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## Economic Report 2022

### Sweden

30<sup>th</sup> June 2022

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#### Executive Summary

Following the Covid-19 crisis, Sweden's economic growth has resumed, with GDP increasing by 4.1% in 2021. Current estimates predict that this Swedish economic rebound will fall to 3.4% in 2022, due to rising inflation. The downward trend in GDP growth is expected to continue in the coming years, with a forecast of 2.1% of GDP in 2023, which will most likely be revised further downwards in the coming months due to the impact of the war in Ukraine. The level of public debt remains very low in Sweden compared to Europe and the rest of the world: 40.7% in 2021 (38.5% in 2020). However, private households are considerably indebted and private savings are low.

The economic and financial consequences of the war in Ukraine are still difficult to assess. It is already having an impact on inflation and on the public budget (not least because of increased defence spending linked to the deteriorating security situation in Europe and Sweden's membership of NATO). However, Sweden is less dependent on Russian oil and gas than other European countries and will therefore suffer less from supply disruptions.

One of Sweden's main structural economic challenges is the rigidity and dysfunction of the labour market. This leads to a particularly high unemployment rate compared to the EU average (8.9% in 2021), even if it is (slightly) decreasing (7.9% est. by 2022), and youth unemployment is 25% (one of the highest rates in the EU).

Sweden is one of the world's most innovative countries. The start-up ecosystem is considered one of the top three worldwide, and Stockholm has the second highest number of unicorns per capita in the world. Four main geographical and thematic clusters structure Sweden's economic and innovation landscape: life science; green transition & electrification of transport; smart cities and artificial intelligence.

Swedish exports in goods increased by 14% in 2021, imports by 16.5%. Most exports (53%) went to other EU countries, and most imports (65%) came from there as well. In addition, inter-Nordic trade (Denmark, Finland, Norway and Iceland) was significant: it stands for 25.7% of exports and 22.3% of imports.

Bilateral trade in goods with Sweden in 2021 increased by 14% to CHF 3.2 billion: Swiss exports rose by 14.7% to CHF 1.84 billion and Swedish exports by 13.1% to CHF 1.35 billion. Bilateral trade in services is also growing: Swiss exports of services increased by 22% to CHF 1.66 billion and Swedish exports increased by 5% to almost CHF 4.5 billion in 2021.

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## 1 ECONOMIC OUTLOOK AND ECONOMIC POLICY DEVELOPMENTS

Sweden's economy **fared the Covid-19 pandemic crisis better than many of its European neighbors**, not least due to substantial buffers and **generally strong fundamentals**. Sweden's economy has been hit hard by historical standards, but the fallout has been less severe than in other European countries.

The Swedish Government has implemented **comparatively light health restrictions** compared to other countries. The Swedish corona-strategy has been mainly based on recommendations rather than enforceable laws and regulations. Instead of a shutdown, it was expected that everyone adhered to the few restrictions in place and followed the public health authorities' recommendations regarding social distancing and hygienic behavior. Home office, whenever possible, has been recommended, and since already a rather common option in Sweden, albeit on a more ad-hoc basis, it has been widely implemented in the public service and by all types of businesses. During 2020/21 the authorities released a **large and timely economic support package**. It provided much needed support to households and businesses, helped avert a financial crisis and stabilized markets. The fiscal response resulted in a deficit of about 4% of GDP. However, the level of public debt remains very low in Sweden compared to Europe and the rest of the world: 38.5% in 2020, 40.7% in 2021 and 40.7% according to IMF projections for 2022.

As a result, the Swedish economy has **suffered less** from the Covid-pandemic crisis and **recovered more quickly**. The Swedish economy suffered a recession in 2020 (-2.6% GDP) but recovered quickly in 2021 with a growth of 4% of GDP and is expected to grow by 3.4% in 2022. However, in June 2022, the Swedish Government has revised the growth forecasts downwards - 1.9% in 2022 and 1.2% in 2023 - as a result of high inflation and rising interest rates. While **inflation** in Sweden was 0.4% in 2020, it reached the Riksbank's target of 2% in 2021. As of May 2022 the **Riksbank's policy** (repo) rate was increased from zero to 0.25% and as a consequence of the continued high inflation, it is expected that the repo rate also will be increased incrementally, to reach around 1.5 – 2% by the end of 2022.

Sweden still needs to address its **long-term structural challenges and market distortions, for the instance the limited employment prospects for the foreign-born and youth, the shortages in affordable housing and the democratic shifts**. The labor market is extremely inflexible. Employees enjoy a high level of protection at the cost of young people in particular, for which entry into the workforce is very difficult (at 22 %, Sweden has one of the highest youth **unemployment** rates in the EU). Unemployment rose slightly from 8.3% in 2020 to 8.9% in 2021 and is expected to fall to 7.9% by the end of 2022, but remains high compared to other European countries. The **over-regulated rental market** favours existing tenants, leading to long waiting lines. Especially in large cities, it is often impossible for newcomers to find appropriate and affordable housing. Streamlining complex local regulations would increase competition in the construction sector, thereby lowering costs, and would promote worker mobility. Other measures, including gradually increasing property taxes from their extremely low level, would also contribute to a more dynamic housing market.

Sweden is currently governed by a social democratic minority government. The 2021 budget bill contained higher spending on training and education, lower social security contributions for young people, as well as initiatives aimed at foreign-born people, especially women. In June 2022, the Swedish government struggled to gather sufficient support in Parliament to approve an amended budget but finally managed to convince a majority of Parliament to approve it (by a single vote). The next general election will be held in September 2022. The outcome is still very uncertain. It is very likely that no party will obtain a clear majority in parliament and it cannot be ruled out that Sweden will again be ruled by a minority government, which will make it difficult to make and implement the necessary structural reforms.

## 2 PRIORITY SECTORS AND OPPORTUNITIES FOR SWISS COMPANIES

Sweden and Switzerland not only **share a common political and research mindset**, both countries lead in several international innovation rankings and share similar industrial competences. There is a long tradition of industrial cooperation between the countries, exemplified by the Swiss-Swedish industrial conglomerate *ABB*. The similarities offer **many opportunities for Swiss companies** in various engineering-intensive sectors, but as Sweden is an open market, it also invites competition from other countries, the main competitor in the industrial sector being Germany.

The Embassy and its Trade Point Nordics (Swiss Business Hub) have identified some **particularly interesting sectors** across the Nordic region, and has been working on these for the past seven years.

