



The Swedish Economy
December 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 is heading into a slowdown phase, but the output gap will remain positive for the next two years. Investment has made a major contribution to demand growth in recent years, and investment levels in parts of the business sector are now high. Together with considerable labour shortages, increased uncertainty about the economic outlook and a continued decline in housing investment, this means that investment as a whole will fall slightly in 2019. The labour market remains strong, but employment growth is set to slow. Unemployment has therefore bottomed out and will be around 6.5 per cent in 2019 and 2020. Inflation has been above 2 per cent for some time, and the Riksbank is expected to commence a series of interest rate increases in February 2019. The subdued inflationary outlook beyond 2019 means that the hiking cycle will be very gradual.

Swedish GDP decreased by 0.2 per cent in the third quarter (see Diagram 1), with substantial falls in both housing investment and household consumption. Sales of new cars to consumers fell drastically as a temporary result of the new bonus-malus system for vehicle taxation from 1 July. In the fourth quarter, however, household consumption is expected to rebound and help GDP growth to recover to 0.6 per cent.

Despite this, most indications are that the economy peaked in the first half of 2018 and is now heading into a slowdown phase. Both the consumer and business confidence indicators in the NIER's Economic Tendency Survey have fallen in recent months (see Diagram 2), partly due to increased uncertainty about the outlook both at home and abroad. These more subdued expectations have also been reflected in a fall in the OMXS PI stock index. The decline in housing investment will continue in the coming quarters. High resource utilisation is already believed to be putting a slight damper on production in parts of the business sector. On balance, GDP growth is therefore forecast to slow again in the first quarter of 2019.

Although GDP fell in the third quarter, employment continued to rise (see Diagram 3). Demand for labour remains brisk, and there are still considerable shortages of workers with the required skills. Both recent data and indicators suggest that employment has continued to grow strongly in the fourth quarter, despite recruitment plans in the construction industry having dropped back in the wake of the decline in residential construction. Employment growth will slow in the first part of 2019 due to the lower growth in output. Unemployment increased slightly in the third quarter as a result of relatively rapid growth in the labour force, but is expected to fall again slightly in the fourth quarter (see Diagram 4).

Diagram 1 Economic tendency indicator and GDP

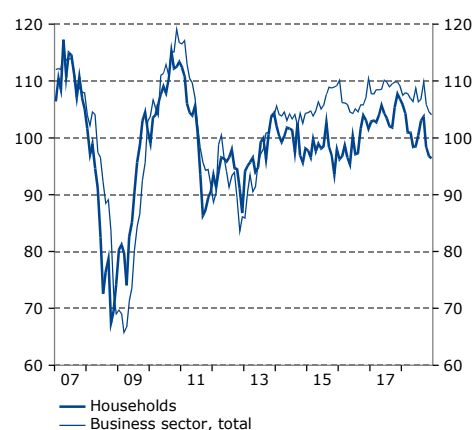
Index mean=100, monthly values and percentage change, seasonally adjusted quarterly values



Sources: Statistics Sweden and NIER.

Diagram 2 Households and the business sector confidence indicator

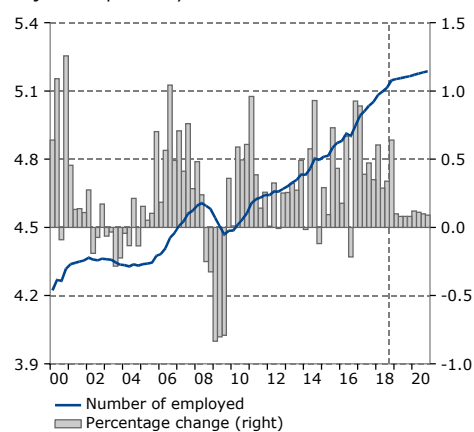
Index, mean=100, seasonally adjusted monthly values



Source: NIER.

Diagram 3 Employment

Millions and percentage change, seasonally adjusted quarterly values



Sources: Statistics Sweden and NIER.

FIRMS UPBEAT DESPITE SUBDUED EXPORT GROWTH

Swedish exporters are benefiting from a weak krona and have been very satisfied with demand for some time. For example, manufacturing firms' view of their export order books in the Economic Tendency Survey is very positive. A continued economic upswing abroad means that demand for Swedish export goods will continue to grow steadily. After slowing in 2018, Swedish exports are therefore expected to increase somewhat more quickly in 2019 (see Diagram 5) despite emerging capacity constraints.

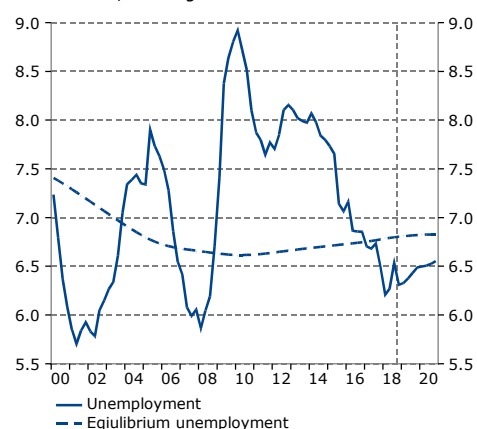
Global GDP growth will be more or less unchanged in 2018 relative to 2017 at just under 4 per cent but will then slow slightly (see Diagram 6). In the developed markets, however, growth will be less synchronised in 2018 and 2019 than in recent years.

The US economy has been booming for some time. GDP growth has accelerated further this year, partly due to the cuts in personal and corporate taxes at the end of 2017. Both business and consumer confidence indicators are still much higher than normal, which suggests that the economy will strengthen further in the near term. Households are benefiting from a strong labour market and from wage growth having begun to take off, while investment activity remains strong. The continued economic upswing means that the Federal Reserve is expected to continue on its established path of interest rate increases to prevent inflation – which has been at the bank's target level for some time – from rising too high (see Diagram 7).

The euro area as a whole has not recovered as quickly as the US from the financial crisis, but a mild boom is now around the corner. Both business and consumer confidence indicators have fallen continuously this year but remain stronger than normal. GDP growth fell to 0.2 per cent in the third quarter. Developments were particularly weak in Germany and Italy, where growth was slightly negative. The poor performance in Germany was partly due to temporary factors, most notably new emissions requirements that temporarily affected production in the automotive industry, so GDP growth is expected to pick up again in the fourth quarter. A number of factors are weighing on the Italian economy, not least high government yields, which have soared over the past six months as a result of very high levels of government debt and the expansionary economic policy announced by the government despite the European Commission's protests. GDP growth for the euro area as a whole is expected to be 1.9 per cent in 2018 and almost as high in 2019 (see Diagram 6). The economy will therefore continue to strengthen, and unemployment will fall slightly but remain very high at around 8 per cent. The modest economic upswing means that the ECB will not begin to raise its policy rate until the second half of 2019 despite inflation now being more or less on target.

Diagram 4 Unemployment

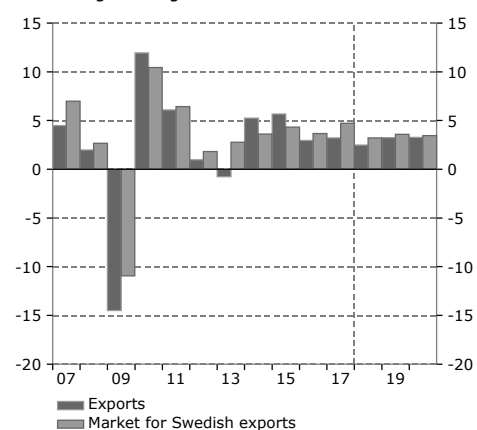
Procent av arbetskraften respektive potentiell arbetskraft, säsongrensade kvartalsvärden



Sources: Statistics Sweden and NIER.

Diagram 5 Exports and market for Swedish exports

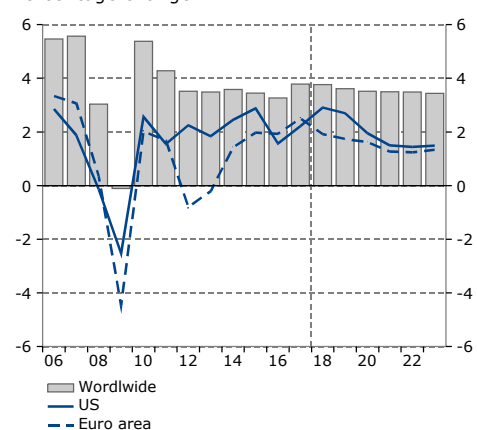
Percentage change



Sources: OECD, IMF, Statistics Sweden and NIER.

Diagram 6 GDP in selected countries

Percentage change



Sources: IMF, OECD, Macrobond and NIER.

INCREASED RISK OF “NO DEAL” BREXIT

While the economic outlook for the developed markets is still bright, political risks have increased during the course of the year, and the risk to our projections for growth outside Sweden is predominantly to the downside.

Our forecast is based on the assumption of the UK making an orderly departure from the EU, resulting in a “soft” Brexit. There is, however, a risk of the UK leaving the EU in March 2019 without a deal in place. If so, economic performance across the EU will be negatively affected, partly via disruption to foreign trade and confidence effects.

The tough tone of global trade policy means that there is a risk of further escalation of the trade conflict between the US and much of the rest of the world. The US decision to postpone the increases in customs duties planned for the end of this year is positive, but the risk of new trade barriers remains. The barriers introduced to date do not in themselves present a threat to the global economic upswing, although uncertainty has put a damper on growth. A spiral of new trade barriers and retaliatory measures could, however, pose such a threat. The Swedish economy would then be adversely affected even if these barriers did not directly target Swedish goods. For Europe, and not least Sweden, the US threat to impose tariffs on cars from the EU is the greatest direct threat.

