



# United Kingdom

Overview

**EIB INVESTMENT SURVEY**

**2019**



EIB Group survey on investment  
and investment finance 2019  
Country overview

# United Kingdom

## **EIB Group survey on investment and investment finance 2019. Country overview: United Kingdom**

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### **About the EIB Investment Survey (EIBIS)**

The EIB Group Survey on Investment and Investment Finance is a unique, annual survey of some 13.500 firms. It comprises firms in all EU Member States, as well as a sample of US firms which serves as a benchmark. 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 Member States of the EU and for the US, 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: <http://www.eib.org/eibis>.

### **About this publication**

This EU-wide report is an overview of a series covering each of the EU Member States and the United States of America. 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](mailto: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.

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### **Disclaimer**

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

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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. Our research makes a difference for decision makers and communities.

# EIBIS 2019 – United Kingdom

## KEY RESULTS

### Investment Dynamics

More than four in five firms (83%) invested in the last financial year, close to the EU average (85%), but down slightly compared to EIBIS 2018 (87%).

More firms in the UK increased than decreased their investment activities, with investment exceeding expectations for the third year running. Realised investment is in line with the EU average (+21% net balance).

### Innovation Activities

Two in five firms in the UK are involved in some form of innovation (40%). Around one in ten (11%) say they introduced a product, process or service that was new to the country or world – in line with the EU average.

More than half of firms in the UK have implemented, either fully or partially, at least one of the digital technologies they were asked about (58%, matching the EU average).

### Drivers and Constraints

More firms in the UK expect the political/regulatory climate and economic climate to deteriorate than improve in the next twelve months, and the extent is more pronounced than previously and the EU average. For example, UK firms have become more pessimistic about the economic climate (net balance -42%, down from -18% in EIBIS 2018) and remain more pessimistic than EU firms (-22%).

Uncertainty about the future has increased in prominence and is now the most commonly cited barrier to investment (86%, up from 73% in EIBIS 2018, and well above the 72% EU average).

### Investment Needs

Three-quarters of firms in the UK believe they invested about the right amount in the last three years (76%), though nearly one in five firms (19%) think they invested too little. Firms' average share of machinery and equipment perceived to be state-of-the-art is 30%, considerably lower than the EU average of 44%.

### Access to Finance

The share of firms that can be considered finance constrained is 4% in the UK and 5% across the EU.

Firms using external finance are, on balance, satisfied with the amount, cost, maturity, collateral and type of finance received. The highest dissatisfaction among UK firms (8%) is with the cost of the external finance received.

### Investment Focus

Firms most frequently cite investment in capacity expansion as their priority investment area for the next three years (33%), followed by capacity replacement and new products/services (28% each). While the pattern is comparable to EIBIS 2018, at EU level, replacement is the most cited priority

In the last financial year, the highest share of investment was in machinery and equipment (41%, lower than the EU average of 47%), followed by land, business buildings and infrastructure (16%). Nearly half of investment was for purposes of capacity replacement (45% share).

### Investment Finance

As in EIBIS 2018, firms in the UK continue to fund the majority of their investment through internal finance (68%). The share of external finance is 28%, lower than the EU average of 36%.

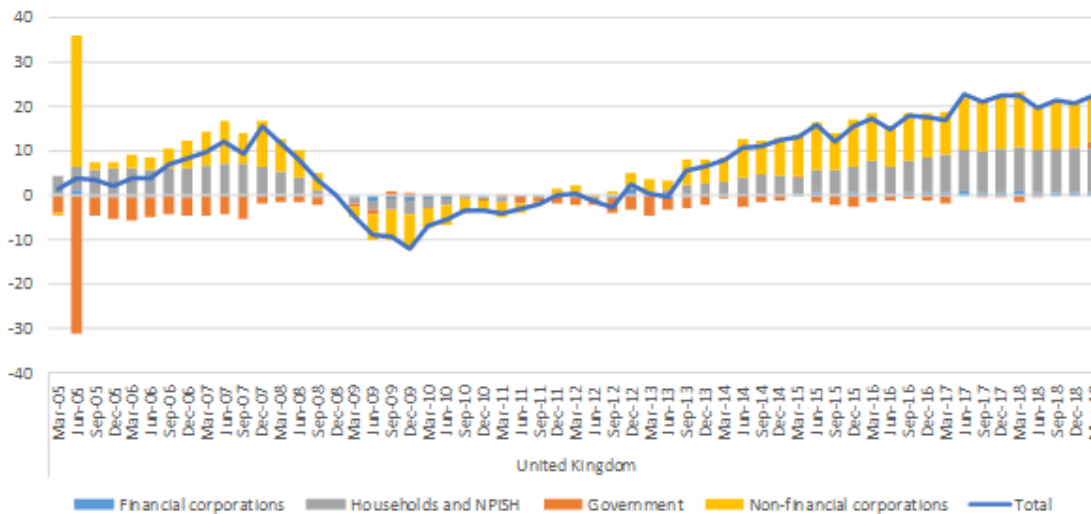
Leasing and bank loans account for the joint largest shares of external finance (33% each), while in EIBIS 2018 bank loans were still ahead of leasing (37% and 30%). This change increased the difference compared to the EU, where bank loans are a much more dominant source of external finance (58%) and leasing is less important (22%).

# Investment Dynamics

## INVESTMENT DYNAMICS BY INSTITUTIONAL SECTOR

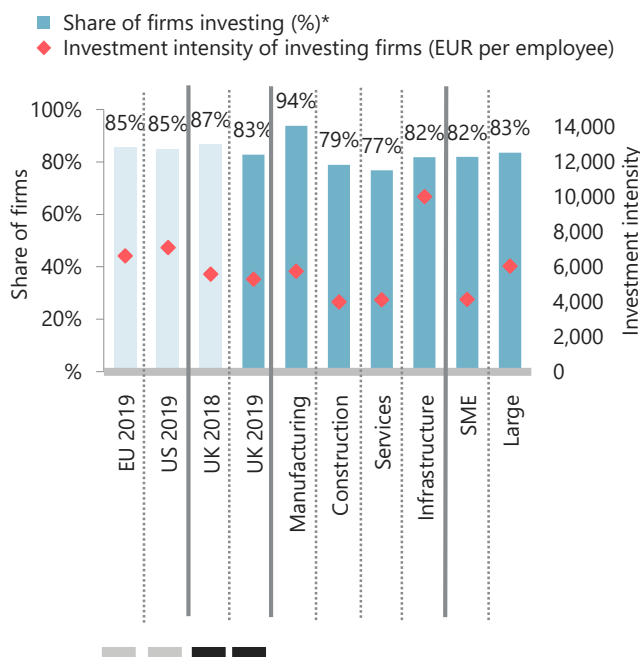
Total investment has remained broadly stable during the last two years. Compared to 2008, both households (including non-profit institutions serving households) and non-financial corporations have increased their investment. After

years of fiscal consolidation, government investment has stopped being a drag, and a slight positive contribution was recorded for the first quarter of 2019.



The graph shows the evolution of total Gross Fixed Capital Formation (in real terms); by institutional sector. The data has been indexed to equal 0 in Q4 of 2008. Source: Eurostat.

## INVESTMENT ACTIVITY IN LAST FINANCIAL YEAR



More than four in five firms invested in the last financial year (83%, only slightly below the 87% of firms recorded in EIBIS 2018).

Firms in the manufacturing sector are the most likely to invest (94%, compared to between 77% and 82% across other sectors).

There was little variation between large and SME firms.

Investment intensity (EUR per employee) remains lower in the UK than across the EU and, as it declined slightly in the UK while it picked up in the EU, the difference widened.

\*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. Investment intensity is reported in real terms using the Eurostat GFCF deflator (indexed to the 2016 wave).

