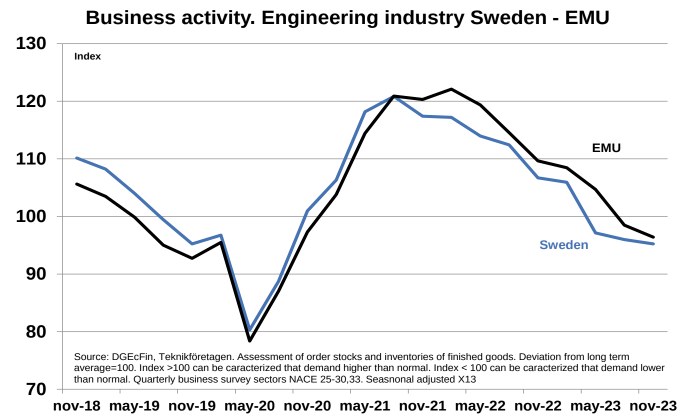
Summary of the business survey from Teknikföretagen

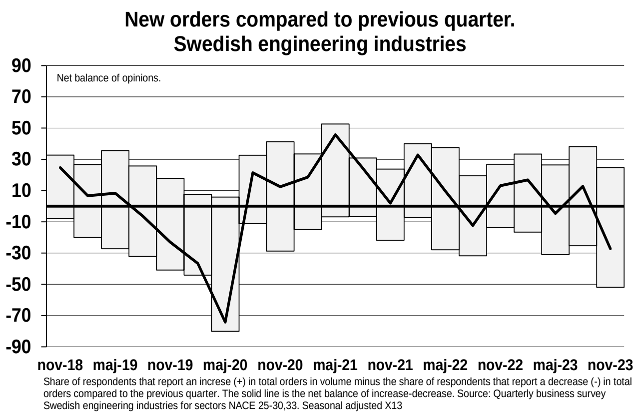
The index for the business situation for the engineering industry in Sweden continues to decline and is below normal level during the fourth quarter. The rise in global interest rates that we have witnessed for over a year affects the business situation negatively. The share of companies with full capacity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

The index of the overall assessment of the business situation in the Swedish engineering industry decreases and ends up slightly lower than the normal index of 100. The engineering industry of Sweden therefore follows the business situation of the engineering industry in the Eurozone as usual. Demands of engineering products is cyclical and continues to decline after the upswing that started in the second half of 2020. The contribution to reduced inflow of new orders overall comes mainly from the interest-sensitive machinery industry, followed by metal goods- and transport equipment industry. A worse business situation for end manufacturers of investment goods and transport equipment also has a negative impact on new orders for their subcontractors.

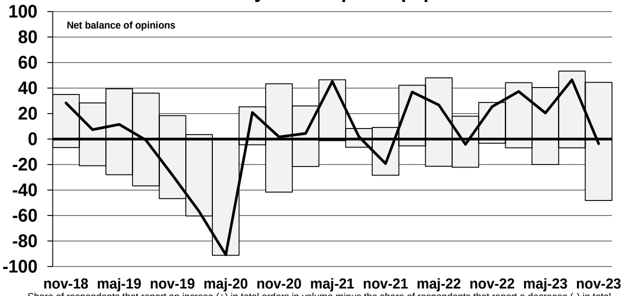
The rise of interest rates has also contributed to the fall of new orders for suppliers to the construction industry from Sweden and continued to roughly the same extent as in the previous quarter. For suppliers of the construction sector, export orders are now also decreasing.

The shortage of skilled workers also decreases during the last quarter of the year. For the total engineering industry the share of respondents with shortage of skilled metal workers decreases to 30 percent compared to 33 percent in the third quarter of 2023. The shortage of engineers is also decreasing compared to the previous quarter. The percentage of companies with full capacity utilization decreases overall from 44 to 39 percent and thus ends up slightly below the long-term average.



