



Economic Outlook #2 2019

Squabbling giants could slow the economy

REAL GDP GROWTH – FORECAST 2019-2020 (IN PERCENT) FOR SWEDEN AND SOME OF THE GOTHENBURG REGION'S KEY EXPORT MARKETS

COUNTRY	SHARE OF REGION'S EXPORTS	2019		2020
Sweden*		1.3 %	↗	1.7 %
Belgium	12.5 %	1.3 %	↗	1.4 %
USA	11 %	2.3 %	↘	1.9 %
Norway	10 %	2.0 %	↘	1.9 %
Germany	8 %	0.8 %	↗	1.4 %
China	8 %	6.3 %	↘	6.1 %
Denmark	7.5 %	1.7 %	↗	1.8 %
UK	6 %	1.2 %	↗	1.4 %
Finland	6 %	1.9 %	↘	1.7 %
Netherlands	4 %	1.8 %	↘	1.7 %
France	4 %	1.3 %	↗	1.4 %
GDP growth for Gothenburg region's 10 largest export markets (weighted by export share)	77 %	1.6 %	→	1.6 %
Eurozone		1.3 %	↗	1.5 %
World		3.3 %	↗	3.6 %
World trade, goods and services		3.4 %	↗	3.9 %
Average change in oil price per barrel		-13.4 %	↘	-0.2 %

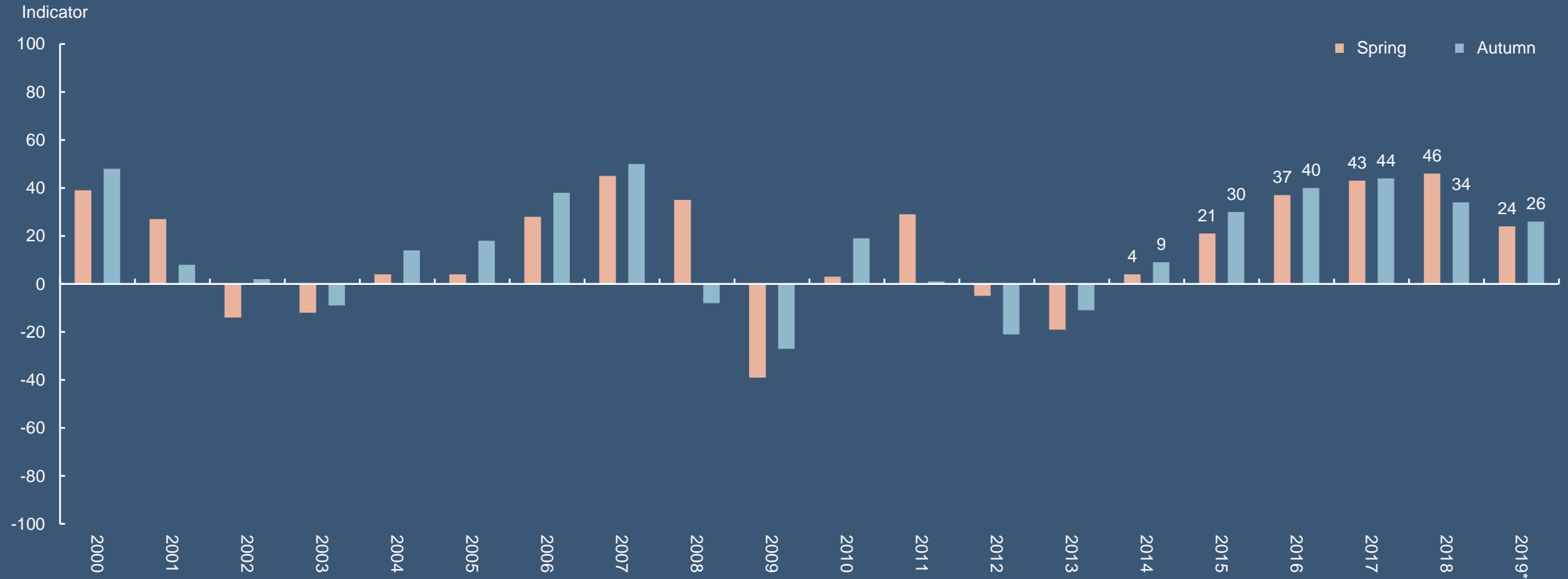
* Average of the five last forecasts in the summary produced by the National Institute of Economic Research based on data from The Swedish Trade Union Confederation LO, OECD, Nordea, Swedish Association of Local Authorities and Regions (SKL) and Unionen.

