

#4

2024

92.9

economic tendency
(normal weak)

+0.9%-points
unemployment

-0.6%

employment
growth

+1.7%

export-weighted growth
key markets 2024

ECONOMIC OUTLOOK

GOTHENBURG REGION



BUSINESS REGION
GÖTEBORG

ECONOMIC OUTLOOK #4 2024

SUMMARY

The overall economic tendency in the Gothenburg region deteriorated during the third quarter and positions itself in the lower span of a tendency perceived as 'normal weak'. Manufacturing slows down and, together with construction, companies in both sectors are experiencing a recessionary state. However, the economic tendency within the region's commerce sector improves compared to the previous report. The most recent period shows that job growth in the Gothenburg region continues to decrease on an annual basis and nearly 4,000 fewer people are employed in the region. Unemployment increases slightly from month to month and on an annual basis the increase is approximately one percentage point. The level of new job vacancies available in the region once again shows a clear decrease. Similar to our previous three Economic Outlook reports in 2024, we still observe that the number of notified persons and bankruptcies increase. Compared to our previous report, the expected GDP growth for Gothenburg region's key markets is unchanged and growth is still expected to be clearly weaker than trend in both 2024 and 2025. For the Swedish economy, expectations have strengthened somewhat and during 2025 Sweden's economy is expected to grow slightly above the country's long-term growth rate. Our expectations regarding the regional economy are that both the business sector and the labour market have gradually moved closer to a normal level sometime in the later part of the first half of 2025.



Key markets and Sweden

Outlook unchanged in key markets

Compared to the previous Economic Outlook report, our export-weighted GDP growth in key markets for the Gothenburg region's export-intensive businesses is unchanged for both 2024 and 2025.

The United States, the Gothenburg region's largest export market, is expected to grow by 2.6 per cent in 2024 – which, however, is expected to decrease to 1.9 per cent in 2025. The second quarter of 2024 shows strong growth for the American economy as GDP growth stopped at 3.0 per cent. During the third quarter of 2024 preliminary GDP figures show that the US economy is still expected to grow at a good pace, as indicated by the advance estimate of 2.8 per cent. In terms of annual inflation, the all-items-CPI stopped at 2.4 per cent in September (up 0.2% compared to August 2024). The target inflation at 2 per cent is still a clear goal for the Fed, but in the middle of September 2024 a unanimous committee decided to decrease the US benchmark interest rate with 0.5 points (4.75-5.00%). The next projection meeting of the Fed Committee takes place December 17-18. After lowering the benchmark interest rate in both June and September of this year, the ECB once again decided to decrease its benchmark interest rate by a further 0.25 points in October (3.25-3.65%). The Swedish Riksbank also decreased its benchmark interest rate in September and November, from 3.5 to 2.75 per cent. Looking at China's economy, the expectations are that the government's target of an economic growth of 5 per cent in 2024 will undershoot. China's GDP is estimated to have grown by 4.7 per cent during the second quarter of the year. However, preliminary figures for the third quarter of 2024 indicate that growth is expected to stop at 4.5 per cent. Recently, Chinese authorities have flagged for more policy stimulus packages to boost the Chinese economy. Among other things, through special treasury bonds over three years, interest rate cuts as well as a liquidity injection and other measures to support the property and stock markets. 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.

Looking at 2025, a somewhat strengthened growth is expected in most key markets of the Gothenburg region. The economies of Finland, Denmark and Norway are expected to grow with about 1.7 per cent in 2025. For the Netherlands, UK, France, Belgium and Germany, GDP growth in 2025 is predicted to be somewhat weaker compared to the Nordics and falls within the range 1.0-1.5 per cent. For the Eurozone as a whole, expectations are somewhat weakened compared to our previous report for the average GDP growth in 2025 which stops at 1.4 per cent. Overall, our export-weighted GDP growth in key markets is stagnant for both 2024 and 2025 and still shows an increased growth of 1.7 and 1.9 per cent, respectively. Since our fourth Economic Outlook report in 2023, the export-weighted GDP growth for 2024 has increased by 0.3 percentage points, from 1.4 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 the Middle East, 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. At the time of writing, Donald Trump wins the US election, which going forward could lead to redefined trade policies for the country. Inflation has recently moved closer to countries' expected targets and has induced lower benchmark interest rates in USA and within the EU – which ahead can benefit both the purchasing power and the willingness to invest. With these developments, however, we still assess that the production of our export-intensive businesses can be affected by disruptions ahead, and also that the global demand situation may affect our companies' revenue generation as well as their employment plans ahead.

Slightly above trend in 2025 for Sweden's economy

The expectations are once again slightly strengthened in the National Institute of Economic Research's compilation of the latest forecasts for Sweden's GDP growth. Yet, the Swedish economy is still expected to have weak growth in 2024. The Swedish Riksbank's four interest rate cuts in 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

cost of investment 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 0.8 per cent in 2024, which is clearly below the trend growth for Sweden at 2.1 per cent. Yet, expectations are that Sweden's GDP growth will reverse in 2025 as the economy is predicted to grow by 2.3 per cent – which is slightly above trend growth for Sweden and clearly higher than the average for the Eurozone at 1.4 per cent.

