



#3

2024

# ECONOMIC OUTLOOK

GOTHENBURG REGION

+0.8%-points  
unemployment

95.1  
economic tendency  
(normal weak)

-0.3%  
employment  
growth

+1.7%  
export-weighted growth  
key markets 2024



BUSINESS REGION  
GÖTEBORG

# ECONOMIC OUTLOOK #3 2024

## SUMMARY

In two out of four sectors, the Gothenburg region's companies experience the current situation as normally weak. The region's commerce sector, however, perceives the economic tendency as normally strong. Only within construction the companies continue to sense a recessionary economic tendency, yet the expectations ahead have improved. The expected GDP growth for the region's key markets is still clearly weaker than in a normal state – a development that is also expected to continue in 2025. For the Swedish economy, expectations have strengthened somewhat, but the economy is still running at a slow pace. However, the Swedish economy is expected to reverse in 2025 as economic growth will be in line with the country's long-term growth rate. The most recent period shows that job growth in the Gothenburg region decreases on an annual basis. The level of new job vacancies available in the region continues to show an almost halving and unemployment is still increasing on an annual basis. Similar to our two previous Economic Outlook reports in 2024, notified persons and bankruptcies continue to increase.



## Key markets and Sweden

### Somewhat weaker growth expected ahead in USA and China

For the most recent period, forecast institutes such as the OECD, the EU and some of the major Swedish banks are slightly more positive about the GDP growth in the key markets for our export-intensive businesses.

The United States, the Gothenburg region's largest export market, is expected to grow by 2.5 per cent in 2024 – which, however, is expected to decrease to 1.7 per cent in 2025. The first quarter of 2024 shows weak growth for the American economy as GDP growth stopped at 1.4 per cent. During the second quarter of 2024, however, preliminary GDP figures show that the US economy is expected to grow at a stronger pace, as indicated by the advance estimate of 3.0 per cent. In terms of annual inflation, the all-items-CPI stopped at 2.9 per cent in July (up 0.2% compared to June 2024). The target inflation at 2 per cent is still a clear goal for the Fed, but in the end of July 2024 a unanimous committee once again decided that the US benchmark interest rate is to remain unchanged (5.25-5.50%). The next meeting of the Fed Committee takes place September 17-18. After lowering the benchmark interest rates by 25 points in June of this year, also the ECB decided in July to leave its benchmark interest rate unchanged (3.75-4.5%). Going against the trend, the Swedish Riksbank once again decreased its benchmark interest rate in August, from 3.75 to 3.5 per cent. Looking at China's economy, 2024 started well, but during the start of the second half of the year, the Chinese economy tends to have lost its momentum with dismal exports and a domestic demand that is losing steam. According to the official Purchasing Managers' Index (PMI), as weighted by 24 forecasters, China's factory activity shrank for the fourth time this year. In August 2024, PMI for China was forecasted at 49.5, indicating a shrinking factory activity (a PMI index of 50 and above means growing factory activity). Given this development, China is still considered to be the key market for the Gothenburg region with the strongest growth expectations in both 2024 and 2025 with 4.9 and 4.5 per cent, respectively.

The economies of Denmark and Norway are expected to increase in 2024, whereas Finland's growth is predicted to slightly decrease. For France, Netherlands, the UK and Germany, GDP growth in 2024 is still expected to be weak and falls within the range 0.1-1.0 per cent. Looking at the Eurozone as a whole, expectations are strengthened somewhat and the predicted average GDP growth for 2024 stops at 0.7 per cent. Overall, our export-weighted GDP growth in key markets for 2024 shows increased growth of 1.7 per cent and 1.9 per cent in 2025. The export-weighted GDP growth for 2024 shows that our key markets are, once again, marginally strengthened compared to the previous report. Since our third Economic Outlook report in 2023, the export-weighted GDP growth for 2024 has increased by 0.2 percentage points, from 1.5 per cent to 1.7 per cent.

The economies of our key markets continue to show a combined GDP growth that is lower than the average for the period 2017-2023, which corresponds to 2.2 per cent. Several underlying factors are behind this development. Among other things, increased geopolitical unrest with wars in both Ukraine and Gaza, the aftermath from shutdowns during the pandemic, climate effects hitting hard on food prices, labour shortages and more temporary stops and delays in global value chains with important components. An additional trend to monitor in 2024 is the US election that takes place during the first week of November. Going forward, however, inflation is predicted to move closer to countries' expected targets, which advocates for lower benchmark interest rates in USA and within the EU. With these developments, we still assess that the production of our export-intensive businesses can be affected by disruptions ahead, but also that the global demand situation may affect our companies' revenue generation, as well as their employment plans ahead.

### Trend growth expected for Sweden's economy in 2025

The expectations are strengthened somewhat in the National Institute of Economic Research's compilation of the latest forecasts for Sweden's GDP growth, but the economy is still expected to have weak growth in 2024. The turnaround, however, is predicted to come in 2025. The Swedish Riksbank's two interest rate cuts in May and August 2024, together with further interest rate cuts in the coming six months, are expected to give the Swedish economy a quick recovery when households can redistribute their resources and the investment cost is reduced. The average of the five most recent forecasts for Sweden's GDP growth shows that the Swedish economy is expected to grow by a weak 0.7 per cent in 2024, which is clearly below the trend growth for Sweden and the average for the Eurozone. Yet,

expectations are that Sweden's GDP growth will reverse in 2025, when the economy is predicted to grow by 2.2 per cent – which is in line with the trend growth for Sweden and clearly higher than the average for the Eurozone.

The economic tendency for Sweden decreased somewhat during August 2024, and at the moment, the economic tendency in the Swedish private sector continues to be in a weak state. Among other things, the indicator for the services sector decreased and was mainly due to lowered expectations on the demand for services in the coming months. The economic tendency within manufacturing was slightly unchanged in August, yet still points towards a tendency that is somewhat below normal. The economic tendency indicator within commerce was fairly unchanged as well, but in contrast to manufacturing the tendency in commerce is at a normal strong. Moreover, within construction the economic tendency indicator decreased in August and the sector still has the weakest tendency among the broad sectors in Sweden. The situation within construction is mainly explained by that construction companies currently experience a lower construction volume, falling tender prices, a smaller order backlog and that the number of employees has decreased.

