



Sweden



Business Support on Your Doorstep

Enterprise Europe Network London Country Profile December 2007

Sweden



Country's full name: Kingdom of Sweden

Capital City: Stockholm (3.4 million).

Population: 9.03 million

Official Language: Swedish

Currency: Swedish Krona (SEK).

Religions: Lutheran 87%, others 13% (includes Roman Catholic, Orthodox, Muslim, Jewish and Buddhist)

Area: 449,964 sq km

Terrain: Mostly flat or gently rolling lowlands; mountains in the West.

Climate: Temperate in south with cold, cloudy winters and cool, partly cloudy summers; subarctic in north

Administrative divisions: There are 21 counties and 290 municipalities which have a high degree of self-determination.

Weights and Measures: Metric.

Time Zone: GMT + one hour. The daylight saving scheme is in operation from the last Sunday of March to the last Sunday of October and is two hours ahead of GMT.

International dialling code: 00 46.

Government: Sweden is a constitutional monarchy. The monarchy is hereditary and since 1973 Carl Gustaf XVI has been king. The head of the government is the Prime Minister who appoints his cabinet. There is a unicameral parliament (Riksdag) with 349 seats elected by popular vote and serving for a four-year term. Following the legislative elections, the prime minister is elected by the parliament. The last elections were held in 2006 where Fredrik Reinfeldt (alliance) was elected Prime Minister, breaking with a long Social democrat

rule over much of the 20th century. The next legislative elections will be held in 2010.

ECONOMIC OVERVIEW

Aided by peace and neutrality over the 20th Century, Sweden has become one of the most integrated and sophisticated industrial nations in the world. The country has a generous welfare state as well as a strong capitalist system, and achieved a growth rate of 4.2% in 2006. Its extensive natural resources have been exploited through high-quality engineering, which has led to worldwide exports and trade. Sweden is now a world leader in R&D, and is ranked as the 3rd most competitive country in the world (2003). This international competitiveness explains the large number of multinational Swedish corporations, for example Volvo, Saab, Ericsson and IKEA. An attractive corporate tax climate makes the area a regional hub for corporate headquarters.

The country boasts a skilled labour force and a highly regulated labour market, but also registers the 2nd highest youth unemployment rate in Europe in 2006 after Italy. The government is also facing the need to renew the tax structure. With a major share of both consumers and economic activities, Sweden is the largest market in the Baltic Sea region and is therefore seen as a natural focal point of the region. A frontrunner in technologies and consumer trends, the country largely relies on exports.

Sweden exports mostly to Germany 9.7%, US 9.2%, Norway 9.1%, UK 7.1%, Denmark 6.8%, Finland 5.9%, France 4.9%, Netherlands 4.7%, Belgium 4.5% (2006) and is expected to be a major source of trade flows towards the emerging markets in Russia, Estonia, Latvia and Lithuania.

ECONOMIC INDICATORS	
Population (2006)	9.1 million
Unemployment rate (2006)	5.9%
GDP per head (euro) (2006)	33,267
GDP average growth rate (2006)	3%
Inflation rate (2006)	1.5%
Total exports (million euro) (2006)	154,649
Total imports (million euro) (2006)	130,469
Internet users (2006)	6.8 million

Sources: Eurostat ; www.koni.se

INFRASTRUCTURE / ENVIRONMENT

Roads

There are 139,000 km of public roads of which 98,300 km are state-owned including 1,700 km of motorways and 4,900 km of European highways. There are also 75,000 km of state subsidised private roads. 87% of the state roads are paved. Road traffic represents 87% of the total distance travelled by the population. It is also the main mode transport for goods traffic even if it is not dominant (41%). All major cities in Denmark, Finland and Norway are less than 12 hours away by road, while Estonia, Latvia, Lithuania and Western Russia can all be reached within 24 hours.

Railways

Sweden has a network of 11,528 km of railway tracks, of which 7,527 km are electrified. The Swedish Rail Administration, Banverket, has overall responsibility for the rail transport system. One of the world's premier trains, the X2000, is particularly famed for its speed and comfort. Train journeys from Stockholm to Gothenburg take just 3 hours, and to Copenhagen just over 5 hours. In 2004 the Swedish Government agreed to earmark SEK 107 billion (€11.7 billion) for new investments in the railway network (€11.7 billion) over the period 2004-2015.

