



#2

2021

ECONOMIC OUTLOOK

GOTHENBURG REGION



BUSINESS REGION
GÖTEBORG



Key markets' growth expectations further strengthened...

REAL GDP GROWTH – FORECAST 2021-2022 (IN %) FOR SWEDEN AND SOME OF THE GOTHENBURG REGION'S KEY EXPORT MARKETS

Country	Share of region's exports	2021	↗ → ↘	2022
Sweden*		3.6%	→	3.6%
USA	14.4%	6.4%	↘	3.9%
Belgium	10.9%	4.9%	↘	2.7%
Norway	9.7%	3.0%	↗	3.2%
China	9.5%	7.0%	↘	4.9%
Germany	8.3%	4.5%	↘	3.8%
Denmark	7.3%	2.6%	↗	3.3%
Finland	5.7%	3.2%	↘	3.0%
United Kingdom	5.1%	4.2%	↗	4.9%
Netherlands	3.8%	3.0%	→	3.0%
France	3.4%	5.7%	↘	4.2%
GDP growth for Gothenburg region's top 10 export markets (weighted by export share)	78.1%	4.7%	↘	3.7%
Eurozone		4.0%	↘	3.9%
World		5.7%	↘	4.2%
World trade, goods and services		8.4%	↘	6.5%

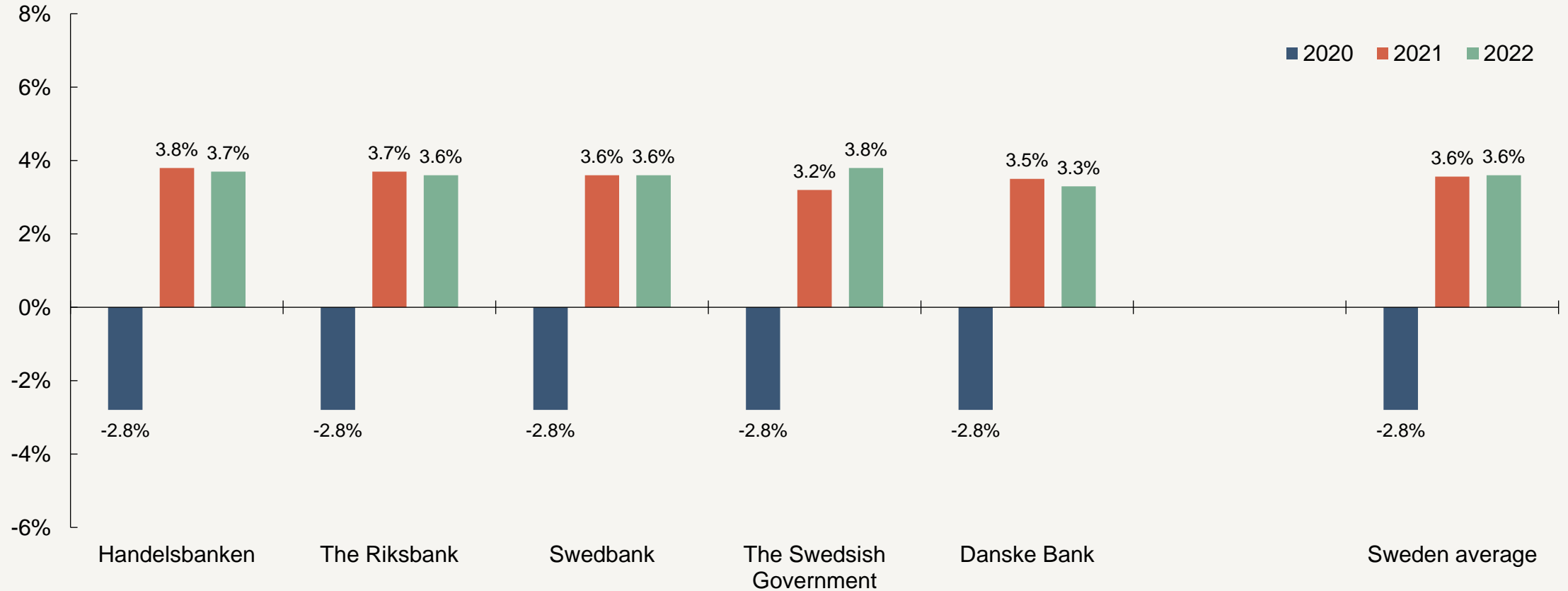
Source: IMF, Swedbank, Handelsbanken (April 2021), OECD (March 2021) and EU (February 2021)

* Average of the five last forecasts in the summary produced by the National Institute of Economic Research based on data from Handelsbanken, The Riksbank, Swedbank, the Swedish Government and Danske Bank.



