



The Swedish Economy
September 2021

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Preface

Ylva-Hedén Westerdahl, director of the forecasting division, has led the work to produce this forecast. The forecast is based on available statistics published up to the 24th of September 2021.

Stockholm, September 2021

Urban Hansson Brusewitz
Director-General

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Summary

The reduced prevalence of Covid-19 and easing of pandemic restrictions over the summer have helped the recovery in the Swedish economy to pick up considerable speed in the third quarter. Shortages of materials and logistical issues will continue to constrain production to some extent in the coming quarters, but the economy will continue to strengthen nonetheless. The relatively extensive measures in the government budget for 2022 will stimulate demand growth and help the output gap to turn mildly positive in the second half of next year. The labour market, however, will take longer to recover. Unemployment will not drop back to 7.0 per cent until early 2023.

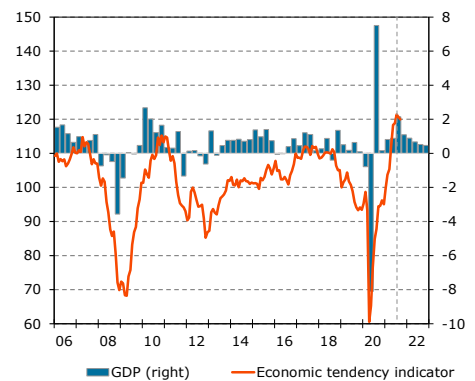
The recovery in the Swedish economy continued apace in the second quarter this year, with GDP up 0.9 per cent on the first quarter (see Diagram 1). Domestic demand increased on a broad basis, and investment in particular grew strongly. At the same time, shortages of materials and logistical issues meant that exports performed poorly.

Recent data and indicators suggest that GDP growth has accelerated in the third quarter. The Economic Tendency Indicator, which reflects sentiment in the economy as a whole, has edged down in recent months but remains very high by historical standards (see Diagram 1). The gradual easing of pandemic restrictions over the summer has contributed to both consumers and firms in the retail and service sectors becoming much more optimistic than normal (see Diagram 2). Households rapidly stepped up their consumption of hotel and restaurant services as early as July (see Diagram 4), and total household consumption is expected to grow by more than 3 per cent in the third quarter. Meanwhile, manufacturing has been boosted by strong growth in demand from abroad, and exports have grown again in the third quarter despite production still being held back somewhat by shortages of materials and logistical issues.

The remaining pandemic restrictions with tangible effects on domestic demand in Sweden are to be phased out at the end of September. Infections are assumed to remain higher during the autumn and winter than during the summer, but voluntary social distancing will nevertheless decrease further (see box "Assumptions underlying the forecast"). Households will therefore continue to increase their spending, albeit not as quickly as in the third quarter. This will contribute to GDP growth slowing from around 2 per cent in the third quarter to around 1 per cent in the fourth, but this will still be sufficient for resource utilisation in the economy as a whole to improve further, with the economy operating close to capacity at the end of 2021.

Diagram 1 Economic tendency indicator and GDP

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



Sources: Statistics Sweden and NIER.

Assumptions underlying the forecast

The forecast is based on a number of assumptions about the Covid-19 pandemic, the most important being as follows:

- The spread of the more contagious Delta variant and the easing of restrictions have caused cases abroad to rise again in recent months, not least in many OECD countries. A relatively high vaccination rate means that extensive new lockdowns will nevertheless be avoided in most OECD countries going forward. Previously introduced restrictions that are still in place will be phased out as infections fall again.
- The remaining restrictions with tangible effects on domestic demand in Sweden are assumed to be phased out at the end of September.
- Covid-19 cases in Sweden fell to low levels over the summer, but there has been a substantial increase in August and September. The health service is under moderate pressure from Covid-19 patients, and almost 80 per cent of the population aged 16 and over will have received two doses of vaccine by the end of September. The lifting of restrictions will contribute to infections remaining higher during the autumn and winter than during the summer. Since the vaccination rate among the groups at greatest risk of severe illness is very high, the pressure on the health service from Covid-19 patients will nevertheless remain moderate.
- Voluntary social distancing will continue to decrease in Sweden over the rest of this year and into next year, including among those who have not been vaccinated or previously had Covid-19.
- Reduced formal and voluntary restrictions in Sweden and abroad mean that foreign travel will continue to recover. Foreign travel, especially to destinations outside Europe, will nevertheless still be limited by high infection rates in some countries and by both formal and voluntary restrictions.

RECORD-HIGH LONG-TERM UNEMPLOYMENT

The recovery in the economy in the second quarter could also be seen in the labour market, with employment growing by 1.2 per cent according to the Labour Force Survey. Unemployment nevertheless remained above 9 per cent, because the labour force also expanded rapidly. Firms' employment plans have been back to high levels by historical standards for a few months now, and employment will continue to grow in the second half of the year as the economy strengthens (see Diagram 3). The rise in employment will feed through to unemployment in the second half of the year, and unemployment will fall. However, there is a large group of long-term unemployed with a weak attachment to the labour market (see Diagram 5). The high long-term unemployment indicates that matching in the labour market is a problem, and this is also reflected in labour shortages in the business sector being well above the historical average despite the high unemployment rate.

SWEDEN'S MOST IMPORTANT TRADING PARTNERS ALSO RECOVERING

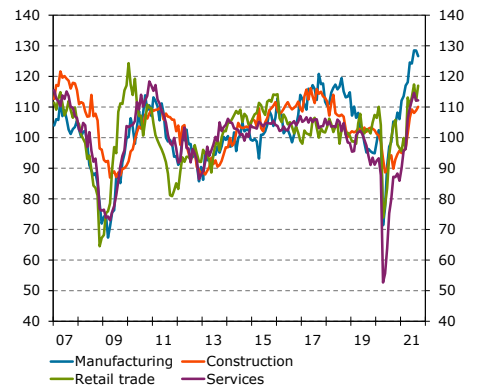
The economic recovery among Sweden's most important trading partners, the KIX countries, stalled in the first quarter as fresh waves of infection led to tighter restrictions. The recovery picked up again in the second quarter, and growth will remain strong in the second half of the year. As in Sweden, it is to a great extent the easing of pandemic restrictions and increased optimism that are driving the recovery. The outlook for next year is fairly bright, and growth will again be comparatively strong (see Table 1). This forecast is based on an assumption that the pandemic does not escalate again to the point where extensive new restrictions need to be introduced in large numbers of countries (see box "Assumptions underlying the forecast"). The recovery abroad has gone hand-in-hand with a sharp surge in world trade, and there have been shortages of both input goods, such as semiconductors, and of container shipping capacity. Prices for some raw materials have also soared. This in turn has fuelled inflation, which will accelerate strongly this year in many countries (see Diagram 6). Next year, both the shortages of materials and the logistical issues will ease, helping inflation to drop back.

OUTPUT GAP TO TURN MILDLY POSITIVE IN THE SECOND HALF OF 2022

This further comparatively strong growth among Sweden's most important trading partners means that the market for Swedish exports will grow relatively quickly next year. Delivery problems and shortages of materials will gradually ease during the year, and exports will again make a major contribution to GDP

Diagram 2 Confidence indicators for the business sector

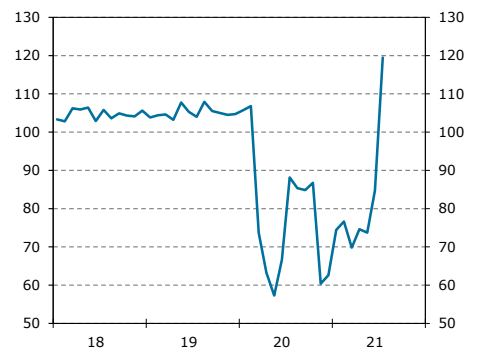
Index, mean=100, seasonally adjusted monthly values



Source: NIER.

Diagram 3 Household consumption of hotel and restaurant services

Index 2015=100, seasonally adjusted monthly values

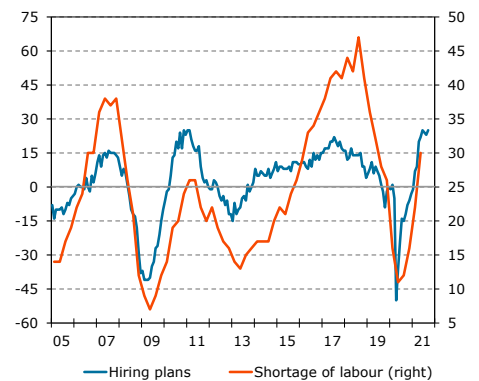


Note. The index is part of the household consumption indicator.

