

Number 2 2024

Sweden's economy

Statistical perspective

Weak domestic demand

**Long-term unemployment
remains high after the pandemic**

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About Sweden's economy - statistical perspective

The main goal of the journal is to provide an overall picture of the economy based on economic statistics. This is supplemented by in-depth studies in various areas as well as an international outlook.

Publication takes place monthly, with a break in July.

We are happy to receive comments and can help to produce data if necessary.

Contact us via e-mail at ekstat@scb.se.

[Statistics Sweden's business cycle clock](#) is available here. It provides an interactive presentation of the state of the economy and the direction of the Swedish economy.

More charts with [economic indicators](#) can be found [here](#).

Monthly overview December 2023

Indicators	Compared to the previous month (percent)1)	Compared with corresponding month last year (percent)2)	Compared to the previous month	Compared with corresponding month last year
GDP indicator month	-0.3	-0.1	—	●
Business life				
Business production	1.4	0.5	+	+
Industry production	1.4	0.1	+	●
Industry order intake	5.5	-6.9	+	—
Service production	2.2	0.7	+	+
Trade and consumption				
Household consumption	0.1	0.1	●	●
Retail sales	-0.2	-2.2	●	—
Foreign trade				
Export of goods3)	-0.4	-6.3	—	—
Import of goods3)	-0.4	-9.8	—	—
Prices				
Consumer Prices (CPIF)	0.6	2.3	+	+
Producer prices	-1.6	-7.7	—	—
Labor market				
Employment rate4)	0.0	0.4	●	+
The unemployment rate5)	0.0	0.8	●	—
Hours worked6)	0.1	1.3	●	+

1) Calendar corrected and seasonally adjusted (not for foreign trade, prices and labor market)

2) Calendar corrected (not for foreign trade, prices and labor market)




3) Current prices, uncorrected. Monthly change refers to trend.

4) Employment as a proportion of the population aged 15–74 . Change in percentage points. Monthly change is based on seasonally adjusted and smoothed data. Annual change is based on original values.

5) Unemployment as a proportion of the labor force aged 15–74 . Change in percentage points. Monthly change is based on seasonally adjusted and smoothed data. Annual change is based on original values. Symbols are indicated in reverse.

6) Hours worked 15–74 years (including employed abroad). Monthly change is based on seasonally adjusted and smoothed data. Annual change is based on calendar-corrected data.

The symbols mean:

-  Increase (Change rate higher than 0.2 percent)
-  Unchanged (Change rate -0.2–0.2 percent)
-  Decrease (Change rate lower than -0.2 percent)



The state of the economy

Weak domestic demand

The Swedish economy remains weak. The economy is floundering with insignificant growth. It is primarily low domestic demand that is behind this.

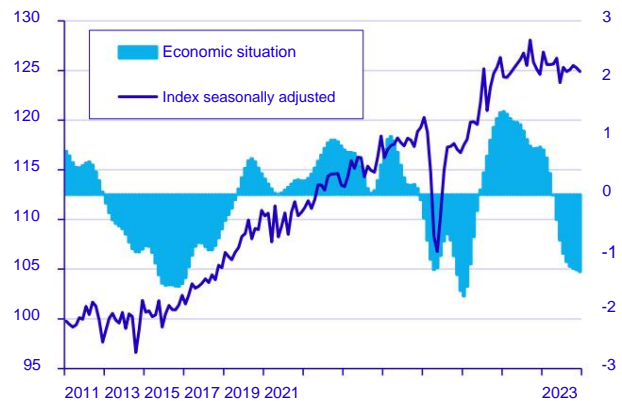
The foreign trade net strengthened during the latter part of 2023 with significantly stronger goods exports than goods imports.

The GDP indicator showed that the economic activity fell slightly during November and December 2023. As October was slightly stronger, the fourth quarter provisionally ended at roughly the same GDP level as the quarter before. Even compared to the fourth quarter of 2022, there was zero growth. Domestic demand has slowed down, while goods exports continued to perform well during the fourth quarter. Statistics Sweden's economic clock shows that the economic situation for the Swedish economy is gloomy. The GDP indicator is well below the long-term growth rate.

"Even compared to the fourth quarter of 2022, there was zero growth"

GDP down slightly in November and December

The GDP indicator. Index 2011=100, seasonally adjusted monthly values (left). State of the economy=deviation of the short-term trend from the long-term trend, standardized with mean=0 from January 2000 (right).



Sources: National accounts and the Economic Clock (SCB)

The economic clock shows a recession In

December, eleven out of thirteen indicators in Statistics Norway's economic clock were below their long-term trend. It is a sign that there is still a recession. Most indicators remain in the recession phase, but five of the indicators are in the recovery phase. The indicators that are above their long-term trend are new registrations of passenger cars and trucks respectively, but they are both in the slowing down

Eleven out of thirteen indicators under long-term trend



- | | |
|-----------------------------------|--------------------------------------|
| ■ A1 – BNP-indikator månad | ■ A2 – BNP kvartal |
| ● B1 – Näringslivets produktion | ● B2 – Industrins orderingång |
| ✚ C1 – Hushållens konsumtion | ✚ C2 – Detaljhandel sållanköpsvaror |
| ● D1 – Nyregistrerade personbilar | ● D2 – Nyregistrerade lastbilar |
| ▲ E1 – Varuexport | ▲ E2 – Varuimport |
| ★ F1 – Sysselsättning | ★ F2 – Arbetade timmar |
| ◆ G1 – Näringslivets efterfrågan | ◆ G2 – Hushållens konfidensindikator |

The economic clock

Statistics Sweden's business cycle clock consists of 14 economic indicators, of which 13 are updated monthly and one is updated quarterly.

The state of the economy is calculated by estimating the deviation of the short-term trend from the long-term trend.

Here you can read more about [Statistics Sweden's economic clock](#)

In the [visualization tool](#), you can follow how the various indicators move over time. During a business cycle, they move one turn in the business clock and then pass through four business phases.

