



News from Teknikföretagen

Business activity Second quarter 2009

The Business activity survey for the Swedish engineering industry was carried out in mid May 2009. 508 companies participated. Their annual value of production amounts to 716 billion SEK, (67 billion Euros), of which 79 % is exported.

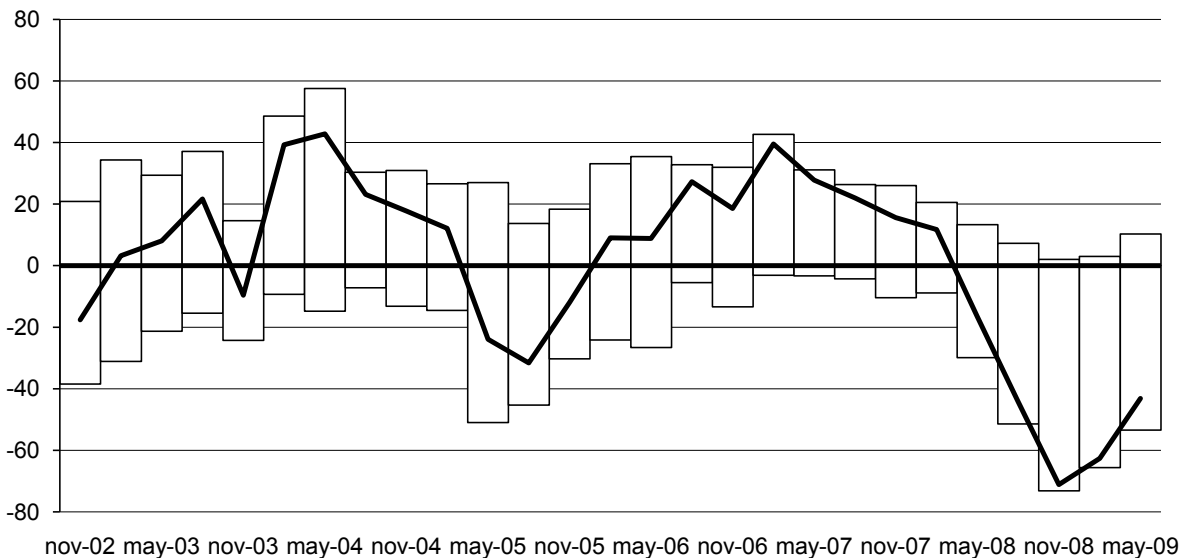
Lower capacity utilisation but the decline in new orders is not as deep as in previous quarter.

The inflow of new orders in the Swedish engineering industry continues to fall but at a less negative rate compared to the previous two quarters. Capacity utilisation has reached a very low level with just 13 % of respondents working at full capacity. The shortage of labour is almost

nonexistent. There is no significant change in the assessment of order stocks and

70 % of respondents assess them as below normal. Inventories of finished goods have been reduced slightly.

Total new orders volume. Swedish engineering industry.



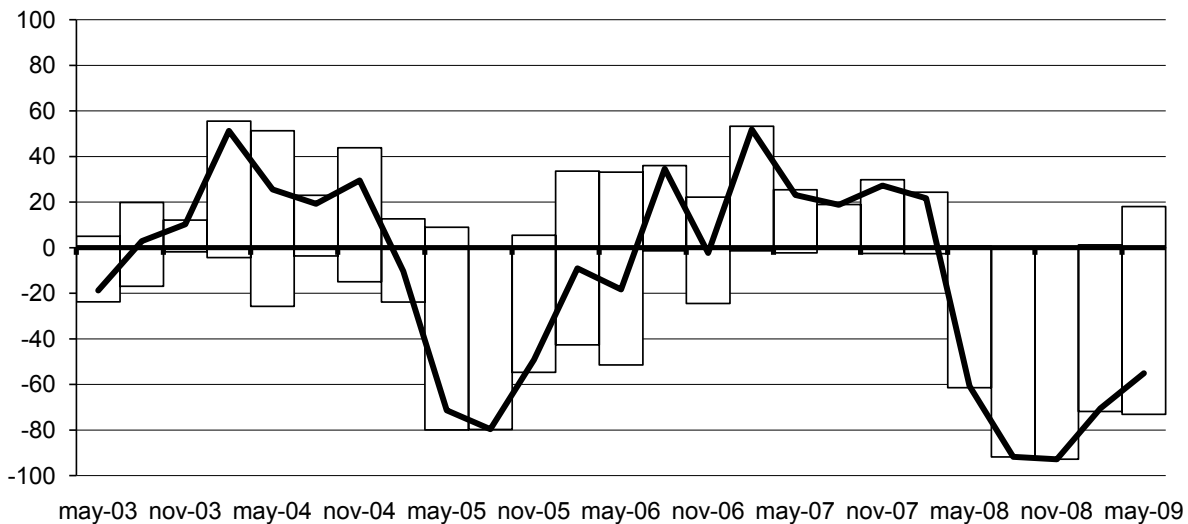
Number of companies in the Swedish transport equipment industry reported that orders received from the total market increased (+) or decreased (-) during the latest quarter. The solid line is the algebraic difference between positive and negative replies. Source: Teknikföretagen.

