

# EXPORT MANAGER'S INDEX, EMI – 4th QUARTER 2011

Swedish Trade Council  
Stockholm 2011-11-17

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# EXPORT MANAGER'S INDEX

## The objective

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- EMI is an economic growth indicator for Swedish Export Demand as well as Global Demand
- Create attention for how exports and global demand are the driving forces for the Swedish economy
- Create attention for the importance of small - and middle size companies (SME) to Sweden
- Create attention for how economic growth in different regions of the world are having an impact on Sweden

# 225 COMPANIES WERE ASKED 7 QUESTIONS REGARDING THEIR EXPORT SALES. THESE QUESTIONS COMBINED FORM THE EMI INDEX

## Past and present

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1. What is your opinion about the company's export sales over the last three months?
2. What is your opinion about the size of the present export order stock?
3. What is your opinion about profitability on exports for the last three months?



These three questions form EMI Present

## Future

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4. What is your opinion about market growth for the coming three months?
5. What is your opinion about your company's export sales for the coming three months?
6. What is your opinion about profitability on exports for the coming three months?
7. What is your opinion about delivery times. Will deliveries become longer, shorter or remained unchanged?



These four questions form EMI Forecast

The interviews were performed during the period October 31-November 14. 80% of the companies responded.

# EXPORT MANAGER'S INDEX

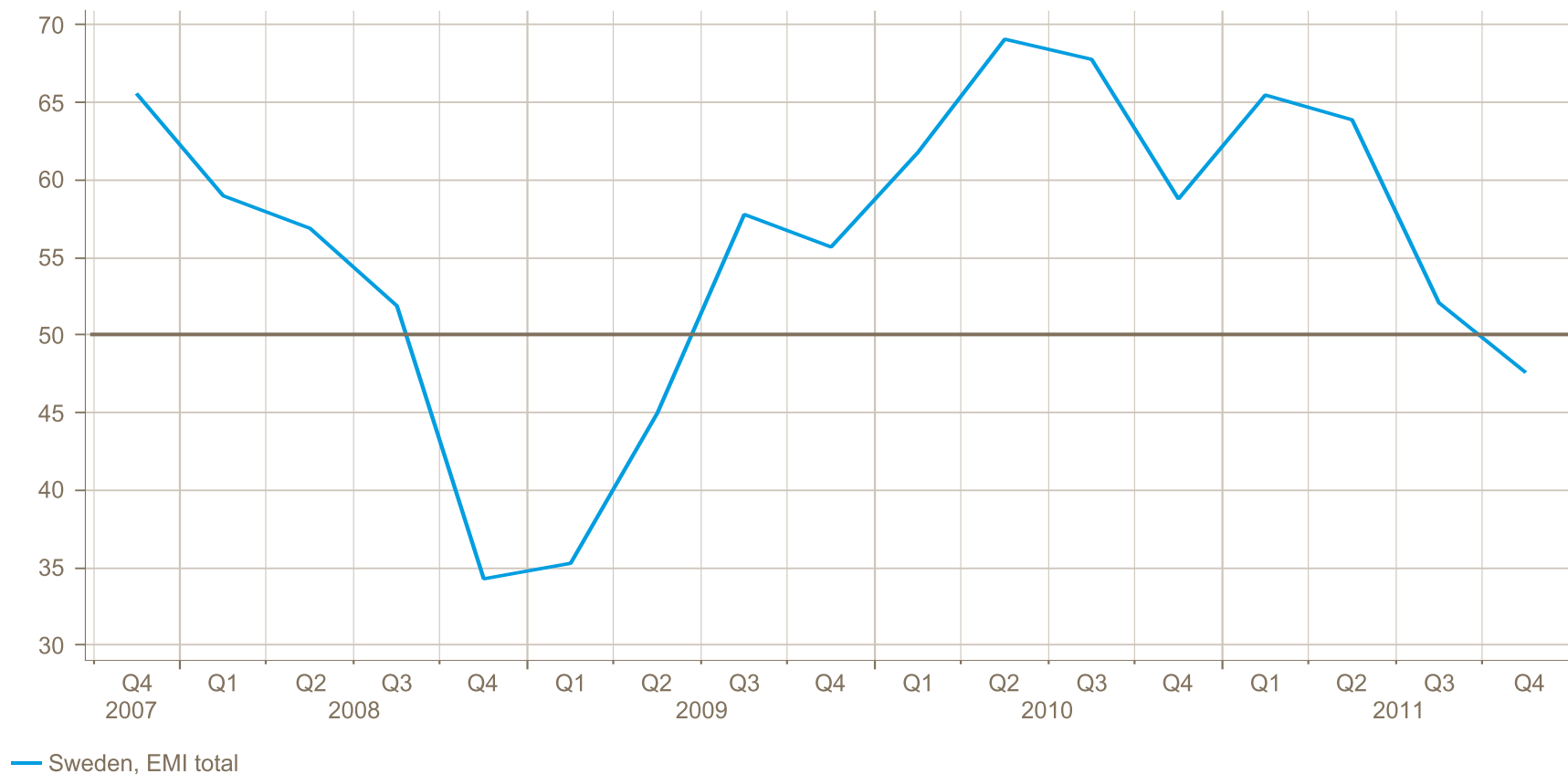
## Contents

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- The respondents are export managers in 225 companies, divided into two groups: export sales >250 msek (large) and export sales 25-250 msek (SME)
- By using the information from the VAT register, exports of goods as well as exports of services are included
- The results are presented as a diffusion index. A score over 50 shows a strengthening, below 50 a weakening.
- All results are weighed towards the companies export sales.
- Statistics Sweden has accomplished the interviews
- Project Manager for EMI is Mauro Gozzo, chief economist at the Swedish Trade Council

