



The Swedish Economy
March 2024

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Preface

Ylva-Hedén Westerdahl, director of the forecasting division, has led the work to produce this forecast. The forecast is based on available statistics published up to the 22nd of March 2024.

Stockholm, March 26, 2024

Albin Kainelainen
Director-General

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Summary

The Swedish economy has been operating below capacity for almost a year. The downturn will have a clearer impact on the labour market this year, with unemployment rising to 8.3 per cent. Inflation has dropped back rapidly in recent months and will continue to fall in 2024. The Riksbank will therefore commence a series of interest rate reductions in June, helping the economy to begin a recovery at the end of the year. However, the output gap will not close until 2026. Consumption will be an important driver of the recovery. Lower interest rates and rising real wages mean that household consumption will grow relatively quickly from the fourth quarter this year. Increased spending in areas such as defence means that central government consumption will also grow much faster than normal, as it will also do this year. We estimate fiscal space of around SEK 130 billion for 2025-2028, of which around SEK 40 billion will be used in 2025.

Swedish GDP fell slightly in the fourth quarter of 2023, due mainly to a broad decrease in business investment. This should be seen in the light of non-housing investment having been comparatively strong for some time, and it being normal for investment to decrease when the economy is operating below capacity. Housing investment also continued to fall. Consumers bucked the trend with a relatively strong increase in consumption after cutting back on spending for more than a year (see Diagram 1). The downturn in the economy was also evident in the labour market, with fewer people in work and the jobless rate rising to 8.0 per cent.

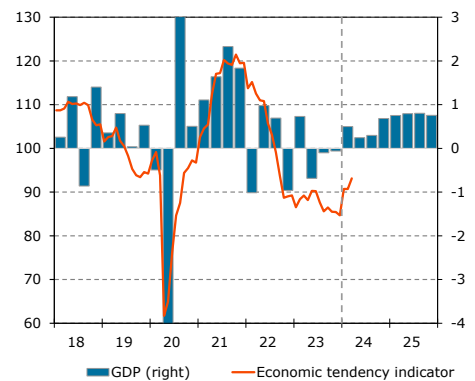
ECONOMY TO BOTTOM OUT THIS YEAR

There is much to suggest that the economy will bottom out this year. For example, many survey-based indicators are on the way up. GDP is expected to start to grow again from the first quarter this year, but it will not be until the end of the year that growth is strong enough for the economy to begin to recover (see Diagram 1).

Consumers have become much less pessimistic in recent months, and the overall confidence indicator has risen rapidly from the very low levels of the past year (see Diagram 2). Consumers' decreased pessimism about their own finances is being driven by an upturn in expectations for the future, whereas their view of the current situation is still deeply negative (see Diagram 3). This growing faith in the future can be attributed partly to inflation heading rapidly back down towards the Riksbank's target rate of 2 per cent (see Diagram 6). This lower inflation means that real wages will start to rise again this year after falling sharply for the past two years. Lower inflation and inflation expectations anchored close to 2 per cent also

Diagram 2 Economic tendency indicator and GDP

Index mean=100, monthly values and percentage change, seasonally adjusted quarterly values

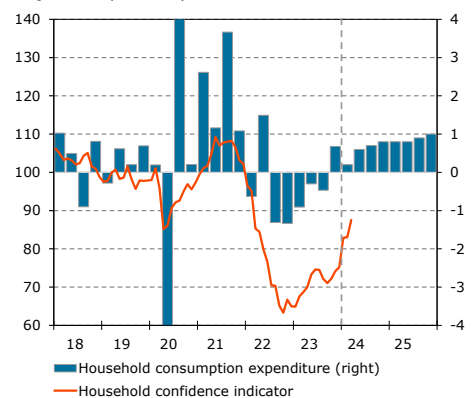


Note. The GDP growth in the second quarter of 2020 was -7.9 percent, and in the third quarter of 2020, it was 7.2 percent.

Sources: Statistics Sweden and NIER.

Diagram 1 Households confidence indicator and consumption expenditure

Index mean=100, seasonally adjusted monthly values and percentage change, seasonally adjusted quarterly values

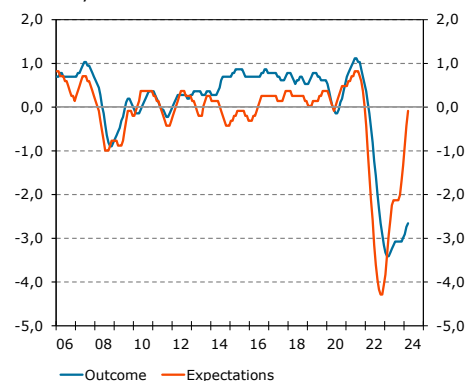


Note. The consumption growth in the second quarter of 2020 was -9.0 percent, and in the third quarter of 2020, it was 5.7 percent.

Sources: Statistics Sweden and NIER.

Diagram 3 Households view on own economy

Standardised deviations from mean, smoothed monthly values



Source: NIER.

mean that the Riksbank is expected to commence a series of reductions in its policy rate in June this year, which will gradually bring down households' mortgage costs. This will help household consumption grow relatively quickly this year and next (see Diagram 2) without constraining savings.

However, there is considerable uncertainty about the future path of inflation and households' propensity to consume. Our forecast assumes that household savings will rise slightly this year and next. There is therefore the possibility that households will spend even more. The consequences of such a situation are reported in an alternative scenario in our full forecast, published in Swedish only. We also present a second alternative scenario looking at the effects on the economy if inflation comes down more slowly than assumed in our forecast.

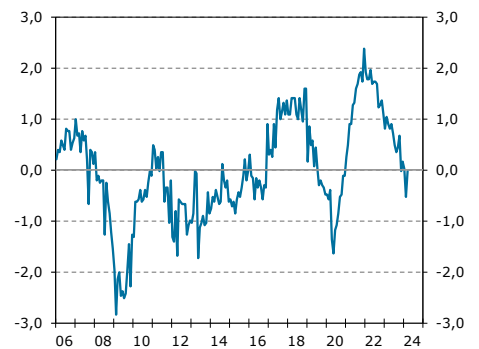
WEAK DEMAND FROM ABROAD TO HOLD BACK SWEDISH EXPORTS

Sweden's exports fell slightly in the fourth quarter last year. They will start to grow again from the second quarter this year, but comparatively slowly by historical standards. Manufacturers' export order books have deteriorated rapidly and are now back around normal levels (see Diagram 4). Demand for Swedish export goods will remain weak this year. Exports will therefore make only a marginal contribution to GDP growth in 2024 (see Diagram 5).

The weak demand for Swedish export goods is largely a consequence of developments in the euro area. GDP there stagnated in 2023, but unemployment still fell slightly further and is now at historically low levels. High energy prices and weak export demand weighed on industrial production and exports, while rapid inflation and high interest rates held back household consumption. Several indicators, such as the PMI (see Diagram 7), point to further weak growth in the euro area in the near term. Inflation dropped back rapidly in 2023 (see Diagram 6) and will level off in 2024 at just under 2 per cent. The European Central Bank is therefore expected to begin a series of interest rate reductions around the middle of the year (see Diagram 8). This will gradually stimulate GDP growth, which will pick up somewhat later in the year.

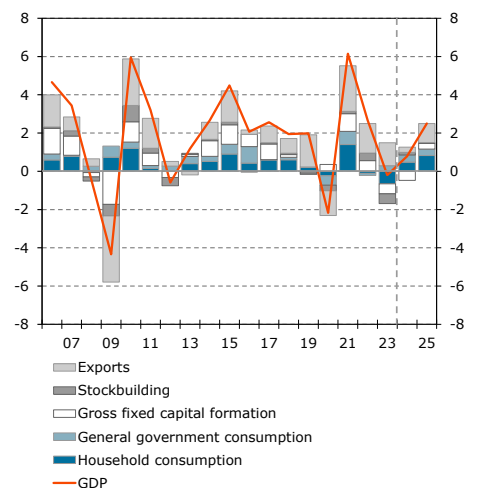
Growth in the US was relatively strong in 2023, and unemployment, as in the euro area, was at historically low levels. Wages have risen rapidly in recent years, fuelling inflation, and the Federal Reserve has raised its policy rate much further than the European Central Bank to rein in the economy (see Diagram 8). These high interest rates mean that GDP growth will slow sharply in the course of this year, and inflation will continue to fall. As in the euro area, the Federal Reserve will therefore start to lower its policy rate around the middle of the year.

Diagram 4 Export order stock, assessment of the industry
Standardised deviations from mean, seasonally adjusted monthly values



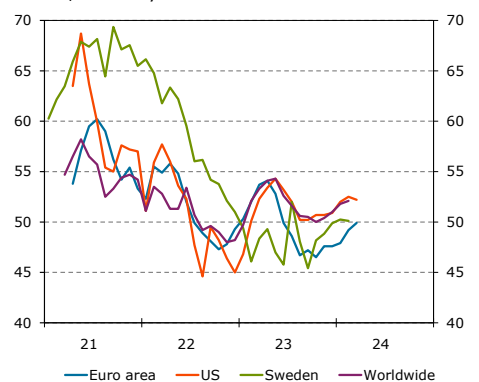
Source: NIER.

Diagram 5 Import-adjusted contributions to GDP growth
Percentage change and percentage points



Sources: Statistics Sweden and NIER.

Diagram 6 Weighted purchasing manager index in selected countries and regions
Index, monthly values



Sources: S&P Global, J.P. Morgan and Macrobond.

