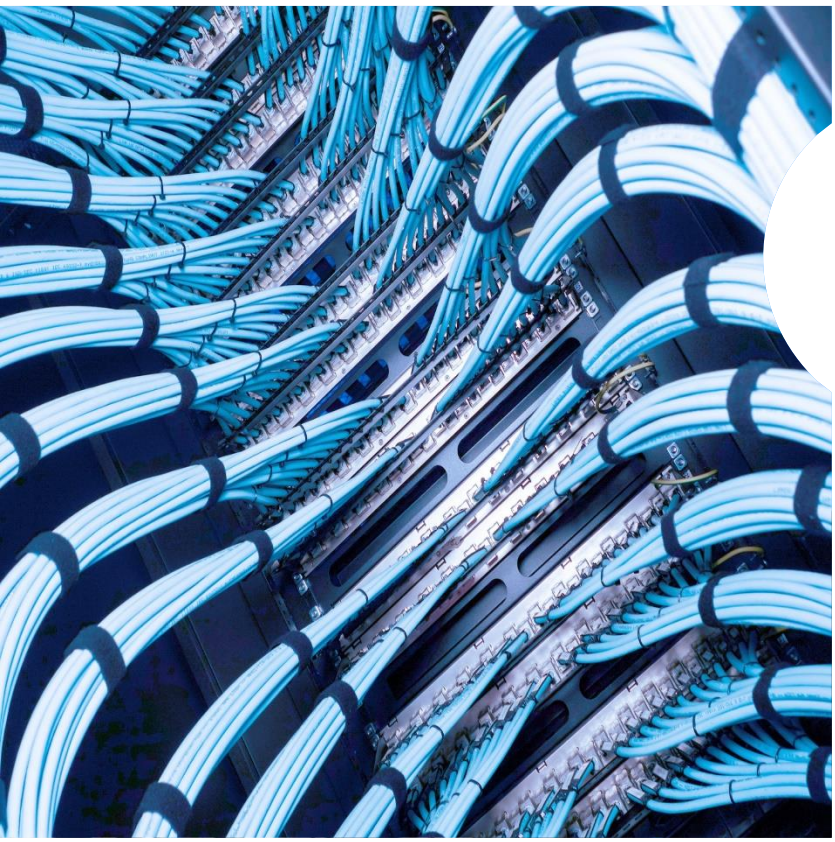


THE RIKSBANK'S BUSINESS SURVEY

"There was some concern before the summer, but then things took a turn for the better"

August 2026

The Riksbank's Business Survey in August 2026[1]

The economic situation has improved since last spring and, for the first time since September 2022, the companies' assessment of the situation is now above its historical average. Before the summer, there were fears that the war in the Middle East would delay the recovery, but those fears have not materialised. Demand has strengthened and the cost increases resulting from the war are considered to be manageable. As a result, companies are taking a more optimistic view of future developments.

The retail and hospitality sectors, in particular, are optimistic about the economic outlook. They have experienced strong sales over the summer, and many assess that underlying demand from households has strengthened. They are now expressing greater optimism about the consumption trends than they were in May.

Economic trends for companies that sell to other companies are largely driven by structural changes in society. There is strong and growing demand for products and services used in the defence industry, data centres and the energy transition.

The war in the Middle East has, above all, driven up fuel prices, which is affecting companies' transport costs. In addition, the costs of materials and purchasing are rising. It is particularly those companies that sell to other companies that say that these costs have already had an impact. In the retail and hospitality sectors, there is a lag in purchasing costs due to longer lead times. The cost increases are not expected to take effect until the end of the year.

Companies are managing the increased costs by raising their prices to other companies, both in the near term and in the longer term. However, on the whole, there are no plans to raise prices more than usual. Within the non-durable goods segment, there are no plans to raise prices, which means that pricing plans for the retail and hospitality sectors are falling overall.