The economic tendency for Sweden decreased in October 2024 and the Swedish private sector continues to be in a weak state. Among other things, the tendency indicator for the services sector decreased and 6 out of 10 services companies refer to that a weaker demand situation has limited their operations. The economic tendency also deteriorated within manufacturing and still points towards a tendency that is below normal. Within commerce the economic tendency indicator decreased somewhat, yet the indicator for the sector remains at a normal strong. Moreover, in construction the economic tendency indicator was unchanged in October and the sector continues to have the weakest tendency among the broad sectors in Sweden. In the latest survey, however, it appears that more construction companies are more optimistic about the construction market in one year's time.

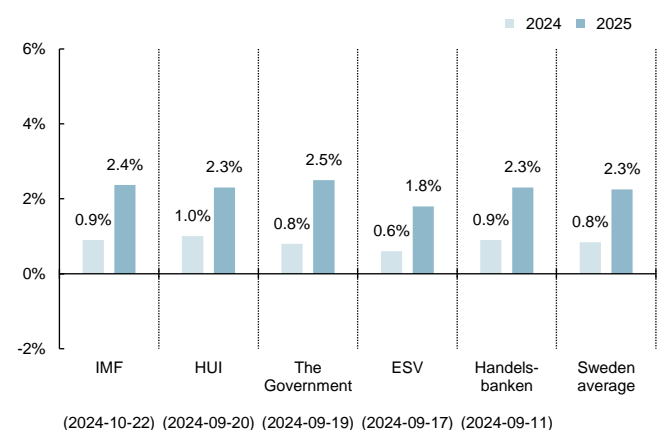
Real GDP growth – forecast 2024-2025 (in %) for Sweden and some of the Gothenburg region's key export markets

Country	% of region's exports	Forecast averages		
		2024	2025	Change
Sweden*		0.8%	2.3%	+1.5%-p
USA	15.5%	2.6%	1.9%	-0.7%-p
Belgium	10.8%	1.2%	1.3%	+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%	1.9%	1.6%	-0.3%-p
Finland	5.8%	-0.3%	1.7%	+2.0%-p
UK	4.6%	0.8%	1.4%	+0.6%-p
Netherlands	4.5%	0.7%	1.5%	+0.8%-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%	1.4%	+0.7%-p
World		3.2%	3.3%	+0.1%-p

Source: IMF (October 2024), Handelsbanken, Nordea and OECD (September 2024)

* Average of the five last forecasts in the summary produced by the IMF and National Institute of Economic Research, 11 September – 22 October 2024.

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



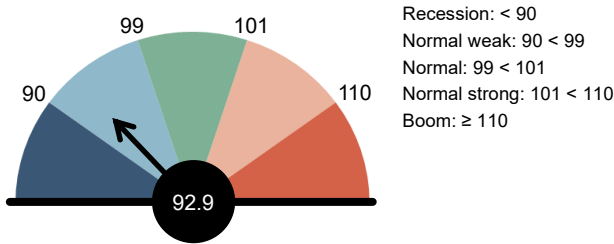
Source: IMF and National Institute of Economic Research

Business sector

Weaker economic tendency for the region's businesses

The National Institute of Economic Research's survey for the third quarter of 2024 shows that the economic tendency weakens for the Gothenburg region's businesses. The economic tendency indicator for the latest period stops at 92.9 (-2.0 units on a quarterly basis and +3.0 units on an annual basis). Thus, the current situation still 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 – third quarter 2024

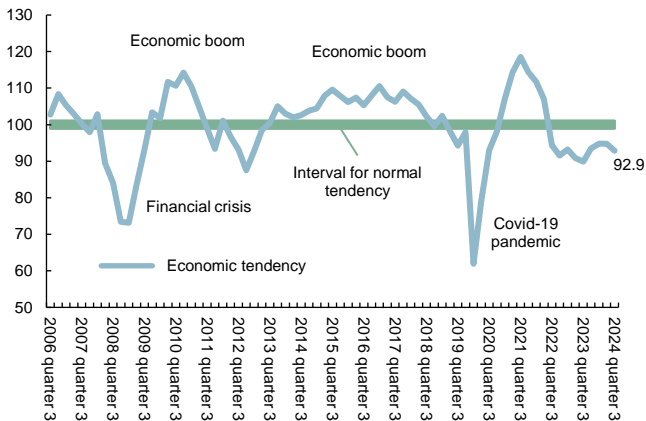


1,652 companies in Gothenburg region's business environment got the survey. 703 companies answered, which gives a response rate of 43 per cent.

