



# UNEXPECTED UPTICK FOR SWEDISH EXPORTS

*EXPORT MANAGERS' INDEX*  
*Second quarter 2023*

# EXECUTIVE SUMMARY

Business Sweden's Export Managers' Index, EMI, made an unexpectedly strong recovery in the second quarter and bounced back above the 50-mark. EMI rose by 4.6 points to 52.2, from 47.6 in the first quarter. An index above the 50-mark – the dividing line between optimism and pessimism – signals that export companies have an optimistic view.

The uptick in EMI was primarily driven by export companies' assessment of the next three months, but views of current export development also contributed to the overall rise. The current EMI subindex rose by 2.4 points to 55.6 in the second quarter, from 53.2 in the first quarter. EMI forecast – the sub-index for the forward-looking issues – increased by 6.8 points to 48.9 in the second quarter, from 42.1 in the previous quarter. In all, this indicates that export managers are optimistic about the current situation and that fewer take a gloomy view of future prospects.

A noteworthy finding is the fact that several subindices rose in the survey and most of them are now near or above the 50-mark. The export companies' views of export order stocks recovered following the sharp fall in the first quarter. The subindex rose 7.2 points to 55.2 in the second quarter, from 48.0 in the first quarter. The fact that the index is now well above the 50-mark, and above its historical average of 50.2 for the period 2007–2023, signals that companies have an optimistic view of export order stocks. Assessments of the profitability of export sales improved considerably as well, especially in the three-month forecast.

Nonetheless, the subindex reflecting views of current export sales continued to drop by 6.2 points to 48.5 in the second quarter, from 54.7 in the first quarter. This signals a more dampened view of export sales for the time being. In stark contrast, the index for expected export sales in the next three months jumped by as much as 11.1 points to 58.1 in the second quarter, from 47.0 the previous quarter.

In all, we can observe that more export companies are optimistic despite the dampened outlook for global economic growth. Many export companies have benefited from the weak Swedish krona, which is one plausible explanation. Other possible drivers include the fact that inflation is falling back towards targets and that central banks are nearing the end of their rate-hike cycles, coupled with reduced supply chain disruption. In addition, it is important to note that Swedish exporters are providing many of the sustainable products, services and solutions that are in high demand in the global transition to a net-zero economy.

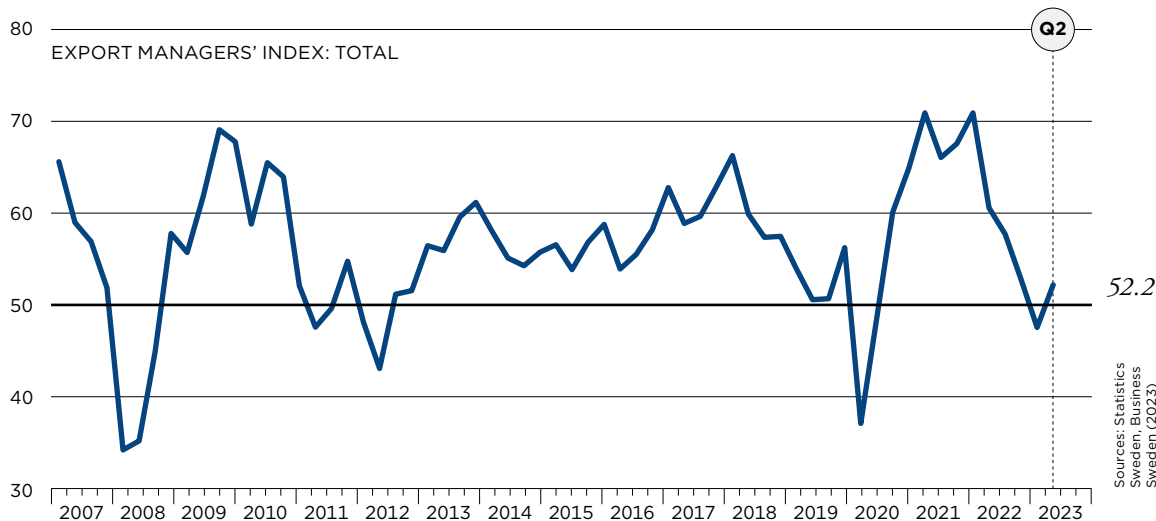
The next Export Managers' Index will be published on 31 August 2023.