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

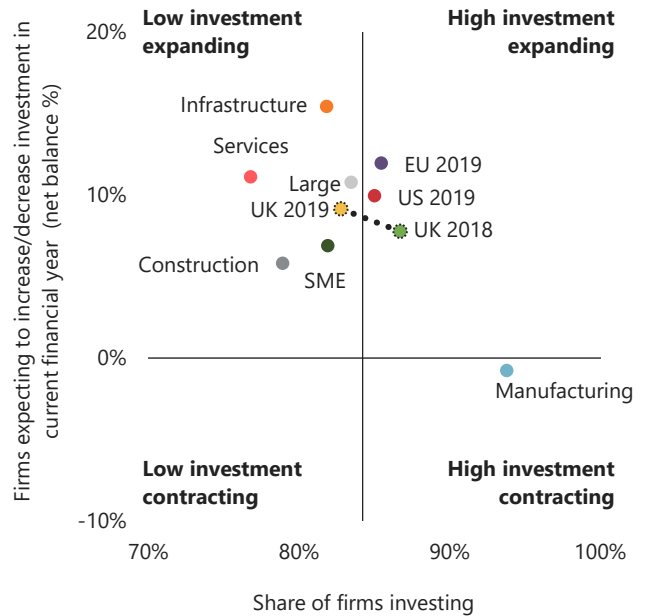
# Investment Dynamics

## INVESTMENT CYCLE

The UK moved from the 'high investment expanding' quadrant to the 'low investment expanding' quadrant of the investment cycle, as the share of firms investing fell.

Relatively few firms in the infrastructure sector, construction and services are investing, but they expect to increase investment in the current financial year on balance - especially those in the infrastructure sector.

Conversely, while the manufacturing sector has a relatively high share of firms investing, more firms expect to reduce than increase investment in the current financial year.

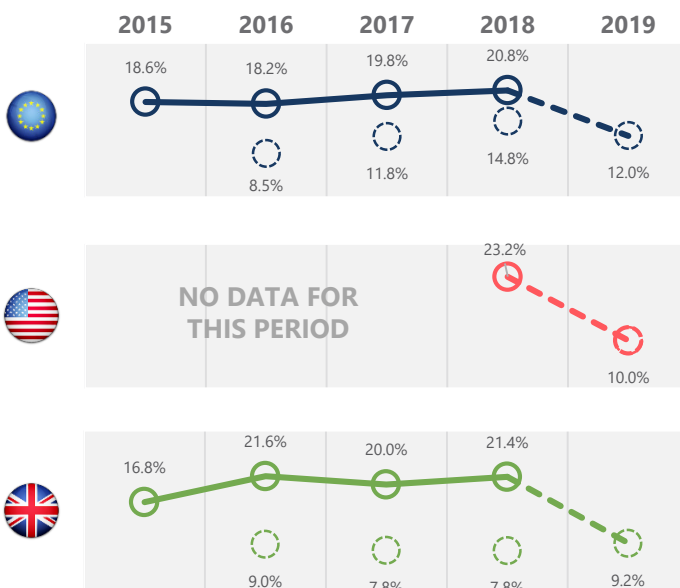


Share of firms investing shows the percentage of firms with investment per employee greater than EUR 500. The y-axis line crosses x-axis on the EU average for 2016.

Base: All firms

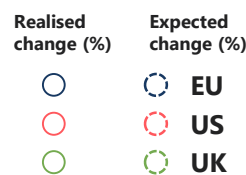
## EVOLUTION OF INVESTMENT EXPECTATIONS

### Realised/expected change in investment



More firms in the UK increased than decreased their investment activities, with the extent of the difference exceeding expectations for the third year running. The realised change in investment was in line with the EU average (both +21% on net balance).

As opposed to the EU, the investment outlook for the current year improved slightly, although it remains below that of the EU.



'Realised change' is the share of firms who invested more minus those who invested less; 'Expected change' is the share of firms who expect(ed) to invest more minus those who expect(ed) to invest less.

Base: All firms

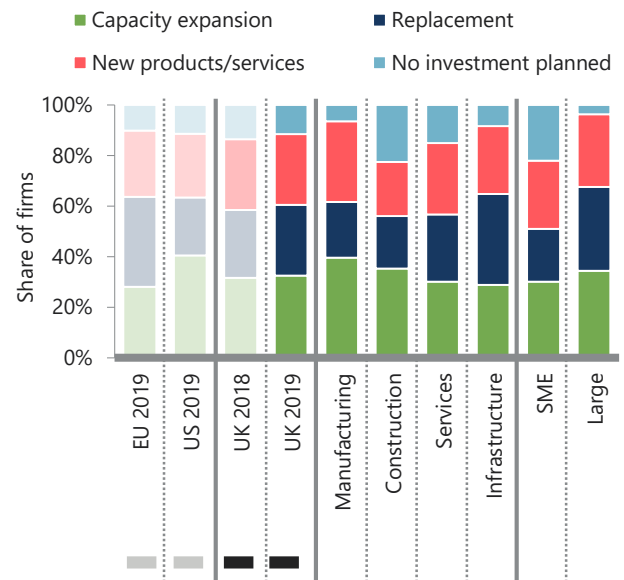
# Investment Focus

## FUTURE INVESTMENT PRIORITIES (% of firms)

When asked about their investment priority for the next three years, firms in the UK most frequently cite investment in capacity expansion as their priority investment area (33%), followed by investment for capacity replacement and new products/services (28% each). This pattern is consistent with EIBIS 2018, but EU-wide investment for capacity replacement (36%) is the most frequently cited priority.

Construction firms are most likely to have no investment planned (23%, compared with between 6% and 15% across other sectors).

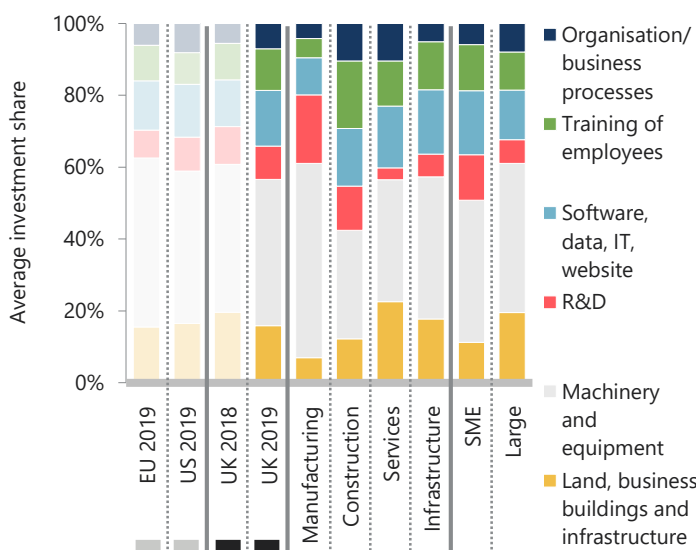
Large firms are more likely than SMEs to prioritise capacity replacement (33% versus 21%), while SMEs are more likely than large firms to have no investment planned (22% versus 4%).



Q. Looking ahead to the next 3 years, which is your investment priority (a) replacing existing buildings, machinery, equipment, IT; (b) expanding capacity for existing products/services; (c) developing or introducing new products, processes, services?

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

## INVESTMENT AREAS



Of the six investment areas asked about, the highest share of investment is in machinery and equipment (41%, lower than the EU average of 47%), followed by land, business buildings and infrastructure (16% - the same proportion as across the EU).

The share of investment in intangibles is higher than the EU average (43% versus 37%).

Firms in the manufacturing sector report the largest share of investment in machinery and equipment (54%) and also the largest share in research and development activities (19%), but report relatively low shares of investment in processes and training of employees.

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)

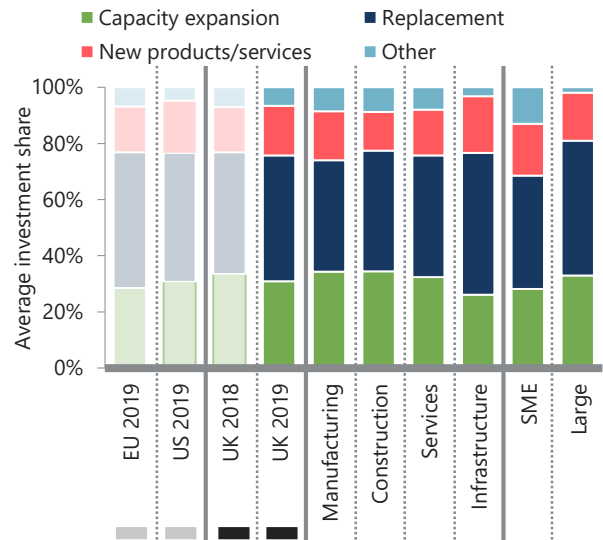


# Investment Focus

## PURPOSE OF INVESTMENT IN LAST FINANCIAL YEAR (% of firms' investment)

Just under half of firms' investment (45%) is for the purpose of capacity replacement. This proportion is similar to that of EIBIS 2018 (43%) and the EU (48%).

