EIB Group Survey on Investment and Investment Finance: CESEE overview
© European Investment Bank (EIB), 2018. All rights reserved.

About the EIB Investment Survey (EIBIS)
The EIB Group Survey on Investment and Investment Finance is a unique, EU-wide, annual survey of some 12,300 firms. It collects data on firm characteristics and performance, past investment activities and future plans, sources of finance, financing issues and other challenges that businesses face. Using a stratified sampling methodology, EIBIS is representative across all 28 member States of the EU, as well as for firm size classes (micro to large) and 4 main sectors. It is designed to build a panel of observations to support time series analysis, observations that can also be linked to firm balance sheet and profit and loss data. EIBIS has been developed and is managed by the Economics Department of the EIB, with support to development and implementation by Ipsos MORI. For more information see: http://www.eib.org/eibis.

About this publication
This CESEE-wide report is an overview of a series covering each of the 11 States of the CESEE region. These are intended to provide an accessible snapshot of the data. For the purpose of these publications, data is weighted by value-added to better reflect the contribution of different firms to economic output. Contact: eibis@eib.org.

About the Economics Department of the EIB
The mission of the EIB Economics Department is to provide economic analyses and studies to support the Bank in its operations and in the definition of its positioning, strategy and policy. The Department, a team of 40 economists, is headed by Debora Revoltella, Director of Economics.

Main contributors to this publication
Philipp-Bastian Brutscher, Aron Gereben. EIB.

Disclaimer
The views expressed in this publication are those of the authors and do not necessarily reflect the position of the EIB.

About Ipsos Public Affairs
Ipsos Public Affairs works closely with national governments, local public services and the not-for-profit sector, as well as international and supranational organizations. Its c.200 research staff in London and Brussels focus on public service and policy issues. Each has expertise in a particular part of the public sector, ensuring we have a detailed understanding of specific sectors and policy challenges. This, combined with our methodological and communications expertise, helps ensure that our research makes a difference for decision makers and communities.
The annual EIB Group Survey on Investment and Investment Finance (EIBIS) is an EU-wide survey of some 12,300 firms that gathers information on investment activities by both SMEs and larger corporates, their financing requirements and the difficulties they face.

As the EU bank, the EIB Group responds to the need to accelerate investment to strengthen job creation and long-term competitiveness and sustainability.

EIBIS helps the EIB to contribute to a policy response that properly addresses the needs of businesses, promoting investment.

This overview presents findings based on telephone interviews with 4,748 firms across the CESEE region in 2017 (carried out between April and August).

Key results

**Macroeconomic context:** Aggregate investment is improving, driven primarily by the corporate sector. Investment spending remains below pre-crisis levels with the household sector and investments in ‘dwellings’ and ‘other buildings and structures’ lagging the most.

**Investment outlook:** More firms increased than decreased their investment activity in the last financial year. Expectations for the coming financial year improved compared with the previous wave. The share of firms planning to invest into capacity expansion, or developing new products/services increased.

**Investment activity:** 78% of firms invested in the last financial year. Nearly half of all investment in the region in the last financial year was driven by the replacement of buildings and equipment (47%), but the share of replacement is lower than in 2016 (52%). Capacity expansion is the next most important driver of investment. Firms in CESEE tend to invest less in intangible assets than the EU average.

**Perceived investment gap:** 21% of firms reported investing too little in the last three years. This is consistent with the previous wave. Services firms are marginally more likely to believe they have invested too little (25%) compared with other sectors.

**Investment barriers:** Lack of staff with the right skills and uncertainty over the future remain the main barriers for businesses across the CESEE region.

**External finance:** 9% of firms are finance constrained. This is the proportion of firms dissatisfied with the amount of finance obtained, sought finance but did not receive it, did not seek finance because they thought borrowing costs were too high or they would be turned down. Firms are least satisfied with collateral requirements and the cost of finance.

