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91st

91st EUROCONSTRUCT Country Report

Summer 2021

European Construction: Market Trends until 2023

EUROCONSTRUCT

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1. Summary and Conclusions

Macroeconomic outlook

The world is still facing the challenges put forth by the corona-pandemic, now with over a years' worth of experience. The outlook for the second half of 2021 and the following years is looking brighter by the day, as the share of people that have been vaccinated increases, in Sweden and across the globe. However, there is still much uncertainty about the near future and the downside risks outweigh the more optimistic scenarios. Swedish GDP fell by 2.8 percent in 2020 and it is projected to grow by 3.7 percent this year. A significant reason for why the effects of the corona-pandemic has not had an ever more negative effect on the Swedish economy, are the measures taken by the government to save jobs and businesses, as well as the actions taken by the Riksbank (Sweden's central bank). In addition, as a small open economy, dependent on exports to the rest of the world, the large economic stimulus packages and the monetary policy actions taken by governments and central banks in other countries have been important for keeping export demand afloat.

New residential buildings

Housing prices have boomed during the pandemic, which is mainly due to the immediate actions from the government and the central bank to secure financial markets, keep interest rates low and reduce loss of income through short-time work-schemes. Another crucial reason for rising housing prices is the fact that households spend more time at home and spend less money on travel and social activities – which has made housing a priority.

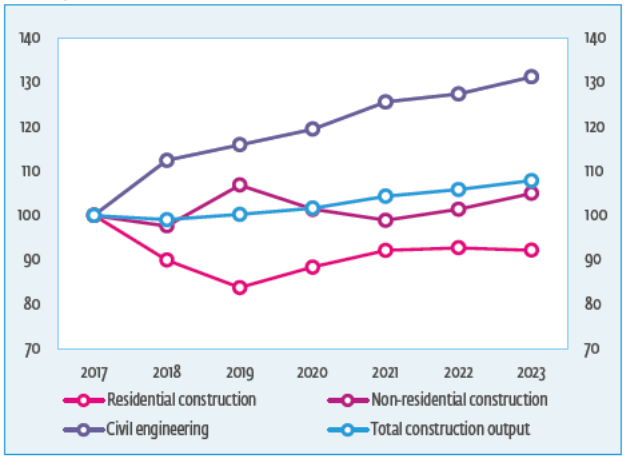
Residential building starts increased last year and they are predicted to grow further this year. The estimated annual housing need between 2018 and 2027 is around 65 000 new dwellings. Even though building starts will increase this year and the next, the housing need of 65 000 new dwellings per year will not be met. We expect investments in residential construction to grow this year (4.2%) and the next (3.9%) before in declining slightly in 2023 (-1.0%).

R&M residential

The predicted growth in residential renovations this year is driven by household renovations. A high percentage of the Swedish workforce has been working from home during the pandemic or taken part in a short-time work scheme, without any major changes to their income. This has made consumers more willing to initiate renovations in their homes. This positive side-effect of the pandemic on renovations will most likely wear off until next year, which results in a negative development for 2022 and 2023. Professional property owners have been reluctant to hire craftsmen during the pandemic. This could be because property owner wants to avoid spreading the coronavirus in their buildings, but it could also be explained by a desire to safeguard liquidity in case the crisis worsens. We expect the professional driven market to improve this year and the next, to make up for missed opportunities last year. The total residential R&M market is expected to grow this year, but in the coming two years investments are predicted to fall.

Total Construction Output by Sector from 2017 to 2023

index 2017=100



Source: EUROCONSTRUCT (91st Conference)

Non-residential market

The private non-residential property market in Sweden experienced a long run of strong value growth prior to the COVID 19-pandemic. Search for yield in a low interest rate environment attracted domestic as well as foreign investors to the property market in Sweden. However, the global pandemic had a clear negative impact on certain segments of the property market. Valuations have decreased for the most adversely affected segments (retail and hotels), while for other segments valuations have instead increased (residential buildings and logistics). Some of the adverse effects can be assumed to be relatively short lived and consumer behaviour ought to return to normal as the share of the population that has been vaccinated goes up and restrictions are lifted. However, the pandemic has caused or at the very least speeded up some long run structural changes with regards to how we shop, work and travel for business, all of which will have profound implications for the non-residential property market in the post-pandemic world. In line with these short run and long run effects we predict stronger growth in e.g. storage buildings than for offices in the years ahead.

The building activity of public non-residential buildings depend on political initiatives, which are driven by e.g. population growth, demographic structures, urbanization etc. Sweden has experienced high population growth the last couple of

years due to lower mortality rates among the elderly and increased immigration. Furthermore, Sweden has one of the most rapid urbanisations in Europe and an ageing population, which drives up the demand for schools as well as hospitals. The public non-residential market was held up by investments in educational buildings during 2020. Going forward, growth will mainly come from healthcare buildings.

In total the volume (in euro) for the non-residential building market decreased by 9 percent in 2020, we expect the decline to continue this year with 6 percent. In 2022 and 2023 we predict that the market will turn around and increase by 3 and 5 percent, respectively.

R&M in non-residential buildings

Structural changes, such as how we travel for business, where we shop or where and how we will work after the pandemic are expected to impact the attractiveness of different types of non-residential buildings. Some segments are already considered less attractive, while others have seen an increase in demand. In general, a slowdown in R&M investment will mainly affect (some) private building types while public buildings are predicted to do better. We estimate that R&M on educational buildings will have a positive development this year, while R&M on buildings for health care will decrease slightly.

The total R&M market for non-residential buildings is forecasted to increase by only 1 percent this year. For the two following years, the market will rebound, and the annual growth rate is forecasted as 2 percent.

Civil engineering

Indications from the government, as well as from underlying government agencies, show that the current economic downturn will be a trigger for higher public investments over the next decade. However, this increase is likely to take a couple of years to be realized and it is not unlikely that investments and maintenance in the short term will be, somewhat, held back.

Infrastructure investments are currently influenced by a host of positive drivers such as favourable financing conditions, lagging maintenance, new needs created by goals to reduce greenhouse emissions and long overdue investments due to urbanization and population growth.

The goal of reducing the transport sectors climate impact by 70 percent by 2030 compared to 2010 levels, will have an impact on investment in infrastructure and how prioritizations are made.

The sectors within civil engineering that will improve the most during this forecast period are railways and water works. Most of the largest infrastructure projects that are planned, or under construction, are railway projects with a focus on main lines. For water works, the focus is mainly to replace the pipeline network which is approaching or has exceeded its technical life expectancy.

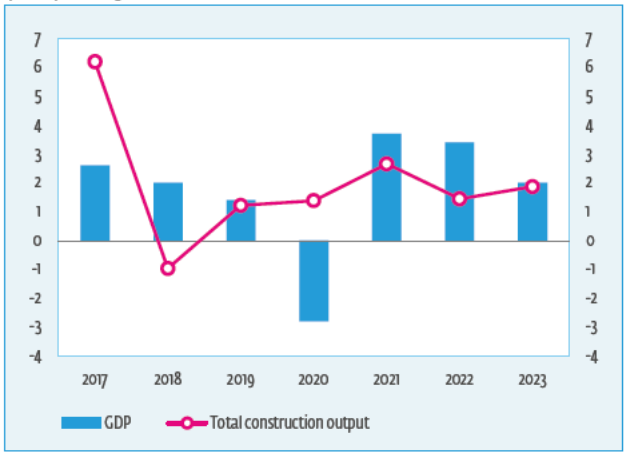
2. Macro-economic Outlook

Given the pessimistic outlook for Swedish GDP from one year ago, the outcome of a 2.8 percent decrease in 2020 GDP is a relative success. This is likely due to a combination of factors, one being the initially milder restrictions implemented in Sweden relative to other countries. Another contributing factor is the fact that Sweden is a small export-driven country that was able to quickly adapt work and production to new circumstances. However, without the large stimulus packages in Europe and across the globe, Swedish exports would likely have been more severely affected, and GDP would have decreased even more. Manufacturing PMI in Sweden fell significantly in March and April of 2020, but already in July it had recovered and as of April 2021 it has reached historically high levels, above those that preceded the pandemic. As the global economy recovers during the second half of 2021, the recovery of the Swedish economy will be fuelled by export demand from the rest of the world and pent-up demand from domestic consumers eager to get back to a social life. We expect the recovery in the Swedish economy to start in 2021 with an annual growth rate of 3.7 percent, and then 3.4 percent in 2022.

