



The Swedish Economy  
October 2018

**The National Institute of Economic Research (NIER)** is a Swedish government agency accountable to the Ministry of Finance. We produce forecasts to support decisions on economic policy in Sweden, analyse economic developments and conduct economic research.

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## Summary

**The Swedish economy will peak this year, and GDP growth will slow next year. Despite this strong activity, unemployment is still high in the foreign-born population. Substantial matching problems in the labour market mean that unemployment will hold above 6 per cent both this year and the next. The strong economy suggests that wage growth is set to pick up somewhat and that firms will raise prices more quickly. CPIF inflation has hovered around 2 per cent since last year. To prevent it from rising too far, the Riksbank is expected to commence a series of policy rate hikes in February next year. The unclear parliamentary situation makes it very uncertain how the budget for 2019 will turn out. Our forecast is based on an assumption that fiscal policy next year will be largely neutral.**

The Swedish economy went from strength to strength in the first half of the year, with GDP growing 0.8 per cent in the second quarter (see Diagram 1). Household consumption increased by no less than 0.9 per cent, largely due to a surge in car purchases ahead of the increase in tax on newly registered petrol and diesel cars in July. Monthly data suggest that car sales fell drastically in the third quarter, which will put something of a damper on GDP growth, mainly through reduced production of services in the motor trade. Housing investment is also continuing to fall. GDP growth is therefore expected to slow somewhat in the third quarter, despite the NIER's Economic Tendency Survey showing considerable optimism in the business sector, and despite export growth picking up.

The situation in the labour market is also positive. Employment continued to rise in the second quarter, albeit not quite as fast as in the immediately preceding quarters (see Diagram 2). Various labour market indicators (such as firms' recruitment plans) and monthly data both suggest that employment grew at the same rate in the third quarter. Employment is thus increasing at roughly the same rate as the labour force, which is still seeing considerable inflows, mainly from the foreign-born population. All in all, this means that unemployment will hold just above 6 per cent in the third quarter.

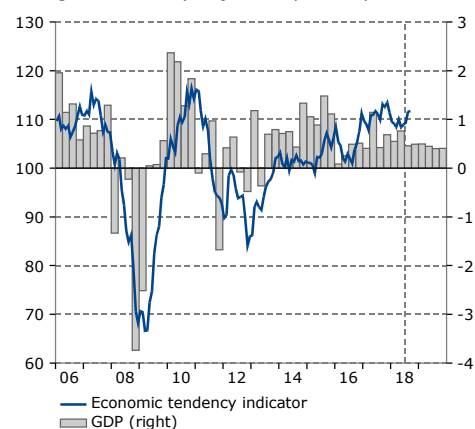
### STRONG GLOBAL ECONOMY TO DRIVE SWEDISH EXPORTS

Swedish exports performed poorly in the first half of the year, due to a slowdown in world trade and weak import demand from Sweden's key trading partners.

Firms' responses to the Economic Tendency Survey, however, indicate growing optimism in the Swedish export sector. For example, manufacturers' view of their export order books is very positive (see Diagram 3). Along with monthly data, this leads us to expect exports to grow more quickly in the second half of the year. One factor behind this optimism is the weak krona, which

**Diagram 1 Economic tendency indicator and GDP**

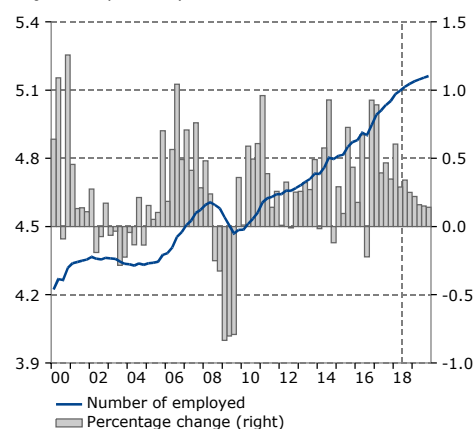
Index mean=100, monthly values and percentage change, seasonally adjusted quarterly values



Sources: Statistics Sweden and NIER.

**Diagram 2 Employment**

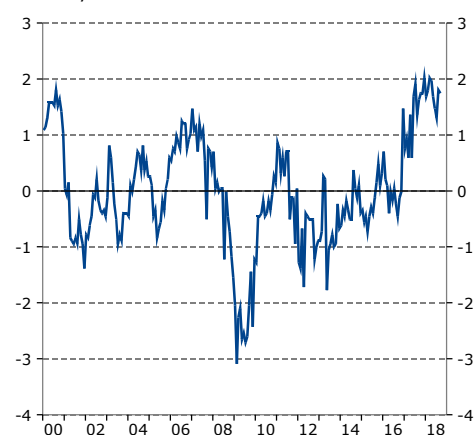
Millions and percentage change, seasonally adjusted quarterly values



Sources: Statistics Sweden and NIER.

**Diagram 3 Manufacturers' view of export order books**

Standardized deviations from mean, seasonally monthly values



Source: NIER.

has increased Swedish firms' international competitiveness. Global growth is set to remain relatively strong, and the NIER estimates that Sweden's export market will grow by almost 4 per cent in 2019 after performing somewhat less well this year.

The US economy has been booming for some time. Confidence indicators for both consumers (see Diagram 4) and firms remain much higher than normal. This suggests that the economy will continue to strengthen in the near term, and GDP is expected to grow by almost 3 per cent this year. Expansionary fiscal policy and strong investment activity mean that the economy will grow with undiminished strength next year (see Diagram 5). In the euro area as a whole, the recovery after the financial crisis is less advanced than in the US, but the output gap is beginning to move into positive territory. In the euro area too, consumer and business confidence indicators are generally much higher than normal. The reasons for this optimism include the ECB's continued low interest rate policy and slightly expansionary fiscal policy. Together with high capacity utilisation in the business sector, this means that investments will increase relatively rapidly this year and next. The strong investment climate in the US and the euro area is good news for Swedish exporters, many of which focus on capital and intermediate goods. Swedish exports are therefore expected to grow slightly faster than Sweden's export market next year and make a major contribution to GDP growth (see Diagram 6).

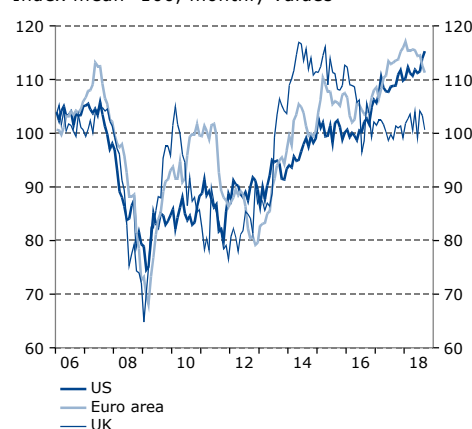
The economic boom in the US has caused prices to pick up. Inflation was close to 3 per cent over the summer, partly due to soaring energy prices. Core inflation, which excludes energy, has also risen recently and is now well over 2 per cent. Inflationary pressures will remain relatively strong, and so the Federal Reserve is expected to continue to raise the target range for its benchmark rate this year and the next (see Diagram 7). In the euro area, inflation has not risen as far, and core inflation is still well below the ECB's target. The ECB is therefore not expected to begin raising its policy rate until the autumn of 2019. At the same time, the Eonia interbank rate, which is currently clearly negative, will begin to climb and then rise largely in step with the ECB policy rate.

### RISK OF GLOBAL TRADE CONFLICT ESCALATING

Although the growth outlook for the advanced economies is generally bright, there are a number of uncertainties. The tough tone of global trade policy presents a risk of the ongoing trade conflict between the US and much of the rest of the world escalating further, although the new trade deal between the US, Mexico and Canada is sending out positive signals. The trade barriers recently introduced by the US, and the retaliation by the likes of China, are not in themselves a threat to the ongoing global upswing. A continued spiral of new trade barriers and retaliatory measures could, however, pose such a threat. The Swedish

**Diagram 4 Consumer confidence in US, Euro Area and UK**

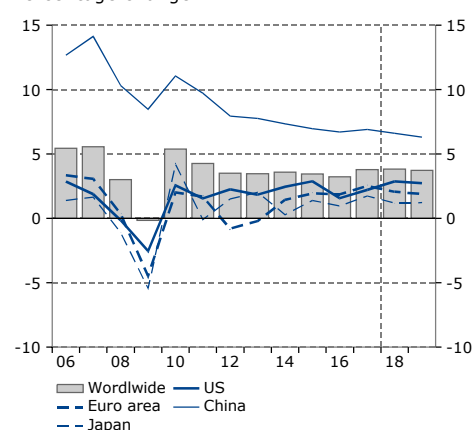
Index mean=100, monthly values



Sources: Conference Board, European Commission and Macrobond.

**Diagram 5 GDP in selected countries**

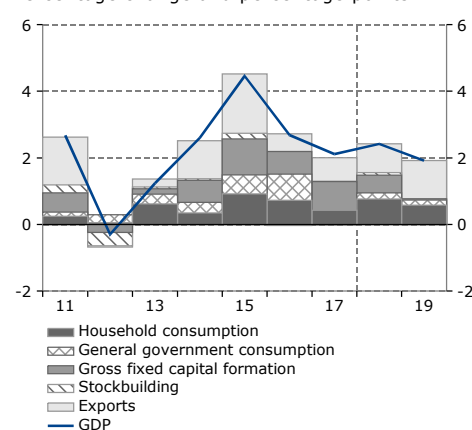
Percentage change



Sources: IMF, OECD, Macrobond and NIER.

**Diagram 6 Contribution to GDP growth**

Percentage change and percentage points



Anm. Importjusterade bidrag.

Sources: Statistics Sweden and NIER.

economy would therefore be adversely affected even if those barriers did not directly target goods produced in Sweden.

Another major source of uncertainty is Brexit. The risk of a Brexit where the UK leaves the EU in March next year without a deal with the EU in place has gradually increased over the course of this year as the size of the gap between the two sides has become clearer. Should the UK exit the customs union and internal market, or even leave the EU without a deal, then the effects on the Swedish economy could be significant, as the UK is an important trading partner for Sweden and other EU countries. There is also a risk that this could cause turbulence in financial markets, with further negative consequences for economic growth.

### HIGH INVESTMENT IN SWEDISH MANUFACTURING

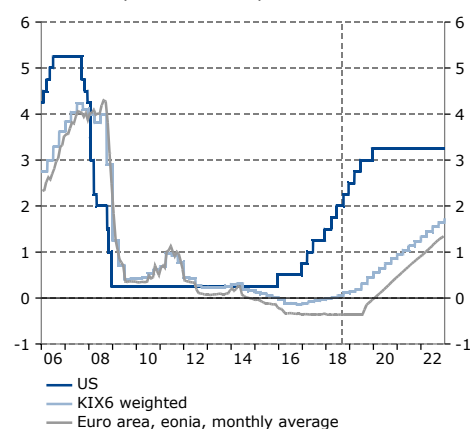
The upswing in exports in the second half of this year and next year means that industrial production will continue to grow strongly during the period. Capacity utilisation in the manufacturing sector has increased gradually in recent years to historically high levels (see Diagram 8). This points to a relatively strong need to expand production capacity. It is therefore natural that investment in the sector has risen rapidly in relation to value added in recent quarters, also to historically high levels. The high investment share suggests that production capacity is now increasing relatively quickly, and so the need to step up investment further is less acute.