Sources: Statistics Sweden and NIER.

Diagram 4 Hiring plans and shortage of labour in business sector

Balances, seasonally adjusted monthly values and share of yes-answers, seasonally adjusted quarterly values



Source: NIER.

growth (see Diagram 7). High capacity utilisation in manufacturing, further strong demand for housing, and heavy government investment mean that investment too will increase rapidly next year.

Table 1 Selected indicators

Percentage change unless otherwise indicated

	Actual		Forecast			Scenario	
	2020	2021	2022	2023	2024	2025	
GDP, market prices	-2.8	4.7	3.9	1.4	1.5	1.7	
GDP per capita	-3.5	4.2	3.4	1.0	1.1	1.2	
GDP, calendar-adjusted	-3.0	4.6	3.9	1.6	1.5	1.8	
GDP, KIX-weighted ¹	-4.1	5.6	4.5	2.5	2.1	2.0	
CPI, KIX-weighted ¹	1.2	2.7	2.4	2.2	2.3	2.3	
Current account balance ²	5.6	5.8	4.8	4.4	3.9	3.7	
Hours worked ³	-3.8	2.3	4.0	1.0	0.2	0.6	
Employment	-1.3	-0.2	2.1	1.2	0.5	0.6	
Unemployment ⁴	8.3	8.9	7.6	7.0	7.0	7.0	
Labour market gap ⁵	-4.5	-3.1	0.0	0.3	0.0	0.0	
Output gap ⁶	-3.7	-1.6	0.4	0.2	0.0	0.0	
Hourly wages ⁷	2.1	2.9	2.5	2.8	3.1	3.2	
Hourly labour costs ^{3,8}	4.0	2.8	1.2	3.1	3.2	3.2	
Productivity ³	0.5	2.3	0.0	0.6	1.3	1.3	
CPI	0.5	2.1	2.0	2.1	2.3	2.6	
CPIF	0.5	2.3	2.1	2.1	2.0	2.0	
Repo rate ^{9,10}	0.00	0.00	0.00	0.00	0.25	0.50	
Ten-year government bond rate ⁹	0.0	0.3	0.5	0.9	1.3	1.6	
Krona index (KIX) ¹¹	118.5	114.2	114.4	114.4	114.4	114.4	
Government net lending ²	-2.8	-1.0	0.0	0.5	0.4	0.4	
Structural net lending ¹²	-0.9	-0.1	0.1	0.3	0.3	0.3	
Maastricht debt ²	39.6	36.6	33.0	31.0	30.4	29.8	

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

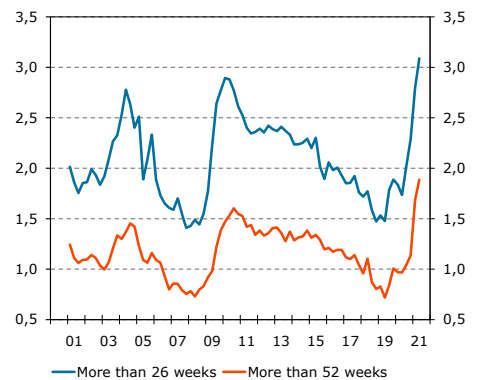
Note. The development for employment in 2021 is affected by Statistics Sweden's methodological change in the labour force survey (LFS).

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

The government's budget bill for 2022 includes unfunded measures amounting to SEK 74 billion. Our forecast assumes that the bill is passed by the Riksdag. The relatively extensive measures in the budget will provide a significant stimulus to demand in the economy next year. For example, lower taxes and higher transfer payments will stimulate household consumption, while consumption and investment in the public sector will be

Diagram 5 Long-term unemployment

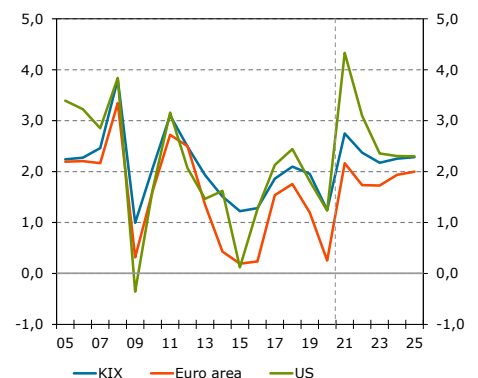
Per cent of labour force, seasonally adjusted quarterly values



Sources: Statistics Sweden and NIER.

Diagram 6 Consumer prices in selected countries and regions

Percentage change

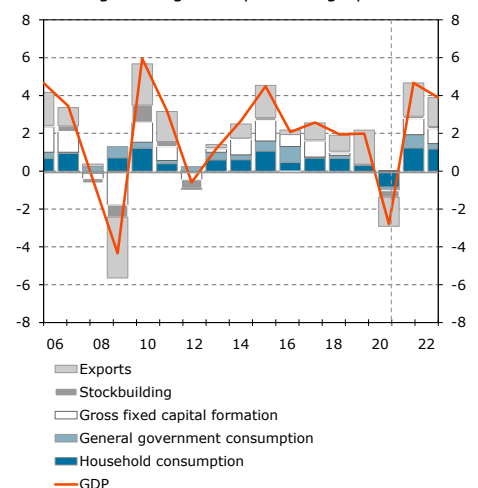


Note. The KIX-CPI is an aggregate constructed using the Riksbank's KIX weights for the 32 countries that are most important for Sweden's foreign trade. The index used for the EU countries and Norway is the HICP. The index used for the UK is the CPIH, which includes housing costs.

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

Diagram 7 Import-adjusted contributions to GDP growth

Percentage change and percentage points



Sources: Statistics Sweden and NIER.

boosted by higher central government grants to local government and by central government projects.

All in all, this means that GDP will continue to grow quickly in 2022, albeit slightly more slowly than this year. The budget will contribute to net lending being somewhat low next year considering that resource utilisation in the economy as a whole will be somewhat higher than normal. Fiscal policy will therefore need to be slightly restrictive in 2023 to bring structural (cyclically adjusted) net lending back up to a level consistent with the surplus target (see Table 1). Even with this tightening, there will be space in 2023 both to increase government consumption in line with the demographic need and to take steps to boost household disposable income.

Resource utilisation in the economy as a whole, as measured by the output gap, will continue to improve, and the output gap will turn mildly positive in the second half of next year (see Diagram 8). The continued improvement in the economy next year will also feed through to the labour market, with unemployment gradually falling back to 7.1 per cent at the end of the year. This is marginally higher than our estimate of equilibrium unemployment. However, average working hours are comparatively high, and so resource utilisation in the labour market will be slightly higher than normal at the end of 2022 (see Diagram 8).

In our view, unemployment cannot drop permanently below 7.0 per cent without this leading in the slightly longer term to wages and prices rising too quickly.

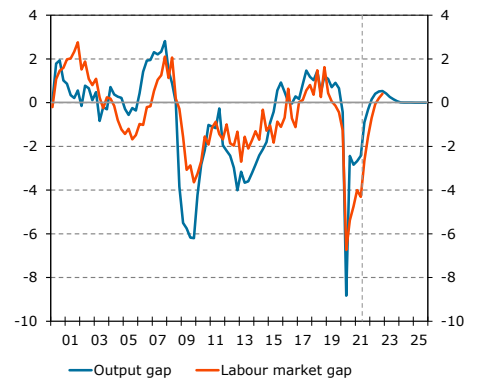
HIGH INFLATION TO COME BACK DOWN NEXT YEAR

As elsewhere, inflation in Sweden has risen rapidly so far this year and will continue to rise in the fourth quarter, when CPIF inflation – the increase in the consumer price index with a fixed interest rate – will exceed 3 per cent (see Diagram 9). This strong inflation is largely a result of soaring energy prices this year.