Unemployment is expected to reach its peak this year at 8.7 percent, after which it will further decrease to 7.6 percent in 2022. One major reason why the effects of the coronavirus crisis on the

GDP and Total Construction Output from 2017 to 2023

year to year change in %



Source: EUROCONSTRUCT (91st Conference)

Swedish economy has been somewhat contained and unemployment have not increased more is the measures taken by the government to save jobs and businesses, as well as the actions taken by the Riksbank (Sweden's central bank). The measures adopted by the government include compensation for the standard deduction for sick days, a new short-time work scheme, changes in the unemployment insurance to increase financial security as well as other types of grants towards businesses that has suffered financially from the pandemic. The Riksbank has also taken several important measures to ensure that interest rates remain low for many different types of funding, such as adding new types of debt to its existing QE program. The Riksbank added covered bonds, treasury bills, municipal bonds, commercial papers and corporate bonds to the QE program. However, it should be noted that these purchases are made on the secondary market, and each class is subject their own requirements to qualify for purchase. The Riksbank has also entered a swap agreement with the Fed (US) and it has increased corporate access to liquidity during the pandemic by launching a funding for lending program. The repo rate is currently at zero percent and is not expected to change during the forecast period.

3. Housing Market

New residential buildings

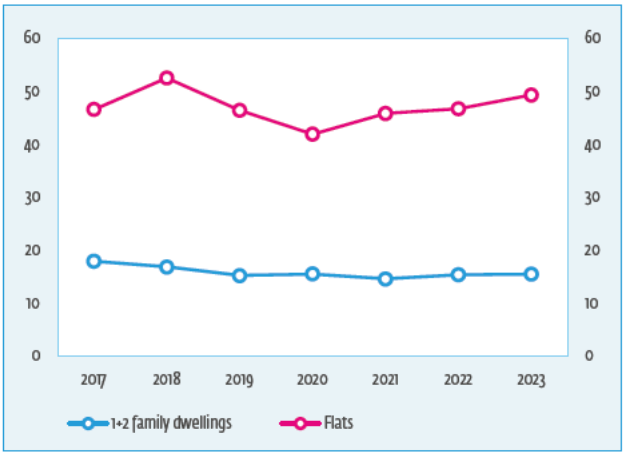
Residential building starts increased by 12 percent last year, which was much higher than expected. The sustained high construction activity has likely been helped by the expansionary monetary policy from the Riksbank (Sweden's central bank), the financial support measures from the government, the fact that construction sites were able to stay open during the pandemic, and the underlying housing shortage. Sharply rising housing prices and increased sales of both flats and single-family homes over the past six months indicate that housing construction will continue to grow in 2021.

When the pandemic first hit, housing prices were expected to fall – but that has not been the case at all. In fact, the opposite is true. When unemployment goes up housing prices tend to go down, but in this case, unemployment has gone up and housing prices have increased. This can be explained by the immediate actions taken by the government and the central bank to secure financial markets, keep interest rates low and reduce loss of income through short-time work-schemes. Another crucial reason for rising housing prices is the fact that households spend more time at home and spend less money on travel and social activities. Households that have not lost income during the pandemic have therefore seen their savings rise, and some have also experienced an increase in wealth tied to the stock market. During the pandemic households have revaluated how and where they prefer to live, which causes demand for certain types of housing to rise (e.g. larger homes). In addition to this many have also concluded that the home is more important than it used to be and a larger part of the household´s budget is allocated towards housing. These two combined effects could be labelled a "corona-effect" that can explain the surge in housing prices. This has of course also affected the supply of houses, because the number of houses put up for sale has not increased as much as the increase in demand, which drives prices up. The market is expected to cool down as more people get vaccinated and allocate more of their budget towards other things, such as travel, rather than housing. The increased savings/wealth will thus not continue to drive housing prices at the same rate as it has. The preference shift for larger housing should not revert fully, as work-life balance preferences for many have shifted permanently in favour of working at least part time from home. The timing of when housing prices should cool down is not clear, but a reasonable estimate is that growth rates in housing prices should slow down at the end of this year.

The high population growth and increased urbanization during the past 20 years would suggest a high level of new residential construction, but that has not been the case. The share of new homes built since the millennium shift, compared to the existing stock, is still lower in Sweden than in any other European country, even if the construction volumes been much higher during recent years. According to "Boverket" (National Board of Housing, Building and Planning), there is a lack of dwellings in roughly 60 percent of all municipalities and almost 90 percent of the population lives in a city with a housing shortage (especially affordable rental apartments).

The estimated, and widely accepted, annual housing need between 2018 and 2027 is around 65 000 new dwellings, (Boverket 2018). During 2016 and 2017 housing production was close to the target volume, with an annual production of about 60 000 started units (excluding vacation houses and including transformations). During the following two years the annual production was lower, at around 50 000 started units. Last year we saw some progress (54 000 started units) and the coming years are predicted to show even higher volumes (around 58 000 units annually). In terms of growth rates, these volumes translate to a 12 percent increase in 2020, further growth in 2021 and 2022 (6 and 2% respectively) followed by a slow-down in 2023, when the number of started units is expected to decrease by 3 percent.

Housing Completions from 2017 to 2023
in thousands



Source: EUROCONSTRUCT (91st Conference)

The strong development in building starts last year was driven exclusively by flats. Compared to the year before, building starts of flats grew by 15 percent in 2020 and is predicted to grow 6 percent further this year. In 2022 and 2023 we expect smaller annual changes (1% in 2022 and -1% in 2023), reaching 46 500 new flats in 2023.

Many of the forces that drives the market for flats also drives construction of 1+2 family dwellings, especially row-, pair- and terraced houses that often are developed as condominiums. Detached family homes on the other hand, often has the household as the developer, making the market slightly less sensitive to fluctuations in house prices. 1+2 family dwellings have seen the highest price growth during the pandemic due to an increased demand, while supply has remained unchanged. Even though we know that lot prices are high, buying a lot and developing a house becomes more attractive as house prices surge. And producers of detached family homes states that orders have increased during the second half of last year.

Last year, 2 percent fewer 1+2 family dwellings were started compared to 2019. This year we expect to see an 8 percent growth in building starts, followed by a continued growth in 2022 (4%). The positive trend is broken in 2023 when building starts are predicted to fall by 8 percent.

Construction of new vacation homes/secondary homes has been low in Sweden for some time compared to the rest of the Nordic countries, however the stock per capita is large. Prices on vacation homes has reached new peak levels during the pandemic and more people are seeing the value of a secondary home in Sweden whilst travel is limited. Even though this has given momentum to the market, demand has been directed mainly at the existing stock. Building starts of new vacation homes/secondary homes reached high levels in 2019 but dropped 3 percent last year. The downward facing trend will continue throughout the forecast period with a 2 percent decrease this year and 7 percent per year in 2022 and 2023.

