

Press release

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CFO Survey: Swedish companies show strong future optimism – but competence shortage presents challenge

Swedish CFOs remain optimistic about the future, but the rising trend is slowing somewhat. In Sweden the investment and hiring agenda is at the top compared with other EU countries. Organic growth has top priority, while the shortage of qualified talent is the greatest source of concern. These were some of the findings of the Deloitte/SEB CFO Survey carried out this past spring.

CFO Survey is conducted twice a year and aims to illuminate changes in sentiment among Swedish CFOs. This spring's report shows that optimism among CFOs ahead of the coming years has grown for the fourth survey in a row, which is the most constant increase since the time after the financial crisis. However, optimism among Swedish CFOs is growing slightly less than in the rest of Europe and the Nordic countries.

"CFOs in the rest of Europe are starting out from lower growth levels and are therefore narrowing the margin between Sweden on their views of development going forward," says **Henrik Nilsson**, partner at Deloitte. "But so far, optimism among Swedish companies does not seem to show any weakening in the near future – rather, it's more a matter that the high expectations for the future are staying a more constant level."

Sweden is still in the top tier of the 20 countries that were included in the European survey with respect to both investment expectations and hiring plans.

"The propensity to invest among Swedish companies continues to be very strong," notes **Karl Steiner**, economist at SEB. "This also points to a significant increase – from already high levels – in plans to hire." "One problem for the expansive agenda is the growing concerns about the shortage of qualified talent," adds Henrik Nilsson. "This is considered to be the biggest challenge for Swedish companies."

Attitudes differs between sectors

Ahead of this spring's survey there was a risk that CFOs of companies with primarily domestic exposure – mainly in the construction sector – may have become pessimistic given the drop in home prices that began after the autumn survey. But such a change was not noted in the responses; instead, the industry still has a positive future outlook. The report points to another problem, however: the retail and consumer products sectors were among the most pessimistic sectors based on the responses in the survey.

"As known, the retail and consumer products sectors are exposed to tough foreign competition, driven mainly by e-commerce," says Henrik Nilsson.

“On top of this, the very weak Swedish krona is likely also having a negative impact on these companies’ margins,” explains Karl Steiner.

Opportunities and risks

Digital technology is being incorporated more and more into strategic decision-making, and investments in digital development are being planned in most areas. With respect to the future risk scenario, Swedish CFOs do not seem to feel any major threat. Political decisions are considered to be the most likely threat, but this is not considered to have a major impact on companies. Mistakes by central banks or a major fall in the financial markets are believed to have the potential for a large impact, but a lower likelihood of occurring.

About the Deloitte/SEB CFO Survey

The Deloitte/SEB Survey aims to highlight changes in sentiment among Swedish CFOs, various sectors, and compared with the general sentiment in the rest of Europe, and thereby convey an understanding of economic and financial trends. It is published twice yearly and is conducted in Sweden and in 19 other European countries. Read the complete report, www.cfosurvey.se

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