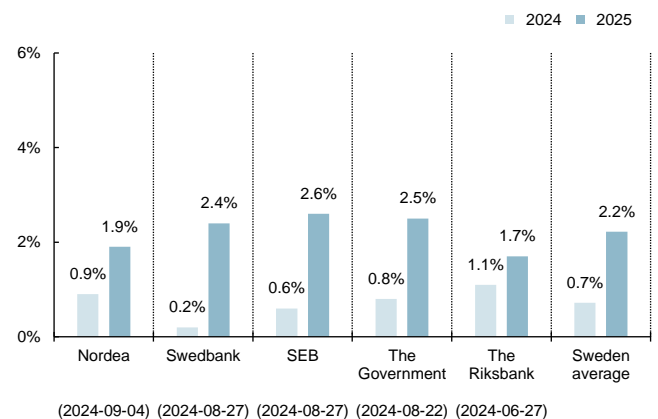
### Real GDP growth – forecast 2024-2025 (in %) for Sweden and some of the Gothenburg region's key export markets

Country	% of region's exports	Forecast averages		
		2024	2025	Change
Sweden*		0.7%	2.2%	+1.5%-p
USA	15.5%	2.5%	1.7%	-0.8%-p
Belgium	10.8%	1.3%	1.4%	+0.1%-p
China	10.3%	4.9%	4.5%	-0.4%-p
Norway	10.0%	0.9%	1.7%	+0.8%-p
Germany	8.6%	0.1%	1.0%	+0.9%-p
Denmark	7.5%	2.1%	1.9%	-0.2%-p
Finland	5.8%	-0.4%	1.6%	+2.0%-p
UK	4.6%	0.8%	1.3%	+0.5%-p
Netherlands	4.5%	0.8%	1.4%	+0.6%-p
France	3.9%	1.0%	1.3%	+0.3%-p
Export-weighted GDP growth for the region's top 10 key markets	81.5%	1.7%	1.9%	+0.2%-p
Eurozone		0.7%	1.5%	+0.8%-p
World		3.1%	3.3%	+0.2%-p

Source: Nordea (September 2024), Swedbank and SEB (August 2024), OECD (July 2024) and EU (May 2024)

\* Average of the five last forecasts in the summary produced by the National Institute of Economic Research, 27 June – 4 September 2024.

### The five latest forecasts of Sweden's GDP growth (in %), 2024-2025

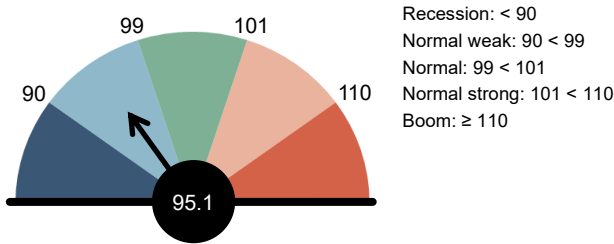


Source: National Institute of Economic Research

## Normal weak state remains for the region's businesses

The National Institute of Economic Research's survey for the second quarter of 2024 shows that the situation marginally improves for the Gothenburg region's businesses. The economic tendency indicator for the latest period stops at 95.1 (+0.3 units on a quarterly basis and +4.1 units on an annual basis). Thus, the current situation indicates that the businesses in Gothenburg region remain in a state of economic tendency that is experienced as 'normal weak' (see interval interpretation below).

### Economic tendency indicator for businesses in the Gothenburg region – second quarter 2024

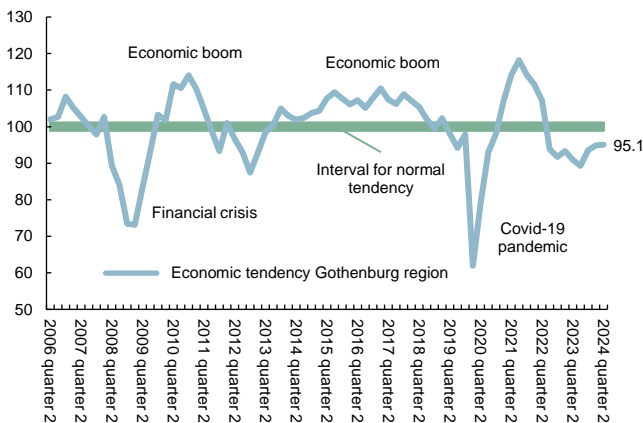


1,643 companies in Gothenburg region's business environment got the survey. 637 companies answered, which gives a response rate of 39 per cent.

Survey period:

28 June – 22 July 2024

### Economic tendency indicator for businesses in the Gothenburg region – per quarter from 2006



Source: National Institute of Economic Research

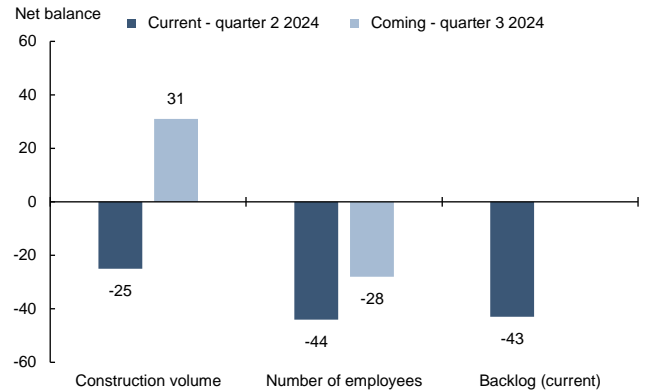
## Recession in construction, yet outlook improves

The economic tendency within the region's construction sector remains in a recessionary state during the second quarter of the year. More construction companies state that the construction volume has decreased during the second quarter (net balance -25). Similar to our previous report, the survey still shows that many construction companies (7 out of 10) currently experience a lower construction volume due to a poor demand. Finances have also contributed to a limited construction volume for just above one fifth of the construction companies. In addition, more of the construction companies state that the number of employees has decreased in the most recent period (net balance -44). Preliminary figures for dwelling starts in newly constructed buildings (multi-dwelling buildings and one-or-two-dwelling buildings) during the first half of 2024 show a decrease of 15 per cent in the Gothenburg region compared to the same period in 2023. Looking at Gothenburg alone, the corresponding figure is a decrease of 33 per cent. With this development in the rearview mirror, significantly more construction companies in the Gothenburg region currently experience a decreased backlog (net balance -43).

