

#2

2024

ECONOMIC OUTLOOK

GOTHENBURG REGION



BUSINESS REGION
GÖTEBORG


Marginal improvement for key markets in 2024

REAL GDP GROWTH – FORECAST 2024-2025 (IN %) FOR SWEDEN AND SOME OF THE GOTHENBURG REGION'S KEY EXPORT MARKETS

Country	% of region's exports	Forecast averages		
		2024	2025	Change
Sweden*		0.5%	2.3%	+1.8%-p.
USA	15.5%	2.4%	1.7%	-0.7%-p.
Belgium	10.8%	1.3%	1.3%	±0.0%-p.
China	10.3%	4.8%	4.3%	-0.5%-p.
Norway	10.0%	1.2%	1.6%	+0.4%-p.
Germany	8.6%	0.1%	1.2%	+1.1%-p.
Denmark	7.5%	1.8%	1.5%	-0.3%-p.
Finland	5.8%	0.0%	1.7%	+1.7%-p.
United Kingdom	4.6%	0.4%	1.4%	+1.0%-p.
Netherlands	4.5%	0.5%	1.4%	+0.9%-p.
France	3.9%	0.6%	1.3%	+0.7%-p.
Export-weighted GDP growth for the region's top 10 key markets	81.5%	1.6%	1.9%	+0.3%-p.
Eurozone		0.5%	1.5%	+1.0%-p.
World		3.0%	3.1%	+0.1%-p.

$$e_{it} = \frac{\text{export} - \text{weighted growth}_{it}}{\text{export} - \text{weight}_{it}} = \frac{\text{forecast average}_{it}(x_1, x_2, \dots, x_k)}{\text{export} - \text{weight}_{it}}$$

...for country i at year t and forecast institute x_j .

