Norwegian Business Tendency Survey

22 October 2026

Rising optimism in manufacturing

The industrial confidence indicator improved in Q3, pointing to a positive trend this year. Production expectations for the coming quarter also improved, albeit from weak levels. Increased demand in new orders from the domestic and export market for the intermediate goods sector is lifting overall sentiment though developments remain uneven and point to some uncertainty ahead. Capacity utilization was broadly unchanged and remains well below its historical average. Still, investment and employment plans are little changed. The survey aligns with other sentiment indicators pointing to broadly stable growth ahead. The survey should thus not change the outlook for Norges Bank though a continued rise in prices is concerning.

Business tendency survey: The Business Tendency Survey shows improving optimism in manufacturing. The industrial confidence indicator (seasonally adjusted net figures) rose to 3.4 in Q3 from 2.5 in the previous quarter. This shows a positive trend from the lows in Q1 2026, and the indicator is now above its historical average of 2.8, indicating rising manufacturing production ahead. The improvement in sentiment is driven by the sub-sector consumer goods, but also the oil-related capital goods sector has become less pessimistic. Meanwhile, sentiment within producers of intermediate goods fell albeit from very positive levels.

Production and new orders: Manufacturers report slightly higher overall manufacturing production compared to the previous quarter. Intermediate goods producers report a clear increase in output, and within this category it is the non-ferrous metals that are primarily driving the growth. Consumer goods report a moderate increase in output, while producers of capital goods reported unchanged output. The capital goods sector reported a decline in output for the two previous quarters, but the improved investment outlook according to the Oil Investment Survey has underpinned production among oil suppliers. This sector has been supported by historical high oil investment activity following the large subsidies from 2022, which resulted in large orders for the capital goods sector, especially in shipbuilding and the oil platform industry. The peak was reached in Q2 2025, and sentiment has since trended lower.

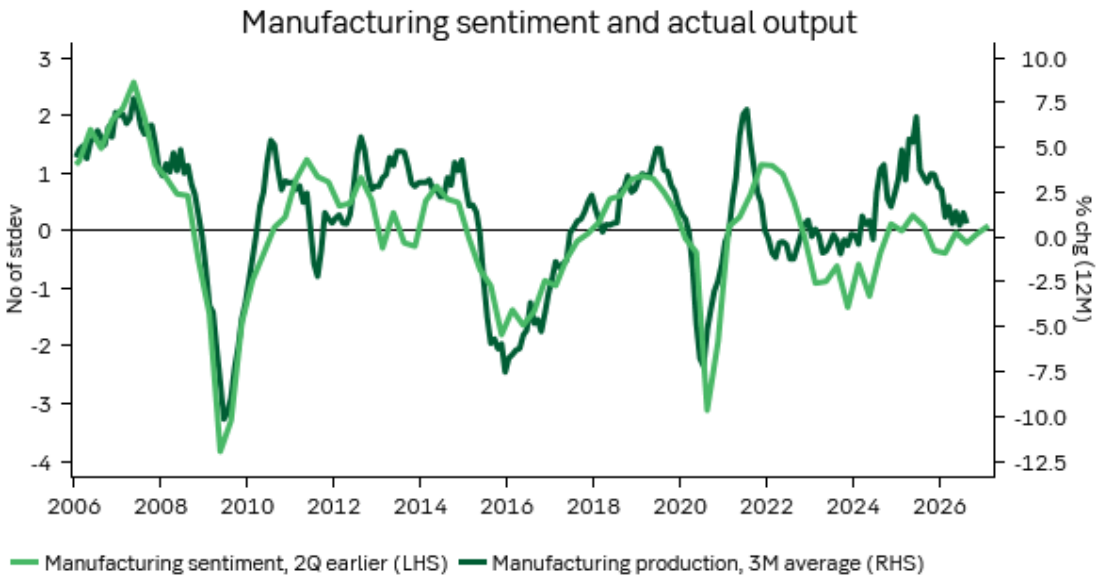
Manufacturers report an increase in new orders from both the domestic and export market in Q3. Intermediate goods sector report rising new orders while unchanged for producers of capital goods and intermediate goods. There is also a marginal increase in the total stock of orders in Q3. Intermediate goods sector reports a moderate increase in total stock of orders, while producers of consumer goods and capital goods report unchanged total stock of orders.