- **Rail and related infrastructures** are particularly interesting areas where both products and services are needed are, as Sweden urgently needs to modernise its fleet of wagons and trams, as well as maintain and modernise its metro, tram and rail systems and infrastructure. *Stadler Rail*, for example, has won several tenders for long-distance train networks and local networks, and has also established a service-oriented business in Sweden.
- The **green transition** and the fairly recent decision not to modernise Swedish nuclear power plants have put the emphasis on the development of green energy sources and storage and transmission solutions. In recent years, large investments have been made in battery plants (*Northvolt*) and fossil-free steel production plants (*H2 Green Steel* and *Hybrit*). The number and value of investments in the impact sectors is increasing at a huge rate (SEK 44 billion in 2021), according to an article in *Dagens Industri*<sup>1</sup>, superseding investments made in eg. Germany.
- Companies in the **tech** and **life science** sectors are attracted by the very strong and diverse start-up and innovation ecosystems in both countries. Similar high-level capacities in research and development enable a vivid exchange of expertise and inspire many a success story.
- Another particularly interesting sector is **digitalisation**, which is more advanced in Sweden than in other countries. This offers opportunities for innovative companies to test their new digital technologies or find partners.

For Swiss companies, access to the Swedish market and the development of their business activities has often been through **acquisitions**. This is particularly the case in the areas of construction, rail and other infrastructure. In other sectors, a key element is access via Sweden to all Nordic countries, as Sweden often serves as a regional hub. Important Swiss companies that have gained a strong foothold in the Swedish market through acquisitions include *RUAG Space* (*Beyond Gravity* from 1 May 2022), *Implenia* and *Marti*.

Sweden is **one of the world's most innovative countries** that performs very well in generating knowledge through high quality research and in creating economic value through innovation. (Global Innovation Index 2021: 2<sup>nd</sup> rank, after Switzerland; European Innovation Scoreboard 2021 : 2<sup>nd</sup> rank, after Switzerland). The government invests generously in research and innovation. Gross Expenditure on R&D is 3.4% GDP, the 4th highest globally and just ahead of Switzerland. However, the strength of the Swedish system is the private sector, i.e. the R&D investment and innovation drive of Swedish business. Successful Swedish “global” companies like Saab, Volvo, ABB, Electrolux etc. generate large R&D investment and are central to having a highly skilled workforce.

<sup>1</sup> DI 06.05.2022; <https://www.di.se/hallbart-naringsliv/kapitalet-strommar-till-grona-enhorningar/>

Stockholm Region is ranked the most competitive and second most innovative region in the EU and hosts 53% of all (global and Nordic) and 40% of all global headquarters in the Nordic Countries. The start-up ecosystem is considered one of the top three worldwide, and Stockholm has the second highest number of unicorns (start-ups valued at more than USD 1 billion) per capita in the world. But Sweden is not just about Stockholm. Four **main geographical and thematic clusters** structure Sweden's economic and innovation landscape:

- **Life science** : The life science sector in Sweden is home to more than 1,000 companies employing around 40,000 people spread over five geographic clusters. Almost half of the LifeScience companies are located in the Stockholm-Uppsala region (47%). The second largest cluster is the area Malmö-Lund in South Sweden (26%) which is part of the Danish-Swedish binational Cluster “Medicon Valley”. The third cluster exists in Scandinavia’s largest port-city Gothenburg on the Swedish west coast (14%). Furthermore, two smaller clusters are located in Umeå (7%) and Linköping (5%). Astra Zeneca is an Anglo-Swedish global pharma company and a major part of the Swedish system. It has one of its global R&D centres in Gothenburg. Digital medicine, a field that combines Sweden’s traditional strength in life sciences with its tech success, is an interesting growth area with very successful examples like “unicorn” Kyr.
- **Electrification of transport** : Developing sustainable mobility through the electrification of vehicles is a forte of the electrification industry in Skellefteå and Västerås (Northvolt) and automotive industry Gothenburg (Volvo/Northvolt) where the production of electric car batteries takes place. In the Gothenburg area ongoing regional electrification projects such as ElectriCity powering (city)busses and river ferry boats, are paving the way for electrified road transport and automated vehicles. Certain projects focus on the electrification of infrastructure which is key to reducing emissions from road freight transport. The electrified test track eRoadArlanda at the cargo terminal of the international airport of Arlanda Stockholm and the electric road Elvåg E16, powered by overhead lines, outside of Sandviken and Gävle, are two good examples. Furthermore, in recent years R&D in electrification of airplanes has been developed in Gothenburg at Chalmers University of Technology.
- **Smart cities – Urban planning** : Several project clusters are located in the major cities of Stockholm (i.e. Stormwater Management project, Stockholm Royal Seaport) and Gothenburg (i.e. BRF Viva – Housing with Minimum Climate Footprint; Gårdsten – Turning a Troubled District into a Sustainable Model), in the south of Sweden (cluster Malmö-Lund-Helsingborg) as well as in Linköping (Ebbepark – Testbed District for Sustainable Transformation; Vallastaden –Model for Sustainable Planning of Cities and Districts). However, there are 59 best practice projects all over Sweden that address different aspects urban planning in order to build more ecological and social sustainable cities.
- **Artificial Intelligence** : Strategic initiatives in the field of AI are developed by the national centre AI Sweden. Projects focus on AI methods that can be used at scale in critical systems and real-world scenarios as well as AI systems that can be developed efficiently and in a principled manner. Current strategic initiatives are Decentralized AI (Edge Lab test bed – Gothenburg), Natural Language Understanding (NLU), and Information Driven Healthcare (Halmstad University and Karolinska University Hospital), each with long-term investments and a number of underlying projects and use cases.

### 3 FOREIGN ECONOMIC POLICY

#### 3.1 Host country’s policy and priorities

Sweden has been an EU Member State since 1995 and even though the EU has gone through various crises, a majority of Swedes are in favour of their country being and remaining a

member of the EU. As an EU member (but not one of the Euro-zone), Sweden participates in the common trade policy of the EU and is bound to the agreements and obligations of the WTO. During the Covid-19 crises, the country became a vocal proponent for respecting these frameworks and opposed protectionist tendencies such as export controls for vaccinations and other medical products. Sweden's economic and trade relations with Switzerland are mainly governed by the free trade agreements between Switzerland and the EU (Bilateral Agreements I and II) and the WTO agreements.

The foundation of Swedish Government's current export strategy, originally laid in 2015, focuses on Swedish exports gaining larger shares in emerging market economies; ability of more SME's to dare to export; elevate Swedish goods and services even further up the processing chain; increase Sweden's attractiveness for foreign investments, tourists and talents and finally, to secure global open trade.

