European Commission

Directorate General Economic and Financial Affairs

Analysis of the investment survey in industry and services

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Unit A3 - Economic situation, forecasts, business and consumer surveys

Background

- Since 1966 the Commission has been collecting data on annual investment plans in the manufacturing sector.
- In autumn 2021, the investment survey was extended to the services sector.
- In 2021 there were other changes:
  - The survey became “qualitative”
  - One question on the type of investment asset was added in the spring round
  - The question on “factors influencing investment” was reformulated

The survey on investment

March/April survey

Q17 Compared with two years ago (t-2) your investment last year (t-1) has…

	+ increased	= remained unchanged	- decreased
Overall investment			
Machinery and equipment			
Land, building and infrastructure			
Intangibles (R&D, software, data, intellectual property, vocational training, etc.)			

Q18 Compared with last year (t-1) your investment this year (t) will…

	+ increase	= remain unchanged	- decrease
Overall investment			
Machinery and equipment			
Land, building and infrastructure			
Intangibles (R&D, software, data, intellectual property, vocational training, etc.)			

The survey on investment

October/November survey

Q19 Compared with last year (t-1) your investment this year (t) will…

\+ increase

= remain unchanged

– decrease

Q20 Compared with this year (t) your investment next year (t+1) will…

\+ increase

= remain unchanged

– decrease

The survey on investment

Q13 Structure of the investment: Investment carried out this year and planned investment for next year is, or will be, of the following kind (choose the appropriate category or categories):

	for this year	for next year
Replacement of worn-out buildings, equipment and IT		
Extension of capacity for existing or new products/services		
Investment designed to streamline processes		
Other investment objectives (regulatory obligations, safety, etc.)		

Q22 What main **factors are stimulating** your investment?

	for this year	for next year
Demand		
Financial conditions		
Technical factors		
Other factors		

The survey on investment

Therefore, four consecutive estimates of investment growth are available for each year.

Example for the year 2025:

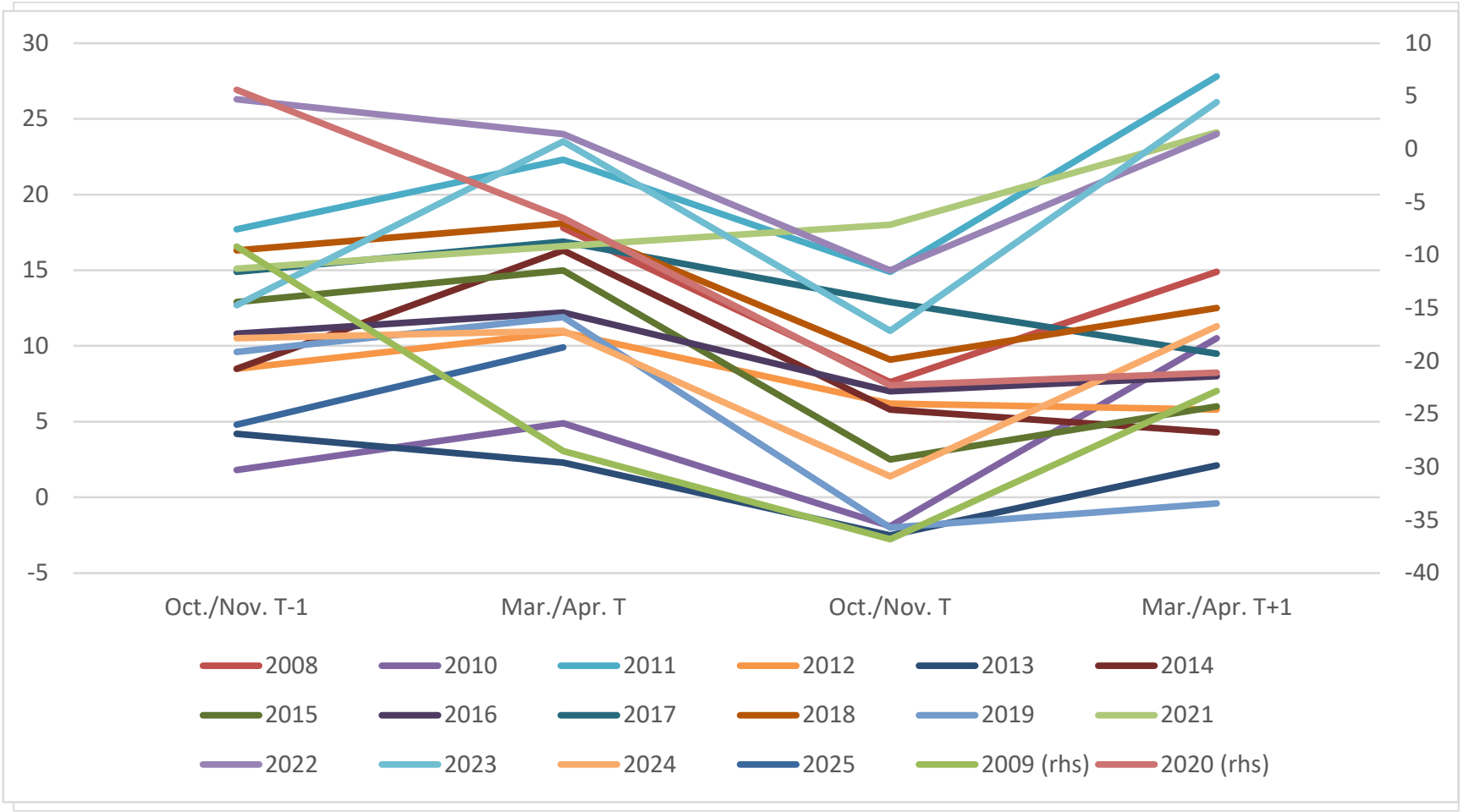
Year	**2025**			
Date of the survey	Oct/Nov 2024	Mar/Apr 2025	Oct/Nov 2025	Mar/Apr 2026
Date of publication of survey sesults:	end-Nov 2024	end-Apr 2025	end-Nov 2025	end-Apr 2026
	Quarterly National Account data release by Eurostat by the time of survey results publication			
			GDP main aggregates and employment, Q2/2025*	GDP main aggregates and employment, Q4/2025**