The weak krona exchange rate has made Swedish goods relatively cheaper. The Riksbank's krona exchange rate index, the KIX index, was at its highest in September 2023. Since then, the index has fallen and the krona has strengthened against other currencies.

The krona has strengthened since September

KIX index, index 1992=100, month, average value



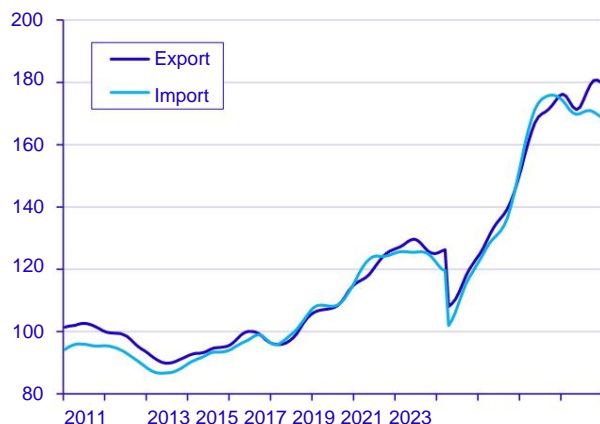
Source: Riksbank

Exports remain strong

The weaker domestic demand and the increased exports of goods are clearly visible in the diagram of foreign trade in goods. During 2023, the value of merchandise exports increased by 5 percent, while merchandise imports were unchanged compared to the corresponding period a year earlier. Export of motor vehicles is a group that performed strongly in 2022 and 2023, but machinery and pharmaceuticals have also contributed positively. However, both imports and exports fell in December 2023.

Strong merchandise exports and declining merchandise imports

Export and import of goods, billion kroner per month, trend



Source: Foreign trade in goods (SCB)

Producer price index that measures the price that Swedish producers receive when they sell their products and the price the buyer pays when the products enter Sweden showed a sharp rise in 2022. However, producer prices have fallen and were lower in the second half of 2023 than in the corresponding months of 2022.

2.3%

The inflation rate in December 2023
according to the CPIF measure

Energy prices push inflation down

Inflation with a fixed interest rate, CPIF, was 2.3 percent in December 2023 and is almost below the Riksbank's target of 2 percent at an annual rate. The lower energy prices were a factor that lowered the CPIF. If the changes in energy prices are excluded, inflation was significantly higher, just over 5 percent according to KPIF-XE.

Inflation fell further in December

The rate of inflation according to CPIF and CPIF-XE. Percentage change compared to the corresponding month of the previous year

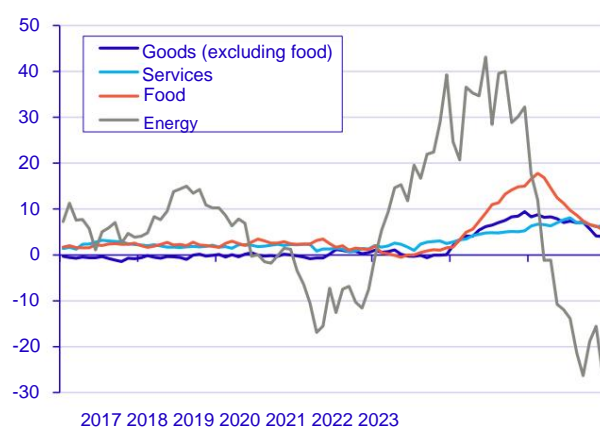


Source: Consumer price index (SCB)

The energy item mainly consists of household electricity and fuel prices. In 2023, energy made up 6 percent of the CPI basket. As energy prices are very volatile, despite their low weight, they have a large effect on inflation. During the pandemic, demand for energy fell and prices fell. As economies opened up, demand for energy increased. Europe's sanctions against Russian oil and gas simultaneously reduced supply and the price of energy rose by more than 40 percent year-on-year in June 2022.

Large variation in energy prices

The rate of inflation broken down into different components. Change from corresponding month of the previous year, percent



Sources: Consumer Price Index (SCB) and the Riksbank

The food group has also contributed to driving up inflation over the past two years. The highest price increase was in February 2023 with an annual rate of 18 percent. The Riksbank's definition of food used here includes except

non-alcoholic beverages including tobacco. The rate of increase in food prices remains high in a historical perspective, although it is significantly lower than a year ago. In December 2023, the rate of increase for foodstuffs was even slightly lower than for the service group.

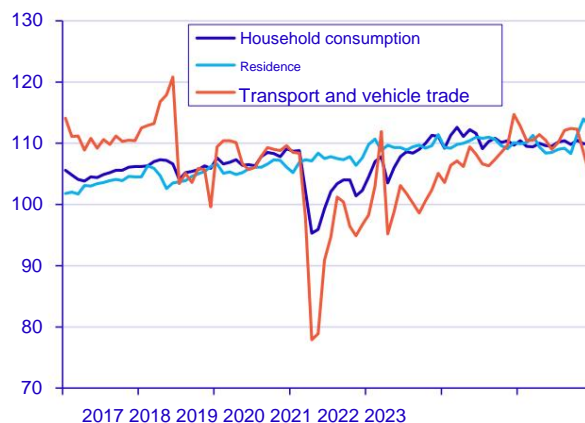
"In December 2023,
the rate of increase for food
was even slightly lower than
for the service group"

Household consumption continued subdued

The lower consumption space holds down household consumption, which continues to move sideways. The cold weather pushed up the housing record as a result of higher electricity and district heating consumption in November and December also showed a high level. At the same time, a decline is visible in transport and vehicle trade in December.

