

SECURITIES REPORT

**Report under Article 24, Paragraph 1
of the Securities and Exchange Law**

**Fiscal Year: From: January 1, 2006
To: December 31, 2006**

**KINGDOM OF SWEDEN
(1024)**

SECURITIES REPORT

(Report under Article 24 Paragraph 1 of the Securities and Exchange Law)

Fiscal Year: From: January 1, 2006
To: December 31, 2006

To: Director General of Kanto Local Finance Bureau

Filed on: June 27, 2007

The Name of Issuer: Kingdom of Sweden

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Notes: 1) In this Securities Report, all references to "SEK" or "Skr" are to the Swedish krona and all references to "U.S. dollars" are to the United States dollar. The middle rate of exchange between the Japanese yen and the Swedish krona published by The Bank of Tokyo-Mitsubishi UFJ, Limited as of June 1, 2007 was 17.60 Japanese yen per Swedish krona.

2) The fiscal year of the Kingdom of Sweden coincides with the calendar year.

3) Where figures in tables in this Securities Report have been rounded off, the totals may not necessarily agree with the sum of the figures.

I. STATE OF BONDS OFFERED FOR SUBSCRIPTION OR SALE

Title of Bonds Offered for Subscription:	Kingdom of Sweden Dual Currency YEN/Australian Dollar Bonds of 1996-Second Series
Date of Issuance:	May, 1996
Aggregate Principal Amount:	YEN 10,000,000,000
Amount Redeemed:	YEN 10,000,000,000
Amount Outstanding at end of Fiscal Year:	0
Name of Securities Exchange on which the Bonds are listed or Name of Securities Dealers Association with which the Bonds are registered:	Not applicable

Title of Bonds Offered for Subscription:	Kingdom of Sweden Dual Currency YEN/Australian Dollar Bonds of 1996-Third Series
Date of Issuance:	May, 1996
Aggregate Principal Amount:	YEN 10,000,000,000
Amount Redeemed:	YEN 10,000,000,000
Amount Outstanding at end of Fiscal Year:	0
Name of Securities Exchange on which the Bonds are listed or Name of Securities Dealers Association with which the Bonds are registered:	Not applicable

Title of Bonds Offered for Subscription:	Kingdom of Sweden Dual Currency YEN/Australian Dollar Bonds of 1996-Fourth Series
Date of Issuance:	July, 1996
Aggregate Principal Amount:	YEN 10,000,000,000
Amount Redeemed:	YEN 10,000,000,000
Amount Outstanding at end of Fiscal Year:	0
Name of Securities Exchange on which the Bonds are listed or Name of Securities Dealers Association with which the Bonds are registered:	Not applicable

Title of Bonds Offered for Subscription: Kingdom of Sweden Dual Currency YEN/Australian Dollar Bonds of 1996-Fifth Series

Date of Issuance: July, 1996

Aggregate Principal Amount: YEN 10,000,000,000

Amount Redeemed: YEN 10,000,000,000

Amount Outstanding at end of Fiscal Year: 0

Name of Securities Exchange on which the Bonds are listed or Name of Securities Dealers Association with which the Bonds are registered: Not applicable

Title of Bonds Offered for Subscription: Kingdom of Sweden Australian Dollar/Japanese YEN Bonds-Sixth Series (1996)

Date of Issuance: July, 1996

Aggregate Principal Amount: YEN 10,000,000,000

Amount Redeemed: YEN 10,000,000,000

Amount Outstanding at end of Fiscal Year: 0

Name of Securities Exchange on which the Bonds are listed or Name of Securities Dealers Association with which the Bonds are registered: Not applicable

Title of Bonds Offered for Subscription: Kingdom of Sweden Australian Dollar/Japanese YEN Bonds-Seventh Series (1996)

Date of Issuance: July, 1996

Aggregate Principal Amount: YEN 10,000,000,000

Amount Redeemed: YEN 10,000,000,000

Amount Outstanding at end of Fiscal Year: 0

Name of Securities Exchange on which the Bonds are listed or Name of Securities Dealers Association with which the Bonds are registered: Not applicable

Title of Bonds Offered for Subscription: Kingdom of Sweden URIDASHI AUD 108 million 4 year Fixed Rate Notes due 2008

Date of Issuance:	October, 2004
Aggregate Principal Amount:	AUD 108,000,000
Amount Redeemed:	Not applicable
Amount Outstanding at end of Fiscal Year:	AUD 108,000,000
Name of Securities Exchange on which the Bonds are listed or Name of Securities Dealers Association with which the Bonds are registered:	Not applicable

There have been redemptions of Kingdom of Sweden Public Issues during year 2006.

*During the fiscal year, there was no event which would materially and adversely affect the rights of the owners of the bonds.

II. CHANGES IN FOREIGN EXCHANGE RATE

(1) The Changes in Foreign Exchange Rate for the recent five fiscal years

Omitted.

(2) The Changes in Foreign Exchange Rates for the recent six months during the fiscal year ended December 31, 2006

Omitted.

(3) Recent Foreign Exchange Rate

Omitted.

III. OUTLINE OF THE ISSUER

(1) In case the Issuer is a state, nation or country

Source of Statistics

The information under "III. Outline of Issuer" has been supplied by the following sources: The information set forth under the caption "1.ii) b. International Co-operation and Foreign Policy" has been supplied by the Ministry of Foreign Affairs, some figures in the table provided by the Ministry of Finance. Information set forth under the captions "2.i) Recent Developments and Outlook" (except Monetary Policy), "5.i) Outline of the Public Finance System and the Taxation System" and "5.ii) General Account" has been supplied by the Ministry of Finance. Information set forth under the caption "1.i) Location, Areas, Topography and Population", "2.ii) a. Gross Domestic Product and National Income", "2. ii) b. Industrial Structure and the State of Major Industries", "2.ii) c. Price Trends", "3.i) Outline", "3.ii) a. Imports and Exports by Commodities and Regions", and "3.ii) b. Trade with Japan" has been supplied by Statistics Sweden. Information set forth under the captions "2.i) Recent

Developments and Outlook, Monetary Policy", "3.ii) c. Balance of Payments", "3.ii) d. Changes in International Reserves and Exchange Rate", "3.iii) Foreign Exchange Control" and "4. Currency and Financial System" has been supplied by the Riksbank. Information set forth under the caption "5.iii) Outline of State Enterprises" and "5.iv) Special Accounts and Public Enterprises" has been supplied by the Ministry of Industry, Employment and Communications. Finally the information set forth under the captions "1.ii) a. Organization of the State and Political Parties", "2.ii) e. Social Services" and "6. Public debt" has been supplied by Riksgäldskontoret, the Swedish National Debt Office.

OUTLINE

i) Location, Areas, Topography and Population

Sweden is the largest of the Scandinavian countries, covering an area of approximately 450,000 square kilometers land and water. It is bordered on the west by Norway, on the northeast by Finland and on its eastern coastline by the Baltic Sea. Half of Sweden's area is covered by forest, approximately 8 percent consists of cultivated land and more than 25 percent is uncultivated land, including residential and industrial areas. Inland and territorial waters cover about 23 percent. Although Sweden is on approximately the same latitude as Alaska, it enjoys a generally temperate climate because of its proximity to the Gulf Stream.

Sweden's population at the end of 2006 was approximately 9.0 million or 22 inhabitants per square kilometer of land area. More than 90 percent of the population lives in the southern half of the country. Sweden has had a slow rate of population growth, which has averaged 0.34 percent annually since 1970. The percentage of the population aged 65 and over increased from 14 percent in 1970 to 17 percent in 2006. At December 31, 2006 the breakdown of the population by age groups was as follows: under 18, 21 percent; 18 to 64, 62 percent; 65 and over, 17 percent.

Stockholm, the capital, is located on the eastern coast and is Sweden's largest city, with a population of approximately 1,897,000 in the greater metropolitan area. Other principal cities are Göteborg (population approximately 879,000) on the western coast and Malmö (population approximately 604,000) near the southern tip.

ii) Politics and Foreign Relations

a. Organization of the State and Political Parties

Sweden is a constitutional monarchy with a parliamentary system of government. Under the present Constitution, which became fully effective on January 1, 1975, the Parliament (Riksdag) has the legislative power and appoints the Prime Minister, who is the political chief executive. The King is the Head of State.

Sweden has a three-tier hierarchy of courts: the district courts (Tingsrätter), which are courts of general jurisdiction and first instance for both civil and criminal matters, of which there are 53, whose jurisdiction is based on geographic areas, the Courts of Appeal (Hovrätter), of which there are six, and the Supreme Court (Högsta Domstolen). Appeals against judgments of district courts can generally be made to the Courts of Appeal. Appeals against decisions of the Courts of Appeal can, in certain cases, be made to the Supreme Court.

As a rule an appeal against a decision of an administrative authority can be made to a higher

authority. In administrative matters, an appeal may be lodged with administrative courts, of which there are 23. Appeals against decisions in administrative courts can be made to the Administrative Courts of Appeal (Kammarrätter) of which there are four. The highest administrative court is the Supreme Administrative Court (Regeringsrätten). Furthermore, there are certain courts for special matters such as disputes on the labor markets or cases regarding the competition and marketing legislation.

The Constitution provides for a single-house Riksdag of 349 members who are elected in direct elections in which all Swedish citizens of at least 18 years of age are entitled to vote. Members of the Riksdag serve for a four-year term. The most recent general election of members of the Riksdag took place in September 2006.

The last three elections have resulted in the following distribution of seats among the political parties represented in the Riksdag:

	Number of Seats			
	1994-98	1998-2002	2002-06	2006-2010
Social Democrats	161	131	144	130
Conservatives	80	82	55	97
Center party	27	18	22	29
Liberals	26	17	48	28
The Left Party	22	43	30	22
Green Party	18	16	17	19
Christian Democrats.....	15	42	33	24
	349	349	349	349

Following the last general election, the Conservatives, Liberals, Center Party and Christian Democrats formed a majority government. Mr. Fredrik Reinfeldt is Prime Minister. The next general election is scheduled for September 2010.

b. International Co-operation and Foreign Policy

Sweden's membership in the European Union

Since January 1, 1995, Sweden is a member of the European Union (EU). The membership means that Sweden participates fully and actively in the following areas:

- The Internal Market, covering the free movement of goods, services, persons and capital within the EU member countries.
- The Customs Union and the Common Trade Policy (CTP)
- Common agricultural and fisheries policy (CAP and CFP)
- Co-operation in judicial and domestic matters, including such areas as policies on international crime, narcotics smuggling and immigration.
- All common EU Programs concerning environmental protection, research, education, technology, small and medium sized enterprises (SMEs), consumer protection, tourism, statistics, etc.

The Riksdag has decided that Sweden should not adopt the Euro on January 1, 1999. If the

Government later finds that Sweden should introduce the Euro, it will submit the question to the Swedish people for consideration. The European Council has decided that Sweden will not be one of the countries that adopt the Euro from January 1, 1999.

Sweden's relations with Japan and Other Asian Countries

Japan is Sweden's most prominent trading partner in Asia and the bilateral trade is of growing importance. During 1997 the Swedish import from Japan was about 2/3 of the export to Japan. Japan is now Sweden's most important export market after the EU and the United States.

Officials of the respective governments are holding regular meetings to review and discuss the development of mutual trade, as well as the multilateral trade political agenda, and to consider possible problems connected with economic and trade relations between the two countries. Annual financial consultations are also being held between the ministries of finance of the respective countries.

