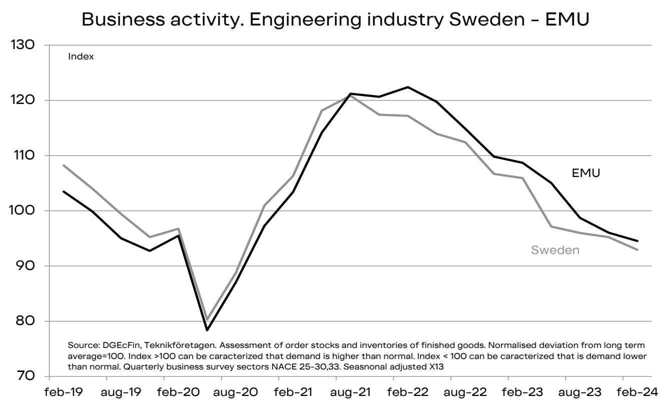
Summary of the business survey from Teknikföretagen

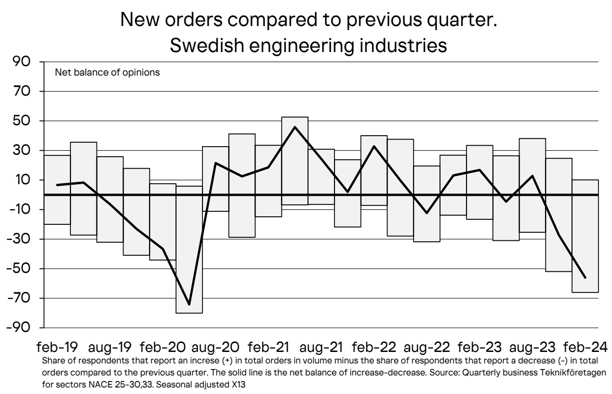
The index for the business situation for the engineering industry in Sweden continues to decline and is below the normal level during the first quarter. The rise in global interest rates that we have witnessed for over a year affects the business situation negatively. The share of companies with full capacity utilization shows another decrease and is now well below long-term average. The shortage of skilled metal workers and engineers also decrease compared to the previous quarter.

The index of the overall assessment of the business situation in the Swedish engineering industry ended up at index 92,9, considerably lower than the normal index of 100. The engineering industry of Sweden thus follows the business situation for the engineering industry in the Eurozone as usual. Demand for engineering products is cyclical and it continues to decline after the upswing that started in the second half of 2020. The contribution to reduced inflow of new orders for the whole industry comes mainly from the transport equipment industry followed by interest rate sensitive machinery industry and by the metal goods industry. A worse business situation for final manufacturers of investment goods and transport equipment has also a negative impact on new orders for their subcontractors.

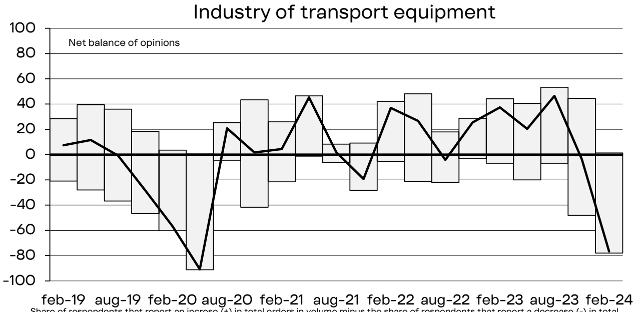
High interest rates has also meant that the fall in new orders for suppliers to the construction industry from Sweden continued at roughly the same extent as in the previous quarter. For suppliers to the construction sector, export orders are now also decreasing.

For the engineering industry in total the share of respondents with shortage of skilled metal workers contracts from 30 percent in the previous quarter to 25 percent in the first quarter of 2024. The shortage of engineers is also decreasing compared to the previous quarter. The percentage of companies with full capacity utilization decreases from 39 to 33 percent and thus ends up below the long-term average of 40 percent.