**Firm performance:** Firm productivity varies substantially across CESEE countries. Slovenia and Croatia have the highest proportion of firms falling into the top productivity quintile (5% and 4% respectively).
INVESTMENT DYNAMICS

INVESTMENT ACTIVITY IN LAST FINANCIAL YEAR

Overall, 78% of firms in the CESEE region invested in the last financial year. This is in line with the previous year, and stays below the EU average of 84%.

Larger firms, and firms active in the manufacturing sector were particularly active in terms of investment activities, whereas firms operating in the construction sector were less likely to invest.

From a cross-country perspective, there is a large heterogeneity within the region. The share of firms investing in Slovenia or the Czech Republic is above the EU average, whereas companies in Bulgaria and Romania are less likely to engage in investment activities.

*The blue bars indicate the proportion of firms who have invested in the last financial year. A firm is considered to have invested if it spent more than EUR 500 per employee on investment activities. Investment intensity is the median investment per employee of investing firms.

Base: All firms (excluding don’t know/refused responses)

INVESTMENT ACTIVITY IN LAST FINANCIAL YEAR BY COUNTRY

Base: All firms (excluding don’t know/refused responses)
When comparing firms’ expected investment activities in 2016, as forecasted in the EIBIS2016 wave, with realised investment activities, it appears that firms’ actual investment was in line with, or exceeded expectations.

This is true for all sectors and company sizes, and across the countries in the region, too. In Bulgaria, Slovakia, Estonia and Lithuania, investment came in well above expectations in the previous round of the survey, showing that firms were underestimating the upswing. In Romania, Hungary, Croatia and Poland the actual outcome was in line with the expectations.
For 2017, firms remain positive about their investment outlook. SMEs, infrastructure, construction and services companies tend to fall into the ‘low investment; expanding’ category, whereas larger firms and manufacturing companies are in ‘high investment; expanding’ quadrant of the investment cycle.

Firms in Slovenia and the Czech Republic are the most positive, falling into the high investment/expanding quadrant. Romania is the only country with a (marginally) contracting investment outlook, while the rest of countries is turning towards a more optimistic view, starting from low investment share.
In line with the upswing of the economic cycle in the region, firms’ investment activities have been increasing in the past two years.

For 2017, firms expect a further slight acceleration in investment activities vis-à-vis realized investment in 2016. Firms - large companies in particular - are also more optimistic about 2017 than they were about 2016 in the previous wave.
While investment in replacement of buildings and equipment remains the most commonly cited priority, the proportion of firms mentioning it dropped from 40% in 2016 to 34% in 2017.

The share of firms planning to invest into capacity expansion increased to 31%, up from 28% in 2016. The share of companies investing into new products/services has also increased.

Across CESEE countries, Estonia (44%), Croatia (42%), and Slovenia (41%) record the highest shares of firms naming capacity expansion as their principal investment priority going forward. Interestingly, in an EU comparison, CESEE countries in general have a higher percentage of firms with capacity expansion as key investment priority than the rest of the EU.
INVESTMENT FOCUS

INVESTMENT AREAS

Of the six investment areas asked about, most investment in the CESEE region is in machinery and equipment (53%), followed by buildings and infrastructure (20%) and software, data, IT and website activities (10%).

Service sector firms invest a much lower share in machinery and equipment (45%), compared with manufacturing (58%), construction (56%) and infrastructure (52%) firms.

Firms in CESEE invest a much lower share overall (27%) in intangible assets (software, IT, training, business processes, R&D etc.) relative to the EU average of 38%.

INVESTMENT AREAS BY COUNTRY

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

Q. In the last financial year, how much did your business invest in each of the following with the intention of maintaining or increasing your company’s future earnings?

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

Q. In the last financial year, how much did your business invest in each of the following with the intention of maintaining or increasing your company’s future earnings?
INVESTMENT FOCUS

PURPOSE OF INVESTMENT IN LAST FINANCIAL YEAR

- Capacity expansion
- Replacement
- New products/services
- Other

Nearly half of all investment in the region in the last financial year was driven by the replacement of capital stock (47%), but the share of replacement is lower than in 2016 (52%).