Table 1 Selected indicators

Percentage change unless otherwise indicated

	Outcome Forecast			Scenario		
	2023	2024	2025	2026	2027	2028
GDP, market prices	-0.2	0.8	2.5	2.9	2.1	1.6
GDP per capita	-0.8	0.2	2.0	2.4	1.6	1.2
GDP, calendar-adjusted	0.0	0.8	2.7	2.7	1.9	1.8
GDP, KIX-weighted ¹	1.4	1.5	2.1	2.1	2.0	1.9
CPI, KIX-weighted ¹	5.5	2.9	2.4	2.4	2.3	2.3
Current account balance ²	6.7	6.5	6.2	5.4	5.0	4.3
Hours worked ³	1.8	0.4	1.0	1.2	1.1	0.5
Employment	1.4	-0.4	0.8	1.2	1.0	0.6
Unemployment ⁴	7.7	8.3	8.2	7.9	7.4	7.4
Labour market gap ⁵	-0.3	-1.4	-1.2	-0.6	0.0	0.0
Output gap ⁶	-0.7	-1.6	-1.0	-0.1	0.0	0.0
Hourly wages ⁷	3.8	3.9	3.6	3.7	3.7	3.7
Hourly labour costs ^{3,8}	4.2	3.2	3.2	3.7	3.7	3.7
Productivity ³	-1.5	0.4	1.6	1.4	0.8	1.2
CPI	8.5	2.8	0.3	1.8	2.0	2.0
CPIF	6.0	1.9	1.5	2.0	2.0	2.0
Policy rate ^{9,10}	4.00	3.00	2.25	2.25	2.25	2.25
Ten-year government bond rate ⁹	2.5	2.4	2.5	2.7	2.8	2.9
Krona index (KIX) ¹¹	127.5	125.0	123.2	120.5	118.9	118.8
Government net lending ²	-0.5	-1.3	-0.7	0.1	0.4	0.4
Structural net lending ¹²	0.5	0.6	-0.2	0.3	0.3	0.3
Maastricht debt ²	30.8	32.3	32.8	32.4	32.2	32.2

¹ KIX-weighted GDP and CPI is an aggregate calculated using the Riksbank's KIX weights, which cover Sweden's 32 most important trading partners. ² Per cent of GDP. ³ Calendar-adjusted. ⁴ Per cent of labour force. ⁵ Difference between actual and potential hours worked in per cent of potential hours worked. ⁶ Difference between actual and potential GDP in per cent of potential GDP. ⁷ According to the monthly wage statistics. ⁸ For employees. ⁹ Per cent. ¹⁰ At year-end. Decisions at the end of December are implemented in January. ¹¹ Index, 18 November 1992=100. ¹² Per cent of potential GDP.

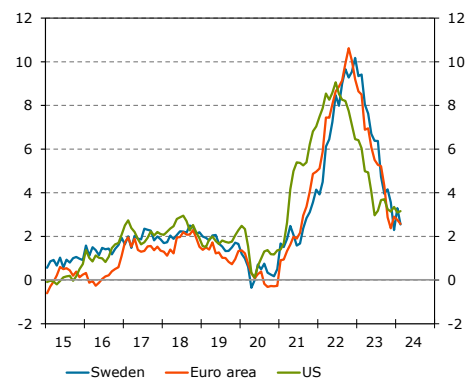
Sources: IMF, National Mediation Office, Sveriges Riksbank, Statistics Sweden and NIER.

LABOUR MARKET TO DETERIORATE FURTHER

The downturn in the Swedish economy impacted the labour market in the second half of last year, with the number of people in work beginning to fall. Monthly data through to February show that the decline in employment continued at the beginning of this year. Several indicators, such as new job openings, redundancy notices and firms' employment plans (see Diagram 9), point in the same direction. The rapid decline in residential construction has led to very weak employment plans in the construction sector. Housing investment will continue to fall this year, and so the sector will make a significant negative contribution to employment growth (see Diagram 10). The service sector, on the other hand, has positive employment plans and is expected to account for the bulk of job growth later this

Diagram 7 Consumer prices in selected countries and regions

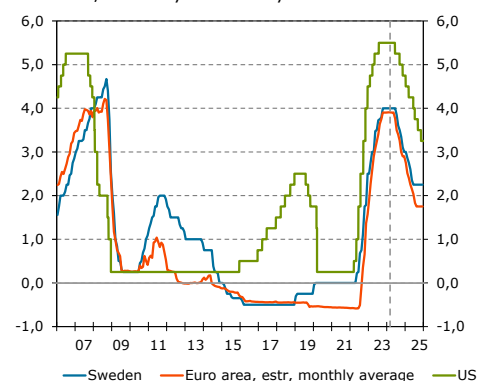
Annual percentage change, monthly values



Sources: Eurostat, Bureau of Labor Statistics, Statistics Sweden and NIER.

Diagram 8 Policy rates

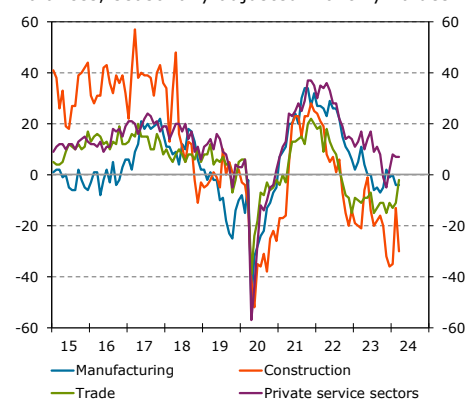
Per cent, monthly- and daily values



Sources: ECB, Federal Reserve, The Riksbank, Macrobond and NIER.

Diagram 9 Hiring plans

Balances, seasonally adjusted monthly values



Source: NIER.

year and next year as the economy recovers. Meanwhile, the labour force will continue to expand. Taken together, this means that unemployment will rise this year but head gently back down next year (see Table 1).

INFLATION TO FALL FURTHER

Inflation will continue to fall this year even when we exclude the drop in energy prices. CPIF inflation – the change in the consumer price index with a fixed interest rate – is expected to bottom out at 1.2 per cent in the fourth quarter and will also then be well below the Riksbank’s target with energy prices excluded (see Diagram 11). The pay deals struck last year mean that wages will continue to rise relatively quickly this year given the weak economy (see Table 1). Firms’ labour costs will therefore grow relatively quickly this year, but profitability is currently high by historical standards in many parts of the business sector. This will reduce the need to pass on cost increases to end-customers, which is also harder when demand is weak. Meanwhile, falling import prices will in particular ease the pressure on goods prices, which will start to fall gently later this year and so make a negative contribution to inflation (see Diagram 11). In the second half of this year, CPIF inflation will be propped up mainly by rising prices for services and housing.

The decline in inflation means that the Riksbank will commence a series of interest rate reductions in June this year to stimulate demand in the economy and prevent inflation from dropping too low. Our forecast has the policy rate falling to 3.0 per cent at the end of this year (see Diagram 12), which is largely in line with market expectations as measured by RIBA futures. Next year, we expect the policy rate to be lowered further to 2.25 per cent, which corresponds to our estimate of the neutral rate.

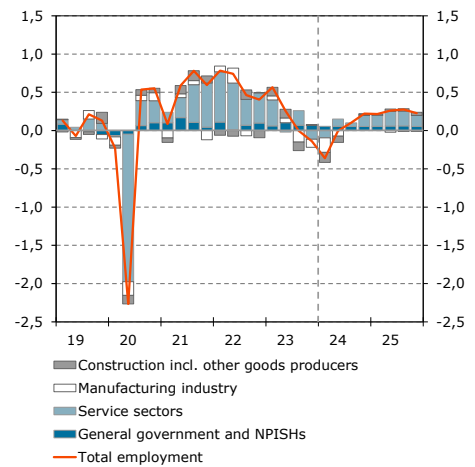
DEFICITS IN PUBLIC FINANCES AHEAD

Public finances will remain strong this year, with structural net lending slightly above the surplus target and Maastricht debt slightly below the level of the debt anchor.

Increased spending in areas such as defence mean that both consumption and investment in the central government sector will grow comparatively quickly this year and next. In the local government sector, however, weak finances will require some cutbacks, and so consumption growth will be comparatively weak in both years. We estimate fiscal space of around SEK 130 billion for 2025-2028, of which around SEK 40 billion will be used in 2025. Structural net lending will turn from a surplus this year to a deficit next year.

Diagram 10 Contribution to employment growth

Percentage change and percentage points, seasonally adjusted quarterly values

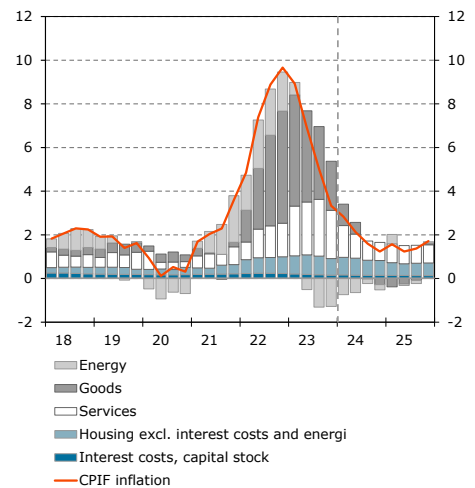


Note. NPISHs refers to the non-profit organizations of households.

Sources: Statistics Sweden and NIER.