INVESTMENT GROWTH IN SWEDEN HAS PEAKED

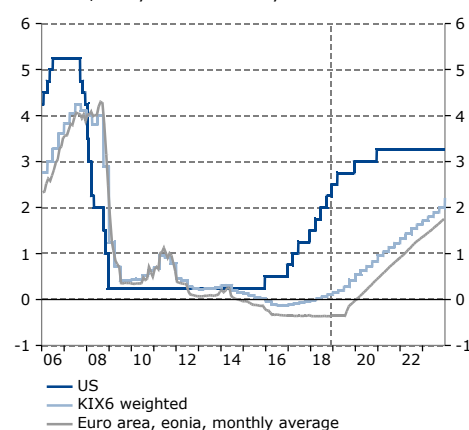
The economic boom in Sweden has meant that firms’ capacity utilisation has risen to high levels, and there has been a considerable need for new investment in recent years. Many firms have therefore stepped up investment, not least in manufacturing where the investment share is now relatively high (see Diagram 8), although growing shortages of workers with the required skills have been a constraining factor. High investment levels, labour shortages, moderate demand growth and an uncertain outlook mean that investment growth is set to slow. This is a normal pattern when an economy peaks.

The economic upswing in Sweden was partly fuelled by strong demand for new housing, and housing investment climbed to historically high levels at the beginning of 2018. Since then, housing investment has decreased (see Diagram 9), partly due to housing prices falling in late 2017 and early 2018. The drop in housing prices has meant that the number of apartment starts has fallen sharply, and housing investment will therefore continue to decline in 2019. Although housing prices now seem to have bottomed out, there is a not insignificant risk of further decreases. In that event, housing investment will probably fall even further than projected.

All in all, this means that investment growth has peaked. Investment will make a relatively large contribution to demand

Diagram 7 Policy rates

Per cent, daily- and monthly values

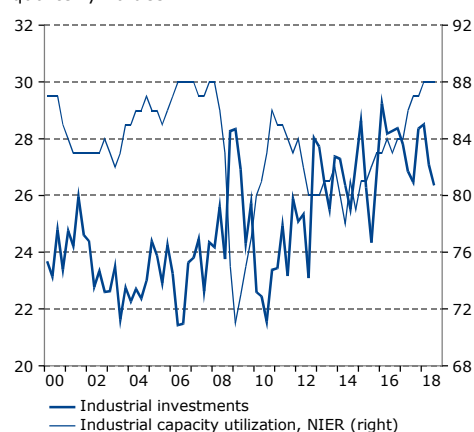


Note. US policy rate refers to upper bound of the target rate for the federal funds rate.

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

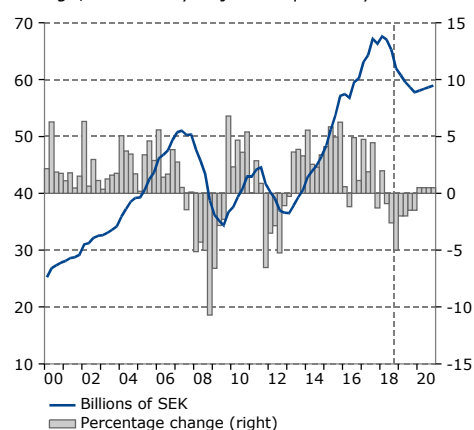


Note. Refers to investment and value added in the industry (B05-C33) excluding sector C26.

Sources: Statistics Sweden and NIER.

Diagram 9 Investment in housing

Billion of SEK, constant prices and percentage change, seasonally adjusted quarterly values



Sources: Statistics Sweden and NIER.

growth in 2018, but contribute negatively in 2019 (see Diagram 10).

Table 1 Selected Indicators

Percentage change, unless otherwise indicated

	2018	2019	2020	2021	2022	2023
GDP, Market Prices	2.2	1.3	1.7	1.8	1.9	2.0
GDP per Capita	1.1	0.3	0.8	0.8	1.0	1.1
GDP, Calendar-Adjusted	2.3	1.3	1.5	1.7	1.9	2.2
GDP, World	3.8	3.6	3.5	3.5	3.5	3.4
Current Account Balance ¹	3.2	4.0	3.9	3.8	3.8	3.8
Hours Worked ²	1.9	0.8	0.4	0.4	0.5	0.6
Employment	1.8	0.9	0.4	0.3	0.5	0.7
Unemployment Rate ³	6.3	6.4	6.5	6.7	6.8	6.8
Labour Market Gap ⁴	1.0	0.9	0.5	0.2	0.0	0.0
Output Gap ⁵	1.5	0.9	0.5	0.2	0.0	0.0
Hourly Earnings ⁶	2.5	2.7	2.9	3.2	3.4	3.5
Hourly Labour Costs ^{2,7}	3.0	2.7	2.9	3.2	3.4	3.5
Productivity ²	0.4	0.6	1.1	1.3	1.4	1.5
CPI	1.9	2.0	2.1	2.5	2.7	2.5
CPIF	2.1	1.9	1.7	1.9	2.0	2.0
Repo Rate ^{8,9}	-0.50	0.00	0.25	1.00	1.50	2.00
10-year Government Bond Yield ⁸	0.7	0.8	1.4	1.9	2.4	2.8
Effective Krona Exchange Rate Index (KIX) ¹⁰	117.7	117.5	116.2	114.2	111.2	108.2
Government Net Lending ¹	0.9	0.4	0.6	0.4	0.2	0.3
Structural Net Lending ¹¹	0.3	0.2	0.3	0.3	0.3	0.3
Maastricht Debt ¹	37.3	34.7	34.1	33.3	32.8	32.3

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

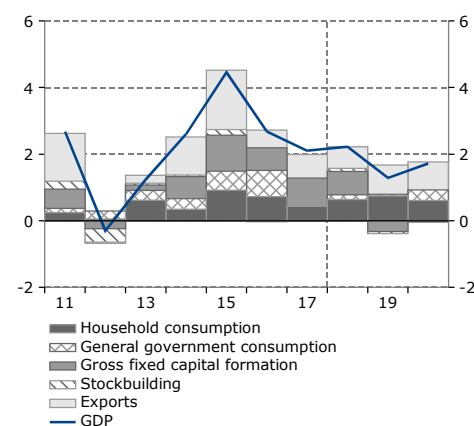
Sources: IMF, Statistics Sweden, National Mediation Office, The Riksbank, Macrobond and NIER.

NEUTRAL FISCAL POLICY IN 2019

The central government budget for 2019 approved by the Swedish Parliament (the Riksdag) includes unfunded measures amounting to SEK 25 billion. This means that fiscal policy will be largely neutral in 2019, having been slightly expansionary in 2018. A new government may well introduce new measures, for example in budget amendments during the course of next year. Uncertainty about the extent and direction of such measures is considerable given the time it is taking to form a government. The scope for a new government to introduce further unfunded measures in 2019 is limited, however, if the surplus target of one-third of a percent of GDP is taken into account (see Dia-

Diagram 10 Contribution to GDP growth

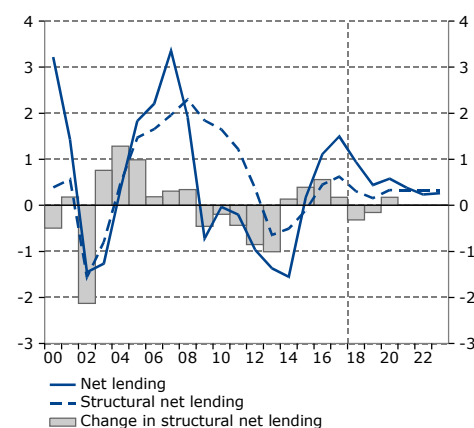
Percentage change and percentage points



Note. Import-adjusted contributions. Sources: Statistics Sweden and NIER.

Diagram 11 Net lending and structural net lending in the public sector

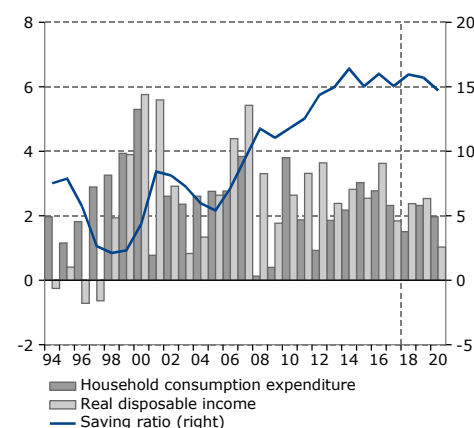
Per cent of GDP and per cent of potential GDP



Sources: Statistics Sweden and NIER.

Diagram 12 Household consumption, real disposable income and saving ratio

Percentage change and per cent of disposable income



Sources: Statistics Sweden and NIER.

gram 11). In 2020–2023, fiscal space is estimated to amount to a total of just over SEK 140 billion. Unchanged personnel density in the provision of publicly financed services would require approximately the same amount of new public consumption and investment expenditure during the same period, factoring in an increase in standards in line with the historical pattern.

