Stability and Sustainability Indicators Report

2024 Q1

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Brighter outlook but risks remain

Sweden

Stagnating economy

- The economy surprisingly rose in the first quarter. However, most of the increase was explained by positive contribution from inventories, which is not necessarily a sign of strength. Also, residential investments continued to fall, and household consumption was weak. The main surprise came from higher-than-expected business investments. Also, the labour market continued to deteriorate. All in all, real economic data were in line with our expectations.

- As we expected, the Riksbank stayed on hold in June, after delivering the first rate cut in eight years in May, when it cut the policy rate to 3.75%. We expect the Riksbank to cut the policy rate three additional times this year, with the next cut in August. Although now on a declining path, mortgage rates are expected to remain quite high for the rest of the year, which will continue to hold back housing prices. However, the number of housing transactions is trending upwards, as households await further rate cuts this year. The housing market is slowly improving.

Baltics

Recovery with remaining divergences

- The Latvian and Lithuanian economies have started 2024 on a strong footing – GDP in both countries grew by almost 1% in the first quarter. The Estonian economy was still shrinking, but there are signs that recovery is very likely in the second half of this year. Inflation has fallen below 1% in Latvia and Lithuania but is still slightly elevated in Estonia, mainly due to tax increases at the start of this year. The main source of growth this year is likely to be the recovery of household consumption, as household purchasing power is increasing rapidly. Manufacturing is already growing in Lithuania; Estonia and Latvia are likely to follow as export markets recover, but uncertainty remains elevated here. Public investments continue growing rapidly (infrastructure and defence), but private investments remain somewhat subdued (due to high interest rates and geopolitical uncertainty).

- Unemployment increased in all three Baltic countries at the start of the year and is now 1-2 percentage points (pp) higher than a year ago. Nevertheless, employment remains close to record highs, and so far there are no widespread weakness in the labour markets.

Risks

Geopolitics, protectionism, competitiveness, and monetary policy lags

- Trade tensions between China and the West, persisting geopolitical tensions between China and Taiwan, the war in Ukraine, and the war between Israel and Hamas are adding to global fragmentation and supply-chain risks. Shipping costs from China have more than doubled this year, not least because of Houthi attacks in the Red Sea. Protectionist initiatives are gaining traction, and an increasing share of global trade flows could face higher tariffs.
- The US economy is still growing rapidly, while disinflation has stalled. If inflation remains stuck close to 3%, the Fed will be less prone to cut rates, and many central banks may have to stay in "higher-for-longer" equilibrium. Resilience to high interest rates could prove to be fragile, and monetary policy (with longer-than-usual lags) could still prove to be damaging, at least to some sectors. Higher-for-longer rates could prolong and deepen real estate and construction sector woes, as well as postpone household consumption recovery.
- In the Baltics, wages continue growing more rapidly than productivity, and governments are reinforcing labour cost growth by possibly excessive minimum wage increases. Rising unit labour costs in the Baltics may start denting international competitiveness and could hurt export recovery. Although Baltic labour costs are still well below the EU average level, they are higher than in several Eastern and Southern EU countries. The impact on export market shares seems limited so far, but productivity-boosting reforms and investments are needed to keep Baltic economies on a sustainable growth path. Numerous initiatives to tax banks could make Baltic countries less attractive for FDI inflows and, subsequently, hurt their productivity growth and competitiveness.

Sustain-
ability

Large divergences and insufficient progress

- Progress in achieving sustainable development goals (SDGs) has stalled and is insufficient to achieve all 17 SDGs by 2030. The Baltic countries exhibit stark within-country inequalities. Governance issues are also pressing and require a lot more progress. Estonia and Latvia are catching up with respect to environmental protection goals, but Lithuania is lagging and needs to step up its game. In Sweden, despite significantly better performance across SDGs, challenges also remain.

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Early warning indicators (Q1 data unless stated otherwise)

Macro	Estonia	Latvia	Lithuania	Sweden
1. GDP, y/y %	-2.4	0.1	2.9	0.3
2. Inflation, y/y % (May)	↑ 2.9	0.1	0.5	↑ 2.3
3. Unemployment rate, % (3yma)	6.1	6.9	6.7	↑ 7.9
4. Housing affordability index	↑ 100.3	151.2	↑ 90.1	78.0
5. Deflated apartment prices in capitals	↓ -3.5	-1.7	↓ 7.8	-3.9
6. Household lending and GDP growth diff., pp	5.2	1.3	0.8	0.6
7. Household loans, % of GDP	32.5	14.6	20.2	78.5
8. Corporate lending and GDP growth diff., pp	5.0	-2.1	1.7	-1.3
9. Corporate loans, % of GDP	25.7	15.9	15.0	47.2
10. Current account, % of GDP (4qma)	-1.6	-3.2	3.6	6.6
11. Real effective exchange rate, 3-year change %	15.9	8.4	10.3	-9.3
12. Export market share, 5-year change %	-11.5*	10.8*	↓ -1.1*	-0.6*
13. Structural budget balance, % of GDP (2023)	↓ -3.4	↑ -2.2	-0.8	-0.6
14. Public debt, % of GDP (2023)	19.6	43.6	38.3	31.2

Financial sector	Estonia	Latvia	Lithuania	Sweden
1. Tier 1 capital ratio, %	21.5*	20.6*	18.6*	20.4*
2. Loan overdues >90 days, % of portfolio	0.2	1.2*	0.6*	0.3*
3. Liquidity coverage ratio (LCR), %	191.0*	252.0*	342.0*	188.0*
4. Resident loans/deposits ratio, %	107.0	72.0	70.0	143.0*
5. Non-residents' deposits, % of total portfolio	15.2	17.0	24.0	
6. Return on equity, % (4qma)	10.0*	↑ 9.3*	8.5*	8.5*

* Q4 data

Note: change of colour to better – ↑, to worse – ↓vs. previous quarter

Traffic lights signal the degree of concern. Cut-off values for traffic lights are assigned based on existing regulations, research, historical analysis, andexpert judgement. Traffic light interpretation: ■ - no problem, ■ - cause for some concern, ■ - increased risk.

The macroeconomic and financial stability indicators and their thresholds have been selected based on the work of such organizations as European Commission, IMF, European Systemic Risk Board and others.

Longer-term sustainable economic development (progress towards UN SDGs), % of benchmark*

	Estonia	Latvia	Lithuania	Sweden
E: Environmental protection (SDGs # 6, 7, 11-15)	↗ 77	↗ 76	↗ 70	↗ 77
S: Social inclusion (SDGs # 1-5, 8, 10)	↗ 68	↗ 65	↗ 66	→ 81
G: Governance (SDGs # 9, 16, 17)	↗ 75	↗ 64	↗ 66	↗ 87

Traffic lights: ■ <70 - significant challenges remain, ■ 70-90 challenges remain, ■ >90 green - very close to goal
Trends: ↑ on track, ↗ moderately improving, → stagnating, ↓ deteriorating

* Updated once a year. Based on Sustainable Development Goals' scores and trends provided in Guillaume Lafortune, Grayson Fuller, Adolf Kloke-Lesch, Phoebe Koundouri and Angelo Riccaboni (2024). European Elections, Europe's Future and the SDGs: Europe Sustainable Development Report 2023/24. Paris: SDSN and SDSN Europe and Dublin: Dublin University Press, https://doi.org/10.25546/104407

Estonia

Macroeconomic developments:

Prolonged recession

- The recession has continued this year. During the past nine quarters, GDP has declined by 6.0% in total. The recession was broad based in the first quarter. The largest negative impact came from manufacturing, energy production, professional activities, and trade.
- Economic confidence has improved slightly in recent months but is still low by historical standards. Industrial production, exports, and retail trade volumes are still weak.
- Exports have been affected by low demand and deteriorated cost competitiveness, although most recent surveys point to a somewhat more positive view on demand and competitiveness.
- The economic situation should improve gradually, and the second half of the year should turn out better than the first.
- Private consumption fell again in the first quarter, due to frail sentiment. The situation in the labour market is still quite good. The number of employed remains high. Unemployment continues at moderate levels. Wage growth is still rapid, although somewhat lower than last year, and real wages have started to recover. We expect inflation to decelerate to below 4%, on average, in 2024. Around half of the inflation in 2024 will result from tax hikes.

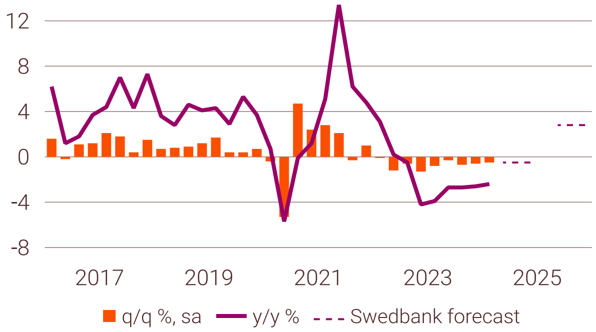
Main macroeconomic risks:

Even deeper and longer recession

- Weak demand and strong cost pressures have affected exporters' sales and competitiveness. Layoffs have been limited to some specific sectors so far but could increase if demand does not improve. We expect only a modest recovery of export demand this year.