Diagram 11 Contribution to CPIF inflation

Percentage points and annual percentage change, quarterly values

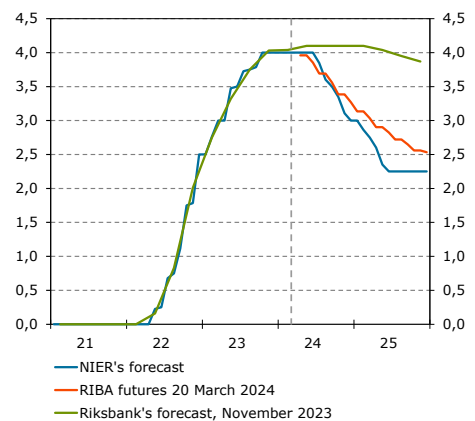


Note. The calculation of the contribution is approximate.

Sources: Statistics Sweden and NIER.

Diagram 12 Policy rate

Per cent, monthly- and quarterly values



Note. RIBA are forward contracts based on the future average policy rates between the forward settlement days. The settlement days are the third Wednesday in March, June, September and December respectively. The Riksbank’s forecast refers to quarterly values.

Sources: Nasdaq OMX, The Riksbank, Macrobond and NIER.

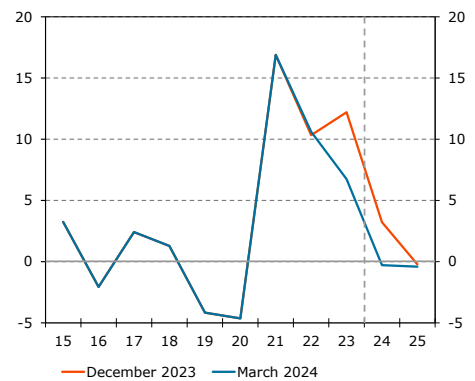
Forecast revisions 2024-2025

The most significant revisions from the December 2023 edition of *The Swedish Economy* are summarised below (see Table 2).

- US GDP growth this year has been revised up 0.9 percentage points to 2.2 per cent, due mainly to much stronger growth in the fourth quarter last year than we anticipated in December.
- Growth in gross fixed capital formation in Sweden this year has been revised down sharply to -2.4 per cent. Non-housing investment in the business sector was much weaker in the fourth quarter than we assumed in December. Investment growth has also been adjusted down slightly for the first half of this year. The revision is considerable, not least in manufacturing, where the previous strong upswing is now expected to come to an end this year rather than next (see Diagram 13).
- The downward revision of growth in gross fixed capital formation is an important factor in our forecast for GDP growth this year being lowered by 0.2 percentage points to 0.8 per cent.
- Despite this lower GDP growth, the labour market is expected to perform slightly better than we predicted in December. This applies to both hours worked and employment. This means, in turn, that unemployment will rise slightly less far this year than forecast in December and will be lower throughout the forecast period (see Diagram 14).
- CPIF inflation has been revised up slightly for 2024 but down slightly for 2025. These adjustments to our inflation forecast mean that we now expect the policy rate to come down slightly more quickly this year and next than forecast in December, but with the same terminal rate in 2025.
- General government structural net lending this year has been revised down by 0.3 percentage points (see Diagram 15). This is primarily a consequence of higher structural expenditure this year than forecast in December, due chiefly to higher government consumption in relation to potential GDP.

Diagram 13 Industry investments

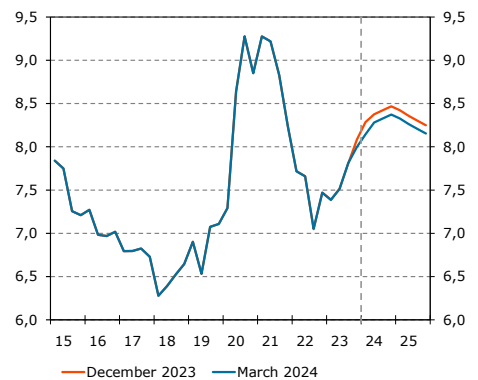
Percentage change, constant prices



Sources: Statistics Sweden and NIER.

Diagram 14 Unemployment

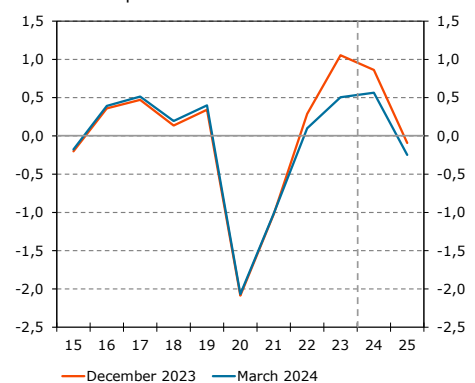
Per cent of labour force, seasonally adjusted quarterly values



Sources: Statistics Sweden and NIER.

Diagram 15 Struktural net lending in general government

Per cent of potential GDP



Sources: Statistics Sweden and NIER.

Table 2 Current Forecast and Revisions Compared to the December 2023 Forecast

Percentage change and percentage points respectively, unless otherwise indicated

	2024			2025		
	Mar	Dec	Diff	Mar	Dec	Diff
Global Economy						
GDP, World	2.9	2.7	0.2	3.0	2.9	0.1
GDP, KIX-weighted	1.5	1.4	0.1	2.1	2.1	0.0
GDP, Euro Area	0.5	0.6	-0.1	1.7	1.7	0.0
GDP, US	2.2	1.4	0.9	1.7	1.6	0.1
GDP, China	4.9	4.4	0.5	4.5	4.3	0.2
Federal Funds Target Rate ^{1,2}	4.75	4.50	0.25	3.25	3.00	0.25
ECB Refi Rate ^{1,2}	3.50	3.25	0.25	2.25	2.25	0.00
Oil Price ³	84.2	76.9	7.2	82.6	76.3	6.2
CPI, KIX-weighted	2.9	2.9	0.0	2.4	2.4	0.0
Domestic Economy						
GDP, Calendar-Adjusted	0.8	1.0	-0.2	2.7	2.8	-0.1
GDP	0.8	1.0	-0.2	2.5	2.6	-0.1
Household Consumption	1.4	1.2	0.2	3.2	3.8	-0.6
Government Consumption	1.8	1.6	0.2	1.7	1.5	0.2
Gross Fixed Capital Formation	-2.4	-0.8	-1.7	1.7	1.8	0.0
Stockbuilding ⁴	0.3	0.1	0.2	0.1	0.3	-0.2
Exports	0.8	1.9	-1.1	3.6	3.1	0.5
Imports	0.7	1.7	-1.1	3.7	3.8	-0.1
Labour Market, Inflation, Interest Rates, etc.						
Hours Worked ⁵	0.4	0.2	0.3	1.0	1.2	-0.1
Employment	-0.4	-0.5	0.2	0.8	0.8	0.0
Unemployment ⁶	8.3	8.4	-0.1	8.2	8.3	-0.1
Labour Market Gap ⁷	-1.4	-1.3	0.0	-1.2	-1.1	0.0
Output Gap ⁸	-1.6	-1.8	0.1	-1.0	-1.0	0.1
Productivity ⁵	0.4	1.0	-0.5	1.6	1.5	0.1
Hourly Earnings ⁹	3.9	3.7	0.1	3.6	3.5	0.1
CPI	2.8	2.9	-0.1	0.3	1.2	-0.9
CPIF	1.9	1.7	0.3	1.5	1.7	-0.2
Policy Rate ^{1,2}	3.00	3.25	-0.25	2.25	2.25	0.00
10-Year Government Bond Yield ¹	2.4	2.3	0.1	2.5	2.5	0.0
Effective Krona Exchange Rate Index (KIX) ¹⁰	125.0	123.4	1.5	123.2	121.4	1.8
Current Account Balance ¹¹	6.5	6.7	-0.2	6.2	6.2	0.0
Structural net lending ¹²	0.6	0.9	-0.3	-0.2	-0.1	-0.2

¹ Per cent. ² At year-end. ³ Brent crude, USD per barrel, annual average. ⁴ Change in per cent of GDP the previous year. ⁵ Calendar-adjusted. ⁶ Per cent of labour force. ⁷ Difference between actual and potential hours worked in per cent of potential hours worked.

⁸ Difference between actual and potential GDP in per cent of potential GDP. ⁹ According to the short-term earnings statistics.

¹⁰ Index, 18 November 1992=100. ¹¹ Per cent of GDP. ¹² Per cent of potential GDP.

Note. The difference is between the current forecast and the December 2023 forecast. A positive value denotes an upward revision.

Source: NIER.

Tables

Data for additional variables and longer time series can be found on the NIER's website at www.konj.se/english/data-sets.

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The Global Economy

Table A1 Global Output

Per cent of global GDP at purchasing power parity and percentage change, constant prices, calendar adjusted values, respectively

	Weight¹	2022	2023	2024	2025	2026	2027	2028
World ²	100.0	3.5	3.2	2.9	3.0	3.0	2.9	2.8
KIX Weighted ³	74.9	3.0	1.4	1.5	2.1	2.1	2.0	1.9
US	15.5	1.9	2.5	2.2	1.7	2.0	1.9	1.8
Euro Area	12.0	3.5	0.5	0.5	1.7	1.7	1.5	1.4
Japan	3.8	0.9	1.9	0.7	1.0	0.8	0.6	0.6
UK	2.3	4.3	0.1	0.2	1.2	1.5	1.6	1.6
Sweden	0.4	2.7	0.0	0.8	2.7	2.7	1.9	1.8
Norway	0.3	3.0	0.8	1.1	1.6	1.8	1.8	1.8
Denmark	0.3	2.7	1.8	1.6	1.8	1.6	1.6	1.6
China	18.4	3.0	5.5	4.9	4.5	4.3	4.1	4.0
Sweden's Export Market⁴	...	7.9	0.1	2.1	3.2	3.3	3.2	3.1

¹The weights indicate each country or region's purchasing power-adjusted share of world GDP. ²The table shows some of the countries that the NIER makes forecasts for. The world aggregate is calculated using time-varying purchasing power parity GDP weights from the IMF. ³KIX weighted GDP is the weighted average of GDP growth in the 32 countries included in the KIX effective krona exchange rate index. ⁴Sweden's export market refers to total import demand in the countries to which Sweden exports, each country weighted by its share of Swedish goods exports.