HOUSEHOLDS LESS CONFIDENT

Recent years' strong job creation has continued in 2018 (see Table 1). Together with lower taxes and higher transfer payments, this has led to real household disposable income growing at around the normal rate this year (see Diagram 13) despite subdued wage growth. The consumer confidence indicator has nevertheless fallen during this year and was below its historical average in December (see Diagram 2). There are a number of possible explanations for the decline in confidence, including falling asset prices, the prospect of interest rate increases, and increased uncertainty due to the delays in forming a government. The fundamentals for consumer spending are nevertheless positive. Planned tax cuts mean that real disposable income will continue to rise at a good rate in 2019 despite lower employment growth, and the household saving rate is at historically high levels. Taken together, this means that households are expected to increase their consumption more or less in line with income in 2019, and so the saving rate will remain high.

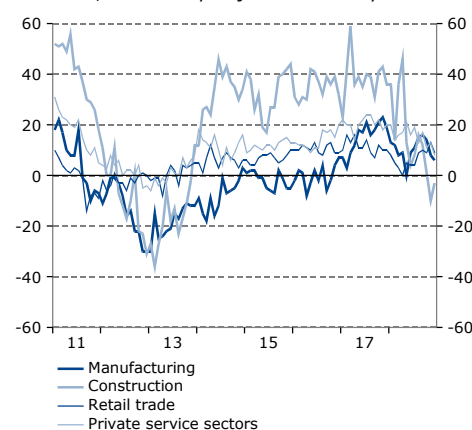
LABOUR MARKET CONTINUING TO PROSPER

According to the Economic Tendency Survey, recruitment plans in the business sector have dropped back this year but remain positive overall (see Diagram 13). The decrease has been particularly marked in the construction industry, where recruitment plans have gone from very positive to slightly negative during the course of 2018. This reflects the drop in residential construction, and employment in the industry is expected to level off in 2019 after growing for several years. Employment in the public sector is also largely expected to stagnate in 2019 due to a continued decrease in the need for personnel to assist with asylum seekers and new immigrants. Furthermore, the continued major shortages of workers with the required skills in a number of industries mean that some recruitment plans will not be realised. Employment growth in the economy as a whole will therefore slow further in 2019. The service sector will account for almost all job creation (see Diagram 14).

Unemployment has fallen in recent years as the economy has strengthened. The unemployment rate in the third quarter was 6.5 per cent, which is below the NIER's estimate of equilibrium unemployment (see Diagram 4). The combination of major shortages of workers with the required skills and a very large number of vacancies indicates considerable matching problems in the labour market. This interpretation is supported by figures

Diagram 13 Recruitment plans

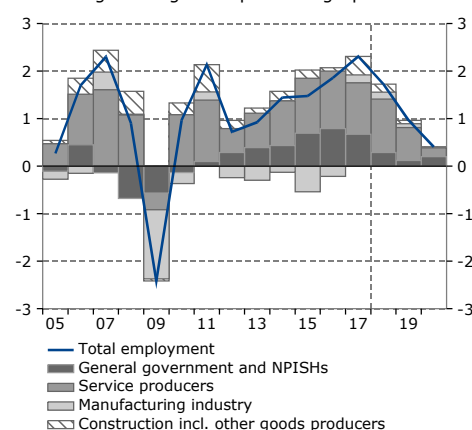
Balances, seasonally adjusted monthly values



Source: NIER.

Diagram 14 Contribution to employment rate

Percentage change and percentage points

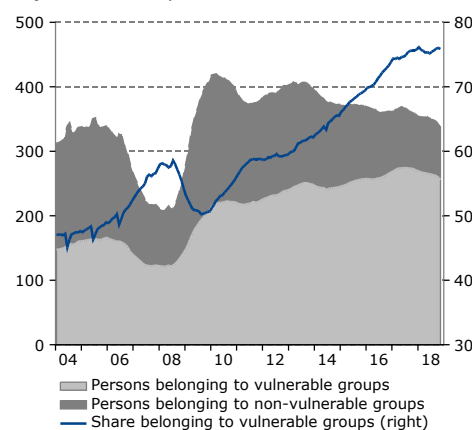


Note. NPISHs refers to Non-Profit Institutions Serving Households.

Sources: Statistics Sweden and NIER.

Diagram 15 Registered unemployed at the Swedish Public Employment Service

Thousands respectively per cent, seasonally adjusted monthly values



Sources: Arbetsförmedlingen and NIER

from the Swedish Public Employment Service showing that “vulnerable groups” who find it comparatively hard to obtain work now account for more than 75 per cent of the unemployed (see Diagram 15). The NIER therefore believes that resource utilisation in the labour market is higher than normal. As employment growth slows, resource utilisation will gradually fall back, and the labour market gap will narrow (see Table 1).

WAGE GROWTH SET TO CLIMB UPWARDS

Despite resource utilisation in the labour market having been higher than normal for over a year, wage growth in the business sector has not accelerated particularly, although it has increased slightly in 2018. This high resource utilisation and the major shortages of workers with the required skills mean that wages in both the business sector and the economy as a whole will rise slightly more quickly going forward (see Table 1).

Recent years’ weak productivity growth in the business sector has meant that unit labour costs in the sector have risen relatively rapidly despite this subdued wage growth. This is set to continue, with unit labour costs rising by 2.6 per cent in 2018 and 2.0 per cent in 2019, resulting in a relatively large increase in cost pressures in the business sector. Firms’ responses to the Economic Tendency Survey indicate that profitability is currently very strong in manufacturing and largely satisfactory in the service sector (see Diagram 16). These rising cost pressures are therefore expected to lead to higher prices for services. Retail firms’ view of their profitability has deteriorated markedly in recent years, and a relatively large proportion are now unhappy with profit levels. This indicates an increased need for the sector to pass on cost increases to consumers.

CPIF inflation – the increase in the consumer price index with a fixed interest rate – has been above the Riksbank’s 2 per cent target since the summer. Energy prices have risen sharply over the past year, however, and inflation ex energy is much lower (see Diagram 17). Inflation ex energy will accelerate to 1.9 per cent next year as prices for services and food rise more quickly. Inflation will then slow slightly in 2020 as a gradual strengthening of the exchange rate from the beginning of 2019 begins to impact on prices for goods in particular. Energy prices at consumer level are also expected to fall slightly as a result of reduced electricity network charges. CPIF inflation is forecast to be 1.7 per cent in 2020. Ex energy, it will be 1.9 per cent, which is more or less in line with the Riksbank’s target.

The NIER expects the Riksbank to raise the repo rate in February 2019. This is in keeping with both the Riksbank’s own projections in October 2018 and market expectations (see Diagram 18). The expected decrease in inflationary pressures in 2020 means that the repo rate will only be raised on one further occasion in 2019 and once in 2020. Inflationary pressures are then expected to mount slightly, and the repo rate will be put up

Diagram 16 Judgement of profitability in the manufacturing industry, trade and private service sectors

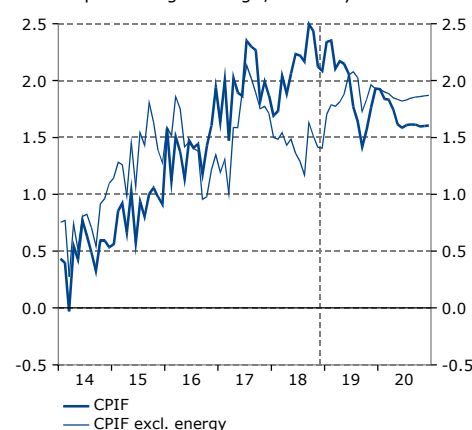
Balances, seasonally adjusted quarterly values



Source: NIER.

Diagram 17 Consumer prices

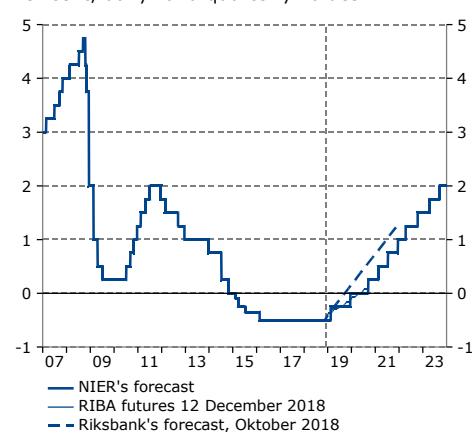
Annual percentage change, monthly values



Sources: Statistics Sweden and 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.

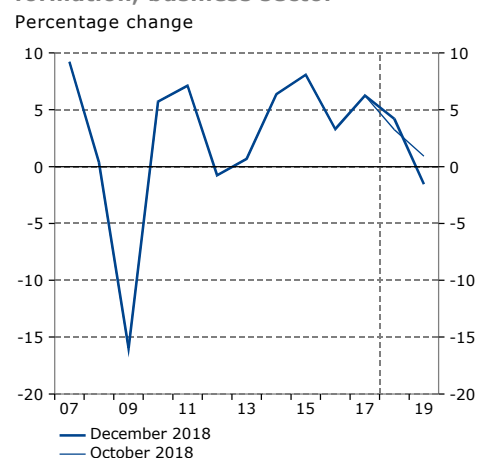
more quickly in 2021–2023. At the end of the period, the nominal repo rate will be 2.00 per cent, and CPIF inflation will be on target (see Table 1).

Forecast revisions 2018–2019

New information since our October forecast has led to a number of revisions (see Table 2). Some of the more significant changes are outlined below.

