

PRESS RELEASE

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The Riksbank's Business Survey: "Things that were moving in the right direction have fizzled out"

The economic situation has weakened during the spring, and companies' view of the economic outlook for the coming months has become significantly gloomier. This is revealed by the Riksbank's Business Survey in May. The more pessimistic view is mainly linked to the increased trade policy tensions and the uncertainty they are creating. Companies are concerned that global economic activity will slow down and negatively affect demand in the period ahead.

Manufacturing industry: "The economy is getting worse"

Industrial activity is weak and has deteriorated during the spring. The uncertainty is making customers hold off on purchases and investments, which is making manufacturing companies particularly negative about the development of the economy. Construction companies' faith in the future has also been dampened by the prevailing uncertainty. They point out that it will take longer than previously thought for demand in the housing market to pick up. But new orders remain strong in public building construction, facilities and infrastructure.

"Customers have regained some self-confidence"

In retail trade, companies state that the economic situation is generally satisfactory and several have noticed that sales volumes have increased during the spring. But they are concerned that the increased uncertainty could dampen demand. Some argue that households have already become cautious, while others see it as a risk that has not yet materialised. The restaurant industry is one of those that have already seen effects on sales.

S V E R I G E S R I K S B A N K

“We need to get prices up a few per cent and hope our competitors feel the same way”

Companies selling to households are planning to increase their prices, above all due to increased purchasing costs. A stronger krona is expected to partly offset higher purchasing costs but the effects are being delayed due to seasonal purchases and currency hedging. Among business-to-business sellers, fewer than before are planning to increase prices over the next year. In particular, weaker demand will make it more difficult to raise them.

The import tariffs lead to “more hesitation, which is cooling off demand”

The majority of companies state that they have been affected by the import tariffs introduced, most of them to a small extent. However, the different announcements on tariffs are creating an unpredictability that is making customers more cautious and companies’ planning more difficult. In the long run, many companies also see a risk that the trade conflict will lead to subdued global demand.

About the Business Survey

The Riksbank regularly interviews Sweden’s largest companies in the manufacturing, construction and retail trade sectors and some services sector segments. Representatives of 48 companies and trade associations, with around 250,000 employees, were interviewed via personal visits, telephone or web-based services. The interviews were conducted mainly during the period 8-19 May 2025. The results of the interviews are reported in the Riksbank’s Business Survey. The quotations above are from the interviews.