The situation in industry sectors

New orders from the export market continue to decrease in the **industry of transport equipment**. There is an improvement though, since balance of responses is at -55 compared to -71 in the previous quarter. As a consequence of low demand on the domestic market, especially for motor cars, domestic orders continue to fall. The order

stock is assessed as below normal for 90 % of respondents, a figure that is more or less the same as during the previous quarter. Inventories of finished products, that started to decrease during the first quarter, have been reduced slightly.

Total new orders volume. Industry of transport equipment.



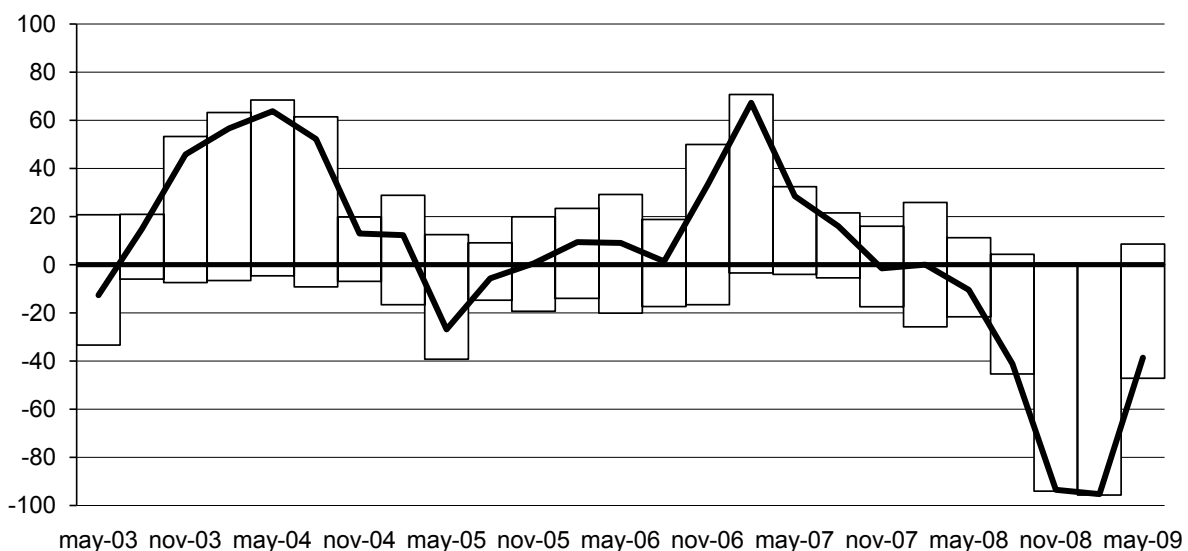
Number of companies in the Swedish transport equipment industry reported that orders received from the total market increased (+) or decreased (-) during the latest quarter. The solid line is the algebraic difference between positive and negative replies. Source: Teknikföretagen.

Suppliers to the motor car industry are negatively affected by low demand from final producers. New domestic orders continue to decline as 49 % of respondents report a decrease compared to the previous quarter. This is however a better outcome compared to the first quarter when more or less all of the respondents reported a decline. A

further positive factor is also that export orders do not fall as extensively as in February.

About 70 % of the suppliers assess the order stock as below normal, down from 85 % in the previous quarter. Inventories of finished goods have been reduced.

Total new orders volume. Suppliers to the motor car industry.



