



#3  
2023

# ECONOMIC OUTLOOK

GOTHENBURG REGION

-0.2%<sub>points</sub>  
unemployment

91.4  
economic tendency  
(normal weak)

+2.2%  
employment  
growth

+1.5%  
export-weighted growth  
key markets 2023



BUSINESS REGION  
GÖTEBORG

## SUMMARY

The Gothenburg region's companies experience the current tendency as a situation that is normal, yet of weak standard. Many simultaneous ongoing factors continue to dampen the future expectations on the outlook in 2023 and 2024. As a consequence of the current world situation, the expected GDP growth, for the region's key markets and for Sweden as a whole, is clearly weaker than in a normal state. The most recent period shows, among other things, that job growth in the Gothenburg region has lost a lot of pace – however, there are many new job vacancies available in the region. At the same time, unemployment increases from month to month, but on an annual basis, a reduction is still seen. Similar to our previous report, both notifications and bankruptcies increase and companies in the Gothenburg region continue to be pessimistic about the period ahead.

## TRADE AND INDUSTRY

### Small improvement in key markets, yet outlook still weak

For the most recent period, forecast institutes such as OECD, EU and some of the major Swedish banks remain pessimistic about GDP growth in 2023 and 2024 in key markets for our export-intensive businesses. Especially with regard to the USA and China.

The United States, the Gothenburg region's largest export market, is expected to grow by 1.8 per cent in 2023 - which is expected to decrease to 0.8 per cent in 2024. The outcome for the first quarter of the year was better than expected for the American economy as growth stopped at 2 per cent. During the second quarter of 2023, preliminary GDP figures for the American economy show that the economy is expected to grow by 2.4 per cent. In terms of inflation, the Fed's many interest rate increases, most recently in July 2023, have yielded results. In July 2023, inflation was just above 3 per cent, which can be compared to July 2022, when inflation was around 9 per cent. The target inflation at 2 per cent is still a clear goal for the Fed, which continues to pressure the ECB and the Swedish Riksbank to also continue increasing their benchmark interest rates. Despite the recent developments, the US economy is still expected to be headed for a period with slow economic growth. Looking at China's economy, recent developments have been worse than expected. During the first and second quarter of 2023, growth landed at 4.3 and 6.3 per cent, respectively. It may look high, but 2022's low Chinese growth due to a series of shutdowns, meant that expectations for 2023 were higher than the outcome. Currently, the country also experiences a weakened demand, falling property prices and high unemployment among youths. However, with a growth around 5 per cent, China continues to be the key market with the strongest economic growth expectations in 2023 and 2024.

The economies of Denmark and Finland are still expected to be slightly unchanged in 2023, whereas Norway is predicted to grow by 1.2 per cent. For the Netherlands, the UK and France, GDP growth is expected to increase somewhat in 2023, whereas a marginal decrease is expected in Germany. Looking at the Eurozone as a whole, expectations are again strengthened somewhat as the predicted average GDP growth for 2023 stops at 0.7 per cent. For our key markets, economic growth in 2023 is expected to either decrease slightly or increase slightly in all markets, except in China. Overall, our export-weighted GDP growth in key markets for 2023 shows increased growth of 1.5 per cent. The export-weighted GDP growth for 2023 shows that our key markets are somewhat strengthened compared to the previous report. However, since our first Economic Outlook report in 2022, the export-weighted GDP growth for 2023 has decreased by 1 percentage point, from 2.5 per cent to 1.5 per cent.

The economies of our key markets will be significantly weaker in both 2023 and 2024. A number of underlying factors are behind this development. Among other things, Russia's invasion of Ukraine. More temporary stops in value chains of the global market and labour shortages have resulted in rising prices for energy, raw materials and transportation, higher inflation and, as a result of this trend, also higher interest rates. We still assess that the production of our export-intensive businesses can be affected by disruptions ahead, but also that a slower global demand may affect our companies' global revenue generation, as well as their employment plans ahead.

### Sweden's economy still expected to be in a recession

In the National Institute of Economic Research's compilation of the latest forecasts for Sweden's GDP growth, the low expectations for Sweden that we presented in the previous Economic Outlook report have now become somewhat gloomier. Russia's invasion of Ukraine, a weakening of the world market, reduced private sector investments, high energy prices and inflation, higher interest rates and rents and a reduced domestic consumption are seen as the most prominent factors that have contributed to the low expectations of the Swedish economy. The average of the five most recent forecasts for Sweden's GDP growth still shows signs of a recession and the economy is expected to shrink by 0.9 per cent in 2023. Sweden's GDP growth is expected to reverse in 2024 with a predicted growth rate at the low of 0.3 per cent – which is clearly below the trend for Sweden and much slower than the average for the Eurozone.

The economic tendency for Sweden decreased in both June and July and continues to decrease also in August 2023. At the moment, the economic tendency in the Swedish private sector is in a very weak state. Among other things, the indicator for the services sector decreased, which was mainly due to weak demand expectations for the coming period combined with a weak current state for services. For the third consecutive month, the economic tendency within manufacturing deteriorated. The decline within manufacturing is explained by further weakened expectations on future production. The economic tendency indicator also decreased somewhat within retail trade, and the sector continues to be in a gloomy state of economic tendency. Within construction, however, the tendency indicator increased. House builders and specialized construction activities mainly contributed to the lift within construction.