Housing investment has soared in recent years to its highest since the early 1990s as a share of GDP. In the second quarter, however, housing investment fell back somewhat in the wake of the drop in housing prices that began in the autumn of last year. Although housing prices seem to have bottomed out, housing investment is expected to continue to decline during the rest of this year and next year, with lower prices reducing the profitability of new developments. The decline will be limited, however, partly because there is still a strong demand for new homes. That being said, there is a not insignificant risk that housing prices will fall further. A sharp correction could have tangible negative effects on household consumption and housing investment, and so on the economy as a whole.

The slowdown in investment in manufacturing and housing means that growth in investment in the economy as a whole will fall sharply in 2019. Investment will therefore make only a very minor contribution to GDP growth next year (see Diagram 9).

**Diagram 7 Policy rates**

Per cent, daily- and monthly values

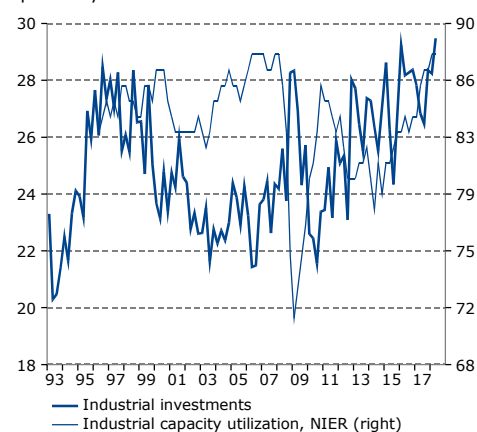


Note. US policy rate refers to upper bound of the target rate for the federal funds rate.

Sources: Bank of England, Bank of Japan, ECB, Federal Reserve, Norges Bank, Macrobond and NIER.

**Diagram 8 Industrial investments and capacity utilization**

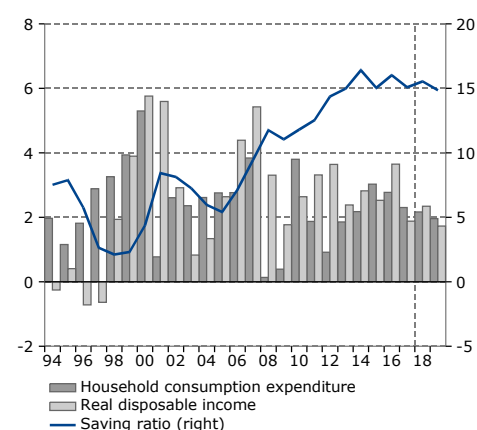
Per cent of value added in the industry, quarterly values and per cent, seasonally adjusted quarterly values



Note. Refers to investment and value added in the industry (B05-C33) excluding sector C26. Data for 2014kv4, 2015kv4 and 2016kv3 are confidential due to reclassification of Ericsson AB. Sources: Statistics Sweden and NIER.

**Diagram 9 Household consumption, real disposable income and saving ratio**

Percentage change and per cent of disposable income



Sources: Statistics Sweden and NIER.

**Table 1 Selected Indicators**

Percentage change, unless otherwise indicated

	Outcome		Forecast			Scenario	
	2017	2018	2019	2020	2021	2022	
GDP, Market Prices	2.1	2.4	1.9	1.9	1.9	1.8	
GDP per Capita	0.7	1.3	0.9	1.0	0.9	0.9	
GDP, Calendar-Adjusted	2.4	2.5	1.9	1.7	1.8	1.8	
GDP, World	3.8	3.8	3.7	3.6	3.5	3.5	
Current Account Balance <sup>1</sup>	3.6	3.3	3.8	3.8	3.8	3.9	
Hours Worked <sup>2</sup>	2.1	1.8	0.9	0.4	0.3	0.3	
Employment	2.3	1.7	0.9	0.5	0.4	0.4	
Unemployment Rate <sup>3</sup>	6.7	6.3	6.2	6.2	6.4	6.7	
Labour Market Gap <sup>4</sup>	0.4	1.1	1.1	0.8	0.5	0.1	
Output Gap <sup>5</sup>	0.9	1.5	1.3	0.9	0.5	0.1	
Hourly Earnings <sup>6</sup>	2.3	2.6	2.9	3.3	3.6	3.6	
Hourly Labour Costs <sup>2,7</sup>	2.5	3.6	2.6	3.3	3.6	3.6	
Productivity <sup>2</sup>	0.3	0.8	1.1	1.3	1.4	1.5	
CPI	1.8	2.0	2.5	2.5	2.7	2.7	
CPIF	2.0	2.1	2.2	2.0	2.0	2.0	
Repo Rate <sup>8,9</sup>	-0.50	-0.50	0.00	0.50	1.25	2.00	
10-year Government Bond Yield <sup>8</sup>	0.7	0.7	1.0	1.6	2.2	2.7	
Effective Krona Exchange Rate Index (KIX) <sup>10</sup>	112.9	117.8	117.3	114.9	112.5	110.0	
Government Net Lending <sup>1</sup>	1.6	0.7	0.7	0.8	0.6	0.5	
Structural Net Lending <sup>11</sup>	0.7	0.2	0.1	0.5	0.5	0.5	
Maastricht Debt <sup>1</sup>	40.8	37.2	35.1	34.4	33.3	32.5	

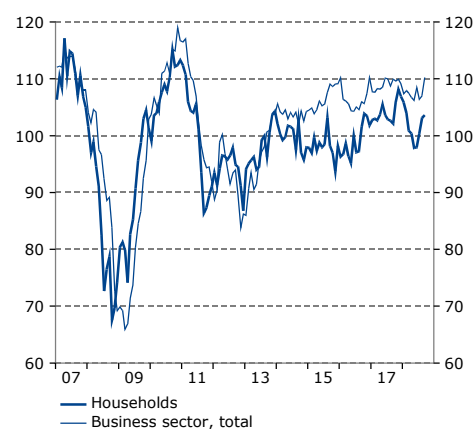
<sup>1</sup> Per cent of GDP. <sup>2</sup> Calendar-adjusted. <sup>3</sup> Per cent of labour force. <sup>4</sup> Difference between actual and potential hours worked in per cent of potential hours worked. <sup>5</sup> Difference between actual and potential GDP in per cent of potential GDP. <sup>6</sup> According to the short-term earnings statistics. <sup>7</sup> Refers to the hours of employees. <sup>8</sup> Per cent. <sup>9</sup> At year-end. <sup>10</sup> Index 18 November 1992=100. <sup>11</sup> Per cent of potential GDP.

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

## HOUSEHOLDS BENEFIT FROM STRONG LABOUR MARKET

Recent year's strong employment growth has continued this year (see Table 1). Together with lower taxes and higher transfer payments, this has led to household disposable income growing at around a normal rate this year (see Diagram 9) despite subdued wage growth. The consumer confidence indicator fell during the latter part of last year and the first half of this year (see Diagram 10) despite the strong labour market, probably due to the turbulence in the housing market. Since then, the confidence indicator has recovered somewhat to slightly above the historical average. Household consumption is therefore expected to rise in line with income this year. Next year, disposable income will increase more slowly, mainly due to lower employment growth. Consumption, on the other hand, will not slow as much, as the saving rate will come down from its current high levels.

**Diagram 10 Households and the business sector confidence indicators**  
Index, mean=100, seasonally adjusted monthly values



Source: NIER.

**Diagram 11 Hiring plans, business sector**

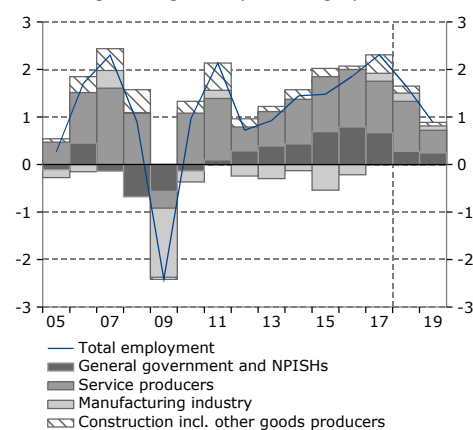
Balances, seasonally adjusted monthly values



Source: NIER.

**Diagram 12 Contribution to employment rate**

Percentage change and percentage points



Note. NPISHs refers to Non-Profit Institutions Serving Households.

Sources: Statistics Sweden and NIER.



Fiscal policy has been expansionary this year, and general government net lending will fall from 2017 to 2018 despite the stronger economy. According to the NIER's calculations, structural (cyclically adjusted) net lending will be 0.2 per cent of potential GDP this year, which is slightly below a level consistent with the new surplus target of one-third of a percent of GDP that will apply from 2019. There is considerable uncertainty about the budget for 2019 due to the unclear parliamentary situation. We believe that the most likely outcome is for fiscal policy next year to be largely neutral. In 2019-2022, fiscal space is estimated at almost SEK 120 billion, which essentially corresponds to the increase in spending required for personnel density in the provision of publicly funded services to be unchanged during the period, and for the standard of these services to rise in line with the historical pattern.

### UNEMPLOYMENT TO BOTTOM OUT NEXT YEAR

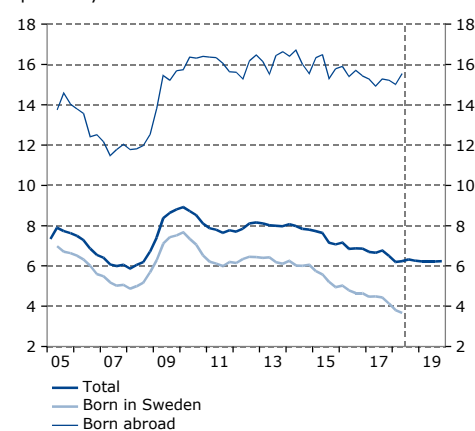
Although firms' recruitment plans have declined somewhat from their peak last year, they are still much more expansive than normal (see Diagram 11). The decline corresponds closely to the slowdown in employment growth observed in the second quarter this year (see Diagram 2). Lower housing investment means that recruitment needs in the construction sector will fall both this year and the next. Job creation in the public sector will also drop back sharply as the need for services for asylum seekers and recent immigrants reduces. Employment growth in the economy as a whole will therefore continue to slow. Job creation next year will be driven mainly by the private service sector (see Diagram 12).

Unemployment has fallen in recent years as the economy has strengthened, especially in the Swedish-born population (see Diagram 13). However, it remains very high in the foreign-born population. The slowdown in employment growth means that unemployment will hover just above 6 per cent for the rest of this year and next year. The combination of major shortages of labour with the desired skills (see Diagram 14), a very high number of vacancies and very high unemployment in the foreign-born population suggests that there are significant matching problems in the labour market and that resource utilisation in the labour market is now high. This is reflected in the NIER's assessment that the labour market gap is positive (see Diagram 15).

### WAGES TO RISE MORE QUICKLY NEXT YEAR

The high resource utilisation in the labour market has not yet caused wage growth in the business sector to accelerate notably, although it has risen somewhat in recent quarters (see Diagram 15). The combination of high resource utilisation in the labour market and continued major shortages of labour with the desired

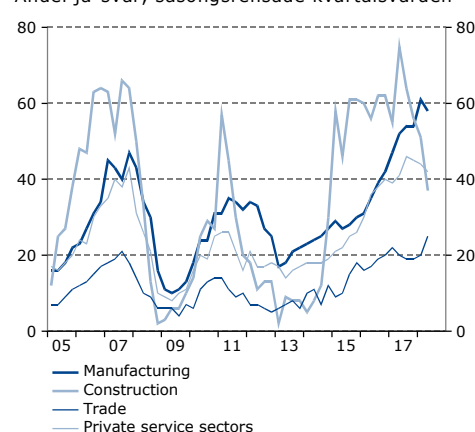
**Diagram 13 Unemployment among domestic and foreign-born population**  
Per cent of labour force, seasonally adjusted quarterly values



Note. NIER does not divide forecasts among foreign and domestic born.

