

Corporate investment

In 2022, investment by non-financial enterprises (NFE) increased by 3.8% as an annual average (► **Figure 1**). Most of this increase was recorded in Q3 (+4.1% compared to the previous quarter) due to a major catch-up in investment in the automobile sector.

In Q1 2023, investment by NFEs declined (-0.4%, after +0.6% in Q4 2022). Investment in services continued to grow (+0.7% after +0.6%), but represented the only positive contribution to change in NFE investment (► **Figure 2**). In fact, investment in manufactured products slipped back significantly (-1.1% in Q1 after +1.2%). This downturn concerns both investment in capital goods, which had seen two quarters of sustained growth, investment in transport equipment, which continued to decline after its very strong increase in summer 2022, and investment in other industrial products. Finally, investment in construction continued to fall (-1.3%): despite an increase in investment in building maintenance and improvement, non-residential building construction starts fell back sharply.

By the end of 2023, NFE investment is expected to improve very little, given the sluggishness of activity and the increasing cost of capital for companies, in the context of rising interest rates. Non-residential building construction starts look set to continue their decline, with the result that investment in construction will continue to fall. Investment in services is likely to slow down slightly, while retaining a certain dynamism, driven by information-communication. Concerning investment in manufactured goods, despite a rebound forecast in Q2 as a result of purchases of transport equipment, it is unlikely to increase further in H2. All in all, after a one-off acceleration in the spring (+0.3% forecast), investment by NFEs is then expected to decline (-0.1% forecast in Q3 and Q4). In a context of uncertainty, although driven by investment in services and manufactured goods, NFE investment is likely to increase by 2.5% as an annual average in 2023, despite a significant drop in investment in construction. ●

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

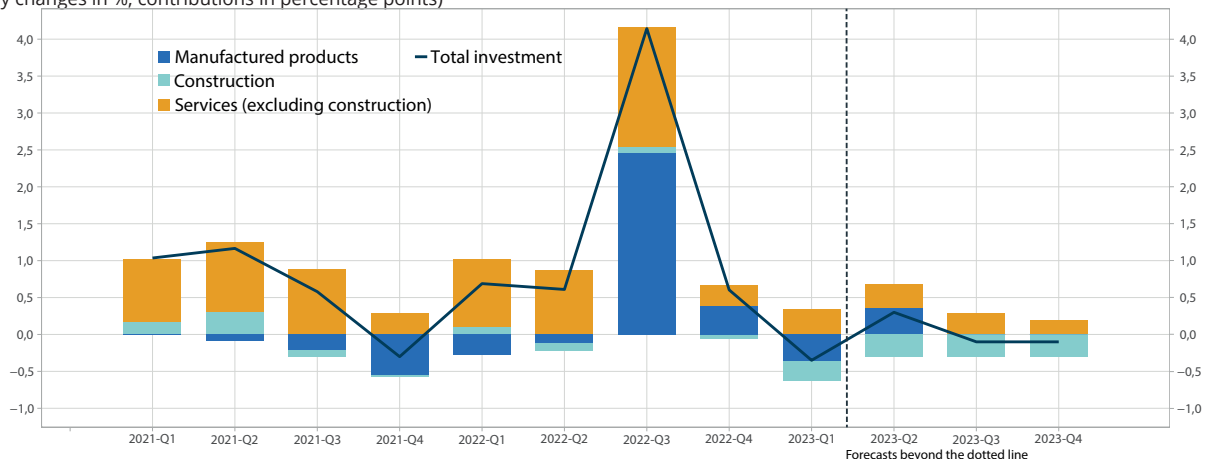
(quarterly and annual changes, in %, seasonally and working day adjusted)

	Quarterly changes												Annual changes		
	2021				2022				2023				2021	2022	2023
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Manufactured product (34%)	0.0	-0.3	-0.6	-1.7	-0.9	-0.4	7.9	1.2	-1.1	1.1	0.0	0.0	12.1	1.4	4.3
Construction (24%)	0.7	1.4	-0.4	-0.1	0.4	-0.5	0.4	-0.3	-1.3	-1.5	-1.5	-1.5	9.7	0.2	-3.6
Services (42%)	2.0	2.1	2.0	0.6	2.0	1.8	3.4	0.6	0.7	0.7	0.6	0.4	8.2	7.4	4.3
All products (100%)	1.0	1.2	0.6	-0.3	0.7	0.6	4.1	0.6	-0.4	0.3	-0.1	-0.1	9.8	3.8	2.5

■ Forecast.
Source: INSEE.

► 2. Investment of non-financial enterprises by product

(quarterly changes in %, contributions in percentage points)



Source: INSEE.