



#2
2023

-0.5%_{-points}
unemployment

94.2
economic tendency
(normal weak)

+5.3%
employment
growth

+1.3%
export-weighted growth
key markets 2023

ECONOMIC OUTLOOK

GOTHENBURG REGION



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 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, financial turbulence, 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, is clearly weaker than in a normal state. The most recent period shows, after all, that job growth in the region continues to be strong, many new job vacancies are available and that unemployment is decreasing. However, we see that both redundancies and bankruptcies are still increasing, albeit from low levels. At the same time, the region's companies continue to be pessimistic about the period ahead in 2023.

TRADE AND INDUSTRY

Still weak, yet a little more cheerful in key markets

Compared to midway through 2022, forecast institutes such as the IMF, OECD, EU and the major Swedish banks remain pessimistic, yet a little more cheerful, about the GDP growth 2023 in key markets for our export-intensive business environment.

The United States, the Gothenburg region's largest export market, is expected to grow by 1.2 per cent in 2023 - which is expected to slightly decrease to 1 per cent in 2024. In the previous Economic Outlook it appeared that the American economy made a good finish for the full year of 2022. During the first quarter of 2023, preliminary GDP figures for the American economy show that the economy is expected to grow by about 1 per cent. In just above a year, the Fed has raised its benchmark interest rate a total of ten times. The latest increase came in the beginning of May 2023 with a further 0.25 percentage points. The increases in the past year have had impact on the country's annual inflation rate. In June 2022, inflation was just over 9 per cent and in March 2023 it had decreased to 5 per cent. The target inflation at 2 per cent is a clear goal. Thus, the Fed continues to give 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 with slow economic growth. With a growth of 5.5 per cent in 2023, China continues to be 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 be slightly unchanged in 2023, whereas Norway is predicted to grow by 1.3 per cent. For Germany, France and the Netherlands, GDP growth is expected to marginally increase in 2023, whereas a marginal decrease is expected in the UK. Looking at the Eurozone as a whole, expectations are strengthened somewhat for this forecast period and 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 1.3 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 1.2 percentage points, from 2.5 per cent to 1.3 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.

Expectations of recession remain for Sweden's economy

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 are somewhat less gloomy. 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 still shows signs of a recession and the economy is expected to shrink by 1 per cent in 2023. Sweden's GDP growth is expected to reverse in 2024 with a predicted growth rate at the low of 0.5 per cent - which is clearly below the trend for Sweden and much slower than the average for the Eurozone.

The economic tendency for Sweden increased slightly in both February and March, yet in April 2023 the indicator decreased. 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 a weak current demand. The economic tendency within manufacturing also deteriorated, but the situation within the sector is fragmented. For example, electronics and automotive are going strong, whereas the food industry has a gloomier view of the current situation. The economic tendency indicator also decreased within retail trade, and the sector continues to have the gloomiest economic tendency in the Swedish economy. Within construction, however, the economic tendency indicator increased. The lift was largely due to strengthened expectations among construction companies' about the construction market in one year's time.

Normal weak tendency sensed by the region's businesses

The National Institute of Economic Research's survey for the first quarter of 2023 shows that the situation improves somewhat for the Gothenburg region's businesses. Compared to the fourth quarter of 2022, the economic tendency gears up one full notch on the gauge and remains at 94.2 (-17.4 units on an annual basis). The current situation indicates that the region's businesses experience a state of economic tendency that is 'normal weak' (see the interval interpretation to the right).

