

The Swedish Economy
March 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 23rd of March 2023.

Stockholm, March 2023

Albin Kainelainen
Director-General

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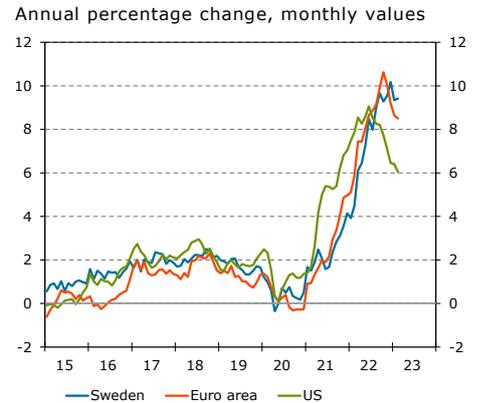
The Swedish Economy, March 2023

The Swedish economy will move to operating below capacity in 2023. Both households and firms are being squeezed by high inflation and ever higher interest rates. Real disposable income will decrease this year, causing households to cut back sharply on spending. Housing investment will fall markedly due to a drop in housing prices and increased production costs. The export sector will also be affected by a weaker global economy. Inflation has remained high at the beginning of 2023, which means that the Riksbank is expected to continue to raise interest rates. The hiking cycle is expected to end in July with the policy rate at 3.75 per cent. It has taken longer than anticipated for inflation to change direction, but many of the factors behind the high inflation rate are now reversing. Inflation is therefore set to drop back. Excluding energy, inflation will nevertheless remain high throughout 2023 and will not reach the Riksbank’s target level of 2 per cent until the second quarter of 2024. We expect the Riksbank to commence a series of rate cuts at the beginning of next year to stimulate demand. The output gap will not, however, begin to narrow appreciably until 2025 and is not expected to close until 2026. We estimate a fiscal space of around SEK 100 billion in the period 2024-2027 and assume that SEK 25 billion of this is used in 2024.

The high rate of inflation and central banks’ rapid tightening of monetary policy are impacting economic performance both at home and abroad. In Sweden, CPIF inflation – the change in the consumer price index with a fixed interest rate – was 9.4 per cent in February (see Diagram 1). The Riksbank is expected to continue raising interest rates to rein in inflation and stop inflation expectations from rising. The central bank is forecast to raise its policy rate by 50 basis points in May and a further 25 basis points in July to 3.75 per cent (see Diagram 2).

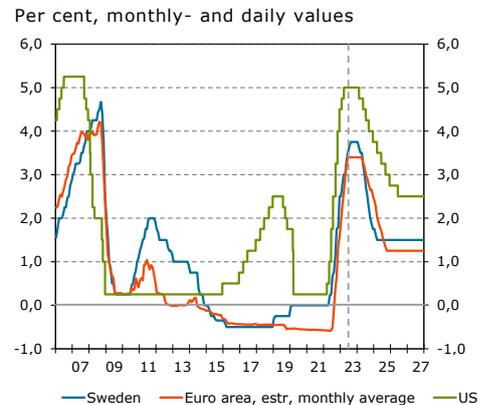
The economic slowdown in Sweden is largely a result of developments abroad. The high rate of inflation in Sweden has been driven largely by increased import prices and soaring energy prices (see Diagram 3). Many of the factors behind the surge in inflation are now reversing. For example, international prices for freight services, energy and agricultural products have dropped from previous peaks. At the same time, the Riksbank’s rate increases are putting a damper on demand in the economy. The profit share is also comparatively high in many parts of the business sector, reducing the need for firms to raise their prices. All in all, this means that month-to-month price rises will return to more normal levels and inflation will head down (see Diagram 3). There is considerable uncertainty about how quickly it will

Diagram 1 Consumer prices in selected countries and regions



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

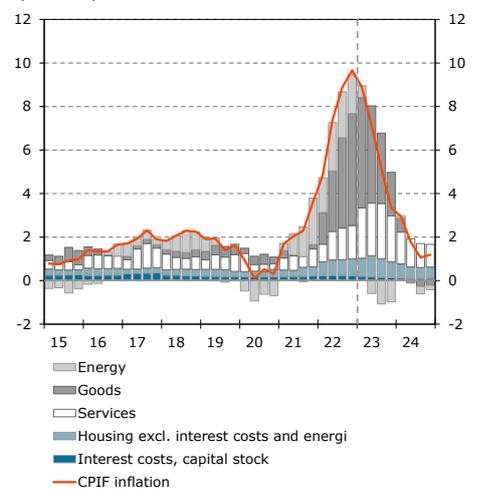
Diagram 2 Policy rates



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

Diagram 3 Contribution to CPIF inflation

Percentage points and annual percentage change, quarterly values



Note. The calculation of the contribution is approximate.

Sources: Statistics Sweden and NIER.

fall, however, partly because firms' pricing behaviour may have changed during the period of high inflation.

Table 1 Selected indicators

Percentage change unless otherwise indicated

	Forecast			Scenario		
	2022	2023	2024	2025	2026	2027
GDP, market prices	2.6	-0.6	1.3	3.1	2.9	1.9
GDP per capita	2.0	-1.2	0.7	2.6	2.5	1.4
GDP, calendar-adjusted	2.7	-0.4	1.3	3.3	2.8	1.7
GDP, KIX-weighted ¹	3.1	1.1	1.7	2.1	2.1	2.1
CPI, KIX-weighted ¹	8.1	5.9	2.9	2.5	2.3	2.3
Current account balance ²	4.4	6.3	6.7	6.5	5.8	5.4
Hours worked ³	2.4	0.8	0.2	1.4	1.2	0.6
Employment	2.7	0.4	-0.2	1.1	1.1	0.6
Unemployment ⁴	7.5	7.9	8.2	7.9	7.4	7.3
Labour market gap ⁵	-0.2	-0.5	-1.3	-0.7	-0.1	0.0
Output gap ⁶	1.0	-1.5	-2.2	-0.9	0.0	0.0
Hourly wages ⁷	2.7	3.6	3.4	3.9	4.1	3.9
Hourly labour costs ^{3,8}	3.3	4.9	2.9	3.9	4.1	3.9
Productivity ³	0.3	-0.9	1.1	1.9	1.5	1.2
CPI	8.4	8.8	2.1	0.8	1.9	2.0
CPIF	7.7	6.1	1.7	1.8	2.0	2.0
Policy rate ^{9,10}	2.50	3.75	1.75	1.50	1.50	1.50
Ten-year government bond rate ⁹	1.5	2.5	2.5	2.6	2.6	2.7
Krona index (KIX) ¹¹	121.1	124.8	123.2	121.5	119.8	118.1
Government net lending ²	0.6	-0.1	-1.0	-0.3	0.1	0.3
Structural net lending ¹²	0.0	1.2	0.4	0.3	0.3	0.3
Maastricht debt ²	32.5	31.2	32.1	31.9	31.6	31.5

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.

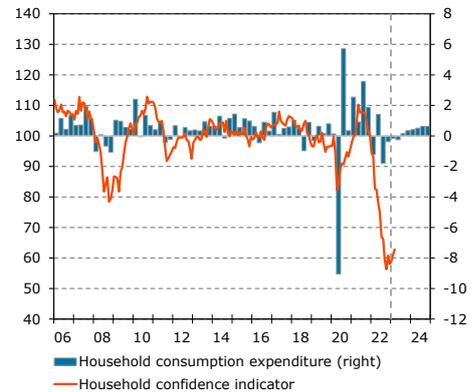
Sources: IMF, National Mediation Office, Sveriges Riksbank, Statistics Sweden and NIER.