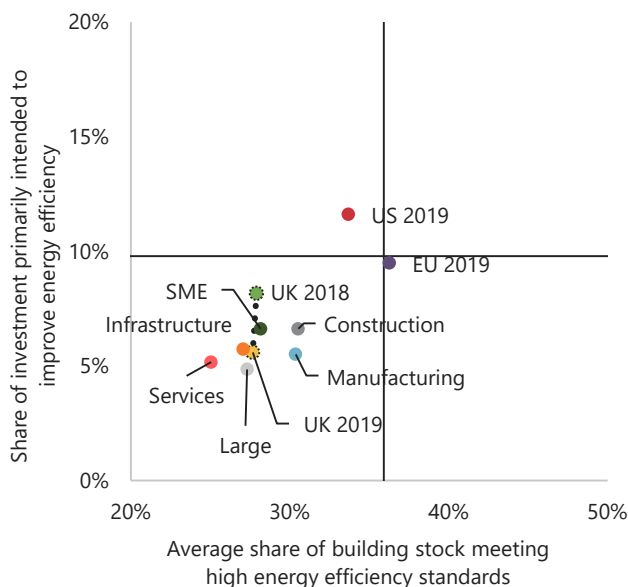
Large firms and firms in the infrastructure sector invest the highest shares in capacity replacement (48% and 50%). Firms in manufacturing and construction invest the highest share in capacity expansion (both 34%).



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)

## ENERGY EFFICIENCY INVESTMENT



The average share of firms' building stock perceived to meet high energy efficiency standards is 28%, lower than the EU average (36%).

The average share of investment intended primarily to improve energy efficiency is six per cent – also lower than the equivalent share of investment across the EU (10%), and also slightly below the EIBIS 2018 level (8%).

Firms in the service sector report the lowest share of building stock meeting high energy efficiency standards (25%) and also the lowest share of investment intended to improve energy efficiency (5%).

There is little variation by company size.

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

Q. What proportion of total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

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

# Innovation Activities

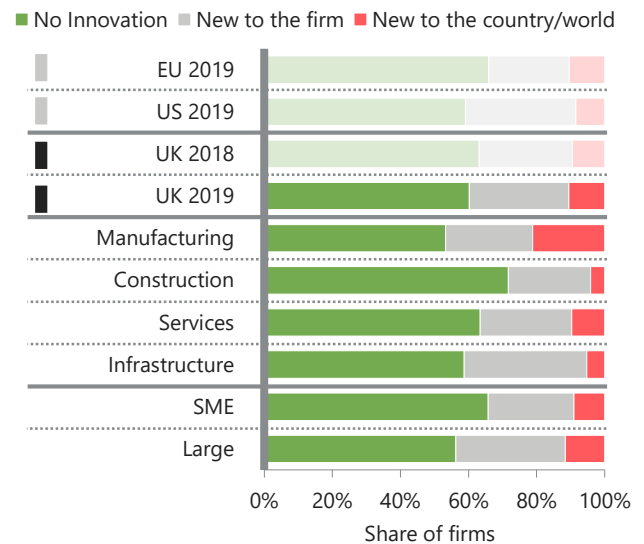
## INNOVATION ACTIVITY

Two in five firms (40%) report to have introduced products, processes or services that were new to the firm, country, or world. This is similar to the 37% of firms undertaking innovation in EIBIS 2018 and slightly above the EU average of 34%.

Specifically, around one in ten firms introduced products, processes or services new to the country or world, in line with the EU average (both 11%).

Innovation is most common in large firms (44%) and firms in the manufacturing sector (47%).

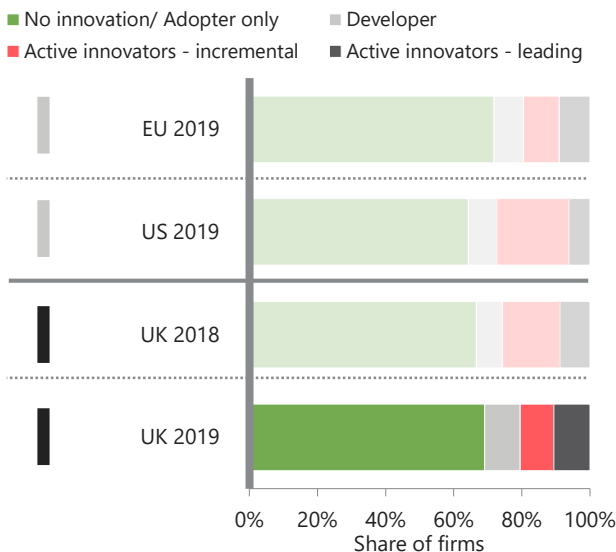
Firms in the construction sector are least likely to report innovation activity (28%, compared with between 37% and 47% of firms in other sectors).



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?

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

## INNOVATION PROFILE



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?  
 Q. In the last financial year, how much did your business invest in Research and Development (including the acquisition of intellectual property) with the intention of maintaining or increasing your company's future earnings?

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

When firms' innovation and research and development behaviour is profiled more widely, eleven per cent of firms are classified as 'leading active innovators', a similar proportion are 'incremental active innovators' (10% - down from 17% in EIBIS 2018), and ten per cent are 'developers' reporting current R&D activities without introducing new products, processes or services.

UK firms' innovation profile is largely consistent with the EU average (31% versus 28% of firms respectively as either 'active innovators' or 'developers').

The 'No innovation/Adopter only' group comprises firms that did not introduce any new products, processes or services in the last financial year (no innovation) or did so but without any own research and development effort (adopter). 'Developers' are firms that did not introduce new products, processes or services but allocated a significant part of their investment activities to research and development. 'Incremental' and 'Leading innovators' have introduced new products, processes and services and also invested in research and development activities. The two profiles differ in terms of the novelty of the new products, processes or services. For incremental innovators these are 'new to the firm'; for leading innovators' these are new to the country/world'.

# Innovation Activities

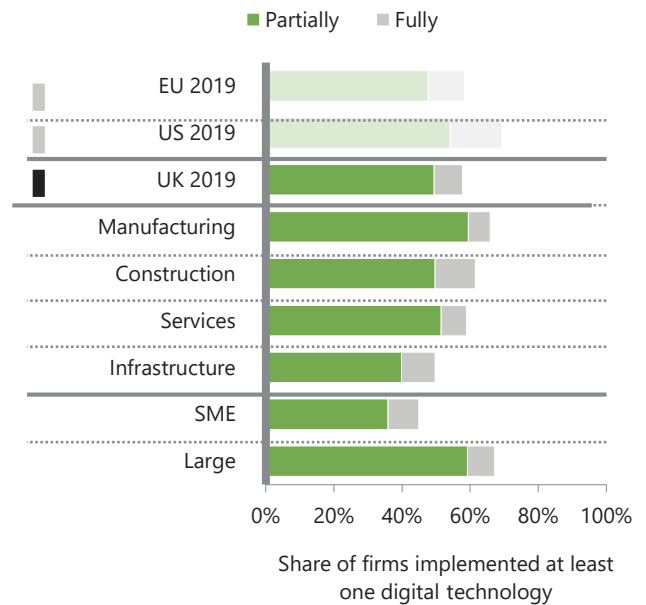
## IMPLEMENTATION OF DIGITAL TECHNOLOGIES

More than half of firms have implemented, either fully or partially, at least one of the digital technologies they were asked about (58%, matching the EU average).

Eight per cent of firms report organising their entire business around at least one of the digital technologies, slightly below the EU average (11%).

Firms in the manufacturing sector, and large firms, are most likely to be implementing digital technologies, either fully or partially, within their business (66% and 67% respectively).

In terms of adoption of individual technologies against the equivalent EU sector averages, UK firms tend to be more likely to be using augmented or virtual reality and drones, and less likely to be using platform technologies. Implementation of 'internet of things' varies by sector – above the respective EU average among construction and service sector firms, but below average in the infrastructure sector.

