



The Swedish Economy
September 2023

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Preface

Ylva-Hedén Westerdahl, director of the forecasting division, has led the work to produce this forecast. The forecast is based on available statistics published up to the 22nd of September 2023.

Stockholm, September 2023

Albin Kainelainen
Director-General

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The Swedish Economy, September 2023

The Swedish economy is now operating below full capacity, and GDP will shrink this year. High inflation and rising interest rates are eroding households' purchasing power, and weak demand abroad is weighing on the export industry. This will serve to deepen the output gap further next year. Although inflation is clearly on the way down, it is still high when energy prices are excluded. The Riksbank is therefore expected to raise the policy rate once more in November. It is then expected to leave the policy rate unchanged until starting to lower it again in the third quarter of next year. Inflation will then be close to 2 per cent and still falling. This lower inflation will help the economy to recover slowly in the second half of next year, but the output gap will not close until 2026. Employment has held up well so far against the economic downturn but is about to change. Unemployment will reach 8.3 per cent in the second half of next year.

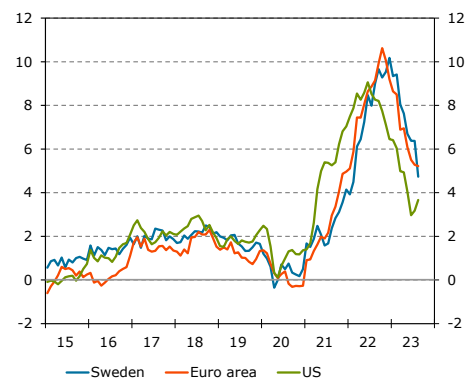
Inflation has been on the retreat recently both in Sweden and in much of the rest of the world. However, it is still above many central banks' targets, and it continues to be a salient economic issue together with the rapid rise in interest rates.

In Sweden, inflation has dropped from a peak of more than 10 per cent at the end of last year to 4.7 per cent in August (see Diagram 1). Many of the factors that drove up inflation are no longer contributing. First, global growth has slowed, and many commodity prices have fallen sharply from last year's high levels. Second, Swedish import prices are not rising anywhere near as quickly this year as they did last year. Third, import prices will fall slightly in the course of next year as the krona rallies partially (see Diagram 2). Fourth, energy prices are also expected to remain lower than last year. Finally, collective agreements seem to be putting a damper on domestic inflationary pressures, as is the weak growth in demand. We therefore expect inflation to continue to fall, with CPIF inflation – the increase in the consumer price index with a fixed interest rate – dipping slightly below the 2 per cent target at the end of next year (see Diagram 3). This also applies to the CPIF ex energy, which excludes the direct effects of energy prices. There is, of course, considerable uncertainty present, especially when it comes to the krona, which currently has a significant impact on inflation through import prices.

With inflation still high and the krona weak, we expect the Riksbank to raise the policy rate once more in November to 4.25 per cent. This will be the final increase in the current cycle (see Diagram 4). One key assumption here is that the ECB has completed its hiking cycle. Should the ECB instead raise interest rates again, it is likely that the Riksbank will follow suit to support the krona. We then expect the Riksbank to begin to lower

Diagram 1 Consumer prices in selected countries and regions

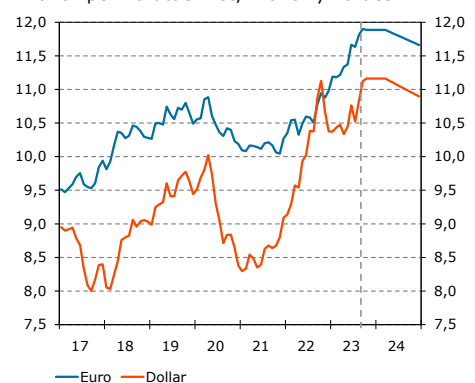
Annual percentage change, monthly values



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

Diagram 2 Exchange rates

Kronor per valutaenhet, monthly values

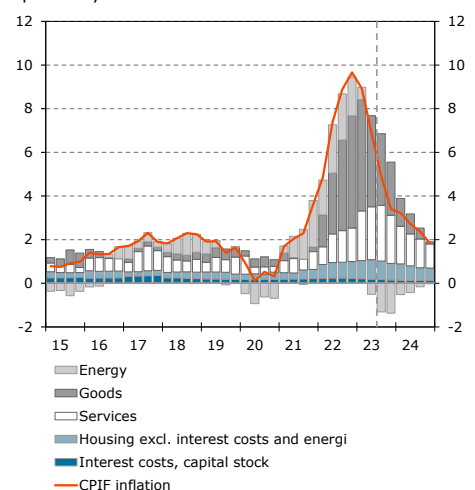


Note. Higher values mean a weaker krona.

Sources: The Riksbank, Macrobond and NIER.

Diagram 3 Contribution to CPIF inflation

Percentage points and annual percentage change, quarterly values



the policy rate again in the third quarter of next year, when inflation will be close to 2 per cent and still falling.

Table 1 Selected indicators

Percentage change unless otherwise indicated

	Forecast			Scenario		
	2022	2023	2024	2025	2026	2027
GDP, market prices	2,8	-0,6	1,0	2,9	3,4	2,2
GDP per capita	2,1	-1,2	0,5	2,4	2,9	1,8
GDP, calendar-adjusted	2,8	-0,4	1,1	3,1	3,2	2,0
GDP, KIX-weighted ¹	3,0	1,3	1,5	2,2	2,2	2,0
CPI, KIX-weighted ¹	8,1	5,7	3,2	2,5	2,3	2,3
Current account balance ²	5,0	5,5	5,6	5,3	4,8	4,5
Hours worked ³	2,3	1,8	0,1	1,1	1,7	1,1
Employment	2,7	1,6	-0,3	0,7	1,4	1,0
Unemployment ⁴	7,5	7,5	8,2	8,3	7,7	7,3
Labour market gap ⁵	-0,4	-0,3	-1,4	-1,3	-0,5	0,0
Output gap ⁶	1,4	-1,2	-1,9	-1,1	-0,2	0,0
Hourly wages ⁷	2,7	3,9	3,8	3,9	3,9	3,8
Hourly labour costs ^{3,8}	3,4	3,5	4,3	3,9	3,9	3,8
Productivity ³	0,5	-2,0	1,0	2,0	1,4	1,0
CPI	8,4	8,6	4,1	1,1	1,8	2,1
CPIF	7,7	6,0	2,5	1,6	2,0	2,0
Policy rate ^{9,10}	2,50	4,25	3,50	2,25	2,25	2,25
Ten-year government bond rate ⁹	1,5	2,6	3,0	2,9	2,9	2,9
Krona index (KIX) ¹¹	121,1	128,7	130,6	127,3	124,0	120,7
Government net lending ²	1,1	0,1	-0,5	-0,3	0,1	0,3
Structural net lending ¹²	0,4	1,1	0,8	0,3	0,3	0,3
Maastricht debt ²	32,7	31,3	31,0	30,9	30,5	30,4

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

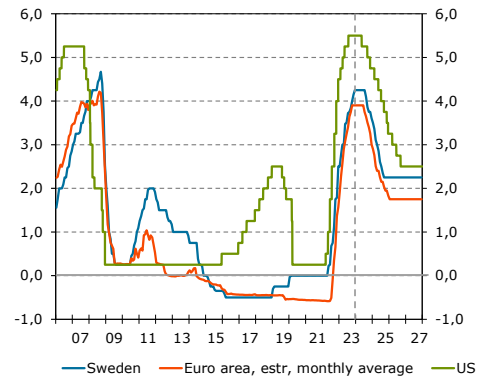
Sources: IMF, National Mediation Office, Sveriges Riksbank, Statistics Sweden and NIER.

GLOBAL SLOWDOWN PUTS DAMPER ON SWEDISH EXPORTS

Global growth has been subdued over the past year. High inflation and higher interest rates have inhibited demand, and industrial production in particular has been weak, weighing on world trade (see Diagram 5). Forward-looking indicators suggest that the economic outlook has deteriorated further recently. PMIs have fallen fast in recent months in the service sector and are still below 50 in manufacturing, which points to decreasing production in the near term (see Diagram 6). Global GDP growth (KIX-weighted) will be subdued both this year and next (see Table 1).

