



PRESS RELEASE

DATE: 2 October 2012
NO: 17
CONTACT: Press Office, tel. +46 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 survey: Downturn in economic activity and prices

Many Swedish companies see a weaker development of economic activity ahead. This is revealed by the company survey that the Riksbank conducted in September. It is above all the manufacturing and construction sectors that are pessimistic about the future. The gloomier economic climate and fierce price competition lead the companies, above all the manufacturing companies, to believe that prices will be lower in the period immediately ahead. The economic climate is better in the retail sector, but even here the companies note a cautious attitude on the part of the customers.

The export companies report that demand on the European market is still weak. These companies also say that competition has increased following the strengthening of the krona during the summer. On the other hand, the stronger krona favours several of the importing companies in for example the retail sector. The level of activity in the construction industry is relatively high at the moment and there is a large stock of orders. However, the weak inflow of new orders is a major cause of concern for the future.

In general, the companies have increased their workforces somewhat in recent months. However, several of them are planning to make staff cuts in the near future as they believe that their workforces are too large given the level of demand and production.

The companies' expectations regarding price movements have changed since the previous survey in May. Many companies, above all in the manufacturing sector, now believe that prices will be lower in the period immediately ahead. Price competition has increased and this is squeezing the companies' margins and profitability.

Since 2007, the Riksbank has conducted 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. The interviews were mainly conducted between 27 August and 12 September and the results are presented in the report *The Riksbank's company survey*.