Sources: IMF, OECD, Eurostat, Macrobond, The Riksbank and NIER.

Table A2 Global Inflation

Percentage change

	2021	2022	2023	2024	2025	2026	2027	2028
US	4.7	8.0	4.1	2.8	2.3	2.3	2.3	2.3
Euro Area	2.6	8.4	5.4	2.2	1.9	2.0	2.0	2.0
Japan	-0.2	2.5	3.3	2.4	2.0	1.7	1.5	1.5
UK	2.6	9.1	7.3	2.8	2.1	2.0	2.0	2.0
Sweden	2.4	7.7	6.0	1.9	1.5	2.0	2.0	2.0
Norway	3.9	6.3	5.7	3.2	2.1	2.0	2.0	2.0
Denmark	1.9	8.6	3.4	1.6	1.9	2.0	2.0	2.0
China	1.0	2.0	0.2	1.0	1.7	2.6	3.0	3.0

Note. Values for the EU countries and Norway refer to harmonised indices of consumer prices (HICP), except Sweden which refers to CPIF. The OECD aggregate includes national CPI series only. Values for the United Kingdom refer to CPIH, including owner occupiers' housing costs. The aggregate for the euro area is weighted using consumption weights from Eurostat.

Sources: OECD, Eurostat, Macrobond and NIER.

Table A3 Selected Indicators for the Euro Area

Percentage change, percent, and level, respectively

	2021	2022	2023	2024	2025	2026	2027	2028
GDP ¹	5.9	3.5	0.5	0.5	1.7	1.7	1.5	1.4
HICP	2.6	8.4	5.4	2.2	1.9	2.0	2.0	2.0
Policy Rate ²	0.00	2.50	4.50	3.50	2.25	2.25	2.25	2.25
Overnight Rate ³	-0.6	1.9	3.9	2.9	1.8	1.8	1.8	1.9
10-Year Government Bond Yield ⁴	-0.3	1.2	2.4	2.4	2.5	2.7	2.9	2.9
USD/EUR ⁵	1.18	1.05	1.08	1.09	1.09	1.10	1.11	1.11

¹ Calendar-adjusted values, constant prices. ² Refi rate level, per cent, at year-end. ³ €str, per cent, at year-end. ⁴ Per cent, annual average. Refers to Germany. ⁵ Level.

Sources: ECB, Eurostat, Macrobond and NIER.

Table A4 Selected Indicators for the US

Percentage change, percent, and level, respectively

	2021	2022	2023	2024	2025	2026	2027	2028
GDP ¹	5.8	1.9	2.5	2.2	1.7	2.0	1.9	1.8
CPI	4.7	8.0	4.1	2.8	2.3	2.3	2.3	2.3
Policy Rate ²	0.25	4.50	5.50	4.75	3.25	2.50	2.50	2.50
10-year Government Bond Yield ³	1.4	3.0	4.0	4.0	3.6	3.4	3.2	3.1
USD/EUR ⁴	1.18	1.05	1.08	1.09	1.09	1.10	1.11	1.11

¹ Calendar-adjusted values, constant prices. ² Upper limit of the target range of the Federal Funds rate, per cent, at year-end.

³ Level, per cent. ⁴ Level.

Sources: US Bureau of Economic Analysis, Federal Reserve, Macrobond and NIER.

Interest and Exchange Rates

Table A5 Interest and Exchange Rates

Per cent, index 18 November 1992=100 and SEK per currency unit, respectively

	2021	2022	2023	2024	2025	2026	2027	2028
At Year-End								
Riksbank Policy Rate	0.00	2.50	4.00	3.00	2.25	2.25	2.25	2.25
Policy Rate. KIX6-Weighted ¹	-0.36	1.66	4.07	3.26	2.12	1.97	1.95	2.04
Annual Average								
Riksbank Policy Rate	0.00	0.75	3.46	3.70	2.44	2.25	2.25	2.25
5-Year Swedish Government Bond Yield	0.0	1.6	2.6	2.3	2.3	2.5	2.6	2.7
10-Year Swedish Government Bond Yield	0.3	1.5	2.5	2.4	2.5	2.7	2.8	2.9
Effective Krona Exchange Rate Index (KIX)	114.3	121.1	127.5	125.0	123.2	120.5	118.9	118.8
EUR Exchange Rate	10.14	10.63	11.47	11.33	11.17	10.93	10.80	10.80
USD Exchange Rate	8.58	10.11	10.60	10.41	10.24	9.94	9.77	9.75

¹ Refers to an average of €str for the Euro Area and policy rates in the US, Norway, UK, Denmark, and Japan. Denmark is here considered as a euro country.

Sources: The Riksbank, Macrobond and NIER.

The Swedish Economy

Table A6 GDP by Expenditure

SEK billion, current prices, and percentage change, constant prices, respectively

	Level 2022	2022	2023	2024	2025	2026	2027	2028
Household Consumption Expenditure ¹	2 622	2.3	-2.5	1.4	3.2	3.3	3.0	2.5
Goods	1 260	-2.0	-5.1	1.4	3.0	...	...	...
Services Excl. Housing Services	816	9.1	-0.1	1.5	4.3	...	...	...
Housing Services	459	1.9	1.7	1.8	1.6	...	...	...
General Government Consumption Expenditure	1 485	-0.1	1.5	1.8	1.7	1.2	1.1	0.8
Central Government	398	0.2	1.8	4.2	4.7	...	...	...
Local Government	1 088	-0.3	1.4	0.9	0.6	...	...	...
Gross Fixed Capital Formation ²	1 620	6.2	-1.5	-2.4	1.7	4.7	3.6	2.5
Business Sector Excl. Housing	1 025	8.7	3.5	-1.1	0.5	...	...	...
Industry	233	10.6	6.7	-0.3	-0.4	...	...	...
Other Goods Producers	191	12.2	8.3	4.0	0.9	...	...	...
Service Producers Excl. Housing	601	7.0	0.8	-3.2	0.8	...	...	...
Housing	317	4.8	-22.2	-15.9	4.0	...	...	...
General Government	269	-1.6	4.6	4.3	4.4	...	...	...
<i>Domestic Demand Excl. Stockbuilding</i>	<i>5 728</i>	<i>2.7</i>	<i>-1.2</i>	<i>0.4</i>	<i>2.4</i>	<i>3.1</i>	<i>2.6</i>	<i>2.1</i>
Stockbuilding ³	81	1.1	-1.3	0.3	0.1	0.0	0.0	0.0
<i>Total Domestic Demand</i>	<i>5 808</i>	<i>3.8</i>	<i>-2.5</i>	<i>0.7</i>	<i>2.5</i>	<i>3.1</i>	<i>2.6</i>	<i>2.1</i>
Exports	3 157	6.5	3.3	0.8	3.6	3.7	2.9	2.1
Goods	2 214	3.2	1.5	0.4	4.2	...	...	...
Processed Goods	1 657	3.1	0.4	-0.1	5.1	...	...	...
Raw Materials	557	3.4	4.7	2.0	1.8	...	...	...
Services	943	14.7	7.6	1.7	2.2	...	...	...
<i>Total Demand</i>	<i>8 965</i>	<i>4.7</i>	<i>-0.4</i>	<i>0.8</i>	<i>2.9</i>	<i>3.3</i>	<i>2.7</i>	<i>2.1</i>
Imports	2 993	9.6	-0.9	0.7	3.7	4.2	4.0	3.0
Goods	2 002	2.4	-2.9	-0.4	4.0	...	...	...
Processed Goods	1 406	3.6	-2.8	-1.1	4.9	...	...	...
Raw Materials	596	-0.3	-3.2	1.4	1.9	...	...	...
Services	992	25.6	3.1	2.7	3.1	...	...	...
<i>Net Exports³</i>	<i>163</i>	<i>-1.0</i>	<i>2.2</i>	<i>0.1</i>	<i>0.1</i>	<i>-0.1</i>	<i>-0.4</i>	<i>-0.4</i>
GDP	5 972	2.7	-0.2	0.8	2.5	2.9	2.1	1.6
GDP per Capita ⁴	569	2.0	-0.8	0.2	2.0	2.4	1.6	1.2

¹ Including non-profit institutions serving households and the net of household consumption abroad and foreign consumption in Sweden. ² Including non-profit institutions serving households. ³ Change in per cent of GDP the previous year. ⁴ SEK thousand, current prices, and percentage change, constant prices, respectively.

Sources: Statistics Sweden and NIER.

