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## PRESS RELEASE

ECONOMIC TENDENCY SURVEY, JULY 2016:

# Companies report labour shortages

**The Economic Tendency Indicator, which summarises households' and companies' views on the economy, fell from 103.0 in June to 102.2 in July. The Indicator continues to point to slightly stronger economic growth than usual. The manufacturing industry, retail and households contributed negatively to the downturn. The households' confidence indicator fell by as much as 3.3 units. The service sector's confidence indicator rose for the second consecutive month.**

The companies' combined view of the prevailing demand situation remains at a historical high. All sectors included contribute to this positive view. There is reported to have been a relatively large increase in the number of employees over the past three months, though that increase is primarily attributable to retail and the private service industries. The proportion of companies reporting labour shortages has increased further in July and is now significantly above the historical average. The last time a higher shortage was recorded was in January 2008. All corporate sectors report labour shortages. Companies' employment plans are more optimistic than usual in all parts of the economy with the exception of retail, where they are in line with the historical average.

The manufacturing industry reports satisfactory growth in orders and production over the past three months. However, expectations of progress over the next three months are slightly more pessimistic than usual. Construction companies also report satisfactory growth in orders over the past three months and expectations regarding backlog of orders, construction and employment continue to be significantly more optimistic than usual. The proportion of retail companies reporting increased sales over the past three months continues at a historical high and companies are extremely satisfied with the current sales situation. An exception to this is specialist retail trade, whose view of the sales situation is just below the historical average.

Even the private service industries report increased demand over the past three months. Expectations of progress in demand have risen slightly compared to last month and are just above the historical average.

The companies' responses were collected during the period from 28 June to 18 July and the households' responses were collected from 1 July to 15 July.

Se next page for selected indicators

**Table: Economic tendency survey**

	jun -16	jul -16
Economic Tendency Indicator	103,0	<b>102,2</b>
Total industry	104,4	<b>105,3</b>
Manufacturing	104,5	<b>103,1</b>
Building and civil engineering	109,5	<b>109,7</b>
Retail Trade	105,6	<b>104,9</b>
Private service sectors	101,8	<b>103,4</b>
Consumer	98,5	<b>95,2</b>
Macroindex	92,6	<b>90,8</b>
Microindex	101,3	<b>98,9</b>
Expected inflation 12 months ahead, mean excluding extreme values (percent)	1,9	<b>1,6</b>

Read the full publication and access the data on [www.konj.se/english](http://www.konj.se/english)

**FOR FURTHER INFORMATION:**

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