Long but mild recession

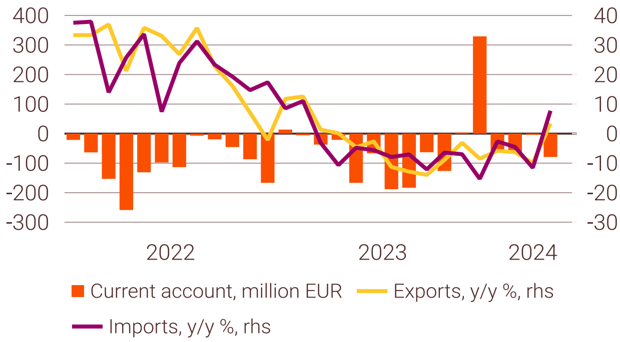
GDP, constant prices



Sources: Swedbank Research & Macrobond

Current account mostly in deficit

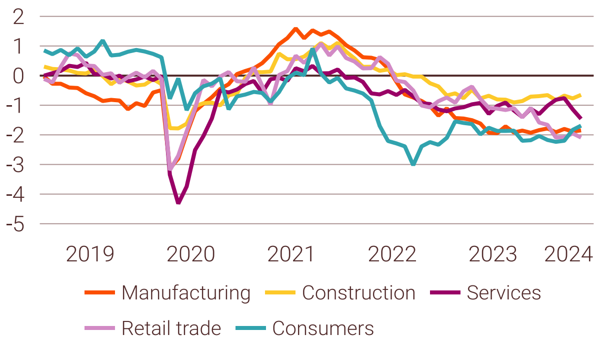
Current account and foreign trade



Sources: Swedbank Research & Macrobond

Sentiment is weak across sectors

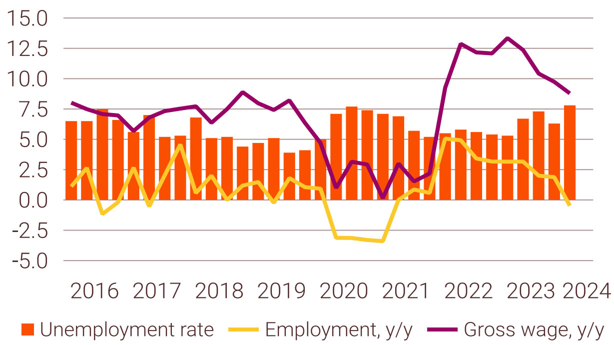
Standardised index, long-term average (2000-now)=0



Sources: Swedbank Research & Macrobond

Wage growth still rapid

Labour market indicators, %



Sources: Swedbank Research & Macrobond

Financial sector issues:
The banking sector is resilient

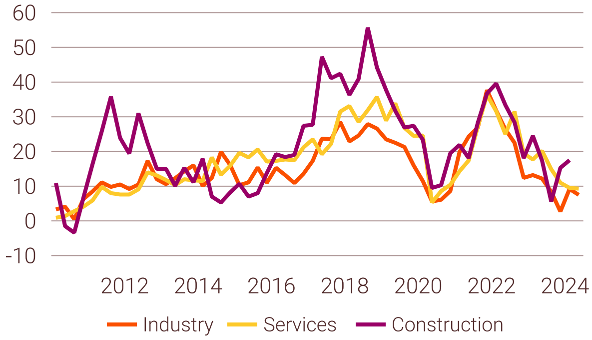
- Demand for loans has moderated, due to a recession, low confidence, and high interest rates. The number of real estate transactions has fallen substantially, and house prices have declined a bit. We expect house prices to decline only modestly, as employment is unlikely to drop sharply.
- Companies and households have withstood higher interest rates well so far. Businesses profited from strong sales and profits until mid-2023, and the relatively strong labour market has benefitted consumers.
- The quality of the loan portfolio of banks remains very good. However, some deterioration in credit quality should be expected.
- Lending rates have started to decline in the corporate and household sector. As inflation has proved sticky in the euro area, interest rates will decrease only slightly this year, providing little relief to borrowers in 2024.

Sustainable development goals:
Work in progress

- The car tax will probably enter into force in January 2025. The tax will consist of a registration and then annual fee, depending on the car's CO2 emissions, weight, and age. The tax will increase car-purchase costs by 5-15%, on average, according to the Ministry of Finance. Estonia has one of the oldest, the most polluting, and the largest (per capita) car parks in Europe.
- The Climate Ministry introduced the new draft climate law to the public. The law stipulates, among other things, that electricity, heat production, and public transport in larger cities should be emissions free by 2040 (taxis by 2035), the public sector should abandon the use of fossil fuels by 2040, and forest management should be organised in a way that does not reduce the stock of forests.

Demand for labour subdued

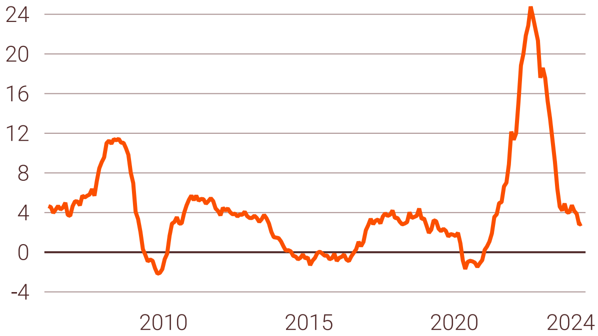
% of companies reporting labour shortage, sa



Sources: Swedbank Research & Macrobond

Inflation has decelerated

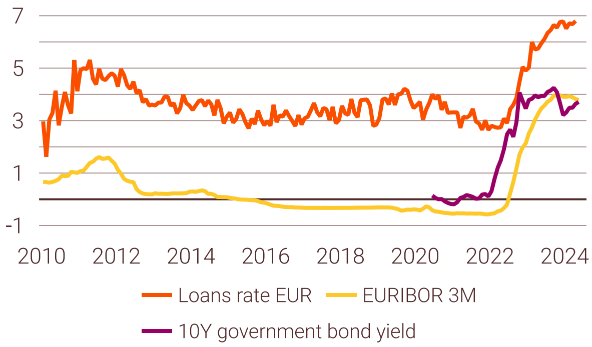
Consumer price inflation, y/y %



Sources: Swedbank Research & Macrobond

Interest rates have peaked

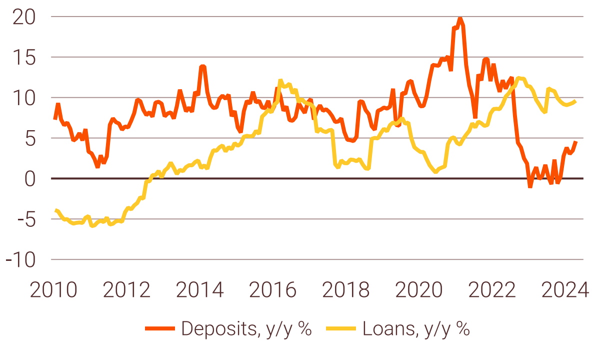
Money market indicators, %



Sources: Swedbank Research & Macrobond

Demand for loans has moderated

Resident lending and deposit portfolios



Sources: Swedbank Research & Macrobond

Latvia

Macroeconomic developments:

Public sector in driver's seat

- GDP increased by 0.9% quarter on quarter at the start of the year, with growth mostly driven by the public sector. Exports fared better than expected, while investment disappointed.
- Wage growth surprised on the upside due to a steep increase in public sector wages, while wage growth in the private sector continued slowing. Unemployment ticked up in the first quarter as more people became active in the labour market. Employment remained stable in the first quarter. Unemployment likely peaked at the start of 2024 – the latest data, including on registered unemployment, show declining joblessness.
- Inflation fell to 0.1% in May, which is likely the low point. Several groups of goods are seeing deflation, while services prices are still growing at around 5% over the year.
- Housing market activity declined further, and housing prices also continued on a slight downward trajectory, owing primarily to older apartments.

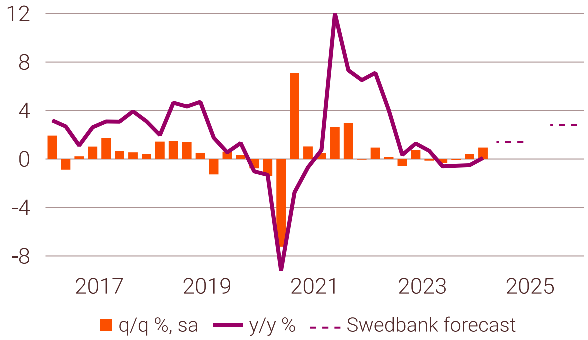
Main macroeconomic risks:

Stagnation, competitiveness loss

- More gradual lowering of interest rates could lead to a slower recovery in export markets, as well as private investment, and, consequently, prolong economic stagnation and increase unemployment. The export recovery may also be hindered by the decline in cost competitiveness. Despite rising rapidly, labour costs remain among the lowest in the EU, and export market shares have held up well; however, this may change in the future. A lower cost advantage and slow productivity growth may weaken exports unless companies step up investment.