HOUSEHOLDS SQUEEZED BY DWINDLING REAL INCOME

High inflation and rising interest rates will erode households' real disposable income this year despite wages and many benefits in the social insurance systems rising more quickly than last year. Households became deeply pessimistic last year, and consumer confidence remains at very low levels by historical standards despite improving somewhat in recent months (see Diagram 4). Households reduced their spending in the second half of 2022. Concerns about their finances will contribute to households continuing to reduce their spending in the first half of this year, albeit more slowly than before. The decline in spending will be

Diagram 4 Household confidence indicator and consumption expenditure

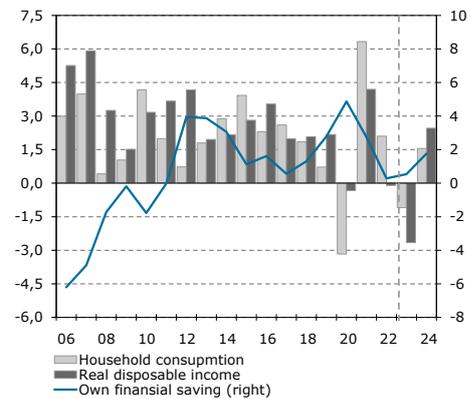
Index mean=100, seasonally adjusted monthly values and percentage change, seasonally adjusted quarterly values



Sources: Statistics Sweden and NIER.

Diagram 6 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.

Diagram 5 New export orders in the manufacturing industry

Diffusion index and balances, seasonally adjusted monthly values



Sources: Swedbank/SILF, Macrobond and NIER.

softened slightly by the power price subsidy paid out in February. In the second half of 2023, household consumption will rise again slowly, but there will still be a substantial decrease viewed over the year as a whole (see Diagram 5).

SHARP FALL IN HOUSING INVESTMENT THIS YEAR

Inflation and ever higher interest rates are also impacting the housing market, where prices have dropped more than 10 per cent over the past 12 months. Developers’ financing and building costs have also risen sharply, and there is widespread pessimism in the industry. Housing investment began to fall in the second half of last year, and the decline will accelerate this year. Housing investment is forecast to fall 18 per cent for 2023 as a whole. The decline in housing investment is one important reason why Swedish GDP will shrink this year (see Table 1).

ACTIVITY ABROAD WILL ALSO SLOW

In the US, which is slightly ahead of many other countries in the business cycle, inflation has started to fall, although it is still much higher than normal (see Diagram 1). In the euro area, the turning point is less clear. Our forecast assumes that inflation will continue to subside in both the US and the euro area and be close to central banks’ targets at the end of 2024. At the same time, GDP growth will slow sharply. GDP will grow only marginally in both the US and the euro area in 2023, and growth will remain weak next year.

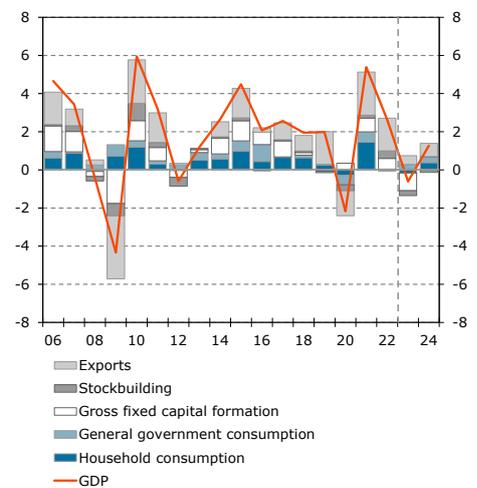
The global slowdown will impact negatively on Swedish exporters. Many export companies have been favoured in recent years by brisk demand, high world market prices and a weak krona. Growth in Sweden’s export market will slow sharply this year, and this bleaker outlook is clear from export orders in the manufacturing sector (see Diagram 6). Exports will make a much smaller contribution to GDP growth than normal in 2023 (see Diagram 7).

DELAYED EFFECT ON LABOUR MARKET

Although GDP shrank in the fourth quarter of 2022, the number of people in work continued to rise, and LFS data for January and February suggest that employment will increase further in the first quarter. Labour shortages are still widespread in both the business sector and the government sector, and firms’ employment plans remain positive despite a substantial decline from their peak last year (see Diagram 8). The labour market is holding up well so far, with no clear signs of a rapid downturn.

The weak outlook for the real economy means that employment will begin to head down from the second quarter this year, and unemployment is forecast to climb to 8.2 per cent in 2024 (see Diagram 9). As GDP growth gradually picks up, unemployment will move back down with a slight lag. Resource utilisation in the labour market will not, however, normalise until 2026.

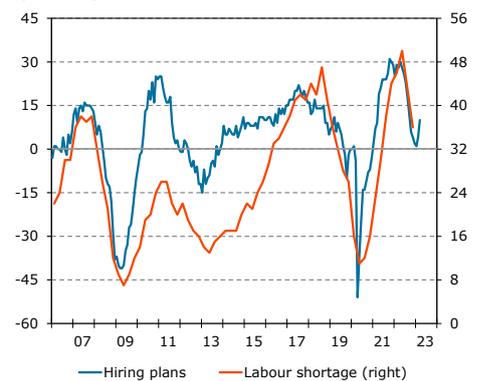
Diagram 7 Import-adjusted contributions to GDP growth
Percentage change and percentage points



Sources: Statistics Sweden and NIER.

Diagram 8 Hiring plans and labour shortage in the business sector

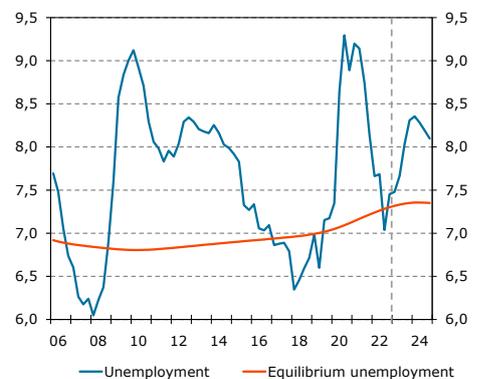
Balances, seasonally adjusted monthly values and share of yes-responses, seasonally adjusted quarterly values



Source: NIER.

Diagram 9 Unemployment

Per cent of labour force and per cent of potential labour force, seasonally adjusted quarterly values



Sources: Statistics Sweden and NIER.

The weak economic climate will dampen wage growth. However, the new pay deals currently being negotiated by the labour market parties will result in higher centrally agreed wage increases than before. Wage growth will therefore shift up a level this year (see Table 1) despite the weak economy. The profit share in the business sector as a whole will decrease slightly this year but remain relatively high. Cost pressures on firms are not therefore expected to be particularly strong.

Together with falling energy prices and weak inflationary pressures from abroad, this means that CPIF inflation will drop back quickly in the second half of 2023 and continue to fall in 2024, bottoming out around 1 per cent in the second half of the year (see Diagram 10). The weak economic climate and weak inflationary outlook mean that the Riksbank will commence a series of policy rate cuts in the first quarter of 2024 to stimulate demand and turn the economy around (see Diagram 10). The output gap will not, however, begin to narrow appreciably until 2025 and is not expected to close until 2026.