Housing completions will increase continuously throughout the forecast period from 57.4 thousand dwellings in 2020 to 64.8 thousand dwellings in 2023. Flats follow the same pattern as housing in total and grows continuously 2021 – 2023. Completions of 1+2 family dwellings on the other hand initially drops but recovers in 2022 and 2023.

Total investments in construction of new residential buildings grew by 7.6 percent in 2020. This year investments are expected to grow 4.2 percent further, followed by a similar development in 2022 (3.9% growth). In the last year of the forecast, investments are projected to decrease slightly (-1%), but levels are still high.

R&M residential buildings

Last year the pandemic forced the Swedish economy into a recession, but this recession has been different from previous recessions. Firstly, the drop in private consumption was not primarily driven by decreased demand but instead by limited supply, such as restriction on travel, culture, entertainment, and various other services. Secondly, household wealth for many households have increased during the pandemic, partly due to increased savings and partly because of the rise in stock markets as well as the low interest rate costs resulting from an expansionary monetary policy by the Riksbank. And thirdly, government support has minimized the amount of people that have lost their jobs and keeps incomes from falling more, which has helped keep demand higher. According to a survey by Kantar Sifo, 6 out of 10 swedes state that their personal finances has improved during the pandemic. These conditions have all had a contributing role in the booming R&M market for residential buildings. Furthermore, changed preferences among households has resulted in housing being prioritized higher than before, which has boosted both housing prices and R&M for residential buildings.

As households began to spend most of their time at home, interest in home upgrades increased. The consumer-driven renovation market (B2C) exploded in 2020 and investments increased by 7 percent. However, renovations initiated by professional property owners (B2B) have been negatively affected by the pandemic. Many projects were paused last year as craftsmen and others who carried out renovation work were classified as a potential risk of infection. In 2020, investments in R&M initiated by professional property owners decreased by 3 percent.

When adding these two subsegments together, we see that the total R&M market for residential buildings grew by 3 percent in 2020. This year we expect investments to grow 4 percent, which is mainly driven by a continued high demand from households (B2C). In 2022 people are more likely to spend money on travel rather than housing, which results in a weaker development in the B2C market, resulting in a negative growth in the total market that year (-3%). In 2023 we expect the residential R&M market to develop more in line with long-term demand, which results in a level close to the year before.

4. Non-residential Market

Private non-residential buildings

The private non-residential property market in Sweden experienced a long run of strong value growth prior to the COVID 19-pandemic. Search for yield in a low interest rate environment attracted domestic as well as foreign investors to the property market in Sweden. The global pandemic caused households and companies to take precautions to slow down the spread of the virus. The effect of those changes on businesses, combined with the restrictions imposed by the government, had a clear negative impact on certain segments of the property market. Valuations have decreased for the most adversely affected segments (retail and hotels), while for other segments valuations have instead increased (residential buildings and logistics). Some of the adverse effects can be assumed to be relatively short lived and consumer behaviour ought to return to normal as the share of the population that has been vaccinated increases and restrictions are lifted. However, the pandemic has caused, or at the very least speeded up, some structural changes with regards to how we shop, work and travel for business, all of which will have profound implications for the non-residential property market. As we cover the separate segments, we will discuss the likely mix of shock (short run effect that wears off) and/or structural shift (long run effect from new business/consumer behaviour) that each segment has been affected by.

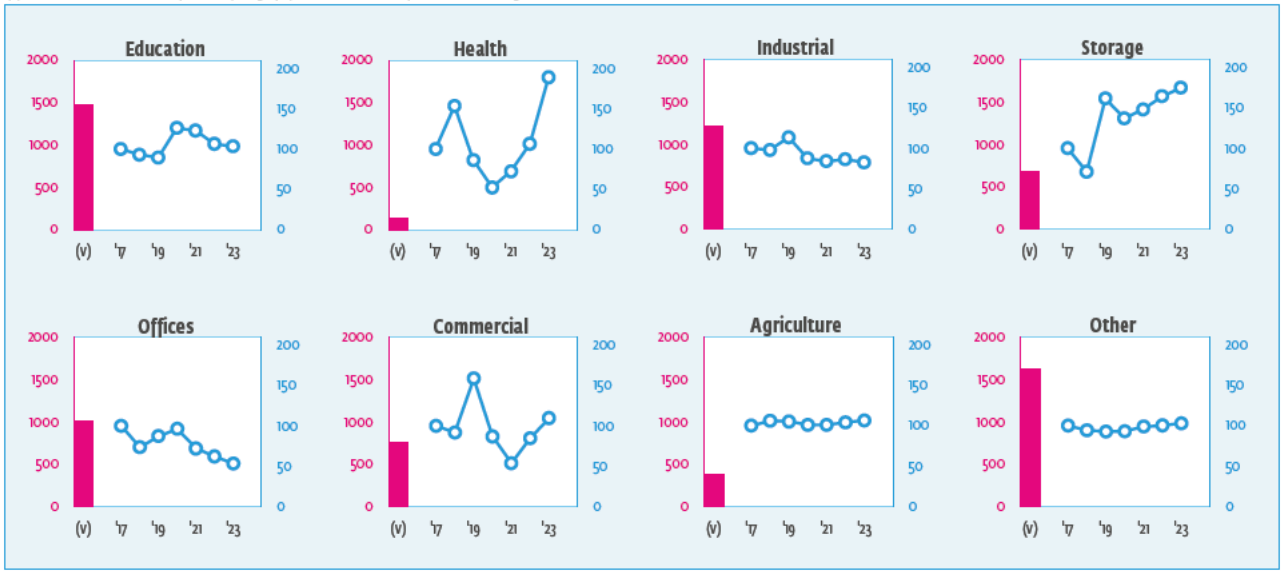
Industrial buildings and storage

Industrial- and storage buildings have historically followed similar trends, but recent developments point to a divergence. The COVID-19 pandemic has incurred a structural shift to the (increased) demand for warehouses as consumers have shifted part of their consumption away from traditional brick-and-mortar retail stores to a larger share of shopping that comes from e-commerce. Industrial buildings have mainly been affected as a short term (negative) shock to demand which should be transitory. As demand for industrial production picks up again so should the demand for new industrial buildings. The demand for storage buildings should also benefit from a revaluation of the way global value chains have worked during the pandemic, with an increased awareness of the need for second sourcing and the vulnerability that is associated with "just in time" delivery when borders are closed.

Manufacturing PMI in Sweden fell significantly in March and April of 2020, but already in July it had recovered and as of April 2021 it has reached historically high levels, above those that preceded the pandemic. The construction volume for industrial buildings (in euro) decreased by 23 percent in 2020

New non-residential: breakdown by subsectors

(v) = volume 2020, million €, left scale; (line graph) = index at constant prices, 2017=100, right scale



Source: EUROCONSTRUCT (91st Conference)

and is expected to decrease by another 4 percent in 2021, followed by a short recovery in 2022 by 3 percent before it decreases again in 2023 with another 4 percent.

The construction volume of storage buildings (in euro) decreased by 15 percent during 2020, but it is expected to recover and increase again in 2021 with 8 percent. The increased structural demand for storage buildings is expected to lead to further increases in construction volume in 2022 and 2023, with 11 percent and 6 percent, respectively.

