



#1
2023

ECONOMIC OUTLOOK

GOTHENBURG REGION

-0.6%_{-points}
unemployment

89.0
economic tendency
(recession)

+5.5%
employment
growth

+0.9%
export-weighted growth
key markets 2023



BUSINESS REGION
GÖTEBORG

SUMMARY

The Gothenburg region's companies experience the current situation as a recession - and many simultaneous ongoing factors continue to dampen the future expectations on the outlook for 2023. Among other things, Russia's invasion of Ukraine, continued disturbances in global supply chains and labour shortages, high prices for raw materials, energy and transportation, rising inflation and higher interest rates. As a consequence of the current world situation, the expected GDP growth, for the region's key markets and for Sweden as a whole, has been further dampened compared to the previous Economic Outlook report. The most recent period shows, after all, that job growth in the region is increasing strongly, many new job vacancies are available and that unemployment is fairly unchanged. However, we see that the number of redundancies and bankruptcies is increasing, albeit from low levels. At the same time, the region's companies, regardless of sector affiliation, are increasingly pessimistic about the period ahead in 2023.

TRADE AND INDUSTRY

Expectations for this year are weak in key markets

This is the third consecutive Economic Outlook report in which forecast institutes such as the OECD, EU and the major Swedish banks remain pessimistic about the GDP growth ahead in key markets for the region's export-intensive business environment.

The United States, the Gothenburg region's largest export market, is expected to grow by a low 0.6 per cent in 2023 - which is expected to slightly increase to 1.1 per cent in 2024. The current state of the American economy shows that the situation has leveled off for the full year of 2022. After the American economy started the first two quarters of 2022 with negative GDP growth, figures for both quarters three and four show growth of around 3 per cent. In less than a year, the Fed has raised its benchmark interest rate a total of eight times. The latest increase came at the end of January 2023 with a further 0.25 percentage points. The increases in the past year have had some impact on the country's annual inflation rate. In June 2022, inflation was just over 9 per cent and in December 2022 it had decreased to 6.5 per cent. However, the Fed gives signs for further increases of the US benchmark interest rate ahead, 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 of slow economic growth. With a growth of 5.3 per cent in 2023, China is still the key market with the strongest economic growth expectations. China's economy is, however, expected to weaken somewhat in 2024.

The economies of Denmark and Finland are expected to shrink slightly in 2023, whereas Norway is predicted to grow by 0.6 per cent. For Germany and the UK, GDP growth is expected to shrink by 1 per cent in 2023. Looking at the Eurozone as a whole, expectations are unchanged for this forecast period and the predicted average GDP growth for 2023 remains at a low 0.3 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 0.9 per cent. The export-weighted GDP growth for 2023 shows that our key markets continue to weaken. Since our first Economic Outlook report in 2022, the export-weighted GDP growth for 2023 has decreased by 1.6 percentage points, from 2.5 per cent to 0.9 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' employment plans ahead.

Faltering tendency at the start of the year for Sweden

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 become gloomier. Russia's invasion of Ukraine, high energy prices, inflation, higher interest rates and rents, reduced consumption and a certain weakening of the world market are still 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 shows signs of a recession and the economy is expected to shrink by 1.4 per cent in 2023. Sweden's GDP growth is expected to reverse in 2024 with a predicted growth rate at 1 per cent - which, however, is clearly below the trend for Sweden.

The economic tendency for Sweden decreased in December and the indicator decreased further in January 2023. All the sectors are now below their trend averages and the tendency in the Swedish private sector is, at the moment, in a very weak state. Among other things, the indicator for the services sector decreased, which was mainly due to faltering expectations on demand in the coming months. The economic tendency within manufacturing and construction also deteriorated. The weaker state suggests that the tendency is normal and normal weak, respectively, in the two sectors. Within manufacturing, larger stocks and companies' view of the current order backlog primarily contributed to the decline, whereas weaker judgments on the size of the order backlog contributed to the decline in construction. The tendency indicator for commerce, on the other hand, increased. The increase was largely due to the companies' current assessment of the size of inventories. Despite this development, commerce still has the gloomiest tendency in the Swedish economy.

Recessionary tendency sensed by the region's businesses

The National Institute of Economic Research's survey for the fourth quarter of 2022 shows once again that the situation further weakens for the Gothenburg region's businesses. Compared to the third quarter of 2022, the economic tendency gears down one full notch on the gauge and remains at 89.0 (-22.8 units on an annual basis). The current situation indicates that the region's businesses experience a state of economic tendency that is 'recession' (see the interval interpretation to the right).