* GDP main aggregates and employment, Q1/2025 available beginning of June.

** GDP main aggregates and employment, Q3/2025 available beginning of December.

The survey on investment - manufacturing

Investment reported in each survey for the EU – % balances



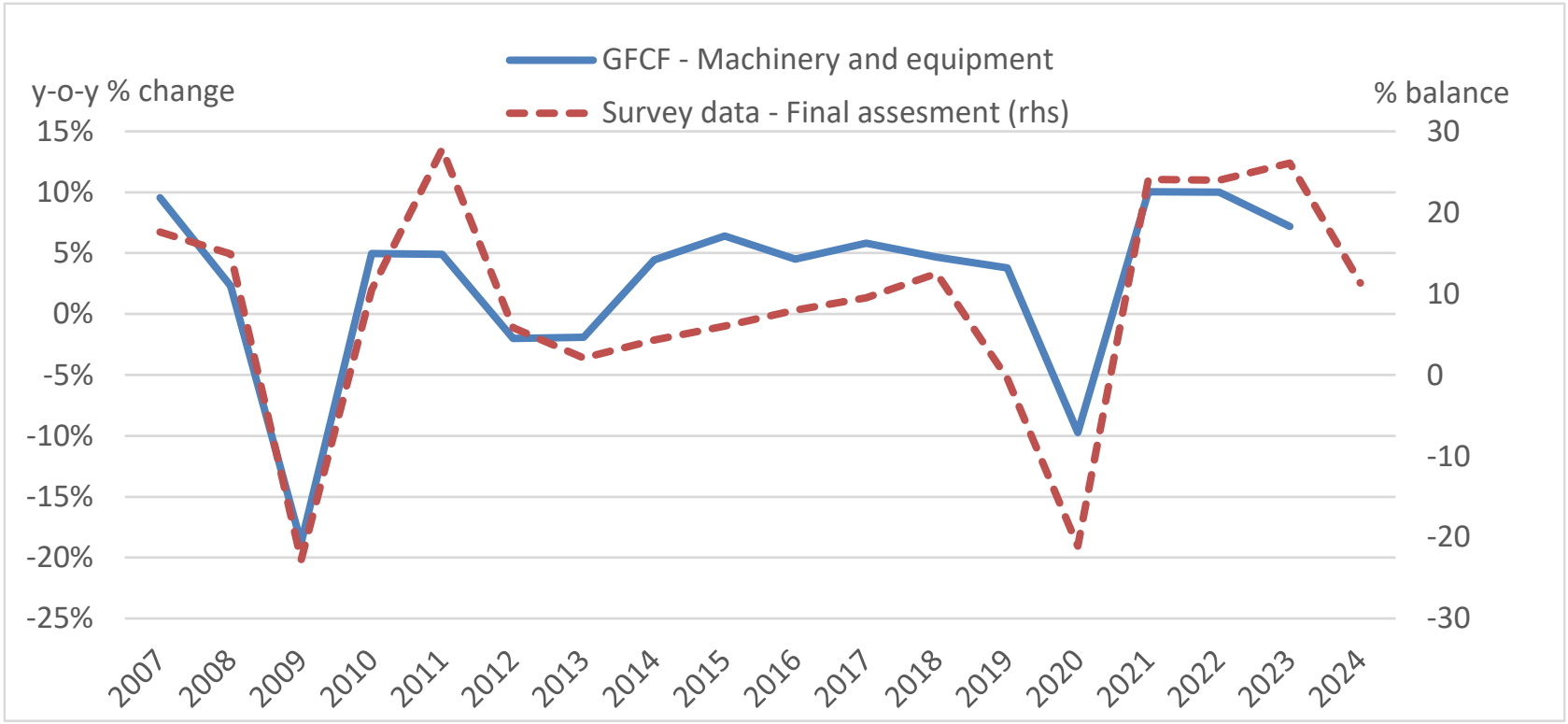
The survey on investment - manufacturing