GOVERNMENT FINANCES WILL DETERIORATE THIS YEAR

The sharp rise in prices over the past year is also weighing on government finances, driving up not only expenditure on government consumption and index-linked transfer payments to households, but also contributions to occupational pensions in the local government sector. Revenue is also under pressure, with key tax bases such as total wages in the economy and household consumption decreasing as a share of GDP. All in all, this means that general government net lending will fall and turn negative this year (see Diagram 11).

Structural net lending, which excludes cyclical effects, will nevertheless increase this year to around 1 per cent of potential GDP. Given that the surplus target for structural net lending is one third of a percent of potential GDP, we estimate fiscal space of around SEK 100 billion in the period 2024-2027, or around SEK 25 billion per year.

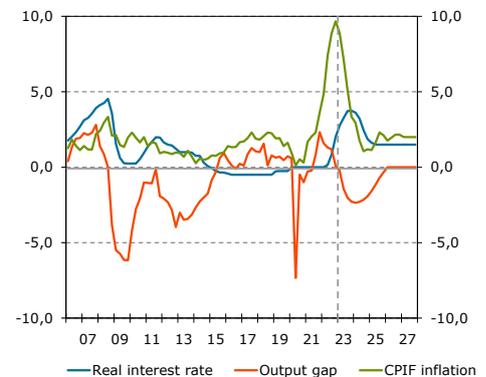
Forecast revisions 2023-2024

The most significant revisions from the December 2022 edition of *The Swedish Economy* are summarised below (see Table 2).

- CPIF inflation has been revised up by 0.9 percentage points for 2023 and 0.8 percentage points for 2024. This is mainly because CPIF inflation excluding energy has been unexpectedly high at the beginning of this year (see Diagram 12), suggesting that underlying inflationary pressures are stronger than anticipated in our December forecast.

Diagram 10 Policy rate, CPIF inflation and output gap

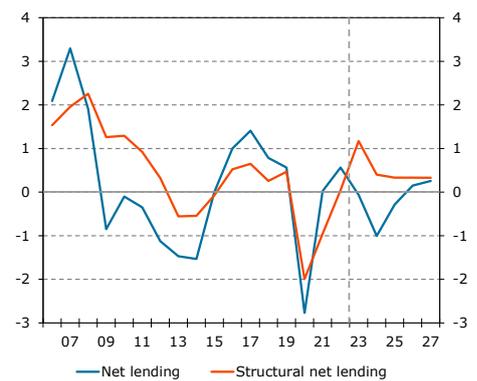
Per cent, per cent of potential GDP and annual percentage change, quarterly values



Sources: The Riksbank, Statistics Sweden, Macrobond and NIER.

Diagram 11 Net lending and structural net lending in general government

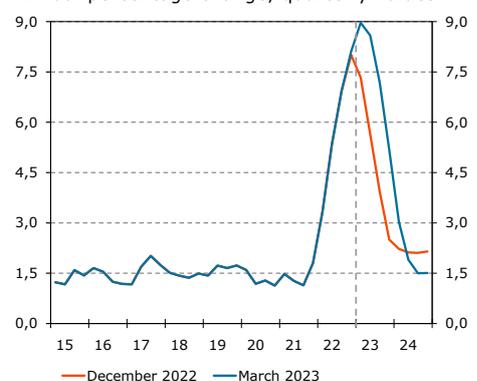
Per cent of GDP and per cent of potential GDP



Sources: Statistics Sweden and NIER.

Diagram 12 CPIF excluding energy

Annual percentage change, quarterly values

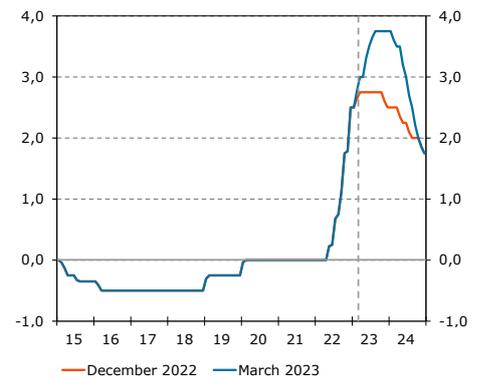


Sources: Statistics Sweden and NIER.

- The Riksbank is now expected to raise its policy rate to 3.75 per cent in summer 2023, rather than 2.75 per cent as forecast in December (see Diagram 13). The policy rate is then expected to come down more quickly next year than in our December forecast, but will still be slightly higher at the end of 2024 than we predicted in December. The upward revision of the policy rate path can be explained partly by the Riksbank's actions and communications and partly by the revision of our inflation forecast.
- Swedish GDP growth has been revised up by 0.5 percentage points for 2023. The main reason is that indicators point to much stronger growth in the first quarter. Growth over the rest of the year has been revised down.
- Growth in gross fixed capital formation for 2023 has been adjusted down by 0.6 percentage points. The downward adjustment is mainly explained by higher interest rates and falling housing prices, leading to lower homebuilding activity than assumed in December.
- Employment growth for 2023 has been revised up by 0.8 percentage points. This is partly due to surprisingly strong LFS data in recent months, and partly to various indicators pointing to employment performing better in the near term than anticipated in the December forecast.
- Despite this relatively large upward revision of employment, unemployment for 2023 has been revised down by just 0.2 percentage points. The reason is that the labour force is expected to grow much more quickly than predicted in December. The unemployment rate for 2024 has been revised up marginally, and it peaks at a slightly higher level than we forecast in December (see Diagram 14).

Diagram 13 Policy rate

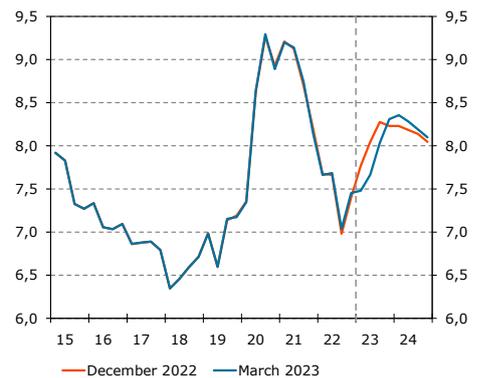
Per cent, monthly values



Sources: The Riksbank, Macrobond and NIER.

Diagram 14 Unemployment

Per cent of labour force, seasonally adjusted quarterly values



Sources: Statistics Sweden and NIER.