Diagram 4 Policy rates

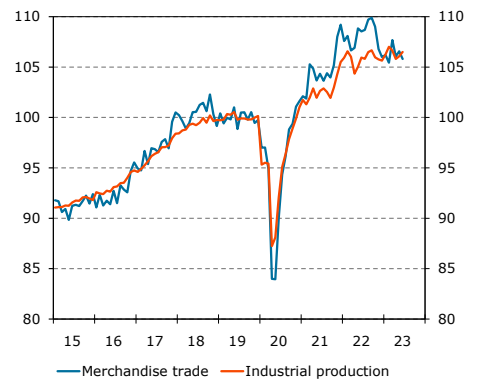
Per cent, monthly- and daily values



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

Diagram 5 Global merchandise trade and industrial production

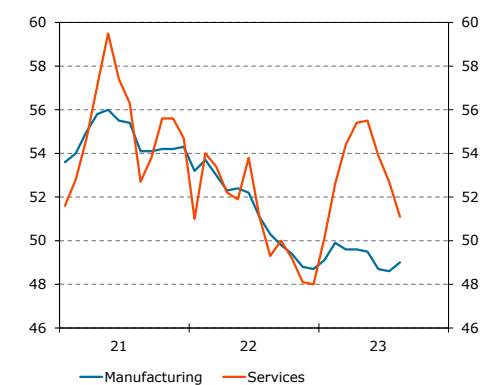
Index 2019=100, seasonally adjusted monthly values



Sources: CPB Netherlands Bureau for Economic Policy Analysis and Macrobond.

Diagram 6 Global purchasing manager index

Index, monthly values



Sources: S&P Global and Macrobond.

This weak global growth and the deterioration in the manufacturing climate mean that Sweden's export market will expand barely at all this year and comparatively slowly next year. While Swedish exporters will be favoured by the weak krona, and profitability is generally high, this weak export market growth means that export volumes will increase only slightly this year and next. This means that exports will make only a relatively small contribution to GDP growth in both years (see Diagram 7).

BROAD DECREASE IN BUSINESS PRODUCTION IN SECOND QUARTER

Sweden's GDP fell 0.8 per cent in the second quarter, and there was a broad decrease in business production. The outlook is generally bleak, and the overall business confidence indicator is much lower than normal (see Diagram 8). A continued slump in demand has weighed on production in the third quarter too, with a further decline in most parts of the business sector. Production is then expected to head slowly upwards again except in the construction sector.

SWEDISH CONSUMERS STILL DEEPLY PESSIMISTIC

High inflation and higher interest rates are rapidly eroding households' disposable income this year. Consumers have been deeply pessimistic about the economy for more than a year (see Diagram 8). Last year, households saved comparatively little to maintain their spending (see Diagram 9). This year, dwindling disposable income and a relatively low saving rate have led households to cut back on spending (see Diagram 9). Next year, lower inflation and wage increases will help real disposable income to rise again, and households will therefore step up their spending.

SHARP FALL IN HOUSING INVESTMENT

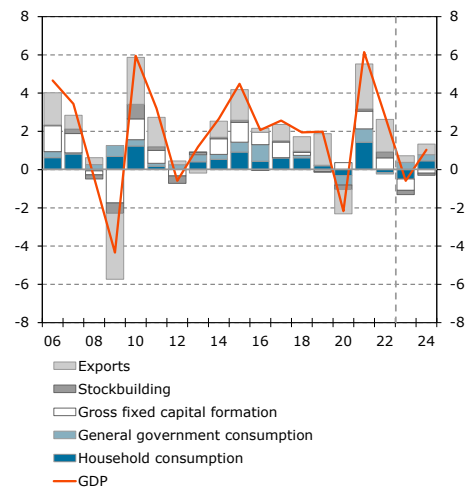
High inflation and higher interest rates are also hitting housing investment, partly through rising production costs and partly through falling housing prices. The construction of new apartments is set to halve this year and fall further next year. The sharp drop in housing investment means that investment as a whole will decrease this year (see Diagram 7) despite relatively strong growth in investment in goods-producing industries and the government sector.

The weak growth in domestic demand means that GDP will shrink this year (see Table 1). Next year, GDP will grow again, but only slowly, and the output gap will widen further.

LABOUR MARKET STARTING TO DETERIORATE

The labour market has resisted the economic downturn in the first half of 2023. The number of employed continued to increase relatively strongly despite weaker GDP (see Diagram 10).

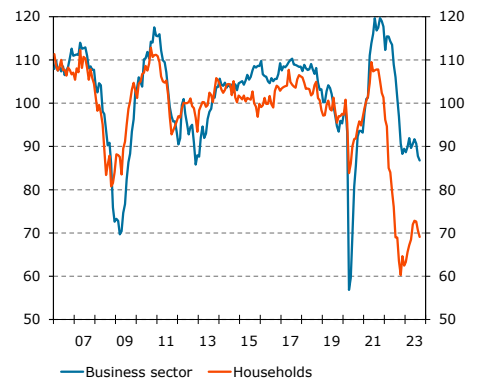
Diagram 7 Import-adjusted contributions to GDP growth
Percentage change and percentage points



Sources: Statistics Sweden and NIER.

Diagram 8 Business and household confidence indicators

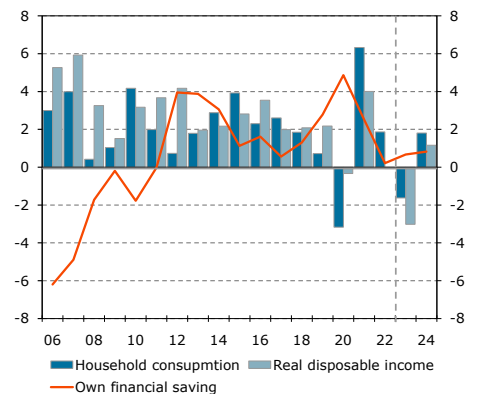
Index mean=100, seasonally adjusted monthly values



Source: NIER.

Diagram 9 Household consumption, real disposable income and savings

Percentage change or percentage of disposable income plus collective savings



Note. Savings is defined as household's total savings incl. savings in premium and occupational pension. Own financial savings are defined as household savings excluding real savings and savings in premium and occupational pensions. Both measures are put in relation to households' disposable income plus savings in premium and occupational pensions.

Sources: Statistics Sweden and NIER.

The labour force grew at around the same rate, and unemployment was largely unchanged around 7.5 per cent. Now, however, there are signs of the labour market deteriorating. Data for July and August indicate that employment growth will slow in the third quarter. Many forward-looking indicators have also deteriorated recently, such as employment plans in manufacturing and construction (see Diagram 11). It is now only the service sector that has positive employment plans. Weaker local government finances also mean that employment growth in the local government sector is set to stall and will remain low next year despite job growth in central government.

All in all, employment is expected to continue to decline until the middle of next year (see Diagram 10). Many firms have not downsized their workforce during the past year's decline in the economy, partly because there are still considerable shortages of labour with the right skills. It is a normal cyclical pattern for firms to wait laying off staff. The workforce will later be adjusted more clearly in line with firms' needs as the economic downturn deepens.

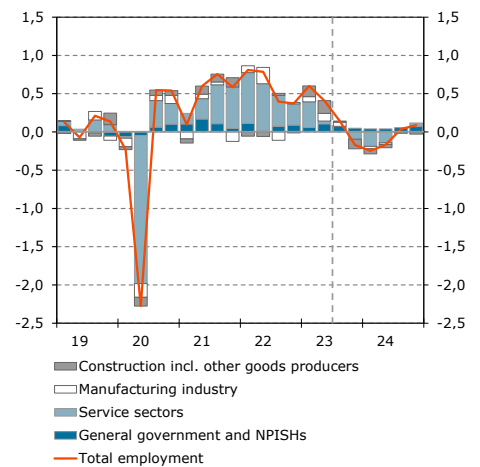
The number of redundancy notices has been at normal levels for the past year, with the exception of February, and is not yet showing any clear signs of rising. Downsizing is therefore expected to be achieved mainly by cutting back on recruitment and replacement of employees, at least in the near term. This will make it more difficult for the unemployed to find work. Unemployment will consequently rise gradually and reach 8.3 per cent in the second half of 2024.

STRUCTURAL NET LENDING TO DECLINE NEXT YEAR

Structural net lending in the government sector this year is estimated to be 1.1 per cent of potential GDP (see Diagram 12), which is well above the surplus target of one third of a percent.