Consumption goes sideways

Household consumption indicator. Index 2015=100, seasonally adjusted monthly values



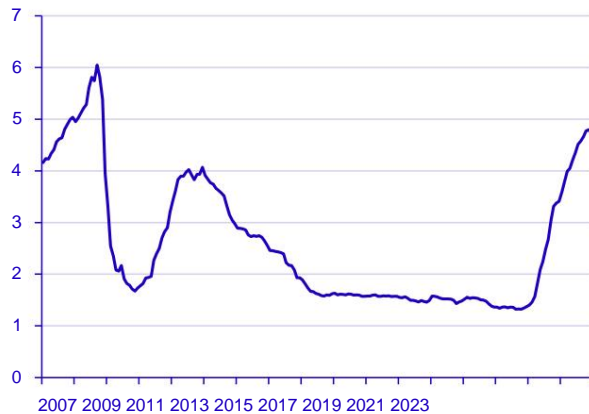
Source: Turnover in the service sector (SCB)

Very weak growth in household mortgages

In line with the interest rate increases since spring 2022, the housing market has cooled. The household mortgage stock was almost unchanged between December 2022 and December 2023, when annual growth was only 0.6 percent. For the first time since October 2021, household mortgage interest rates on new agreements turned down and were at an average of 4.74 percent in December. The decline applied to all maturities. The biggest decline is seen among the longer maturities.

Household mortgage rates may have peaked

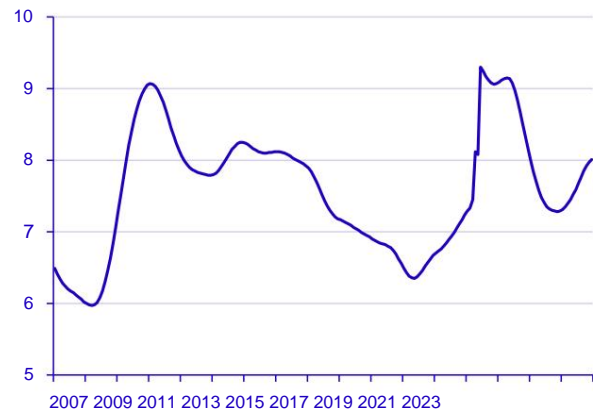
Average mortgage interest rate, Monetary financial institutions' lending to households, new agreements, percentage



Source: Financial market statistics (SCB)

Unemployment is rising

Percentage of unemployed in the labor force, 15–74 years (Including full-time students who have applied for work), seasonally adjusted and equalized monthly values



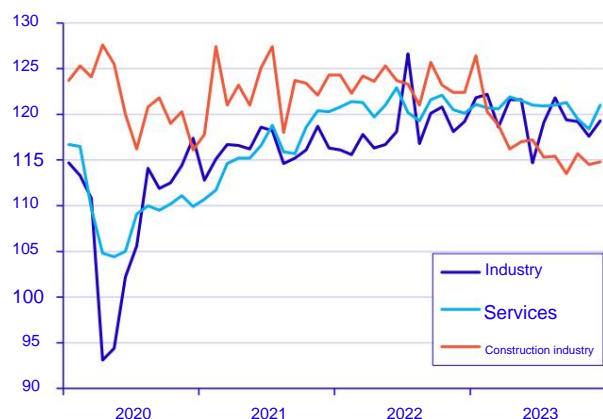
Source: Labor Force Surveys (SCB)

Low production in the construction industry

The production value index for business rose in December. Both industrial and service production increased, while the construction industry continued to struggle. Construction output has decreased compared to the previous year and was roughly unchanged between November and December. Steel and metal works had a rebound upwards in December 2023 after previous weak development. Within the service industries, motor trade and wholesale trade fell, while business services and the hotel and restaurant industry rose in December.

Industrial and service production increased slightly in December

Production value index, Index 2015=100, seasonally adjusted values



Source: Production value index (SCB)

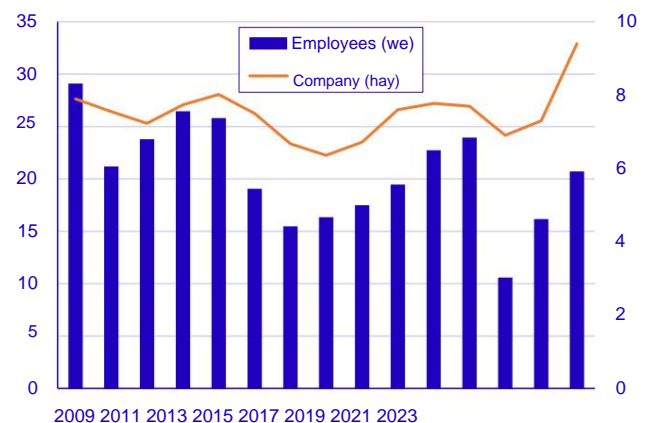
More corporate bankruptcies

Corporate bankruptcies rose in 2023. On average, they have been just over 7,000 annually since 2009. In 2023, they were 9,400, with more occurring in the second half of the year.

But even if the number of companies that have gone bankrupt has risen sharply, the number of employees affected by bankruptcy is in line with previous years. It indicates that more small businesses than usual have been forced to throw in the towel.

Corporate bankruptcies rose in 2023

Number of company bankruptcies and the number of employees affected by bankruptcies, thousands



Source: Bankruptcies and public settlements (SCB)

The labor market is declining

The weaker demand in the economy is also reflected in the labor market. The percentage of unemployed in trend-adjusted figures has pointed upwards throughout 2023 and continued upwards in December.

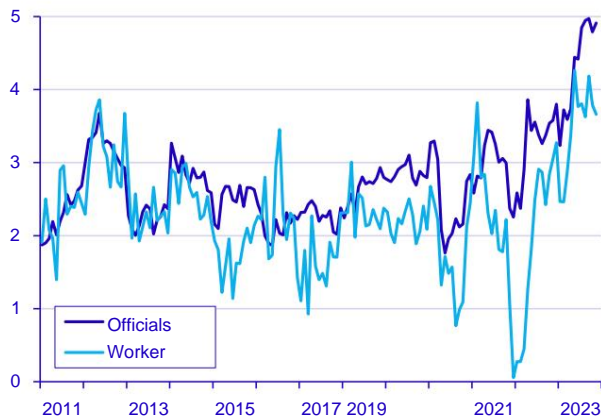
The salaries of civil servants increase more

The higher cost level led to compensation claims during the negotiations of the industrial agreement last spring. The agreement, the so-called mark, from spring 2023 gave the industrial workers a

salary increase of 4.1 percent. Wage statistics from November 2023 show that workers' wages in the private sector has risen just under 4 percent compared to November 2022. At the same time, civil servants' salaries have risen by nearly 5 percent at an annual rate. The same annual development as KPIF cleared for energy in December.