Capacity expansion is the next most important driver of investment: 29% of all investment was allocated to this end. The focus on capacity expansion was particularly high in Estonia, Romania and Lithuania.

PURPOSE OF INVESTMENT IN LAST FINANCIAL YEAR BY COUNTRY

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

Q. What proportion of total investment was for (a) replacing capacity (including existing buildings, machinery, equipment, IT) (b) expanding capacity for existing products/services (c) developing or introducing new products, processes, services?

Base: All firms who have invested in the last financial year (excluding don’t know/refused responses)
INNOVATION ACTIVITY
Among all firms in the CESEE region, four out of ten developed or introduced new products, processes or services as part of their investment activities in the last financial year. This includes 7% who report undertaking innovations that are new to the global market.

Firms in Poland show the highest levels of firms innovating with 47% of mentions, Estonia the country with the lowest share of firms reporting innovation activities.

Base: All firms (excluding don’t know/refused responses)

Q. What proportion of total investment was for developing or introducing new products, processes, services?
Q. Were the products, processes or services new to the company, new to the country, new to the global market?

INNOVATION ACTIVITY BY COUNTRY

Base: All firms (excluding don’t know/refused responses)
Among firms that invested in the last financial year, only 5% had invested in another country. This is much lower than the EU average of 14%, and reflects the fact the CESEE economies are more of a destination than a source of foreign direct investment.

Manufacturing firms were the most likely to have invested abroad (8%). Infrastructure firms (2%) and SMEs (3%) the least likely.

Firms in Czech Republic, Lithuania and Slovenia (all 8%) were the most likely to have invested abroad in the last financial year. Firms in Bulgaria and Romania are the least active capital exporters.
INVESTMENT NEEDS

PERCEIVED INVESTMENT GAP

Almost four in five firms (74%) consider their investment activities over the last three years to have been about the right amount, which is consistent with the previous wave. The share of firms reporting to have invested too little (21%) is somewhat above the EU average.

Over a quarter of firms in Lithuania (31%), Hungary (29%) and Poland (24%) believe that they invested too little in the last three years.

Conversely, almost eight in ten firms in Slovakia (83%), Romania and Czech Republic (both 78%) believe their investment was about the right amount.

Base: All firms (excluding ‘Company didn’t exist three years ago’ responses)

Q. Looking back at your investment over the last 3 years, was it too much, too little, or about the right amount?

PERCEIVED INVESTMENT GAP BY COUNTRY

Base: All firms (excluding ‘Company didn’t exist three years ago’ responses)
INVESTMENT NEEDS

SHARE OF FIRMS AT OR ABOVE FULL CAPACITY

Around half of all CESEE firms (52%) report operating at or above full capacity in the last financial year, in line with the previous wave.

Infrastructure firms were the most likely to operate at or above capacity (62%). Manufacturing firms (44%) were the least likely to operate at or above capacity.

From a cross country perspective, capacity utilisation is highest in Estonia and the Czech Republic. It is lowest in Slovakia and Latvia (which both experienced a further decline from already low levels in the previous year).

Base: All firms (data not shown for those operating somewhat or substantially below full capacity)

Full capacity is the maximum capacity attainable under normal conditions e.g., company’s general practices regarding the utilization of machines and equipment, overtime, work shifts, holidays etc.

Q. In the last financial year, was your company operating above or at maximum capacity attainable under normal circumstances?

SHARE OF FIRMS AT OR ABOVE FULL CAPACITY BY COUNTRY

Base: All firms (data not shown for those operating somewhat or substantially below full capacity)
INVESTMENT NEEDS

PERCEIVED SHARE OF STATE OF THE ART MACHINERY

The average share of machinery and equipment that is perceived to be state-of-the-art by CESEE firms is 35%, significantly lower than the EU average (45%). This is in line with the previous wave. Manufacturing firms and infrastructure companies are reporting somewhat higher proportions of state-of-the-art machinery.