Source: IMF, April 2019



Slowdown continuing into spring

ECONOMIC TENDENCY INDICATOR FOR THE GOTHENBURG REGION



Source: Region Västra Götaland and Statistics Sweden

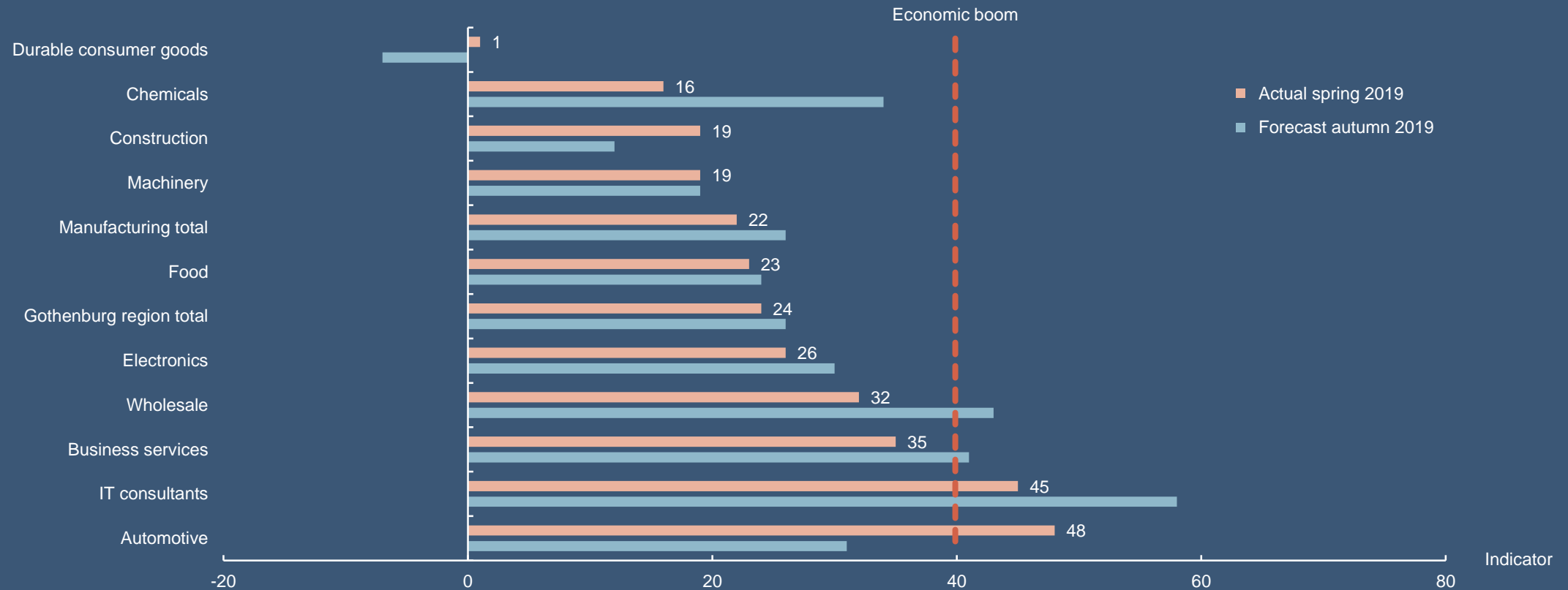
* Forecast autumn 2019



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Construction industry more guarded