Sources: Statistics Sweden and NIER.

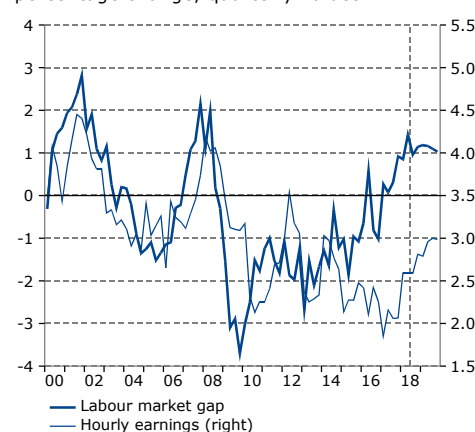
**Diagram 14 Shortages of labour in different parts of the business sector**  
Andel ja-svar, säsongrensade kvartalsvärden



Source: NIER.

**Diagram 15 Labour market gap and hourly earnings in business sector**

Per cent of potential hours worked and annual percentage change, quarterly values



Sources: National Mediation Office and NIER.

skills means that wage growth will continue to accelerate, leading to a slight increase in cost pressures in the business sector.

CPIF inflation – the rise in the consumer price index with a fixed interest rate – has fluctuated around 2 per cent since last year (see Diagram 16). This is, however, largely a result of the recent surge in energy prices. Once energy is excluded, inflation is much lower. Energy prices are also expected to slow. On the other hand, the strong economy would suggest that firms will begin to raise their prices more quickly. Furthermore, margins in some parts of the retail sector have deteriorated recently, partly due to the weaker krona pushing up prices for imported goods. This has been reflected in retailers' price expectations climbing to relatively high levels, especially in the grocery trade (see Diagram 17). All in all, we forecast that CPIF inflation will come out just over 2 per cent both this year and next (see Table 1). Excluding energy, CPIF inflation will be much lower this year but rise to 2 per cent next year.

We expect the Riksbank to begin raising the repo rate with a 25 basis point hike in February next year. This is in keeping with the Riksbank's latest forecast and close to market expectations as measured by RIBA futures (see Diagram 18). The repo rate will then continue to be raised gradually, but this will be a drawn-out process, and the real (inflation-adjusted) repo rate will remain negative right through to the latter part of 2022.

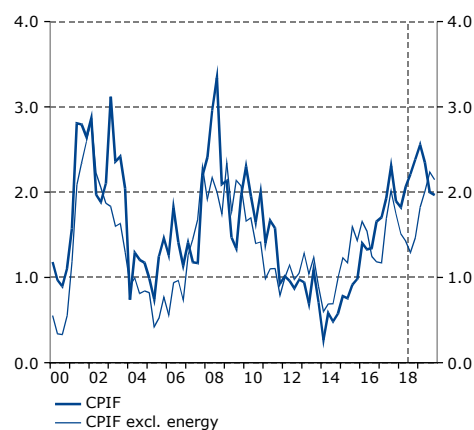
## Forecast revisions 2018-2019

New information has led to only minor revisions of our June forecast (see Table 2). Some of the more significant changes are outlined below.

- Our forecast for GDP growth in 2018 is unchanged, but we now expect growth in hours worked to be 0.3 percentage points stronger, and productivity growth weaker.
- Growth in both exports and imports has been revised down for 2018 and 2019 due to much lower levels in the third quarter than anticipated in June.
- Wage growth has been revised down somewhat for both 2018 and 2019 due to weaker growth than expected in recent months.
- The price of crude oil (in dollars) has been adjusted up slightly for 2018 as a whole and significantly more for 2019 following recent months' rise in prices.
- CPIF inflation has been revised up by 0.1 percentage point in 2018, due to energy prices rising more quickly than assumed in our June forecast (see Diagram 19). For 2019, CPIF inflation has been revised up by 0.3 percentage points. This has to do not only with energy prices but also with prices for goods being expected to

**Diagram 16 Consumer prices**

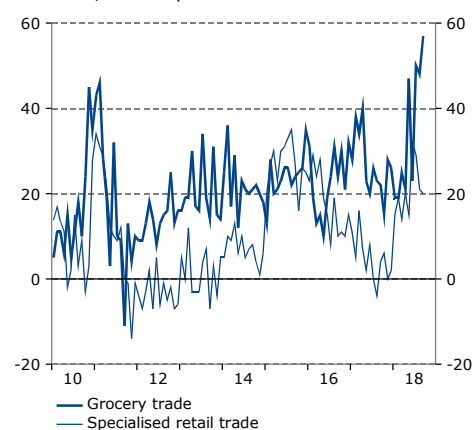
Annual percentage change, quarterly values



Sources: Statistics Sweden and NIER.

**Diagram 17 Retailers' price expectations over a three-month term**

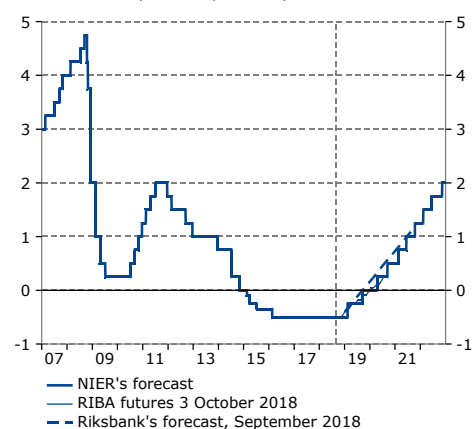
Balances, monthly values



Source: NIER.

**Diagram 18 Repo rate**

Per cent, daily- and quarterly values



Note. The Riksbank's forecast refers to quarterly values.

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

increase faster than we predicted in June. The latter is partly a consequence of the krona now being expected to be somewhat weaker than assumed in our June forecast.

**Diagram 19 CPIF**

Annual percentage change, quarterly values



Sources: Statistics Sweden and NIER.

**Table 2 Current Forecast and Revisions Compared to the June 2018 Forecast**

Percentage change, unless otherwise indicated

	2018			Oct	Jun	2019 Diff
	Oct	Jun	Diff			
<b>Global Economy</b>						
GDP, World	3.8	3.9	0.0	3.7	3.8	-0.1
GDP, OECD	2.4	2.5	0.0	2.2	2.3	-0.1
GDP, Euro Area	2.1	2.2	-0.2	1.9	2.0	-0.1
GDP, US	2.9	2.8	0.1	2.7	2.6	0.1
GDP, China	6.6	6.6	0.0	6.3	6.3	0.0
Federal Funds Target Rate <sup>1,2</sup>	2.5	2.5	0.0	3.3	3.0	0.3
ECB Refi Rate <sup>1,2</sup>	0.0	0.0	0.0	0.3	0.3	0.0
Oil Price <sup>3</sup>	75.8	73.4	2.5	81.1	73.9	7.2
CPI, OECD	2.5	2.4	0.2	2.4	2.3	0.2
<b>Domestic Economy</b>						
GDP, Calendar-Adjusted	2.5	2.5	0.0	1.9	1.9	0.0
GDP	2.4	2.4	0.0	1.9	1.9	0.0
Household Consumption	2.1	2.3	-0.2	2.0	2.1	-0.1
Government Consumption	0.9	0.8	0.1	0.7	0.6	0.1
Gross Fixed Capital Formation	3.4	4.0	-0.6	1.2	1.1	0.1
Stockbuilding <sup>4</sup>	0.2	0.0	0.2	-0.1	-0.2	0.1
Exports	3.2	3.6	-0.3	4.3	4.7	-0.3
Imports	3.1	3.6	-0.5	3.1	3.4	-0.2
<b>Labour Market, Inflation, Interest Rates etc.</b>						
Hours Worked <sup>5</sup>	1.8	1.5	0.3	0.9	0.9	0.0
Employment	1.7	1.6	0.1	0.9	0.7	0.1
Unemployment <sup>6</sup>	6.3	6.2	0.1	6.2	6.2	0.1
Labour Market Gap <sup>7</sup>	1.1	0.9	0.2	1.1	1.0	0.2
Output Gap <sup>8</sup>	1.5	1.4	0.1	1.3	1.1	0.2
Productivity <sup>5</sup>	0.8	1.1	-0.4	1.1	1.1	0.0
Hourly Earnings <sup>9</sup>	2.6	2.8	-0.2	2.9	3.1	-0.2
CPI	2.0	1.8	0.1	2.5	2.2	0.3
CPIF	2.1	2.0	0.1	2.2	2.0	0.3
Repo Rate <sup>1,2</sup>	-0.50	-0.50	0.00	0.00	0.00	0.00
10-Year Government Bond Yield <sup>1</sup>	0.7	0.8	-0.1	1.0	1.2	-0.2
Effective Krona Exchange Rate Index (KIX) <sup>10</sup>	117.8	116.6	1.1	117.3	115.1	2.2
Current Account Balance <sup>11</sup>	3.3	3.7	-0.4	3.8	4.2	-0.4
Government Net Lending <sup>11</sup>	0.7	0.5	0.2	0.7	0.7	0.0

<sup>1</sup> Per cent. <sup>2</sup> At year-end. <sup>3</sup> Brent crude, USD per barrel, annual average. <sup>4</sup> Change in per cent of GDP the previous year. <sup>5</sup> Calendar-adjusted. <sup>6</sup> Per cent of labour force. <sup>7</sup> Difference between actual and potential hours worked in per cent of potential hours worked. <sup>8</sup> Difference between actual and potential GDP in per cent of potential GDP. <sup>9</sup> According to the short-term earnings statistics. <sup>10</sup> Index, 18 November 1992=100. <sup>11</sup> Per cent of GDP.

Note. The difference is between the current forecast and the June 2018 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](http://www.konj.se/english/data-sets).