Over the past three years, companies have reported gradual reductions in their workforces. Fewer companies are now planning to cut back on

[1] The Riksbank has held interviews with 40 companies in the manufacturing, construction, retail trade and services sectors, as well as employer organisations, with a total of 220,000 employees. The interviews were conducted mainly during the period 20-31 August. The Riksbank's Business Survey is published on the Riksbank's website. All quotations in this report are from respondents to the survey.

staff, but they are continuing to focus on efficiency improvements and are being cautious about replacing staff.

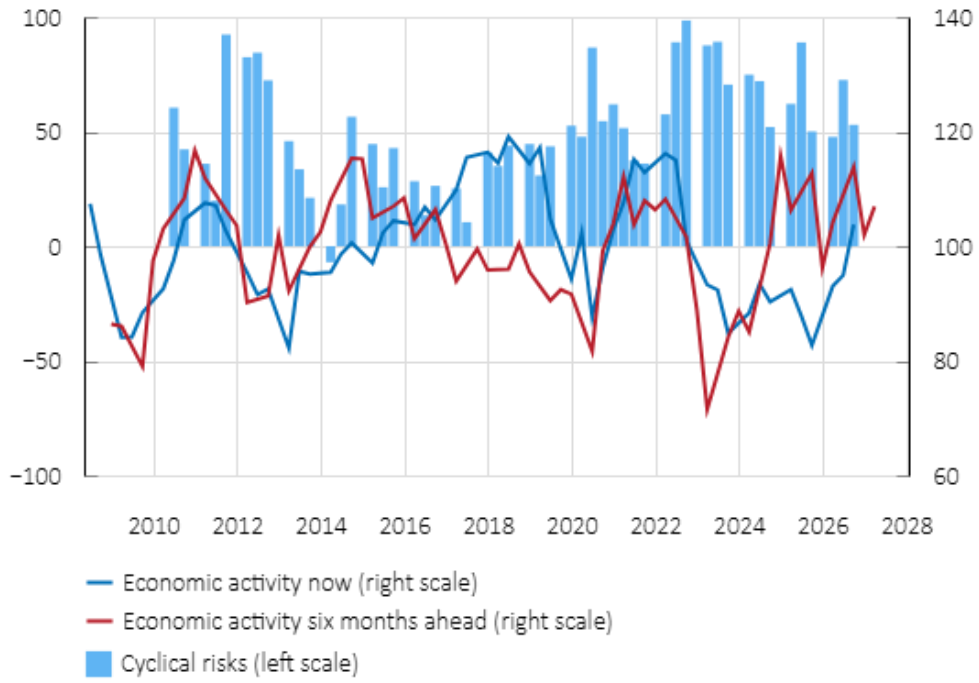
"It does feel as though we have a tailwind to some extent, after all"

The economic situation has improved since the survey in May. At the time, the companies expressed concern that the war in the Middle East would delay an already protracted recovery. But despite the war continuing, the economic impact has not been particularly significant. Companies talk about "people no longer feel the same sense of worry" and that "most companies seem to be coping quite well". The recovery experienced by companies prior to the outbreak of war has gained fresh momentum, and for the first time since September 2022, they now assess that economic activity is above its historical average; see Figure 1.

Many view the war in the Middle East as yet another factor in the uncertain environment they have learnt to navigate: "I suppose the 'new normal' is being able to deal with the abnormal as if it were normal." The risks to economic growth have eased, and they are once again more optimistic about the future. This is also reflected in companies' growing investment plans; see Figure 2. Economic activity is currently enjoying "a bit of a tailwind", whilst several companies emphasise that this is largely driven by structural changes leading to increased investment in defence, data centres and the energy transition (see "Structural changes are boosting the economy", p. 6).

Figure 1. Economic activity and cyclical risks

Net figures (left scale) and index figures (right scale)



Note. The index figures show a standardised value (mean = 100 and standard deviation = 10) of the net figures for companies that say that the economic situation is currently good or bad and those that say that the economic situation will be better or worse in six months' time. The red line, economic activity in six months' time, has been moved forward two quarters. The bars show the net figures for companies that say that the risks to economic developments are currently greater or smaller than normal.