Next year, energy prices will drop back, and CPIF inflation will be well below the Riksbank’s target of 2 per cent at the end of the year. Even when energy prices are excluded, inflation will ease in the second half of 2022. One reason why inflation will not be higher next year, even with the Swedish economy operating slightly above capacity, is that cost pressures are subdued in the first place. Moderate pay increases and strong productivity growth together mean that unit labour costs in the business sector will rise fairly slowly this year. This is reflected in the profit share in the business sector having risen this year to a level well above normal, as have firms’ profitability expectations in the Economic Tendency Survey (see Diagram 10). This indicates that firms have less of a need to raise their prices than normal, although the situation does vary between different parts of the business sector.

Diagram 8 Output gap and labour market gap

Per cent of potential GDP and potential hours worked, seasonally adjusted quarterly values



Source: NIER.

Diagram 9 Contributions to CPIF-inflation

Percentage points and annual percentage change, quarterly values

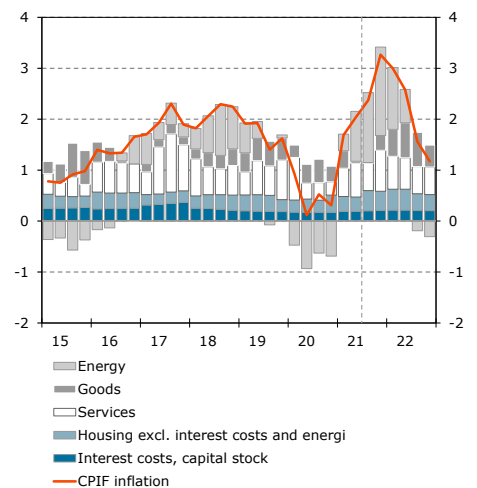
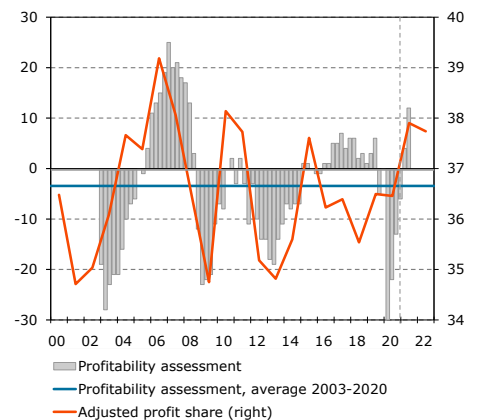


Diagram 10 Profitability in the business sector

Per cent, annual values and balances, seasonally adjusted quarterly values



Sources: Statistics Sweden and NIER.

The Riksbank has signalled clearly that it can allow inflation to rise above 2 per cent for a period without this prompting a change in its monetary stance. The central bank is therefore expected to leave the repo rate at 0.0 per cent until 2024, when it will commence a cautious cycle of rate increases.

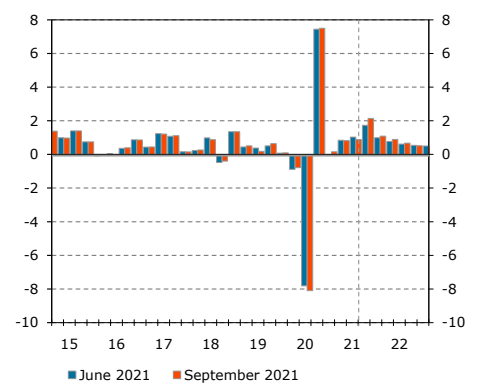
Forecast revisions 2021-2022

The economy has recovered somewhat more quickly in recent months than anticipated in the June edition of *The Swedish Economy*. The government budget for 2022 also includes more unfunded measures than we assumed in June, leading to a certain upward revision of domestic demand growth next year. The most significant forecast revisions are summarised below (see Table 2).

- GDP growth in Sweden has been revised up for both 2021 and 2022. The higher level this year can be explained mainly by GDP now being expected to grow even more strongly in the third quarter than anticipated in June (see Diagram 11). The higher level next year is partly a result of the stronger growth in the second half of this year spilling over into 2022, and partly a result of the government budget for 2022 including more unfunded measures than assumed in June.
- Our forecast for investment growth this year has been raised considerably. Business investment has been revised up on a broad basis, not least housing investment which is now expected to grow much more strongly than predicted in June.
- Our forecast for export growth this year has been lowered considerably. This is due largely to the shortages of materials and logistical issues faced by manufacturers, but also to foreign visitors spending less in Sweden than anticipated in June.
- The stronger GDP growth in the second half of this year and next year means that we now expect employment growth to be somewhat stronger than we did in June. Unemployment, which was unexpectedly high in the second quarter (see Diagram 12), will therefore drop back somewhat more quickly than forecast in June.
- CPIF inflation will be much higher as an annual average in 2021 and 2022 than we anticipated in June, due above all to energy prices rising much further this year than expected. Next year, energy prices will drop back, and CPIF inflation will slow gradually to a lower level at the end of 2022 than we forecast in June (see Diagram 13).
- Government net lending will be much higher this year than assumed in June, due primarily to stronger revenue than previously expected. Next year, net lending will instead be somewhat lower, partly as a result of the government budget

Diagram 11 GDP

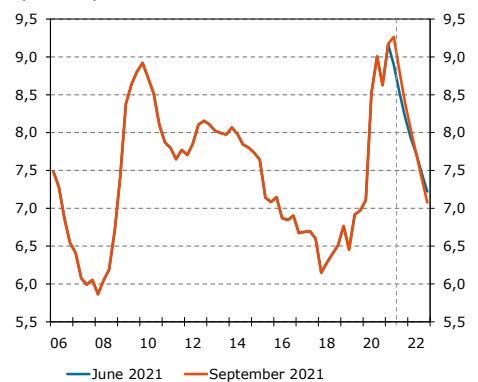
Percentage change, seasonally adjusted quarterly values



Sources: Statistics Sweden and NIER.

Diagram 12 Unemployment

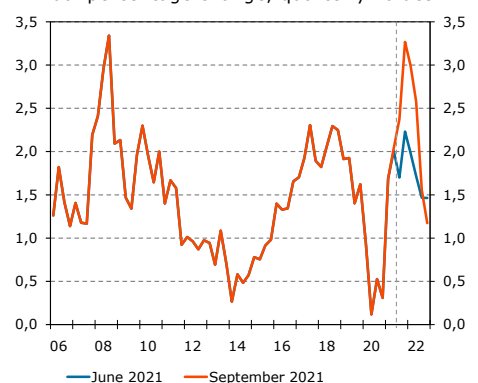
Per cent of labour force, seasonally adjusted quarterly values



Sources: Statistics Sweden and NIER.

Diagram 13 CPIF

Annual percentage change, quarterly values



Sources: Statistics Sweden and NIER.

for 2022 containing more unfunded measures than assumed in June.

Table 2 Current Forecast and Revisions Compared to the June 2021 Forecast

Percentage change and percentage points respectively, unless otherwise indicated

	2021			2022		
	Sep	Jun	Diff	Sep	Jun	Diff
Global Economy						
GDP, World	5.6	5.8	-0.2	4.5	4.1	0.4
GDP, KIX-weighted ¹	5.6	5.4	0.2	4.5	4.3	0.2
GDP, Euro Area	5.2	4.6	0.6	4.6	4.4	0.2
GDP, US	5.9	6.6	-0.7	4.1	3.6	0.5
GDP, China	8.2	8.5	-0.3	5.8	5.7	0.2
Federal Funds Target Rate ^{2,3}	0.3	0.3	0.0	0.3	0.3	0.0
ECB Refi Rate ^{2,3}	0.0	0.0	0.0	0.0	0.0	0.0
Oil Price ⁴	69.9	67.8	2.1	73.4	68.0	5.4
CPI, KIX-weighted ¹	2.7	2.3	0.4	2.4	2.0	0.4
Domestic Economy						
GDP, Calendar-Adjusted	4.6	4.4	0.2	3.9	3.5	0.4
GDP	4.7	4.4	0.2	3.9	3.5	0.4
Household Consumption	4.9	4.2	0.7	4.7	4.9	-0.2
Government Consumption	2.9	2.1	0.8	1.2	1.5	-0.4
Gross Fixed Capital Formation	5.8	2.3	3.5	4.8	4.1	0.7
Stockbuilding ⁵	0.3	0.3	-0.1	0.3	0.0	0.2
Exports	7.4	9.1	-1.8	5.4	5.0	0.3
Imports	8.1	7.3	0.8	5.8	5.8	0.0
Labour Market, Inflation, Interest Rates, etc.						
Hours Worked ⁶	2.3	3.3	-1.0	4.0	2.9	1.1
Employment	-0.2	-0.4	0.2	2.1	2.0	0.1
Unemployment ⁷	8.9	8.7	0.2	7.6	7.6	0.0
Labour Market Gap ⁸	-3.1	-2.1	-1.0	0.0	-0.1	0.0
Output Gap ⁹	-1.6	-1.4	-0.2	0.4	0.2	0.2
Productivity ⁶	2.3	1.3	1.0	0.0	0.6	-0.7
Hourly Earnings ¹⁰	2.9	2.6	0.3	2.5	2.3	0.2
CPI	2.1	1.7	0.4	2.0	1.6	0.4
CPIF	2.3	1.9	0.4	2.1	1.7	0.4
Repo Rate ^{2,3}	0.00	0.00	0.00	0.00	0.00	0.00
10-Year Government Bond Yield ²	0.3	0.4	-0.1	0.5	0.7	-0.3
Effective Krona Exchange Rate Index (KIX) ¹¹	114.2	114.3	-0.1	114.4	114.9	-0.5
Current Account Balance ¹²	5.8	6.9	-1.0	4.8	6.1	-1.3
Government Net Lending ¹²	-1.0	-1.5	0.6	0.0	0.3	-0.3

