

Corporate investment

Investment by non-financial enterprises (NFE) accelerated in Q4 2021 (+1.1% after +0.1%, ► **Figure 1**), exceeding its Q4 2019 level by 3.4%. First of all, investment in manufactured products rebounded slightly (+0.3% after -1.8%). This was therefore 3.5% below its pre-crisis level, in a context of major supply chain difficulties. This difference is mainly due to investment in transport equipment, which was 17.5% down on its Q4 2019 level as a result of poor automobile production. Secondly, investment in building construction picked up in Q4 (+0.7% after a downturn in Q3), settling at 1.1% above its pre-health crisis level. Lastly, investment in services continued to be dynamic (+1.9% in Q4, exceeding its pre-health crisis level by almost 10%), driven by investment in information and communication services.

In Q1 2022, corporate investment looks set to slow slightly (+0.8%). Investment in manufactured products is expected to slip back again, driven down by investment in transport equipment. Corporate investment in construction should increase moderately (+0.7% in Q1), probably driven by the upturn in industrial building starts, which until now have been well below their 2019 level. However, the volume of activity in major building maintenance excluding housing (mainly improvement work), which was already very high, is scarcely likely to contribute much to growth in corporate investment in construction. And investment in collective housing is expected to fall, as it has done since mid-2021. Lastly, investment in services looks set to slow, to +1.5% in Q1, after its strong momentum in previous quarters.

In Q1, corporate investment overall is expected to be more than 4.2% higher than it was before the health crisis (► **Figure 2**), bringing its growth overhang at the end of Q1 to 2% for 2022. Its momentum is likely to be much more uncertain in Q2: the economic consequences of the war in Ukraine could result in a wait-and-see-attitude regarding investment decisions, especially as they are already proving costly due to the rising cost of commodities, especially energy.

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

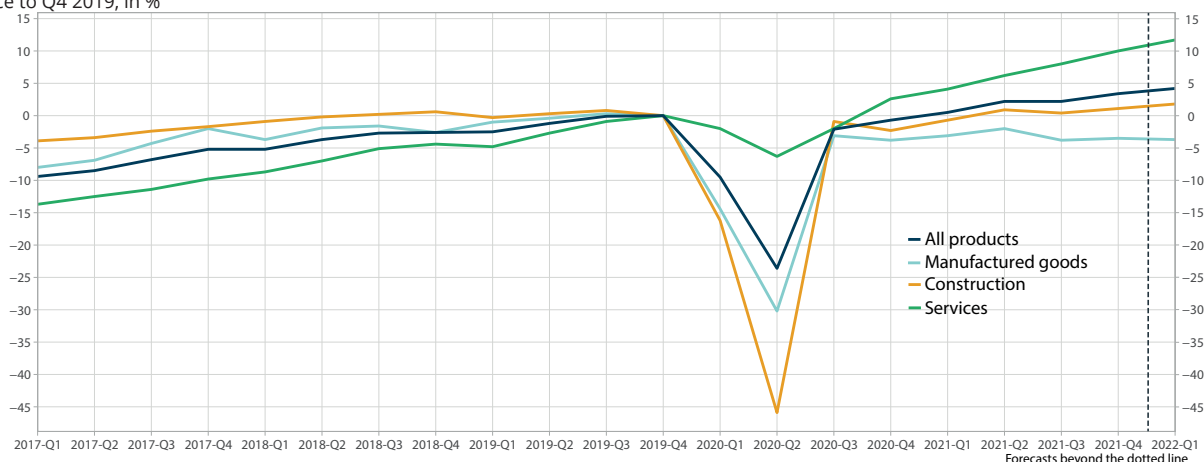
at previous year's prices, chain-linked, seasonally adjusted, in %

	Quarterly changes								Annual changes			
	2020				2021				2022 Q1	2020	2021	2022 ovhg
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
Manufactured product (31%)	-14.4	-18.4	38.8	-0.7	0.7	1.1	-1.8	0.3	-0.2	-12.6	11.2	-0.6
Construction (24%)	-16.2	-35.5	83.4	-1.5	1.6	1.6	-0.4	0.7	0.7	-16.5	20.0	1.4
Services (45%)	-2.0	-4.4	4.6	4.7	1.5	2.0	1.7	1.9	1.5	0.2	9.2	4.3
All NFEs (100%)	-9.5	-15.6	28.1	1.4	1.3	1.6	0.1	1.1	0.8	-8.1	12.1	2.0

■ Forecast
Source: INSEE

► 2. Investment of non-financial enterprises by product

difference to Q4 2019, in %



Source: INSEE