# EMI DECLINED TO 47.6 – AN INDICATION THAT EXPORTS MIGHT FALL

## Sweden, EMI total

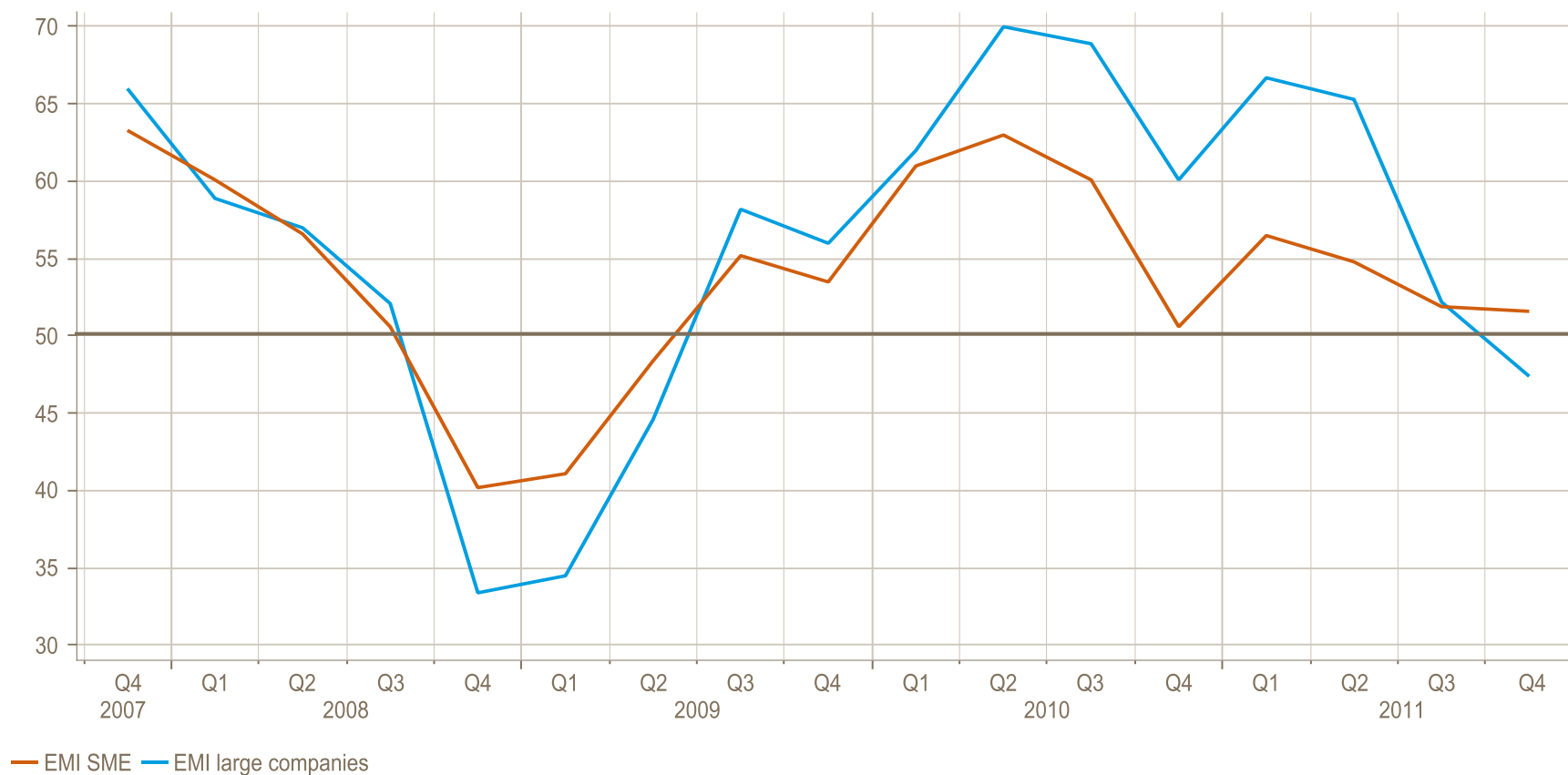


Source: Swedish Trade Council, Statistics Sweden

