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Conference Services

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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

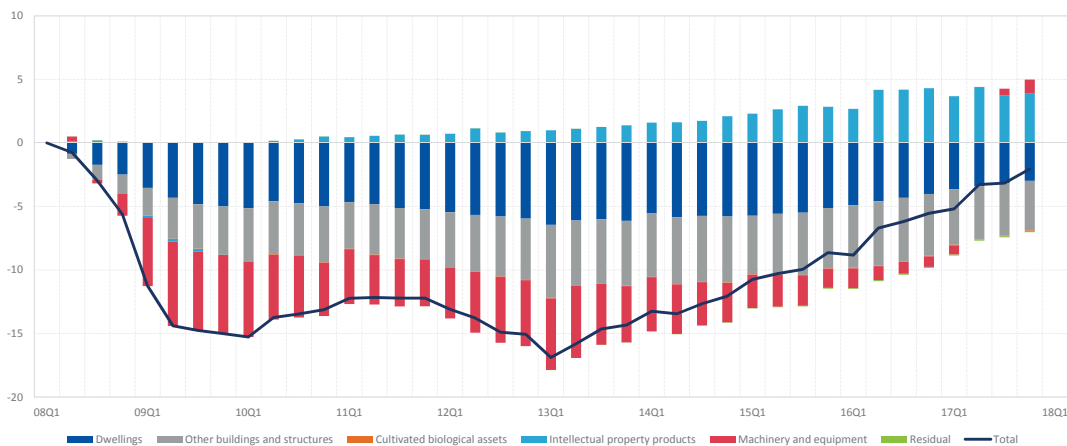
2. Public investment, infrastructure spending and municipality survey

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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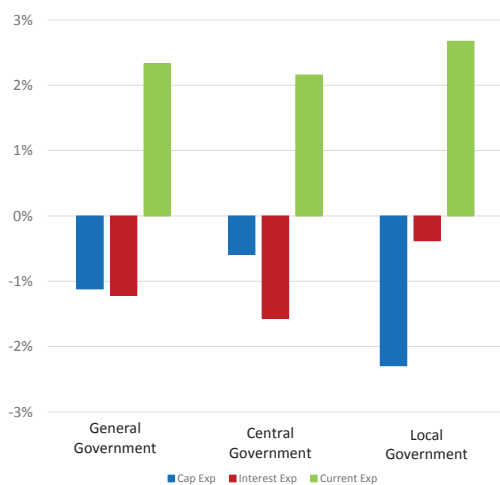
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Components of public expenditure

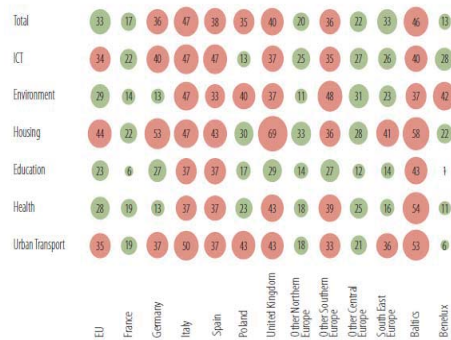
(Change in public expenditure as a % of total expenditure, EU)



34%
of municipalities say
infrastructure investment
is below needs

Infrastructure: Gaps are perceived by municipalities

(Municipalities perceived underinvestment, % net respondents)

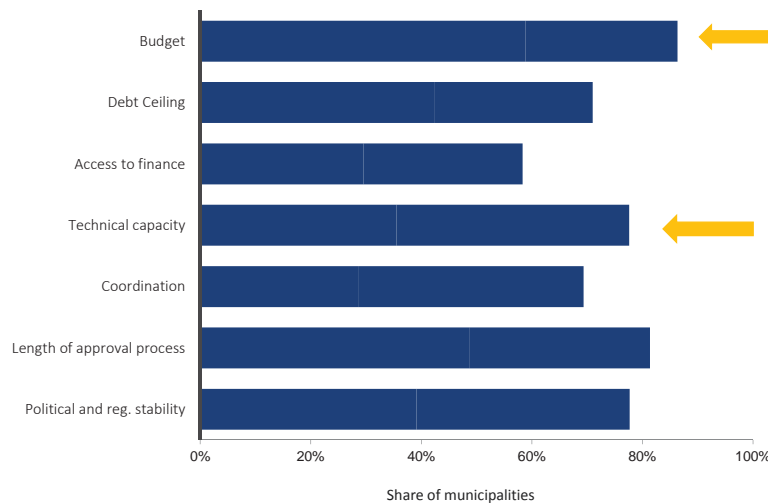


Source: EIB Municipality Survey.
Note: The figure plots the net balance of municipalities that report under-investment by country/region and sector. The number inside each circle states the net balance of municipalities that report under-investment vis-à-vis over-investment for a particular area in a country/region (in %). A red circle indicates a net balance above the median, a green one below the median.
Question: For each of the following, would you say that, overall, past investment in your municipality has ensured the right amount of infrastructure, or led to an under-provision or over-provision of infrastructure capacity?