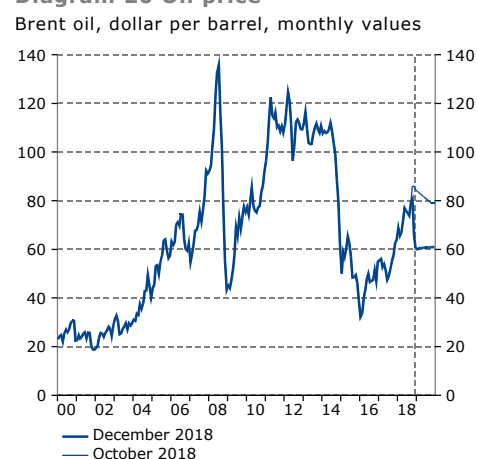
- Euro area GDP will be weaker in both 2018 and 2019 than anticipated in October, primarily due to the surprisingly weak growth in the third quarter.
- Swedish GDP growth has also been revised down for 2018 and 2019. Unexpectedly weak growth in the third quarter is again a contributing factor, but lower investment growth in the business sector is the single most important explanation for the adjustment in 2019 (see Diagram 19).
- Growth in both exports and imports has been revised down sharply for 2018 and 2019, partly due to surprisingly low levels in the third quarter and partly to reduced estimates of export market growth and growth in domestic demand.
- Despite the substantial downward revision of GDP growth for 2018 and 2019, employment growth during the same period has been revised up slightly. This means that productivity growth has been revised down sharply. This reflects the surprise drop in productivity in the business sector in the third quarter of 2018. The weak performance in the third quarter has also meant that our estimate of potential productivity growth has been revised down for 2018 and 2019.
- Unemployment has been revised up slightly for 2019 due to a larger labour force than anticipated in October.
- Wage growth has been revised down for 2018 and 2019, primarily reflecting recent months' weak figures.
- Oil prices have been revised down significantly for 2019, because forward prices are now much lower than anticipated in October (see Diagram 20).

Diagram 19 Gross fixed capital formation, business sector



Sources: Statistics Sweden and NIER.

Diagram 20 Oil price



Sources: Macrobond, International Petroleum Exchange and NIER.

Table 2 Current Forecast and Revisions Compared to the October 2018 Forecast

Percentage change, unless otherwise indicated

	2018					2019
	Dec	Oct	Diff	Dec	Oct	Diff
Global Economy						
GDP, World	3.8	3.8	-0.1	3.6	3.7	-0.1
GDP, OECD	2.3	2.4	-0.1	2.1	2.2	-0.1
GDP, Euro Area	1.9	2.1	-0.1	1.7	1.9	-0.1
GDP, US	2.9	2.9	0.0	2.7	2.7	0.0
GDP, China	6.6	6.6	0.0	6.3	6.3	0.0
Federal Funds Target Rate ^{1,2}	2.5	2.5	0.0	3.0	3.3	-0.3
ECB Refi Rate ^{1,2}	0.0	0.0	0.0	0.3	0.3	0.0
Oil Price ³	71.7	75.8	-4.1	60.7	81.1	-20.4
CPI, OECD	2.6	2.5	0.1	2.5	2.4	0.0
Domestic Economy						
GDP, Calendar-Adjusted	2.3	2.5	-0.2	1.3	1.9	-0.6
GDP	2.2	2.4	-0.2	1.3	1.9	-0.6
Household Consumption	1.5	2.1	-0.7	2.3	2.0	0.4
Government Consumption	0.7	0.9	-0.2	0.3	0.7	-0.5
Gross Fixed Capital Formation	4.4	3.4	1.0	-1.0	1.2	-2.2
Stockbuilding ⁴	0.2	0.2	0.0	-0.2	-0.1	-0.1
Exports	2.5	3.2	-0.8	3.2	4.3	-1.1
Imports	2.5	3.1	-0.6	2.0	3.1	-1.2
Labour Market, Inflation, Interest Rates etc.						
Hours Worked ⁵	1.9	1.8	0.1	0.8	0.9	-0.1
Employment	1.8	1.7	0.1	0.9	0.9	0.1
Unemployment ⁶	6.3	6.3	0.1	6.4	6.2	0.2
Labour Market Gap ⁷	1.0	1.1	-0.1	0.9	1.1	-0.3
Output Gap ⁸	1.5	1.5	0.0	0.9	1.3	-0.5
Productivity ⁵	0.4	0.8	-0.3	0.6	1.1	-0.5
Hourly Earnings ⁹	2.5	2.6	-0.1	2.7	2.9	-0.2
CPI	1.9	2.0	0.0	2.0	2.5	-0.5
CPIF	2.1	2.1	0.0	1.9	2.2	-0.3
Repo Rate ^{1,2}	-0.50	-0.50	0.00	0.00	0.00	0.00
10-Year Government Bond Yield ¹	0.7	0.7	0.0	0.8	1.0	-0.2
Effective Krona Exchange Rate Index (KIX) ¹⁰	117.7	117.8	-0.1	117.5	117.3	0.2
Current Account Balance ¹¹	3.2	3.3	-0.1	4.0	3.8	0.3
Government Net Lending ¹¹	0.9	0.7	0.2	0.4	0.7	-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.

Note. The difference is between the current forecast and the October 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.

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Table A1 Global Output

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

	Weight 2017	2014	2015	2016	2017	2018	2019	2020
World		3.6	3.5	3.3	3.8	3.8	3.6	3.5
KIX Weighted ¹	74.7	2.3	2.3	2.2	2.9	2.5	2.4	2.3
OECD	44.4	2.2	2.5	1.8	2.5	2.3	2.1	1.8
US	15.3	2.5	2.9	1.6	2.2	2.9	2.7	2.0
Euro Area	11.6	1.4	2.0	1.9	2.5	1.9	1.7	1.6
Germany	3.3	2.2	1.5	2.2	2.5	1.6	1.7	1.7
France	2.2	1.0	1.0	1.1	2.3	1.6	1.6	1.5
Italy	1.8	0.2	0.8	1.3	1.6	1.0	0.9	1.0
Spain	1.4	1.4	3.6	3.2	3.0	2.5	2.2	1.9
Finland	0.2	-0.6	0.1	2.5	2.8	2.3	1.7	1.6
Japan	4.3	0.3	1.3	0.6	1.9	0.7	1.1	0.7
UK	2.3	2.9	2.3	1.8	1.7	1.3	1.4	1.4
Sweden	0.4	2.7	4.2	2.4	2.4	2.3	1.3	1.5
Norway	0.3	2.1	1.8	0.9	2.4	1.7	2.0	2.0
Denmark	0.2	1.6	2.3	2.4	2.3	0.8	2.1	1.7
Emerging Markets ²	55.6	4.8	4.2	4.4	4.8	4.9	4.8	4.7
China	18.2	7.4	7.0	6.7	6.9	6.6	6.3	6.0
India	7.4	7.2	7.8	7.8	6.3	7.4	7.5	7.5
Brazil	2.5	0.5	-3.6	-3.4	1.0	1.3	2.1	2.5
GDP per Capita								
US		1.7	2.1	0.8	1.5	2.2	2.1	1.3
Euro Area		1.2	1.6	1.6	2.3	1.6	1.5	1.4
Japan		0.5	1.4	0.6	2.1	1.0	1.4	1.0
Market Growth								
World ³		3.6	4.3	3.7	4.7	3.2	3.6	3.5

¹ KIX weighted GDP is the weighted average of GDP growth in the 32 countries included in the KIX effective krona exchange rate index. ² Emerging markets are defined here as countries that are not members of the OECD. ³ 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

	2013	2014	2015	2016	2017	2018	2019	2020
OECD	2.2	1.7	0.6	1.1	2.2	2.6	2.5	2.4
US	2.1	1.6	0.1	1.3	2.1	2.5	2.3	2.3
Euro Area	2.5	0.4	0.0	0.2	1.5	1.8	1.6	1.8
Germany	2.1	0.8	0.1	0.4	1.7	1.9	1.8	1.9
France	2.2	0.6	0.1	0.3	1.2	2.1	1.6	1.7
Italy	3.3	0.2	0.1	-0.1	1.3	1.3	1.3	1.7
Spain	2.4	-0.2	-0.6	-0.3	2.0	1.8	1.7	1.8
Finland	3.2	1.2	-0.2	0.4	0.8	1.2	1.4	1.8
Japan	-0.1	2.8	0.8	-0.1	0.5	1.0	1.1	1.5
UK	2.6	1.5	0.4	1.0	2.6	2.3	2.2	2.1
Sweden	0.9	0.2	0.7	1.1	1.9	2.0	1.8	1.5
Norway	0.4	1.9	2.0	3.9	1.9	2.9	2.0	1.9
Denmark	2.4	0.3	0.2	0.0	1.1	0.7	1.4	1.7
Emerging Markets ¹								
China	2.6	1.9	1.4	2.0	1.6	2.1	2.3	3.0
India	9.3	6.4	5.9	4.9	2.5	4.8	4.5	5.0
Brazil	5.4	6.3	9.0	8.7	3.4	3.7	4.2	4.5

¹ 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. CPI for the United Kingdom refers to CPIH, including owner occupiers' housing costs. 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	2014	2015	2016	2017	2018	2019	2020
Household Consumption Expenditure	6 060	0.9	1.8	1.9	1.7	1.3	1.3	1.2
General Government Consumption Expenditure	2 280	0.7	1.3	1.8	1.2	1.0	1.3	1.1
Gross Fixed Capital Formation	2 306	1.7	4.6	4.0	2.9	3.0	3.2	2.9
Stockbuilding ¹	42	0.3	0.0	0.1	0.0	0.3	0.2	0.0
Exports	5 300	4.7	6.3	3.0	5.4	2.8	3.3	3.2
Imports	4 775	4.8	7.5	4.2	4.0	2.6	3.6	3.3
GDP	11 212	1.4	2.0	1.9	2.5	1.9	1.7	1.6
HICP ²		0.4	0.0	0.2	1.5	1.8	1.6	1.8
Unemployment ³		11.6	10.9	10.0	9.1	8.3	7.8	7.7
Policy Rate ⁴		0.05	0.05	0.00	0.00	0.00	0.25	0.75
10-Year Government Bond Yield ⁵		1.2	0.5	0.1	0.4	0.5	0.6	1.1
USD/EUR ⁶		1.33	1.11	1.11	1.13	1.18	1.14	1.14

