



## Deceleration of new orders - high resource utilization

**The inflow of new orders continue to grow during the second quarter but decelerates compared to the very strong first quarter. Orders to the metal goods sector, transport equipment and electrical engineering are not growing as extensively as in the first quarter. In contrast, demand continues to improve for the industry of machinery and equipment. The current assessment of capacity utilization, order stocks and shortage of labour are all on a higher level compared with the first quarter.**

The net balance of new orders reached +22 compared to +50 in the previous quarter. New orders from the export market decelerated the most. Growth of new orders for the transport equipment industry drops rather extensively after two consecutive quarters of acceleration. However, firms are more satisfied with the order stock compared to the previous quarter. New orders for suppliers to the motor car industry are also growing at lower rate than in the first quarter. But slightly above half of the companies report the order stock as above normal, the highest figure in over ten years.

New orders to machinery and equipment continue to grow and somewhat more extensively than in the first quarter. Consequently, the share of companies assessing the order stock as above normal has risen.

Electrical engineering, where orders could be highly volatile, reports unchanged inflow of new orders after a very strong first quarter. However, four out of five companies assess the order stock as above normal. Suppliers to the electrical engineering industry report further improvement in demand. Instrument engineering has a considerable increase in new orders after moderate growth in the past few quarters.

Domestic demand for metal products is still rather satisfactory, but export orders show a considerable deceleration in growth. However, the sub-sectors treatment, coating, pressing and forging report an improvement and in generally a strong business situation.

The share of respondents with full capacity utilisation increased to 50 percent, which at present is considerably higher than the average of 40 percent. Utilisation is higher in all sectors apart from transport equipment.

As business activity has been rather brisk for the past couple of quarters the share of respondents with shortage of skilled metal workers increase to 39 percent. About the same share, or 38 percent, has a shortage of engineers.

## New orders Swedish engineering industry

Net balance of opinions (increase – decrease) on previous quarter. Seas.Adj x12

	Increase	+/-0	Decrease	Net
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### > Metal goods

nov -16	23	52	26	-3
feb -17	48	46	6	42
may -17	32	54	14	18

### > Machinery and equipment.

nov -16	14	71	15	-1
feb -17	31	62	7	24
may -17	38	54	8	30

### > Suppliers to machinery

aug -16	17	58	25	-8
nov -16	42	45	13	28
feb -17	44	44	12	32

### > Suppliers to electrical engineering

nov -16	28	49	23	5
feb -17	26	60	14	12
may -17	36	56	9	27

### > Instruments

nov -16	12	85	3	9
feb -17	16	79	5	11
may -17	67	31	1	66

### > Transport equipment.

nov -16	45	50	5	39
feb -17	70	29	1	69
may -17	23	70	7	16

### > Suppliers to motor car industry

nov -16	20	49	32	-12
feb -17	67	26	6	61
may -17	53	35	13	40

### > Suppliers to construction sector

nov -16	21	67	12	8
feb -17	46	49	5	41
may -17	40	49	12	28

### > Engineering industry total

nov -16	34	54	11	23
feb -17	54	41	4	50
may -17	29	65	6	23

### > Share of respondents with skilled employees. Engineering industry total

Metal workers	Yes %	Engineers/Technicians	Yes %
feb -17	33	nov -16	34
may -17	39	feb -17	38

### > Share of respondents with full capacity utilization. Engineering industry total

	Yes %
feb -17	42
may -17	50