...and good expectations ahead for Sweden's economy

THE FIVE LATEST FORECASTS OF SWEDEN'S GDP GROWTH (IN %) 2020-2022



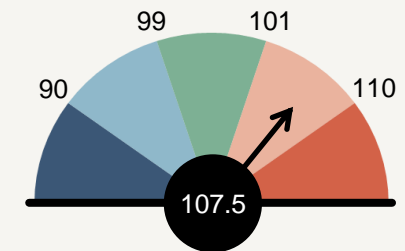
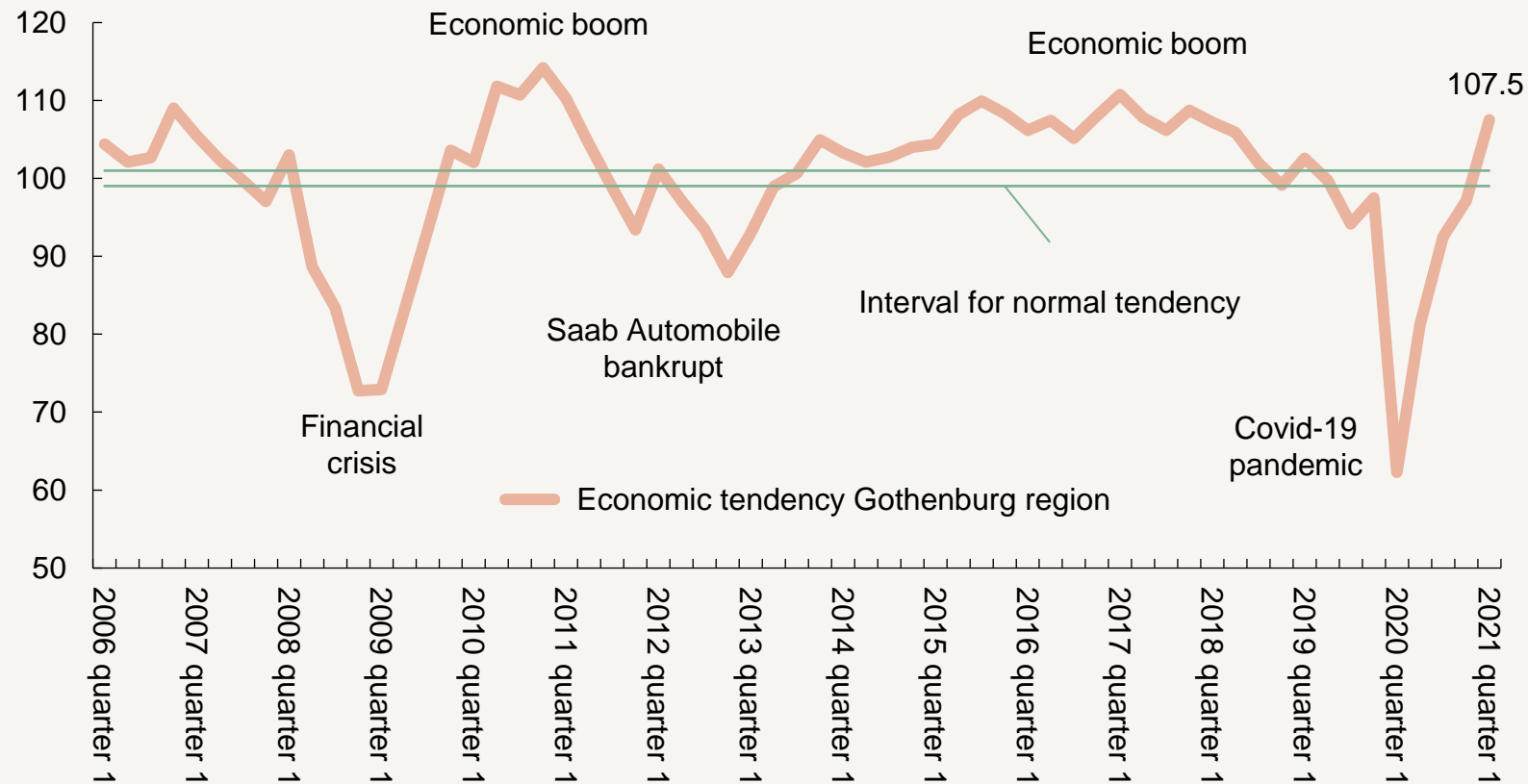
Source: National Institute of Economic Research

Note: Sweden average is an average of five last forecasts in the summary produced by the National Institute of Economic Research based on data from Handelsbanken, the Riksbank, Swedbank, the Swedish Government and Danske Bank.