¹ Change in per cent of GDP the previous year. ² Percentage change. ³ Per cent of labour force. ⁴ Refi rate level, per cent, at year-end. ⁵ Level, per cent, Germany. ⁶ 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	2014	2015	2016	2017	2018	2019	2020
Household Consumption Expenditure	13 321	2.9	3.7	2.7	2.5	2.7	2.7	2.2
General Government Consumption Expenditure	2 731	-0.8	1.6	1.5	-0.1	1.4	2.4	1.9
Gross Fixed Capital Formation	3 986	4.9	3.3	1.6	4.0	5.0	4.0	3.6
Stockbuilding ¹	25	-0.1	0.3	-0.6	0.0	0.1	0.2	-0.3
Exports	2 350	4.3	0.6	-0.1	3.0	4.1	2.6	2.8
Imports	2 929	5.1	5.5	1.9	4.6	4.8	5.2	3.5
GDP	19 485	2.5	2.9	1.6	2.2	2.9	2.7	2.0
CPI ²		1.6	0.1	1.3	2.1	2.5	2.3	2.3
Unemployment ³		6.2	5.3	4.9	4.4	3.9	3.6	3.8
Policy Rate ⁴		0.25	0.50	0.75	1.50	2.50	3.00	3.25
10-year Government Bond Yield ⁵		2.5	2.1	1.8	2.3	2.9	3.1	3.3
USD/EUR ⁶		1.33	1.11	1.11	1.13	1.18	1.14	1.14

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

	2016	2017	2018	2019	2020	2021	2022	2023
GDP, OECD	1.8	2.5	2.3	2.1	1.8	1.7	1.7	1.7
GDP, Euro Area	1.9	2.5	1.9	1.7	1.6	1.3	1.2	1.3
GDP, US	1.6	2.2	2.9	2.7	2.0	1.5	1.4	1.5
GDP, Emerging Markets	4.4	4.8	4.9	4.8	4.7	4.8	4.7	4.6
GDP, Global	3.3	3.8	3.8	3.6	3.5	3.5	3.5	3.4
HICP, Euro Area	0.2	1.5	1.8	1.6	1.8	1.9	1.9	1.9
CPI, US	1.3	2.1	2.5	2.3	2.3	2.3	2.3	2.3
Policy Rate, Euro Area	0.00	0.00	0.00	0.25	0.75	1.00	1.50	1.75
Policy Rate, US	0.75	1.50	2.50	3.00	3.25	3.25	3.25	3.25
Policy Rate, KIX6-Weighted	-0.14	-0.04	0.11	0.42	0.83	1.23	1.63	1.99
Overnight Rate, Euro Area (Eonia)	-0.4	-0.3	-0.4	0.0	0.4	0.9	1.3	1.8

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 2018–2020

Table A6 GDP by Expenditure

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

	Level 2017	2014	2015	2016	2017	2018	2019	2020
Household Consumption Expenditure ¹	2 041	2.1	3.1	2.9	2.2	1.5	2.3	2.1
Goods	927	2.6	4.1	3.7	1.3	1.4	1.6	1.4
Services Excl. Housing	663	3.1	3.8	3.7	2.2	1.9	3.0	2.5
Housing	395	2.1	1.7	2.4	3.8	2.9	3.2	2.8
General Government Consumption Expenditure	1 196	1.5	2.4	3.6	0.0	0.7	0.3	1.5
Central Government	305	1.7	2.0	2.1	-1.6	-0.1	-0.7	1.1
Local Government	892	1.5	2.6	4.1	0.6	0.9	0.6	1.7
Gross Fixed Capital Formation ²	1 143	5.4	6.7	4.2	6.0	4.4	-1.0	0.4
Business Sector Excl. Housing	681	4.2	5.4	1.0	4.4	5.6	1.4	0.7
Industry	176	9.0	-15.7	0.3	5.0	4.3	1.2	0.3
Other Goods Producers	108	3.1	0.2	-2.8	4.8	2.5	2.3	0.4
Service Producers Excl. Housing	397	1.7	20.6	2.4	4.0	7.0	1.2	1.0
Housing	260	15.6	18.0	10.9	11.6	0.6	-9.6	-1.2
General Government	196	1.6	0.3	8.1	4.9	5.7	1.1	0.9
<i>Domestic Demand Excl. Stockbuilding</i>	4 380	2.7	3.8	3.4	2.6	2.0	0.9	1.5
Stockbuilding ³	30	0.2	0.4	-0.1	0.1	0.2	-0.2	-0.1
<i>Total Domestic Demand</i>	4 410	2.9	4.2	3.2	2.7	2.2	0.7	1.4
Exports	2 076	5.3	5.7	3.0	3.2	2.5	3.2	3.3
Exports of Goods	1 430	3.1	3.5	2.3	5.0	3.6	2.7	3.1
Processed Goods	1 132	1.6	3.9	2.0	6.3	4.4	2.9	3.5
Raw Materials	298	8.6	2.2	3.4	-0.5	0.4	1.9	1.6
Exports of Services	646	10.4	10.7	4.4	-0.3	0.0	4.5	3.7
<i>Total Demand</i>	6 486	3.6	4.7	3.2	2.9	2.3	1.5	2.0
Imports	1 908	6.3	5.2	4.3	4.8	2.5	2.0	2.7
Imports of Goods	1 322	4.6	5.4	5.9	4.0	4.0	2.0	2.9
Processed Goods	984	4.8	6.1	5.9	5.7	3.8	1.9	3.6
Raw Materials	337	4.2	3.7	5.9	-1.1	4.4	2.1	0.6
Imports of Services	586	10.4	4.9	0.9	6.4	-0.7	1.9	2.3
<i>Net Exports³</i>	169	-0.2	0.4	-0.4	-0.5	0.1	0.7	0.4
GDP	4 579	2.6	4.5	2.7	2.1	2.2	1.3	1.7
GDP per Capita ⁴	455	1.6	3.4	1.4	0.7	1.1	0.3	0.8

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.

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	2017	2018	2019	2020	2021	2022	2023
Total Earnings, Adjusted for External Transactions	1 811	4.7	4.9	3.8	3.3	3.6	3.9	4.1
Hourly Earnings (according to national accounts) ¹		2.5	2.7	2.9	2.9	3.2	3.4	3.5
Hours Worked ^{1,2}		2.3	2.1	0.8	0.4	0.4	0.5	0.6
Transfers From Government Sector, Net	626	2.4	2.5	2.6	1.9	2.0	2.5	2.9
Property Income, Net	298	-3.7	-0.2	1.0	0.7	-1.1	-3.5	1.8
Other Income, Net ³	321	6.1	7.0	5.0	4.9	3.0	8.5	6.2
Income Before Taxes⁴	3 056	3.5	4.1	3.4	3.0	2.8	3.5	4.0
Direct Taxes ⁵	813	0.1	0.6	0.9	-0.4	-0.1	0.1	0.0
Disposable Income	2 243	3.6	4.7	4.3	2.5	2.7	3.6	4.0
Consumer Prices ⁶		1.7	2.3	1.7	1.5	1.7	2.0	2.0
Real Disposable Income	2 243	1.8	2.4	2.5	1.0	0.9	1.5	1.9
Per Capita ⁷	223	0.5	1.2	1.5	0.1	0.0	0.6	1.1
Consumption Expenditure⁸	2 041	2.2	1.5	2.3	2.1	1.9	2.1	2.3
Saving ⁹	362	15.1	16.0	15.7	14.7	13.8	13.1	12.7
Own Saving ⁹	202	9.0	9.8	10.0	9.1	8.2	7.7	7.4
Net Lending ⁹	267	11.1	12.1	12.5	11.6	10.6	10.0	9.5

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

	2013	2014	2015	2016	2017	2018	2019	2020
Net Exports, Goods	122	123	127	96	109	101	123	118
Net Exports, Services	48	47	77	99	60	51	66	78
Earnings, Net	17	18	14	9	7	8	9	9
Investment Income, Net	62	60	26	19	60	64	72	68
Transfers etc., Net	-58	-62	-64	-54	-66	-70	-71	-75
Current Account Balance	192	187	180	167	170	155	199	198
<i>Per cent of GDP</i>	<i>5.1</i>	<i>4.7</i>	<i>4.3</i>	<i>3.8</i>	<i>3.7</i>	<i>3.2</i>	<i>4.0</i>	<i>3.9</i>
Capital Transfers	-9	-5	-8	-3	-3	-5	-5	-5
Net Lending	183	181	172	165	167	150	194	193
<i>Per cent of GDP</i>	<i>4.8</i>	<i>4.6</i>	<i>4.1</i>	<i>3.8</i>	<i>3.7</i>	<i>3.1</i>	<i>3.9</i>	<i>3.8</i>

Sources: Statistics Sweden and NIER.