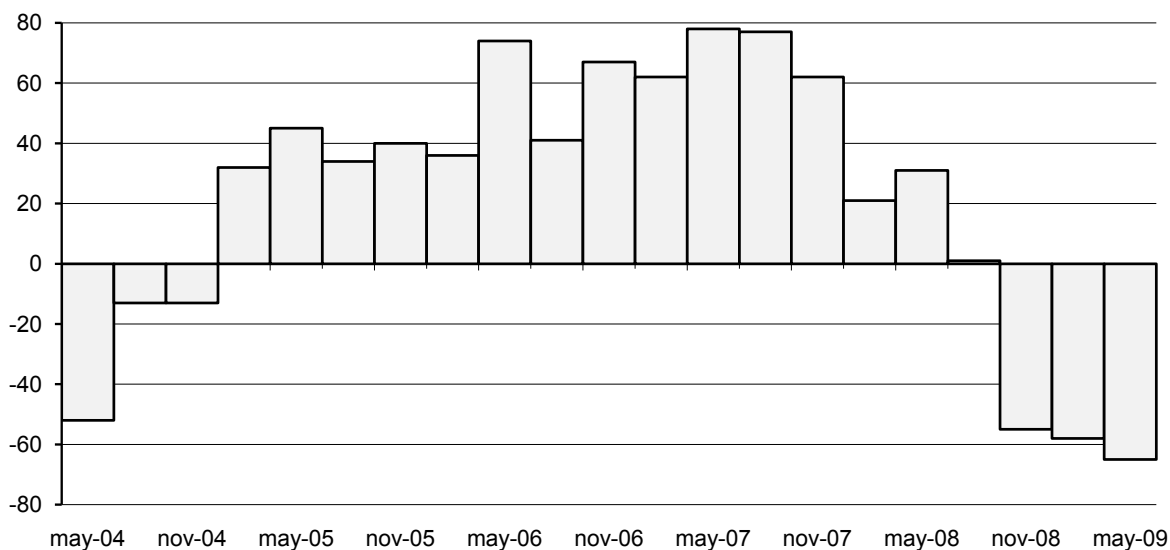
Number of companies among suppliers to the motor car industry reported that orders received from the total market increased (+) or decreased (-) during the latest quarter. The solid line is the algebraic difference between positive and negative replies.

There is a slight improvement in the inflow of new orders for **suppliers to the electrical- and telecommunication industry** since 56 % of respondents report a decline compared to 75 % during the first quarter. It is especially new export orders that do not decline as extensively as in the first quarter. The order stock is assessed as below normal by 83 % of respondents, a figure that is worse than during the first quarter.

The demand from the export market for **electrical engineering** is still low without any substantial change

compared to the previous quarter. The domestic market improves as companies do not report any further deterioration in new orders. All in all, the business situation is gloomy for electrical engineering since 70 % of respondents assess the order stock as below normal, a figure that is unchanged compared to previous quarter. There is no improvement in the business situation for instrument engineering as the fall in orders is more widespread than during the previous quarter.

Assessment of the order stock. Electrical engineering.



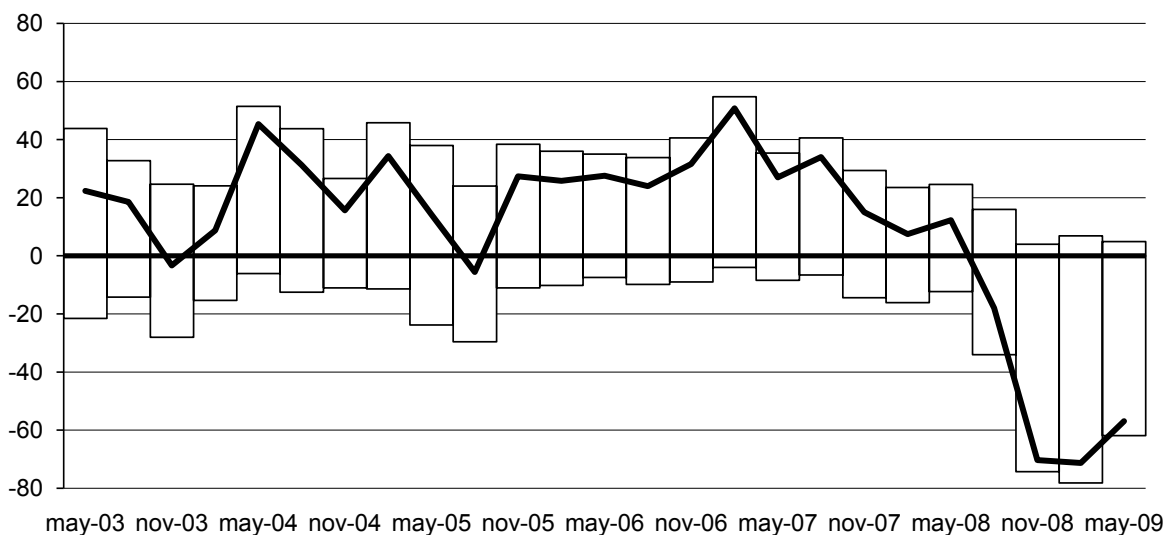
Assessment of the order stock in the Swedish Engineering Industries . Above normal minus below normal. Net balance of opinions.