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## The Global Economy 2018–2019

**Table A1 Global Output**

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

	Weight 2017	2013	2014	2015	2016	2017	2018	2019
World		3.5	3.6	3.5	3.2	3.8	3.8	3.7
KIX Weighted <sup>1</sup>	74.7	1.4	2.3	2.3	2.2	2.9	2.7	2.6
OECD	44.4	1.6	2.2	2.5	1.8	2.5	2.4	2.2
US	15.3	1.8	2.5	2.9	1.6	2.2	2.9	2.7
Euro Area	11.6	-0.2	1.4	1.9	1.9	2.5	2.1	1.9
Germany	3.3	0.6	2.2	1.5	2.2	2.5	1.9	2.0
France	2.2	0.6	1.0	1.0	1.1	2.3	1.7	1.7
Italy	1.8	-1.7	0.2	0.8	1.0	1.6	1.2	1.3
Spain	1.4	-1.7	1.4	3.4	3.3	3.1	2.6	2.2
Finland	0.2	-0.8	-0.6	0.1	2.5	2.8	2.8	2.1
Japan	4.3	2.0	0.3	1.4	1.0	1.7	1.2	1.2
UK	2.3	2.0	2.9	2.3	1.8	1.7	1.3	1.4
Sweden	0.4	1.2	2.7	4.2	2.4	2.4	2.5	1.9
Norway	0.3	1.1	2.1	1.8	0.9	2.4	1.7	2.0
Denmark	0.2	0.9	1.6	1.6	2.0	2.3	1.2	2.2
Emerging Markets <sup>2</sup>	55.6	5.1	4.8	4.2	4.4	4.8	4.9	4.9
China	18.2	7.8	7.3	7.0	6.7	6.9	6.6	6.3
India	7.4	6.2	7.2	7.8	7.8	6.3	7.3	7.5
Brazil	2.6	3.0	0.5	-3.6	-3.4	1.0	1.6	2.6
<b>GDP per Capita</b>								
US		1.1	1.7	2.1	0.8	1.5	2.1	1.9
Euro Area		-0.4	1.2	1.6	1.5	2.2	1.7	1.6
Japan		2.2	0.5	1.5	1.0	1.9	1.4	1.5
<b>Market Growth</b>								
World <sup>3</sup>		2.8	3.6	4.1	3.6	4.8	3.5	3.9

<sup>1</sup> KIX weighted GDP is the weighted average of GDP growth in the 32 countries included in the KIX effective krona exchange rate index. <sup>2</sup> Emerging markets are defined here as countries that are not members of the OECD. <sup>3</sup> World market growth refers to total import demand in the countries to which Sweden exports, each country weighted by its share of Swedish goods exports.

Note. The figures for GDP are the calendar-adjusted change expressed in constant prices. The aggregates are calculated using time-varying purchasing power parity GDP weights from the IMF.

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

**Table A2 Global Inflation**

Percentage change in CPI

	2012	2013	2014	2015	2016	2017	2018	2019
OECD	2.2	1.6	1.7	0.6	1.1	2.2	2.5	2.4
US	2.1	1.5	1.6	0.1	1.3	2.1	2.5	2.3
Euro Area	2.5	1.3	0.4	0.0	0.2	1.5	1.7	1.7
Germany	2.1	1.6	0.8	0.1	0.4	1.7	1.8	1.8
France	2.2	1.0	0.6	0.1	0.3	1.2	2.1	1.6
Italy	3.3	1.3	0.2	0.1	-0.1	1.3	1.3	1.4
Spain	2.4	1.5	-0.2	-0.6	-0.3	2.0	1.8	1.7
Finland	3.2	2.2	1.2	-0.2	0.4	0.8	1.1	1.5
Japan	-0.1	0.3	2.8	0.8	-0.1	0.5	1.0	1.2
UK	2.6	2.3	1.5	0.4	1.0	2.6	2.4	2.3
Sweden	0.9	0.4	0.2	0.7	1.1	1.9	2.0	2.1
Norway	0.4	2.0	1.9	2.0	3.9	1.9	2.7	1.9
Denmark	2.4	0.5	0.3	0.2	0.0	1.1	0.9	1.5
Emerging Markets <sup>1</sup>								
China	2.6	2.6	1.9	1.4	2.0	1.6	2.1	2.3
India	9.3	10.9	6.4	5.9	4.9	2.5	4.6	4.5
Brazil	5.4	6.2	6.3	9.0	8.7	3.4	3.6	4.2

<sup>1</sup> Emerging markets are defined here as countries that are not members of the OECD.

Note. The CPI values for the EU countries and Norway refer to harmonised indices of consumer prices (HICP). The OECD aggregate includes national CPI series only. The aggregate for the euro area is weighted using consumption weights from Eurostat and the OECD aggregate using consumption weights from the OECD.

Sources: OECD, Eurostat, Macrobond and NIER.

**Table A3 Selected Indicators for the Euro Area**

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

	Level 2017	2013	2014	2015	2016	2017	2018	2019
Household Consumption Expenditure	6 061	-0.6	0.9	1.8	1.9	1.7	1.4	1.4
General Government Consumption Expenditure	2 277	0.3	0.7	1.3	1.9	1.2	1.1	1.3
Gross Fixed Capital Formation	2 297	-2.3	1.6	4.6	3.8	2.8	3.4	3.6
Stockbuilding <sup>1</sup>	38	0.2	0.3	0.0	0.0	0.1	0.2	0.1
Exports	5 294	2.2	4.6	6.3	2.9	5.5	3.0	3.8
Imports	4 772	1.6	4.8	7.5	4.1	4.1	2.9	4.0
<b>GDP</b>	<b>11 195</b>	<b>-0.2</b>	<b>1.4</b>	<b>1.9</b>	<b>1.9</b>	<b>2.5</b>	<b>2.1</b>	<b>1.9</b>
HICP <sup>2</sup>		1.3	0.4	0.0	0.2	1.5	1.7	1.7
Unemployment <sup>3</sup>		12.0	11.6	10.9	10.0	9.1	8.3	7.8
Policy Rate <sup>4</sup>		0.25	0.05	0.05	0.00	0.00	0.00	0.25
10-Year Government Bond Yield <sup>5</sup>		1.6	1.2	0.5	0.1	0.4	0.5	0.8
USD/EUR <sup>6</sup>		1.33	1.33	1.11	1.11	1.13	1.18	1.15

<sup>1</sup> Change in per cent of GDP the previous year. <sup>2</sup> Percentage change. <sup>3</sup> Per cent of labour force. <sup>4</sup> Refi rate level, per cent, at year-end. <sup>5</sup> Level, per cent, Germany. <sup>6</sup> Level.

Sources: ECB, Eurostat, Macrobond and NIER.

**Table A4 Selected Indicators for the US**

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

	Level 2017	2013	2014	2015	2016	2017	2018	2019
Household Consumption Expenditure	13 321	1.5	2.9	3.7	2.7	2.5	2.6	2.7
General Government Consumption Expenditure	2 731	-1.9	-0.8	1.6	1.5	-0.1	1.4	2.4
Gross Fixed Capital Formation	3 986	3.6	4.9	3.3	1.6	4.0	5.4	4.5
Stockbuilding <sup>1</sup>	25	0.2	-0.1	0.3	-0.6	0.0	-0.2	-0.1
Exports	2 350	3.6	4.3	0.6	-0.1	3.0	5.2	3.5
Imports	2 929	1.5	5.1	5.5	1.9	4.6	4.3	4.5
<b>GDP</b>	<b>19 485</b>	<b>1.8</b>	<b>2.5</b>	<b>2.9</b>	<b>1.6</b>	<b>2.2</b>	<b>2.9</b>	<b>2.7</b>
CPI <sup>2</sup>		1.5	1.6	0.1	1.3	2.1	2.5	2.3
Unemployment <sup>3</sup>		7.4	6.2	5.3	4.9	4.4	3.9	3.6
Policy Rate <sup>4</sup>		0.25	0.25	0.50	0.75	1.50	2.50	3.25
10-year Government Bond Yield <sup>5</sup>		2.4	2.5	2.1	1.8	2.3	2.9	3.3
USD/EUR <sup>6</sup>		1.33	1.33	1.11	1.11	1.13	1.18	1.15

<sup>1</sup> Change in per cent of GDP the previous year. <sup>2</sup> Percentage change. <sup>3</sup> Per cent of labour force. <sup>4</sup> Federal Funds target rate level, per cent, at year-end. <sup>5</sup> Level, per cent. <sup>6</sup> Level.

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

**Table A5 Scenario for the Global Economy**

Percentage change and per cent, respectively

	2015	2016	2017	2018	2019	2020	2021	2022
GDP, OECD	2.5	1.8	2.5	2.4	2.2	1.8	1.7	1.7
GDP, Euro Area	1.9	1.9	2.5	2.1	1.9	1.6	1.2	1.2
GDP, US	2.9	1.6	2.2	2.9	2.7	2.0	1.6	1.5
GDP, Emerging Markets	4.2	4.4	4.8	4.9	4.9	4.9	4.8	4.7
GDP, Global	3.5	3.2	3.8	3.8	3.7	3.6	3.5	3.5
HICP, Euro Area	0.0	0.2	1.5	1.7	1.7	1.8	1.9	1.9
CPI, US	0.1	1.3	2.1	2.5	2.3	2.3	2.3	2.3
Policy Rate, Euro Area	0.05	0.00	0.00	0.00	0.25	0.75	1.00	1.50
Policy Rate, US	0.50	0.75	1.50	2.50	3.25	3.25	3.25	3.25
Policy Rate, KIX6-Weighted	0.02	-0.14	-0.04	0.11	0.45	0.85	1.23	1.65
Overnight Rate, Euro Area (Eonia)	-0.2	-0.4	-0.3	-0.4	0.0	0.4	0.9	1.3

Note. Policy rates refer to year-end values. KIX6-weighted policy rate refers to an average of Eonia (for the euro area) and policy rates in the US, Norway, UK, Denmark and Japan. Other aggregates are calculated using the IMF's purchasing power parity GDP weights.

Sources: IMF, OECD, Macrobond and NIER.



## The Swedish Economy 2018–2019

**Table A6 GDP by Expenditure**

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

	Level 2017	2013	2014	2015	2016	2017	2018	2019
Household Consumption Expenditure <sup>1</sup>	2 041	1.9	2.1	3.1	2.9	2.2	2.1	2.0
Goods	927	0.8	2.6	4.1	3.7	1.3	2.3	1.3
Services Excl. Housing	663	3.1	3.1	3.8	3.7	2.2	2.1	2.0
Housing	395	1.3	2.1	1.7	2.4	3.8	3.9	3.7
General Government Consumption Expenditure	1 196	1.3	1.5	2.4	3.6	0.0	0.9	0.7
Central Government	304	3.6	1.7	2.0	2.1	-2.2	-0.8	0.5
Local Government	891	0.4	1.5	2.6	4.1	0.8	1.4	0.8
Gross Fixed Capital Formation <sup>2</sup>	1 143	0.6	5.4	6.7	4.2	6.1	3.4	1.2
Business Sector Excl. Housing	681	0.6	4.2	5.4	1.0	4.4	3.7	3.3
Industry	176	1.7	9.0	-15.7	0.3	5.0	6.7	1.8
Other Goods Producers	108	1.4	3.1	0.2	-2.8	4.8	4.0	2.6
Service Producers Excl. Housing	397	-0.2	1.7	20.6	2.4	4.0	2.2	4.2
Housing	260	0.9	15.6	18.0	10.9	11.6	2.2	-5.5
General Government	196	-0.3	1.6	0.3	8.0	5.2	4.2	2.4
<i>Domestic Demand Excl. Stockbuilding</i>	4 379	1.4	2.7	3.8	3.4	2.6	2.1	1.4
Stockbuilding <sup>3</sup>	31	0.2	0.2	0.4	-0.1	0.1	0.2	-0.1
<i>Total Domestic Demand</i>	4 410	1.6	2.9	4.2	3.2	2.7	2.3	1.3
Exports	2 077	-0.8	5.3	5.7	3.0	3.2	3.2	4.3
Exports of Goods	1 430	-2.9	3.1	3.5	2.3	5.0	4.2	4.5
Processed Goods	1 132	-0.9	1.6	3.9	2.0	6.3	4.8	4.7
Raw Materials	298	-9.4	8.6	2.2	3.4	-0.5	2.0	3.5
Exports of Services	646	5.0	10.4	10.7	4.4	-0.3	1.2	4.0
<i>Total Demand</i>	6 486	0.8	3.6	4.7	3.2	2.9	2.6	2.3
Imports	1 908	-0.1	6.3	5.2	4.3	4.8	3.1	3.1
Imports of Goods	1 322	-1.7	4.6	5.4	5.9	4.0	4.9	3.4
Processed Goods	984	-0.1	4.8	6.1	5.9	5.7	5.1	4.0
Raw Materials	337	-5.2	4.2	3.7	5.9	-1.1	4.2	1.8
Imports of Services	586	4.1	10.4	4.9	0.9	6.4	-0.9	2.3
<i>Net Exports<sup>3</sup></i>	169	-0.3	-0.2	0.4	-0.4	-0.5	0.2	0.7
<b>GDP</b>	<b>4 579</b>	<b>1.2</b>	<b>2.6</b>	<b>4.5</b>	<b>2.7</b>	<b>2.1</b>	<b>2.4</b>	<b>1.9</b>
GDP per Capita <sup>4</sup>	455	0.4	1.6	3.4	1.4	0.7	1.3	0.9

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

Note. There is a break in the time series between 2014 and 2015 due to changes in the industry classification of Ericsson AB. At the aggregated level, more activities are therefore classified in the service sector (SNI 45–98) and fewer in the manufacturing industry (SNI 05–33).

