

Sweden Business Forecast Report Q4 2013

<https://marketpublishers.com/r/S4844D96987EN.html>

Date: September 2013

Pages: 37

Price: US\$ 1,195.00 (Single User License)

ID: S4844D96987EN

Abstracts

Core Views

Sweden's status as an open trade-oriented economy means that weak European demand poses significant downside risks to Swedish growth.

We are becoming increasingly optimistic towards the fortunes of the Swedish economy, after several quarters of acute weakness, with private consumption remaining one of the key drivers of growth. Sweden is among the best positioned developed economies in the world, with a highly productive workforce, a fiscal surplus and a stable banking system.

Major Forecast Changes

Our forecasts for real GDP growth in 2013, 2014 and 2015 are 1.1%, 2.7% and 2.9%, respectively, down from our previous forecast of 1.5% for 2013 but up for both 2014 (from 2.5%) and 2015 (from 2.7%).

We have raised our end-2013 and 2014 repurchase rate forecasts by 25bps apiece to 1.00% and 1.25% from 0.75% and 1.00%, respectively.

Key Risks To Outlook

Downside Growth Risks From Europe: A relapse in the European economic recovery would leave Sweden's open economy vulnerable to external demand shocks.

Contents

EXECUTIVE SUMMARY

CORE VIEWS

MAJOR FORECAST CHANGES

KEY RISK TO OUTLOOK

CHAPTER 1: POLITICAL OUTLOOK

SWOT Analysis

BMI Political Risk Ratings

Domestic Politics

Opposition Still On Track To Win In 2014

The left-wing opposition is clearly on track to win the September 2014 election, defeating Prime Minister Fredrik Reinfeldt's ruling centre-right coalition. With one year left to go before the election, we look at the state of play in parliament and outline possible outcomes.

TABLE: DOMESTIC POLITICS

Long-Term Political Outlook

Stability Assured Over Long Term

With a long-term political risk rating of 94.5 (out of 100), Sweden is rated among the most structurally stable countries in the world. Benefiting from an advanced level of institutional development, a long history of democratic governance and an established foreign policy based on neutrality, the country faces limited underlying risks to political stability over the long term. We stress, however, that Sweden is in the process of a shift in economic policy towards greater liberalisation and foreign integration, which is expected to continue over the next 10 years.

CHAPTER 2: ECONOMIC OUTLOOK

SWOT Analysis

BMI Economic Risk Ratings

Economic Activity

Growth Set To Accelerate

We are forecasting Swedish real GDP growth to accelerate through the rest of 2013 and into 2014 as household consumption picks up, exports recover, and the government

loosens fiscal policy. The major risks are rising levels of leverage for Swedish households, as well as elevated real estate prices.

TABLE: GDP BY EXPENDITURE, REAL GROWTH %

TABLE: GDP CONTRIBUTION TO GROWTH

Monetary Policy

Rate Hikes To Begin In Late 2014

Sweden's Riksbank will begin raising its benchmark repurchase rate in 2014 as economic activity picks up. The biggest concern from a policy perspective is the high level of Swedish household debt, which is likely to force the Riksbank to hike only slowly for fear of derailing the nascent economic recovery.

TABLE: INTEREST RATES

Balance Of Payments

Current Account Surplus To Fall Gradually

We forecast a modest narrowing of the Swedish current account surplus over the coming five years, from 6.0% of GDP in 2013 to 5.0% of GDP in 2017, as the trade surplus diminishes. Improving economic prospects in Sweden's key European export markets will help turn the tide of negative export growth, but on a net basis this will be offset by the strong krona and robust domestic demand boosting imports.

TABLE: CURRENT ACCOUNT

CHAPTER 3: 10-YEAR FORECAST

The Swedish Economy To 2022

Well Positioned For The Long Term

Sweden is one of the most strategically well-positioned economies in the developed world, and this is reflected in our 10-year growth forecasts, which expect steady expansion through to 2022. The balance of payments are extremely stable and will be buoyed by a robust current account surplus, fiscal dynamics are among the best in Europe, and the country will continue to benefit from a highly productive work force over the long term.

TABLE: LONG-TERM MACROECONOMIC FORECASTS

CHAPTER 4: BUSINESS ENVIRONMENT

SWOT Analysis

BMI Business Environment Risk Ratings

Business Environment Outlook

Institutions

TABLE: BMI BUSINESS AND OPERATION RISK RATINGS

Infrastructure

TABLE: BMI LEGAL FRAMEWORK RATING

TABLE: LABOUR FORCE QUALITY

Market Orientation

TABLE: TRADE AND INVESTMENT RATINGS

Operational Risk

CHAPTER 5: KEY SECTORS

Telecommunications

TABLE: FIXED LINE – HISTORICAL DATA AND FORECASTS

TABLE: INTERNET – HISTORICAL DATA AND FORECASTS

TABLE: MOBILE – HISTORICAL DATA AND FORECASTS

TABLE: MOBILE ARPU (SEK) – HISTORICAL DATA AND FORECASTS

Other Key Sectors

TABLE: INFRASTRUCTURE SECTOR KEY INDICATORS

TABLE: AUTOS SECTOR KEY INDICATORS

TABLE: PHARMA SECTOR KEY INDICATORS

CHAPTER 6: BMI GLOBAL ASSUMPTIONS

Global Outlook

Lowering EM Growth Forecasts

TABLE: GLOBAL ASSUMPTIONS

TABLE: DEVELOPED STATES, REAL GDP GROWTH, %

TABLE: BMI VERSUS BLOOMBERG CONSENSUS REAL GDP GROWTH
FORECASTS, %

TABLE: EMERGING MARKETS, REAL GDP GROWTH, %

I would like to order

Product name: Sweden Business Forecast Report Q4 2013

Product link: <https://marketpublishers.com/r/S4844D96987EN.html>

Price: US\$ 1,195.00 (Single User License / Electronic Delivery)

If you want to order Corporate License or Hard Copy, please, contact our Customer Service:

info@marketpublishers.com

Payment

To pay by Credit Card (Visa, MasterCard, American Express, PayPal), please, click button on product page <https://marketpublishers.com/r/S4844D96987EN.html>