Tendency in the region gears up to normal, yet strong

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



1,522 companies in Gothenburg region's business environment got the survey. 798 companies answered, which gives a response rate of 52 per cent. Survey period:

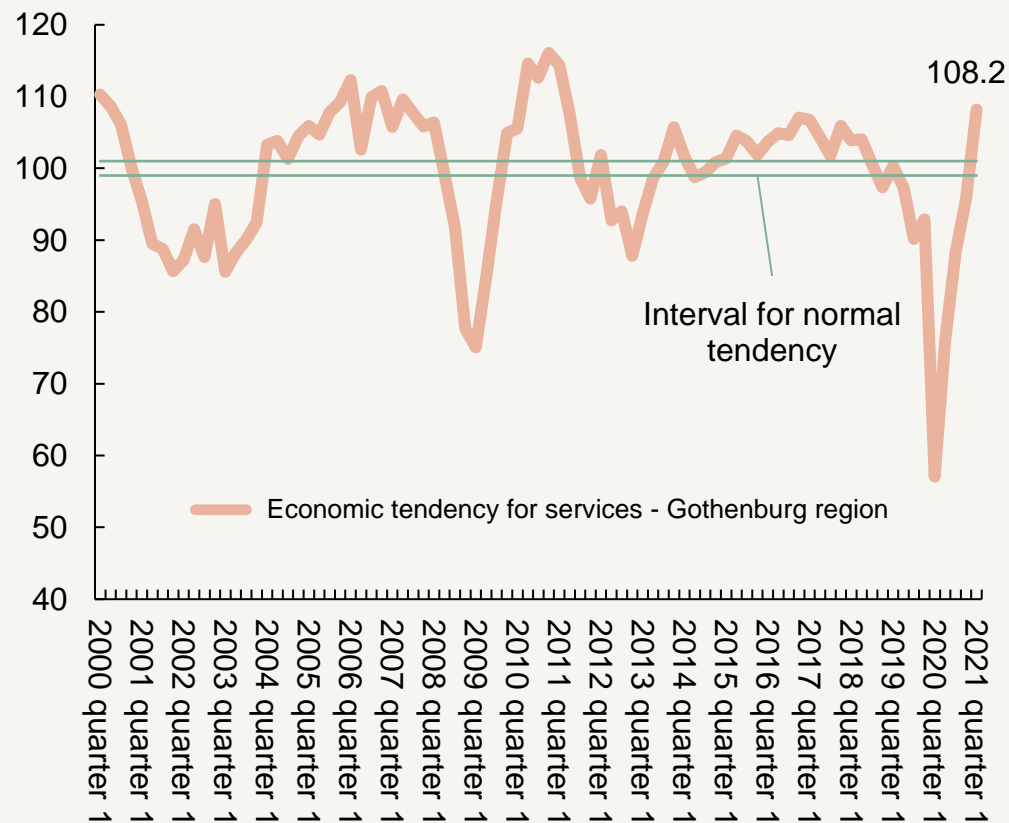
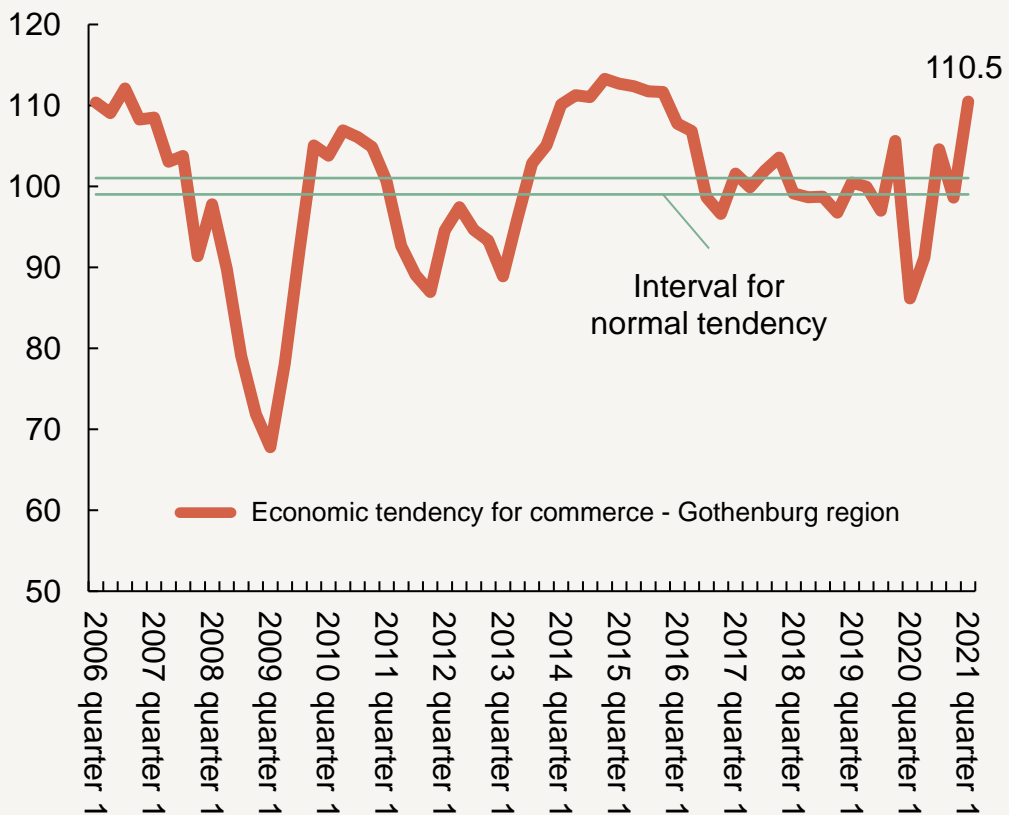
31 March 2021 - 21 April 2021