Table 2 Current Forecast and Revisions Compared to the December 2022 Forecast

Percentage change and percentage points respectively, unless otherwise indicated

	2023			2024		
	Mar	Dec	Diff	Mar	Dec	Diff
Global Economy						
GDP, World	2.6	2.2	0.4	2.9	2.9	0.0
GDP, KIX-weighted	1.1	0.7	0.4	1.7	1.9	-0.1
GDP, Euro Area	0.6	0.0	0.6	1.1	1.4	-0.3
GDP, US	1.3	0.6	0.6	0.9	1.0	-0.1
GDP, China	5.4	4.3	1.1	5.2	5.2	0.0
Federal Funds Target Rate ^{1,2}	5.00	4.75	0.25	3.75	4.00	-0.25
ECB Refi Rate ^{1,2}	4.00	2.75	1.25	3.00	2.00	1.00
Oil Price ³	76.9	81.1	-4.2	74.5	82.3	-7.8
CPI, KIX-weighted	5.9	6.1	-0.2	2.9	2.5	0.4
Domestic Economy						
GDP, Calendar-Adjusted	-0.4	-0.9	0.5	1.3	1.3	0.0
GDP	-0.6	-1.1	0.5	1.3	1.3	0.0
Household Consumption	-1.1	-1.0	-0.1	1.6	1.5	0.1
Government Consumption	1.2	1.2	-0.1	1.4	1.7	-0.3
Gross Fixed Capital Formation	-4.9	-4.3	-0.6	0.3	-0.5	0.8
Stockbuilding ⁴	-0.7	-1.0	0.3	-0.2	-0.2	0.0
Exports	1.8	0.8	1.0	2.6	3.1	-0.5
Imports	-1.6	-1.9	0.3	2.1	2.2	-0.1
Labour Market, Inflation, Interest Rates, etc.						
Hours Worked ⁵	0.8	0.6	0.2	0.2	0.9	-0.7
Employment	0.4	-0.4	0.8	-0.2	0.5	-0.8
Unemployment ⁶	7.9	8.1	-0.2	8.2	8.1	0.1
Labour Market Gap ⁷	-0.5	-0.9	0.4	-1.3	-1.0	-0.3
Output Gap ⁸	-1.5	-1.8	0.3	-2.2	-2.6	0.4
Productivity ⁵	-0.9	-1.4	0.4	1.1	0.4	0.7
Hourly Earnings ⁹	3.6	3.5	0.1	3.4	3.3	0.0
CPI	8.8	7.6	1.2	2.1	1.7	0.4
CPIF	6.1	5.2	0.9	1.7	1.0	0.8
Policy Rate ^{1,2}	3.75	2.50	1.25	1.75	1.75	0.00
10-Year Government Bond Yield ¹	2.5	1.8	0.7	2.5	1.9	0.6
Effective Krona Exchange Rate Index (KIX) ¹⁰	124.8	122.0	2.7	123.2	120.1	3.2
Current Account Balance ¹¹	6.3	5.5	0.8	6.7	5.3	1.3
Government Net Lending ¹¹	-0.1	0.1	-0.2	-1.0	-0.3	-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.

Note. The difference is between the current forecast and the June 2022 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	2021	2022	2023	2024	2025	2026	2027
World ²	100.0	6.0	3.2	2.6	2.9	3.1	3.1	3.1
KIX Weighted ³	75.1	5.4	3.1	1.1	1.7	2.1	2.1	2.1
US	15.7	5.9	2.1	1.3	0.9	1.7	2.0	2.0
Euro Area	12.0	5.3	3.5	0.6	1.1	1.6	1.5	1.5
Japan	3.8	2.2	1.0	1.0	1.1	0.8	0.7	0.6
UK	2.3	7.6	4.0	-0.3	0.8	1.8	1.7	1.6
Sweden	0.4	5.3	2.7	-0.4	1.3	3.3	2.8	1.7
Norway	0.3	4.0	3.2	1.2	1.4	1.8	1.8	1.8
Denmark	0.3	4.9	3.6	0.2	1.1	1.8	1.6	1.6
China	18.6	8.9	3.1	5.4	5.2	4.9	5.0	5.0
Sweden's Export Market⁴	...	8.8	7.5	2.2	2.8	3.2	3.2	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, 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	5.9	2.5	2.1	2.0	2.0
Japan	0.0	-0.2	2.5	2.6	1.8	1.5	1.3	1.3
UK	1.0	2.5	7.9	6.9	2.8	2.1	2.0	2.0
Sweden	0.5	2.4	7.7	6.1	1.7	1.8	2.0	2.0
Norway	1.2	3.9	6.3	5.0	2.1	1.9	2.0	2.0
Denmark	0.3	1.9	8.6	5.1	2.2	2.0	2.0	2.0
China	2.4	1.0	2.0	1.9	2.2	2.7	3.0	3.0

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

Sources: OECD, Eurostat, Macrobond and NIER.

Table A3 Selected Indicators for the Euro Area

Percentage change, percent, and level, respectively

	2020	2021	2022	2023	2024	2025	2026	2027
GDP ¹	-6.3	5.3	3.5	0.6	1.1	1.6	1.5	1.5
HICP	0.3	2.6	8.4	5.9	2.5	2.1	2.0	2.0
Policy Rate ²	0.00	0.00	2.50	4.00	3.00	1.75	1.75	1.75
Overnight Rate ³	-0.6	-0.6	1.9	3.4	2.4	1.3	1.3	1.3
10-Year Government Bond Yield ⁴	-0.5	-0.3	1.2	2.4	2.3	2.3	2.4	2.5
USD/EUR ⁵	1.14	1.18	1.05	1.09	1.09	1.10	1.10	1.11

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

Sources: ECB, Eurostat, Macrobond and NIER.

Table A4 Selected Indicators for the US

Percentage change, percent, and level, respectively

	2020	2021	2022	2023	2024	2025	2026	2027
GDP ¹	-2.8	5.9	2.1	1.3	0.9	1.7	2.0	2.0
CPI	1.2	4.7	8.0	4.1	2.5	2.3	2.3	2.3
Policy Rate ²	0.3	0.25	4.50	5.00	3.75	2.75	2.50	2.50
10-year Government Bond Yield ³	0.9	1.4	3.0	3.6	3.4	3.2	3.1	3.1
USD/EUR ⁴	1.14	1.18	1.05	1.09	1.09	1.10	1.10	1.11

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

³ Level, per cent. ⁴ Level.

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

Interest and Exchange Rates

Table A5 Interest and Exchange Rates

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

	2020	2021	2022	2023	2024	2025	2026	2027
At Year-End								
Riksbank Policy Rate	0.00	0.00	2.50	3.75	1.75	1.50	1.50	1.50
Policy Rate. KIX6-Weighted ¹	-0.38	-0.36	1.66	3.55	2.80	1.65	1.56	1.56
Annual Average								
Riksbank Policy Rate	0.00	0.00	0.75	3.37	2.80	1.53	1.50	1.50
5-Year Swedish Government Bond Yield	-0.3	0.0	1.6	2.4	2.1	2.1	2.2	2.4
10-Year Swedish Government Bond Yield	0.0	0.3	1.5	2.5	2.5	2.6	2.6	2.7
Effective Krona Exchange Rate Index (KIX)	118.5	114.3	121.1	124.8	123.2	121.5	119.8	118.1
EUR Exchange Rate	10.49	10.14	10.63	11.17	11.06	10.91	10.76	10.62
USD Exchange Rate	9.21	8.58	10.11	10.29	10.11	9.94	9.76	9.59