Lena Sellgren  
Chief Economist



# EXPORT MANAGERS' INDEX MAKES A SURPRISE RECOVERY

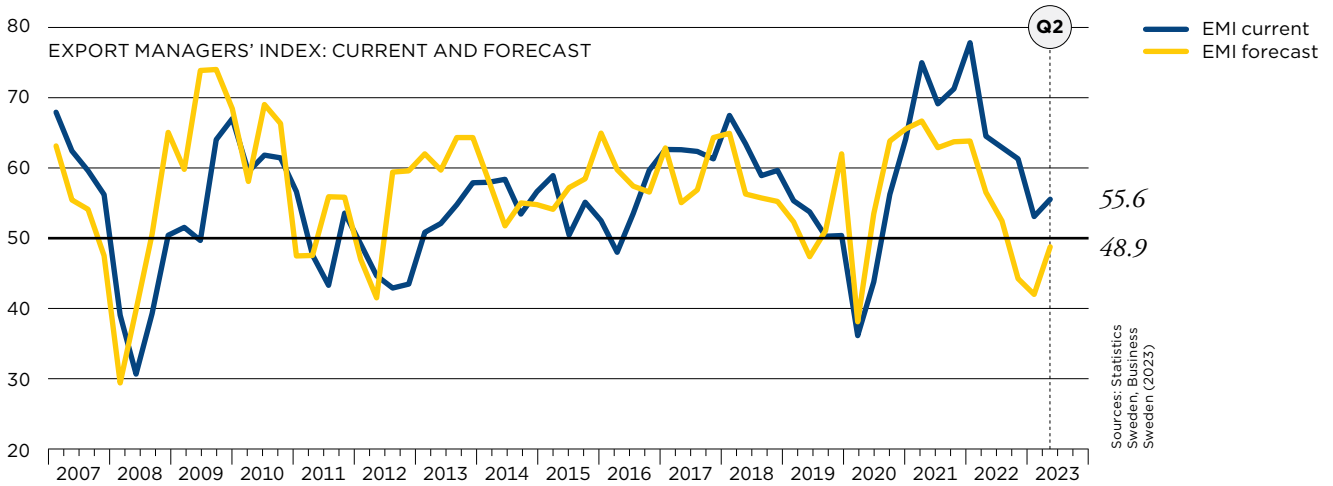
EXPORT MANAGERS' INDEX (EMI) MAKES SURPRISE RECOVERY IN SECOND QUARTER



Business Sweden's Export Managers' Index, which monitors views and reflects sentiment among Swedish exporters of goods and services, made a surprisingly strong recovery in the second quarter. A relatively sharp rise in the index broke a year-long downward trend. EMI rose by 4.6 points to 52.2 in the second quarter, from 47.6 in

the first quarter. This puts the index back above the 50-mark. The fact that EMI is above 50 – the dividing line between optimism and pessimism – means that more export companies believe in a strengthening than a weakening of export development. In short, the results indicate that Sweden's export companies are optimistic.

