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PRESS RELEASE

ECONOMIC TENDENCY SURVEY, OCTOBER 2017:

Most positive view of demand for a decade

The Economic Tendency Indicator edged down from 113.9 in September to 113.3 in October but still points to much stronger growth than normal in the Swedish economy. The decrease was due to the manufacturing indicator dropping back slightly after its big jump in September. The other business indicators all rose, and consumer confidence climbed to above-normal levels.

While the confidence indicator for the manufacturing industry fell in October, this was from a record high, and the new level of 121.1 is still high by historical standards. Manufacturers remain very happy with their order books, and production capacity has been expanded further. Capacity is still considered insufficient, however, and the main factor limiting production is no longer reported to be demand but shortages of machinery and facilities.

The confidence indicator for the building and civil engineering industry gained 1.2 points and once again shows a very strong situation.

The confidence indicator for the retail trade climbed 1.9 points, due mainly to more positive signals about sales in recent months. The indicator points to a slightly stronger situation than normal in the sector.

The confidence indicator for the service sector, which has long been stable just above the historical average, rose a modest 0.4 points. While employee numbers are reported to have risen relatively strongly in recent months, the proportion of firms reporting staff shortages is the highest since 2003. Shortages of labour are also reported to be the main factor limiting activity in the sector.

Firms expect an inflation rate of 1.3 per cent in 12 months' time, compared with 1.2 per cent in July, while consumers anticipate inflation of 2.8 per cent, up from 2.5 per cent in September.

PLANNED CHANGES TO THE CONSUMER SURVEY

From November 2017, the two questions about expectations for housing prices will no longer form part of the consumer survey. From January 2018, the questions about plans to buy a car, purchase a home and make home improvements in the next 12 months will be included in the survey only every third month (January, April, July and October).

Se next page for selected indicators

Table: Economic tendency survey

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Economic Tendency Indicator	113,9	113,3
Total industry	110,4	109,9
Manufacturing	124,8	121,1
Building and civil engineering	114,0	115,2
Retail Trade	101,2	103,1
Private service sectors	104,3	104,7
Consumer	101,8	105,3
Macroindex	101,2	103,9
Microindex	101,1	102,9
Expected inflation 12 months ahead, mean excluding extreme values (percent)	2,5	2,8

Access the statistical database on www.konj.se/english

FOR FURTHER INFORMATION:

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