The outlook for the region's construction sector is more optimistic than what we saw in our previous report in terms of construction volume. Considerably more construction companies (net balance 31) expect an increased construction volume during the third quarter of 2024.

However, the number of employees within construction is expected to continue to decrease as more companies state that less staff is needed ahead (net balance -28). The ongoing survey question, outlook one year from now, shows that the region's construction companies are clearly more positive compared to our three previous reports, as indicated by a net balance of 50. Despite the outlook improvement, the economic tendency indicator for the second quarter of 2024 within construction stops at 88.8 (+0.9 units on a quarterly basis), which still indicates an economic tendency in recession.

### Construction in Gothenburg region, current and coming

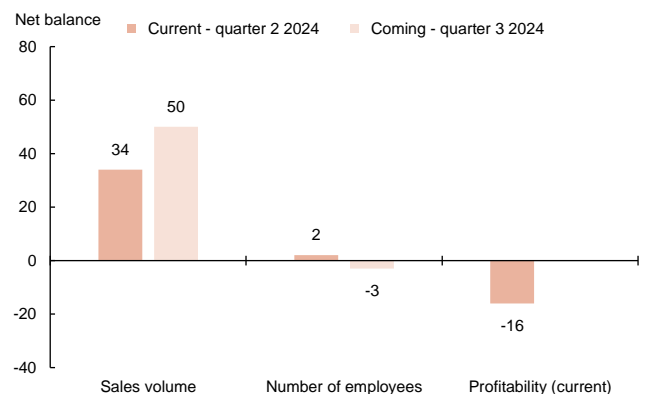


## Commerce gears up to a normal strong state

For most of 2023, the economic tendency within the region's commerce sector (incl. e-commerce, etc.) has been in a state of recession, but during the first half of 2024 the situation has improved a lot. During the second quarter of 2024 commerce gears up to a normal strong state as the economic tendency indicator stops at 102.9 – this indicates that the tendency for the commerce companies has improved by a full 18.6 units on an annual basis (+2.7 units on a quarterly basis). More commerce companies state that sales have increased. At the same time, more commerce companies state that profitability has decreased during the second quarter. When it comes to employees, the proportion of commerce companies that have increased their employees is slightly greater than the group of companies that have decreased their employees (net balance 2).

The situation lately shows that the commerce companies' future expectations remain optimistic - at least in terms of sales volume. More commerce companies (net balance 50) believe in increased sales during the third quarter. Also, a few more commerce companies (net balance -3) plan to decrease their employees in the coming period. However, looking at the demand movement patterns, the number of visits to Gothenburg's densest area for retail stores shows a decrease for the most recent period. Among other things, the number of visits in Gothenburg's Inner City during the period May-July 2024 decreased by 8.4 per cent (from 4.3 to 3.9 million visits per month) compared with the same period in 2023. For July 2024 alone, compared to July 2023, visits decreased by just 14.5 per cent, which on an annual basis corresponds to approximately 706,000 fewer visits.

### Commerce in Gothenburg region, current and coming

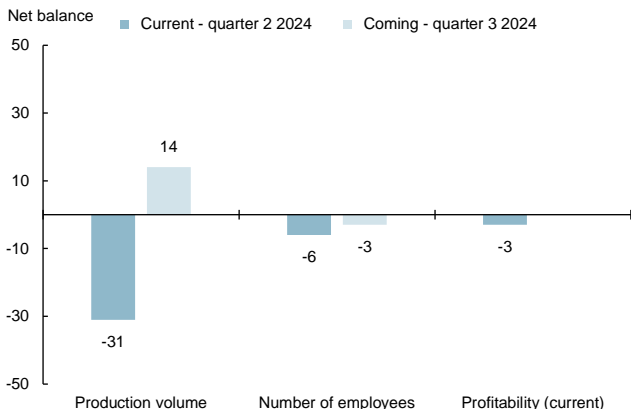


## Weakened state in manufacturing, some optimism ahead

The first half of 2024 shows that the economic tendency for the region's manufacturing companies deteriorates, both on a quarterly and an annual basis. With an economic tendency indicator at 96.2 for the second quarter 2024, the economic tendency within manufacturing is currently perceived as a normal weak. The production volume has decreased during the second quarter, yet the capacity utilised still remains high at 85 per cent. Similar to our previous report many manufacturing companies state that the current order intake from the export market has decreased (net balance -50). In terms of employees the outcome for the most recent period shows that the number of employees within manufacturing has decreased slightly (net balance -6). Moreover, the profitability among the manufacturing companies is also currently perceived to have decreased somewhat (net balance -3).

Looking ahead, however, there is some optimism. For example, the production volume is expected to increase (net balance 14). Expectations for the order intake from the export market over the next three months are, in contrast to the current situation, more positive (net balance 35). At the same time, the manufacturing companies expect to marginally reduce the workforce (net balance -3) during the third quarter. The survey shows that some factors continue to limit the present state of production. Among other things, approximately three fifths of the manufacturing companies state that a weak demand has limited their production. Another factor is above all lacking materials and equipment.

