

IER National Report Sweden, June 2026

Collective agreements in the MET industries: recent outcomes

As informed in the June and November 2025 National Report, Teknikföretagen entered into new collective agreements, for both white and blue collars in April 2025.

- The agreement is valid from 1 April 2025 to 31 March 2027.
- The agreement value for the agreements is 6.4 percent. The cost of the agreement is allocated at 3.4% for 2025 and 3.0% for 2026.
- The salary review took place on 1 April 2025 and 1 April 2026.
- Apart from salary increases, a key issue was reduced working hours, particularly for white-collar employees. The trade unions strongly pushed this demand, resulting in further working time reductions in the new collective agreements for white collars.

Upcoming collective bargaining negotiations

Teknikföretagen has started preparations for the collective bargaining round in 2027, which we expect to be a tough round of negotiations, particularly in the light of the topic of reduction of working hours. In May, we visited Südwestmetall together with the trade unions and the impartial mediators and gained insight in the very challenging situation for the German automotive industry.

Our current collective agreement expires on 31 March 2027, and negotiations will formally begin in January 2027, but the exchange of demands will take place between the parties in December 2026.

In addition to wage increases, the reduction of working hours will be a particularly big issue in this round. The blue-collar and white-collar trade unions have chosen different strategies to address the issue.

The blue-collar unions have asked to negotiate a reduction in working time at national and cross-sectoral level, meaning between the Confederation of Swedish Enterprise and LO, the umbrella organisation for blue-collar unions. LO has submitted a formal request to open negotiations on working time reduction at that level.

Teknikföretagen did not give a mandate to the Confederation of Swedish Enterprise to enter into such negotiations. The reason being that the issue of working hours is closely linked to wage formation, and wages are negotiated within our sectoral collective agreements. We believe these issues must remain connected. One meeting has been held between the blue-collar trade unions and the Confederation of Swedish Enterprise. The employer side made it very clear that no negotiations on working hours reduction will take place at national cross-sectoral level.

As a fallback option, the blue-collar unions are likely to push for working time reduction through sectoral collective bargaining. They would most likely start in the manufacturing and technology industry. If successful, they may argue

that an agreement between Teknikföretagen and IF Metall sets the benchmark for other sectors.

The white-collar unions, by contrast, intend to handle the issue solely within sectoral bargaining, thereby maintaining the link between wages and working hours.

For obvious reasons, working time reduction is an extremely important issue for Teknikföretagen. Our position is that a mandatory reduction in working hours without a corresponding reduction in pay would seriously harm competitiveness.

At a time when Sweden needs to strengthen its competitiveness, moving in the opposite direction would be highly problematic. We are therefore working intensively to present facts, analysis and arguments ahead of the negotiations.

Renegotiation of Pay Transparency Directive

The Swedish implementation of the Pay Transparency Directive has been met with broad and united criticism from both private and public employers. The main concerns are that the rules are excessively administratively burdensome and, at the same time, unlikely to be an effective tool for reducing gender pay gaps.

This criticism has led the Swedish government to request both a postponement and a renegotiation of the directive at EU level. Two key issues stand out in particular: the very broad definition of pay and the extensive number of data points that employers are required to report.

After this request, the Swedish Government has been in contact with the European Commission regarding Sweden's criticism of the directive. The dialogue has made clear that the Commission does not want to reopen the negotiations on the directive and is not open to such a process. Nor have any major member states signaled that they intend to push the issue in that direction.

Instead, the Commission appears to be exploring, in its dialogue with the Swedish Government, whether the provisions in the directive can be interpreted more flexibly and thereby leave greater room for national implementation. This is of course positive, but not sufficient from our perspective.

No legislative proposal has yet been presented. Such a proposal is likely to be presented only in early 2027.

Collective bargaining as a tool to improve gender pay gap

In Sweden and within the industry, the work to promote gender equality is linked to the collective bargaining model and the cooperation between the social partners. Within the framework of the Industrial Council, the employers' organisations and trade unions in the industrial sector have established a joint working group against discrimination and for diversity. The group provides a platform for the social partners to work together on issues related to discrimination, equal treatment and gender equality in working life.