"A very good July"

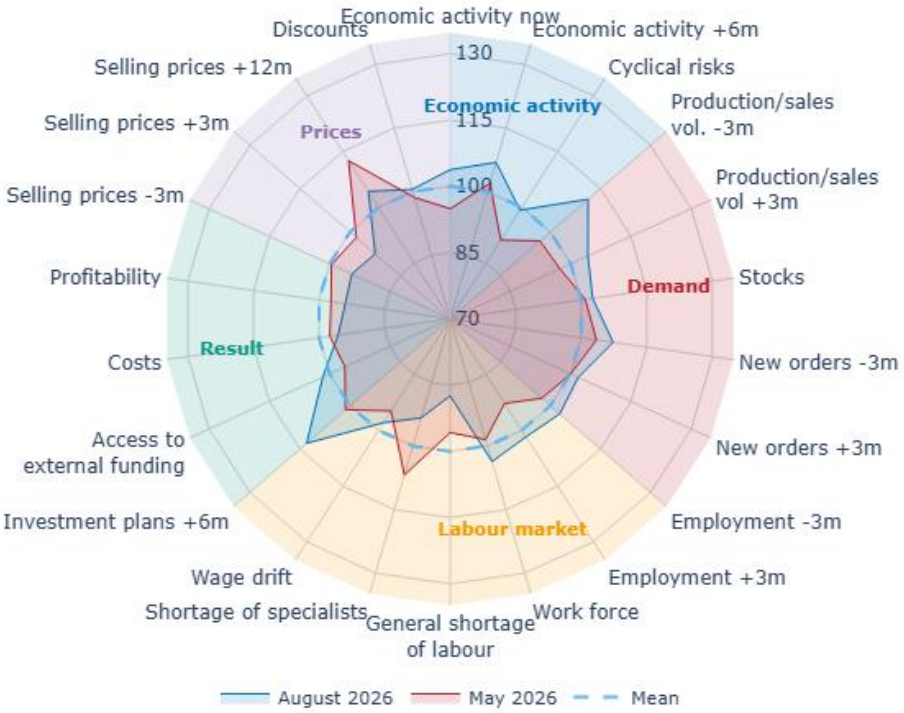
In the retail and hospitality sectors, most companies report that demand has been strong over the summer. Summer sales also received a boost from an increase in tourism from abroad, mainly from neighbouring countries: "You can tell that there are more tourists coming to Sweden now." This has been particularly beneficial for hotels, but also for restaurants and the retail sector. The travel and aviation sectors, which were clearly affected by poorer demand following the outbreak of the war in the Middle East, have also had a good summer: "In the middle of the summer, things took a turn for the better, and we're seeing a positive trend both as the summer draws to a close and looking ahead to winter." The upturn in domestic consumption over the summer is explained as being because "people are thrifty in their day-to-day lives but willing to spend on their leisure time and holidays". The companies also say that households spend more in connection with special events and activities. One respondent observes that "People are spending a little more money but are still very careful."

Just as in May, the non-durable goods segment reports that sales have risen as a result of the temporary reduction in VAT on food. They have observed that the reduction in VAT has also led to consumers opting for premium products to a greater extent, which has increased the average receipt value. The restaurant sector is also feeling the effects of the VAT cut, with a slight increase in takeaway orders.

"We have the wind in our sails more than ever before"

Most respondents in the retail and hospitality sectors believe that household demand has grown stronger, beyond holiday-related effects. For instance, it is pointed out that "there is greater interest in the standard price, so that there is no need to entice customers to buy with discounts". A respondent in the electronics trade notes that "we can see that sectors which had previously been experiencing a decline are now growing, such as white goods." Several respondents describe an "improvement of some sort" in the underlying demand situation. There is therefore now greater optimism about consumption trends than in May. However, companies continue to express a degree of caution regarding the coming six months. "Consumers have only just started to come back a bit more; they're probably still easily spooked," says one respondent.

