

#4

2020

ECONOMIC OUTLOOK

GOTHENBURG REGION



BUSINESS REGION
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Vaccine progress gives economies hope for 2021

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*		-3.5%	↕	2.9%
USA	12.9%	-4.1%	↕	3.5%
Belgium	11.9%	-8.5%	↕	5.3%
Norway	10.4%	-3.9%	↕	3.5%
Germany	8.5%	-5.8%	↕	3.7%
China	7.8%	1.9%	↕	7.9%
Denmark	7.6%	-4.4%	↕	3.6%
United Kingdom	6.0%	-10.6%	↕	5.3%
Finland	5.9%	-4.8%	↕	3.0%
Netherlands	4.1%	-6.2%	↕	4.3%
France	3.9%	-9.5%	↕	5.6%
GDP growth for Gothenburg region's top 10 export markets (weighted by export share)	79.0%	-5.3%	↕	4.5%
Eurozone		-7.8%	↕	4.4%
World		-4.3%	↕	4.9%
World trade, goods and services		-10.4%	↕	8.3%

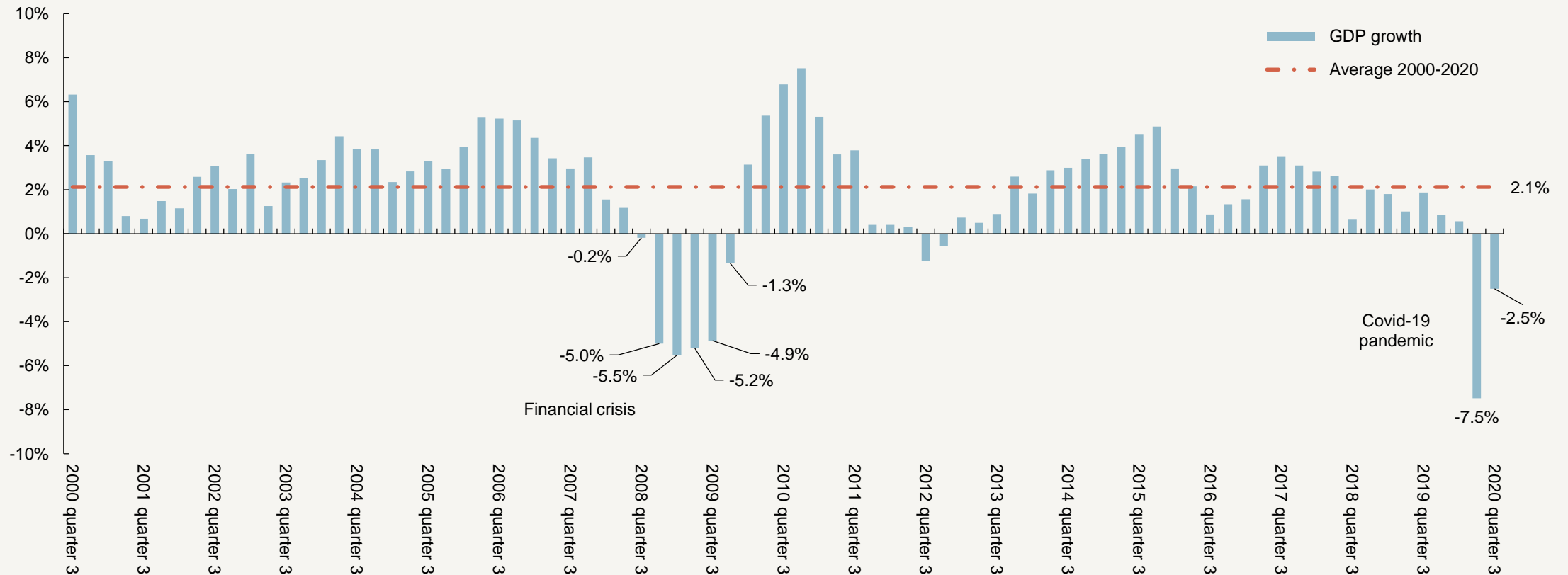
Source: SEB, Swedbank and EU (November 2020), IMF (October 2020) and OECD (September 2020)