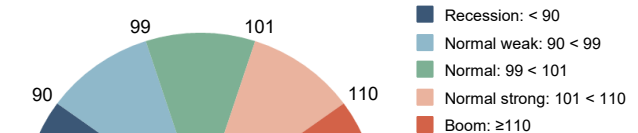
REAL GDP GROWTH – FORECAST 2023-2024 (IN %) FOR SWEDEN AND SOME OF THE GOTHENBURG REGION'S KEY EXPORT MARKETS

| Country | Share of region's exports | Forecast averages | |
|--|---------------------------|-------------------|---------------|
| | | 2023 | 2024 |
| Sweden* | | -1.4% | ↗ 1.0% |
| USA | 14.5% | 0.6% | ↗ 1.1% |
| Belgium | 10.7% | 0.3% | ↗ 1.3% |
| China | 10.5% | 5.3% | ↘ 4.6% |
| Norway | 9.5% | 0.6% | ↗ 1.2% |
| Germany | 7.8% | -0.1% | ↗ 1.5% |
| Denmark | 7.6% | -0.3% | ↗ 1.3% |
| Finland | 5.7% | -0.1% | ↗ 1.2% |
| United Kingdom | 4.4% | -1.0% | ↗ 0.7% |
| Netherlands | 4.0% | 0.7% | ↗ 1.2% |
| France | 3.3% | 0.6% | ↗ 1.4% |
| GDP growth for Gothenburg region's top 10 export markets (weighted by export share) | 78.0% | 0.9% | ↗ 1.7% |
| Eurozone | | 0.3% | ↗ 1.4% |
| World | | 2.5% | ↗ 3.0% |

Source: Handelsbanken, Nordea, SEB and Swedbank (January 2023) and the EU and the OECD (November 2022)

* Average of the five last forecasts in the summary produced by the National Institute of Economic Research (NIER) based on data from Handelsbanken, Nordea, SEB, Swedbank and Danske Bank (5 January – 26 January 2023).

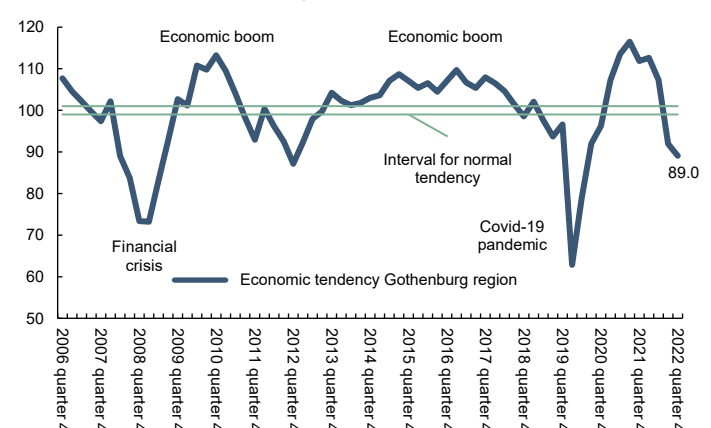
ECONOMIC TENDENCY INDICATOR FOR BUSINESSES IN THE GOTHENBURG REGION – FOURTH QUARTER 2022



1,542 companies in Gothenburg region's business environment got the survey. 702 companies answered, which gives a response rate of 46 per cent. Survey period:

30 December 2022 – 19 January 2023

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



Source: National Institute of Economic Research

Gloominess creeps closer to construction in the region

The economic tendency within the construction sector in the Gothenburg region continues to weaken into the fourth quarter of 2022. More construction companies state that the construction volume has decreased during the fourth quarter (net balance -24). The survey shows that just over one third of the companies currently experience a lower construction volume due to poor demand. Also, finances have contributed to a limited construction volume for about one third 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 -26). Preliminary figures for dwelling starts in newly constructed buildings (multi-dwelling buildings and one-or-two-dwelling buildings) the first to third quarter of 2022 show a decrease of 12 per cent in the Gothenburg region. Looking at Gothenburg alone, the corresponding figure is a decrease of 7 per cent. With this development in the rearview mirror, somewhat more construction companies in the Gothenburg region (net balance -8) currently experience a decreased backlog.

The outlook for the region's construction sector is very pessimistic in terms of construction volume and employees. Considerably more construction companies (net balance -71) expect a decreased construction volume during the first quarter of 2023. The number of employees within construction is also expected to decrease as more companies (net balance -39) state that less staff is needed ahead. The ongoing survey question, outlook one year from now, shows that the region's construction companies are very pessimistic, as indicated by a net balance of -84. The construction sector's economic tendency indicator for the fourth quarter of 2022 stops at 91.8, which indicates a normal weak economic tendency.

Some improvement, yet still ice cold within commerce

In the last Economic Outlook, the tendency within the region's commerce sector (incl. e-commerce, etc.) was in a state of recession. During the most recent period the economic tendency within the sector has seen some improvement. However, the economic tendency indicator for the fourth quarter was at 85.1, which indicates that commerce companies still are experiencing a period of recession. More commerce companies state that both employees and profitability have decreased compared to those that state that they have increased in the fourth quarter. When it comes to sales, the proportion of commerce companies that have decreased their sales is still seen to be somewhat greater than the group of companies with increased sales.

The ice-cold tendency within commerce is mainly due to the companies' future expectations on employees and a weak sales volume. Only a few more commerce companies (net balance 3) believe in increased sales during the first quarter of the year. Also, more commerce companies (net balance -29) plan to decrease their employees in the coming period. The number of visits to Gothenburg's densest area for retail stores shows a marginal decrease for the most recent period. Among other things, the number of visits in Gothenburg's Inner City during the fourth quarter of 2022 decreased by 0.4 per cent, compared with the same period in 2021. However, for the full year of 2022, the number of visits in Gothenburg's Inner City increased by 20 per cent on an annual basis, from 30.3 to 36.4 million visits.