Table A9 GNI

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

	Level 2017	2014	2015	2016	2017	2018	2019	2020
GNI	4 649	4.3	5.4	4.0	5.3	4.4	3.7	3.0
Deflator, Domestic Use		1.7	1.7	1.6	2.5	2.6	2.2	1.7
Real GNI		2.5	3.7	2.4	2.8	1.7	1.4	1.3
Population ¹	10 058	1.0	1.1	1.3	1.4	1.1	1.0	1.0
Real GNI per Capita²	462	1.5	2.6	1.2	1.4	0.6	0.4	0.3

¹Thousands. ²SEK thousand.

Sources: Statistics Sweden and NIER.

Table A10 Production

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

	Level 2017	2014	2015	2016	2017	2018	2019	2020
Goods Producers	1 064	0.9	-2.3	0.6	4.1	2.2	0.7	1.3
Of Which: Industry	643	-0.4	-5.6	1.5	4.2	3.0	2.1	1.9
Construction	257	3.0	5.3	0.7	6.9	3.0	-1.5	0.5
Service Producers	2 106	4.5	8.8	3.5	2.2	3.4	2.3	1.9
Business Sector	3 170	3.2	5.0	2.5	2.8	3.0	1.7	1.7
General Government	826	1.2	0.7	1.5	0.9	-0.1	0.3	0.7
GDP at Basic Prices¹	4 050	2.8	4.0	2.3	2.4	2.3	1.4	1.5
Taxes/Subsidies on Products	529	2.2	5.5	3.5	1.9	2.3	0.2	1.2
GDP at Market Prices	4 579	2.7	4.2	2.4	2.4	2.3	1.3	1.5

¹Including 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	2014	2015	2016	2017	2018	2019	2020
Goods Producers	1 926	0.3	-2.1	0.5	2.0	2.0	0.6	0.1
Of Which: Industry	984	-1.1	-4.2	-0.8	1.4	1.4	0.6	0.1
Construction	620	2.5	1.7	4.9	3.6	4.2	1.0	0.1
Services Producers	3 771	2.5	2.4	2.2	2.0	2.2	1.2	0.4
Business Sector	5 697	1.7	0.8	1.6	2.0	2.1	1.0	0.3
General Government	2 195	2.1	0.7	3.1	2.4	1.5	0.4	0.7
Total Economy¹	8 061	1.8	0.9	2.0	2.1	1.9	0.8	0.4

¹Including 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	2014	2015	2016	2017	2018	2019	2020
Goods Producers	553	0.6	-0.2	0.1	2.1	0.3	0.1	1.3
Of Which: Industry	653	0.7	-1.4	2.4	2.8	1.6	1.5	1.8
Construction	415	0.5	3.5	-4.0	3.2	-1.2	-2.5	0.3
Service Producers	558	2.0	6.2	1.2	0.2	1.2	1.0	1.6
Business Sector	556	1.5	4.1	0.9	0.8	0.9	0.7	1.5
General Government	376	-0.9	0.0	-1.5	-1.5	-1.5	-0.1	0.0
Total Economy¹	502	1.0	3.1	0.3	0.3	0.4	0.6	1.1

¹ 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	2014	2015	2016	2017	2018	2019	2020
Hours Worked ¹	8 061	1.8	0.9	2.0	2.1	1.9	0.8	0.4
Average Hours Worked for Employed ²	30.9	0.3	-0.5	0.4	-0.2	0.1	-0.1	0.0
Number of Employed	5 022	1.4	1.4	1.5	2.3	1.8	0.9	0.4
Employment Rate ³		66.2	66.7	67.1	67.8	68.5	68.7	68.6
Labour Force	5 380	1.3	0.8	1.0	2.0	1.4	1.0	0.5
Labour Force Participation Rate ⁴		71.9	72.0	72.1	72.7	73.1	73.4	73.4
Unemployment ⁵	358	7.9	7.4	6.9	6.7	6.3	6.4	6.5
Population Aged 15-74	7 403	0.7	0.7	0.9	1.1	0.8	0.7	0.5

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 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	2014	2015	2016	2017	2018	2019	2020
Business Sector	68	2.9	2.3	2.3	2.0	2.5	2.8	2.9
Industry	15	2.5	2.4	2.0	2.1	2.9	3.0	3.2
Construction	7	3.1	1.6	2.7	1.8	3.2	2.9	3.0
Services	46	2.9	2.3	2.3	2.0	2.3	2.6	2.8
Local Government	26	2.8	2.7	2.7	3.1	2.5	2.7	2.9
Central Government	6	2.3	2.6	2.4	2.3	2.8	2.9	2.9
Total	100	2.8	2.4	2.4	2.3	2.5	2.7	2.9
Real Hourly Earnings (CPI) ¹		3.0	2.5	1.4	0.5	0.6	0.7	0.8
Real Hourly Earnings (CPIF) ²		2.3	1.6	1.0	0.4	0.4	0.8	1.2

¹ Deflated by the CPI. ² 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	2014	2015	2016	2017	2018	2019	2020
Hourly Earnings	241	1.9	3.1	2.1	2.5	2.6	2.9	3.0
Employers' Social Contributions ¹ (per cent of earnings)		41.4	42.0	43.2	43.1	43.7	43.4	43.4
Hourly Labour Costs ²	345	1.9	3.6	2.9	2.4	3.1	2.7	3.0
Productivity ³		1.4	3.7	0.1	0.6	0.5	0.7	1.5
Unit Labour Costs		0.6	-0.1	2.8	1.8	2.6	2.0	1.5

¹ Employers' social contributions and payroll taxes. ² Earnings and employers' social contributions. ³ 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	2014	2015	2016	2017	2018	2019	2020
GDP	70.6	1.8	2.1	1.6	2.3	2.0	2.3	1.4
General Government ^{1,2}	13.6	2.6	3.2	3.3	4.3	4.3	3.0	2.5
Business Sector ²	48.9	1.7	1.9	1.1	1.7	1.4	2.3	1.0
Product Taxes, Net	8.2	0.9	1.0	2.3	2.2	2.4	0.9	1.8
Imports	29.4	1.8	1.3	-1.7	3.9	6.4	0.4	-0.1
Processed Goods	15.2	2.4	4.0	-1.4	2.3	4.0	0.5	-1.0
Raw Materials	5.2	-1.5	-10.2	-4.6	12.5	15.1	-2.7	-0.4
Services	9.0	3.2	4.4	-0.3	2.1	5.2	2.3	1.6
Supply/Use³	100.0	1.8	1.8	0.7	2.7	3.3	1.7	0.9
General Government Consumption Expenditure	18.4	2.4	2.9	2.5	3.7	3.8	2.8	2.4
Household Consumption Expenditure	31.5	1.1	0.9	1.0	1.7	2.3	1.7	1.5
Gross Fixed Capital Formation	17.6	2.2	2.0	1.7	2.7	2.9	1.6	1.2
Exports	32.0	2.0	2.1	-1.2	3.3	4.9	0.6	-0.6
Processed Goods	17.5	2.8	4.4	-1.3	1.8	3.7	0.4	-1.1
Raw Materials	4.6	-0.4	-8.1	-2.5	13.8	14.7	-0.3	-2.8
Services	10.0	1.8	3.2	-0.3	1.6	2.6	1.7	1.4

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 A17 Business Sector Prices, Costs and Profits

SEK billion, percentage change and per cent, respectively

	Level 2017	2014	2015	2016	2017	2018	2019	2020
Value Added, Constant Prices ¹		3.1	5.2	2.7	2.6	2.9	1.7	2.0
Value-Added Deflator		1.7	1.9	1.1	1.7	1.4	2.3	1.0
Value Added, Current Prices ²	3 168	5.0	7.0	3.7	4.4	4.2	4.1	3.0
Hours Worked, Employees		1.5	1.9	3.1	1.6	2.2	1.0	0.9
Hourly Labour Costs ³	345	2.3	2.9	2.2	3.1	3.4	2.8	2.3
Total Labour Costs ⁴	1 835	3.8	4.8	5.4	4.7	5.6	3.7	3.3
Gross Profit	1 333	6.6	10.0	1.5	4.0	2.3	4.7	2.6
Profit Share		42.0	43.2	42.2	42.1	41.3	41.5	41.3
Adjusted Profit Share ⁵		34.6	36.5	35.9	35.8	35.1	35.4	35.3

¹ Calculated at basic prices. ² Calculated at factor prices. 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 A18 Consumer Prices

Per cent and percentage change, respectively

	Weight 2017	2014	2015	2016	2017	2018	2019	2020
CPI	100	-0.2	0.0	1.0	1.8	1.9	2.0	2.1
Mortgage Interest Costs, Mortgage Interest Rate		-11.5	-20.8	-13.1	-3.0	-5.0	1.9	11.5
CPIF	100	0.5	0.9	1.4	2.0	2.1	1.9	1.7
Goods	44	-0.1	1.2	0.4	0.4	0.6	1.2	1.1
Services	30	0.5	1.1	2.0	2.8	1.9	2.3	2.4
Housing Excl. Mortgage Interest Costs and Energy	15	1.7	1.5	1.9	1.4	1.8	2.1	2.2
Energy	7	-2.5	-4.9	1.3	5.8	10.5	2.6	-0.4
Mortgage Interest Costs, Capital Stock	4	5.0	5.4	5.8	9.4	7.1	5.6	5.3
CPIF Excl. Energy	93	0.7	1.4	1.4	1.7	1.4	1.9	1.9
HICP		0.2	0.7	1.1	1.9	2.0	1.8	1.5
Crude Oil (Brent) ¹		99.6	53.5	45.1	54.8	71.7	60.7	61.4

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: Intercontinental Exchange, Statistics Sweden, Macrobond and NIER.