ECONOMIC TENDENCY INDICATOR PER INDUSTRY IN THE GOTHENBURG REGION



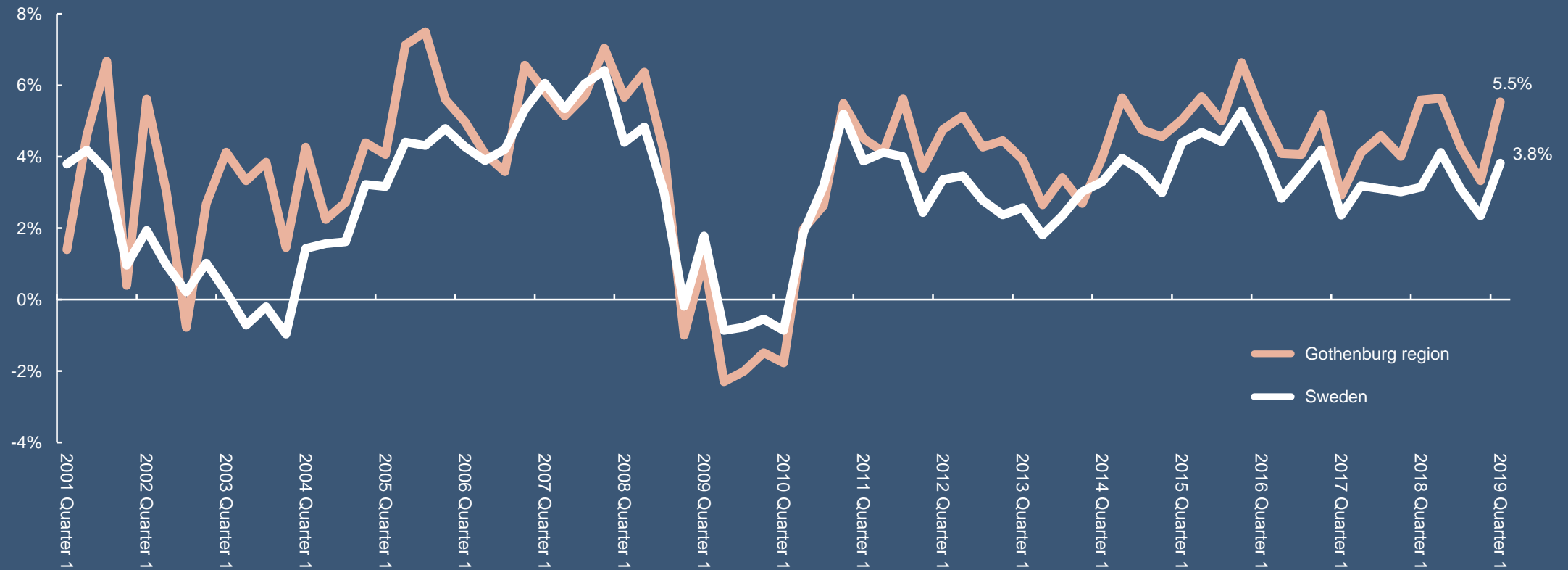
Source: Region Västra Götaland and Statistics Sweden



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Wage sum in the private sector continues to grow strongly