## UPTICK PRIMARILY DRIVEN BY EMI FORECAST SUBINDEX

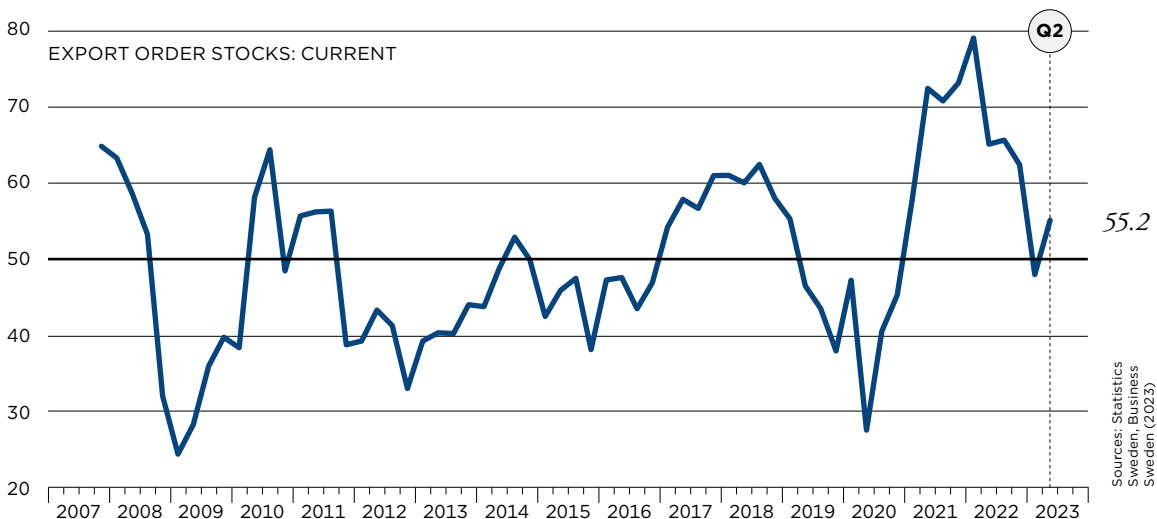


The boost in the second quarter EMI was driven by strengthened views of both current export development and the forecast for the next three months. The EMI current subindex increased by 2.4 points to 55.6 in the second quarter, from 53.2 in the first quarter. EMI forecast – the subindex for the forward-looking issues – rose by 6.8 points to 48.9

in the second quarter, from 42.1 in the first quarter.

The subindex reflecting views of current export development is above the 50-mark and just below its historical average of 56.0 for the period 2007–2023. The forecast subindex made a strong recovery and is now just below the 50-mark. In all, this signals that export managers are increasingly optimistic.

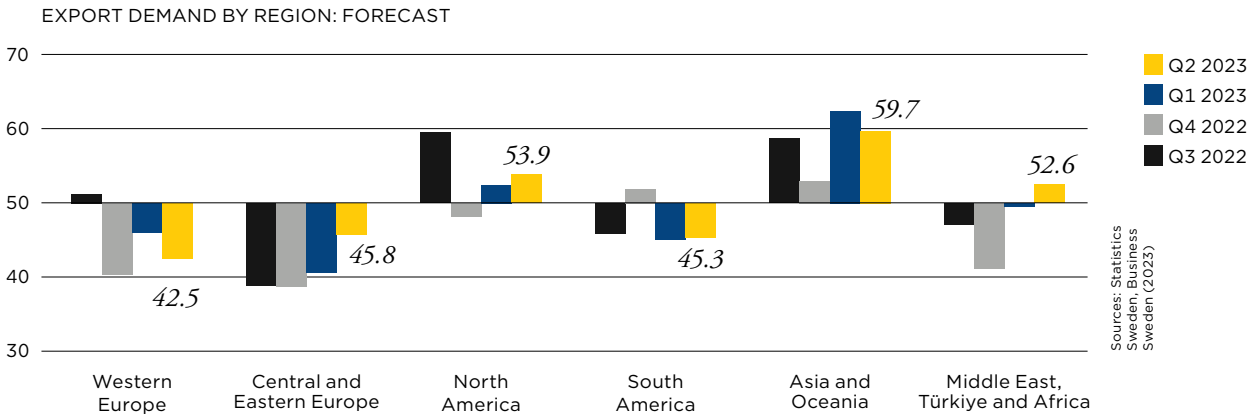
## RETURN TO OPTIMISTIC VIEWS OF EXPORT ORDER STOCKS



Following a plummeting result in the previous survey, the index for export order stocks recovered well in the second quarter. The index rose by 7.2 points to 55.2, from 48.0 in the first quarter, and is now above the historical average of 50.2 for the

period 2007–2023. The fact that the index is above 50 indicates that more export companies are satisfied with their export order stocks than vice versa.

