



BLEAK VIEWS OF CURRENT EXPORTS

EXPORT MANAGERS' INDEX
Fourth quarter 2024

EXECUTIVE SUMMARY

Business Sweden's Export Manager's Index (EMI) continued to retreat in the fourth quarter. EMI fell by 1.6 points to 48.8 in the fourth quarter, from 50.4 in the third quarter. The fact that the index is below the 50-mark – the dividing line between optimism and pessimism – indicates that more export companies have a gloomy outlook on export development.

That said, the decline in EMI was entirely driven by dampened assessments of current export performance. The EMI current subindex fell by 3.6 points to 47.0 in the fourth quarter, from 50.6 in the previous quarter. Conversely, the subindex for the forward-looking issues – EMI forecast – rose slightly by 0.4 points to 50.6 in the fourth quarter, from 50.2 in the third quarter. The fact that the EMI current subindex fell below the 50-mark signals that export managers have a gloomy view of current performance. EMI forecast rose slightly and is above the 50-mark, indicating that companies are cautiously optimistic about future prospects.

Unlike the previous survey when all subindices fell, this survey shows a mixed outcome. Swedish export managers are clearly troubled by current export performance – as all subindices reflecting views of the current situation took a hit in the fourth quarter. The sharpest drop was seen in the indices reflecting views of current export sales and the profitability of current export sales. Both subindices fell just below the 50-mark. The index for export order stocks tumbled to 39.1 points.

Nonetheless, export companies have greater confidence when assessing the future. The index reflecting views of profitability of export sales in the next three months rose by 4.3 points to 53.5 in the fourth quarter, from 49.2 in the third quarter. The forecast index for expected export sales fell slightly but remains high at 60.0, indicating strong optimistic sentiment.

A mixed development can be observed when looking at the various export regions. In the previous survey, we saw a sharp decline in the index for expected export demand from Asia. But this drop appears to have been temporary as the index made a significant recovery in the fourth quarter. The index for expected export demand from Asia jumped by 12.5 points to 57.8 in the fourth quarter, from 45.3 in the previous quarter. China's announcement of an extensive stimulus package to tackle the country's slowing economic growth likely contributed to the rise. The indices for expected export demand from North America and Central and Eastern Europe both increased in the fourth quarter, while the indices for South America and the Middle East, Türkiye and Africa fell slightly. The most surprising result in the survey was the drop in the index for expected export demand from Western Europe, which plunged by 8.8 points to 42.3 in the fourth quarter, from 51.1 in the third quarter. This indicates that export companies have a gloomy view of demand from Western Europe.

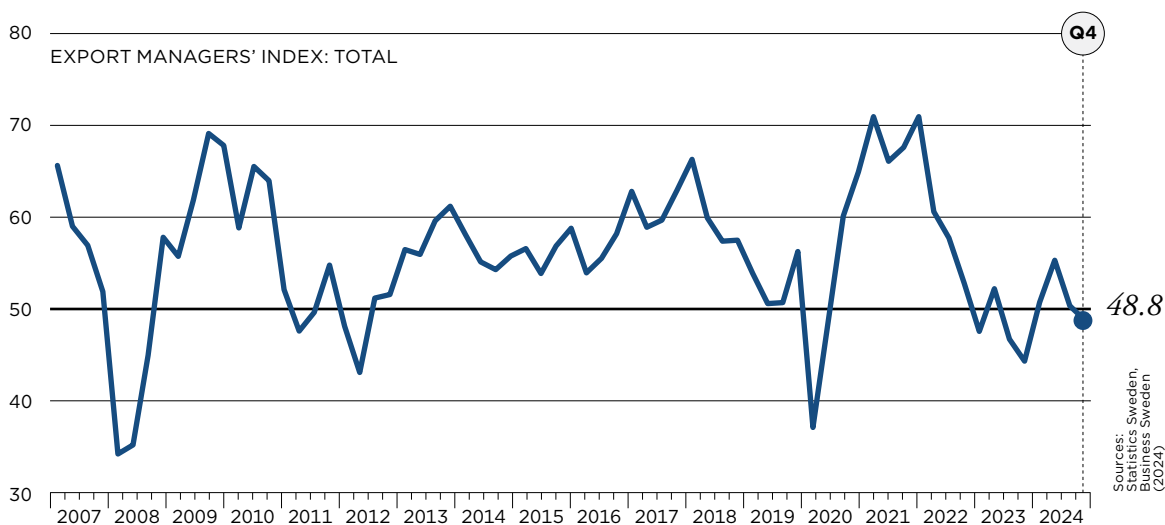
Overall, the fourth quarter survey shows that export companies have a gloomy view of current export performance but are cautiously optimistic when assessing the future. Concerns about the performance of Asian markets, which were evident in the previous survey, seem to have subsided. But it is worrying that export companies take a gloomy view of demand from Western Europe as this is the most important export region for Swedish companies. Let's hope it is no more than a temporary dip.