Average revisions over the period 2009 to 2025

		Difference with the previous estimation (percentage points)		
	1st estimation (% balances)	2nd estimation	3rd estimation	final estimation
	Oct/Nov t -1	Mar/Apr t	Oct/Nov t	Mar/Apr t+1
EU	10.1	0.6	-8.2	5.6
Euro area	11.7	0.6	-8.8	6.2
Germany	17.0	0.2	-12.5	4.2
Spain	11.5	1.6	-14.7	4.3
France	5.3	4.5	-6.4	5.2
Italy	-3.5	2.0	-4.8	14.5
The Netherlands	-1.1	-7.1	-1.8	9.0
Poland	-26.2	-1.4	0.1	9.6

The survey on investment - manufacturing

Machinery and equipment investment growth (y-o-y % change) and surveyed change of investments in the EU (% balances)



The survey on investment - manufacturing

Correlation between survey data and growth recorded in QNA in machinery and equipment investment

	Survey data			
	final estimation	3rd estimation	2nd estimation	1st estimation
	Mar/Apr t+1	Oct/Nov t	Mar/Apr t	Oct/Nov t -1
EU	0.87	0.92	0.92	0.81
Euro area	0.84	0.91	0.91	0.78
Germany	0.62	0.79	0.84	0.63
Spain	0.53	0.67	0.71	0.56
France	0.71	0.75	0.78	0.28
Italy	0.80	0.73	0.75	0.73
The Netherlands	0.68	0.56	0.53	0.65
Poland	0.46	0.59	0.64	0.35

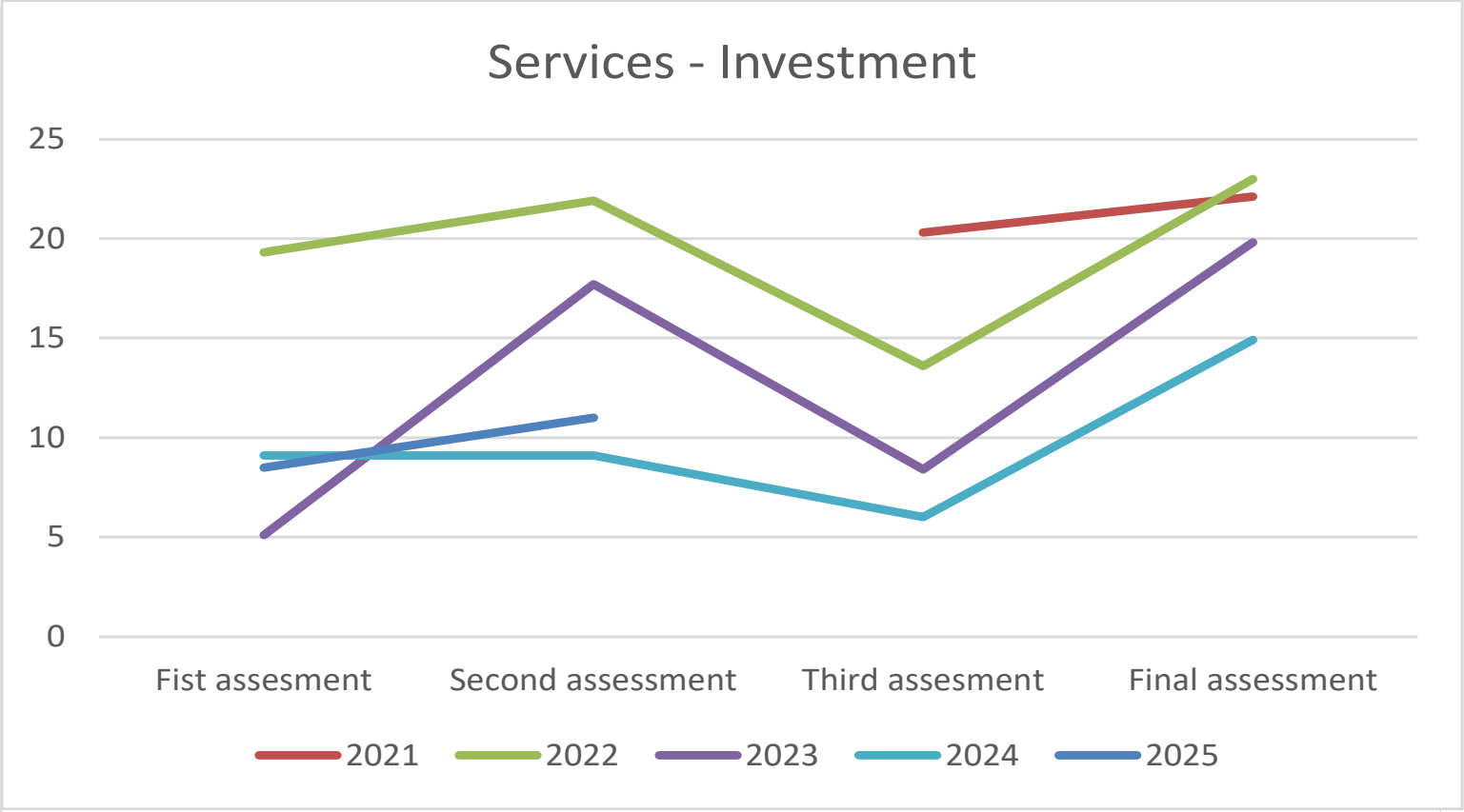
The survey on investment - manufacturing

