

PRESS RELEASE

DATE: 2024-06-17

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The Riksbank's Business Survey: Retail sector: "I really think we are on the way up now"

The economic situation remains weaker than normal in the Swedish business sector, but there are clear hopes in all sectors that the situation will have improved within six months. Although more companies than in February believe that the economic situation will improve, the development is considered fragile as it is mainly based on hopes. This is revealed by the Riksbank's Business Survey in May.

"There's an optimism now, I really want to stress that"

Retailers believe that the worst is behind them and see some signs that sales have increased since the autumn. They are also more optimistic about the future as they expect household demand to be stimulated by lower inflation and falling interest expenses. This is also reflected in companies' price plans, with those selling to households planning to increase their sales prices in the coming year, given stronger demand. However, the planned price increases are described by companies as moderate and "in line with the inflation target".

"Things are still chugging along, so it's fine"

The economic situation for the manufacturing sector is perceived as satisfactory and largely unchanged compared with February. Exporters do not see any indication that demand will pick up in the near future either. Construction is being sustained mainly by public investment, while household demand for new housing remains low and is expected to remain so throughout the year.

"It is still fragile"

Companies' assessments of economic developments are based on hopes that inflation remains low and that interest rates continue to fall. Several therefore

express some concern that developments will not be as expected. The development is considered fragile and companies think that not much is needed for households to become more restrained in their consumption.

ABOUT THE BUSINESS SURVEY

The Riksbank regularly interviews Sweden's largest companies in the manufacturing, construction and retail trade sectors and some services sector segments. Representatives of 40 companies and trade associations, with around 235,000 employees, were interviewed via personal visits, telephone or web-based services during the period 8-21 May 2024.

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