the investment in rationalization and restructuring and a decrease of the relative weight of the investment oriented to the expansion of the production capacity.

As main limitative factor for business investment identified in the survey, between 2009 and 2010, the deterioration of the sales perspectives continues to be the factor mentioned by a larger number of firms, but the relative weight of the difficulties in obtaining bank credit increased.

The results from the October 2009 Investment Survey (occurred between the 1<sup>st</sup> October and the 19<sup>th</sup> January 2010) revealed a significant downward revision of the entrepreneurial investment change rate for 2009, when compared with the investment expectations stated in the previous survey (occurred between the 1<sup>st</sup> April 2009 and the 30<sup>th</sup> June 2009). In fact, the values obtained in the present survey for 2009 point to a nominal change rate of the entrepreneurial Gross Fixed Capital Formation (GFCF) of -17.1%, 7.0 percentage points (p.p.) less than the result obtained in the April 2009 survey. This downward revision reflected the revaluation of the previously revealed investment expectations as an adjustment to the economic crisis. Notice that this variation is the lowest of the series begun in 1990, but this provisional estimate is not strictly comparable with the previous values of the series based on actual investments because is still based on investment perspectives. For 2009, the enterprises of all dimensions contributed for the decrease of the investment.

For 2010, the present survey points to a nominal growth of the enterprises' investment of 1.4%. Comparing this first estimate for 2010 with the first estimate for 2009, from the October Survey, there is an increase of 10.0 p.p., considerably less than the obtained by comparing the results from the present survey for both years.

From 2009 to 2010, according to the results of the present survey, the increase of the investment change rate (18.5 p.p.) reflects mainly the evolution of the investment in the larger enterprises, more significant in the ones with more than 500 workers, which go from a negative change rate in 2009 to an expressive growth in 2010.





## STRUCTURE, CHANGE AND DIFFUSION OF INVESTMENT

NACE-Rev.1	STRUCTURE (a)			CHANGE (b)		DIFFUSION (c)		
	2008	2009	2010	2009	2010	2008	2009	2010
MINING AND QUARRYING (10 to 14)	1.4	1.5	1.2	-11.4	-21.1	99.2	87.7	77.2
MANUFACTURING (15 to 37)	24.4	21.5	21.3	-26.9	0.6	85.3	71.7	65.3
ELECTRICITY, GAS AND WATER SUPPLY (40+41)	16.8	20.7	17.0	2.0	-16.6	100.0	100.0	100.0
CONSTRUCTION (45)	8.2	7.2	6.8	-27.0	-3.8	79.0	66.4	60.9
TRADE (50 to 52)	13.1	12.4	11.1	-21.5	-9.0	83.1	64.9	56.0
SALE OF VEHICLES AND FUEL (50)	11.5	7.0	6.5	-52.4	-15.8	82.4	55.7	54.0
WHOLESALE TRADE (51)	40.8	49.9	49.8	-3.9	-9.1	84.6	65.0	55.8
RETAIL TRADE (52)	47.7	43.1	43.7	-29.2	-7.7	81.5	69.7	57.2
HOTELS AND RESTAURANTS (55)	1.9	1.7	1.3	-23.6	-22.9	98.1	76.3	58.7
TRANSPORT, STORAGE AND COMMUNICATION (60 to 64)	19.0	22.0	27.4	-4.0	26.5	80.5	55.8	51.9
TRANSPORT AND STORAGE (60 to 63)	55.9	49.0	57.3	-15.9	48.0	79.9	54.3	50.6
COMMUNICATION (64)	44.1	51.0	42.7	11.1	5.8	100.0	100.0	93.3
FINANCIAL ACTIVITIES (65 to 67)	5.0	4.8	5.7	-19.2	19.1	84.4	80.7	78.9
FINANCIAL INTERMEDIATION (65)	90.8	86.2	86.4	-23.2	19.3	90.6	90.6	88.5
INSURANCE (66)	8.7	13.3	13.1	22.9	17.8	66.3	66.3	64.8
ACTIVITIES AUXILIARY TO FINANCIAL INTERMEDIATION (67)	0.5	0.5	0.4	-11.7	3.8	81.5	52.1	52.1
REAL ESTATE, RENTING AND BUSINESS ACTIVITIES (70 to 74)	10.3	8.2	8.1	-33.9	0.8	90.6	71.6	69.1
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>-17.1</b>	<b>1.4</b>	<b>84.5</b>	<b>68.2</b>	<b>60.8</b>

(a) Weight of the activities, on percentage

(b) Year-on-year rates of change

(c) Percentage of enterprises with investments on the period

**Next report will be released on 9<sup>th</sup> July, 2010.**

For further information, please consult the website of INE.

### Technical note:

The Investment Survey was based on a sample of 4115 firms with more than 4 workers, that belong to the activities of NACE 13 to 74 and that have a yearly turnover of, at least, €125000. The firms of the referred activities with more than 199 workers were exhaustively surveyed.

The survey occurred between the 1<sup>st</sup> October 2009 and the 19<sup>th</sup> of January 2010 and the global response rate was 70.2%.

These firms represent 82.9% of the sample, considering the stratification/extrapolation variable (number of workers).