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2020

ECONOMIC OUTLOOK

GOTHENBURG REGION



BUSINESS REGION
GÖTEBORG



Full stop in key markets for the region

REAL GDP GROWTH – FORECAST 2020-2021 (IN %) FOR SWEDEN AND SOME OF THE GOTHENBURG REGION'S KEY EXPORT MARKETS

Country	Share of region's exports	2020	↕	2021
Sweden*		-6.4%	↕	3.9%
USA	12.9 %	-6.2%	↕	4.8%
Belgium	11.9 %	-7.1%	↕	5.7%
Norway	10.4 %	-6.0%	↕	3.5%
Germany	8.5 %	-6.8%	↕	5.2%
China	7.8 %	0.8%	↕	8.8%
Denmark	7.6 %	-6.7%	↕	5.6%
United Kingdom	6.0 %	-8.9%	↕	5.1%
Finland	5.9 %	-6.8%	↕	3.5%
Netherlands	4.1 %	-7.2%	↕	4.0%
France	3.9 %	-8.2%	↕	5.8%
GDP growth for Gothenburg region's top 10 export markets (weighted by export share)	79.0 %	-6.1%	↕	5.2%
Eurozone		-8.0%	↕	5.6%
World		-3.5%	↕	5.7%
World trade, goods and services		-11.0%	↕	8.4%

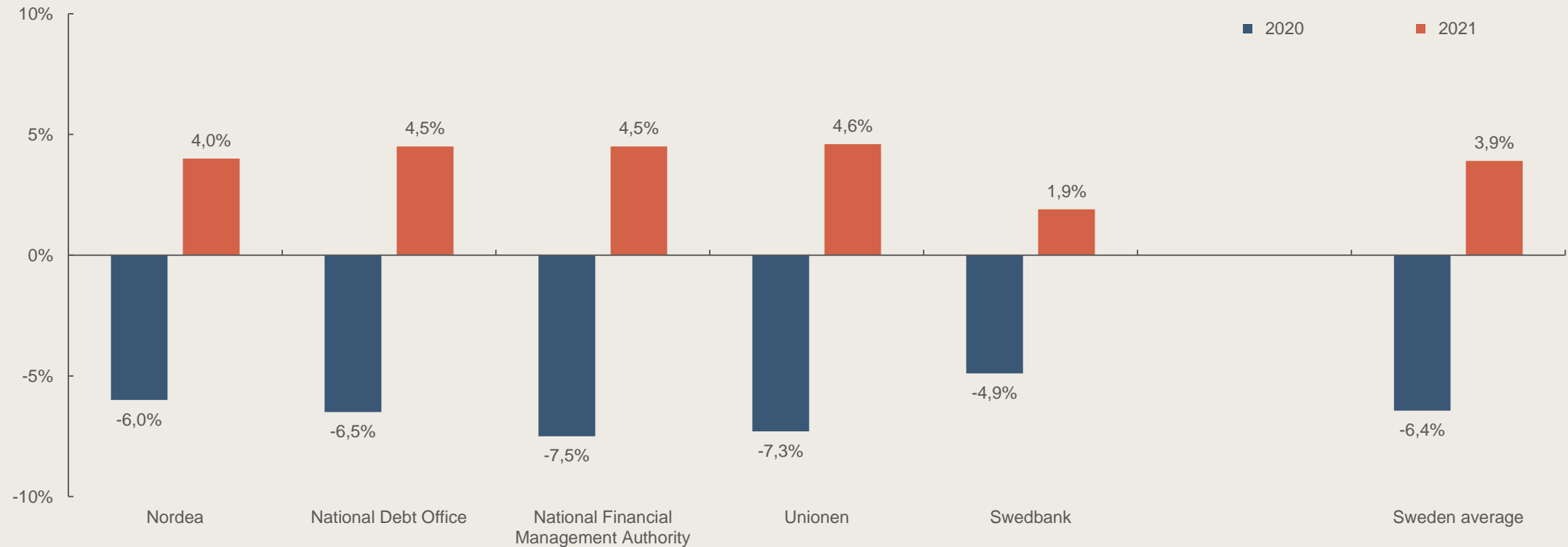
Source: Swedbank (13 May 2020), EU, SEB (6 May 2020) and IMF (14 April 2020)

* Average of the five last forecasts in the summary produced by the National Institute of Economic Research based on data from Nordea, Swedish National Debt Office, Swedish National Financial Management Authority, Unionen and Swedbank.