Wages continue to rise

Wage development in the private sector. Change from the corresponding month of the previous year, percent



Source: Salaries for the private sector (SCB)

The mediation institute writes that November 2023 is the first month with a noticeable increase in real wages since July 2021, but that is if the interest rate effect is not taken into account. With the interest rate increases, real wages are still negative. At the same time, the Riksbank sees the light at the end of the tunnel. Riksbank Governor Erik Thedéen announced on the first of February that the key interest rate would be left unchanged at 4 percent and if nothing unexpected happens, we could get a first interest rate cut already before the summer.

The week before the Riksbank's interest rate announcement, the Economic Institute's business cycle barometer was published. It showed a substantial recovery in January. Above all, it was the households that felt more optimistic. This shows, among other things, that the confidence indicator shot upwards.

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Recess

Long-term unemployment remains high after the pandemic

The matching problems in the labor market were deepened by the corona pandemic, which has accelerated a long-term structural transformation towards more qualified jobs.

Long-term unemployment is highest among people with lower education, especially among those born abroad. These groups, as well as the elderly, have lower job chances and usually get precarious employment.

Long-term unemployment is costly for both society and the individual, and represents a challenge on the Swedish labor market. For society, it becomes costly when people do not work and therefore do not contribute to a greater production and financing of

public sector spending. For the individual, a longer period of time without work often means reduced opportunities to get a job. In addition, there are negative health consequences, above all linked to mental illness, which can become more serious with longer periods of unemployment.

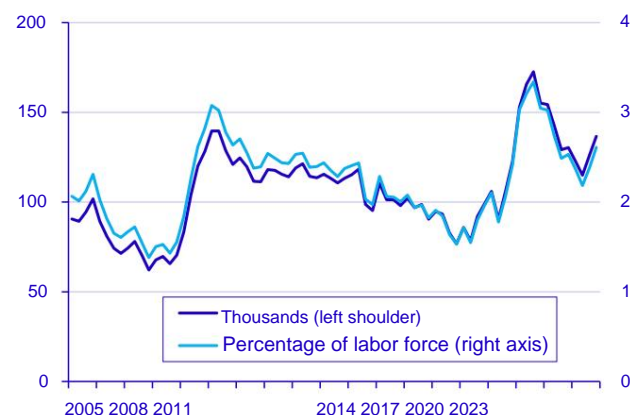
Long-term unemployment still at a high level

Statistics on the number of long-term unemployed, i.e. individuals who have been unemployed for at least 27 weeks, show that the level is relatively high in a historical perspective. In the fourth quarter of 2023, the number amounted to 137,000 people in the population between the ages of 20 and 64, which corresponds to 2.6 percent of the workforce. The long-term unemployed make up about a third of all unemployed, and this proportion has been stable over time with the exception of the pandemic when it was slightly higher.

Over time, the number of long-term unemployed increased as a consequence of the 2008–2009 financial crisis and then gradually decreased until 2019, but without fully recovering. Long-term unemployment increased then in connection with the pandemic and was at its highest in the third quarter of 2021. As restrictions eased, the labor market recovered, but long-term unemployment did not fall to pre-pandemic levels. Statistics from the last three quarters of 2023 show that both the number and the percentage of long-term unemployed are now rising again.

Long-term unemployment has increased in terms of trend and is still high after the pandemic

Number of long-term unemployed 20–64 years old in thousands (left) and as a percentage of the labor force (right)



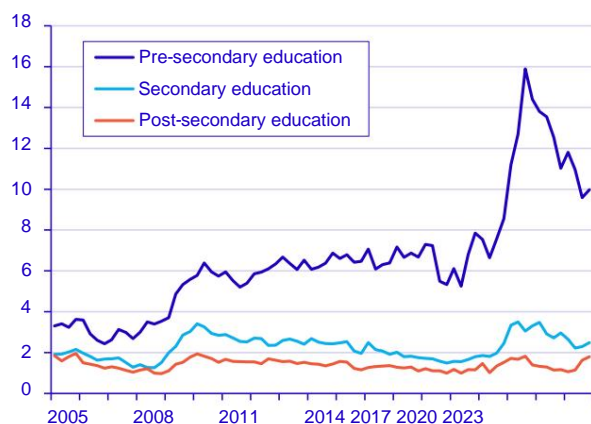
Source: Labor Force Surveys (SCB)

Low-educated hard hit by the pandemic

Long-term unemployment has affected some groups more than others. One such group is people with low education. During the pandemic, the number of long-term unemployed as a share of the labor force among people with pre-secondary education more than doubled, and this from already high levels. The group of long-term unemployed with pre-secondary education consists for the most part of people born abroad. Possible explanations for the increase are that a high percentage of these people work in the private service sector, such as hotels and restaurants, which were hit hard by the pandemic. Foreign-born are also overrepresented among people with fixed-term employment, who are usually only affected when the economy declines.