Sources: Statistics Sweden and NIER.

**Table A7 Household Income, Consumption Expenditure and Saving**

SEK billion, current prices, and percentage change, respectively

	Level 2017	2016	2017	2018	2019	2020	2021	2022
Total Earnings, Adjusted for External Transactions	1 811	4.4	4.7	5.1	4.0	3.8	3.9	3.9
Hourly Earnings (according to national accounts) <sup>1</sup>		2.2	2.5	3.1	3.1	3.3	3.6	3.6
Hours Worked <sup>1,2</sup>		2.5	2.3	2.0	0.9	0.4	0.3	0.3
Transfers From Government Sector, Net	626	3.0	2.4	2.3	2.2	2.2	2.5	3.4
Property Income, Net	298	18.1	-3.8	-2.6	3.2	3.2	-4.0	-4.6
Other Income, Net <sup>3</sup>	322	5.8	6.6	6.2	4.6	0.0	7.8	6.5
<b>Income Before Taxes<sup>4</sup></b>	<b>3 057</b>	<b>5.5</b>	<b>3.5</b>	<b>3.9</b>	<b>3.7</b>	<b>3.0</b>	<b>3.3</b>	<b>3.4</b>
Direct Taxes <sup>5</sup>	813	-0.9	0.1	0.7	0.0	-0.2	0.0	0.0
<b>Disposable Income</b>	<b>2 244</b>	<b>4.7</b>	<b>3.6</b>	<b>4.6</b>	<b>3.7</b>	<b>2.8</b>	<b>3.3</b>	<b>3.4</b>
Consumer Prices <sup>6</sup>		1.0	1.7	2.2	1.9	2.0	2.0	2.0
<b>Real Disposable Income</b>	<b>2 244</b>	<b>3.7</b>	<b>1.9</b>	<b>2.3</b>	<b>1.7</b>	<b>0.7</b>	<b>1.3</b>	<b>1.3</b>
Per Capita <sup>7</sup>	223	2.4	0.5	1.2	0.7	-0.2	0.3	0.4
<b>Consumption Expenditure<sup>8</sup></b>	<b>2 041</b>	<b>2.9</b>	<b>2.2</b>	<b>2.1</b>	<b>2.0</b>	<b>2.0</b>	<b>1.9</b>	<b>1.9</b>
Saving <sup>9</sup>	363	16.0	15.1	15.5	14.9	13.7	13.0	12.3
Own Saving <sup>9</sup>	203	9.3	9.0	9.2	9.0	7.9	7.4	6.8
Net Lending <sup>9</sup>	268	12.4	11.1	11.3	10.9	9.7	9.0	8.3

<sup>1</sup> Calendar-adjusted values. <sup>2</sup> Employees only. <sup>3</sup> This also includes computational calculations of transfers to households through altered taxes and/or transfers, see table A23. <sup>4</sup> Growth in income before taxes is calculated as a weighted sum of the growth rates for total earnings, transfers, capital income and other income. <sup>5</sup> Change in per cent of income before taxes, with reverse sign. <sup>6</sup> Implicit price index for household consumption expenditure. <sup>7</sup> SEK thousand. <sup>8</sup> Constant prices, reference year 2015. <sup>9</sup> SEK billion, current prices, and per cent of disposable income, respectively. Own saving excludes occupational and premium pensions.

Sources: Statistics Sweden and NIER.

**Table A8 Current Account and Net Lending**

SEK billion, current prices, and per cent, respectively

	2012	2013	2014	2015	2016	2017	2018	2019
Net Exports, Goods	138	122	123	127	96	109	94	109
Net Exports, Services	44	48	47	77	99	60	62	76
Earnings, Net	18	17	18	14	9	7	8	9
Investment Income, Net	61	62	60	37	36	56	69	73
Transfers etc., Net	-56	-58	-62	-64	-53	-66	-73	-80
<b>Current Account Balance</b>	<b>204</b>	<b>192</b>	<b>187</b>	<b>192</b>	<b>186</b>	<b>166</b>	<b>160</b>	<b>187</b>
<i>Per cent of GDP</i>	<i>5.5</i>	<i>5.1</i>	<i>4.7</i>	<i>4.6</i>	<i>4.2</i>	<i>3.6</i>	<i>3.3</i>	<i>3.8</i>
Capital Transfers	-6	-9	-5	-8	-3	-3	-5	-5
<b>Net Lending</b>	<b>199</b>	<b>183</b>	<b>181</b>	<b>184</b>	<b>183</b>	<b>163</b>	<b>155</b>	<b>182</b>
<i>Per cent of GDP</i>	<i>5.4</i>	<i>4.8</i>	<i>4.6</i>	<i>4.4</i>	<i>4.2</i>	<i>3.6</i>	<i>3.2</i>	<i>3.7</i>

Sources: Statistics Sweden and NIER.

**Table A9 GNI**

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

	Level 2017	2013	2014	2015	2016	2017	2018	2019
GNI	4 644	2.3	4.3	5.7	4.2	4.7	5.0	3.8
Deflator, Domestic Use		1.1	1.7	1.7	1.6	2.4	2.9	2.0
<b>Real GNI</b>		<b>1.1</b>	<b>2.5</b>	<b>3.9</b>	<b>2.6</b>	<b>2.2</b>	<b>2.1</b>	<b>1.8</b>
Population <sup>1</sup>	10 058	0.9	1.0	1.1	1.3	1.4	1.1	1.0
<b>Real GNI per Capita<sup>2</sup></b>	<b>462</b>	<b>0.3</b>	<b>1.5</b>	<b>2.9</b>	<b>1.3</b>	<b>0.9</b>	<b>0.9</b>	<b>0.8</b>

<sup>1</sup>Thousands. <sup>2</sup>SEK thousand.

Sources: Statistics Sweden and NIER.

**Table A10 Production**

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

	Level 2017	2013	2014	2015	2016	2017	2018	2019
Goods Producers	1 064	-1.8	0.9	-2.3	0.6	4.1	3.2	2.1
Of Which: Industry	643	-1.1	-0.4	-5.6	1.5	4.2	3.5	3.0
Construction	257	-3.8	3.0	5.3	0.7	6.9	3.5	0.4
Service Producers	2 106	3.9	4.5	8.8	3.5	2.2	3.2	2.5
Business Sector	3 170	1.8	3.2	5.0	2.5	2.8	3.2	2.3
General Government	825	-0.3	1.2	0.7	1.5	0.9	0.3	0.9
<b>GDP at Basic Prices<sup>1</sup></b>	<b>4 049</b>	<b>1.3</b>	<b>2.8</b>	<b>4.0</b>	<b>2.3</b>	<b>2.4</b>	<b>2.6</b>	<b>2.0</b>
Taxes/Subsidies on Products	530	0.5	2.2	5.5	3.5	1.9	2.1	1.4
GDP at Market Prices	4 579	1.2	2.7	4.2	2.4	2.4	2.5	1.9

<sup>1</sup>Including production in non-profit institutions serving households.

Note. Production refers here to value added. There is a break in the time series between 2014 and 2015 due to changes in the industry classification of Ericsson AB. At the aggregated level, more activities are therefore classified in the service sector (SNI 45-98) and fewer in the manufacturing industry (SNI 05-33).

Sources: Statistics Sweden and NIER.

**Table A11 Hours Worked**

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

	Level 2017	2013	2014	2015	2016	2017	2018	2019
Goods Producers	1 926	-0.6	0.3	-2.1	0.5	2.0	1.9	0.7
Of Which: Industry	984	-2.4	-1.1	-4.2	-0.8	1.4	1.5	0.8
Construction	620	0.7	2.5	1.7	4.9	3.6	3.6	0.6
Services Producers	3 771	0.8	2.5	2.4	2.2	2.0	2.0	1.0
Business Sector	5 697	0.3	1.7	0.8	1.6	2.0	2.0	0.9
General Government	2 195	0.6	2.1	0.7	3.1	2.4	1.5	0.9
<b>Total Economy<sup>1</sup></b>	<b>8 061</b>	<b>0.4</b>	<b>1.8</b>	<b>0.9</b>	<b>2.0</b>	<b>2.1</b>	<b>1.8</b>	<b>0.9</b>

<sup>1</sup>Including non-profit institutions serving households.

Note. There is a break in the time series between 2014 and 2015 due to changes in the industry classification of Ericsson AB. At the aggregated level, more activities are therefore classified in the service sector (SNI 45-98) and fewer in the manufacturing industry (SNI 05-33).

Sources: Statistics Sweden and NIER.

**Table A12 Productivity**

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

	Level 2017	2013	2014	2015	2016	2017	2018	2019
Goods Producers	553	-1.2	0.6	-0.2	0.1	2.1	1.2	1.4
Of Which: Industry	653	1.4	0.7	-1.4	2.4	2.8	2.0	2.2
Construction	415	-4.4	0.5	3.5	-4.0	3.2	-0.2	-0.1
Service Producers	558	3.0	2.0	6.2	1.2	0.2	1.2	1.4
Business Sector	556	1.5	1.5	4.1	0.9	0.8	1.2	1.4
General Government	376	-1.0	-0.9	0.0	-1.5	-1.5	-1.1	0.0
<b>Total Economy<sup>1</sup></b>	<b>502</b>	<b>0.9</b>	<b>1.0</b>	<b>3.1</b>	<b>0.3</b>	<b>0.3</b>	<b>0.8</b>	<b>1.1</b>

<sup>1</sup> Including production in non-profit institutions serving households.

Note. There is a break in the time series between 2014 and 2015 due to changes in the industry classification of Ericsson AB. At the aggregated level, more activities are therefore classified in the service sector (SNI 45–98) and fewer in the manufacturing industry (SNI 05–33).

Sources: Statistics Sweden and NIER.