Sweden's economy faces negative GDP growth

THE LATEST GDP FORECASTS FOR THE SWEDISH ECONOMY 2020 AND 2021

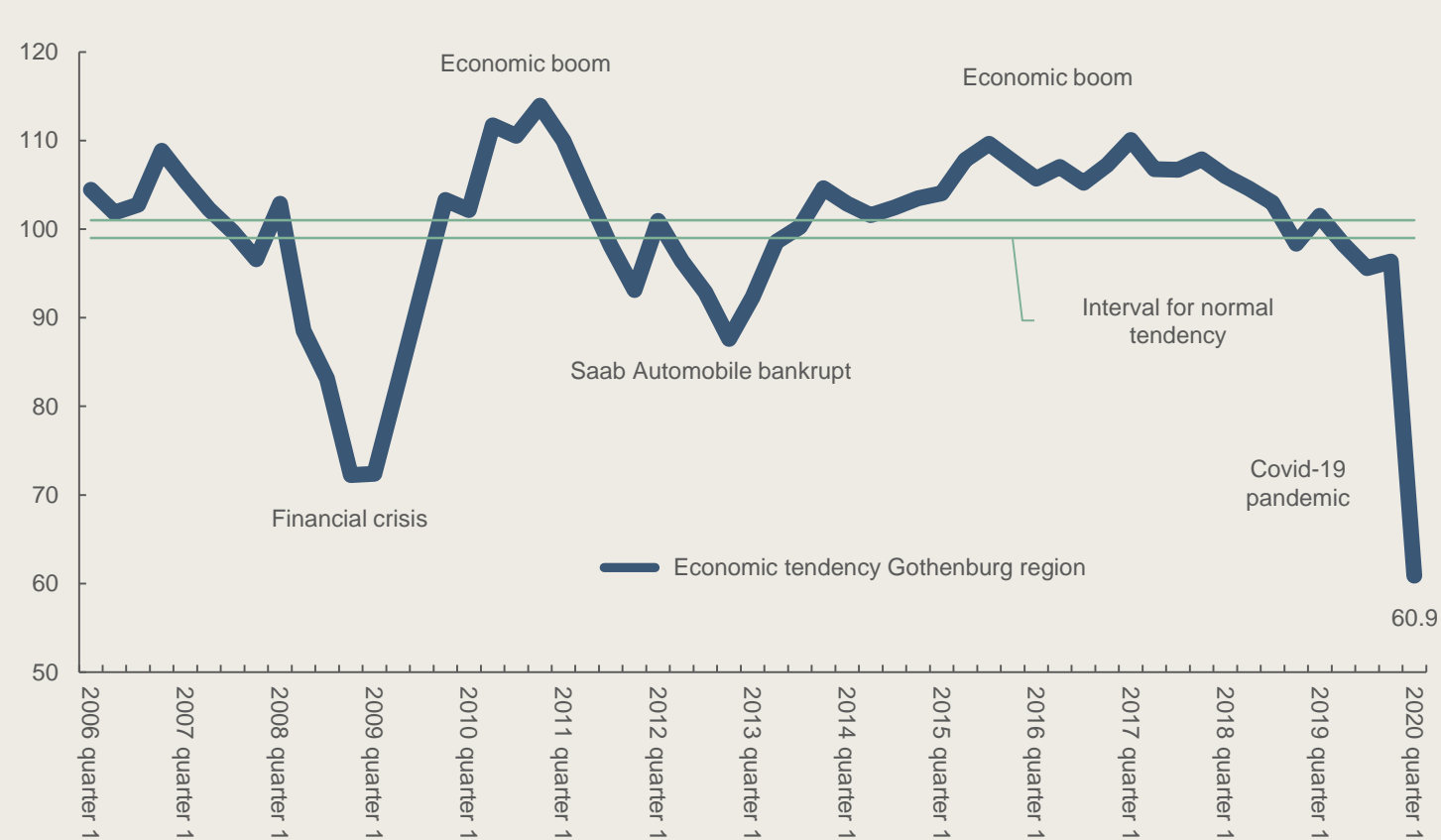


Source: Summary produced by the National Institute of Economic Research based on forecasts from Nordea (27 May 2020), Swedish National Debt Office (19 May 2020), Swedish National Financial Management Authority (14 May 2020), Unionen (13 May 2020) and Swedbank (13 May 2020). Swedish average refers to the mean growth of the five last forecasts.