REAL GROWTH IN WAGE SUMS FROM THE PRIVATE SECTOR - CHANGE COMPARED TO THE SAME QUARTER PREVIOUS YEAR



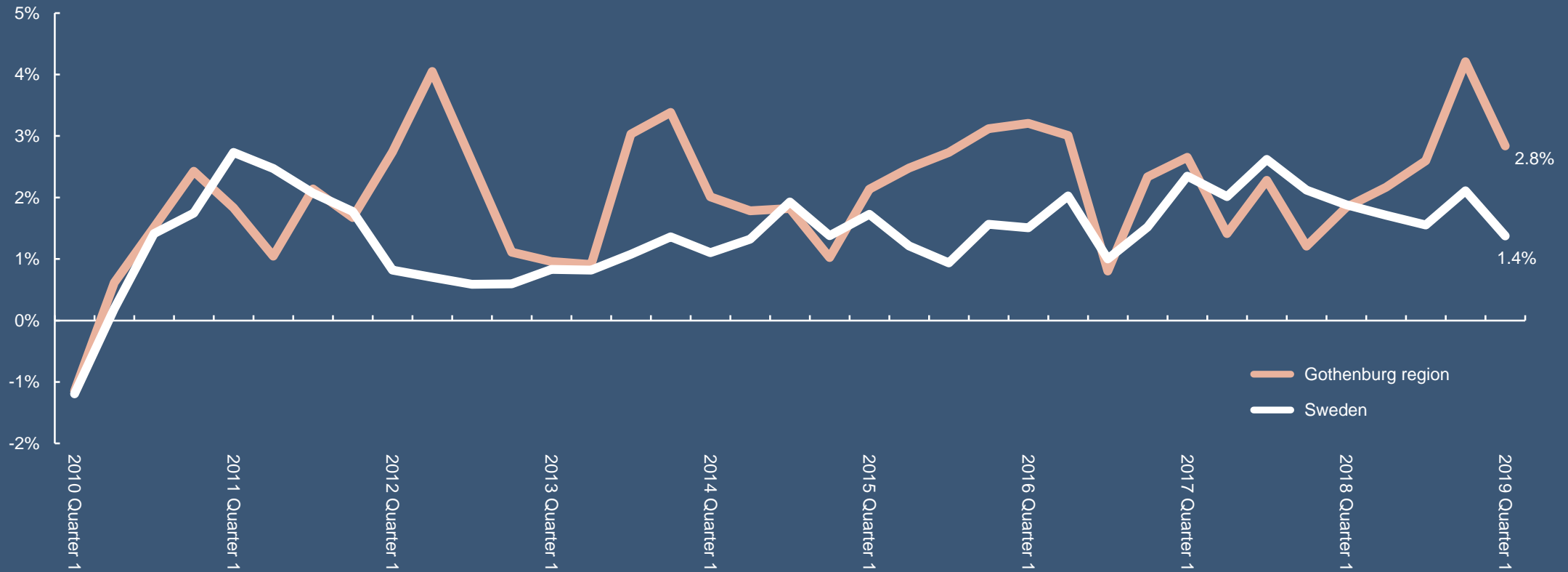
Source: Statistics Sweden



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Nine years of unbroken growth in employment

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



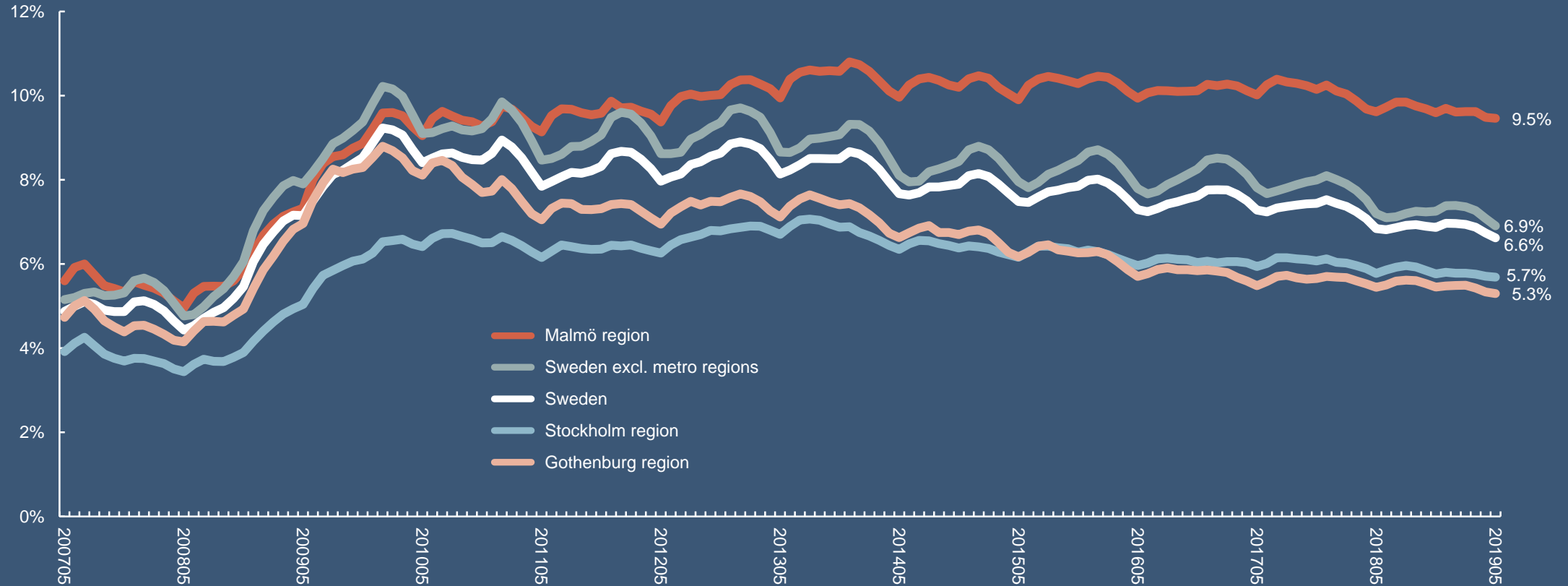
Source: Statistics Sweden



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Lowest unemployment figure since July 2007