Lena Sellgren
Chief Economist



CONTINUED DECLINE IN EXPORT MANAGERS' INDEX

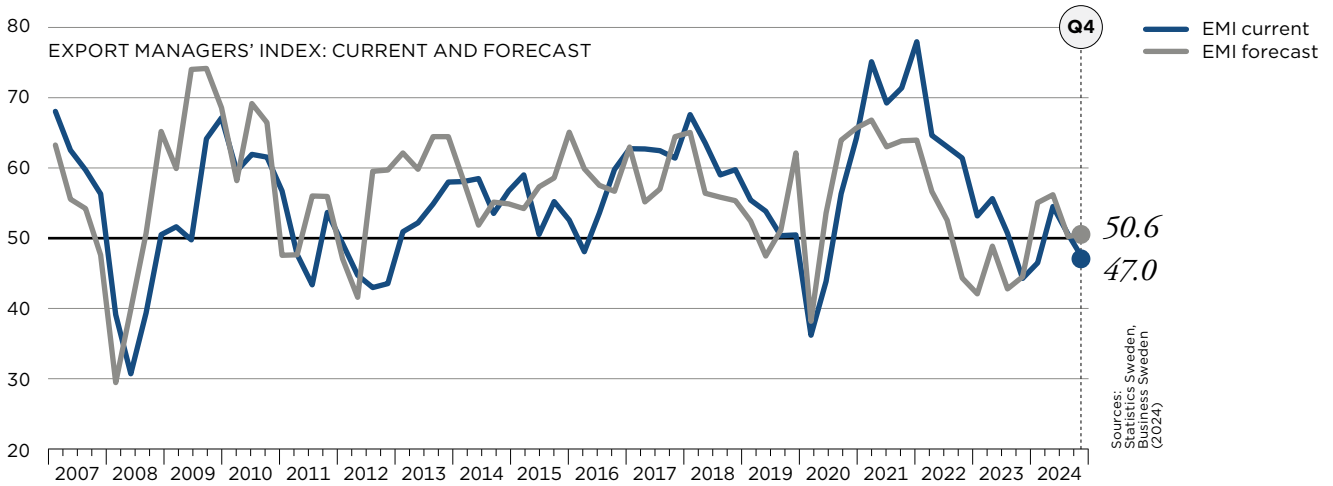
EXPORT MANAGERS' INDEX (EMI) RETREATED AGAIN IN THE FOURTH QUARTER



Business Sweden's Export Managers' Index, which monitors views and reflects sentiment among Swedish exporters of goods and services, retreated again in the fourth quarter. EMI fell by 1.6 points to 48.8 in the fourth quarter, from 50.4 in the third quarter.

The fact that EMI is below the 50-mark – the dividing line between optimism and pessimism – means that more export companies believe in a weakening of export development than vice versa. This means that export managers have shifted from dampened optimism to a pessimistic view of export development.