Since 1991 there is an investment office at the Swedish embassy in Tokyo, Invest in Sweden Office, to promote Japanese investments in Sweden. In 1992 a Swedish-Japanese Chamber of Commerce was established. About 90 Swedish companies are established in Japan through subsidiaries, joint ventures or representation offices.

Japan is the second largest trading partner of the EU, and Sweden supports a strengthened EU-Japan dialogue in both the political and economic field. Sweden also participates in the special EU export promotion program, Gateway to Japan, and the education program Executive Training Program (ETP).

Sweden maintains diplomatic relations with almost all Asian countries. Several Asian countries are recipients of Swedish bilateral development assistance. As mentioned below Sweden is also a member of the Asian Development Bank (AsDB).

Sweden's membership in International Organizations and Other Bodies

Sweden is a member of the European Union (EU). In addition, international organizations of which Sweden is a member include the United Nations (UN) and its affiliated organizations, the International Monetary Fund (IMF), the International Bank for Reconstruction and Development (IBRD), the European Bank for Reconstruction and Development (EBRD), the European Investment Bank, the Organization for Economic Co-operation and Development (OECD) and the World Trade Organization (WTO).

The Nordic countries (Sweden, Denmark, Finland, Iceland and Norway) have a long tradition of close co-operation covering most areas, except defense. The basic institutions are the Nordic Council, the Nordic Councils of Ministers and the Nordic Investment Bank.

Finally, Sweden is also a member of the Inter-American Development Bank (IDB), the African Development Fund (AfDF), the African Development Bank (AfDB), the Asian Development Fund (AsDF) and the Asian Development Bank (AsDB).

Major Treaties to which Sweden is a party

There are a large number of multilateral and bilateral treaties to which Sweden is a party. Major treaties include the following:

- Agreement establishing the World Trade Organization (1994)
- International Coffee Agreement (2000)
- International Dairy Agreement (1994)
- International Bovine Meat Agreement (1994)
- Agreement on Government Procurement (1994)
- International Tropical Timber Agreement (1994, replacing the agreement of 1983)
- Agreement establishing the Common Fund for Commodities (1980)
- International Convention on the Simplification and Harmonization of Customs Procedures (1973)
- Convention on International Liability for Damage caused by Space Objects (1972)
- Agreement relating to the International Telecommunications Satellite Organization (INTELSAT) (1971)
- Treaty on the Prohibition of the Emplacement of Nuclear Weapons and other Weapons of Mass-destruction on the Sea-Bed and the Ocean Floor and the Sub-soil thereof (1971)
- Strasbourg Agreement concerning International Patent Classification of March 24 (1971)
- Convention No. 129 concerning Labor Inspection in Agriculture (1969)
- Treaty on Non-Proliferation of Nuclear Weapons (1968)
- Convention on the Settlement of Investment Disputes between States and Nationals of Other States (1965)
- Treaty banning Nuclear Weapons Tests in the Atmosphere in Outer Space and under Water (1963)
- Convention on Third Party Liability in the Field of Nuclear Energy (1960)
- The Antarctic Treaty (1959)
- International Convention on the Prevention of Pollution of the Sea by Oil (1954)
- International Civil Aviation Convention (1944)

International financial agencies to which Sweden is affiliated (as of December 31, 2006)

Name of Agency	Year of Affiliation	Currency	Sweden's Subscription ⁽¹⁾	Percent of Total Subscription	Amount paid-in by Sweden
International Monetary Fund (IMF)	1951	SDR	2 395 500	1,12%	2 395 500
International Bank for Reconstruction and Development (IBRD) ⁽²⁾	1951	USD	1 806 400	0,95%	110 200
International Development Association (IDA)	1960	USD	4 168 640	3,06%	4 168 640
International Finance Corporation (IFC)	1956	USD	26 876	1,14%	—
Multilateral Investment Guarantee Agency (MIGA)	1988	USD	20 006	1,10%	3 798
Asian Development Bank (AsDB)	1966	USD	181 130	0,34%	12 682
Asian Development Fund (AsDF)	1974	USD	335 513	1,45%	291 740
Nordic Investment Bank (NIB)	1976	EUR	1 521 449	36,73%	153 760
African Development Bank (AfDB)	1982	SDR	334 956	1,54%	32 666
African Development Fund (AfDF)	1972	SDR	775 214	5,10%	730 838
Inter-American Development Bank (IDB)	1977	USD	328 900	0,33%	14 100
Fund for Special Operations (FSO)	1977	USD	41 100	0,40%	41 100
European Bank for Reconstruction and Development (EBRD)	1990	EUR	456 000	2,30%	119 700
European Investment Bank (EIB)	1995	EUR	4 900 585	2,99%	245 029

(1) Sweden's subscriptions (in thousands) as well as its share of total subscriptions include all capital increases and replenishments of the resources of the respective organisations.

(2) Of the amount paid in, about 10% was paid in gold or in USD and about 90% in Swedish kronor equivalent. The unpaid balance of subscription is callable if required by the Bank to meet its obligations.

2. ECONOMY

Recent Developments and Outlook

The Swedish economy is growing rapidly for the fourth consecutive year. Economic conditions are favourable, while both domestic and foreign demand for Swedish goods and services is rising steadily. In 2007 and 2008, the business cycle is expected to enter a more mature phase and exports are likely to increase more gradually. Owing partly to rapid expansion of output capacity over the past few years, investment growth is also set to slow down somewhat. Housing investment is projected to level out at a high plateau in the next few years.

Meanwhile, household consumption is set to increase very rapidly in the next few years as the result of a solid wealth position, rising real wages and robust employment growth, as well as the significant tax cuts that have been adopted and announced. Partly due to the fact that local government finances are sounder than they have been for a long time, general government consumption should also increase substantially in 2007 and 2008.

Given brisk demand growth and a stronger Swedish krona, imports are likely to increase at a steady pace in 2007 and 2008. GDP is forecast to rise by 3.7 per cent this year and 3.3 per cent next year. Calendar-adjusted GDP growth, which excludes the impact of the number of working days, is expected to be 3.9 per cent in 2007 and 3.2 per cent in 2008. Due to a high level of resource utilisation, actual GDP growth is projected to slow to 2.1 per cent in 2009 and 2.3 per cent in 2010.

Employment has been recovering steadily since Sweden's robust economic growth caused a turnaround in the labour market in 2005. Continuation of rapid demand growth in Sweden will pave the way for rising employment in 2007 and 2008 as well. The cyclical labour market recovery has boosted labour supply. The measures that the government has already adopted to stimulate labour supply, combined with the reforms announced in this bill, should contribute to a steady expansion of supply during the period 2007–2008. Expanding labour supply is essential in order to achieve a sustainable increase in the level of regular employment.

Notwithstanding the forecast expansion of labour supply, brisk employment growth should lead to rapid resource utilisation increases in the total economy. Particularly in view of considerable uncertainty about the economic impact of the government's supply-stimulating policies, projecting resource utilisation is a difficult task. If labour supply does not expand faster than this forecast anticipates and demand continues to exhibit strong growth, the economy may be in danger of overheating during the next few years. A number of indicators suggest that the Swedish business cycle is in a phase at which wage and price increases will begin to accelerate. The incipient manpower shortage makes it even more important to stimulate labour supply.

Despite the rapid expansion of labour supply, strong employment growth in 2006 led to lower unemployment. Open unemployment is expected to decline further in 2007 and 2008. Total unemployment, which also includes people participating in labour market policy programmes, is set to decrease substantially in both 2007 and 2008. Employment is expected to grow slower in 2009 and 2010 in the wake of a high level of resource utilisation, while open unemployment remains at just above 4 per cent. The regular employment rate is projected to rise throughout the forecast period and reach 75.6 per cent for the 16–64 age group in 2010. General government finances have strengthened in the past few years. Excluding premium pension savings, general government net lending was 2.1 per cent of GDP in 2006. Steady economic growth provides the fiscal latitude to adopt tax cuts and other reforms without leaving public finances weaker than 2006. Tax cuts previously adopted and currently proposed will substantially reduce tax receipts as a percentage of GDP. Because expenditures will decrease by the same approximate percentage, general government net lending will remain virtually unchanged at just over 2 per cent of GDP in 2007–2008. In 2009–2010 general government net lending will strengthen gradually. The surpluses should continue to bolster the general government sector's financial position. Moreover, gross debt will shrink as a result of the planned disinvestments of state shareholdings. Consolidated gross debt is projected at 27.0 per cent of GDP in 2010.

Economic policy issues

An important priority for the Government is to pursue active policies to overcome social exclusion and give more people an opportunity to work. The Spring Fiscal Policy Bill presents a comprehensive package to improve the climate for business in Sweden. The Government is also proposing a special jobs package to make it easier for more people to

enter work. New ways into work will be opened by offering long-term unemployed people and people receiving social assistance a job and development guarantee. In addition, the Government is acting to lower employer's social security contributions so as to get young people into the labour market. An integration package including new 'step-in' jobs, in which work and language training are combined, will increase opportunities for newly arrived immigrants to obtain work. Overall, these initiatives for young people, immigrants and enterprise mean the Government is responding to the economic boom with measures that provide increased working opportunities to the groups that have had the greatest difficulty getting into the labour market.

Stable public finances are the foundation for long-term sustainable growth. Despite major spending initiatives in the latest budget, the level of saving (net lending) will be over 2 per cent of GDP this year and next. In addition, the Government has begun a review of the framework to clarify the connection between central government expenditure and the public finances surplus target set by the Government. The ambition is to make it easier to evaluate the fiscal policy targets.

The Government's policies to increase the supply of labour will act to cool inflationary pressures in the coming years. However, next year inflationary pressures will grow as resource utilisation in the labour market rises and wage costs increase.

The tax ratio is falling sharply from 49.8 per cent of GDP in 2006 to 47.7 per cent of GDP this year and slightly lower in 2008. This will be the lowest tax take since the mid-1980s. The national debt is expected to fall from 43 per cent of GDP at the end of 2006 to 23 per cent at the end of 2010. The Riksdag decision to allow the Government to sell six partly or wholly owned state companies will contribute approximately half the expected reduction. It will become simpler and more profitable to start and run a business. One measure to achieve this will be to abolish wealth tax so as to increase the amount of venture capital. The Government is also launching a package of reforms to strengthen the integration of people with a foreign background. This will include 'step-in' jobs in which employment is combined with language instruction and elements of mentorship for newly arrived immigrants. The Government wants to fight youth unemployment by measures including lower employer's social security contributions for young people, a special job guarantee including a more rapid reduction of income-related compensation, and an initiative for apprenticeship and vocational training.

The Government is launching a large and broad package for entrepreneurs. The VAT accounting period will be extended from the present one month to quarterly payment for companies with an annual turnover below SEK 40 million. In 2008, a proposal will be presented for transferring forest accounts in connection with generational change. Wealth tax has been completely abolished as from 1 January 2007. This increases incentives for companies and private individuals to repatriate capital that can be used to the advantage of their business. But above all, the Government believes that capital that would otherwise have left Sweden will stay. As it will lead to an increased amount of venture capital, the abolition of the wealth tax is an important factor in strengthening enterprise in Sweden.

The Government has recently proposed the introduction of a possibility of tax relief for household services from 1 July 2007. Work is also under way on developing proposals for reduced employer's social security contributions in certain service sectors.

The central objective of government policy is to permanently increase employment. Tax policy has therefore been given the focus of making work more worthwhile. A first step was taken as early as 1 January 2007 in the tax deduction for work.

Monetary policy

Sweden's economic performance during the year was as in previous year characterized by high growth and low inflation. The robust demand developments resulted in a growth rate of some 4,2 per cent in 2006.