Shipping

Sweden has an extensive port network with high-frequency ferry links. More than 90% of all exports and imports are carried via cargo vessels or ferries. There are 50 public ports and a number of industry-owned loading quays along the Swedish coastline, the main ports and terminals are Gothenburg, Helsingborg, Karlshamn, Lulea, Malmo, Oxelosund, Stenungsund, Stockholm and Trelleborg.

Civil Aviation

The Swedish Civil Aviation Administration is the government department in charge of all the airports and the air traffic in Sweden and LFV Group develops state-owned civil aviation airports. Sweden has 28 airports serving various points throughout the country. Stockholm-Arlanda Airport is the largest in Scandinavia. Other international airports registering the largest amounts of flights are Stockholm Bromma, Gothenburg, Landvetter, Malmo-Sturup and Vaxjo.

Energy

Sweden was one of the first countries to liberalize their electricity sector. Swedish electricity production is almost fossil-free. Around half of it comes from hydropower and nuclear power accounts for the rest. The bio-energy proportion in the Swedish energy system has steadily increased from 10% of the total energy supply in the eighties to about 18% in 2006. Most of the increase is attributable to industry and the extensive district heating market. Consumption of oil decreased in the last 3 decades from 70% of the total energy supply to around 30% today even though industrial output increased.

This is mainly caused by oil no longer being the main fuel and by the diversification of fuels in recent years. Biomass plays an important role when it comes to district heating fuels with a share of more than 62% in 2006. It made the main contribution towards an increased share of renewable energy sources in the Swedish energy system of 28% in 2006. Wind energy also rose in recent years to reach almost 1 TWh today, and production is planned to account for 10 TWh by 2015 in the overall electricity production. In 2003, the electricity certificate system was successfully launched in order to increase the

share of renewable sources contributing to Sweden's energy production. Certificates are sold to consumers according to a certain percentage of their electricity use.

Telecommunications

There are some 5.6 million land lines in Sweden and only 23% of the total number of them was provided by an operator other than the leading telecommunication company TeliaSonera (2006). The number of mobile subscriptions was 9.2 million on 30 June 2006, which sees the Swedish market approaching saturation. Common access to Internet broadband in the home has put Sweden among the world's top three countries in terms of penetration and TeliaSonera is the world's third-largest service provider of wireless internet with 600 available hotspots.

Environment

Sweden was one of the first countries in the world to put environmental problems onto the political agenda. One of the main targets is to ensure a sustainable development of the Baltic region, particularly with regard to the Baltic Sea. On top of that, priority has been given to energy. The Bio-energy sector in Sweden is highly rated in the world and most Swedish companies within this sector are producing and supplying bio-fuels. The environment policy also affects the wind energy industry, where the size of wind turbines has increased while their production cost has significantly lowered.

MAJOR SECTORS OF THE ECONOMY

Technology and ICT

Sweden is a highly developed industrial nation, with a steadily developing trend towards knowledge and research. The technology advancements have led Sweden to be used as a test market for new products and services. The country is at the head of European research investments as a percentage of GDP. It is also widely viewed as a world leader in information technology, especially in wireless communication, e-commerce and Internet services. There has been rapid progress in photonics, networking technologies and multimedia fields. A major trend has been observed in the conversion of broadband networks into multi-service networks, characterised by the convergence of data, IP-telephony and TV over the Internet. TeliaSonera and Ericsson have launched boosting technologies like NMT, GSM, GPRS, EDGE, Bluetooth and WCDMA. Sweden registers 1,200 ICT companies including 500 which operate wireless.

Automotive

The Swedish automotive sector has been particularly evolving around world-class vehicles telematics, electronics and software, advanced hybrid technology and bio fuels. The major Swedish providers are Volvo, Saab, Scania and Autoliv. Vehicle manufacturers and providers have been involved in two main projects, one called the Intelligent Vehicle Safety System, a program worth €70 million and the other programme €290 million has run for 7 years based on the Public Private Partnership research programme "Green car". This programme has led to results such as vehicles combining performance and clean engine.