### 3.2 Outlook for Switzerland (potential for discrimination or comparative advantage)

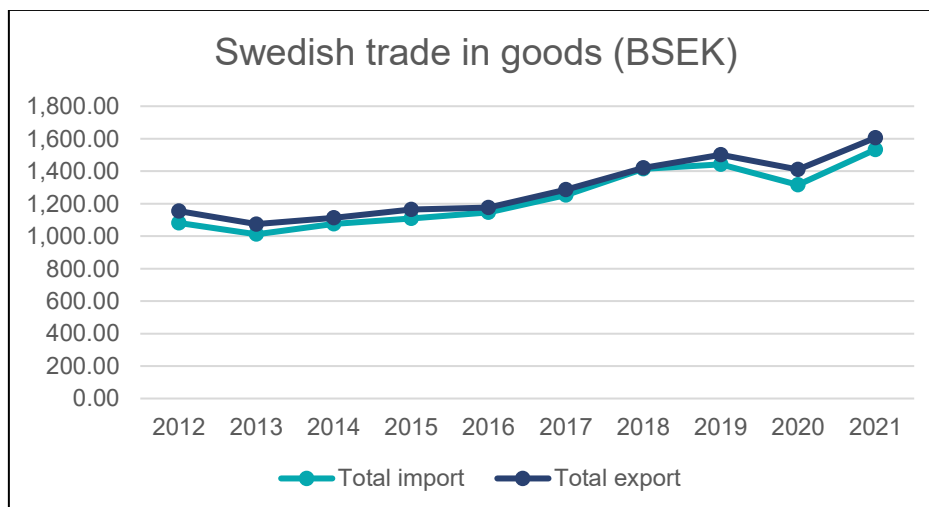
Sweden is Switzerland's most important trade and investment partner in the Nordic region. The two countries have signed a double taxation agreement in 1965 (last amended in June 2019) and share a trading relationship through the EU.

The Swiss Embassy in Stockholm has no knowledge of any cases of targeted discrimination against Switzerland or Swiss companies. Sweden and Switzerland are both open, innovative and export-oriented economies that have an existential need for and vital interest in unhindered market access.

## 4 FOREIGN TRADE

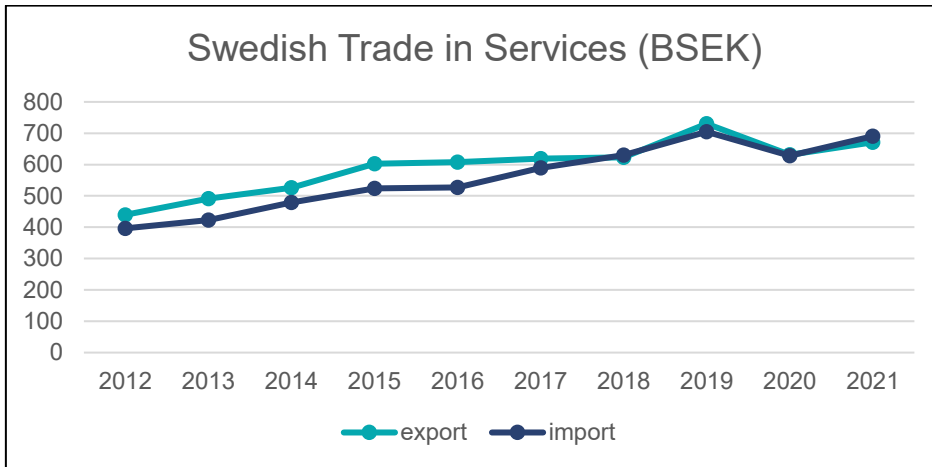
### 4.1 Developments and general outlook

Sweden's foreign trade focuses in the first place on Europe, the EU27 and the Nordics. In terms of trade in goods, the main European trade partner countries are Norway, Germany, Denmark, the Netherlands. The United Kingdom, in spite of Brexit, remains an important export market. Outside of Europe, in North America the United States is an important export market. In Asia, China is an important trade partner both export and import wise.



Graph 1: Swedish trade in goods 2012-2021  
S: Kommerskollegium / Statistics Sweden

As is shown in *Graph 1*, above, Swedish trade has shown a small but steady surplus over the past 10 years.

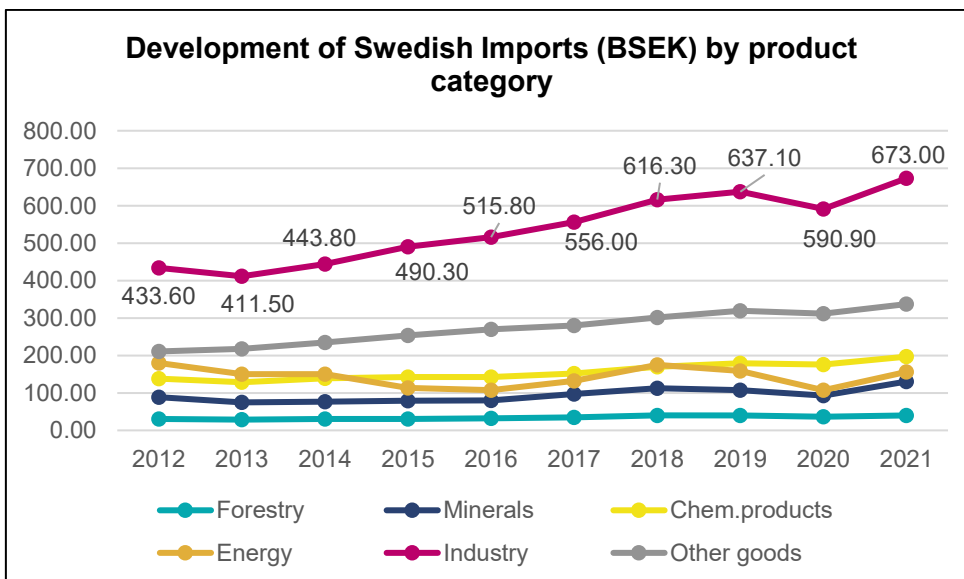


Graph 2: Swedish trade in Services 2012-2021  
S: Statistics Sweden

In terms of trade in services, Europe again is the most important global area for Sweden, although the United States and the United Kingdom are Sweden’s two top trade partners. Following countries are again Norway, Germany, Denmark, Netherlands, as well as Ireland. Switzerland for 2021, is the 5<sup>th</sup> most important export market with a share of 6.2% worth ca. USD 4.8 billion