Table A7 Household Income, Consumption Expenditure and Saving

SEK billion, current prices, and percentage change, respectively

	Level 2022	2022	2023	2024	2025	2026	2027	2028
Total Earnings, Adjusted for External Transactions	2 280	6.5	5.5	3.6	4.6	5.0	4.9	4.3
Hourly Earnings (according to national accounts) ^{1,2}	285	3.9	3.3	2.8	3.5	3.7	3.7	3.7
Hours Worked ^{1,3}	7 956	2.4	2.0	0.8	1.0	1.2	1.1	0.5
Transfers From Government Sector, Net	755	5.9	0.9	3.0	2.3	1.6	2.2	2.6
Property Income, Net	368	3.1	-3.6	1.6	7.3	6.2	8.9	4.3
Other Income, Net ⁴	357	8.4	7.7	5.3	9.3	-1.2	11.5	6.3
Income Before Taxes⁵	3 760	6.2	3.9	3.5	4.9	3.8	5.4	4.2
Direct Taxes ⁶	983	0.6	0.9	-0.2	0.1	-0.1	0.2	0.0
Disposable Income	2 777	6.9	4.8	3.3	5.0	3.7	5.6	4.2
Consumer Prices ⁷	...	6.8	6.3	1.6	1.4	2.1	2.1	2.1
Real Disposable Income	2 777	0.1	-1.5	1.7	3.5	1.6	3.4	2.0
Per Capita ⁸	265	-0.6	-2.1	1.1	3.0	1.1	2.9	1.6
Consumption Expenditure⁹	2 622	2.3	-2.5	1.4	3.2	3.3	3.0	2.5
Saving ¹⁰	392	13.0	14.4	14.0	13.8	12.3	12.5	12.0
Net Saving in Negotiated Pension Funds ¹⁰	237	7.9	8.3	7.7	7.2	7.2	7.0	6.8
Own Saving ¹⁰	155	5.1	6.1	6.3	6.6	5.1	5.5	5.1
Net Lending ¹⁰	237	7.9	10.7	11.3	11.0	9.5	9.7	9.2

¹ Calendar-adjusted values. ² SEK per hour. ³ Employees only. ⁴ This also includes technical transfers to households through altered taxes and/or transfers, see table A20. ⁵ Growth in income before taxes is calculated as a weighted sum of the growth rates for total earnings, transfers, capital income and other income. ⁶ Direct taxes' contribution to the change in disposable income, expressed in percentage points. ⁷ Implicit price index for household consumption expenditure. ⁸ SEK thousand. ⁹ Constant prices ¹⁰ The first column is in SEK billion, current prices. The following columns are expressed as savings as a percentage of the sum of disposable income and net savings in premium- and occupational pension schemes.

Sources: Statistics Sweden and NIER.

Table A8 Current Account and Net Lending

SEK billion, current prices, and per cent, respectively

	2021	2022	2023	2024	2025	2026	2027	2028
Net Exports	260	163	277	290	294	288	260	232
Goods	236	213	315	332	334	...	...	...
Services	25	-49	-38	-41	-41	...	...	...
Earnings, Net	8	10	14	14	14	14	14	15
Investment Income, Net	221	264	234	207	219	201	216	217
Transfers etc., Net	-100	-106	-102	-93	-111	-121	-126	-136
Current Account Balance	389	332	423	419	416	382	364	328
<i>Per cent of GDP</i>	7.1	5.6	6.7	6.5	6.2	5.4	5.0	4.3
Capital Transfers	0	4	0	-4	0	0	0	0
Net Lending	389	336	422	415	415	381	363	328
<i>Per cent of GDP</i>	7.1	5.6	6.7	6.5	6.2	5.4	5.0	4.3

Sources: Statistics Sweden and NIER.

Table A9 Gross National Income (GNI)

SEK billion, current prices, thousands, and percentage change, respectively

	Level	2022	2023	2024	2025	2026	2027	2028	
GNI	2022	6 247	9.3	4.8	1.7	3.7	4.7	4.4	3.8
Deflator, Domestic Use	...	...	7.0	6.2	1.3	1.3	2.2	2.3	2.3
Real GNI	...	...	2.1	-1.4	0.3	2.4	2.4	2.1	1.5
Population ¹	2022	10 487	0.7	0.6	0.6	0.5	0.5	0.5	0.4
Real GNI per Capita²	2022	596	1.4	-2.0	-0.2	1.9	1.9	1.6	1.0

¹Thousands of people. ²SEK thousand.

Sources: Statistics Sweden and NIER.

Table A10 Production

SEK billion, current prices, and percentage change, constant prices, respectively, calendar-adjusted values

	Level 2022	2022	2023	2024	2025	2026	2027	2028
Goods Producers	1 514	1.8	-2.3	1.0	1.6	...	...	...
Of Which: Industry	847	1.9	-5.8	-0.8	4.4	...	...	...
Construction	349	2.5	4.9	4.7	-3.9	...	...	...
Service Producers	2 711	3.7	1.3	0.8	3.8	...	...	...
Business Sector	4 225	3.1	0.0	0.9	3.0	3.2	2.3	2.1
General Government	1 014	0.8	1.1	0.8	1.4	0.4	0.4	0.6
GDP at Basic Prices¹	5 304	2.6	0.2	0.9	2.7	2.7	1.9	1.8
Taxes/Subsidies on Products	655	3.0	-1.6	0.2	2.9	2.9	1.9	1.8
GDP at Market Prices	5 959	2.7	0.0	0.8	2.7	2.7	1.9	1.8

¹ Including production in non-profit institutions serving households.

Note. Production refers here to value added.

Sources: Statistics Sweden and NIER.

Table A11 Hours Worked

Million hours and percentage change, respectively, calendar-adjusted values

	Level 2022	2022	2023	2024	2025	2026	2027	2028
Goods Producers	1 918	1.2	1.3	-0.8	0.3	...	...	...
Of Which: Industry	966	0.6	1.0	-1.3	-0.1	...	...	...
Construction	650	1.4	2.6	-0.7	0.9	...	...	...
Services Producers	3 919	4.1	2.2	0.4	1.4	...	...	...
Business Sector	5 837	3.1	1.9	0.0	1.1	1.4	1.3	0.5
General Government	2 232	0.4	1.7	1.6	0.9	0.7	0.6	0.6
Total Economy¹	8 238	2.3	1.8	0.4	1.0	1.2	1.1	0.5

¹ Including non-profit institutions serving households.

Sources: Statistics Sweden and NIER.

Table A12 Productivity

SEK per hour, basic prices, and percentage change, constant prices, respectively, calendar-adjusted values

	Level 2022	2022	2023	2024	2025	2026	2027	2028
Goods Producers	789	0.6	-3.6	1.8	1.2	...	...	...
Of Which: Industry	877	1.3	-6.7	0.5	4.5	...	...	...
Construction	537	1.1	2.3	5.5	-4.8	...	...	...
Service Producers	692	-0.4	-0.9	0.4	2.3	...	...	...
Business Sector	724	-0.1	-1.8	0.9	1.9	1.8	1.0	1.6
General Government	454	0.3	-0.6	-0.7	0.4	-0.3	-0.2	-0.1
Total Economy¹	644	0.3	-1.5	0.4	1.6	1.4	0.8	1.2

¹ Including production in non-profit institutions serving households.

Sources: Statistics Sweden and NIER.

Table A13 The Labour Market

Thousands of people and percentage change, respectively, unless otherwise indicated

	Level 2022	2022	2023	2024	2025	2026	2027	2028
Hours Worked ¹	8 238	2.3	1.8	0.4	1.0	1.2	1.1	0.5
Average Hours Worked for Employed ²	30.5	-0.7	0.4	0.8	0.2	0.0	0.1	0.0
Number of Employed	5 199	3.1	1.4	-0.4	0.8	1.2	1.0	0.6
Employment Rate ³	...	68.8	69.4	68.9	69.1	69.6	69.9	70.0
Labour Force	5 620	1.5	1.6	0.3	0.7	0.8	0.5	0.5
Labour Force Participation Rate ⁴	...	74.4	75.2	75.1	75.3	75.5	75.6	75.6
Unemployment Rate ⁵	421	7.5	7.7	8.3	8.2	7.9	7.4	7.4
Population Aged 15–74 ⁶	7 553	0.5	0.5	0.4	0.5	0.5	0.5	0.4

¹ Million hours, calendar-adjusted values. ² Hours per week, calendar-adjusted values. ³ Number of employed in per cent of the population aged 15–74. ⁴ Number of people in the labour force in per cent of the population aged 15–74. ⁵ Per cent of the labour force. ⁶ According to the LFS definition of the population.

Sources: Statistics Sweden and NIER.

Table A14 Resource Utilisation

Per cent and percentage change

	2021	2022	2023	2024	2025	2026	2027	2028
Labour Market								
Equilibrium Unemployment ¹	7.3	7.4	7.4	7.5	7.5	7.5	7.4	7.4
Actual Unemployment ²	8.9	7.5	7.7	8.3	8.2	7.9	7.4	7.4
Potential Hours Worked	0.5	1.2	1.8	1.5	0.8	0.6	0.5	0.5
Of Which: Potential Employment	0.9	1.1	1.1	0.9	0.7	0.6	0.5	0.5
Actual Hours Worked ³	2.3	2.3	1.8	0.4	1.0	1.2	1.1	0.5
Labour Market Gap ⁴	-1.3	-0.2	-0.3	-1.4	-1.2	-0.6	0.0	0.0
Productivity								
Potential Productivity	1.9	1.1	0.6	0.3	1.1	1.2	1.2	1.3
Of Which: Potential Pro- ductivity. Business Sector	2.0	1.2	1.0	0.6	1.4	1.6	1.6	1.6
Actual Productivity ³	3.7	0.4	-1.7	0.4	1.6	1.5	0.8	1.2
Productivity Gap ⁵	2.8	2.1	-0.3	-0.3	0.2	0.4	0.0	0.0
GDP								
Potential GDP	2.4	2.3	2.5	1.8	2.0	1.8	1.8	1.8
Actual GDP ³	6.0	2.7	0.0	0.8	2.7	2.7	1.9	1.8
Output Gap ⁶	1.4	1.8	-0.7	-1.6	-1.0	-0.1	0.0	0.0
Potential GDP, current prices	5.2	8.4	8.0	3.2	3.0	4.2	4.2	3.8

¹ Level, per cent of potential labour force. ² Level, per cent of labour force. ³ Calendar adjusted values. ⁴ Difference between actual and potential hours worked in per cent of potential hours worked. ⁵ Difference between actual and potential productivity in per cent of potential productivity. ⁶ Difference between actual and potential GDP in per cent of potential GDP.