Biotech & Life Sciences

Sweden hosts Europe's fourth largest biotech industry. With a deep tradition in Biotech research, the industry success is partly due to the close links between industry, universities and public health care system. Between 1996 and 2001, more than 100 firms were founded in Sweden. Three of Europe's strongest clusters of biotechnology are in Sweden: Stockholm/Uppsala, Gothenburg, and Malmö/Lund.

Natural Resources and Bio energy

Natural resources are a key sector in Sweden. Many industries revolve around it, and strong trade opportunities exist in this sector. The forest industry has benefited from environmental initiatives which made Swedish wood and paper valued on the international markets. Sweden is the world's fourth largest paper and pulp exporter and second-largest exporter of sawn softwood timber. It is also one of the EU's major mining countries and holds potential for mineral deposits. Along with that, the petrochemical industry that attracts a continuous investment flow is responsible for one of the world's cleanest diesel. The country is a large consumer of bio energy and is developing expertise in bio fuels especially wood-based fuels.

Experience Industry

Swedish experience industry is the name for the Swedish Creative or Culture Industry. Sweden shows an increasing offer in this area. This field covers a wide range of sectors from Design and Fashion to Market Communication, Media or Music. Along with the UK and USA, Sweden is the only country to have a positive trade balance for music rights.

BANKING AND FINANCE

Banking

The banking system in Sweden consists of four main categories: Swedish commercial banks (joint-stock banks), foreign banks, savings banks and co-operative banks, which are authorized to act in all areas of banking. They are supervised by the Swedish Financial Supervisory Authority (Finansinspektionen) in order to guarantee required standards in banking. Nordea (MeritaNordbanken Group's bank in Sweden), Skandinaviska Enskilda Banken (SEB), Svenska Handelsbanken and Föreningsparbanken (international name – Swebank) are the largest Swedish banks.

The Swedish central bank (the Riksbank)

Brunkebergstorg 11, SE-103 37 Stockholm, Sweden
T: 0046 (0)8 787 00 00. F: 0046 (0)8 21 05 31. E: registratorn@riksbank.se
W: www.riksbank.com

Swedish Financial Supervisory Authority (Finansinspektionen)

P.O. Box 7821, SE-103 97 Stockholm, Sweden
T: 0046 (0)8787 80 00. F: 0046 (0)8 24 13 35. E: finansinspektionen@fi.se
W: www.fi.se

The Swedish Bankers' Association

P.O. Box 7603, SE-103 94 Stockholm, Sweden
T: 0046 (0)8453 44 00. F: 0046 (0)8796 93 95. E: info@bankforeningen.se
W: www.bankforeningen.se

OMX Nordic Exchange Stockholm

Tullvaktsvägen 15, SE-105 78 Stockholm, Sweden
T: 0046 (0)8 405 60 00. F: 0046 (0)8 405 60 01. E: nordicexchange.en@omxgroup.com
W: <http://omxgroup.com/nordicexchange>

Insurance

The Swedish insurance market is mainly cornered by a few large companies and company groups even though the market consists of more than 360 insurance companies. The five largest on the market of non-life insurance account for approximately 85%. The market share of the 31 foreign insurance companies which are active in Sweden was about 3% of the Swedish non-life insurance market in 2006.

The Swedish Insurance Federation

Karlavägen 108, P.O. Box 24043, SE-104 50 Stockholm, Sweden
T: 0046 (0)8 522 785 00. F: 0046 (0)8 522 785 15. E: kansli@forsakringsforbundet.com
W: www.forsakringsforbundet.com/

OPPORTUNITIES FOR UK EXPORTERS / INVESTORS

Overview

The UK is Sweden's 3rd largest supplier and Sweden is the UK's 9th largest export market. In 2005, British exports to Sweden were worth £4.4bn. UK companies export mainly electrical machinery, telecom equipment, road vehicles and petroleum products. There are large opportunities for UK companies in Sweden as the country imports 30% of goods and materials needed. Sweden registers 370 UK firms and British goods are well considered. Traditional trading links as well as the widespread use of English facilitate UK goods integration in the Swedish market. Sweden has also largely invested in the UK with all its world class companies.