Figure 2. Companies' overall response patterns
Index



Note. The responses to the questions are plotted along the 'spokes' in the figure, where an index figure closer to the centre is worse. The historical average is calculated from the date when the question concerned was first included in the survey. The designation -3m means the past three months, +3m means the coming three months and +6m means the coming six months. Increased cyclical risks and discounts entail a deterioration and therefore a lower index figure. Increased costs are reflected in a lower index figure. The question on stock size is only answered by the manufacturing sector (stocks of finished goods) and the retail trade (stocks). Reduced stock size means a higher index number. The questions about new orders are only put to the construction and manufacturing companies. For the questions on selling prices, the construction industry only responds to the question on selling prices in twelve months (+12m). The answers to the other questions in the figure come from all companies in the survey.

"A structural upturn in demand"

Since May, the economic situation has also improved somewhat for companies that sell to other companies, partly due to the production volume in the manufacturing industry increasing. Overall, demand from the United States is described as strong, whilst demand in Europe is "holding steady" and in Asia it is described as more subdued. Parts of the automotive sector are seeing an increase in orders and stronger demand in Europe. However, the situation remains relatively difficult for the timber and pulp industries, and they do not see any signs of a turnaround in the near future.

Structural changes in society are contributing to some business areas within the manufacturing industry performing very well. Demand is strong and growing with regard to products used in the defence industry and in data centres. "We've got more work there than we can handle," says one company manager. Investments in the green

transition – such as renewable energy – are also highlighted as a factor driving demand. Several respondents mention that they see good business opportunities linked to the transition ahead.

Service companies with corporate clients confirm both an improvement in industrial activity and that the defence sector in particular is acting as an important driving force. "Everything to do with building our sovereignty as a country – defence facilities, infrastructure, energy initiatives and rare earth metals– is on the rise," says a company manager.

Structural changes are giving the economy a boost

Companies are now making it clear that structural changes in society are influencing their view of economic trends. In September 2025, companies did not make a big deal of the defence investments; one representative from the manufacturing industry said at the time that "the defence spending is having an impact, but it is not turning the tide". A year later, several of them state that investment in defence and emergency preparedness is one of the main drivers behind the stronger demand. Construction and service companies whose clients are in the manufacturing sector are also experiencing strong demand from the defence industry and its subcontractors. Others are affected indirectly: "The rearmament currently taking place is also having an impact on us." Others see the rearmament as an opportunity to generate new revenue: "We are starting to invest in the defence industry, critical infrastructure, the police, fire engines, railways and so on." However, one construction industry manager explains that there is a certain degree of inertia and, despite the current investment in both infrastructure and defence, this is not leading to any sudden fluctuations in demand.

In May, the manufacturing industry reported strong demand linked to the expansion of data centres. In August, one respondent noted: "It does feel as though there has been a shift here during 2026." Now the service sector and the construction industry also mention that they are being affected by the fact that a "large number" of data centres are to be built in the Nordic region. Several companies also point out that the effects are having a knock-on effect on them. One respondent says that "if the manufacturing industry as a whole benefits, then we benefit indirectly from that too."

Alongside the defence sector and data centres, many respondents in the manufacturing and construction industries point out that the green transition is driving demand. In September 2024, the companies described how the green transition was at risk of losing momentum because of poorer economic activity and a greater focus on costs. The closure of the Strait of Hormuz has helped to bring the issue back into the spotlight. "If we look at renewable energy, it is a strong market, driven by the conflict in the Middle East," says one respondent. The fact that companies need to make the transition to meet their 2030 emissions targets is also helping to drive up demand for certain products. For example, demand has risen for electric cars and products that improve energy efficiency.

"Everything is fine apart from the housing market"

The major construction companies are seeing a continued strong inflow of orders in the civil engineering, infrastructure and non-residential construction sectors, such as public works. Construction firms point to a slight improvement in demand for new homes, but stress that this is from a low base and "it's not as though you get the sense that things are really starting to take off". With regard to external orders, the situation is described as follows: "A housing project or two crops up from time to time, which wasn't the case a year ago". As regards construction companies' own development, it is considered particularly justified to launch their own projects in prime locations in major cities where there is demand.