Firms in Hungary report the highest share of machinery and equipment that is state-of-the-art (55%). Firms in Bulgaria and Poland report the lowest shares (24% and 26%, respectively).

Base: All firms

Q. What proportion, if any, of your machinery and equipment, including ICT, would you say is state-of-the-art?

PERCEIVED SHARE OF STATE OF THE ART MACHINERY BY COUNTRY

Base: All firms
Data not shown for Greece and Cyprus as these countries were outliers at the higher end of the scale—potentially due to different interpretation of the question.
INVESTMENT NEEDS

PERCEIVED SHARE OF BUILDING STOCK MEETING HIGH ENERGY EFFICIENCY STANDARDS

Firms in the CESEE report, on average, that 32% of their building stock satisfies high energy efficiency standards, relative to 39% for the EU as a whole.

The share of building stock that is energy efficient is highest among manufacturing firms and lowest among construction sector firms.

The reported share varies substantially across countries. Firms in Hungary (41%), Croatia (also 41%) and Slovenia (40%) report relatively high shares of building stock that satisfies high efficiency standards; firms in Lithuania a relatively low share (at 16%).

Base: All firms
Q. What proportion, if any, of your commercial building stock satisfies high or highest energy efficiency standards?

PERCEIVED SHARE OF BUILDING STOCK MEETING HIGH ENERGY EFFICIENCY STANDARDS BY COUNTRY

Base: All firms
Data not shown for Greece and Cyprus as these countries were outliers at the higher end of the scale —potentially due to different interpretation of the question.
When asked which one out of eight public investment areas should be prioritised over the next three years, firms in the CESEE region named transport infrastructure (28%) and professional training/higher education (24%) most often. This was followed by hospitals/care and energy supply/distribution (both 9%). Transport infrastructure was particularly frequently named as a policy priority in Romania (47%) and Slovenia (41%). Investment in professional training/higher education received the highest mentions in Bulgaria (34%) and the Czech Republic (33%). In Lithuania, Hungary and Romania a relatively large share of companies mentioned hospitals/care as high priority.
DRIVERS AND CONSTRAINTS

SHORT TERM INFLUENCES ON INVESTMENT

For the next 12 months, firms in the CESEE region are mostly concerned about changes in the political and regulatory climate.

At the same time, they remain largely positive about changes in terms of their business outlook and access to finance (both external and internal).

CESEE companies have a more neutral view about the overall economic climate relative to the EU average of firms, which reflects a more positive outlook.

*Net balance is the share of firms expecting improvement minus the share of firms expecting a deterioration.

Base: All firms
Q. Do you think that each of the following will improve, stay the same, or get worse over the next 12 months?

SHORT TERM INFLUENCES BY SECTOR AND SIZE (NET BALANCE)

Companies across all sizes and sector groupings are concerned most about changes in the political and regulatory climate over the next year.

In contrast, firms are generally positive about their business prospects, with the manufacturing and construction sector being the most upbeat.

Base: All firms
Green bubbles denote a positive net difference between businesses expecting an improvement in the factor minus businesses expecting it to get worse. Red bubbles denote a negative net difference between these two groups.
BARRIERS TO INVESTMENT

Eight in ten firms in the CESEE region see the availability of skilled staff (83%) and uncertainty about the future (80%) to be the main barriers to investment.

Business regulations and labour market regulations (both 66%) are the next most commonly cited barriers.

Across all sizes and sectors the importance of barriers varies. Availability of finance is perceived to be a barrier for 59% of construction sector firms, which contrasts with 44% of firms in the manufacturing sector.

All factors became more important over the last year, except the availability of finance.

Base: All firms (data not shown for those who said not an obstacle at all/don’t know/refused)

Q. Thinking about your investment activities in [country name], to what extent is each of the following an obstacle? Is a major obstacle, a minor obstacle or not an obstacle at all?