¹ KIX-weighted GDP and CPI is an aggregate calculated using the Riksbank's KIX weights, which cover Sweden's 32 most important trading partners. ² Per cent. ³ At year-end. ⁴ Brent crude, USD per barrel, annual average. ⁵ Change in per cent of GDP the previous year. ⁶ Calendar-adjusted. ⁷ Per cent of labour force. ⁸ Difference between actual and potential hours worked in per cent of potential hours worked. ⁹ Difference between actual and potential GDP in per cent of potential GDP. ¹⁰ According to the short-term earnings statistics. ¹¹ Index, 18 November 1992=100. ¹² Per cent of GDP.

Note. The difference is between the current forecast and the June 2021 forecast. A positive value denotes an upward revision. The development for employment in 2021 is affected by Statistics Sweden's methodological change in the labour force survey (LFS).

Source: NIER

Tables

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

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The Global Economy

Table A1 Global Output

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

	Weight¹							
	2020	2019	2020	2021	2022	2023	2024	2025
World ²	100.0	2.8	-3.4	5.6	4.5	3.2	3.1	3.1
KIX Weighted ³	75.3	2.1	-4.1	5.6	4.5	2.5	2.1	2.0
US	15.9	2.3	-3.4	5.9	4.1	1.6	1.5	1.6
Euro Area	13.9	1.5	-6.5	5.2	4.6	2.1	1.6	1.4
Japan	4.0	0.0	-4.7	2.5	2.5	1.4	0.8	0.7
UK	2.2	1.4	-9.8	6.8	5.4	2.2	1.9	1.6
Sweden	0.4	2.0	-3.0	4.6	3.9	1.6	1.5	1.8
Norway	0.3	0.9	-1.3	2.9	3.4	1.8	1.8	1.8
Denmark	0.3	2.1	-2.1	3.6	3.2	1.9	1.8	1.7
China	18.3	6.0	2.4	8.2	5.8	5.4	5.3	5.1
Sweden's Export Market⁴	...	2.4	-9.3	7.6	6.5	3.7	3.3	3.2

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

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

Table A2 Global Inflation

Percentage change

	2018	2019	2020	2021	2022	2023	2024	2025
US	2.4	1.8	1.2	4.3	3.1	2.4	2.3	2.3
Euro Area	1.8	1.2	0.3	2.2	1.7	1.7	1.9	2.0
Japan	1.0	0.5	0.0	-0.3	0.6	1.1	1.3	1.3
UK	2.3	1.7	1.0	2.4	2.8	2.0	2.0	2.0
Sweden	2.1	1.7	0.5	2.3	2.1	2.1	2.0	2.0
Norway	3.0	2.3	1.2	3.1	2.0	2.0	2.0	2.0
Denmark	0.7	0.7	0.3	1.5	1.5	1.8	1.9	2.0
China	2.1	2.9	2.4	1.2	2.4	3.0	3.0	3.0

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

Sources: OECD, Eurostat, Macrobond and NIER.

Table A3 Selected Indicators for the Euro Area

Percentage change, constant prices, percent, and level, respectively

	2018	2019	2020	2021	2022	2023	2024	2025
GDP ¹	1.8	1.5	-6.5	5.2	4.6	2.1	1.6	1.4
HICP ¹	1.8	1.2	0.3	2.2	1.7	1.7	1.9	2.0
Policy Rate ²	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50
Overnight Rate ³	-0.4	-0.5	-0.6	-0.6	-0.6	-0.6	-0.6	0.1
10-Year Government Bond Yield ⁴	0.5	-0.2	-0.5	-0.3	-0.1	0.4	0.8	1.2
USD/EUR ⁵	1.18	1.12	1.14	1.19	1.18	1.18	1.19	1.20

¹ Percentage change ² Refi rate level, per cent, at year-end. ³ Estr, per cent, at year-end. ⁴ Per cent. Refers to Germany. ⁵ Level.

Sources: ECB, Eurostat, Macrobond and NIER.

Table A4 Selected Indicators for the US

Percentage change, constant prices, percent, and level, respectively

	2018	2019	2020	2021	2022	2023	2024	2025
GDP ¹	2.9	2.3	-3.4	5.9	4.1	1.6	1.5	1.6
CPI ¹	2.4	1.8	1.2	4.3	3.1	2.4	2.3	2.3
Policy Rate ²	2.5	1.75	0.25	0.25	0.25	0.75	1.25	1.50
10-year Government Bond Yield ³	2.9	2.1	0.9	1.4	1.6	2.0	2.3	2.6
USD/EUR ⁴	1.18	1.12	1.14	1.19	1.18	1.18	1.19	1.20

¹ Percentage change. ² Upper limit of the Federal Funds target rate level, per cent, at year-end. ³ Level, per cent. ⁴ Level.

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

Interest and Exchange Rates

Table A5 Interest and Exchange Rates

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

	2018	2019	2020	2021	2022	2023	2024	2025
At Year-End								
Repo Rate	-0.50	-0.25	0.00	0.00	0.00	0.00	0.25	0.50
Policy Rate. KIX6-Weighted ¹	0.04	-0.05	-0.38	-0.36	-0.29	-0.22	-0.15	0.23
Annual Average								
Repo Rate	-0.50	-0.26	0.00	0.00	0.00	0.00	0.07	0.37
5-Year Swedish Government Bond Yield	0.1	-0.4	-0.3	-0.2	0.0	0.4	0.8	1.3
10-Year Swedish Government Bond Yield	0.7	0.1	0.0	0.3	0.5	0.9	1.3	1.6
Effective Krona Exchange Rate Index (KIX)	117.6	122.1	118.5	114.2	114.4	114.4	114.4	114.4
EUR Exchange Rate	10.26	10.59	10.49	10.15	10.14	10.16	10.17	10.19
USD Exchange Rate	8.69	9.46	9.21	8.52	8.62	8.57	8.53	8.49

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

Sources: Sveriges Riksbank, Macrobond and NIER.