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



The Swedish economy continues to shrink

GDP GROWTH OF SWEDEN IN PERCENT UP UNTIL THE THIRD QUARTER 2020 - CHANGE COMPARED TO THE SAME QUARTER PREVIOUS YEAR



Source: Statistics Sweden

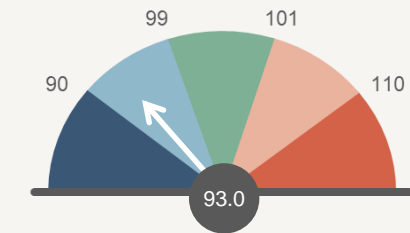
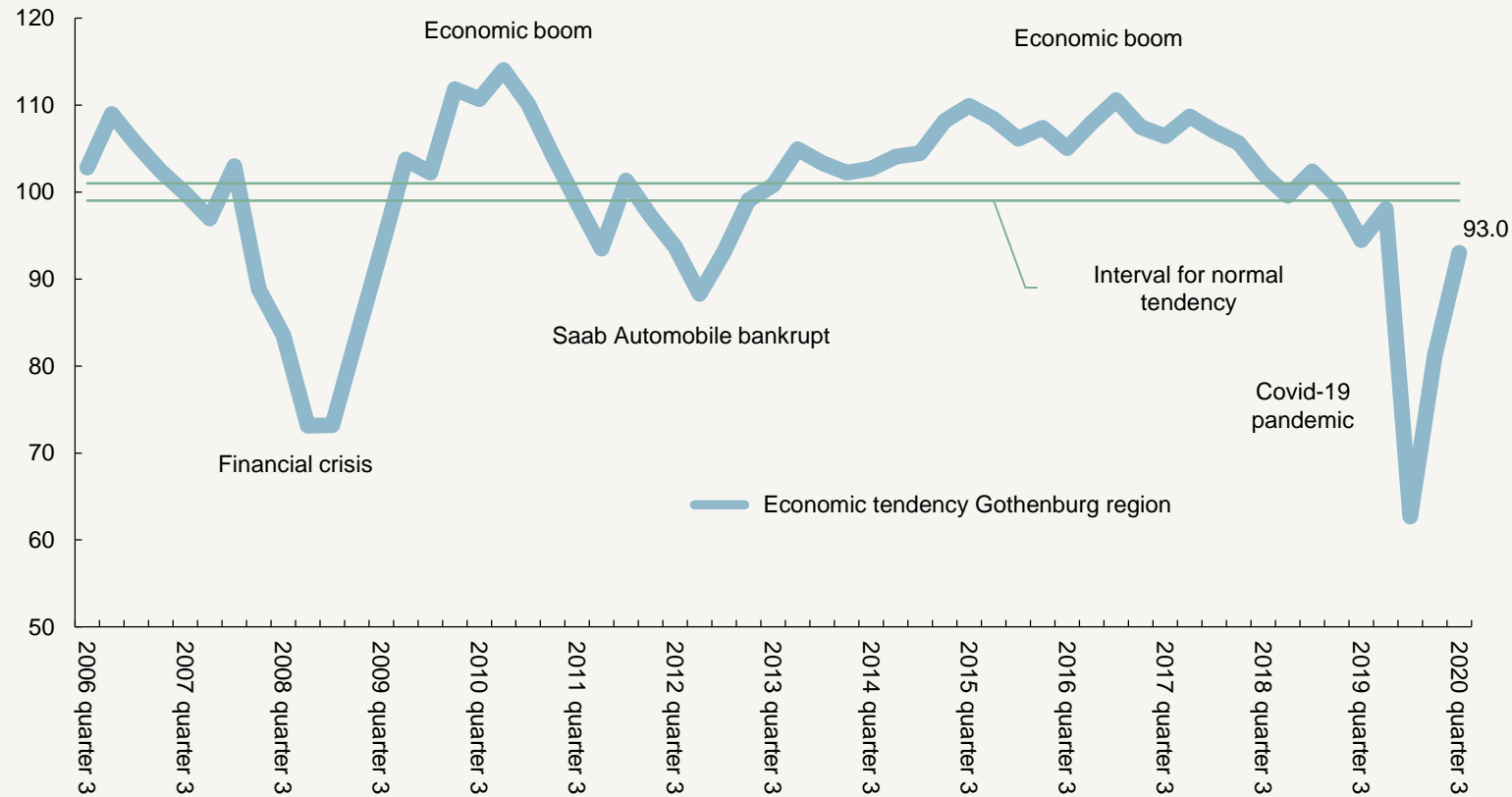


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Tendency in the region gears up to a weak normal state

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



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

1,522 companies in Gothenburg region's business environment got the survey. 801 companies answered, which gives a response rate of 53 per cent.