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 2021	2021	2022	2023	2024	2025	2026	2027
Household Consumption Expenditure ¹	2 403	6.3	2.1	-1.1	1.6	3.4	2.9	1.9
Goods	1 137	6.5	-1.8	-3.4	1.9	...	...	...
Services Excl. Housing Services	726	7.4	8.7	0.6	1.3	...	...	...
Housing Services	459	1.1	1.9	2.2	1.3	...	...	...
General Government Consumption Expenditure	1 409	2.8	0.0	1.2	1.4	1.5	1.8	1.7
Central Government	369	3.6	0.7	2.1	2.7	...	...	...
Local Government	1 040	2.5	-0.3	0.8	1.0	...	...	...
Gross Fixed Capital Formation ²	1 389	6.0	5.2	-4.9	0.3	4.5	5.4	3.1
Business Sector Excl. Housing	855	7.4	7.2	-3.0	0.5	...	...	...
Industry	192	14.6	10.3	0.3	-1.1	...	...	...
Other Goods Producers	144	-10.0	8.6	2.0	3.8	...	...	...
Service Producers Excl. Housing	519	10.5	5.6	-5.7	0.1	...	...	...
Housing	283	8.9	4.2	-17.9	-5.6	...	...	...
General Government	244	-1.4	-0.7	3.1	5.2	...	...	...
<i>Domestic Demand Excl. Stockbuilding</i>	<i>5 200</i>	<i>5.3</i>	<i>2.4</i>	<i>-1.5</i>	<i>1.2</i>	<i>3.2</i>	<i>3.3</i>	<i>2.2</i>
Stockbuilding ³	19	0.5	1.0	-0.7	-0.2	0.0	0.0	0.0
<i>Total Domestic Demand</i>	<i>5 219</i>	<i>5.7</i>	<i>3.4</i>	<i>-2.2</i>	<i>0.9</i>	<i>3.2</i>	<i>3.2</i>	<i>2.2</i>
Exports	2 528	10.0	6.6	1.8	2.6	3.3	3.3	2.8
Goods	1 789	8.9	3.8	2.1	2.6	...	...	...
Processed Goods	1 383	11.2	3.8	2.7	3.0	...	...	...
Raw Materials	406	-0.3	3.9	0.1	1.5	...	...	...
Services	739	12.7	13.4	1.0	2.5	...	...	...
<i>Total Demand</i>	<i>7 747</i>	<i>7.1</i>	<i>4.4</i>	<i>-0.9</i>	<i>1.5</i>	<i>3.2</i>	<i>3.3</i>	<i>2.4</i>
Imports	2 285	11.5	8.7	-1.6	2.1	3.4	4.0	3.5
Goods	1 574	10.8	2.6	-2.2	2.3	...	...	...
Processed Goods	1 178	15.3	3.0	-3.8	2.4	...	...	...
Raw Materials	396	-0.5	1.2	2.7	2.0	...	...	...
Services	711	12.8	22.3	-0.4	1.6	...	...	...
<i>Net Exports</i> ³	<i>243</i>	<i>-0.1</i>	<i>-0.6</i>	<i>1.6</i>	<i>0.4</i>	<i>0.1</i>	<i>-0.1</i>	<i>-0.2</i>
GDP	5 462	5.4	2.6	-0.6	1.3	3.1	2.9	1.9
GDP per Capita ⁴	524	4.8	2.0	-1.2	0.7	2.6	2.5	1.4

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 2021	2021	2022	2023	2024	2025	2026	2027
Total Earnings, Adjusted for External Transactions	2 137	5.7	6.5	4.2	3.0	5.4	5.4	4.5
Hourly Earnings (according to national accounts) ^{1,2}	274	2.6	3.9	3.3	2.8	3.9	4.1	3.9
Hours Worked ^{1,3}	7 770	3.1	2.4	0.9	0.2	1.4	1.2	0.6
Transfers From Government Sector, Net	712	2.1	5.9	2.4	4.3	0.4	1.7	2.5
Property Income, Net	378	37.4	1.5	-6.6	-2.4	16.4	4.5	3.8
Other Income, Net ⁴	332	2.7	6.9	3.7	11.7	4.2	4.7	3.4
Income Before Taxes⁵	3 559	7.3	5.9	2.7	3.6	5.2	4.5	3.9
Direct Taxes ⁶	953	-1.0	1.1	0.3	0.5	0.0	-0.1	-0.1
Disposable Income	2 606	6.2	7.1	3.0	4.1	5.2	4.5	3.8
Consumer Prices ⁷	...	2.0	7.2	5.8	1.6	1.9	2.1	2.1
Real Disposable Income	2 606	4.2	-0.1	-2.7	2.5	3.3	2.3	1.7
Per Capita ⁸	250	3.6	-0.7	-3.2	1.9	2.8	1.8	1.2
Consumption Expenditure⁹	2 403	6.3	2.1	-1.1	1.6	3.4	2.9	1.9
Saving ¹⁰	456	15.9	13.3	12.6	13.1	12.9	12.4	12.1
Net Saving in Negotiated Pension Funds ¹⁰	252	8.8	8.0	8.7	8.4	8.3	8.3	8.2
Own Saving ¹⁰	203	7.1	5.3	3.9	4.7	4.6	4.1	3.9
Net Lending ¹⁰	330	11.6	8.3	9.3	10.2	10.0	9.5	9.2

¹ Calendar-adjusted values. ² SEK per hour. ³ Employees only. ⁴ This also includes technical transfers to households through altered taxes and/or transfers, see table A20. ⁵ Growth in income before taxes is calculated as a weighted sum of the growth rates for total earnings, transfers, capital income and other income. ⁶ Direct taxes' contribution to the change in disposable income, expressed in percentage points. ⁷ Implicit price index for household consumption expenditure. ⁸ SEK thousand. ⁹ Constant prices ¹⁰ The first column is in SEK billion, current prices. The following columns are 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	243	144	239	280	286	275	261
Goods	204	215	204	282	299	...	...	...
Services	22	27	-60	-43	-18	...	...	...
Earnings, Net	12	10	12	14	14	15	15	15
Investment Income, Net	168	205	212	234	230	236	236	238
Transfers etc., Net	-100	-98	-102	-98	-102	-106	-117	-121
Current Account Balance	302	356	263	389	422	431	409	393
<i>Per cent of GDP</i>	6.0	6.5	4.4	6.3	6.7	6.5	5.8	5.4
Capital Transfers	2	0	4	2	2	2	2	3
Net Lending	304	357	266	391	425	433	412	395
<i>Per cent of GDP</i>	6.0	6.5	4.5	6.3	6.7	6.5	5.9	5.4

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		
GNI	2021	5 678	8.7	8.3	4.2	2.7	4.9	5.1	4.0	
Deflator, Domestic Use	...	...	2.6	7.2	4.8	1.4	1.9	2.4	2.3
Real GNI	...	...	6.0	1.1	-0.5	1.3	2.9	2.7	1.7
Population ¹	2021	10 416	0.6	0.6	0.6	0.5	0.5	0.5	0.5	
Real GNI per Capita²	545	5.4	0.5	-1.1	0.8	2.4	2.2	1.2

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 2021	2021	2022	2023	2024	2025	2026	2027
Goods Producers	1 296	5.8	1.3	-1.0	0.7	...	...	...
Of Which: Industry	721	8.7	1.4	-0.3	1.8	...	...	...
Construction	314	1.4	2.6	-2.4	-1.3	...	...	...
Service Producers	2 515	6.2	3.9	-0.4	1.6	...	...	...
Business Sector	3 810	6.1	3.0	-0.6	1.3	3.9	3.3	1.9
General Government	966	2.1	0.9	1.9	1.3	1.0	0.9	0.9
GDP at Basic Prices¹	4 837	5.2	2.6	-0.1	1.3	3.3	2.8	1.7
Taxes/Subsidies on Products	613	5.5	2.8	-2.5	1.0	3.1	2.8	1.7
GDP at Market Prices	5 450	5.3	2.7	-0.4	1.3	3.3	2.8	1.7