Capacity utilization and investment: Capacity utilization was unchanged at 77.8%, which is well below the historical average of 80.0%. The indicator has been below average since late 2022. Despite this, investment plans remain positive and was unchanged in Q3 although the proportion of manufacturers who believe that financing costs are limiting investment is relatively high.

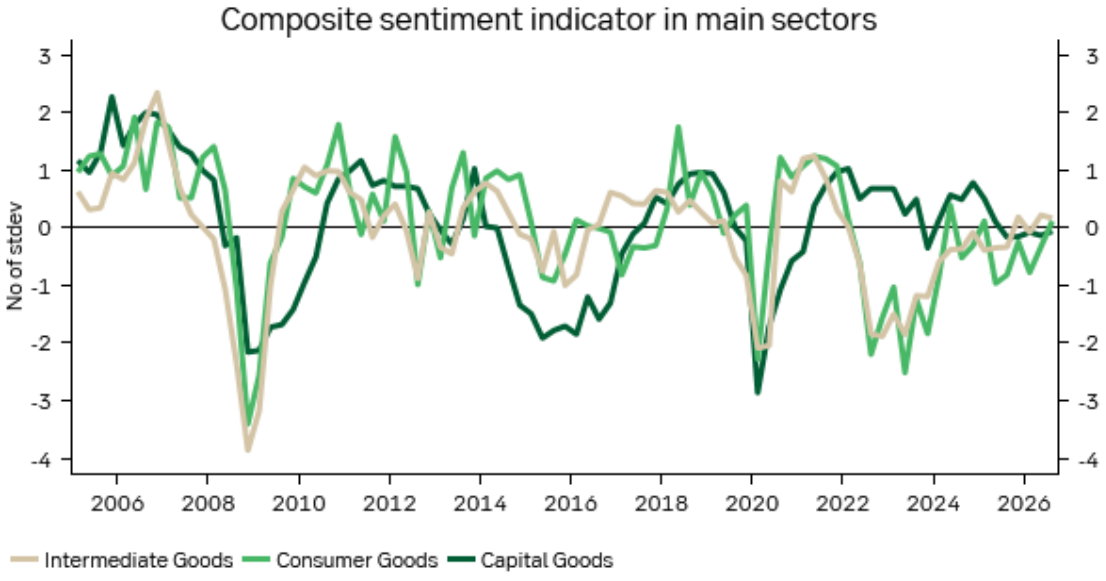
Cost pressures and pricing plans: A large share reports that cost growth continued to rise in Q3, with clear growth in input prices for all types of goods. The rise in cost prices has been more pronounced than for product prices, and manufacturers thus unsurprisingly reports of falling profitability. Manufacturers expect rising cost and product prices in both domestic and export markets in Q4.

Employment: As a whole employment growth was stable in Q3, where producers of capital goods are reporting increased employment, while producers of consumer goods report marginal growth, intermediate goods report unchanged employment. In Q4, employment growth is expected to improve.

Implications for Norges Bank: The Business Tendency Survey is showing growing optimism within manufacturing, which indicates stronger momentum in manufacturing production ahead. Though positive, it is unlikely to change the outlook for Norges Bank. More worrisome is the fact that manufacturers report of continued strong price pressures with input prices rising for all goods, which is expected to lift prices of products sold. Whether this will be reflected in business leaders price expectations in the upcoming Inflation Expectations Survey for Q3 (due Nov 19) will be relevant for Norges Bank's assessment of underlying price pressures.



Source: Bloomberg, Macrobond, SEB



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