## DIVIDED VIEWS OF EXPECTED EXPORT DEMAND FROM THE REGIONS

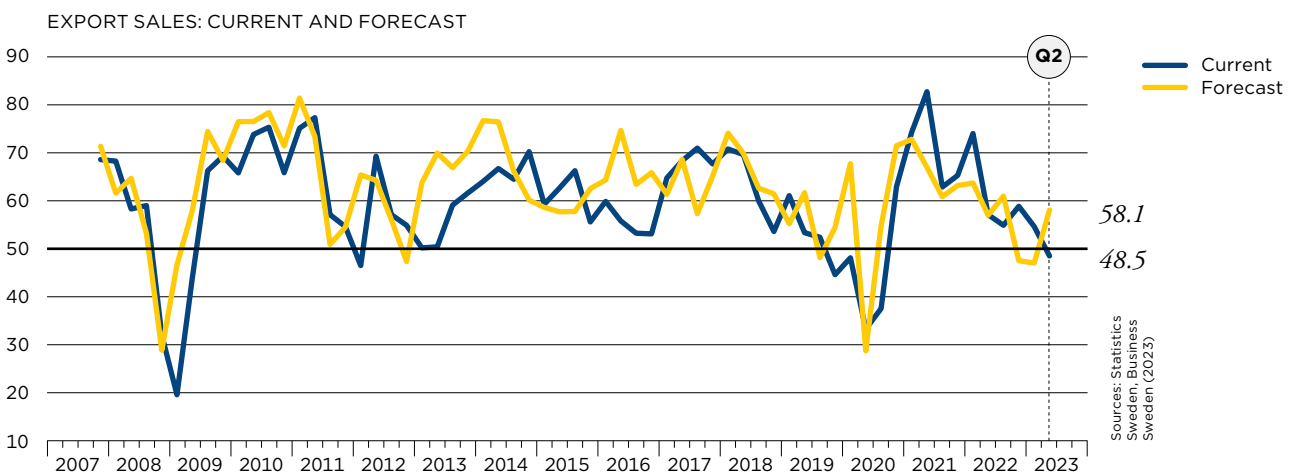


While the change in the index for expected export demand from the various regions was relatively moderate, views were nonetheless divided. The subindices for expected export demand from Western Europe and Asia fell back somewhat in the second quarter. In contrast, the indices for expected export demand from Central and Eastern Europe, North America, South America as well as the Middle East, Türkiye and Africa increased.

In all, we can observe that the index for expected

export demand remains above the 50-mark for North America and Asia. The same applies to the index for expected export demand from the Middle East, Türkiye and Africa. This indicates that export companies have an optimistic view of demand from these regions. The indices for Western Europe, Central and Eastern Europe and South America are below the 50-mark which signals that export companies have a gloomy view of export demand from these regions.