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



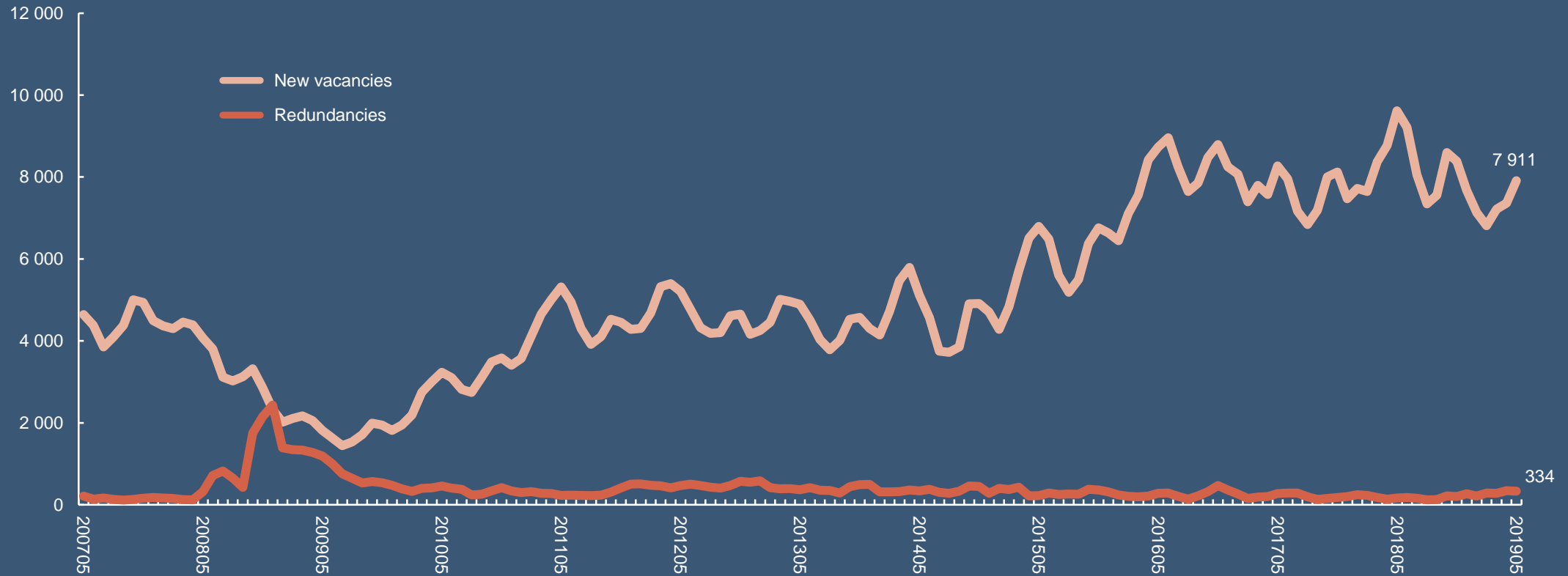
Source: Swedish Public Employment Service and Statistics Sweden



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Redundancy numbers straying a little above the trend