Another gear down for manufacturing

Up until midway through 2022, the economic tendency for the region's manufacturing companies has been extremely strong – but during the last half of 2022, the pace within the manufacturing industry has slowed down. With an economic tendency indicator at 98.8 for the fourth quarter of 2022, manufacturing still has the strongest tendency in the region, yet the current tendency is normal weak. Despite this, the production volume has increased during the fourth quarter and the capacity utilised still remains high at 85 per cent. More manufacturing companies state that they hired employees, but in terms of profitability more manufacturing companies have a decreasing profitability (net balance -28).

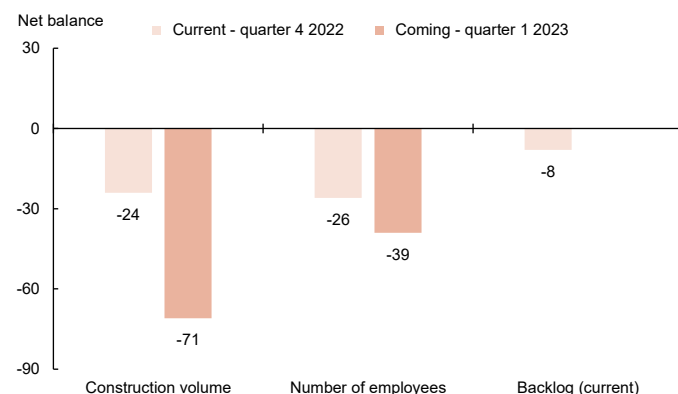
The production volume is expected to decrease ahead (net balance -24). At the same time, more manufacturing companies expect to employ staff (net balance 30) during the first quarter 2023. The survey shows that several factors continue to limit the present state of production. Among other things, 48 per cent of the manufacturing companies state that lacking materials and equipment has limited their production. Other factors are above all labour shortages. Despite this development, roughly two fifths of the companies state that no factors have limited their production.

Recession has reached the region's services sector

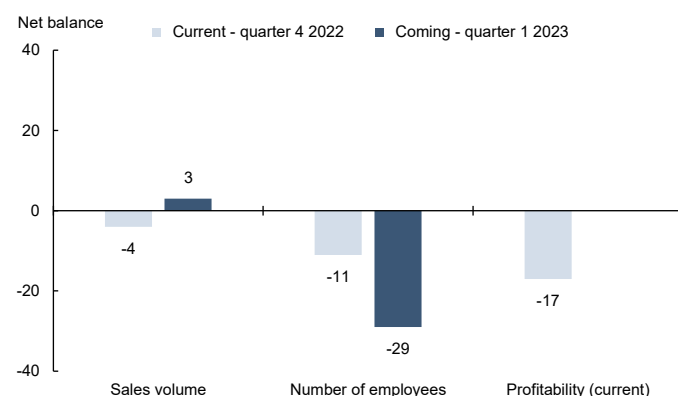
In the survey for the fourth quarter of the year, the Gothenburg region's services sector sees a recessionary economic tendency. In terms of demand for services, the tendency is almost unchanged during the fourth quarter (net balance 1). Also when it comes to profitability, the situation is almost unchanged (net balance -1). In terms of number of employees (net balance 19), more services companies have increased their employees during the fourth quarter of 2022. It is worrying, however, that 42 per cent of the services companies state that labour shortages limit their present operations. Almost two fifths of the services companies also state that a poor demand, at the moment, is limiting the operations.

The outlook is clearly weak. In general the services companies predict that demand for their services will increase slightly (net balance 8). Simultaneously, slightly more services companies (net balance 19) state that they expect to employ more staff during the first quarter 2023. The Gothenburg region's services sector is currently in a recession with an economic tendency indicator that stops at 89.2.

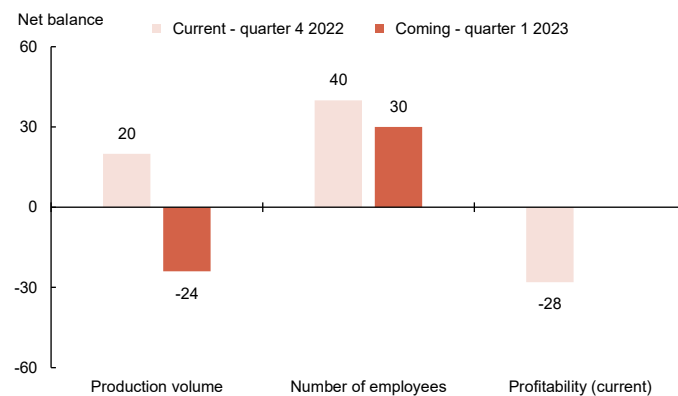
CONSTRUCTION IN GOTHENBURG REGION, CURRENT AND COMING



