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Sweden: Economic Report 2019/20

0. Executive Summary

Economic growth in Sweden weakened significantly in 2019, to 1.2% GDP growth (from 2.3% in 2018), as domestic demand stagnated due to falling construction investment and volatile private consumption. The slowdown was substantially cushioned by an acceleration of export growth, reflecting Sweden's improved competitiveness on the back of a weaker krona, and a boost in chemicals exports.

The Riksbank (central bank) brought rates to non-negative territory (0.00%) in January 2020. The inflation rate was at 1.8% in 2019, just below the Riksbank's 2% inflation target. Unemployment rose slightly from a rate of 6.2% to 6.8%, which is just about at EU-level.

(Cautiously) positive predictions made a few months ago have been nullified by the Corona pandemic that hit Sweden in March 2020. Although the government did not impose a strict lockdown, economic fallout will be inevitable and the Swedish economy will go into a recession this year.

Most Swedish exports (58%) went to other EU countries, and most imports (70%) came from there. In addition, inter-Nordic trade (Denmark, Finland, Norway and Iceland) was significant: it stands for 25% of exports and 21% of imports (all 2019 figures for goods, figures for services are similar).

Until now, there is no apparent aggregated Brexit effect on Swedish exports to the UK, which in 2019 increased by 0.7% (goods) and by 14% (services) respectively. Since 2015, export of services has increased more than doubly compared to the export of services to other EU countries.

So far, the imposition of steel and aluminium tariffs by the Trump administration on Canada, Mexico and the EU did not negatively affect the total of Swedish goods exports to the US – they increased by 23% in 2019.

Sweden's trade in goods with Switzerland decreased with 2% in 2019, to CHF 3.3 billion; exports increased with 7.4% to CHF 1.7 billion whereas imports decreased with 10.6% to CHF 1.6 billion. It is worth noticing that the value of Swedish export of services to Switzerland is more than double the export of goods, whereas the Swiss export of services to Sweden almost equals the value of goods exported. The Swiss direct investment stock in Sweden amounted to CHF 7 billion in 2018, the Swedish direct investment stock in Switzerland to CHF 10.3 billion.

1. Economic problems and issues

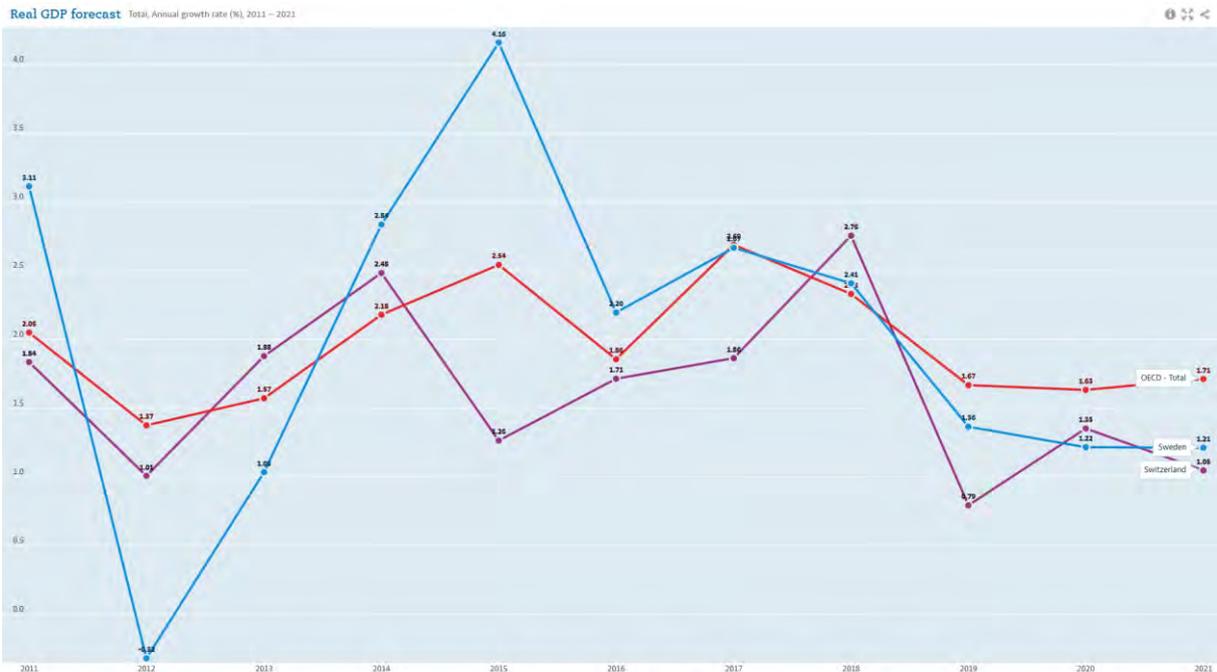
Sweden's economy grew at a healthy pace between 2014 and 2018, amid loose monetary policy, a booming housing market and buoyant private consumption, putting the annual rate of real GDP growth over that period at an average of 2.8%. Growth weakened significantly in 2019, to 1.2% (from 2.3% in 2018), as domestic demand stagnated. This was driven by falling construction investment (which accounts for 20% of total capital spending) and volatile private consumption. The slowdown was substantially cushioned by an acceleration of export growth, reflecting Sweden's improved competitiveness on the back of a weaker krona, and a boost in chemicals exports. The Riksbank (central bank) brought rates to non-negative territory (0.00%) in January 2020. The inflation rate was at 1.8% in 2019, just below the Riksbank's 2% inflation target. Unemployment rose slightly from a rate of 6.2% to 6.8%, which is just about at EU-level.