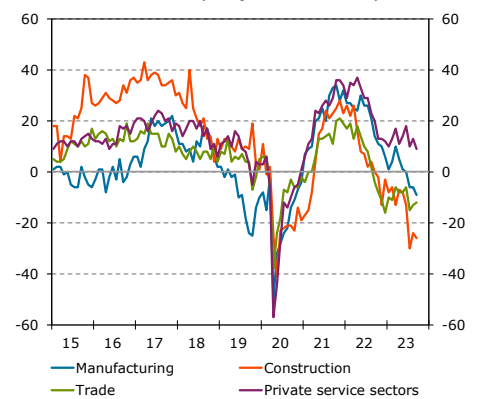
The budget bill for 2024 contains unfunded measures of around SEK 38 billion, of which around SEK 30 billion is targeted at the government sector in the form of increased central government grants to the local government sector and higher central government expenditure. The measures in the budget will contribute to a decrease in structural net lending to 0.8 per cent next year, which is still above the target. Structural net lending then increases in our scenario for 2025-2027 in the absence of new parliamentary decisions.

Diagram 10 Contribution to employment growth
Percentage change and percentage points, quarterly values



Anm. HIO avser hushållens icke-vinstdrivande

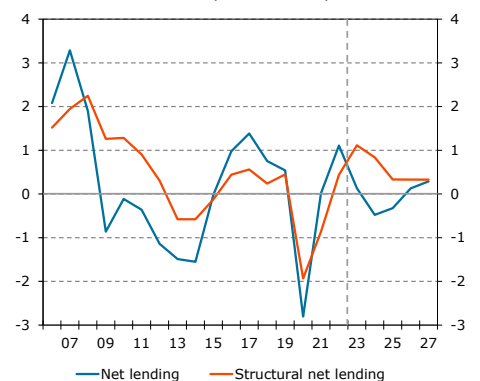
Diagram 11 Hiring plans
Balances, seasonally adjusted monthly values



Source: NIER.

Diagram 12 Net lending and structural net lending in general government

Per cent of GDP and per cent of potential GDP



Sources: Statistics Sweden and NIER.

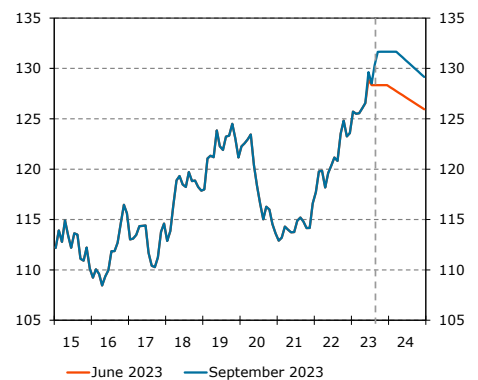
Forecast revisions 2023-2024

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

- The krona has depreciated in recent months, and so the krona index (KIX) has been revised up by almost 4 percentage points for next year (see Diagram 13).
- The weaker krona is a contributing factor in the upward revision of CPIF inflation next year by 0.7 percentage points. The price of crude oil has been revised up sharply too, but this has been offset by other energy prices now being expected to be somewhat lower than assumed in June. The CPIF ex energy has therefore been adjusted to about the same extent next year as the CPIF (see Diagram 14).
- The upward revision of inflation next year is one reason why the Riksbank is now expected to raise the policy rate further in 2023 and lower it again later in 2024 than we anticipated in June.
- GDP growth has been revised down by 0.2 percentage points for this year and 0.3 percentage points for next year. This is due largely to the upward revision of inflation and interest rates eroding households' real disposable income more severely, leading to weaker consumer spending.
- The number of employed has been adjusted up slightly for this year (see Diagram 15) despite the downward revision of GDP. This is foremost due to stronger data than expected for the second quarter.
- Structural net lending in the government sector has been revised up sharply by 0.7 percentage points for 2024. This change is due partly to actual net lending having been revised up, and partly to lower resource utilisation in the economy next year, especially in the labour market, where the labour market gap has been revised down by 0.8 percentage points to -1.4 per cent.

Diagram 13 Effective exchange rate of the Swedish krona (KIX)

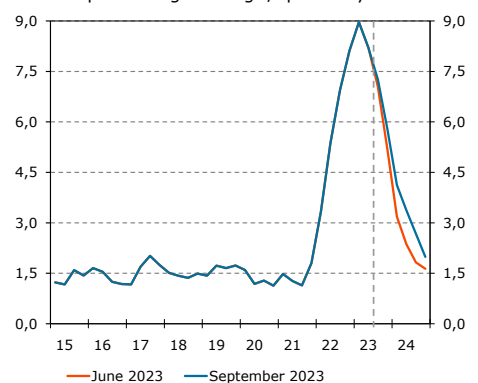
Index 1992-11-18=100, monthly values



Sources: The Riksbank, Macrobond and NIER.

Diagram 14 CPIF excl. energy

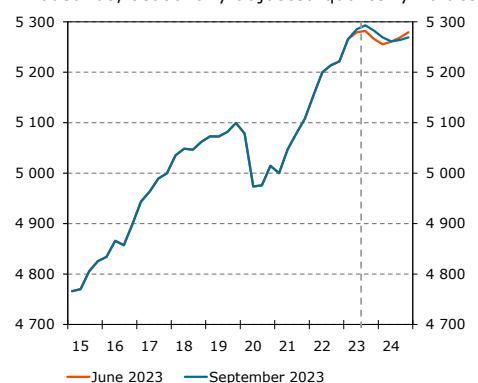
Annual percentage change, quarterly values



Sources: Statistics Sweden and NIER.

Diagram 15 Employed

Thousands, seasonally adjusted quarterly values



Sources: Statistics Sweden and NIER.

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

Percentage change and percentage points respectively, unless otherwise indicated

	2023			2024		
	Sep	Jun	Diff	Sep	Jun	Diff
Global Economy						
GDP, World	2,9	2,8	0,1	2,7	2,8	-0,1
GDP, KIX-weighted	1,3	1,3	0,1	1,5	1,7	-0,2
GDP, Euro Area	0,5	0,5	0,0	0,8	1,2	-0,4
GDP, US	2,1	1,4	0,7	1,1	0,7	0,4
GDP, China	5,1	5,6	-0,5	4,6	5,0	-0,4
Federal Funds Target Rate ^{1,2}	5,50	5,25	0,25	4,75	3,75	1,00
ECB Refi Rate ^{1,2}	4,50	4,25	0,25	3,50	3,25	0,25
Oil Price ³	84,9	77,3	7,6	91,9	74,3	17,6
CPI, KIX-weighted	5,7	5,5	0,2	3,2	3,1	0,2
Domestic Economy						
	0,0			0,0		
GDP, Calendar-Adjusted	-0,4	-0,2	-0,2	1,1	1,4	-0,4
GDP	-0,6	-0,4	-0,2	1,0	1,4	-0,3
Household Consumption	-1,6	-1,5	-0,2	1,8	2,6	-0,7
Government Consumption	1,9	1,3	0,6	1,5	1,5	0,0
Gross Fixed Capital Formation	-2,1	-1,8	-0,3	-0,3	-0,6	0,3
Stockbuilding ⁴	-0,6	-0,6	0,0	-0,3	-0,3	0,0
Exports	0,9	2,4	-1,5	2,3	2,5	-0,1
Imports	-0,7	0,5	-1,2	1,9	1,9	0,0
Labour Market, Inflation, Interest Rates, etc.						
	0,0			0,0		
Hours Worked ⁵	1,8	2,7	-0,9	0,1	0,1	0,0
Employment	1,6	1,5	0,2	-0,3	-0,1	-0,2
Unemployment ⁶	7,5	7,5	0,1	8,2	8,1	0,1
Labour Market Gap ⁷	-0,3	0,1	-0,4	-1,4	-0,6	-0,8
Output Gap ⁸	-1,2	-1,4	0,2	-1,9	-1,6	-0,3
Productivity ⁵	-2,0	-2,6	0,6	1,0	1,4	-0,4
Hourly Earnings ⁹	3,9	3,9	0,0	3,8	3,9	0,0
CPI	8,6	8,7	-0,2	4,1	2,7	1,5
CPIF	6,0	6,1	-0,1	2,5	1,8	0,7
Policy Rate ^{1,2}	4,25	3,75	0,50	3,50	2,25	1,25
10-Year Government Bond Yield ¹	2,6	2,5	0,1	3,0	2,7	0,3
Effective Krona Exchange Rate Index (KIX) ¹⁰	128,7	127,4	1,3	130,6	127,0	3,6
Current Account Balance ¹¹	5,5	5,9	-0,3	5,6	5,8	-0,1
Government Net Lending ¹¹	0,1	0,0	0,1	-0,5	-0,8	0,3
Structural net lending ¹²	1,1	1,1	0,0	0,8	0,1	0,7

¹ Per cent. ² At year-end. ³ Brent crude, USD per barrel, annual average. ⁴ Change in per cent of GDP the previous year. ⁵ Calendar-adjusted. ⁶ Per cent of labour force. ⁷ Difference between actual and potential hours worked in per cent of potential hours worked. ⁸ Difference between actual and potential GDP in per cent of potential GDP. ⁹ According to the short-term earnings statistics. ¹⁰ Index, 18 November 1992=100. ¹¹ Per cent of GDP. ¹² Per cent of potential GDP.