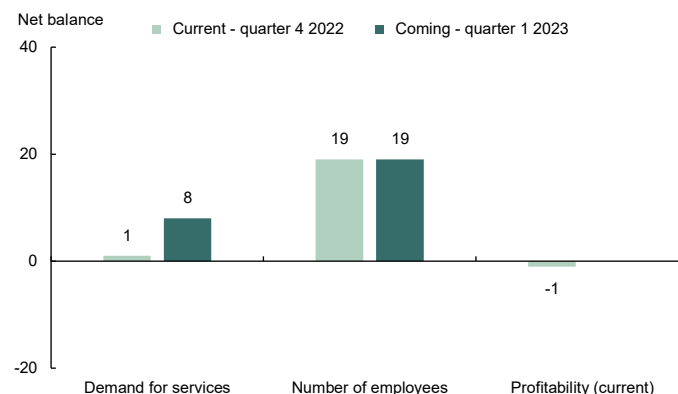
COMMERCE IN GOTHENBURG REGION, CURRENT AND COMING



MANUFACTURING IN GOTHENBURG REGION, CURRENT AND COMING



SERVICES IN GOTHENBURG REGION, CURRENT AND COMING



Source: National Institute of Economic Research

ECONOMIC TENDENCY INDICATOR PER SECTOR FOR BUSINESSES IN THE GOTHENBURG REGION, QUARTER 4 2022 (COMPARED TO QUARTER 3 2022)

| Construction | Commerce | Manufacturing | Services |
|--------------|-------------|---------------|-------------|
| 91.8 | 85.1 | 98.8 | 89.2 |
| (-7.1) | (+2.3) | (-5.2) | (-2.2) |

Job growth still strong, but will lose momentum ahead

In several of our Economic Outlook reports, in 2021 and 2022, we have observed a strong job market in the Gothenburg region – and this is our view on job growth also for the fourth quarter of 2022. At the end of the fourth quarter of the year, job growth in the Gothenburg region was at 5.5 per cent on an annual basis. Approximately 575,000 people were employed, which can be compared with just over 545,000 people in the same period the year before. The figure for the most recent quarter shows continued strong job growth in the Gothenburg region, but as we mentioned in the previous report may be somewhat overestimated in the LMT, i.e. most likely the true outcome is weaker than 5.5 per cent. However, the increase in the Gothenburg region shows that job growth is clearly stronger than in the Stockholm region (+0.4% on an annual basis) and in the Malmö region (0.6% on an annual basis). The job growth for Sweden remained at 2.2 per cent on an annual basis.

The Gothenburg region's companies currently experience a state of economic tendency that is 'recession'. Yet, demand for skilled labour remains high across sectors. We see that the current job growth is still strong, but we expect that the job growth will lose momentum ahead.

During the last quarter, we see that employment has grown strongly within hotels and restaurants as well as in information and communication. Moreover, we also observe employment growth within transportation and warehousing, knowledge-intensive business services and within manufacturing. Among other things, Empir Industry announced that it needs to hire an additional 30 people in order to deliver software and operational services for factories within the automotive industry. Today, the company has offices in Uddevalla, Trollhättan, Gothenburg and Skövde. During early December, the modular space specialist, Algeco, announced that the company is looking for several new employees in combination with its expansion of the workshop area in the Port of Gothenburg by several hundred square meters. Moreover, Sportshopen is also currently looking for several employees for its new warehouse in Sörred Logistics Park in Gothenburg, which is expected to open sometime during spring 2023. The largest job potential 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 may increase somewhat ahead

Unemployment, on an annual basis, in the Gothenburg region continues to decrease in January and currently the level is slightly lower than for the period 2014-2019, when the average unemployment rate was at 5.8 per cent. In January 2023, unemployment was at 5.6 per cent in the Gothenburg region (-0.6%-points on an annual basis), which corresponds to just above 30,600 persons (unemployed and in labour market policy programs). Of the registered people in the region, 40 per cent are domestically born and 60 per cent are foreign-born. Just above 3,000 of these people are youths (aged 18-24). In the Stockholm region, unemployment was at 6.2 per cent (-0.6%-points on an annual basis) and in the Malmö region at 8.8 per cent (-0.8% points on an annual basis). Unemployment in Sweden remains at 6.6 per cent (-0.6%-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 seen among foreign-born people and among youths. In January 2023, for example, unemployment among young foreign-born youths was at 12.5 per cent (-4.9% units on an annual basis). Despite sharp reductions, unemployment is still very high for foreign-born people. Looking at the entire group of foreign-born people, unemployment was at 13.2 per cent in January 2023 (for Sweden as a whole the corresponding figure was at 15.8%). For the total group of youths aged 18-24, unemployment remained at 5.8 per cent in January (-1.3%-points on an annual basis).