Inflation averaged 1.4 per cent in terms of the increase in consumer price index, and to 1.2 per cent when measured as underlying inflation rate, UNDI. The low rate of price increases was mainly due to continued high productivity growth but also to slightly falling prices on imported goods and services. The Riksbank increased the repo rate by 0.25 percentage points on six occasions in 2006 resulting in an increase from 1.5 to 3,0 per cent at the end of the year. The aim of ensuring inflation in line with the inflation target in the coming years and to assist to a balanced development of the real economy were the main reasons for these decisions. In addition the Executive Board also aimed at contributing to a more gentle adjustment process for house prices and consumer borrowing since they had increased for some years at a rate that was not considered to be sustainable in the long run.

ii) Five Year Economic Data

a. Gross Domestic Product and National Income

The following tables set forth for the years indicated Sweden's gross domestic product, goods and services (including net imports) available for domestic expenditure, and total domestic expenditure.

Gross Domestic Product ⁽¹⁾					
	2002	2003	2004	2005	2006
Gross Domestic Product	(2) 2 371 606	2 459 413	2 565 056	2 670 547	2 831 746
Gross Domestic Product	(3) 2 285 726	2 324 425	2 420 347	2 490 615	2 594 878
Percentage Change over Previous Period	(3) 2,0	1,7	4,1	2,9	4,2
Per Capita Gross Domestic Product	(4) 256,1	259,5	269,1	275,8	286,4

- (1) Market prices
(2) Current prices, millions of kronor
(3) Constant 2000 prices, millions of kronor
(4) Constant 2000 prices, thousands of kronor

Domestic Expenditure							% of GDP at 2000 prices ⁽¹⁾		
	At 2000 prices (millions of kronor) ⁽¹⁾					At current prices 2006	2000 prices ⁽¹⁾		
	2002	2003	2004	2005	2006		2002	2006	
Goods and Services Available for Domestic Expenditure									
Gross Domestic Product (2)	2 285 726	2 324 425	2 420 347	2 490 615	2 594 878	2 831 746	100,0	100,0	
Plus: Imports of goods and services	848 275	891 040	953 672	1 019 635	1 100 026	1 224 536	37,1	42,4	
Total supply of goods and services	3 133 526	3 215 066	3 372 901	3 508 241	3 692 875	4 056 282	137,1	142,3	
Less: Exports of goods and services	1 035 241	1 082 341	1 202 989	1 282 970	1 394 533	1 451 304	45,3	53,7	
Total goods and services available for domestic expenditure	2 098 294	2 133 633	2 176 374	2 234 913	2 312 083	2 604 978	91,8	89,1	
Domestic Expenditure									
Consumption									
Private sector consumption	1 118 087	1 137 982	1 163 211	1 190 604	1 223 772	1 338 173	48,9	47,2	
Public sector consumption	602 929	607 031	609 455	611 219	622 311	759 229	26,4	24,0	
Total consumption	1 721 016	1 745 013	1 772 666	1 801 823	1 846 083	2 097 402	75,3	71,1	
Gross fixed capital formation:									
Building and construction	146 437	143 336	152 445	159 739	177 044	223 233	6,4	6,8	
Others	228 089	235 552	250 851	277 159	293 188	284 071	10,0	11,3	
Total gross fixed capital formation	374 526	378 888	403 296	436 898	470 232	507 304	16,4	18,1	
Changes in inventories (3)	1 647	9 211	1 051	-1 654	-2 587	273	0,1	-0,1	
Total domestic expenditure	2 098 294	2 133 633	2 176 374	2 234 913	2 312 083	2 604 978	91,8	89,1	

- (1) Due to chained time series the details will not add to aggregates.
(2) Market price.
(3) Incl. valuables

b. Industrial Structure and the State of Major Industries

		Gross Domestic Product per Sector					% of GDP	
		At Current Prices (millions of kronor)					2002	2006
		2002	2003	2004	2005	2006		
Agriculture		13 304	13 074	12 545	8 606	8 651	0,6	0,3
Forestry		24 082	25 212	26 485	18 855	26 359	1,2	1,1
Fishing		609	524	489	508	585	0,0	0,0
Mining and quarrying		4 916	5 878	7 615	10 377	13 619	0,2	0,6
Manufacturing		419 442	423 443	443 093	465 847	503 926	20,2	20,4
Electricity, gas and water		54 189	59 159	67 859	70 186	76 811	2,6	3,1
Construction		91 809	93 304	101 767	111 110	123 874	4,4	5,0
Wholesale and retail trade		216 622	227 924	240 286	256 919	272 796	10,4	11,0
Restaurants and hotels		32 454	32 844	33 153	35 113	37 373	1,6	1,5
Transport and storage		101 459	105 883	110 379	116 247	122 312	4,9	4,9
Communications		53 043	53 839	51 895	50 788	51 144	2,6	2,1
Finance and insurance		79 805	79 700	101 223	88 352	85 805	3,8	3,5
Real estate		214 987	220 357	205 271	217 627	220 008	10,4	8,9
Business service		202 399	209 683	224 948	240 247	260 130	9,8	10,5
Social and other services	(1)	534 339	567 954	586 078	604 393	635 733	25,8	25,7
Other products		31 262	32 470	34 218	35 065	36 494	1,5	1,5
Discrepancy	(2)	0	0	0	0	0	0,0	0,0
GDP at producer prices		2 074 721	2 151 248	2 247 304	2 330 240	2 475 620	100,0	100,0
Indirect taxes less subsidies	(3)	296 885	308 165	317 752	340 307	356 126		
GDP at market prices		2 371 606	2 459 413	2 565 056	2 670 547	2 831 746		

- (1) Including total production of producers of government services.
- (2) Discrepancy between calculations of GDP based on statistics obtained from producers and GDP based on expenditure statistics.
- (3) Indirect taxes and subsidies on commodities only.

Developments in Manufacturing

	2002	2003	2004	2005	2006
Industrial production index, manufacturing 2000 = 100	100	102	107	110	115
Industrial production index, manufacturing % change (1)	1	2	4	2	5
Industrial production index, capital goods industry, 2000 = 100	101	105	113	120	128
Industrial production index, capital goods industry, % change (1)	3	4	7	6	7

- (1) Percentage change over previous period.

c. Price Trends

Indices of prices, wages and disposable income per capita are set forth below for the periods indicated.

Indices of Prices, Wages and Disposable Income Per Capita

Period	Consumer price index	%change over prior period	Wholesale price index ⁽¹⁾	% change over prior period	Industrial wage index ⁽²⁾ (1st quarter 1994=100)	% change over prior period	Disposable income per capita (2000=100)	% change over prior period
	(1980=100)	period	(1990=100)	period	1994=100)	period	(2000=100)	period
2002	272,8	2,1	131,7	0,5	138,2	3,8	113,5	4,9
2003	278,1	1,9	130,6	-0,8	142,3	3,0	116,5	2,6
2004	279,2	0,4	133,7	2,4	146,0	2,6	118,6	1,8
2005	280,4	0,4	140,4	5,0	150,6	3,2	121,4	2,4
2006	284,2	1,4	147,9	5,3	155,3	3,1	124,6	2,6

(1) Referred to in official Swedish publications as the price index for domestic supply.

(2) Referred to in official Swedish publications as Index number for wage earners in mining, manufacturing, energy and water supply. Excluding social security contributions, payroll taxes and certain non-recurring items.

d. Employment and Labor

	Labour Force ⁽¹⁾					
	Labor Force		Employed		Unemployed	Labor Market Policy Measures ⁽²⁾
	Total	Men	Total	Men		
(thousands)	(% of total)	(thousands)	(% of total)	(% of labor force)	(% of labor force)	
2002	4 421	52,0	4 244	51,8	4,0	2,6
2003	4 450	52,0	4 234	51,8	4,9	2,1
2004	4 459	52,0	4 213	51,8	5,5	2,4
2005	4 533	52,3	4 263	52,2	6,0	2,7
2006	4 586	52,4	4 341	52,4	5,4	3,0

Yearly average based on monthly

(1) measurements.

(2) Active Labour Market Policy Measures Excluding Programs for Handicapped.

Source: Labour Force Survey, Statistics Sweden and the Swedish National Labour Market Board.

Employment by Major Sector

	(thousands)					% of total	
	2002	2003	2004	2005	2006	2002	2006
Agriculture, forestry, fishing etc.	91	89	90	86	86	2,1	2,0
Industry	747	723	711	686	686	17,6	15,8
Construction	235	239	243	253	271	5,6	6,2
Wholesale trade and Communications	800	802	795	804	810	18,9	18,7
Financial institutions and Insurance	611	593	589	611	633	14,4	14,6
Education	391	516	515	523	534	9,2	12,3
Health Care	792	687	683	708	701	18,7	16,2
Personal service	330	338	338	345	361	7,8	8,3
Public Administration and Defence	241	243	246	238	249	5,7	5,7
Total	4 238	4 230	4 207	4 254	4 332	100,0	100,0

Source: Labour Force Survey, Statistics Sweden

e. Social Services

Sweden has a comprehensive system of social services including public health, child allowances, housing subsidies, and several forms of social security insurance. The responsibility for social services is shared between the Central Government and the local authorities. The Central Government finances the basic pension program, child allowances and housing subsidies through the Budget. The various forms of social service insurance are financed entirely or partly by contributions from employers, but the employees are paying an increasing share. County councils local governments with direct elections and independent power of taxation - administer the public health service.

Health and medical care, schools and community services must maintain high standards and be available to all. Availability must be determined by need. For this to become a reality, stable funding is needed.

3. FOREIGN TRADE AND BALANCE OF PAYMENTS

i) Outline

The Swedish economy is significantly dependent on foreign trade. Between 2002 and 2005 imports and exports of goods have averaged 34 per cent and 38 per cent of GDP, respectively. Whereas the rates of growth in the value of imports and exports have varied substantially from year to year, giving rise to substantial variations in Sweden's balance of trade, the average annual rates of growth over these four years have been approximately 3,4 per cent for exports and imports respectively.

ii) Foreign Trade and Balance of Payments 2002 – 2006

BALANCE OF TRADE						
<u>Year</u>	Exports (f.o.b-in millions of kronor)	% increase over prior correspondin g period	Imports (c.i.f-in millions of kronor)	% increase over prior corresponding period	Balance of trade (in millions of kronor)	Exports as % of imports
2002	805 696	0	656 664	-1	149 033	123
2003	825 850	3	679 329	3	146 521	122
2004	904 532	10	739 203	9	165 329	122
2005	970 815	7	832 640	13	138 174	117
2006	1 085 287	12	935 675	12	149 612	116

a. Imports and Exports by Commodities and Regions

FOREIGN TRADE BY COMMODITY GROUP

	Year ended December 31									
	2002		2003		2004		2005		2006	
	(millions of Skr)	%	(millions of Skr)	%	(millions of Skr)	%	(millions of Skr)	%	(millions of Skr)	%
Exports (f.o.b.)										
Food Products, Beverage and Tobacco	26 508	3	27 898	3	30 687	3	34 606	4	38 815	4
Wood Products	22 617	3	22 255	3	22 009	2	24 078	2	27 137	3
Pulp	14 459	2	13 686	2	14 870	2	14 356	1	15 084	1
Paper and Board	66 894	8	66 624	8	66 686	7	69 164	7	72 837	7
Petroleum Products	21 814	3	25 343	3	33 517	4	46 811	5	60 527	6
Coal and other Fuels	1 805	0	2 806	0	3 973	0	5 626	1	4 691	0
Iron and Steel	40 518	5	41 645	5	51 644	6	57 825	6	61 777	6
Iron Ore	3 761	0	4 000	0	4 897	1	8 389	1	9 938	1
Non-Ferrous Metals	12 019	1	11 417	1	14 003	2	15 543	2	22 431	2
Other Minerals	3 084	0	3 154	0	4 390	0	5 400	1	8 910	1
Other Raw Materials	2 693	0	2 443	0	2 313	0	2 316	0	2 627	0
Manufactured Metal	24 242	3	24 303	3	26 340	3	27 384	3	31 085	3
Machinery and Equipment	256 966	32	251 542	30	277 198	31	295 155	30	321 864	30
Motor Vehicles and Spare Parts	108 989	14	120 291	15	135 928	15	137 461	14	152 144	14
Ships	2 941	0	3 549	0	2 545	0	2 956	0	3 053	0
Chemicals and Plastics	90 279	11	98 966	12	103 580	11	109 051	11	124 759	11
Clothes, Shoes and Leather	8 750	1	9 312	1	9 505	1	10 058	1	11 875	1
Other Manufactured Products	95 730	12	94 768	11	98 364	11	102 018	11	112 528	10
Other Products	1 627	0	1 849	0	2 082	0	2 617	0	3 204	0
Total Exports	805 696	100	825 850	100	904 532	100	970 815	100	1 085 287	100