### Manufacturing in Gothenburg region, current and coming

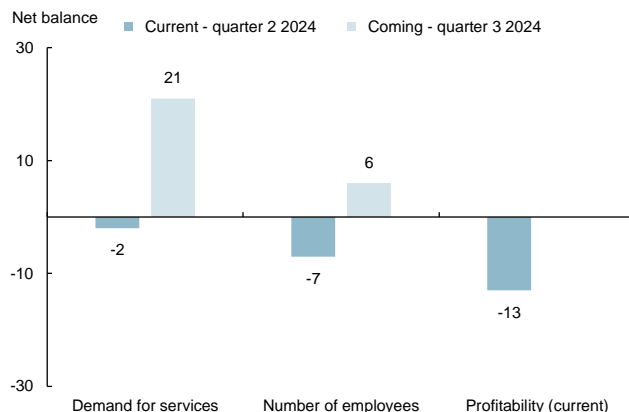


### Normal weak situation remains for services

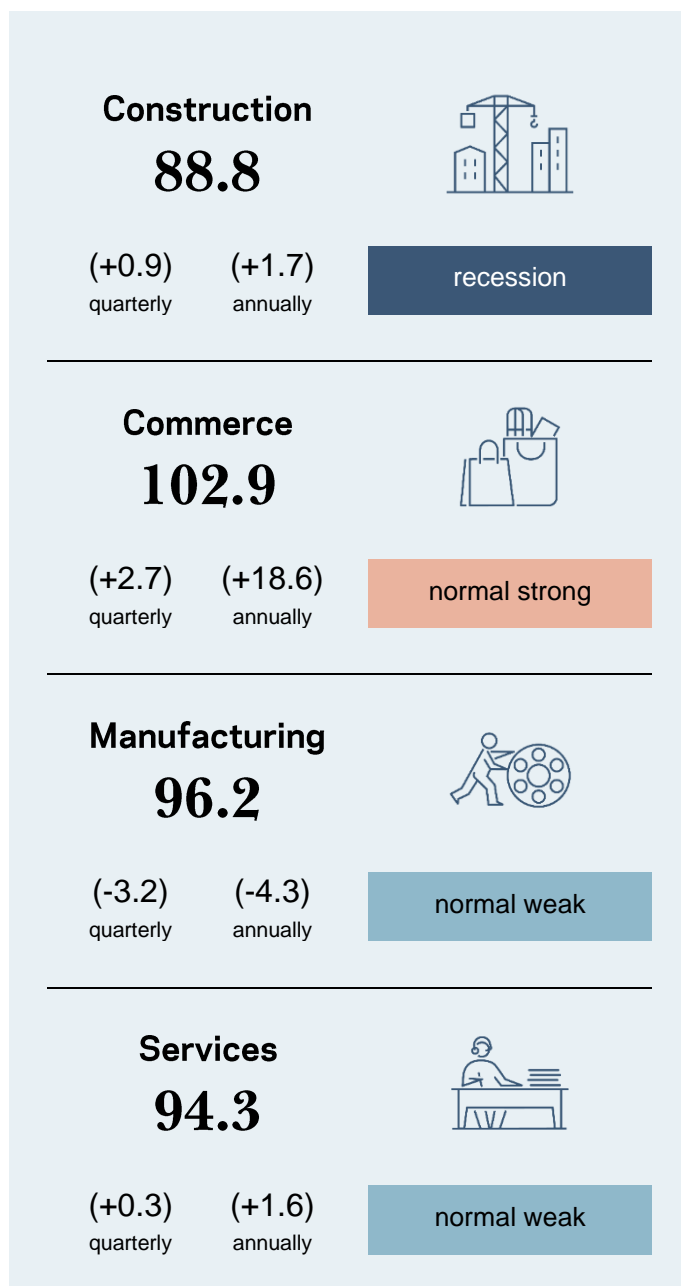
Similar to our previous Economic Outlook report, the survey for the second quarter of 2024 shows that the tendency within the region's services sector improves somewhat. The companies experience the current situation as a period that is slightly easier to conduct business. In terms of demand for services, only a few more services companies (net balance -2) say that the demand has decreased during the latest quarter. The profitability within services looks somewhat worse compared to before and has decreased (net balance -13). In terms of number of employees, somewhat more services companies have decreased their employees (net balance -7) during the second quarter of 2024. It is worrying, however, that more than half (55%) of the services companies still state that a poor demand, at the moment, is limiting the operations. Also, one fourth (25%) of the services companies state that labour shortages limit their present services operations.

The outlook for the services sector in the Gothenburg region is more positive. More services companies predict that demand for their services ahead will increase compared to the current state (net balance 21). In addition, on the ingoing survey question 'what is the outlook for the services sector in 6 months?' more services companies expect an improved situation (net balance 40). Simultaneously, somewhat more services companies state that they expect to employ staff during the third quarter of 2024 (net balance 6). Currently, however, the economic tendency indicator for services in the Gothenburg region stops at 94.3 (+0.3 units on a quarterly basis), which indicates that the economic tendency for the services sector remains in a normal weak state.

### Services in Gothenburg region, current and coming



### Economic tendency indicator per sector for businesses in the Gothenburg region, quarter 2 2024



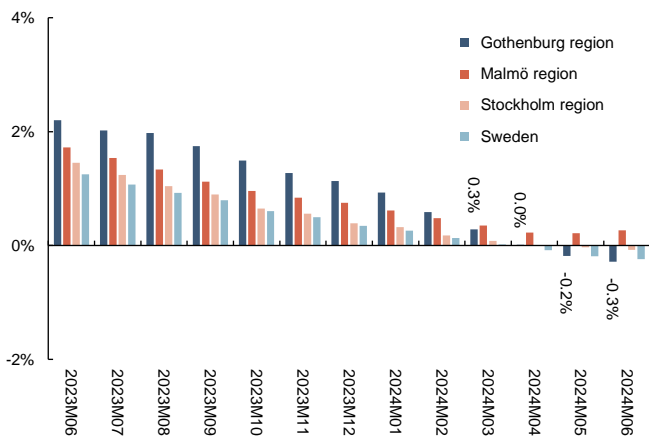
Source: National Institute of Economic Research



## Negative job growth halfway through the year

In previous Economic Outlook reports our expectation has been that job growth will lose further momentum in the remainder of 2024 – and now we clearly see that, halfway through the year, the number of employees in Gothenburg region is fewer compared to the same period a year before. During the period April to June 2024, job growth in the Gothenburg region was at -0.3 per cent on an annual basis. Approximately 573,000 people were on average employed per month during the period, which can be compared with an average of just above 574,000 people in the same period a year before. The decrease in the Gothenburg region shows that job growth has decreased more than in the Stockholm region (-0.1% on an annual basis), whereas job growth increases in the Malmö region (+0.3% on an annual basis). The job growth for Sweden remained at -0.2 per cent.