**Table A13 The Labour Market**

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

	Level 2017	2013	2014	2015	2016	2017	2018	2019
Hours Worked <sup>1</sup>	8 061	0.4	1.8	0.9	2.0	2.1	1.8	0.9
Average Hours Worked for Employed <sup>2</sup>	30.9	-0.6	0.3	-0.5	0.4	-0.2	0.1	0.0
Number of Employed	5 022	1.0	1.4	1.4	1.5	2.3	1.7	0.9
Employment Rate <sup>3</sup>		65.7	66.2	66.7	67.1	67.8	68.4	68.6
Labour Force	5 380	1.1	1.3	0.8	1.0	2.0	1.2	0.9
Labour Force Participation Rate <sup>4</sup>		71.5	71.9	72.0	72.1	72.7	73.0	73.1
Unemployment <sup>5</sup>	358	8.0	7.9	7.4	6.9	6.7	6.3	6.2
Population Aged 15–74	7 403	0.6	0.7	0.7	0.9	1.1	0.8	0.7

<sup>1</sup> Million hours, calendar-adjusted values. <sup>2</sup> Hours per week, calendar-adjusted values. <sup>3</sup> Number of employed in per cent of the population aged 15–74. <sup>4</sup> Number of people in the labour force in per cent of the population aged 15–74. <sup>5</sup> Per cent of labour force.

Sources: Statistics Sweden and NIER.

**Table A14 Hourly Earnings According to the Short-Term Earnings Statistics**

Per cent and percentage change, respectively

	Weight 2017	2013	2014	2015	2016	2017	2018	2019
Business Sector	68	2.3	2.9	2.3	2.3	2.0	2.6	2.9
Industry	15	2.0	2.5	2.4	2.0	2.1	3.0	3.0
Construction	7	3.0	3.1	1.6	2.7	1.8	3.2	2.9
Services	46	2.3	2.9	2.3	2.3	2.0	2.4	2.9
Local Government	26	2.9	2.8	2.7	2.7	3.1	2.5	2.8
Central Government	6	2.6	2.3	2.6	2.4	2.4	2.8	2.9
<b>Total</b>	<b>100</b>	<b>2.5</b>	<b>2.8</b>	<b>2.4</b>	<b>2.4</b>	<b>2.3</b>	<b>2.6</b>	<b>2.9</b>
Real Hourly Earnings (CPI) <sup>1</sup>		2.5	3.0	2.5	1.4	0.5	0.6	0.4
Real Hourly Earnings (CPIF) <sup>2</sup>		1.6	2.3	1.6	1.0	0.4	0.5	0.7

<sup>1</sup> Deflated by the CPI. <sup>2</sup> Deflated by the CPI with constant mortgage rates (CPIF).

Sources: National Mediation Office, Statistics Sweden and NIER.

**Table A15 Hourly Earnings and Labour Costs in the Business Sector According to the National Accounts**

SEK per hour, per cent and percentage change, respectively, calendar-adjusted values

	Level 2017	2013	2014	2015	2016	2017	2018	2019
Hourly Earnings	241	1.7	1.9	3.1	2.1	2.5	3.0	3.1
Employers' Social Contributions <sup>1</sup> (per cent of earnings)		41.4	41.4	42.0	43.2	43.2	44.2	43.6
Hourly Labour Costs <sup>2</sup>	345	2.0	1.9	3.6	2.9	2.5	3.7	2.7
Productivity <sup>3</sup>		1.2	1.4	3.7	0.1	0.6	1.0	1.4
Unit Labour Costs		0.8	0.6	-0.1	2.8	1.9	2.7	1.3

<sup>1</sup> Employers' social contributions and payroll taxes. <sup>2</sup> Earnings and employers' social contributions. <sup>3</sup> Value added divided by hours worked by employees.

Sources: Statistics Sweden and NIER.

**Table A16 Supply and Use Price Deflators**

Per cent and percentage change, respectively

	Weight 2017	2013	2014	2015	2016	2017	2018	2019
GDP	70.6	1.1	1.8	2.1	1.6	2.2	2.3	1.8
General Government <sup>1,2</sup>	13.6	3.6	2.6	3.2	3.3	4.3	4.2	2.9
Business Sector <sup>2</sup>	48.9	0.4	1.7	1.9	1.1	1.7	1.9	1.6
Product Taxes, Net	8.2	0.8	0.9	1.0	2.3	2.2	1.7	1.1
Imports	29.4	-2.8	1.8	1.3	-1.7	3.9	6.4	1.8
Processed Goods	15.2	-3.7	2.4	4.0	-1.4	2.3	3.9	0.4
Raw Materials	5.2	-3.6	-1.5	-10.2	-4.6	12.5	17.7	5.2
Services	9.0	-0.4	3.2	4.4	-0.3	2.1	4.2	2.1
<b>Supply/Use<sup>3</sup></b>	<b>100.0</b>	<b>-0.1</b>	<b>1.8</b>	<b>1.8</b>	<b>0.7</b>	<b>2.7</b>	<b>3.5</b>	<b>1.8</b>
General Government Consumption Expenditure	18.4	2.6	2.4	2.9	2.5	3.7	3.7	2.9
Household Consumption Expenditure	31.5	0.7	1.1	0.9	1.0	1.7	2.2	1.9
Gross Fixed Capital Formation	17.6	0.3	2.2	2.0	1.7	2.6	2.8	1.3
Exports	32.0	-2.5	2.0	2.1	-1.2	3.3	4.9	1.5
Processed Goods	17.5	-3.3	2.8	4.4	-1.3	1.8	3.6	0.4
Raw Materials	4.6	-2.7	-0.4	-8.1	-2.5	13.8	16.4	4.3
Services	10.0	-0.9	1.8	3.2	-0.3	1.6	1.9	2.1

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

Sources: Statistics Sweden and NIER.

**Table A17 Business Sector Prices, Costs and Profits**

SEK billion, percentage change and per cent, respectively

	Level 2017	2013	2014	2015	2016	2017	2018	2019
Value Added, Constant Prices <sup>1</sup>		1.8	3.1	5.2	2.7	2.6	3.1	2.3
Value-Added Deflator		0.4	1.7	1.9	1.1	1.7	1.9	1.6
Value Added, Current Prices <sup>2</sup>	3 167	2.1	5.0	7.0	3.7	4.4	4.9	4.0
Hours Worked, Employees		0.6	1.5	1.9	3.1	1.6	1.9	0.8
Hourly Labour Costs <sup>3</sup>	345	2.0	2.3	2.9	2.2	3.2	4.0	2.8
Total Labour Costs <sup>4</sup>	1 836	2.6	3.8	4.8	5.4	4.8	6.0	3.6
Gross Profit	1 331	1.3	6.6	10.0	1.5	3.9	3.3	4.5
<b>Profit Share</b>		<b>41.3</b>	<b>42.0</b>	<b>43.2</b>	<b>42.2</b>	<b>42.0</b>	<b>41.4</b>	<b>41.6</b>
Adjusted Profit Share <sup>5</sup>		33.8	34.6	36.5	35.9	35.7	35.2	35.4

<sup>1</sup> Calculated at basic prices. <sup>2</sup> Calculated at factor prices. <sup>3</sup> SEK. <sup>4</sup> Including wage-related other taxes on production for employees. <sup>5</sup> 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 A18 Consumer Prices**

Per cent and percentage change, respectively

	Weight 2017	2013	2014	2015	2016	2017	2018	2019
<b>CPI</b>	<b>100</b>	<b>0.0</b>	<b>-0.2</b>	<b>0.0</b>	<b>1.0</b>	<b>1.8</b>	<b>2.0</b>	<b>2.5</b>
Mortgage Interest Costs, Mortgage Interest Rate		-14.7	-11.5	-20.8	-13.1	-3.0	-4.9	6.9
<b>CPIF</b>	<b>100</b>	<b>0.9</b>	<b>0.5</b>	<b>0.9</b>	<b>1.4</b>	<b>2.0</b>	<b>2.1</b>	<b>2.2</b>
Goods	44	0.2	-0.1	1.2	0.4	0.4	0.6	1.4
Services	30	0.8	0.5	1.1	2.0	2.8	1.9	2.4
Housing Excl. Mortgage Interest Costs and Energy	15	2.0	1.7	1.5	1.9	1.4	1.8	2.2
Energy	7	-1.8	-2.5	-4.9	1.3	5.8	11.0	4.1
Mortgage Interest Costs, Capital Stock	4	5.2	5.0	5.4	5.8	9.4	7.1	6.0
<b>CPIF Excl. Energy</b>	<b>93</b>	<b>1.1</b>	<b>0.7</b>	<b>1.4</b>	<b>1.4</b>	<b>1.7</b>	<b>1.4</b>	<b>2.1</b>
HICP		0.4	0.2	0.7	1.1	1.9	2.0	2.1
Crude Oil (Brent) <sup>1</sup>		108.8	99.6	53.5	45.1	54.8	75.8	81.1

<sup>1</sup> 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: Intercontinental Exchange, Statistics Sweden, Macrobond and NIER.

## Scenario for the Swedish Economy 2018–2022

**Table A19 Resource Utilisation**

Percentage change, calendar-adjusted values, unless otherwise indicated

	2015	2016	2017	2018	2019	2020	2021	2022
<b>Labour Market</b>								
Equilibrium Unemployment <sup>1</sup>	6.7	6.7	6.8	6.8	6.8	6.8	6.8	6.8
Actual Unemployment <sup>2</sup>	7.4	6.9	6.7	6.3	6.2	6.2	6.4	6.7
Potential Hours Worked	1.0	1.1	1.2	1.1	0.9	0.7	0.7	0.7
Of Which: Potential Employment	1.0	1.2	1.2	1.1	0.8	0.7	0.7	0.7
Actual Hours Worked	0.9	2.0	2.1	1.8	0.9	0.4	0.3	0.3
Labour Market Gap <sup>3</sup>	-1.2	-0.5	0.4	1.1	1.1	0.8	0.5	0.1
<b>Productivity</b>								
Potential Productivity	1.0	0.7	0.6	0.8	1.3	1.4	1.5	1.5
Of Which: Potential Productivity, Business Sector	1.3	1.3	1.3	1.4	1.7	1.8	1.9	1.9
Actual Productivity	3.3	0.5	0.2	0.7	1.0	1.3	1.4	1.5
Productivity Gap <sup>4</sup>	1.1	0.9	0.5	0.4	0.2	0.0	0.0	0.0
<b>GDP</b>								
Potential GDP	1.9	1.8	1.9	1.9	2.1	2.2	2.2	2.2
Actual GDP	4.2	2.4	2.4	2.5	1.9	1.7	1.8	1.8
Output Gap <sup>5</sup>	-0.2	0.4	0.9	1.5	1.3	0.9	0.5	0.1

<sup>1</sup> Level, per cent of potential labour force. <sup>2</sup> Level, per cent of labour force. <sup>3</sup> Difference between actual and potential hours worked in per cent of potential hours worked. <sup>4</sup> Difference between actual and potential productivity in per cent of potential productivity. <sup>5</sup> Difference between actual and potential GDP in per cent of potential GDP.

Sources: Statistics Sweden and NIER.