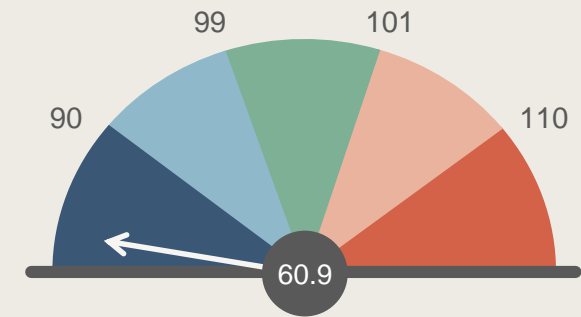
Recession in the Gothenburg region

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



Economic tendency indicator for businesses in the Gothenburg region

- Recession: < 90
- Normal weak: 90 ≤ 99
- Normal tendency: 99 ≤ 101
- Normal strong: 101 ≤ 110
- Boom: > 110



TOTAL BUSINESS ENVIRONMENT

1,488 companies in Gothenburg region's business environment got the survey. 775 companies answered, which gives a response rate of 52 per cent.

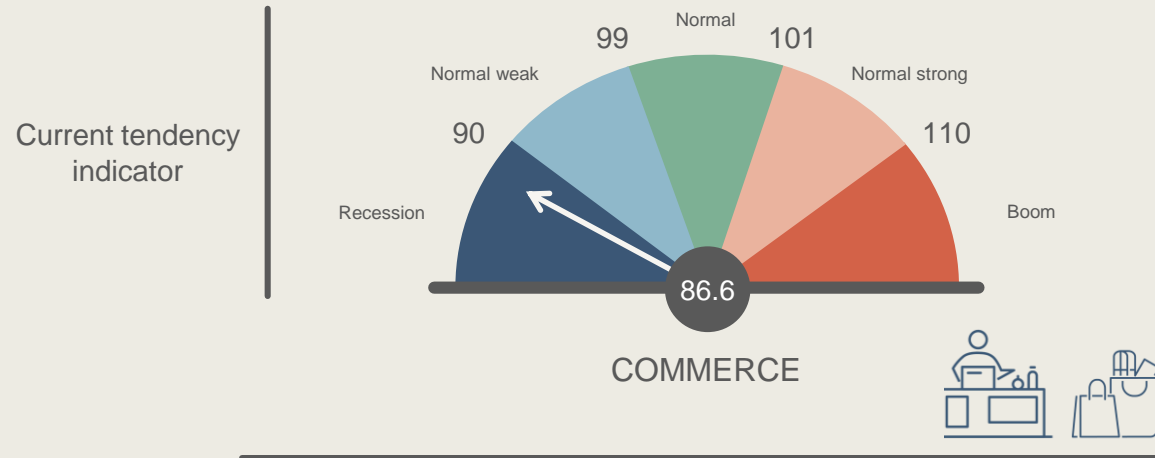
Source: National Institute of Economic Research (survey period for first quarter 2020: 30 March – April 21)



