



SPRING 2011 ECONOMIC OUTLOOK FOR SWEDEN: ANSWERS FROM SN

MAIN FORECAST

Annual % change	2010	2011
Real GDP growth	5,5	3,9
Consumer price inflation	1,2	3,0
Unemployment rate	8,4	7,8
Employment growth	1,0	1,9
Government net lending (% of GDP)	-0,3	-0,2
Gross public debt (% of GDP)	39,1	37,0
Current account balance (% of GDP)	6,0	5,0

Components of aggregate demand - in real terms

Annual % change		
Private consumption	3,5	2,9
Public consumption	2,6	1,1
Investment (Gross Fixed Capital Formation)	6,3	7,0
Private non-residential investment	4,5	6,9
Exports	10,7	6,6
Imports	12,7	7,0

ECONOMIC SENTIMENT

	Positive	Negative	Unchanged
Trend in business climate over the next 6 months	Industry		
	Services		

	Positive	Negative	Unchanged
Trend in profitability over the next 6 months	Industry		
	Services		

	Increase (faster pace)	Increase (slower pace)	Unchanged	Decrease (slower pace)	Decrease (faster pace)
Investment intentions over the next 6 months	Industry				
	Services				

	Global demand	Domestic demand	Cost of finance	Availability of finance	Company Profitability	Capacity Utilisation
Influence on companies' investment decisions	positive	positive	positive	positive	positive	neutral

	Replacement	Extension	Rationalisation	Innovation
Driving force behind investment decisions in the next 6 months	positive	neutral	positive	positive

	Industry: past 6 months	Industry: next 6 months	Services: past 6 months	Services: next 6 months
Overall trend in employment	Up	na	Up	na

ACCESS TO FINANCE AND IMPACT OF THE CRISIS ON POTENTIAL GROWTH

<i>Compared to 6 months ago, cost/access to finance has been...</i>	sharply up / restrained	up / more difficult	same	down / easier	
<i>for SMEs</i>			Cost Access		
<i>for larger companies (>250 employees)</i>			Cost Access		
<i>Over the next 6 months, cost /access to finance will be...</i>	sharply up / restrained	up / more difficult	same	down / easier	
<i>for SMEs</i>		Cost	Access		
<i>for larger companies (>250 employees)</i>		Cost	Access		
	Consolidation of banking sector balance sheets	Access to capital markets	Engcouraging equity financing through tax reforms	Better use of existing EU instruments (including EIB)	Greater potential for Public-Private Partnerships
Measures to alleviate current financial difficulties for SMEs	Moderate effect	Moderate effect	Very important effect	Very limited effect	Very limited effect
	Consolidation of banking sector balance sheets	Access to capital markets	Engcouraging equity financing through tax reforms	Better use of existing EU instruments (including EIB)	Greater potential for Public-Private Partnerships
Measures to alleviate current financial difficulties for midsize and large companies	Very limited effect	Very limited effect	Moderate effect	Moderate effect	Important effect



POLICY MIX

	<i>Tight, appropriate for the euro area</i>	<i>Tight</i>	<i>Appropriate</i> yes	<i>Loose</i>	<i>Loose, appropriate for the euro area</i>
<i>Monetary policy is...</i>					
	<i>adequate</i>	<i>inadequate</i>			
<i>Consistency between fiscal and monetary policies</i>	yes				
<i>Regarding the sustainability of public finances...</i>	progress is not needed, the current situation is satisfactory				
Exit Strategies					
<i>Tight fiscal rules and more effective institutions</i>		yes			
<i>Greater efficiency of public administrations</i>		yes			
<i>Credible cost-cutting measures</i>		yes			
<i>Increased scope of public-private partnerships</i>				yes	
<i>Reform of pension systems</i>		yes			
<i>Improved efficiency of healthcare sector</i>		yes			
Entry Strategies					
<i>More and better-targeted education and training</i>			yes		
<i>More and better targeted R&D and innovation efforts</i>		yes			
<i>Prioritisation of infrastructure investments</i>		yes			
<i>Growth enhancing tax reforms</i>				yes	
<i>In 2015, the government deficit will...</i>	<i>respect the 3% limit</i> yes	<i>be in balance</i> yes			