Scenario for the Swedish Economy 2018–2023

Table A19 Resource Utilisation

Percentage change, calendar-adjusted values, unless otherwise indicated

	2016	2017	2018	2019	2020	2021	2022	2023
Labour Market								
Equilibrium Unemployment ¹	6.7	6.8	6.8	6.8	6.8	6.8	6.8	6.8
Actual Unemployment ²	6.9	6.7	6.3	6.4	6.5	6.7	6.8	6.8
Potential Hours Worked	1.2	1.3	1.2	0.9	0.7	0.7	0.7	0.6
Of Which: Potential Employment	1.2	1.3	1.2	0.9	0.7	0.7	0.7	0.7
Actual Hours Worked	2.0	2.1	1.9	0.8	0.4	0.4	0.5	0.6
Labour Market Gap ³	-0.5	0.3	1.0	0.9	0.5	0.2	0.0	0.0
Productivity								
Potential Productivity	0.6	0.6	0.7	1.0	1.1	1.2	1.4	1.5
Of Which: Potential Productivity, Business Sector	1.2	1.2	1.3	1.3	1.4	1.6	1.8	2.0
Actual Productivity	0.5	0.2	0.4	0.5	1.1	1.3	1.4	1.5
Productivity Gap ⁴	1.2	0.8	0.5	0.0	0.0	0.0	0.0	0.0
GDP								
Potential GDP	1.8	1.9	1.9	1.9	1.9	2.0	2.1	2.2
Actual GDP	2.4	2.4	2.3	1.3	1.5	1.7	1.9	2.2
Output Gap ⁵	0.7	1.1	1.5	0.9	0.5	0.2	0.0	0.0

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

	2016	2017	2018	2019	2020	2021	2022	2023
Population	1.3	1.4	1.1	1.0	1.0	1.0	0.9	0.9
Population Aged 15–74	0.9	1.1	0.8	0.6	0.5	0.5	0.5	0.5
GDP ¹	2.4	2.4	2.3	1.3	1.5	1.7	1.9	2.2
GDP per Capita ¹	1.2	1.0	1.2	0.3	0.5	0.7	1.0	1.3
Hours Worked ¹	2.0	2.1	1.9	0.8	0.4	0.4	0.5	0.6
Productivity	0.3	0.3	0.4	0.6	1.1	1.3	1.4	1.5
Labour Force	1.0	2.0	1.4	1.0	0.5	0.5	0.6	0.7
Employment	1.5	2.3	1.8	0.9	0.4	0.3	0.5	0.7
Employment Rate ²	67.1	67.8	68.5	68.7	68.6	68.5	68.5	68.6
Unemployment ³	6.9	6.7	6.3	6.4	6.5	6.7	6.8	6.8
Hourly Earnings ⁴	2.4	2.3	2.5	2.7	2.9	3.2	3.4	3.5
Hourly Labor Cost ¹	2.9	2.5	3.0	2.7	2.9	3.2	3.4	3.5
Unit Labour Cost	3.2	2.3	2.8	2.0	1.8	1.9	2.0	1.9
CPI	1.0	1.8	1.9	2.0	2.1	2.5	2.7	2.5
CPIF	1.4	2.0	2.1	1.9	1.7	1.9	2.0	2.0
Government Net Lending ⁵	1.1	1.5	0.9	0.4	0.6	0.4	0.2	0.3
Structural Net Lending ⁶	0.4	0.6	0.3	0.2	0.3	0.3	0.3	0.3

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

	2016	2017	2018	2019	2020	2021	2022	2023
Household Consumption Expenditure	2.8	2.3	1.5	2.3	2.0	1.9	2.1	2.3
General Government Consumption Expenditure	3.2	0.3	0.9	0.3	1.1	1.3	1.3	1.5
Gross Fixed Capital Formation	3.8	6.4	4.6	-1.0	0.1	1.2	2.0	2.5
<i>Domestic Demand Excl. Stockbuilding</i>	3.2	2.8	2.1	0.9	1.2	1.5	1.8	2.2
Stockbuilding ¹	-0.1	0.1	0.2	-0.2	-0.1	0.0	0.0	0.0
<i>Total Domestic Demand</i>	3.0	2.9	2.3	0.7	1.2	1.5	1.8	2.1
Exports	2.5	3.7	2.7	3.3	2.9	2.8	2.9	3.1
<i>Total Demand</i>	2.9	3.2	2.4	1.5	1.7	1.9	2.2	2.5
Imports	3.9	5.2	2.7	2.0	2.3	2.6	2.8	3.1
<i>Net Exports¹</i>	-0.4	-0.4	0.1	0.7	0.4	0.2	0.2	0.2
GDP	2.4	2.4	2.3	1.3	1.5	1.7	1.9	2.2

¹ 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

	2016	2017	2018	2019	2020	2021	2022	2023
At Year-End								
Repo Rate	-0.50	-0.50	-0.50	0.00	0.25	1.00	1.50	2.00
Annual Average								
Repo Rate	-0.5	-0.5	-0.5	-0.3	0.1	0.6	1.2	1.8
5-Year Government Bond Yield	-0.2	-0.1	0.1	0.3	1.0	1.7	2.3	2.7
10-Year Government Bond Yield	0.5	0.7	0.7	0.8	1.4	1.9	2.4	2.8
Effective Krona Exchange Rate Index (KIX)	111.7	112.9	117.7	117.5	116.2	114.2	111.2	108.2
EUR Exchange Rate	9.5	9.6	10.3	10.2	10.1	10.0	9.8	9.5
USD Exchange Rate	8.6	8.5	8.7	9.0	8.9	8.7	8.4	8.1

Sources: Sveriges Riksbank, Macrobond and NIER.

Public Finances 2018–2023

Table A23 General Government Finances

SEK billion and percentage of GDP, respectively, current prices

	2016	2017	2018	2019	2020	2021	2022	2023
Revenue	2 181	2 280	2 365	2 409	2 499	2 592	2 696	2 813
<i>Per cent of GDP</i>	49.7	49.8	49.5	48.7	49.0	48.9	48.9	49.0
Taxes and Duties	1 933	2 023	2 092	2 130	2 209	2 286	2 370	2 466
<i>Per cent of GDP</i>	44.1	44.2	43.8	43.0	43.3	43.1	43.0	42.9
<i>Tax-to-GDP Ratio¹</i>	44.2	44.3	43.9	43.2	43.4	43.2	43.1	43.1
Property Income	65	64	73	72	76	86	99	111
Other Revenue	183	192	200	208	214	220	227	235
Expenditure	2 132	2 211	2 320	2 387	2 468	2 578	2 676	2 787
<i>Per cent of GDP</i>	48.6	48.3	48.6	48.2	48.4	48.6	48.5	48.5
Consumption Expenditure	1 154	1 196	1 250	1 289	1 340	1 413	1 472	1 537
Transfers	767	787	819	838	858	880	904	933
Households	624	639	654	671	684	698	716	737
Corporations	82	82	84	85	89	92	96	100
Abroad	61	66	80	82	86	89	93	96
Capital Formation	186	205	223	230	236	242	247	255
Property Expenditure	25	24	29	30	33	44	53	62
Technical Transfer to Households²	0	0	0	0	2	-6	7	11
Net Lending³	49	69	45	22	29	20	13	15
<i>Per cent of GDP</i>	1.1	1.5	0.9	0.4	0.6	0.4	0.2	0.3
Primary Net Lending⁴	9	28	1	-20	-13	-22	-32	-34
<i>Per cent of GDP</i>	0.2	0.6	0.0	-0.4	-0.3	-0.4	-0.6	-0.6
Structural Net Lending	20	28	14	8	17	17	18	19
<i>Per cent of potential GDP</i>	0.4	0.6	0.3	0.2	0.3	0.3	0.3	0.3
Maastricht Debt	1 858	1 870	1 781	1 717	1 738	1 768	1 807	1 855
<i>Per cent of GDP</i>	42.4	40.8	37.3	34.7	34.1	33.3	32.8	32.3
GDP, Current Prices	4 385	4 579	4 776	4 948	5 101	5 304	5 516	5 743
Potential GDP, Current Prices	4 356	4 528	4 706	4 906	5 077	5 295	5 516	5 743
Net Financial Wealth	990	1 216	1 295	1 383	1 459	1 528	1 590	1 656
<i>Per cent of GDP</i>	22.6	26.6	27.1	27.9	28.6	28.8	28.8	28.8

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

	2016	2017	2018	2019	2020	2021	2022	2023
Revenue	1 157	1 206	1 242	1 247	1 298	1 346	1 398	1 458
Taxes and Duties	1 013	1 062	1 088	1 091	1 137	1 176	1 217	1 265
Property Income	24	22	27	26	27	31	36	42
Other Revenue	120	122	127	130	134	140	145	151
Expenditure	1 087	1 126	1 173	1 188	1 213	1 252	1 290	1 334
Transfers	678	710	738	743	751	761	776	795
Old-Age Pension System ¹	26	25	23	24	24	24	24	25
Local Government Sector	247	272	279	276	274	276	279	282
Households	300	302	309	315	318	321	327	336
Corporations	48	50	51	51	53	55	58	60
Abroad	57	62	76	78	82	85	88	92
Consumption Expenditure	296	301	311	317	329	346	359	375
Capital Formation	93	97	102	107	110	115	120	125
Property Expenditure	20	18	22	23	24	30	35	40
<i>Of which</i>								
<i>interest expenditure</i>	16	13	17	17	18	24	29	34
Technical Transfer to Households²	0	0	0	0	26	51	81	103
Net Lending	70	80	68	59	59	43	28	21
<i>Per cent of GDP</i>	1.6	1.7	1.4	1.2	1.2	0.8	0.5	0.4
Central Government Debt	1 292	1 265	1 142	1 042	1 027	1 016	1 021	1 035
<i>Per cent of GDP</i>	29.5	27.6	23.9	21.1	20.1	19.2	18.5	18.0
Net Financial Wealth	-297	-157	-24	85	108	172	222	265
<i>Per cent of GDP</i>	-6.8	-3.4	-0.5	1.7	2.1	3.2	4.0	4.6