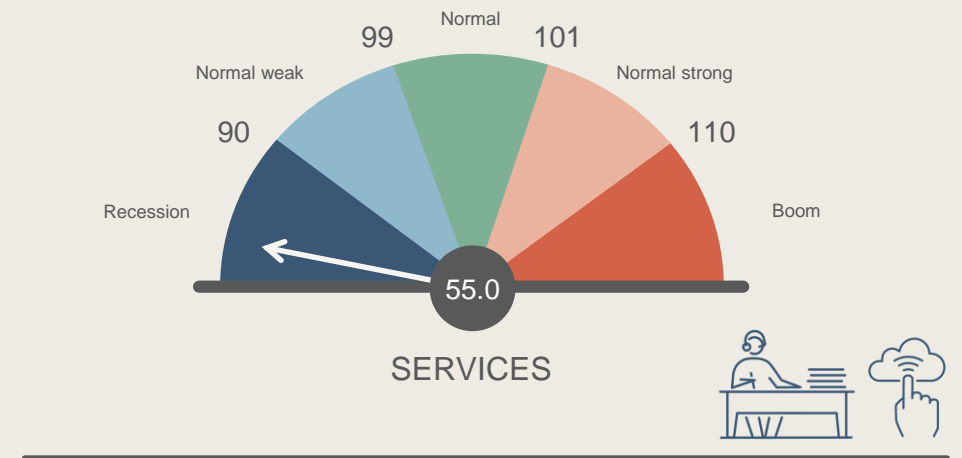
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Tough time for commerce and services



- Sales last 3 months: ↓
- Employees last 3 months: ↓
- Sales coming 3 months: ↓
- Employees coming 3 months: ↓



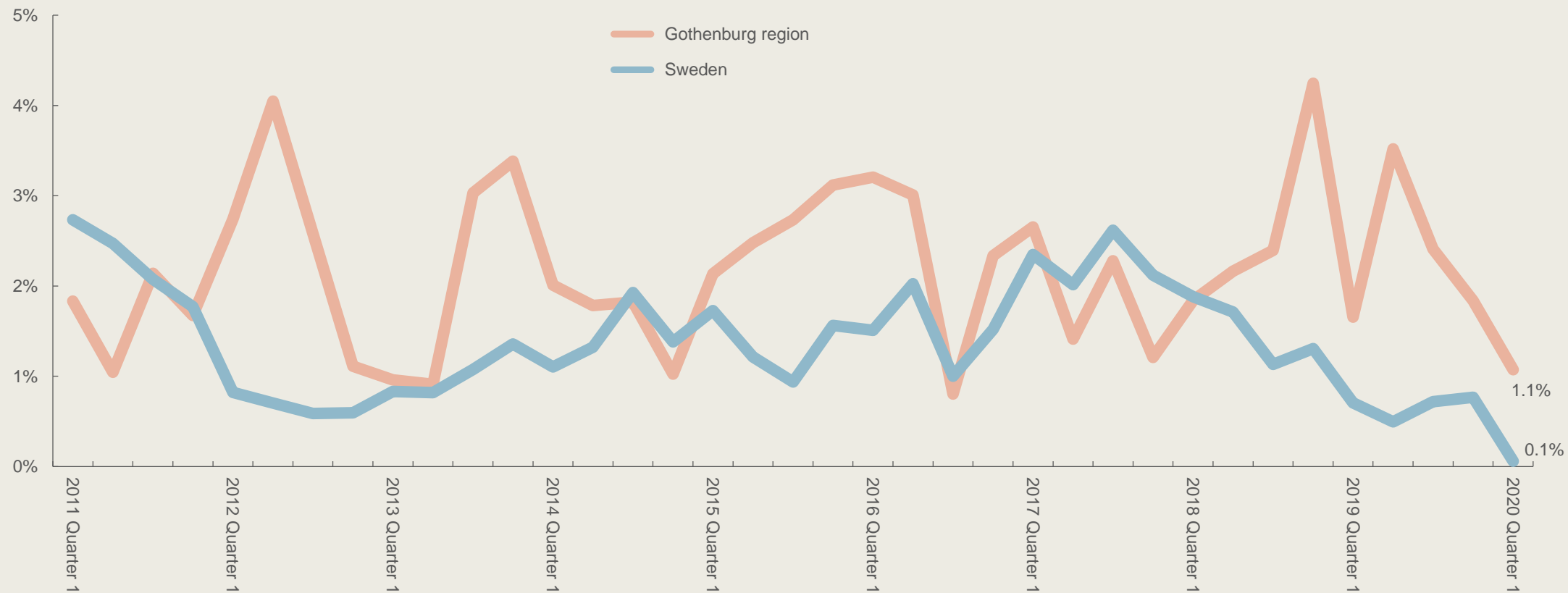
- Demand last 3 months: ↓
- Employees last 3 months: ↓
- Demand coming 3 months: ↓
- Employees coming 3 months: ↓

