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CONTACT: Press Office, telephone +46 8 787 02 00



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 Business Survey: Good times for companies

The strong economic situation will continue in the months ahead. This is the assessment of the Swedish companies that participated in the Riksbank's Business Survey in May.

"The economic situation is very good"

Export companies are encountering ever-stronger demand from abroad. Europe stands out in particular but demand in commodity-producing countries has also increased as commodity prices have risen. The rate of production is high and as orders are strong, export companies do not see any signs of a slowdown in the next six months.

However, concern for setbacks in the economy is greater today than it was ten years ago when we last had such a good economic situation. For example, companies are slightly more cautious about their investment plans these days.

"High pressure in the construction sector"

Demand has been strong in the construction and property sectors in recent years and the development of housing construction in particular continues to be very strong. A consequence of this is that it is increasingly difficult to find personnel. Another sign of strong demand is that property companies say that no properties are difficult to sell and there are very few premises standing vacant.

"Demand always drives price"

Manufacturing and construction companies are noticing commodity price increases when they purchase material and more and more sub-contractors have started to raise their prices. The good demand situation means that several manufacturing companies see opportunities to compensate by raising their prices in the period ahead. In the trade sector, the tough competition means that it has become more difficult for these companies to compensate for cost increases with higher prices.

Three times a year, the Riksbank interviews the largest companies in the construction, retail, manufacturing and part of the services sectors. Representatives of 38 companies with a total of approximately 250,000 employees in Sweden were interviewed this



time. The interviews were mainly held between 2 May and 17 May and are presented in the Riksbank's Business Survey. The quotes above are from the interviews.