

24 Sep 2009

## PRESS RELEASE

# Economic Tendency Survey. Business and consumer. September 2009

The Economic Tendency Indicator, which measures business and consumer confidence in the economic situation, rose just over two points from 88.9 in August to 91.0 in September, signalling that business and consumer sentiment has moved from much weaker than normal to weaker than normal.

### Economic tendency indicator

Mean	Max	Min	Jul 09	Aug 09	Sep 09	Situation
100	116,8	72,0	87,3	88,9	<b>91,0</b>	-

++ The situation is very strong, + The situation is strong - The situation is weak, -- The situation is very weak

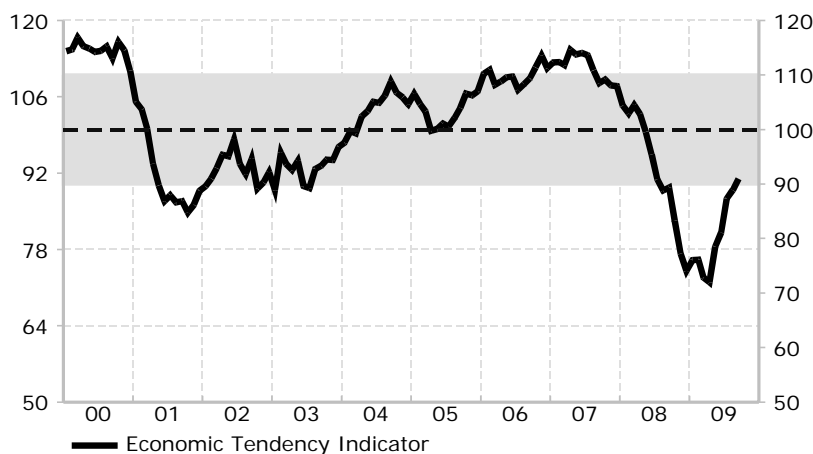
The confidence indicator for the **manufacturing industry** is unchanged on last month and the situation in the industry remains much weaker than normal.

The confidence indicator for the **private service sector** has risen seven points since last month, making a positive contribution to the change in the Economic Tendency Indicator this month. But the situation is also very weak in the service sector.

The **retail trade** made a positive contribution to the change in the Economic Tendency Indicator in September. The confidence indicator rose five points, signalling a stronger than normal situation in the retail trade.

The confidence indicator for the **construction industry** has risen two points since last month. However, the situation in the construction sector remains weak.

**Households** have become more optimistic and the Consumer Confidence Indicator (CCI) has risen two and a half points since last month. Consumer confidence in the economic situation is currently more optimistic than normal.



# Business: Retail trade reports strong sales figures

**The confidence indicator for the business sector rose a further four points in September and has now increased for six consecutive months. All sectors, except the manufacturing sector, made a positive contribution and the indicator shows a weaker than normal situation in the business sector. The situation was much weaker than normal from last autumn to August.**

**New orders to the manufacturing industry have increased somewhat** over the past few months. Output volume has stabilised, while employment has continued falling. The confidence indicator was unchanged in September on the previous month, indicating that the situation is still much weaker than normal. However, the industry forecasts appreciable output growth for the next few months, but employment plans point to a continued decline.

**The construction industry shows as yet no signs of an early recovery.** Construction activity has continued to decline, employment has fallen and tender prices have been reduced. Financing problems remain, with nearly one in three firms reporting financial restrictions as the main obstacle to business activities. The construction industry forecasts a continued decline in construction activity for the next few months.

**Retail sales have increased considerably** over the past few months and the confidence indicator shows a stronger than normal situation in this sector. Firms are optimistic about the next few months and forecast continued strong sales growth. The textile, clothing and shoe trades plan price rises during the period, while other areas of the retail trade forecast only marginal price adjustments.

**The confidence indicator for the private service sector rose in September for the fourth consecutive month,** but still shows a much weaker than normal situation in the service sector. Demand in this sector has continued to decline and employment has fallen. Firms forecast a stabilisation of demand in the next few months, but continued staff cuts.