Note. The potential variables are also adjusted for calendar effects, in the sense that they reflect the calendar adjusted level that would have been observed in the absence of business cycle effects.

Sources: Statistics Sweden and NIER.

Table A15 Hourly Earnings According to the Short-Term Earnings Statistics

Per cent and percentage change, respectively

	Weight 2022	2022	2023	2024	2025	2026	2027	2028
Business Sector	70	2.9	4.1	3.9	3.7	3.7	3.7	3.7
Goods Producers	21	2.7	3.9	3.8	3.6	...	...	...
Of Which: Industry	14	2.8	3.7	3.8	3.6	...	...	...
Construction	7	2.6	4.2	3.8	3.6	...	...	...
Service Producers	48	3.0	4.1	4.0	3.7	...	...	...
Local Government	24	2.2	3.2	3.6	3.5	...	...	...
Central Government	6	2.6	2.9	4.1	3.7	...	...	...
Total	100	2.7	3.8	3.9	3.6	3.7	3.7	3.7
Real Hourly Earnings (CPI) ¹	...	-5.6	-4.8	1.1	3.4	1.9	1.7	1.7
Real Hourly Earnings (CPIF) ²	...	-5.0	-2.2	1.9	2.2	1.8	1.7	1.7

¹ Deflated by the CPI. ² Deflated by the CPI with constant mortgage rates (CPIF).

Sources: National Mediation Office, Statistics Sweden and NIER.

Table A16 Hourly Earnings & Labour Costs in Business Sector by National Accounts

SEK per hour, per cent and percentage change, respectively

	Level 2022	2022	2023	2024	2025	2026	2027	2028
Not Calendar-Adjusted Values								
Hourly Earnings ¹	295	4.1	3.9	3.1	4.2	3.1	3.2	4.3
Employers' Social Contributions ² (per cent of earnings)	...	41.9	41.5	42.5	42.5	43.5	43.8	43.5
Hourly Labour Costs ³	418	3.6	3.7	3.8	4.2	3.8	3.3	4.1
Productivity ⁴	703	0.0	-1.5	0.9	2.4	...	...	...
Adjusted Unit Labour Costs ⁵	...	3.6	5.3	2.9	1.7	...	...	...
Calendar-Adjusted Values								
Hourly Earnings ¹	296	4.1	3.3	3.0	3.5	3.7	3.7	3.7
Hourly Labour Costs ³	420	3.6	3.1	3.7	3.5	4.3	3.7	3.7
Productivity ⁴	706	0.0	-1.9	0.8	2.0	...	...	...
Adjusted Unit Labour Costs ⁵	...	3.6	5.1	2.9	1.5	...	...	...

¹ Calculated with only employees' hours worked. ² Employers' social contributions and payroll taxes. ³ Earnings and employers' social contributions. ⁴ Excluding one- and two-family houses and secondary homes. ⁵ Refers to total business sector excluding one- and two-family houses and secondary homes, and adjusted for the number of hours worked by the self-employed.

Sources: Statistics Sweden and NIER.

Table A17 Supply and Use Price Deflators

Per cent and percentage change, respectively

	Weight	2022	2023	2024	2025	2026	2027	2028
GDP	66.6	6.0	5.6	1.4	1.2	2.2	2.2	2.2
General Government ^{1,2}	12.1	4.1	8.4	1.8	2.4	3.9	3.8	4.0
Business Sector ²	47.2	6.9	5.6	1.3	0.9	1.7	1.8	1.8
Product Taxes, Net	7.3	3.7	1.0	1.0	0.8	...	...	...
Imports	33.4	19.2	5.2	-2.3	-1.7	-0.7	0.1	1.4
Processed Goods	15.7	15.6	7.3	-2.8	-1.3	...	...	...
Raw Materials	6.6	48.2	-2.7	-3.7	-2.2	...	...	...
Services	11.1	11.2	6.9	-0.8	-2.0	...	...	...
Supply/Use³	100.0	10.1	5.5	0.2	0.2	1.2	1.5	1.9
General Government Consumption Expenditure	16.6	5.7	7.3	1.7	2.5	3.3	3.2	3.5
Household Consumption Expenditure	29.2	6.8	6.3	1.6	1.4	2.1	2.1	2.1
Gross Fixed Capital Formation	18.1	8.7	5.1	0.5	-0.2	1.5	1.6	1.5
Exports	35.2	16.2	4.2	-1.9	-1.6	-0.7	0.1	1.2
Processed Goods	18.5	13.8	9.9	-2.3	-2.0	...	...	...
Raw Materials	6.2	33.4	-11.9	-3.8	-2.2	...	...	...
Services	10.5	11.8	4.1	0.0	-0.9	...	...	...

¹ Including non-profit institutions serving households. ² Value added price deflator calculated at basic prices. ³ Including stockbuilding.

Sources: Statistics Sweden and NIER.

Table A18 Business Sector Prices, Costs and Profits

SEK billion, percentage change and per cent, respectively

	Level	2022	2023	2024	2025	2026	2027	2028
Value Added ¹	4 218	8.8	5.3	2.5	3.7	5.3	4.4	3.7
Hours Worked, Employees ²	5 588	3.3	1.5	0.4	0.4	2.1	1.9	0.0
Hourly Labour Costs ³	418	3.6	3.7	3.8	4.2	3.8	3.3	4.1
Total Labour Costs ⁴	2 335	7.0	5.3	4.2	4.6	6.0	5.3	4.1
Gross Profit	1 883	11.1	5.4	0.5	2.5	...	...	...
Profit Share	...	44.6	44.7	43.8	43.3	42.9	42.4	42.2
Adjusted Profit Share ⁵	...	40.6	40.7	40.1	39.5	39.1	38.6	38.4

¹ Calculated at factor prices. ² Million hours. ³ SEK. ⁴ Including wage-related other taxes on production for employees. ⁵ Excluding one- and two-family houses and secondary homes, and adjusted for the number of hours worked by the self-employed.

Sources: Statistics Sweden and NIER.

Table A19 Consumer Prices

Per cent and percentage change, respectively

	Weight							
	2024	2022	2023	2024	2025	2026	2027	2028
CPI	100.0	8.4	8.5	2.8	0.3	1.8	2.0	2.0
Mortgage Interest Costs, Mortgage Interest Rate	...	17.8	66.2	11.0	-17.4	-3.4	0.6	0.5
CPIF	100.0	7.7	6.0	1.9	1.5	2.0	2.0	2.0
Goods	41.9	7.3	8.5	0.7	-0.4	...	...	...
Services	30.2	4.7	7.6	3.5	2.8	...	...	...
Housing Excl. Mortgage Interest Costs and Energy	15.9	4.2	5.2	4.6	3.5	...	...	...
Energy	8.1	32.9	-11.0	-5.8	0.9	...	...	...
Mortgage Interest Costs, Capital Stock	3.8	6.9	5.6	4.0	3.5	3.5	3.6	3.6
CPIF Excl. Energy	91.9	5.9	7.5	2.4	1.5	...	...	...
HICP	...	8.1	5.9	2.1	1.5	...	...	...
Crude Oil (Brent) ¹	...	100.8	82.5	84.2	82.6	82.0	84.8	87.6

¹ Dollars per barrel, annual average.

Note. The CPI's mortgage interest cost component is the product of the mortgage interest rate and the capital stock.

Sources: U.S. Energy Information Administration, Statistics Sweden, Macrobond and NIER.