Percentage of correct directional changes indicated in the survey

	Survey data			
	final estimation	3rd estimation	2nd estimation	1st estimation
	Mar/Apr t+1	Oct/Nov t	Mar/Apr t	Oct/Nov t -1
EU	56%	73%	67%	57%
Euro area	56%	73%	67%	57%
Germany	63%	60%	67%	50%
Spain	38%	47%	53%	50%
France	69%	60%	67%	57%
Italy	63%	73%	60%	64%
The Netherlands	73%	87%	53%	71%
Poland	81%	67%	60%	57%

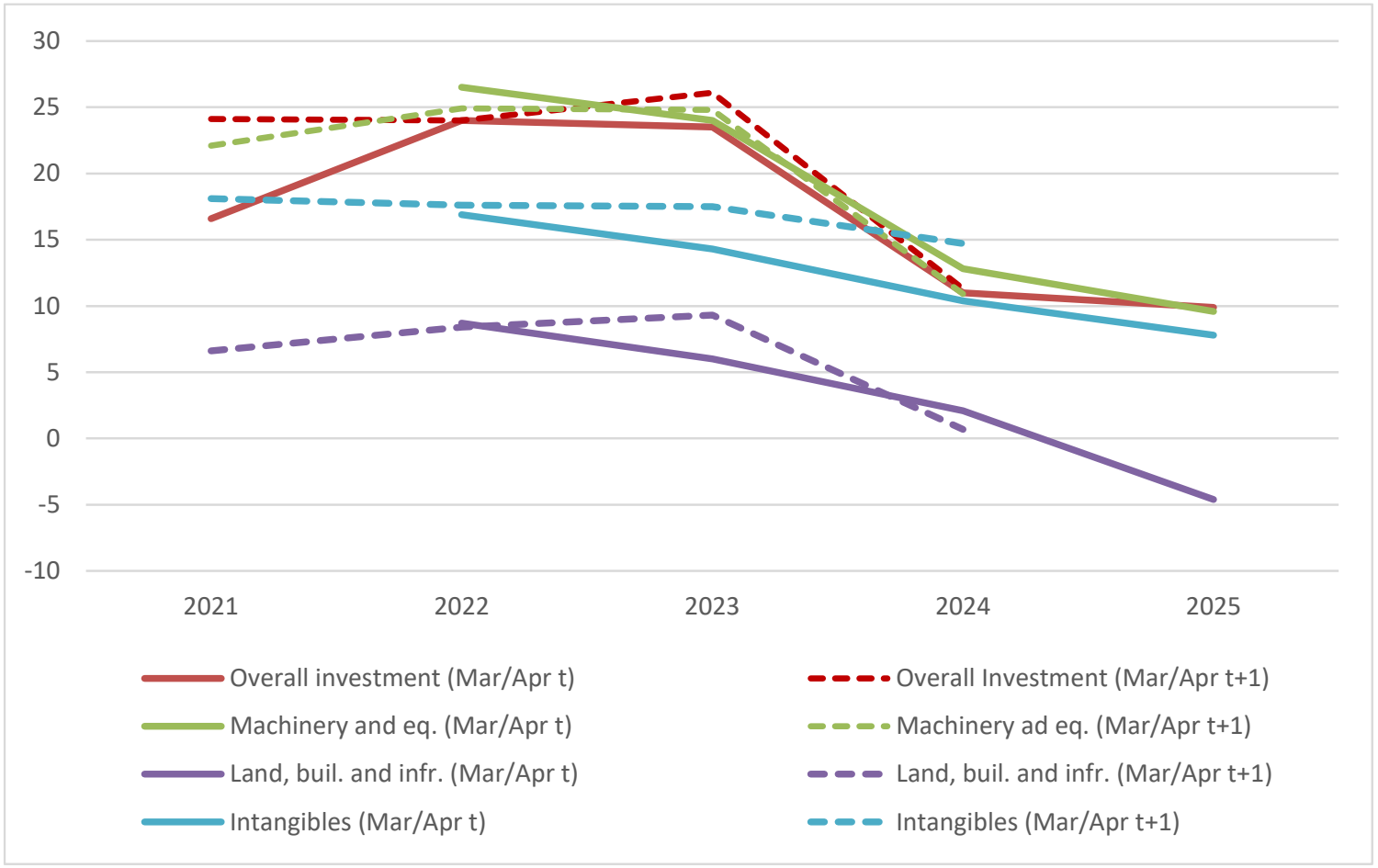
The survey on investment - services

Investment reported in each survey for the EU – % balances



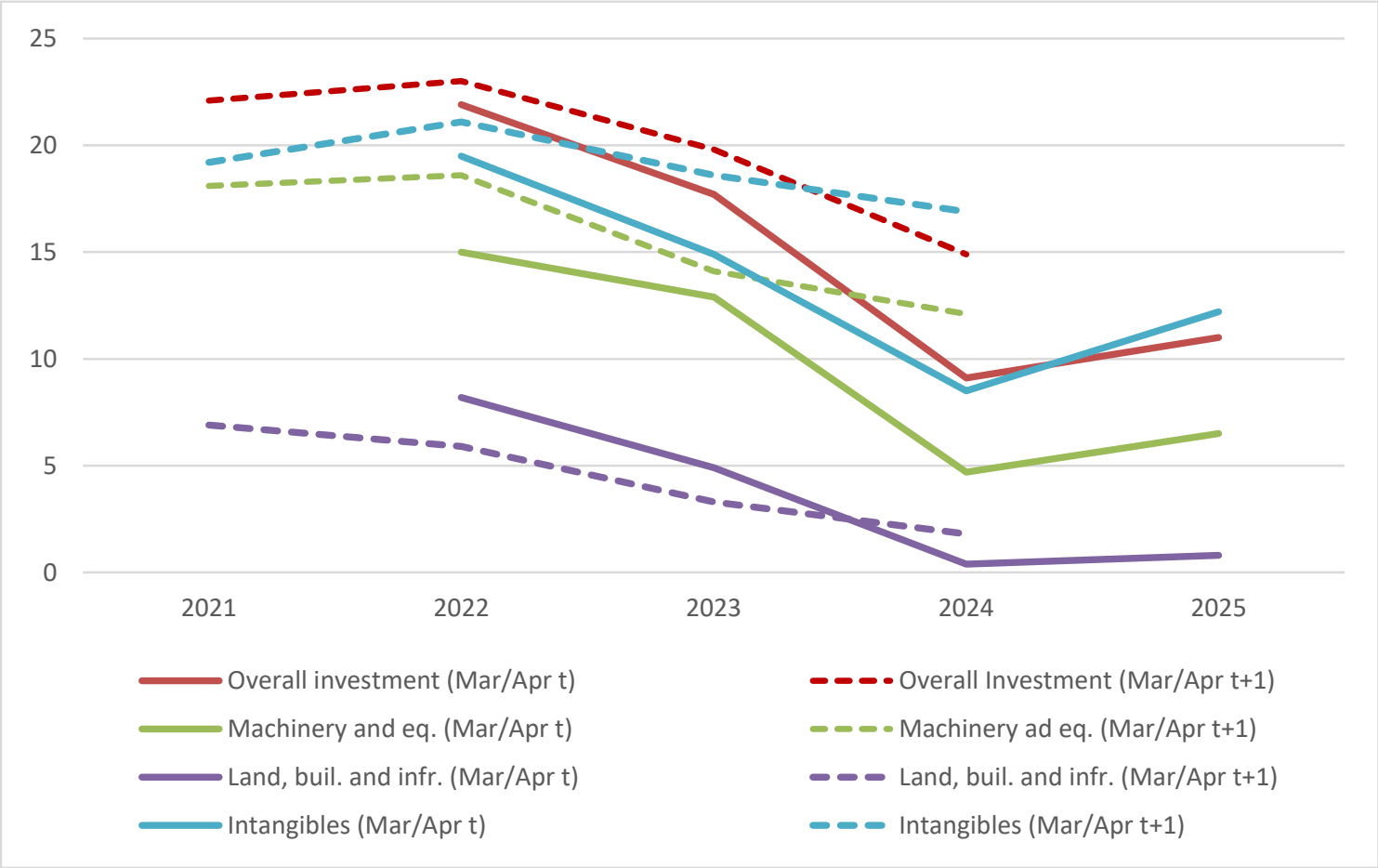
The survey on investment – Manufacturing

