

Corporate investment

After returning to its Q4 2019 level in Q1 2021, investment by non-financial enterprises (NFE) continued to increase in Q2 (+1.9% after +1.1%, ► **Figure 1**), 2.3% above its pre-crisis level. Investment in manufactured products slowed, hampered by the decline in investment in transport equipment. However, investment in construction accelerated sharply in Q2, probably as a result of the continuing catch-up of the backlog that had built up in building sites in 2020. Finally, investment in services grew briskly, returning to its pre-crisis trajectory.

In H2 2021, investment by NFEs is expected to continue to increase, although at a reduced pace, after catching up in previous quarters. Investment in services should continue to grow briskly, at its trend pace. Growth in investment in manufactured products is expected to be sustained by investment in capital goods, but will still be slowed by investment in transport equipment. Finally, after a half-year of vigorous catch-up, investment in construction seems likely to slip back.

All in all, by the end of 2021, investment by NFEs looks set to be 3.7% higher than pre-crisis, especially as a result of investment in services (► **Figure 2**). As an annual average, NFE investment is expected to increase 12.5% in 2021, after nosediving by 8.1% in 2020. However, in H2 2021 alone, investment by NFEs is likely to be more dynamic in general than their activity, mainly because their recovery is based in part on sectors that invest little structurally, like accommodation-catering or leisure activities. Conversely, these composition effects probably help to explain the relative resistance of investment in 2020 (► **Focus** in *Economic Outlook* of 1st July 2021), alongside support measures and the favourable financial context. ●

► 1. Investment by non-financial enterprises (NFEs)

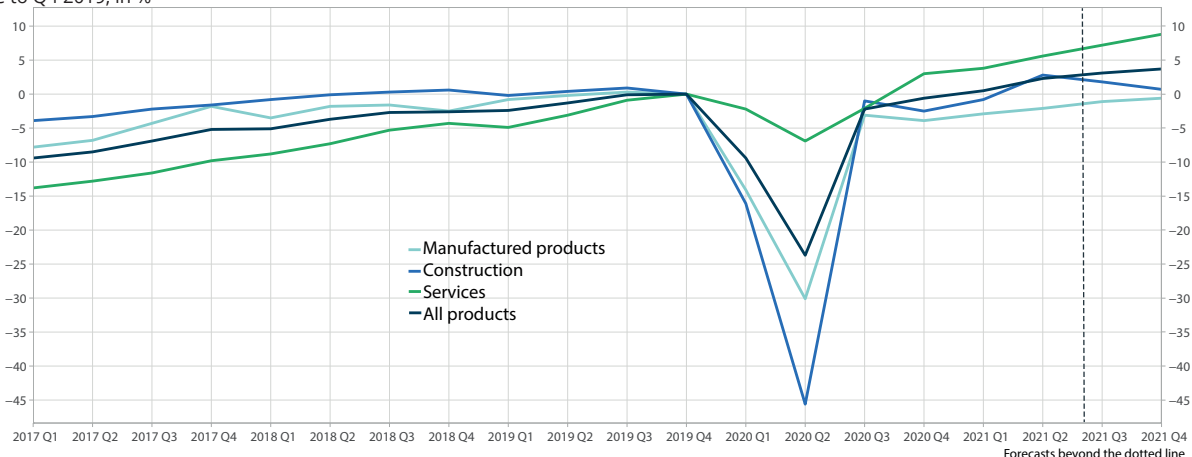
at previous year's prices, chain-linked, seasonally adjusted, in %

	Quarterly changes								Annual changes		
	2020				2021				2019	2020	2021
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Manufactured product (33%)	-14.1	-18.6	38.6	-0.8	1.1	0.8	1.0	0.5	2.2	-12.6	12.8
Construction (22%)	-16.1	-35.1	82.0	-1.5	1.7	3.6	-1.0	-1.0	0.3	-16.5	20.8
Services (45%)	-2.1	-4.8	5.1	5.2	0.8	1.8	1.5	1.5	4.4	0.2	8.5
All NFEs (100%)	-9.4	-15.8	28.2	1.6	1.1	1.9	0.7	0.6	2.7	-8.1	12.5

■ Forecast
Source: INSEE

► 2. investissement des entreprises non financières par produit

difference to Q4 2019, in %



Source: INSEE