

PRESS RELEASE

DATE: 09 June 2023
No: 10
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: Bargain hunting intensifies

The economic situation is expected to remain weak in the coming six months. But the business sector is clearly divided, both in terms of its view of economic activity and the need to continue raising sales prices. This is the conclusion of the Riksbank's interviews with the major Swedish companies presented in the Riksbank's Business Survey.

“The picture of the economy is divided”

The manufacturing sector in general, and the export industry in particular, state that demand is strong, there are plenty of orders and the production rate remains high. Profitability is good and is also reinforced by the weak krona. Over the past year, the manufacturing sector has been prepared for a slowdown in economic activity, and has been surprised that it has not yet happened.

For the retail trade, however, demand is weaker than normal. High inflation has weakened households' finances and sales volumes are declining. It is also clear that households are increasingly looking for cheaper alternatives and/or choosing not to buy certain goods, which further impairs the profitability of the sector. The cost increases continue to be a concern for the retail trade, which experiences increased purchasing costs when the krona is weak.

The construction industry is changing its production

For the construction industry, the sharp fall in demand for new housing has led to a rapid changeover to other types of construction, particularly community buildings and infrastructure. The larger construction companies have thus managed to reallocate their resources and have so far avoided major staff reductions. However, small companies in the construction industry, which are often less diversified, are having a more difficult time.



“We will try to increase prices if possible”

The division in economic activity is also reflected in companies' pricing plans. The manufacturing sector, which previously raised its prices quickly and rapidly, now states that cost pressures have declined, and that it is not planning to raise sales prices to the same extent as before. On the other hand, the retail trade plans to continue raising sales prices to compensate for the increased costs and declining profitability. A respondent in the retail trade says: “We will try to increase prices if possible.”

ABOUT THE BUSINESS SURVEY

The Riksbank regularly interviews Sweden's largest companies in the manufacturing, construction and retail trade sectors and some service sector segments. Representatives of 43 companies, with around 250 000 employees, were interviewed via personal visits, by telephone or web-based services during the period 26 April - 10 May 2023.

The results of the interviews are reported in the Riksbank's Business Survey. The quotations above are from the interviews.