Source: National Institute of Economic Research (survey period for first quarter 2020: 30 March – April 21)



Job growth loses momentum

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



Source: Statistics Sweden

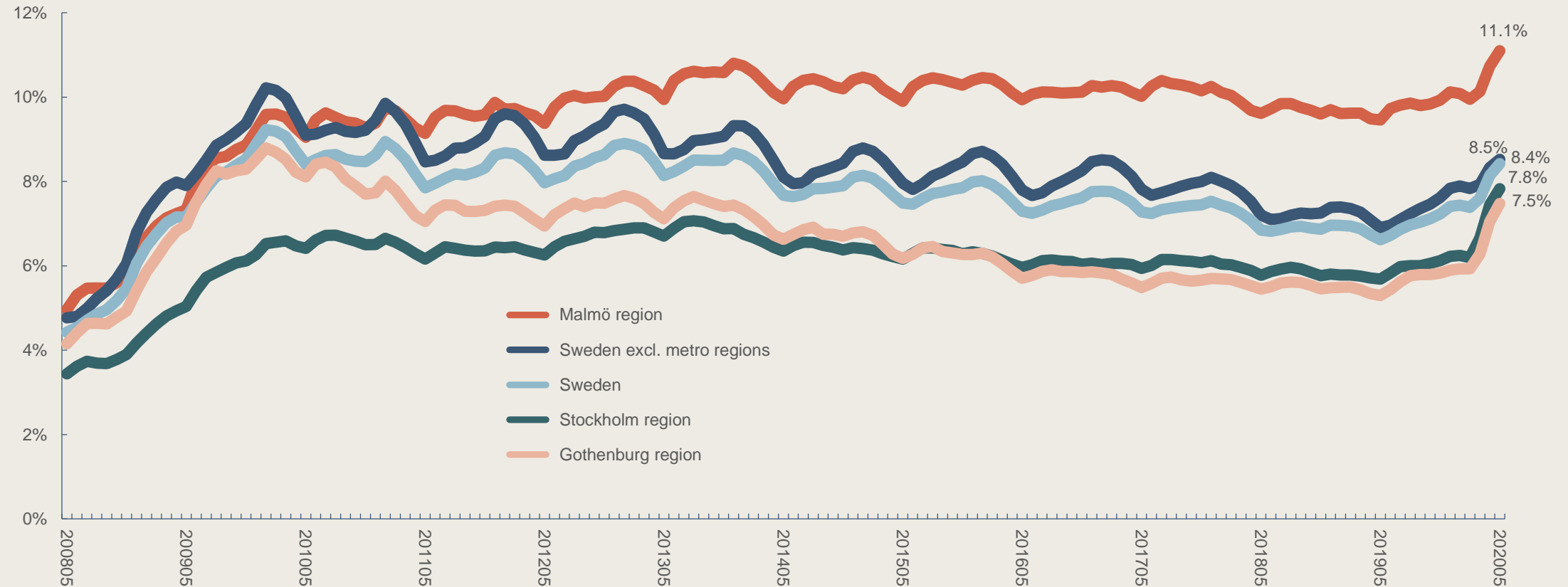


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Big increase in unemployment