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



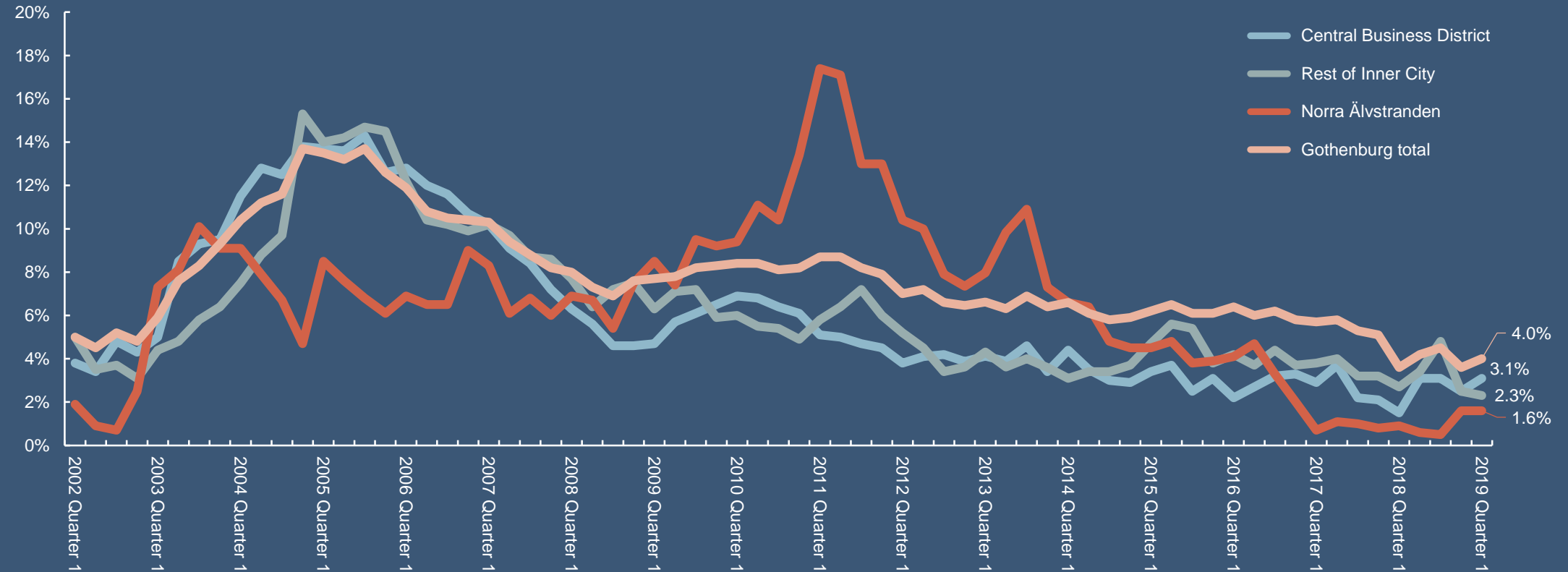
Source: Swedish Public Employment Service



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Modest increase in vacancy rate

VACANCY RATE FOR THE OFFICE MARKET IN GOTHENBURG



Source: JLL



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Housing prices increase again

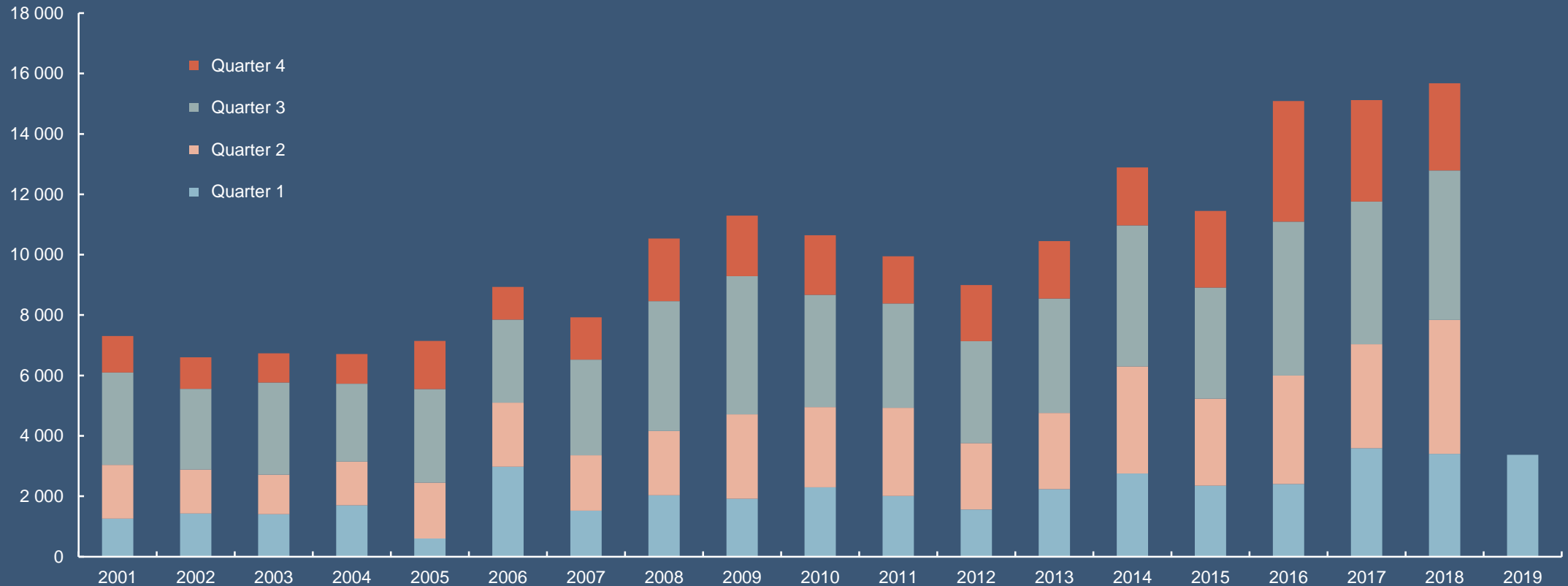
PRICE DEVELOPMENT OF FLATS AND HOUSES, MAY 2019 COMPARED TO 1, 3, 6 AND 12 MONTHS BACK IN TIME