Infrastructure: change policy priorities, planning & coordination and technical capacity

Municipalities – perceived investment constraints,
% respondents

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

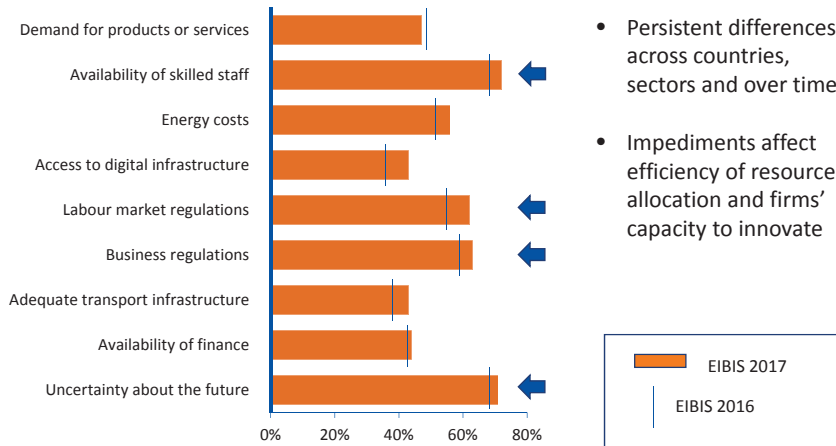


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Business competitiveness: improving the business environment

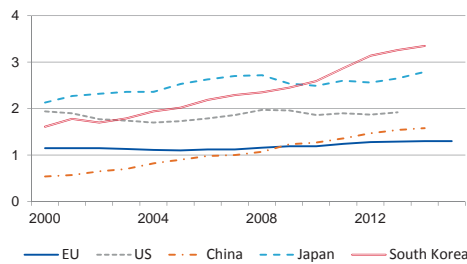
Impediments to investment – % firms



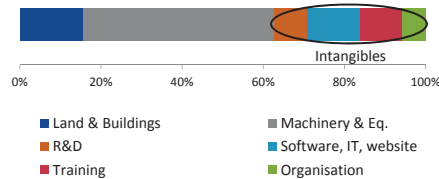
- Persistent differences across countries, sectors and over time.
- Impediments affect efficiency of resource allocation and firms' capacity to innovate

Business competitiveness: intangibles, innovation and skills

Business R&D Investment over GDP %



Firms investment composition - EIBIS %



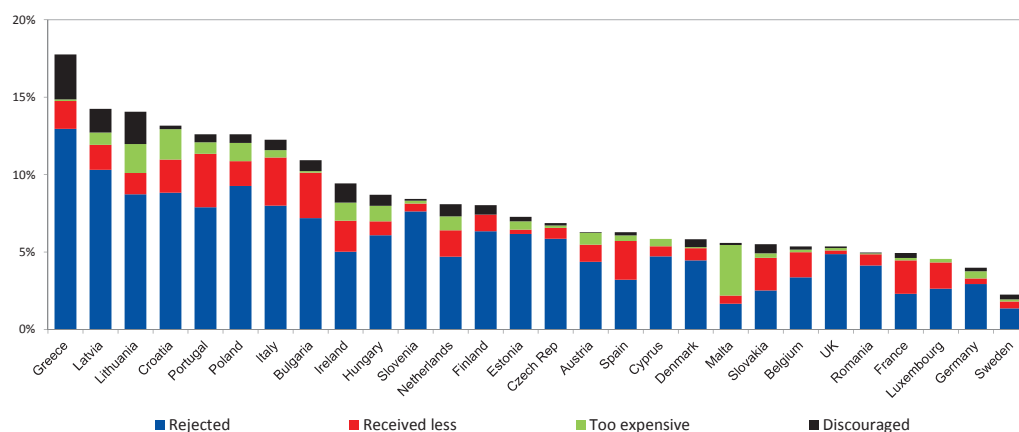
Policy recommendation

- 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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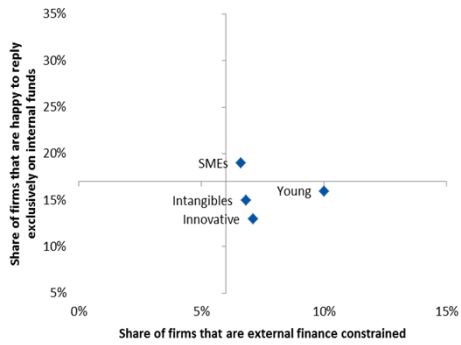
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Share of finance-constrained firms



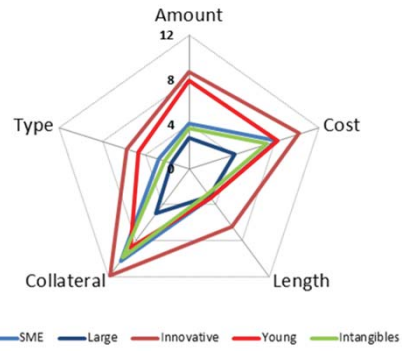
Access to finance: dissatisfied firms

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



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

Dissatisfaction with access to finance



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

Q. How satisfied or dissatisfied are you with ...?
 *INNOVATIVE: firms that allocated more than one third of their investment spent to the development and introduction of new products; processes and services; YOUNG: firms that are younger than 5 years; INTANGIBLES: firms that allocated a relatively large share (+50%) of their investment spent to intangibles.