Type of investment asset (Mar/Apr t and t+1 assessments)



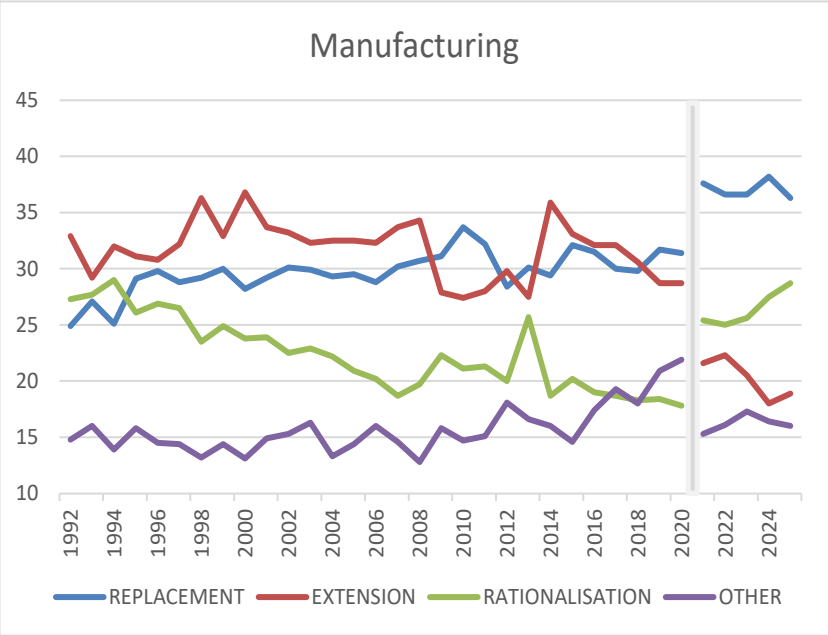
The survey on investment – Services

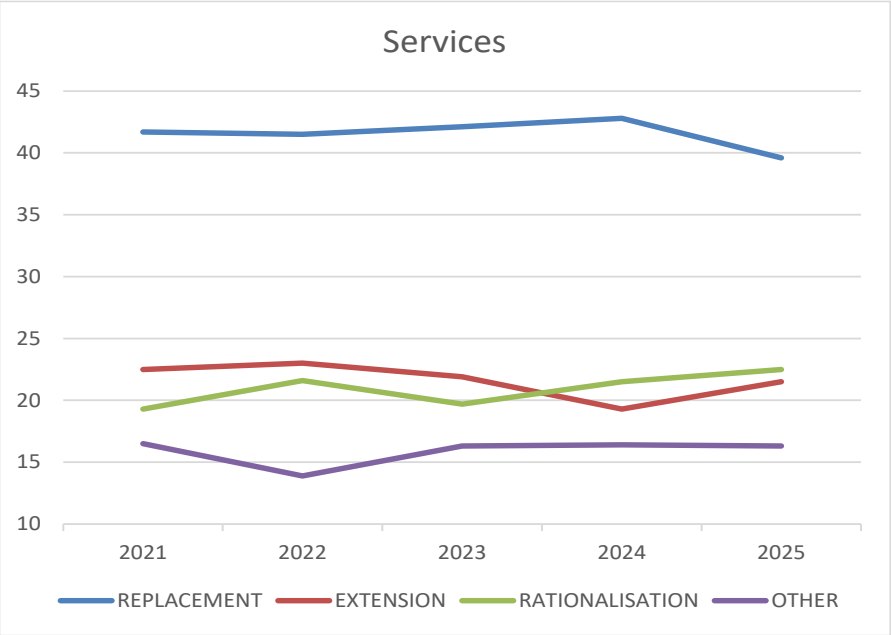
Type of investment asset (Mar/Apr t and t+1 assessments)