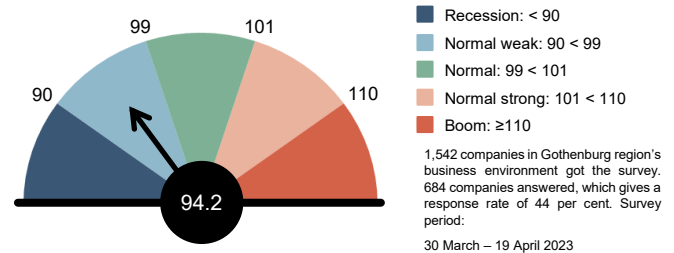
REAL GDP GROWTH – FORECAST 2023-2024 (IN %) FOR SWEDEN AND SOME OF THE GOTHENBURG REGION'S KEY EXPORT MARKETS

Country	Share of region's exports	Forecast averages	
		2023	2024
Sweden*		-1.0%	↗ 0.5%
USA	14.7%	1.2%	↘ 1.0%
Belgium	10.5%	0.7%	↗ 1.3%
China	10.3%	5.5%	↘ 4.7%
Norway	10.2%	1.3%	→ 1.3%
Germany	7.5%	0.1%	↗ 1.2%
Denmark	7.4%	0.1%	↗ 1.3%
Finland	5.6%	-0.1%	↗ 1.2%
UK	4.5%	-0.3%	↗ 0.9%
Netherlands	4.1%	0.9%	↗ 1.2%
France	3.4%	0.6%	↗ 1.1%
GDP growth for Gothenburg region's top 10 export markets (weighted by export share)	78.2%	1.3%	↗ 1.6%
Eurozone		0.7%	↗ 1.3%
World		2.7%	↗ 2.9%

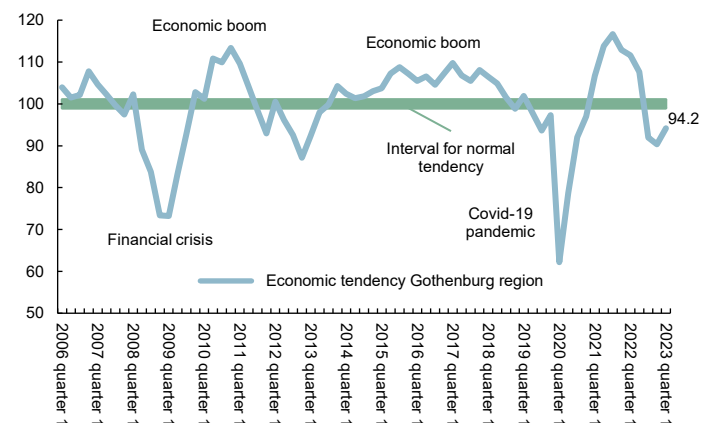
Source: Nordea and SEB (May 2023), Swedbank and IMF (April 2023), OECD (March 2023) and EU (February 2023)

* Average of the five last forecasts in the summary produced by the National Institute of Economic Research (NIER) based on data from Nordea, SEB, the Riksbank, Swedbank and the Swedish Government (17 April – 9 May 2023).

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



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



Gloomy trajectory remains within construction in the region

The economic tendency within the construction sector in the Gothenburg region continues to appear gloomy in its trajectory. More construction companies state that the construction volume has decreased during the first quarter (net balance -55). The survey shows that just over two 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 about one sixth 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 -15). Preliminary figures for dwelling starts in newly constructed buildings (multi-dwelling buildings and one-or-two-dwelling buildings) during 2022 show a decrease of 18 per cent in the Gothenburg region compared to 2021. Looking at Gothenburg alone, the corresponding figure is a decrease of 15 per cent. With this development in the rearview mirror, somewhat more construction companies in the Gothenburg region (net balance -12) currently experience a decreased backlog.

The outlook for the region's construction sector is still very pessimistic in terms of construction volume and employees. Considerably more construction companies (net balance -59) expect a decreased construction volume during the second quarter of 2023. The number of employees within construction is also expected to decrease as more companies (net balance -17) state that less staff is needed ahead. The ongoing survey question, outlook one year from now, shows that the region's construction companies continue to be very pessimistic, as indicated by a net balance of -83. The construction sector's economic tendency indicator for the first quarter of 2023 stops at 95.3, which still indicates a normal weak economic tendency.

Low profitability and recession 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 further deteriorated. The economic tendency indicator for the first quarter was at 83.1, 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 first quarter. When it comes to current sales volume, the commerce companies state that the situation is unchanged.

