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Nordea Economic Outlook: It looks pretty good

Nordea expects the global economy to grow by 3.6 per cent this year, 3.7 per cent in 2018 and 3.6 per cent in 2019, in a new forecast released today. The outlook for the advanced economies looks solid amid uncertainties surrounding Donald Trump's economic policy, the Brexit negotiations, increasing geopolitical risks and financial market reactions to the expected tightening of monetary policy. Also Emerging Markets seem to be back on a more sustainable growth trajectory, says Helge J. Pedersen, Nordea's Group Chief Economist.

The outlook for the Nordic countries has improved further, and 2017 seems to be the strongest growth year for the region since 2010. Private consumption and residential investment have driven growth in **Swedish** GDP, which will grow above potential also in the election year 2018, due to a weak krona and rising exports combined with fiscal policy measures. Policy stimulus will gradually fade and interest rates rise, thereby dampening consumption and slowing residential construction as of late 2018.

Growth in the **Norwegian** economy has gained momentum and the outlook is good. With rising housing and business investment and solid export and consumption growth, economic expansion in 2018 seems to be strong enough for the economy to reach full capacity that year. In 2019 growth will slow, but not enough to prevent the labour market from tightening further.

For the first time in more than 10 years, we see a full-blown recovery of the **Danish** economy. Employment is rising, consumer spending is increasing, companies benefit from growing international trade and the pick-up in housing prices has spread beyond the big cities. Growth will continue over the coming years, although labour shortages and rising interest rates will slow the pace a bit.

What's more, the **Finnish** economy is now on a firmer footing as both foreign trade and domestic demand contribute to growth. Export demand has picked up following the new momentum in world trade, and, going forward, employment should improve and support private consumption while business investment continues to increase rapidly.

Read Economic Outlook [here](#)

	2016	2017E	2018E	2019E
World	3.2	3.6	3.7	3.6
Advanced economies	1.6	2.1	2.0	1.7
Emerging markets	4.3	4.6	4.9	4.8
Nordics	2.0	2.6	2.3	1.9
Sweden	2.9	3.3	2.6	2.1
Norway	1.0	1.9	2.6	2.0
Denmark	1.7	2.2	2.0	1.9
Finland	1.9	3.0	2.0	1.5

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