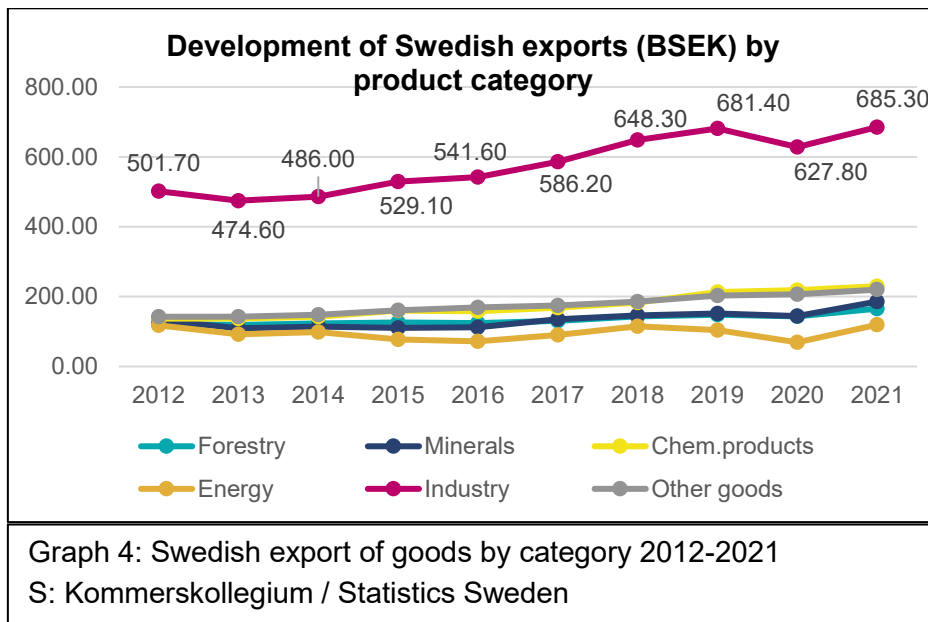
#### 4.1.1 Trade in goods

Sweden imports mainly cars and components for the domestic car industry, food, crude oil, equipment for the telecom industry and iron and steel.



Graph 3: Swedish import of goods by category 2012-2021  
S: Kommerskollegium / Statistics Sweden

Sweden's exports of goods to EU27 increased by 18%, and imports from there increased by 15 percent compared with the same period a year ago. Exports to the euro countries rose by 16 percent, and imports from there increased by 14%. Among the EU countries, exports to Germany increased by 12%, to Denmark by 17% and to Finland by 15%. Imports from Germany increased by 10%, from Denmark by 20% and from Finland by 13%.



Sweden exports cars, trucks and other transport equipment, machines, pharmaceutical products, wood and paper, as well as iron.

Exports to other European countries increased by 18%, and imports from there increased by 21%. Exports to the United Kingdom rose by 25%, while imports from there fell by 8%. During the period, exports of wood and petroleum products accounted for the largest increase to the United Kingdom. Imports of chemicals and rubber products accounted for the largest decrease from the United Kingdom. **Exports to Norway increased by 15%, and imports from there increased by 30%.** In the period, exports of mineral fuels, electric current and machinery/transport equipment accounted for the largest increase to Norway. At the same time, imports of crude petroleum oils and minerals accounted for the largest increase from Norway. Exports to Russia rose by 21%, and imports from there rose by 48% in 2021. In this period, exports of machinery and transport equipment accounted for the largest increase to Russia. At the same time, imports of crude petroleum oils accounted for the largest increase from Russia.

Exports to Asia fell by 1%, while imports from there increased by 22%. Exports to China decreased by 14%, while imports from there increased by 29%. In the period, exports of pharmaceutical products accounted for the largest decrease to China, while imports of machinery and transport equipment accounted for the largest increase from there. Both exports to and imports from the United States increased by 14%.

Exports of **machinery and transport equipment** increased by 9%. Within this product area, exports of road vehicles increased by 11 percent. Exports of **minerals** increased by 29%. Within this product area, exports of iron ore rose by 43%. Exports of **wood and paper products** increased by 16%, and **mineral fuels and electric current** increased by 73%. Exports of **chemicals and rubber products** rose by 5%. Within the **other products** area, textiles/clothing/footwear increased by 10%.

Imports of **machinery and transport equipment** increased by 14%. Within this product area, imports of passenger cars rose by 12%. Imports of **minerals** increased by 40%. Imports of **wood and paper products** increased by 10%, and imports of **chemicals and rubber products** rose by 12%. Imports of **mineral fuels and electric current** increased by 46%.

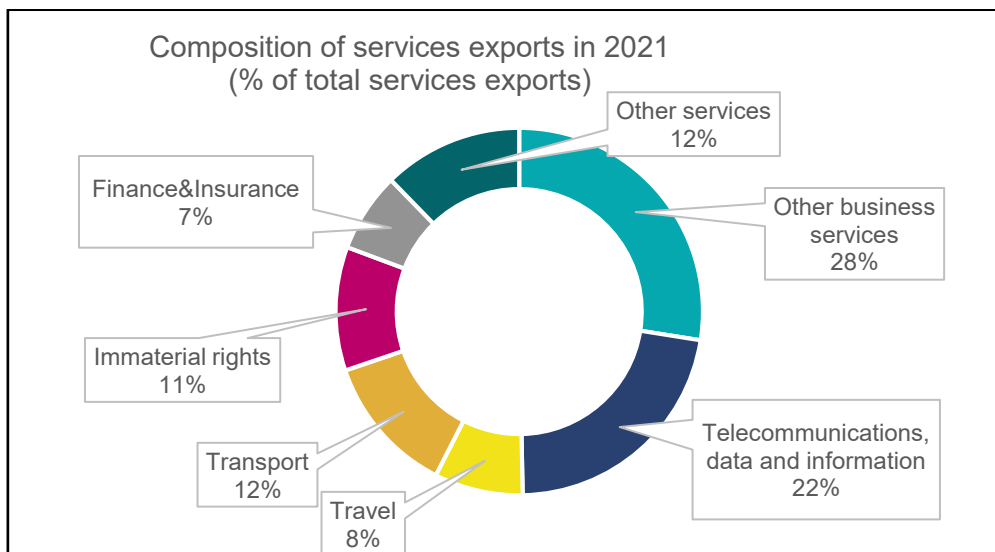


Within this product area, imports of crude petroleum oils rose by 55%. Imports of **other products** rose by 8%.

