

## Press Release

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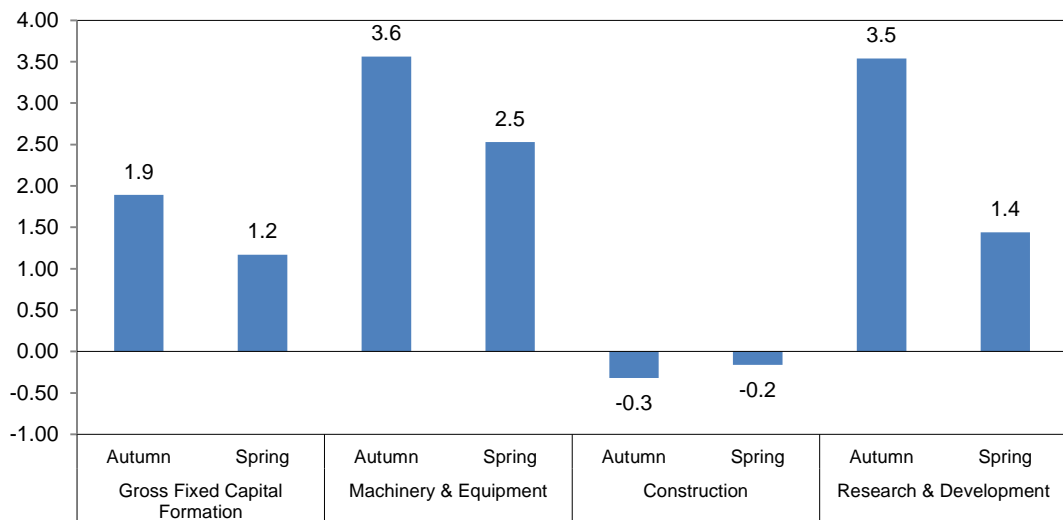
### KOF Investment Survey Spring 2015

#### Slight Rise in Investment Activities in 2015

According to the results of the KOF Investment Survey of Spring 2015, nominal gross capital investments are expected to increase slightly in 2015. The rise in the current year is likely to be less pronounced than in 2014. As reported by the respondents, investment activities rose by a nominal 2% last year. In the current year, companies anticipate an approx. 1% increase in capital investments. Over 3,200 companies took part in the survey.

The companies plan to expand capital investments by approx. 1% this year. Broken down into investments in plant and machinery (excluding R&D) and construction investments, the companies' investment plans indicate that the former will rise by approx. 2.5% in 2015 while the latter will stagnate (0%). Last autumn, companies still expected investments in plant and machinery to increase by 3.5% in 2015. The stagnation in construction investments was already anticipated in autumn.

**Investment Growth Rates 2015**  
Comparison Autumn 2014 / Spring 2015



Subsequent to the conversion of the Swiss national accounts (Volkswirtschaftliche Gesamtrechnung, VGR) to the European System of National and Regional Accounts (ESA 2010), R&D expenses are now reported as investments. In order to reflect the changes caused by the conversion of the national accounts, a further question was added to the Investment Survey and the respondents were asked to report their R&D investments separately. According to the surveyed companies, R&D expenditure in 2015 will rise by approx. one per cent. Similar to the investments in plant and machinery, the R&D investments were revised downwards since last autumn when companies still anticipated an approx. 3.5% increase in R&D expenditure in 2015.

It is likely that, in conjunction with other economic factors, the scrapping of the minimum exchange rate on 15 January 2015 is partly responsible for the downward revision. The sudden appreciation of the CHF probably affected the downward revision in two different ways. On the one hand, the appreciation resulted in a reduction of the prices of foreign capital goods. As a consequence of this decline in prices, the book value allocated to planned investments imported from abroad is lower in spring 2015 than in autumn 2014. Even if real investments are stable, the resultant effect is a lower nominal investment figure. On the other hand, according to indicators such as the Business Situation and Employment Indicators, Swiss companies have had a more pessimistic outlook since the start of the year. It is therefore conceivable that a number of companies reduced their investments due to less optimistic expectations.

As well as the amount, the KOF Investment Survey also investigates the structure of the companies' investments. In the current year, planned investments predominantly serve to replace existing equipment. Around 80% of the companies reported that part of their planned investments will be in plant and machinery. As many as 40% of the surveyed companies stated that part of their planned investments is earmarked for an expansion of existing equipment. Aside from investments in plant and machinery and expansion, rationalisation investment was a further prominent investment reason. In 2015, 35% of Swiss companies will invest in rationalisation measures.

More than 3,200 of the 8,000 companies which received a questionnaire actually took part in the survey. The KOF Investment Survey is based on a sample of companies selected to provide a representative picture of the Swiss corporate landscape. Since neither the public sector nor private household are included in the calculation of the percentage changes, these figures cannot be compared with the equivalent figures according to the VGR. The current questionnaire as well as further information is available on the [KOF website](#).

In addition to the information published in this press release, KOF will present in-depth analysis of the Investment Survey in the [KOF Bulletin](#) of 12 June 2015. Aside from thorough analysis of the survey result, the focus will be on comparison of the results of the Autumn 2014 Survey with the current results.

Further information on the KOF Investment Survey is available [here](#).

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