BARRIERS TO INVESTMENT BY SECTOR AND SIZE

<table>
<thead>
<tr>
<th>Sector</th>
<th>Demand for products/services</th>
<th>Availability of skilled staff</th>
<th>Energy costs</th>
<th>Digital infrastructure</th>
<th>Labour regulations</th>
<th>Business regulations</th>
<th>Transport infrastructure</th>
<th>Availability of finance</th>
<th>Uncertainty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>58%</td>
<td>89%</td>
<td>65%</td>
<td>37%</td>
<td>68%</td>
<td>66%</td>
<td>47%</td>
<td>44%</td>
<td>79%</td>
</tr>
<tr>
<td>Construction</td>
<td>60%</td>
<td>84%</td>
<td>54%</td>
<td>35%</td>
<td>71%</td>
<td>73%</td>
<td>63%</td>
<td>59%</td>
<td>86%</td>
</tr>
<tr>
<td>Services</td>
<td>58%</td>
<td>83%</td>
<td>66%</td>
<td>36%</td>
<td>69%</td>
<td>69%</td>
<td>51%</td>
<td>47%</td>
<td>82%</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>52%</td>
<td>75%</td>
<td>58%</td>
<td>37%</td>
<td>60%</td>
<td>63%</td>
<td>44%</td>
<td>55%</td>
<td>78%</td>
</tr>
<tr>
<td>SME</td>
<td>55%</td>
<td>78%</td>
<td>58%</td>
<td>33%</td>
<td>65%</td>
<td>65%</td>
<td>42%</td>
<td>53%</td>
<td>78%</td>
</tr>
<tr>
<td>Large</td>
<td>58%</td>
<td>88%</td>
<td>66%</td>
<td>40%</td>
<td>68%</td>
<td>67%</td>
<td>63%</td>
<td>46%</td>
<td>81%</td>
</tr>
</tbody>
</table>

Base: All firms (data not shown for those who said not an obstacle at all/don’t know/refused)
SOURCE OF INVESTMENT FINANCE

Across the CESEE region, firms finance the majority of their investment activities (70%) by means of internal financing. This is somewhat higher than the EU average of 62%.

The share of finance accounted for by internal funds is highest in Slovenia, Latvia and Estonia (78%, 76% and 75% respectively).

On the other hand of the spectrum: firms in the Czech Republic and Croatia rely the most on external finance (making up 33% and 32% respectively of their total investment finance).

Base: All firms who invested in the last financial year (excluding don’t know/refused responses)
Q. What proportion of your investment was financed by each of the following?

SOURCE OF INVESTMENT FINANCE BY COUNTRY

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

TYPE OF EXTERNAL FINANCE USED FOR INVESTMENT ACTIVITIES

Bank loans account for the highest share of external finance (45%), followed by leasing (23%). This is largely consistent with the previous wave.

Bank loans comprise a particularly high share of firms external finance mix in the manufacturing and services sectors.

Firms in contraction and infrastructure sector stand out in their reliance of leasing to fund their investment activities.

In many countries of the region - in Hungary, Lithuania and Croatia in particular - grants are also a notable element of the external finance mix.

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

Q. What proportion of your investment was financed by each of the following?

*Loans from family, friends or business partners

TYPE OF EXTERNAL FINANCE USED FOR INVESTMENT ACTIVITIES BY COUNTRY

Base: All firms who used external finance in the last financial year (excluding don’t know/refused responses)
Across CESEE firms, 13% report that their main reason for not applying for external finance was because they were happy to use internal funds / did not have a need for it.

SMEs are more likely to be satisfied with relying on internal finance than large businesses (14% compared with 12%).

Around two in ten firms in Hungary (19%) report being happy to use internal finance, the highest proportion among CESEE countries. Firms in Estonia are least likely to report this (6%).
SHARE OF PROFITABLE FIRMS

Across the CESEE countries over eight in ten businesses (83%) reported having generated a profit in the last financial year, which is slightly above the EU average of 79%. Manufacturing companies appear to be the most profitable among the sectors.