### Normal weak state continues for businesses in the region

The National Institute of Economic Research's survey for the second quarter of 2023 shows that the situation weakens somewhat for the Gothenburg region's businesses. The economic tendency indicator for the latest period stops at 91.4 (-15.7 units on an annual basis). Thus, the current situation indicates that the region's businesses continue to experience a state of economic tendency that is 'normal weak' (see the interval interpretation to the right).

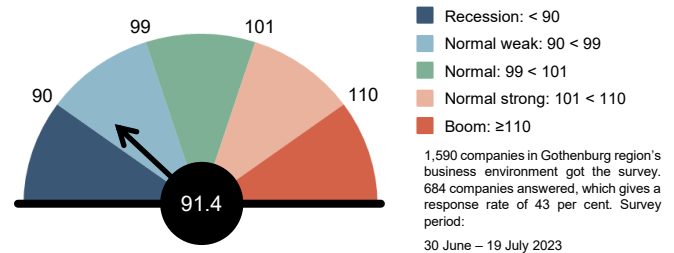
### REAL GDP GROWTH – FORECAST 2023-2024 (IN %) FOR SWEDEN AND SOME OF THE GOTHENBURG REGION'S KEY EXPORT MARKETS

Country	Share of region's exports	Forecast averages			
		2023		2024	
Sweden*		-0.9%	↗	0.3%	
USA	14.7%	1.8%	↘	0.8%	
Belgium	10.5%	1.0%	↗	1.4%	
China	10.3%	5.2%	↘	4.5%	
Norway	10.2%	1.2%	↘	0.7%	
Germany	7.5%	-0.2%	↗	0.9%	
Denmark	7.4%	0.9%	↗	1.4%	
Finland	5.6%	0.0%	↗	0.8%	
UK	4.5%	0.2%	↗	0.7%	
Netherlands	4.1%	1.3%	→	1.3%	
France	3.4%	0.7%	↗	1.0%	
GDP growth for Gothenburg region's top 10 export markets (weighted by export share)		78.2%	1.5%	→	1.5%
Eurozone			0.7%	↗	1.1%
World			2.7%	↗	2.8%

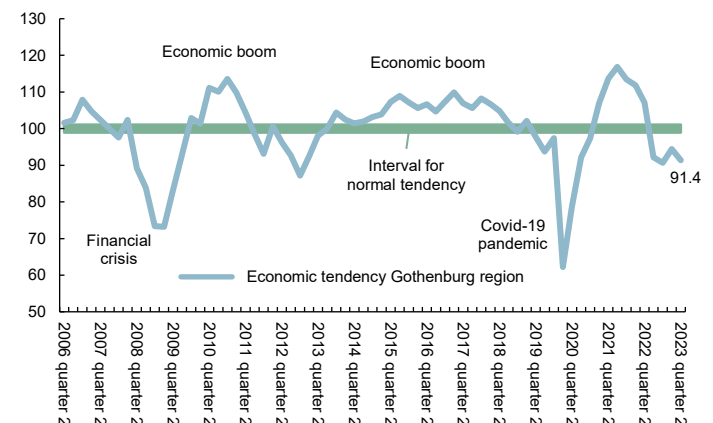
Source: Nordea (September 2023), SEB and Swedbank (August 2023), OECD (June 2023) and EU (May 2023)

\* Average of the five last forecasts in the summary produced by the National Institute of Economic Research (NIER) based on data from Nordea, SEB, Swedbank and the Swedish Government x2 (30 June – 6 September 2023).

### ECONOMIC TENDENCY INDICATOR FOR BUSINESSES IN THE GOTHENBURG REGION – SECOND QUARTER 2023



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



Source: National Institute of Economic Research

## Recession within the region's construction sector

Also for this period, the economic tendency within the region's construction sector continues to appear gloomy in its trajectory. Somewhat more construction companies state that the construction volume has decreased during the second quarter (net balance -13). The survey shows that about three fifths of the companies currently experience a lower construction volume due to a poor demand. Also, finances have contributed to a limited construction volume for just above one fifth of the companies. In addition, more of the construction companies state that the number of employees has decreased in the most recent period (net balance -34). Preliminary figures for dwelling starts in newly constructed buildings (multi-dwelling buildings and one-or-two-dwelling buildings) during the first half of 2023 show a decrease of 52 per cent in the Gothenburg region compared to the same period in 2022. Looking at Gothenburg alone, the corresponding figure is a decrease of a full 61 per cent. With this development in the rearview mirror, nearly half of the construction companies in the Gothenburg region (net balance -45) currently experience a decreased backlog.

The outlook for the region's construction sector continues to be very pessimistic in terms of construction volume and employees. Considerably more construction companies (net balance -56) expect a decreased construction volume during the third quarter of 2023. The number of employees within construction is also expected to continue to decrease as more companies state that less staff is needed ahead (net balance -33). The ongoing survey question, outlook one year from now, shows that the region's construction companies continue to be pessimistic, as indicated by a net balance of -55. The construction sector's economic tendency indicator for the second quarter of 2023 stops at 86.6, which indicates an economic tendency in recession.