Year ended December 31

	2002		2003		2004		2005		2006	
	(millions of Skr)	%	(millions of Skr)	%	(millions of Skr)	%	(millions of Skr)	%	(millions of Skr)	%
Imports (c.i.f.) by country of consignment										
Food Products, Beverage and Tobacco	51 425	8	53 347	8	56 554	8	62 250	7	70 608	8
Wood Products	6 180	1	6 296	1	6 529	1	6 771	1	6 236	1
Pulp	2 324	0	2 242	0	2 312	0	2 515	0	2 656	0
Paper and Board	9 604	1	10 188	1	10 814	1	12 121	1	12 821	1
Petroleum Products	17 302	3	19 710	3	23 666	3	34 517	4	39 412	4
Crude Oil	33 057	5	35 690	5	41 270	6	56 368	7	65 255	7
Coal and other Fuels	6 212	1	9 858	1	6 943	1	7 450	1	11 391	1
Iron and Steel	23 450	4	25 982	4	33 646	5	38 409	5	39 386	4
Non-Ferrous Metals	11 877	2	11 405	2	13 535	2	15 125	2	23 609	3
Other Minerals	6 829	1	5 887	1	9 435	1	10 320	1	14 462	2
Other Raw Materials	7 728	1	7 503	1	7 736	1	7 471	1	8 250	1
Manufactured Metal	18 921	3	19 370	3	20 563	3	23 211	3	26 500	3
Machinery and Equipment	191 982	29	189 460	28	206 653	28	227 345	27	250 756	27
Motor Vehicles and Spare Parts	72 480	11	79 050	12	87 883	12	95 184	11	105 860	11
Ships	3 307	1	5 868	1	4 216	1	6 101	1	7 892	1
Chemicals and Plastics	70 402	11	74 128	11	79 295	11	88 589	11	97 858	10
Clothes, Shoes and Leather	27 592	4	27 172	4	27 349	4	28 733	3	31 525	3
Other Manufactured Products	95 854	15	96 015	14	100 644	14	109 934	13	120 753	13
Other Products	136	0	160	0	158	0	224	0	446	0
Total Imports	656 664	100	679 329	100	739 203	100	832 640	100	935 675	100

GEOGRAPHIC DISTRIBUTION OF FOREIGN TRADE

Year ended December 31

	2002		2003		2004		2005		2006	
	millions of Skr	%	millions of Skr	%	millions of Skr	%	millions of Skr	%	millions of Skr	%
Exports (f.o.b.)										
European Union (EU)										
United Kingdom	65 985	8	64 036	8	70 581	8	75 607	8	78 663	7
Germany	80 775	10	82 210	10	92 055	10	100 703	10	107 966	10
Denmark	49 096	6	52 766	6	60 320	7	66 838	7	78 079	7
Finland	45 682	6	47 102	6	51 628	6	58 870	6	68 491	6
Other EU countries (1)	191 150	24	197 402	24	215 632	24	221 932	23	259 253	24
Total EU	432 689	54	443 516	54	490 216	54	523 950	54	592 451	55
European Free Trade Association (EFTA)										
Norway	69 781	9	71 167	9	78 137	9	83 655	9	99 128	9
Other EFTA countries (2)	12 300	2	11 087	1	12 340	1	12 635	1	13 407	1
Total EFTA	82 081	10	82 254	10	90 478	10	96 290	10	112 535	10
Central and Eastern Europe										
Russia	11 065	1	11 359	1	13 623	2	15 987	2	17 849	2
United States	91 829	11	94 850	11	96 594	11	102 732	11	100 755	9
Japan	19 116	2	16 109	2	16 682	2	14 847	2	16 859	2
State trading countries in Asia and America	15 641	2	18 365	2	19 451	2	19 287	2	21 149	2
OPEC countries	23 198	3	21 460	3	24 029	3	28 785	3	27 458	3
Other countries	92 250	11	97 113	12	109 519	12	121 394	13	135 932	13
Total Exports	805 696	100	825 850	100	904 532	100	970 815	100	1 085 287	100

(1) France, Netherlands, Belgium, Luxembourg, Italy, Ireland, Greece, Spain, Portugal and Austria.

(2) Switzerland, Liechtenstein and Iceland.

GEOGRAPHIC DISTRIBUTION OF FOREIGN TRADE

Year ended December 31

	2002		2003		2004		2005		2006	
	millions of Skr	%	millions of Skr	%	millions of Skr	%	millions of Skr	%	millions of Skr	%
Imports (c.i.f.) by country of consignment										
European Union (EU)										
United Kingdom	57 402	9	54 255	8	55 056	7	57 722	7	58 626	6
Germany	120 218	18	126 176	19	138 294	19	151 262	18	168 752	18
Denmark	59 047	9	62 877	9	68 020	9	79 027	9	90 375	10
Finland	34 464	5	40 017	6	47 346	6	50 009	6	55 338	6
Other EU countries (1)	166 209	25	172 715	25	183 432	25	200 336	24	220 816	24
Total EU	437 341	67	456 040	67	492 149	67	538 358	65	593 906	63
European Free Trade Association (EFTA)										
Norway	52 089	8	52 016	8	56 174	8	68 084	8	79 937	9
Other EFTA countries (2)	10 829	2	9 149	1	8 899	1	8 852	1	9 718	1
Total EFTA	62 918	10	61 165	9	65 073	9	76 936	9	89 655	10
Central and Eastern Europe	35 862	5	41 980	6	48 957	7	57 010	7	66 518	7
Russia	9 801	1	10 518	2	16 103	2	24 730	3	32 135	3
United States	31 886	5	27 159	4	25 562	3	28 182	3	31 493	3
Japan	14 628	2	14 914	2	15 527	2	17 465	2	18 143	2
State trading countries in Asia and America	11 288	2	14 512	2	17 587	2	22 507	3	29 007	3
OPEC countries	7 269	1	8 408	1	6 697	1	8 118	1	6 383	1
Other countries	45 669	7	44 629	7	51 548	7	59 335	7	68 436	7
Total Imports	656 664	100	679 329	100	739 203	100	832 640	100	935 675	100

(1) France, Netherlands, Belgium, Luxembourg, Italy, Ireland, Greece, Spain, Portugal and Austria.

(2) Switzerland, Liechtenstein and Iceland.

b. Trade with Japan

The Swedish export Japan has decreased in recent years. In 2006 the main Swedish export items to Japan were machinery and equipment with 26 percent and chemicals and plastics with 17 percent of total exports. The share of machinery and equipment has decreased from 34 per cent of total exports in year 2002. The main items imported from Japan in 2006 were machinery and equipment with 40 percent and motor vehicles and spare parts with 34 percent of total imports.

FOREIGN TRADE FOR JAPAN BY COMMODITY GROUP

	Year ended December 31,									
	2002		2003		2004		2005		2006	
	millions of kronor	% of kronor	millions of kronor	% of kronor	millions of kronor	% of kronor	millions of kronor	% of kronor	millions of kronor	%
Exports (f.o.b.)										
Food Products, Beverages and Tobacco	277	1	229	1	310	2	244	2	299	2
Wood Products	1 989	10	1 933	12	1 801	11	1 776	12	1 865	11
Pulp	133	1	156	1	180	1	166	1	154	1
Paper and Board	223	1	270	2	315	2	264	2	472	3
Petroleum Products	6	0	6	0	8	0	8	0	11	0
Coal and Other Fuels	1	0	1	0	1	0	1	0	0	0
Iron and Steel	600	3	574	4	899	5	911	6	884	5
Non-Ferrous Metal	19	0	15	0	14	0	13	0	17	0
Other Minerals	108	1	118	1	123	1	100	1	140	1
Iron Ore	0	0	1	0	2	0	9	0	0	0
Other Raw Materials	22	0	14	0	24	0	24	0	27	0
Manufactured Metals	183	1	233	1	243	1	223	1	209	1
Machinery and Equipment	6 499	34	4 514	28	3 681	22	3 533	24	4 405	26
Motor Vehicles and Spare Parts	2 662	14	2 118	13	2 952	18	1 820	12	2 393	14
Ships	14	0	15	0	9	0	11	0	12	0
Chemicals and Plastics	3 203	17	3 162	20	3 275	20	2 797	19	2 927	17
Clothes, Shoes and Leather	21	0	22	0	19	0	26	0	38	0
Other Manufactured Products	3 158	17	2 730	17	2 826	17	2 922	20	3 007	18
Other Products	0	0	0	0	0	0	0	0	0	0
Total Exports	19 116	100	16 109	100	16 682	100	14 847	100	16 859	100

