



PRESS RELEASE

DATE: 8 February 2012
NO: 2
CONTACT: Press Office, tel. +46 (0)8-7870200

SVERIGES RIKSBANK
SE-103 37 Stockholm
(Brunkebergstorg 11)

Tel +46 8 787 00 00
Fax +46 8 21 05 31
registratorn@riksbank.se
www.riksbank.se

■ The Riksbank's company interviews: Cutbacks in a weaker economic climate

The company interviews conducted by the Riksbank in January 2012 show that following a wait-and-see phase during the autumn, the companies are now noting something of a downturn in their operations. Demand weakened towards the end of last year, above all in the manufacturing industry, and the companies began to cut back their production levels and the number of jobs. The economic climate is expected to deteriorate further over the next six months. This has already made its mark on the companies' pricing plans and fewer companies now believe that they will be able to increase their prices during the year.

In September, the companies reported that they saw no clear changes in the level of new orders and production, but that they were waiting to see how the situation developed during the autumn. The manufacturing companies, above all, now say that demand has fallen and that there has been a slowdown in economic activity. Weaker demand in Europe, together with a stronger krona, has had a distinct impact on the export companies.

The workforce is now considered to be somewhat too large in relation to production and sales, and some companies have already made job cuts. The economic outlook is expected to deteriorate further over the next six months and the companies therefore believe that they will need to make further job cuts in the period ahead.

The companies see major risks, above all in relation to the public-finance crisis in Europe. However, the situation is not the same as during the crisis of 2008-2009. The companies say that the situation on the credit markets is nothing like as serious as it was in the autumn of 2008 and the companies can now meet their funding needs, although this has become more expensive and more problematic recently.

A majority of the companies still say that they will continue to raise their prices during the year, but the percentage of companies that say so is much smaller now compared to the percentage in September. This is above all due to the fall in demand.

Since 2007, the Riksbank conducts interviews with companies in the construction, retail, manufacturing and service sectors ahead of every Monetary Policy Report. The largest companies in these sectors are included in the survey and this time 24 companies with a total of approximately 200 000 employees in Sweden were interviewed (compared to 40 companies with approximately 250 000 employees in September). The interviews were mainly conducted between 9 January and 20 January 2012 and the results are presented in this report.