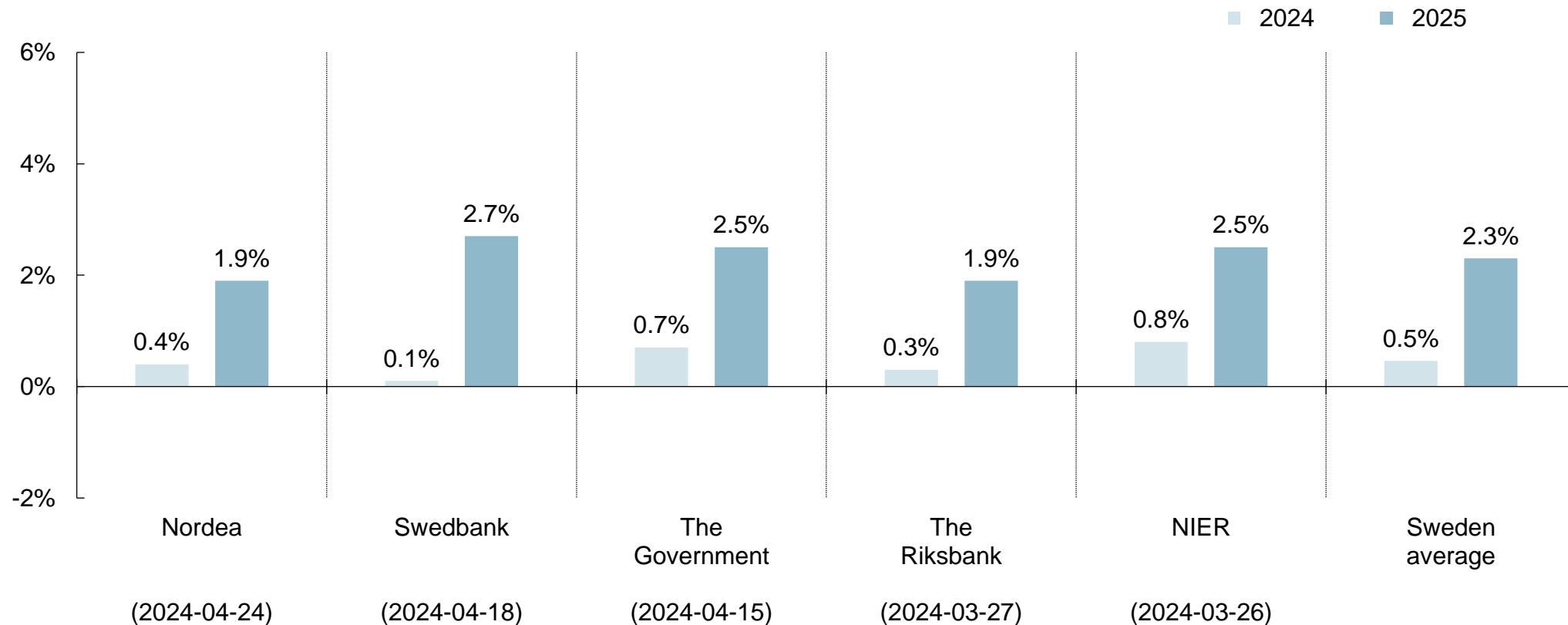
$$\sum_{i=1}^n e_{it}$$


Source: Nordea, IMF, Swedbank (April 2024) and EU (February 2024)

* Average of the five last forecasts in the summary produced by the National Institute of Economic Research (NIER), 26 March – 24 April 2024.