Survey period:

30 September – 22 October 2024

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



Source: National Institute of Economic Research

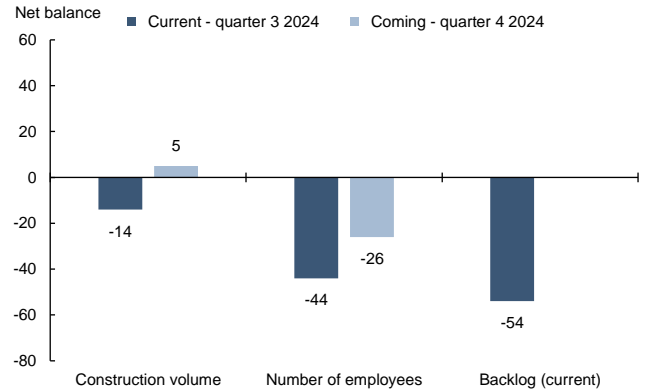
Tendency deteriorates for construction in the region

The economic tendency is still in recession within the region's construction sector and weakens compared to our previous report. More construction companies state that the construction volume has decreased during the third quarter (net balance -14). 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 approximately one fifth of the construction companies. In addition, significantly more of the construction companies state that the number of employees has decreased in the most recent period (net balance -44). During the course of the third quarter of 2024, one tenth of the construction companies have experienced falling tender prices. The expectations for this year's last quarter, however, show that one tenth of the construction companies believe that tender prices will increase. With this development over the latest period, significantly more construction companies in the region currently experience a decreased backlog (net balance -54).

The outlook for the region's construction sector is not as optimistic as we saw in our previous report in terms of construction volume. Somewhat more construction companies (net balance 5) expect an increased construction volume during the fourth quarter of 2024. The number of employees within construction is expected to

decrease as more companies state that less staff is needed ahead (net balance -26). The ongoing survey question, outlook one year from now, shows that the region's construction companies continue to be positive, as indicated by a net balance of 51. Despite the favourable outlook, the economic tendency indicator for the third quarter of 2024 within construction stops at 87.3 (-1.4 units on a quarterly basis and +2.0 units on an annual basis), which still indicates an economic tendency in recession.

Construction in Gothenburg region, current and coming

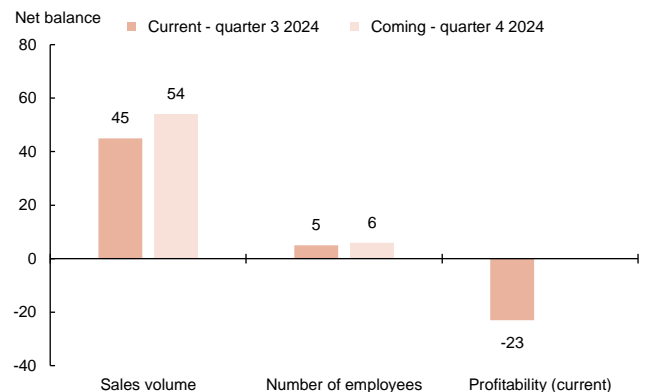


Further tendency improvement within commerce

During the third quarter of 2024 the economic tendency for the region's commerce sector (incl. e-commerce, etc.) further improves as the economic tendency indicator stops at 106.8 – this indicates that the tendency for the commerce companies ends up in the upper span for a normal strong state (+4.1 units on a quarterly basis and +16.6 units on an annual basis). More commerce companies state that sales have increased (net balance 45). At the same time, more commerce companies state that profitability has decreased during the third quarter (net balance -23). 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 5).

The situation lately shows that the commerce companies' future expectations remain optimistic - at least in terms of sales volume. More commerce companies (net balance 54) believe in increased sales during the fourth quarter. Also, a few more commerce companies (net balance 6) plan to increase their employees in the coming period. However, looking at the demand movement patterns in terms of number of visits to Gothenburg's densest area for retail stores, the latest period shows that the decreasing trend continues. Among other things, the number of visits in Gothenburg's Inner City during the third quarter 2024 decreased by 6.8 per cent (from 4.3 to 4.0 million visits per month) compared with the same period in 2023. For September 2024 alone, compared to September 2023, visits decreased by 4.2 per cent, which on an annual basis corresponds to approximately 165,000 fewer visits.