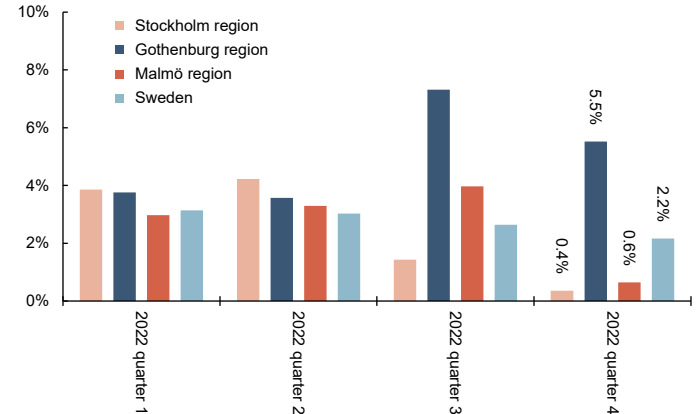
The economic tendency is weak at the moment and companies in the region expect a further weakening of the economic tendency going forward in 2023. Our expectation is that it will be more difficult to make new entries in the region's job market ahead, which may somewhat increase the level of unemployment.

Redundancies continue to increase, yet from a low level

Similar to the previous year's last Economic Outlook report, we observe that new job vacancies in the region's labour market continue to be at a high level and are still difficult to match with job seekers in the region's workforce. During the period October to December 2022, an average of approximately 10,800 new job vacancies for permanent positions were advertised per month in the Gothenburg region. This corresponds to an increase of 11.4 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 information and communication (note that there may be some duplication in the new job vacancy statistics, but the indicator is still assessed to be relevant to follow).

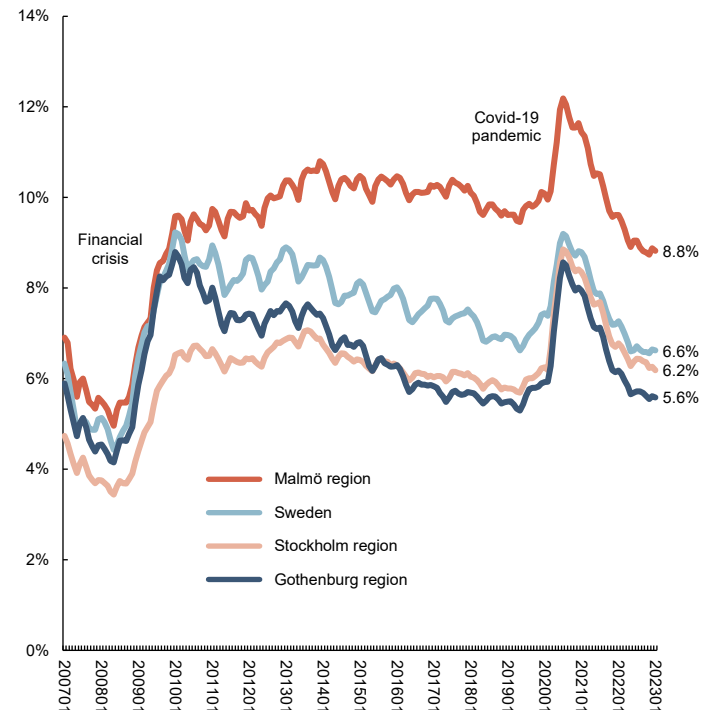
For the period October to December 2022, redundancies continue on an upturn, yet from a low level. The most recent period had an average of 342 redundancies per month (an increase of just above 47% on an annual basis). The average number of redundancies per month for the most recent period is well above the median for the 2000s at 300 redundancies per month. Mostly, redundancies in the region are linked to the sectors manufacturing, law, business administration, science and technology as well as commerce and construction. No major redundancies have been reported by companies in the Gothenburg region early into 2023, but several small ones have been posted. In the previous Economic Outlook report, we listed a number of major redundancies that were announced, e.g. layoffs by H&M and SKF - however, it is currently unknown how these layoffs will affect the Gothenburg region. The layoffs, announced by the Chinese technology developer CEVT in November 2022, on the other hand, indicate that 170 people are affected in Gothenburg. Our assessment going forward is that redundancies in the region will further increase slightly.