That the ice-cold tendency remains within commerce is not only due to poor profitability, but also to the companies' future expectations on employees and sales volume. Only a few more commerce companies (net balance 8) believe in increased sales during the second quarter of the year. Also, more commerce companies (net balance -15) plan to decrease their employees in the coming period. Moreover, the number of visits to Gothenburg's densest area for retail stores only shows a marginal increase for the most recent period. Among other things, the number of visits in Gothenburg's Inner City during the first quarter of 2023 only increased by 0.5 per cent, from 2.92 to 2.93 million, compared with the same period in 2022.

Manufacturing gears up to a boom

During the last half of 2022, the pace within the manufacturing industry slowed down rather well. But during the first quarter of 2023, the economic tendency for the region's manufacturing companies has once again geared up strongly into a boom. With an economic tendency indicator at 110.6 for the first quarter of 2023, manufacturing still has the strongest economic tendency in the region. The production volume has increased during the first quarter and the capacity utilised still remains high at 87 per cent. Somewhat more manufacturing companies state that they hired employees, and in terms of profitability only a few more manufacturing companies state that they have a decreasing profitability (net balance -2).

The production volume is, however, expected to increase ahead (net balance 30). At the same time, more manufacturing companies expect to employ staff (net balance 42) during the second quarter 2023. The survey shows that several factors continue to limit the present state of production. Among other things, just above two thirds of the manufacturing companies state that lacking materials and equipment has limited their production. Other factors are above all a weak demand. Despite this development, one fifth of the companies state that no factors have limited their production.

Normal weak within the region's services sector

In the survey for the first quarter of the year, the Gothenburg region's services sector sees a normal, yet weak economic tendency. In terms of demand for services, a few more services companies (net balance 10) say that demand has increased during the first quarter, whereas the profitability has decreased slightly (net balance -4). In terms of number of employees (net balance 14), more services companies have increased their employees during the first quarter of 2023. It is worrying, however, that 37 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 somewhat positive. In general, the services companies predict that demand for their services will increase slightly (net balance 7). Simultaneously, more services companies (net balance 21) state that they expect to employ more staff during the second quarter 2023. The Gothenburg region's services sector is currently in a normal weak state with an economic tendency indicator that stops at 93.4.

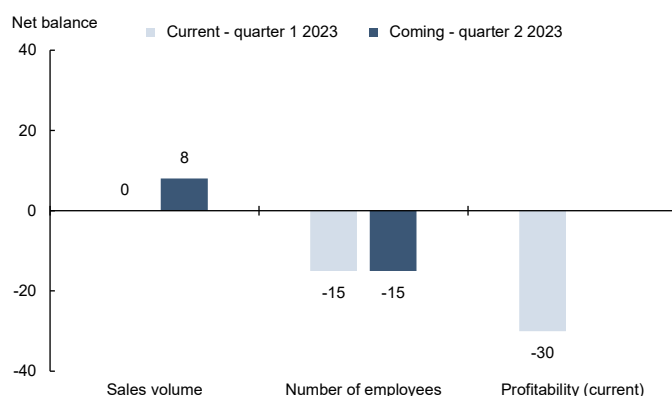
ECONOMIC TENDENCY INDICATOR PER SECTOR FOR BUSINESSES IN THE GOTHENBURG REGION, QUARTER 1 2023 (COMPARED TO QUARTER 1 2022)

Construction	Commerce	Manufacturing	Services
95.3	83.1	110.6	93.4
(-12.7)	(-27.0)	(-5.6)	(-14.1)