Office buildings

At the onset of the pandemic, when office workers were encouraged or ordered to work from home, there was speculation about whether or not office space would be demanded at all after the pandemic. As time passed both workers and companies realized, through shared experience, that office space still has a role to play. The question is rather, how much office space is required and how should it be designed and utilized to ensure that our post-pandemic needs are addressed. This is an example of a structural shift in demand that will have longer terms effects on the demand for, and construction of, office buildings. If part of the workforce continues to work from home a few days a week, the demand for office space is reduced. However, at the same time the demand for more space per worker on site has likely increased. If we are moving away from open office landscapes and the need for single offices and new types of meeting rooms has increased that would mitigate some of the loss in demand for total office space based on a smaller workforce on site. What the long term net effect on demand for office space will be is an open question, but in the near term as the market is figuring out what the new equilibrium will be the total demand for new office buildings is likely to go down.

Investments in office buildings increased with 10 percent during 2020, but the negative effects of the pandemic on construction volume (in euro) will occur this year, with a 25 percent decrease, compared with the 2020 levels. The downward trend will continue in 2022 and 2023, with a yearly decrease of 14 percent, leaving us at the lowest volume we have seen in about 10 years.

Commercial buildings

We expected building starts for retail spaces to drop the coming years even before the pandemic hit, because the amount of retail space per capita is in Sweden is larger than in any other European country. The large amount of retail space per capita means that the competition for customers is steep and competition does not only come other stores but also from e-commerce. Adding the effect of the pandemic paints an even more gloomy picture as some part of consumer demand has irrevocably shifted away from physical retail to e-commerce. This structural shift does not mean the end of all retail space. Companies complement online sales with physical stores as way of marketing themselves and a way to allow customers to physically browse the inventory or sometimes event to handle returns/complaints. Due to the economic effects of the pandemic, private consumption is expected to drop this year (decreased by 13 percent in February 2021 compared to a year before), which also adds to the fall in demand for retail space – and thereby building activity.

Hotels and restaurants are segment that both experienced a negative shock to consumer demand, due to the pandemic (consumption was down 26 percent in February 2021 compared to the same month in 2020). Where restaurants only suffered the shock, hotels have been hit with both the shock and a longer run structural shift to the demand for business travel accommodations. As the world manages to control the spread and the deadliness of the virus through vaccination campaigns and progress in treatments, consumer demand for culture, services and restaurants is likely to go back to what it was. Perhaps even with a boom, in the immediate aftermath as pent-up demand is released after over a year of restricted consumption. For (business) hotels however, the technological habituation of conducting meetings, workshops and conferences online will undoubtedly have reduced the demand for business travel significantly. The pandemic has forced us to adapt to new circumstances, and it has shown us that physical travel is not necessary for many (but not all) of our business meetings. A conclusion well in line the need for reducing the worlds greenhouse gas emissions. For hotels catering to private tourism the outlook is not as dire, as the world opens up for travel, we do not expect the same structural decline in demand for these types of hotels as for business hotels. Something which will keep some of the demand for new construction of hotels from falling more.

The construction volume (in euro) for commercial buildings decreased with 45 percent in 2020, and it is expected to drop with an additional 38 percent this year. In the following two years, construction volumes are expected to recover and increase by 58 percent and 29 percent in 2022 and 2023. However, the volume for 2022 is below that of 2020 and the recovery in 2023 is still lower than what it was in 2019.

Building Permits for New Non-Residential Buildings
useful floor area, '000 m2

	2017	2018	2019	2020
Buildings for Education	425	407	370	565
Buildings for Health	168	172	84	50
Industrial buildings	1 044	1 004	1 186	1 014
Storage buildings	513	363	816	727
Office buildings	407	408	487	535
Commercial buildings	442	630	481	353
Agricultural buildings	-	-	-	-
Miscellaneous	649	580	607	556
Total	3 988	3 840	4 330	4 111

Sources: Statistics Sweden (SCB) and Prognoscentret AB.

Building starts for New Non-Residential Buildings
useful floor area, '000 m2

	2017	2018	2019	2020
Buildings for Education	451	401	392	546
Buildings for Health	134	197	102	60
Industrial buildings	1 068	1 001	1 194	896
Storage buildings	544	372	813	649
Office buildings	508	383	447	473
Commercial buildings	509	463	678	368
Agricultural buildings	341	363	359	345
Miscellaneous	627	566	613	527
Total	4 182	3 746	4 598	3 864

Sources: Statistics Sweden (SCB) and Prognoscentret AB.

Public non-residential buildings

Building activity of public non-residential buildings depend on political initiatives, which are driven by e.g. population growth, demographic structures, urbanization etc. Sweden has experienced high population growth the last couple of years due to lower mortality rates among the elderly and increased immigration. According to Statistics Sweden, the population will grow by 70 000 – 80 000 individuals per year the coming decade, which is high by Swedish standards. Furthermore, Sweden has one of the most rapid urbanisations in Europe and an ageing population which drives up the demand for schools as well as hospitals.

Healthcare buildings

As stated previously, there is a pent-up demand for healthcare expansions that includes both new buildings and modernisations of the current stock. The main driver for further investments in health services comes from the big wave of baby boomers, from which the demand for health services is expected to seriously increase from 2020. Furthermore, the corona-pandemic is expected to strengthen the demand for new healthcare buildings and modernisations of the current stock. The pandemic has put the spotlight on the state of healthcare in Sweden for which there is a need for new healthcare buildings.

The construction volume (in euro) for healthcare buildings decreased by 39 percent in 2020, due to the pandemic. We expect construction volume to increase by 38 percent this year and further increase in 2022 and 2023 with 47 percent and 78 percent, respectively. In 2022 the expected volume will be at a higher level than it was in 2019.

Education

Increased urbanisation and population growth increase the demand for expansions in education buildings. According to the Swedish Association of Local Authorities and Regions (SKR), more than 400 new schools need to be built until 2022. The current stock is outdated, and many municipalities have not built a single new school in over 50 years. The ability to find contact workers is generally a limiting factor for new buildings in Sweden. Because of the pandemic the availability of some foreign workers has been restricted, because of national restrictions on travel. Depending on how fast the global vaccination campaign will progress and which quarantine rules will apply, construction activity could continue to be affected. However, a mitigating factor would be if foreign workers subject to quarantine rules in their home countries stayed in Sweden to work full time, or if available workers are redistributed from private non-residential building projects to projects with higher demand, such as education buildings.

Investments (in euro) within the education segment increased by 41 percent in 2020 and from this level it is expected to decrease this year with 3 percent and then 13 percent in 2022. The decrease is then moderated towards the historical mean level for investments in educational buildings and investments will go down with another 3 percent in 2023. Still at a higher level of investments than the years preceding the pandemic.

R&M Non-residential buildings

R&M in non-residential buildings is the most stable market in the Swedish construction industry. Investments grow to preserve the standard of the existing stock. In practice however, properties need more than preservation to remain competitive. This is especially the case as location becomes increasingly important. The ability to meet modern demands of flexibility and space efficiency requires additional investments to ensure that properties in different locations stay attractive.

Demand for non-residential buildings, measured as transaction volumes, had been on an upwards trend until the pandemic which caused demand to fall during the spring/summer of 2020. But then it picked up again for segments other than those most adversely affected. Structural changes, such as how we travel for business, where we shop or where and how we will work after the pandemic are expected to impact the attractiveness of different types of non-residential buildings. Some segments are already considered less attractive while others have seen an increase in demand. In general, a slowdown in R&M investment will mainly affect (some) private building types while public buildings are predicted to do better. We estimate that R&M on educational buildings will have a positive development this year, while R&M on buildings for health care will decrease slightly. The total R&M market for non-residential buildings is forecasted to increase by only 1 percent this year. For the two following years, the market will rebound, and the annual growth rate is forecasted as 2 percent.