Commerce in Gothenburg region, current and coming

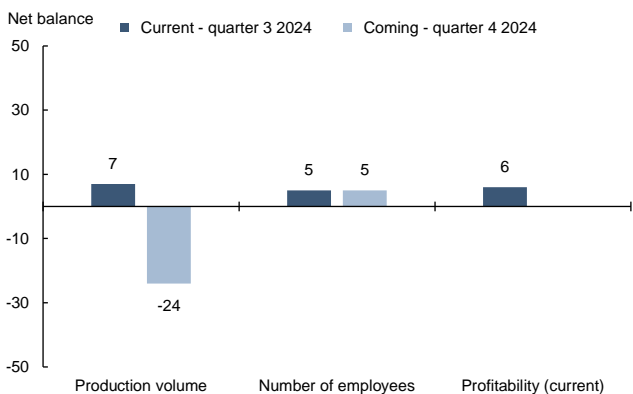


3 out of 4 manufacturers experience a weak demand

During the first three quarters of the year, the economic tendency for Gothenburg region's manufacturing companies has weakened considerably, especially for the most recent period. With an economic tendency indicator at 89.8 for the third quarter 2024, the economic tendency within manufacturing is currently perceived as a recession (-6.2 units on a quarterly basis and -13.5 units on an annual basis). The production volume has only increased slightly during the third quarter, despite a high capacity utilised at 83 per cent. More than half of the manufacturing companies state that the current order intake from the export market has decreased (net balance -56). In terms of employees, however, the outcome for the most recent period shows that the number of employees within manufacturing has increased slightly (net balance 5). Moreover, the profitability among the manufacturing companies is also currently perceived to have increased somewhat (net balance 6).

Looking ahead, however, the manufacturing companies are pessimistic. For example, the production volume is expected to decrease (net balance -24). Expectations for the order intake from the export market over the next three months are, in contrast to the current situation, less negative (net balance -9). At the same time, however, the manufacturing companies expect to increase the workforce slightly (net balance 5) during the fourth quarter. The survey shows that three out of four manufacturing companies state that a weak demand has limited their production.

Manufacturing in Gothenburg region, current and coming

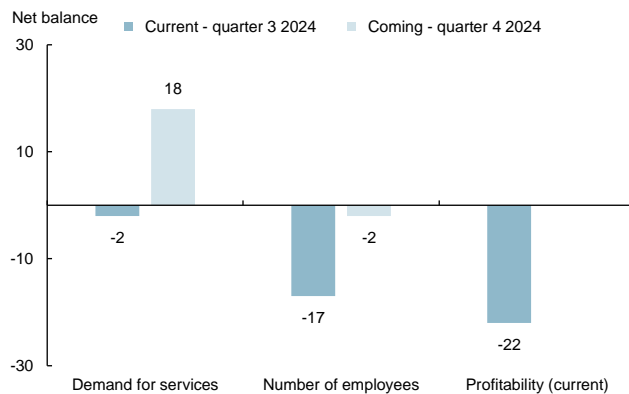


Weakened tendency for services in the region

The survey for the third quarter of 2024 shows that the economic tendency within the region's services sector deteriorates compared to our previous Economic Outlook report. The companies experience the current situation as a period that is slightly more difficult 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 worse compared to before and has decreased (net balance -22). In terms of number of employees, more services companies have decreased their employees (net balance -17) during the third quarter of 2024. It is worrying, however, that just above three fifths (61%) of the services companies state that a poor demand, at the moment, is limiting the operations. Also, one fourth (25%) of the services companies state that other factors (other than demand for services, finances, premisses and equipment) have limited their present services operations.

The outlook for the services sector in the Gothenburg region is somewhat more positive. More services companies predict that demand for their services ahead will increase compared to the current state (net balance 18). 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 34). Simultaneously, somewhat more services companies state that they expect to decrease their staff during the fourth quarter of 2024 (net balance -2). Currently, the economic tendency indicator for services in the Gothenburg region stops at 91.9 (-2.1 units on a quarterly basis and +3.0 units on an annual basis), which indicates that the economic tendency for the services companies ends up in the lower span for a normal weak state.

Services in Gothenburg region, current and coming




Economic tendency indicator per sector for businesses in the Gothenburg region, quarter 3 2024

Construction

87.3

(-1.4) quarterly (+2.0) annually

recession




Commerce

106.8

(+4.1) quarterly (+16.6) annually

normal strong




Manufacturing

89.8

(-6.2) quarterly (-13.5) annually

recession




Services

91.9

(-2.1) quarterly (+3.0) annually

normal weak

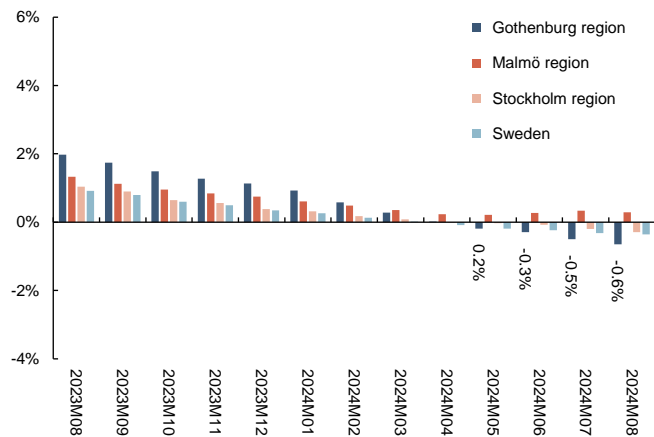


Source: National Institute of Economic Research

About 4,000 fewer employed annually in the region

In previous Economic Outlook reports our expectation has been that job growth will lose further momentum in the remainder of 2024 – and we still see that the number of employees in Gothenburg region is fewer, about 4,000 fewer, at the end of August compared to the same period a year before. During the period June to August 2024, job growth in the Gothenburg region was at -0.6 per cent on an annual basis. Just above 583,000 people were on average employed per month during the period, which can be compared with an average of just above 587,000 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 (-0.3% 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 -0.4 per cent.

