Technology Industries of Sweden

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Collective agreements in the MET industries: recent outcomes

As informed in the National Reports from 2025 and June 2026, 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%. 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

As the current collective agreements expires in March 2027, a new round of collective bargaining will take place this spring. We expect this to be a tough round of negotiations. The negotiations will formally begin in January 2027, but the exchange of demands will take place between the parties in December 2026.

In November 2026, the trade unions within the industry presented its coordinated bargaining demands. They are calling for a 3.9% wage increase and a targeted low-pay provision aimed at providing proportionally higher wage increases for lower-paid employees. They are also calling for reductions in working time, either through further increases in allocations to the time banks already established under the collective agreements or through higher contributions to the collectively agreed part-time pension schemes.

The demands would place a significant burden on Swedish employers and give rise to serious concern. At a time when the Swedish industry needs to strengthen its competitiveness moving in the opposite direction through substantial cost increases would be highly problematic.

Another factor that could potentially affect this round of negotiations is that the main blue-collar and white-collar trade union confederations have terminated the central pension and insurance agreements with the Confederation of Swedish Enterprise. The termination followed the breakdown of renegotiations of the agreements in spring 2026. Negotiations are ongoing in an effort to conclude new agreements before the existing ones expire on 30 November 2026. The outcome of these negotiations may influence the positions of the social partners in the upcoming collective bargaining round in 2027.

New pension and insurance agreements

On 9 November 2026, the Confederation of Swedish Enterprise, LO and PTK (the national cross-sectoral umbrella organisations) reached agreements on amending the collective agreements on occupational pensions, insurance and transition support. A key outcome is an extension of the ages at which employees earn occupational pension entitlements, effective from January 2028. For blue-collar workers, the upper age limit will rise from 65 to 67. For white-collar employees covered by ITP 1, the starting age will fall from 25 to 24 and the upper age limit will rise from 66 to 67. In practical terms, both changes extend the potential pension contribution period by two years, supporting pension provision over a longer working life.

From January 2029, parental pay provisions in sectoral collective agreements for white-collar employees will be replaced by a collective insurance scheme providing a parental benefit supplement, shifting responsibility for payments from individual employers to the insurance scheme.

In return, employers will receive temporary reductions in certain insurance and transition support premiums during 2027–2029, partly offsetting the additional costs. The package includes broader insurance and transition support coverage, alongside joint reviews of the systems and the Swedish collective bargaining model, with further negotiations scheduled for autumn 2028.

Restructuring trends in MET industries with a particular focus on the automotive sector

The Swedish automotive sector is dominated by Volvo Cars, Volvo Group and Scania, which together account for a substantial share of Sweden's industrial output, exports and manufacturing employment. The automotive industry, including its suppliers, employs approximately 198,000 people in Sweden. Like its counterparts across Europe, the Swedish automotive sector is facing significant challenges in relation to international competition, the green transition, and a rapidly evolving market.

In October 2026, Volvo Cars reported an operating income of SEK -3.7 billion and a corresponding EBIT margin of -5.6% in Q3 2026. The negative result was primarily driven by significantly weaker market conditions in China and the United States, where the company faced intense competition, price pressure, tariffs, and the removal of incentives for electrified vehicles. The result was further negatively affected by a revaluation of CAFE credits, negative raw material developments, and losses attributable to Polestar. In response, Volvo Cars plans further cost reductions of SEK 5 billion. These measures are expected to result in a structural reduction of approximately 2,500 positions globally, including around 2,000 white-collar jobs in Sweden.

AI and collective bargaining

Current Swedish collective agreements in the MET industry do not include regulations on AI or algorithmic management. To date, Teknikföretagen has not received any concrete union demands regarding the use of AI. Existing provisions on co-determination and the union’s right to information already

apply in many situations where the use of AI give rise to workplace issues. After the 2027 collective bargaining round, a working group addressing AI-specific issues could possibly be established.

Economic outlook

The Swedish economy is experiencing a prolonged economic downturn. The manufacturing sector recovered after the pandemic but was subsequently affected by high inflation, rising interest rates and weak demand. Output has surpassed pre-pandemic levels, although growth remains relatively modest.

Recent data indicate that the Swedish economy as a whole, and the manufacturing sector in particular, continue to strengthen and are moving closer to more normal economic conditions. GDP increased by 0.4% in 3Q 2026, supported by strong household consumption. Business confidence has improved further, although household sentiment weakened somewhat. Overall, confidence levels remain above their historical average.

The labour market is also gradually improving but remains relatively weak. Although unemployment has declined compared with the previous year, the current unemployment rate of 8.7% remains high by historical standards, indicating that spare capacity persists in the Swedish labour market.

Preliminary data for October 2026 indicate that inflation eased more than expected, with inflation standing at 1.1%. However, underlying inflationary pressures are higher than this figure suggests, as temporary fiscal measures continue to dampen measured inflation. Rising producer prices, increasing business costs and widespread plans for further price increases point to continued inflationary pressures. Against this background, the Riksbank decided to raise the policy rate by 0.25 percentage points to 2% in the beginning of November 2026. It is likely that the policy rate will be raised further in the coming year.

Overall, the Swedish economy is experiencing a gradual recovery, supported by stronger economic activity and an improving labour market, although inflation risks and external uncertainties continue to cloud the outlook.

Outcome of the Swedish general election

The Swedish general election took place on 13 September 2026. Following the election, the previous government, comprising centre-right parties and relying on the support of the far-right Sweden Democrats, no longer holds a majority in the Swedish Parliament. The Social Democratic Party remains Sweden’s biggest party (28.02%), followed by the Moderate Party (19.85%) and the Sweden Democrats (17.48%).

Since the election, negotiations have been ongoing in both the centre-right and centre-left blocs with the aim of forming a government. Due to the fragmented parliamentary landscape, which requires multiple parties to participate in or at least support a government, negotiations have so far failed to result in the formation of a new government.

To date, the Swedish Parliament has held two unsuccessful votes to elect a Prime Minister. Under the Swedish constitutional framework, an extraordinary

election will be called if no Prime Minister has been elected after four voting rounds.