

PRESS RELEASE

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The Riksbank’s Business Survey: “As soon as you find one component, you realise you’re missing another”

Economic activity has continued to strengthen for major Swedish companies since the spring due to strong domestic and global demand. At the same time, there are major disruptions in output and deliveries, which are increasing costs and the need to raise sales prices.

“The entire transport market is a bit shaky”

For parts of the business sector, the supply problems have worsened since the Riksbank’s last survey this May. Parts of the manufacturing sector have periodically been forced to limit output due to logistics problems in combination with shortages of key components such as semiconductors. Congestion and capacity shortages are affecting many links of the transport chains and one business leader notes “the entire transport market is a bit shaky”. The shocks are now being reported as more comprehensive than at the start of the pandemic and they are also expected to persist next year. The trade sector is also being affected by delivery delays, as well as shortages of certain goods. Global logistics chains are stretched due to a strong increase in demand, unbalanced trade flows and a general shortage of capacity.

Cost pressures are pushing sales prices up

Heavy price increases for commodities, energy and so on, together with more expensive transport and shortages of components, are increasing companies’ costs. At the same time, profitability is good and the high level of demand means companies can see good possibilities to raise sales prices. Companies that mainly sell to other companies are raising their prices and also planning for further increases over the year. The trade sector and companies selling services to households are also seeing rising costs but with some delay for parts of the trade sector. Whether this will have an impact on sales prices and how large this would be is uncertain due to the tough competition.

New technology is driving investments

Manufacturing companies are making new investments in new technology to reduce the impact on the environment and climate but they are also expanding their production and storage capacity.



ABOUT THE BUSINESS SURVEY

The Riksbank regularly interviews the largest companies in the manufacturing, construction and trade sectors and some service sector segments. Representatives of 51 companies and trade associations were interviewed via telephone/web-based services over the period 21- 29 September. The results of the interviews are reported in the Riksbank's Business Survey. The quotations above are from companies participating in the survey.