EMPLOYMENT INDICATOR - PERCENTAGE CHANGE IN NUMBER OF EMPLOYED ON ANNUAL BASIS



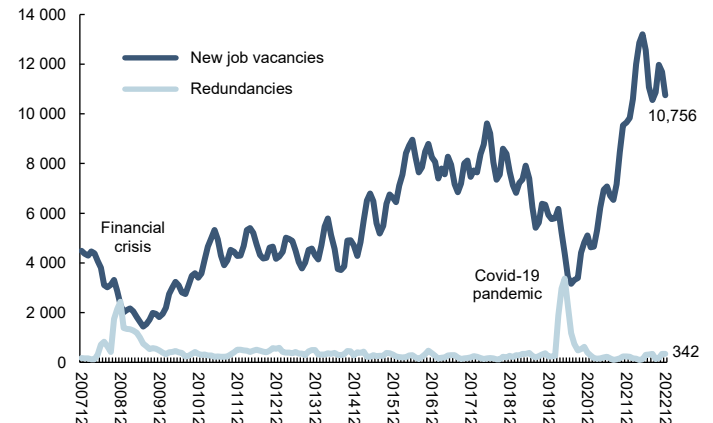
Source: Statistics Sweden

UNEMPLOYED AND PEOPLE IN LABOUR MARKET POLICY PROGRAMMES - PERCENTAGE OF THE WORK FORCE AGED 16 TO 64



Source: Swedish Public Employment Service and Statistics Sweden

NEW JOB VACANCIES FOR PERMANENT POSITIONS AND REDUNDANCIES IN THE GOTENBURG REGION - THREE-MONTH ROLLING AVERAGE



Source: Swedish Public Employment Service

OTHER INDICATORS

Companies expect higher price level in the first quarter

In regard to tender prices within the Gothenburg region's construction sector, a few more construction companies expect a decrease during the first quarter of 2023 (net balance -17). For the region's commerce sector, however, the expectations are that the sales price within the sector will increase as more commerce companies believe that the price level will continue to increase (net balance 59). In manufacturing, one sales price is assigned to the home market, and another is assigned to the export market. Looking at the home market, significantly more manufacturing companies predict a price increase in the coming period (net balance 72). Also for the export price, more manufacturing companies expect an increase. However the net balance of 30 is significantly lower compared to the expectations on the home market prices. More services companies (net balance 43) within the Gothenburg region also believe in an increase in the price level during the first quarter of the year (a net balance of -100 refers to that all companies expect a decrease, whereas 100 refers to that all companies expect an increase).

Price drop in flats still sharpest in Gothenburg

In Valueguard's January summary for housing prices in December 2022, we see continued decreases in both the short term and long term housing prices. The sharpest price fall for flats, compared 6-12 months back in time, is still observed in Gothenburg. When it comes to house prices, the Stockholm region has seen the sharpest price drop during the past year. In December 2022, the prices of flats decreased by 13 per cent on an annual basis in Gothenburg. The corresponding figure in Stockholm was a decrease of 10.3 per cent, whereas the decrease in flat prices in Malmö stopped at 9.4 per cent on an annual basis. In the last three-month period, however, the price drop has been sharpest in Malmö.

Also the price of houses continues to fall over the past year. Among the metropolitan regions, the Stockholm region sees the largest decrease with 16 per cent on an annual basis, followed by the Malmö region (-14.6%) and the Gothenburg region (-12.9%). Looking at the last three months, the Malmö region continues to show the sharpest price drops for houses.

Bankruptcies increase, yet affected employees decrease

The most recent period shows that bankruptcies continue to increase, yet employees affected by bankruptcy decrease – mainly within construction and property. Recent developments, thus, indicate that the average company that has been declared bankrupt is a smaller company. During the period October to December 2022, 231 companies in the Gothenburg region filed for bankruptcy, which corresponds to an increase of 30.5 per cent compared with the same period a year before. The bankruptcies during the latest period have primarily affected companies within business services, commerce, but also other sectors such as construction and hotels and restaurants.

In terms of affected employees, as due to bankruptcy, we see a decrease in the latest period. Between October and December 2022, 258 employees in the Gothenburg region were directly affected when their employers filed for bankruptcy (which corresponds to a decrease of 9.5 % on an annual basis). Commerce is the sector with the most affected employees (more than one fourth of the people affected by a bankruptcy). Moreover, also business services and hotels and restaurants have a large share of the employees that have been affected by a bankruptcy lately.

New direct flights between New York and Gothenburg

Travels to and from the Gothenburg region continue to recover well right into the last quarter of 2022. During the period October to December 2022, Gothenburg Landvetter Airport had an average of approximately 376,000 air passengers per month (+43% on an annual basis). However, even if the percentage increase in air passengers is large, we still have to cautiously interpret the latest development as the comparison period is weak. Of the air passenger journeys made in the most recent period, 16 per cent are domestic journeys, 79 per cent are European journeys and the remaining 5 per cent comprise of journeys to the rest of the world. For the full year 2022, about 4,447,000 air passengers traveled to and from the Gothenburg region. Compared to 2021, when the total amount of air passengers was at about 1,911,000, this corresponds to an increase of 133 per cent.

In December came gratifying news of a new route with direct flights between New York and Gothenburg. The route will be launched by SAS in late-April and will have three departures per week in each direction. The direct flight, between New York and Gothenburg, is a very important addition to the region as it significantly shortens the travel time for both business and leisure travelers.

Electric car sales up sharply with climate bonus stop

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 November 2022 to January 2023, just above 8,700 new cars were registered in the Gothenburg region (+9.8% on an annual basis). Approximately half of the new sold cars were electric cars – the climate bonus stop for 2023 largely drove the sales up in December 2022. For electric cars alone, new car sales increased by 65 per cent on an annual basis. In January 2023, about 1,700 new cars were sold in the region (of which 35% were electric cars), which historically, is a 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, DECEMBER 2022 COMPARED TO 1, 3, 6 AND 12 MONTHS BACK IN TIME