	2002		2003		2004		2005		2006	
	millions of kronor	%	millions of kronor	%	millions of kronor	%	millions of kronor	%	millions of kronor	%
Imports (c.i.f.)										
Food Products, Beverages and Tobacco	17	0	16	0	18	0	22	0	20	0
Wood Products	0	0	0	0	0	0	0	0	1	0
Pulp	0	0	0	0	0	0	0	0	0	0
Paper and Board	33	0	47	0	41	0	51	0	55	0
Petroleum Products	2	0	5	0	3	0	0	0	0	0
Crude Oil	0	0	0	0	0	0	0	0	0	0
Coal and Other Fuels	0	0	0	0	0	0	231	1	69	0
Iron and Steel	162	1	146	1	135	1	169	1	177	1
Non-Ferrous Metal	13	0	18	0	35	0	47	0	38	0
Other Minerals	9	0	5	0	5	0	9	0	18	0
Other Raw Materials	41	0	35	0	42	0	36	0	44	0
Manufactured Metals	449	3	339	2	386	2	391	2	487	3
Machinery and Equipment	7 018	48	6 140	41	6 539	42	7 727	44	7 330	40
Motor Vehicles and Spare Parts	3 400	23	4 566	31	4 979	32	5 026	29	6 223	34
Ships	1	0	2	0	4	0	0	0	0	0
Chemicals and Plastics	1 821	12	1 983	13	1 790	12	2 311	13	2 020	11
Clothes, Shoes and Leather	21	0	28	0	29	0	30	0	23	0
Other Manufactured Products	1 640	11	1 585	11	1 521	10	1 417	8	1 639	9
Other Products	0	0	0	0	0	0	0	0	0	0
Total Imports	14 628	100	14 914	100	15 527	100	17 465	100	18 143	100

c. Balance of Payments

		Balance of Payments				
		December 31				
		2002	2003	2004	2005	2006
		(billions of Skr)				
Current account		121.2	180.6	176.1	185.6	204.1
	Trade in goods (f.o.b. – f.o.b.)	158.2	150.1	171.0	141.2	153.2
	Net trade of goods	155.4	146.4	165.9	135.3	146.3
	Correction items	2.8	3.7	5.1	5.9	6.9
Services		6.1	17.2	43.3	59.7	73.4
	Transportation	16.0	17.8	23.1	22.5	20.0
	Travel	-25.3	-23.7	-29.1	-25.2	-17.9
	Other services	15.4	23.2	49.3	62.4	71.3
	Compensation of employees	-2.1	-1.8	-1.8	-1.4	-1.5
	Investment income	-9.0	33.2	-1.7	22.3	13.1
	Direct investment	50.3	79.1	39.0	69.2	59.2
	Portfolio investment excl. fin. derivatives	-41.7	-33.5	-29.4	-32.3	-37.6
	Income on equity	2.2	5.9	4.7	5.8	5.4
	Income on debt (interest)	-43.9	-39.4	-34.1	-38.1	-42.9
	Other investment	-17.6	-12.4	-11.3	-14.6	-8.5
	Current transfers	-31.9	-18.1	-34.7	-34.3	-34.0
	Contributions etc. to/from the EU	-15.7	-8.0	-15.5	-14.6	-15.0
	Development assistance grants	-6.5	-5.4	-8.1	-11.4	-9.1
	Other current transfers	-9.8	-4.7	-11.1	-8.4	-9.9
Capital account		-0.7	0.0	0.2	2.4	-19.7
	Contributions etc. to/from the EU, investment	1.6	1.8	1.7	2.2	1.5
	Development assistance grants, investment	-3.1	-2.8	-2.3	-0.2	-4.6
	Other	0.9	1.0	0.8	0.4	-16.6
Financial account		-49.0	-153.4	-172.9	-221.9	-236.2
	Direct investment	15.2	-130.4	-61.7	-122.3	19.4
	Abroad	-103.2	-170.8	-154.2	-198.3	-181.5
	Equity capital	-124.5	-119.8	-86.4	135.8	103.7
	Loans etc.	64.4	24.6	-40.5	22.9	-10.9
	Reinvested earnings	-43.1	-75.7	-27.3	-85.5	-66.9
	In Sweden	118.4	40.4	92.5	76.0	200.9
	Equity capital	98.3	-19.9	-1.2	28.1	75.7
	Loans etc.	21.2	53.1	49.0	9.9	75.1
	Reinvested earnings	-1.1	7.2	44.7	38.0	50.1
	Portfolio investment excl. fin. derivatives	-93.0	-54.8	-167.6	-1.6	-153.5
	Assets (change in Swedish inv. abroad)	-40.9	-108.4	-179.7	-95.3	-252.5
	Equity securities	-4.6	-36.9	-45.1	4.0	-164.7
	Debt securities	-36.3	-71.5	-134.6	-99.4	-87.7
	Liabilities (change in foreign inv. in Sw.)	-52.1	53.6	12.1	93.7	98.9
	Equity securities	21.7	3.1	-0.9	15.2	1.9
	Debt securities	-73.9	50.5	13.0	78.5	97.1
	Financial derivatives	-1.2	8.9	-1.7	-7.2	0.7
	Other investment	37.5	39.3	49.7	-84.7	-92.0
	Assets (change in Swedish inv. abroad)	-50.0	-70.5	-147.8	-90.0	-375.6
	Loans	-58.8	-70.7	-141.7	-87.8	-303.6
	Trade credits & Other	8.8	0.2	-6.1	-2.2	-72.0
	Liabilities (change in foreign inv. in Sw.)	87.4	109.8	197.6	5.3	283.6
	Loans	89.0	119.9	221.4	-37.8	230.5
	Trade credits & Other	-1.6	-10.1	-23.9	43.1	53.1
	Reserve assets	-7.4	-16.4	8.4	-5.9	-10.8
Net errors and omissions		-71.5	-27.3	-3.4	33.9	51.7

d. Changes in International Reserves and Exchange Rate

The following table sets forth the official foreign exchange reserves of Sweden at the dates indicated.

		Foreign Exchange Reserves				
		December 31,				
		2002	2003	2004	2005	2006
		(millions of kronor)				
Gold	(1)	18,210	18,030	17,393	22,235	22,222
SDR	(2)	-	-	-	-	-
Total position with the IMF	(2)	14,306	12,267	10,148	5,729	4,892
ECU-claim on EMI		-	-	-	-	-
Net foreign reserve	(2)	136,288	130,809	135,108	167,429	162,292
<u>Total Reserve</u>		<u>168,804</u>	<u>161,106</u>	<u>162,649</u>	<u>195,393</u>	<u>189,406</u>

(1) From 1998 on valued at market value.

(2) Valued at the market rates in effect at the end of each period.

iii) Foreign Exchange Control

The following table sets forth the average rates for the Swedish krona against the U.S. dollar for the periods indicated, as reported by the Bank for International Settlements (BIS) as the representative rate for the Swedish krona.

Period	Kronor	
	per U.S. dollar	U.S. Cents per krona
2000	9.1713	10.90
2001	10.3432	9.67
2002	9.7194	10.29
2003	8.08259	12.37
2004	7.34526	13.61
2005	7.47815	13.37
2006	7.37929	13.55

Virtually all exchange control regulations were abolished on July 1, 1989. On July 1, 1990 the foreign exchange control law was formally abolished.

4. CURRENCY AND FINANCIAL SYSTEM

i) General Description

a. Central Bank

Sveriges Riksbank, the Central Bank of Sweden (the "Riksbank") is an authority of the Swedish Parliament, the Riksdag. From the beginning of 1999 new laws apply. The new laws give the policy objective of price stability statutory force and strengthen the status of the Riksbank. A full-time Executive Board now manages the Riksbank and makes independent monetary policy decisions. A General Council, with eleven members elected by the Swedish Parliament, appoints the Executive Board and has a controlling function.

Another consequence of the new legislation is that overriding issues in foreign exchange policy are the Government's responsibility and the exchange rate system is decided by the Government, following consultations with the Riksbank. The exchange rate system decided by the Government is then implemented by the Riksbank.

b. Banks and Other Financial Institutions

In December 2006, the banking system consisted of 31 limited banking companies, 25 foreign branch establishments, 68 independent savings banks and 2 member-owned banks. The four largest limited bank companies, Nordea Bank Sverige, SEB, Handelsbanken and Förenings sparbanken (Swedbank), together accounted for approximately 80 per cent of the banks' balance sheet total as of December 31, 2006.

All banking and most other credit institutions as well as insurance companies are supervised by the Financial Supervisory Authority, a Government agency. Most of the major commercial banks have subsidiaries and branches abroad. Since January 1, 1987, Swedish banks have been allowed to open branches abroad and in December 2006, there were 51 branches in operation abroad. Beginning January 1, 1994, the EU regulations on "single license" have been in force in Sweden, implying that foreign-owned banks may open branches in Sweden upon authorization from their home authorities. The rule of "single license" also presupposes that such branches primarily are supervised by these home country authorities.

**The loans outstanding of Sweden's major banks and financial institutions
to non Monetary Financial Institutions**

	December 31,				
	2002	2003	2004	2005	2006
	(billions of kronor)				
Commercial banks	1,410	1,367	1,446	1,729	2,044
Credit market companies	1,435	1,538	1,668	1,828	1,996
Private insurance companies	53	49	47	44	43
National Pension Insurance Fund	5	4	12	11	11
Securities trading companies	5	8	4	6	3
	<u>2,908</u>	<u>2,966</u>	<u>3,177</u>	<u>3,618</u>	<u>4,097</u>

A large part of the long-term credit for housing, local authorities, agriculture and industry is channeled through specialized credit institutions, a majority of them are owned by the State or by one of the four largest limited bank companies. The specialized credit institutions raise funds through long-term bonds and loans.

The National Pension Insurance Fund is one of the most important sources of long-term credits through its role as an institutional investor on the credit market. Private insurance companies also contribute significantly to the supply of long-term credit.

c. Financial Markets

Bond Market

On the investor side, the Swedish bond market is dominated by insurance companies and foreign investors. They are both holding about 37 per cent (December 2006) of the total volume of outstanding bonds.

The government is the single largest borrower in terms of outstanding amount in the bond market with 40 percent bonds outstanding as of December 2006. Housing institutions rank second with 40 per cent. The remaining 20 per cent are issued by local governments, banks and corporations. Total outstanding stock of bonds was about SEK 1900 billion at the end of 2006.

Riksgäldskontoret (the Swedish National Debt Office) is responsible for all government borrowing and issues government bonds through authorized banks and securities firms. Mortgage and corporate bonds are normally purchased outright by banks and securities firms, which sell the bonds to the market and act as market makers on the secondary market.

Trading in bonds takes place mainly through banks and securities firms. The market for government bonds and mortgage bonds, as well as treasury bills, is a telephone and screen-based over-the-counter market. A minor part of the trading takes place on Stockholmsbörsen (the "Stockholm Exchange").

Money Market

The money market is small compared to the bond market. The creation of a money market started in 1980 when the banks were permitted to issue CD's. The real expansion, however, came in 1982 when Riksgäldskontoret started issuing short-term treasury bills. Thereafter the corporate sector started issuing commercial papers.

The total volume of outstanding money market instruments was at the end of 2006 SEK 516 billion, of which treasury bills accounted for slightly less than SEK 260 billion. Commercial papers issued by housing institutions amounted to about SEK 113 billion.

Stock Market

In 2006 the amount of new capital issued at the Stockholmsbörsen (the centre for spot trading in shares) was SEK 15 billion. The aggregate turnover in 2006 amounted to SEK 5,519 billion. At the end of 2006 the number of listed companies on the Stockholmsbörsen was 274. The total market value of all listed shares amounted to SEK 4,227 billion.

ii) Changes in the Money Supply and the Official Discount Rate

a. Monetary Policy

The Riksbank's main instrument for influencing interest rates and the liquidity in the monetary system is open market operations, i.e., repurchase and reverse repurchase agreements. The Riksbank also has the authority to use a cash reserve requirement for banks; however, the cash reserve requirement has been zero for some ten years.

When implementing monetary policy the Riksbank focuses on the repo rate (i.e. the interest rate at which liquidity is drained or supplied through repurchase agreements/reverse repurchase agreements). The repo rate is used to control short-term money market interest rates. The Riksbank also offers the banks the opportunity to deposit and borrow at predetermined rates overnight, the deposit and lending rates. These are always 75 basis points (0.75 percentage points) above and below the repo rate respectively.

After nearly 120 years of various forms of fixed exchange rate regimes, the Riksbank on November 19, 1992 was forced to abandon the fixed exchange rate and let the krona float. To clarify that price stability continued to be the ultimate target of monetary policy after the conversion to a floating exchange rate, the Riksbank announced an inflation target in the beginning of 1993. The Riksbank specified the objective of monetary policy to limit the annual increase in the CPI from 1995 and onwards to 2 percent with a degree of tolerance of +/- 1 percentage point. As of January 1, 1999, the price stability target is established in law.

By announcing an inflation target, the Riksbank has chosen to steer monetary policy directly towards the inflation target. Instead of adopting an intermediate target, such as a monetary growth target, the Riksbank uses a number of indicators of economic activity and anticipated future inflation to assess the appropriate stance for monetary policy.