#### 4.1.2 Trade in services

2021 was another strong year for the trade in services. During Q4 the foreign trade exceeded the pre-corona pandemic levels. The most affected service type, travelling, has though not yet fully recovered.

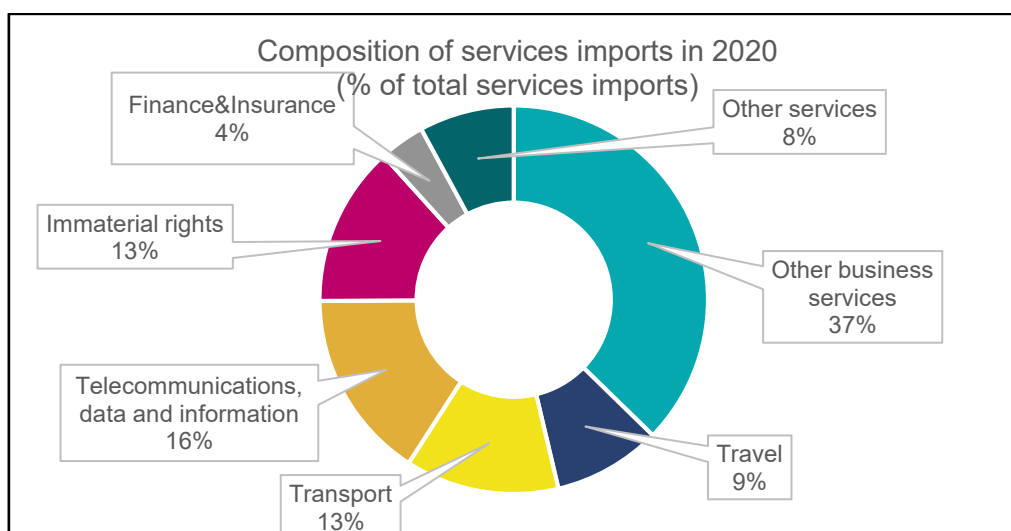
Foreign trade with services continued to improve during Q4 of 2021. The export of services increased by 12% as well as the import of services by 20%, compared to the same quarter of the previous year. The value of Sweden's service export was SEK 198 billion during Q4 2021, while service import was worth SEK 201 billion, resulting in a negative net result of ca. SEK 3 billion. The net result of Q4 in 2020 was positive: SEK 9 billion.



Graph 4: Swedish exports of services by categories in 2021  
S: Kommerskollegium / Statistics Sweden

Travelling (consumption abroad) was the hardest hit type of service during the corona pandemic outbreak. Travelling has not reached its pre-pandemic levels but continues to improve. Compared to Q4 of 2020, the export of the service type 'Travelling' has increased by 102% and the import by 124%.

On the export side, increased fees for the utilisation of immaterial rights increased 1%. Tele-, data- and information services decreased by 4%. Other business services (including research & development services, administrative and marketing services) increased by 9%. Transportations increased significantly by 37%.



Graph 5: Swedish imports of services by categories in 2020  
S: Kommerskollegium / Statistics Sweden

On the import side, there was a 7% reduction of fees for the utilisation of immaterial rights. Tele-, data- and information services increased by 6% and other business services by 21%. Transportations increased significantly by 24%.

## 4.2 Bilateral trade

### 4.2.1 Trade in goods

The total trade with Sweden increased with 14% to CHF 3.2 billion; exports increased with 14.7% to CHF 1.84 billion and imports with 13.1% to CHF 1.35 billion (according to Swiss Customs figures).

In 2021, the largest exported product categories to Sweden were chemical and pharmaceutical products, machines, appliances, electronics and vehicles. Whereas the largest imported product categories from Sweden were machines, appliances and electronics, vehicles, and chemical and pharmaceutical products.

These categories have remained virtually unchanged over a longer period of time – variations may occur in conjunction with major deliveries, often related to larger, publicly tendered vehicle deliveries (rail, defence), and machines.

The Swedish Krona (SEK) has depreciated against the Swiss Franc by over 30% since 2014, and by almost 15% since 2015, when the CHF peg to the Euro was lifted. This affects the statistics directly, and may certainly have had an effect on the value of the trade, if not the volumes. Against the Euro, the SEK lost nearly 12%, whereas it depreciated ca. 9% against the US Dollar on the mean annual value within the same period.

N.B. There are notable differences in the trade figures on goods between Switzerland and Sweden in each country's respective statistics. There are several reasons for this, notably differences in the applied methodology.

### 4.2.2 Trade in services

Swedish export of services to Switzerland grew with 5%, to almost 4.5 billion CHF in 2021, and import increased with 22%, to 1.66 billion CHF. Although no country-and-sector specific

data is available, the most common types of services correlate with the whole; *Other Business Services* (eg. Consulting, industrial services), *ICT* and *Immaterial Rights* dominate.

Swedish Export of services to Switzerland			Swedish Import of services from Switzerland		
2019	2020	2021	2019	2020	2021
39.26 BSEK	39.65 BSEK	41.6 BSEK	12.71 BSEK	12.85 BSEK	15.6 BSEK
4.01 BCHF	4.04 BCHF	4.43 BCHF	1.30 BCHF	1.32 BCHF	1.66 BCHF

Table 1 | **Swedish trade in services with Switzerland in SEK and CHF** (*CHF according to year mean value 1 CHF=9.4 SEK*).

It is worth noticing that the value of Swedish export of services to Switzerland is 2.5-3 times the value of the export of goods, whereas the Swiss export of services to Sweden is close to the value of goods exported<sup>2</sup>. Over time, however the trade in services develops positively at a faster pace than trade in goods. Since 2004, Swedish export of services to Switzerland has more than quadrupled, and Swiss export of services has doubled<sup>3</sup>.

## 5 Direct investments

### 5.1 Developments and general outlook

Overall 2020 Swedish FDI (net) in- and out-flows showed a good level; CHF 24.6 billion, and CHF 29.2 billion respectively, but net flow of FDI may vary quite a lot over time. Swedish FDI flow (both out and in) and stock largely come from knowledge-intense services (CHF 13 billion net out- and CHF 15 billion influx) and manufacturing industry (CHF 4.9 billion net out- and CHF 3.5 billion influx).

Foreign direct investment stock in Sweden has shown a steady increase (nearly +40%) during the past ten years and amounted to CHF 361 billion in 2020 (CHF 323 billion in 2019). The largest contributors in Sweden are the Netherlands, the UK, Luxembourg, Germany and USA (Switzerland ranking no 12). Almost all FDI in Sweden comes from OECD countries (93%).