R&M Private sector

New renovations are on the margin negatively affected when there is a risk of falling property prices. As the case is now for the adversely affected segments of the property market. Lower rents and increased vacancies for retail buildings are indicative of a structural change for physical retail space during and after the pandemic. However, basic maintenance is not expected to be as highly affected. The main reason for a potential decline in planned maintenance work is probably reduced productivity from the R&M-firms due to high sick-leave. A silver lining for R&M could also occur if existing space needs to be transformed. Office buildings is one category leading this recovery, as more people are working from home and companies are experiencing post-pandemic needs for their office space. These needs will be dealt with either by modernizing existing spaces or changing offices completely.

R&M Public sector

It is mainly in educational and miscellaneous buildings that we see a positive development where both renovations and maintenance are increasing, while R&M work in healthcare buildings are decreasing due to different types of restrictions this year. The strong growth in R&M for educational buildings have been made possible due to several schools being closed as a measure to stop the spreading of the coronavirus, which creates a longer timespan with empty classrooms when larger renovation can take place (relative to being restricted to only having work done during the summer). In addition, public institutions are less affected by economic uncertainty, at least in the short run.

5. Civil Engineering Market

Indications from the government as well as from underlying government agencies show that the current economic downturn will be a trigger for higher public investments over the next decade. However, this increase is likely to take a couple of years to be realized and it is not unlikely that investments and maintenance in the short term will be, somewhat, held back.

Infrastructure investments are currently influenced by a host of positive drivers such as favourable financing conditions, lagging maintenance, new needs created by goals to reduce greenhouse emissions and long overdue investments due to urbanization and population growth.

It is worth noting that we have revised the market size of the segments **Energy, Water works, Telecom, Other Transport** and **Other.** This is due to extended work with the data to improve our methodology. What we have done is that we have combined information from a "budget and appropriations perspective" with project data from tender lists, to re-estimate the market size. The adjustments mainly affect the investment levels, for growth rates the effects are much smaller.

Transport infrastructure

Sweden has a history of relatively low investment levels in transport infrastructure, compared to many other European countries. This is however changing, and the most recent budget bill proposes increased investments of between 20 to 30 percent compared to the current national plan. At the time of writing this text (May 2021), the latest budget bill has not yet been formally adopted, but we believe that the outlook for growth within the segment is good.

The Swedish Transport Administration's measures are determined in the national plan for transport infrastructure, based on a budget approved by the government. The national plan was approved in 2018, but since then there has been several amendments to complement the plan. In the latest budget bill from April 2021, the government proposes an increased financial framework that will be necessary to realize new and already decided projects investments. As well as to maintain transport infrastructure as planned. Still, the transport system has been suffering from neglected maintenance for a long time. The Swedish Transport Administration estimate that the maintenance debt amounts to approximately 6,5 bn euros, distributed on 2,2 bn euro on roads and 4,3 bn euro on railway.

There is a goal to reduce the transport sectors climate impact by 70 percent by 2030 compared to 2010

levels, reaching zero impact by 2045. This goal has an impact on all decisions made by the Swedish Transport Administration and how they prioritize. A key in reaching the goal is the electrification of roads and increasing the transports by sea and railways, where several projects are already planned.

Investments in roads have increased fast the last couple of years. One of the largest infrastructure projects in Swedish history, "Förbifart Stockholm", is currently being built. The project is a new highway around the capital, at a construction cost of around 280 M euro per year. This project has also meant that several other capacity-increasing measures have been necessary for surrounding areas, such as:

- Cross-connection Södertörn
- E22 past Söderköping
- E22 Lösen– Jämjö
- E22 Ronneby Ö–Nättraby
- E18 Köping–Västjädra

Except for "Förbifart Stockholm", road projects are generally smaller than railroad projects and we can also see that the proportion of preventive maintenance is increasing in the railway sector. For maintenance of the road network, basic maintenance is generally given the highest priority.

Other projects recently started, or in pipeline towards 2023 are:

- "Slussen", (traffic link in central Stockholm)
- "Marieholmstunneln", (highway tunnel in Gothenburg),
- "Hisingsbron", (bridge in Gothenburg) incl "Hisingsleden" E6 and E20
- "Tvärförbindelse Södertörn"
- Highway E20, passing Skara
- Highway E4 Ljungby – Toftanäs
- Highway E4 Haparanda – Salmis, Djäkneboda – Bygdeå, Sikeå – Gumboda
- Highway E14 Sundsvall – Blåberget
- Highway E18 Danderyd – Arninge
- Highway E20, passing Mariestad
- Highway E18, Köping-Västjädra

Investments in roads are expected to increase about 10 percent this year and it is mainly caused by a few larger projects (especially "Förbifart Stockholm"), that will be more expensive due to poorer soil conditions than expected. As well as problems with some entrepreneurs that will push costs upwards. This is a temporary effect and investments will develop somewhat more slowly in 2022 and then increase again in 2023. The state of the road network, which is managed by central government (through "Trafikverket"), is also poor. This is especially true for rural areas and the government has added resources for the whole period to increase refurbishments, especially in 2022 – 2023. For roads in total, this means we predict a continued increase in money spent in 2021 followed by a slowdown in 2022 and then increase again in 2023.

We see a continued increase of resources targeting railway infrastructure and railway maintenance. According to the Swedish Transport Administration this will be enough to avoid a continuous deterioration of the railway system, but not enough to raise the standard.

For railroads, investments to shorten the time it takes to travel between the metropolitan regions have been announced through speed-increasing measures on the Western and Southern main lines. Construction of new main lines on the Järna-Linköping (Ostlänken), Gothenburg – Borås and Hässleholm – Lund sections will start during the 2018 – 2029 planning period.

Reinvestments are also made to maintain safety, accessibility and functionality applied to speed and bearing capacity throughout the railway system, as well as to increase or maintain the robustness of the busiest tracks.

The signaling system on the Swedish railroads need renovation and modernization. On some sections, the signaling system is older than fifty years and needs to be replaced. This work will be conducted gradually over a ten-year period.

Other projects worth mentioning, that are planned for the next decade or currently going on are:

- "Västlänken" new railway through tunnels under Gothenburg
- "Västkustbanan"
- "Södra stambanan" Lund - Arlöv
- "Norrbottniabanan" new railway Umeå – Dåva
- "Ådalsbanan" Sundsvall, incl station
- "Mälarbanan" (Huvudsta – Duvbo)
- "Västra stambanan"
- "Godsstråket" railway extensions in Bergslagen
- "Mittbanan" by Bergsåker
- "HH – Tunneln"
- New highspeed track from Oslo to Copenhagen

In addition to the above listed projects, the subway system in Stockholm is being extended. There are new lines, extensions of existing lines as well as renovation of existing lines. The work has already begun, and these projects will continue throughout the decade.

For railways, this implies a continued fast increase in growth rates during the next couple of years in both renovation and new construction. The growth rate is adjusted somewhat upwards due to expectation of increased central government funding. compared to the last report in December.

Total civil engineering: breakdown by subsectors
(v) = volume 2020, million €, left scale;
(line graph) = index at constant prices, 2017=100, right scale

Source: EUROCONSTRUCT (91st Conference)

For the category "**other transport**" the developments for the different sub-categories are divergent. Marine infrastructure has a positive development, while the development for air traffic is more negative. The Swedish Transport Administration's last budget included an increase of investments in harbours, while appropriations for air traffic decreased. In addition, lower public funding, fewer planned projects and the low-capacity utilization in the air traffic sector indicates a downturn in investments starting in 2023.

Examples from projects in "other transport" are several ports in need of measures such as dredging efforts in the fairway to the port, as between Landsort and Södertälje as well as in the port of Luleå, and in adjacent waterways, such as in Harghamn and Sundsvall. This work is crucial to promote the transfer of freight from road to shipping and it is usually both costly and technically complicated. There is an ongoing marine project with the lock in Södertälje and a planned project of replacing the locks in the Trollhätte canal, with a connection to the lake Vänern.

