

PRESS RELEASE

DATE: 10 March 2022
No: 5
CONTACT: Press Office, tel. +46-(0)8-787 02 02



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: "I've never before experienced customers accepting price increases so easily"

Economic activity is growing stronger and stronger, according to the large Swedish companies. However, the high demand is at the same time reinforcing the logistics problems and the shortage of input goods that have affected the activities of the manufacturing industry and retail trade in particular for a long time. Costs are rising on a broad scale and more and more companies are therefore planning to increase their sales prices. The Riksbank's Business Survey in February was conducted before the geopolitical situation deteriorated due to Russia's invasion of Ukraine. But the tense situation that preceded the invasion has been highlighted as one of the major risks for a deterioration in economic activity.

"Continuing major problems with supply of semiconductors"

The strong demand reinforces logistics problems and the shortage of input goods. Access to semiconductors has not improved and continues to limit production in the automotive industry. A company manager in the automotive industry notes that there are "continuing major problems with supply of semiconductors". At the same time, there is optimism that the situation will improve and the disturbances are expected to gradually decrease going forward.

"We don't have time to increase prices charged to customers at the same pace as the prices of goods we buy in are rising"

Costs are increasing broadly in several parts of the companies' operations, such as input goods, transport, energy and labour. Stable and good demand and rising cost pressures have led several companies to increase their sales prices. Compared to the September survey, more companies are now planning to increase sales prices going forward to compensate for the higher cost pressures.

Competition is not highlighted as a price-dampening factor to the same extent as before, instead, cost pressures are in focus. A manufacturing industry executive says: "We don't have time to increase prices charged to customers at the same pace as the prices of goods we buy in are rising." Companies are expecting inflation, according to Swedish consumer prices, to be more than two per cent one year ahead. At the same time, companies



themselves plan to raise their own sales prices at the same rate as inflation, or slightly more.

ABOUT THE BUSINESS SURVEY

The Riksbank regularly interviews the largest companies in the manufacturing, construction and trade sectors and some service sector segments. Representatives of 33 companies and trade associations were interviewed via telephone or video call over the period 10-21 February 2022. The results of the interviews are reported in the Riksbank's Business Survey. The quotes above are from the interviews.