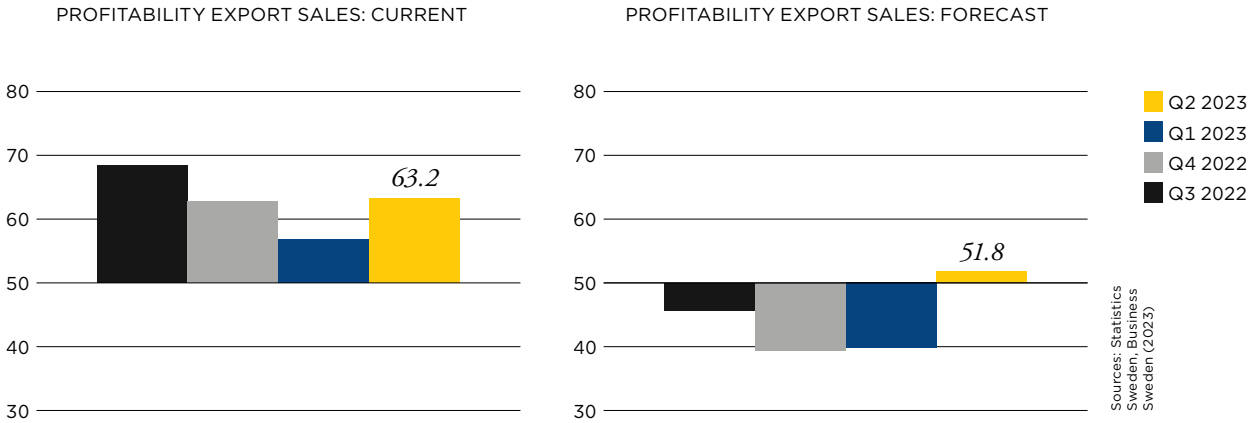
## STRONG REBOUND IN VIEWS OF EXPECTED EXPORT SALES



The index reflecting views of current export sales continued to fall in the second quarter, by 6.2 points to 48.5 from 54.7 in the first quarter. Conversely, the index for expected export demand in the next three months jumped by no less than 11.1 points to 58.1 in the second quarter, from 47.0 the previous quarter.

The fact that the index for current export sales dropped slightly below the 50-mark indicates that companies have a more dampened view of the current situation. However, the sharp rise in the subindex for expected export demand in the next three months to well above 50 indicates that companies are clearly optimistic about the future.

## SHARP UPTICK IN VIEWS OF THE PROFITABILITY OF EXPORT SALES

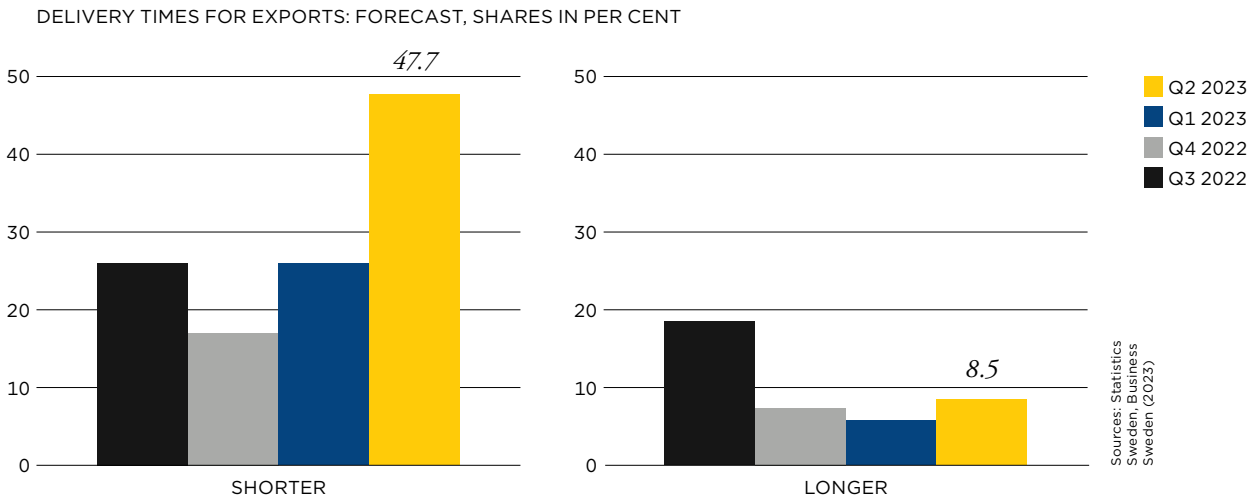


The companies' assessment of the profitability of export sales in the next three months was particularly positive. The current index for profitability of export sales rose by 6.4 points to 63.2 in the second quarter, from 56.8 in the first quarter. This means that the index is above its historical average of 58.0 for the period 2007–2023. The index reflecting views of profitability of export sales in

the next three months jumped by as much as 12 points to 51.8 in the second quarter, from a low level of 39.8 in the first quarter.