All in all, money spent on "other traffic" is increasing this year and the year after that, but then the level of spending falls and in 2023 it is expected to be at about the same level as it was in 2020.

Energy

Energy investments fell between 2015 and 2017. Partly because of a 10-year investment period that had reached its end, but also because low energy prices pressured profitability, forcing energy companies to reconsider their expansion plans. Thereafter investment have increased quite sharply. Between 2018 and 2020 investments went up due to upgrades in distribution networks and investments in district heating, as well as in solar- and especially wind plants.

The total electricity production in Sweden in 2020 was 159 TWh. Hydropower accounted for 71 TWh, which is 45 percent of Sweden's total electricity production. Other energy sources are nuclear power (30 percent), wind power (17 percent) and other energy sources (4 percent).

The conversion of the power system, both through changes in production and consumption, happens quickly. The year 2020 was a record year for wind power production and at the same time demand for electricity for industrial purposes has increased sharply.

Wind power has during the past ten years had a strong growth and is expected to continue its expansion even further towards 2024. It is within reach to pass nuclear power as the second most important energy source (especially as power plants are shut down). Worth noticing however is that new windmills are higher and much more effective than older ones. Because of this the number of windmills (and investments) doesn´t increase at the same rate. In monetary terms, investment peaks during the current year and then declines slightly. There is also a risk that lacking distribution capacity will hamper investments in windmills during 2022 – 2023.

The Swedish nuclear power plants are approaching their expected lifetime and the power companies' aims to keep the ones receiving additional funding running to 2040. However, nuclear renovation projects have proven to be very expensive. According to many energy market analysts, nuclear power plants, especially new ones, will suffer from poor profitability even if their relative competitive strength will be higher when the system of electrical certificates disappear. Also, we should not underestimate that nuclear energy, in Sweden as well as in many other countries, has fallen in popularity. Especial after the Fukushima accident in

2011. No further investments are planned during the forecast period and some reactors has already been shut down.

Investments in solar energy is increasing but growth is slow, even if the government support investments through both subsidies and easing of regulation. For example, from 1 January 2021, private individuals may use the ROT deduction for installing solar cells, which means that there is a s a 15 percent tax reduction for solar cells.

Nuclear power represents 30% of the electricity production today and it will be a huge challenge to replace it. A transition away from nuclear energy to green energy pose two dilemmas. First, power from wind and solar has varied production, based on weather condition whilst nuclear energy for instance is independent of such factors. To avoid an increased price volatility, a larger share of new production should therefore preferably be hydroelectric or based on biofuel. Renovation and modernization of hydroelectric plants has also proven more complex than expected, due to an expensive and time-consuming processes for building permits. Second, most of the electricity consumption happens in southern Sweden where the nuclear power plants are located. The closing of nuclear power plants has therefore moved production from southern part of the country to the northern part, which puts a higher pressure on the distribution network.

The capacity of distribution networks has proven to be an increasing problem. Large investments have been made to make networks more reliable, for example by putting the cables in the ground. Lacking capacity in local networks has been a known problem for some time. In some parts of Sweden capacity constraints in the networks prevent construction of new factories and in the long run also other types of housing. Distributors are planning for large investments to strengthen the capacity and has partly financed this by increasing tariffs. The regulatory entity ("EI") however, has made it clear to some of the companies that the tariffs were too high and that this is not feasible. The processes have been very extensive and it has shown the need for clearer rules in the assessment of the electricity network companies' revenue limits. Following the Energy Market Inspectorate's (EI) proposal, the government has decided on new, clearer rules through a new ordinance on the revenue framework for electricity network companies. At the same time the energy companies know that they can push for higher tariffs, because if the networks do not get extended there will be serious problems that will hamper future economic growth. Therefore it is in the best interest of both the energy companies and the government to reach an understanding, where the energy companies are negotiating from a position of strength.

Besides the local networks there is also an increasing problem with the national distribution network (as mentioned above). A higher share of production in the north combined with higher consumption in the south has exposed large problems that will materialize over the next couple of years. As of today, it seems like from 2022, Stockholm will have problems with getting all the electricity it needs at consumption spikes. We believe that this is something that enhances investments in 2022 – 2023. In addition, the steel company LKAB plans to enter the value chain for fossil-free steel, which is based on replacing the traditional coal-based process with hydrogen gas. However, under the slogan "the largest industrial investment in Swedish history" that would mean an increased demand for electricity, corresponding to one third of Sweden's current electricity production. It is no coincidence that the investment in this case takes place in northern Sweden, as the supply and cost of electricity there is among the lowest in Europe. But in that case, a successful investment will require continued large investments (likely wind power) to create the balance between production and consumption of electricity in the north.

The outlook for increased investments in the long run is very favorable. Besides the reasons aforementioned, the government will try to speed up the electrification of the transport industry and stimulate investments in the network for charging stations (this will probably mostly happen after this forecast period). They will also give out credit guarantees to the industrial sector of 1 bn euros annually, which is likely to stimulate electrification. However, the growth in this and next year will be moderate. Growth expectations is about zero from the actors in the market, at the same time as energy prices are low from an historical perspective. Also, lower investments in construction of housing generates lower central heating investments. We expect that investments in the distribution networks are lagging somewhat due to funding problems in the local networks, as well as because of problems to increase investments in production when the production capacity is lagging. There is however a possibility that the funding issues will be solved and that investments can increase already from next year. Otherwise, we think we will have somewhat of a ketchup effect from 2022 and onwards.

Water works

Investments in water works have been growing, largely because of recent year's comprehensive housing production and an ongoing generational shift in the country's water and purification plants, to handle a wider range of toxic substances, (according to the commitments in the Baltic Sea Action Plan). At the same time, a recent analysis of "Svenskt Vatten" shows that even though the level

of investment has increased, it is primarily driven by price increases, rather than an increased investment volume (at constant prices). Underestimated needs, lengthy permit processes, increased regulatory requirements and few and expensive tenders seem to be cost driving.

The network of pipelines is in constant need of renovation. "VA Fakta", (consultants and entrepreneurs in the water and sewage business) argues that this job requires twice the investment volumes of today, but "Svenskt Vatten" (the industry association of public water companies) claims that the need is not quite that urgent, since most of the network is still relatively young.

With the perspective to this forecast period, politicians are more likely to follow the recommendation of "Svenskt Vatten". Annual investments of approximately 1,6bn euro are currently made in municipal water and sewage. However, since the needs are considerably greater at approximately 2,3bn euro (in today´s money value), there is a clear for increased annual investments over the coming 20 years. This corresponds to an increase in the annual investment rate by 40 percent.

More than half of the necessary investments consist of reinvestments in existing infrastructure, this is also where the gap between the need and the current investment level is greatest. Because investment needs governed by new requirements or new construction are mandatory, it is easier to postpone necessary reinvestments.

Water work investments increased 10 percent last year and we expect a continued growth throughout the forecast period, although not as strong as last year.

Even if the drop in housing production and new non-residential buildings will affect water investments negative during the next two years some big projects, such as, a new wastewater tunnel in Stockholm and another one in Malmö, together with reinvestments, will keep investments up.

Telecom

Investments in mobile networks have had a negative trend since 2011. The explanation for the decline in investments in mobile networks is partly that 4G networks are getting closer to 100 percent coverage of all households and companies, and partly that radio equipment has fallen in price while operators to a large extent can use existing masts.

The Swedish government's broadband strategy, to be completely connected in 2025 has encountered problems. The intermediate goal for 2020 was that about 95 percent of all households and companies should have access to broadband of at least 100 Mbit/s through fibre or mobile networks. This has not been achieved.