Source: National Institute of Economic Research



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Recovery, yet pandemic hits hard on the hospitality sector

ECONOMIC TENDENCY INDICATOR PER SECTOR FOR BUSINESSES IN THE GOTHENBURG REGION

Interval for economic tendency:

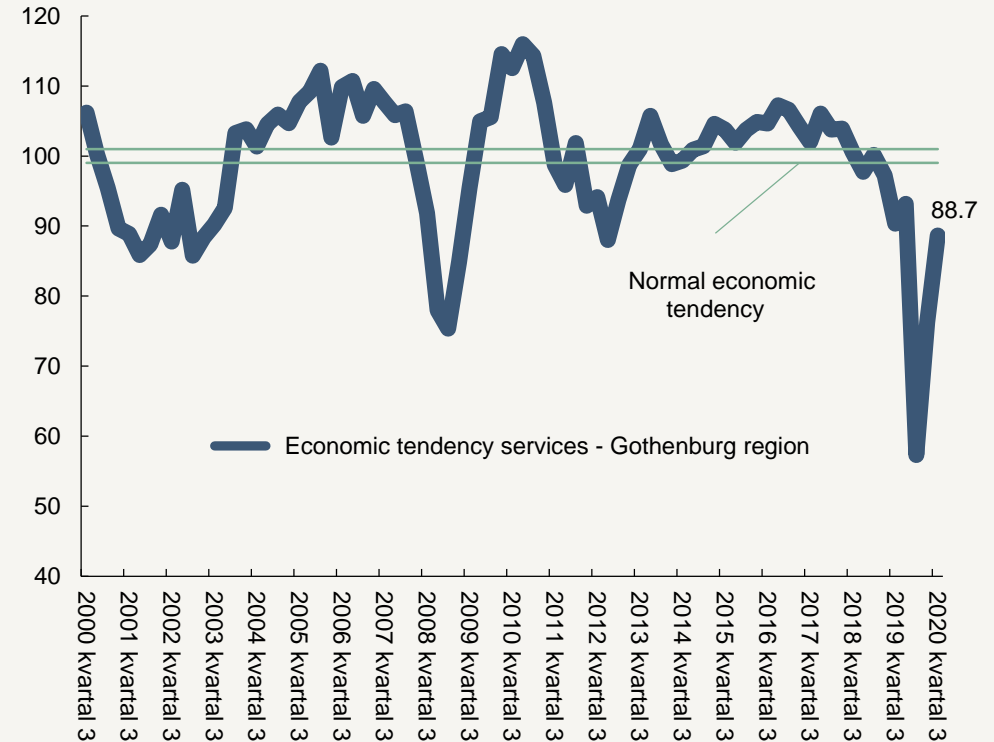
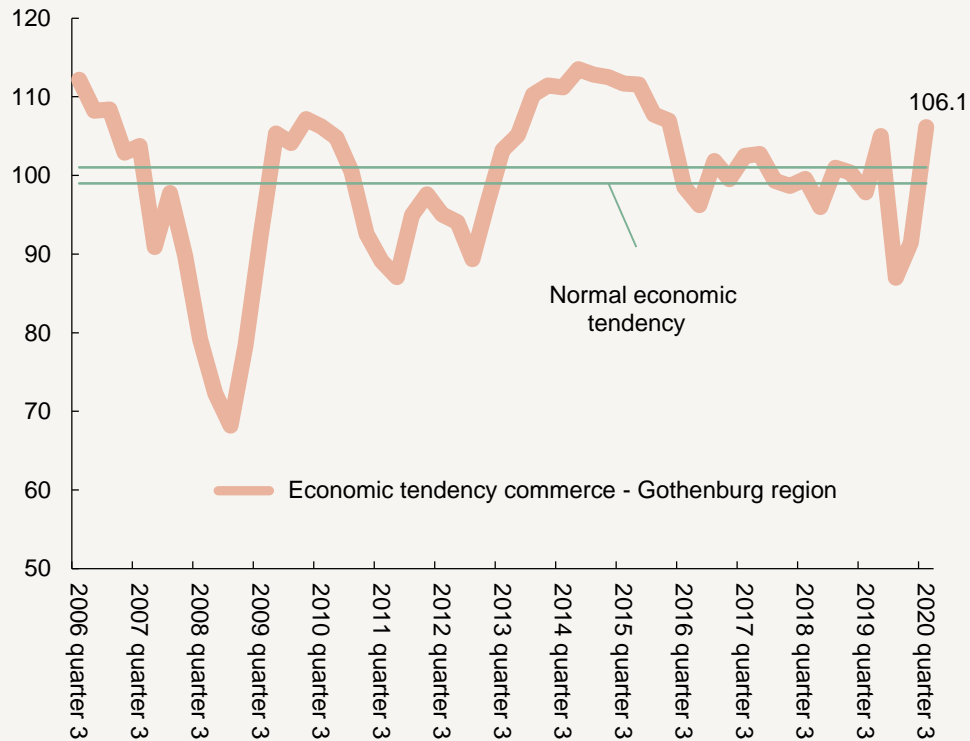
Recession: < 90