At the same time Swedish direct investment stock abroad has shown a similar development (+39%), and amounted to CHF 405 billion in 2020 (CHF 389 billion in 2019). The largest target countries are the United States, the Netherlands, the UK, Norway and Finland (Switzerland ranking no 12). Some 84% of Swedish FDI stock abroad is in OECD countries.

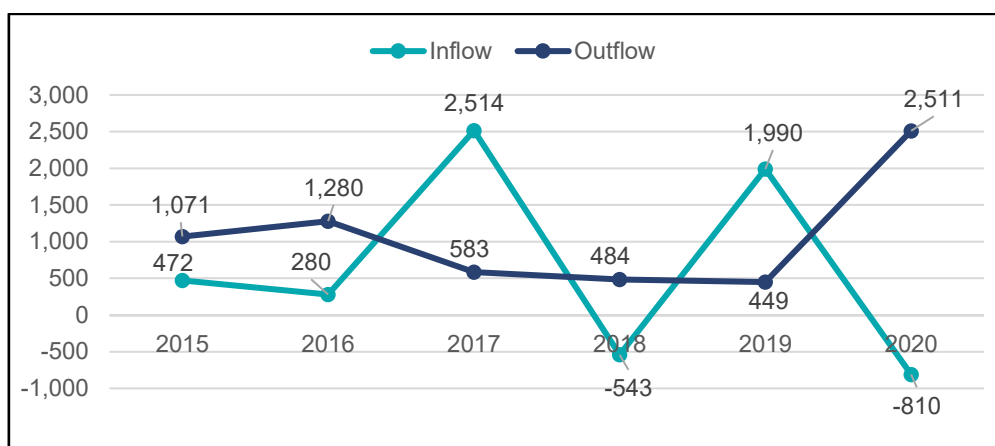
As is the case with the trade figures, Brexit does not seem to have had a direct impact on mutual direct investments. The UK remains one of Sweden's most important contributor and target countries for direct investment.

### 5.2 Bilateral investment

Swedish direct investment flows to Switzerland show a relatively stable positive level over time, whereas Swiss investment flows to Sweden fluctuate somewhat more.

<sup>2</sup> values are not fully comparable, as trade statistics for goods are primary values from customs statistics and trade values for services are taken from the balance of payments

<sup>3</sup> Statistics Sweden: [https://www.statistikdatabasen.scb.se/pxweb/sv/ssd/START\\_HA\\_HA0202/HA0202TiLandAr/](https://www.statistikdatabasen.scb.se/pxweb/sv/ssd/START_HA_HA0202/HA0202TiLandAr/)



Graph 6: Development of Swedish – Swiss FDI flows (MCHF) 2015-2020  
S: Kommerskollegium / Riksbank

Both Sweden and Switzerland have well-functioning and similar local markets, and the investment climates are favourable. Main arguments used when promoting Switzerland among interested Swedish investors are the availability of talent, the closeness to European markets, the excellent infrastructure, and the high quality of life.

Swiss direct investment stock in Sweden amounted to CHF 8.4 billion in 2020, earning Switzerland a 12<sup>th</sup> place among the largest investors in Sweden. Nearly 500 Swiss owned companies employ about 30'000 people in Sweden, placing Switzerland in 9<sup>th</sup> place with Norway, USA and Denmark being the top three foreign employers.

Swedish direct investment stock in Switzerland amounted to CHF 10.2 billion in 2020, rendering Switzerland the 12<sup>th</sup> place among target countries for Swedish FDI. 112 Swedish companies employed some 13'000 persons in Switzerland.

## 6 ECONOMIC AND TOURISM PROMOTION

### 6.1 Swiss foreign economic promotion instruments

Sweden remains Switzerland's most important trading partner in the Nordic countries. Economic and trade promotion is done in close cooperation with *Switzerland Global Enterprise* (S-GE); since 2015 all trade promotion in the Nordic countries is led and coordinated through the *Trade Point Nordics*, which is part of the Trade Section at the Embassy of Switzerland in Sweden. Apart from conveying contacts and business opportunities, the Trade Section offers information and consulting for Swedish companies and the media.

Swiss companies are offered market entry services, such as market studies, partner and/or client searches, organisation of fact finding trips, as well as promotional and trade show events. This is achieved mainly with the aid of a broad network of branch experts. Furthermore, the *Trade Point Nordics* cooperates closely with the *Swiss Chamber of Commerce in Sweden* ([www.swisscham.se](http://www.swisscham.se)) and the *Swedish-Swiss Chamber of Commerce in Switzerland* ([www.swecham.ch](http://www.swecham.ch)), as well as with other Nordic chambers of commerce in Switzerland, and their chapters in their countries of origin.

After Covid-19 pandemic restrictions were lifted, organised physical events could be resumed. The main events that the *Trade Point Nordics* supported or organised in 2021 were a conference on Cyber security organized by the Danish chamber of commerce and supported by the Swiss Embassy and Trade Point, as well as the Swiss participation at the start-up conference *SLUSH-21* in Helsinki, Finland. *Innosuisse* supported 17 Swiss start-ups to attend the event, a Swiss pavilion was designed by *PRS*. *SLUSH* will remain the main joint effort

by *Team Switzerland* (Embassy, PRS, Innosuisse, Trade Point) in the Nordic Countries.

*Switzerland Tourism's* office is based in Stockholm and covers all Nordic countries. The team consists of 3 full-time and 1 part-time positions. Almost half (40+%) of the Nordic guests visiting Switzerland originates from Sweden, with the winter share slightly dominating. Switzerland Tourism drives a multi-focus segmented marketing geared towards both active holidays and business meetings.

## 6.2 The host country's interest in Switzerland

There are several cooperation and exchange programmes between Swiss and Swedish universities and research institutes. Of the Swiss ones, ETH and EPFL are the biggest recipients (and senders) of students from (to) Sweden, with some 150 and 50 students and researchers on an annual basis. Since 2013, the *Swiss-Swedish Innovation Initiative (SWII)*, an industrial R&D partnering program, helps realizing high-technology projects between Switzerland and Sweden. The *Trade Point* will take a more active supportive role in *SWII*, which until now primarily has been a cooperation between the two innovation agencies *Innosuisse* and *Vinnova* and organised by *Business Sweden*. Furthermore, a planned MoU between *Innosuisse* and *Vinnova* was signed June 2021 (postponement from 2020).

In recent years, three Swiss scientists have been awarded the Nobel Prize in Stockholm (two in physics, one in chemistry). Besides, Swiss hospitality education has a good reputation in Sweden and the Swiss Education Group promotes an active alumni network.