The highest share of profitable firms was reported in Slovenia (90%). Croatia (24%) and Romania (23%) had the highest shares of highly profitable firms (with a profit margin of more than 10%). Latvia and Slovakia have the lowest share of lucrative businesses.

Base: All firms (excluding don’t know/refused responses).

Q. Taking into account all sources of income in the last financial year, did your company generate a profit or loss before tax, or did you break even? Highly profitable is defined as profits/turnover bigger than 10%.

SHARE OF PROFITABLE FIRMS BY COUNTRY

Base: All firms
DISSATISFACTION WITH EXTERNAL FINANCE RECEIVED

In general, only a small share of those firms that used external finance are dissatisfied with one aspect or other of the external finance they received.

CESEE firms are most dissatisfied with the collateral requirements linked to their external financing (11%) and the cost (9%) of securing external finance.

The share of firms expressing dissatisfaction with the finance they received is broadly in line with data in the previous year.

---

**DISSATISFACTION BY SECTOR AND SIZE**

SMEs are more likely to be dissatisfied with the collateral required to secure external finance (14% versus 10% for large firms).

Similarly, SMEs are more likely to be dissatisfied with the maturity of the funding received and the type of external finance.

Construction and services firms show the highest levels of dissatisfaction in terms of the costs of funding.

---

*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 ....?
SHARE OF FINANCE CONSTRAINED FIRMS

9% of firms in the CESEE region can be considered external finance constrained. This figure is in line with the figure from the previous wave, and somewhat higher than the EU average (7%).

The share of financing constrained firms is highest among construction sector firms and SMEs. Infrastructure companies seem to be the least finance constrained.

Firms in Latvia and Lithuania are notably more likely to be constrained than in other countries. The share of financing constrained firms is lowest in Romania and Slovakia.

Base: All firms (excluding don’t know/refused responses)
Finance constrained firms include: those dissatisfied with the amount of finance obtained (received less), firms that sought external finance but did not receive it (rejected) and those who did not seek external finance because they thought borrowing costs would be too high (too expensive) or they would be turned down (discouraged)
*Financing constraints for 2016 among non-investing firms estimated

SHARE OF FINANCE CONSTRAINED FIRMS BY COUNTRY

Base: All firms (excluding don’t know/refused responses)
In CESEE, the share of firms experiencing finance constraints is higher than the EU average, while the proportion of firms satisfied to rely on internal sources of funds is lower.

This makes access to external finance a relatively bigger issue in the region when it comes to supporting a strong investment climate.

---

**FINANCING CROSS BY COUNTRY**

Base: All firms
Data derived from the financial constraint indicator and firms indicating main reason for not applying for external finance was ‘happy to use internal finance/didn’t need finance’
The x and y-axis lines cross on the EU average for 2016.
In the weighted size distribution, half of the firms (52%) are large firms with 250+ employees. One in four firms are medium sized (24%) and around one in five firms are small firms (18%). Just under one in ten firms are micro enterprises (7%).

The size distribution is most skewed towards large firms in Hungary (56%) and it is most skewed towards small firms in Estonia (71%).

**CONTRIBUTION TO VALUE ADDED BY SIZE**

*Base: All firms*

The chart reflects the relative contribution to value-added by firms belonging to a particular size class in the population of firms considered. That is, all firms with 5 or more employees active in the sectors covered by the survey. Micro: 5-9 employees; Small: 10-49; Medium: 50-249; Large: 250+.

**CONTRIBUTION TO VALUE ADDED BY COUNTRY**

*Base: All firms*
In the weighted sector distribution, manufacturing firms account for 40% of value-added (slightly above the EU average of 36%). Firms in the infrastructure sector and services sector account for 29% and 23% respectively. Construction firms contribute 8%.