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 2021	2021	2022	2023	2024	2025	2026	2027
Goods Producers	1 901	2.0	1.3	-1.7	0.1	...	...	...
Of Which: Industry	959	4.5	0.7	-1.2	0.3	...	...	...
Construction	640	1.8	1.6	-3.8	-0.4	...	...	...
Services Producers	3 773	3.6	4.1	1.3	-0.5	...	...	...
Business Sector	5 674	3.1	3.2	0.3	-0.3	1.6	1.3	0.5
General Government	2 202	-0.1	0.4	2.2	1.3	0.9	0.9	0.9
Total Economy¹	8 052	2.3	2.4	0.8	0.2	1.4	1.2	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 2021	2021	2022	2023	2024	2025	2026	2027
Goods Producers	681	3.7	0.0	0.6	0.7	...	...	...
Of Which: Industry	751	4.0	0.6	0.9	1.5	...	...	...
Construction	491	-0.4	1.0	1.4	-0.8	...	...	...
Service Producers	666	2.5	-0.2	-1.7	2.1	...	...	...
Business Sector	672	2.9	-0.1	-0.9	1.6	2.3	1.9	1.5
General Government	439	2.1	0.5	-0.3	-0.1	0.2	0.1	0.1
Total Economy¹	601	2.9	0.3	-0.9	1.1	1.9	1.5	1.2

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 2021	2021	2022	2023	2024	2025	2026	2027
Hours Worked ¹	8 052	2.3	2.4	0.8	0.2	1.4	1.2	0.6
Average Hours Worked for Employed ²	30.6	1.3	-0.4	0.4	0.4	0.3	0.1	0.0
Number of Employed	5 059	0.9	2.7	0.4	-0.2	1.1	1.1	0.6
Employment Rate ³	...	67.3	69.0	68.9	68.5	68.9	69.3	69.4
Labour Force	5 547	1.3	1.2	0.8	0.2	0.7	0.5	0.5
Labour Force Participation Rate ⁴	...	73.8	74.5	74.8	74.6	74.8	74.9	74.9
Unemployment Rate ⁵	489	8.8	7.5	7.9	8.2	7.9	7.4	7.3
Population Aged 15–74 ⁶	7 512	0.0	0.3	0.5	0.4	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	7.2	7.3	7.3	7.4	7.3	7.3	7.3
Actual Unemployment ²	8.5	8.8	7.5	7.9	8.2	7.9	7.4	7.3
Potential Hours Worked	-0.4	0.5	0.9	1.1	1.0	0.8	0.5	0.5
Of Which: Potential Employment	0.9	0.9	0.8	0.7	0.6	0.5	0.5	0.5
Actual Hours Worked ³	-3.8	2.3	2.4	0.8	0.2	1.4	1.2	0.6
Labour Market Gap ⁴	-3.4	-1.6	-0.2	-0.5	-1.3	-0.7	-0.1	0.0
Productivity								
Potential Productivity	0.7	1.8	1.4	1.0	0.9	1.2	1.2	1.2
Of Which: Potential Productivity, Business Sector	1.7	1.7	1.6	1.5	1.4	1.5	1.6	1.6
Actual Productivity ³	1.5	2.9	0.3	-1.2	1.1	1.9	1.5	1.2
Productivity Gap ⁵	1.3	2.4	1.2	-1.0	-0.9	-0.2	0.1	0.0
GDP								
Potential GDP	0.4	2.3	2.3	2.2	2.0	2.0	1.8	1.7
Actual GDP ³	-2.4	5.3	2.7	-0.4	1.3	3.3	2.8	1.7
Output Gap ⁶	-2.1	0.7	1.0	-1.5	-2.2	-0.9	0.0	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
Business Sector	69	2.8	3.0	3.7	3.4	3.9	4.1	3.9
Goods Producers	21	2.7	2.8	3.9	3.4	...	...	...
Of Which: Industry	14	2.7	2.8	4.0	3.5	...	...	...
Construction	7	2.5	2.6	3.6	3.1	...	...	...
Service Producers	48	2.8	3.1	3.6	3.4	...	...	...
Local Government	25	2.6	2.2	3.4	3.3	...	...	...
Central Government	6	1.7	2.4	2.6	3.7	...	...	...
Total	100	2.6	2.7	3.6	3.4	3.9	4.1	3.9
Real Hourly Earnings (CPI) ¹	...	0.5	-5.6	-5.2	1.2	3.1	2.3	1.9
Real Hourly Earnings (CPIF) ²	...	0.2	-5.0	-2.5	1.6	2.1	2.1	1.9

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 2021	2021	2022	2023	2024	2025	2026	2027
Not Calendar-Adjusted Values								
Hourly Earnings ¹	281	1.7	4.1	4.4	2.9	4.6	3.5	3.3
Employers' Social Contributions ² (per cent of earnings)	...	42.7	41.7	42.9	43.0	43.5	43.8	44.1
Hourly Labour Costs ³	401	2.6	3.4	5.3	3.0	4.9	3.7	3.5
Productivity ⁴	650	2.9	-0.1	-0.6	1.6	...	...	...
Adjusted Unit Labour Costs ⁵	...	-0.3	3.5	6.0	1.3	...	...	...
Calendar-Adjusted Values								
Hourly Earnings ¹	283	2.0	4.1	3.8	2.9	3.9	4.1	3.9
Hourly Labour Costs ³	404	2.9	3.4	4.7	3.0	4.5	4.1	3.9
Productivity ⁴	652	3.1	-0.1	-1.0	1.6	...	...	...
Adjusted Unit Labour Costs ⁵	...	-0.2	3.5	5.8	1.3	...	...	...

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	2021	2022	2023	2024	2025	2026	2027
	2021							
GDP	70.5	2.9	5.7	4.6	1.6	1.8	2.2	2.2
General Government ^{1,2}	13.3	2.8	4.1	5.3	2.6	3.9	3.9	3.7
Business Sector ²	49.3	2.9	6.5	4.0	1.2	1.2	1.8	1.8
Product Taxes, Net	7.9	2.7	3.4	7.0	2.3	...	...	...
Imports	29.5	3.4	19.7	2.2	-3.7	0.2	0.0	0.0
Processed Goods	15.2	0.6	15.6	5.2	-3.9	...	...	...
Raw Materials	5.1	20.7	47.6	-5.9	-6.0	...	...	...
Services	9.2	-0.1	12.4	2.5	-2.3	...	...	...
Supply/Use³	100.0	3.0	10.0	3.8	-0.1	1.3	1.5	1.5
General Government Consumption Expenditure	18.2	3.0	5.5	5.5	2.9	2.6	3.5	3.3
Household Consumption Expenditure	31.0	2.0	7.2	5.8	1.6	1.9	2.1	2.1
Gross Fixed Capital Formation	17.9	3.5	8.8	2.3	-0.7	1.3	1.6	1.6
Exports	32.6	4.0	15.7	1.8	-2.9	0.2	0.0	0.0
Processed Goods	17.9	-0.4	14.9	4.5	-3.3	...	...	...
Raw Materials	5.2	32.5	30.3	-8.7	-5.4	...	...	...
Services	9.5	0.3	9.6	3.1	-0.7	...	...	...