Normal weak: $90 \leq 99$

Normal tendency: $99 \leq 101$

Normal strong: $101 \leq 110$

Boom: > 110



Source: National Institute of Economic Research

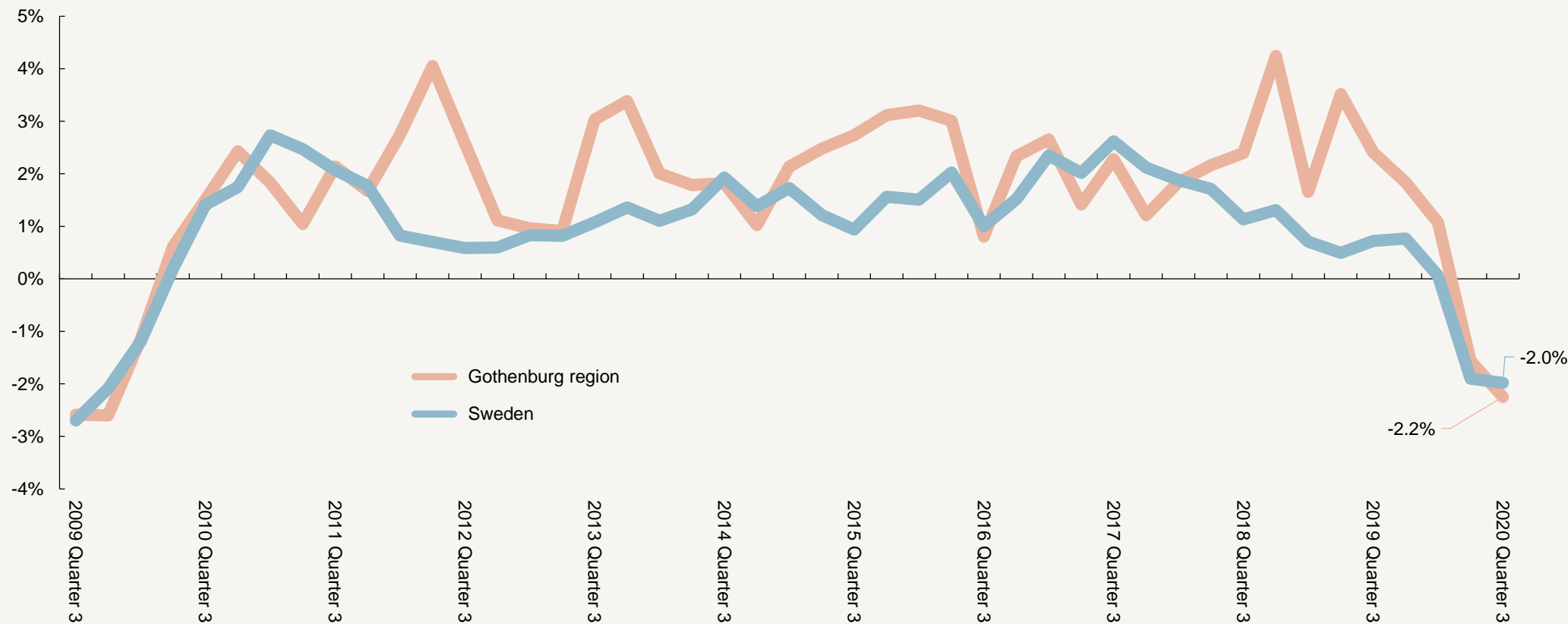


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Sharpest decrease in job growth in the Gothenburg region