"We are streamlining our operations and are quite restrictive when it comes to replacing staff"

Many companies talk about ongoing efforts to streamline operations and a cautious approach to recruitment. Several believe that new technology, for example, AI is leading to greater scrutiny of whether certain recruitment decisions are actually necessary. "If someone leaves, perhaps we'll see if we can manage without replacing them, or should we bring in a consultant at the start and see how it goes?" Can we manage without this?" However, just as before, the companies say that the use of AI has not yet had any significant impact on the size of the workforce.

Over the past three years, companies have reported gradual reductions in their workforces. Fewer companies are now planning to cut back on staff. According to recruitment agencies, the labour market is starting to pick up, which is linked to increased demand, particularly from the defence industry and their subcontractors. Recruitment agencies also believe that demand will increase further, and they expect a "fairly strong" rise in employment in Sweden going forward.

Import tariffs: "One can get by reasonably well on this 15 per cent"

US import tariffs are continuing to drive up costs for exporting companies, but are not creating the same level of uncertainty as before. This enables companies to operate and plan on the basis of the current tariffs. "We've simply accepted this 15 per cent to a large extent," explains one respondent, whilst another notes that "it's not something we see as a major problem at the moment." Several companies are also beginning to receive refunds for the tariffs that were declared invalid by a US court.

Instead, a broader discussion has emerged regarding other tariffs and trade barriers introduced over the past year.[2] Overall, new customs regulations have accelerated the changes in trade patterns that began during the pandemic. Regionalisation is a recurring theme, with several companies describing how they have changed their sourcing or relocated production, either to the United States or Europe, to mitigate the impact of tariffs or due to other trade restrictions imposed on China. Changes in trade patterns, in turn, make it difficult for transport companies to plan. For example, when exports increase in the run-up to new tariffs coming into force. This affects transport lead times, available capacity and prices.

The war in the Middle East is "driving up costs"

Companies report that costs have risen slightly in recent months; see Figure 3. As in May, they say that the war in the Middle East has driven up fuel prices in particular, which affects companies' transport costs. However, high energy costs also affect production and purchasing costs for some companies.

It is particularly those that sell to other companies that say that the increased costs have already had an impact. Material costs are rising because world market prices for certain commodities and metals remain high. One company manager says that "metal prices are higher than they have been for a very long time – particularly precious metals, but also base metals". The companies believe that this is partly due to a reduction in supply, which is attributable, amongst other things, to the war. Several talk about costs "not continuing to rise; they seem to be levelling off anyway", but at a higher level than before. One company manager says, "We're preparing for freight prices to remain this high, but we hope they won't."

[2] The EU introduced new, higher tariffs on steel on 1 July 2026. From 1 July this year, new regulations also apply to the import of low-value goods, under which the duty-free allowance for goods worth less than 150 euros has been abolished. CBAM stands for Carbon Border Adjustment Mechanism and came into full effect on 1 January 2026. The EU's Carbon Border Adjustment Mechanism (CBAM) came into full effect on 1 January 2026. It is a means for the EU to impose a price on imported carbon-intensive goods such as aluminium, iron, steel, cement, etc., in the same way as for goods produced within the EU.

Figure 3. Average unit costs over the last three months, total
Index



Note. The index figures show a standardised value (mean value = 100 and standard deviation = 10) of the net figures for the companies that say that costs have increased or decreased.

"There is a shortage of some goods"

The expansion of data centres is reducing the supply of memory cards and certain types of chips, which is driving up prices. "They have been rising almost day by day" and are expected to "remain very high", according to one respondent. "Total demand is greater than supply, and that will probably remain the case for another year or so." Some companies say that the shortage is not "a major problem yet", but that it is affecting certain business areas and product categories. However, "if we face an even worse shortage of components", costs are expected to rise even further, explains one respondent. Electronics retailers confirm this trend and are seeing a rise in prices of products containing memory cards.