## Commerce remains in a recession

In previous three subsequent Economic Outlook reports, the economic tendency within the region's commerce sector (incl. e-commerce, etc.) has been in a state of recession. Also in this Economic Outlook report, the economic tendency indicator for the second quarter 2023 remains at a low of 83.9, which indicates that commerce companies continue to experience a period of recession. More commerce companies state that both sales and profitability have decreased compared to those that state that they have increased during the second quarter. When it comes to employees, the proportion of commerce companies that have decreased their employees is still seen to be greater than the group of companies that have increased their employees.

The situation remains tough within commerce, yet companies' future expectations are slightly optimistic - at least in terms of sales volume. More commerce companies (net balance 20) believe in increased sales during the third quarter of the year. Also, more commerce companies (net balance -24) plan to decrease their employees in the coming period. On the other hand, the number of visits to Gothenburg's densest area for retail stores shows an increase for the most recent period. Among other things, the number of visits in Gothenburg's Inner City during the period May-July 2023 increased by just above 13 per cent, from an average of 3.8 to 4.3 million visits per month, compared with the same period in 2022.

## Normal weak within manufacturing

During the first quarter of 2023, the economic tendency for the region's manufacturing companies was in a booming state. In the most recent period, however, the sector has slowed down considerably. With an economic tendency indicator at 98.9 for the second quarter, manufacturing still has the strongest tendency in the region - yet, the current state is now at a normal weak. The production volume has increased during the second quarter and the capacity utilised still remains high at 84 per cent. Only a few more manufacturing companies state that employees (net balance 3) and profitability (net balance 2) have increased.

The production volume is, however, expected to decrease ahead (net balance -27). At the same time, more manufacturing companies expect to lay off staff (net balance -47) during the third quarter 2023. The survey shows that several factors continue to limit the present state of production. Among other things, just above one third of the manufacturing companies state that a weak demand has limited their production. Other factors are above all lacking materials and equipment. Despite this development, two fifths of the companies state that no factors have limited their production.

## Still normal weak for services in the region

In the survey for the second quarter of the year, the Gothenburg region's services sector remains in a normal, yet weak economic tendency. In terms of demand for services, a few more services companies (net balance 4) say that demand has increased during the second quarter, whereas the profitability has decreased (net balance -16). In terms of number of employees (net balance 22), more services companies have increased their employees during the second quarter of 2023. It is worrying, however, that 40 per cent of the services companies state that labour shortages limit their present services operations. Almost half of the services companies also state that a poor demand, at the moment, is limiting the operations.

The outlook is positive. In general, the services companies predict that demand for their services will increase (net balance 23). Simultaneously, more services companies (net balance 28) state that they expect to employ more staff during the third quarter of 2023. Currently, the services sector in the Gothenburg region continues to experience an outlook that is at a normal weak state. The economic tendency indicator for services stops at 94.1.

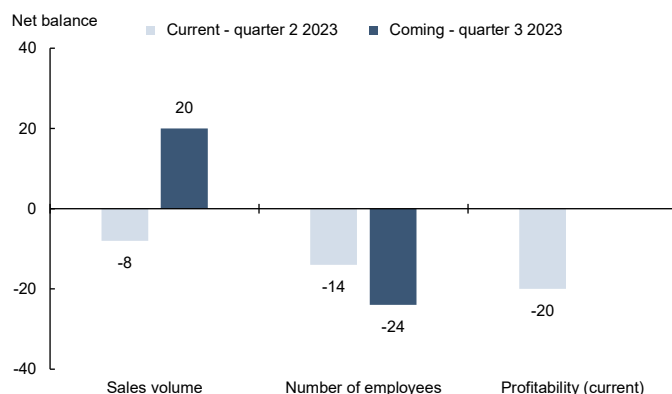
### ECONOMIC TENDENCY INDICATOR PER SECTOR FOR BUSINESSES IN THE GOTHENBURG REGION, QUARTER 2 2023 (COMPARED TO QUARTER 2 2022)

Construction	Commerce	Manufacturing	Services
<b>86.6</b>	<b>83.9</b>	<b>98.9</b>	<b>94.1</b>
(-17.4)	(-12.6)	(-22.4)	(-9.9)

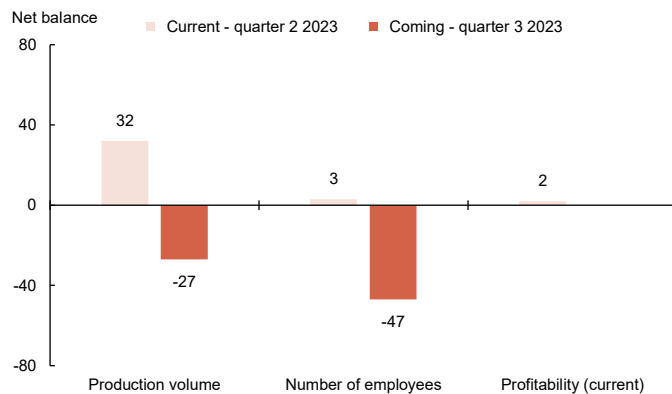
## CONSTRUCTION IN GOTHENBURG REGION, CURRENT AND COMING