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



Source: Statistics Sweden

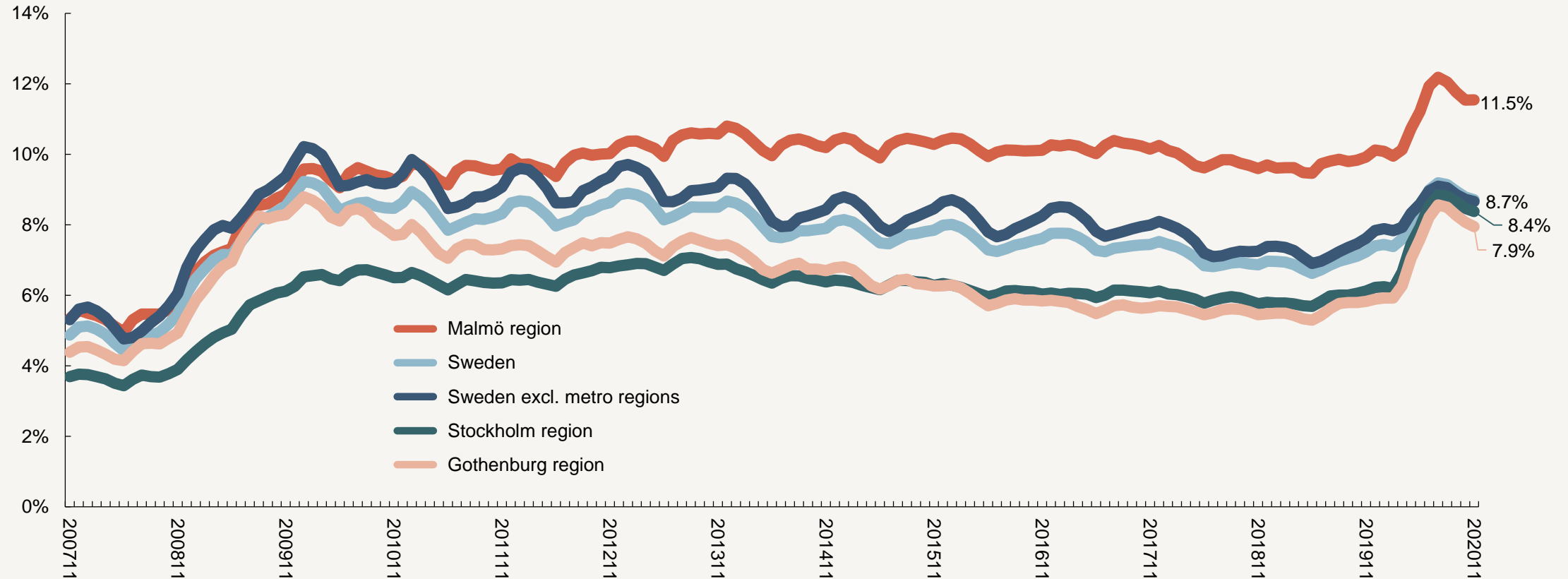


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Unemployment rises, yet lowest among metro regions