The pandemic hit mostly people with lower education

Proportion of long-term unemployed in the workforce aged 20–64 by level of education, percentage

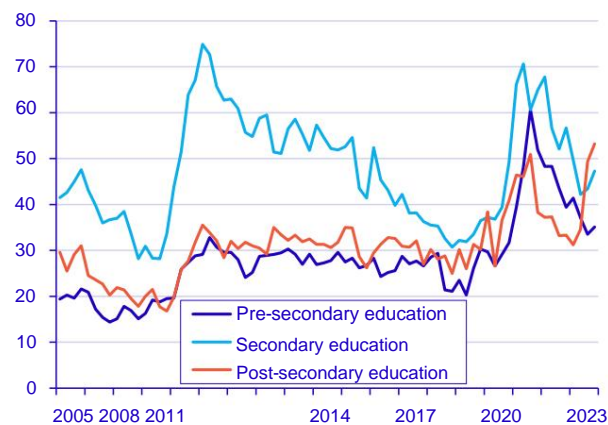


Source: Labor Force Surveys (SCB)

In 2023, the number of long-term unemployed among those with post-secondary education increased. In the fourth quarter, the level was about as high as during the pandemic for this group. It can be interpreted as a consequence of the subsequent recession associated with the Ukraine war, rising interest rates and high inflation. A possible explanation for a more favorable development in 2023 among those with lower education could be a continued recovery from the pandemic.

Long-term unemployment increased among the highly educated in 2023

Number of long-term unemployed 20–64 years by education level, thousands



Source: Labor Force Surveys (SCB)

Matching problems behind continued high unemployment

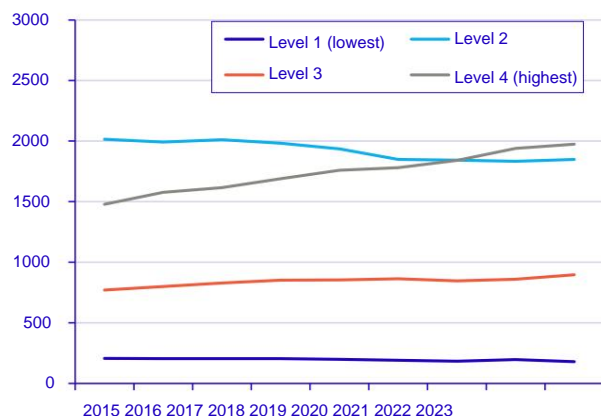
Economic crises can cause so-called persistence effects. This means that unemployment is not only high during the crisis when demand is low, but that it remains at a higher level afterwards as well. The effects arise as a result of a long period of unemployment can reduce the number of unemployed skills, abilities and contacts that make it more difficult for them to find new jobs when the demand for labor rises again. This may partly explain why the number of long-term unemployed has not fallen back to pre-pandemic levels.

"The pandemic has accelerated a structural transformation where higher demands are placed on skills"

In addition, there was a matching problem in the Swedish labor market even before the pandemic, with many unemployed despite a high demand for labour. This is connected to the fact that relatively many of the unemployed are low-educated, while there are relatively few low-skilled jobs. This matching problem was reinforced in connection with the pandemic. For people who entered the labor market during the pandemic, the number of entry-level jobs also decreased.

The structural transformation leads to more qualified jobs

Number of employed persons aged 20–64 per qualification level in the profession according to SSK 2012, thousands



Source: Labor Force Surveys (SCB)

The pandemic has also accelerated a structural transformation where higher demands are placed on competences such as digital skills. The long-term trend shows that employment has steadily increased within the most qualified occupational categories, while it has decreased among occupations with lower qualification requirements, especially since the pandemic years. The reduction is most evident within the second lowest level in the SSK scale, where the qualification requirements often correspond to a high school education. This development can be described as a job polarization where the proportion of jobs with the highest qualification requirements increases, while the jobs that require a secondary school level become fewer.

Standard for Swedish Occupational Classification (SSK)

SSK is a system for grouping individuals' occupations or tasks, and is based on ISCO-08 which was developed by the International Labor Organization (ILO).

SSK can be divided into four qualification levels where the formal education that is normal for the profession is taken into account. What is meant is the qualifications that the work requires, not the qualifications that the employee performing the work has.

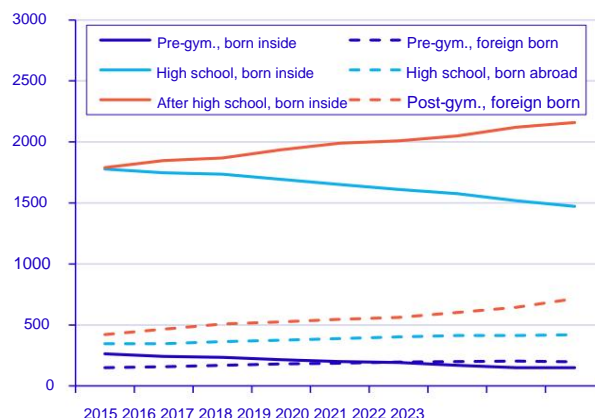
Qualification requirements for **level 1** are elementary education at primary school level, which means no or low formal requirements.

For **level 2**, there are educations at upper secondary level and post-secondary educations shorter than 2 years. **Level 3** means qualification requirements for practical or vocational-specific post-secondary education in 2–3 years, and the equivalent for **level 4** is theoretical or research preparation

post-secondary education and postgraduate education of at least 3 years, normally 4 years or longer.

More highly educated people in the workforce among the domestic and foreign born

Number of people in the labor force aged 20–64 per education level for domestic and foreign born, thousands



Source: Labor Force Surveys (SCB)

The number of people in the workforce with post-secondary education has increased steadily both among the domestic and foreign born. In relation to the size of the group, the increase is greatest among those born abroad. At the same time, the number of people with lower levels of education has decreased among the domestically-born and increased among the foreign-born. Overall, this development contributes to a greater proportion of foreign-born people in professions with lower qualification requirements. The jobs in this category are relatively few, which makes matching difficult and contributes to more unemployed people in this group.

