

Press release

Stockholm 5 December 2018

CFO Survey: Swedish companies showing continued optimism and willingness to invest

Sweden's CFOs remain optimistic about the future, although the upward trend is waning in strength. The expansive agenda is continuing, and the willingness to invest and hire among Swedish companies is still at the top compared with other EU countries. The greatest risk is the continued shortage of qualified talent, both for Swedish companies and in Europe in general. A majority of Sweden's CFOs believe that the trade war will escalate and lead to higher costs, at the same time that the level of external uncertainty is considered to be normal or even slightly lower.

The Deloitte/SEB CFO Survey is conducted twice a year and aims to illuminate changes in sentiment among Sweden's CFOs. This past autumn's report shows that optimism about future business opportunities ahead of the coming year has grown for the fifth survey in a row, but that the pace of growth once again slowed. The growing optimism among Sweden's CFOs stands in contrast to the trend in the rest of Europe, where it declined slightly in the autumn survey.

"The growth in optimism has even been longer in duration than during the recovery following the financial crisis. This, combined with a slowing pace of growth, suggests some concerns that we are nearing an economic top," says **Karl Steiner**, economist at SEB.

Expansive agenda intact

As in the spring, organic growth is a top priority for companies. A slightly lower willingness to use surplus liquidity for investments points cautiously in a defensive direction, however, a continued strong belief in an increase in hiring and higher capital outlays points rather to an intact investment agenda. Moreover, Sweden's CFOs – along with their Norwegian counterparts – are the only in Europe who rank the external uncertainty as normal or even slightly lower than usual.

"The survey also shows that despite the decreasing pace of growth in optimism, Swedish companies are continuing along the expansive agenda that they adopted last autumn," says **Henrik Nilsson**, partner at Deloitte.

Competence shortage still the greatest risk

As in the past spring, the biggest risk is the shortage of competence – this has been expressed by CFOs both in Sweden and in Europe in general. Above all it is specific technical competence and the right work life experience that are hard to match. The solutions that have mainly been recommended include retraining existing personnel and using temporary resources. However, in sharp contrast to many other countries in Europe, interest in greater automation as a solution for the shortage of competence is tepid among Sweden's CFOs.

“Ninety per cent responded that their company to some extent has a hard time finding the right competences, which clearly shows that this is a growing problem,” says Henrik Nilsson, adding: “The low interest in automation is a bit surprising, but the specific technical competence that is in demand seems to lend itself less well for automation, while Swedish companies have likely already come comparatively far with respect to automation.”

Escalating trade war making it harder for companies

For the second survey in a row, slowing growth is ranked as the second largest risk. This is closely interwoven with the international trade war, which a majority of Sweden’s CFOs believe will escalate, at the same time that there are few who expect it to de-escalate. The biggest effects of a trade war are believed to be higher costs for companies and that it will be harder to make investment decisions.

“The belief in an escalation of the trade war is strongest among internationally dependent sectors, such as the engineering industry,” says Karl Steiner. For them, it is mainly higher raw material costs that are the main area of concern, while import-dependent sectors are worried that negative currency effects will lead to higher purchasing prices.”

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

For further information, please contact

Karl Steiner, Economist SEB Research
070-332 3104, karl.steiner@seb.se

Henrik Nilsson, partner, Deloitte
073-397 1102, henrik.nilsson@deloitte.se

Press Contact

Frank Hojem, Group Press Officer SEB
070-763 9947, frank.hojem@seb.se

Christer Ahlgren, press contact, Clients & Industries, Deloitte
0708-14 23 20, christer.ahlgren@deloitte.se

SEB is a leading Nordic financial services group with a strong belief that entrepreneurial minds and innovative companies are key in creating a better world. SEB takes a long-term perspective and supports its customers in good times and bad. In Sweden and the Baltic countries, SEB offers financial advice and a wide range of financial services. In Denmark, Finland, Norway, Germany and UK the bank’s operations have a strong focus on corporate and investment banking based on a full-service offering to corporate and institutional clients. The international nature of SEB’s business is reflected in its presence in some 20 countries worldwide. On September 30, 2018, the Group’s total assets amounted to SEK 2,777 billion while its assets under management totalled SEK 1,871 billion. The Group has around 15,000 employees. Read more about SEB at <http://www.sebgroup.com>.