Money Supply ¹

	2002	2003	2004	2005	2006
	(millions of kronor)				
Notes and coins (excluding bank holdings)	95,827	98,426	98,198	100,374	100,763
Deposits (original maturity ≤ 2 years) and debt securities (original maturity ≤ 2 years)	1,165,495	1,206,042	1,258,536	1,431,001	1,670,514
Total	1,261,322	1,304,468	1,356,734	1,531,376	1,771,277
Percentage increase over corresponding date in prior year	8.3	3.4	4.0	12.9	15.7

¹ In January 2006 the definition of money supply was changed, the figures presented here have been calculated in accordance with the new definition for all years.

b. Reference Rate

The following table sets forth the reference rate as from the indicated dates. Please note that the reference rate is not a monetary policy instrument. The reference rate replaces as from July 1 2002 the earlier official discount rate.

The reference rate is set by the Riksbank at six-monthly intervals and is based on the repo rate applying at the end of the previous six-month period, rounded up to the nearest whole or half percentage point.

January 3, 2001	2.00%
April 3, 2001	1.50%
July 3, 2001	2.00%
October 2, 2001	2.00%
January 3, 2002	1.50%
April 3, 2002	2.00%
July 1, 2002	4.50%
January 1, 2003	4.00%
July 1, 2003	3.00%
January 1, 2004	3.00%
July 1, 2004	2.00%
January 1, 2005	2.00%
July 1, 2005	1.50%
January 1, 2006	1.50%
July 1, 2006	2.50%
January 1, 2007	3.00%

iii) Balance sheet of Sveriges Riksbank

Balance sheet at the end of accounting period

	2006	2005
Assets (million Skr)		
Gold	22,222	22,235
Claims on residents outside Sweden denominated in foreign currency		
Receivables from the IMF	4,892	5,729
Balances with banks and security investments	162,292	167,429
Lending to monetary policy counterparties denominated in Swedish kronor		
Main refinancing operations	6,700	9,600
Fine-tuning operations	267	-
Marginal lending facility	121	1
Securities of residents in Sweden denominated in Swedish kronor	-	-
Other assets		
Tangible and intangible fixed assets	483	512
Financial assets	594	594
Off-balance sheet instruments	379	19
Prepaid expenses and accrued income	2,429	2,183
Other assets	306	305
Total assets	<u>200,685</u>	<u>208,607</u>
Liabilities and Capital (million Skr)		
Banknotes and coins in circulation	112,380	111,075
Liabilities to monetary policy counterparties denominated in Swedish kronor		
Deposit facility	121	23
Fine-tuning operations	-	227
Other deposits	-	-
Liabilities to residents outside Sweden denominated in Swedish kronor	66	94
Liabilities to residents in Sweden denominated in foreign currency	0	0
Liabilities to residents outside Sweden denominated in foreign currency	13,906	10,159
Counterpart of SDRs allocated by the IMF	2,540	2,797
Other liabilities		
Off-balance sheet instruments	6	1
Accrued expenses and deferred income	188	111
Other liabilities	68	82
Provisions	276	289
Revaluation accounts	8,488	23,680
Equity capital		
Capital	1,000	1,000
Reserves	53,769	55,813
Result for the year	<u>7,877</u>	<u>3,256</u>
Total liabilities and capital	<u>200,685</u>	<u>208,607</u>

5. PUBLIC FINANCE

i) Outline of the Public Finance System and the Taxation System

The State Budget Procedure

The first formal action in the budget process is that the Government submits a Spring Fiscal Policy Bill to the Riksdag (the Parliament) in mid-April. The Spring Fiscal Policy Bill contains the Government's proposed guidelines for economic policy and an economic survey for the next three years. In the Spring Fiscal Policy Bill 2001 however, some changes to the Budget Process were made, which implies that the Government do not propose an expenditure ceiling for the year $t+3$ in the spring. In order to concentrate budgetary work to a single occasion each year, the expenditure ceiling and the surplus target for the year $t+3$ will be presented to the Parliament in the autumn in the Budget Bill for the next coming year. The Riksdag considers the Spring Fiscal Policy Bill in April and May and reaches a decision at the beginning of June. In September, the Government presents a Budget Bill to the Riksdag containing an economic policy statement, a revised budget statement and a revised economic survey. The Riksdag will then normally approve the Budget Bill in December.

The Swedish constitution provides that the approval of the Riksdag is required for Government's expenditures, taxation and borrowing. As a rule, the Spring Fiscal Policy Bill and the Budget Bill also contains a supplementary budget with proposed changes in appropriations for the current year.

The Government's accounts are subject to audits and control by the National Audit Office (NAO). The Government's closed accounts are published within six months after the end of the fiscal year.

The Fiscal Policy Targets

Major changes have taken place in the Swedish budget process during the last ten years. Large budget deficit at the beginning of the 1990s was made worse by poor budget discipline. In order not to get into the same situation again a new budget process was introduced 1997.

Since 1997 two overriding targets guide the fiscal- and budget policies:

- 1) Public finances shall show a surplus of 2 per cent of GDP on average over a business cycle.
- 2) Expenditure shall not exceed the set expenditure ceilings.

1) *Surplus in public finances*

The long-term budget target is a surplus of 2 per cent of GDP on average over a business cycle. Surplus in public finances means that general government net debt is being reduced. The surplus target entails that public finances are required to show a surplus of 2 per cent of GDP on average over a business cycle. This implies that a surplus of less than 2 per cent can be allowed in an economic slowdown, so as to help sustain private sector income levels and limit the downturn. The surplus in 2006 was 3.1 percent of GDP.

General Government Finances 2002-2006

Per cent of GDP

	2002	2003	2004	2005	2006
Expenditure ratio	55,4	55,6	54,1	53,8	52,7
Income ratio	53,9	54,5	54,7	55,7	54,8
Tax ratio	(1) 48,9	49,4	49,8	50,6	49,8
Net lending	-1,5	-1,1	0,6	1,9	2,1
Net debt	6,9	3,9	1,2	-3,9	-15,6
Consolidated gross debt	(2) 53,7	53,5	52,4	52,2	46,9

(1) Including taxes to EU

(2) Measured according to the Maastricht rules

Source: Statistic Sweden and Ministry of Finance

2) *The expenditure ceilings*

The Swedish budget process has still a three-year time horizon, though there are some small changes that were introduced in 2002. Previously, in the Spring Fiscal Policy Bill, the government presented an expenditure ceiling for the budget three years ahead. However, since the Budget Bill for 2004 and after a decision by the Parliament, the expenditure ceiling is presented to the Parliament in the autumn. The purpose of this is to concentrate the budgetary work to a single occasion during the year. The Central Government's expenditure ceiling includes all expenditures in the Central Government Budget except interest on Central Government Debt (expenditure area 26). Interest on Central Government Debt is not included in the expenditure ceiling, as it can not be influenced in the short run. The expenditure ceiling includes on the other hand the extra-budgetary old age pension system. The expenditures have been remained below the ceiling every year since the introduction of the ceiling restriction in 1997.

The expenditure ceiling 2002-2006

SEK billion, current prices

	2002	2003	2004	2005	2006
Ceiling restricted expenditures	812	819	856	864	895
Budget margin	0,4	3	2	6	12
Expenditure ceiling	812	822	858	870	907
Expenditure ceiling per cent of GDP	34	33	33	33	32

Source: Ministry of Finance

Budget balance and the Central Government Debt

Since 1997 the budget balance is equivalent to the net borrowing requirement (with the opposite sign). Positive budget balance means amortization on the Central Government Debt. Year 1998 was the first year since 1989 with a positive budget balance. Year 1999 showed a budget balance surplus of SEK 82 billion. In 2000, 2001 and 2002 the surpluses of the budget balance were 102, 39 and 1 billions respectively. The deficit in 2003 and 2004 was 47 SEK billion and 50 SEK billion. The large surplus in 2000 was mostly due to the revenue from sale of shares in Telia. In 2005 the surplus was 14 SEK billion and in 2006 it was 18 SEK billion.

At the end of 2006 the Central Government Debt was SEK 1,220 billion, which is SEK 40 billion less than the year before. As shown in the table below the debt ratio has decreased from 49 per cent of GDP 2002 to 43 percent 2006.

Central Government Debt

Central Government Debt 2002-2006

SEK billion, current prices

	2002	2003	2004	2005	2006
Budget balance-net borrowing requirement	-3	47	51	-14	-18
Central Government Debt	1 165	1 186	1 213	1 262	1 220
<i>Central Government Debt per cent of GDP</i>	<i>49</i>	<i>48</i>	<i>47</i>	<i>47</i>	<i>43</i>

Source: The Swedish National Debt Office and Ministry of Finance

The Central Government Revenues and Expenditures

The tables on the following pages show the principal categories of the Central Government's revenues and expenditures for each of the fiscal years 2002, 2003, 2004, 2005 and 2006.

iii) General Account

Central Government Revenues and Expenditures⁽¹⁾

	Fiscal Years				
	2002	2003	2004	2005	2006
	(millions of Skr)				
Revenues					
Taxes:					
Taxes on income, capital gains and profits	(2) 65 100	29 700	45 700	85 300	122 900
Statutory social securities fees	249 800	259 000	266 000	271 400	284 100
Taxes on property	40 200	36 100	37 100	37 800	39 300
Value added tax	198 300	205 100	213 200	228 500	242 800
Petrol tax	(3) -	-	-	-	-
Tobacco tax	8 400	8 200	8 200	8 100	8 400
Alcoholic beverage tax	11 100	11 000	10 200	10 100	10 900
Tax on energy consumption	56 500	58 100	60 500	69 500	63 500
Taxes on road traffic	7 400	8 300	8 800	11 000	11 900
Other taxes	22 600	7 100	-12 800	-39 400	-39 300
Total taxes	659 400	622 600	642 600	682 300	744 500
Non-tax revenues					
Operating surpluses	(4) 31 300	11 400	10 300	10 900	7 000
Interest received by the Government	4 700	4 800	4 600	5 800	6 000
Other non-tax revenues	(5) 13 100	13 100	20 200	16 500	30 400
Total non-tax revenues	49 100	29 200	35 100	33 200	43 400
Capital revenues	100	0	100	6 700	100
Loan repayment	2 700	2 500	2 400	2 300	2 100
Computed revenues	(6) 9 900	9 500	8 300	8 700	7 800
Contributions from the European Union	9 300	12 000	11 600	12 600	12 400
Total other revenues	22 000	24 000	22 400	30 300	22 400
Total Revenues	730 500	661 700	694 400	745 800	810 300
Exenditures					
The Swedish political system	7 333	7 505	7 539	7 673	8 199
Economy and fiscal administration	8 838	8 957	9 221	10 972	11 832
Tax administration and collection	8 049	8 284	8 569	8 572	9 011
Justice	24 052	25 513	26 318	27 025	28 505
Foreign policy administration and international co-operation	1 137	1 115	1 267	1 365	1 426
Total defence	44 588	45 129	42 846	43 591	43 771
International development assistance	15 684	15 912	19 907	22 260	25 893
Immigrants and refugees	6 695	7 724	7 466	6 918	7 853
Health care, medical care, social services	31 040	34 068	36 809	38 473	42 176
Financial security in the event of illness and disability	112 889	121 464	122 916	127 049	125 683
Financial security in old age	33 794	51 954	51 229	46 120	45 019
Financial security for families and children	50 197	52 223	53 925	55 467	60 066
Financial security in the event of unemployment	60 968	64 228	67 481	69 568	68 280
Labour market and working life	1 066	1 128	1 091	1 153	1 216
Study support	20 668	19 863	20 833	19 779	20 137
Education and university research	40 871	42 046	43 981	43 695	46 495
Culture, the media, religious organisations and leisure	8 095	8 352	8 739	8 968	9 585
Planning, housing supply and construction	8 736	8 805	8 723	8 737	8 742
Regional balance and development	3 388	3 851	3 301	3 286	3 332
General environment and conservation	2 934	2 754	3 330	4 254	4 822
Energy	2 253	1 906	2 069	1 396	1 603
Communications	24 361	24 851	29 144	31 833	31 133
Agriculture and forestry, fisheries etc.	13 922	9 615	12 219	17 408	20 985
Business sector	3 453	3 330	3 690	3 775	4 134
General grant to municipalities	102 333	72 400	69 834	57 325	60 246