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

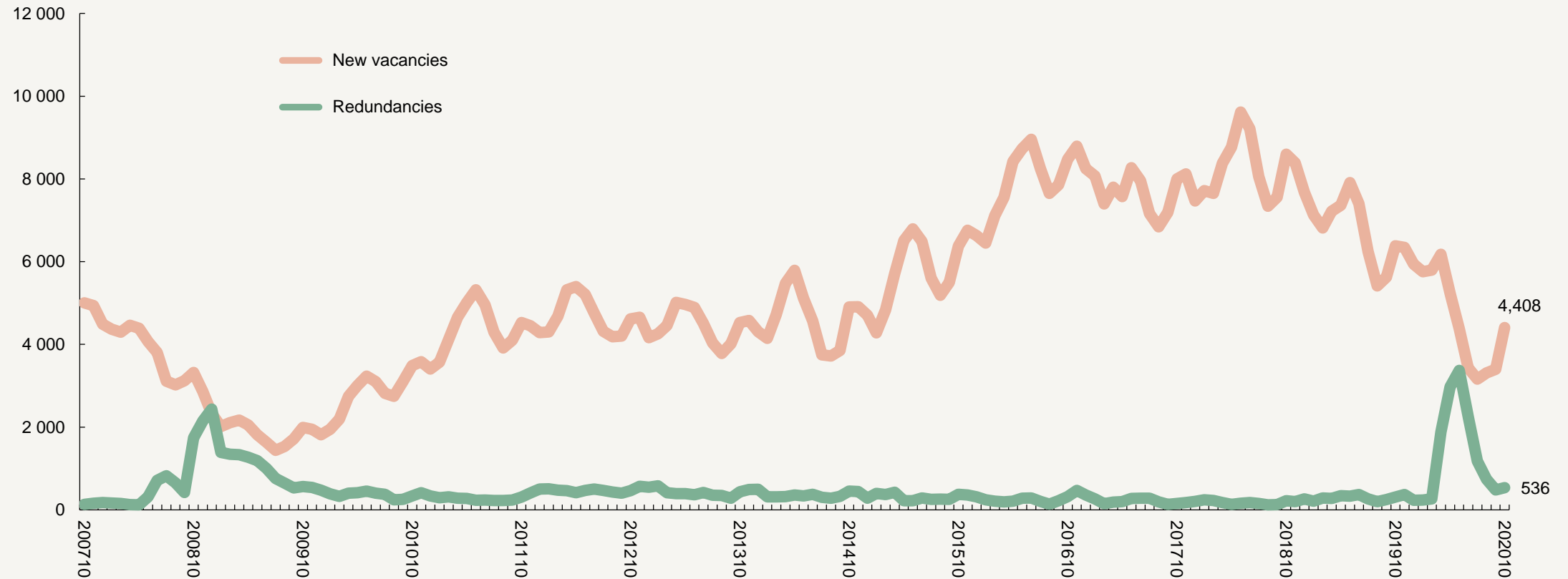


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Redundancies stabilise, yet at a new higher level