Weak Swedish growth 2024 expected to reverse in 2025

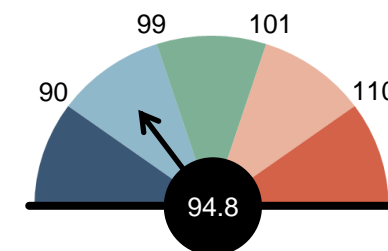
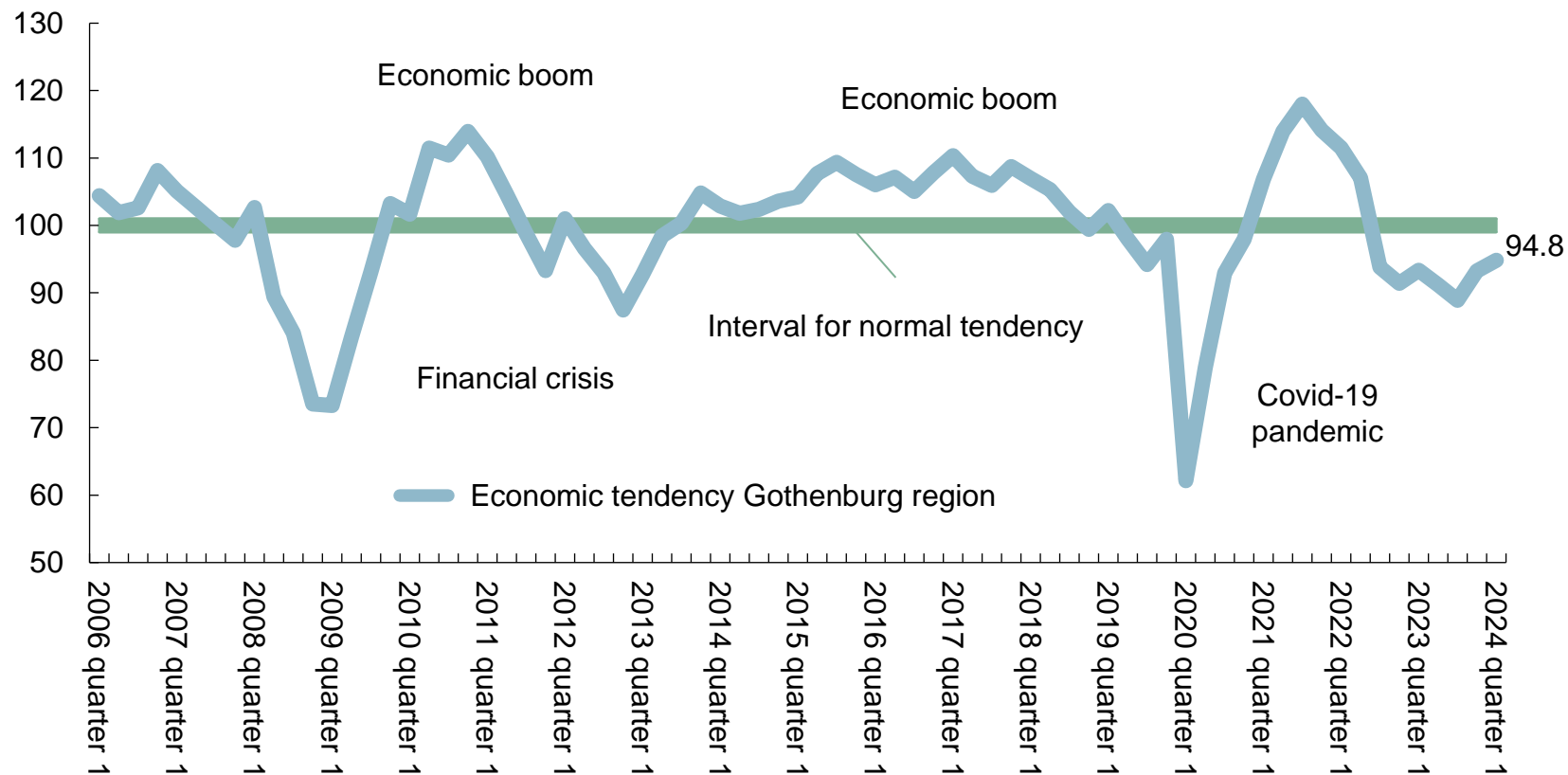
THE FIVE LATEST FORECASTS OF SWEDEN'S GDP GROWTH (IN %), 2024-2025