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

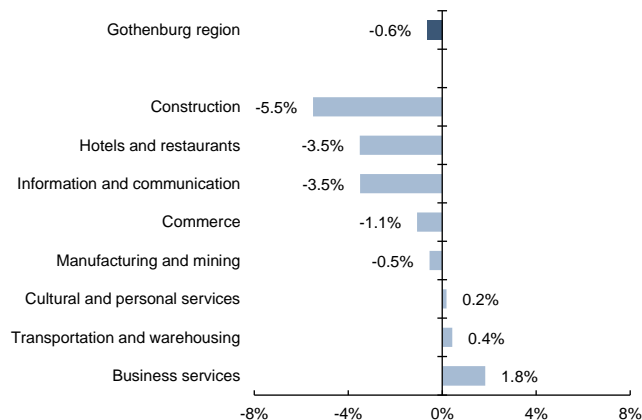


Source: Statistics Sweden

During the latest period, we see that job growth has decreased within several sectors and the strongest decrease is observed within construction (-2,200), followed by information and communication (-1,100) and hotels and restaurants (-900). Employment also decreases in other sectors such as commerce and manufacturing and mining. However, employment has grown within business services (+1,700), transportation and warehousing (+100) as well as within cultural and personal services (+50).

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, June - August 2024 compared to June - August 2023



Source: Statistics Sweden

The Gothenburg region's companies experience a state of economic tendency that currently is in the lower span of a normal weak state. Currently, the pressure on the demand for skilled labour is clearly lower than we have observed before, and the level of new job vacancies is still decreasing. 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 later part of the first half of 2025, do we expect that job growth will pick up pace again.

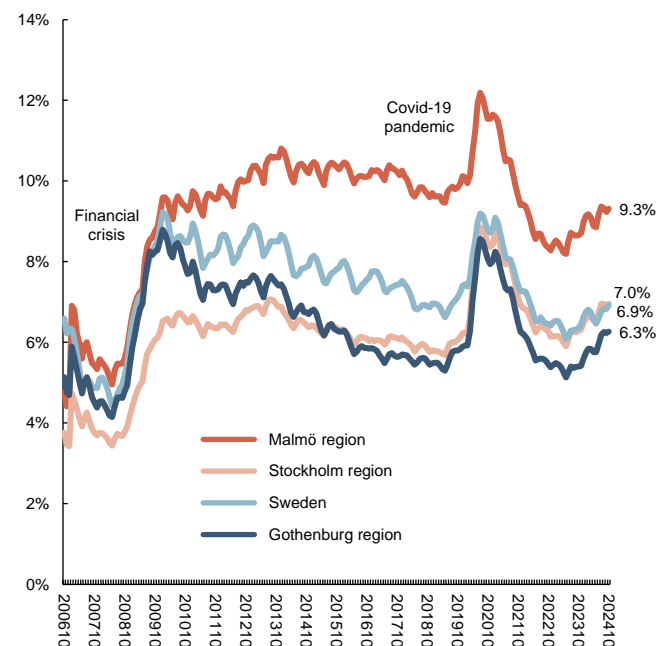
Sharpest increase in unemployment among youths

Unemployment, seen across all groups we follow on the labour market, increases further on an annual basis in the Gothenburg region. In October 2024, unemployment was at 6.3 per cent in the Gothenburg region (+0.9%-points on an annual basis), which corresponds to just above 35,500 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 two years or more. Just above 4,200 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 6.9 per cent (+0.6%-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 October 2024, for example, unemployment for the total group of youths aged 18-24 was at 7.3 per cent (+1.6%-points on an annual basis). Unemployment remains high for foreign-born people in the Gothenburg region. Looking at the entire group of foreign-born people, unemployment was at 13.5 per cent in October 2024 (for Sweden as a whole the corresponding figure was at 15.4%).

The economic tendency continues to be at a normal weak for the region's businesses and our expectation is that the full year 2024 will develop as a weak year for the regional economy. The benchmark interest rate has been lowered considerably during the year and with coming interest rate cuts, however, our outlook for the first half of 2025 is a gradual improvement in Gothenburg 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 remaining months of 2024. Our expectations are still that the region's unemployment will be closer to a normal level sometime in the later part of the first half of 2025.