# EMI FOR LARGE COMPANIES IS LEADING THE DECLINE

-EMI for SMEs still over 50

## EMI large companies and SME:s

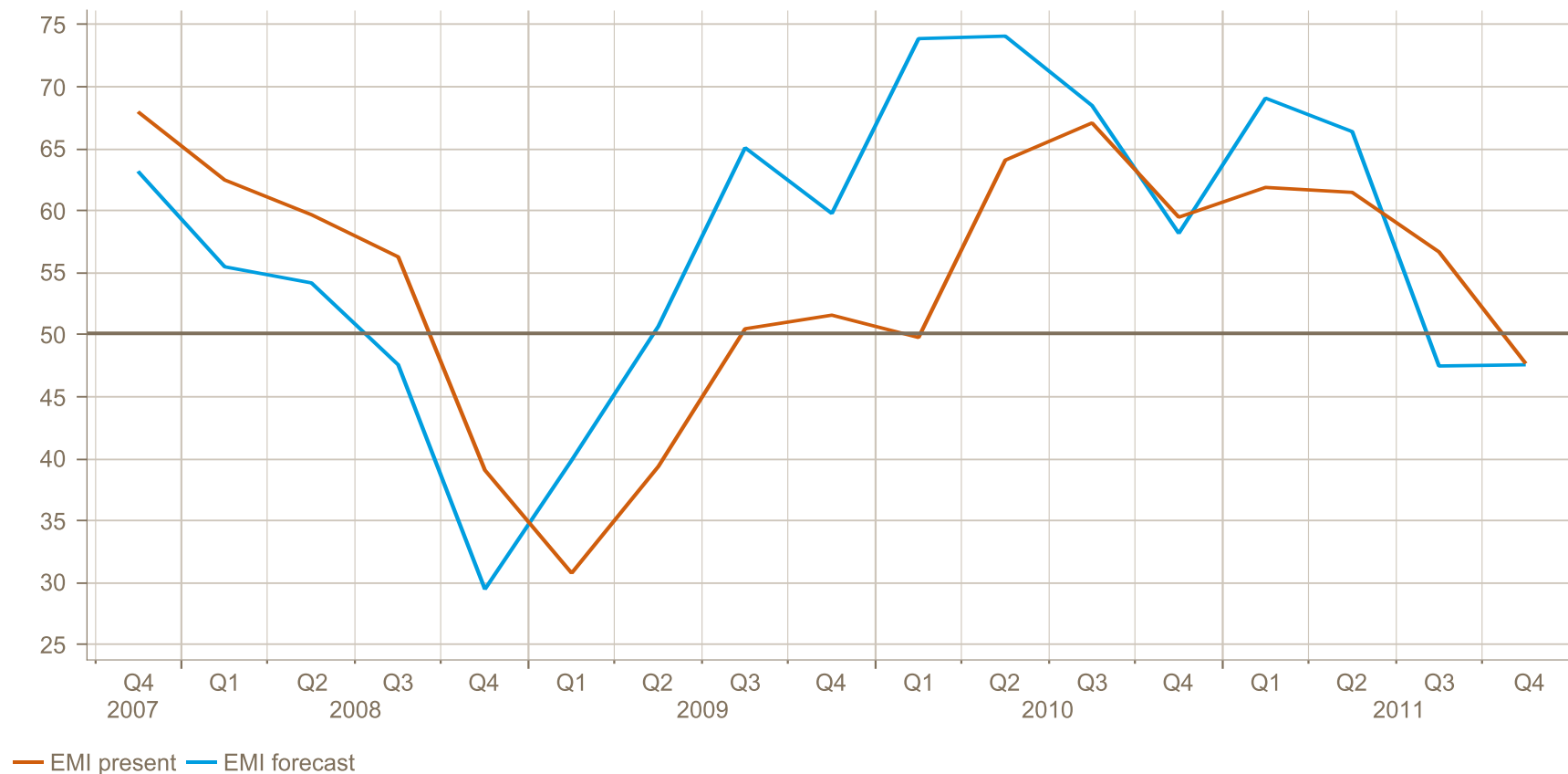


Source: Swedish Trade Council, Statistics Sweden