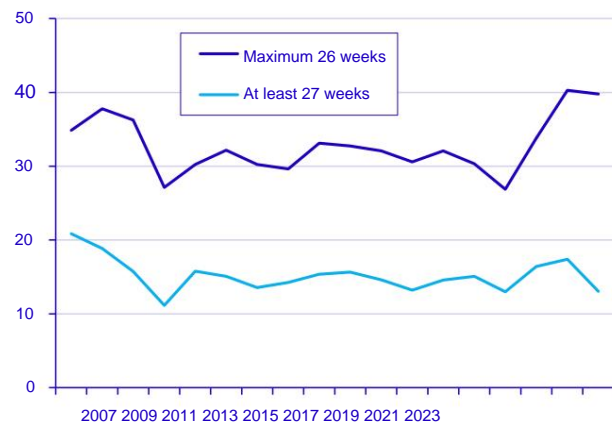
Divided labor market with lower job chances and insecure employment

The probability of being employed, the so-called job chance, tends to decrease with the number of weeks in unemployment. This can be explained by the fact that knowledge, abilities and contacts, as well as signals such as grades and work certificates, lose value. Lower job chances among the long-term unemployed are also explained by the demographic composition where, for example, the elderly, low-educated and those born abroad run a greater risk of becoming long-term unemployed.

"Elderly, low-educated and foreign-born people run a greater risk of becoming long-term unemployed"

Lower job chances after a longer period of unemployment

The probability of being employed after number of weeks in unemployment. Share of unemployed people aged 20–64, percent



Source: Labor Force Surveys (SCB)

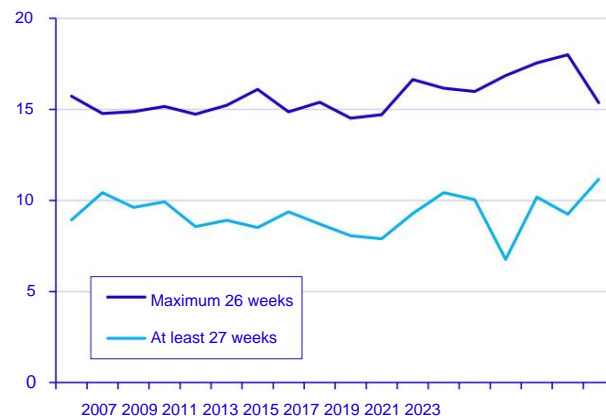
The job opportunity is measured as the percentage of unemployed people who become employed within a quarter. Average job opportunities for people aged 20–64 have been relatively stable over time, varying the most in the years surrounding the financial crisis of 2008–2009 and the post-pandemic recovery of 2020–2021.

"The long-term unemployed have about half as many chances on the labor market"

For the long-term unemployed, job chances vary from about 10 percent in deeper recession and recession to 20 percent in peak boom and recovery. Corresponding job chances for people with shorter periods of unemployment vary from around 30 to 40 percent, depending on the state of the economy. In most years, the long-term unemployed tend to have about half the chances in the labor market compared to people with shorter periods of unemployment.

Long-term unemployed less likely to leave the labor force

The probability of leaving the labor force after number of weeks in unemployment. Share of unemployed people aged 20–64, percent



Source: Labor Force Surveys (SCB)

Periods of unemployment can also be ended by the person leaving the workforce, for example to start studies. The probability of leaving the labor force is also lower among the long-term unemployed compared to people with shorter periods of unemployment. The difference is partly explained by students looking for work for shorter periods before summer holidays and then leaving the workforce to return to their studies.

Lower chance of work for older unemployed people

The chance of finding a job decreases with age, both among people with shorter and longer periods of unemployment. Among the long-term unemployed, the job chance varies from 21 percent for younger people down to only 10 percent for older people.

Job opportunities among younger long-term unemployed persons are of a similar order of magnitude as among older persons with shorter periods of unemployment. As well as older age as a longer time in unemployment, the average job chances tend to roughly halve. Younger people with shorter periods of unemployment have approximately four times higher job chances compared to older long-term unemployed people.

Those born abroad have a lower chance of going from unemployed to work

Average job chances 2015–2023 by age, gender, domestic/foreign born and number of weeks in unemployment. Share of unemployed people, percent

Age	Female	Male	Domestic born	Foreign born	Total
Unemployed for a maximum of 26 weeks					
20–29	43	39	45	32	41
30–54	29	28	39	22	29
55–64	25	24	29	17	25
Long-term unemployed at least 27 weeks					
20–29	20	22	26	17	21
30–54	14	16	19	14	15
55–64	12	10	12	9	10

Source: Labor Force Surveys (SCB)

The foreign-born have lower job chances than the domestic-born, while women and men have about the same job chances. The breakdown by age also indicates that the negative effect of long-term unemployment on job opportunities is greatest among older, domestic-born people. In that group, the job chance is 29 percent among people with shorter periods of unemployment, but only 12 percent among the long-term unemployed. The connection of various demographic factors to the length of unemployment is further investigated in the Statistics Norway report "[Long-term unemployed 2005–2023](#)" on which this article is partially based.

The long-term unemployed more often move on to temporary employment

Permanent employment, so-called permanent employment, is the norm in the Swedish labor market. Of all employed persons aged 20–64 years old have about four out of five permanent jobs. Even among younger employed people aged 20–29, nearly two-thirds have permanent employment. Normally, a permanent employment starts with a trial employment which then changes to a permanent employment after six months. However, the jobs for those coming out of unemployment, and especially for the long-term unemployed, are dominated by other types of temporary employment that less often turn into permanent employment.

The long-term unemployed usually do not get permanent employment

Share of people aged 20–64 who became employed after at least 27 weeks of unemployment, by type of employment, gender and domestic/foreign born, average 2015–2023, percent

Employment form	Female	Male	Domestic born	Foreign born	Total
Fixed appointment	16	21	21	17	19
Provenance.	14	20	17	18	18
Temporary position	15	5	11	8	9
Necessary	14	9	11	12	11
Hourly.	16	12	12	15	14
Other time limit	21	27	24	25	25
Entrepreneur*	.	6	4	.	5

*This category also includes helping household members. Values based on few observations are dotted.

Source: Labor Force Surveys (SCB)

Among employed people who were long-term unemployed in the previous quarter, only 37 percent state that they received either permanent or trial employment. The proportion is roughly the same even among people who have become employed after shorter periods of unemployment. Of these states however, a higher percentage that they are permanently employed, while people who have been unemployed for a long time more often state that they are probationary employees. This difference can be interpreted as a lower perceived job security among people who received a trial job after being unemployed for a longer period of time.

