



# PRESS RELEASE

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## ■ The Riksbank's company interviews: No clear course for economic activity

*The Swedish companies are divided in their assessment of the economic climate. The situation of the construction sector, the retail sector and parts of the service sector has improved somewhat since January. The exporting companies, on the other hand, are troubled by the uncertainty regarding developments in the euro area. This is revealed by the company interviews that the Riksbank conducted in May. Although the companies seem somewhat hopeful that economic activity will improve over the next six months, there are currently few concrete signs of an improvement. New orders in the manufacturing industry are not increasing and most of the companies are not planning to increase their workforces either. Uncertainty concerning demand is also one of the factors that is holding back price increases.*

Production and sales increased somewhat in the last quarter. The companies are nevertheless pessimistic about the current economic climate and see major risks with the financial situation in the euro area. Demand from Europe is perceived to be weak, but the companies see signs of a brighter outlook in the US economy. However, the uncertain situation on the export markets does not appear to have restricted investment in the manufacturing industry or access to funding.

Workforces have increased somewhat in recent months but the companies expect this trend to weaken in the period immediately ahead. Many companies appear instead to be considering rationalisation and streamlining measures as they believe that their workforces are somewhat too large in relation to the level of demand at the moment.

Most companies also see that it will be difficult to increase prices in the period ahead. They also find it difficult to give a clear picture of their pricing plans one year ahead because, as one company put it, "the view is very short-term at the moment".

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 42 companies with a total of approximately 260 000 employees in



- Sweden were interviewed. This report presents the result of these interviews, which were mainly conducted between 2 May and 22 May 2012.