

SWEDEN

The Swedish economy has experienced a deep contraction, triggered by the global economic crisis. A gradual recovery has started but economic slack is very large and unemployment will remain high for some time.

The monetary policy stance is very stimulative and ought to remain so for the time being. Both automatic and discretionary fiscal responses will continue to support demand as will the recent measures to limit long-term unemployment. As the recovery firms up, however, fiscal consolidation efforts will be needed to reach the medium-term budget surplus target.

Sweden: Demand, output and prices

	2006	2007	2008	2009	2010	2011
	Current prices SEK billion	Percentage changes, volume (2000 prices)				
Private consumption	1 372.8	3.1	-0.4	-1.2	1.7	2.4
Government consumption	762.5	0.6	1.1	1.6	0.7	0.6
Gross fixed capital formation	528.5	7.7	2.4	-17.0	-2.0	5.5
Final domestic demand	2 663.7	3.3	0.6	-3.8	0.7	2.4
Stockbuilding ¹	0.3	0.7	-0.5	-1.4	0.6	0.0
Total domestic demand	2 663.9	4.1	0.0	-5.3	1.4	2.4
Exports of goods and services	1 494.0	6.0	1.6	-13.1	3.2	6.5
Imports of goods and services	1 257.2	9.6	3.1	-15.4	2.6	6.0
Net exports ¹	236.9	-1.1	-0.5	0.1	0.5	0.7
GDP at market prices	2 900.8	2.7	-0.4	-4.7	2.0	3.0
GDP deflator	–	2.8	3.4	2.2	1.3	2.1
<i>Memorandum items</i>						
Consumer price index ²	–	2.2	3.4	-0.3	1.4	3.2
Private consumption deflator	–	1.1	3.0	2.5	1.9	2.0
Unemployment rate ³	–	6.1	6.2	8.2	10.3	10.1
Household saving ratio ⁴	–	9.1	12.1	14.5	14.3	12.9
General government financial balance ⁵	–	3.8	2.5	-2.0	-3.0	-2.0
Current account balance ⁵	–	8.8	6.2	7.8	8.2	8.6

Note: National accounts are based on official chain-linked data. This introduces a discrepancy in the identity between real demand components and GDP. For further details see *OECD Economic Outlook Sources and Methods* (<http://www.oecd.org/eco/sources-and-methods>).

- Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.
- The consumer price index includes mortgage interest costs.
- Historical data and projections are based on the definition of unemployment which covers 15 to 74 year olds and classifies job-seeking full-time students as unemployed.
- As a percentage of disposable income.
- As a percentage of GDP.

Source: OECD Economic Outlook 86 database.

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