Permanent and trial jobs are somewhat more common among men compared to women who have been unemployed for a long time. Among the jobs that break long-term unemployment for women, temp and temporary employment are significantly more common, while the spread across various types of temporary employment is greater among the corresponding group of men. The difference can be explained by the fact that women work to a large extent in service occupations where these types of temporary employment are common. Another way out of long-term unemployment can be self-employment, which is more common among men than women.

Care occupations are the most common category breaking long-term unemployment

Share of employed persons aged 20–64 by occupation who were long-term unemployed in the previous quarter, average 2015–2023, percent

Occupational category (SSYK, two-digit level)	Share
Care professions	14
Cleaning professions	8
Fast food staff, kitchen and restaurant assistants, etc.	7
Sales professions in retail, etc	6
Transport and machine driver professions	6
Service professions	5
Building and construction professions	4
Occupations with requirements for university education or equivalent in finance and administration	4
Occupations with requirements for in-depth university competence in education	4
Other professions in construction, manufacturing and goods handling	3
Office assistants and secretaries	3
Occupations with requirements for in-depth university competence in natural sciences and technology	3
Professions with requirements for in-depth university competence in finance and administration	3
Customer service occupations	3
Metalworking and repair professions	3
Occupations with requirements for in-depth university competence in law, culture and social work, etc	3
Occupations in material management etc	2
Other professions	19

Source: Labor Force Surveys (SCB)

The jobs that break long-term unemployment are found to a large extent in service occupations with lower requirements for qualifications. "Care professions" are the most common category overall and especially among women and those born abroad. This category includes occupations such as childminders, student assistants, assistant nurses, care assistants, carers, carers, personal assistants and dental nurses. "Transport and machine operator occupations" constitute the most common category among men, while "Household occupations", "Fast food staff, kitchen and restaurant assistants

etc." as well as "Sales professions within retail, etc." are common among both men and women who have been long-term unemployed. For women and the foreign-born, the occupations that break long-term unemployment are to a greater degree concentrated in fewer categories, compared to men and the domestic-born, where the spread is greater.

The labor force surveys (LFS)

AKU is a sample survey that describes the development in the labor market for Sweden's population aged 15–89. The statistics produced through the LFS are subject to international coordination and are based on the International Labor Organization's (ILO) convention on labor market statistics. The definitions in the LFS follow the ILO's recommendations and the EU's guidelines. The survey provides a picture of the labor market based on aspects such as employment, unemployment, underemployment, hours worked, profession, industry and much more.

In the LFS, a person can be classified as in the labor force, which means employed or unemployed, or outside the labor force. Persons who were without work during the reference week but who applied for work are counted as unemployed during the last four weeks (the reference week and three weeks back) and could work the reference week or start within 14 days of the end of the reference week. The unemployed also include people who have found a job that starts within three months, provided that they would have been able to work the reference week or start within 14 days of the end of the reference week. Persons are defined as

long-term unemployed if they have been unemployed for a sustained period of at least 27 weeks.

A person who has an employment or works as an entrepreneur or as a supporting family member is counted as employed. To be counted as employed, it is sufficient to have worked at least one hour during the reference week, alternatively having been absent from such work. Beyond this it is required that the work aims to generate income for the individual or the family the person is a part of.

This article is partly based on a longer report on the long-term unemployed published in December 2023. It can be found here.

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International outlook

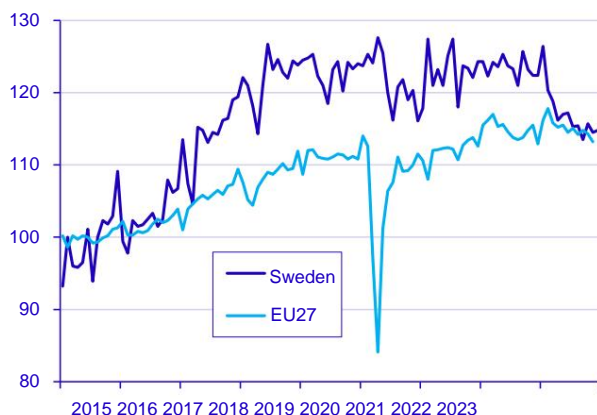
Construction is declining more in Sweden than in most other EU countries

The EU countries' construction production has declined slightly in the past year. Sweden and Finland are among the countries that have had the largest decline in the construction industry, while Danish construction continues to perform strongly.

The Swedish construction industry has had a tough time in the past year. In November 2023, construction output was roughly 6 percent lower than the corresponding month in 2022. During the same period, construction in the EU decreased by 2 percent, according to preliminary statistics.

Reduced construction production in Sweden

Construction production. Volume index 2015=100, seasonally adjusted values



Source: Eurostat

Construction in Sweden rose sharply in 2017 and 2018. After that, construction production was at roughly the same level, despite a dip during the pandemic, until the end of 2022. In the spring of 2023, however, the production volume fell clearly, largely due to increased construction costs, and the level was in end of the year lower than before the pandemic.

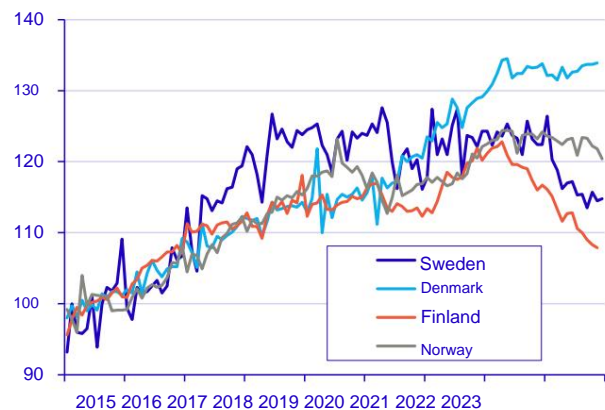
Within the entire EU, construction rose more weakly than in Sweden until the pandemic, when there was a sharp decline followed by a strong recovery. During 2023, construction in the EU has not decreased as much as in Sweden, and the level in November was higher than before the pandemic.

