



INVESTMENT ACTIVITY IN INDUSTRY¹

The investment business inquiry² of NSI carried out among industrial enterprises in October 2012 shows that the entrepreneurs expect to make 4.3% more investments in the current year in comparison with the previous 2011.

According to the main industrial groupings the highest relative share in expected investments in 2012 is taken by the energy and water-related industries (43.2%), followed by industries producing intermediate goods (30.4%) and industries producing non-durable goods (17.0%) (Annex, Figure 1).

By the business inquiry data an increase of the volume of investments in the industry over 2013 by 27.0% in comparison with 2012 is predicted, as the energy and water-related industries again form the highest relative share - 51.1%. They are followed by the industries producing intermediate goods and these industries producing non-durable goods by 31.5% and 10.3% respectively (Annex, Figure 2). About 40% of the enterprises do not plan any expenditure on acquiring fixed assets over the next year.

According to the direction of investments in 2013 the highest share is expected to be these for mechanization or automatization of existing production processes and for introduction of new technologies - 44.2% of the total amount of investments in industry. On the second place by 25.6% share are the planned investments for an increase of production capacity followed by these for replacement of worn-out equipment - by 20.4% and for protection of the environment, safety measures, etc. - by 9.8%.

As regards the factors “demand of production”³, “financial resources or expected profits”⁴ and “technical factors”⁵, that may influence over investment decisions in 2013 prevail the positive assessments - “stimulating” or “very stimulating” influence. In the group “other factors”⁶ 20.7% of the enterprises indicated their influence as “stimulating” and 43.9% of them abstain from assessment (Annex, Figure 3).

¹ In April 2011 the NSI started publishing the business survey data according to the new Classification of Economic Activities (NACE.BG 2008) (NACE Rev. 2). All of the time series have been recalculated according to the Classification and are comparable throughout time.

² Since May 2002 all business surveys are co-financed by the NSI and the European Commission according to the agreement signed between these two institutions. NSI has undertaken to conduct the surveys according to the Harmonized EU Programme. Any notice or publication of NSI reflects the author’s view and the Commission is not liable for any use that may be made of the information contained therein.

³ This heading covers the capacity utilization rate and the sales prospects.

⁴ This heading covers the availability of resources for investment (and their cost) together with the return on investment and the lack of opportunities for the company to use its resources more profitably than by investment (especially by purely financial operations).

⁵ The main ones are technological developments, the availability of labour and its attitude towards the new technologies, as well as the technical conditions set by the public authorities before they grant the investment permit.

⁶ This may includes the policy of the public authorities, especially with regard to taxation, and whether or not production can be transferred abroad.



Annex

Figure 1. Distribution of planned investments in 2012 by main industrial groupings

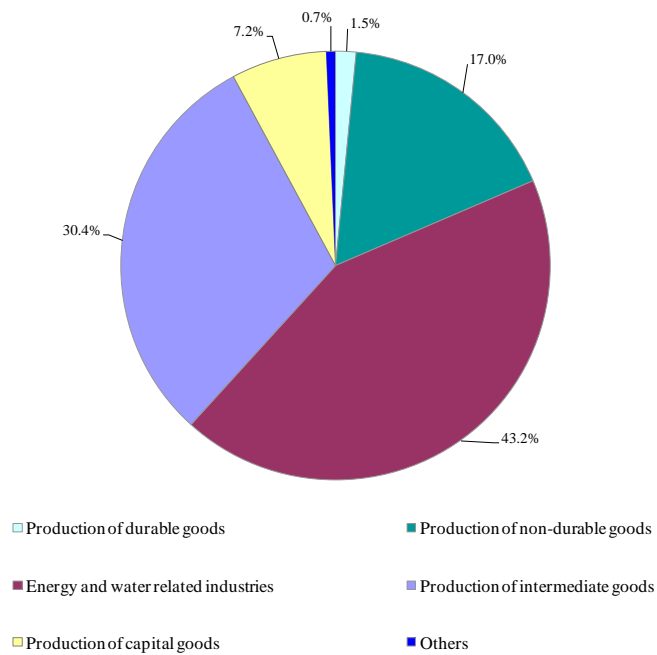
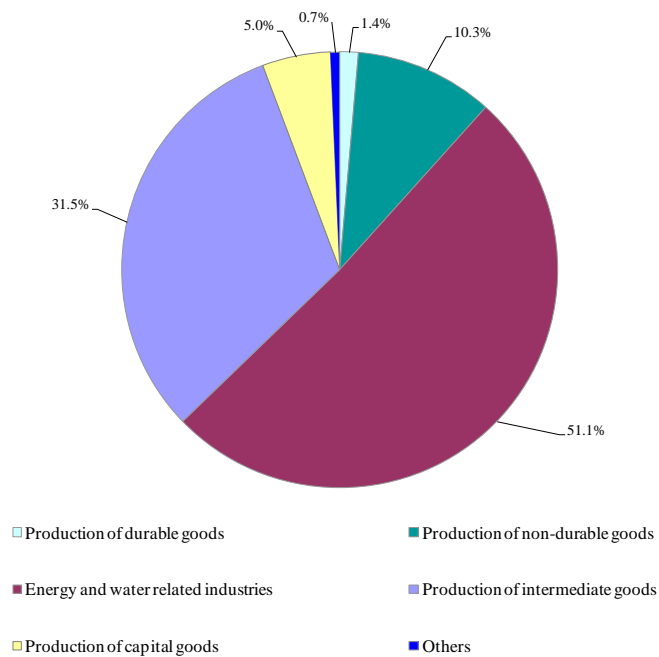


Figure 2. Distribution of expected investments in 2013 by main industrial groupings





**Figure 3. Assessment of the factors influencing the investment decisions in 2013
(Relative share of enterprises - %)**