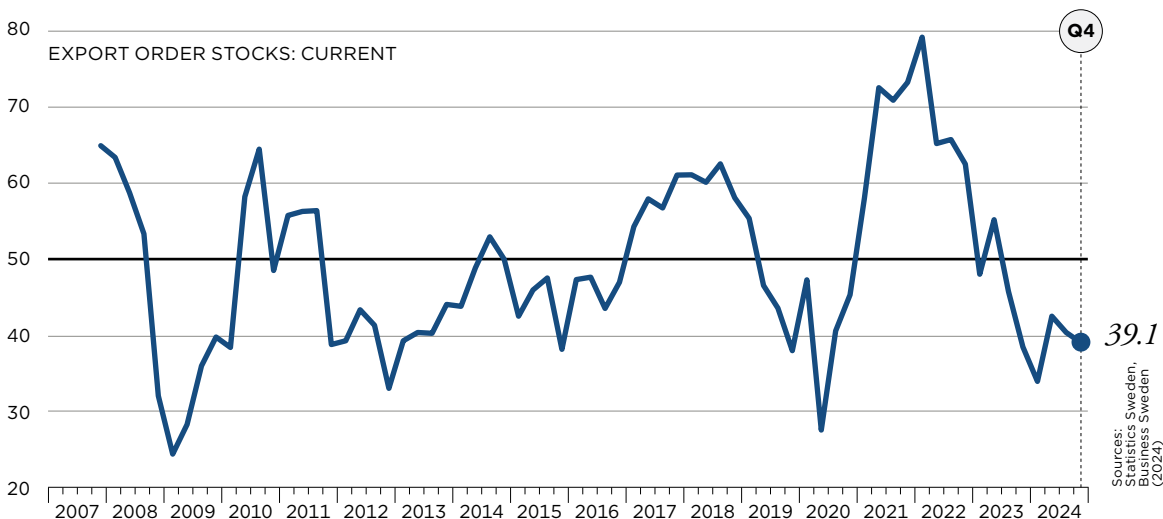
VIEWS OF CURRENT EXPORT PERFORMANCE DRIVE EMI DECLINE



The decline in EMI was driven by views of current export performance in the fourth quarter. The EMI current subindex fell by 3.6 points to 47.0 in the fourth quarter, from 50.6 in the third quarter. EMI forecast – the subindex for the forward-looking issues – rose marginally by 0.4 points to 50.6 in the fourth quarter, from 50.2 in the third quarter.

The fact that the EMI current subindex fell below the 50-mark signals that more export companies have adopted a gloomy view of current export performance. Conversely, the fact that the EMI forecast subindex rose slightly and remains just above the 50-mark indicates that export companies are cautiously optimistic about export development in the next three months.

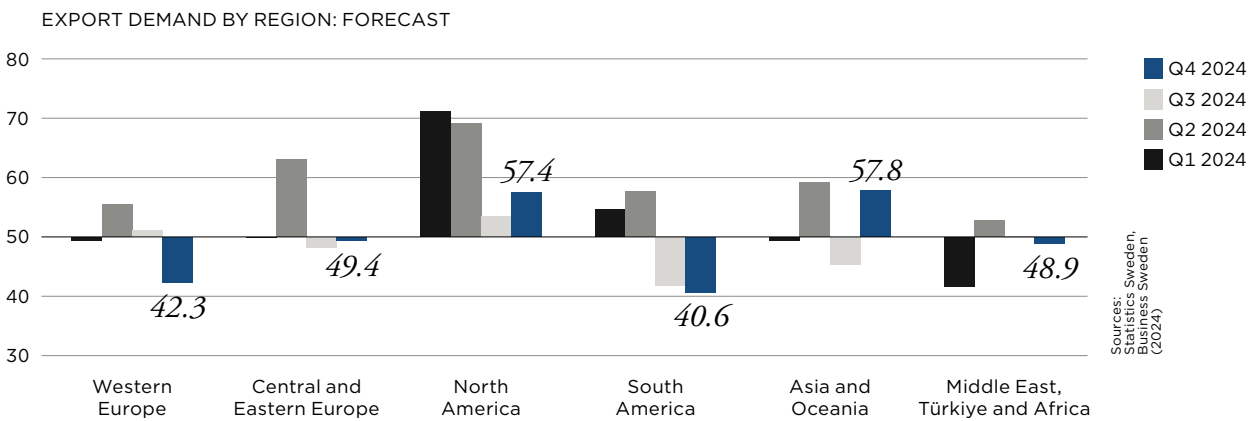
GLOOMY VIEWS OVERALL FOR EXPORT ORDER STOCKS



The index reflecting views of export order stocks continued to decline in the fourth quarter, falling by 1.3 points to 39.1 in the fourth quarter, from

40.4 in the third quarter. The fact that the index is well below 50 indicates that export companies are dissatisfied with export order stocks.

