



# PRESS RELEASE

DATE: 6 February 2015  
NO: 2  
CONTACT: Press Office, tel. +46-(0)8-7870200

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: Focus on costs as economic activity edges along**

### **"No clear momentum"**

The Riksbank's interviews with 42 of Sweden's largest companies indicate that economic activity is at a standstill. The manufacturing sector has certainly benefited from the fall in oil and commodity prices and the weakening of the krona. But development is still hampered by the slow recovery in Europe. For companies with Sweden as their domestic market, for example those in the construction and retail sectors, the economic climate is relatively positive.

### **"The one with the lowest unit costs wins"**

A combination of low global demand and stiff competition has led the companies to try to cut costs. Many companies are therefore devoting considerable resources to developing more efficient working methods and production processes, for example by updating the software in their machines or increasing the degree of self-service in their shops. Costs are being cut to increase margins and profitability. Several sectors are investing in new technology and eCommerce in order to conquer new markets but also because the fierce competition is forcing them to keep up with developments.

### **"We have to be very careful about prices"**

Demand is the single most important factor for the companies' pricing and it needs to increase if there is to be scope for greater price increases going forward. At the same time, companies in all sectors feel that competition is stiff, which is holding back prices. The price increases planned for the coming year therefore continue to be minor.

Prior to each Monetary Policy Report, that is three times a year, the Riksbank interviews the largest companies in the construction, retail and manufacturing sectors and parts of the service sector. The quotes above are taken from the interviews with the companies. Representatives of 42 companies with a total of approximately 261,000 employees in Sweden were interviewed this time. The interviews were mainly held between 7 and 21 January and are presented in the report "The Riksbank's Business Survey."