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PRESS RELEASE

## Economic Tendency Survey Business and consumer, November 2010

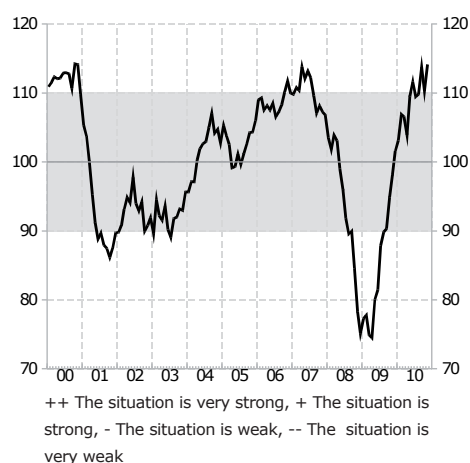
**The Economic Tendency Indicator rose nearly four points between October and November this year and is consequently again on a par with the record highs in autumn 2000 and spring 2007.**

Mean	Max	Min	Sep 10	Oct 10	Nov 10	Situation
100	114,2	74,5	113,8	110,3	<b>114,1</b>	++

All sectors of the economy made a positive contribution to the Economic Tendency Indicator in November. The confidence indicators for the **construction industry** and the **private service sector** in particular rose considerably, 10 and 15 points respectively. The indicators for the **manufacturing** industry and the **retail trade** rose more moderately, three and two points respectively during the period.

The **Consumer** Confidence Indicator (CCI) fell further in November. However, this fall was marginal, barely one point. The indicator remains considerably above the historic average.

**Economic Tendency Indicator**



## Business: Continued strong growth in business sector

**The confidence indicator for the business sector rose eight points between October and November and is considerably above the previous record high in May 2007. This increase is mainly due to the substantial rise in the indicators for the construction industry and the private service sector.**

(The time series for the business sector confidence indicator only covers the period 2003-2010.)

**The manufacturing industry reports continued strong order and output growth** for the past few months. Employment has also risen appreciably. The confidence indicator rose three points and is considerably above the historic average. The manufacturing industry forecasts continued strong output growth for the next few months.

**Construction activity has strengthened appreciably over the past few months.** New orders, construction activity and employment have increased considerably and the confidence indicator rose 10 points between October and November. However, construction firms still have difficulties in finding suitable manpower. The proportion of firms stating financial restrictions as the main obstacle to business activities has continued to fall and now accounts for only 5 per cent. The sector forecasts continued substantial growth for the next few months.

**The retail trade confidence indicator rose a couple of points** in November and is currently slightly above the historic average. Sales volumes have increased appreciably, with more than half of firms reporting an increase. The retail trade forecasts continued strong sales growth for the next few months. Selling prices are expected to rise somewhat and the proportion of firms planning rises is largest in the food trade.

**Demand in the private service sector has risen considerably** over the past few months and employment has continued to rise. The confidence indicator rose a full 15 points in November and is now at its highest ever level. Service firms' expectations indicate continued strong demand growth for the next few months and employment plans are also more optimistic than for a long time.

### On the way up

Construction industry  
Retail sale of non-durable goods  
Private service sectors

### The business situation is strong for

Manufacturing  
Sale of motor vehicles  
Retail sale of other goods

#### Confidence indicator

Industry	Mean	Sep 10	Oct 10	Nov 10
Total Industry	8	25	25	<b>33</b>
Manufacturing	-4	14	5	<b>8</b>
Construction	-18	9	2	<b>12</b>
Retail trade	13	13	20	<b>22</b>
Private service sectors	22	35	36	<b>51</b>

## Consumer: Households slightly less optimistic

**Last month the Consumer Confidence Indicator (CCI) fell sharply, after having risen for ten consecutive months. In November the CCI continued to fall, albeit to a lesser extent, from 23.4 to 22.6. The Macro Index fell 1.5 points to 33.7, while the Micro Index remained unchanged on October. All three measures, the CCI, the Macro Index and the Micro Index, are considerably above the historic average.**

**Personal finances:** Households are somewhat more positive than last month about their current personal finances compared with a year ago. However, households have slightly less optimistic expectations than in October regarding their personal finances one year ahead. Households are currently very thrifty, with 73 per cent stating that they are either saving or saving a large amount, while only 5 per cent respond that they are incurring debt to a limited or large extent. Fewer households than last month have renovation plans, with 41 per cent considering it likely that they will renovate their home in the coming year.

**Swedish economy:** Household optimism about the economic situation in Sweden has weakened over the past two months. This is reflected in the Macro Index which has fallen 10 points since September. Opinion on the current Swedish economy compared with a year ago is somewhat more negative than last month. Expectations of the Swedish economy and the labour market one year ahead are slightly less optimistic than in October. However, attitudes to the Swedish economy remain considerably more positive than normal. Nearly every other Swede, 48 per cent, anticipates a fall in unemployment in the next 12 months, while 16 per cent expect a rise. More than one in three households expects the labour market to remain largely unchanged in the next 12 months. Slightly more households than last month consider that their own risk of unemployment has fallen.

**Inflation and wage expectations:** Inflation one year ahead is expected to be 3.2 per cent, a full 0.7 point increase on last month. Wage increases in the next 12 months are expected to be 2.9 per cent, unchanged on October.

**Interest rate expectations:** Household expectations of the variable home loan rate one year ahead were 3.5 per cent, compared with 3.4 per cent in October. Variable home loan rate expectations two years ahead were 4.0 per cent, unchanged for the third consecutive month. Household rate expectations five years ahead were 4.3 per cent, 0.1 points lower than last month.

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Consumer	Mean	Max	Min	Sep 10	Oct 10	Nov 10	Situation
Confidence indicator (CCI)	5,0	30,0	-38,3	28,4	23,4	<b>22,6</b>	<b>++</b>
Macro index	-2,0	47,4	-69,8	43,7	35,1	<b>33,7</b>	<b>++</b>
Micro index	5,4	18,9	-21,3	12,2	9,2	<b>9,2</b>	<b>+</b>
Unemployment over the next 12 months	3,8	79,8	-59,8	-42,3	-32,1	<b>-31,6</b>	<b>++</b>
Expected inflation 12 months ahead	2,1	3,7	0,5	2,2	2,4	<b>3,2</b>	

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