Electronics, IT and ICT

Sweden remains one of the most competitive countries in the world in terms of integrating electronics and IT into the production processes. It boasts excellence in wireless, mobility and network infrastructure. The IT sector recorded €16.3 billion in 2006. This sector may be tough for UK ICT companies as it has already many companies' suppliers. However, British companies that offer cutting-edge products or services may be capable to enter this sophisticated market. UK companies can also work with Swedish partners to develop goods for third markets.

Automotive

The strong high-tech automotive cluster serves as a gateway to the global car and truck industry. There are also excellent opportunities for foreign investors in automotive and electronics industry to join this cluster and be involved in the Intelligent Vehicle Safety Systems programme (IVSS) to achieve technological solutions for vehicle manufacturers. The telematics cluster has also attracted international ICT and automotive producers. Finally, Sweden is the ultimate place for its winter testings and proves to be attracting companies' interests.

Healthcare and Pharmaceutical sector

With high levels in R&D, Sweden has a history of excellence in the medical technology and records the world's highest number of science and technology patents. The country is also a world leader in drug innovation, neuroscience and clinical trials are performed easier than in any other European country thanks to the compliance with an EC Directive. The Swedish Medtech industry is highly diversified and the clinical applications in this sector are growing e.g. imaging and surgical equipment. UK companies can benefit from opportunities in manufacturing world-class and high-tech products in Sweden. There is a special demand in e-health, for example IT support for treatments to meet new challenges in this sector. Swedish companies are also keen to develop strategic alliances in the R&D field.

Food and Drink

As food and drink is considered one of Swedish growth industries there are strong export opportunities for UK companies in this sector. In the past few years, Sweden has increased imports of these goods from Britain and some UK companies in the beer and whisky industries have succeeded in developing their brand in the Swedish market. There is a niche for UK companies in such areas as limited production, innovative and healthy products like new ethnic and organic food.

Financial Services

Stockholm is renowned for being the financial capital of Northern Europe. The country boasts strong assets such as its market size, a strong stock market and a leading private equity industry that has already attracted a large number of multinationals. In Stockholm itself, the financial sector hosts 50,000 people in over 2,000 companies. A number of UK companies such as HSBC and RBS already use the market as their Nordic base. With what is supposed to be a long-term development, the financial sector is a significant one for UK companies wanting to launch initiatives in PPP for example.

Environment

Sweden has long been associated with green energy technologies and renewable energy sources. There are investment opportunities in wood components and furniture. UK companies can also find business opportunities in wind energy and fuel cells technology particularly in the automotive industry. Also, efforts have been made in Sweden to develop fibre-based materials for packaging like bioplastics. As in many other industries, there is a close collaboration in the packaging field between industries and research centres.

BUSINESS CULTURE

Business hours

Offices are usually open 08.30-17.00 Monday to Friday with lunch between 12.00 and 13.00. During the summer months of June to August and on days before holidays most offices close earlier. Commercial banks open at 09.30 and close at 15.00 on weekdays. Some banks are open to 17.30 but are closed on Saturdays.

National holidays (Dates given are for 2008)

- New Year's Day (1 Jan)
- Epiphany (6 January)
- Good Friday (21 March)
- Easter Sunday (23 March)
- Easter Monday (24 March)
- Labour Day (1 May)
- Ascension (17 May)
- Whit Sunday (27 May)
- National Day (6 June)
- Midsummer's Eve (20 June)
- Midsummer's Day (21 June)
- All Saints' Day (1 November)
- Christmas Eve (24 December)
- Christmas Day (25 December)
- Boxing Day (26 December)
- New Year's Day (31 December)

Dress

Business visitors should dress formally, which means suit and tie for men while women should wear suits or dresses. Swedes like to wear well-designed and stylish clothing and expect their business partners to do the same.

Business etiquette

Punctuality is vital. Swedes usually shake hands and exchange business cards when meeting. English is widely spoken by business men and business cards should therefore be double-side printed in Swedish and English. Swedes are said to be "straight talking" and business partners are requested to talk directly about price and payment as well as expressing their position in a direct way like the Swedes.