GDP up in Q1 due to public sector

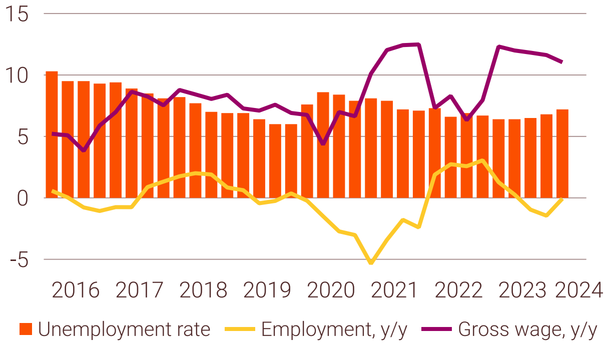
GDP, constant prices



Sources: Swedbank Research & Macrobond

Labour market resilient, wage growth strong

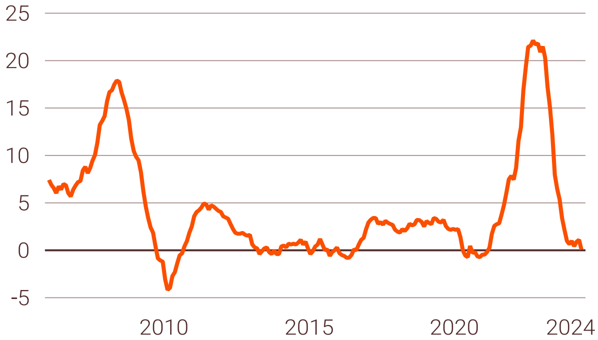
Labour market indicators, %



Sources: Swedbank Research & Macrobond

Inflation has reached the low-point

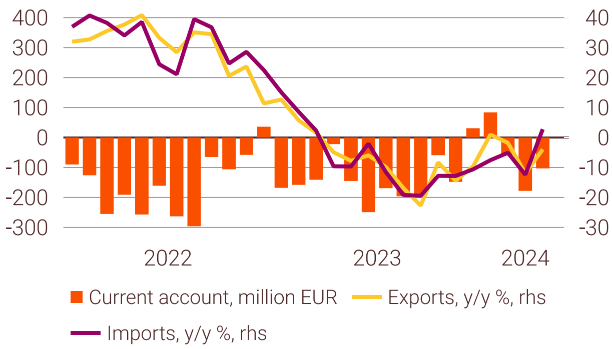
Consumer price inflation, y/y %



Sources: Swedbank Research & Macrobond

Some improvement in external trade

Current account and foreign trade



Sources: Swedbank Research & Macrobond

- Public investment delays can result in weaker-than-expected investment growth. EU funds' absorption is lagging. Rail Baltica projects are advancing more slowly than expected, and recent estimates suggest that the total cost of the project will be four times larger than initially estimated. This will result in additional strain on the budget deficit and puts the project at risk.

Financial sector issues:

Resilient sector, lending up

- The banking system is well capitalised and liquid. Private sector indebtedness levels are very low. The previously very strong financial situation of companies is deteriorating but remains resilient. The number of nonperforming loans and bankruptcies is low.
- Lending growth picked up but remains weak amid high interest rates and elevated uncertainty. Household and nonfinancial company deposit levels rose.
- With the government budget coming under pressure due to large spending needs and lower revenues, an additional tax on banks was recently flagged as a possibility.

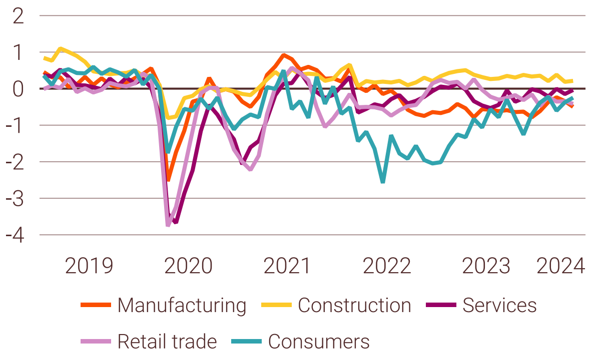
Sustainable development goals:

Inequality, lack of clear energy strategy

- Inequality of income has been high for a long time, and social transfers do a very poor job of correcting for this. Material progress will be achieved only when the government becomes more efficient in targeting support and redistributing income.
- There is a lack of a clear long-term energy policy and strategy. This can not only inhibit the green transition and prevent businesses from taking full advantage of the opportunities arising in the sector, but also raise energy prices.

Households driving improvement in sentiment

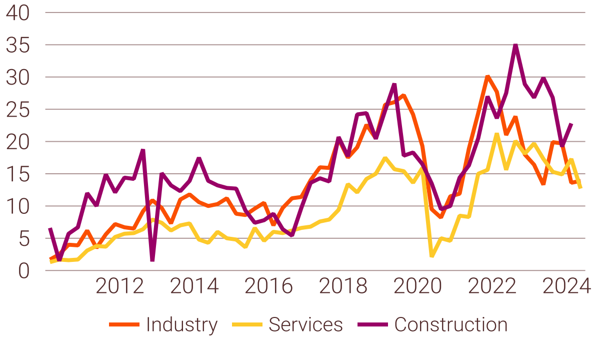
Standardised index, long-term average (2000-now)=0



Sources: Swedbank Research & Macrobond

Labour shortages have temporarily eased

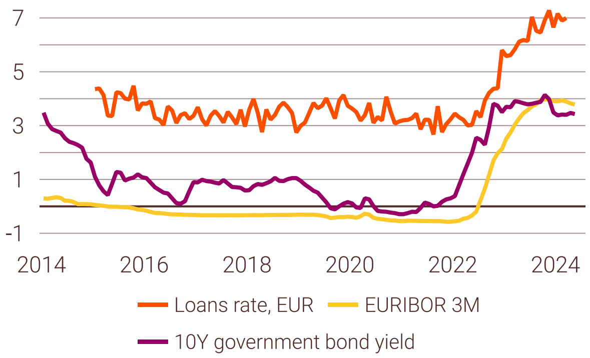
% of companies reporting labour shortage, sa



Sources: Swedbank Research & Macrobond

Interest rates have peaked but still high

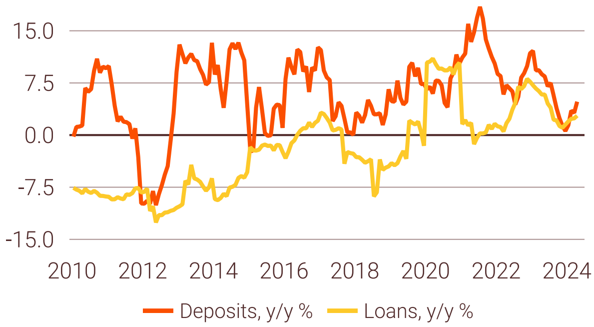
Money market indicators, %



Sources: Swedbank Research & Macrobond

Lending weak, but some improvement

Resident lending and deposit portfolios*



*Lending portfolio is adjusted for structural changes in the banking sector
Sources: Bank of Latvia, Swedbank Research & Macrobond

Lithuania

Macroeconomic developments:

Broad-based recovery

- In the first quarter of 2024, the GDP increased by 0.8% q/q, and was 2.9% higher than a year ago. The performance of industry, retail trade, and transport and storage companies had the biggest positive influence on the GDP change.
- The manufacturing sector is exiting a recession and grew by 2.2% in the first quarter, yet export orders remain below the long-term average. Cyclicals like furniture need lower rates and a broader pickup in global demand.
- Sentiment remains below the long-term average in the transportation and catering sectors, as the latter is still feeling the burden of the VAT increase (which was temporary reduced during the pandemic).
- Wage growth is slowing, but less than expected, and remains close to 10%. Average wage growth has been supported by salary increases in the public sector and a 10% hike in the minimum wage.
- Inflation continued to retreat and has remained below 1% since March and is expected to stay at low levels throughout the year.

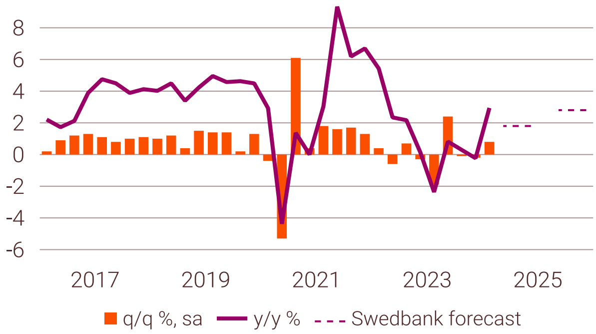
Main macroeconomic risks:

Weaker competitiveness and exports

- The persistence of higher interest rates and, thus, worsening credit conditions across the main export markets could dent demand for Lithuanian exports.
- Continued rapid growth in labour costs amid weakening global demand might hurt the country's competitiveness in the longer run. The government proposes to increase the minimum wage by 10% in both 2025 and 2026 – this could lead to loss of export markets and higher unemployment.