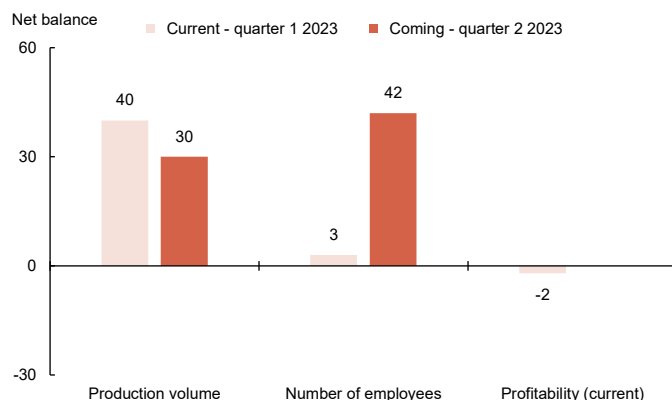
CONSTRUCTION IN GOTHENBURG REGION, CURRENT AND COMING



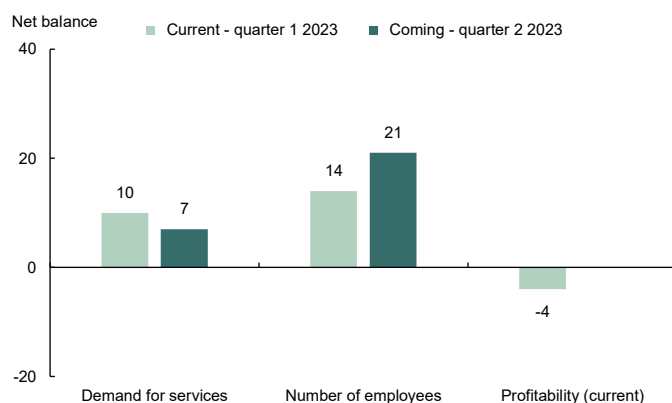
COMMERCE IN GOTHENBURG REGION, CURRENT AND COMING



MANUFACTURING IN GOTHENBURG REGION, CURRENT AND COMING



SERVICES IN GOTHENBURG REGION, CURRENT AND COMING



Source: National Institute of Economic Research

Still strong job growth during the first quarter 2023

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 the momentum for job growth also in the first quarter of 2023. At the end of the first quarter of this year, job growth in the Gothenburg region was at 5.3 per cent on an annual basis. Approximately 578,000 people were employed, which can be compared with just over 549,000 people in the same period the year before. The figure for the most recent quarter shows a 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 5.3 per cent. However, the increase in the Gothenburg region shows that job growth is clearly stronger than in the Stockholm region (+1.1% on an annual basis) and in the Malmö region (4.4% 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 'normal weak'. Yet, demand for skilled labour remains high, especially within the region's services sector. 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 manufacturing and knowledge-intensive business services. Among other things, the Silicon Valley-based company Plug and Play is establishing itself in Lindholmen. Plug and Play's business concept is about linking large companies with new technology-intensive companies. The focus of the company's establishment in Gothenburg will be on sustainability and mobility. 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.

Region's unemployment continues to decrease

Unemployment, on an annual basis, in the Gothenburg region continues to decrease in April and currently the level is clearly lower than for the period 2014-2019, when the average unemployment rate was at 5.8 per cent. In April 2023, unemployment was at 5.3 per cent in the Gothenburg region (-0.5%-points on an annual basis), which corresponds to just above 29,300 persons (unemployed and in labour market policy programs). Of the registered people in the region, 38.5 per cent are domestically born and 61.5 per cent are foreign-born. Just above 2,800 of these people are youths (aged 18-24). In the Stockholm region, unemployment was at 6.0 per cent (-0.4%-points on an annual basis) and in the Malmö region at 8.5 per cent (-0.6% points on an annual basis). Unemployment in Sweden remains at 6.3 per cent (-0.5%-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 and among youths. In April 2023, for example, unemployment among young foreign-born youths was at 12.3 per cent (-4.4% 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 12.8 per cent in April 2023 (for Sweden as a whole the corresponding figure was at 15.3%). For the total group of youths aged 18-24 in the region, unemployment remained at 5.4 per cent in April (-1.1%-points on an annual basis). For Sweden as a whole, the unemployment among youths in April stopped at 7.1 per cent.