According to the companies, there is also a certain shortage of other goods and materials. Aluminium, for example, is mentioned as a material for which supply has been affected by the war. One respondent states that "there is far too little aluminium compared to what Europe actually needs." Some also point out that they generally maintain larger stock levels to prevent delivery disruptions: "We build in a buffer for uncertainty". At the same time, the shortage is said to be manageable overall, and the freight situation is described as "a breeze compared to what it was after the pandemic".

"It's more a case of suppliers signalling price rises"

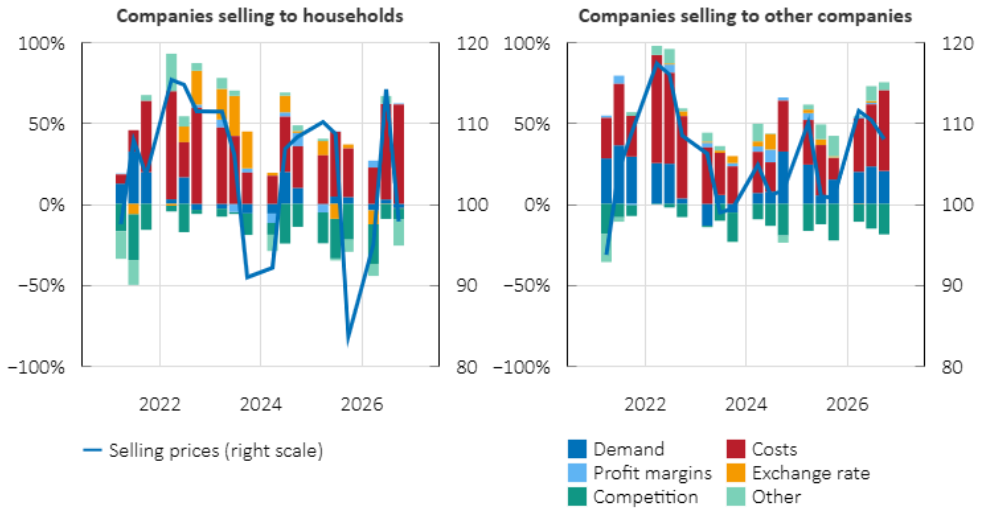
In the retail and hospitality sectors, there is a lag in purchasing costs due to longer lead times. The cost increases are not expected to take effect until the end of the year. Suppliers have warned of higher prices for items such as packaging and textiles

during the autumn. In addition to higher purchasing costs, several companies point out that the exchange rate will contribute to driving up costs. The previous 'tailwind' from a weaker US dollar has subsided. However, it will be some time before the change in the exchange rate affects them, as they are making seasonal purchases. The cost situation is generally considered to be manageable. A representative of the retail trade says: "We believe the prospects for avoiding high inflation on clothing are looking better now." Another notes that "as things stand at the moment, it is a relatively sustainable situation." "It's not as if we're losing a huge amount of profit because of this."

"We simply have to try and raise prices"

Companies that sell to other companies are raising their selling prices in the near term and several are also planning further price rises; see Figure 4. Many have been able to pass on cost increases on an ongoing basis and believe that their customers show a degree of understanding regarding the price rises. One company manager states that "we can handle it; it's simply a matter of having to try and raise our prices."

Figure 4. Driving forces behind pricing, next twelve months
Net shares (left scale) and index figures (right scale)



Note. The bars in the left-hand scale show the net of responses to the question of whether the factor will have an upward or downward effect on prices in the coming year. A bar above zero means that the factor contributes to rising prices in the future and below zero that it contributes to falling prices. The index figures in the right-hand scale show a standardised value (mean = 100 and standard deviation = 10) of the net figures for those companies that answer the question whether sales prices will be increased or decreased over the next twelve months. Companies selling to households refers to retailers and companies that mainly sell services to households. The item "Costs" includes purchasing costs, labour costs, energy costs, climate change related costs and green/sustainable transition costs. The item "Other" includes, for instance, spare capacity and productivity growth.

