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The Riksbank's Business Survey: Major companies uncertain: Temporary slowdown or prolonged economic downturn?

The economy continues to slow down. Although the situation is still considered better than normal, there are increasing signs that the slowdown is continuing. This is the view of the companies that the Riksbank has interviewed during October and November.

“So far, we don't expect any sharp economic downturn”

Manufacturing companies are, on the whole, satisfied with the economic situation. However, orders have gradually decreased over the year and several companies have started to reduce their production rate and cut costs in response to reduced global demand. Next year, some branches of the manufacturing sector expect growth to be restrained and not to pick up again until 2021. The construction sector considers the economic situation to be normal but heading in a weaker direction as new orders decrease. “It is not bad but not the same frantic pressure as before”, states a participant in the property sector.

“The sector is under extreme pressure, perhaps the greatest change ever”

The trade sector is also noticing a weaker economic situation and considers that an excessively pessimistic tone in the general discussion of the economy and economic activity risks making households more cautious in their consumption. In addition, the trade sector is in a process of transformation with major challenges such as digitalisation and increased e-Commerce. Trading companies are pessimistic about the possibility of being able to raise prices next year – most expect lower prices.

Positive with low interest rates but negative rates feel intuitively wrong

Four of five companies consider that, on the whole, the effects of recent years' low interest rates have been positive for their activities. They have contributed towards holding general demand and employment up and, to a certain extent, have also contributed to a more competitive exchange rate for the export industry. However, some point out that the negative interest rates feel counter-intuitive as they lead to direct costs for bank deposits. Overall, however, it seems as though major companies have managed the negative interest rates in Sweden without incurring any substantial costs for them.



Three times a year, the Riksbank interviews the largest companies in the industrial, construction, trade and part of the service sectors. Representatives of 43 companies with a total of approximately 260,000 employees in Sweden were interviewed this time. The interviews were held between 17 October and 14 November and are presented in the Riksbank's Business Survey. The quotes above are from the interviews.