The demand for investment goods has fallen rapidly over the past couple of quarters. This is reflected in the inflow of **export orders** to the **industry of machinery and equipment**. The rate of decline is however not as high as before. This is also the case for **domestic orders** as the rate of decline eases compared to the first quarter. There is unfortunately no reduction in inventories of finished goods.

Suppliers to the industry of machinery and equipment

report just a slight improvement in new orders as the rate of decline is not as high as in February. Conditions on the domestic market are still gloomy, but the net balance of opinions concerning new domestic orders is not as negative as during the first quarter. Export orders continue to fall substantially. The assessment of the order stock is more negative than ever as 95 % of respondents assess them as below normal.

Total new orders volume. Industry of machinery and equipment.

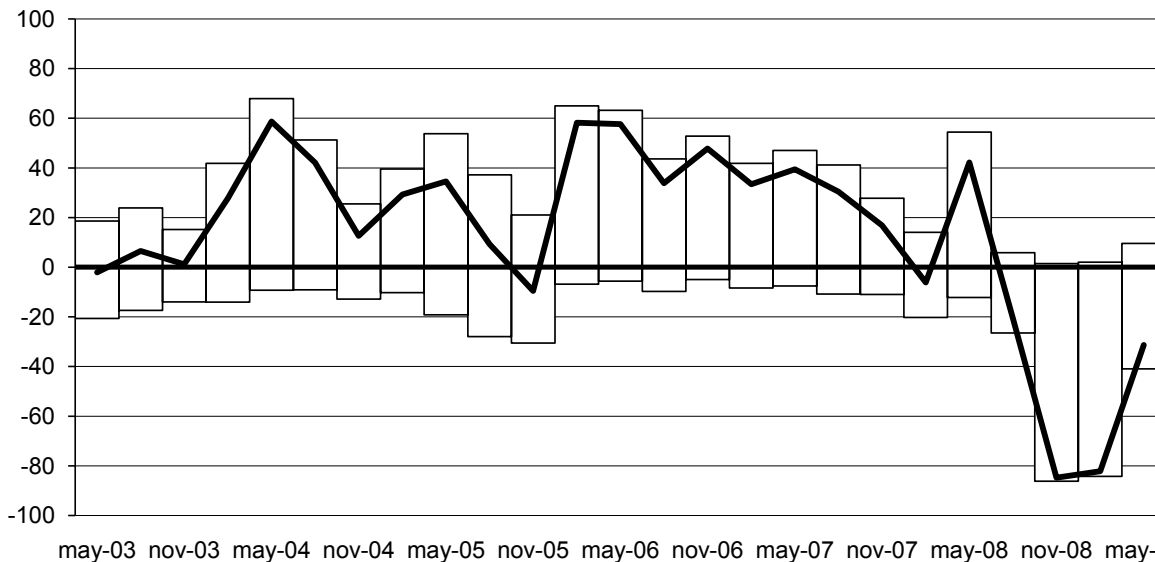


Number of companies in the Swedish machinery and equipment industry reported that orders received from total market increased (+) or decreased (-) during the latest quarter. The solid line is the algebraic difference between positive and negative replies. Source:Teknikföretagen.

Demand from the export market is not as low as during the first quarter for the **metal goods industry**. Net balance of responses for new export orders came in at -15 compared to -85 during the first quarter. Demand for the

sector is nevertheless low, as 82 % of respondents assess the order stock as below normal. This figure is worse than during the first quarter.

Total new orders. Metal products.



Number of companies in the Swedish metal goods industry reported that total orders (volume) received increased (+) or decreased (-) during the latest quarter. The solid line is the algebraic difference between positive and negative replies. Source: Teknikföretagen.

Even though, the inflow of new orders is not as bad during the first quarter for suppliers to the construction industry, demand is still low. This is reflected in the assessment of the size of the order stock with 82 % of respondents reporting the order stock as below normal.

Just 13 % of companies in the Swedish engineering industry operate at full capacity, a figure that is the lowest

since the survey started in 1993. Utilisation has fallen in all sectors and for all groups of suppliers, apart from manufacturers of transport equipment.

Demand for labour is almost nonexistent. Only 3 % of companies report a shortage of skilled metal workers. The shortage of engineers/technicians falls by four percentage points to 6 %, which is the lowest figure in three years.

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Results are presented in March, June, September and December.

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