Source: National Institute of Economic Research



Strong tendency improvement in commerce and services

ECONOMIC TENDENCY INDICATOR PER SECTOR FOR BUSINESSES IN THE GOTHENBURG REGION



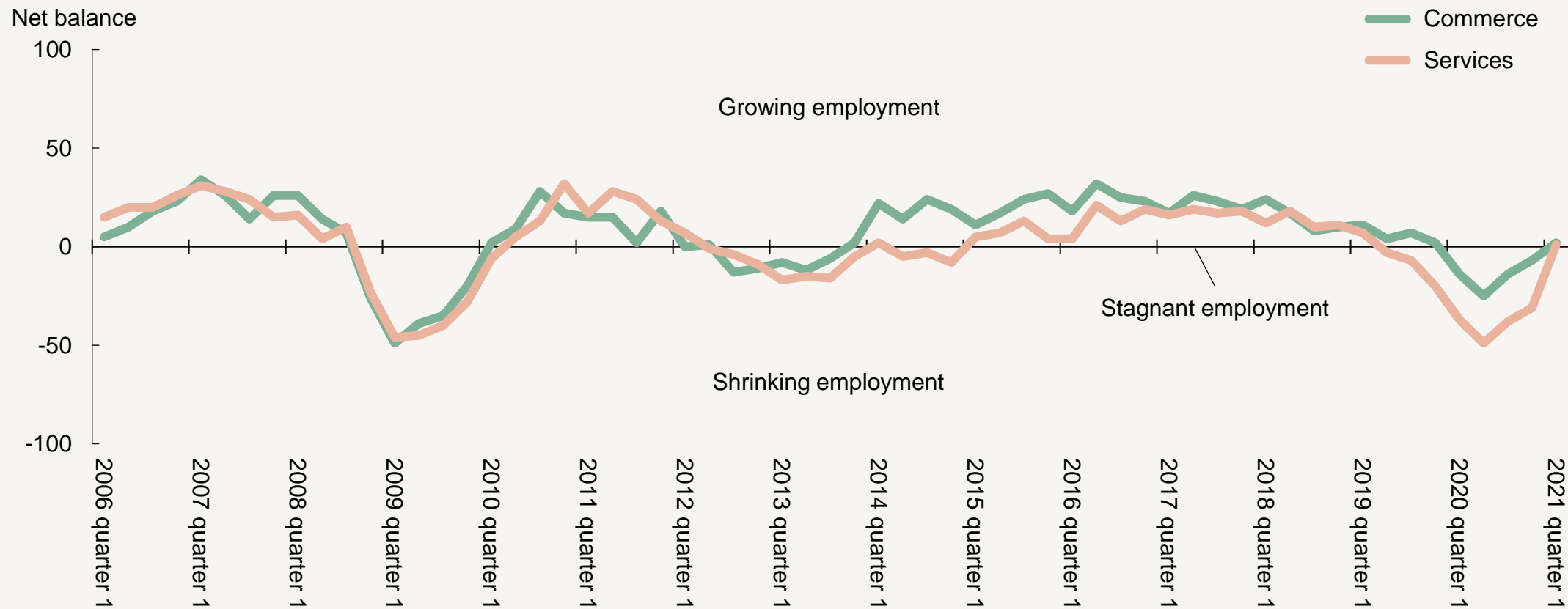
Source: National Institute of Economic Research





