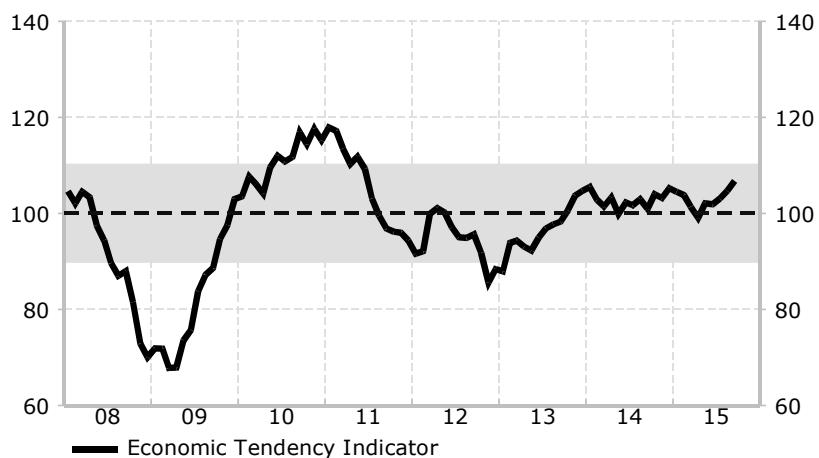


ECONOMIC TENDENCY SURVEY, SEPTEMBER 2015:

## Economic Tendency Indicator up for a third month

**The Economic Tendency Indicator climbed for a third successive month from 104.7 in August to 106.8 in September and continues to indicate a stronger situation than normal in the economy. The manufacturing and construction indicators made a positive contribution, while the retail and services indicators edged down, but all signal a stronger or much stronger situation than normal. The consumer indicator lost some of the ground gained in August and is now back just below the historical average.**



### FIRMS HAVE OPTIMISTIC EMPLOYMENT PLANS

The confidence indicator for the **manufacturing** industry climbed 4.8 points in September to 110.1, which indicates a much stronger situation than normal. The rise was due mainly to a more positive view of stocks of finished goods, while firms' assessment of their order books was largely unchanged, and their production plans over the next three months were revised down slightly.

The confidence indicator for the **building and civil engineering** industry also suggests a much stronger situation than normal after climbing 4.2 points from 106.7 in August to 110.9 in September. Both questions contributed to the rise: firms were happier with their order books, and expectations for employment over the next three months improved substantially.

The confidence indicator for the **retail trade** dipped slightly in September but continues to show a much stronger situation than normal. The decrease was due to firms being slightly more unhappy with their stocks of goods, while historical sales were reported to have grown at around the same rate, and expectations for sales over the next three months were as optimistic as before.

The confidence indicator for the **private service** sector fell marginally from 104.5 in August to 104.3 in September and continues to point to a stronger situation than normal. Only one of the questions made a negative contribution: demand was reported to have grown slightly less strongly than in August, although the proportion of firms reporting increased demand remains relatively high. Expectations for demand over the next three months were as optimistic as before, and the third component – firms' view of how their operations have developed in recent months – improved somewhat.

## WIDE GAP BETWEEN ASSESSMENT OF PERSONAL FINANCES AND SWEDISH ECONOMY

The **consumer** confidence indicator fell from 99.8 in August to 98.7 in September, a level that suggests somewhat greater pessimism than normal. The decrease was due mainly to a more negative view of the Swedish economy, both now and over the next 12 months. On the other hand, consumers' view of their personal finances improved and remains much more positive than normal when it comes to the current situation, expectations for their personal finances over the next 12 months were largely unchanged and only just below the historical average, and their assessment of whether now is a good time to make major purchases was as positive as before.

**Table: Selected indicators**

	Max	Min	Jul-15	Aug-15	Sep-15	Change	Situation <sup>1</sup>
Economic Tendency Indicator	117,9	67,8	103,1	104,7	<b>106,8</b>	2,1	+
<b>Confidence indicators:</b>							
Total industry <sup>2</sup>	119,3	67,7	105,6	106,9	<b>108,1</b>	1,2	+
Manufacturing	119,2	64,4	104,1	105,3	<b>110,1</b>	4,8	++
Building and civil engineering	122,7	79,5	105,5	106,7	<b>110,9</b>	4,2	++
Retail Trade	124,6	67,0	107,6	111,4	<b>110,7</b>	-0,7	++
Private service sectors <sup>3</sup>	119,2	71,0	103,6	104,5	<b>104,3</b>	-0,2	+
Consumer	120,8	47,1	96,8	99,8	<b>98,7</b>	-1,1	-

Note. The standardisation of the Economic Tendency Indicator means that it cannot be calculated as a weighted mean of the levels of the sector confidence indicators.

<sup>1</sup> The situation is: ++ very strong, + strong, = normal, - weak, -- very weak

<sup>2</sup> The confidence indicator for the total business sector is obtained by weighting the confidence indicators for building and civil engineering, manufacturing, the retail trade and the private service sector on the basis of the number of employees in the population. These weights are different to those used in the calculation of the Economic Tendency Indicator.

<sup>3</sup> The confidence indicator for the private service sector has been estimated for January 1996 to November 2001 on the basis of quarterly series for a limited number of service industries.

**Table: Household expectations**

	Jul-15	Aug-15	Sep-15	Change
Expected inflation 12 months ahead, mean excluding extreme values <sup>1</sup> (percent)	1,9	1,8	<b>1,9</b>	0,1
Expected inflation 12 months ahead, mean all answers (percent)	2,1	1,9	<b>2,1</b>	0,2
Expected inflation 12 months ahead, median (percent)	1,5	0,8	<b>1,0</b>	0,2
Interest rate expectation, mean excluding extreme values <sup>1</sup> (percent):				
1 year ahead	2,10	2,09	<b>2,06</b>	-0,03
2 years ahead	2,63	2,52	<b>2,60</b>	0,08
5 years ahead	3,42	3,34	<b>3,40</b>	0,06

<sup>1</sup> For information on how the NIER determines which observations are to be excluded, see page 14 of the User Guide to the Economic Tendency Survey at [www.konj.se](http://www.konj.se).

## FOR FURTHER INFORMATION:

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