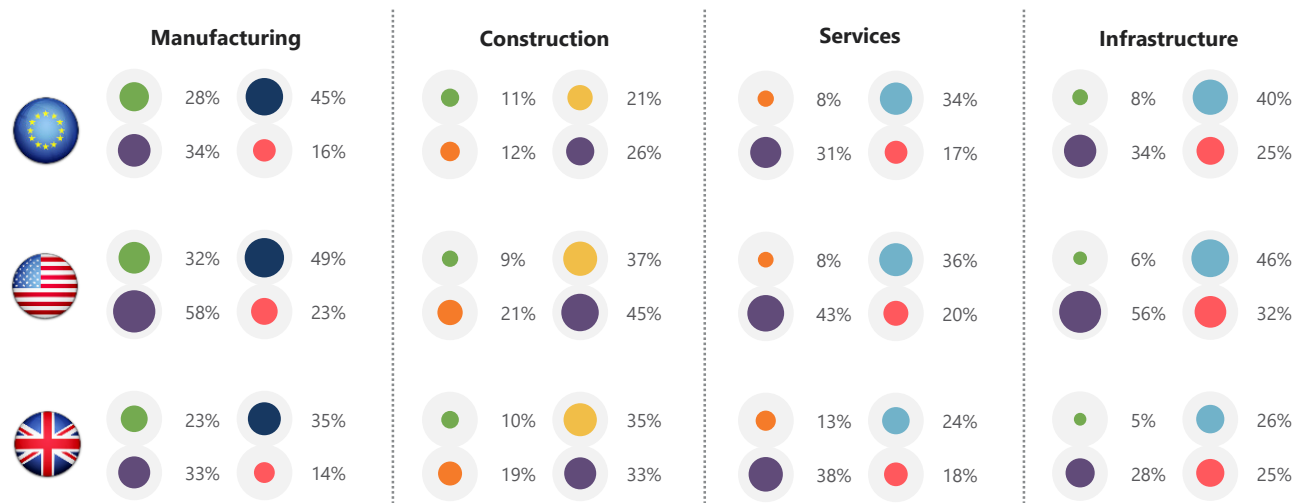


Q. Can you tell me for each of the following digital technologies if you have heard about them, not heard about them, implemented them in parts of your business, or whether your entire business is organised around them?

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

## DIGITAL TECHNOLOGIES BY SECTOR

- 3-D printing
- Automation via advanced robotics
- Internet of things
- Cognitive technologies
- Augmented or virtual reality
- Drones
- Platform technologies



Reported shares combine implemented the technology 'in parts of business' and 'entire business organised around it'

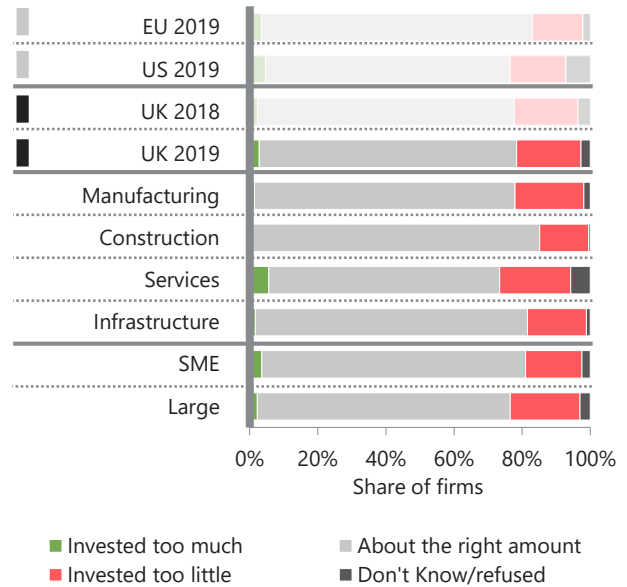
Base: All firms (excluding don't know/refused responses)

# Investment Needs

## PERCEIVED INVESTMENT GAP

Three-quarters of firms in the UK believe their investment activities over the last three years have been in line with their needs (76%), in line with EIBIS 2018 (75%) but somewhat below the EU average (79%). Firms in the construction sector are most likely to say they invested about the right amount (85%).

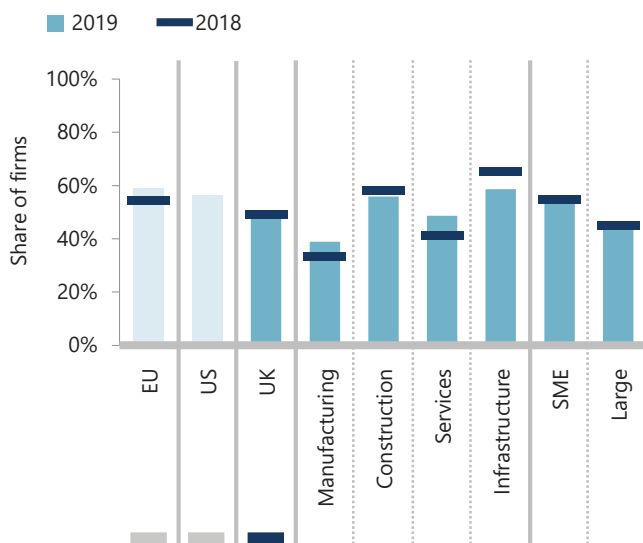
Nearly one in five firms (19%) report investing too little, with a further three per cent investing too much.



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

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

## SHARE OF FIRMS AT OR ABOVE 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?

Base: All firms

Half of firms in the UK report operating at or above maximum capacity in their last financial year (50%). This is similar to EIBIS 2018, but lower than the EU average (59%).

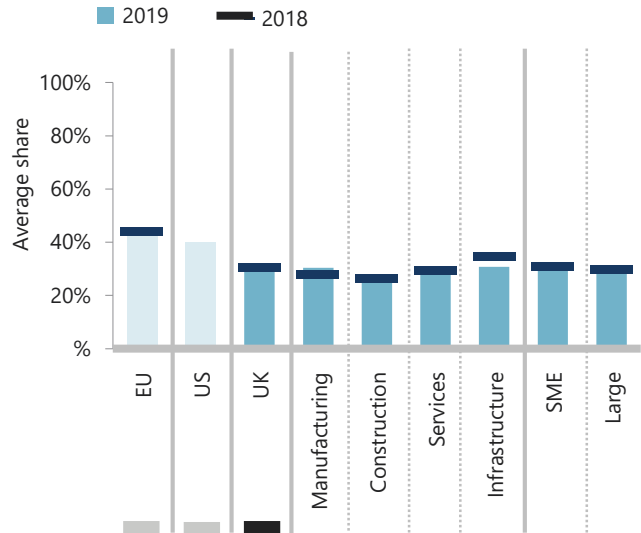
Firms in the manufacturing sector are least likely to report operating at or above full capacity (39%, compared with between 49% and 59% across all other sectors).

# Investment Needs

## SHARE OF STATE-OF-THE-ART MACHINERY

On average, firms report that thirty per cent of their machinery and equipment is perceived to be 'state-of-the-art'. This is the same proportion as in EIBIS 2018, but remains considerably lower than the EU average (44%).

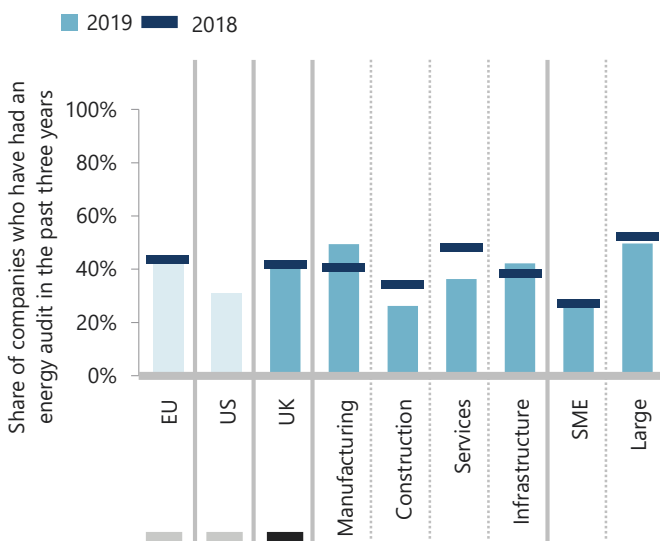
There is a similar proportion of perceived state-of-the-art machinery across all sizes and sectors.