Growth recovered in Q1

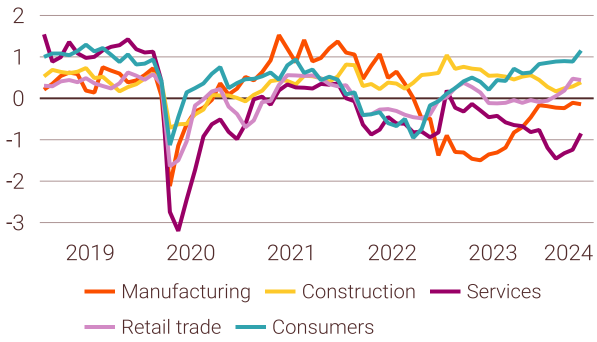
GDP, constant prices



Sources: Swedbank Research & Macrobond

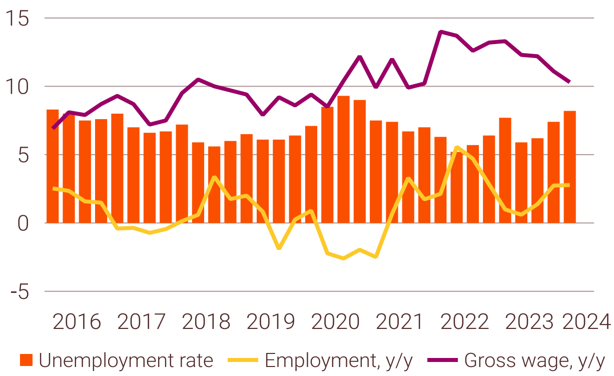
Confidence is improving

Standardised index, long-term average (2000-now)=0



Sources: Swedbank Research & Macrobond

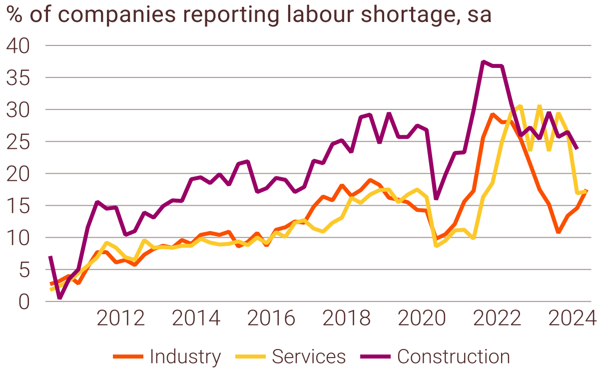
Labour market indicators, %



Sources: Swedbank Research & Macrobond

Labour shortages are less severe

% of companies reporting labour shortage, sa



Sources: Swedbank Research & Macrobond

Financial sector issues:

Credit is still expanding

- Credit growth increased somewhat during the first quarter – the total bank portfolio expanded by 7.1% annually in April. During the same period household debt grew by 6.7%, while corporate lending rose by 7.6%. Bank lending surveys indicate that demand for loans picked up in the second quarter.
- So far, the banking system has proved to be resilient. Nonperforming loans remain low.
- Lithuanian banks and credit institutions paid approximately EUR 256 million in a temporary solidarity tax in 2023. The Bank of Lithuania expects an additional EUR 190 million to be paid in 2024. In the near term, the macroeconomic effects are likely to be muted. However, in the longer term, the tax could negatively affect capital ratios and dampen investments. Risks increase if the tax is applied for an extended period. The government has now agreed, and parliament voted to extend it by one year, until 2025.

Sustainable development goals:

Long road ahead

- In the area of environmental protection, Lithuania still has the most work to do of the three Baltic countries. The near-term priorities should be to decrease energy intensity in manufacturing and to adopt economy-wide energy-saving measures.
- An increase in investment boosted renewable energy production last year. However, offshore wind and green hydrogen projects are still in the early stages and might be completed later than anticipated.
- In social and governance categories, most indicators showed improvement over the last year. Lithuania's rankings are improving, both in terms of democratic institutions and freedom of the press. Nevertheless, challenges remain.

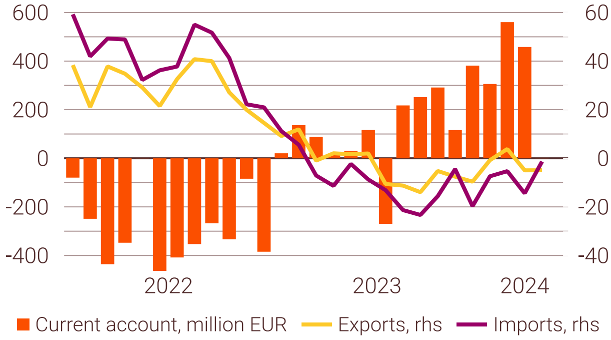
Inflation remains low

Consumer price inflation, y/y %

Sources: Swedbank Research & Macrobond

Foreign trade in surplus

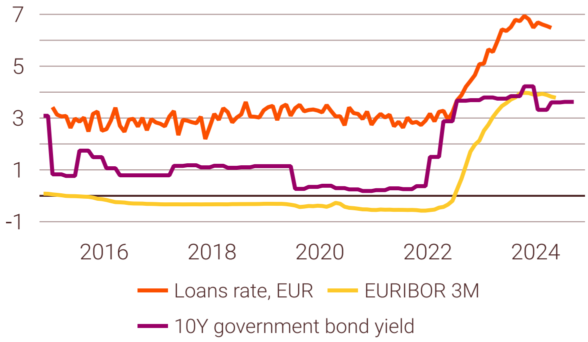
Current account and foreign trade



Sources: Swedbank Research & Macrobond

Borrowing costs remain elevated

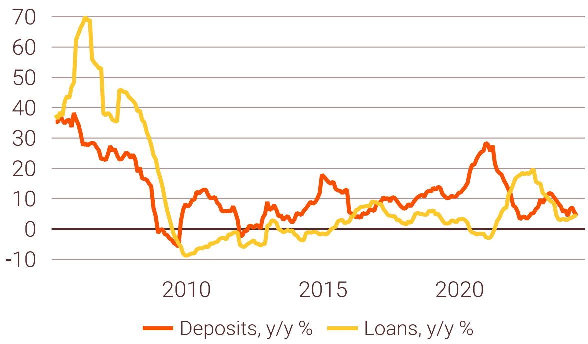
Money market indicators, %



Sources: Swedbank Research & Macrobond

Loan growth showing slight improvement

Resident lending and deposit portfolios



Sources: Swedbank Research & Macrobond

Sweden

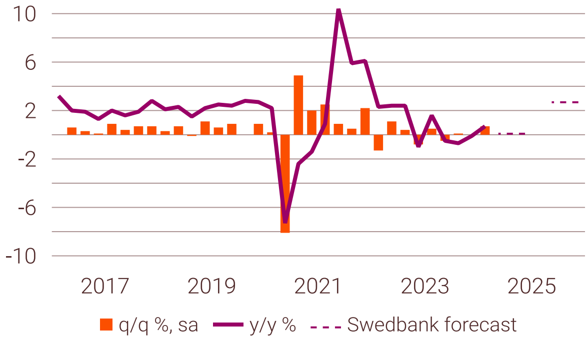
Macroeconomic developments:

Stagnating economy for a while longer

- GDP data for the first quarter show that economic activity increased by 0.7% compared with the previous quarter and was 0.7% higher than a year earlier. Housing investments continued to contribute negatively, and private consumption turned negative, as expected. Net exports, however, gave a small positive contribution, as services exports rose. Monthly April data indicate that GDP remained weak; both household consumption and goods exports have had a weak start of the year. We expect growth to be weighed down by weak demand for the rest of the year.
- The labour market is deteriorating and, in April, the unemployment rate was 8.5%. In industries such as construction and retail trade, the number of employees has decreased. The employment rate has fallen somewhat but is still at relatively high levels.
- Inflation continued its downward path, with the momentum in core inflation close to or below 2% since November. In May, CPIF (fixed rate CPI) inflation was unchanged at 2.3%. We expect prices and all inflation measures to continue to dampen further; however, there are some concerns on the horizon, due to higher commodities prices.
- As expected, the Riksbank left the policy rate unchanged in June. They signal a high probability of a rate cut in August, and we expect that it will be followed up by two more cuts this year, as inflation is low, and the economic activity is weak.
- Housing prices have increased 1% since December 2023, meaning that they are 10% lower than in February 2022. Transactions are trending upwards but are still substantially lower than pre-pandemic-levels. We expect the housing market to continue to recover as mortgage rates decline.