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

Source: NIER.

Tables

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

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The Global Economy

Table A1 Global Output

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

	Weight¹							
	2022	2021	2022	2023	2024	2025	2026	2027
World ²	100,0	6,3	3,4	2,9	2,7	3,0	3,1	3,0
KIX Weighted ³	74,9	5,7	3,0	1,3	1,5	2,2	2,2	2,0
US	15,6	5,9	2,1	2,1	1,1	1,6	2,1	2,0
Euro Area	12,0	5,6	3,4	0,5	0,8	1,7	1,7	1,5
Japan	3,8	2,3	1,0	1,9	0,9	0,7	0,7	0,6
UK	2,3	7,6	4,1	0,3	0,6	1,7	1,7	1,6
Sweden	0,4	6,0	2,8	-0,4	1,1	3,1	3,2	2,0
Norway	0,3	4,0	3,2	1,4	1,1	1,7	1,8	1,8
Denmark	0,3	6,8	2,7	1,6	1,3	2,0	1,8	1,6
China	18,5	8,7	3,2	5,1	4,6	4,9	4,8	4,5
Sweden's Export Market⁴	...	9,1	7,3	0,3	2,6	3,2	3,3	3,2

¹ The weights indicate each country or region's purchasing power-adjusted share of world GDP. ² The 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. ³ KIX weighted GDP is the weighted average of GDP growth in the 32 countries included in the KIX effective krona exchange rate index. ⁴ Sweden's export market refers to total import demand in the countries to which Sweden exports, each country weighted by its share of Swedish goods exports.

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

Table A2 Global Inflation

Percentage change

	2020	2021	2022	2023	2024	2025	2026	2027
US	1,2	4,7	8,0	4,1	2,5	2,3	2,3	2,3
Euro Area	0,3	2,6	8,4	5,6	2,7	2,2	2,0	2,0
Japan	0,0	-0,2	2,5	3,3	2,2	1,6	1,5	1,5
UK	1,0	2,5	7,9	6,7	2,9	2,1	2,0	2,0
Sweden	0,5	2,4	7,7	6,0	2,5	1,6	2,0	2,0
Norway	1,2	3,9	6,3	5,8	3,0	2,2	2,0	2,0
Denmark	0,3	1,9	8,6	3,8	2,7	2,0	2,0	2,0
China	2,4	1,0	2,0	0,7	1,8	2,6	3,0	3,0

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

Sources: OECD, Eurostat, Macrobond and NIER.

Table A3 Selected Indicators for the Euro Area

Percentage change, constant prices, percent, and level

	2020	2021	2022	2023	2024	2025	2026	2027
GDP ¹	-6,3	5,6	3,4	0,5	0,8	1,7	1,7	1,5
HICP	0,3	2,6	8,4	5,6	2,7	2,2	2,0	2,0
Policy Rate ²	0,00	0,00	2,50	4,50	3,50	2,25	2,25	2,25
Overnight Rate ³	-0,6	-0,6	1,9	3,9	2,9	1,8	1,8	1,8
10-Year Government Bond Yield ⁴	-0,5	-0,3	1,2	2,5	2,6	2,8	2,9	2,9
USD/EUR ⁵	1,14	1,18	1,05	1,08	1,07	1,07	1,08	1,09

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

Sources: ECB, Eurostat, Macrobond and NIER.

Table A4 Selected Indicators for the US

Percentage change, constant prices, percent, and level

	2020	2021	2022	2023	2024	2025	2026	2027
GDP ¹	-2,8	5,9	2,1	2,1	1,1	1,6	2,1	2,0
CPI	1,2	4,7	8,0	4,1	2,5	2,3	2,3	2,3
Policy Rate ²	0,25	0,25	4,50	5,50	4,75	3,25	2,50	2,50
10-year Government Bond Yield ³	0,9	1,4	3,0	3,9	3,9	3,6	3,3	3,1
USD/EUR ⁴	1,14	1,18	1,05	1,08	1,07	1,07	1,08	1,09

¹ Calendar-adjusted values. ² Upper limit of the target range of the Federal Funds rate, per cent, at year-end. ³ 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

	2020	2021	2022	2023	2024	2025	2026	2027
At Year-End								
Riksbank Policy Rate	0,00	0,00	2,50	4,25	3,50	2,25	2,25	2,25
Policy Rate. KIX6-Weighted ¹	-0,38	-0,36	1,66	4,08	3,49	2,31	2,01	1,98
Annual Average								
Riksbank Policy Rate	0,00	0,00	0,75	3,50	4,07	2,69	2,25	2,25
5-Year Swedish Government Bond Yield	-0,3	0,0	1,6	2,7	2,9	2,7	2,7	2,7
10-Year Swedish Government Bond Yield	0,0	0,3	1,5	2,6	3,0	2,9	2,9	2,9
Effective Krona Exchange Rate Index (KIX)	118,5	114,3	121,1	128,7	130,6	127,3	124,0	120,7
EUR Exchange Rate	10,49	10,14	10,63	11,58	11,79	11,50	11,20	10,90
USD Exchange Rate	9,21	8,58	10,11	10,73	11,05	10,70	10,35	9,99

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

Sources: The Riksbank, Macrobond and NIER.

The Swedish Economy

Table A6 GDP by Expenditure

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

	Level 2022	2021	2022	2023	2024	2025	2026	2027
Household Consumption Expenditure ¹	2 613	6,3	1,9	-1,6	1,8	3,5	3,7	2,7
Goods	1 259	9,2	-2,0	-4,6	2,1	...	...	...
Services Excl. Housing Services	810	4,0	8,3	0,5	1,6	...	...	...
Housing Services	459	0,4	2,0	2,4	1,9	...	...	...
General Government Consumption Expenditure	1 491	3,3	0,0	1,9	1,5	1,6	1,3	1,2
Central Government	403	5,1	1,4	2,9	3,8	...	...	...
Local Government	1 088	2,6	-0,5	1,5	0,6	...	...	...
Gross Fixed Capital Formation ²	1 622	7,1	6,2	-2,1	-0,3	4,0	5,6	3,2
Business Sector Excl. Housing	1 023	8,2	8,6	2,1	0,8	...	...	...
Industry	232	16,9	10,4	7,8	0,7	...	...	...
Other Goods Producers	191	-5,9	12,2	9,2	1,8	...	...	...
Service Producers Excl. Housing	600	9,7	6,8	-2,4	0,4	...	...	...
Housing	321	11,5	5,3	-21,5	-10,6	...	...	...
General Government	269	-1,0	-1,6	6,1	4,4	...	...	...
<i>Domestic Demand Excl. Stockbuilding</i>	<i>5 726</i>	<i>5,7</i>	<i>2,5</i>	<i>-0,8</i>	<i>1,1</i>	<i>3,1</i>	<i>3,6</i>	<i>2,4</i>
Stockbuilding ³	78	0,4	1,1	-0,6	-0,3	0,0	0,0	0,0
<i>Total Domestic Demand</i>	<i>5 804</i>	<i>6,1</i>	<i>3,6</i>	<i>-1,5</i>	<i>0,8</i>	<i>3,1</i>	<i>3,6</i>	<i>2,4</i>
Exports	3 157	11,1	7,0	0,9	2,3	3,4	4,0	3,3
Goods	2 228	10,7	3,9	-0,2	2,4	...	...	...
Processed Goods	1 678	13,6	4,0	0,2	2,9	...	...	...
Raw Materials	550	-1,0	3,4	-1,2	0,9	...	...	...
Services	929	12,1	14,6	3,6	2,1	...	...	...
<i>Total Demand</i>	<i>8 961</i>	<i>7,7</i>	<i>4,7</i>	<i>-0,6</i>	<i>1,3</i>	<i>3,2</i>	<i>3,7</i>	<i>2,8</i>
Imports	2 982	11,6	9,3	-0,7	1,9	3,8	4,4	3,8
Goods	1 996	11,1	2,2	-2,8	2,0	...	...	...
Processed Goods	1 403	16,3	3,2	-2,5	2,2	...	...	...
Raw Materials	593	0,8	0,1	-3,6	1,5	...	...	...
Services	986	12,7	25,0	3,6	1,8	...	...	...
<i>Net Exports</i> ³	<i>175</i>	<i>0,3</i>	<i>-0,6</i>	<i>0,8</i>	<i>0,3</i>	<i>-0,1</i>	<i>0,0</i>	<i>-0,1</i>
GDP	5 979	6,1	2,8	-0,6	1,0	2,9	3,4	2,2
GDP per Capita ⁴	570	5,5	2,1	-1,2	0,5	2,4	2,9	1,8