Public Finances

Table A20 General Government Finances

SEK billion, current prices, and percentage of GDP, respectively

	2021	2022	2023	2024	2025	2026	2027	2028
Revenue	2 643	2 871	2 947	3 015	3 143	3 302	3 469	3 617
<i>Per cent of GDP</i>	48.2	48.1	46.8	46.9	47.1	47.1	47.4	47.6
Taxes and Duties	2 329	2 487	2 556	2 615	2 728	2 854	2 996	3 123
<i>Per cent of GDP</i>	42.5	41.6	40.6	40.7	40.9	40.7	41.0	41.1
<i>Tax-to-GDP Ratio¹</i>	42.6	41.8	40.7	40.8	41.0	40.9	41.1	41.3
Property Income	65	105	90	94	96	122	135	144
Other Revenue	249	279	300	306	319	325	337	350
Expenditure	2 643	2 801	2 981	3 098	3 172	3 305	3 431	3 566
<i>Per cent of GDP</i>	48.2	46.9	47.4	48.2	47.6	47.2	46.9	47.0
Consumption Expenditure	1 407	1 485	1 617	1 673	1 745	1 824	1 902	1 985
Transfers	962	987	995	1 043	1 033	1 057	1 084	1 120
Households	725	767	775	802	817	830	848	871
Corporations	140	126	127	157	115	121	126	131
Abroad	97	94	93	85	101	106	110	119
Capital Formation ²	251	286	311	324	339	351	363	374
Property Expenditure	23	42	58	57	54	74	82	87
Technical Transfer to Households³	0	0	0	0	17	-13	12	17
Net Lending⁴	0	70	-34	-83	-46	10	26	33
<i>Per cent of GDP</i>	0.0	1.2	-0.5	-1.3	-0.7	0.1	0.4	0.4
Primary Net Lending⁵	-42	7	-66	-120	-88	-39	-27	-23
<i>Per cent of GDP</i>	-0.8	0.1	-1.1	-1.9	-1.3	-0.5	-0.4	-0.3
Structural Net Lending	-55	6	32	37	-17	23	24	25
<i>Per cent of potential GDP</i>	-1.0	0.1	0.5	0.6	-0.2	0.3	0.3	0.3
Maastricht Debt	2 001	1 966	1 941	2 076	2 185	2 274	2 359	2 445
<i>Per cent of GDP</i>	36.5	32.9	30.8	32.3	32.8	32.4	32.3	32.2
GDP, Current Prices	5 487	5 972	6 295	6 432	6 668	7 008	7 313	7 594
Potential GDP, Current Prices	5 412	5 867	6 338	6 539	6 732	7 016	7 313	7 594
Net Financial Wealth	1 841	1 780	1 878	2 058	2 100	2 190	2 296	2 410
<i>Per cent of GDP</i>	33.6	29.8	29.8	32.0	31.5	31.2	31.4	31.7

¹The tax-to-GDP ratio is calculated by dividing total taxes, including EU taxes, by GDP. ²Fixed gross investments, inventory investments and acquisition/disposal of land, etc. ³Technical transfer to households in the form of changes to taxes and/or transfer payments. Refers to the amounts that in the coming years need to be transferred between households and the general government in order to achieve the forecast path for structural net lending. A negative number means a need for austerity measures in the general government, i.e. measures are taken with a negative effect on households' disposable income, and a positive number means room for expansive measures. ⁴Net lending is calculated as income minus the sum of expenses and transfers to households. ⁵Primary net lending is calculated as net lending minus net capital income. Net capital income is capital income minus capital expenditures.

Sources: Statistics Sweden and NIER.

Table A21 Central government finances

SEK billion and percentage of GDP, respectively, current prices

	2021	2022	2023	2024	2025	2026	2027	2028
Revenue	1 404	1 535	1 541	1 556	1 617	1 692	1 781	1 856
Taxes and Duties	1 225	1 311	1 328	1 340	1 395	1 460	1 538	1 603
Property Income	25	51	31	30	28	37	41	42
Other Revenue	154	172	182	186	193	195	202	210
Expenditure	1 440	1 509	1 538	1 640	1 649	1 697	1 747	1 804
Transfers	923	929	920	983	946	952	969	994
Old-Age Pension System ¹	27	27	27	28	29	29	29	30
Local Government Sector	363	357	350	379	365	364	367	371
Households	345	373	371	386	388	388	394	402
Corporations	96	82	83	110	68	71	74	77
Abroad	92	90	89	80	96	101	105	114
Consumption Expenditure	366	394	423	451	488	512	533	555
Capital Formation ²	136	156	162	175	184	191	199	207
Property Expenditure	15	30	33	31	30	42	46	48
<i>Of which interest expenditure</i>	9	24	26	24	23	34	38	40
Technical Transfer to Households³	0	0	0	0	27	14	54	71
Net Lending	-36	25	3	-85	-59	-19	-19	-19
<i>Per cent of GDP</i>	<i>-0.7</i>	<i>0.4</i>	<i>0.0</i>	<i>-1.3</i>	<i>-0.9</i>	<i>-0.3</i>	<i>-0.3</i>	<i>-0.3</i>
Central Government Debt	1 145	1 031	967	1 069	1 143	1 190	1 233	1 275
<i>Per cent of GDP</i>	<i>20.9</i>	<i>17.3</i>	<i>15.4</i>	<i>16.6</i>	<i>17.1</i>	<i>17.0</i>	<i>16.9</i>	<i>16.8</i>
Net Financial Wealth	-39	68	91	24	-19	-5	10	26
<i>Per cent of GDP</i>	<i>-0.7</i>	<i>1.1</i>	<i>1.4</i>	<i>0.4</i>	<i>-0.3</i>	<i>-0.1</i>	<i>0.1</i>	<i>0.3</i>

¹ Central government's old-age pension contributions. ² Fixed gross investments, inventory investments and acquisition/disposal of land, etc. ³ Technical transfer to households in the form of changes to taxes and/or transfer payments. In this table, central government grants to the local government sector are estimated based on unchanged rules. If these grants turn out to be higher than with unchanged rules, the technical transfer from the central government sector to households will decrease correspondingly, at the same time as the technical transfer from local government to the households will increase correspondingly via smaller increases in local government taxes (or larger transfer payments). The total technical transfer from the general government sector to households, reported in Table A20, is not affected.

Sources: Statistics Sweden, National Debt Office and NIER.

Table A22 Old Age Pension System Finances

SEK billion and percentage of GDP, respectively, current prices

	2021	2022	2023	2024	2025	2026	2027	2028
Revenue	339	375	383	410	432	457	480	502
Social Insurance Contributions	277	302	314	331	345	362	379	395
Central Government's Old Age Pension Contributions	27	27	27	28	29	29	29	30
Property Income	32	42	38	47	52	61	66	71
Other Revenue	3	4	4	5	5	5	6	6
Expenditure	340	354	369	374	386	400	413	426
Income Pensions	332	345	358	363	374	388	400	413
Property Expenditure	1	1	1	1	1	1	1	1
Other Expenses	8	9	10	10	11	11	12	12
Net Lending	0	21	14	36	46	57	67	76
<i>Per cent of GDP</i>	<i>0.0</i>	<i>0.3</i>	<i>0.2</i>	<i>0.6</i>	<i>0.7</i>	<i>0.8</i>	<i>0.9</i>	<i>1.0</i>
Net Financial Wealth	2 029	1 847	1 977	2 247	2 355	2 451	2 559	2 677
<i>Per cent of GDP</i>	<i>37.0</i>	<i>30.9</i>	<i>31.4</i>	<i>34.9</i>	<i>35.3</i>	<i>35.0</i>	<i>35.0</i>	<i>35.3</i>

Sources: Statistics Sweden and NIER.

Table A23 Local Government Finances

SEK billion and percentage of GDP, respectively, current prices

	2021	2022	2023	2024	2025	2026	2027	2028
Revenue	1 300	1 356	1 411	1 467	1 499	1 556	1 615	1 672
Taxes	806	852	892	920	963	1 006	1 052	1 096
Municipal Property Tax	21	21	22	24	25	26	27	28
Central Government Grants incl. VAT Compensation	360	355	348	376	362	361	365	369
Property Income	8	11	22	18	16	25	29	32
Other Revenue	104	116	127	128	133	138	143	147
<i>Average municipal tax rate¹</i>	<i>32.27</i>	<i>32.24</i>	<i>32.24</i>	<i>32.37</i>	<i>32.37</i>	<i>32.37</i>	<i>32.37</i>	<i>32.37</i>
Expenditure	1 263	1 332	1 462	1 501	1 542	1 611	1 679	1 749
Transfers	103	103	99	109	111	113	116	119
Households	49	50	45	53	55	54	54	55
Other	54	53	53	55	57	59	62	64
Consumption Expenditure	1 037	1 088	1 190	1 217	1 252	1 307	1 364	1 424
Capital Formation ²	115	130	149	149	155	159	163	167
Property Expenditure	7	11	25	26	24	32	35	38
Technical Transfer to Households³	0	0	0	0	-10	-27	-42	-54
Net Lending⁴	37	24	-52	-34	-33	-28	-22	-23
<i>Per cent of GDP</i>	<i>0.7</i>	<i>0.4</i>	<i>-0.8</i>	<i>-0.5</i>	<i>-0.5</i>	<i>-0.4</i>	<i>-0.3</i>	<i>-0.3</i>
Net Financial Wealth	-148	-135	-189	-213	-236	-256	-273	-293
<i>Per cent of GDP</i>	<i>-2.7</i>	<i>-2.3</i>	<i>-3.0</i>	<i>-3.3</i>	<i>-3.5</i>	<i>-3.7</i>	<i>-3.7</i>	<i>-3.9</i>

¹ Per cent. ² Gross fixed capital formation, stock investments and acquisition/sale of land etc. ³ Technical transfer to households in the form of changes to taxes and/or transfer payments. In this table, central government grants to the local government sector are estimated based on unchanged rules. If these grants turn out to be higher than with unchanged rules, the technical transfer from the local government sector to households will increase accordingly via smaller increases in local government taxes (or larger transfer payments). Since the technical transfer from the central government sector to households will decrease correspondingly, the total technical transfer from the general government sector to households, reported in Table A20, is not affected. ⁴ Net lending is calculated as income minus the sum of expenses and transfers to households.

Sources: Statistics Sweden and NIER.