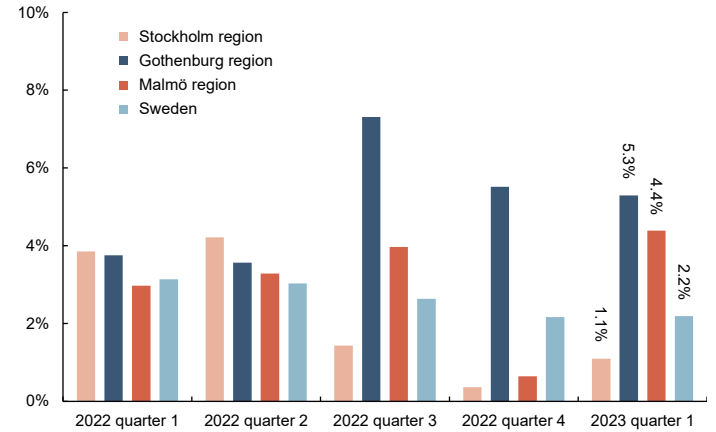
The economic tendency is weak at the moment and companies in the region expect a further weakening of the economic tendency going forward in 2023. Our expectation is that it will be more difficult to make new entries into the region's job market ahead, which may somewhat increase the level of unemployment.

Many vacant jobs and notified persons increase

Similar to the previous Economic Outlook report, we observe that new job vacancies in the region's labour market remain at a high level and are still difficult to match with job seekers in the region's workforce. During the period January to March 2023, an average of approximately 11,100 new job vacancies for permanent positions were advertised per month in the Gothenburg region. This, however, corresponds to a decrease of 7.6 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, commerce, education and transportation and warehousing (note that there may be some duplication in the new job vacancy statistics, but the indicator is still assessed to be relevant to follow).

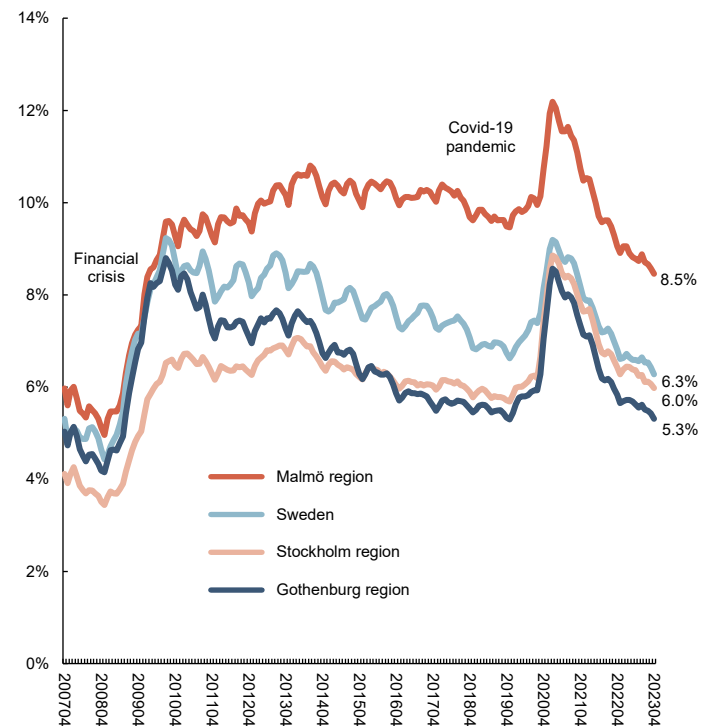
For the period January to March 2023, notified persons continue on an upturn, yet from a low level. The most recent period had an average of 490 notified persons per month (an increase of approximately 229% on an annual basis). The average number of notifications per month for the most recent period is well above the median for the 2000s at 301 notified persons per month. Mostly, the notifications in the region are linked to the sectors 'law, business administration, science and technology', as well as 'manufacturing', 'commerce' and 'construction'. Halfway into January 2023, it became known that the Gothenburg-based agency Forsman & Bodenfors lay's off staff in both Gothenburg and Stockholm, however, it is unclear how many are affected. The media group Stampen also announced in January that approximately 25 full-time positions will be removed ahead from the group. In February 2023, the electric car company Nevs announced that the company is giving notice to almost all its staff based in Trollhättan and Gothenburg. Early in May, Volvo Cars also announced that around 1,300 employees will be laid off. Our assessment is that the notifications in the region will continue to increase slightly going forward.