Inventories explain first quarter surprise

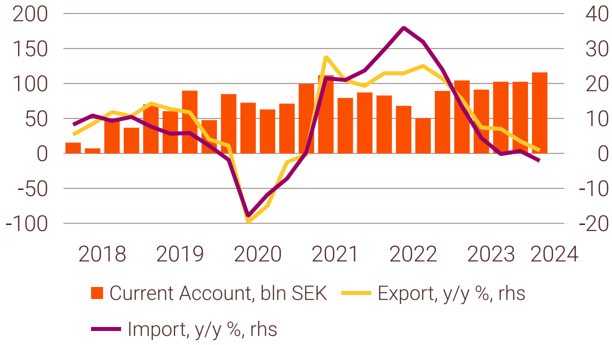
GDP, constant prices



Sources: Swedbank Research & Macrobond

Both imports and exports are weakening

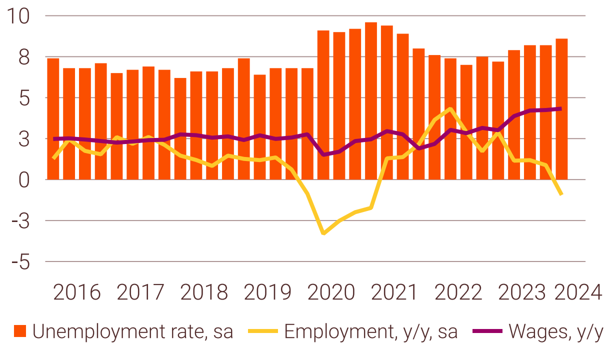
Current account and foreign trade



Sources: Swedbank Research & Macrobond

The labour market continues to deteriorate

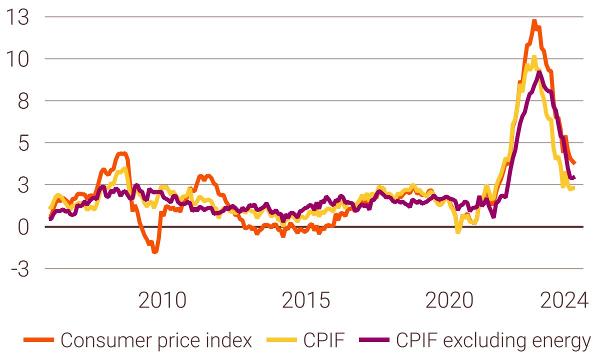
Labour market indicators, %



Sources: Swedbank Research & Macrobond

Lower inflation, soon at the target

Consumer price inflation, y/y %



Sources: Swedbank Research & Macrobond

Main macroeconomic risks:

Geopolitical tensions and diverging paths

- The domestic risks are rather balanced. A more pronounced downturn in the labour market is a downside risk to growth, and inflation and increasing household optimism are upside risks. Globally, however, geopolitical tension, with rising barriers to trade and rising freight costs, is more worrisome. So far, mainly seaway freight costs have started to increase, and trade tensions are manageable without large bottlenecks in supply chains. The ECB has started to cut interest rates, but the Fed is still on hold, and the risk of central banks delaying rate cuts for too long is also a risk.

Financial sector issues:

Credit quality will improve, with a lag

- Household lending growth has bottomed out, rising only slowly, while nonfinancial corporation lending continues to slow. The krona strengthened in May but remains weak. It is likely that the risk premia connected to the CRE companies and their indebtedness has declined, as the interest rate peak is behind us. We expect the risk premia to abate as the policy rate is cut. Moreover, this is not a systemic risk, but a risk only for individual companies.

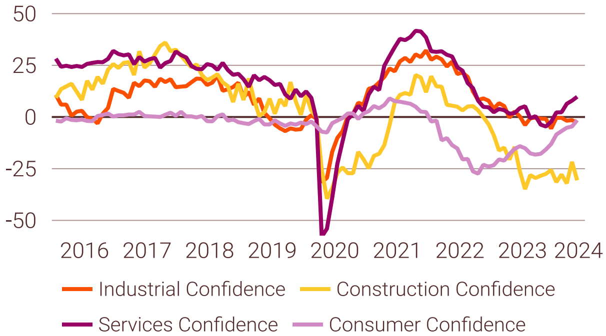
Sustainable development goals:

Stagnating climate policy

- Significant challenges remain in the climate action area, and there is still more to wish for from the government's environmental policy. The SDG for climate action has improved moderately but insufficiently to attain the goal.
- The high inflation has made its mark on social aspects, especially concerning hunger, which has increased slightly since the last evaluation, but also on the quality of education which has seen increasing challenges. Industry and innovation continue to be at the forefront.

Prices and interest rates weigh on confidence

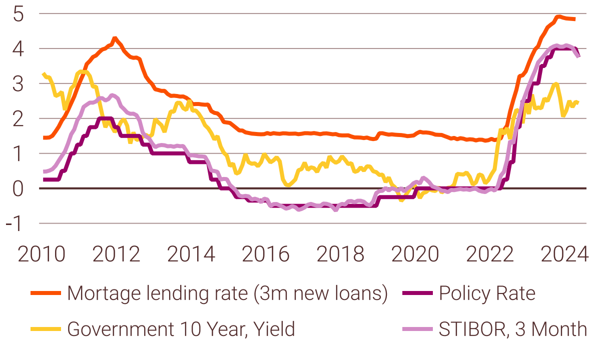
Economic confidence



Sources: Swedbank Research & Macrobond

Rates have peaked, downward from here

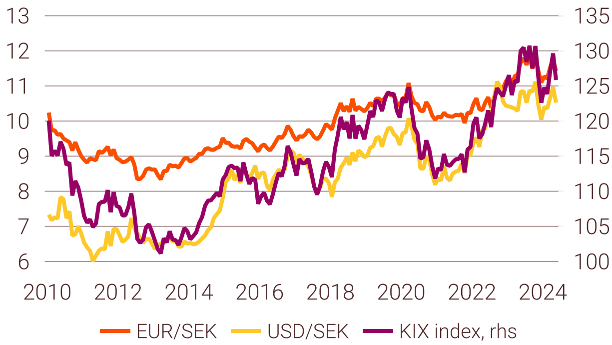
Money and credit market, %



Sources: Swedbank Research & Macrobond

SEK remains weak

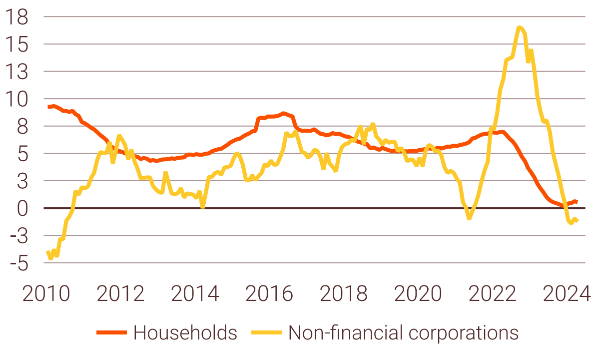
Exchange rates



Sources: Swedbank Research & Macrobond

Households' credit growth has bottomed out

Bank lending, y/y %

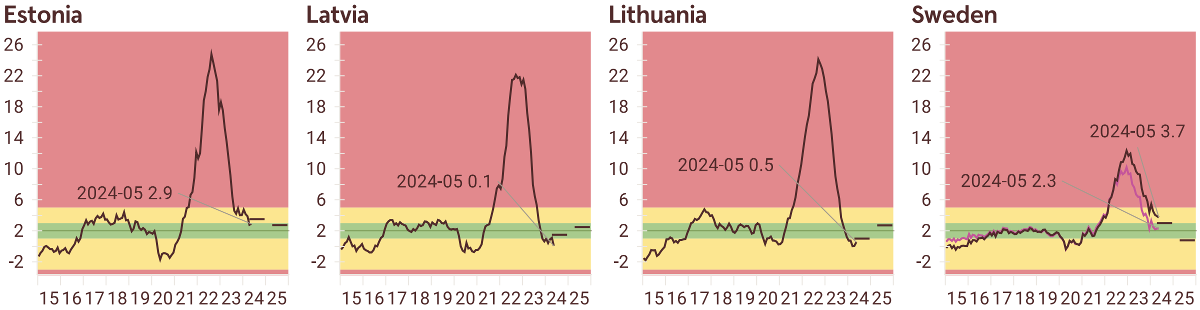


Sources: Swedbank Research & Macrobond

Early warning indicators: macro

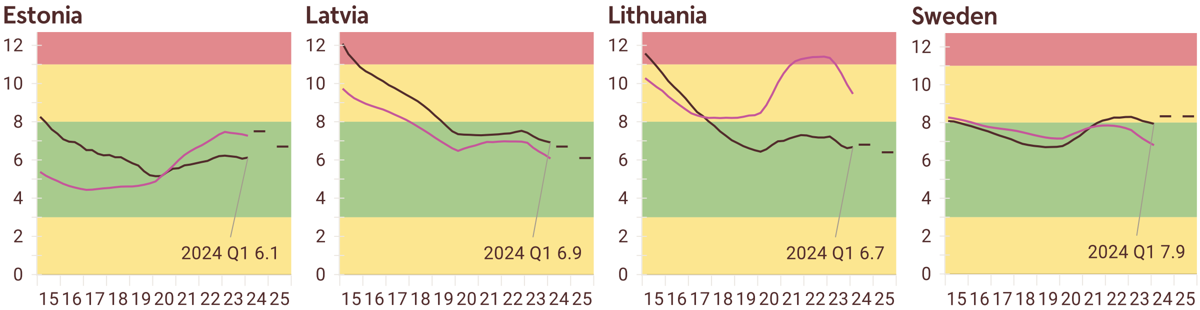
Price stability

Annual CPI growth (and CPIF for Sweden, lilac line), % and Swedbank forecast (annual average)