Job growth marginally up within commerce and services

EMPLOYED PER SECTOR IN THE GOTHENBURG REGION - NET BALANCE PER QUARTER FROM 2006



Source: National Institute of Economic Research

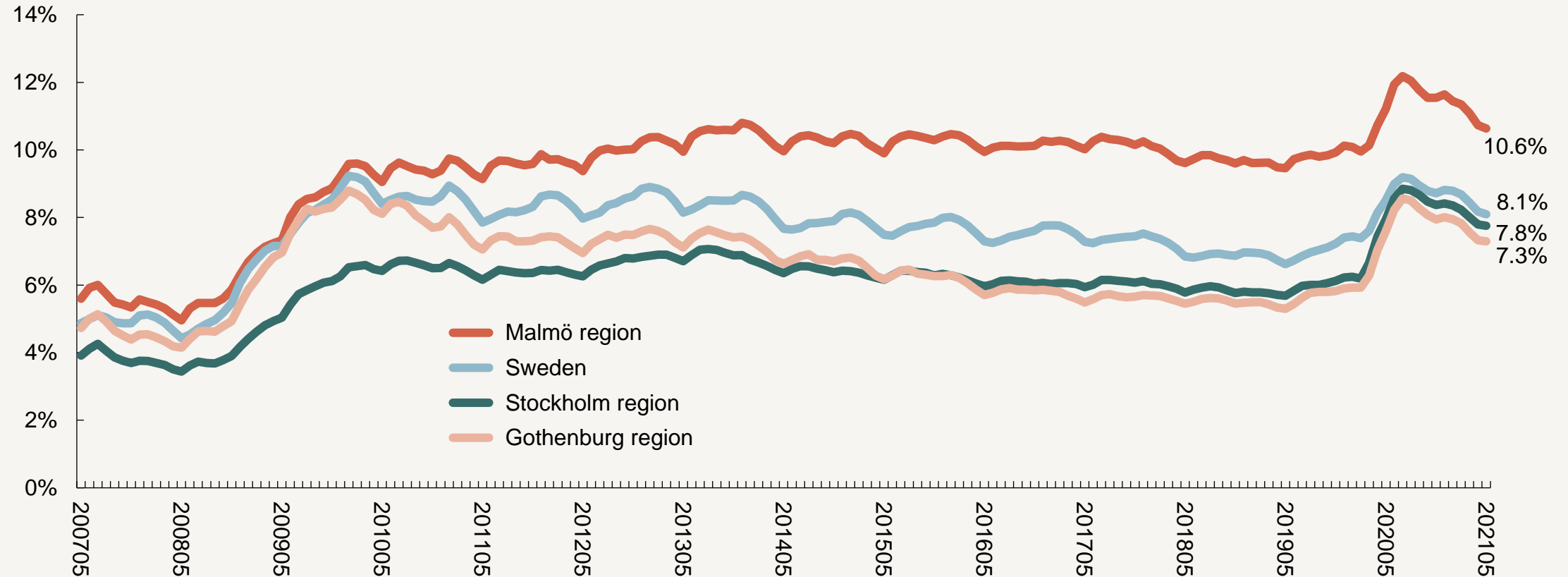


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Unemployment continues to fall, recovery comes closer