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



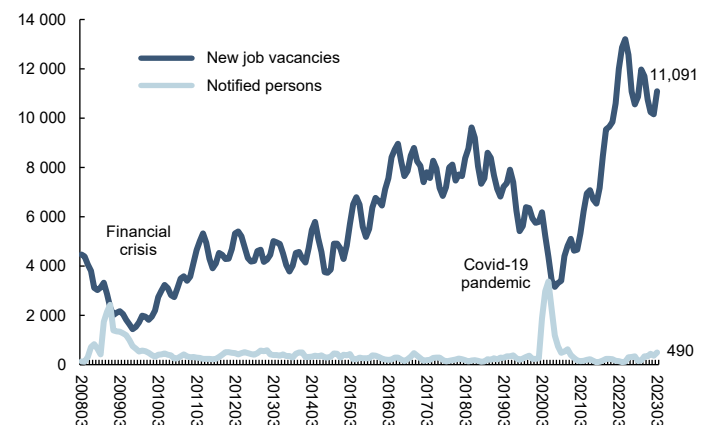
Source: Statistics Sweden

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



Source: Swedish Public Employment Service and Statistics Sweden

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



Source: Swedish Public Employment Service

OTHER INDICATORS

Highest office vacancy rate since 2006 the last 6 months

In JLL's real estate market data for the first quarter, the vacancy rate for offices in Gothenburg increases. During the first quarter of 2023, Gothenburg listed 10.7 per cent vacant space for offices, which is an increase by 0.3 percentage points on an annual basis. The largest increases, on an annual basis, are seen in the districts Mölndal and the Remaining Inner City. In Gothenburg's Central Business District (CBD), the office vacancy rate reaches 11.1 per cent. In the last six months Gothenburg's office vacancy rate reaches the highest levels since 2006. No office space was completed during the first quarter, yet about 142,000 m² office space is under production for completion in 2023-2025 (mostly in Mölndal, but also in CBD 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 prices of flats rises in the Gothenburg region

In SBAB Booli's April summary for housing prices in March 2023, we see that prices of flats increase in the short term. The sharpest price increase for flats over the last month is observed in the Gothenburg region, whereas in the last three-month period prices of flats have been sharpest in the Stockholm region. However, on an annual basis, flat prices still show a decrease. In March 2023, the prices of flats decreased by 9.9 per cent on an annual basis in the Gothenburg region. The corresponding figure in the Malmö region was a decrease of 8.4 per cent, whereas the decrease in flat prices in the Stockholm region stopped at 7.8 per cent on an annual basis.

Also the price of houses continues to fall over the past year. Among the metropolitan regions, the Stockholm region sees the largest decrease with 17.8 per cent on an annual basis, followed by the Gothenburg region (-16.7%) and the Malmö region (-15.2%). Looking at the last three months, the house prices in the Malmö region are increasing, whereas the sharpest price drop for houses is seen in the Gothenburg region.

Bankruptcies and affected employees 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 still a somewhat smaller company. During the period January to March 2023, 219 companies in the Gothenburg region filed for bankruptcy, which corresponds to an increase of 39.5 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 clear increase in the latest period. Between January and March 2023, 518 employees in the Gothenburg region were directly affected when their employers filed for bankruptcy (which corresponds to an increase of 155.2 % on an annual basis). Business services is the sector with the most affected employees (almost half of the people affected by a bankruptcy). Moreover, also commerce and construction have a large share of the employees that have been affected by a bankruptcy lately.