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.

Sources: Statistics Sweden and NIER.

Table A7 Household Income, Consumption Expenditure and Saving

SEK billion, current prices, and percentage change, respectively

	Level 2022	2021	2022	2023	2024	2025	2026	2027
Total Earnings, Adjusted for External Transactions	2 280	5,9	6,5	4,9	4,0	5,1	5,7	4,9
Hourly Earnings (according to national accounts) ^{1,2}	285	2,9	3,9	2,8	3,9	3,9	3,9	3,8
Hours Worked ^{1,3}	7 957	3,1	2,4	2,0	0,1	1,1	1,7	1,1
Transfers From Government Sector, Net	754	2,1	5,9	1,7	4,9	3,3	1,7	2,3
Property Income, Net	365	29,3	2,1	-5,8	-4,4	9,4	10,9	4,3
Other Income, Net ⁴	357	2,0	8,3	5,8	3,8	10,8	9,1	8,5
Income Before Taxes⁵	3 756	6,6	6,1	3,3	3,4	5,6	5,7	4,7
Direct Taxes ⁶	980	-0,7	0,7	0,1	0,4	0,1	0,1	0,1
Disposable Income	2 775	5,9	6,8	3,4	3,7	5,8	5,8	4,8
Consumer Prices ⁷	...	1,8	6,9	6,6	2,6	1,7	2,1	2,1
Real Disposable Income	2 775	4,0	-0,1	-3,0	1,2	4,0	3,6	2,6
Per Capita ⁸	265	3,4	-0,8	-3,6	0,6	3,5	3,1	2,2
Consumption Expenditure⁹	2 613	6,3	1,9	-1,6	1,8	3,5	3,7	2,7
Saving ¹⁰	400	15,5	13,3	11,7	11,1	11,0	10,9	10,8
Net Saving in Negotiated Pension Funds ¹⁰	238	8,5	7,9	7,6	7,5	6,9	6,8	6,7
Own Saving ¹⁰	162	7,0	5,4	4,2	3,6	4,0	4,0	4,0
Net Lending ¹⁰	244	11,0	8,1	8,2	8,4	8,2	8,1	8,0

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

Sources: Statistics Sweden and NIER.

Table A8 Current Account and Net Lending

SEK billion, current prices, and per cent, respectively

	2020	2021	2022	2023	2024	2025	2026	2027
Net Exports	226	260	175	207	228	225	221	214
Goods	204	236	232	285	305	...	...	...
Services	22	25	-57	-78	-77	...	...	...
Earnings, Net	12	8	10	13	14	14	14	14
Investment Income, Net	168	206	216	221	219	222	222	223
Transfers etc., Net	-104	-100	-105	-94	-97	-101	-111	-116
Current Account Balance	302	375	296	348	365	360	346	335
<i>Per cent of GDP</i>	6,0	6,8	5,0	5,5	5,6	5,3	4,8	4,5
Capital Transfers	2	0	4	1	1	1	1	1
Net Lending	304	375	300	349	366	361	347	336
<i>Per cent of GDP</i>	6,0	6,8	5,0	5,6	5,7	5,3	4,8	4,5

Sources: Statistics Sweden and NIER.

Table A9 Gross National Income (GNI)

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

	Level	2021	2022	2023	2024	2025	2026	2027
	2022							
GNI	6 207	9,2	8,8	4,8	3,1	4,7	5,5	4,3
Deflator, Domestic Use	...	2,3	7,2	6,0	2,2	1,8	2,3	2,3
Real GNI	...	6,7	1,6	-1,1	0,9	2,8	3,1	2,0
Population ¹	10 487	0,6	0,7	0,6	0,6	0,5	0,5	0,5
Real GNI per Capita²	592	6,1	0,9	-1,7	0,3	2,2	2,6	1,6

¹Thousands of people. ²SEK thousand.

Sources: Statistics Sweden and NIER.

Table A10 Production

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

	Level							
	2022	2021	2022	2023	2024	2025	2026	2027
Goods Producers	1 516	7,1	2,1	-1,8	0,7	...	...	...
Of Which: Industry	849	17,3	2,3	-1,7	1,3	...	...	...
Construction	349	-3,1	2,6	-3,0	-0,8	...	...	...
Service Producers	2 717	7,4	4,1	0,0	1,3	...	...	...
Business Sector	4 233	7,3	3,4	-0,7	1,1	3,7	3,9	2,4
General Government	1 014	2,7	0,4	1,5	1,2	1,0	0,4	0,5
GDP at Basic Prices¹	5 311	6,3	2,8	-0,2	1,1	3,2	3,2	2,0
Taxes/Subsidies on Products	655	3,6	3,0	-1,4	0,6	2,8	3,2	2,0
GDP at Market Prices	5 966	6,0	2,8	-0,4	1,1	3,1	3,2	2,0

¹ Including production in non-profit institutions serving households.

Note. Production refers to value added.

Sources: Statistics Sweden and NIER.

Table A11 Hours Worked

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

	Level							
	2022	2021	2022	2023	2024	2025	2026	2027
Goods Producers	1 918	1,8	1,2	0,9	-0,8	...	...	...
Of Which: Industry	966	4,7	0,6	0,4	-0,7	...	...	...
Construction	650	2,1	1,4	2,0	-1,4	...	...	...
Services Producers	3 918	3,4	4,1	1,6	0,0	...	...	...
Business Sector	5 837	2,8	3,1	1,3	-0,2	1,2	2,2	1,3
General Government	2 232	0,9	0,4	3,1	0,7	0,9	0,7	0,6
Total Economy¹	8 238	2,3	2,3	1,8	0,1	1,1	1,7	1,1

¹ Including non-profit institutions serving households.

Sources: Statistics Sweden and NIER.

Table A12 Productivity

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

	Level 2022	2021	2022	2023	2024	2025	2026	2027
Goods Producers	790	5,3	0,9	-2,7	1,5	...	...	...
Of Which: Industry	878	12,0	1,7	-2,1	2,0	...	...	...
Construction	537	-5,0	1,2	-4,9	0,7	...	...	...
Service Producers	693	3,9	0,0	-1,6	1,3	...	...	...
Business Sector	725	4,4	0,3	-2,0	1,3	2,5	1,6	1,1
General Government	454	1,8	0,0	-1,6	0,5	0,1	-0,2	-0,1
Total Economy¹	645	3,9	0,5	-2,0	1,0	2,0	1,4	1,0

¹ Including production in non-profit institutions serving households.

Note. Refers to value added calculated at basic prices per hours worked.

Sources: Statistics Sweden and NIER.