Source: National Institute of Economic Research (NIER)

Normal weak state for the region's businesses continues

ECONOMIC TENDENCY INDICATOR FOR BUSINESSES IN THE
GOTHENBURG REGION – PER QUARTER FROM 2006



- Recession: < 90
- Normal weak: 90 < 99
- Normal tendency: 99 < 101
- Normal strong: 101 < 110
- Boom: ≥ 110

1,590 companies in Gothenburg region's business environment got the survey. 703 companies answered, which gives a response rate of 44 per cent.

Survey period:

28 March – 17 April 2024

Source: National Institute of Economic Research

Economic tendency indicator per sector

- Recession: < 90
- Normal weak: 90 < 99
- Normal tendency: 99 < 101
- Normal strong: 101 < 110
- Boom: ≥ 110

ECONOMIC TENDENCY INDICATOR PER SECTOR FOR BUSINESSES IN THE GOTHENBURG REGION, QUARTER 1 2024



Construction

87.7

Recession

(-1.3) (-6.9)
quarterly annually



Commerce

100.6

Normal

(+2.7) (+17.9)
quarterly annually



Manufacturing

99.7

Normal

(+2.0) (-9.4)
quarterly annually



Services

93.8

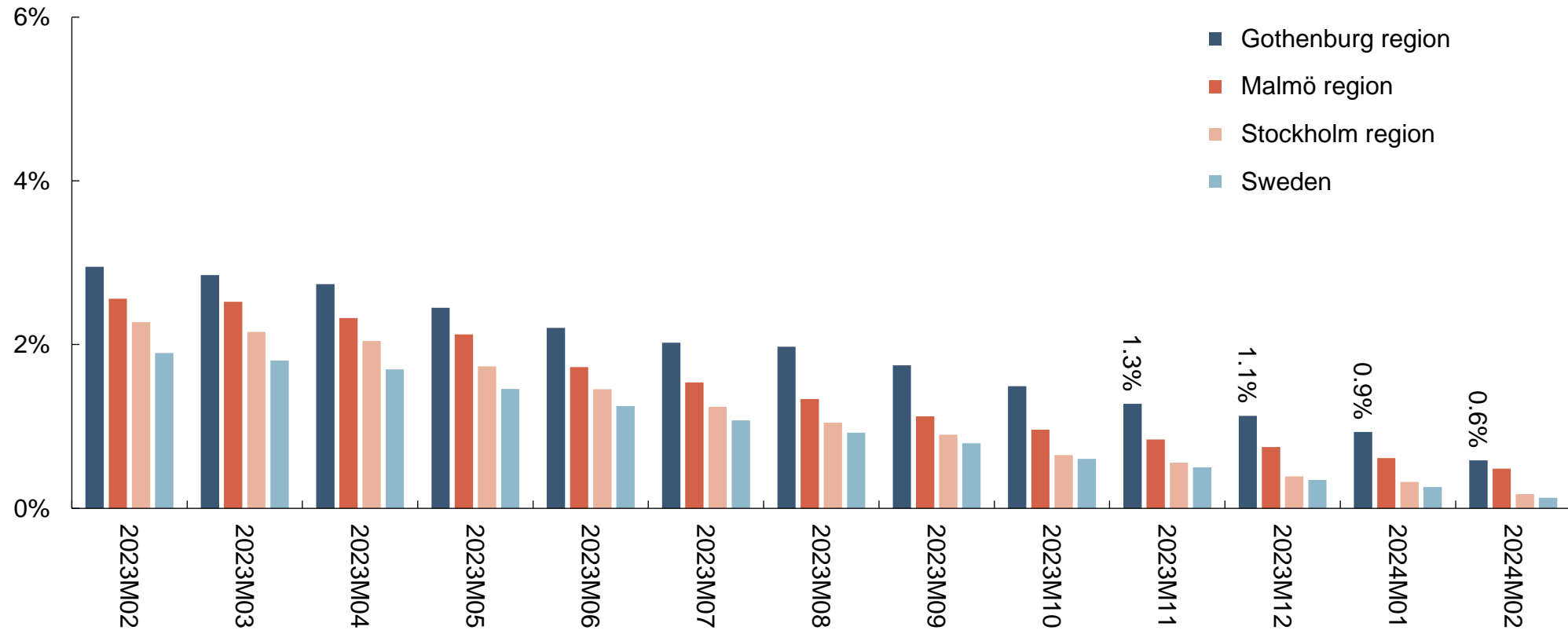
Normal weak

(+1.2) (+1.0)
quarterly annually

Source: National Institute of Economic Research

Job growth still losing momentum

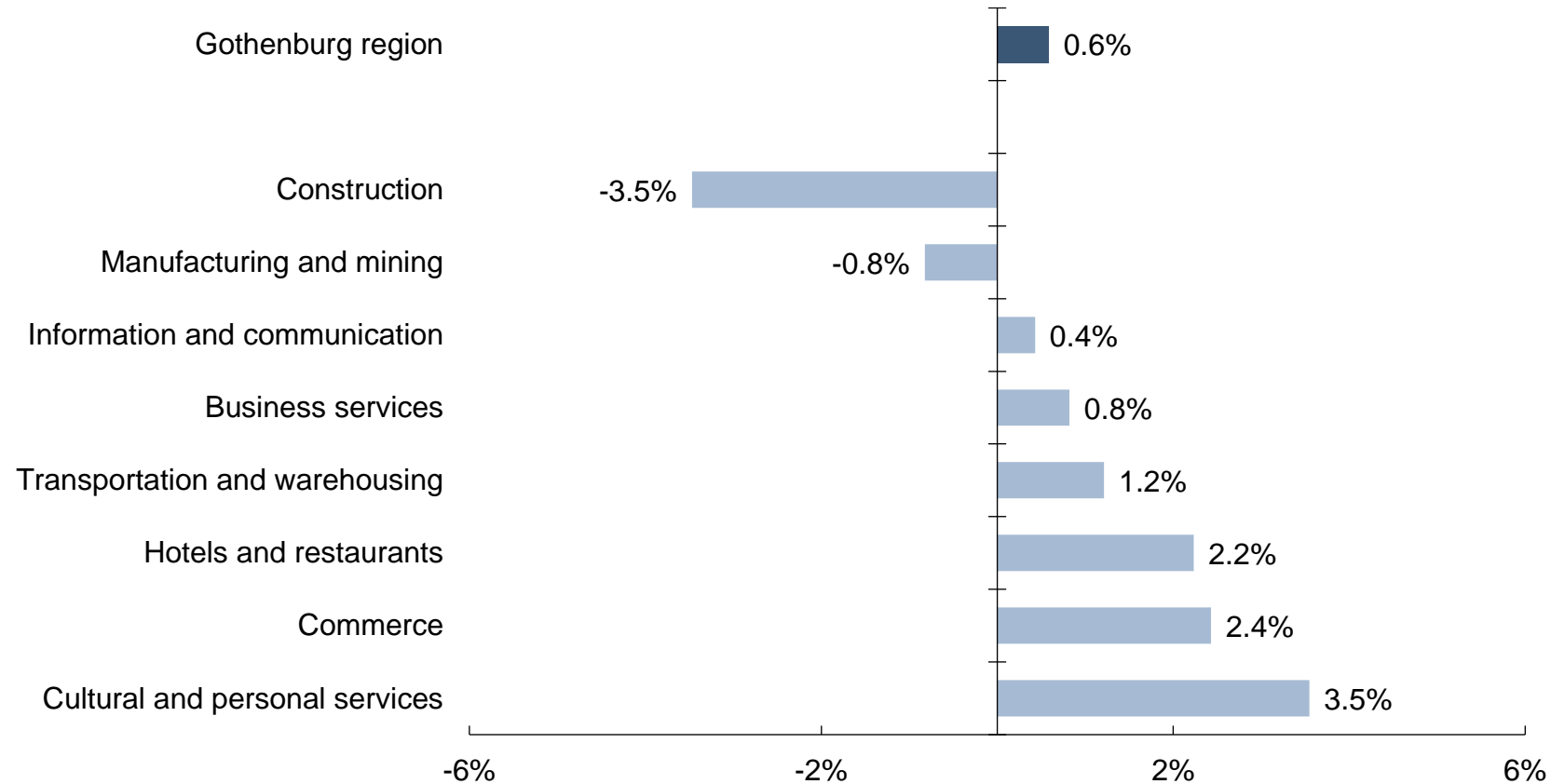
EMPLOYMENT INDICATOR – ANNUAL PERCENTAGE CHANGE IN NUMBER OF EMPLOYED AGED 15-74, THREE-MONTH AVERAGE