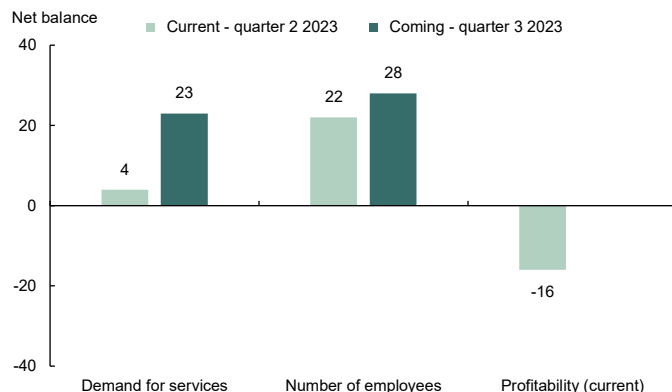
## COMMERCE IN GOTHENBURG REGION, CURRENT AND COMING



## MANUFACTURING IN GOTHENBURG REGION, CURRENT AND COMING



## SERVICES IN GOTHENBURG REGION, CURRENT AND COMING



Source: National Institute of Economic Research

## Job growth loses momentum in the second quarter

In several of our Economic Outlook reports, in 2021, 2022 and also in the first quarter of 2023, we have observed a strong job market in the Gothenburg region – and the situation now is that the region's job growth loses momentum. At the end of the second quarter of this year, job growth in the Gothenburg region was at 2.2 per cent on an annual basis. Just above 574,000 people were employed, which can be compared with approximately 562,000 people in the same period the year before. The figure for the most recent quarter continues to show positive job growth in the Gothenburg region, but compared to previous Economic Outlook reports, the job growth has lost momentum as the level of job growth is clearly lower. However, the increase in the Gothenburg region shows that job growth is stronger than in the Stockholm region (+1.4% on an annual basis) and in the Malmö region (+1.7% on an annual basis). The job growth for Sweden remained at 1.2 per cent.

The Gothenburg region's companies currently experience a state of economic tendency that is 'normal weak'. Yet, demand for skilled labour remains high, especially within the region's services sector. We see that the current job growth has lost momentum and we expect that the job growth will lose further momentum ahead.

During the last quarter, we see that employment has grown fairly well within energy and the environment, hotels and restaurants, financial services and insurance, knowledge-intensive business services and information and communication. Among other things, the radar system supplier Saab Surveillance announced early on in June that the company will employ around 200 people in Gothenburg. By the end of July, it also became known that the burger chain Mister York is looking for just over 100 new employees to run its new establishments in Gothenburg. Early in September, the e-commerce company in kids and baby products, Jollyroom, also announced that the company started its recruiting of 100 new employees in August in preparation for this year's Christmas shopping period. Another investment that can bring increased job growth forward is the electric car manufacturer Polestar's establishment of a new office for research and development in Gothenburg. Polestar's investment, which became known at the end of May, could result in hundreds of new jobs for the region. The largest job potential ahead is the investment of Northvolt and Volvo Cars in a battery factory and a R&D centre on Hisingen (about 3,300 jobs). Other projects with great job potential in the region are the development around Säve Airport, GoCo in Mölndal and Link40 in Härryda.

## Unemployment increases from month to month

Unemployment on an annual basis in the Gothenburg region continues to decrease in August, but seen from month to month during the most recent period, a certain increase is seen in the region's unemployment. Historically, unemployment tends to rise during the summer months, mainly in terms of increased youth unemployment – however, we cannot yet confirm whether the latest period's increase is a summer effect or simply a deterioration in the labour market. In August 2023, unemployment was at 5.5 per cent in the Gothenburg region (-0.2%-points on an annual basis), which corresponds to about 30,300 persons (unemployed and in labour market policy programs). Of the registered people in the region, 41 per cent are domestically born and 59 per cent are foreign-born. About one fourth of the people in unemployment have been out of work for more than two years. Just above 3,200 of these people are youths (aged 18-24). In the Stockholm region, unemployment was at 6.3 per cent (-0.1%-points on an annual basis) and in the Malmö region at 9.0 per cent (+0.1% points on an annual basis). Unemployment in Sweden remains at 6.4 per cent (-0.2%-points on an annual basis).

The unemployment rate continues to fall on an annual basis for all the groups we follow in the Gothenburg region's labour market. The largest decrease in unemployment is still observed among foreign-born people. In August 2023, for example, unemployment among foreign-born youths was at 12.1 per cent (-3%-points on an annual basis). Despite sharp reductions, unemployment continues to be very high for foreign-born people. Looking at the entire group of foreign-born people, unemployment was at 12.7 per cent in August 2023 (for Sweden as a whole the corresponding figure was at 15.2%). For the total group of youths aged 18-24 in the Gothenburg region, unemployment remained at 6.1 per cent in August (-0.6%-points on an annual basis). For Sweden as a whole, the unemployment among youths in August stopped at 7.8 per cent.