SHARP DROP IN EXPECTED EXPORT DEMAND FROM WESTERN EUROPE, WHILE ASIA BOUNCES BACK



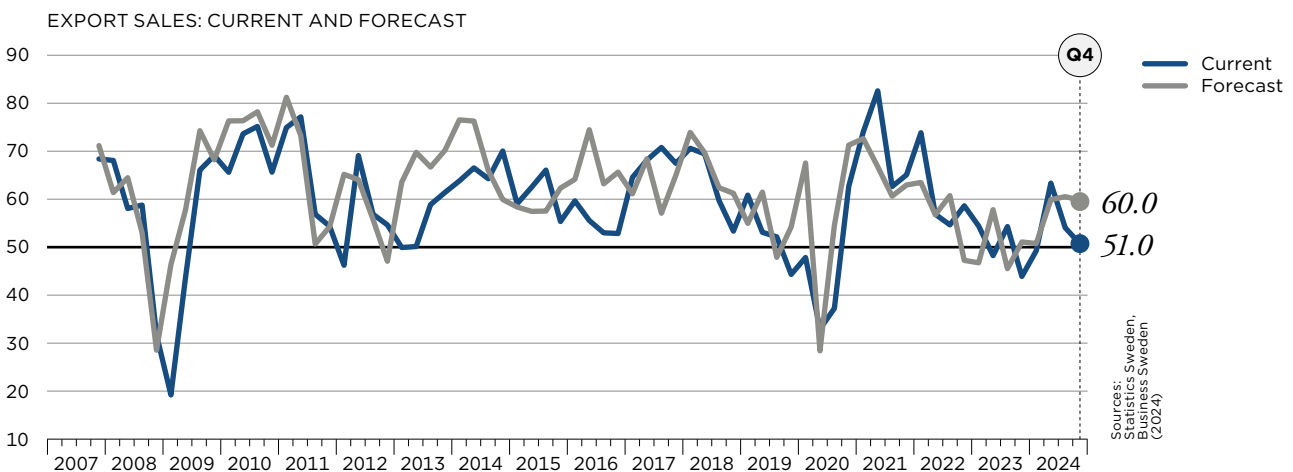
A mixed development can be observed in the index for expected export demand from the various regions in the fourth quarter. The index for expected export demand from Western Europe continued to drop and plummeted by 8.8 points to 42.3 in the fourth quarter, from 51.1 in the previous quarter. The index for Central and Eastern Europe rose slightly by 1.1 points to 49.4 in the fourth quarter, from 48.3 in the third quarter. The index for North America increased by 4.0 points to 57.4 in the fourth quarter, from 53.4 in the third quarter. The index for South America fell by 1.1 points to 40.6 in the fourth quarter, from a low of 41.7 in the previous quarter.

The index for expected export demand from Asia recovered and jumped by 12.5 points to 57.8 in the fourth quarter, from 45.3 in the third quarter.

The index for the Middle East, Türkiye and Africa fell slightly again by 0.9 points to 48.9 in the fourth quarter, from 49.8 in the third quarter.

Overall, we can observe that the index for expected export demand is well below the 50-mark for Western Europe and South America, indicating that export companies have a pessimistic view of demand from these regions. The index is just below the 50-mark for Central and Eastern Europe as well as the Middle East, Türkiye and Africa, signalling that export companies have a somewhat dampened outlook. However, the indices for both North America and Asia are slightly above 57, indicating that export companies are optimistic about demand from these two regions.

CONTINUED OPTIMISTIC VIEWS OF EXPORT SALES

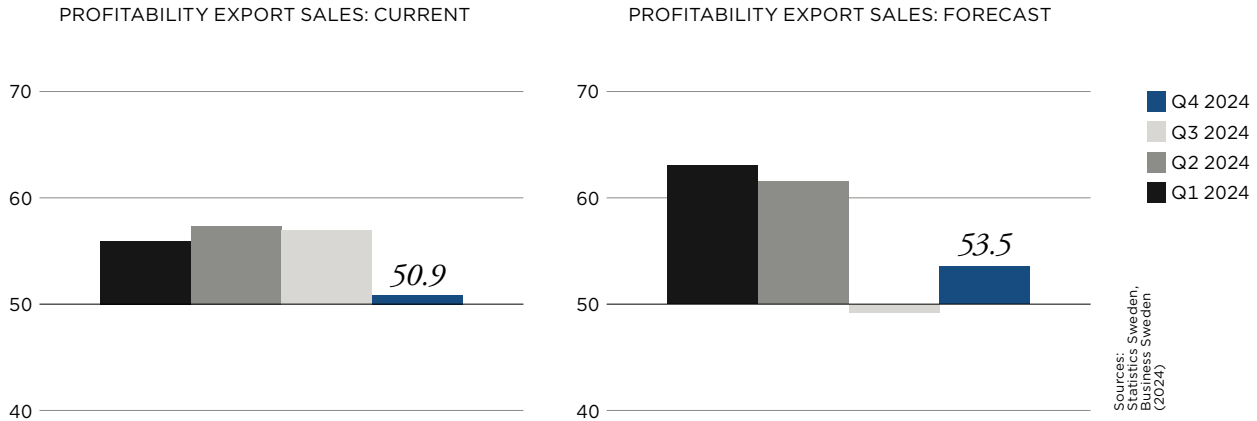


The index reflecting views of current export sales continued to fall and a slight decline could also be seen in the three-month forecast. The index for current sales performance fell by 3.3 points to 51.0 in the fourth quarter, from 54.3 in the third quarter. The index for export sales in the next three months fell by 0.7 points to 60.0 in the fourth

quarter, from 60.7 in the previous quarter.