Steady recovery for travels and the hospitality sector

Travels to and from the Gothenburg region continue the process of recovery at a good pace. During the period January to March 2023, Gothenburg Landvetter Airport had an average of approximately 333,000 air passengers per month (+62% 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 very 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.

In the most recent period the Gothenburg region's hospitality sector continues to show strong improvements. During the period January to March 2023, the number of guest nights spent at the region's hotels, hostels and campsites increased by approximately 46 per cent. Looking at the period, an average of approximately 336,000 guest nights per month were spent in the Gothenburg region, of which approximately 72,000 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 good. For March 2023 alone, the occupancy rate was at decent 60 per cent, yet seen as an average per month during the last quarter, the occupancy rate reached just above 55 per cent.

Still up for electric car sales

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 January to March 2023, just above 7,000 new cars were registered in the Gothenburg region (-12.8% on an annual basis). Just above one third of the new sold cars were electric cars. For electric cars alone, new car sales increased by 3.3 per cent on an annual basis. In March 2023, about 3,200 new cars were sold in the region (of which 43% 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, MARCH 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	1.6%	6.6%	0.6%	-9.9%
	Stockholm region	1.1%	6.1%	3.1%	-7.8%
	Malmö region	0.7%	7.3%	1.6%	-8.4%
	Sweden	1.2%	6.1%	1.7%	-8.4%
Houses	Gothenburg region	-2.0%	-2.8%	-7.5%	-16.7%
	Stockholm region	-1.1%	-0.4%	-6.0%	-17.8%
	Malmö region	0.5%	4.6%	-5.4%	-15.2%
	Sweden	-0.1%	0.3%	-7.3%	-15.5%

Source: SBAB Booli

NUMBER OF BANKRUPTCIES AND AFFECTED EMPLOYEES IN THE GOTENBURG REGION, BY SECTOR, JANUARY-MARCH 2023

Sector	Bankruptcies		Affected employees	
	No.	Annually	No.	Annually
Business services	48	+28	238	233
Commerce	39	-1	77	29
Construction	36	+10	72	25
Hotels and restaurants	19	+8	32	3
Transportation and warehousing	9	-3	21	4
Property	9	+5	1	0
Manufacturing and mining	8	+3	14	1
Information and communication	7	0	13	-4
Other service companies	6	-2	10	-12
Education	5	+3	9	5
Other sectors	33	+11	31	31
Gothenburg region total	219	+62	518	+315

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, Q1	94.2	111.6	-17.4 units
Employed persons, Q1	578,400	549,300	+5.3%
Unemployment, April			
Total 16-65 years	5.3%	5.8%	-0.5%-p.
Domestically born 16-65 years	2.7%	3.0%	-0.3%-p.
Foreign-born 16-65 years	12.8%	14.4%	-1.6%-p.
Total 18-24 years	5.4%	6.5%	-1.1%-p.
Domestically born 18-24 years	3.7%	4.1%	-0.4%-p.
Foreign-born 18-24 years	12.3%	16.7%	-4.4%-p.
New job vacancies, Q1 (monthly average)	11,091	12,002	-7.6%
Notified persons, Q1 (monthly average)	490	149	+228.9%
Office vacancy rate in Gothenburg, Q1	10.7%	10.4%	+0.3%-p
Price index flats, March	1.790	1.986	-9.9%
Price index houses, March	1.655	1.986	-16.7%
Number of bankruptcies, Q1	219	157	+39.5%
Affected employees, Q1	518	203	+155.2%
Air passengers, Q1 (monthly average)	332,967	205,205	+62.3%
Guest nights, Q1 (monthly average)	335,585	230,240	+45.8%
New car registrations, Q1	7 025	8 055	-12.8%
of which electric cars	2 531	2 449	+3.3%

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, 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. 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

