

# PRESS RELEASE

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## The Riksbank's Business Survey: Towards the "new normal"?

*The economic situation has gradually improved after the substantial fall in demand in the spring. This is the view of Swedish companies in the Riksbank's company interviews conducted in late September. They have a brighter outlook on the future, but there are concerns about a second wave of the pandemic with new restrictions. They are also contemplating what demand for their products might look like after the pandemic and how they can adapt to a development in which trade, work and meetings increasingly take place digitally.*

### **"Slowly on the way to recovery"**

For many companies, demand has increased more rapidly than expected. But capacity utilisation in the industrial sector is generally still lower than before the pandemic. And despite some recovery, the situation is still difficult for sectors such as tourism. In general, the major Swedish companies think that it will take a long time before the economic situation is back to anything like its pre-pandemic level.

### **The pandemic is driving companies towards the "new normal"**

The pandemic has initiated and accelerated behavioural changes among households, in, for example, the way we shop, work and meet, and this is expected to lead to permanent changes in demand. Several companies call the new situation in the economy the "new normal". The technical prerequisites for this adjustment have been in place for a long time, but the pandemic has forced companies to adjust their operations to be able to meet a new demand.

The pandemic has also made industrial companies realise that their supply chains, i.e. the localisation of suppliers and associated logistics, might not be the most reliable. The pandemic may therefore result in a transition towards companies having suppliers in closer proximity.

### **"We don't cut down on something that may jeopardise the future"**

In the spring, when uncertainty was at its greatest, many companies paused their investment plans. Many have now been resumed, albeit in somewhat modified form. Investments in research and development and in new technology are being prioritised. E-Commerce, which has clearly increased during the pandemic, also requires further investment in order to be more profitable.



### **“We are positive to the state support measures on offer”**

The major companies have found it easier to obtain funding since the spring. They have good access to liquidity and funding terms are perceived to be favourable. Companies are generally positive about the state support measures introduced as a result of the pandemic crisis, regardless of whether they have utilised them or not. In some sectors, there is still a need for support measures, but overall, the need is not considered to be as great now as at the beginning of the pandemic.

### **ABOUT THE BUSINESS SURVEY**

The Riksbank regularly interviews the largest companies in industry, construction, trade and parts of the service sectors. Representatives of 57 companies, with a total of around 300,000 employees in Sweden, were interviewed via telephone/web-based services during the period 22-29 September. Representatives of various sector organisations were also interviewed during the same period. The results of the interviews are reported in the Riksbank’s Business Survey. The quotes above are from survey respondents.