# EXPECTATIONS ON 3 MTH HORIZON BOTTOMED OUT

-deterioration in present outcome

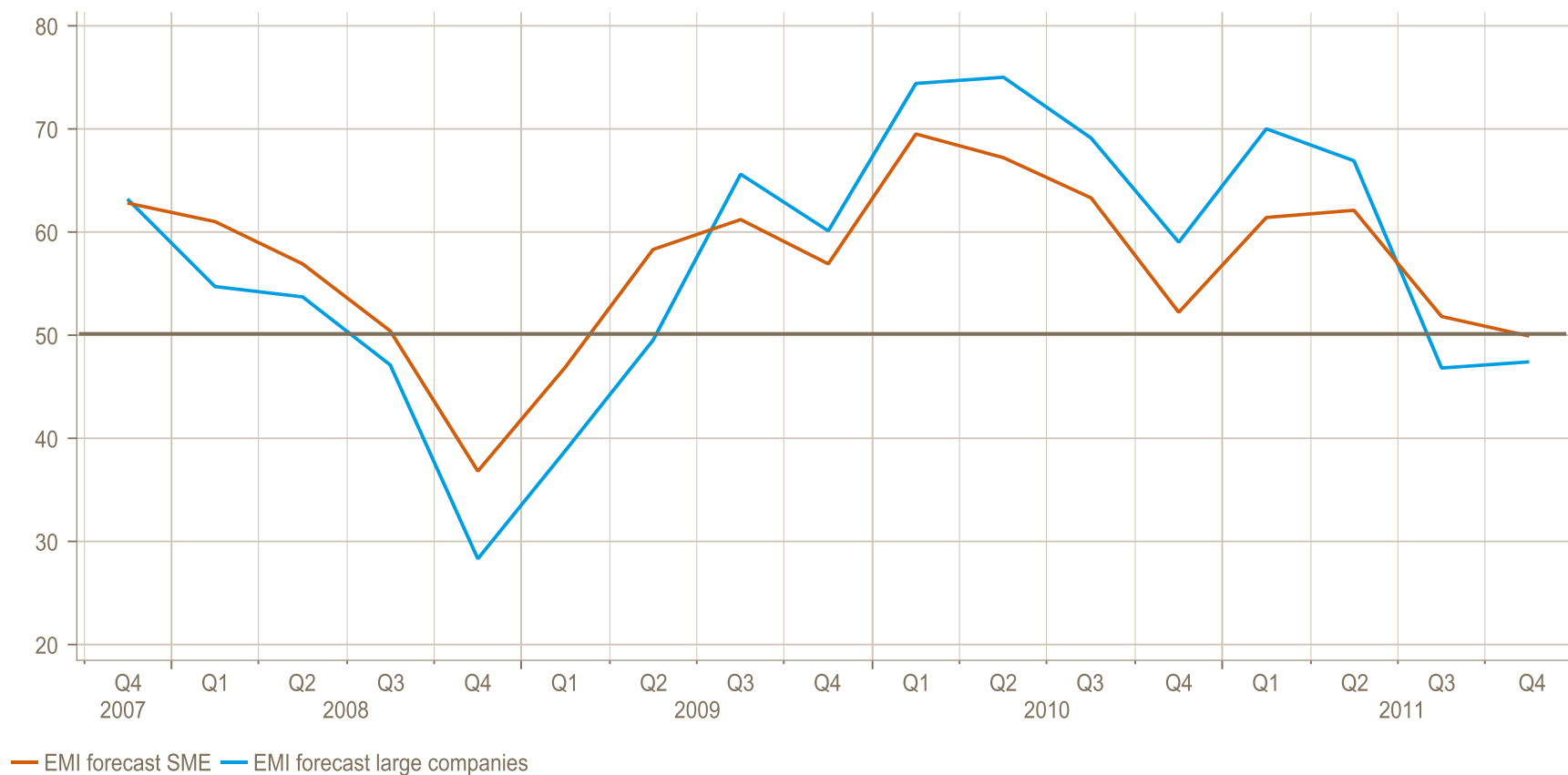
## EMI, present and forecast



Source: Swedish Trade Council, Statistics Sweden

# LARGE COMPANIES AND SME'S FORECASTS CONVERGING

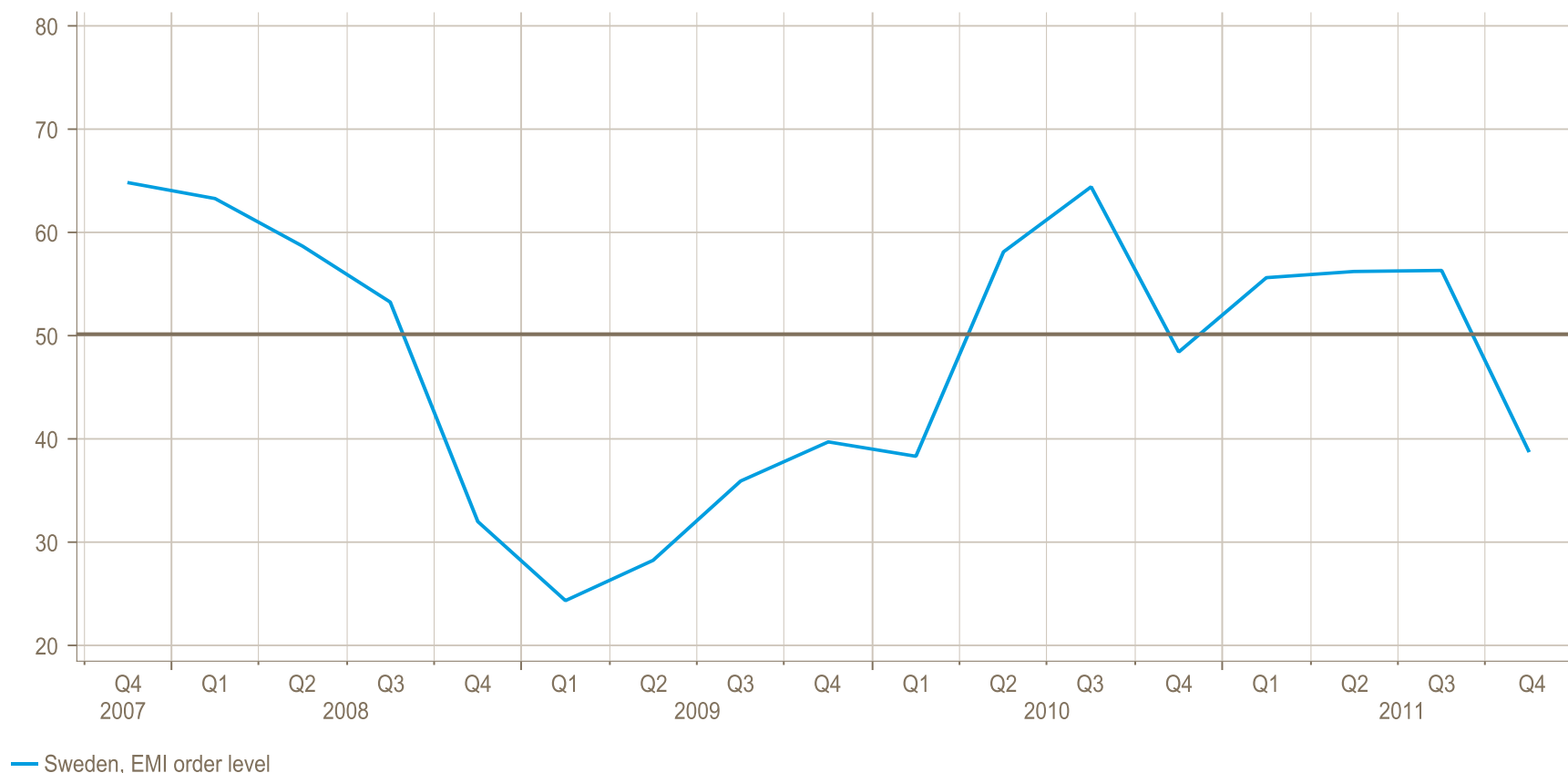
## EMI forecast – Large companies and SME