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

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

## ENERGY AUDIT



Two in five firms in the UK (40%) say they have had an energy audit in the last three years – similar to both EIBIS 2018 and the EU average (42% and 43% respectively).

Firms in the manufacturing sector (49%) are most likely to report having an energy audit, while those in the construction sector are the least likely (26%).

Large firms are considerably more likely than SMEs to say they have had an energy audit (50% compared with 28%).

Q. Can I check, in the past three years has your company had an energy audit? By this I mean an assessment of the energy needs and efficiency of your company's building or buildings?

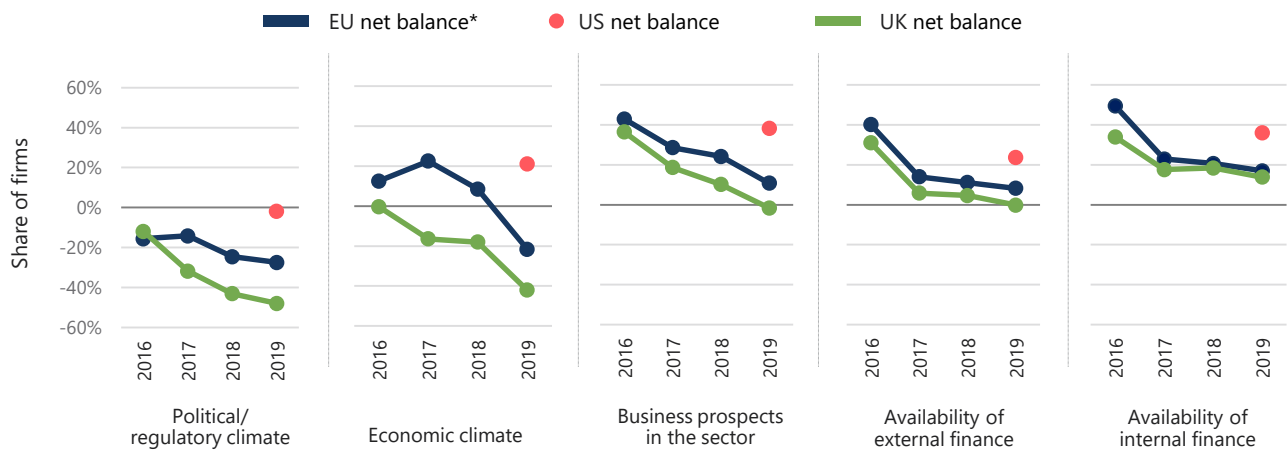
Base: All firms (excluding 'Company didn't exist three years ago' responses)

# Drivers And Constraints

## SHORT TERM INFLUENCES ON INVESTMENT

More UK firms expect the political/regulatory climate and economic climate to deteriorate than improve in the next twelve months, and the extent is more pronounced than previously and EU wide. For example, UK firms are now more pessimistic about the economic climate (net balance -42%, down from -18% in EIBIS 2018) and remain much more pessimistic than the EU average (-22%).

Firms in the UK have also become pessimistic on balance about their sector business prospects in the next twelve months (-2%, down from +10% in EIBIS 2018), and rather less optimistic about the availability of external finance (0%, down from +5%) and the availability of internal finance (+14%, down from +18%) in the year ahead.

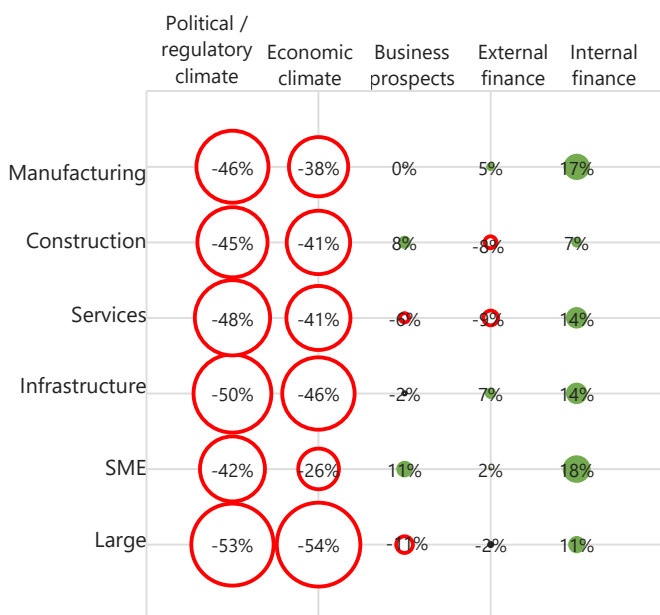


Q. Do you think that each of the following will improve, stay the same, or get worse over the next 12 months?

\*Net balance is the share of firms seeing improvement minus the share of firms seeing a deterioration

Base: All firms

## SHORT TERM INFLUENCES BY SECTOR AND SIZE (NET BALANCE)



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

Base: All firms

Firms are consistently more negative than positive about both the political/regulatory climate and economic climate.

Firms in the service and infrastructure sectors, as well as large firms, are negative about their business prospects.

Large firms and firms in the service and construction sectors also have negative views on balance about the availability of external finance.

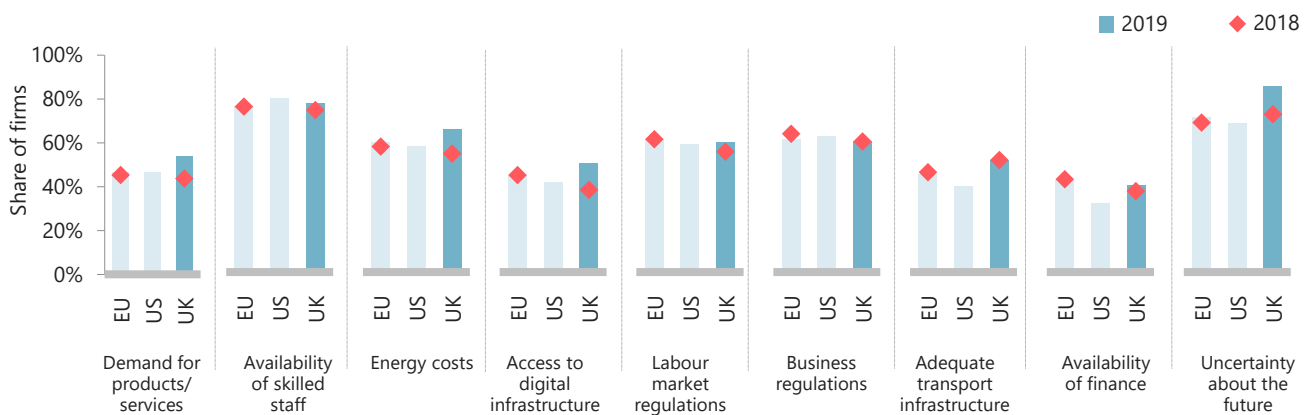
However, all types of firm are positive on balance about the availability of internal finance in the next twelve months.

# Drivers And Constraints

## LONG TERM BARRIERS TO INVESTMENT

Uncertainty about the future has increased in prominence and is now the most commonly cited barrier to investment (86%, up from 73% in EIBIS 2018), followed by availability of skilled staff (78%, up from 73% in EIBIS 2018), a small increase compared to the 75% in EIBIS 2018) which is still the most frequently cited barrier among all EU firms.