¹ Central government's old-age pension contributions. ² 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 A23 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

	2016	2017	2018	2019	2020	2021	2022	2023
Revenue	292	302	317	326	336	349	364	379
Social Insurance Contributions	234	245	257	267	276	285	297	309
Central Government's Old-Age Pension Contributions	26	25	23	24	24	24	24	25
Property Income	31	31	35	33	35	38	41	43
Other Revenue	2	2	2	2	2	2	2	2
Expenditure	288	302	311	321	331	340	351	362
Income Pensions	282	296	304	315	324	333	344	354
Property Expenditure	0	0	0	0	0	0	0	1
Other Expenses	6	6	6	6	7	7	7	7
Net Lending	4	0	6	5	6	9	12	17
<i>Per cent of GDP</i>	<i>0.1</i>	<i>0.0</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.2</i>	<i>0.2</i>	<i>0.3</i>
Net Financial Wealth	1 347	1 436	1 406	1 419	1 500	1 529	1 562	1 599
<i>Per cent of GDP</i>	<i>30.7</i>	<i>31.4</i>	<i>29.4</i>	<i>28.7</i>	<i>29.4</i>	<i>28.8</i>	<i>28.3</i>	<i>27.8</i>

Sources: Statistics Sweden and NIER.

Table A26 Local government finances

SEK billion and percentage of GDP, respectively, current prices

	2016	2017	2018	2019	2020	2021	2022	2023
Revenue	1 015	1 078	1 118	1 145	1 173	1 207	1 248	1 294
Taxes	670	699	729	754	778	805	837	871
Municipal Property Tax	16	17	18	18	18	19	20	21
Central Government Grants incl. VAT Compensation	241	267	274	271	269	271	274	277
Property Income	10	12	12	12	14	18	23	27
Other Revenue	78	83	86	90	93	94	95	98
<i>Average municipal tax rate¹</i>	<i>32.10</i>	<i>32.12</i>	<i>32.12</i>	<i>32.20</i>	<i>32.20</i>	<i>32.20</i>	<i>32.20</i>	<i>32.20</i>
Expenditure	1 040	1 089	1 148	1 187	1 233	1 297	1 350	1 409
Transfers	88	84	86	88	90	93	96	99
Households	43	43	44	44	45	46	48	49
Other	45	41	42	44	45	47	48	50
Consumption Expenditure	854	892	935	968	1 007	1 063	1 108	1 157
Capital Formation	94	108	121	123	126	127	127	130
Property Expenditure	5	5	6	7	9	14	18	22
Technical Transfer to Households²	0	0	0	0	-25	-57	-74	-92
Net Lending	-25	-11	-29	-41	-35	-32	-28	-23
<i>Per cent of GDP</i>	<i>-0.6</i>	<i>-0.2</i>	<i>-0.6</i>	<i>-0.8</i>	<i>-0.7</i>	<i>-0.6</i>	<i>-0.5</i>	<i>-0.4</i>
Net Financial Wealth	-60	-63	-86	-121	-149	-173	-193	-208
<i>Per cent of GDP</i>	<i>-1.4</i>	<i>-1.4</i>	<i>-1.8</i>	<i>-2.4</i>	<i>-2.9</i>	<i>-3.3</i>	<i>-3.5</i>	<i>-3.6</i>

¹ Per cent. ² 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 A23 will be unchanged.

Sources: Statistics Sweden and NIER.

Table A27 General Government Revenue with Unchanged Tax Rules

Per cent of GDP

	2016	2017	2018	2019	2020	2021	2022	2023
Direct Household Taxes	15.9	16.0	15.7	15.3	15.5	15.4	15.2	15.2
Direct Business Taxes	2.9	2.9	2.7	2.7	2.7	2.7	2.7	2.7
Employers' Social Contributions ¹	12.1	12.2	12.3	12.3	12.3	12.3	12.3	12.3
VAT	9.2	9.3	9.3	9.1	9.1	9.1	9.1	9.1
Excise	2.3	2.2	2.2	2.1	2.1	2.1	2.1	2.1
Other Taxes	1.8	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Tax-to-GDP Ratio²	44.2	44.3	43.9	43.2	43.4	43.2	43.1	43.1
EU Taxes ³	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Other Revenue ⁴	4.2	4.2	4.2	4.2	4.2	4.1	4.1	4.1
General Government Primary Revenue	48.2	48.4	48.0	47.2	47.5	47.2	47.1	47.0
Property Income	1.5	1.4	1.5	1.4	1.5	1.6	1.8	1.9
Total Revenue	49.7	49.8	49.5	48.7	49.0	48.9	48.9	49.0

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.

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

	2016	2017	2018	2019	2020	2021	2022	2023
General Government Consumption Expenditure	26.3	26.1	26.2	26.0	26.3	26.6	26.7	26.8
Transfers	17.5	17.2	17.1	16.9	16.8	16.6	16.4	16.2
Households	14.2	13.9	13.7	13.6	13.4	13.2	13.0	12.8
Corporations	1.9	1.8	1.8	1.7	1.7	1.7	1.7	1.7
Abroad	1.4	1.4	1.7	1.7	1.7	1.7	1.7	1.7
Gross Fixed Capital Formation	4.3	4.5	4.7	4.6	4.6	4.6	4.5	4.4
General Government Primary Expenditure	48.0	47.8	48.0	47.6	47.7	47.8	47.5	47.4
Property Expenditure	0.6	0.5	0.6	0.6	0.7	0.8	1.0	1.1
Total Expenditure	48.6	48.3	48.6	48.2	48.4	48.6	48.5	48.5

Sources: Statistics Sweden and NIER.

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

Per cent of GDP

	2016	2017	2018	2019	2020	2021	2022	2023
Pensions ¹	7.8	7.7	7.6	7.6	7.5	7.4	7.4	7.3
Of Which Income Pension	6.4	6.4	6.3	6.3	6.3	6.2	6.2	6.1
Labour Market ²	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.5
Illness and Disability ³	1.9	1.7	1.6	1.6	1.5	1.4	1.3	1.3
Family and Children ⁴	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.6
Education ⁵	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Social Assistance ⁶	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Other ⁷	1.5	1.5	1.5	1.5	1.5	1.5	1.4	1.4
Technical Transfer to Households	14.2	13.9	13.7	13.6	13.4	13.2	13.0	12.8

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 and disability allowance. 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.

Sources: Statistics Sweden and NIER.

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

Percentage change, unless otherwise indicated

	2016	2017	2018	2019	2020	2021	2022	2023
Income Index	2.0	3.7	1.5	3.1	2.8	2.9	3.2	3.4
Balance Index	5.9	4.4	2.6	3.1	2.8	2.9	3.2	3.4
Balance Ratio ^{1, 2}	1.038	1.007	1.013	1.012	1.017	1.014	1.012	
Nominal Income Pension³	4.2	2.8	1.0	1.4	1.2	1.3	1.6	1.8

¹ Level. ² 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. ³ 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

	2016	2017	2018	2019	2020
Budget Balance	85.3	61.8	99.9	61.9	0.9
Adjustments to Net Lending	18.2	5.5	3.8	5.9	1.0
Sales of Shares etc.	-0.2	0.0	-2.1	0.0	0.0
Extra Dividends	-2.1	-0.1	-0.2	0.0	0.0
On-Lending	27.8	11.6	11.6	8.7	8.5
Other Adjustments	-7.2	-6.0	-5.5	-2.8	-7.4
Accruals	-40.6	9.0	-34.7	-8.6	57.5
Of Which: Tax Accruals	-31.4	11.6	-30.8	-16.3	44.3
Interest Accruals	-8.3	-3.5	1.0	7.5	13.0
Other	6.7	3.6	-0.5	-0.5	-0.5
Central Government Net Lending	69.7	79.9	68.5	58.7	58.9
Central Government Borrowing Requirement ¹	-85.3	-61.8	-99.9	-61.9	-0.9
Stock-Flow Adjustments. Central Government Debt	25.0	35.0	-23.4	-38.4	-13.4
Central Government Debt. Change	-60.3	-26.8	-123.3	-100.3	-14.3
Central Government Debt	1 292	1 265	1 142	1 042	1 027
<i>Per cent of GDP</i>	29.5	27.6	23.9	21.1	20.1

¹The 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

	2016	2017	2018	2019	2020	2020
Central Government Expenditure Ceiling	1 215	1 274	1 337	1 351	1 388	1 430
<i>Per cent of Potential GDP</i>	27.9	28.1	28.4	27.5	27.3	27.0
Capped Expenditure	1 184	1 229	1 282	1 304	1 333	1 370
<i>Per cent of Potential GDP</i>	27.2	27.1	27.2	26.6	26.3	25.9
Budgeting Margin	31	45	55	47	55	60
<i>Per cent of Capped Expenditure</i>	2.6	3.7	4.3	3.6	4.1	4.3

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