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

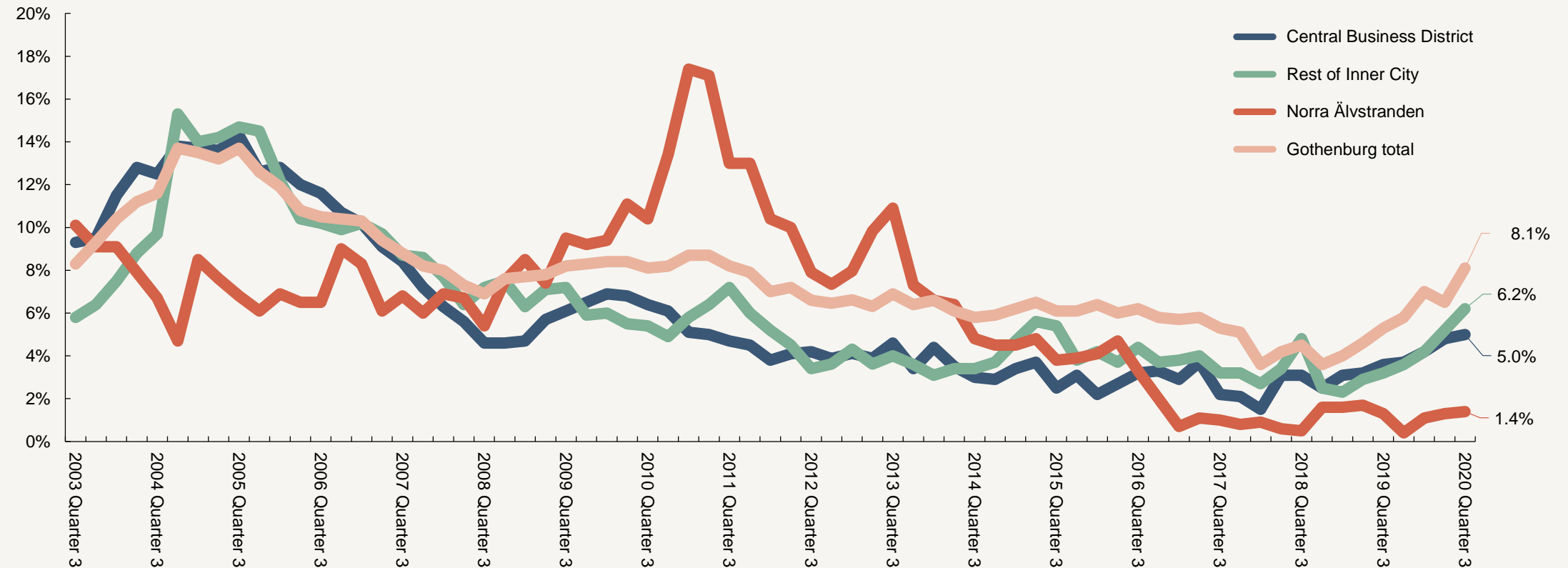


Source: Swedish Public Employment Service



Office vacancy rate increases during Covid-19 pandemic

VACANCY RATE FOR THE OFFICE MARKET IN GOTHENBURG



Source: JLL

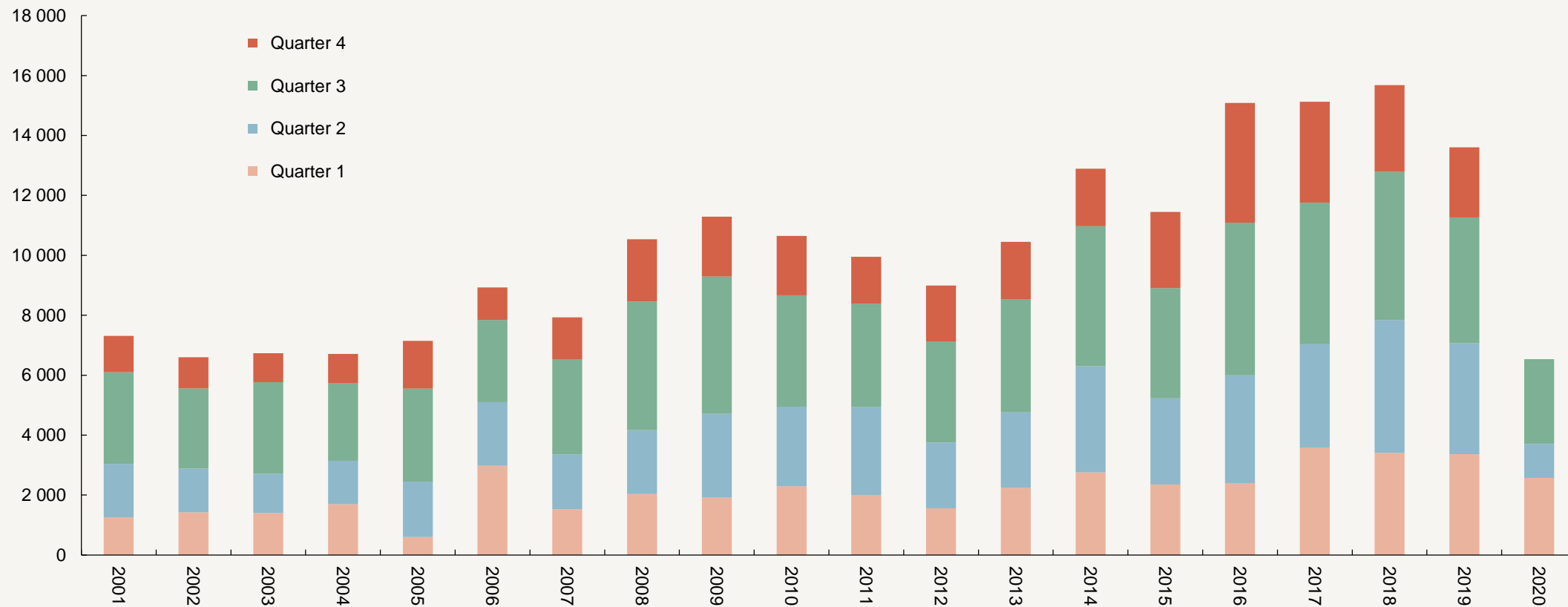


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The region's population growth has slowed down during Covid-19 pandemic

POPULATION GROWTH PER QUARTER IN THE GOTHENBURG REGION



Source: Statistics Sweden



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Housing prices continue upwards

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

Housing type	City / region	1 month	3 months	6 months	12 months
		Sep 2020 - Oct 2020	Jul 2020 - Oct 2020	Apr 2020 - Oct 2020	Oct 2019 - Oct 2020
Flats	Gothenburg	0.8%	2.4%	5.2%	3.2%
	Stockholm	0.8%	3.9%	7.1%	5.7%
	Malmö	0.9%	4.4%	8.6%	8.1%
	Sweden	0.9%	3.3%	6.8%	5.9%
Houses	Gothenburg region	2.4%	6.5%	9.8%	9.6%
	Stockholm region	1.6%	5.8%	11.8%	14.1%
	Malmö region	-0.1%	5.2%	11.2%	14.5%
	Sweden	1.6%	5.1%	10.8%	13.3%

Source: Valueguard



Still surprisingly few bankruptcies in the region

NUMBER OF BANKRUPTCIES IN THE GOTHENBURG REGION, BY SECTOR –
JANUARY-OCTOBER 2019 AND 2020 AND PER QUARTER 2020

Sector	2019	2020				
	Jan-Oct	Quarter 1	Quarter 2	Quarter 3	October	Jan-Oct
Commerce	114	36	42	37	9	124
Business services	95	29	38	27	5	99
Construction	87	30	28	29	7	94