The fact that the current subindex for export sales remains above the 50-mark indicates that export companies are cautiously optimistic. The forecast subindex remains well above the 50-mark, which indicates that export companies have an optimistic view of export sales when looking ahead.

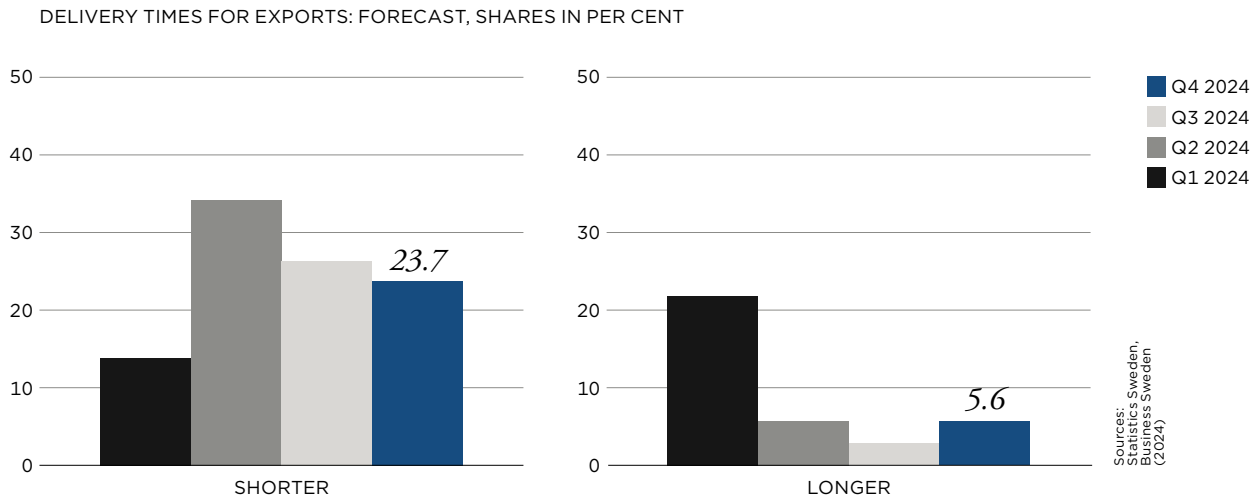
OPTIMISTIC VIEWS OF EXPECTED PROFITABILITY OF EXPORT SALES



The index reflecting companies' views of the profitability of current export sales fell by 6.1 points to 50.9 in the fourth quarter, from 57.0 in the third quarter. At the same time, the index for the three-month forecast rose by 4.3 points to 53.5 in the fourth quarter, from 49.2 in the third quarter.

The fact that the current subindex for the profitability of export sales is just above the 50-mark indicates that companies have a cautiously optimistic view at present. However, the uptick in the index for the three-month outlook to well above the 50-mark indicates that companies are optimistic about the profitability of export sales when assessing the future.

MORE COMPANIES EXPECT LONGER DELIVERY TIMES



The share of export companies expecting longer delivery times for exports in the next three months increased by 2.8 percentage points to 5.6 per cent in the fourth quarter, from 2.8 per cent in the third quarter. Conversely, the share of companies expecting shorter delivery times for exports shrank by 2.6 percentage points to 23.7 per

cent in the fourth quarter, from 26.3 per cent in the third quarter.

In all, the fourth quarter survey shows that a larger share of companies expect longer delivery times. But the share of companies expecting unchanged delivery times still remains at around 70 per cent.

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 fourth quarter 2024 was conducted during the period 10 October to 1 November. 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 in the fourth quarter survey 2024 amounted to 86 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/l8ebjmx).

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.