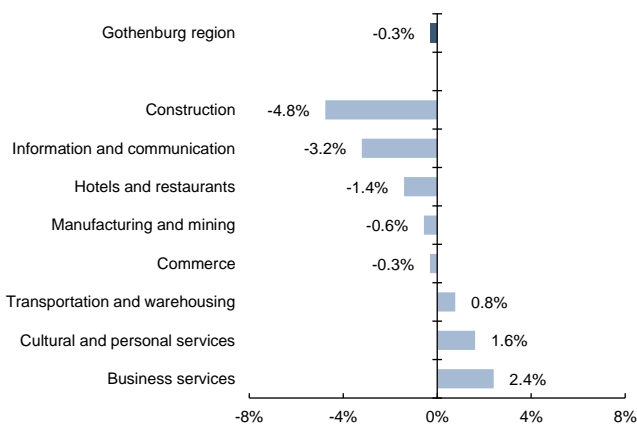
### Employment indicator – annual percentage change in number of employed aged 15-74, three-month average



Source: Statistics Sweden

During the latest period, we see that job growth has decreased within several sectors and the strongest decrease is observed within construction and information and communication. Employment also decreases in other sectors such as hotels and restaurants, manufacturing and mining and commerce. However, employment has grown within business services, cultural and personal services and transportation and warehousing (the figure below shows only 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).

### Average change (in %) in employed persons aged 15-74 by sector, April - June 2024 compared to April - June 2023



Source: Statistics Sweden

Moreover, 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 3,000 jobs). Another large investment that can bring increased job growth forward is the electric car manufacturer Polestar's establishment of a new global headquarters with a centre for design and R&D in Frihamnen. Other projects

with great job potential in the region are the development around Säve Airport, GoCo and Forsåker in Mölndal as well as Link40 in Härryda.

The Gothenburg region's companies continue to experience a state of economic tendency that is normal weak. Currently, the pressure on the demand for skilled labour is clearly lower than we have observed before, and the level of new job vacancies has almost halved. Job growth has lost a good momentum over the last year and is now showing a negative growth rate. We expect that the job growth will lose further momentum in the remainder of 2024 – and not until the first half of 2025, do we expect that job creation will pick up pace again

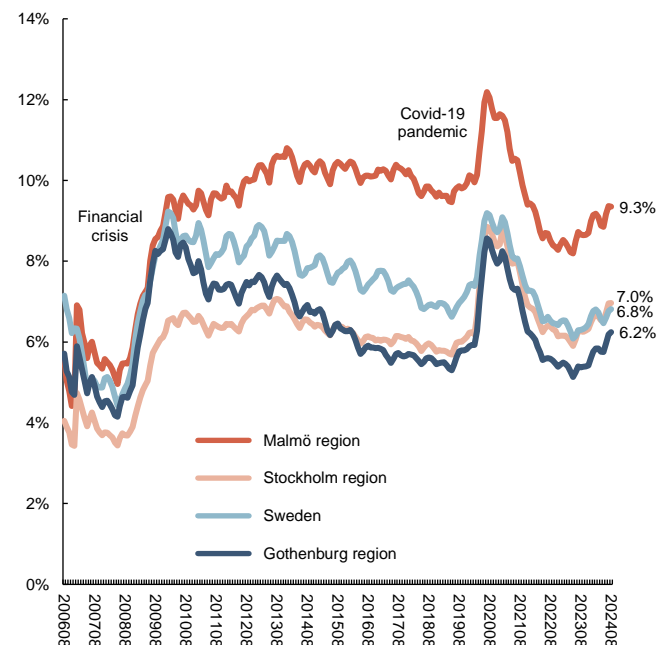
## Unemployment continues up

Unemployment, seen across all groups we follow on the labour market, continues to increase on an annual basis in the Gothenburg region. In August 2024, unemployment was at 6.2 per cent in the Gothenburg region (+0.8%-points on an annual basis), which corresponds to approximately 35,400 persons (unemployed and in labour market policy programs). Of the registered people in the region, 43 per cent are domestically born and 57 per cent are foreign-born. About one fifth of the people in unemployment have been out of work for more than two years. Around 4,400 of these people are youths (aged 18-24). In the Stockholm region, unemployment was at 7.0 per cent (+0.7%-points on an annual basis) and in the Malmö region at 9.3 per cent (+0.7% points on an annual basis). Unemployment in Sweden remains at 6.8 per cent (+0.5%-points on an annual basis).

The unemployment rate, on an annual basis, continues to increase for all the groups we follow in the region's labour market. Similar to our previous report, the largest increase in unemployment is still observed among youths. In August 2024, for example, unemployment for the total group of youths aged 18-24 was at 7.5 per cent (+1.9%-points on an annual basis). For foreign-born youths unemployment stopped at 11.8 per cent (+1.2%-points on an annual basis). Looking at the entire group of foreign-born people, unemployment was at 13.4 per cent in August 2024 (for Sweden as a whole the corresponding figure was at 15.2%).

The economic tendency continues to be at a normal weak in the Gothenburg region and our expectation is that the full year 2024 will develop as a weak year for the regional economy. With coming interest rate cuts, however, our outlook for the second half of the year is a gradual improvement in the region's labour market. Yet, companies are still cautious with hiring and overall, there is a risk that unemployment will increase somewhat further in the autumn. Our expectations are that the region's unemployment will be closer to a normal level sometime in the first half of 2025.

### Unemployed and people in labour market policy programmes – percentage of the work force aged 16 to 65



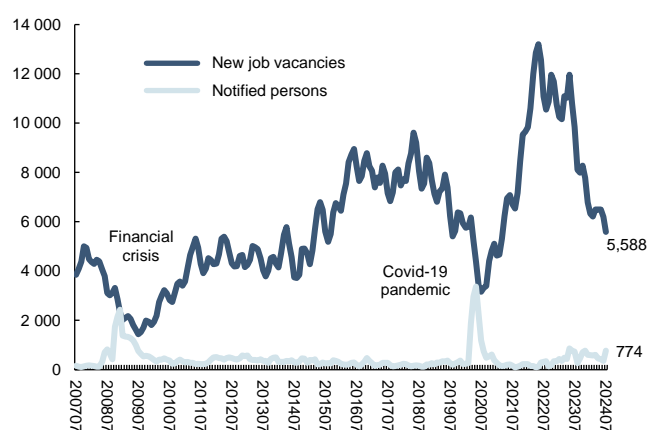
Source: Swedish Public Employment Service

## New job vacancies and layoffs deteriorate further

In our previous report we observed that added new job vacancies to the region's labour market almost halved on an annual basis. The most recent period shows that the development from the previous period stays put. During the period May to July 2024, an average of approximately 5,600 new job vacancies for permanent positions were advertised per month in the region. This corresponds to a decrease of just above 43 per cent compared with the same period a year before. However, most new job vacancies with a permanent position are still advertised within business services, followed by the health care and care sector, commerce and education (there may be some duplication in the new job vacancy statistics, but the indicator is still assessed as relevant to follow).