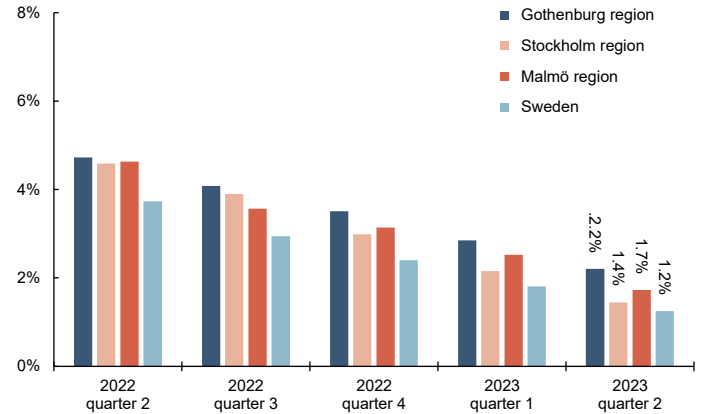
The economic tendency is weak at the moment and companies in the region expect that the final half of 2023 will remain weak, which is also expected to spill over into 2024. Our expectation is that it will be more difficult to make new entries into the Gothenburg region's job market ahead, which may increase the level of unemployment.

## Notified persons in the region continue to increase

Since the end of 2021, new job vacancies in the Gothenburg region's labour market remain at a high level and continue to be difficult to match with job seekers in the region's workforce. During the period May to July 2023, an average of about 9,900 new job vacancies for permanent positions were advertised per month in the Gothenburg region. This, however, corresponds to a decrease of just above 11 per cent compared with the same period a year before. Most new job vacancies with a permanent position are still advertised within business services, followed by the health care and care sector, education, commerce and hotels and restaurants (there may be some duplication in the new job vacancy statistics, but the indicator is still assessed to be relevant to follow).

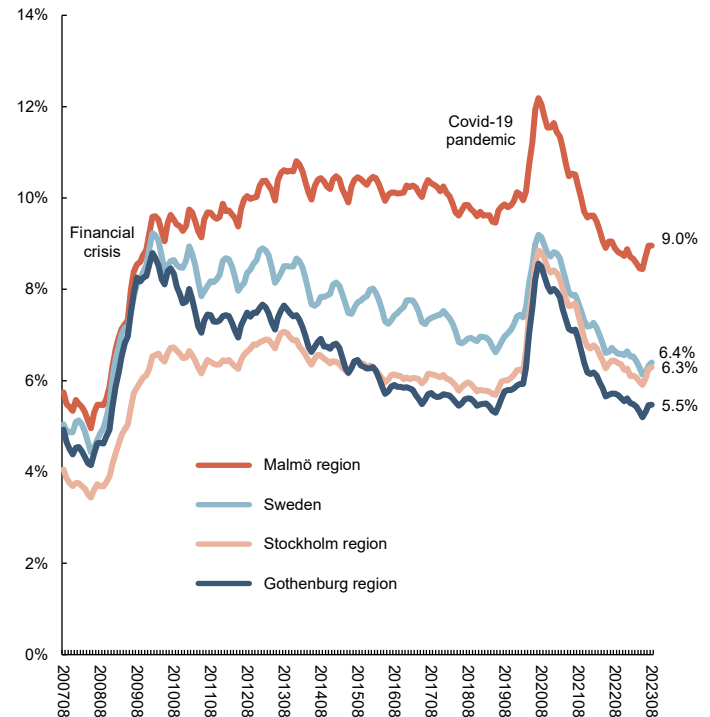
For the period May to July 2023, notified persons continue on an upturn, yet still from a low level. The most recent period had an average of 735 notified persons per month (an increase of approximately 135% on an annual basis). The average number of notifications per month for the most recent period is well above the median for the 2000s at 300 notified persons per month. Mostly, the notifications in the region during the latest period are linked to the sectors 'manufacturing', 'construction', 'commerce', and 'transportation and warehousing'. Early in May 2023, Volvo Cars announced that the company will lay off a large part of its staff in Sweden, and the decision affects around 1,300 employees, mainly in Gothenburg and Skövde. In addition to Volvo Cars' major notice, no other major notices have been announced during the period, but rather many smaller notices in Gothenburg and Mölndal, which together account for just above 98 per cent of all notices in the region during the period May-July 2023. Our assessment is that the notifications in the Gothenburg region will continue to increase going forward.