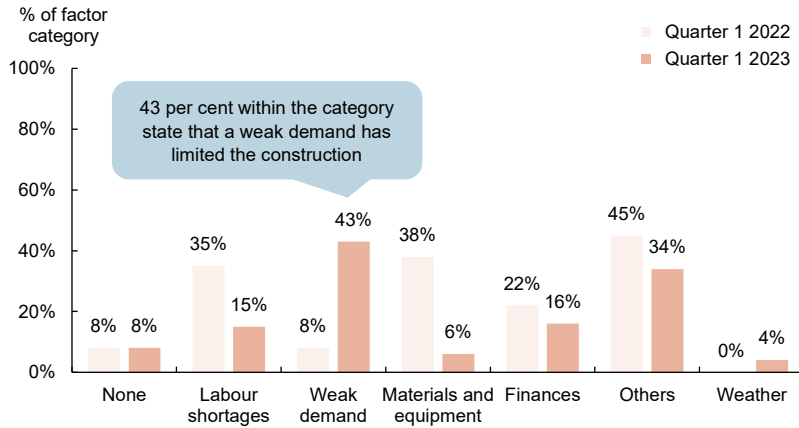


Companies' limitations

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.

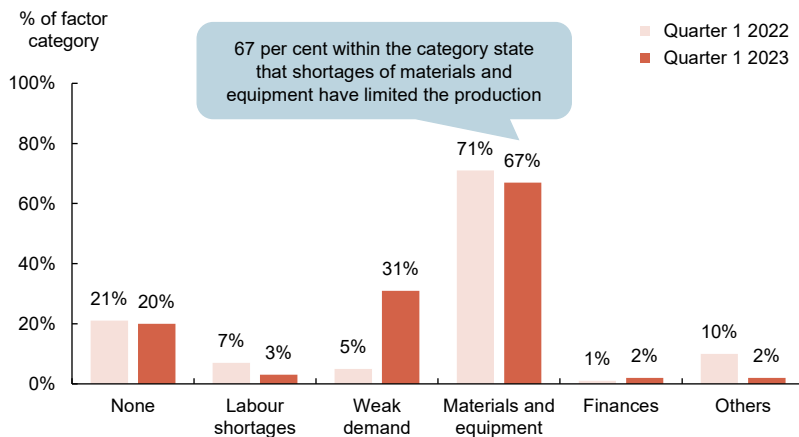
The answers refer to the share within a specific factor category. For example, if 50 out of 100 construction companies answer that a 'weak demand' has limited the construction, then the share is 50 per cent. Note that, companies can state more than one underlying factor for the limitation, which implies 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 1 2023



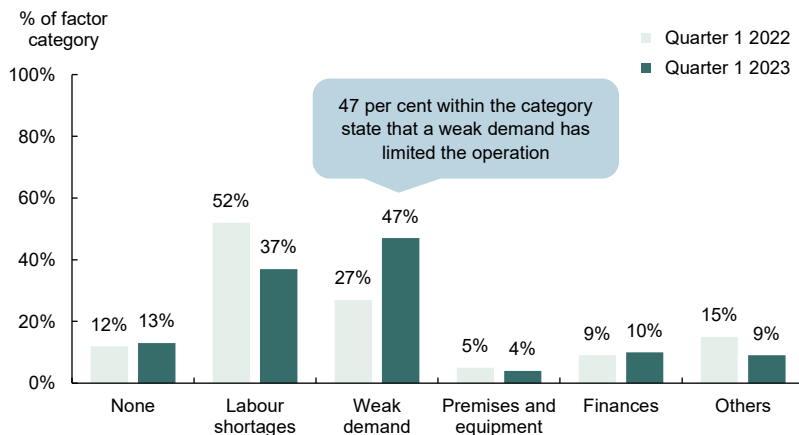
Construction

Factors that limit the production during quarter 1 2023



Manufacturing

Factors that limit the operation during quarter 1 2023



Services



BUSINESS REGION GÖTEBORG

BUSINESS REGION GÖTEBORG – PART OF THE CITY OF GOTHENBURG IN COLLABORATION WITH THE REGION