SETTING UP A BUSINESS IN SWEDEN

Setting up a business in Sweden is a really easy process in comparison to other countries. Even the World Bank ranked Sweden among the world's top 10 economies in fields of ease of doing business containing starting a business, hiring and firing workers, enforcing contracts, getting credit, closing a business, registering property and protecting investors. There is a clear system of taxation and corporate tax is with 28% significantly lower than in many other countries.

Information on how to set up a business in Sweden and investment opportunities can be found on Invest in Sweden's website:

Invest in Sweden Agency, Klarabergsviadukten 70 B6, PO Box 90, SE-101 21 Stockholm, Sweden

T: 0046 (0)8 402 78 00. F: 0046 (0)8 402 78 78. E: isa@isa.se

W: www.isa.se

FURTHER SOURCES OF INFORMATION / USEFUL ADDRESSES**Enterprise Europe Network London at London Chamber of Commerce and Industry**

33 Queen Street, London, EC4R 1AP

T: +44 (0)20 74891992. F:+44 (0)20 72031812 E: europe@londonchamber.co.uk

The Enterprise Europe Network London brings together GLE, London Chamber of Commerce and London Technology Network. We provide practical, hands-on support and information for London's small and medium businesses seeking funding, hoping to expand their business into Europe, or wishing to develop (technology) partnerships with other European businesses.

W: www.een-london.co.uk

London Chamber of Commerce and Industry

33 Queen Street, London EC4R 1AP

T: 020 7248 4444. F: 020 7489 0391. E: lc@londonchamber.co.uk

London Chamber of Commerce's World Trade Team, Information Centre and Enterprise Europe Network can provide information or advice on many topics relating to international trade and overseas markets, including Sweden. London Chamber of Commerce is a membership organisation but non-members can utilise certain of its services.

W: www.londonchamber.co.uk

UK Trade and Investment

New City Court, 20 St. Thomas Street, London, SE1 9RS

T: 020 7234 3000. F: 020 7234 3001. E: Helena.lindquist@fco.gov.uk

UK Trade and Investment is the British government body responsible for helping UK companies secure overseas sales and investments. Their website has pages for each country in the world, including Sweden.

W: www.uktradeinvest.gov.uk

The Swedish Chamber of Commerce for the United Kingdom

Sweden House, 5 Upper Montagu Street, London, W1H 2AG

T: 020 7224 8001. F: 07224 8884. E: info@swedish-chamber.org.uk

W: www.swedish-chamber.org.uk

British-Swedish Chamber of Commerce in Sweden

Jakobs Torg 3, 4th floor, PO Box 16050, SE-103 21 Stockholm

T: 0046 (0)8 506 126 17. F: 0046 (0)8 506 126 18. E: bscc@chamber.se

W: <http://www.bscc.info>

Swedish Trade Council in the United Kingdom

Winchester House, 259-269 Old Marylebone Road London NW1 5RA

T: 020 7616 4070. F: 020 7616 4099. E: unitedkingdom@swedishtrade.se

W: www.swedishtrade.com/uk

British Embassy Stockholm, Skarpögatan 6-8, PO-Box 27819, SE-115 93 Stockholm, Sweden

T: 0046 (0)8 671 3000. F: 0046 (0)8 662 9989. E: info@britishembassy.se

W: www.britishembassy.se

Invest in Sweden Agency

Klarabergsviadukten 70 B6, P O Box 90, SE-101 21 Stockholm, Sweden

T: 0046 (0)8 402 78 00. F: 0046 (0)8 402 78 78. E: isa@isa.se

W: www.isa.se

The Stockholm Chamber of Commerce

P.O. Box 16050, SE-103 21 Stockholm, Sweden

T: 0046 (0)8555 100 00. F: 0046 (0)8566 316 00. E: info@chamber.se

W: www.chamber.se/en/start

Swedish Trade Federation - Svensk Handel

Regeringsgatan 60, SE-103 29 Stockholm, Sweden

T: 0046 (0)8762 77 00. F: 0046 (0)8762 77 77. E: info@svenskhandel.se

W: www.svenskhandel.se



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