Both the current and forecast subindices for the profitability of export sales are now above the 50-mark. In all, this indicates that companies have an optimistic view of the profitability of exports sales today as well as for the foreseeable future.

## AROUND HALF OF EXPORT COMPANIES EXPECT SHORTER DELIVERY TIMES



The share of export companies expecting longer delivery times for their exports over the next three months increased by 2.7 percentage points to 8.5 per cent in the second quarter, from 5.8 per cent in the first quarter. At the same time, the share of companies expecting shorter delivery times for their exports increased markedly by no less than 21.7 percentage points to 47.7 per cent

in the second quarter, from 26.0 per cent the previous quarter.

The fact that the share of companies expecting shorter delivery times for exports in the next three months increased could be an indication that disruption in supply chains has abated. But it could also reflect that activity is slowing down in the economy (reduced resource utilisation).

## ABOUT BUSINESS SWEDEN'S EXPORT MANAGERS' INDEX

Business Sweden's Export Managers' Index (EMI) has been published quarterly since 2007. The EMI takes the temperature of Swedish export companies and serves as an important economic indicator in relation to Swedish exports.

The survey is carried out by Statistics Sweden. Respondents are export managers or persons with a corresponding position in Swedish export companies. The survey covers a total of 225 companies, of which 125 have export sales of more than SEK 250 million (large companies) and 100 have export sales of SEK 25–250 million (small and medium-sized companies). The EMI is based on information from the VAT register and includes exports of both goods and services.

The Export Managers' Index consists of two parts; one main index and two subindices of which one describes the current situation and the other describes expectations for the near future. The EMI result is based on the answers to seven questions where three focus on the current situation and four are forward-looking. The seven questions carry equal weight in the survey.

The survey for the second quarter 2023 was conducted during the period 14 April – 5 May. The results are presented in the form of a so-called diffusion index. The dividing line between strengthening and weakening has been set at 50. Values above 50 mean that there are more companies that believe in a strengthening than a weakening, and vice versa. The result is weighted with the companies' export value. The response rate for the second quarter survey amounted to 78 per cent (weighted).

The National Institute of Economic Research has evaluated the EMI in order to assess its usefulness for forecasting export development. The result shows that the EMI offers information that increases forecasting precision compared to the historical average. This means that EMI is useful for this purpose (see [www.tinyurl.com/l8bjmx](http://www.tinyurl.com/l8bjmx)).

Questions asked:

### *EMI current*

- What is your estimate of your company's export sales over the last three months?
- What is your estimate of your company's export order stock?
- What is your estimate of your company's current export profitability?

### *EMI forecast, next three months*

- How do you think market demand for your company's exports will develop over the next three months?
- How do you think your company's export sales will develop over the next three months?
- How do you think your company's profitability in export sales will develop over the next three months?
- How do you think your company's export delivery times will develop over the next three months?

Answers to all these questions form the basis for the main EMI.

# APPENDIX

## DATA: WEIGHTED TIME SERIES

INDICATOR	SELECTION	Q1 2023	Q2 2023	DIFF Q2 23 - Q1 23	
<b>1. EMI total</b>	<b>Total</b>	<b>47.6</b>	<b>52.2</b>	<b>4.6</b>	<b>↗</b>
1. EMI total	MSEK 25-250	52.8	49.0	-3.8	↘
1. EMI total	>MSEK 250	47.2	52.5	5.3	↗
<b>2. EMI current</b>	<b>Total</b>	<b>53.2</b>	<b>55.6</b>	<b>2.4</b>	<b>↗</b>
2. EMI current	MSEK 25-250	53.0	46.5	-6.5	↘
2. EMI current	>MSEK 250	53.2	56.4	3.2	↗
<b>3. EMI forecast</b>	<b>Total</b>	<b>42.1</b>	<b>48.9</b>	<b>6.8</b>	<b>↗</b>
3. EMI forecast	MSEK 25-250	52.7	51.4	-1.3	↘
3. EMI forecast	>MSEK 250	41.3	48.6	7.3	↗