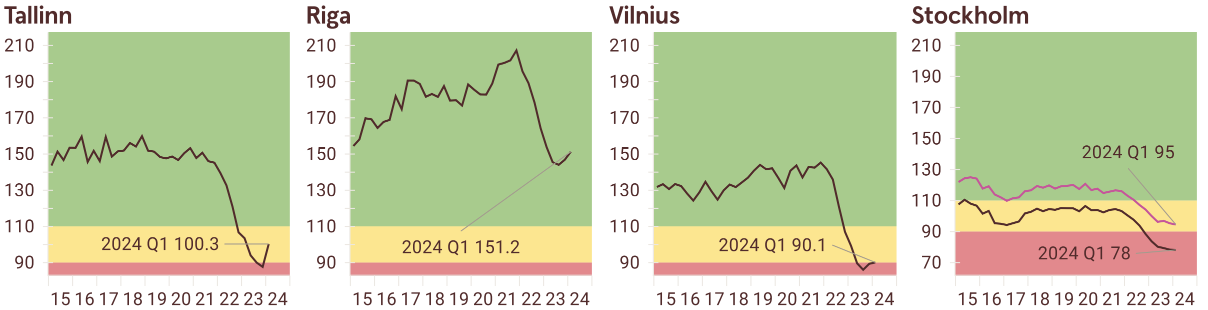
Labour market

Unemployment rate (15-74, % 3yma); registered unemployment rate (lilac line, % 3yma) and Swedbank forecast (annual average)



Housing affordability

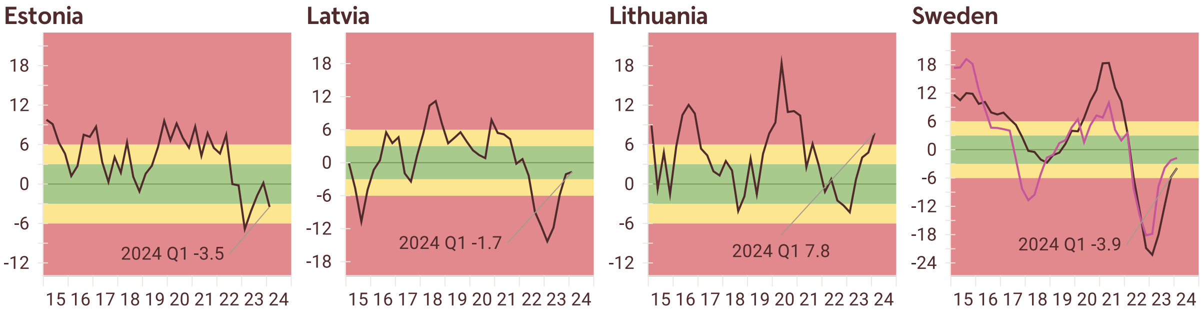
Swedbank Housing affordability index for capitals (Boindex for Stockholm, lilac line for Sweden)



Note: Index of at least 100 shows households can afford housing, according to the established norm (use max 30% of their income for mortgage costs). The higher the number, the greater the affordability. For the Baltics the index is calculated for a family whose income is equal to 1.5 of average net wages with an average-sized apartment of 55 square meters. For Sweden Boindex is calculated for 2 adults and 2 children with median disposable income paying for a 95 square meters apartment (tenant-owner rights). In Boindex all housing costs are taken into account (not only interest rates, but also e.g., heating, insurance etc.)

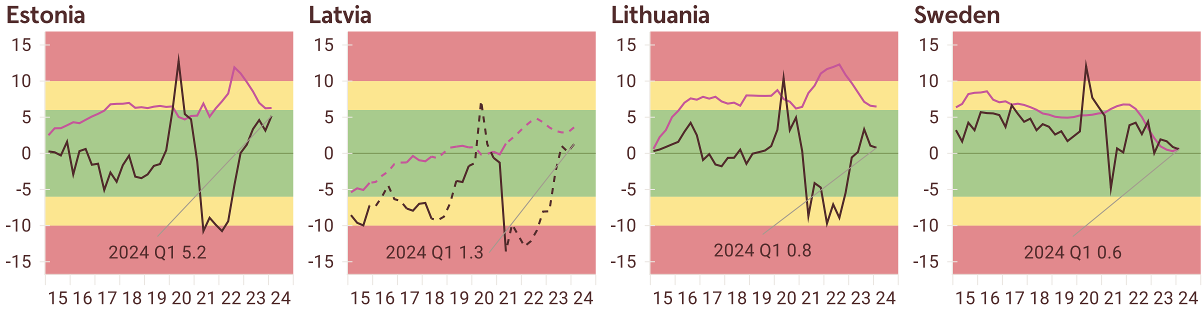
Housing prices

Deflated apartment prices in capitals, (tenant-owned apartments for Stockholm, lilac line for single-family homes in Sweden



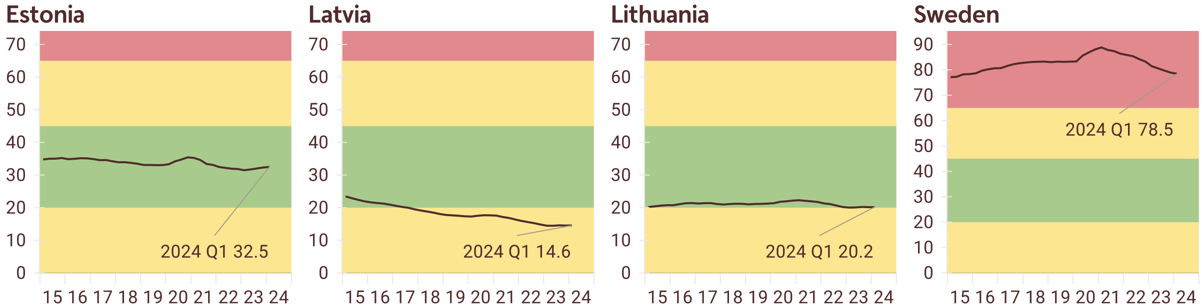
Household lending

Nominal household lending growth minus nominal GDP growth, pp (lilac line for household lending portfolio, y/y %)



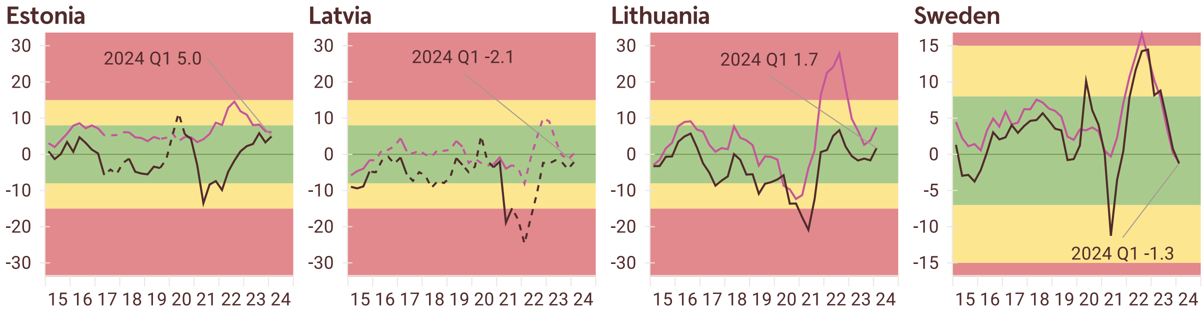
Note: Dashed line shows Latvia's credit portfolio adjustments for structural changes.