Source: Statistics Sweden

Job growth by roughly defined sectors in the Gothenburg region

AVERAGE CHANGE (IN %) IN EMPLOYED PERSONS AGED 15-74 BY SECTOR,
DEC 2023 - FEB 2024 COMPARED TO DEC 2022 - FEB 2023

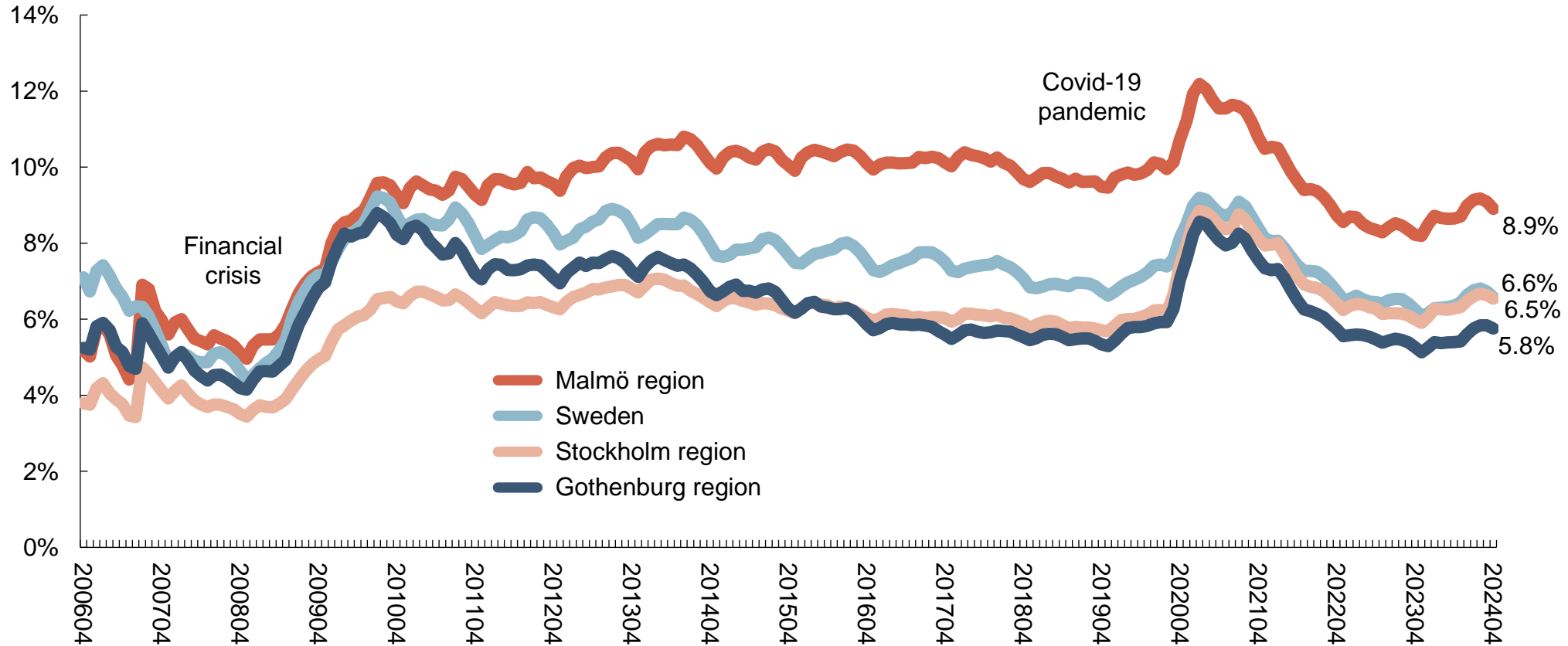


Source: Statistics Sweden

Note: the figure only shows the average percentage change in employees in the region's larger roughly defined sectors – this is due to that small changes in smaller sectors can lead to great fluctuations in percentage terms.

Sharpest increase in unemployment among youths

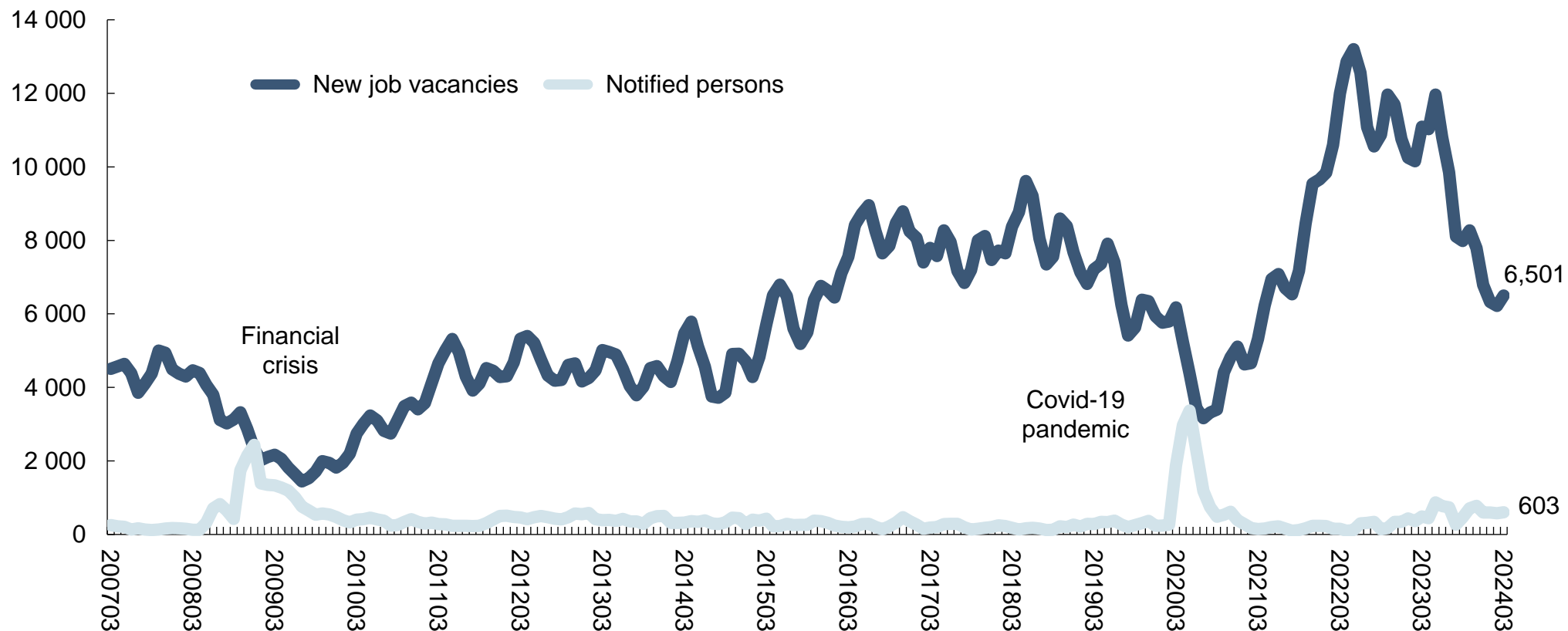
UNEMPLOYED AND PEOPLE IN LABOUR MARKET POLICY PROGRAMMES –
PERCENTAGE OF THE WORK FORCE AGED 16 TO 65



