Press release

10 November 2026

Swedbank Economic Outlook: The Swedish economy gears down after a strong recovery

The Swedish economy has recovered more quickly than anticipated this year, but the pace of growth is expected to slow somewhat. Rising inflation, higher interest rates and less expansionary economic policy will slow the economy down in the years ahead. Global economic risks are rising as a result of the war in the Middle East, high indebtedness, and uncertainty relating to the AI-driven investment boom, according to Swedbank Economic Outlook.

Swedish GDP is expected to grow by 2.6 per cent this year. The recovery has been driven by increased consumption, higher investment and strong export performance. Going forward, however, growth is expected to fall to approximately 2 per cent annually.

“Sweden’s economic performance has been stronger than expected this year, but growth has likely passed its peak. Household finances will continue to improve, but at a slower pace as inflation rises and monetary policy becomes less expansionary,” says Mattias Persson, Group Chief Economist, Swedbank.

Rising inflation in Sweden – one more rate hike
Following a period of low inflation, price increases are expected to pick up again in the months ahead. Higher prices for energy and commodities, rising prices for food, and the effects of the Middle East war will contribute to faster price increases. Swedbank forecasts that underlying inflation (CPIF excluding energy and the direct effects of temporary fiscal policies) will rise to approximately 2.5 per cent by spring 2027 before returning towards the inflation target.

“With inflation rising, the Riksbank has not finished hiking. We expect one more policy-rate hike, to 2.25 per cent in February next year,” says Mattias Persson.

The Swedish labour market will continue to strengthen gradually, and the rise in employment will spread to additional sectors. Unemployment is expected to decline to 7.6 per cent at the end of 2028. AI is not yet having a major impact on total employment, although the effect differs between sectors.

“The labour market is continuing to perform well, and employment is rising in several parts of the Swedish economy. But AI is developing rapidly, and its long-term impact on the labour market is something we’re monitoring closely,” says Mattias Persson.

Four risks that could affect the global outlook
Although the global economy has so far demonstrated strong resilience, Swedbank sees several significant risks ahead:

- An escalation of the war in the Middle East, which could drive the price of energy and commodities higher
- A slowdown in the extensive AI investments that are an important driver of growth, particularly in the United States
- New trade barriers between the US, EU and China
- Growing concerns on public finances and government debt, especially in France.

“The global economy’s resilience to higher energy prices and rising interest rates has been better than expected. But there’s a limit to that resilience. Going forward, many of the risks we’ve identified have the potential to affect growth, inflation and the financial markets much more than they do today,” says Mattias Persson.

Tighter economic policy ahead for Sweden
Swedbank expects both monetary policy and fiscal policy to become less expansionary in Sweden in the years to come.

“Regardless of the political makeup of Sweden’s next government, our assessment is that there will be less scope for new fiscal stimulus. There will be more of a focus on strengthening public finances,” says Mattias Persson.

A weaker housing market in Sweden
Activity on the Swedish housing market remains high, and prices have risen by just over 3.5 per cent so far this year. The housing market is expected to remain stable but rising interest rates are expected to cause a slight slowdown next year, meaning that price increases will be limited to about 2 per cent annually in 2027–2028.

The report is attached to this press release and is available on Swedbank’s website, www.swedbank.com/seo.

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Appendix.

	2.6	2.6	(2.5)	2.0	(1.9)	1.7	(1.7)
	1.3	2.4	(2.0)	2.2	(2.5)	2.4	(2.4)
	2.2	3.0	(2.3)	2.2	(2.3)	2.5	(2.5)
a	3.0	2.7	(3.0)	1.8	(2.3)	2.4	(2.5)
	0.8	1.8	(2.2)	2.0	(1.8)	1.8	(1.8)
	1.6	2.6	(2.0)	1.9	(2.0)	1.7	(1.8)
ıainland)	1.7	0.9	(1.5)	0.9	(1.3)	1.6	(1.8)
gdom	1.2	1.3	(1.1)	1.1	(1.1)	1.4	(1.3)

ecast in parentheses.
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SWEDEN: Key economic indicators, 2025-2028