The stock of household loans, % of GDP



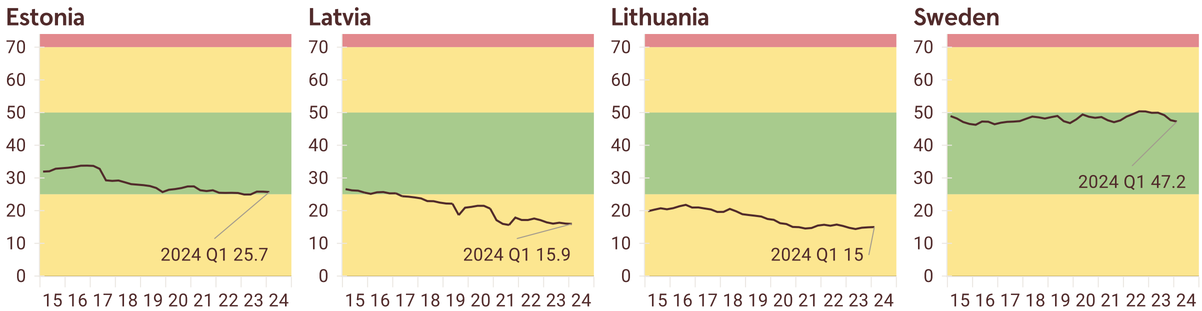
Corporate lending

Nominal corporate lending growth minus nominal GDP growth, pp (lilac line for corporate lending portfolio, y/y %)



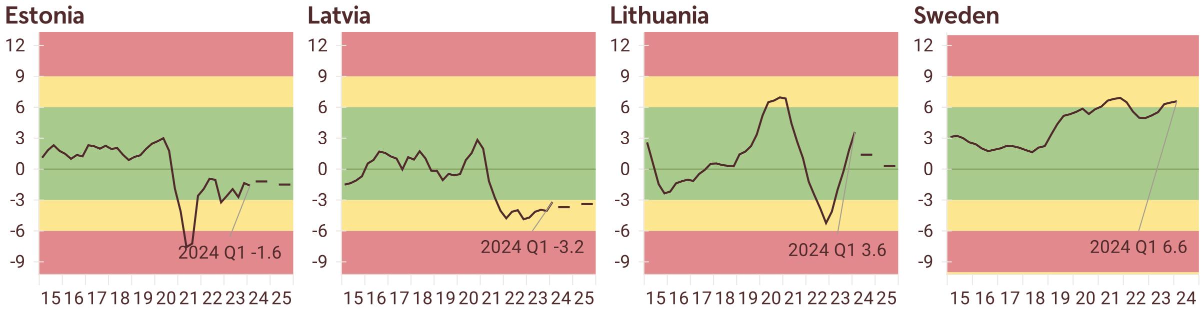
Note: Dashed line shows Estonia's and Latvia's credit portfolio adjustments for structural changes.

The stock of corporate loans, % of GDP

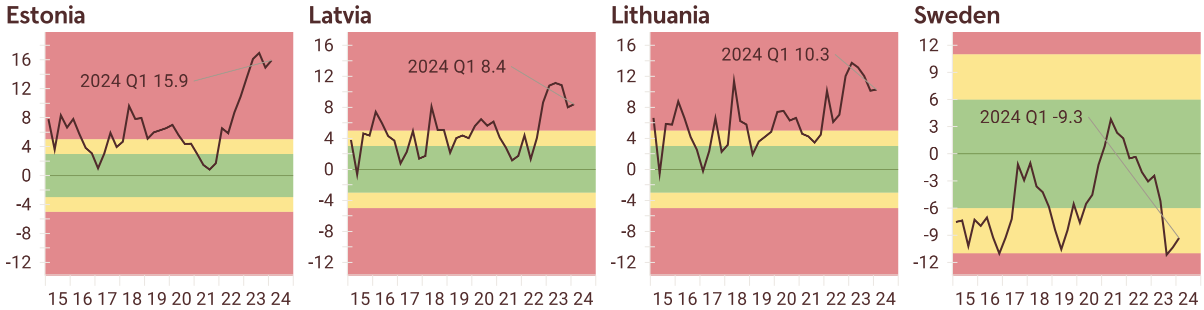


External imbalances

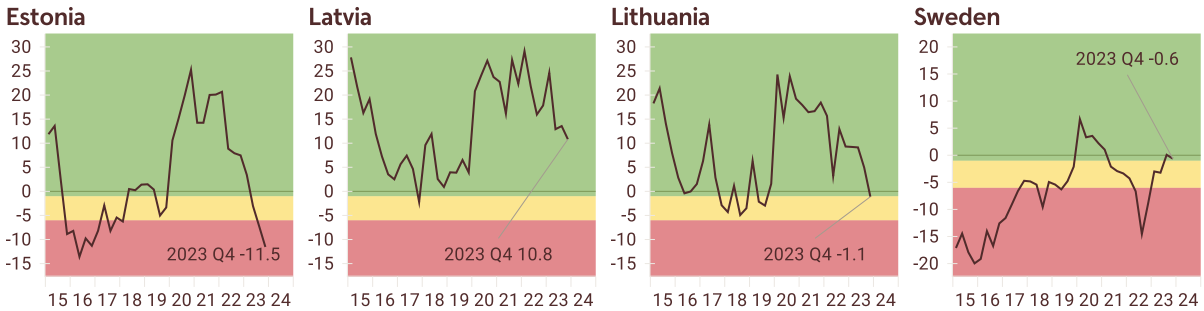
Current account, % of GDP (4qma) and Swedbank forecast for Baltics (annual average)



Real effective exchange rate, 3-year change % (based on HICP)



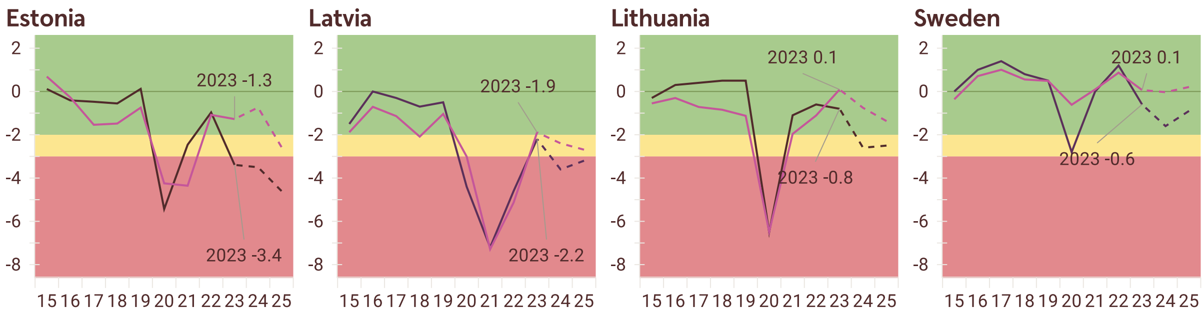
Export market share, US dollars, 5-year change %



Note: Export share of the world export. Changes in export market shares are also affected by exchange rates as foreign trade data in the calculations is in US dollars."

Budget balance

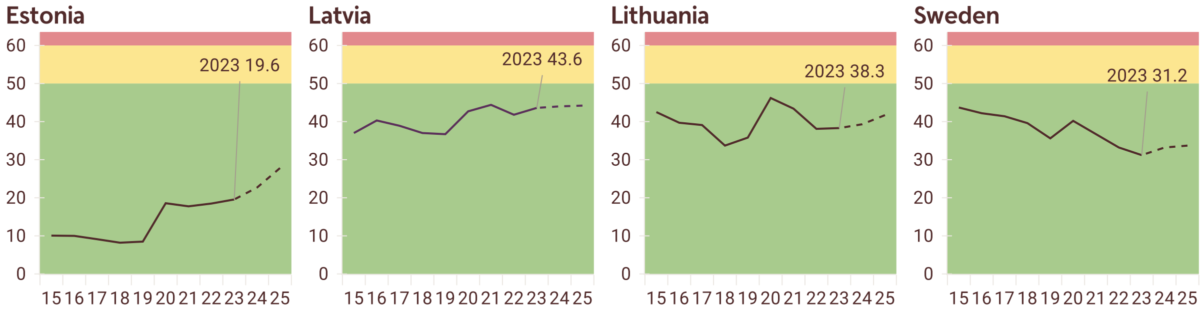
General government's budget (and structural – lilac line) balance, % of GDP (Maastricht criterion), EC and Swedbank forecast



Note: Forecast for structural budget balance is made by the European Commission and is retrieved from Ameco database.

Public debt

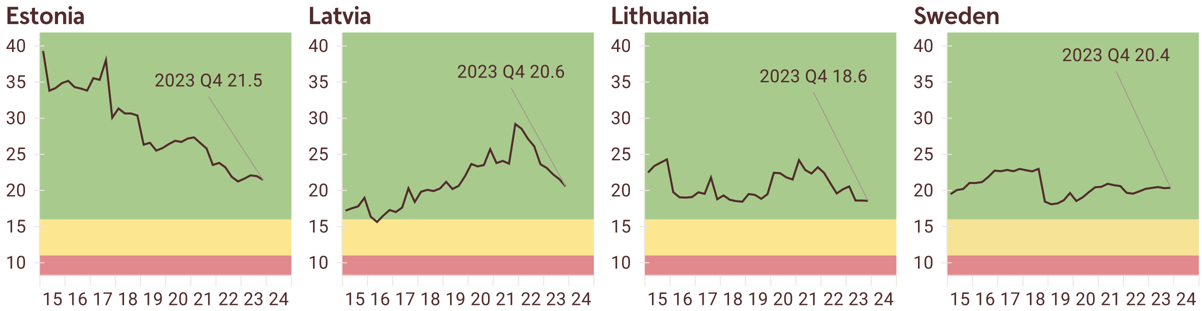
General government's debt, % of GDP (Maastricht criterion) and Swedbank Research