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

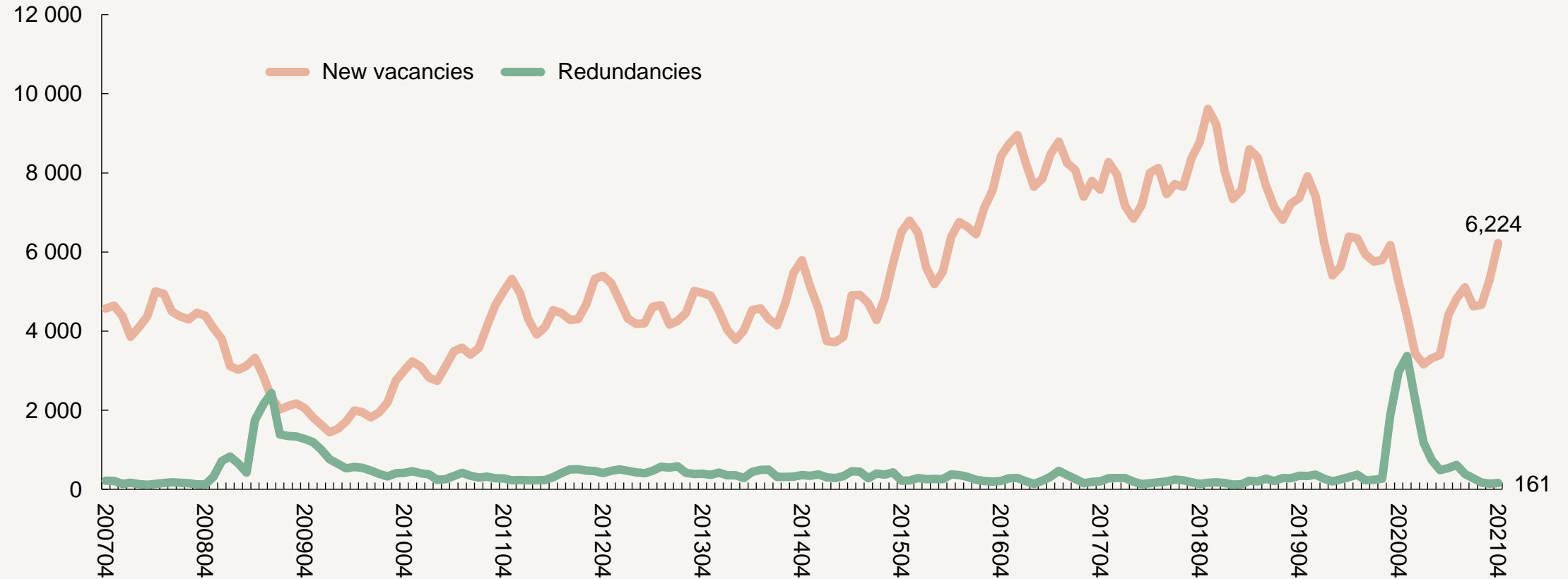


Source: Swedish Public Employment Service and Statistics Sweden



Level of redundancies still at record low in the region

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

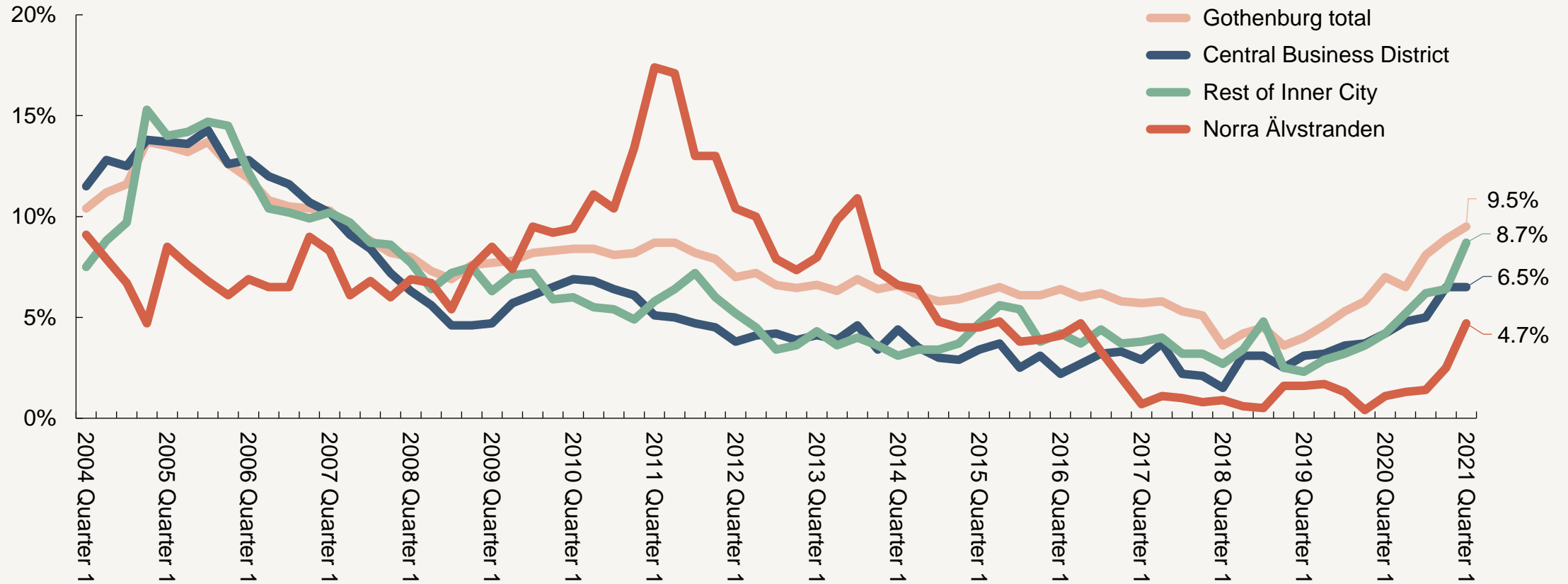


Source: Swedish Public Employment Service



The office vacancy rate increases yet another quarter

VACANCY RATE FOR THE OFFICE MARKET IN GOTHENBURG

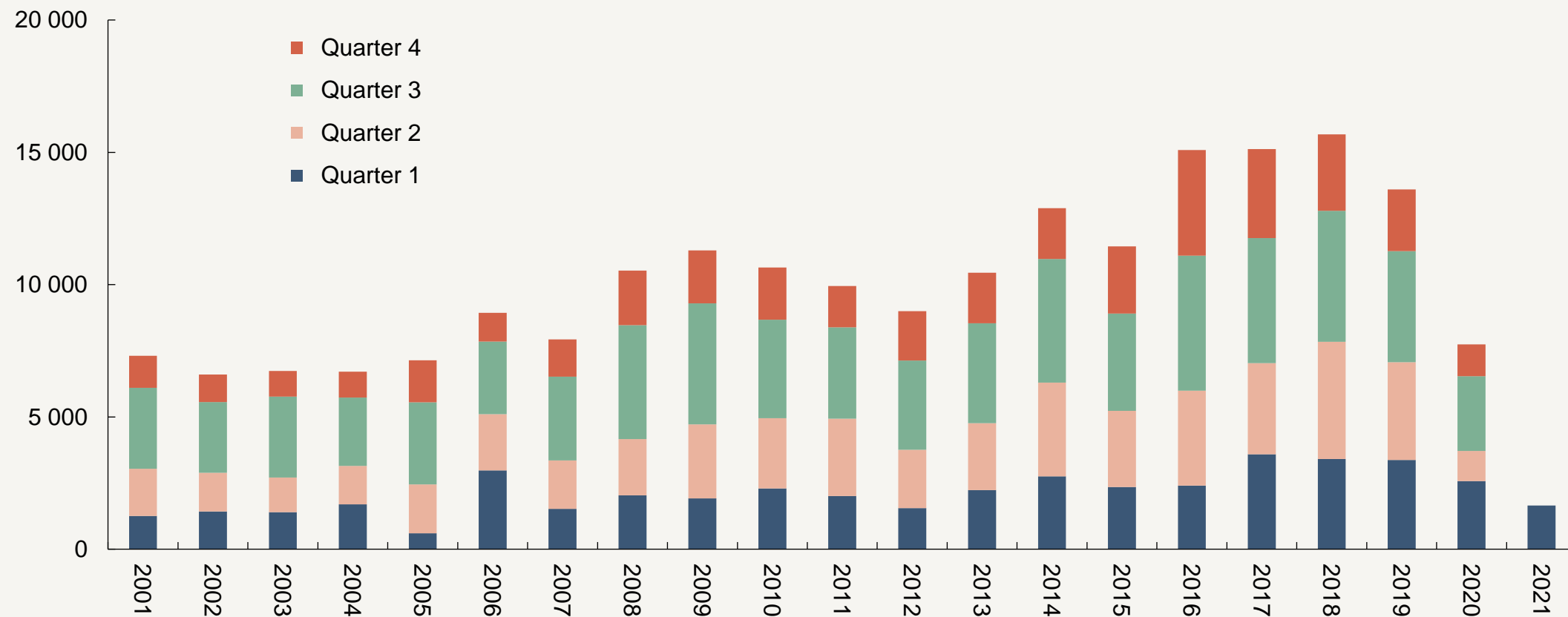


Source: JLL



Weak population growth continues during the first quarter of 2021

POPULATION GROWTH PER QUARTER IN THE GOTHENBURG REGION



Source: Statistics Sweden



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Strong uptrend in housing prices during pandemic

PRICE DEVELOPMENT OF FLATS AND HOUSES, APRIL 2021 COMPARED TO 1, 3, 6 AND 12 MONTHS BACK IN TIME

Housing type	City / region	1 month	3 months	6 months	12 months
		Mar 2021 - Apr 2021	Jan 2021 - Apr 2021	Oct 2020 - Apr 2021	Apr 2020 - Apr 2021
Flats	Gothenburg	0.3%	2.6%	3.8%	9.1%