The construction industry in Denmark continues to go strong

Among the Nordic countries, it is the construction industry in Denmark that is doing the strongest. Even in Norway, the construction volume remains at a high level, while construction in Finland has decreased significantly over the past two years.

Construction is also declining in Finland, but remains strong in Denmark

Construction production. Volume index 2015=100, seasonally adjusted values



Source: Eurostat

Of the larger EU countries, Italy stands out with a very strong development after the pandemic. Spain, on the other hand, has had a weak construction development, but a small recovery has taken place since mid-2022. In Germany, the trend is currently for construction output to decrease slightly, while it is fairly stable in France.

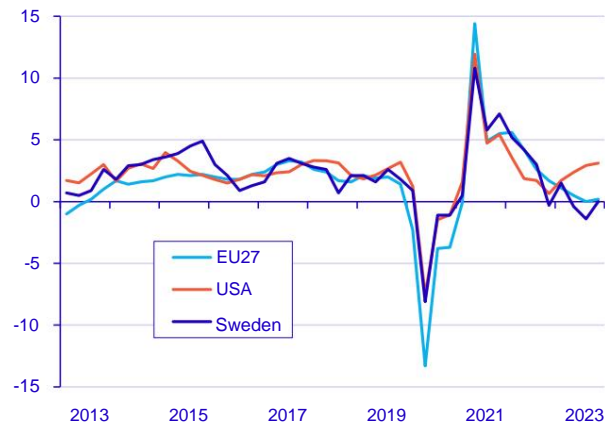
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Indicators for Sweden, the EU and the USA

The USA is going strong, while Sweden has zero growth

GDP growth in percentage compared to the corresponding quarter of the previous year.

For Sweden, the fourth quarter of 2023 refers to the GDP indicator

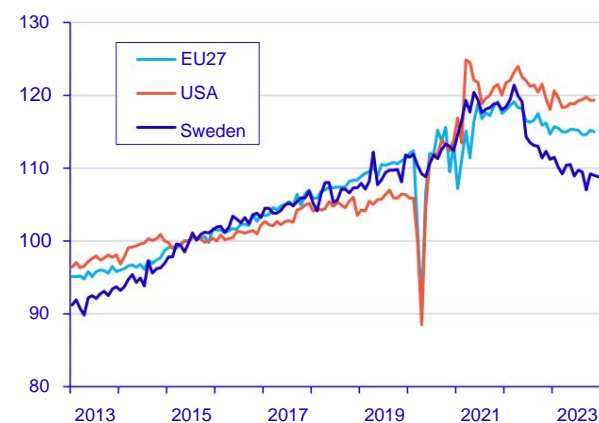


Source: Statistics Sweden, Eurostat and OECD

- Sweden's GDP was at the same level in the fourth quarter of 2023 as the corresponding quarter the year before, according to the GDP indicator.
- In both the second and third quarter of 2023, Swedish GDP growth was negative at an annual rate.
- Even for the EU as a whole, it was still large seen zero growth.
- However, the US has continued strong GDP growth.

Swedish retail remains weak

Retail sales, 2015=100, seasonally adjusted

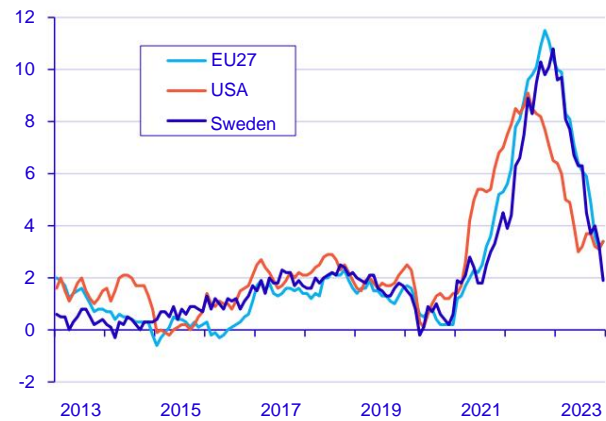


Source: OECD

- Sales within the Swedish retail trade continues to be weak in an international perspective.
- In the US, the positive trend moderated at the end of 2023.
- In the EU, the sales volume was relatively stable throughout 2023.

Sweden has lower inflation than the EU and the USA

HIKP for Sweden and EU27, CPI for the USA, annual change in percentage

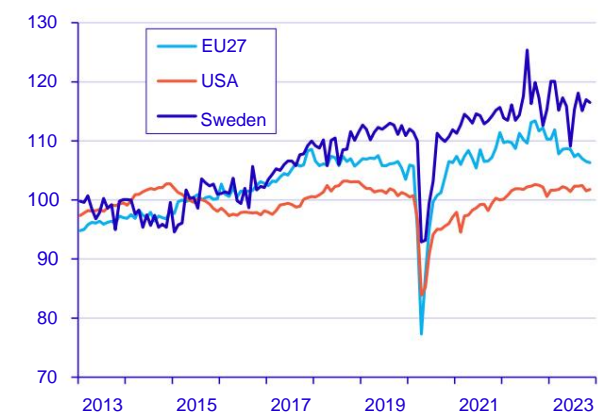


Source: Eurostat and US Bureau of Labor Statistics

- Swedish inflation continued to decline in December and was 1.9 percent according to the international measure HIKP.
- In both the EU and the US, however, inflation rose slightly in December.
- In the EU, HICP inflation rose from 3.1 percent in November to 3.4 percent in December. Exactly the same development figures were noted for the CPI in the USA.

Industrial production in the EU on the decline

Industrial production index 2015=100, seasonally adjusted



Source: OECD

- In the EU, industrial production has decreased since autumn 2022.
- The Swedish industry has picked up a lot and down but was in November 2023 at the same level as the beginning of 2022.
- American production is going sideways.

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