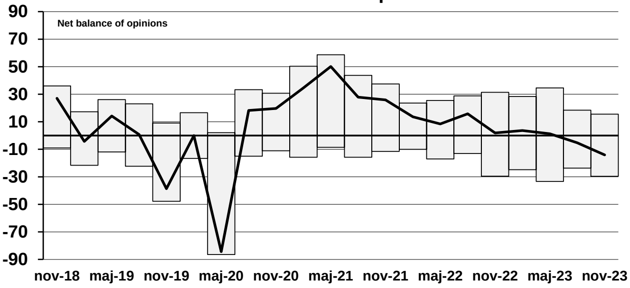


New orders compared to previous quarter. Industry of transport equipment



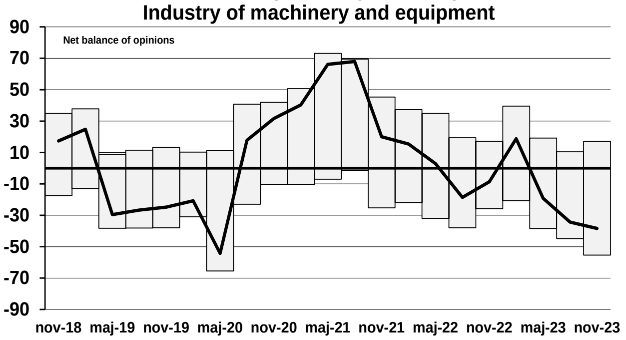
Share of respondents that report an increse (+) in total orders in volume minus the share of respondents that report a decrease (-) in total orders compared to the previous quarter. The solid line is the net balance of increase-decrease. Source: Quarterly business survey Swedish engineering industries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

New orders compared to previous quarter. Fabricated metal products



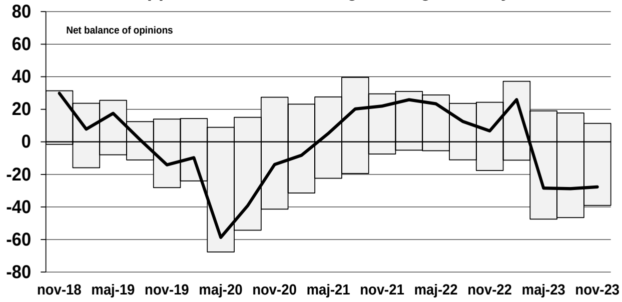
Share of respondents that report an increse (+) in total orders in volume minus the share of respondents that report a decrease (-) in total orders compared to the previous quarter. The solid line is the net balance of increase-decrease. Source: Quarterly business survey Swedish engineering industries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

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



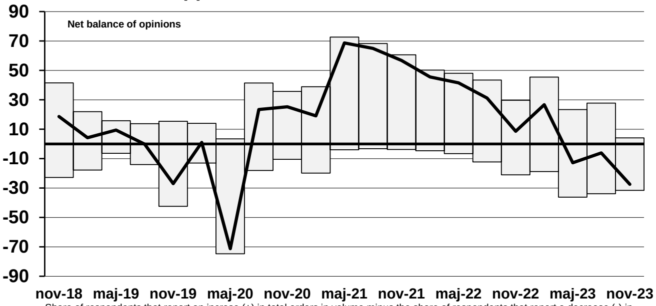
Share of respondents that report an increse (+) in total orders in volume minus the share of respondents that report a decrease (-) in total orders compared to the previous quarter. The solid line is the net balance of increase-decrease. Source: Quarterly business survey Swedish engineering industries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

New orders compared to previous quarter. Suppliers to electrical engineering industry



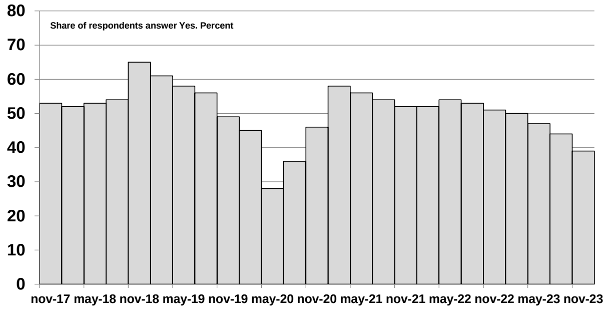
Share of respondents that report an increse (+) in total orders in volume minus the share of respondents that report a decrease (-) in total orders compared to the previous quarter. The solid line is the net balance of increase-decrease. Source: Quarterly business survey Swedish engineering industries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

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



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 Swedish engineering industries. Seasonal adjusted X13

Full capacity utilisation. Engineering industry Sweden



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

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