	Stockholm	0.1%	2.6%	4.8%	12.2%
	Malmö	2.1%	6.0%	9.3%	18.7%
	Sweden	0.5%	3.1%	5.1%	12.3%
Houses	Gothenburg region	2.5%	5.7%	11.6%	22.6%
	Stockholm region	-0.1%	6.6%	10.4%	23.4%
	Malmö region	1.3%	10.0%	13.8%	26.6%
	Sweden	1.1%	6.8%	10.9%	23.0%

Source: Valueguard



Fewer bankruptcies yet more employees affected

NUMBER OF BANKRUPTCIES AND AFFECTED EMPLOYEES IN THE GOTHENBURG REGION, BY SECTOR – MARCH TO APRIL

Sector	March 2019 – April 2020		March 2020 – April 2021	
	Bankruptcies	Employees	Bankruptcies	Employees
Commerce	174	1,699	168	1,591
Business services	149	232	156	348
Construction	122	421	148	709
Hotels and restaurants	76	291	81	287
Transportation and warehousing	40	119	48	185
Other service companies	32	58	30	70
Manufacturing and mining	42	127	29	113
Information and communication	40	114	22	35
Healthcare and care	11	39	17	24
Financial services and insurance	15	30	13	1
Other sectors	195	37	133	91
Gothenburg region total	896	3,167	845	3,454

Source: Statistics Sweden and Growth Analysis



Table summarising the economic situation in Gothenburg region