The Swedish Economy

Table A6 GDP by Expenditure

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

	Level 2020	2019	2020	2021	2022	2023	2024	2025
Household Consumption Expenditure ¹	2 187	0.7	-4.7	4.9	4.7	2.9	2.6	2.5
Goods	1 025	0.9	-0.2	5.3	0.6	...	...	...
Services Excl. Housing Services	645	2.3	-12.5	6.0	10.3	...	...	...
Housing Services	457	1.6	2.2	0.5	3.3	...	...	...
General Government Consumption Expenditure	1 332	0.3	-0.6	2.9	1.2	-0.1	0.7	0.6
Central Government	343	-0.5	0.8	3.4	1.4	...	...	...
Local Government	989	0.5	-1.1	2.7	1.1	...	...	...
Gross Fixed Capital Formation ²	1 234	-0.3	-0.4	5.8	4.8	0.7	0.7	1.6
Business Sector Excl. Housing	743	1.0	-2.8	6.6	4.1	...	...	...
Industry	161	-4.2	-6.0	6.7	4.9	...	...	...
Other Goods Producers	137	5.4	-3.6	-0.8	4.5	...	...	...
Service Producers Excl. Housing	445	1.7	-1.4	8.9	3.8	...	...	...
Housing	248	-6.5	3.3	7.7	5.3	...	...	...
General Government	237	2.2	3.7	1.5	6.6	...	...	...
<i>Domestic Demand Excl. Stockbuilding</i>	<i>4 753</i>	<i>0.3</i>	<i>-2.5</i>	<i>4.6</i>	<i>3.8</i>	<i>1.5</i>	<i>1.6</i>	<i>1.8</i>
Stockbuilding ³	0	-0.1	-0.7	0.3	0.3	0.0	0.0	0.0
<i>Total Domestic Demand</i>	<i>4 753</i>	<i>0.2</i>	<i>-3.2</i>	<i>4.8</i>	<i>4.0</i>	<i>1.5</i>	<i>1.6</i>	<i>1.8</i>
Exports	2 221	6.0	-4.6	7.4	5.4	3.1	3.0	2.6
Goods	1 592	3.6	-1.2	8.0	3.9	...	...	...
Processed Goods	1 278	4.8	-3.3	10.0	4.5	...	...	...
Raw Materials	314	-0.6	7.0	-0.2	1.1	...	...	...
Services	630	11.8	-12.5	5.8	9.3	...	...	...
<i>Total Demand</i>	<i>6 975</i>	<i>2.0</i>	<i>-3.7</i>	<i>5.6</i>	<i>4.5</i>	<i>2.0</i>	<i>2.0</i>	<i>2.0</i>
Imports	1 991	2.1	-5.7	8.1	5.8	3.5	3.3	2.9
Goods	1 355	0.3	-4.0	10.0	4.3	...	...	...
Processed Goods	1 028	2.5	-5.6	13.0	4.5	...	...	...
Raw Materials	327	-5.3	0.3	0.4	3.4	...	...	...
Services	636	6.2	-9.1	4.0	9.4	...	...	...
<i>Net Exports³</i>	<i>230</i>	<i>1.8</i>	<i>0.3</i>	<i>0.1</i>	<i>0.1</i>	<i>0.0</i>	<i>0.0</i>	<i>-0.1</i>
GDP	4 983	2.0	-2.8	4.7	3.9	1.4	1.5	1.7
GDP per Capita ⁴	481	1.0	-3.5	4.2	3.4	1.0	1.1	1.2

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

Sources: Statistics Sweden and NIER.

Table A7 Household Income, Consumption Expenditure and Saving

SEK billion, current prices, and percentage change, respectively

	Level 2020	2019	2020	2021	2022	2023	2024	2025
Total Earnings, Adjusted for External Transactions	2 023	4.0	0.9	5.1	5.2	3.8	3.3	3.8
Hourly Earnings (according to national accounts) ^{1,2}	264	3.9	4.9	2.2	1.2	2.8	3.1	3.2
Hours Worked ^{1,3}	7 615	-0.1	-3.7	2.9	4.0	1.0	0.2	0.6
Transfers From Government Sector, Net	698	2.4	5.5	1.8	1.3	0.8	2.1	2.2
Property Income, Net	206	10.9	-36.6	46.3	4.9	11.3	4.5	4.9
Other Income, Net ⁴	370	3.5	9.6	4.1	4.4	15.3	7.5	7.8
Income Before Taxes⁵	3 297	4.2	-0.9	6.9	4.3	5.1	3.7	4.1
Direct Taxes ⁶	847	0.2	1.2	-0.3	0.6	0.2	0.0	0.1
Disposable Income	2 450	4.4	0.3	6.6	4.9	5.3	3.7	4.2
Consumer Prices ⁷	...	2.1	1.1	2.2	2.0	2.1	2.1	2.1
Real Disposable Income	2 450	2.3	-0.8	4.3	2.9	3.1	1.6	2.0
Per Capita ⁸	237	1.3	-1.5	3.8	2.4	2.7	1.1	1.5
Consumption Expenditure⁹	2 187	0.7	-4.7	4.9	4.7	2.9	2.6	2.5
Saving ¹⁰	452	15.6	17.1	16.8	15.3	15.3	14.2	13.6
Net Saving in Negotiated Pension Funds	189	11.4	-23.6	5.4	3.6	-0.7	-1.9	-1.1
Own Saving ¹¹	263	7.1	10.8	10.3	8.7	8.9	8.0	7.5
Net Lending ¹⁰	351	12.0	13.3	12.6	11.1	11.2	10.2	9.6

¹ Calendar-adjusted values. ² SEK per hour. ³ Employees only. ⁴ This also includes technical transfers to households through altered taxes and/or transfers, see table A20. ⁵ Growth in income before taxes is calculated as a weighted sum of the growth rates for total earnings, transfers, capital income and other income. ⁶ Direct taxes' contribution to the change in disposable income, expressed in percentage points. ⁷ Implicit price index for household consumption expenditure. ⁸ SEK thousand. ⁹ Constant prices ¹⁰ SEK billion, current prices, and per cent of disposable income including net savings in negotiated pension funds. ¹¹ SEK billion, current prices, and per cent of disposable income.

Sources: Statistics Sweden and NIER.

Table A8 Current Account and Net Lending

SEK billion, current prices, and per cent, respectively

	2018	2019	2020	2021	2022	2023	2024	2025
Net Exports	108	211	230	248	240	239	237	233
Goods	122	197	237	238	231	...	...	...
Services	-14	14	-7	10	9	...	...	...
Earnings, Net	7	10	11	10	11	11	12	12
Investment Income, Net	81	133	140	144	119	117	102	107
Transfers etc., Net	-70	-90	-96	-92	-102	-108	-118	-122
Current Account Balance	123	262	281	311	268	259	233	230
<i>Per cent of GDP</i>	2.5	5.2	5.6	5.8	4.8	4.4	3.9	3.7
Capital Transfers	1	0	2	0	0	0	0	0
Net Lending	123	261	282	311	268	259	233	230
<i>Per cent of GDP</i>	2.6	5.2	5.7	5.8	4.7	4.4	3.9	3.7

Sources: Statistics Sweden and NIER.

Table A9 Gross National Income (GNI)

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

	Level 2020	2019	2020	2021	2022	2023	2024	2025
GNI	5 139	5.6	-1.1	7.0	5.1	3.4	3.3	3.8
Deflator, Domestic Use	...	2.3	1.5	2.2	2.0	2.2	2.2	2.2
Real GNI	...	3.3	-2.5	4.7	3.0	1.2	1.1	1.6
Population	10 353	1.0	0.7	0.5	0.5	0.5	0.4	0.4
Real GNI per Capita¹	496	2.2	-3.2	4.2	2.5	0.8	0.6	1.1

¹ SEK thousand.

Sources: Statistics Sweden and NIER.

Table A10 Production

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

	Level 2020	2019	2020	2021	2022	2023	2024	2025
Goods Producers	1 120	0.5	-3.6	5.0	3.7	...	...	...
Of Which: Industry	638	-1.8	-6.3	7.6	3.5	...	...	...
Construction	296	-0.9	0.7	2.0	4.6	...	...	...
Service Producers	2 318	3.7	-3.5	5.2	5.2	...	...	...
Business Sector	3 438	2.6	-3.5	5.1	4.7	1.9	1.7	2.1
General Government	918	0.3	-2.6	3.2	1.3	0.6	0.7	0.7
GDP at Basic Prices¹	4 413	2.1	-3.3	4.7	4.0	1.6	1.5	1.8
Taxes/Subsidies on Products	565	1.3	-0.7	3.8	3.6	1.4	1.5	1.8
GDP at Market Prices	4 978	2.0	-3.0	4.6	3.9	1.6	1.5	1.8

¹ Including production in non-profit institutions serving households.

Note. Production refers here to value added.

Sources: Statistics Sweden and NIER.