Manufacturing firms account for nearly half of value added in Hungary (49%), Czech Republic (47%) and Slovenia (43%). Infrastructure firms account for nearly 40% of value added in Latvia. Services firms represent an important share in Lithuania (30%) and Croatia (29%). Estonia has the highest percentage of construction firms compared to other countries (12%).

_Figure: All firms
The chart reflects the relative contribution to value-added by firms belonging to a particular sector in the population of firms considered._

**FIRM SECTOR DISTRIBUTION BY COUNTRY**
EMPLOYMENT DYNAMICS IN LAST THREE YEARS

Across the CESEE region, more companies are expanding than contracting in employment terms. The data are in line with the proportion of firms who expanded in the previous wave.

Base: All firms (excluding don’t know, refused and missing responses)
Q. Thinking about the number of people employed by your company, by how much has it changed in the last 3 years?

CROSS COUNTRY PRODUCTIVITY COMPARISON

Share of firms by productivity class (Total Factor Productivity). Productivity classes are defined on the basis of the entire EU sample.
Investment Dynamics over time

In 2016, aggregate investment is still below pre-crisis levels. The gap is bigger when compared to the pre-crisis trend; even though slowing potential growth makes this a difficult benchmark to reach.

Corporate investment, and investment into Machinery has caught up already to pre-crisis levels. The household sector and investments in ‘dwellings’ and ‘other buildings and structures’ continue to lag most compared to 2008. Investment into intellectual property is above the 2008 levels.

The graph shows the evolution of total Gross Fixed Capital Formation. (in real terms); against the series ‘pre-crisis trend. The data has been indexed to equal 100 in 2008. Source: Eurostat.

Investment Dynamics by Institutional Sector

The graph shows the evolution of total Gross Fixed Capital Formation. (in real terms); by institutional sector. The data has been indexed to equal 100 in 2008. Source: Eurostat.

Investment Dynamics by Asset Class

The graph shows the evolution of total Gross Fixed Capital Formation. (in real terms); by asset class. The data has been indexed to equal 100 in 2008. Source: Eurostat.
EIB 2017 – COUNTRY TECHNICAL DETAILS

SAMPLING TOLERANCES APPLICABLE TO PERCENTAGES AT OR NEAR THESE LEVELS

The final data are based on a sample, rather than the entire population of firms, so the percentage results are subject to sampling tolerances. These vary with the size of the sample and the percentage figure concerned.

<table>
<thead>
<tr>
<th>CESEE 2017</th>
<th>CESEE 2016</th>
<th>Manufacturing</th>
<th>Construction</th>
<th>Services</th>
<th>Infrastructure</th>
<th>SME</th>
<th>Large</th>
<th>CESEE 2017 vs CESEE 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>(4748)</td>
<td>(4881)</td>
<td>(1386)</td>
<td>(1038)</td>
<td>(1102)</td>
<td>(1208)</td>
<td>(4127)</td>
<td>(622)</td>
<td>(4748 vs 4881)</td>
</tr>
<tr>
<td>10% or 90%</td>
<td>1.5%</td>
<td>1.4%</td>
<td>2.4%</td>
<td>3.1%</td>
<td>3.2%</td>
<td>2.7%</td>
<td>1.2%</td>
<td>2.6%</td>
</tr>
<tr>
<td>30% or 70%</td>
<td>2.2%</td>
<td>2.2%</td>
<td>3.7%</td>
<td>4.7%</td>
<td>4.9%</td>
<td>4.2%</td>
<td>1.8%</td>
<td>4.0%</td>
</tr>
<tr>
<td>50%</td>
<td>2.5%</td>
<td>2.4%</td>
<td>4.0%</td>
<td>5.1%</td>
<td>5.3%</td>
<td>4.6%</td>
<td>2.0%</td>
<td>4.4%</td>
</tr>
</tbody>
</table>

GLOSSARY

**Investment**
A firm is considered to have invested if it spent more than EUR 500 per employee on investment activities with the intention of maintaining or increasing the company’s future earnings.