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

	Level	2021	2022	2023	2024	2025	2026	2027
	2021							
Value Added ¹	3 852	8.5	8.3	3.0	2.5	5.0	5.3	4.0
Hours Worked, Employees ²	5 425	4.7	3.3	-0.3	-0.3	1.0	2.0	1.0
Hourly Labour Costs ³	401	2.6	3.4	5.3	3.0	4.9	3.7	3.5
Total Labour Costs ⁴	2 177	7.5	6.8	5.1	2.7	6.0	5.7	4.6
Gross Profit	1 675	9.9	10.3	0.3	2.2	...	...	...
Profit Share	...	43.5	44.3	43.2	43.0	42.5	42.3	42.0
Adjusted Profit Share ⁵	...	39.1	40.0	38.8	38.6	38.1	37.9	37.6

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	8.8	2.1	0.8	1.9	2.0
Mortgage Interest Costs, Mortgage Interest Rate	...	-6.5	17.8	70.4	5.3	-15.0	-2.1	-0.5
CPIF	100.0	2.4	7.7	6.1	1.7	1.8	2.0	2.0
Goods	43.1	0.3	7.3	8.5	0.0	...	...	...
Services	31.3	2.3	4.7	7.5	3.9	...	...	...
Housing Excl. Mortgage Interest Costs and Energy	16.1	2.1	4.2	5.2	3.4	...	...	...
Energy	6.3	17.0	32.9	-9.1	-1.7	...	...	...
Mortgage Interest Costs, Capital Stock	3.2	5.9	6.9	5.2	3.3	3.6	3.6	3.6
CPIF Excl. Energy	93.7	1.4	5.9	7.4	2.0	...	...	...
HICP	...	2.7	8.1	6.1	1.9	...	...	...
Crude Oil (Brent) ¹	...	70.7	100.8	76.9	74.5	74.6	76.7	79.3

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	2 430	2 646	2 835	2 934	3 014	3 145	3 309	3 452
<i>Per cent of GDP</i>	48.2	48.4	47.8	47.6	47.6	47.3	47.2	47.3
Taxes and Duties	2 132	2 331	2 449	2 555	2 613	2 723	2 869	2 993
<i>Per cent of GDP</i>	42.3	42.7	41.3	41.5	41.2	40.9	41.0	41.0
<i>Tax-to-GDP Ratio¹</i>	42.4	42.8	41.5	41.6	41.4	41.1	41.1	41.2
Property Income	68	66	103	87	99	109	121	129
Other Revenue	230	249	282	291	302	313	319	331
Expenditure	2 569	2 644	2 801	2 938	3 048	3 139	3 277	3 421
<i>Per cent of GDP</i>	51.0	48.4	47.3	47.7	48.1	47.2	46.8	46.9
Consumption Expenditure	1 332	1 409	1 486	1 586	1 655	1 724	1 816	1 909
Transfers	968	962	986	1 011	1 035	1 037	1 062	1 092
Households	711	725	767	786	820	824	838	860
Corporations	164	141	125	133	121	114	119	124
Abroad	93	97	94	92	95	100	105	109
Capital Formation ²	246	252	289	298	314	323	334	345
Property Expenditure	23	21	40	43	44	54	66	74
Technical Transfer to Households³	0	0	0	0	30	25	21	13
Net Lending⁴	-140	1	33	-4	-64	-19	10	19
<i>Per cent of GDP</i>	-2.8	0.0	0.6	-0.1	-1.0	-0.3	0.1	0.3
Primary Net Lending⁵	-184	-43	-30	-49	-119	-74	-45	-36
<i>Per cent of GDP</i>	-3.7	-0.8	-0.5	-0.8	-1.9	-1.1	-0.6	-0.5
Structural Net Lending	-102	-52	3	73	26	22	23	24
<i>Per cent of potential GDP</i>	-2.0	-1.0	0.0	1.2	0.4	0.3	0.3	0.3
Maastricht Debt	1 991	1 981	1 927	1 920	2 036	2 123	2 212	2 296
<i>Per cent of GDP</i>	39.5	36.3	32.5	31.2	32.1	31.9	31.6	31.5
GDP, Current Prices	5 039	5 462	5 926	6 160	6 338	6 653	7 003	7 293
Potential GDP, Current Prices	5 147	5 424	5 866	6 254	6 480	6 717	7 003	7 293
Net Financial Wealth	1 325	1 677	1 512	1 771	1 745	1 799	1 883	1 975
<i>Per cent of GDP</i>	26.3	30.7	25.5	28.8	27.5	27.0	26.9	27.1

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	1 253	1 400	1 507	1 549	1 579	1 636	1 721	1 794
Taxes and Duties	1 078	1 221	1 282	1 339	1 362	1 410	1 491	1 555
Property Income	31	25	53	31	33	35	37	39
Other Revenue	144	154	172	179	184	191	193	200
Expenditure	1 394	1 439	1 513	1 547	1 585	1 611	1 671	1 735
Transfers	912	923	929	935	943	925	938	956
Old-Age Pension System ¹	26	27	27	26	27	27	27	28
Local Government Sector	336	363	357	356	354	347	351	355
Households	338	345	373	375	394	387	389	396
Corporations	123	96	82	91	77	68	71	73
Abroad	89	92	90	87	91	95	100	104
Consumption Expenditure	338	365	395	417	441	472	504	538
Capital Formation ²	127	135	157	165	174	181	188	195
Property Expenditure	17	15	31	30	26	34	41	46
<i>Of which interest expenditure</i>	11	9	25	24	19	26	33	38
Technical Transfer to Households³	0	0	0	0	50	49	66	73
Net Lending	-141	-39	-5	2	-55	-24	-16	-14
<i>Per cent of GDP</i>	-2.8	-0.7	-0.1	0.0	-0.9	-0.4	-0.2	-0.2
Central Government Debt	1 218	1 145	1 030	1 019	1 102	1 154	1 201	1 240
<i>Per cent of GDP</i>	24.2	21.0	17.4	16.5	17.4	17.3	17.1	17.0
Net Financial Wealth	-224	-229	-213	-252	-319	-314	-301	-285
<i>Per cent of GDP</i>	-4.4	-4.2	-3.6	-4.1	-5.0	-4.7	-4.3	-3.9

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	373	389	408	429	451	472
Social Insurance Contributions	269	283	301	315	324	342	359	375
Central Government's Old Age Pension Contributions	26	27	27	26	27	27	27	28
Property Income	27	32	42	45	51	55	59	64
Other Revenue	3	3	4	4	5	5	5	6
Expenditure	334	340	355	368	379	390	403	418
Income Pensions	326	332	345	357	368	379	391	405
Property Expenditure	1	1	1	1	1	1	1	1
Other Expenses	7	8	9	10	10	11	11	12
Net Lending	-9	6	19	22	29	39	48	55
<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	1 858	2 176	2 243	2 319	2 406	2 501
<i>Per cent of GDP</i>	<i>34.1</i>	<i>37.3</i>	<i>31.4</i>	<i>35.3</i>	<i>35.4</i>	<i>34.9</i>	<i>34.4</i>	<i>34.3</i>

Sources: Statistics Sweden and NIER.