Table A13 The Labour Market

Thousands of people and percentage change, respectively

	Level 2022	2021	2022	2023	2024	2025	2026	2027
Hours Worked ¹	8 238	2,3	2,3	1,8	0,1	1,1	1,7	1,1
Average Hours Worked for Employed ²	30,5	1,3	-0,4	0,2	0,4	0,4	0,3	0,1
Number of Employed	5 197	0,9	2,7	1,6	-0,3	0,7	1,4	1,0
Employment Rate ³	...	67,3	69,0	69,7	69,1	69,3	69,9	70,2
Labour Force	5 617	1,3	1,2	1,7	0,4	0,8	0,7	0,5
Labour Force Participation Rate ⁴	...	73,8	74,5	75,4	75,3	75,6	75,7	75,8
Unemployment Rate ⁵	419	8,8	7,5	7,5	8,2	8,3	7,7	7,3
Population Aged 15–74 ⁶	7 536	0,0	0,3	0,5	0,5	0,5	0,5	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 the labour force. ⁶ According to the LFS definition of the population, population forecast excluding Ukrainian refugees.

Sources: Statistics Sweden and NIER.

Table A14 Resource Utilisation

Per cent and percentage change

	2020	2021	2022	2023	2024	2025	2026	2027
Labour Market								
Equilibrium Unemployment ¹	7,1	7,3	7,4	7,4	7,4	7,3	7,3	7,3
Actual Unemployment ²	8,5	8,8	7,5	7,5	8,2	8,3	7,7	7,3
Potential Hours Worked	-0,4	0,5	1,2	1,7	1,2	1,0	0,9	0,6
Of Which: Potential Employment	0,8	0,9	1,1	1,2	1,1	0,8	0,6	0,5
Actual Hours Worked ³	-3,8	2,3	2,3	1,8	0,1	1,1	1,7	1,1
Labour Market Gap ⁴	-3,2	-1,5	-0,4	-0,3	-1,4	-1,3	-0,5	0,0
Productivity								
Potential Productivity	0,9	2,0	1,4	0,6	0,6	1,2	1,3	1,3
Of Which: Potential Productivity. Business Sector	2,0	2,1	1,7	1,2	0,8	1,5	1,6	1,6
Actual Productivity ³	1,5	3,7	0,5	-2,1	1,0	2,0	1,4	1,0
Productivity Gap ⁵	1,1	2,7	1,8	-0,9	-0,6	0,2	0,3	0,0
GDP								
Potential GDP	0,5	2,5	2,6	2,2	1,8	2,3	2,2	1,9
Actual GDP ³	-2,4	6,0	2,8	-0,4	1,1	3,1	3,2	2,0
Output Gap ⁶	-2,2	1,1	1,4	-1,2	-1,9	-1,1	-0,2	0,0

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

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

Sources: Statistics Sweden and NIER.

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

Per cent and percentage change, respectively

	Weight	2021	2022	2023	2024	2025	2026	2027
	2022							
Business Sector	70	2,8	3,0	4,0	3,9	3,9	3,9	3,8
Goods Producers	21	2,7	2,7	3,9	3,9	...	...	...
Of Which: Industry	14	2,7	2,8	3,7	3,9	...	...	...
Construction	7	2,5	2,6	4,1	3,8	...	...	...
Service Producers	48	2,8	3,0	4,0	3,9	...	...	...
Local Government	24	2,6	2,2	3,7	3,6	...	...	...
Central Government	6	1,7	2,7	3,1	4,1	...	...	...
Total	100	2,6	2,7	3,9	3,8	3,9	3,9	3,8
Real Hourly Earnings (CPI) ¹	...	0,5	-5,6	-4,7	-0,3	2,9	2,1	1,7
Real Hourly Earnings (CPIF) ²	...	0,2	-5,0	-2,1	1,3	2,4	1,9	1,8

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 2022	2021	2022	2023	2024	2025	2026	2027
Not Calendar-Adjusted Values								
Hourly Earnings ¹	295	2,3	4,1	3,7	4,1	4,6	3,2	3,2
Employers' Social Contributions ² (per cent of earnings)	...	42,6	41,9	41,4	42,6	43,0	43,3	43,6
Hourly Labour Costs ³	418	3,1	3,6	3,3	4,9	4,9	3,4	3,4
Productivity ⁴	704	4,4	0,3	-1,7	1,4	...	...	...
Adjusted Unit Labour Costs ⁵	...	-1,2	3,3	5,1	3,5	...	...	...
Calendar-Adjusted Values								
Hourly Earnings ¹	296	2,7	4,1	3,1	4,0	3,9	3,9	3,8
Hourly Labour Costs ³	420	3,5	3,6	2,7	4,9	4,5	3,9	3,8
Productivity ⁴	707	4,6	0,3	-2,1	1,3	...	...	...
Adjusted Unit Labour Costs ⁵	...	-1,1	3,2	4,9	3,5	...	...	...

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

Sources: Statistics Sweden and NIER.

Table A17 Supply and Use Price Deflators

Per cent and percentage change, respectively

	Weight							
	2022	2021	2022	2023	2024	2025	2026	2027
GDP	66,7	2,6	6,0	5,4	2,2	1,8	2,3	2,2
General Government ^{1,2}	12,1	2,3	4,4	7,8	2,4	4,0	3,9	3,7
Business Sector ²	47,3	2,4	6,8	4,8	2,3	1,2	1,8	1,8
Product Taxes, Net	7,3	4,6	3,7	5,0	1,1	...	...	...
Imports	33,3	3,5	19,1	6,2	0,0	-1,0	-1,3	-1,4
Processed Goods	15,7	0,8	15,8	8,2	0,0	...	...	...
Raw Materials	6,6	21,0	46,9	0,1	1,2	...	...	...
Services	11,0	-0,2	11,0	6,8	-0,5	...	...	...
Supply/Use³	100,0	2,9	10,0	5,7	1,5	0,9	1,1	1,0
General Government Consumption Expenditure	16,6	2,3	5,9	7,5	2,3	3,1	3,4	3,2
Household Consumption Expenditure	29,2	1,8	6,9	6,6	2,6	1,7	2,1	2,1
Gross Fixed Capital Formation	18,1	3,6	8,8	4,7	0,2	1,1	1,6	1,6
Exports	35,2	3,9	15,7	5,2	0,1	-0,8	-1,2	-1,3
Processed Goods	18,7	-0,4	14,2	10,0	0,6	...	...	...
Raw Materials	6,1	32,7	31,8	-10,1	-0,6	...	...	...
Services	10,4	0,3	10,3	5,3	-0,6	...	...	...

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 current prices, percentage change and per cent, respectively

	Level							
	2022	2021	2022	2023	2024	2025	2026	2027
Value Added ¹	4 224	9,2	8,9	3,9	3,7	4,8	6,0	4,5
Hours Worked, Employees ²	5 588	4,5	3,3	1,0	-0,3	0,6	2,9	1,8
Hourly Labour Costs ³	418	3,1	3,6	3,3	4,9	4,9	3,4	3,4
Total Labour Costs ⁴	2 335	7,8	7,0	4,3	4,6	5,6	6,4	5,3
Gross Profit	1 889	11,1	11,5	3,4	2,5	...	...	...
Profit Share	...	43,7	44,7	44,5	44,0	43,6	43,4	42,9
Adjusted Profit Share ⁵	...	39,5	40,7	40,5	40,0	39,6	39,4	39,0

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 2023	2021	2022	2023	2024	2025	2026	2027
CPI	100,0	2,2	8,4	8,6	4,1	1,1	1,8	2,1
Mortgage Interest Costs, Mortgage Interest Rate	...	-6,5	17,8	66,6	25,0	-7,4	-3,0	1,5
CPIF	100,0	2,4	7,7	6,0	2,5	1,6	2,0	2,0
Goods	43,1	0,3	7,3	8,6	1,6	...	...	...
Services	31,3	2,3	4,7	7,5	4,5	...	...	...
Housing Excl. Mortgage Interest Costs and Energy	16,1	2,1	4,2	5,2	4,0	...	...	...
Energy	6,3	17,0	32,9	-11,3	-4,6	...	...	...
Mortgage Interest Costs, Capital Stock	3,2	5,9	6,9	5,6	4,0	3,8	3,4	3,4
CPIF Excl. Energy	93,7	1,4	5,9	7,5	3,0	...	...	...
HICP	...	2,7	8,1	5,9	2,7	...	...	...
Crude Oil (Brent) ¹	...	70,7	100,8	84,9	91,9	90,3	89,4	91,3