For the period May to July 2024, notified persons continue on an upturn. The most recent period had an average of 774 notified persons per month, an increase of 5.3 per cent 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 308 notified persons per month. Mostly, the notifications in the region during the latest period are linked to the sectors 'manufacturing and mining', 'business services', 'construction' and 'transportation and warehousing'. Among other things this includes, as we reported earlier in May, AstraZeneca's layoff of about 200 people in Mölndal. The number of notified persons reported in our Economic Outlook reports is a combination of persons who have been notified of job termination in viable companies and persons affected by companies that file for bankruptcy. In the most recent period, several companies have filed for bankruptcy in where staff has been notified of job termination. This includes the automotive component manufacturer IAC with production in Gothenburg, Skara and Färgelanda. In July 2024, IAC announced that the company has initiated a file for bankruptcy process. Around 1,400 employees are affected by the bankruptcy application in Sweden, of which just above 500 employees are based in Gothenburg. However, production at IAC has continued and many potential buyers have shown interest in taking over the company's operations. What happens to IACs notified staff is unclear at the moment and depends on whether the ownership is renewed or not. Also, in August local construction company, Wästbygg, announced that about 70 people will be laid off as due to a decreasing operating profit and a significantly smaller order intake for the period ahead. No other major notices have been announced during the period, but rather many smaller notices in Gothenburg, Mölndal, Alingsås and Kungälv, which together account for 97 per cent of all notices in the region the latest period. Our assessment is that the notifications in the Gothenburg region will continue to increase ahead.

### New job vacancies for permanent positions and notified persons in the Gothenburg region, three-month average



Source: Swedish Public Employment Service

## Other indicators

### Bankruptcies and affected employees still increasing

The most recent period shows that bankruptcies and employees affected by bankruptcy continue to increase in the Gothenburg region.

During the period May to July 2024, 283 companies in the Gothenburg region filed for bankruptcy, which corresponds to an increase of 20.4 per cent compared with the same period a year before. The bankruptcies during the latest period have primarily affected companies within construction and commerce, but also other sectors such as business services and hotels and restaurants.

For affected employees, as due to bankruptcy, we observe a very strong increase in the latest period. Between May and July 2024, just above 2,000 employees in the Gothenburg region were directly affected when their employers filed for bankruptcy (+280.8% on an annual basis). Manufacturing is the sector with the most affected employees (three fourths of the people affected by a bankruptcy). Moreover, also construction, hotels and restaurants and business services have a large share of the employees that have been affected by a bankruptcy lately.

Looking at annual changes in number of bankruptcies, it is above all within construction and hotels and restaurants that bankruptcies have increased most strongly. Within commerce, however, bankruptcies decrease on an annual basis. In terms of affected employees, the sharpest increase is observed within manufacturing, and with its few bankruptcies it gives us an indication that the bankrupted manufacturing company is considerably larger than the average company filing for bankruptcy. A strong annual increase in affected employees is also seen within construction. Transportation and warehousing, commerce, as well as information and communication are sectors where affected employees have decreased in the past year.

### Number of bankruptcies and affected employees in the Gothenburg region, by sector, May-July 2024

Sector	Bankruptcies		Affected employees	
	No.	Annually	No.	Annually
Construction	54	+12	237	+145
Commerce	51	-1	53	-14
Business services	51	+10	70	+39
Hotels and restaurants	27	+11	72	+67
Manufacturing	14	+9	1 507	+1,328
Transportation and warehousing	11	+1	13	-38
Information and communication	11	+2	10	-3
Other sectors	64	+4	45	-44
<b>Gothenburg region total</b>	<b>283</b>	<b>48</b>	<b>2,007</b>	<b>+1,480</b>

Source: Growth Analysis

### Stagnant office vacancy rate year-on-year

In JLL's real estate market data for the second quarter of 2024, the vacancy rate for offices in Gothenburg remains stagnant. During the second quarter of 2024, Gothenburg listed 11.6 per cent vacant space for offices, which is an unchanged level compared to the same period the year before. Per district, however, increases on an annual basis are still seen in Mölndal and Norra Älvstranden. In Gothenburg's Central Business District (CBD), the office vacancy rate reaches 12.3 per cent (+0.1%-points on an annual basis) and in the Remaining Inner City it stops at 8.8% (-1.4%-points on an annual basis). 11,000 m<sup>2</sup> office space was completed during the second quarter (all added office space in Mölndal). About 149,000 m<sup>2</sup> office space is currently under production for completion in 2024-2026 (mostly in the CBD, but also in Mölndal and Norra Älvstranden). Office rents, on an annual basis, increase in most of the districts in Gothenburg, yet are unchanged in the CBD (refers only to prime rents).

### Upward trend in housing prices continues

In SBAB Booli's September summary for housing prices in August 2024 we see that housing prices continue to increase. The sharpest price increase for flats over the last 6 months is observed in the Malmö region. Moreover, on an annual basis, flat prices increase in all three metropolitan regions, and also within this time context the Malmö region sees the strongest price increase. In August 2024, the prices of flats increased by 3.0 per cent on an annual basis in the Gothenburg region.

The corresponding figure in the Malmö region was an increase of 6.9 per cent, whereas the flat prices in the Stockholm region increased by 3.5 per cent. Over the last month, the strongest price increase for flats is observed in the Gothenburg region.

House prices also continue to increase over the past year. Among the metropolitan regions, the Malmö region sees the sharpest increase with 4.7 per cent on an annual basis, followed by the Gothenburg region (+3.7%). The corresponding in the Stockholm region was an increase by 1.0 per cent on an annual basis. Looking at the last 6 months, house prices are increasing in all three metropolitan regions with the Malmö region showing the sharpest increase over the period. Over the last month, the Gothenburg region shows the strongest increase in house prices.