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



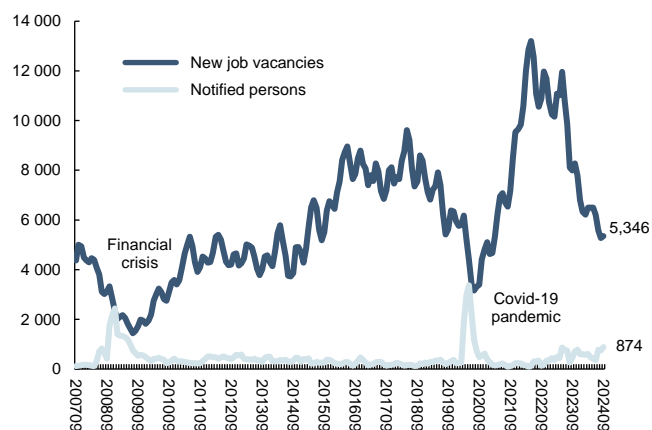
Source: Swedish Public Employment Service

Fewer job vacancies and more notified persons

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 stays put, yet the magnitude is not as strong. During the period July to September 2024, an average of just above 5,300 new job vacancies for permanent positions were advertised per month in the region. This corresponds to a decrease of about 33 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 (51%), followed by the health care and care sector (20%) and commerce (6%). There may be some duplication in the new job vacancy statistics, but the indicator is still assessed as relevant to follow.

For the period July to September 2024, notified persons continue on an upturn. The most recent period had an average of 874 notified persons per month, an increase of 90 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', 'business services', 'cultural and personal services', 'commerce' and 'transportation and warehousing'. 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. Among other things the latest period includes, as we reported in our previous report the layoffs of about 500 people at IAC and about 70 people at Wästbygg. In September the Mölndal-based car dealership, Hedin Mobility Group, announced that about 50 people will be laid off in West Sweden as due to an implementation of a new savings program to meet a lower demand in the market. No other major notices have been announced during the period, but rather many smaller notices in Gothenburg, Kungälv and Mölndal, which together account for 98 per cent of all notices in the region the latest period. Our assessment is that notified persons 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 still up, yet at a weaker magnitude

Bankruptcies and employees affected by bankruptcy in the Gothenburg region continue to increase over the most recent period. During the period July to September 2024, 209 companies in the Gothenburg region filed for bankruptcy, which corresponds to an increase of 18.1 per cent compared with the same period a year before. The bankruptcies during the latest period have primarily affected companies within business services and commerce, but also other sectors such as construction and hotels and restaurants.

For affected employees, as due to bankruptcy, the increase is clearly milder compared to our previous report. Between July and September

2024, 750 employees in the Gothenburg region were directly affected when their employers filed for bankruptcy (+48.5% on an annual basis). Construction and business services are the sectors with the most affected employees (about 57% of the people affected by a bankruptcy). Moreover, also hotels and restaurants and manufacturing 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 business services and hotels and restaurants that bankruptcies have increased most strongly. Within construction and manufacturing, however, bankruptcies decrease on an annual basis. In terms of affected employees, the sharpest increase is observed within business services, followed by construction. A strong annual increase in affected employees is also seen within hotels and restaurants. Manufacturing and transportation and warehousing are sectors where affected employees have decreased in the past year.

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

Sector	Bankruptcies		Affected employees	
	No.	Annually	No.	Annually
Business services	40	+20	210	+147
Commerce	39	+4	52	+26
Construction	29	-10	214	+104
Hotels and restaurants	24	+14	124	+79
Information and communication	8	0	22	+3
Manufacturing	7	-2	86	-70
Transportation and warehousing	7	-1	13	-4
Other sectors	55	+7	29	-40
Gothenburg region total	209	+32	750	+245

Source: Growth Analysis

The office vacancy rate increases year-on-year

In JLL's real estate market data for the third quarter of 2024, the vacancy rate for offices in Gothenburg increases. During the third quarter of 2024, Gothenburg listed 11.4 per cent vacant space for offices, which is an increase by 0.9 percentage points on an annual basis. The largest increases, on an annual basis, are seen in the districts Norra Älvstranden and Mölndal. In Gothenburg's Central Business District (CBD), the office vacancy rate reaches 12 per cent (+0.3%-points on an annual basis) and in the Remaining Inner City it stops at 8.2% (-1.3%-points on an annual basis). 17,000 m² office space was completed during the third quarter (all added office space in Norra Älvstranden). About 129,000 m² office space is currently under production for completion in 2024-2026 (mostly in the CBD, but also in Mölndal and the Remaining Inner City). Office rents, on an annual basis, increase in most of the districts in Gothenburg, yet are unchanged in the CBD and the Remaining Inner City (refers only to prime rents).

Falling housing prices in the short term

In SBAB Booli's November summary for housing prices in October 2024 we see that housing prices fall between the two last months. The sharpest price increase for flats over the last 6 months is observed in the Gothenburg region and over the last 3 months in the Stockholm region. Moreover, on an annual basis, flat prices increase in all three metropolitan regions. In October 2024, the prices of flats increased by 6.1 per cent on an annual basis in the Gothenburg region. The corresponding figure in the Malmö region was an increase of 7.0 per cent, whereas the flat prices in the Stockholm region increased by 6.8 per cent. Over the last month, the strongest price fall for flats is observed in the Gothenburg region.