Table A11 Hours Worked

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

	Level 2020	2019	2020	2021	2022	2023	2024	2025
Goods Producers	1 862	-0.1	-5.4	1.2	3.9	...	...	...
Of Which: Industry	916	-0.2	-7.8	4.1	3.6	...	...	...
Construction	624	1.9	-5.0	1.7	3.7	...	...	...
Services Producers	3 729	0.1	-4.6	3.2	5.7	...	...	...
Business Sector	5 590	0.1	-4.9	2.5	5.1	1.2	0.1	0.5
General Government	2 198	-0.8	-1.2	1.7	1.4	0.5	0.6	0.6
Total Economy¹	7 951	-0.2	-3.8	2.3	4.0	1.0	0.2	0.6

¹ Including non-profit institutions serving households.

Sources: Statistics Sweden and NIER.

Table A12 Productivity

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

	Level 2020	2019	2020	2021	2022	2023	2024	2025
Goods Producers	602	0.6	1.9	3.7	-0.2	...	...	...
Of Which: Industry	696	-1.6	1.7	3.3	0.0	...	...	...
Construction	475	-2.7	6.0	0.2	0.8	...	...	...
Service Producers	622	3.5	1.2	1.9	-0.5	...	...	...
Business Sector	615	2.5	1.4	2.5	-0.4	0.7	1.7	1.6
General Government	418	1.1	-1.5	1.4	0.0	0.0	0.1	0.1
Total Economy¹	555	2.3	0.5	2.3	0.0	0.6	1.3	1.3

¹ Including production in non-profit institutions serving households.

Sources: Statistics Sweden and NIER.

Table A13 The Labour Market

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

	Level 2020	2019	2020	2021	2022	2023	2024	2025
Hours Worked ¹	7 951	-0.2	-3.8	2.3	4.0	1.0	0.2	0.6
Average Hours Worked for Employed ²	30.2	-0.9	-2.6	2.5	1.9	-0.3	-0.2	0.0
Number of Employed	5 064	0.7	-1.3	-0.2	2.1	1.2	0.5	0.6
Employment Rate ³	...	68.3	67.2	67.3	68.5	69.2	69.3	69.4
Labour Force	5 523	1.1	0.3	0.5	0.6	0.6	0.5	0.5
Labour Force Participation Rate ⁴	...	73.3	73.3	73.8	74.1	74.4	74.5	74.6
Unemployment Rate ⁵	459	6.8	8.3	8.9	7.6	7.0	7.0	7.0
Population Aged 15–74 ⁶	7 536	0.7	0.4	-0.3	0.2	0.3	0.3	0.4

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

Sources: Statistics Sweden and NIER.

Table A14 Resource Utilisation

Per cent and percentage change, calendar-adjusted values

	2018	2019	2020	2021	2022	2023	2024	2025
Labour Market								
Equilibrium Unemployment ¹	6.8	6.8	6.8	6.9	7.0	7.0	7.0	7.0
Actual Unemployment ²	6.3	6.8	8.3	8.9	7.6	7.0	7.0	7.0
Potential Hours Worked	1.3	0.8	0.7	0.9	0.8	0.6	0.5	0.6
Of Which: Potential Employment	1.3	1.1	1.0	-0.5	0.8	0.6	0.5	0.6
Actual Hours Worked	1.9	-0.2	-3.8	2.3	4.0	1.0	0.2	0.6
Labour Market Gap ³	0.9	0.0	-4.5	-3.1	0.0	0.3	0.0	0.0
Productivity								
Potential Productivity	0.6	1.4	0.9	1.4	1.1	1.1	1.2	1.3
Of Which: Potential Pro- ductivity, Business Sector	1.0	1.4	1.4	1.4	1.5	1.5	1.5	1.6
Actual Productivity	0.2	2.2	0.8	2.2	-0.1	0.6	1.3	1.3
Productivity Gap ⁴	0.1	0.8	0.8	1.6	0.4	-0.1	0.0	0.0
GDP								
Potential GDP	1.9	2.2	1.6	2.3	1.9	1.8	1.7	1.8
Actual GDP	2.1	2.0	-3.0	4.6	3.9	1.6	1.5	1.8
Output Gap ⁵	1.1	0.8	-3.7	-1.6	0.4	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 A15 Hourly Earnings According to the Short-Term Earnings Statistics

Per cent and percentage change, respectively

	Weight 2020	2019	2020	2021	2022	2023	2024	2025
Business Sector	68	2.5	2.0	3.0	2.5	2.8	3.1	3.2
Goods Producers	21	2.4	1.2	2.8	2.4	...	...	...
Of Which: Industry	14	2.6	1.1	2.7	2.4	...	...	...
Construction	7	2.0	1.5	3.0	2.4	...	...	...
Service Producers	47	2.5	2.4	3.0	2.5	...	...	...
Local Government	25	2.8	2.3	2.9	2.5	...	...	...
Central Government	6	2.8	2.3	1.7	2.3	...	...	...
Total	100	2.6	2.1	2.9	2.5	2.8	3.1	3.2
Real Hourly Earnings (CPI) ¹	...	0.8	1.6	0.7	0.5	0.7	0.8	0.6
Real Hourly Earnings (CPIF) ²	...	0.8	1.7	0.5	0.4	0.7	1.1	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 A16 Hourly Earnings and Labour Costs in the Business Sector According to the National Accounts

SEK per hour, per cent and percentage change, respectively

	Level 2020	2019	2020	2021	2022	2023	2024	2025
Not Calendar-Adjusted Values								
Hourly Earnings ¹	273	4.0	4.8	1.6	0.9	3.4	3.1	3.8
Employers' Social Contributions ² (per cent of earnings)	...	42.6	41.3	42.0	42.0	42.9	43.0	42.8
Hourly Labour Costs ³	385	3.7	3.8	2.1	0.9	4.1	3.2	3.6
Productivity ⁴	593	2.6	0.9	2.5	-0.3	...	...	...
Adjusted Unit Labour Costs ⁵	...	1.0	2.9	-0.4	1.2	...	...	...
Calendar-Adjusted Values								
Hourly Earnings ¹	273	3.9	5.5	1.9	0.8	2.8	3.1	3.2
Hourly Labour Costs ³	386	3.6	4.5	2.5	0.9	3.7	3.2	3.2
Productivity ⁴	594	2.6	1.3	2.7	-0.3	...	...	...
Adjusted Unit Labour Costs ⁵	...	1.0	3.1	-0.3	1.2	...	...	...

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

Sources: Statistics Sweden and NIER.

Table A17 Supply and Use Price Deflators

Per cent and percentage change, respectively

	Weight							
	2020	2019	2020	2021	2022	2023	2024	2025
GDP	71.5	2.5	1.5	2.4	1.7	2.0	2.1	2.1
General Government ^{1,2}	14.0	3.4	3.8	2.6	2.2	2.9	3.0	3.3
Business Sector ²	49.3	2.5	1.0	2.4	1.7	1.8	1.8	1.8
Product Taxes, Net	8.1	1.5	0.7	1.8	1.2	...	...	...
Imports	28.5	2.8	-4.2	2.2	1.6	1.3	1.5	1.5
Processed Goods	14.7	2.6	-1.2	-0.7	0.1	...	...	...
Raw Materials	4.7	1.3	-16.4	18.2	4.2	...	...	...
Services	9.1	4.0	-1.6	-0.7	2.8	...	...	...
Supply/Use³	100.0	2.6	-0.2	2.3	1.7	1.8	1.9	1.9
General Government Consumption Expenditure	19.1	3.1	3.0	2.5	2.3	2.9	2.9	3.2
Household Consumption Expenditure	31.4	2.1	1.1	2.2	2.0	2.1	2.1	2.1
Gross Fixed Capital Formation	17.7	1.7	0.6	2.2	1.7	1.4	1.5	1.5
Exports	31.8	3.3	-3.5	2.6	1.0	1.1	1.3	1.4
Processed Goods	18.3	4.3	-2.0	-1.5	0.8	...	...	...
Raw Materials	4.5	-0.1	-13.9	26.3	-0.6	...	...	...
Services	9.0	3.0	-0.8	0.2	2.6	...	...	...

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

Sources: Statistics Sweden and NIER.