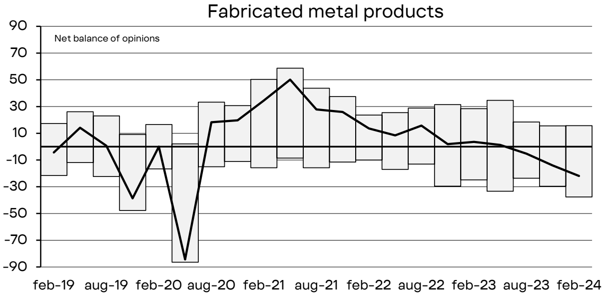


New orders compared to previous quarter.
Industry of transport equipment



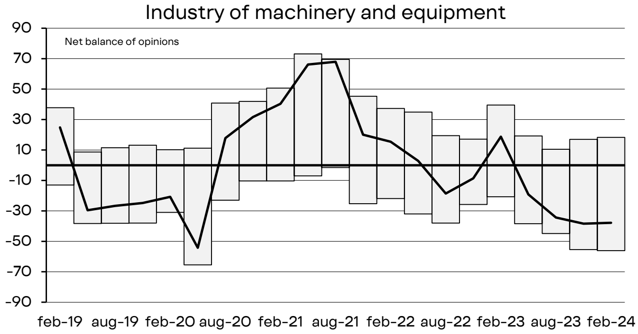
Share of respondents that report an increse (+) in total orders in volume minus the share of respondents that report a decrease (-) in total orders compared to the previous quarter. The solid line is the net balance of increase-decrease. Source: Quarterly business survey Teknikföretagen for sectors NACE 29-30. Seasonal adjusted X13

New orders compared to previous quarter.
Fabricated metal products



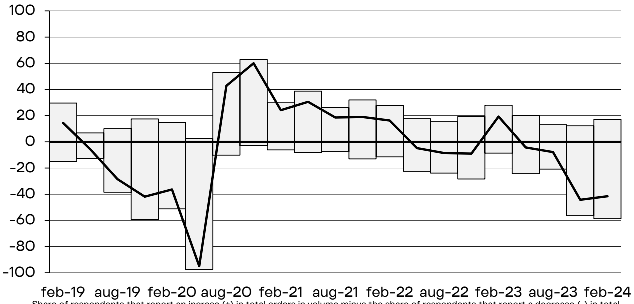
Share of respondents that report an increse (+) in total orders in volume minus the share of respondents that report a decrease (-) in total orders compared to the previous quarter. The solid line is the net balance of increase-decrease. Source: Quarterly business survey Teknikföretagen for sector NACE 25. Seasonal adjusted X13

New orders compared to previous quarter.
Industry of machinery and equipment



Share of respondents that report an increse (+) in total orders in volume minus the share of respondents that report a decrease (-) in total orders compared to the previous quarter. The solid line is the net balance of increase-decrease. Source: Quarterly business survey Teknikföretagen for sector NACE 28. Seasonal adjusted X13

New orders compared to previous quarter.
Suppliers to the motor car industry



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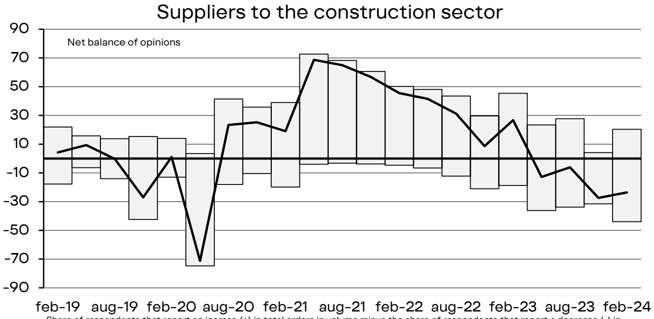
New orders compared to previous quarter.
Suppliers to the construction sector



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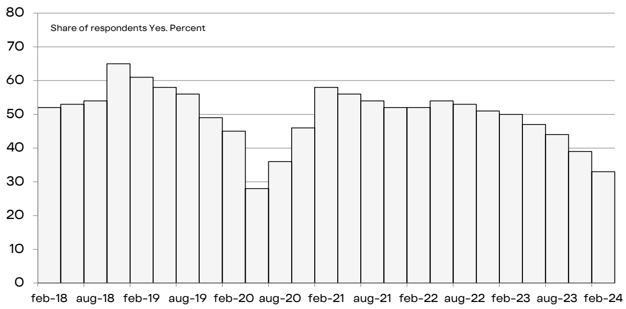
Full capacity utilisation. Engineering industry Sweden



Source: Business survey Teknikföretagen for sectors NACE 25-30,33. Seasnonal adjusted X13

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