The interest in and relevance of Switzerland as a financial hub is reflected by the presence of the most important Swedish commercial banks in Switzerland, as well as the reciprocation by UBS and Credit Suisse in the form of representations run from London or Frankfurt, who provide services primarily in investment banking and asset management.

**ANNEX 1 – Economic structure of the host country**

	2015	2020 (most recent year)
<b>Distribution of GDP</b>		
Primary sector	1.45 %	1.39 %
Manufacturing sector	22.16 %	21.11 %
Services	65.3 %	66.14 %
- of which public services	n/a	n/a

	2015	2019 (most recent year)
<b>Distribution of employment</b>		
Primary sector	2.04 %	1.69 %
Manufacturing sector	18.29 %	18.42 %
Services	79.68 %	79.89 %
- of which public services	n/a	n/a

Source(s):

Distribution of GDP (Data release December 2021):

<https://www.statista.com/statistics/375611/sweden-gdp-distribution-across-economic-sectors/#:~:text=This%20statistic%20shows%20the%20distribution,percent%20from%20the%20service%20sector>

Distribution of employment (February 2022):

<https://www.statista.com/statistics/375648/employment-by-economic-sector-in-sweden/#:~:text=The%20statistic%20shows%20the%20distribution%20of%20employment%20in,employment%20by%20economic%20sector%20from%202009%20to%202019>

**ANNEX 2 – Host country's main economic data**

	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>GDP (USD bn)*</b>	541.06	622.37	660.92
<b>GDP per capita (USD thousand)*</b>	52.13	58.64	61.68
<b>Growth rate (% of GDP)*</b>	- 2.8	4	3.4
<b>Inflation rate (%)*</b>	0.7	2	1.6
<b>Unemployment rate (%)*</b>	8.3	8.9	7.9
<b>Fiscal balance (% of GDP)*</b>	n/a	- 0.17	0.33
<b>Current account balance (% of GDP)*</b>	5.7	4.8	4.3
<b>Total external debt (% of GDP)**</b>	38.5	40.7	40.7
<b>Debt-service ratio (% of exports)**</b>	n/a	n/a	n/a
<b>Reserves (months of imports)**</b>	3.3	n/a	n/a

\* Source: IMF, World Economic Outlook (October 2021) [www.imf.org/external/pubs/ft/weo](http://www.imf.org/external/pubs/ft/weo)

\*\* Source: IMF, Article IV Consultation (March 2021) [www.imf.org/external/country/index.htm](http://www.imf.org/external/country/index.htm)

**ANNEX 3 – Trade partners (goods)**

Trade partners (goods) of Sweden

Year: 2021

Rank	Country	Exports from Sweden (USD million)	Share	Ch. <sup>4</sup>	Rank	Country	Imports to the host country (USD million)	Share	Ch. <sup>4</sup>
1	Norway	20'439	10.8%	15%	1	Germany	31'906	17.1%	10%
2	Germany	19'868	10.5%	12%	2	Norway	20'031	10.7%	30%
3	USA	16'023	8.4%	14%	3	Netherlands	18'866	10.1%	20%
4	Denmark	14'764	7.8%	17%	4	Denmark	12'981	6.9%	20%
5	Finland	13'506	7.1%	15%	5	China PR	10'721	5.7%	29%
6	United Kingdom	10'686	5.6%		6	Poland	8'833	4.7%	
7	Netherlands	9'625	5.1%		7	Finland	8'483	4.5%	
8	China	7'866	4.1%		8	Belgium	8'378	4.5%	
9	France	7'784	4.1%		9	France	7'155	3.8%	
10	Poland	7'306	3.9%		10	Italy	6'619	3.5%	
17	Switzerland	1'740	0.9%	5%	23	Switzerland	1'501	0.8%	32%
	EU (27)	101'954	53.7%	18%		EU (27)	124'433	66.6%	15%
	<b>Total</b>	<b>189'710</b>	<b>100%</b>	<b>14%</b>		<b>Total</b>	<b>186'964</b>	<b>100%</b>	<b>17%</b>

Source(s):

SCB (Statistics Sweden)

[https://www.scb.se/contentassets/fd79a476230e448abfcb975f64ccaed5/ha0201\\_2021m12\\_sm\\_ha22sm2201.pdf](https://www.scb.se/contentassets/fd79a476230e448abfcb975f64ccaed5/ha0201_2021m12_sm_ha22sm2201.pdf)

Exchange Rate 1 USD = 8.5815 2021<sub>MID</sub> ([www.riksbank.se](http://www.riksbank.se))

<sup>4</sup> Change from the previous year in %



**ANNEX 3 – Trade partners (services)**

Trade partners (services) of Sweden

Year: 2021

Rank	Country	Exports from Sweden (USD million)	Share	Ch. <sup>5</sup>	Rank	Country	Imports to Sweden (USD million)	Share	Ch. <sup>5</sup>
1	USA	8,809	11.3%	2.9%	1	USA	12'030	14.9%	6.9%
2	United Kingdom	7'669	9.8%	3.3%	2	United Kingdom	8'620	10.7%	-2.5%
3	Norway	7'031	9.0%	9.5%	3	Germany	7'729	9.6%	9.2%
4	Germany	5'522	7.1%	9.0%	4	Ireland	5'642	7.0%	30.4%
5	Switzerland	4'836	6.2%	5.7%	5	Denmark	4'502	5.6%	0.2%
6	Finland	4'815	6.2%	1.5%	6	Netherlands	4'370	5.4%	1.6%
7	Denmark	4'456	5.7%	-1.3%	7	Finland	4'330	4.7%	-2.5%
8	France	3'348	4.3%	8.2%	8	Norway	3'761	3.9%	14.4%
9	Netherlands	2'757	3.5	13.0%	9	France	3'127	2.5%	13.5%
10	Ireland	2'280	2.9	18.5%	10	Spain	2'045	2.5%	42.5%
					14	Switzerland	1'817	2.3%	21.0%
	EU (27)	33'010	42.2%	7.3%		EU (27)	42'916	53.3%	11.0%
	Total	78'166	100%			Total	80'487	100%	

Source(s):

Statistics Sweden:

[https://www.statistikdatabasen.scb.se/pxweb/sv/ssd/START\\_HA\\_HA0202/HA0202TjLandAr/](https://www.statistikdatabasen.scb.se/pxweb/sv/ssd/START_HA_HA0202/HA0202TjLandAr/)
Exchange Rate 1 USD = 8.5815 2021<sub>MID</sub> ([www.riksbank.se](http://www.riksbank.se))