## EMPLOYMENT INDICATOR - PERCENTAGE CHANGE IN NUMBER OF EMPLOYED AGED 15 TO 74 ON ANNUAL BASIS



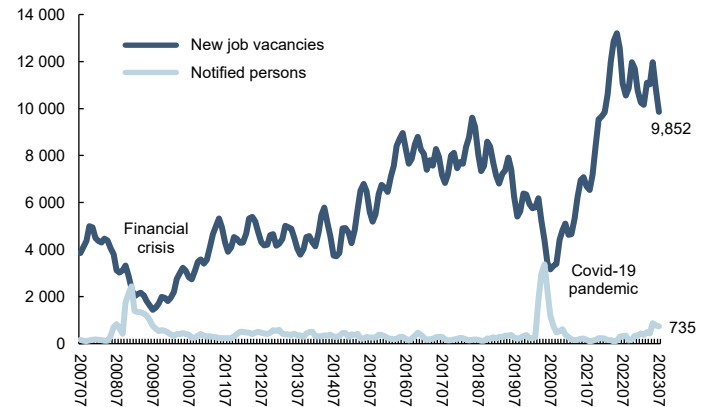
Source: Statistics Sweden

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



Source: Swedish Public Employment Service and Statistics Sweden

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



Source: Swedish Public Employment Service

## OTHER INDICATORS

### Gothenburg's office vacancy rate continues up

In JLL's real estate market data for the second quarter, the vacancy rate for offices in Gothenburg continues to increase. During the second quarter of 2023, Gothenburg listed 11.6 per cent vacant space for offices, which is an increase by 1.1 percentage points on an annual basis. The largest increases, on an annual basis, are seen in the districts Mölndal and in the Remaining Inner City. In Gothenburg's Central Business District (CBD), the office vacancy rate reaches 12.2 per cent. During the first half of this year, Gothenburg's office vacancy rate has reached the highest levels since 2006. Approximately 13,000 m<sup>2</sup> office space was completed during the second quarter (in CBD and Mölndal). Just above 158,000 m<sup>2</sup> office space is under production for completion in 2023-2025 (mostly in CBD, but also in Mölndal and in Lindholmen). Office rents, on an annual basis, are unchanged in most of the districts of Gothenburg, yet increase in the Remaining Inner City and in CBD (refers only to prime rents).

### Short term housing prices up in Gothenburg region

In SBAB Booli's September summary for housing prices in August 2023 we see that housing prices increase in the very short term. The sharpest price increase for flats over the last month is observed in the Gothenburg region and the Stockholm region, whereas in the last three-month period prices of flats have decreased in all three metropolitan regions. Also, on an annual basis, flat prices show a decrease, with an exception in the Stockholm region. In August 2023, the prices of flats decreased by 1.7 per cent on an annual basis in the Gothenburg region. The corresponding figure in the Stockholm region was an increase of 1.4 per cent, whereas the decrease in flat prices in the Malmö region stopped at 3.1 per cent on an annual basis.

House prices continue to fall over the past year. Among the metropolitan regions, the Stockholm region sees the largest decrease with 4.8 per cent on an annual basis, followed by the Gothenburg region (-4.0%) and the Malmö region (-2.2%). Looking at 1-6 months, however, the house prices increase in all three metropolitan regions. The sharpest price increase for houses the last 3-6 months is seen in the Malmö region, whereas the Gothenburg region sees sharpest increase in the last month.

### Bankruptcies and affected employees continue to increase

The most recent period shows that bankruptcies continue to increase and so also employees affected by bankruptcy. Recent developments, thus, indicate that the average company that has been declared bankrupt is a slightly bigger company compared to before. During the period May to July 2023, 235 companies in the Gothenburg region filed for bankruptcy, which corresponds to an increase of 49.7 per cent compared with the same period a year before. The bankruptcies during the latest period have primarily affected companies within commerce and construction, but also other sectors such as business services and hotels and restaurants.

In terms of affected employees, as due to bankruptcy, we see a clear continued increase. Between May and July 2023, 527 employees in the Gothenburg region were directly affected when their employers filed for bankruptcy (which corresponds to an increase of 95.9 % on an annual basis). Manufacturing is the sector with the most affected employees (roughly above one third of the people affected by a bankruptcy). Moreover, also construction and commerce have a large share of the employees that have been affected by a bankruptcy lately.

### Summer brings an extremely good situation for hospitality

Travels to and from the Gothenburg region continue the process of recovery at a good pace. During the period May to July 2023, Gothenburg Landvetter Airport had an average of approximately 521,000 air passengers per month (+11.2% on an annual basis). Of the air passenger journeys made in the most recent period, 12 per cent are domestic journeys, 83 per cent are European journeys and the remaining 5 per cent comprise of journeys to the rest of the world. However, the total travel for the period January-July 2023 is approximately one million air passenger journeys lower compared to the same period in 2019 – which indicates that there is still a bit to go in order to reach a full recovery.

In the most recent period the Gothenburg region's hospitality sector shows that the average number of guest nights is significantly higher than the corresponding figure for 2019. During the period May to July 2023, the number of guest nights spent at the region's hotels, hostels and campsites increased by approximately 5 per cent. Looking at the period, an average of just above 681,000 guest nights per month were spent in the Gothenburg region, of which just above 201,000 guest nights per month were from foreign visitors. Looking at the occupancy rate (which here only refers to hotels) in the Gothenburg region, it confirms that the situation lately for the Gothenburg region's hospitality sector has been extremely good. For July 2023 alone, the occupancy rate was at a high of 83.3 per cent, yet seen as an average per month during the latest period, the occupancy rate reached just above 74 per cent.

### Electric car sales still growing strongly

Trends in the consumption of durable goods, such as the number of newly registered cars, is an important indicator when assessing the state of the private economy. During May to June 2023, just above 8,400 new cars were registered in the Gothenburg region (-1.8% on an annual basis). Just above two fifths of the new sold cars were electric cars. For electric cars alone, new car sales increased by 47.4 per cent on an annual basis. In July 2023, about 1,900 new cars were sold in the region (of which 38% were electric cars), which historically, is a very weak sales figure for that particular period. It is also a sign of a private economy that is more cautious in combination with an increasingly weaker economic tendency.

