

## ■ The Riksbank's company interviews in December 2008–January 2009

**The companies in the Riksbank's survey report that economic activity has declined further during the autumn. This can be seen, for example, in a rapid fall in order intake and a tightening of access to credit. Half of the companies in the survey state that access to external funding, including bank loans, has deteriorated over the past quarter. The companies' view of the future is generally pessimistic. Two out of three companies believe that the economic climate will be even worse in six months time.**

The Riksbank's interviews with Swedish companies were mainly conducted in December 2008. Approximately one fifth of the total of 60 interviews were conducted in early January. A detailed account of the result of the interviews was published on 2 February on the Riksbank's website, [www.riksbank.se](http://www.riksbank.se), under the heading Press & published\Reports.

More than one in two of the companies interviewed by the Riksbank state that the current economic situation is poor and two out of three companies expect the situation to be even worse in six months' time. The largest deterioration is among manufacturing companies. There are very few manufacturing companies in the survey that say that the situation is good. The situation in the construction sector and the retail trade is also considered to be poor. Among the companies in the private services sector the dominant response is "poor", but not as clearly as in the other sectors.

In the course of the Riksbank's discussions with the companies, many of the company representatives state that the decline in economic activity has been both exceptionally rapid and extensive. The weaker demand has also led the companies to radically change their investment plans during the autumn. In the manufacturing industry, for example, a large majority of the companies stated that investments will decline over the next six months. An increased focus on the companies' liquidity situation in the wake of more expensive borrowing opportunities and poorer credit supply are also said to have affected the companies' willingness to invest.

Almost half of the companies interviewed reported that access to external funding (including bank loans and issues of corporate bonds) has deteriorated during the autumn. The opportunities for funding have become both more expensive and more problematic during the autumn. Many of the companies interviewed by the Riksbank also stated that it is a problem that funding can not be arranged or guaranteed at longer maturities.

The companies point out that several important costs have fallen recently. This applies to various commodities that previously were subject to dramatic price increases, for example different metals, oil and food. When asked about the development of wage costs, most of the companies stated that wage increases are expected to be in line with those stipulated in the collective agreements but that wage drift, on the other hand, is expected to be lower this year than last year. On the whole, the companies' plans indicate that prices will be increased to a lesser degree in the period ahead compared to the results in the previous survey.