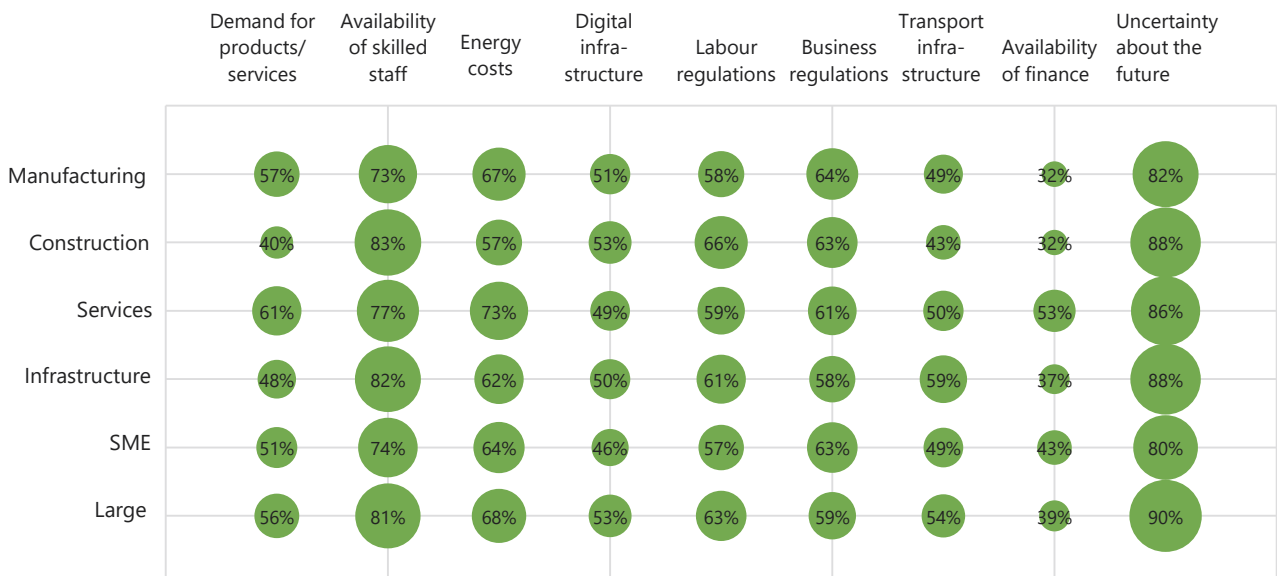
Firms are also more likely to cite energy costs (66%, up from 55%), demand for products/services (54%, up from 44%) and access to digital infrastructure (50%, up from 38%) as barriers compared to EIBIS 2018. Large firms are most likely to cite future uncertainty as an obstacle (90%, versus 80% of SMEs).



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

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

## LONG TERM BARRIERS BY SECTOR AND SIZE



Reported shares combine 'minor' and 'major' obstacles into one category

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

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

# Investment Finance

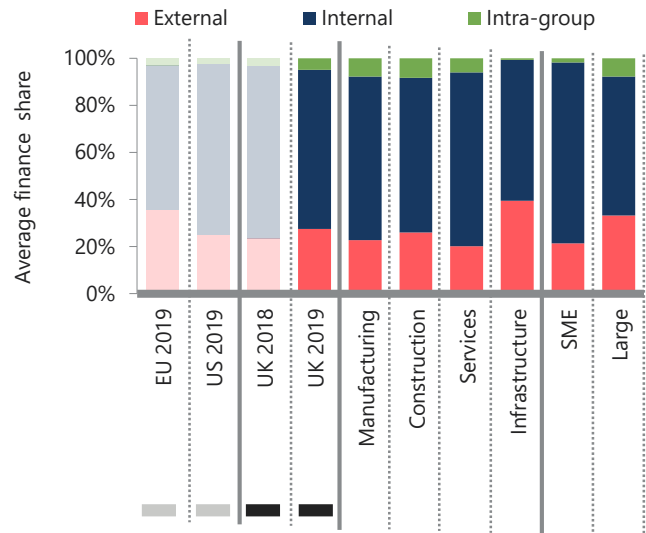
## SOURCE OF INVESTMENT FINANCE

As in EIBIS 2018, firms in the UK continue to fund the majority of their investment through internal finance (68%).

The share of external finance is 28%, up from 23% in EIBIS 2018, though still lower than the EU average of 36%.

SMEs are more likely than large firms to rely on internal finance (77% compared with 59%), whilst external finance accounts for a higher share among large firms than SMEs (33% versus 21%).

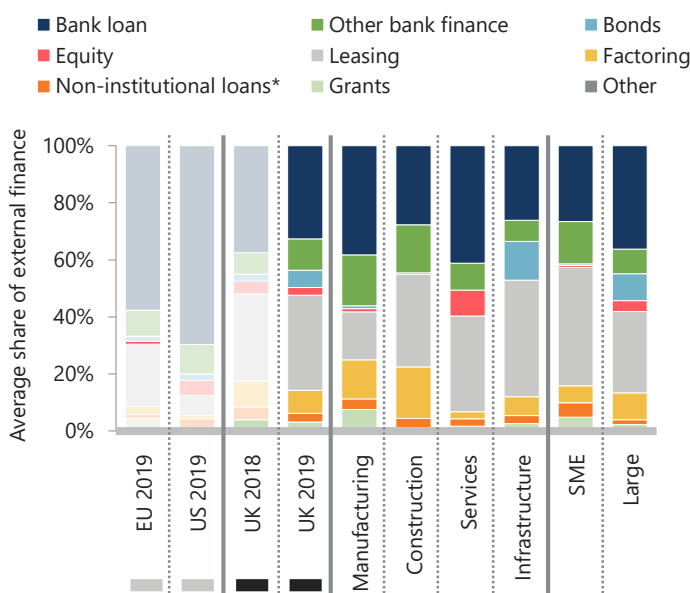
Firms in the infrastructure sector rely more heavily on external finance (39%) than those in the service and manufacturing sectors (20% and 23% respectively).



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

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

## TYPE OF EXTERNAL FINANCE USED FOR INVESTMENT ACTIVITIES



Q. Approximately what proportion of your external finance does each of the following represent?

\*Loans from family, friends or business partners

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

Leasing and bank loans account for the joint largest shares of external finance (33% each), while in EIBIS 2018 bank loans were still ahead of leasing (37% and 30%). This change increased the difference compared to the EU overall, where bank loans are a much more dominant source of external finance (58%) and leasing is less important (22%).

Service sector firms report the highest share of bank loans (41%), while the highest share of leasing is among firms in the infrastructure sector (also 41%). A higher share of SMEs' external finance is from leasing (42%, versus 29% among large firms), whereas bank loans account for 36% of large firms' external finance versus 27% among SMEs.

The share of factoring remains above the EU average (8% versus 3%) and is highest among construction firms (18% share).

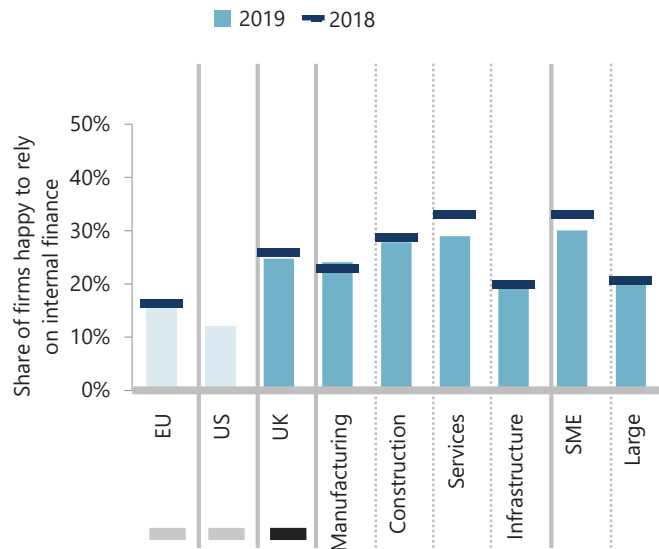


# Investment Finance

## SHARE OF FIRMS HAPPY TO RELY EXCLUSIVELY ON INTERNAL SOURCES TO FINANCE INVESTMENT

One-quarter (25%) of all firms indicate that their main reason for not seeking external finance is that they are happy to use internal finance or do not need the finance. This is in line with EIBIS 2018 (26%) but remains higher than the EU average (16%).