Table A24 General Government Revenue

Per cent of GDP

	2021	2022	2023	2024	2025	2026	2027	2028
Direct Household Taxes	14.9	14.1	13.6	13.9	14.1	13.9	14.0	14.0
Direct Business Taxes	3.5	3.5	3.3	3.3	3.3	3.3	3.3	3.3
Employers' Social Contributions ¹	11.6	11.3	11.5	11.8	11.9	11.9	11.9	12.0
VAT	9.1	9.2	8.8	8.8	8.8	8.8	8.9	8.9
Excise	1.9	1.6	1.5	1.5	1.5	1.5	1.5	1.5
Other Taxes	1.6	2.0	2.0	1.6	1.6	1.5	1.6	1.6
Tax-to-GDP Ratio²	42.6	41.8	40.7	40.8	41.0	40.9	41.1	41.3
EU Taxes ³	-0.1	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Other Revenue ⁴	4.5	4.7	4.8	4.8	4.8	4.6	4.6	4.6
Primary Revenue	47.0	46.3	45.4	45.4	45.7	45.4	45.6	45.7
Property Income	1.2	1.8	1.4	1.5	1.4	1.7	1.8	1.9
Total Revenue	48.2	48.1	46.8	46.9	47.1	47.1	47.4	47.6

¹ Employers' social contributions, contributions from the self-employed and special payroll tax. ² The tax-to-GDP ratio is defined as total taxes, including EU taxes, divided by GDP. ³ Taxes paid to the EU are included in the tax-to-GDP ratio but not in general government revenue. ⁴ Including transfers from abroad and from unemployment insurance funds.

Note. Refers to general government revenue with unchanged tax rules, that is, based on the regulations in the latest budget bill. Any phasing-out of temporary changes are considered.

Sources: Statistics Sweden and NIER.

Table A25 General Government Expenditure

Per cent of GDP

	2021	2022	2023	2024	2025	2026	2027	2028
Consumption Expenditure	25.7	24.9	25.7	26.0	26.2	26.0	26.0	26.1
Transfers	17.5	16.5	15.8	16.2	15.5	15.1	14.8	14.8
Households	13.2	12.9	12.3	12.5	12.2	11.8	11.6	11.5
Corporations	2.6	2.1	2.0	2.4	1.7	1.7	1.7	1.7
Abroad	1.8	1.6	1.5	1.3	1.5	1.5	1.5	1.6
Capital Formation ¹	4.6	4.8	4.9	5.0	5.1	5.0	5.0	4.9
Primary Expenditure	47.8	46.2	46.4	47.3	46.7	46.1	45.8	45.8
Property Expenditure	0.4	0.7	0.9	0.9	0.8	1.1	1.1	1.2
Total Expenditure	48.2	46.9	47.4	48.2	47.6	47.2	46.9	47.0

¹ Gross fixed capital formation, stock investments and acquisition/sale of land, etc.

Note. Refers to general government expenditure with maintained personnel density in the provision of publicly funded welfare services including an increased standard in intermediate consumption and unchanged rules for transfers.

Sources: Statistics Sweden and NIER.

Table A26 Transfers from General Government to Households

Per cent of GDP

	2021	2022	2023	2024	2025	2026	2027	2028
Pensions ¹	7.3	7.0	7.1	7.2	7.1	7.0	6.9	6.8
Of Which Income Pension	6.0	5.8	5.7	5.6	5.6	5.5	5.5	5.4
Labour Market ²	0.8	0.6	0.6	0.6	0.6	0.5	0.5	0.5
Illness and Disability ³	1.4	1.4	1.4	1.5	1.4	1.3	1.3	1.3
Family and Children ⁴	1.6	1.5	1.4	1.4	1.4	1.3	1.3	1.3
Education ⁵	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Social Assistance ⁶	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Other ⁷	1.5	1.9	1.3	1.3	1.2	1.2	1.1	1.1
Total Transfers to Households	13.2	12.9	12.3	12.5	12.2	11.8	11.6	11.5

¹ Income pension, supplementary pension, guaranteed pension, survivor's pension, general government occupational pensions and housing supplement for pensioners. ² Unemployment benefits, labour market training benefits, introduction benefit and salary guarantee. ³ Sickness and rehabilitation benefit, activity and sickness compensation, work injury compensation, disability allowance and additional cost compensation. ⁴ Parental benefit, child allowance, care allowance and housing allowance. ⁵ Student grants and other study allowance. ⁶ Welfare benefits. ⁷ Assistance compensation, financial support for asylum seekers, income support for the elderly and other transfers to households, such as electricity price compensation.

Note. Refers to transfers from general government to households with unchanged regulations for transfers.

Sources: Statistics Sweden and NIER.

Table A27 Base Amounts

SEK thousand, current prices

	2021	2022	2023	2024	2025	2026	2027	2028
Price Base Amount	47.6	48.3	52.5	57.3	58.9	58.7	59.8	61.0
Increased Price Base Amount	48.6	49.3	53.5	58.5	60.1	59.9	61.0	62.2
Income-related Base Amount	68.2	71.0	74.3	76.2	78.5	81.7	84.7	87.9

Sources: Statistics Sweden and NIER.

Table A28 Income Index, Balance Index, Income Pensions and Dampened Balance Ratio

Percentage change

	2021	2022	2023	2024	2025	2026	2027	2028
Income Index	2.2	4.1	4.6	2.6	3.0	4.0	3.7	3.7
Balance Index	2.2	4.1	4.6	2.6	3.0	4.0	3.7	3.7
Balance Ratio ¹	1.027	1.028	1.040	1.043	1.040	1.049	1.047	...
Nominal Income Pension²	0.5	2.5	3.0	1.0	1.4	2.4	2.1	2.1

¹ Level. ² Adjustment indexation, i.e. percentage change of income or balance index minus 1.6 percentage points.

Sources: Swedish Pensions Agency and NIER.

Table A29 Central Government Budget Balance and Debt

SEK billion and percentage of GDP, respectively

	2021	2022	2023	2024	2025
Budget Balance	78	164	19	-87	-83
Adjustments to Net Lending	-85	-102	-28	-24	1
Sales of Shares etc.	0	-1	0	0	0
Extra Dividends	-7	-8	-3	-1	0
On-Lending	-73	-102	-26	16	8
Other Adjustments	-4	9	2	-39	-7
Accruals	-25	-36	3	24	20
Of Which: Tax Accruals	-14	-9	10	22	1
Interest Accruals	-10	-10	-8	2	19
Other	-4	-1	9	2	4
Central Government Net Lending	-36	25	3	-85	-59
Central Government Borrowing Requirement ¹	-78	-164	-19	87	83
Stock-Flow Adjustments, Central Government Debt	5	50	-45	16	-9
Central Government Debt, Change	-73	-114	-64	103	74
Central Government Debt	1145	1031	967	1069	1143
<i>Per cent of GDP</i>	<i>20.9</i>	<i>17.3</i>	<i>15.4</i>	<i>16.6</i>	<i>17.1</i>

¹ The central government borrowing requirement is equal to the budget balance with the sign reversed.

Sources: Statistics Sweden, Swedish National Debt Office, Swedish National Financial Management Authority and NIER.

Table A30 Central Government Expenditure Ceiling

SEK billion, current prices

	2021	2022	2023	2024	2025	2026
Central Government Expenditure Ceiling	1 695	1 634	1 665	1 747	1 827	1 866
<i>Per cent of Potential GDP</i>	<i>31.3</i>	<i>27.8</i>	<i>26.3</i>	<i>26.7</i>	<i>27.1</i>	<i>26.6</i>
Capped Expenditure	1 551	1 559	1 628	1 672	1 735	1 779
<i>Per cent of Potential GDP</i>	<i>28.7</i>	<i>26.6</i>	<i>25.7</i>	<i>25.6</i>	<i>25.8</i>	<i>25.4</i>
Budgeting Margin	144	75	37	75	92	87
<i>Per cent of Capped Expenditure</i>	<i>9.3</i>	<i>4.8</i>	<i>2.3</i>	<i>4.5</i>	<i>5.3</i>	<i>4.9</i>

Sources: Swedish National Financial Management Authority, Ministry of Finance and NIER.

Table A31 Fiscal forecast and scenario in general government

SEK billion

	2025	2026	2027	2028	2025–2028
Fiscal space	1	44	55	31	131
Fiscal policy measures	40	5	55	31	131
Expenditure measures in general government concerning consumption and investment	23	35	30	26	114
Central government consumption ¹	10	11	10	9	40
Central government investments ²	3	6	4	4	18
Local government sector ³	10	18	16	13	57
Measures aimed at households ⁴	17	–30	25	6	17
Structural net lending ⁵	–0.25	0.33	0.33	0.33	

¹ Calculated as the difference between expenditure in the scenario and a projection of expenditure using the price- and wage index calculation (the so called pris- och löneomräkning, PLO, in Swedish) ² Calculated as the difference between expenditure in the scenario and a projection of expenditure based on the development of the base price amount. ³ Calculated as the income supplement needed in the local government sector, at a given municipal tax rate, to finance the expenses in the scenario while simultaneously achieving a surplus (within the accounting framework) and net lending at a level consistent with sound financial management. ⁴ Adjusted in the scenario in such a way that the surplus target is reached. ⁵ Per cent of potential GDP.

Note. Every year, the Riksdag makes decisions on expenditure frameworks and revenues for years beyond the budget year. In connection with the budget proposal for 2024, decisions were made regarding the framework for 2025–2026. This framework includes fiscal policy measures related to escalations and de-escalations of various measures. These changes have been taken into account in the calculation of additional fiscal policy measures in NIER's scenario.

Source: NIER.