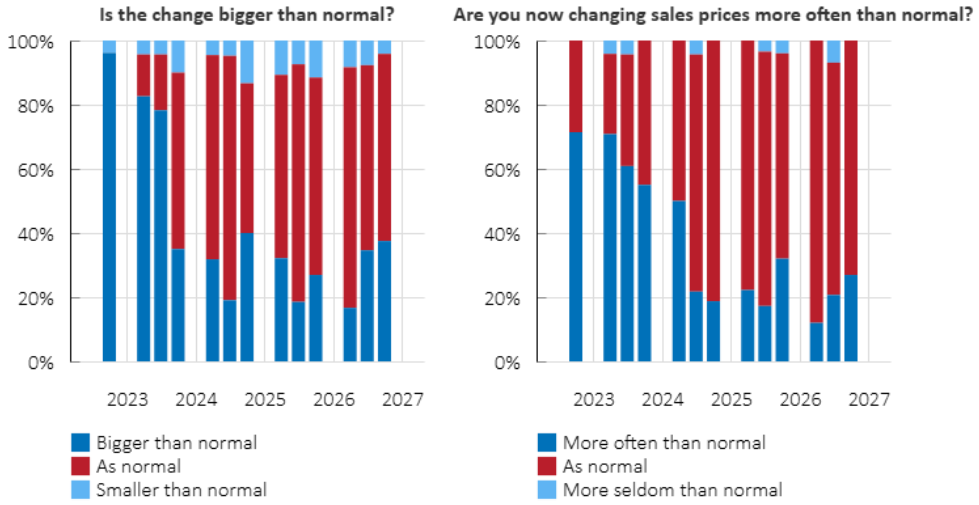
In contrast, pricing plans are clearly falling in the retail and hospitality sectors; see Figure 4. This is because the non-durable goods segment does not plan to raise its retail prices. The segment is continuing to focus on pricing following the temporary

reduction in VAT on food and is streamlining its operations, which is expected to partially offset its forthcoming cost increases. However, other retail and hospitality sectors are planning overall to raise their selling prices. Retailers are planning to pass on some of their increased costs to customers, but they believe it will not be possible to pass on all of them due to competition. "At some point, we'll inevitably have to pass the cost on to the consumer in some way, but that's not what we'd prefer to do at the outset." Stronger demand from households also makes it possible to raise prices by reducing discounts.

A slightly higher proportion of companies than before the summer are planning to raise their prices more frequently and by more than usual. They attribute this, amongst other things, to substantial cost pressures in general and to the volatility of energy and fuel prices. However, most respondents state that the size and frequency of price changes are as normal; see Figure 5.

Figure 5. Size and frequency of planned price change

Per cent



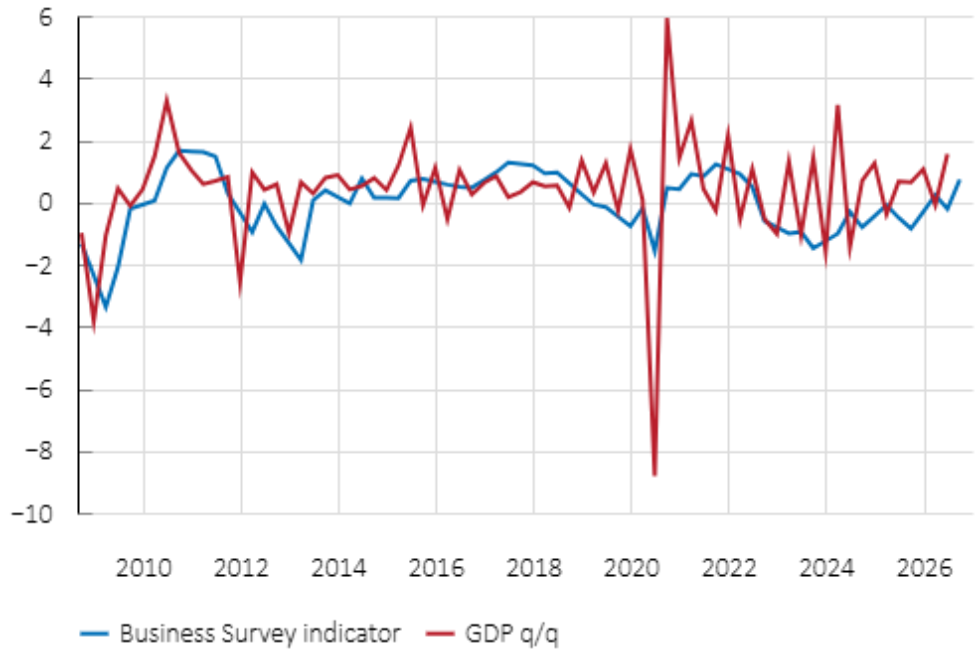
Note. The figures show the share of companies who responded that they had increased selling prices in the current quarter, the coming quarter or the coming 12 months. These questions began to be asked in autumn 2022.