### PRICE DEVELOPMENT OF FLATS AND HOUSES, AUGUST 2023 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	0.8%	-1.4%	1.1%	-1.7%
	Stockholm region	0.8%	-1.6%	0.2%	1.4%
	Malmö region	-2.2%	-1.6%	-0.7%	-3.1%
	Sweden	0.6%	-1.2%	0.5%	-0.3%
Houses	Gothenburg region	6.8%	3.9%	3.1%	-4.0%
	Stockholm region	4.3%	1.7%	0.6%	-4.8%
	Malmö region	6.3%	4.7%	5.5%	-2.2%
	Sweden	1.8%	0.8%	1.2%	-7.7%

Source: SBAB Booli

### NUMBER OF BANKRUPTCIES AND AFFECTED EMPLOYEES IN THE GOTENBURG REGION, BY SECTOR, MAY-JULY 2023

Sector	Bankruptcies		Affected employees	
	No.	Annually	No.	Annually
Commerce	52	+29	67	+55
Construction	42	+18	92	-41
Business services	41	+19	31	+30
Hotels and restaurants	16	-2	5	-62
Transportation and warehousing	10	+1	51	+51
Information and communication	9	+3	13	+11
Property	6	-2	3	+3
Manufacturing and mining	5	-2	179	+174
Health care and care	5	0	34	+34
Cultural and personal services	5	+1	12	+2
Other sectors	44	+13	40	+1
<b>Gothenburg region total</b>	<b>235</b>	<b>+78</b>	<b>527</b>	<b>+258</b>

Source: Statistics Sweden and Growth Analysis

### SUMMARY OF THE ECONOMIC SITUATION IN THE GOTENBURG REGION – COMPARISON WITH CORRESPONDING PERIOD PREVIOUS YEAR

Indicator	2023	2022	Change
Economic tendency, Q2	91.4	107.1	-15.7 units
Employed persons, Q2	574,192	561,812	+2.2%
Unemployment, August			
Total 16-65 years	5.5%	5.7%	-0.2%-p.
Domestically born 16-65 years	3.0%	3.1%	-0.1%-p.
Foreign-born 16-65 years	12.7%	13.7%	-1.0%-p.
Total 18-24 years	6.1%	6.7%	-0.6%-p.
Domestically born 18-24 years	4.6%	4.7%	-0.1%-p.
Foreign-born 18-24 years	12.1%	15.1%	-3.0%-p.
New job vacancies, May-July (monthly av.)	9,852	11,077	-11.1%
Notified persons, May-July (monthly average)	735	313	+134.8%
Office vacancy rate in Gothenburg, Q2	11.6%	10.5%	+1.1%-p
Price index flats, August	1.786	1.816	-1.7%
Price index houses, August	1.780	1.855	-4.0%
Number of bankruptcies, May-July	235	157	+49.7%
Affected employees, May-July	527	269	+95.9%
Air passengers, May-July (monthly average)	520,987	468,487	+11.2%
Guest nights, May-July (monthly average)	681,079	648,425	+5.0%
New car registrations, May-July	8,407	8,563	-1.8%
of which electric cars	3,630	2,463	+47.4%

Source: National Institute of Economic Research, Statistics Sweden, Swedish Public Employment Service, JLL, SBAB Booli, Growth Analysis, Swedish Transport Agency and Transport Analysis

Business Region Göteborg (BRG) strives to achieve sustainable growth and employment in the Gothenburg region's 13 municipalities. The report is based on analyses conducted by BRG and compilations of surveys and other sources, with the latter including Statistics Sweden, Swedish Public Employment Service, National Institute of Economic Research, SBAB Booli, JLL, Growth Analysis, Swedish Agency for Economic and Regional Growth and Swedish Transport Agency. Unless stated otherwise, the statistics refer to our member municipalities: Ale, Alingsås, Gothenburg, Härryda, Kungälv, Kungsbacka, Lerum, Lilla Edet, Mölndal, Partille, Stenungsund, Tjörn and Öckerö. The contact persons for the Economic Outlook Report are Peter Warda, Senior Analyst and Henrik Einarsson, Head of Establishment. The report and all tables and charts can be downloaded from [www.investingothenburg.com](http://www.investingothenburg.com).

## Some definitions regarding the survey from the National Institute of Economic Research

### The economic tendency indicator

The economic tendency indicator is an overall measure of the perceptions and expectations for i) all sectors as a total and ii) each sector, respectively. The indicator is calculated as an average of the net balance for a number of questions in the survey, then followed by a standardisation into a new time series with an average value of 100 and a standard deviation of 10.

With this new time series it is possible to produce five distinct categories of the current economic tendency among businesses: Recession ( $< 90$ ), normal weak economic tendency ( $90 < 99$ ), normal economic tendency ( $99 < 101$ ), normal strong economic tendency ( $101 < 110$ ) and boom ( $\geq 110$ ).

### The net balance

The net balance is the difference between the proportion of respondents who answered, for example, increased (better) or decreased (worse) to a question. The net balance takes values between -100 (all answers are negative) and +100 (all answers are positive). An example:

40% of the companies state that sales have increased, 10% state that sales have decreased and 50% of the companies' state that sales are unchanged. The net balance in this case will be 30 ( $40 - 10 = 30$ ).

All responses are weighted by firm size in the survey. The weight applies to both the economic tendency indicator and the net balance.

