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The Riksbank's Business Survey: The economic upswing is continuing

The economic upturn continues. This is the assessment of the major Swedish companies that were interviewed in the Riksbank's Business Survey in May.

"There's plenty of demand all over"

The economic situation has improved further and demand is strong within all sectors. Companies, particularly within the manufacturing sector, are facing high demand globally and production is at full throttle.

The construction sector currently has long order books but notices that demand for housing construction has decreased, above all in the Stockholm region. In general, there is unease over the development of the housing market and companies within the construction sector are now planning for how to react if demand for newly produced housing does not strengthen in the period ahead.

"It's not economic activity, it's competition"

The trade sector and companies selling services directly to households are meeting consumers with good spending power. But the tough competition is making it difficult to raise prices and a lot of work is being expended on cutting costs to improve profitability. The recent weakening of the krona is increasing purchasing costs for imported goods and services, which is putting pressure on companies within the trade sector to raise their prices regardless.

"Digitalisation is a possibility if it's used in the right way"

The survey in May also asked more detailed questions on the digitalisation of the business sector. All companies are investing in or planning to invest in new digital technology to help them follow developments and strengthen customer contacts. The majority expect that increased automation will reduce costs. Several companies in the trade sector expect such investments to lead to the number of employees decreasing at the same time as the increased price transparency restrains sales prices. In the manufacturing industry and services sector, several companies instead make the assessment that new technology will make it possible to produce completely new goods and services for which they will also be able to charge more.



Three times a year, the Riksbank interviews the largest companies in the construction, trade, manufacturing and part of the service sectors. Representatives of 40 companies with a total of approximately 285,000 employees in Sweden were interviewed this time. The interviews were mainly held between 2 and 18 May and are presented in the Riksbank's Business Survey. The quotes above are from the interviews.