



PRESS RELEASE

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■ **The Riksbank's Business Survey: Recovery continues but uncertainty returns**

"We believe there will be a slight improvement", "Concern makes you cautious" and "Practically no movement in consumer prices". These are typical quotes from the Riksbank's Business Survey in September.

The Riksbank's interviews with 44 of Sweden's largest companies suggest that economic activity is slowly improving, primarily driven by household consumption but also by the construction sector's investments in housing. However, uncertainty has increased since the summer and this is restraining investment in other sectors.

"Concern makes you cautious"

The increased uncertainty is most noticeable in the export sector. The risks seen by companies in this sector mainly relate to the recovery in Europe but also to developments in China, Latin America and Russia. The general election in Sweden and the discussion of potential measures to subdue the growth of household debt are also factors contributing to increased uncertainty, particularly in consumer-related companies.

"Practically no movement in consumer prices"

The companies' plans to increase prices remain at the same low level as in 2012. Relatively weak demand, low cost increases and squeezed margins have led to small price increases over the last 12 months. The companies also say that competition is strong, which is another factor that is holding back price increases and undermining profitability. It is important for demand to pick up if the companies are to be able to increase their prices. However, the companies say that significant price increases may come quickly once this happens.

Prior to each Monetary Policy Report, that is three times a year, the Riksbank interviews some of Sweden's largest companies in the construction, retail, manufacturing and service sectors. Representatives of 44 companies with a total of approximately 246,000 employees in Sweden were interviewed this time. The interviews were mainly held between 1 and 19 September and are presented in the report *The Riksbank's Business Survey*.