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

	2020	2021	2022	2023	2024	2025	2026	2027
Revenue	2 428	2 643	2 873	2 994	3 058	3 227	3 402	3 562
<i>Per cent of GDP</i>	48,2	48,2	48,0	47,8	47,3	47,6	47,5	47,6
Taxes and Duties	2 132	2 329	2 489	2 607	2 652	2 788	2 944	3 080
<i>Per cent of GDP</i>	42,3	42,5	41,6	41,6	41,0	41,1	41,1	41,1
<i>Tax-to-GDP Ratio¹</i>	42,4	42,6	41,8	41,7	41,1	41,3	41,2	41,3
Property Income	67	65	105	88	99	116	127	137
Other Revenue	230	249	278	299	307	322	331	345
Expenditure	2 570	2 643	2 807	2 986	3 089	3 230	3 362	3 494
<i>Per cent of GDP</i>	51,0	48,2	46,9	47,6	47,7	47,7	46,9	46,7
Consumption Expenditure	1 332	1 407	1 491	1 633	1 695	1 776	1 860	1 942
Transfers	968	962	987	985	1 012	1 048	1 073	1 102
Households	711	725	767	782	818	846	860	880
Corporations	164	140	125	119	108	114	119	124
Abroad	93	97	94	84	85	89	94	97
Capital Formation ²	246	251	287	313	327	337	349	361
Property Expenditure	23	22	43	56	55	70	80	89
Technical Transfer to Households³	0	0	0	0	0	18	31	47
Net Lending⁴	-141	1	66	8	-31	-22	9	21
<i>Per cent of GDP</i>	-2,8	0,0	1,1	0,1	-0,5	-0,3	0,1	0,3
Primary Net Lending⁵	-185	-42	3	-24	-75	-68	-38	-27
<i>Per cent of GDP</i>	-3,7	-0,8	0,1	-0,4	-1,2	-1,0	-0,5	-0,4
Structural Net Lending	-100	-47	26	71	55	23	24	25
<i>Per cent of potential GDP</i>	-1,9	-0,9	0,4	1,1	0,8	0,3	0,3	0,3
Maastricht Debt	2 007	1 996	1 955	1 961	2 007	2 098	2 188	2 274
<i>Per cent of GDP</i>	39,8	36,4	32,7	31,3	31,0	30,9	30,5	30,4
GDP, Current Prices	5 039	5 487	5 979	6 267	6 469	6 780	7 165	7 487
Potential GDP, Current Prices	5 153	5 427	5 898	6 344	6 597	6 856	7 176	7 487
Net Financial Wealth	1 404	1 861	1 708	1 740	1 875	1 930	2 015	2 111
<i>Per cent of GDP</i>	27,9	33,9	28,6	27,8	29,0	28,5	28,1	28,2

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

	2020	2021	2022	2023	2024	2025	2026	2027
Revenue	1 252	1 398	1 540	1 587	1 600	1 691	1 784	1 866
Taxes and Duties	1 078	1 219	1 315	1 377	1 380	1 454	1 540	1 611
Property Income	31	25	52	27	31	38	42	44
Other Revenue	144	154	172	183	188	199	203	212
Expenditure	1 393	1 440	1 515	1 547	1 613	1 676	1 726	1 780
Transfers	912	923	928	911	937	948	956	973
Old-Age Pension System ¹	26	27	27	27	28	29	29	30
Local Government Sector	336	363	357	357	375	367	366	370
Households	338	345	373	371	390	400	403	409
Corporations	123	96	81	77	64	67	70	73
Abroad	89	92	90	79	80	84	88	92
Consumption Expenditure	338	366	399	435	465	500	526	550
Capital Formation ²	127	136	156	170	182	189	197	205
Property Expenditure	16	15	31	32	29	39	46	51
<i>Of which interest expenditure</i>	<i>10</i>	<i>9</i>	<i>25</i>	<i>25</i>	<i>22</i>	<i>32</i>	<i>38</i>	<i>43</i>
Technical Transfer to Households³	0	0	0	0	0	34	69	100
Net Lending	-141	-42	25	40	-13	-19	-10	-13
<i>Per cent of GDP</i>	<i>-2,8</i>	<i>-0,8</i>	<i>0,4</i>	<i>0,6</i>	<i>-0,2</i>	<i>-0,3</i>	<i>-0,1</i>	<i>-0,2</i>
Central Government Debt	1 218	1 145	1 031	986	988	1 034	1 076	1 117
<i>Per cent of GDP</i>	<i>24,2</i>	<i>20,9</i>	<i>17,2</i>	<i>15,7</i>	<i>15,3</i>	<i>15,2</i>	<i>15,0</i>	<i>14,9</i>
Net Financial Wealth	-145	-42	-15	-63	-33	-19	5	26
<i>Per cent of GDP</i>	<i>-2,9</i>	<i>-0,8</i>	<i>-0,3</i>	<i>-1,0</i>	<i>-0,5</i>	<i>-0,3</i>	<i>0,1</i>	<i>0,3</i>

¹ Central government's old-age pension contributions. ² Fixed gross investments, inventory investments and acquisition/disposal of land, etc. ³ Technical transfer to households in the form of changes to taxes and/or transfer payments. In this table, central government grants to the local government sector are estimated 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

	2020	2021	2022	2023	2024	2025	2026	2027
Revenue	325	346	374	393	411	434	457	481
Social Insurance Contributions	269	283	301	318	329	346	365	382
Central Government's Old Age Pension Contributions	26	27	27	27	28	29	29	30
Property Income	27	32	42	45	49	54	58	63
Other Revenue	3	3	4	4	5	5	5	6
Expenditure	334	340	354	368	381	396	410	423
Income Pensions	326	332	345	358	370	385	398	411
Property Expenditure	1	1	1	1	1	1	1	1
Other Expenses	7	8	9	9	10	10	11	11
Net Lending	-9	6	20	26	30	37	48	57
<i>Per cent of GDP</i>	<i>-0,2</i>	<i>0,1</i>	<i>0,3</i>	<i>0,4</i>	<i>0,5</i>	<i>0,6</i>	<i>0,7</i>	<i>0,8</i>
Net Financial Wealth	1 718	2 035	1 853	1 979	2 123	2 196	2 281	2 376
<i>Per cent of GDP</i>	<i>34,1</i>	<i>37,1</i>	<i>31,0</i>	<i>31,6</i>	<i>32,8</i>	<i>32,4</i>	<i>31,8</i>	<i>31,7</i>

Sources: Statistics Sweden and NIER.

Table A23 Local Government Finances

SEK billion, current prices and percentage of GDP, respectively

	2020	2021	2022	2023	2024	2025	2026	2027
Revenue	1 224	1 300	1 354	1 409	1 461	1 509	1 567	1 627
Taxes	766	806	852	890	918	963	1 012	1 059
Municipal Property Tax	19	21	21	22	25	26	27	28
Central Government Grants incl. VAT Compensation	333	360	355	355	372	365	363	367
Property Income	10	8	11	17	19	24	28	31
Other Revenue	95	104	115	125	127	131	136	141
<i>Average municipal tax rate¹</i>	<i>32,28</i>	<i>32,27</i>	<i>32,24</i>	<i>32,24</i>	<i>32,24</i>	<i>32,24</i>	<i>32,24</i>	<i>32,24</i>
Expenditure	1 215	1 263	1 332	1 466	1 509	1 566	1 633	1 702
Transfers	98	103	103	106	112	117	119	122
Households	49	49	50	53	58	60	59	60
Other	50	54	53	53	54	57	59	62
Consumption Expenditure	990	1 037	1 088	1 194	1 226	1 271	1 329	1 388
Capital Formation ²	119	115	130	142	145	147	151	156
Property Expenditure	7	7	11	24	26	31	34	38
Technical Transfer to Households³	0	0	0	0	0	-16	-37	-53
Net Lending⁴	9	37	22	-57	-48	-41	-29	-22
<i>Per cent of GDP</i>	<i>0,2</i>	<i>0,7</i>	<i>0,4</i>	<i>-0,9</i>	<i>-0,7</i>	<i>-0,6</i>	<i>-0,4</i>	<i>-0,3</i>
Net Financial Wealth	-169	-132	-129	-177	-215	-248	-271	-291
<i>Per cent of GDP</i>	<i>-3,4</i>	<i>-2,4</i>	<i>-2,2</i>	<i>-2,8</i>	<i>-3,3</i>	<i>-3,7</i>	<i>-3,8</i>	<i>-3,9</i>