#### Price development of flats and houses, August 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	2.4%	0.1%	3.4%	3.0%
	Stockholm region	2.2%	-1.7%	2.0%	3.5%
	Malmö region	0.0%	1.9%	5.4%	6.9%
	Sweden	1.5%	-0.4%	2.8%	3.9%
Houses	Gothenburg region	3.4%	-0.1%	4.1%	3.7%
	Stockholm region	1.4%	-0.8%	0.6%	1.0%
	Malmö region	1.1%	0.7%	4.3%	4.7%
	Sweden	2.2%	0.7%	4.5%	3.4%

Source: SBAB Booli

#### Guest nights almost on par with last year's record summer

Travels to and from the Gothenburg region during the summer months of the year continue to show a process of recovery at a good pace. During the period May to July 2024, Gothenburg Landvetter Airport had an average of about 544,000 air passengers per month (+4.3% on an annual basis). Of the air passenger journeys made in the most recent period, 8 per cent are domestic journeys, 87 per cent are European journeys and the remaining 5 per cent comprise of journeys to the rest of the world. For the winter season 2024/2025, Norwegian expands its portfolio from Gothenburg Landvetter Airport with two completely new routes to Hurghada, Egypt and Marrakech, Morocco.

The record summer from 2023 was too difficult for the Gothenburg region's hospitality sector to top in the most recent period. Yet, this summer's registered guest nights are, after all, at a good level. During the period May to July 2024, the number of guest nights spent at the region's hotels, hostels and campsites decreased by 2.3 per cent compared to the same period in 2023. Looking at the period, an average of just above 687,000 guest nights per month were spent in the Gothenburg region, of which about 204,000 guest nights per month were from foreign visitors. Both domestic and foreign guest nights contributed to the decrease during the most recent period. Looking at the occupancy rate (which here only refers to hotels) in the Gothenburg region, it stopped at 84.8 per cent for July 2024 alone. Yet, seen as an average per month for the period May to July 2024, the occupancy rate reached 72.4 per cent (-3.4%-points on an annual basis).

#### Downward trend for new car sales continues

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 the period May to July 2024, just above 6,900 new cars were registered in the Gothenburg region (-17.6% on an annual basis). Just above one third of the new sold cars were electric cars. For electric cars

alone, new car sales decreased by as much as 32.4 per cent on an annual basis, from just above 3,600 to approximately 2,500 electric cars.

Historically, the new car sales for the most recent period show a rather poor sales figure for this particular period. The climate bonus stop, high interest rates and a poor economy are some of the driving forces behind the decrease lately. The weak development for new car sales also gives us a clear sign of a private economy that is more cautious in combination with a weak economic tendency.

#### Summary of the economic situation in the Gothenburg region – comparison with corresponding period previous year

Indicator	2024	2023	Change
Export-weighted GDP growth key markets	1.7%	1.5%	±0.2%-p.
Economic tendency, Q2	95.1	91.0	+4.1 units
Construction	88.8	87.1	+1.7 units
Commerce	102.9	84.3	+18.6 units
Manufacturing	96.2	100.5	-4.3 units
Services	94.3	92.7	+1.6 units
Employed persons, Q2 (monthly average)	572,540	574,188	-0.3%
Unemployment, August			
Total 16-65 years	6.2%	5.4%	+0.8%-p.
Domestically born 16-65 years	3.7%	3.0%	+0.7%-p.
Foreign-born 16-65 years	13.4%	12.3%	+1.1%-p.
Total 18-24 years	7.5%	5.6%	+1.9%-p.
Domestically born 18-24 years	5.3%	4.2%	+1.1%-p.
Foreign-born 18-24 years	11.8%	10.6%	+1.2%-p.
New job vacancies, May-July (monthly average)	5,588	9,852	-43.3%
Notified persons, May-July (monthly average)	774	735	+5.3%
Number of bankruptcies, May-July	283	235	+20.4%
Affected employees, May-July	2,007	527	+280.8%
Office vacancy rate in Gothenburg, Q2	11.6%	11.6%	±0.0%-p.
Population, Q2	1,082,168	1,077,128	+0.5%
Price index flats, August	1.847	1.794	+3.0%
Price index houses, August	1.780	1.717	+3.7%
Air passengers, May-July (monthly average)	543,777	521,186	+4.3%
Guest nights, May-July (monthly average)			
Total	687,222	703,392	-2.3%
Domestic	483,632	495,728	-2.4%
Foreign	203,590	207,664	-2.0%
Hotels occupancy rate, May-July (monthly average)	72.4%	76.8%	-3.4%-p.
New car registrations, May-July	6,931	8,407	-17.6%
of which electric cars	2,453	3,630	-32.4%

Source: NIER, Statistics Sweden, Swedish Public Employment Service, Growth Analysis, JLL, SBAB Booli, Swedish Transport Agency, Swedish Agency for Economic and Regional Growth 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 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).

#### What is included in construction?



The construction industry includes:

- Construction of buildings
- civil engineering
- and specialised construction such as:
- demolition, electrical and other construction installations
- HVACS work
- final treatment of buildings etc.

**SNI: 41-43**

#### What is included in commerce?



Commerce includes companies within:

- car sales
- wholesale
- wholesale on a fee or contract basis
- durable goods sales
- daily goods sales
- e-commerce
- other types of sales

**SNI: 45-47**

#### What is included in manufacturing?



Manufacturing includes all industries such as:

- intermediate goods production
- textiles industry
- food industry
- wood and paper industry
- chemical industry
- metals and mineral industry
- machinery industry
- automotive industry

and much more...

**SNI: 10-33**

#### What is included in services?



Services includes the whole services sector such as:

- transportation
- hotels and restaurants
- business services
- information and communication
- property
- financial services and insurance
- cultural and personal services

and much more...