The survey on investment

Structure of investment (Oct/Nov assessment)

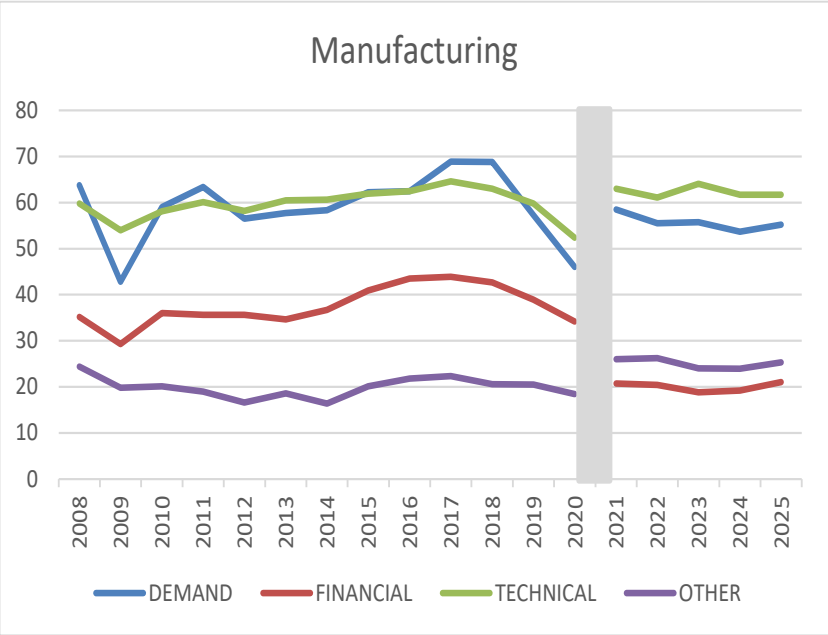


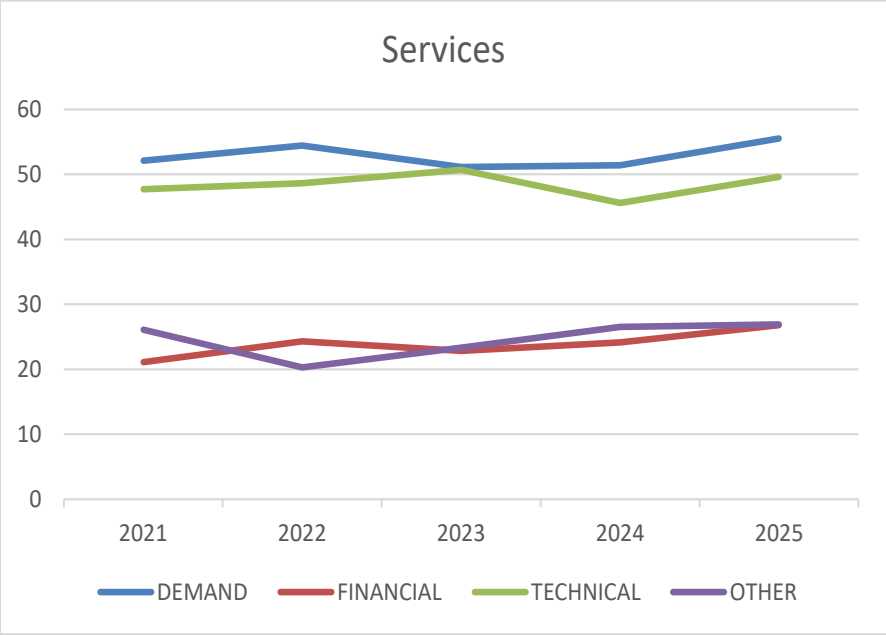


NB: In 2021 the investment survey was revamped. Although the question on the structure of investment was not changed, the answer behaviour to the question appears to have been affected by changes to other parts of the survey, leading to a structural break in the series.