### What is included in the four sectors?

The survey only includes answers from companies in the private sector. Public producers of goods and services are not part of the survey from the National Institute of Economic Research. Sectors are classified according to the Swedish Standard Industrial Classification (SNI).



The construction industry includes construction of buildings, civil engineering and specialised construction activities such as demolition, electrical and other construction installations, HVACs work and final treatment of buildings etc.

**SNI: 41-43**

**What is included in construction?**

**What is included in commerce?**

Commerce includes companies within car sales, wholesale, daily goods sales and durable goods sales, as well as e-commerce and other sales.

**SNI: 45-47**



Manufacturing includes all industries in the private sector, such as production of intermediate goods, textiles, food, machinery, chemicals, automotive and much more.

**SNI: 10-33**

**What is included in manufacturing?**

**What is included in services?**

Services comprises all services from the private sector such as transportation, hotels and restaurants, business services, information and communication, property, financial services and insurance and cultural and personal services and much more.

**SNI: 49-96, all public SNI-codes excluded**

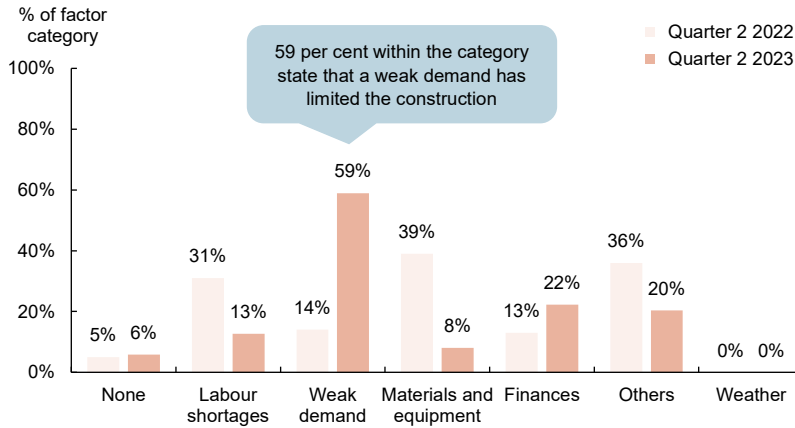


## Companies' limitations

In the survey from the National Institute of Economic Research questions are also asked, depending on sector and factor, whether the companies have experienced any kind of limitations to their operation, production and construction. The additional survey questions on limitations do not cover the commerce sector, thus answers here are only reported for the three sectors construction, manufacturing and services.

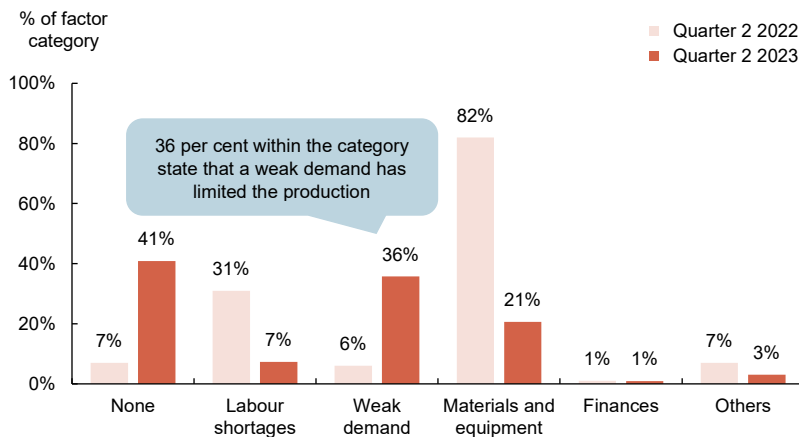
The answers refer to the share within a specific factor category. For example, if 50 out of 100 construction companies answer that a 'weak demand' has limited the construction, then the share is 50 per cent. Note that, companies can state more than one underlying factor for the limitation, which implies that the summation across factor categories can result in a sum that is greater than 100 per cent.

### Factors that limit the construction during quarter 2 2023



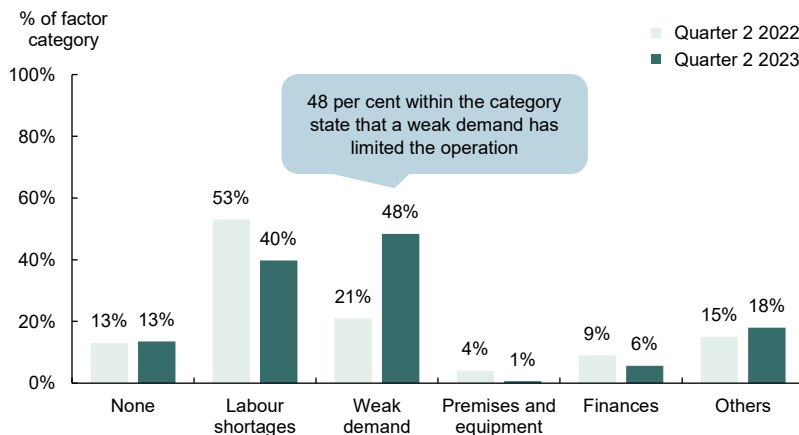
## Construction

### Factors that limit the production during quarter 2 2023



## Manufacturing

### Factors that limit the operation during quarter 2 2023



## Services



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