Early warning indicators: financial sector

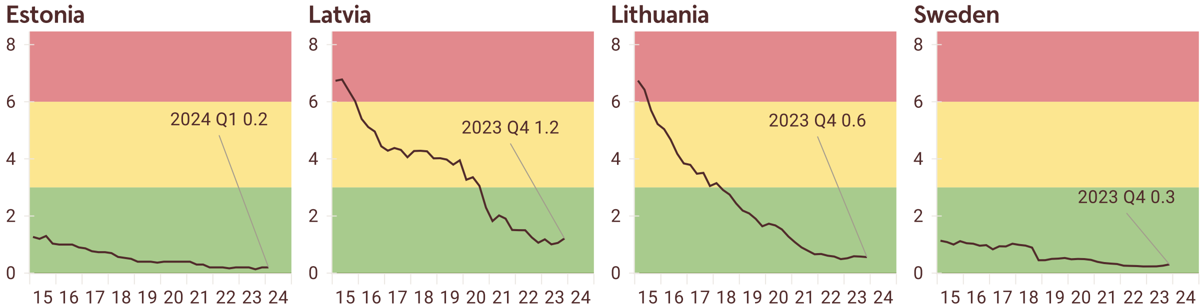
Capital adequacy

Tier 1 capital ratio, %



Nonperforming loans

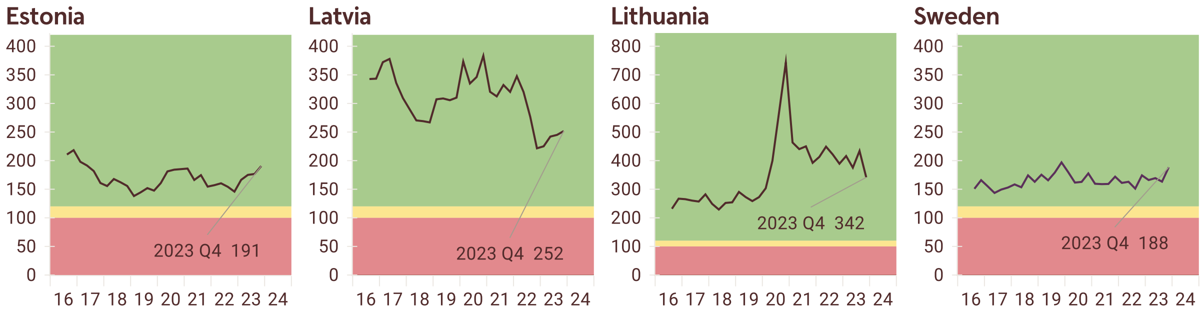
Loan overdues over 90 days of portfolio, %



Source: Swedbank Research & Macrobond

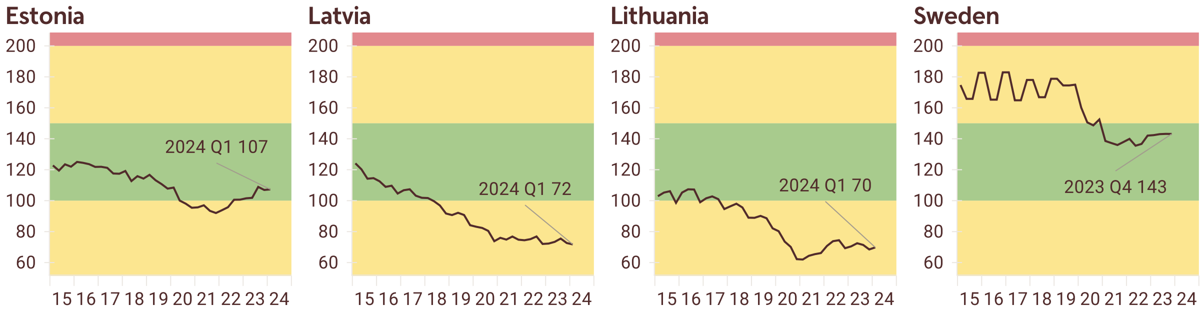
Liquidity

Liquidity coverage ratio, % - Liquid assets over net cash outflows over 30 days



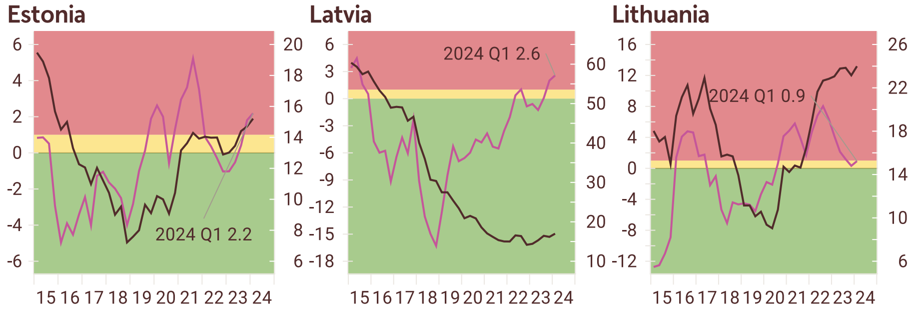
Resident balance sheets

Residents' loan-to-deposit ratio, %



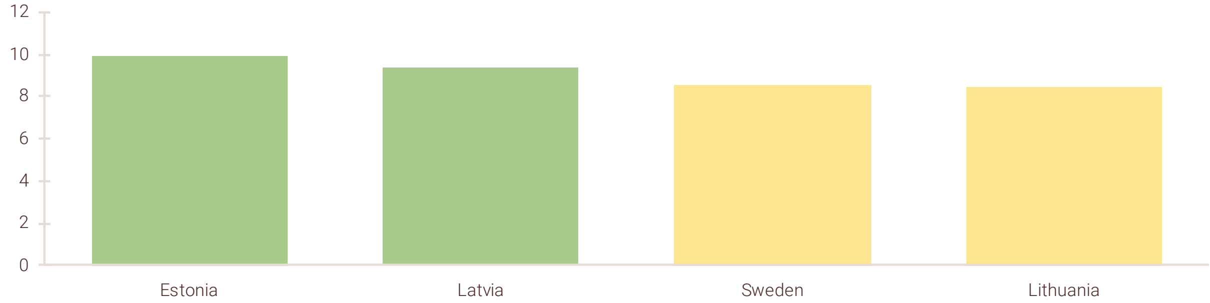
Non-residents’ deposits

Non-residents’ deposits, % of total portfolio, (lilac line for y/y change, lhs)



Banking sector profitability

Return on equity, % (4qma)



Progress on sustainable development goals

	Estonia	Latvia	Lithuania	Sweden
E: Environmental protection				
GOAL 6: Clean Water and Sanitation	84 ↗	82 ↑	83 ↑	94 ↑
GOAL 7: Affordable and Clean Energy	74 →	81 ↑	42 ↗	96 →
GOAL 11: Sustainable Cities and Communities	82 ↗	65 ↑	76 ↗	78 →
GOAL 12: Responsible Consumption and Production	53 ↗	48 ↓	37 →	55 →
GOAL 13: Climate Action	63 ↗	70 ↓	70 ↓	74 ↗
GOAL 14: Life Below Water	86 ↗	87 ↗	90 ↗	70 ↗
GOAL 15: Life on Land	96 ↗	97 ↗	93 ↗	75 →
Average score	**77** ↗	**76** ↗	**70** ↗	**77** ↗
S: Social inclusion				
GOAL 1: No Poverty	63 ↗	63 ↗	65 ↗	76 →
GOAL 2: Zero Hunger	53 →	57 →	55 →	65 →
GOAL 3: Good Health and Well-being	78 ↗	68 ↗	73 ↗	91 ↗
GOAL 4: Quality Education	81 ↗	74 ↗	69 ↗	81 →
GOAL 5: Gender Equality	53 ↗	59 ↗	64 ↗	75 ↗
GOAL 8: Decent Work and Economic Growth	64 →	64 →	65 ↗	80 →
GOAL 10: Reduced Inequality	88 ↑	73 →	70 ↗	97 ↗
Average score	**68** ↗	**65** ↗	**66** ↗	**81** →
G: Governance				
GOAL 9: Industry, Innovation and Infrastructure	63 ↗	51 ↗	52 ↗	96 ↗
GOAL 16: Peace and Justice Strong Institutions	91 ↗	80 ↗	86 ↗	83 →
GOAL 17: Partnerships to Achieve the Goal	70 ↑	60 ↗	60 ↑	84 ↗
Average score	**75** ↗	**64** ↗	**66** ↗	**87** ↗

Traffic lights: <70 - significant challenges remain, 70-90 challenges remain, >90 - very close to goal

Trends: ↑ on track, ↗ moderately improving, → stagnating, ↓ deteriorating

Updated once a year. Based on Guillaume Lafortune, Grayson Fuller, Adolf Kloke-Lesch, Phoebe Koundouri and Angelo Riccaboni (2024). European Elections, Europe's Future and the SDGs: Europe Sustainable Development Report 2023/24. Paris: SDSN and SDSN Europe and Dublin: Dublin University Press, https://doi.org/10.25546/104407

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