**Table A20 Scenario for the Swedish Economy**

Percentage change unless otherwise indicated

	2015	2016	2017	2018	2019	2020	2021	2022
Population	1.1	1.3	1.4	1.1	1.0	1.0	1.0	0.9
Population Aged 15–74	0.7	0.9	1.1	0.8	0.6	0.5	0.5	0.5
GDP <sup>1</sup>	4.2	2.4	2.4	2.5	1.9	1.7	1.8	1.8
GDP per Capita <sup>1</sup>	3.1	1.2	1.0	1.4	0.9	0.7	0.8	0.9
Hours Worked <sup>1</sup>	0.9	2.0	2.1	1.8	0.9	0.4	0.3	0.3
Productivity	3.1	0.3	0.3	0.8	1.1	1.3	1.4	1.5
Labour Force	0.8	1.0	2.0	1.2	0.9	0.5	0.6	0.7
Employment	1.4	1.5	2.3	1.7	0.9	0.5	0.4	0.4
Employment Rate <sup>2</sup>	66.7	67.1	67.8	68.4	68.6	68.6	68.5	68.4
Unemployment <sup>3</sup>	7.4	6.9	6.7	6.3	6.2	6.2	6.4	6.7
Hourly Earnings <sup>4</sup>	2.4	2.4	2.3	2.6	2.9	3.3	3.6	3.6
Hourly Labor Cost <sup>1</sup>	3.6	2.9	2.5	3.6	2.6	3.3	3.6	3.6
Unit Labour Cost	0.7	3.1	2.4	3.0	1.5	2.0	2.2	2.1
CPI	0.0	1.0	1.8	2.0	2.5	2.5	2.7	2.7
CPIF	0.9	1.4	2.0	2.1	2.2	2.0	2.0	2.0
Government Net Lending <sup>5</sup>	0.2	1.1	1.6	0.7	0.7	0.8	0.6	0.5
Structural Net Lending <sup>6</sup>	-0.1	0.5	0.7	0.2	0.1	0.5	0.5	0.5

<sup>1</sup> Calendar-adjusted values. <sup>2</sup> Per cent of population aged 15–74 <sup>3</sup> Per cent of labour force. <sup>4</sup> According to the short-term earnings statistics. <sup>5</sup> Per cent of GDP. <sup>6</sup> Per cent of potential GDP.

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

**Table A21 GDP and Demand**

Percentage change, constant prices, calendar-adjusted values

	2015	2016	2017	2018	2019	2020	2021	2022
Household Consumption Expenditure	3.0	2.8	2.3	2.2	2.0	1.9	1.9	1.9
General Government Consumption Expenditure	2.1	3.2	0.3	1.1	0.8	1.1	1.3	1.3
Gross Fixed Capital Formation	6.3	3.8	6.5	3.5	1.2	1.4	1.5	1.6
<i>Domestic Demand Excl. Stockbuilding</i>	3.6	3.2	2.8	2.2	1.4	1.5	1.6	1.7
Stockbuilding <sup>1</sup>	0.4	-0.1	0.1	0.2	-0.1	0.0	0.0	0.0
<i>Total Domestic Demand</i>	4.0	3.0	2.9	2.4	1.3	1.5	1.6	1.7
Exports	5.2	2.5	3.7	3.4	4.4	3.7	3.2	3.0
<i>Total Demand</i>	4.4	2.9	3.2	2.7	2.3	2.3	2.1	2.1
Imports	4.8	3.9	5.2	3.2	3.1	3.5	3.0	2.8
<i>Net Exports<sup>1</sup></i>	0.4	-0.4	-0.4	0.2	0.7	0.2	0.2	0.2
<b>GDP</b>	<b>4.2</b>	<b>2.4</b>	<b>2.4</b>	<b>2.5</b>	<b>1.9</b>	<b>1.7</b>	<b>1.8</b>	<b>1.8</b>

<sup>1</sup> Change in per cent of GDP the previous year.

Sources: Statistics Sweden and NIER.

**Table A22 Interest and Exchange Rates**

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

	2015	2016	2017	2018	2019	2020	2021	2022
<b>At Year-End</b>								
Repo Rate	-0.35	-0.50	-0.50	-0.50	0.00	0.50	1.25	2.00
<b>Annual Average</b>								
Repo Rate	-0.3	-0.5	-0.5	-0.5	-0.2	0.3	0.9	1.6
5-Year Government Bond Yield	0.2	-0.2	-0.1	0.1	0.6	1.4	2.1	2.6
10-Year Government Bond Yield	0.7	0.5	0.7	0.7	1.0	1.6	2.2	2.7
Effective Krona Exchange Rate Index (KIX)	112.6	111.7	112.9	117.8	117.3	114.9	112.5	110.0
EUR Exchange Rate	9.4	9.5	9.6	10.3	10.3	10.1	9.9	9.7
USD Exchange Rate	8.4	8.6	8.5	8.7	8.9	8.7	8.4	8.2

Sources: Sveriges Riksbank, Macrobond and NIER.

## Public Finances 2018–2022

**Table A23 General Government Finances**

SEK billion and percentage of GDP, respectively, current prices

	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenue</b>	<b>2 047</b>	<b>2 181</b>	<b>2 281</b>	<b>2 348</b>	<b>2 425</b>	<b>2 514</b>	<b>2 613</b>	<b>2 718</b>
<i>Per cent of GDP</i>	48.7	49.7	49.8	48.9	48.7	48.4	48.4	48.5
Taxes and Duties	1 803	1 933	2 025	2 082	2 150	2 227	2 309	2 395
<i>Per cent of GDP</i>	42.9	44.1	44.2	43.4	43.2	42.9	42.8	42.7
<i>Tax-to-GDP Ratio<sup>1</sup></i>	43.1	44.2	44.4	43.5	43.3	43.1	42.9	42.9
Property Income	63	65	64	70	73	79	89	103
Other Revenue	182	183	192	196	202	208	215	221
<b>Expenditure</b>	<b>2 041</b>	<b>2 132</b>	<b>2 210</b>	<b>2 313</b>	<b>2 392</b>	<b>2 492</b>	<b>2 589</b>	<b>2 698</b>
<i>Per cent of GDP</i>	48.6	48.6	48.3	48.2	48.1	48.0	48.0	48.1
Consumption Expenditure	1 087	1 154	1 196	1 251	1 297	1 364	1 423	1 484
Transfers	751	767	786	817	840	862	887	918
Households	604	624	638	653	667	682	700	723
Corporations	75	82	82	84	87	90	94	98
Abroad	71	61	66	81	86	90	93	97
Capital Formation	178	186	205	219	228	233	239	244
Property Expenditure	26	25	24	25	27	32	40	51
<b>Transfers to Households<sup>2</sup></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-18</b>	<b>-10</b>	<b>-6</b>
<b>Net Lending<sup>3</sup></b>	<b>7</b>	<b>49</b>	<b>71</b>	<b>35</b>	<b>33</b>	<b>41</b>	<b>35</b>	<b>26</b>
<i>Per cent of GDP</i>	0.2	1.1	1.6	0.7	0.7	0.8	0.6	0.5
<b>Primary Net Lending<sup>4</sup></b>	<b>-30</b>	<b>9</b>	<b>30</b>	<b>-10</b>	<b>-13</b>	<b>-6</b>	<b>-15</b>	<b>-25</b>
<i>Per cent of GDP</i>	-0.7	0.2	0.7	-0.2	-0.3	-0.1	-0.3	-0.4
<b>Structural Net Lending</b>	<b>-3</b>	<b>21</b>	<b>30</b>	<b>9</b>	<b>4</b>	<b>26</b>	<b>27</b>	<b>28</b>
<i>Per cent of potential GDP</i>	-0.1	0.5	0.7	0.2	0.1	0.5	0.5	0.5
<b>Maastricht Debt</b>	<b>1 856</b>	<b>1 858</b>	<b>1 870</b>	<b>1 784</b>	<b>1 749</b>	<b>1 785</b>	<b>1 797</b>	<b>1 824</b>
<i>Per cent of GDP</i>	44.2	42.4	40.8	37.2	35.1	34.4	33.3	32.5
GDP, Current Prices	4 202	4 385	4 579	4 797	4 977	5 190	5 396	5 605
Potential GDP, Current Prices	4 208	4 366	4 537	4 725	4 913	5 145	5 371	5 598
Net Financial Wealth	794	990	1 216	1 379	1 451	1 540	1 624	1 702
<i>Per cent of GDP</i>	18.9	22.6	26.6	28.7	29.1	29.7	30.1	30.4

<sup>1</sup>The tax-to-GDP ratio is calculated by dividing total taxes, including EU taxes, by GDP. <sup>2</sup>Technical transfer to households in the form of changes to taxes and/or transfer payments. <sup>3</sup>Net lending is calculated as income minus expenses plus transfers to households. <sup>4</sup>Primary net lending is calculated as net lending minus net capital. Net capital is capital income minus capital expenditures.

Sources: Statistics Sweden and NIER.

**Table A24 Central government finances**

SEK billion and percentage of GDP, respectively, current prices

	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenue</b>	<b>1 065</b>	<b>1 157</b>	<b>1 207</b>	<b>1 230</b>	<b>1 263</b>	<b>1 309</b>	<b>1 358</b>	<b>1 409</b>
Taxes and duties	927	1 013	1 064	1 078	1 108	1 147	1 187	1 227
Property income	22	24	22	27	27	29	33	38
Other revenue	116	120	122	125	128	133	139	144
<b>Expenditure</b>	<b>1 052</b>	<b>1 087</b>	<b>1 125</b>	<b>1 164</b>	<b>1 185</b>	<b>1 217</b>	<b>1 249</b>	<b>1 293</b>
Transfers	656	678	710	734	739	748	759	778
Old-age pension system <sup>1</sup>	23	26	25	24	24	24	25	25
Local government sector	219	247	272	277	270	270	271	272
Households	301	300	302	307	311	314	319	329
Corporations	45	48	50	50	51	54	56	59
Abroad	68	57	62	77	82	86	89	92
Consumption expenditure	286	296	301	310	321	336	349	364
Capital formation	89	93	96	100	106	111	115	120
Property expenditure	21	20	18	20	20	22	25	31
<i>Of which</i>								
<i>interest expenditure</i>	16	16	13	14	15	16	19	25
<b>Transfers to households<sup>2</sup></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13</b>	<b>26</b>	<b>55</b>	<b>79</b>
<b>Net lending</b>	<b>13</b>	<b>70</b>	<b>82</b>	<b>66</b>	<b>64</b>	<b>66</b>	<b>54</b>	<b>38</b>
<i>Per cent of GDP</i>	<i>0.3</i>	<i>1.6</i>	<i>1.8</i>	<i>1.4</i>	<i>1.3</i>	<i>1.3</i>	<i>1.0</i>	<i>0.7</i>
Central government debt	1 352	1 292	1 265	1 140	1 070	1 067	1 046	1 041
<i>Per cent of GDP</i>	<i>32.2</i>	<i>29.5</i>	<i>27.6</i>	<i>23.8</i>	<i>21.5</i>	<i>20.6</i>	<i>19.4</i>	<i>18.6</i>
Net financial wealth	-432	-297	-157	-22	49	136	213	273
<i>Per cent of GDP</i>	<i>-10.3</i>	<i>-6.8</i>	<i>-3.4</i>	<i>-0.5</i>	<i>1.0</i>	<i>2.6</i>	<i>3.9</i>	<i>4.9</i>

<sup>1</sup> Central government's old-age pension contributions. <sup>2</sup> 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 on the basis of 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 23 will be unchanged.

Sources: Statistics Sweden, National Debt Office and NIER.