Source: Swedish Trade Council, Statistics Sweden

# JUDGEMENTS ON PRESENT ORDERS FELL STRONGLY

## EMI order level

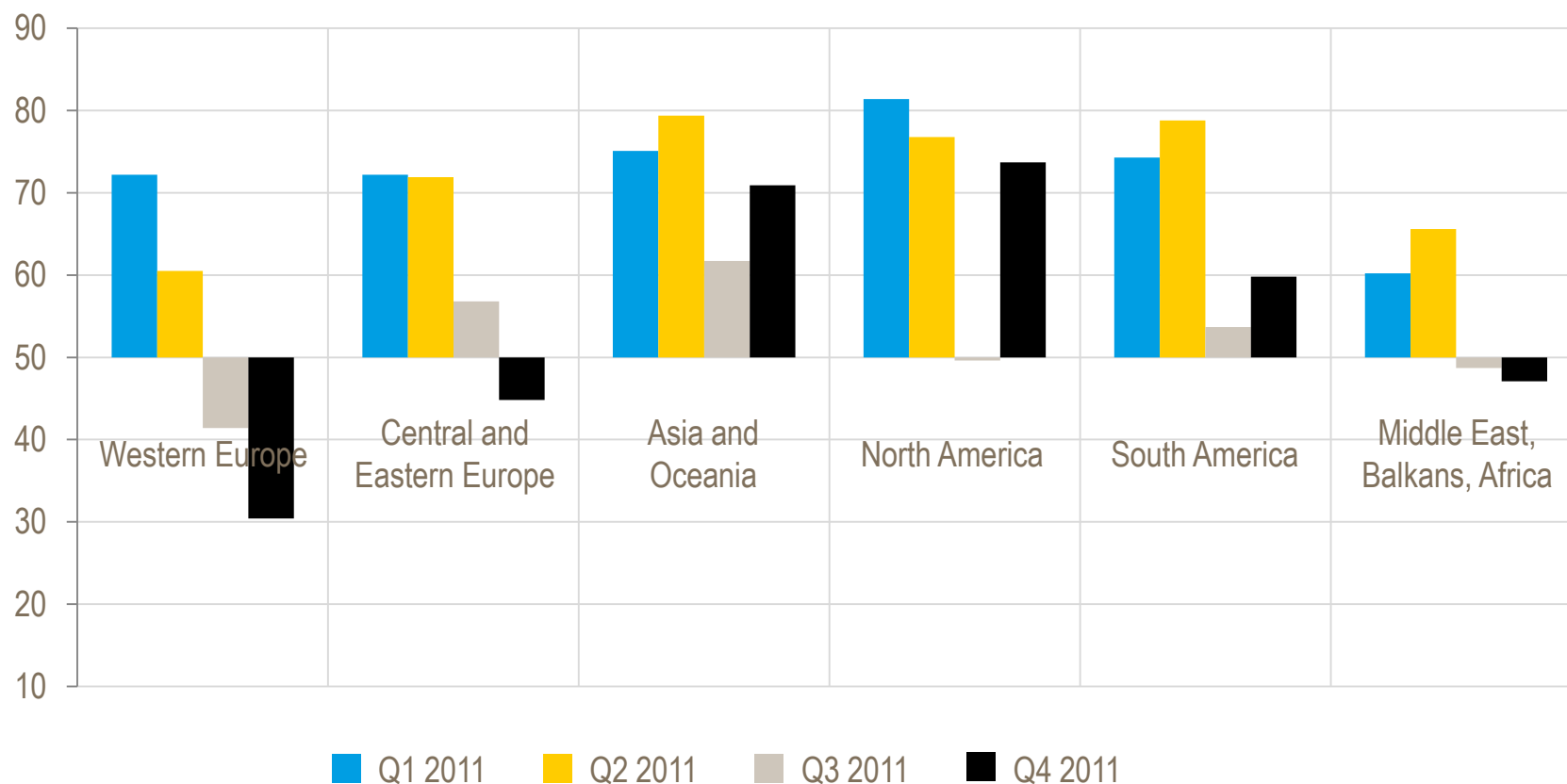


Source: Swedish Trade Council, Statistics Sweden