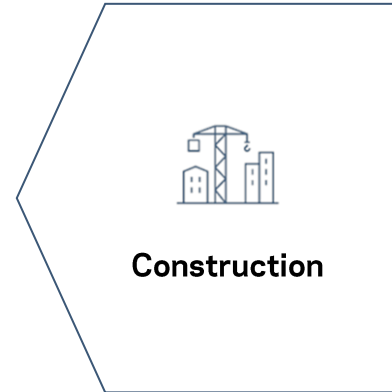
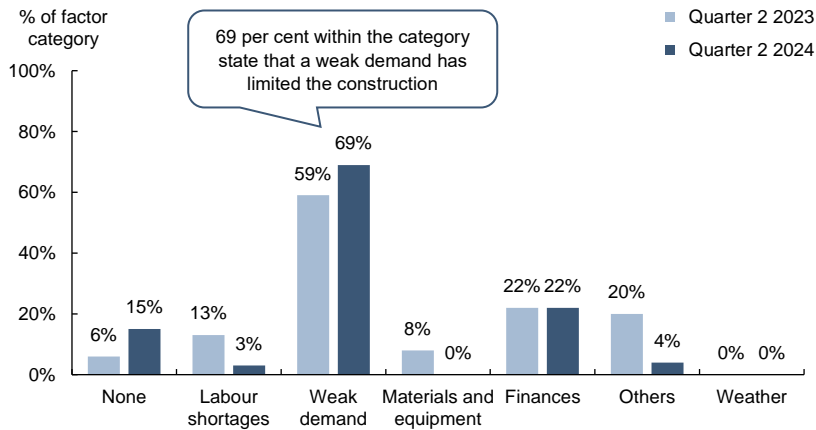
**SNI: 49-96, all public SNI-codes excluded**

## Companies' limitations

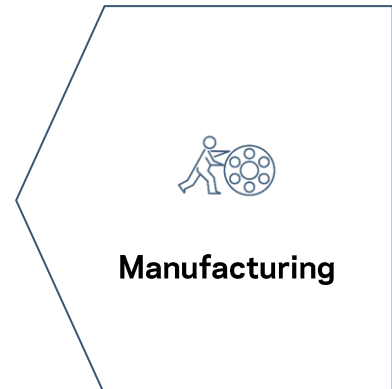
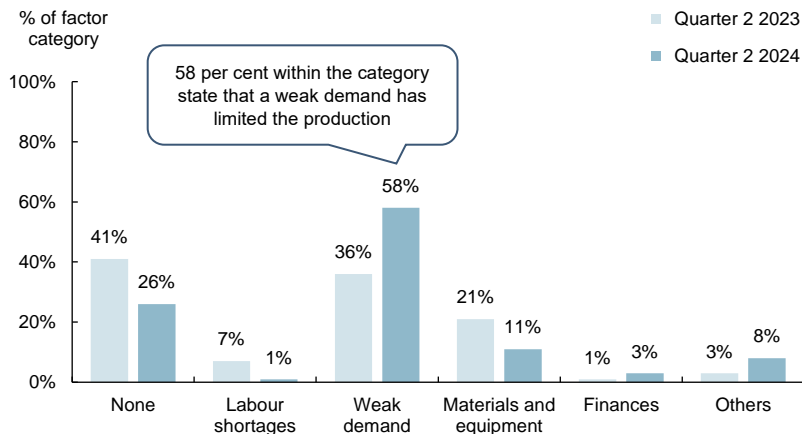
In the survey from the National Institute of Economic Research questions are also asked, depending on sector and factor, whether the companies have experienced any kind of limitations to their operation, production and construction. The additional survey questions on limitations do not cover the commerce 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.

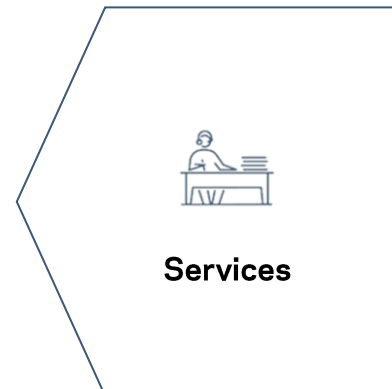
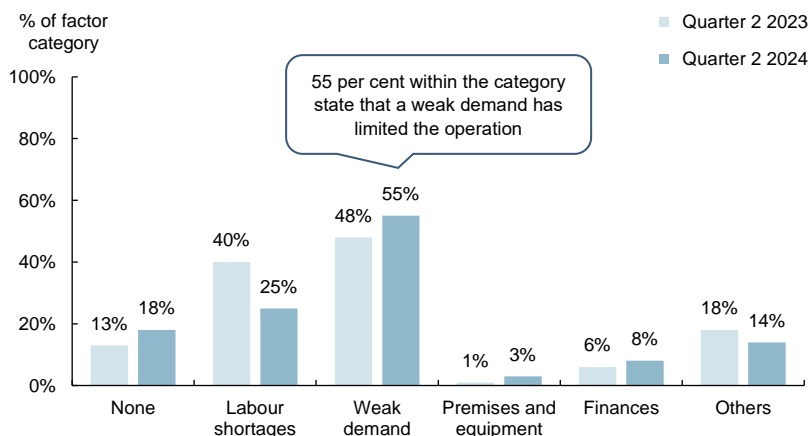
### Factors that limit the construction



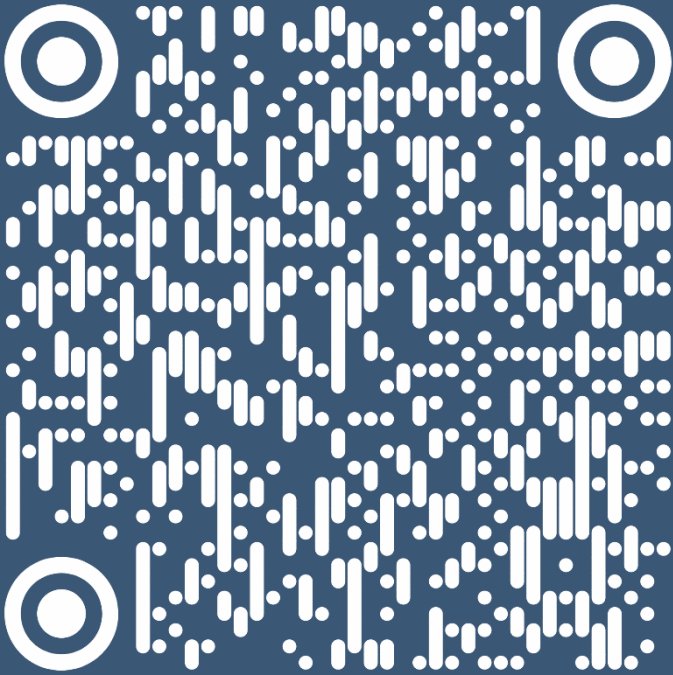
### Factors that limit the production



### Factors that limit the operation



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