¹ Per cent. ² Gross fixed capital formation, stock investments and acquisition/sale of land etc. ³ Technical transfer to households in the form of changes to taxes and/or transfer payments. In this table, central government grants to the local government sector are estimated 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

	2020	2021	2022	2023	2024	2025	2026	2027
Direct Household Taxes	15,1	14,9	14,1	13,9	13,8	13,9	13,8	13,8
Direct Business Taxes	3,0	3,5	3,6	3,5	3,5	3,4	3,5	3,4
Employers' Social Contributions ¹	11,5	11,6	11,3	11,6	11,7	11,7	11,7	11,8
VAT	9,2	9,1	9,2	9,0	9,0	9,0	9,0	9,0
Excise	2,0	1,9	1,6	1,6	1,5	1,6	1,6	1,6
Other Taxes	1,6	1,6	2,0	2,1	1,7	1,7	1,7	1,7
Tax-to-GDP Ratio²	42,4	42,6	41,8	41,7	41,1	41,3	41,2	41,3
EU Taxes ³	-0,1	-0,1	-0,2	-0,1	-0,1	-0,1	-0,1	-0,1
Other Revenue ⁴	4,6	4,5	4,7	4,8	4,7	4,8	4,6	4,6
Primary Revenue	46,9	47,0	46,3	46,4	45,7	45,9	45,7	45,7
Property Income	1,3	1,2	1,8	1,4	1,5	1,7	1,8	1,8
Total Revenue	48,2	48,2	48,0	47,8	47,3	47,6	47,5	47,6

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

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

Sources: Statistics Sweden and NIER.

Table A25 General Government Expenditure

Per cent of GDP

	2020	2021	2022	2023	2024	2025	2026	2027
Consumption Expenditure	26,4	25,7	24,9	26,1	26,2	26,2	26,0	25,9
Transfers	19,2	17,5	16,5	15,7	15,6	15,5	15,0	14,7
Households	14,1	13,2	12,8	12,5	12,6	12,5	12,0	11,8
Corporations	3,3	2,6	2,1	1,9	1,7	1,7	1,7	1,7
Abroad	1,8	1,8	1,6	1,3	1,3	1,3	1,3	1,3
Capital Formation ¹	4,9	4,6	4,8	5,0	5,1	5,0	4,9	4,8
Primary Expenditure	50,5	47,8	46,2	46,8	46,9	46,6	45,8	45,5
Property Expenditure	0,5	0,4	0,7	0,9	0,8	1,0	1,1	1,2
Total Expenditure	51,0	48,2	46,9	47,6	47,7	47,7	46,9	46,7

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

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

Sources: Statistics Sweden and NIER.

Table A26 Transfers from General Government to Households

Per cent of GDP

	2020	2021	2022	2023	2024	2025	2026	2027
Pensions ¹	7,7	7,3	7,0	7,1	7,2	7,2	7,0	6,9
Of Which Income Pension	6,4	6,0	5,8	5,7	5,7	5,7	5,6	5,5
Labour Market ²	0,9	0,8	0,6	0,5	0,6	0,5	0,5	0,4
Illness and Disability ³	1,6	1,4	1,4	1,4	1,4	1,4	1,3	1,3
Family and Children ⁴	1,7	1,6	1,5	1,4	1,4	1,3	1,3	1,2
Education ⁵	0,4	0,4	0,3	0,3	0,4	0,4	0,4	0,4
Social Assistance ⁶	0,3	0,2	0,2	0,2	0,2	0,3	0,2	0,2
Other ⁷	1,6	1,5	1,9	1,4	1,4	1,4	1,3	1,3
Total Transfers to Households	14,1	13,2	12,8	12,5	12,6	12,5	12,0	11,8

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, disability allowance and additional cost compensation. ⁴ Parental benefit, child allowance, care allowance and housing allowance. ⁵ Student grants and other study allowance. ⁶ Welfare benefits. ⁷ Assistance compensation, financial support for asylum seekers, income support for the elderly and other transfers to households, such as electricity price compensation.

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

Sources: Statistics Sweden and NIER.

Table A27 Base Amounts

SEK thousand, current prices

	2020	2021	2022	2023	2024	2025	2026	2027
Price Base Amount	47,3	47,6	48,3	52,5	57,3	59,7	60,3	61,4
Increased Price Base Amount	48,3	48,6	49,3	53,5	58,5	60,9	61,6	62,7
Income-related Base Amount	66,8	68,2	71,0	74,3	77,2	80,0	83,1	86,4

Sources: Statistics Sweden and NIER.

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

Percentage change

	2020	2021	2022	2023	2024	2025	2026	2027
Income Index	3,8	2,2	4,1	4,6	3,9	3,6	3,9	3,9
Balance Index	3,8	2,2	4,1	4,6	3,9	3,6	3,9	3,9
Balance Ratio ¹	1,017	1,027	1,028	1,040	1,043	1,038	1,036	...
Nominal Income Pension²	2,1	0,5	2,5	3,0	2,3	1,9	2,3	2,3

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

Sources: Swedish Pensions Agency and NIER.

Table A29 Central Government Budget Balance and Debt

SEK billion and percentage of GDP, respectively

	2020	2021	2022	2023	2024
Budget Balance	-221	78	164	29	1
Adjustments to Net Lending	34	-86	-104	-11	-32
Sales of Shares etc.	0	0	0	-1	0
Extra Dividends	-3	-7	-8	-3	-1
On-Lending	34	-75	-102	-11	3
Other Adjustments	3	-4	7	3	-34
Accruals	51	-23	-36	28	13
Of Which: Tax Accruals	44	-13	-8	36	11
Interest Accruals	7	-10	-10	-8	1
Other	-5	-11	0	-5	5
Central Government Net Lending	-141	-42	25	40	-13
Central Government Borrowing Requirement ¹	221	-78	-164	-29	-1
Stock-Flow Adjustments, Central Government Debt	-57	5	50	-16	3
Central Government Debt, Change	164	-73	-114	-45	2
Central Government Debt	1218	1145	1031	986	988
<i>Per cent of GDP</i>	<i>24,2</i>	<i>20,9</i>	<i>17,2</i>	<i>15,7</i>	<i>15,3</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

	2020	2021	2022	2023	2024	2025
Central Government Expenditure Ceiling	1 695	1 634	1 665	1 747	1 827	1 866
<i>Per cent of Potential GDP</i>	<i>31,2</i>	<i>27,7</i>	<i>26,2</i>	<i>26,5</i>	<i>26,6</i>	<i>26,0</i>
Capped Expenditure	1 551	1 559	1 601	1 700	1 759	1 807
<i>Per cent of Potential GDP</i>	<i>28,6</i>	<i>26,4</i>	<i>25,2</i>	<i>25,8</i>	<i>25,7</i>	<i>25,2</i>
Budgeting Margin	144	75	64	47	68	59
<i>Per cent of Capped Expenditure</i>	<i>9,3</i>	<i>4,8</i>	<i>4,0</i>	<i>2,8</i>	<i>3,9</i>	<i>3,2</i>

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

Table A31 Fiscal measures

SEK billion

	2025	2026	2027	2025– 2027
Fiscal space	50	56	45	151
Fiscal measures	50	56	45	151
Measures aimed at consumption and investment in the public sector	32	42	30	104
Government consumption ¹	6	6	9	21
Government investments ²	1	8	4	13
Local government sector ³	25	29	17	70
Measures aimed at households ⁴	18	13	15	47
Structural net lending ⁵	0,33	0,33	0,33	

¹ Calculated as the difference between the expenditure level in the scenario and a projection with price and wage conversion (PLO). ² Calculated as the difference between the expenditure level in the scenario and a projection with price base amounts. ³ Calculated as the income supplement needed in the municipal, given the tax rate, to finance the expenses in scenario and at the same time achieve a result and financial savings on a par with good financial management. ⁴ Adjusted in the scenario so that the surplus target is reached. ⁵ Per cent of potential GDP.

Note. Every year, the Riksdag makes decisions on spending limits and income for two years after the budget year. In connection with the budget bill for 2024, decisions were made on frameworks for 2025 and 2026. These frameworks include fiscal policy measures relating to escalations and deescalations of various measures. These changes have been taken into account in the calculations of further fiscal policy measures in the NIER's scenario.