# WESTERN EUROPEAN DEMAND STRONGLY DOWN

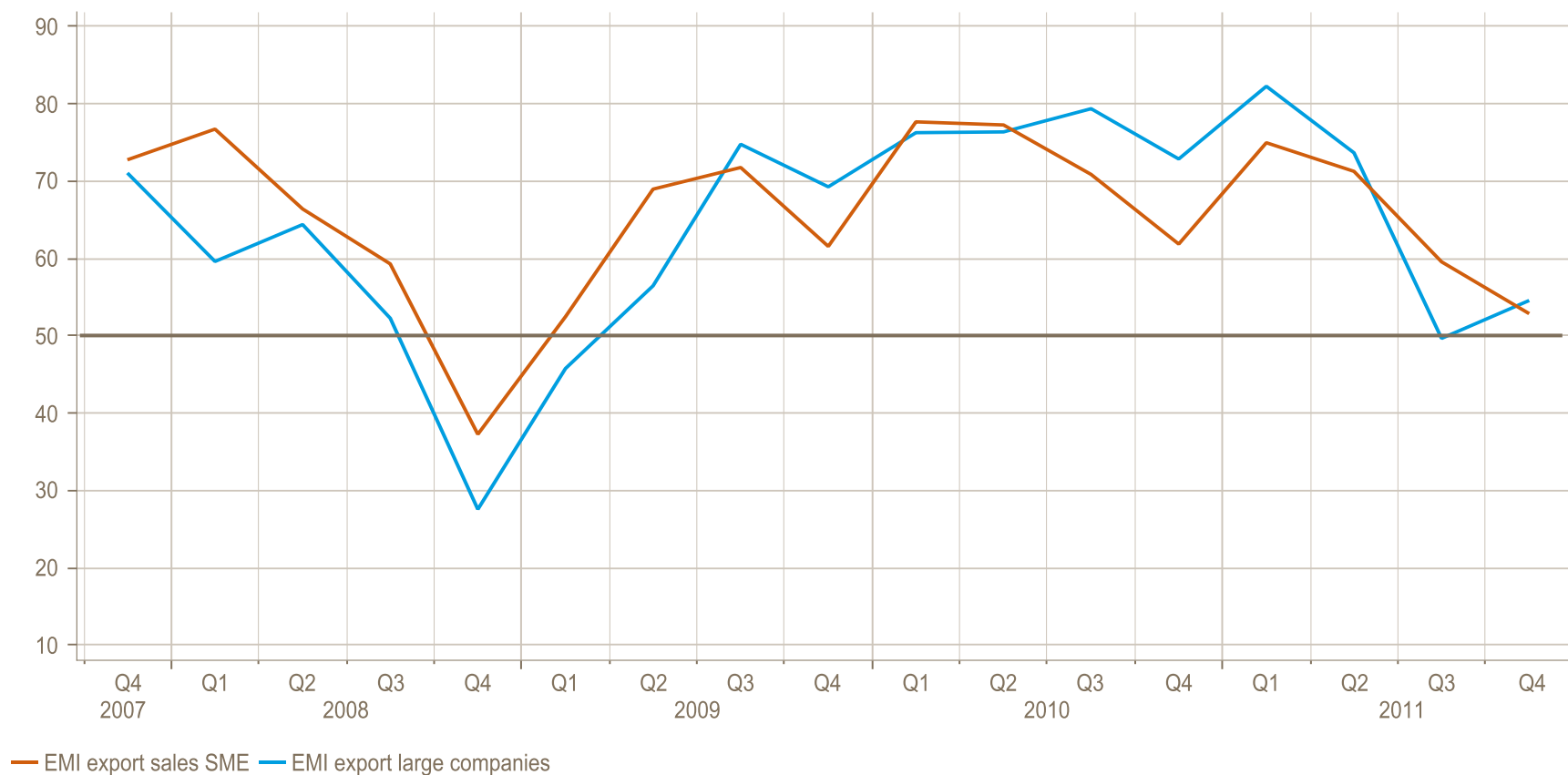
- Trend shift upwards for North America. Encouraging figures for Asia and S. America.

