

Corporate investment

Investment by non-financial enterprises (NFE) bounced back in Q1 2022 (+0.4% after -0.4% in Q4 2021, ► **Figure 1**) but with contrasting changes depending on the product. Investment in manufactured products fell back further (-1.6% after -2.4%), to 4% below its Q4 2019 level. Most notably, the purchase of transport equipment by companies declined for the fourth consecutive quarter and is now 29% below its pre-crisis level: deliveries of automobiles have suffered as a result of supply chain difficulties with constructors, and these have only worsened with the war in Ukraine and the lockdown in several major Chinese cities. NFE investment in construction improved slightly in Q1 (+0.4% after 0.0%), settling at almost 1% above its pre-health crisis level. Finally, investment by NFEs in services retained its momentum (+1.9%) and has exceeded its pre-health crisis level by 12%. It is driven mainly by investment in information and communication services.

In Q2 2022, investment by NFEs should continue to increase, accelerating slightly (+0.6%). Investment in manufactured products is expected to fall back further (-0.8%), although less than in the previous quarter, once again driven down by investment in transport equipment and due to supply chain disruptions that are still severe. Investment in services, on the other hand, is expected to remain dynamic, although it will slow slightly (+1.7%). Lastly, NFE investment in building construction is expected to slow (+0.2%), but will probably be sustained by the upturn in building starts on non-residential buildings at the end of 2021, which until then had been far below their 2019 level. Their effect on production is likely to be felt throughout 2022, meanwhile, the volume of activity in building maintenance and improvement work on non-residential buildings is expected to stagnate, hampered by supply chain difficulties that are more severe in building companies as a consequence of the war in Ukraine.

In H2, corporate investment is expected to maintain a similar pace of growth (+0.5% in Q3 then in Q4). Investment in manufactured products is likely to continue its downward trend, in a context of sluggish activity and high uncertainty, even if supply chain difficulties are not expected to deteriorate further. Investment in construction should continue to increase in Q3, then come to a standstill in Q4, slowed down because activity in building maintenance and improvements have edged down (affected by the higher cost of supplies). Lastly, investment in services is expected to slow slightly, penalised by the rise in interest rates, which is pushing up the cost of capital. Annual growth in corporate investment is likely to be around 1.7% in 2022, after +11.4% in 2021. ●

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

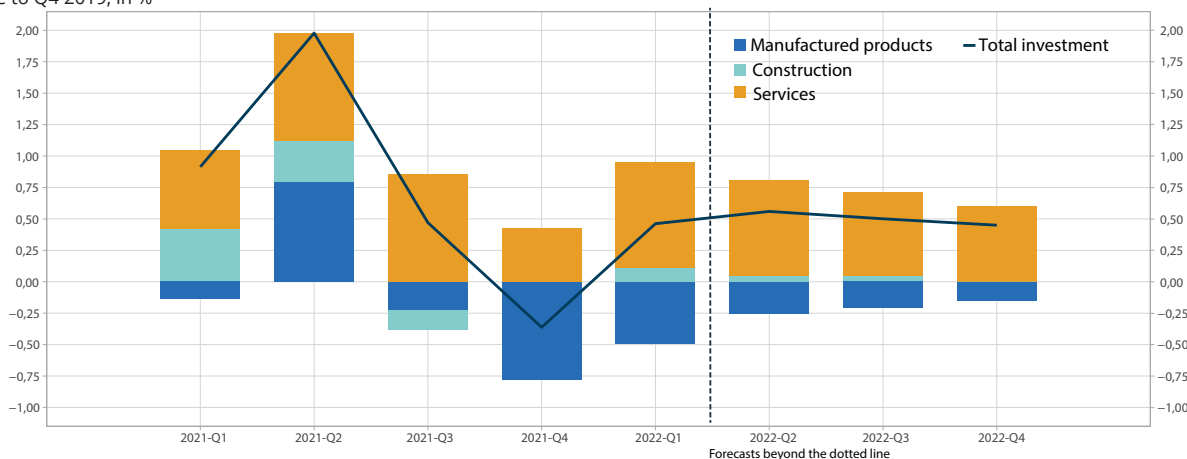
at previous year's prices, chain-linked, seasonally adjusted, in %

	Quarterly changes												Annual changes		
	2020				2021				2022				2020	2021	2022 ovhg
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Manufactured product (33%)	-15.4	-18.1	40.2	1.5	-0.4	2.4	-0.7	-2.4	-1.6	-0.8	-0.7	-0.5	-12.9	13.3	-4.2
Construction (22%)	-13.4	-28.1	59.2	-1.4	1.8	1.4	-0.7	0.0	0.4	0.2	0.2	0.0	-14.0	15.9	0.7
Services (44%)	-0.6	-3.1	3.4	3.8	1.4	2.0	1.9	0.9	1.9	1.7	1.5	1.3	1.8	8.0	6.5
All NFEs (100%)	-8.6	-13.3	24.4	1.8	0.9	2.0	0.5	-0.4	0.4	0.6	0.5	0.5	-6.9	11.4	1.7

■ Forecast
Source: INSEE

► 2. Investment of non-financial enterprises by product

difference to Q4 2019, in %



How to read it: in Q2 2022, investment by NFEs is expected to increase by +0.6% compared to Q1 2022; the contribution of NFE investment in manufactured products is likely to be -0.25%.

Source: INSEE