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

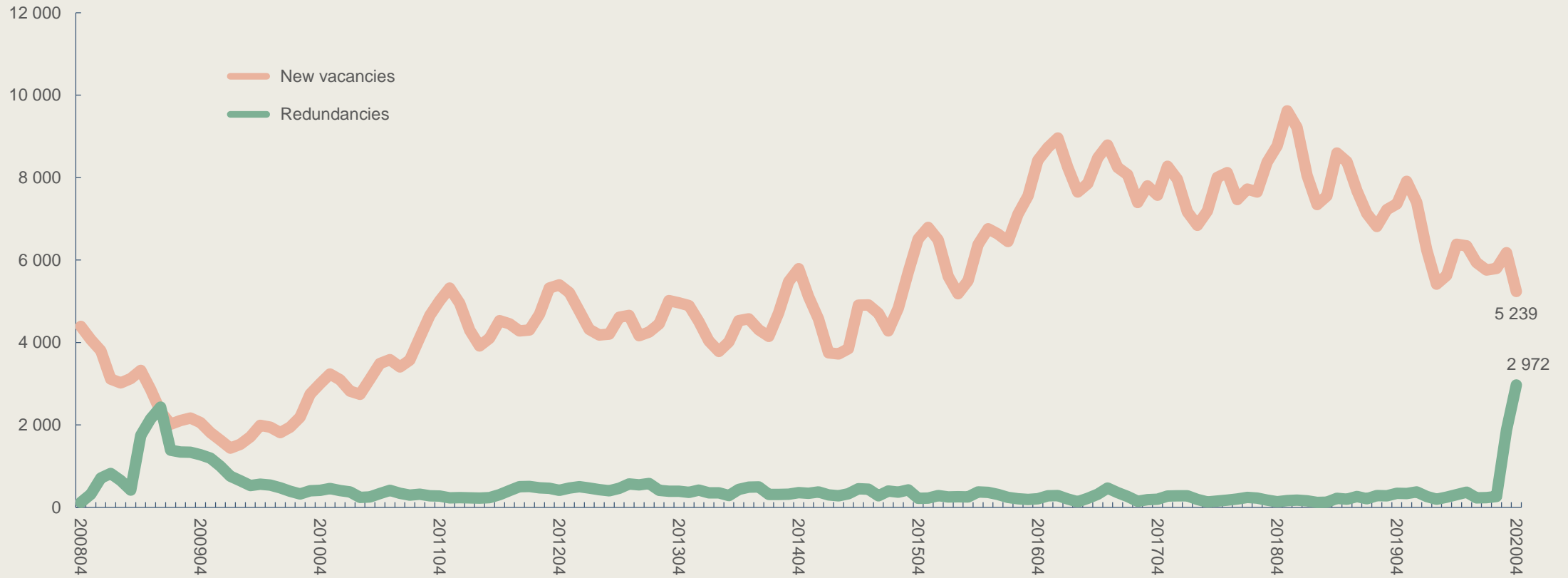


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Redundancies in the region increase rapidly