Interest on Central Government Debt. etc.	67 340	42 173	52 718	32 657	49 472
Contribution to the European Community	20 648	18 322	25 563	25 635	25 920
Total expenditures (all areas of expenditure)	<u>725 300</u>	<u>703 500</u>	<u>740 700</u>	<u>725 000</u>	<u>765 500</u>
Budget deficit	-5 200	41 800	46 300	-20 800	-44 800
Transactions outside closed accounts	-	-	-	-	-
Net lending by Riksgäldskontoret	50 300	12 100	10 300	10 100	27 500
Adjustment to cash basis	(7) -57 300	-21 000	-10 100	-5 400	-1 100
Transfer from the National Pension Fund	(8) 8 700	13 700	4 000	2 000	0
Net borrowing requirement	(9) <u>-3 500</u>	<u>46 600</u>	<u>50 500</u>	<u>-14 100</u>	<u>-18 400</u>

(1) No receipts/revenues are pledged or otherwise specifically allocated to any issue registered.

(2)	2002	2003	2004	2005	2006
Net personal income taxes	-17 200	-38 000	-26 900	-17 100	-3 500
Corporate income taxes	76 500	62 900	67 200	95 800	120 700
Other income taxes	5 700	4 900	5 400	6 600	5 800

(3) From 1995/96 Petrol tax is included in tax on energy consumption.

(4) Primarily net surplus of public enterprises, other agencies and the Riksbank and income from lotteries, etc.

(5) Primarily revenues from real estate investments, dividends on state-owned shares, administrative fees and changes and revenues from sales.

(6) Primarily cash payments by public utilities to the Government representing depreciation on capital funds invested in them by the state and revenues and expenditures for Government pensions. Expenditures for Government pensions can be in excess of revenues and therefore the remainder of this revenue heading can be in excess of revenues and can show a deficit.

(7) Excluding Transfer from National Pension Fund.

(8) The old-age pension reform has taken on a partially new role as of 1999. The funding responsibility for disability and survivor pensions has been transferred to the Central Government budget.

(9) As of 1997, the Net borrowing requirement is identical to the Central Government budget balance. A negative Net borrowing requirement is equivalent with a budget balance surplus.

iii) Outline of State Enterprises

The enterprises in the Central Government sector are classified as public utilities. State-owned companies and credit institutions.

<i>Billions of Skr</i>	State Enterprises with a majority interest				
	2002	2003	2004	2005	2006
Turnover	337,5	298,8	303,5	311,3	338,8
Dividends	10,1	12,5	17,2	26,5	36,3
Number of employees, thousands	199,0	205,0	195,2	187,5	182,3

There are three public utilities, consisting of the Swedish National Grid, National Civil Aviation Administration and Swedish Maritime Administration. These public utilities are all Central Government agencies and are not separate legal entities. The public utilities are expected to cover their operating costs (including depreciation of capital) from their current revenues as well as showing some yield on invested capital. The annual net surplus of the public utilities, taken as a whole, is included as an item of revenue in the Central Government budget. The Swedish State Railways was divided into three companies SJ AB, Green Cargo AB and AB Swedcarrier in 2001. SJ AB operates passenger services, Green Cargo AB operates cargo services and AB Swedcarrier is a holding company for other state owned companies with activities in the railway sector. The current State Railways is a commercial

entity within the Swedish State mainly managing leasing Agreements on rolling stock which could not be forwarded to SJ AB and Green Cargo AB.

The Central Government is one of the largest owners of companies and controls several of the major companies in Sweden, regarding turnover as well as the number of employees. The State enterprises, which include the public utilities and the State-owned companies comprise of 55 companies in 2006 compared with 74 in 1996. The depreciation depends mainly on the fact that the shares in these companies have been sold to the public. The State-owned companies are divided into different categories depending on the reasons of the State-ownership.

iv) Special Accounts and Public Enterprises

a) Special Accounts

Not applicable

b) Revenues and income after net interest of Public Utilities

Revenues and income after net interest of Public Utilities

	Calendar year		
	2004	2005	2006
	(millions of Skr)		
Revenues:			
Swedish maritime administration	1 554	1 589	1 646
National Civil Aviation Administration	5 821	5 683	5 980
State Railways		347	295
Swedish National Grid	3 990	5 885	6 638
Total	<u>11 365</u>	<u>13 504</u>	<u>14 559</u>
Income after net interest:			
National Administration of Shipping and Navigation	143	120	38
National Civil Aviation Administration	124	238	447
State Railways		96	58
Swedish National Grid	553	883	638
Total	<u>820</u>	<u>1 337</u>	<u>1 181</u>

(1) The following items are deducted from "Revenues" in order to arrive at "Income after net interest". All operating expenses, depreciations on assets and interest (net). Extraordinary income and extraordinary expenses and taxes on net profit are however not deducted.

c) Sinking fund

Not applicable

6. PUBLIC DEBT

i) Outline

	2002	2003	2004	2005	2006
	(millions of kronor)				
Change in public debt	500	32 465	-70 013	53 566	-1 169 109
Central Government total revenues	730 500	661 700	694 400	745 800	810 300
Ratio %	0,1	4,9	-10,1	7,2	-144,3

ii) Public Debt

	Public Debt⁽¹⁾						
	December 31,						
	Funded Debt ⁽²⁾		Total ⁽³⁾	Floating Debt ⁽²⁾		Total ⁽³⁾	Total Debt ⁽³⁾
Internal	External ⁽³⁾	Internal		External ⁽³⁾			
	(millions of kronor)						
2002	692 183	196 975	889 158	263 071	862	263 933	1 153 091
2003	749 840	170 539	920 379	265 177	0	265 177	1 185 556
2004	810 000	159 213	969 213	146 330	0	146 330	1 115 543
2005	816 510	159 213	975 723	189 465	3 921	193 386	1 169 109
2006	811 597	131 263	942 861	192 337	0	192 337	1 135 198

- (1) Such debt does not include debt of State-owned companies, public enterprises or local authorities.
- (2) Funded debt consists of debt which matures one year or more from the date of incurrence. Debt with maturity of 360 days is considered as one year debt. Floating debt consists of debt which matures less one year from the date of incurrence or which is payable on demand or on less than one year's notice by the holder of such debt.
- (3) Translations of amounts in foreign currencies to amounts in kronor have been made at exchange rates effect on the dates shown.

Debt Guaranteed by the Kingdom of Sweden

	December 31				
	2002	2003	2004	2005	2006
	(millions of SEK)				
Internal	583 857	587 110	598 123	610 083	652 774
External	(1) 109 067	117 626	104 694	113 090	103 591
Total	692 924	704 736	702 817	723 173	756 365

- (1) Transformation of amounts in foreign currencies to amounts in kronor have been made at exchange rates on the dates shown.

iii) 1. Direct debt

a. Internal debt

Internal funded debt as of December 31, 2006⁽¹⁾

(Payable in Swedish kronor)

Title and Interest Rate	Date of Issue	Year of final maturity	Principal amount outstanding
(thousands of Skr)			
Treasury Bonds:			
8% of 1995	8/15 1995	2007	39 191 220
6.5% of 1997	5/5 1997	2008	59 786 505
Index linked 4% bonds of 1995	(2) 12/1 1995	2008	31 166 996
9% of 1993	4/20 1993	2009	1 040 320
5% of 1998	1/28 1998	2009	74 624 910
4% of 2004	3/15 2004	2009	49 989 845
5.25% of 2000	11/8 2000	2011	71 037 085
5.5% of 2002	3/13 2002	2012	44 695 550
Index linked 1% bonds of 2005	9/27 2005	2012	22 397 360
6.75% of 1997	5/5 1997	2014	51 746 965
Index linked zero coupon bonds of 1994	(2) 4/1 1994	2014	7 299 268
Index linked 3.5% bonds of 1998	(2) 12/1 1998	2015	68 333 756
4,5% of 2004	9/6 2004	2015	36 489 260
3% of 2005	9/19 2005	2016	38 987 310
3,75% of 2006	9/15 2006	2017	35 020 320
Index linked 4% bonds of 1995	(2) 12/1 1995	2020	42 030 780
5% of 2004	1/28 2004	2020	47 701 460
Index linked 3.5% bonds of 1997	(2) 12/1 1997	2028	3 495
Index linked 3.5% bonds of 1998	(2) 12/1 1998	2028	44 108 821
Assigned bonds 2005-2006		2007	1 500 000
Assigned bonds 2005-2006		2008	1 393 664
Assigned bonds 2005-2006		2009	550 000
Assigned bonds 2005-2006		2010	700 000
Assigned bonds 2005-2006		2011	250 000
Assigned bonds 2005-2006		2015	351 725
Total Treasury Bonds			770 396 615
Lottery Bonds:⁽³⁾			
2.8% of 2002	12/13 2002	2007	3 500 000
2% to 6% of 1999	(4) 4/26 1999	2007	3 700 000
1.8% of 2004	11/5 2004	2007	4 900 000
2.40% of 2003	5/21 2003	2008	4 200 000
3.3% of 1998	11/27 1998	2008	3 900 000
2.3% of 2004	4/20 2004	2009	4 600 000
1.8% of 2005	4/22 2005	2009	4 800 000
2.0% of 2006	12/6 2006	2010	4 200 000
1.5% of 2005	11/30 2005	2010	3 800 000
2.0% of 2006	7/6 2006	2011	3 600 000
Total Lottery Bonds			41 200 000
Total Internal Funded Debt			<u>811 596 615</u>

(1) No amortization or sinking fund provision.

(2) At time of issue paid in discounted amount.

(3) Lottery bonds do not bear interest; bonds are selected by lot (two or three times a year) to receive prizes. The interest rates indicated are the aggregate amount of prizes paid annually as a percentage of the nominal value of the issue. The principal amount of all bonds is paid at maturity.

(4) The aggregate amount of prizes paid annually is floating.

Internal Floating Debt as of December 31, 2006

(Payable in Swedish Kronor)

	<u>Principal amount outstanding</u>
	(thousands of Skr)
Treasury Bills	254 685 055
Swaps in SEK	-144 750 000
Foreign Exchange forwards in SEK	14 335 526
Overnight borrowing	0
Repurchase agreements	44 928 250
National Debt Savings	23 138 120
<u>Total Internal Floating Debt</u>	<u>192 336 951</u>

(1) At time of issue discounted amount.