House prices also show a decrease in the last month, the exception here, however, is the Malmö region. Among the metropolitan regions, the Gothenburg region sees the sharpest increase with 3.6 per cent on an annual basis, followed by the Malmö region (+3.5%). The corresponding figure in the Stockholm region was an increase by 3.1 per cent on an annual basis. Looking at the last 3-6 months, house prices increase slightly in the

Gothenburg region and decrease in the other two metropolitan regions. Over the last month, the Stockholm region sees the strongest decrease in house prices.

Price development of flats and houses, October 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	-2.0%	3.3%	2.3%	6.1%
	Stockholm region	-0.5%	4.1%	0.9%	6.8%
	Malmö region	-1.1%	-0.2%	1.0%	7.0%
	Sweden	-0.9%	2.4%	1.1%	6.2%
Houses	Gothenburg region	-0.7%	0.1%	1.7%	3.6%
	Stockholm region	-3.7%	-1.6%	-1.1%	3.1%
	Malmö region	0.4%	-0.2%	-0.4%	3.5%
	Sweden	-0.9%	-1.9%	-1.0%	3.9%

Source: SBAB Booli

Continued progress for travels to and from the region

Travels to and from the Gothenburg region during the latest period continue to show progress. During the period July to September 2024, Gothenburg Landvetter Airport had an average of just above 548,000 air passengers per month (+4.4% on an annual basis). Of the air passenger journeys made in the most recent period, 7 per cent are domestic journeys, 88 per cent are European journeys and the remaining 5 per cent comprise of journeys to and from the rest of the world.

The hospitality sector in the Gothenburg region also shows signs of good progress in the most recent period. During the period July to September 2024, the number of guest nights spent at the region's hotels, hostels and campsites increased by 4.1 per cent compared to the same period in 2023. Looking at the period, an average of approximately 726,000 guest nights per month were spent in the Gothenburg region, of which about 228,000 guest nights per month were from foreign visitors. Both domestic and foreign guest nights contributed to the increase during the most recent period. Looking at the occupancy rate (which here only refers to hotels) in the Gothenburg region, it stopped at 69.1 per cent for September 2024 alone. Yet, seen as an average per month for the period July to September 2024, the occupancy rate reached 76.9 per cent (+0.6%-points on an annual basis).

Two out of five newly sold cars in the region are electric

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 July to September 2024, just above 6,400 new cars were registered in the Gothenburg region (-17.8% on an annual basis). Just above two fifths of the new sold cars were electric cars. For electric cars alone, new car sales decreased by as much as 26.2 per cent on an annual basis, from approximately 3,600 to just above 2,600 electric cars.

Historically, the new car sales for the most recent period show a 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 in new car sales over the last two years. 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 2024 (#4)	1.7%	1.4%	+0.3%-p.
Economic tendency, Q3	92.9	89.9	+3.0 units
Construction	87.3	85.3	+2.0 units
Commerce	106.8	90.2	+16.6 units
Manufacturing	89.8	103.3	-13.5 units
Services	91.9	88.9	+3.0 units
Employed persons, Jun-Aug (monthly average)	583,224	587,014	-0.6%
Unemployment, October			
Total 16-65 years	6.3%	5.4%	+0.9%-p.
Domestically born 16-65 years	3.7%	3.0%	+0.7%-p.
Foreign-born 16-65 years	13.5%	12.3%	+1.2%-p.
Total 18-24 years	7.3%	5.7%	+1.6%-p.
New job vacancies, Jul-Sep (monthly average)	5,346	7,987	-33.1%
Notified persons, Jul-Sep (monthly average)	874	460	+90.0%
Number of bankruptcies, Jul-Sep	209	177	+18.1%
Affected employees, Jul-Sep	750	505	+48.5%
Office vacancy rate in Gothenburg, Q3	11.4%	10.5%	+0.9%-p.
Price index flats, October	1.860	1.753	+6.1%
Price index houses, October	1.766	1.704	+3.6%
Air passengers, Jul-Sep (monthly average)	548,180	525,138	+4.4%
Guest nights, Jul-Sep (monthly average)			
Total	725,683	697,203	+4.1%
Domestic	497,898	474,755	+4.9%
Foreign	227,784	222,448	+2.4%
Hotels occupancy rate, Jul-Sep (monthly average)	76.9%	76.3%	+0.6%-p.
New car registrations, Jul-Sep	6,444	7,840	-17.8%
of which electric cars	2,640	3,578	-26.2%

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.investinggothenburg.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 (≥ 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...