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<sup>5</sup> Change from the previous year in %

**ANNEX 4 – Bilateral trade**

Bilateral trade in goods between Switzerland and Sweden

	<b>Export</b> (CHF mio)	<b>Change</b> (%)	<b>Import</b> (CHF mio)	<b>Change</b> (%)	<b>Balance</b> (CHF mio)	<b>Volume</b> (CHF mio)
2017	1'497	5	1'238	10.4	258	2'735
2018	1'558	4.1	1'239	0.1	318	2'797
2019	1'676	7.6	1'217	-1.8	458	2'893
2020	1'606	-4.2	1'190	-2.3	416	2'795
2021 (Total 1)*	1'842	14.7	1'346	13.1	496	3'187
<b>2022</b> (I-VI)**	609	4.2	463	9.3	145	1'072

\* 'Economic' total (total 1): not including gold bars and other precious metals, currencies, precious stones and gems, works of art and antiques

\*\* Change (%) from the previous year

<b>Exports</b>	<b>2020</b>	<b>2021</b>
	(% of total)	(% of total)
1. Chemical and pharmaceutical products	35.4	34.7
2. Machines, appliances, electronics	18.7	20.5
3. Vehicles	16.1	13.2
4. Precision instruments, watches and jewellery	9.3	11.6

<b>Imports</b>	<b>2020</b>	<b>2021</b>
	(% of total)	(% of total)
1. Machines, appliances, electronics	21.5	22.3
2. Vehicles	22.8	20.5
3. Chemical and pharmaceutical products	18.9	19.6
4. Metals	7.4	8.1

Source: Federal Office for Customs and Border Security

## Swedish Krona to other currencies

	1 CHF			1 EUR			1 USD		
	SEK <sub>Min</sub>	SEK <sub>Mid</sub>	SEK <sub>Max</sub>	SEK <sub>Min</sub>	SEK <sub>Mid</sub>	SEK <sub>Max</sub>	SEK <sub>Min</sub>	SEK <sub>Mid</sub>	SEK <sub>Max</sub>
2014	7.11	7.49	7.93	8.77	9.10	9.53	6.34	6.86	7.81
2015	7.83	8.77	9.51	9.07	9.36	9.64	7.82	8.44	8.84
2016	8.33	8.69	9.25	9.15	9.47	9.98	7.92	8.56	9.38
2017	8.79	8.91	9.01	9.42	9.59	9.78	8.46	8.86	9.15
2018	8.32	8.88	9.43	9.76	10.26	10.70	7.84	8.69	9.19
2019	9.02	9.52	9.97	10.19	10.59	10.91	8.87	9.46	9.93
2020	9.25	9.80	10.63	10.04	10.49	11.23	8.19	9.20	10.44
2021	9.11	9.38	9.94	9.88	10.14	10.34	8.19	8.58	9.16

Source: Sveriges Riksbank – Swedish National Bank, <https://www.riksbank.se/en-gb/statistics/search-interest--exchange-rates/annual-average-exchange-rates/?y=2020&m=12&s=Comma&f=y>

**ANNEX 5 – Main investing countries**

Main investing countries in Sweden

Year: 2020

Rank	Country	Direct investment (BUSD, stock)	Share	Variation (stock)	Inflows over past year (BUSD)
1	Luxembourg	57	14.3%	13.3 %	0.68
2	Netherlands	55	14%	-1.4 %	5.5
3	Great Britain	48	12.3%	-8.6 %	5.5
4	USA	46	11.8%	75 %	2.2
5	Germany	39	9.9%	10.1 %	0.48
6	Finland	30	7.6%	4.1 %	0.43
7	Norway	28	7.1%	- 13.4 %	2.2
8	Denmark	26	6.5%	- 6.0 %	0.4
9	Switzerland	10	2.4%	6.5 %	1.4
10	France	5	1.3%	- 43 %	0.7
...	Nordics	83	21.1%	- 5.4 %	3
	EU (27)	289	73.1%	1.4 %	14.2
	<b>Total</b>	<b>395</b>	<b>100%</b>	<b>4.9 %</b>	<b>27</b>

Sources:

Statistics Sweden (SCB)

[https://www.statistikdatabasen.scb.se/pxweb/en/ssd/START\\_FM\\_FM0001\\_FM0001D/FM0001T06/](https://www.statistikdatabasen.scb.se/pxweb/en/ssd/START_FM_FM0001_FM0001D/FM0001T06/)

Kommerskollegium

<https://www.kommerskollegium.se/handelsstatistik/direktinvesteringar/>

Exchange Rate 1 USD = 8.5815 2021<sub>MID</sub> ([www.riksbank.se](http://www.riksbank.se))

**Annex 6 – Main Swiss companies in the host country** ***INTERNAL***

List of main Swiss companies with a presence in Sweden

Companies	Location (address optional)
Banks / financial companies:	
UBS Europe SE	Stockholm
Credit Suisse AG	Stockholm
Insurance:	
Zürich Insurance	Stockholm
Service providers:	
Adecco	Stockholm
Kuehne & Nagel AB	Kista (Stockholm)
Machinery and infrastructure:	
ABB AB	Västerås
Schindler Hiss AB	Danderyd (Stockholm)
Bystronic Scandinavia AB	Stockholm
Chemicals and pharmaceuticals industry:	
Novartis Sverige AB	Kista
Roche AB	Solna (Stockholm)
Roche Diagnostics Scandinavia AB	Solna
Sika Sverige AB	Spånga (Stockholm)
IT & Telecom	
Ascom Sweden	Göteborg
Food and Tobacco:	
Nestlé Sweden	Helsingborg
General industry:	
Oerlikon Balzers Coating	Norsborg (Stockholm)
RUAG Space (Beyond Gravity as of May 2022)	Göteborg, Linköping
Watches, jewellery:	
Swatch Group Nordic	Stockholm

**Annex 7 – Host country’s main companies in Switzerland** **INTERNAL**

List of Sweden’s main companies with a presence in Switzerland

Company
Banks/Financial companies
Nordea Asset Management
Nordea Private Banking (LU)
SEB Bank (LU)
Industry (gen.)
SAAB AB
SAAB Bofors Dynamics
Insurance
Zürich Insurance
IT&Telecom
Ericsson
Machinery and Infrastructure
Atlas Copco AB
Scania
Volvo AB
Service Providers
AFRY (ÅF Pöyry)
Other
H&M Hennes & Mauritz
IKEA