Hotels and restaurants	50	17	22	11	6	56
Transportation	27	10	8	10	4	32
Manufacturing and mining	33	6	9	7	4	26
Personal services	20	7	9	6	1	23
Information and communication	26	10	5	3	1	19
Health care and care	9	4	5	0	0	9
Financial services and insurance	12	3	1	3	1	8
Other sectors	128	55	36	17	9	117
Gothenburg region total	601	207	203	150	47	607

Source: Statistics Sweden and Growth Analysis



Table summarising the economic situation in Gothenburg region

Indicator	2020	2019	Change
Economic tendency, Q3	93.0	94.5	-1,5 units
People in employment, Q3	552,200	564,900	-2.2%
Unemployment, November			
Total 16-64 years	7.9%	5.8%	+2.1%-p.
Domestically born 16-64 years	4.7%	3.0%	+1.7%-p.
Foreign-born 16-64 years	18.5%	15.6%	+2.9%-p.
Total 18-24 years	9.6%	6.6%	+3.0%-p.
Domestically born 18-24 years	7.0%	4.2%	+2.8%-p.
Foreign-born 18-24 years	23.2%	21.1%	+2.1%-p.
Job vacancies, Aug – Oct (monthly average)	4,408	6,385	-31.0%
Redundancies, Aug – Oct (monthly average)	536	310	+72.9%
Vacancy rate for offices in Gothenburg, Q3	8.1%	5.3%	+2.8%-p.
Population, Q3	1,048,389	1,039,511	+0.9%
Number of bankruptcies, Jan – Oct	607	601	+1.0%
New car registrations, Q3	8,319	8,655	-3.9%
Air passengers, Aug – Oct (monthly average)	103,498	617,256	-83.2%
Guest nights, Q3 (monthly average)	287,594	570,780	-49.6%

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



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