HOUSING TYPE	CITY/REGION	1 MONTH APR 2019- MAY 2019	3 MONTHS FEB 2019- MAY 2019	6 MONTHS NOV 2018- MAY 2019	12 MONTHS MAY 2018- MAY 2019
Flats	Gothenburg	0.9 %	2.0 %	2.0 %	0.0 %
	Stockholm	0.8 %	1.6 %	1.4 %	1.2 %
	Malmö	1.2 %	1.1 %	0.8 %	3.4 %
	Sweden	0.6 %	1.5 %	1.8 %	1.1 %
Houses	Gothenburg region	0.3 %	3.1 %	4.0 %	2.8 %
	Stockholm region	0.8 %	2.1 %	3.0 %	2.1 %
	Malmö region	1.4 %	3.9 %	5.7 %	7.3 %
	Sweden	0.7 %	2.6 %	3.8 %	2.3 %

Source: Valueguard

Population growth still stronger than the national average

POPULATION GROWTH PER QUARTER IN THE GOTHENBURG REGION



Source: Statistics Sweden



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TABLE SUMMARISING THE ECONOMIC SITUATION IN THE GOTHENBURG REGION – COMPARISON WITH CORRESPONDING PERIOD THE PREVIOUS YEAR

INDICATOR	2019	2018	CHANGE
Economic tendency, spring	24	46	– 22 units
Total wage sum (real SEK billion), quarter 1	52.3	49.8	+5.0 %
Private sector wage sum (real SEK billion), quarter 1	39.9	37.8	+5.5 %
People in employment, quarter 1	546,700	531,600	+2.8 %
Unemployment 16-64 years, May	5.3 %	5.5 %	– 0.2 %-points
Unemployment among domestically born 16-64 years, May	2.7 %	2.7 %	±0.0 %-points
Unemployment among foreign-born 16-64 years, May	14.5 %	15.5 %	– 1.0 %-points
Unemployment 18-24 years, May	5.4 %	5.6 %	– 0.2 %-points
Unemployment among domestically born 18-24 years, May	3.2 %	3.5 %	– 0.3 %-points
Unemployment among foreign-born 18-24 years, May	18.6 %	21.2 %	– 2.7 %-points
Job vacancies, March – May (monthly average)	7,911	9,618	– 17.7 %
Redundancies, March – May (monthly average)	334	163	+104.9 %
Vacancy rate for office space in Gothenburg, quarter 1	4.0 %	3.6 %	+0.4 %-points
Population, quarter 1	1,031,617	1,015,974	+1.5 %
New car registrations, quarter 1	7,931	10,615	– 25.3 %
Air passengers, March – May (monthly average)	547,946	567,363	– 3.4 %
Guest nights, quarter 1 (monthly average)	301,385	304,223	– 0.9 %

Source: Region Västra Götaland, Statistics Sweden, Swedish Public Employment Service, JLL, The Swedish Transport Agency and The 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