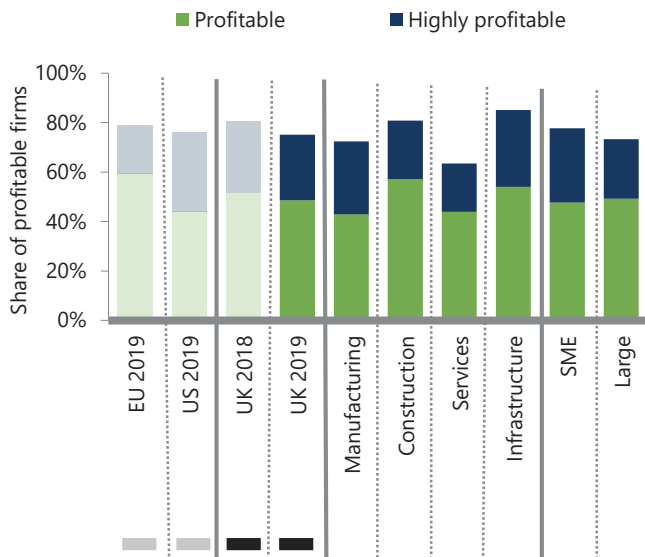
There is little variation between sectors and sizes.



Q. What was your main reason for not applying for external finance for your investment activities? Was happy to use internal finance/didn't need the finance

Base: All firms

## SHARE OF PROFITABLE FIRMS



Three-quarters (75%) of firms report making a profit in the last financial year, somewhat lower than in the EIBIS 2018 and the EU (80% and 79% respectively).

Specifically, 27% of firms claim to be highly profitable, defined as generating a profit level at least 10% of firm turnover. This is higher than the EU average (20%).

Firms in the infrastructure sector are most likely to report being profitable, while those in the service sector are least likely (85% versus 63% respectively).

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 of 10% or more

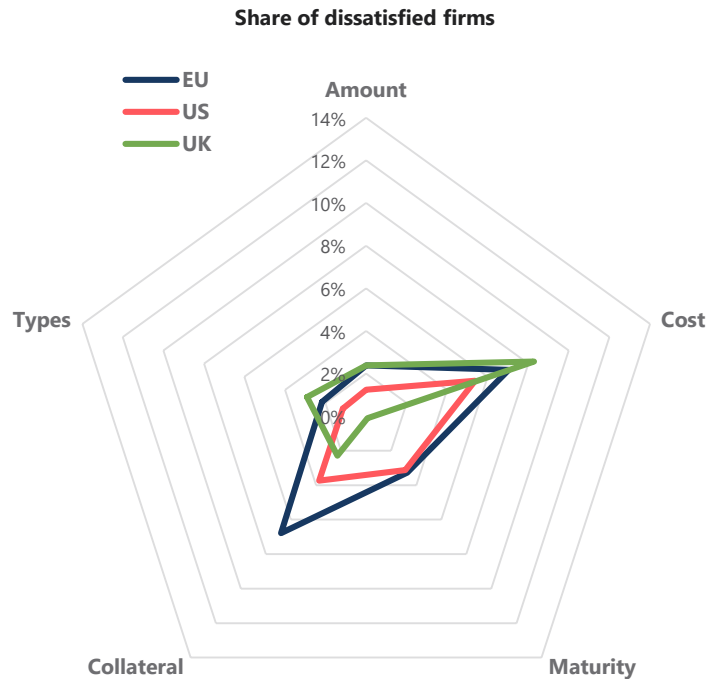
Base: All firms (excluding don't know/refused)

# Access To Finance

## DISSATISFACTION WITH EXTERNAL FINANCE RECEIVED

Firms using external finance are, on balance, satisfied with the amount, cost, maturity, collateral and type of finance received.

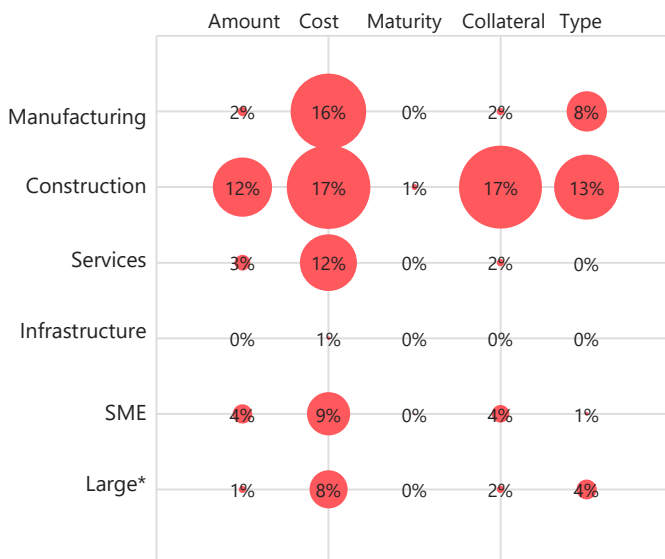
The highest level of dissatisfaction recorded among UK firms is with the cost of the external finance received (8%, similar to the 7% EU average). Dissatisfaction regarding collateral requirements and maturity is lower than in the EU overall.



Q. How satisfied or dissatisfied are you with ...?

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

## DISSATISFACTION BY SECTOR AND SIZE



Firms in the construction and manufacturing sectors are most dissatisfied with the cost of the external finance they received (17% and 16% respectively).

The construction sector also has the largest share of firms dissatisfied with collateral requirements and type of external finance received (17% and 13% respectively).

Q. How satisfied or dissatisfied are you with ...?

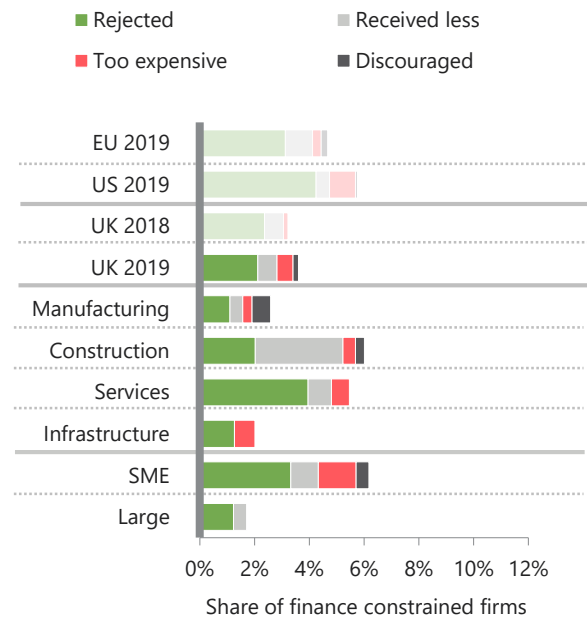
Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)

\* Caution very small base size less than 30

# Access To Finance

## SHARE OF FINANCE CONSTRAINED FIRMS

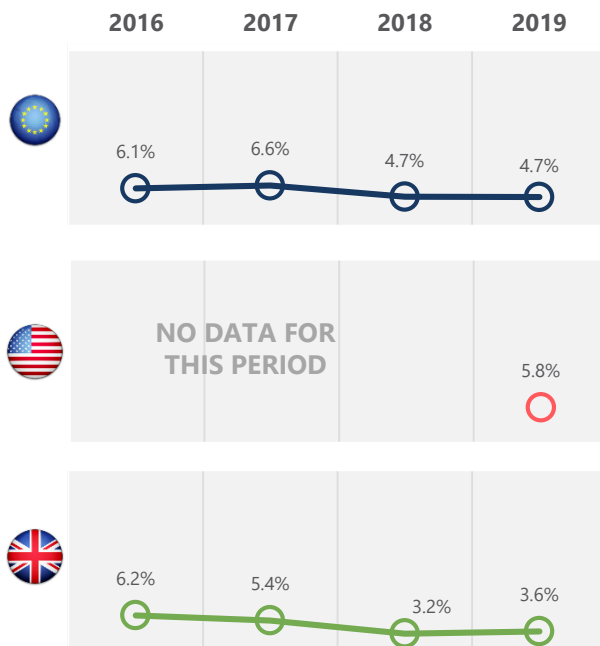
Four per cent of all firms can be considered external finance constrained, which is somewhat lower than the EU average (5%). The largest shares of constrained firms are in the construction sector and among SMEs (both 6%).