The survey on investment

Factors influencing investment (Oct/Nov assessment)

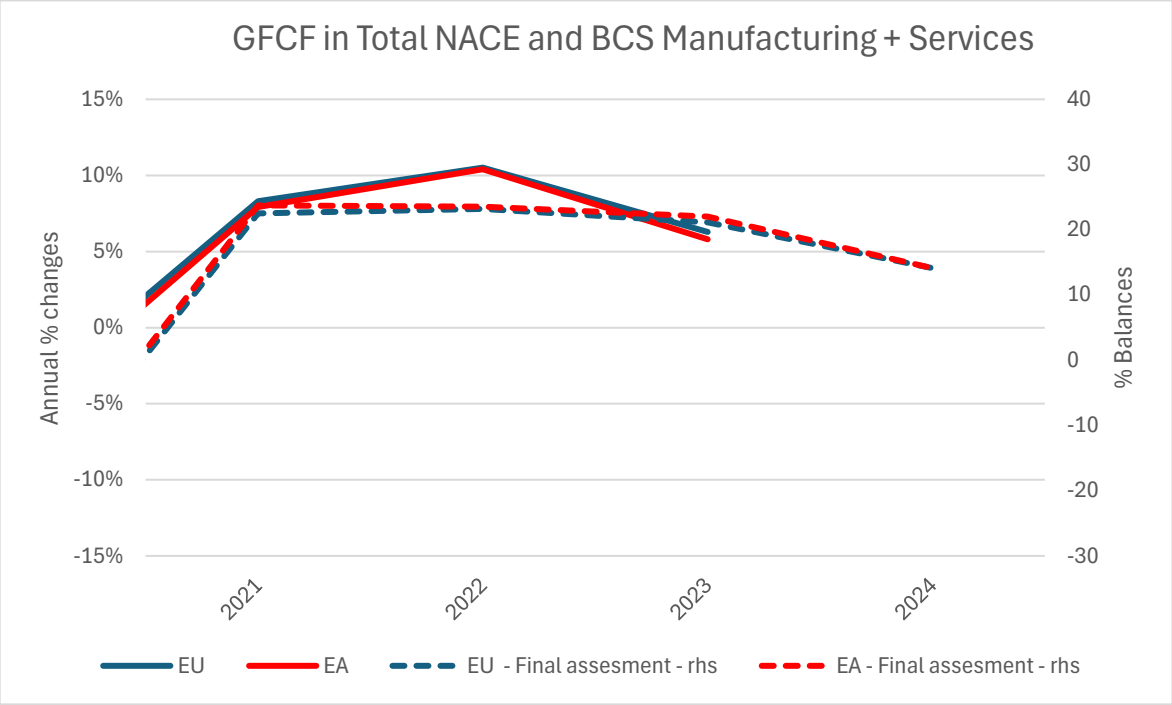




NB: There was a change in the question's formulation in 2021, implying a structural break in the series. Percentage shares collected for factors assessed as "very stimulating" or "stimulating" for investment up to 2020 were re-classified as percentages of managers quoting a certain factor as "stimulating" according to the simplified formulation of the 'factors driving investment' question as from 2021.

The survey on investment

Example of combined manufacturing + services investment plans



This combined index has been calculated as a weighted average of the manufacturing and services investment plans results, using the GFCF in millions of euros for each sector as weights.

Alternative methods could be employed: have you already explored this option? Do you have any suggestions?

Alternative survey indicators for investment

Some quarterly questions could be used to give indication on the increase/decrease of investment:

In industry:

- **capacity utilisation (in% of full capacity)**
- **assessment of production capacity (more than sufficient/sufficient/not sufficient)**
- **“insufficient demand” and “shortage of material and/or equipment” as factors limiting the production**

In services:

- **“production” capacity,**
- **“insufficient demand” and “shortage of space and/or equipment” as factors limiting their business**

Alternative survey indicators for investment

Correlation between QNA-reported growth in machinery and equipment investment and results of the industry survey conducted in October

	October Industry Survey			
	Capacity Utilisation	Assesment of capacity	Demand limiting production	Material and equipment limiting production
EU	0.81	-0.82	-0.83	0.48
Euro area	0.80	-0.81	-0.84	0.50
Germany	0.79	-0.73	-0.78	0.36
Spain	0.68	-0.58	-0.61	0.38
France	0.49	-0.68	-0.68	0.60
Italy	0.76	-0.66	-0.75	0.62
The Netherlands	0.48	-0.43	-0.46	0.34
Poland	0.50	-0.35	-0.42	0.06

Correlation is quite high with CU, assessment of capacity and « demand » as factor limiting production, but the coefficients are lower than with the investment plans.

Conclusions

- **Surveys on investment provide *valuable insights* into actual investment growth (high correlation with GFCF in QNA and effective directional changes)**

- **The series remain too short to enable meaningful analysis or draw reliable conclusions regarding the *services sector results*, as well as the new question on the *type of investment asset* and the revised questions on the *structure of investment* and *factors influencing investment***

- **A clear *revision pattern* emerges in both the industry and services sectors**

- **In the future, we intend to publish a combined, *economy-wide investment plan index*.**

I would be happy to hear your views …

… in particular about:

the regular path of revisions
&
Your experience/suggestions about a combined, economy-wide investment plan index