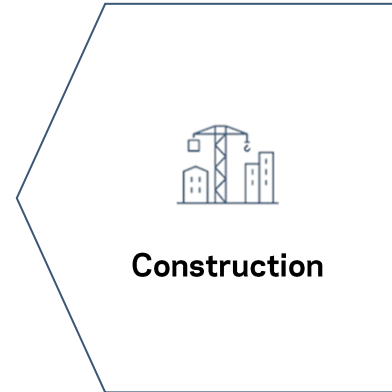
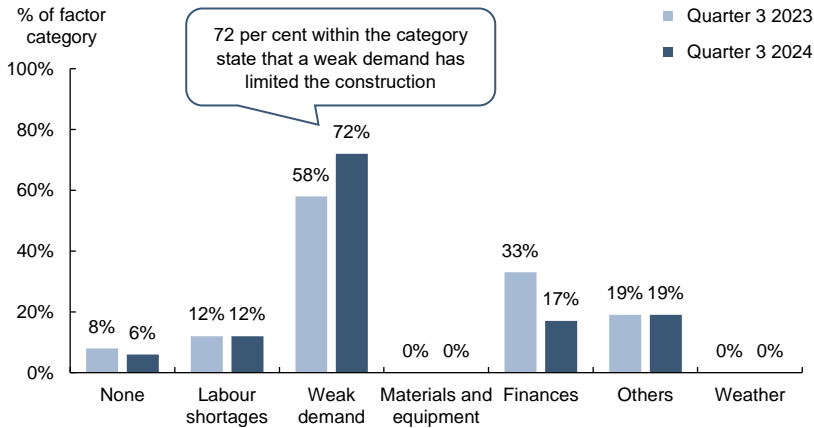
SNI: 49-96, all public SNI-codes excluded

Companies' limitations

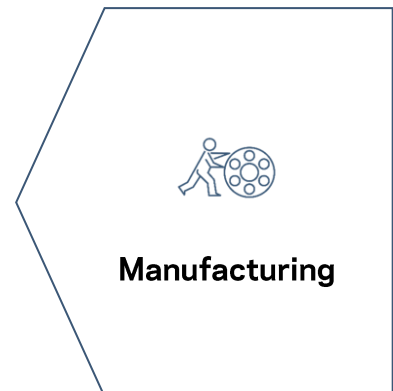
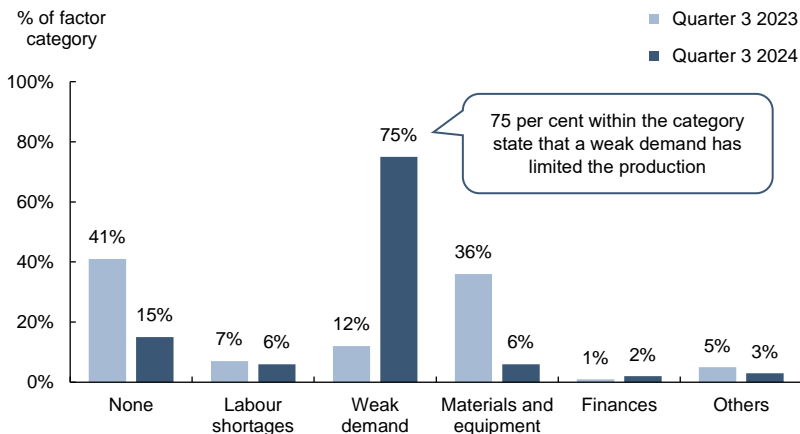
In the survey from the National Institute of Economic Research questions are also asked, depending on sector and factor, whether the companies have experienced any kind of limitations to their operation, production and construction. The additional survey questions on limitations do not cover the commerce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

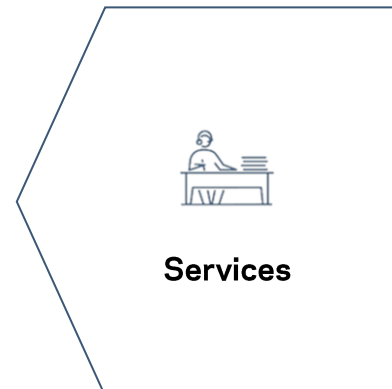
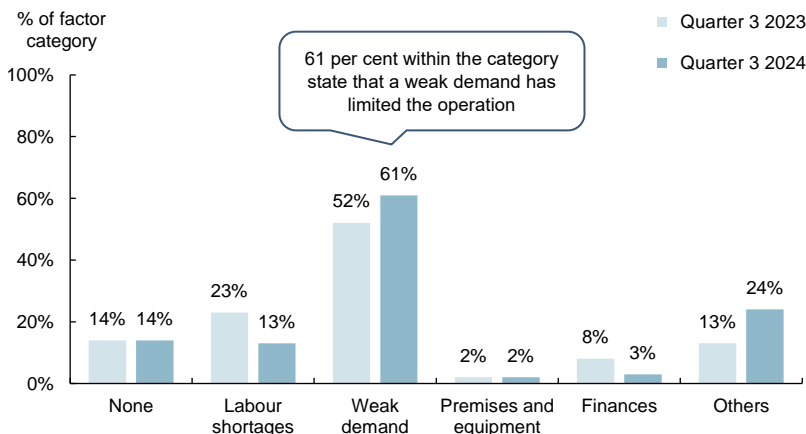
Factors that limit the construction



Factors that limit the production



Factors that limit the operation



SCAN THE QR CODE TO GET ACCESS
TO MORE FACTS AND ANALYSIS





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