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)

Base: All firms

## FINANCING CONSTRAINTS OVER TIME



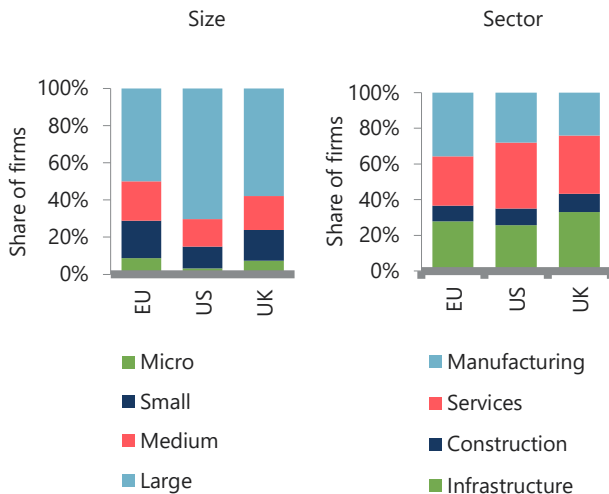
Data derived from the financial constraint indicator

Base: All firms

While there are only minor differences over time, the share of finance constrained firms in the UK has been consistently slightly below the EU-wide share since EIBIS 2017.

# Profile Of Firms

## CONTRIBUTION TO VALUE ADDED



The charts reflect the relative contribution to value-added by firms belonging to a particular size class / sector 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+

Base: All firms

More than half (58%) of the value added in the UK can be attributed to large firms with 250+ employees, higher than the EU average (50%).

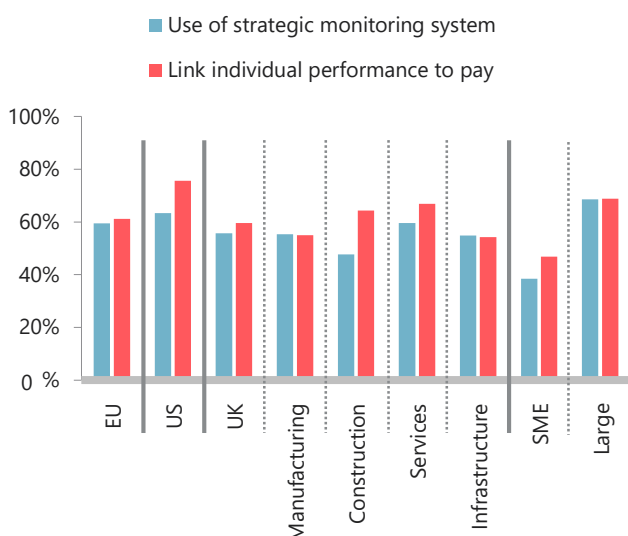
The service and infrastructure sectors account for the joint largest shares of value-added by sector in the UK (33% each). In contrast, the manufacturing sector accounts for the largest share of value-added across the EU (36%), but only contributes 24% in the UK.

Firms in the construction sector contribute the least in the UK, representing 10% of value added.

More than half of firms use a strategic monitoring system for their performance (56%, in line with the 58% EU average), whilst three in five firms report linking individual performance to pay (60%, again in line with the EU average of 61%).

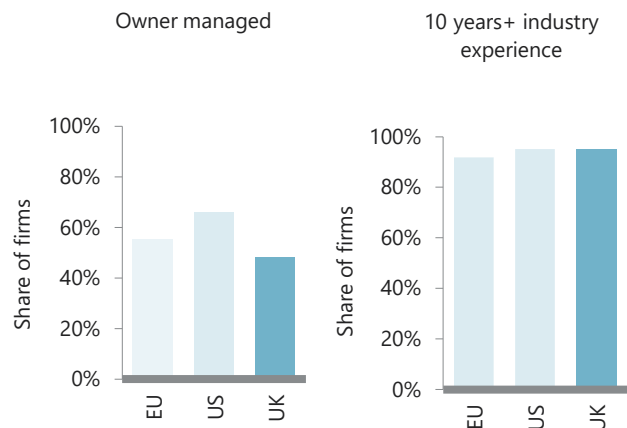
Just under half of UK firms are owned by their CEO/head or a family member (48%, lower than the 55% EU average). The vast majority (95%) of firms claim their CEO or head has at least ten years of experience in the relevant sector, similar to the EU average (92%).

## FIRM MANAGEMENT



Q. And does your company (a) use a formal strategic business monitoring system (that compares the firm's current performance against a series of strategic key performance indicators) (b) link individual performance with pay?

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



Q. Does the CEO/ company head of your firm (a) own or control the firm, or have a family member that owns/controls it (b) have more than 10 years of experience in your firm's industry or sector?

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

# EIBIS 2019 – 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 in the United Kingdom, so the percentage results are subject to sampling tolerances. These vary with the size of the sample and the percentage figure concerned.

	EU	US	UK	Manufacturing	Construction	Services	Infrastructure	SME	Large	EU vs UK	Manuf vs Constr	SME vs Large
	(12672)	(803)	(601)	(161)	(121)	(183)	(126)	(488)	(113)	(12672 vs 601)	(161 vs 121)	(488 vs 113)
10% or 90%	1.0%	2.9%	3.0%	5.4%	6.4%	5.3%	6.1%	2.4%	5.0%	3.2%	8.3%	5.5%
30% or 70%	1.5%	4.4%	4.6%	8.3%	9.7%	8.1%	9.4%	3.7%	7.6%	4.9%	12.7%	8.4%
50%	1.7%	4.8%	5.1%	9.1%	10.6%	8.8%	10.2%	4.0%	8.3%	5.3%	13.9%	9.2%

## GLOSSARY

<b>Investment</b>	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.
<b>Investment cycle</b>	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.
<b>Manufacturing sector</b>	Based on the NACE classification of economic activities, firms in group C (manufacturing).
<b>Construction sector</b>	Based on the NACE classification of economic activities, firms in group F (construction).
<b>Services sector</b>	Based on the NACE classification of economic activities, firms in group G (wholesale and retail trade) and group I (accommodation and food services activities).
<b>Infrastructure sector</b>	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).
<b>SME</b>	Firms with between 5 and 249 employees.
<b>Large firms</b>	Firms with at least 250 employees.

# EIBIS 2019 – Country Technical Details

The country overview presents selected findings based on telephone interviews with 601 firms in the United Kingdom (carried out between April and June 2019).

**BASE SIZES** (\*Charts with more than one base; due to limited space, only the lowest base is shown)

Base definition and page reference	EU 2019/2018	US 2019	UK 2019/2018	Manufacturing	Construction	Services	Infrastructure	SME	Large
All firms, p. 3, p. 4, p. 8, p. 10, p. 13, p. 15, p. 16*	12672/12355	803	601/602	161	121	183	126	488	113
All firms (excluding don't know/refused responses), p. 2	11967/11790	711	550/546	144	111	168	118	448	102
All firms (excluding don't know/refused responses), p. 6*	8802/9095	516	422/391	123	82	118	92	340	82
All firms (excluding don't know/refused responses), p. 7*	12533/NA	800	596/ n/a	157	120	176	120	484	112
All firms (excluding don't know/refused responses), p. 9	12216/11952	778	583/580	155	119	177	124	475	108
All firms (excluding don't know/refused responses), p. 13	10980/10865	605	490/494	136	94	142	110	391	99
All firms (excluding don't know/refused responses), p. 16*	12201/NA	762	574/ n/a	157	116	172	120	468	106
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 4	10005/10126	620	499/498	142	97	146	106	408	91
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 5*	10188/10004	624	472/433	134	94	134	102	381	91
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 12	9407/9030	587	399/383	101	81	125	85	339	60
All firms who used external finance in the last financial year (excluding don't know/refused responses), p. 14*	4426/4212	245	134/125	34	31	31	38	105	29
All firms (excluding those who did not exist three years ago), p. 8	12640/12335	802	598/602	160	120	182	126	485	113
All firms (excluding those who did not exist three years ago), p. 9	12640/12335	802	598/602	160	120	182	126	485	113
All firms (data not shown for those who said not an obstacle at all/don't know/refused), p. 11	12672/12355	803	601/602	161	121	183	126	488	113
All firms who used external finance in the last financial year (excluding don't know/refused responses), p. 12	4578/4323	255	138/125	36	32	32	38	108	30





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# United Kingdom

Overview

**EIB INVESTMENT SURVEY**

**2019**