## On the way up

Man of other products of wood  
Man of pulp  
Man of rubber and plastic products  
Iron and steel basic products  
Man of fabricated metal products  
Man of motor vehicles, trailers and semi-trailers  
Sale of motor vehicles  
Retail sale of durable goods  
Other business activities

## The business situation is strong for:

Man of food, beverages and tobacco  
Sawmilling and planing of wood  
Man of electrical machinery and apparatus n.e.c.  
Retail sale of non-durable goods

## The business situation is weak for:

Man of textiles, clothing and leather products  
Man of paper and paperboard  
Publishing, printing and reprod of recorded media  
Man of chemicals and chemical products  
Man of other non-metallic mineral products  
Man of machinery and equipment n.e.c.  
Man of other transport equipment  
Construction  
Hotels and restaurants  
Land transport  
Activities of travel agencies and tour operators  
Post and telecommunications  
Real estate activities on a fee or contract basis  
Rental (excl. personnel)  
Computer and related activities

## Confidence indicator

Industry	Mean	Max	Min	Jul 09	Aug 09	Sep 09	Situation
Total Industry	6	25	-29	-15	-9	<b>-5</b>	-
Manufacturing	-5	14	-41	-19	-20	<b>-20</b>	--
Construction	-18	47	-83	-50	-47	<b>-45</b>	-
Retail trade	12	36	-25	5	16	<b>21</b>	+
Private service sectors	21	47	-21	-10	-6	<b>1</b>	--

# Consumer: Households increasingly optimistic

**Consumer confidence in the economic situation is increasingly optimistic. The Consumer Confidence Indicator (CCI) rose for the fifth consecutive month in September to 5.6 from 3.1 the previous month. Households are currently more optimistic than normal in a historical perspective. Both confidence in personal finances and in the Swedish economy have become more positive, although households are still more pessimistic than normal about the Swedish economy.**

**Personal finances:** The Micro Index, which measures consumer confidence in personal finances, has risen somewhat since last month to a level indicating that households are more optimistic than normal about their personal finances.

Confidence in their own current situation has become more positive, with 27 per cent of households stating that their personal finances have improved over the past 12 months, compared with 25 per cent last month.

Attitudes to whether it is currently the right time to purchase consumer durables have become somewhat less negative. More households also state that they will spend more on such purchases in the next 12 months; 22 per cent compared with 18 per cent in August.

Fewer households state that they are likely to purchase a home in the next 12 months.

**Swedish economy:** The Macro Index, which measures consumer confidence in the Swedish economy, has risen just over three points since last month. However, the Macro Index level signals that households are more pessimistic than normal about the Swedish economy. Households are optimistic about the current situation but pessimistic about the future of the Swedish economy. However, attitudes to the current situation improved in September and the proportion of households of the opinion that the situation in the Swedish economy has deteriorated declined from 68 per cent last month to 62 per cent.

Unemployment expectations remain pessimistic, with 56 per cent of households expecting a rise in unemployment in the next 12 months.

More households than previously consider it advantageous to save at present.

**Inflation and wage expectations:** 12-month household inflation expectations have increased from 1.5 per cent last month to 1.8 per cent in September. Perceived inflation is currently 2.2 per cent. Households anticipate that wages will rise by an average of 2.2 per cent in the next 12 months, unchanged on the previous month.

Consumer	Mean	Max	Min	Jul 09	Aug 09	Sep 09	Situation
Confidence indicator (CCI)	4,1	30,0	-38,3	-3,7	3,1	<b>5,6</b>	+
Macro index	-3,8	47,3	-69,8	-32,5	-16,4	<b>-13,1</b>	-
Micro index	5,3	18,8	-21,3	4,6	5,3	<b>6,9</b>	+
Unemployment over the next 12 months	5,2	79,8	-59,8	48,1	32,1	<b>31,3</b>	-
Expected inflation 12 months ahead	2,1	3,7	0,5	1,9	1,5	<b>1,8</b>	

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## FOR MORE INFORMATION CONTACT:

Roger Knudsen, head of unit for Economic Tendency Survey, phone: 08-453 59 06 or 070-491 36 04

Maria Billstam, Director Consumer Tendency Survey phone: 08-453 59 04

Anna Maria Böök, press contact, phone: 08-453 59 11 eller 070-250 23 07