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

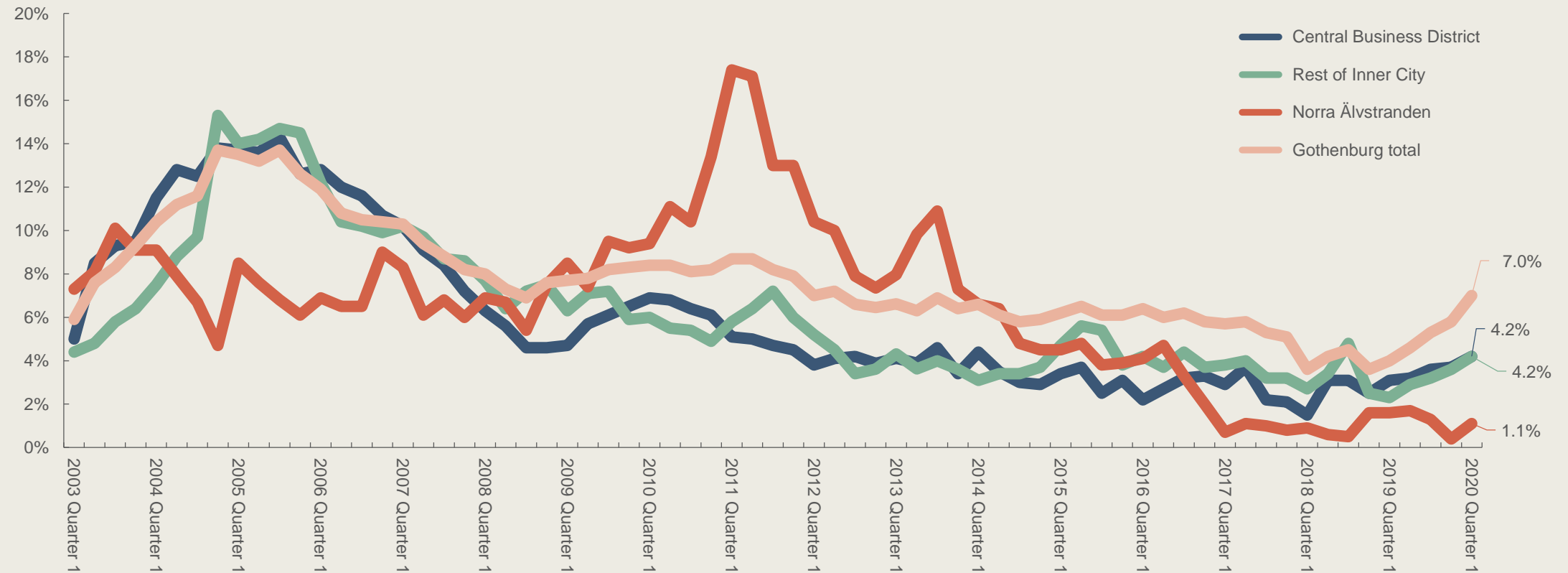


Source: Swedish Public Employment Service



The office vacancy rate increases

VACANCY RATE FOR THE OFFICE MARKET IN GOTHENBURG



Source: JLL



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Housing prices decline with Covid-19 pandemic

PRICE DEVELOPMENT OF FLATS AND HOUSES, APRIL 2020 COMPARED TO 1, 3, 6 AND 12 MONTHS BACK IN TIME

Housing type	City / region	1 M Mar 2020- Apr 2020	3 M Jan 2020- Apr 2020	6 M Oct 2019- Apr 2020	12 M Apr 2019- Apr 2020
Flats	Gothenburg	-3.0%	-3.0%	-1.9%	0.7%
	Stockholm	-3.9%	-3.4%	-1.4%	1.9%
	Malmö	-3.4%	-1.9%	-0.4%	2.4%
	Sweden	-3.4%	-3.0%	-0.8%	1.7%
Houses	Gothenburg region	-0.7%	-0.7%	-0.2%	1.6%
	Stockholm region	-2.1%	-0.9%	2.0%	4.1%
	Malmö region	-1.4%	-0.2%	2.9%	3.8%
	Sweden	-1.1%	-0.1%	2.2%	3.7%

Source: Valueguard



Number of bankruptcies in the region increases

NUMBER OF BANKRUPTCIES IN THE GOTHENBURG REGION, BY SECTOR – TOTAL 2019 AND PER MONTH 2020

Sector	2019	2020				2020
	Total	Jan	Feb	Mar	Apr	Jan-Apr
Commerce	136	11	13	12	17	53
Business services	115	9	9	11	16	45
Construction	101	7	10	13	12	42
Hotels and restaurants	56	7	4	6	12	29
Transportation	35	2	4	4	3	13
Personal services	23	2	2	3	6	13
Information and communication	31	1	5	4	1	11
Manufacturing and mining	37	3	1	2	4	10
Health care and care	10	0	3	1	1	5
Property	14	1	1	1	1	4
Other sectors	150	25	11	19	11	66
Gothenburg region total	708	68	63	76	84	291

Source: Statistics Sweden and Swedish Agency for Economic and Regional Growth



Table summarising the economic situation in Gothenburg region

Indicator	2020	2019	Change
Economic tendency, Q1	60,9	101.5	-40.6 units
People in employment, Q1	546,200	540,400	+1.1%
Unemployment, May			
Total 16-64 years	7.5%	5.3%	+2.2%-p.
Domestically born 16-64 years	4.5%	2.7%	+1.8%-p.
Foreign-born 16-64 years	17.2%	14.5%	+2.7%-p.
Total 18-24 years	9.9%	5.4%	+4.5%-p.
Domestically born 18-24 years	7.5%	3.2%	+4.3%-p.
Foreign-born 18-24 years	22.1%	18.6%	+3.5%-p.
Job vacancies, Feb – Apr (monthly average)	5,239	7,361	-28.8%
Redundancies, Feb – Apr (monthly average)	2,972	343	+767.4%
Vacancy rate for offices in Gothenburg, Q1	7.0%	4.0%	+3.0%-p.
Population, Q1	1,044,424	1,031,617	+1.2 %
Number of bankruptcies, Jan – Apr	291	236	+23.3%
New car registrations, Q1	6,954	7,931	-12.3%
Air passengers, Feb – Apr (monthly average)	204,173	493,673	-58.6%
Guest nights, Q1 (monthly average)	263,041	302,826	-13.1%

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



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