RECAPITULATION OF INTERNAL DEBT:

Total Funded Debt	<u>811 596 615</u>
Total Floating Debt	<u>192 336 951</u>
Total Internal Debt	<u>1 003 933 566</u>

b. External Debt

External Funded Debt as of December 31, 2006

(Payable in Foreign Currencies)

Title and Interest Rate	Date of Issue	Year of Final Maturity	Principal Amount Outstanding	Equivalent in Swedish kronor ⁽¹⁾
				(thousands)
US Dollars				USD
3.375% Bonds of 2003	9/4 2003	2007	500 000	
2,500% Bonds of 2004	2/27 2004	2007	400 000	
3,000% Bonds of 2003	5/12 2003	2008	1 100 000	
6.125% Bonds of 1998	1/2 1998	2008	500 000	
4,0% Bonds of 2005	3/24 2005	2008	600 000	
4,375% Bonds of 2005	10/19 2005	2009	1 250 000	
5,25% Bonds of 2006	5/26 2006	2009	1 200 000	
3.875% Bonds of 2002	10/15 2002	2009	1 300 000	
Serial Zero Coupon Bonds of 1984	(2) 4/4 1984	2009	111 832	
12% Bonds of 1985	2/6 1985	2010	43 396	
3,875% Bonds of 2005	1/25 2005	2010	1 200 000	
4,5% Bonds of 2006	2/7 2006	2011	1 200 000	
11.125% Bonds of 1985	6/12 1985	2015	67 081	
10.25% Bonds of 1985	11/1 1985	2015	7 586	
Total US Dollars			9 479 895	72 414 164
Japanese Yen				JPY
3.4% (AUD) Bonds of 1997	5/6 1997	2007	3 000 000	
Total Japanese Yen			3 000 000	201 699
Swiss Francs				CHF
4% Bonds of 1997	1/31 1997	2007	500 000	
Total Swiss Francs			500 000	2 537 370
Pounds Sterling				GBP
13.5% Bonds of 1983	1/19 1983	2010	44 416	
11% Bonds of 1984	10/17 1984	2012	87 000	
9.75% Bonds of 1985	11/20 1985	2014	80 182	
Total Pounds Sterling			211 598	2 335 920
Euro⁽³⁾				EUR
Bonds of 1997 (FFR)	(4) 2/13 1997	2007	76 225	
6.625% Bonds of 1996 (FFR)	9/30 1996	2008	457 347	
6.5% Bonds of 1996 (DEM)	3/5 1996	2008	102 463	
5.0% Bonds of 1998 (EUR)	1/28 1998	2009	3 000 000	
9.405% Bonds of 1996 (ESP)	4/9 1996	2026	60 101	
Total Euro			3 696 136	32 042 826
Canadian Dollars				CAD
7% Bonds of 1993	12/1 1993	2008	350 000	
Total Canadian Dollars			350 000	2 212 350
New Zealand dollars				NZD
7% Bonds of 2005	11/21 2005	2007	200 000	
6,125% Bonds of 2005	9/20 2005	2010	150 000	
Total New Zealand Dollars			350 000	1 926 361

Australian Dollar				AUD
7.875% Bonds of 1997	4/23	1997	2007	100 000
5,25% Bonds of 2005	9/12	2005	2008	150 000
4,96% Bonds of 2004	10/21	2004	2008	108 000
6% Bonds of 2006	11/16	2006	2009	200 000
5,75% Bonds of 2005	3/3	2005	2015	200 000
Total Australian Dollar				<u>758 000</u> <u>4 258 273</u>
Sum public Debt				<u>117 928 963</u>
Non public funded debt				<u>13 333 981</u>
Total External Funded Debt				<u>131 262 944</u>
Total of External Short Term Floating Debt				0
Liquidity management instrumets				13 507 417
Unrealised currency gains/loss (5)				<u>-9 452 750</u>
Currency and FX swaps				130 706 157
Total debt denominated in foreign currency				<u>266 023 768</u>

- (1) The valuation in Swedish kronor of foreign currency loans has been made at the exchange rates in effect on the date of issue.
- (2) Interest at the equivalent of 13.125% per annum.
- (3) Original currency of issuance within parentheses.
- (4) Special interest conditions.
- (5) According to exchange rates per December 31, 2006.

External Floating Debt as of December 31, 2006

Title and Interest Rate	Principal Amount Outstanding	Equivalent in Swedish kronor ⁽¹⁾
	(thousands)	
US Dollars		
Eurocommercial Paper Program of 1988 (2)		<u>0</u>
Total US Dollars		<u>0</u>
Total External Floating Debt		<u>0</u>

- (1) The valuation in Swedish kronor of foreign currency loans has been made at the exchange rates in effect on the date of issue.
In addition to U.S. dollars, Swiss francs, Japanese yen and Pound sterling, the notes may also be issued in
- (2) Euro, Australian dollars, Canadian dollars and Danish kroner with a maximum maturity of 365 days. The interest on the notes is variable and a function of market conditions at the time of issuance.

RECAPITULATION OF EXTERNAL DEBT:

Total External Funded Debt	131 262 944
Total External Floating Debt	<u>0</u>
Total External Debt	<u>131 262 944</u>

2. Guaranteed debt

Internal Debt Guaranteed by the Kingdom of Sweden as of December 31, 2006

(Payable in Swedish kronor)

	<u>Principal Amount Outstanding</u> (thousands of Skr)
Standing Guarantees Issued by Riksgäldskontoret (the Swedish National Debt Office):	
Svenska Skeppshypotekskassan (Swedish Ships' Mortgage Bank)	350 000
AB Svensk Exportkredit (Swedish Export Credit Corporation)	600 000
Stans Bostadsfinansiering AB (The National Swedish Housing Finance Corporation)	6 000 000
Others	56 000
Total	<u>7 006 000</u>
Other Guarantees Issued by Riksgäldskontoret (the Swedish National Debt Office):	
Pension guarantees	9 491 206
Venantius AB (housing finance)	324 000
Öresundsbro Konsortiet (bridge and tunnel construction)	8 922 624
Others	187 611
Total	<u>18 925 441</u>
Guarantees of the State Acting Through the Following State Agencies other than Riksgäldskontoret:	
Insättningsgarantinämnden (Deposit Guarantee Board)	527 363 000
Exportkreditnämnden (The Export Credit Guarantee Board)	91 583 000
Bostadskreditnämnden (The National Housing Credit Guarantee Board)	5 203 000
Sida (Swedish International Development Agency)	1 133 000
Länsstyrelser (The County Government Boards)	59 610
Others	1 501 000
Total	<u>626 842 610</u>
Total Internal Guaranteed Debt	<u>652 774 051</u>

External Debt Guaranteed by the Kingdom of Sweden as of December 31, 2006
(Payable in foreign currencies)

		Principal Amount Outstanding	Equivalent in Swedish kronor ⁽¹⁾
		(thousands)	
Guarantees Issued by Riksgäldskontoret (the Swedish National Debt Office):			
Nordiska Investeringsbanken (Nordic Investment Bank)	EUR	708 593	6 412 764
Sweden House in St. Petersburg, Russia	USD	10 721	73 679
Venantius AB (housing finance)	NOK	2 325 000	2 544 713
Venantius AB (housing finance)	USD	117 457	807 220
Venantius AB (housing finance)	JPY	6 400 000	369 920
Venantius AB (housing finance)	EUR	36 155	327 180
Öresundsbro Konsortiet (bridge and tunnel construction)	GBP	171 680	2 315 534
Öresundsbro Konsortiet (bridge and tunnel construction)	USD	519 971	3 573 501
Öresundsbro Konsortiet (bridge and tunnel construction)	EUR	201 208	1 820 930
Öresundsbro Konsortiet (bridge and tunnel construction)	JPY	15 700 000	907 460
Öresundsbro Konsortiet (bridge and tunnel construction)	AUD	100 000	543 750
Öresundsbro Konsortiet (bridge and tunnel construction)	DKK	579 000	702 616
Öresundsbro Konsortiet (bridge and tunnel construction)	NOK	5 900 000	6 457 550
Total			<u>26 856 817</u>
Guarantees Issued by the Government:			
International Bank for Reconstruction and Development (IBRD)	USD	1 696 200	11 657 135
Multilateral Investment Guarantee Agency (MIGA)	USD	16 208	111 392
European Bank for Reconstruction and Development (EBRD)	EUR	336 300	3 043 515
European Investment Bank (EIB)	EUR	4 655 556	42 132 784
Council of Europe Development Bank (CEB)	EUR	74 315	672 547
Nordic Investment Bank (NIB)	EUR	1 367 684	12 377 536
Inter-American Development Bank (IDB)	USD	314 807	2 163 513
Asian Development Bank (AsDB)	SDR	111 970	1 157 658
African Development Bank (AfDB)	SDR	302 290	3 125 376
Total			<u>76 441 456</u>
Guarantees of the State Acting Through the Following State Agency other than Riksgäldskontoret:			
Affärsverket Statens Järnvägar (Swedish State Railways)	CHF	52 000	292 812
Total External Guaranteed Debt			<u>103 591 085</u>
RECAPITULATION OF GUARANTEED DEBT:			
Total Internal Guaranteed Debt			652 774 051
Total External Guaranteed Debt			<u>103 591 085</u>
Total Guaranteed Debt			<u>756 365 136</u>

- (1) Translation of amounts in foreign currencies to Swedish kronor has been made at exchange rates in effect as of December 31, 2006 as follows: 6.8725 Swedish kronor per U.S. dollar, 13.4875 Swedish kronor per British pound, 0.0578 Swedish kronor per Japanese yen, 9.05 Swedish kronor per E.U. euro, 1.2135 Swedish kronor per Danish krona, 1.0945 Swedish kronor per Norwegian krona, 5.631 Swedish kronor per Swiss Franc, 5.4375 Swedish kronor per Australian dollar and 10.339 Swedish kronor per Special Drawings Rights

iv) Debt Service

The aggregate amount of scheduled repayments in respect of principal and interest on the direct funded debt of the Kingdom outstanding at December 31, 2006 are shown as follows in millions of each currency:

Year	Internal										External	Total
	SEK	USD	CHF	GBP	EUR	AUD	CAD	JPY	NOK	NZD	External	Debt
2007	83 307	635	521	23	504	145	24	2 911	143	223	14 945	98 252
2008	90 459	2642		23	949	295	374	11 667	243	9	32 881	123 340
2009	157 733	4216		20	3183	223		1 337	1 418	9	62 637	220 370
2010	24 378	1623		68	358	11		41 889	48	159	19 027	43 405
2011	95 050	1799		17	77	11		12	763		14 514	109 564
2012	99 547	23		104	6	11		12			1 719	101 266
2013	17 128	170		8	6	11		1406			1 498	18 626
2014	74 467	16		88	6	11					1 446	75 913
2015	133 383	184			6	211					2 588	135 971
2016	48 375				6						53	48 428
2017	56 305				6						53	56 358
2018	6 557				6						53	6 610
2019	6 628				6						53	6 681
2020	111 633				6						53	111 686
2021	2 043				6						53	2 096
2022	2 079				6						53	2 132
2023	2 116				6						53	2 169
2024	2 153				6						53	2 206
2025	2 191				6						53	2 244
2026	2 229				66						614	2 843
2027	2 269											2 269
2028	68 271											68 271

(1) The valuation in Swedish kronor of foreign currency loans has been made at the exchange rates in effect on the date of issue. As of 31 December 2006.

v) Debt record

During the past 20 years the Kingdom has paid, or provided for payment of, when due, the full currency face amount of principal of, and interest and amortization requirements on, its direct and indirect external obligations.

7. OTHER MATTERS

Not applicable.

(2) In case the Issuer is a provincial, municipal and other regional or local public body

Not applicable.

(3) In case the Issuer is an international organization or a government agency

Not applicable.