



PRESS RELEASE

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■ Riksbank's Business Survey: Weaker krona supports manufacturing industry and leads to higher prices

The Riksbank's Business Survey in May shows that economic activity is continuing to strengthen in a stable manner. The krona has weakened over the past year, which has led to increased profitability in the manufacturing industry and higher prices, particularly in the retail sector.

The krona has weakened since spring 2014, and this has gradually contributed to higher profitability for the export industry. Although the demand for exports does not at present correspond to the industry's expectations, they are assuming that exports will rise as soon as global economic activity picks up. For importing companies, on the other hand, the weaker krona has entailed increased costs. They have to some extent already begun to raise their prices, but they will need to raise them further as their profit margins have declined. More retail companies than before now believe that prices will rise and although competition is still considered to be tough, the planned price increases are higher than they have been for several years.

Construction companies are on the whole very satisfied with developments in recent months. The uncertainty over future public sector investment in the infrastructure is felt to have declined, and demand for housing to have increased, partly due to the low interest rates. However, Swedish interest rates appear to have less significance for manufacturing companies' investment plans. For them, general demand abroad is a more important factor.

Three times a year, the Riksbank interviews the largest companies in the construction, retail, manufacturing and part of the service sectors. Representatives of 42 companies with a total of approximately 248,000 employees in Sweden were interviewed this time. The interviews were mainly held between 4 and 22 May and are presented in the Riksbank's Business Survey.