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EIB Investment survey of non-financial corporations

- Unique survey addressing 12,500 firms in Europe (with 5+ employees), covering manufacturing, services, construction and infrastructure sector

- Representativeness at high scientific standards for:
  - the EU 28 (as a whole)
  - each Member country (separately)
  - 4 industry grouping (within each Member country – for most countries), and
  - 4 size classes (within each Member country – for most countries)

- Focus on investment and investment finance and linked to balance sheet data of the firms
  - Complements national surveys by offering full comparability among countries
OUTLINE

1. The outlook for investment

2. Public investment, infrastructure spending and municipality survey

3. Nature of capital expenditure, intangible investment and competitiveness

4. Access to finance

Evolution of investment in the EU

Gross fixed capital formation in the EU relative to 2008 by asset type, (per cent difference)
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Components of public expenditure
(Change in public expenditure as a % of total expenditure, EU)

Infrastructure: Gaps are perceived by municipalities (Municipalities perceived underinvestment, % net respondents)
Infrastructure: change policy priorities, planning & coordination and technical capacity

Municipalities – perceived investment constraints, % respondents

<table>
<thead>
<tr>
<th>Constraint</th>
<th>Share of Municipalities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget</td>
<td>80%</td>
</tr>
<tr>
<td>Debt Ceiling</td>
<td>80%</td>
</tr>
<tr>
<td>Access to finance</td>
<td>80%</td>
</tr>
<tr>
<td>Technical capacity</td>
<td>80%</td>
</tr>
<tr>
<td>Coordination</td>
<td>80%</td>
</tr>
<tr>
<td>Length of approval process</td>
<td>80%</td>
</tr>
<tr>
<td>Political and reg. stability</td>
<td>80%</td>
</tr>
</tbody>
</table>

Only 40% of municipalities made infrastructure investment decisions based on proper ex-ante quality assessment.

Source: EIB municipality survey 2017

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Business competitiveness: improving the business environment

Impediments to investment – % firms

- Demand for products or services
- Availability of skilled staff
- Energy costs
- Access to digital infrastructure
- Labour market regulations
- Business regulations
- Adequate transport infrastructure
- Availability of finance
- Uncertainty about the future

- Persistent differences across countries, sectors and over time.
- Impediments affect efficiency of resource allocation and firms’ capacity to innovate

Business competitiveness: intangibles, innovation and skills

Business R&D Investment over GDP %

Policy recommendation

- Business environment improvement remains crucial
- All intangibles are important, while policy action mostly targets only R&D
- Motivate closer cooperation between business and education on skills
- Support not only innovation, but also adoption of new technologies
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Share of finance-constrained firms

- Rejected
- Received less
- Too expensive
- Discouraged
Access to finance: dissatisfied firms

**Financing cross – firms happy to rely on internal finance and firms credit constrained**

**Dissatisfaction with access to finance**

Base: All firms who invested in the last financial year (excluding don't know/refused responses)

Source: EIB Investment Survey 2017