INDICATOR CURRENT	SELECTION	Q1 2023	Q2 2023	DIFF Q2 23 - Q1 23	
Question 1 - Export sales	Total	54.7	48.5	-6.2	↘
Question 1 - Export sales	MSEK 25-250	56.1	47.9	-8.2	↘
Question 1 - Export sales	>MSEK 250	54.5	48.6	-5.9	↘
Question 2 - Export order stock	Total	48.0	55.2	7.2	↗
Question 2 - Export order stock	MSEK 25-250	45.5	36.8	-8.7	↘
Question 2 - Export order stock	>MSEK 250	48.2	56.8	8.6	↗
Question 3 - Export profitability	Total	56.8	63.2	6.4	↗
Question 3 - Export profitability	MSEK 25-250	57.6	54.9	-2.7	↘
Question 3 - Export profitability	>MSEK 250	56.7	63.9	7.2	↗

INDICATOR FORECAST	SELECTION	Q1 2023	Q2 2023	DIFF Q2 23 - Q1 23	
Question 4 - Export market demand	Total	41.6	55.2	13.6	↗
Question 4 - Export market demand	MSEK 25-250	54.5	54.9	0.4	→
Question 4 - Export market demand	>MSEK 250	40.6	55.2	14.6	↗
Question 4a - Western Europe	Total	46.1	42.5	-3.6	↘
Question 4a - Western Europe	MSEK 25-250	54.1	51.6	-2.5	↘
Question 4a - Western Europe	>MSEK 250	45.5	41.8	-3.7	↘
Question 4b - Central & Eastern Europe	Total	40.7	45.8	5.1	↗
Question 4b - Central & Eastern Europe	MSEK 25-250	41.5	47.5	6.0	↗
Question 4b - Central & Eastern Europe	>MSEK 250	40.6	45.6	5.0	↗
Question 4c1 - North America	Total	52.5	53.9	1.4	↗
Question 4c1 - North America	MSEK 25-250	61.4	59.8	-1.6	↘
Question 4c1 - North America	>MSEK 250	52.0	53.5	1.5	↗
Question 4c2 - South America	Total	45.1	45.3	0.2	→
Question 4c2 - South America	MSEK 25-250	41.7	48.2	6.5	↗
Question 4c2 - South America	>MSEK 250	45.2	45.2	0.0	→
Question 4d - Asia & Oceania	Total	62.5	59.7	-2.8	↘
Question 4d - Asia & Oceania	MSEK 25-250	51.2	59.6	8.4	↗
Question 4d - Asia & Oceania	>MSEK 250	63.1	59.7	-3.4	↘
Question 4e - Middle East, Türkiye & Africa	Total	49.5	52.6	3.1	↗
Question 4e - Middle East, Türkiye & Africa	MSEK 25-250	47.0	50.0	3.0	↗
Question 4e - Middle East, Türkiye & Africa	>MSEK 250	49.6	52.7	3.1	↗
Question 5 - Export sales	Total	47.0	58.1	11.1	↗
Question 5 - Export sales	MSEK 25-250	54.5	53.5	-1.0	→
Question 5 - Export sales	>MSEK 250	46.4	58.4	12.0	↗
Question 6 - Export profitability	Total	39.8	51.8	12.0	↗
Question 6 - Export profitability	MSEK 25-250	51.5	50.7	-0.8	→
Question 6 - Export profitability	>MSEK 250	38.9	51.9	13.0	↗
Question 7 - Export profitability	Total	39.9	30.4	-9.5	↘
Question 7 - Export profitability	MSEK 25-250	50.0	46.5	-3.5	↘
Question 7 - Export profitability	>MSEK 250	39.1	29.0	-10.1	↘

↗ =  $\Delta > +1.0$     → =  $\Delta \leq \pm 1.0$     ↘ =  $\Delta < -1.0$





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