Source: Swedish Public Employment Service

New vacancies have almost halved in the past year

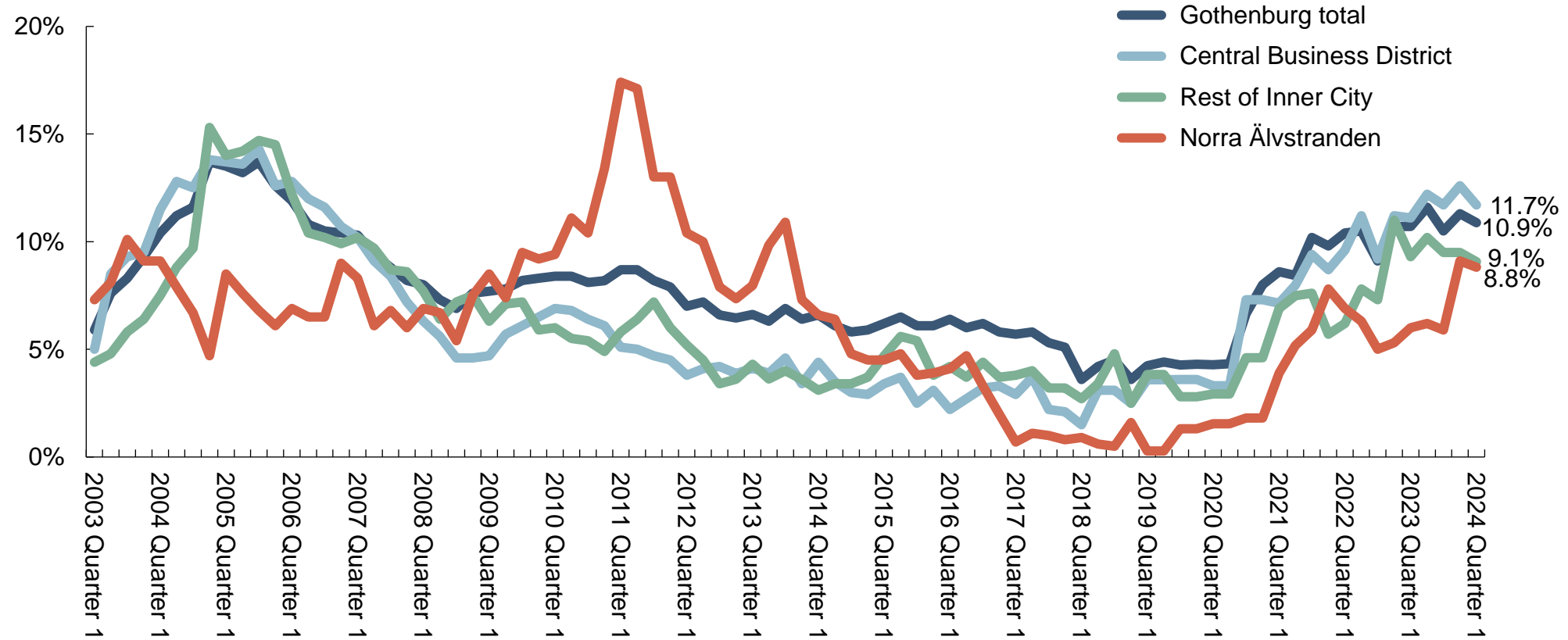
NEW JOB VACANCIES FOR PERMANENT POSITIONS AND NOTIFIED PERSONS IN THE GOTHENBURG REGION, THREE-MONTH AVERAGE