Indicator	2021	2020	Change
Economic tendency, Q1	107.5	62.3	+45.2 units
Unemployment, May			
Total 16-64 years	7.3%	7.6%	-0.3%-p.
Domestically born 16-64 years	4.1%	4.6%	-0.5%-p.
Foreign-born 16-64 years	16.9%	17.4%	-0.5%-p.
Total 18-24 years	8.9%	10.2%	-1.3%-p.
Domestically born 18-24 years	6.1%	7.7%	-1.6%-p.
Foreign-born 18-24 years	20.6%	22.7%	-2.1%-p.
Job vacancies, Feb – Apr (monthly average)	6,224	5,239	+18.8%
Redundancies, Feb – Apr (monthly average)	161	2,972	-94.6%
Vacancy rate for offices in Gothenburg, Q1	9.5%	7.0%	+2.5%-p.
Population, Q1	1,051,244	1,044,424	+0.7%
Number of bankruptcies, Mar-Apr*	845	896	-5.7%
Affected employees, Mar – Apr*	3,454	3,167	+9.1%
New car registrations, Q1	9,278	6,950	+33.5%
Air passengers, Q1 (monthly average)	39,377	349,940	-88.7%
Guest nights, Q1 (monthly average)	114,575	264,496	-56.7%

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

* Refers to sum for the period March 2020 - April 2021 compared to the same period in 2019 / 2020





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