



PRESS RELEASE

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■ The Riksbank's company interviews: Calmer phase of the economic cycle

The Riksbank's company interviews in May 2011 show continued good demand and production in the Swedish economy. The responding companies assess that access to labour is satisfactory and that there is spare capacity. But there are signs that the growth rate will slow down in the coming period. The companies intend to raise their prices to meet increasing costs. Many export companies also point out that the current krona exchange rate has a negative effect on their profitability.

The companies that took part in the Riksbank's company interviews assess that economic activity is good at present. However, there are some signs that the rate of growth will slow down in the coming period. An increasing number of companies now believe that production and orders will slow down in the coming quarter, compared with the previous survey held in January.

At the same time as demand in the economy has continued to rise, the companies state that there is in general no difficulty in obtaining labour. Nor do they assess that technical production capacity will restrict continued expansion. However, more companies than before are intending to increase their investments in the coming six months.

There are more companies planning to raise their prices now than before. It is mainly the manufacturing sector companies that see a need to raise their prices to meet the increase in labour and purchasing costs. The good demand situation also creates scope for price increases. Many export companies point to the current krona exchange rate hampering profitability. The strong krona creates pressure to increase productivity and cut costs.

Since 2007, the Riksbank conducts interviews with companies in the construction, retail, manufacturing and service sectors ahead of every Monetary Policy Report. The Riksbank interviewed the largest companies in each sector, with the total number of companies interviewed amounting to 43. On this occasion the interviews were held during the first two weeks of May.