## Export demand by region



# ENCOURAGING SIGNALS REGARDING OWN EXPORT SALES

## Export sales next 3 months – Large companies and SME:s



Source: Swedish Trade Council, Statistics Sweden

# COMPANIES ARE PREDOMINANTLY NEUTRAL ABOUT PROFITS COMING 3 MTHS

## EMI – Export Margins Next Quarter

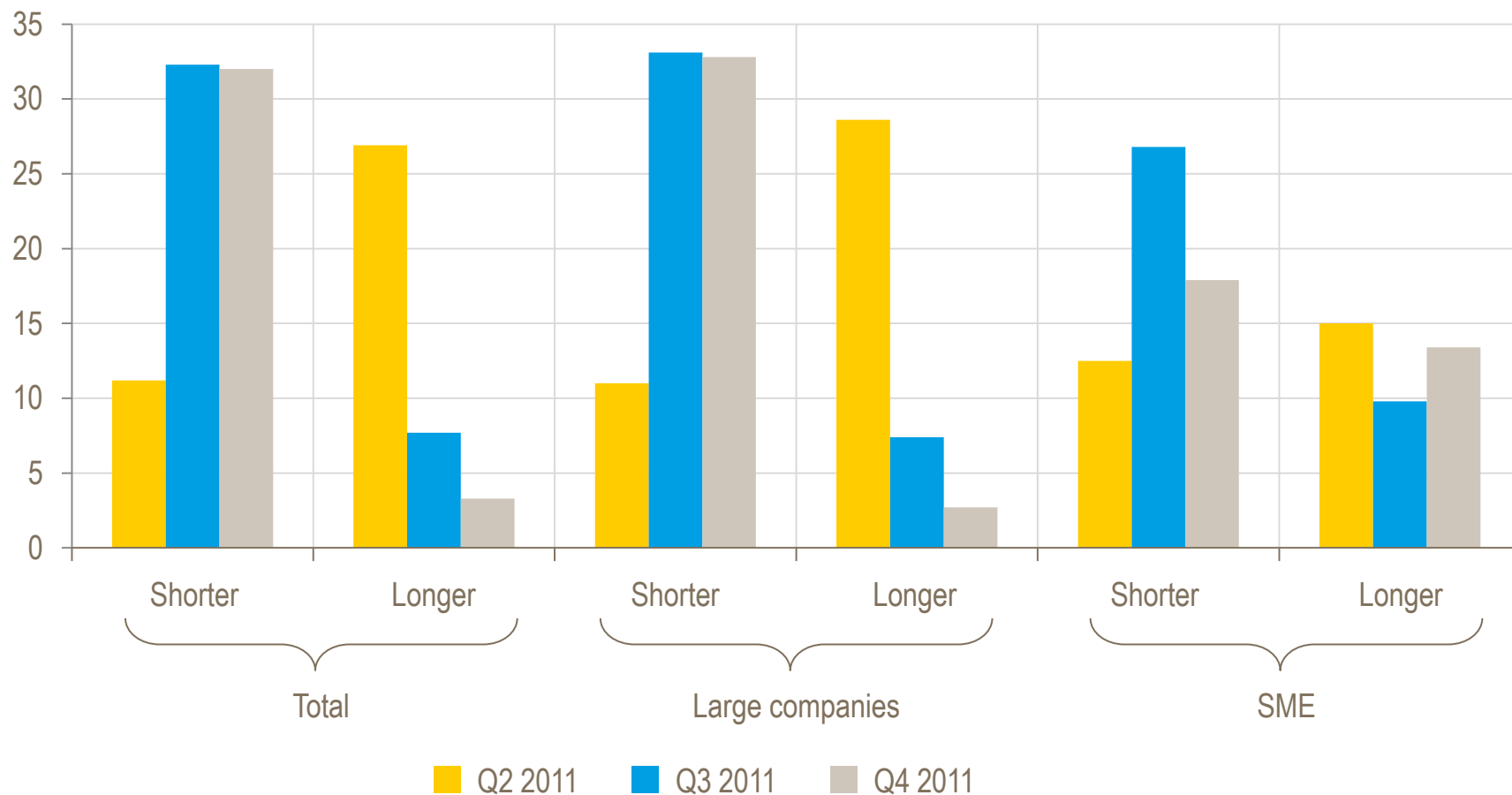


Source: Swedish Trade Council, Statistics Sweden

# SHORTER TIMES OF DELIVERY ARE EXPECTED

- Signs of firms are running on low capacity even if SMEs answers different

## Percentage of companies reporting longer or shorter times of delivery



Source: Swedish Trade Council, Statistics Sweden

# CONCLUSIONS

- EMI fell back to 47.6. The figure is indicating a possible fall in exports, but it's too early to speak about a recession.
- EMI Forecast, i.e. index for the forward looking questions scored 47.6, almost the same as last survey. Not an anticipation of a real recession. For EMI present it was in particular orders that caused the deterioration of the index. Companies are rather positive on own export sales which is encouraging and contradicting the outcome of total index.
- Subindex for market demand next 3 mths shows a dramatic deterioration for Western Europe, for which index fell to 30.4. Only 7% of the companies, weighted, believe in higher demand from W.Europe, while 47% believe in weaker demand. For North America we got instead a trend shift upwards. 54% of the companies believe in stronger demand from North America. We also got stronger figures for Asia as well as for South America. Index for Central & Eastern Europe and for Middle East/Africa scored below 50 on the other hand.
- Regarding profits on export sales, most companies are neutral.
- Large companies as well as SMEs are expecting improving export sales. Total index for export sales coming 3 mths scored 54.5, better than last survey!
- Next EMI report will be presented February 16, 2012.