Table A23 Local Government Finances

SEK billion and percentage of GDP, respectively, current prices

	2020	2021	2022	2023	2024	2025	2026	2027
Revenue	1 224	1 300	1 349	1 388	1 420	1 466	1 527	1 581
Taxes	766	806	845	879	902	945	991	1 034
Municipal Property Tax	19	21	21	23	25	26	27	28
Central Government Grants incl. VAT Compensation	333	361	355	353	352	345	349	352
Property Income	10	8	9	12	15	20	26	28
Other Revenue	95	104	119	121	127	130	134	138
<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	1 213	1 266	1 329	1 416	1 477	1 524	1 593	1 663
Transfers	98	103	102	106	111	114	116	119
Households	49	49	50	54	58	58	57	58
Other	50	54	52	52	54	56	59	61
Consumption Expenditure	990	1 040	1 087	1 164	1 210	1 247	1 307	1 366
Capital Formation ²	119	117	131	133	139	142	146	150
Property Expenditure	6	6	8	12	17	21	24	28
Technical Transfer to Households³	0	0	0	0	-20	-24	-45	-60
Net Lending⁴	11	34	20	-28	-38	-33	-21	-22
<i>Per cent of GDP</i>	<i>0.2</i>	<i>0.6</i>	<i>0.3</i>	<i>-0.5</i>	<i>-0.6</i>	<i>-0.5</i>	<i>-0.3</i>	<i>-0.3</i>
Net Financial Wealth	-169	-129	-134	-152	-180	-206	-222	-241
<i>Per cent of GDP</i>	<i>-3.4</i>	<i>-2.4</i>	<i>-2.3</i>	<i>-2.5</i>	<i>-2.8</i>	<i>-3.1</i>	<i>-3.2</i>	<i>-3.3</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	15.0	14.1	13.8	13.7	13.7	13.7	13.7
Direct Business Taxes	3.0	3.5	3.2	3.0	3.0	3.0	3.0	3.0
Employers' Social Contributions ¹	11.5	11.6	11.3	11.5	11.6	11.6	11.7	11.7
VAT	9.2	9.1	9.2	9.3	9.2	9.3	9.3	9.3
Excise	2.0	1.9	1.6	1.6	1.7	1.7	1.8	1.8
Other Taxes	1.6	1.6	2.0	2.4	2.1	1.7	1.7	1.7
Tax-to-GDP Ratio²	42.4	42.8	41.5	41.6	41.4	41.1	41.1	41.2
EU Taxes ³	-0.1	-0.1	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1
Other Revenue ⁴	4.6	4.6	4.8	4.7	4.8	4.7	4.6	4.5
Primary Revenue	46.9	47.2	46.1	46.2	46.0	45.6	45.5	45.6
Property Income	1.3	1.2	1.7	1.4	1.6	1.6	1.7	1.8
Total Revenue	48.2	48.4	47.8	47.6	47.6	47.3	47.2	47.3

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	25.8	25.1	25.7	26.1	25.9	25.9	26.2
Transfers	19.2	17.6	16.6	16.4	16.3	15.6	15.2	15.0
Households	14.1	13.3	12.9	12.8	12.9	12.4	12.0	11.8
Corporations	3.2	2.6	2.1	2.2	1.9	1.7	1.7	1.7
Abroad	1.8	1.8	1.6	1.5	1.5	1.5	1.5	1.5
Capital Formation ¹	4.9	4.6	4.9	4.8	4.9	4.9	4.8	4.7
Primary Expenditure	50.5	48.0	46.6	47.0	47.4	46.4	45.9	45.9
Property Expenditure	0.5	0.4	0.7	0.7	0.7	0.8	0.9	1.0
Total Expenditure	51.0	48.4	47.3	47.7	48.1	47.2	46.8	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 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	7.2	7.0	7.2	7.3	7.1	7.0	6.9
Of Which Income Pension	6.4	6.1	5.8	5.8	5.8	5.7	5.6	5.6
Labour Market ²	0.9	0.8	0.6	0.6	0.6	0.5	0.5	0.4
Illness and Disability ³	1.6	1.5	1.5	1.4	1.4	1.3	1.3	1.3
Family and Children ⁴	1.7	1.6	1.5	1.4	1.4	1.4	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	0.3	0.2	0.2	0.2	0.2	0.2	0.2
Other ⁷	1.6	1.5	1.9	1.6	1.6	1.4	1.3	1.3
Total Transfers to Households	14.1	13.3	12.9	12.8	12.9	12.4	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	57.4	58.5	59.0	60.1
Increased Price Base Amount	48.3	48.6	49.3	53.5	58.6	59.7	60.2	61.4
Income-related Base Amount	66.8	68.2	71.0	74.3	77.0	79.0	82.2	85.6

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	3.7	2.6	3.9	4.1
Balance Index	3.8	2.2	4.1	4.6	3.7	2.6	3.9	4.1
Balance Ratio ¹	1.017	1.027	1.028	1.040	1.043	1.037	1.038	...
Nominal Income Pension²	2.1	0.5	2.5	3.0	2.0	1.0	2.3	2.5

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	-5	-79
Adjustments to Net Lending	35	-87	-112	-34	-21
Sales of Shares etc.	0	0	-1	0	0
Extra Dividends	-3	-7	-7	0	0
On-Lending	34	-77	-114	-11	-1
Other Adjustments	4	-3	10	-23	-20
Accruals	51	-32	-52	34	18
Of Which: Tax Accruals	44	-22	-43	43	18
Interest Accruals	7	-10	-10	-9	0
Other	-6	3	-4	6	27
Central Government Net Lending	-141	-39	-5	2	-55
Central Government Borrowing Requirement ¹	221	-78	-164	5	79
Stock-Flow Adjustments, Central Government Debt	-57	5	49	-16	4
Central Government Debt, Change	164	-73	-114	-12	84
Central Government Debt	1218	1145	1030	1019	1102
<i>Per cent of GDP</i>	<i>24.2</i>	<i>21.0</i>	<i>17.4</i>	<i>16.5</i>	<i>17.4</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	1 743	1 695	1 634	1 665	1 745	1 825
<i>Per cent of Potential GDP</i>	<i>33.9</i>	<i>31.3</i>	<i>27.9</i>	<i>26.6</i>	<i>26.9</i>	<i>27.2</i>
Capped Expenditure	1 501	1 551	1 564	1 593	1 655	1 706
<i>Per cent of Potential GDP</i>	<i>29.2</i>	<i>28.6</i>	<i>26.7</i>	<i>25.5</i>	<i>25.5</i>	<i>25.4</i>
Budgeting Margin	242	144	70	72	90	119
<i>Per cent of Capped Expenditure</i>	<i>16.1</i>	<i>9.3</i>	<i>4.5</i>	<i>4.5</i>	<i>5.4</i>	<i>7.0</i>

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

Table A31 Fiscal forecast and scenario in general government

SEK billion

	2024	2025	2026	2027	2024– 2027
Fiscal space	30	–1	38	35	102
Expenditure measures in general government concerning consumption and investment	–5	8	42	43	89
Transfer to households in the form of changes to taxes or transfer payments	30	–5	–4	–8	13
Structural net lending ¹	0.4	0.3	0.3	0.3	

¹ Per cent of potential GDP.

Note. The amounts refer to change compared to the previous year.

Source: NIER.

Table A32 Fiscal measures

SEK billion

	2024	2025	2026	2027	2024– 2027
Fiscal measures	25	3	38	35	102
Measures aimed at consumption and investment in the public sector	–5	8	42	43	89
Government consumption ¹	–7	0	21	24	37
Government investments ²	–11	–2	0	4	–10
Local government sector ³	14	11	22	16	62
Measures aimed at households⁴	30	–5	–4	–8	13

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 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.

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 2023, decisions were made on frameworks for 2024 and 2025. 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.

Source: NIER.