**Investment cycle**
Based on the expected investment in current financial year compared to last one, and the proportion of firms with a share of investment greater than EUR 500 per employee.

**Productivity**
Total factor productivity is a measure of how efficiently a firm is converting inputs (capital and labor) into output (value-added). It is estimated by means of an industry-by-industry regression analysis (with country dummies).

**Manufacturing sector**
Based on the NACE classification of economic activities, firms in group C (manufacturing).

**Construction sector**
Based on the NACE classification of economic activities, firms in group F (construction).

**Services sector**
Based on the NACE classification of economic activities, firms in group G (wholesale and retail trade) and group I (accommodation and food services activities).

**Infrastructure sector**
Based on the NACE classification of economic activities, firms in groups D and E (utilities), group H (transportation and storage) and group J (information and communication).

**SMEs**
Firms with between 5 and 249 employees.

**Large firms**
Firms with at least 250 employees.
# EIB 2017 – COUNTRY TECHNICAL DETAILS

## BASE SIZES

<table>
<thead>
<tr>
<th>Base definition and page reference</th>
<th>CESEE 2016</th>
<th>CESEE 2017</th>
<th>Manufacturing</th>
<th>Construction</th>
<th>Services</th>
<th>Infrastructure</th>
<th>SME</th>
<th>Large</th>
</tr>
</thead>
<tbody>
<tr>
<td>All firms, p. 3, 4, 5, 13, 14, 15, 16, 20, 25, 26</td>
<td>4881</td>
<td>4748</td>
<td>1393</td>
<td>1041</td>
<td>1103</td>
<td>1209</td>
<td>3113</td>
<td>622</td>
</tr>
<tr>
<td>All firms (excluding don’t know/refused responses), p. 6</td>
<td>4757</td>
<td>4612</td>
<td>1361</td>
<td>1017</td>
<td>1067</td>
<td>1165</td>
<td>3027</td>
<td>606</td>
</tr>
<tr>
<td>All firms who have invested in the last financial year (excluding don’t know/refused responses), p. 7</td>
<td>4270</td>
<td>4230</td>
<td>1271</td>
<td>904</td>
<td>953</td>
<td>1100</td>
<td>2815</td>
<td>589</td>
</tr>
<tr>
<td>All firms (excluding ‘Company didn’t exist three years ago’ responses), p. 11</td>
<td>4870</td>
<td>4736</td>
<td>1392</td>
<td>1037</td>
<td>1097</td>
<td>1208</td>
<td>3104</td>
<td>622</td>
</tr>
<tr>
<td>Base: All firms (data not shown for those operating somewhat or substantially below full capacity), p. 12</td>
<td>4881</td>
<td>4748</td>
<td>1393</td>
<td>1041</td>
<td>1103</td>
<td>1209</td>
<td>3113</td>
<td>622</td>
</tr>
<tr>
<td>Base: All firms (data not shown for those who said not an obstacle at all/don’t know/refused), p. 17</td>
<td>4881</td>
<td>4748</td>
<td>1393</td>
<td>1041</td>
<td>1103</td>
<td>1209</td>
<td>3113</td>
<td>622</td>
</tr>
<tr>
<td>All firms who used external finance in the last financial year (excluding don’t know/refused responses), p. 19</td>
<td>3841</td>
<td>3809</td>
<td>1109</td>
<td>841</td>
<td>848</td>
<td>1009</td>
<td>2554</td>
<td>471</td>
</tr>
<tr>
<td>All firms (excluding don’t know, refused and missing responses), p. 27</td>
<td>4742</td>
<td>4408</td>
<td>1286</td>
<td>963</td>
<td>1031</td>
<td>1126</td>
<td>2889</td>
<td>566</td>
</tr>
</tbody>
</table>
For more information

EIB Contact details

98-100, boulevard Konrad Adenauer
L-2950 Luxembourg

t. (+352) 43 79 1

www.eib.org