The Business Survey indicator is increasing

The overall result of the survey is summarised in the Business Survey indicator of economic activity; see Figure 6. Following a slight fall in the indicator in May, it has risen again and shows a more positive sentiment in August. The indicator is now above its historical average and at its highest level since February 2022. It is primarily companies' investment plans, industrial production and sales in the retail and hospitality sectors that are contributing to the rise in the indicator.

Figure 6. The Business Survey indicator and GDP

Index figures and quarterly change in per cent



Note. The economic indicator is a composite measure of the questions in the Business Survey generated using principal component analysis. The index figures show a standardised value (mean value = 0 and standard deviation = 1) for the economic indicator. A positive (negative) value indicates that the economic situation is better (worse) than the historical average. As the Business Survey is conducted three times a year, the economic indicator has been interpolated for intermediate quarters. The GDP series is seasonally adjusted.

Source: Statistics Sweden and the Riksbank.

About the Riksbank's Business Survey

The Riksbank's Business Survey should reflect developments in prices and economic activity in the manufacturing and construction industries, the retail sector and parts of the services sector. As only a few players account for a very large part of the Swedish business sector, relatively few interviews can provide information about a large part of the sector. Many of the companies interviewed also provide information about other parts of the business sector through their contacts with, for example, small and medium-sized enterprises.

Over 300 companies have taken part in the survey since it was started in 2007. In the surveys carried out during the period 2007-2019, around 30 companies were interviewed in February every year, and around 45 companies in May and November. The interviews were carried out by Riksbank staff during visits of around one hour. As a result of the pandemic and its effects on the economy, the Riksbank held a total of eight rounds of telephone and video interviews with companies and trade associations in 2020. Nowadays, between 30 and 50 companies and trade associations are interviewed on each occasion. As of May 2022, some of the interviews are once again being conducted in the form of visits. The interviews are usually conducted with members of the companies' management teams. The interviews give the companies an opportunity to develop their answers and the interviewer the chance to ask more detailed follow-up questions. From time to time, specific questions are asked about current questions in monetary policy. The response rate for the survey is high and is often around 95 per cent.

The results of the survey are usually presented in a report published on the Riksbank's website three times a year The report for August 2026 presents the results of interviews with 40 companies and trade associations, conducted mainly during the period 20-31 August. Unless otherwise stated, the figures in the report present the companies' responses weighted in terms of the respective companies' number of employees in Sweden. The indexes in the figures reflect upturns and downturns in the pattern of responses well. These responses are then combined with the companies' reflections during the interviews.

A more detailed description of the survey can be found on the Riksbank's website: Hokkanen, Melin and Nilson (2012), "The Riksbank's Business Survey – a quick indicator of economic activity", Sveriges Riksbank Economic Review 2012:3.

The Riksbank's Business Survey – a quick indicator of economic activity



SVERIGES RIKSBANK
Tel +46 8 - 787 00 00
registratorn@riksbank.se
www.riksbank.se

PRODUCTION SVERIGES RIKSBANK