



INVESTMENT ACTIVITY IN INDUSTRY¹

The investment business inquiry² of NSI carried out among industrial enterprises in October 2014 shows that the entrepreneurs expect to make 10.4% less investments in the current year in comparison with the 2013.

According to the main industrial groupings the highest relative share in planned investments in 2014 is taken by the energy and water-related industries (41.7%), followed by industries producing intermediate goods (31.1%) and industries producing non-durable goods (16.2%) (Annex, Figure 1).

By the business inquiry data a decrease of the volume of investments in the industry over 2015 by 28.2% in comparison with 2014 is predicted, as about 38% of the enterprises do not plan any expenditure on acquiring fixed assets over the next year. The energy and water-related industries were with the highest relative share - 42.0% in the structure by main industrial groups again, followed by industries producing intermediate goods and industries producing non-durable goods with 29.5% and 16.1% respectively (Annex, Figure 2).

According to the direction of investments in 2015 the highest share is expected to be these for an increase of production capacity - 31.3% of the total amount of investments in industry. On the second place by were the investments for mechanization or automatization of existing production processes and for introduction of new technologies - 29.8%, followed by investments for replacement of worn-out equipment - by 25.8% and for protection of the environment, safety measures, etc. - by 13.1%.

The results of the inquiry on the factors influencing investment decisions indicate that next 2015, managers prevailing assess as "stimulating" or "very stimulating" the influence of the factors "demand of production", "financial resources or expected profits" and "technical factors". In the group 'other factors'³ 23.4% of the enterprises indicated their influence as 'stimulating', 38.7% of them abstain from assessment and 22.7% the respondents answer that the factor does not influence (Annex, Figure 3).

¹ Since April 2011 the NSI has 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 have been 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 may include the policy of the public authorities, especially with regard to taxation, and whether or not production can be transferred abroad and etc.



Annex

Figure 1. Distribution of planned investments in 2014 by main industrial groupings

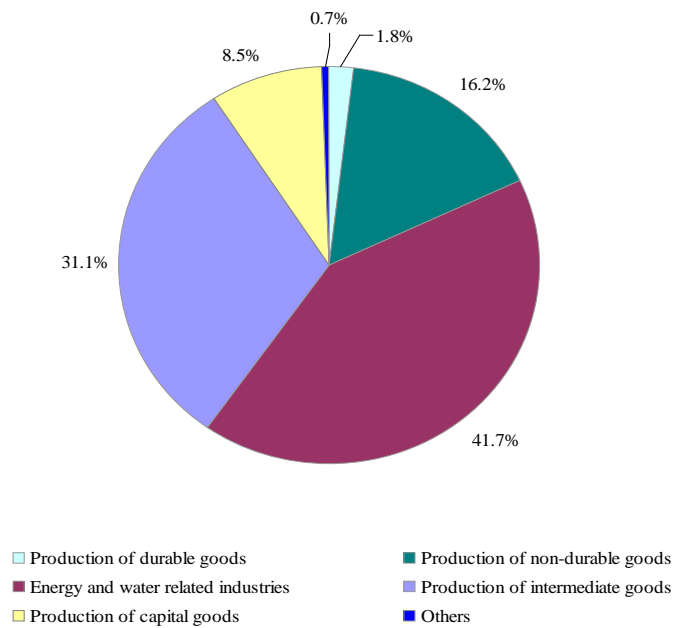


Figure 2. Distribution of expected investments in 2015 by main industrial groupings

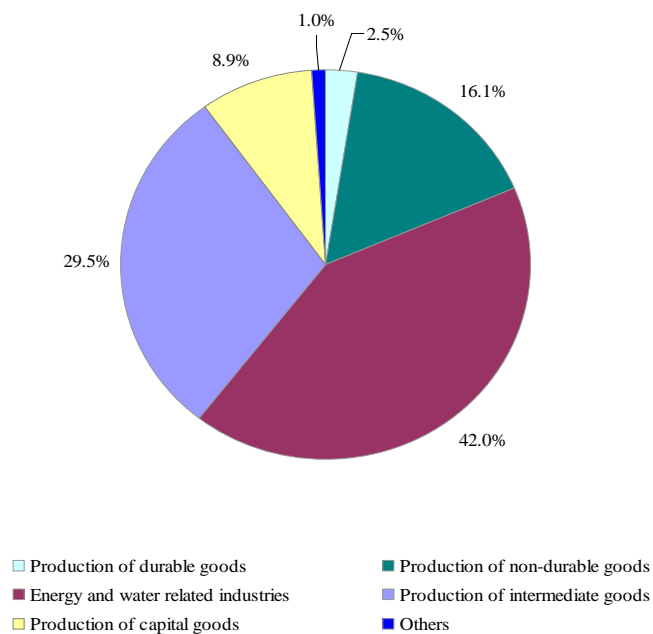




Figure 3. Assessment of the factors influencing the investment decisions in 2015 (Relative share of enterprises)