NEXT EXPORT
MANAGERS' INDEX



APPENDIX

DATA: WEIGHTED TIME SERIES

INDICATOR	SELECTION	Q3 2024	Q4 2024	DIFF Q4 24 - Q3 24	
1. EMI total	Total	50.4	48.8	-1.6	
1. EMI total	MSEK 25-250	52.1	53.0	0.9	
1. EMI total	>MSEK 250	50.3	48.6	-1.7	
2. EMI current	Total	50.6	47.0	-3.6	
2. EMI current	MSEK 25-250	49.7	48.9	-0.8	
2. EMI current	>MSEK 250	50.6	46.9	-3.7	
3. EMI forecast	Total	50.2	50.6	0.4	
3. EMI forecast	MSEK 25-250	54.5	57.1	2.6	
3. EMI forecast	>MSEK 250	50.0	50.2	0.2	

INDICATOR CURRENT	SELECTION	Q3 2024	Q4 2024	DIFF Q4 24 - Q3 24	
Question 1 - Export sales	Total	54.3	51.0	-3.3	
Question 1 - Export sales	MSEK 25-250	51.9	52.6	0.7	
Question 1 - Export sales	>MSEK 250	54.4	50.9	-3.5	
Question 2 - Export order stock	Total	40.4	39.1	-1.3	
Question 2 - Export order stock	MSEK 25-250	37.7	39.7	2.0	
Question 2 - Export order stock	>MSEK 250	40.5	39.1	-1.4	
Question 3 - Export profitability	Total	57.0	50.9	-6.1	
Question 3 - Export profitability	MSEK 25-250	59.4	54.3	-5.1	
Question 3 - Export profitability	>MSEK 250	56.9	50.8	-6.1	

INDICATOR FORECAST	SELECTION	Q3 2024	Q4 2024	DIFF Q4 24 - Q3 24	
Question 4 - Export market demand	Total	52.6	47.8	-4.8	
Question 4 - Export market demand	MSEK 25-250	58.5	62.1	3.6	
Question 4 - Export market demand	>MSEK 250	52.3	47.1	-5.2	
Question 4a - Western Europe	Total	51.1	42.3	-8.8	
Question 4a - Western Europe	MSEK 25-250	53.8	54.5	0.7	
Question 4a - Western Europe	>MSEK 250	51.0	41.7	-9.3	
Question 4b - Central & Eastern Europe	Total	48.3	49.4	1.1	
Question 4b - Central & Eastern Europe	MSEK 25-250	53.6	47.8	-5.8	
Question 4b - Central & Eastern Europe	>MSEK 250	48.0	49.5	1.5	
Question 4c1 - North America	Total	53.4	57.4	4.0	
Question 4c1 - North America	MSEK 25-250	60.6	68.4	7.8	
Question 4c1 - North America	>MSEK 250	53.2	57.0	3.8	
Question 4c2 - South America	Total	41.7	40.6	-1.1	
Question 4c2 - South America	MSEK 25-250	64.3	65.9	1.6	
Question 4c2 - South America	>MSEK 250	41.1	40.0	-1.1	
Question 4d - Asia & Oceania	Total	45.3	57.8	12.5	
Question 4d - Asia & Oceania	MSEK 25-250	60.0	55.6	-4.4	
Question 4d - Asia & Oceania	>MSEK 250	44.7	57.8	13.1	
Question 4e - Middle East, Türkiye & Africa	Total	49.8	48.9	-0.9	
Question 4e - Middle East, Türkiye & Africa	MSEK 25-250	50.0	50.0	0.0	
Question 4e - Middle East, Türkiye & Africa	>MSEK 250	49.8	48.8	-1.0	
Question 5 - Export sales	Total	60.7	60.0	-0.7	
Question 5 - Export sales	MSEK 25-250	57.5	62.9	5.4	
Question 5 - Export sales	>MSEK 250	60.9	59.9	-1.0	
Question 6 - Export profitability	Total	49.2	53.5	4.3	
Question 6 - Export profitability	MSEK 25-250	53.8	53.4	-0.4	
Question 6 - Export profitability	>MSEK 250	49.0	53.5	4.5	
Question 7 - Export profitability	Total	38.2	41.0	2.8	
Question 7 - Export profitability	MSEK 25-250	48.1	50.0	1.9	
Question 7 - Export profitability	>MSEK 250	37.7	40.5	2.8	

= $\Delta > +1.0$ = $\Delta \leq \pm 1.0$ = $\Delta < -1.0$



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BUSINESS SWEDEN Box 240, SE-101 24 Stockholm, Sweden
World Trade Center, Klarabergsviadukten 70
T +46 8 588 660 00 info@business-sweden.com
www.business-sweden.com