

## Corporate investment

Investment by non-financial enterprises (NFE) slowed substantially in Q3 2021 (+0.1% after +1.8%, ► **Figure 1**), exceeding its pre-crisis level by 2.3%. However, this figure masks contrasting changes in different products. First, investment in manufactured products fell back by 1.7%, as a result of supply chain difficulties hampering production and imports of capital goods and transport equipment. Next, investment in construction declined by 0.5%, following on from a significant catch-up in H1 2021 as a result of the backlog that had built up in 2020. Lastly, investment in services, the only component of investment to increase in Q3, gained 1.8%, driven by investment in information and communication services and in services to businesses.

In Q4 2021, investment by NFEs looks set to accelerate slightly, although contrasts between products are likely to remain. Investment in manufactured products is likely to decline further, hampered by supply chain difficulties that affect the production of these goods. Investment in services is expected to increase at a very sustained pace, even exceeding its pre-crisis trend pace, while investment in construction should stabilise. At the end of 2021, investment by NFEs should then be 2.9% higher than before the crisis, driven mainly by investment in services (► **Figure 2**). As an annual average, investment by NFEs is expected to increase by 12.1% in 2021, after its dramatic 8.1% fall in 2020.

In H1 2022, supply chain difficulties are likely to be slow to resolve thus continuing to restrict investment in manufactured products. In addition, for companies whose production is limited because of these problems, the loss of income could result in them slowing down their investment in services slightly. Lastly, investment in construction could decline once again, a delayed consequence of the fact that building starts on non-residential buildings were less dynamic in 2021 than pre-crisis. Given these circumstances, the mid-year carry-over in investment by NFEs is set to be 1.6%. ●

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

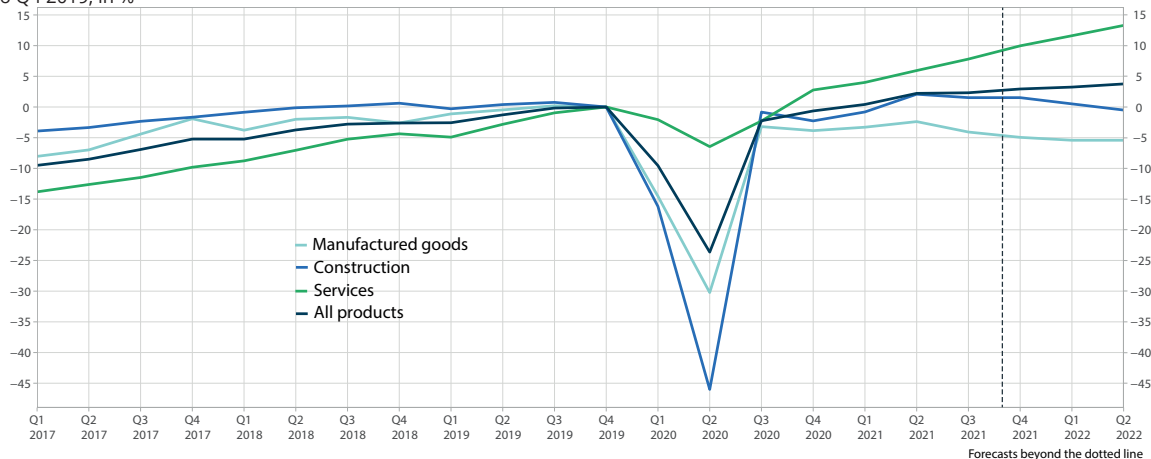
at previous year's prices, chain-linked, seasonally adjusted, in %

|                            | Quarterly changes |              |             |            |            |            |            |            |            |            |             | Annual changes |            |           |
|----------------------------|-------------------|--------------|-------------|------------|------------|------------|------------|------------|------------|------------|-------------|----------------|------------|-----------|
|                            | 2020              |              |             |            | 2021       |            |            |            | 2022       |            |             | 2020           | 2021       | 2022 ovhg |
|                            | Q1                | Q2           | Q3          | Q4         | Q1         | Q2         | Q3         | Q4         | Q1         | Q2         |             |                |            |           |
| Manufactured product (32%) | -14.5             | -18.4        | 38.7        | -0.7       | 0.6        | 0.9        | -1.7       | -0.9       | -0.5       | 0.0        | -12.6       | 10.7           | -1.8       |           |
| Construction (24%)         | -16.2             | -35.6        | 83.7        | -1.4       | 1.5        | 2.9        | -0.5       | 0.0        | -1.0       | -1.0       | -16.5       | 20.8           | -1.3       |           |
| Services (44%)             | -2.1              | -4.4         | 4.4         | 5.1        | 1.2        | 1.8        | 1.8        | 2.0        | 1.5        | 1.5        | 0.2         | 9.1            | 5.5        |           |
| <b>All NFEs (100%)</b>     | <b>-9.5</b>       | <b>-15.6</b> | <b>28.0</b> | <b>1.6</b> | <b>1.1</b> | <b>1.8</b> | <b>0.1</b> | <b>0.6</b> | <b>0.3</b> | <b>0.5</b> | <b>-8.1</b> | <b>12.1</b>    | <b>1.6</b> |           |

■ Forecast  
Source: INSEE

### ► 2. Investment of non-financial enterprises by product

difference to Q4 2019, in %



Source: INSEE