| Housing type | City / region | 1 M | 3 M | 6 M | 12 M |
|--------------|-------------------|--------------------|--------------------|--------------------|--------------------|
| | | Nov 2022- Dec 2022 | Sep 2022- Dec 2022 | Jun 2022- Dec 2022 | Dec 2021- Dec 2022 |
| Flats | Gothenburg | -0.6% | -5.1% | -10.6% | -13.0% |
| | Stockholm | -0.3% | -2.4% | -6.1% | -10.3% |
| | Malmö | -0.8% | -5.7% | -9.5% | -9.4% |
| | Sweden | -0.9% | -3.7% | -8.0% | -11.0% |
| Houses | Gothenburg region | -0.4% | -6.6% | -12.1% | -12.9% |
| | Stockholm region | -2.0% | -5.9% | -11.4% | -16.0% |
| | Malmö region | -1.0% | -7.3% | -14.7% | -14.6% |
| | Sweden | -1.7% | -7.0% | -12.9% | -13.7% |

Source: Valueguard

NUMBER OF BANKRUPTCIES AND AFFECTED EMPLOYEES IN THE GOTHENBURG REGION, BY SECTOR OCTOBER-DECEMBER 2022

| Sector | Bankruptcies | | Affected employees | |
|--------------------------------|--------------|------------|--------------------|------------|
| | No. | Annually | No. | Annually |
| Business services | 42 | +17 | 46 | +3 |
| Commerce | 40 | +4 | 66 | +50 |
| Construction | 25 | -6 | 15 | -92 |
| Hotels and restaurants | 20 | +6 | 47 | +7 |
| Other service companies | 15 | +9 | 6 | +1 |
| Information and communication | 13 | +6 | 4 | +2 |
| Cultural and personal services | 11 | +6 | 27 | +27 |
| Manufacturing and mining | 9 | +5 | 29 | +7 |
| Property | 7 | -1 | 0 | -34 |
| Transportation and warehousing | 6 | +3 | 13 | +13 |
| Other sectors | 43 | +5 | 5 | -11 |
| Gothenburg region total | 231 | +54 | 258 | -27 |

Source: Statistics Sweden and Growth Analysis

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

| Indicator | 2022 | 2021 | Change |
|---|---------|---------|-------------|
| Economic tendency, Q4 | 89.0 | 111.8 | -22.8 units |
| Employed persons, Q4 | 575,400 | 545,300 | +5.5% |
| Unemployment, January* | | | |
| Total 16-64 years | 5.6% | 6.2% | -0.6%-p. |
| Domestically born 16-64 years | 3.0% | 3.3% | -0.3%-p. |
| Foreign-born 16-64 years | 13.2% | 14.8% | -1.6%-p. |
| Total 18-24 years | 5.8% | 7.1% | -1.3%-p. |
| Domestically born 18-24 years | 4.1% | 4.7% | -0.6%-p. |
| Foreign-born 18-24 years | 12.5% | 17.4% | -4.9%-p. |
| New job vacancies, Q4 (monthly average) | 10,756 | 9,653 | +11.4% |
| Redundancies, Q4 (monthly average) | 342 | 232 | +47.4% |
| Price index flats Gothenburg, Dec | 316.96 | 364.42 | -13.0% |
| Price index houses Gothenburg region, Dec | 242.53 | 278.55 | -12.9% |
| Number of bankruptcies, Q4 | 231 | 177 | +30.5% |
| Affected employees, Q4 | 258 | 285 | -9.5% |
| Air passengers, Q4 (monthly average) | 375,719 | 262,901 | +42.9% |
| New car registrations, Nov-Jan** | 8,733 | 7,952 | +9.8% |
| of which electric cars | 4,157 | 2,520 | +65.0% |

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

* Refers to data for 2023 compared with the same period in 2022.

** Refers to data for 2023 / 2022 compared with the same period in 2022 / 2021.

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, the Swedish Public Employment Service, National Institute of Economic Research, Valueguard, Growth Analysis, Swedish Agency for Economic and Regional Growth and the 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 Henrik Einarsson, Head of Establishment, and Peter Warda, Senior Analyst. The report and all tables and charts can be downloaded from 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 (≥ 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.