Table A18 Business Sector Prices, Costs and Profits

SEK billion, percentage change and per cent, respectively

	Weight							
	2020	2019	2020	2021	2022	2023	2024	2025
Value Added ¹	3 500	5.3	-0.7	7.1	5.7	3.5	3.6	3.8
Hours Worked, Employees ²	5 270	0.2	-4.2	3.7	5.1	0.6	0.0	-0.1
Hourly Labour Costs ³	385	3.7	3.8	2.1	0.9	4.1	3.2	3.6
Total Labour Costs ⁴	2 029	3.8	-0.5	5.9	6.0	4.7	3.3	3.5
Gross Profit	1 470	7.3	-0.9	8.9	5.2	...	...	...
Profit Share	...	42.1	42.0	42.7	42.5	41.8	42.0	42.1
Adjusted Profit Share ⁵	...	36.5	36.5	37.9	37.7	37.1	37.2	37.3

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

Sources: Statistics Sweden and NIER.

Table A19 Consumer Prices

Per cent and percentage change, respectively

	Weight 2021	2019	2020	2021	2022	2023	2024	2025
CPI	100.0	1.8	0.5	2.1	2.0	2.1	2.3	2.6
Mortgage Interest Costs, Mortgage Interest Rate	...	1.8	0.4	-6.2	-3.0	0.8	6.7	14.7
CPIF	100.0	1.7	0.5	2.3	2.1	2.1	2.0	2.0
Goods	45.7	1.0	0.8	0.4	1.3	...	...	...
Services	27.0	2.1	1.5	2.4	2.2	...	...	...
Housing Excl. Mortgage Interest Costs and Energy	16.8	1.9	1.6	2.0	2.2	...	...	...
Energy	7.1	3.1	-9.7	15.5	4.4	...	...	...
Mortgage Interest Costs, Capital Stock	3.4	5.8	5.6	5.9	6.3	5.7	5.3	5.1
CPIF Excl. Energy	92.9	1.6	1.3	1.5	1.9	...	...	...
HICP	...	1.7	0.7	2.6	1.9	...	...	...
Crude Oil (Brent) ¹	...	64.3	41.8	69.9	73.4	73.3	74.9	77.6

¹ Dollars per barrel, annual average.

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

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

Public Finances

Table A20 General Government Finances

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

	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	2 390	2 452	2 425	2 595	2 705	2 822	2 921	3 040
<i>Per cent of GDP</i>	49.5	48.6	48.7	48.6	47.9	48.3	48.3	48.4
Taxes and Duties	2 107	2 156	2 126	2 273	2 369	2 481	2 574	2 676
<i>Per cent of GDP</i>	43.6	42.7	42.7	42.6	42.0	42.5	42.5	42.6
<i>Tax-to-GDP Ratio¹</i>	43.8	42.8	42.8	42.7	42.1	42.6	42.7	42.7
Property Income	75	77	70	74	76	80	84	92
Other Revenue	208	219	230	247	259	261	263	272
Expenditure	2 351	2 424	2 566	2 646	2 702	2 755	2 844	2 944
<i>Per cent of GDP</i>	48.7	48.0	51.5	49.5	47.9	47.2	47.0	46.9
Consumption Expenditure	1 258	1 300	1 332	1 404	1 453	1 494	1 549	1 608
Transfers	829	848	967	957	944	949	972	997
Households	656	673	712	724	734	740	756	773
Corporations	93	94	162	136	110	106	110	114
Abroad	80	81	93	97	100	103	106	110
Capital Formation ²	233	246	244	261	282	286	293	302
Property Expenditure	30	29	23	24	24	25	30	37
Technical Transfer to Households³	0	0	0	0	0	41	55	71
Net Lending⁴	40	28	-141	-51	2	26	22	25
<i>Per cent of GDP</i>	0.8	0.6	-2.8	-1.0	0.0	0.5	0.4	0.4
Primary Net Lending⁵	-5	-19	-187	-102	-51	-29	-32	-30
<i>Per cent of GDP</i>	-0.1	-0.4	-3.8	-1.9	-0.9	-0.5	-0.5	-0.5
Structural Net Lending	14	28	-48	-4	6	19	20	21
<i>Per cent of potential GDP</i>	0.3	0.6	-0.9	-0.1	0.1	0.3	0.3	0.3
Maastricht Debt	1 879	1 761	1 974	1 955	1 861	1 814	1 838	1 870
<i>Per cent of GDP</i>	38.9	34.9	39.6	36.6	33.0	31.0	30.4	29.8
GDP, Current Prices	4 828	5 050	4 983	5 340	5 644	5 842	6 052	6 281
Potential GDP, Current Prices	4 778	5 008	5 176	5 426	5 622	5 829	6 052	6 281
Net Financial Wealth	1 157	1 429	1 354	1 401	1 495	1 581	1 662	1 746
<i>Per cent of GDP</i>	24.0	28.3	27.2	26.2	26.5	27.1	27.5	27.8

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

Sources: Statistics Sweden and NIER.

Table A21 Central government finances

SEK billion and percentage of GDP, respectively, current prices

	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	1 264	1 287	1 251	1 361	1 406	1 481	1 535	1 599
Taxes and Duties	1 106	1 123	1 073	1 170	1 213	1 285	1 338	1 394
Property Income	28	29	34	32	30	30	31	32
Other Revenue	130	136	144	158	163	166	166	173
Expenditure	1 198	1 220	1 395	1 446	1 413	1 404	1 436	1 478
Transfers	747	750	912	931	876	851	862	878
Old-Age Pension System ¹	24	23	26	26	25	24	24	25
Local Government Sector	277	278	336	373	341	323	323	325
Households	310	313	338	344	344	340	345	351
Corporations	60	60	123	97	71	65	68	70
Abroad	76	77	89	93	95	98	102	105
Consumption Expenditure	321	333	339	359	373	383	397	412
Capital Formation ²	105	114	127	138	147	152	158	164
Property Expenditure	25	22	17	18	17	17	19	23
<i>Of which interest expenditure</i>	19	17	11	12	11	11	13	17
Technical Transfer to Households³	0	0	0	0	0	46	73	98
Net Lending	66	68	-143	-85	-7	31	26	23
<i>Per cent of GDP</i>	1.4	1.3	-2.9	-1.6	-0.1	0.5	0.4	0.4
Central Government Debt	1 197	1 054	1 218	1 192	1 080	1 010	1 003	1 001
<i>Per cent of GDP</i>	24.8	20.9	24.4	22.3	19.1	17.3	16.6	15.9
Net Financial Wealth	-134	-38	-229	-251	-199	-141	-87	-36
<i>Per cent of GDP</i>	-2.8	-0.7	-4.6	-4.7	-3.5	-2.4	-1.4	-0.6

¹ Central government's old-age pension contributions. ² Fixed gross investments, inventory investments and acquisition/disposal of land, etc. ³ Technical transfer to households in the form of changes to taxes and/or transfer payments. In this table, central government grants to the local government sector are estimated 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 A20, is not affected.

Sources: Statistics Sweden, National Debt Office and NIER.

Table A22 Old Age Pension System Finances

SEK billion and percentage of GDP, respectively, current prices

	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	318	328	324	345	362	373	385	401
Social Insurance Contributions	257	267	268	284	299	309	319	331
Central Government's Old Age Pension Contributions	24	23	26	26	25	24	24	25
Property Income	35	37	27	32	35	37	38	41
Other Revenue	2	2	3	3	3	3	3	3
Expenditure	311	322	334	339	350	360	370	380
Income Pensions	304	315	326	331	341	352	361	371
Property Expenditure	1	0	0	0	0	0	0	1
Other Expenses	6	7	7	8	8	8	8	9
Net Lending	7	6	-10	5	12	13	15	21
<i>Per cent of GDP</i>	<i>0.1</i>	<i>0.1</i>	<i>-0.2</i>	<i>0.1</i>	<i>0.2</i>	<i>0.2</i>	<i>0.2</i>	<i>0.3</i>
Net Financial Wealth	1 402	1 617	1 716	1 749	1 787	1 826	1 867	1 916
<i>Per cent of GDP</i>	<i>29.0</i>	<i>32.0</i>	<i>34.4</i>	<i>32.7</i>	<i>31.7</i>	<i>31.3</i>	<i>30.9</i>	<i>30.5</i>

Sources: Statistics Sweden and NIER.