Extra contributions for broadband investments of about 140M euro will be announced during 2021. In total, approximately 285M euro will be distributed in contributions until 2025, since there is still a great need for investments ensure that all households and companies can connect at high-speed.

In January of 2021, the allotment of 5G was finally made in Sweden. The Swedish 5G allotment has been postponed for many reasons, most recently because of a legal dispute, where the Swedish Post and Telecom Authority (PTS) was advised not to let the operators use technology from ZTE and Huawei for national safety reasons.

For the next couple of years this will lead to growing telecom investments. But the effect will be moderate for infrastructure investments, compared to the effect fibre investments had on the segment. Building related investments within Telecom will increase during this year but then decrease in 2022 and 2023.

Other

Other civil engineering includes several different types of investments driven by different factors. The largest parts are industrial investments and public investments in parks, sports- and entertainment facilities. The outlook for investments should be helped by public credit guarantees to the industrial sector, for a transition towards a more environmentally friendly production and other climate related initiatives. But in total, the investments in this segment developed negatively last year (-13%) and we do not see any signs of a turnaround within the forecast period.

APPENDIX – DEFINITIONS

Table 1

- The text about Macro Economic Outlook: Besides Prognoscentret AB, own comments, inputs from the National Institute of Economic Research and the Riksbank.
- The number of households are a calculation done by Prognoscentret using official studies and statistics in combination with the annual production of dwellings. The population is at the end of each year.
- The figures on unemployment are according to the ILO standard.
- Construction prices refer to average construction costs, civil engineering excluded.

Table 2

- Figures for Residential R&M include DIY investments.
- New Residential buildings include vacation homes, (second homes in table 3). The statistics on vacation homes comes in sqm.
- Non-Residential buildings include Agricultural buildings (both New and R&M).

Table 3

- Figures for 1+2 family dwellings covering building permits, housing starts, and housing completions include vacation homes/second homes.
- Housing completions includes transformations.
- Figures show housing stock at the end of the year including vacation homes, (or second homes).
- Figures for second homes/vacation homes are adjusted for transformations.
- Vacancies refer to annual official figures (Statistics Sweden) in multi-family buildings.
- Share of family dwellings excludes vacation homes/second homes.
- Home ownership rate excludes vacation homes/second homes. Prognoscentret AB estimates the current home ownership rate. Figures are mainly based on rental homes in multifamily houses. Our figures are slightly lower than official statistics would report, since some privately-owned dwellings enters the rental market. The figures include statistics on demolished rental dwellings and those turned into semi-public flats.

Table 4a

- There are no official statistics on agricultural buildings since Swedish farmers do not need building permits for their own land. The statistical change is based on "Jordbruksverkets" figures on buildings investments, (Board of Agriculture) and the forecast is Prognoscentret AB´s assessment based on discussions with market players, key contacts at Jordbruksverket, Lantbrukarnas Riksförbund (LRF, farmer's interest organisation) and the development of closely related building types and industries. The investment volume is a result of Prognoscentret AB´s calculation done with support from related studies and discussion with key contacts at Lantbrukarnas Riksförbund.
- Figures for miscellaneous buildings do not include vacation homes/second homes. Vacation homes/second homes are included in Residential buildings.
- Hotel and Restaurant buildings are included in Commercial buildings. Housing garages, Traffic and communication buildings are included in miscellaneous.
- Figures on surface (m2 x 1 000) in 2020 are sqm building starts.

Table 4b

- The figures of civil engineering are based on estimations from the National Institute of Economic Research (Konjunkturinstitutet), Swedish Transport Administration, investments surveys from SCB, (Statistics Sweden), Government budget and budget bill including National Plan and Regulation letter, Swedish Association of Local Authorities and Regions, Svenska Kraftnät, Svensk Vindenergi, Swedish Environmental Protection Agency, Svenskt Vatten, Swedish Post and Telecom Authority and extensive projects lists delivered by Sverige Bygger, processed by Prognoscentret AB.
- The figures for Water works cover installations for drinking water, wastewater, storm water and water treatment plants. Water installations connected to hydroelectric dams etc. are included in Energy works. We base the figures on data received from the branch organisations of public water companies, (Svenskt Vatten).

Extra

- For the absolute volumes in table 2, 4A and 4B, VAT is excluded.

The absolute volumes for 2020 in the Euroconstruct tables for Sweden are given in M or bn euros (1 Euro = 10.4848 SEK, average rate in reference year).

Country/Pays/Land: Sweden — Table 1

MAIN DEMOGRAPHIC AND ECONOMIC INDICATORS
PRINCIPAUX INDICATEURS DÉMOGRAPHIQUES ET ÉCONOMIQUES
WICHTIGE DEMOGRAPHISCHE UND ÖKONOMISCHE INDIKATOREN

					Forecast		Outlook
	2017	2018	2019	2020	2021	2022	2023
Population ('0000s) **Population** **Bevölkerung**	10 120	10 230	10 328	10 379	■	■	■
Households ('0000s) **Ménages** **Haushalte**	4 594	4 657	4 718	4 776	■	■	■
Unemployed ('0000s) **Chômeurs** **Arbeitslose**	359	344	373	459	■	■	■
Unemployment rate (%) **Taux de chômage** **Arbeitslosenquote**	6.7	6.3	6.8	8.3	■	■	■
Change of GDP **Variation du PIB** **Veränderung des BIP** **(% change in real terms)**	2.6	2.0	1.4	-2.8	■	■	■
Consumer prices (% change) **Prix à la consommation** **Verbraucherpreise**	1.8	2.0	1.8	0.5	■	■	■
Construction prices (% change) [1] **Prix de la construction** **Baupreise**	2.5	3.3	3.5	0.5	■	■	■
Short term interest rate [2] **Taux d' intérêt à court terme** **Kurzfristiger Zinssatz**	-0.5	-0.4	0.0	-0.1	■	■	■
Long term interest rate [3] **Taux d' intérêt à long terme** **Langfristiger Zinssatz**	0.7	0.7	0.1	0.0	■	■	■

1) Refers to new construction only.
2) 3-month interbank rate (or equivalent).
3) 10-year government bonds (or equivalent).

SE

Country/Pays/Land: Sweden — Table 2

CONSTRUCTION BY TYPE
PAR TYPE D'OUVRAGE
BAUPRODUKTION NACH BAUARTEN

		Volume mill. euro[1]	% change in real terms (volume)						
							Forecast		Outlook
		2020	2017	2018	2019	2020	2021	2022	2023
Residential construction **Logement** **Wohnungsbau**	New	9 771	11.6	-16.4	-13.4	7.6			
	Renovation	8 158	-0.8	0.2	1.9	3.1			
	Total	**17 929**	**6.6**	**-10.1**	**-6.9**	**5.5**			
Non-residential construction **Bâtiments non résidentiels** **übriger Hochbau**	New	7 291	15.8	-7.2	16.7	-8.7			
	Renovation	7 194	2.2	2.8	2.5	-1.2			
	Total	**14 486**	**8.8**	**-2.4**	**9.4**	**-5.1**			
Building **Bâtiment** **Hochbau**	New	17 062	13.2	-13.0	-1.5	-0.0			
	Renovation	15 352	0.6	1.4	2.2	1.0			
	Total	**32 415**	**7.5**	**-6.9**	**0.2**	**0.5**			
Civil engineering **Génie civil** **Tiefbau**	New	12 895	4.8	16.6	4.3	4.0			
	Renovation	5 434	0.8	3.9	0.6	0.7			
	Total	**18 329**	**3.4**	**12.4**	**3.2**	**3.0**			
TOTAL CONSTRUCTION OUTPUT		**50 743**	**6.2**	**-1.0**	**1.2**	**1.4**			