Annual % change unless stated otherwise	2025	2026F		2027F		2028F	
Real GDP growth (calendar-adjusted)	1.6	2.6	(2.0)	1.9	(2.0)	1.7	(1.8)
Real GDP growth per capita (calendar-adjusted)	1.5	2.5	(1.9)	1.8	(1.9)	1.7	(1.8)
Real GDP growth	1.4	2.9	(2.2)	2.2	(2.2)	1.5	(1.6)
Household consumption	2.0	2.5	(2.2)	1.7	(2.0)	1.6	(1.6)
Government consumption	1.2	1.9	(1.9)	2.0	(1.8)	1.1	(1.0)
Gross fixed capital formation	2.2	3.9	(3.8)	3.7	(3.2)	2.3	(2.5)
private excluding housing	1.3	3.9	(1.8)	3.2	(2.7)	1.8	(2.4)
public & NPISH	8.1	5.3	(9.9)	5.2	(3.9)	3.5	(2.6)
housing	-2.7	1.7	(2.7)	3.7	(4.5)	3.1	(3.1)
Exports, goods and services	3.7	4.4	(4.0)	3.0	(3.0)	3.0	(2.8)
Imports, goods and services	4.6	3.6	(5.0)	3.6	(2.8)	3.4	(2.9)
Change in inventories (contribution to GDP)	0.2	-0.3	(0.2)	0.2	(-0.1)	0.0	(0.0)
Domestic demand, excl. inventories (contribution to GDP)	1.8	2.6	(2.4)	2.2	(2.2)	1.6	(1.6)
Net exports (contribution to GDP)	-0.4	0.5	(-0.4)	-0.2	(0.1)	-0.1	(0.0)
CPI (annual average)	0.7	0.8	(0.9)	3.0	(2.8)	1.5	(1.7)
CPIF (annual average)	2.6	1.4	(1.5)	2.3	(2.1)	1.3	(1.6)
CPIF excluding energy (annual average)	2.8	0.7	(0.9)	2.1	(2.2)	2.0	(2.0)
Riksbank policy rate (December)	1.75	2.00	(2.00)	2.25	(2.25)	2.25	(2.25)
Unemployment (% of labour force, 15-74)	8.8	8.7	(8.6)	8.3	(8.0)	7.8	(7.5)
Labour force (15-74)	0.9	0.6	(0.4)	0.4	(0.4)	0.2	(0.3)
Employment (15-74)	0.4	0.8	(0.6)	0.7	(1.1)	0.7	(0.8)
Employment rate (% of population, 15-74)	69.0	69.4	(69.2)	69.9	(70.0)	70.4	(70.6)
Number of hours worked (calendar-adjusted)	-0.3	0.2	(0.4)	0.7	(1.5)	0.7	(0.6)
Nominal hourly wage (NMO, whole economy)	3.6	3.3	(3.4)	3.3	(3.2)	3.3	(3.2)
Household real disposable income	0.4	2.2	(2.6)	1.1	(1.6)	2.3	(1.5)
Household own savings (% of disposable income)	5.5	5.2	(6.4)	4.6	(6.1)	5.3	(6.1)
Balance of goods and services (% of GDP)	2.5	2.1	(1.7)	1.5	(1.7)	1.3	(1.7)
Current account balance (% of GDP)	5.6	5.4	(4.6)	4.5	(4.4)	4.0	(4.3)
General government budget balance (% of GDP)	-1.6	-1.6	(-1.9)	-1.6	(-1.8)	-0.8	(-1.3)
General government debt (Maastricht, % of GDP)	35.4	36.4	(36.3)	39.0	(36.6)	40.3	(37.7)

Preceding forecast in parentheses

Sources: Statistics Sweden & Swedbank Research

Swedbank

Interest and exchange rate forecasts	Outcome 2026 06 Nov	Forecast 2026 31 Dec	2027 30 Jun	2027 31 Dec	2028 31 Dec
Policy rates (%)					
Federal Reserve, USA (upper bound)	4.00	4.25	4.50	4.25	3.75
European Central Bank (refi rate)	2.65	2.90	3.15	3.15	2.40
European Central Bank (deposit rate)	2.50	2.75	3.00	3.00	2.25
Bank of England	4.00	4.00	4.25	4.25	3.25
Riksbank	2.00	2.00	2.25	2.25	2.25
Norges Bank	4.50	4.50	4.50	4.25	4.00
Government bond rates (%)					
US 2y	4.51	4.50	4.40	4.00	3.70
US 5y	4.64	4.70	4.50	4.20	4.00
US 10y	4.86	4.90	4.80	4.50	4.50
Germany 2y	2.98	3.00	2.90	2.70	2.50
Germany 5y	3.06	3.10	3.00	2.80	2.70
Germany 10y	3.24	3.30	3.20	3.00	3.00
Exchange rates					
EUR/USD	1.11	1.13	1.15	1.18	1.20
EUR/GBP	0.83	0.83	0.84	0.85	0.85
EUR/SEK	11.03	11.00	10.90	10.80	10.60
EUR/NOK	10.53	10.50	10.70	11.00	11.20
USD/SEK	9.88	9.73	9.48	9.15	8.83
USD/CNY	6.68	6.65	6.63	6.60	6.55
USD/JPY	158.3	157.0	153.0	147.0	145.0
NOK/SEK	1.05	1.05	1.02	0.98	0.95
KIX (trade-weighted SEK)	120.7	120.1	118.4	116.4	113.8

Sources: Swedbank Research & Macrobond

Swedish interest rate forecasts (%)	Outcome 2026 06 Nov	Forecast 2026 31 Dec	2027 30 Jun	2027 31 Dec	2028 31 Dec
STIBOR 3m	2.19	2.30	2.45	2.45	2.45
Government bond yields					
2y	2.62	2.65	2.50	2.40	2.40
5y	2.78	2.80	2.70	2.70	2.70
10y	2.98	3.10	3.00	3.00	3.00
Swap rates					
2y	2.82	2.90	2.70	2.60	2.60
5y	2.98	3.00	2.90	2.90	2.90
10y	3.14	3.30	3.20	3.20	3.20

Sources: Swedbank Research & Macrobond