One important part of this work is the joint guidance on discrimination and equal treatment developed by the social partners in industry. The guidance is intended to support both companies and local trade union representatives in handling issues related to the Swedish Discrimination Act. It includes practical guidance for companies on how to prevent discrimination and how to work with active measures, including annual pay surveys and analysis of pay differences. The guidance also highlights good company examples of how gender equality and equal treatment can be promoted in practice. The social partners have recently completed an updated version of this guidance.

In addition, the Industrial Council has established a joint gender equality award for companies in industry that serve as role models in their gender equality work. This year, the award was given to Siemens Energy AB for its long-term, goal-oriented and well-established work on gender equality. Through clear targets, strong commitment from management and a systematic approach, the company has created a more inclusive workplace. Today, 30 per cent of the company's managers are women, which represents a significant increase since 2019.

Restructuring and AI development

Larger member companies are increasingly signalling that AI development is affecting their need for white-collar employees. This applies in particular to certain roles within programming and development, where AI is being used to make work processes more efficient.

This means that issues relating to redundancy, skills shifts and transition among white-collar employees may become more important.

This development may put pressure on us in our role as an employers' organisation and social partner. We therefore need to follow the issue closely, both from a labour law and a negotiation perspective, and analyse how companies' need for flexibility, transition and skills supply can best be managed within the framework of collective agreements and the Swedish labour market model.

Economic Outlook

The Swedish economy continues to develop relatively weakly, although recent GDP indicator data suggest some resilience despite the disruptions caused by geopolitical uncertainty and developments in the Middle East. Preliminary data for April showed a second consecutive monthly increase in economic activity, supported in particular by higher industrial production. However, the increase should be interpreted with caution, as some of the strongest contributions came from volatile sectors, including chemicals and pharmaceuticals, and from industries exposed to defence-related demand.

The labour market remains hesitant. While employment rebounded in May after earlier declines, this mainly reflected a correction following known measurement problems in previous months. Unemployment increased from 8.5 to 8.8 per cent, and forward-looking indicators point to a more cautious labour market. The number of vacancies registered with the Swedish Public Employment Service has fallen to its lowest level since the beginning of the

pandemic, while employment expectations among companies have weakened. Overall, the improvement in the labour market appears to have lost momentum during the spring.

The inflation outlook is unusually difficult to interpret. Inflation measured by CPIF increased to 1.5 per cent in May, up from 0.8 per cent in April. The increase was mainly driven by higher housing and energy-related costs, including electricity prices, as well as higher fuel prices. At the same time, lower food prices, partly following the VAT reduction, dampened inflation. Temporary fiscal measures and supply-side disruptions therefore make it particularly difficult to assess the underlying inflationary pressure.

Against this background, the Riksbank decided to leave the policy rate unchanged at 1.75 per cent. At the same time, it revised down its GDP growth forecast and assessed that the recovery in the labour market will take longer than previously expected. Despite weaker growth prospects, the Riksbank has slightly revised up its interest rate path, reflecting increased risks that earlier increases in energy and commodity prices could have broader and more persistent effects on inflation.

Recent developments in the Middle East, including the reported ambition of the United States and Iran to end the war, have reduced the risk of a more prolonged supply-driven inflation problem. Oil prices have fallen, equity markets have strengthened and interest rates have declined. However, considerable uncertainty remains, particularly regarding the normalisation of shipping through the Strait of Hormuz, insurance costs and the broader energy market outlook.

Overall, Sweden faces a difficult economic environment. Growth remains subdued and the labour market is cautious, while inflation risks are still hard to assess due to temporary policy effects and earlier supply disruptions. For the Riksbank, this creates a challenging balancing act: inflation has been lower than expected and economic activity remains weak, but the risk of broader and more persistent price increases has increased somewhat.