	2020					Forecasts		Outlook
	Volume mill. tons	2017	2018	2019	2020	2021	2022	2023
Domestic cement consumption **Consommation intérieure de ciment** **Inländischer Zementverbrauch**	2.91	6.6	5.7	-4.9	2.3			

Renovation covers repair and maintenance, refurbishment and reconstruction.
1) At 2020 prices, excluding taxes. 1 euro = 10.4848 SEK

Country/Pays/Land: Sweden — Table 3

RESIDENTIAL CONSTRUCTION
CONSTRUCTION DE LOGEMENTS
WOHNUNGSBAU

Thousands dwellings

		2017	2018	2019	2020	Forecast 2021	Forecast 2022	Outlook 2023
Building permits **Logements autorisés** **Baugenehmigungen**	1+2 family dwellings Individuels 1+2-Familienhäuser	16.5	14.0	14.0	13.7			
	Flats Collectifs Mehrfamilienhäuser	58.6	51.6	43.8	50.4			
	Total	**75.1**	**65.6**	**57.8**	**64.1**			
Housing starts **Logements commencés** **Baubeginne**	1+2 family dwellings Individuels 1+2-Familienhäuser	13.0	11.2	10.9	10.7			
	Flats Collectifs Mehrfamilienhäuser	50.8	41.4	38.0	43.9			
	Total	**63.8**	**52.6**	**48.9**	**54.5**			
Housing completions **Logements terminés** **Baufertigstellungen**	1+2 family dwellings Individuels 1+2-Familienhäuser	17.9	16.9	15.2	15.5			
	Flats Collectifs Mehrfamilienhäuser	46.5	52.5	46.4	41.9			
	Total	**64.5**	**69.3**	**61.6**	**57.4**			
Housing stock **Logements existants** **Wohnungsbestand**	**Total**	**5 345**	**5 411**	**5 466**	**5 528**			
	thereof second homes dont résid. secondaires davon Zweitwohnungen	565	567	569	571			
	thereof vacancies dont inoccupés davon leerstehend							
	share of family dwellings (%) part des maisons individuelles Anteil 1+2-Familienhäuser	43.3	43.0	42.6	42.5			
Home ownership rate [1] **Taux de propriétaires occupants** **Wohneigentumsquote**		61.7	61.7	61.8	61.7			

1) Cf. Appendix to the individual country report.

Country/Pays/Land: Sweden — Table 4a

NEW NON-RESIDENTIAL CONSTRUCTION (PUBLIC AND PRIVATE)
CONSTRUCTION NEUVE NON RÉSIDENTIELLE (PUBLIQUE ET PRIVÉE)
NEUER NICHTWOHNHOCHBAU (ÖFFENTLICH UND PRIVAT)

	Volume mill. euro[1]	m2 x 1000	% change in real terms (volume)						
							Forecast		Outlook
	2020	2020	2017	2018	2019	2020	2021	2022	2023
Buildings for education **Bâtiments de l'éducation et de la recherche** **Gebäude des Bildungswesens**	1 472	546	20.0	-7.0	-3.9	41.1	■	■	■
Buildings for health **Bâtiments de santé** **Gebäude des Gesundheitswesens**	143	60	107.0	53.3	-43.7	-39.4	■	■	■
Industrial buildings **Bâtiments industriels** **Industriegebäude**	1 220	896	-1.6	-2.0	15.9	-22.9	■	■	■
Storage buildings **Bâtiments de stockage** **Lagergebäude**	678	649	12.5	-29.0	128.1	-15.1	■	■	■
Office buildings **Bureaux** **Bürogebäude**	1 019	473	73.3	-26.5	18.9	10.3	■	■	■
Commercial buildings **Commerces** **Geschäftsgebäude**	758	368	15.0	-8.2	73.1	-45.3	■	■	■
Agricultural buildings **Bâtiments agricoles** **Landwirtschaftsgebäude**	373	345	-1.8	6.2	-1.0	-4.0	■	■	■
Miscellaneous **Autres** **Sonstiges**	1 629	527	5.1	-5.6	-1.8	0.3	■	■	■
TOTAL	**7 291**	**3 863**	**15.8**	**-7.2**	**16.7**	**-8.7**	■	■	■

1) At 2020 prices, excluding taxes. 1 euro = 10.4848 SEK

Country/Pays/Land: Sweden — Table 4b

TOTAL CIVIL ENGINEERING
ENSEMBLE DU GÉNIE CIVIL
TIEFBAU INSGESAMT

		Volume mill. euro[1]	% change in real terms (volume)						
							Forecast		Outlook
		2020	2017	2018	2019	2020	2021	2022	2023
Transport infrastructure **Infrastructures de transport** **Verkehrsinfrastruktur**	Roads Réseau routier Straßen	5 221	5.6	7.5	-0.2	5.1	■	■	■
	Railways Voies ferrées Bahnanlagen	3 259	2.7	4.3	18.3	21.9	■	■	■
	Other transport Autres réseaux Übrige Verkehrsinfrastruktur	492	-17.7	-9.1	18.9	2.8	■	■	■
	Total	**8 971**	**2.9**	**5.5**	**6.3**	**10.5**	■	■	■
Telecommunications **Télécommunications** **Telekommunikation**		678	6.0	-5.2	-7.0	-3.6	■	■	■
Energy works **Réseaux d'énergie** **Energieversorgung**		5 086	0.0	35.1	2.0	-0.2	■	■	■
Water works **Réseaux d'eau** **Wasserversorgung**		1 934	5.1	3.5	4.4	-1.4	■	■	■
Other **Autres** **Sonstiges**		1 659	10.4	9.8	-3.3	-13.1	■	■	■
TOTAL		**18 329**	**3.4**	**12.4**	**3.2**	**3.0**	■	■	■

1) At 2020 prices, excluding taxes. 1 euro = 10.4848 SEK

Country/Pays/Land: Sweden — Table 5

GROSS DOMESTIC PRODUCT
PRODUIT INTÉRIEUR BRUT
BRUTTOINLANDSPRODUKT

	Volume bill. euro[1]	% change in real terms (volume)						
						Forecast		Outlook
	2020	2017	2018	2019	2020	2021	2022	2023
Private consumption [2] **Consommation privée** **Privater Verbrauch**	206.9	2.6	1.8	1.2	-4.7	■	■	■
Public consumption **Consommation publique** **Staatsverbrauch**	123.4	0.1	0.8	0.3	-0.5	■	■	■
Gross fixed capital formation **Formation brute de capital fixe** **Bruttoanlageinvestitionen**								
Total	115.5	5.5	1.4	-3.1	0.6	■	■	■
of which construction	51.0							
Stocks (contribution as % of GDP) [3] **Variations de stocks** **Vorratsveränderungen**	- 0.1	0.1	0.3	-0.1	-0.8	■	■	■0
Exports **Exportations** **Exporte**	216.5	4.1	4.2	4.8	-5.2	■	■	■
Imports **Importations** **Importe**	196.4	4.7	3.8	1.3	-5.8	■	■	■
GDP **PIB** **BIP**	**465.8**	**2.6**	**2.0**	**1.4**	**-2.8**	■	■	■

Standard National Accounts, gross figures.

1) At 2020 prices. 1 euro = 10.4848 SEK

2) Including final consumption expenditure of NPISH's, ISBLM inclus, einschließlich POoE.

3) Including net aquisitions of valuables, net aquisitions d'objets de valeur inclus, inkl. Nettozugang an Wertsachen.