Source: Swedish Public Employment Service

The office vacancy rate marginally up year-on-year

VACANCY RATE FOR THE OFFICE MARKET IN GOTHENBURG



Source: JLL

Upwards for the housing prices in Gothenburg region

PRICE DEVELOPMENT OF FLATS AND HOUSES, APRIL 2024 COMPARED TO 1, 3, 6 AND 12 MONTHS BACK IN TIME

Housing type	Region	1 month	3 months	6 months	12 months
Flats	Gothenburg region	0.7%	2.8%	4.1%	1.6%
	Stockholm region	1.4%	4.7%	5.9%	4.0%
	Malmö region	0.2%	2.3%	5.8%	3.1%
	Sweden	1.2%	3.7%	5.2%	3.2%
Houses	Gothenburg region	0.5%	2.1%	1.9%	1.5%
	Stockholm region	1.1%	4.3%	4.1%	1.6%
	Malmö region	0.8%	4.0%	2.7%	4.6%
	Sweden	1.9%	4.1%	4.2%	1.9%

Source: SBAB Booli

Bankruptcies and affected employees still increasing

NUMBER OF BANKRUPTCIES AND AFFECTED EMPLOYEES IN THE GOTHENBURG REGION,
BY SECTOR, JANUARY-MARCH 2024

Sector	Bankruptcies		Affected employees	
	Number	Annually	Number	Annually
Commerce	58	+19	90	+13
Business services	55	+7	82	-156
Construction	51	+15	218	+146
Hotels and restaurants	23	+4	44	+12
Manufacturing and mining	14	+6	176	+162
Information and communication	14	+7	5	-8
Transportation and warehousing	11	+2	43	+22
Financial services and insurance	6	+4	0	-20
Property	6	-3	0	-1
Cultural and personal services	4	+2	0	0
Other sectors	57	+17	6	-24
Gothenburg region total	299	+80	664	+146

Source: Statistics Sweden and Growth Analysis

Summarising table

Indicator	2024	2023	Change
Export-weighted GDP growth key markets	1.6%	1.6%	±0.0%-p.
Economic tendency, Q1	94,8	93,3	+1.5 units
Construction	87,7	94,6	-6.9 units
Commerce	100,6	82,7	+17.9 units
Manufacturing	99,7	109,1	-9.4 units
Services	93,8	92,8	+1.0 units
Employed persons, Dec-Feb (monthly average)	569,179	565,871	+0.6%
Unemployment, April			
Total 16-65 years	5.8%	5.3%	+0.5%-p.
Domestically born 16-65 years	3.3%	2.7%	+0.6%-p.
Foreign-born 16-65 years	12.8%	12.7%	+0.1%-p.
Total 18-24 years	5.9%	5.0%	+0.9%-p.
Domestically born 18-24 years	4.7%	3.5%	+1.2%-p.
Foreign-born 18-24 years	12.1%	9.7%	+2.4%-p.
New job vacancies, Q1 (monthly average)	6,501	11,091	-41.4%
Notified persons, Q1 (monthly average)	603	490	+23.1%
Office vacancy rate in Gothenburg, Q1	10.9%	10.7%	+0.2%-p.
Price index flats, April	1.827	1.798	+1.6%
Price index houses, April	1.739	1.713	+1.5%
Number of bankruptcies, Q1	299	219	+36.5%
Affected employees, Q1	664	518	+28.2%
Air passengers, Q1 (monthly average)	345,386	333,001	+3.7%
Guest nights, Q1 (monthly average)			
Total	345,967	339,185	+2.0%
Domestic	262,836	267,033	-1.6%
Foreign	83,131	72,152	+15.2%
Hotels occupancy rate, Q1 (monthly average)	52.6%	57.0%	-4.4%-p.
New car registrations, Q1	6,060	7,025	-13.7%
of which electric cars	1,864	2,531	-26.4%

Sources

- *Export-weighted GDP growth*
Nordea, IMF, Swedbank and EU
- *Economic tendency*
National Institute of Economic Research
- *Employed persons*
Statistics Sweden
- *Unemployment*
Swedish Public Employment Service
- *New job vacancies / notified persons*
Swedish Public Employment Service
- *Office vacancy rate*
Jones Lang LaSalle (JLL)
- *Price index housing*
SBAB Booli
- *Bankruptcies / affected employees*
Growth Analysis and Statistics Sweden
- *Air passengers*
Swedish Transport Agency
- *Guest nights and hotel occupancy*
Swedish Agency for Economic and Regional Growth
- *New car registrations*
Transport Analysis





BUSINESS REGION
GÖTEBORG

BUSINESS REGION GÖTEBORG – A PART OF THE CITY OF GOTHENBURG IN COOPERATION WITH THE REGION