**Table A25 Old-Age Pension System Finances**

SEK billion and percentage of GDP, respectively, current prices

	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenue</b>	<b>279</b>	<b>292</b>	<b>302</b>	<b>316</b>	<b>327</b>	<b>338</b>	<b>351</b>	<b>368</b>
Social Insurance Contributions	224	234	245	258	267	277	288	299
Central Government's Old-Age Pension Contributions	23	26	25	24	24	24	25	25
Property Income	30	31	31	33	33	35	37	41
Other Revenue	1	2	2	2	2	2	2	2
<b>Expenditure</b>	<b>270</b>	<b>288</b>	<b>302</b>	<b>311</b>	<b>322</b>	<b>332</b>	<b>344</b>	<b>357</b>
Income Pensions	265	282	296	304	315	325	336	349
Property Expenditure	0	0	0	0	0	0	1	1
Other Expenses	5	6	6	6	6	7	7	7
<b>Net Lending</b>	<b>8</b>	<b>4</b>	<b>0</b>	<b>5</b>	<b>5</b>	<b>6</b>	<b>8</b>	<b>11</b>
<i>Per cent of GDP</i>	<i>0.2</i>	<i>0.1</i>	<i>0.0</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.2</i>
Net Financial Wealth	1 246	1 347	1 436	1 493	1 524	1 550	1 578	1 609
<i>Per cent of GDP</i>	<i>29.7</i>	<i>30.7</i>	<i>31.4</i>	<i>31.1</i>	<i>30.6</i>	<i>29.9</i>	<i>29.2</i>	<i>28.7</i>

Sources: Statistics Sweden and NIER.

**Table A26 Local government finances**

SEK billion and percentage of GDP, respectively, current prices

	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenue</b>	<b>957</b>	<b>1 015</b>	<b>1 078</b>	<b>1 113</b>	<b>1 139</b>	<b>1 171</b>	<b>1 209</b>	<b>1 250</b>
Taxes	636	670	699	728	756	784	815	848
Municipal property tax	16	16	17	18	18	19	20	20
Central government grants incl. VAT compensation	218	241	267	274	267	267	268	269
Property income	12	10	12	11	13	15	20	24
Other revenue	76	78	83	82	85	86	88	89
<i>Average municipal tax rate<sup>1</sup></i>	<i>31.99</i>	<i>32.10</i>	<i>32.12</i>	<i>32.12</i>	<i>32.12</i>	<i>32.12</i>	<i>32.12</i>	<i>32.12</i>
<b>Expenditure</b>	<b>971</b>	<b>1 040</b>	<b>1 089</b>	<b>1 149</b>	<b>1 189</b>	<b>1 247</b>	<b>1 301</b>	<b>1 357</b>
Transfers	81	88	84	86	88	91	94	98
Households	41	43	43	43	44	45	46	48
Other	39	45	41	43	44	46	48	50
Consumption expenditure	797	854	891	938	972	1 024	1 070	1 116
Capital formation	89	94	108	119	122	123	123	124
Property expenditure	5	5	5	5	6	10	14	20
<b>Transfers to households<sup>2</sup></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-13</b>	<b>-45</b>	<b>-65</b>	<b>-85</b>
<b>Net lending</b>	<b>-15</b>	<b>-25</b>	<b>-10</b>	<b>-36</b>	<b>-36</b>	<b>-31</b>	<b>-27</b>	<b>-22</b>
<i>Per cent of GDP</i>	<i>-0.3</i>	<i>-0.6</i>	<i>-0.2</i>	<i>-0.7</i>	<i>-0.7</i>	<i>-0.6</i>	<i>-0.5</i>	<i>-0.4</i>
Net financial wealth	-20	-60	-63	-93	-122	-147	-166	-181
<i>Per cent of GDP</i>	<i>-0.5</i>	<i>-1.4</i>	<i>-1.4</i>	<i>-1.9</i>	<i>-2.5</i>	<i>-2.8</i>	<i>-3.1</i>	<i>-3.2</i>

<sup>1</sup> Per cent. <sup>2</sup> 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 on the basis of 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 23 will be unchanged.

Sources: Statistics Sweden and NIER.

**Table A27 General Government Revenue with Unchanged Tax Rules**

Per cent of GDP

	2015	2016	2017	2018	2019	2020	2021	2022
Direct Household Taxes	15.4	15.9	16.0	15.6	15.5	15.4	15.3	15.3
Direct Business Taxes	3.0	2.9	3.0	2.6	2.6	2.6	2.6	2.6
Employers' Social Contributions <sup>1</sup>	11.7	12.1	12.2	12.3	12.3	12.2	12.2	12.2
VAT	9.0	9.2	9.3	9.2	9.1	9.1	9.1	9.1
Excise	2.3	2.3	2.2	2.1	2.1	2.1	2.1	2.1
Other Taxes	1.7	1.8	1.7	1.7	1.7	1.6	1.6	1.6
<b>Tax-to-GDP Ratio<sup>2</sup></b>	<b>43.1</b>	<b>44.2</b>	<b>44.4</b>	<b>43.5</b>	<b>43.3</b>	<b>43.1</b>	<b>42.9</b>	<b>42.9</b>
EU Taxes <sup>3</sup>	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Other Revenue <sup>4</sup>	4.3	4.2	4.2	4.1	4.0	4.0	4.0	3.9
<b>General Government Primary Revenue</b>	<b>47.2</b>	<b>48.2</b>	<b>48.4</b>	<b>47.5</b>	<b>47.2</b>	<b>46.9</b>	<b>46.8</b>	<b>46.7</b>
Property Income	1.5	1.5	1.4	1.5	1.5	1.5	1.7	1.8
<b>Total Revenue</b>	<b>48.7</b>	<b>49.7</b>	<b>49.8</b>	<b>48.9</b>	<b>48.7</b>	<b>48.4</b>	<b>48.4</b>	<b>48.5</b>

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

Sources: Statistics Sweden and NIER.

**Table A28 General Government Expenditure with Unchanged Commitment to Public Welfare Services and Unchanged Regulations for Transfers**

Per cent of GDP

	2015	2016	2017	2018	2019	2020	2021	2022
General Government Consumption Expenditure	25.9	26.3	26.1	26.1	26.1	26.3	26.4	26.5
Transfers	17.9	17.5	17.2	17.0	16.9	16.6	16.4	16.4
Households	14.4	14.2	13.9	13.6	13.4	13.1	13.0	12.9
Corporations	1.8	1.9	1.8	1.7	1.7	1.7	1.7	1.8
Abroad	1.7	1.4	1.4	1.7	1.7	1.7	1.7	1.7
Gross Fixed Capital Formation	4.2	4.3	4.5	4.6	4.6	4.5	4.4	4.4
General Government Primary Expenditure	48.0	48.0	47.8	47.7	47.5	47.4	47.2	47.2
Property Expenditure	0.6	0.6	0.5	0.5	0.5	0.6	0.7	0.9
<b>Total Expenditure</b>	<b>48.6</b>	<b>48.6</b>	<b>48.3</b>	<b>48.2</b>	<b>48.1</b>	<b>48.0</b>	<b>48.0</b>	<b>48.1</b>

Sources: Statistics Sweden and NIER.

**Table A29 Transfers from General Government to Households with Unchanged Regulations for Transfers**

Per cent of GDP

	2015	2016	2017	2018	2019	2020	2021	2022
Pensions <sup>1</sup>	7.8	7.8	7.7	7.6	7.5	7.4	7.4	7.4
Of Which Income Pension	6.2	6.4	6.4	6.3	6.3	6.2	6.2	6.2
Labour Market <sup>2</sup>	0.8	0.7	0.7	0.6	0.6	0.5	0.5	0.5
Illness and Disability <sup>3</sup>	1.9	1.9	1.7	1.6	1.5	1.5	1.4	1.4
Family and Children <sup>4</sup>	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.6
Education <sup>5</sup>	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Social Assistance <sup>6</sup>	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Other <sup>7</sup>	1.6	1.5	1.5	1.5	1.5	1.5	1.4	1.4
<b>Transfers to Households</b>	<b>14.4</b>	<b>14.2</b>	<b>13.9</b>	<b>13.6</b>	<b>13.4</b>	<b>13.1</b>	<b>13.0</b>	<b>12.9</b>

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

Sources: Statistics Sweden and NIER.

**Table A30 Income Index, Balance Index, Income Pensions and Balance Ratio**

Percentage change, unless otherwise indicated

	2015	2016	2017	2018	2019	2020	2021	2022
Income Index	2.1	2.0	3.7	1.5	3.2	3.1	3.3	3.6
Balance Index	2.5	5.9	4.4	2.6	3.2	3.1	3.3	3.6
Balance Ratio <sup>1, 2</sup>	1.004	1.038	1.007	1.013	1.012	1.017	1.014	1.012
<b>Nominal Income Pension<sup>3</sup></b>	<b>0.9</b>	<b>4.2</b>	<b>2.8</b>	<b>1.0</b>	<b>1.6</b>	<b>1.5</b>	<b>1.7</b>	<b>2.0</b>

<sup>1</sup> Level. <sup>2</sup> Starting with 2017 entries refer to the dampened balance ratio according to the Swedish Pensions Agency, expressing the pension system's assets in relation to its liabilities two years before the current year. <sup>3</sup> Percentage change of balance index minus 1,6 percentage points.

Sources: Swedish Pensions Agency and NIER.

**Table A31 Central Government Budget Balance and Debt**

SEK billion and percentage of GDP, respectively

	2015	2016	2017	2018	2019
<b>Budget Balance</b>	<b>-32.7</b>	<b>85.3</b>	<b>61.8</b>	<b>81.0</b>	<b>58.0</b>
Adjustments to Net Lending	10.0	17.7	5.1	4.8	-1.2
Sales of Shares etc.	0.0	-0.2	0.0	-2.1	0.0
Extra Dividends	-11.3	-2.1	-0.1	-0.2	0.0
On-Lending	16.3	27.2	11.1	12.5	1.5
Other Adjustments	5.0	-7.2	-5.9	-5.4	-2.7
Accruals	32.7	-40.6	11.3	-19.4	8.1
Of Which: Tax Accruals	33.6	-31.4	13.8	-15.7	4.6
Interest Accruals	-2.7	-8.3	-3.5	0.0	3.5
Other	3.0	7.3	3.5	-0.5	-0.5
<b>Central Government Net Lending</b>	<b>13.1</b>	<b>69.7</b>	<b>81.7</b>	<b>65.9</b>	<b>64.4</b>
Central Government Borrowing Requirement <sup>1</sup>	32.7	-85.3	-61.8	-81.0	-58.0
Stock-Flow Adjustments, Central Government Debt	-27.4	25.0	35.0	-43.9	-11.9
Central Government Debt, Change	5.3	-60.3	-26.8	-124.9	-69.9
<b>Central Government Debt</b>	<b>1 352</b>	<b>1 292</b>	<b>1 265</b>	<b>1 140</b>	<b>1 070</b>
<i>Per cent of GDP</i>	32.2	29.5	27.6	23.8	21.5

<sup>1</sup>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 A32 Central Government Expenditure Ceiling at Nominally Unchanged Central Government Grants and Unchanged Regulations for Transfers**

SEK billion unless otherwise indicated

	2015	2016	2017	2018	2019	2020
<b>Central Government Expenditure Ceiling</b>	<b>1 158</b>	<b>1 215</b>	<b>1 274</b>	<b>1 337</b>	<b>1 397</b>	<b>1 471</b>
<i>Per cent of Potential GDP</i>	27.5	27.8	28.1	28.3	28.4	28.6
Capped Expenditure	1 135	1 184	1 229	1 276	1 304	1 339
<i>Per cent of Potential GDP</i>	27.0	27.1	27.1	27.0	26.5	26.0
<b>Budgeting Margin</b>	<b>23</b>	<b>31</b>	<b>45</b>	<b>61</b>	<b>93</b>	<b>132</b>
<i>Per cent of Capped Expenditure</i>	2.0	2.6	3.7	4.8	7.1	9.9

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