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

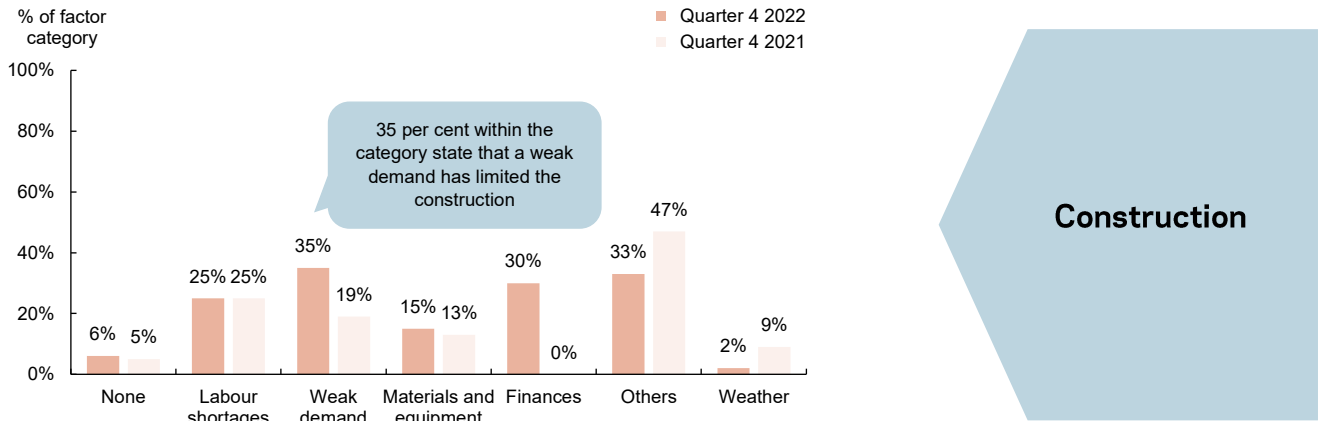


Companies' limitations

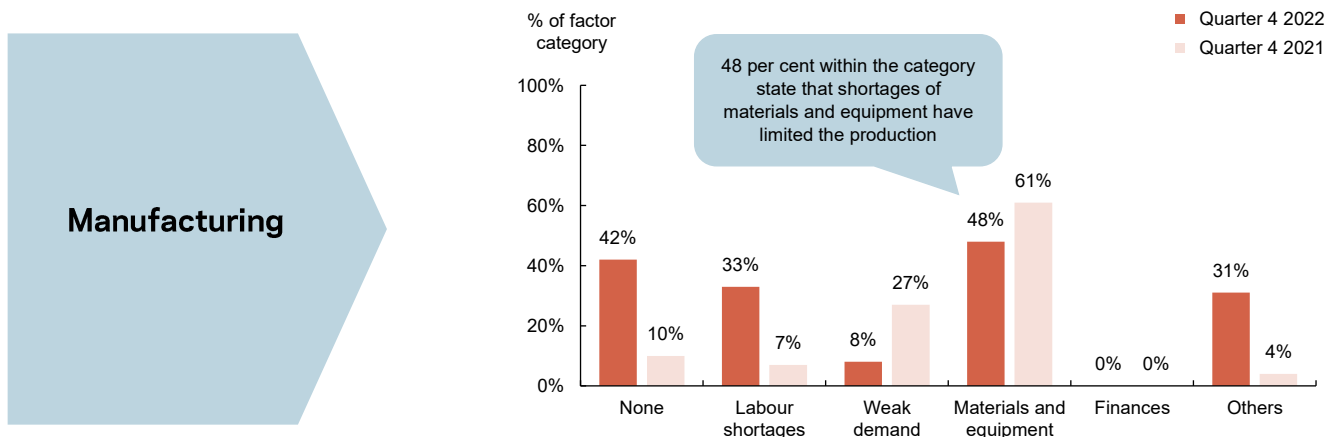
In the survey from the National Institute of Economic Research questions are also asked, depending on sector and factor, whether the companies have experienced any kind of limitations to their operation, production and construction. The additional survey questions on limitations do not cover the commerce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

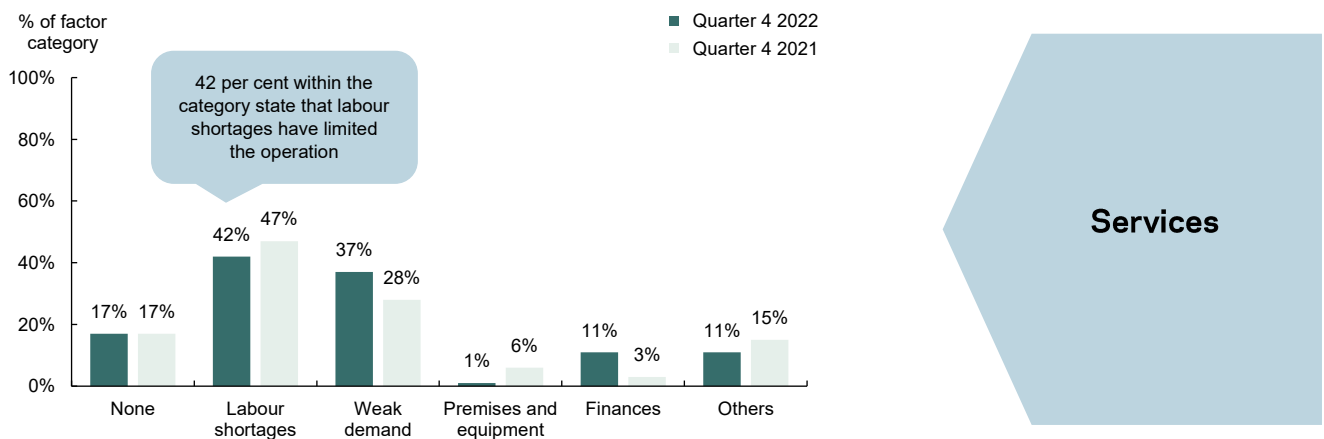
Factors that limit the construction during quarter 4 2022



Factors that limit the production during quarter 4 2022



Factors that limit the operation during quarter 4 2022





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