Table A23 Local Government Finances

SEK billion and percentage of GDP, respectively, current prices

	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	1 119	1 147	1 222	1 298	1 314	1 328	1 361	1 403
Taxes	726	748	765	799	836	865	894	927
Municipal Property Tax	18	19	19	21	21	22	23	23
Central Government Grants incl. VAT Compensation	273	276	333	371	339	321	320	323
Property Income	12	12	9	10	11	13	16	18
Other Revenue	89	93	95	98	107	107	108	111
<i>Average municipal tax rate¹</i>	<i>32.12</i>	<i>32.19</i>	<i>32.28</i>	<i>32.27</i>	<i>32.27</i>	<i>32.27</i>	<i>32.27</i>	<i>32.27</i>
Expenditure	1 151	1 193	1 209	1 270	1 317	1 350	1 397	1 449
Transfers	84	90	98	100	100	102	105	108
Households	44	47	49	51	50	50	51	52
Other	40	43	49	49	50	52	54	56
Consumption Expenditure	933	964	989	1 041	1 076	1 107	1 147	1 191
Capital Formation ²	128	132	117	123	135	134	135	138
Property Expenditure	6	7	6	6	6	8	10	13
Technical Transfer to Households³	0	0	0	0	0	-5	-18	-27
Net Lending⁴	-33	-45	13	29	-4	-18	-18	-19
<i>Per cent of GDP</i>	<i>-0.7</i>	<i>-0.9</i>	<i>0.3</i>	<i>0.5</i>	<i>-0.1</i>	<i>-0.3</i>	<i>-0.3</i>	<i>-0.3</i>
Net Financial Wealth	-111	-150	-133	-97	-93	-104	-118	-134
<i>Per cent of GDP</i>	<i>-2.3</i>	<i>-3.0</i>	<i>-2.7</i>	<i>-1.8</i>	<i>-1.6</i>	<i>-1.8</i>	<i>-1.9</i>	<i>-2.1</i>

¹ Per cent. ² Gross fixed capital formation, stock investments and acquisition/sale of land etc. ³ Technical transfer to households in the form of changes to taxes and/or transfer payments. In this table, central government grants to the local government sector are estimated 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 A20, is not affected.

⁴ Net lending is calculated as income minus the sum of expenses and transfers to households.

Sources: Statistics Sweden and NIER.

Table A24 General Government Revenue

Per cent of GDP

	2018	2019	2020	2021	2022	2023	2024	2025
Direct Household Taxes	15.6	14.9	15.2	15.0	14.5	14.7	14.7	14.7
Direct Business Taxes	3.0	3.2	3.0	3.1	3.2	3.2	3.2	3.2
Employers' Social Contributions ¹	12.1	12.0	11.6	11.9	11.8	12.0	12.0	12.0
VAT	9.2	9.1	9.2	9.2	9.2	9.2	9.3	9.3
Excise	2.2	2.1	2.1	2.0	1.9	1.9	1.9	1.9
Other Taxes	1.7	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Tax-to-GDP Ratio²	43.8	42.8	42.8	42.7	42.1	42.6	42.7	42.7
EU Taxes ³	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Other Revenue ⁴	4.3	4.3	4.6	4.6	4.6	4.5	4.3	4.3
Primary Revenue	48.0	47.0	47.3	47.2	46.6	46.9	46.9	46.9
Property Income	1.6	1.5	1.4	1.4	1.4	1.4	1.4	1.5
Total Revenue	49.5	48.6	48.7	48.6	47.9	48.3	48.3	48.4

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

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

Sources: Statistics Sweden and NIER.

Table A25 General Government Expenditure

Per cent of GDP

	2018	2019	2020	2021	2022	2023	2024	2025
Consumption Expenditure	26.1	25.8	26.7	26.3	25.7	25.6	25.6	25.6
Transfers	17.2	16.8	19.4	17.9	16.7	16.3	16.1	15.9
Households	13.6	13.3	14.3	13.6	13.0	12.7	12.5	12.3
Corporations	1.9	1.9	3.3	2.5	2.0	1.8	1.8	1.8
Abroad	1.6	1.6	1.9	1.8	1.8	1.8	1.8	1.8
Capital Formation ¹	4.8	4.9	4.9	4.9	5.0	4.9	4.8	4.8
Primary Expenditure	48.1	47.4	51.0	49.1	47.5	46.7	46.5	46.3
Property Expenditure	0.6	0.6	0.5	0.4	0.4	0.4	0.5	0.6
Total Expenditure	48.7	48.0	51.5	49.5	47.9	47.2	47.0	46.9

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

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

Sources: Statistics Sweden and NIER.

Table A26 Transfers from General Government to Households

Per cent of GDP

	2018	2019	2020	2021	2022	2023	2024	2025
Pensions ¹	7.5	7.4	7.8	7.4	7.3	7.2	7.2	7.1
Of Which Income Pension	6.3	6.2	6.5	6.2	6.0	6.0	5.9	5.9
Labour Market ²	0.6	0.6	0.9	0.9	0.7	0.5	0.5	0.5
Illness and Disability ³	1.6	1.5	1.6	1.4	1.4	1.3	1.3	1.3
Family and Children ⁴	1.7	1.7	1.7	1.6	1.6	1.6	1.5	1.5
Education ⁵	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4
Social Assistance ⁶	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2
Other ⁷	1.5	1.5	1.6	1.5	1.4	1.4	1.4	1.4
Total Transfer to Households	13.6	13.3	14.3	13.6	13.0	12.7	12.5	12.3

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

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

Sources: Statistics Sweden and NIER.

Table A27 Base Amounts

SEK thousand, current prices

	2018	2019	2020	2021	2022	2023	2024	2025
Price Base Amount	45.5	46.5	47.3	47.6	48.3	49.3	50.4	51.5
Increased Price Base Amount	46.5	47.4	48.3	48.6	49.3	50.3	51.4	52.6
Income-related Base Amount	62.5	64.4	66.8	68.2	70.4	72.6	74.7	77.0

Sources: Statistics Sweden and NIER.

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

Percentage change

	2018	2019	2020	2021	2022	2023	2024	2025
Income Index	1.5	3.1	3.8	2.2	3.2	3.1	2.8	3.1
Balance Index	2.6	3.1	3.8	2.2	3.2	3.1	2.8	3.1
Balance Ratio ^{1,2}	1.013	1.012	1.017	1.027	1.028	1.026	1.034	...
Nominal Income Pension³	1.0	1.4	2.1	0.5	1.6	1.5	1.2	1.5

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

Sources: Swedish Pensions Agency and NIER.

Table A29 Central Government Budget Balance and Debt

SEK billion and percentage of GDP, respectively

	2019	2020	2021	2022	2023
Budget Balance	80	112	-221	30	115
Adjustments to Net Lending	9	-63	34	-71	-86
Sales of Shares etc.	-2	0	-1	0	0
Extra Dividends	0	-1	0	-4	-3
On-Lending	16	-59	33	-47	-60
Other Adjustments	-6	-3	1	-20	-23
Accruals	-23	16	44	-43	-35
Of Which: Tax Accruals	-19	13	38	-31	-38
Interest Accruals	1	6	6	-13	3
Other	0	2	-1	-1	-1
Central Government Net Lending	66	68	-143	-85	-7
Central Government Borrowing Requirement ¹	-80	-112	221	-30	-115
Stock-Flow Adjustments, Central Government Debt	12	-31	-57	4	3
Central Government Debt, Change	-68	-143	164	-26	-112
Central Government Debt	1 197	1 054	1 218	1 192	1 080
<i>Per cent of GDP</i>	<i>24.8</i>	<i>20.9</i>	<i>24.4</i>	<i>22.3</i>	<i>19.1</i>

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

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

Table A30 Central Government Expenditure Ceiling

SEK billion, current prices

	2018	2019	2020	2021	2022	2023
Central Government Expenditure Ceiling	1 337	1 351	1 743	1 695	1 634	1 539
<i>Per cent of Potential GDP</i>	<i>28.0</i>	<i>27.0</i>	<i>33.7</i>	<i>31.2</i>	<i>29.1</i>	<i>26.4</i>
Capped Expenditure	1 282	1 308	1 501	1 527	1 508	1 510
<i>Per cent of Potential GDP</i>	<i>26.8</i>	<i>26.1</i>	<i>29.0</i>	<i>28.1</i>	<i>26.8</i>	<i>25.9</i>
Budgeting Margin	55	43	242	168	126	29
<i>Per cent of Capped Expenditure</i>	<i>4.3</i>	<i>3.3</i>	<i>16.1</i>	<i>11.0</i>	<i>8.3</i>	<i>1.9</i>

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