The centre-left government, comprising the Social Democratic Party and the Green Party, has been in power since January 2019. It is supported in parliament by two small centre-right parties that have demanded an economic policy shift to the right in exchange. The previous Social Democratic-Green Party government oversaw consistent surpluses in 2016-18, owing to a strong macroeconomic backdrop and the administration's fiscal restraint, which has increased Sweden's fiscal space. The fiscal framework targets a surplus of 0.3% of GDP on average throughout the eight-year business cycle, and consolidated public debt of 35% of GDP. The government's 2020 budget targets a surplus of 0.3% of GDP, which at the beginning of 2020 seems realistic. This would correspond to a structural balance of 0.2% of GDP, representing a more restrictive fiscal policy compared to 2019. The government plans to increase police staff (by a total of 10'000 by 2024); reduce income tax; introduce a tax deduction for businesses that hire young workers and newly arrived immigrants; increase taxes on plastic and implement a solar panel subsidy; introduce an income tax deduction in sparsely populated areas; further cut taxes on pensioners; and bolster defence spending.

At the beginning of 2020, risks appear well balanced. Downside risks stem from the US administration's protectionist stance and a potential failure to address the long-overdue reforms in the housing and labour market. Upside risks stem from a sharper than anticipated investment rebound as the construction sector recovers more swiftly than expected.

However, most predictions made a few months ago have been nullified by the Corona pandemic that hit Sweden in March 2020 and is still ongoing at the time this report is being written. Although the government did not impose a strict lockdown, economic fallout will be inevitable and the Swedish economy will go into a recession this year. The emergency financial package to address the crisis could amount to 13% of GDP (depending on the uptake), meaning policy and spending priorities will have to be adapted. After years of fiscal surpluses, Sweden will register a sharp deficit in 2020, which will gradually narrow thereafter. Unemployment and public debt will increase substantially this year.¹

¹ Economist Intelligence Unit Country Reports Sweden, February and June 2020



Graph 1: Real GDP annual growth rate (%) and forecast, 2011-2021, Sweden, Switzerland and OECD Total
 Source: OECD, URL: <https://data.oecd.org/gdp/real-gdp-forecast.htm>

1.1 Effects of COVID-19 and measures to alleviate the effects

The COVID-19 pandemic is hitting the world economy hard; Europe is heading towards a historic recession. Although Sweden has not locked down its economy the same way other countries did, the impact of the crisis is felt here, as well, and the economic outlook for Sweden had to be revised downwards drastically. Predictions vary from study to study and depending on the date published. There is disagreement over the question whether Sweden will recover faster than other European countries due to the less stringent measures applied – and whether the price paid in terms of epidemiological development, number of victims and regional isolation/travel restrictions was worth it. Undoubtedly, recovery in Sweden will also depend on how fast Europe will be able to overcome the crisis (about two thirds of Swedish exports go to Europe).

According to a forecast made by *Konjunkturinstitutet* (National Institute of Economic Research, NIER), Swedish GDP is projected to decrease by 5.4% and unemployment to increase to ca. 8.5% in 2020 and 9.6% in 2021. The projected increase in productivity the following two years is 1.7% and 2.0%, and in GDP 3.5% and 4.1% respectively (<https://www.konj.se/download/18.6b9944861729852ebf65eb92/1592401517072/KLjun2020.pdf>).

The *OECD June Economic Outlook* paints an even darker picture; with a 7.8% decline in GDP, a 10.7% decline in exports and an unemployment rate of 10.6% in 2020, according to the “double-hit” scenario (<https://www.oecd-ilibrary.org/deliver/0d1d1e2e-en.pdf?itemId=%2Fcontent%2Fpublication%2F0d1d1e2e-en&mimeType=pdf>).

The Swedish government’s approach has been mainly based on recommendations rather than enforceable laws and regulations. No industry sector was closed or restricted, the same

applies to shopping malls, shops, hair salons and other businesses. Instead, it is expected that everyone adhere to the general restriction of gatherings of max. 50 people and recommendations regarding social distancing and hygienic behavior. Home Office, whenever possible, is recommended, and since already a rather common option in Sweden, albeit on a more ad-hoc basis, it has been widely implemented by all types of businesses.

On the other hand, several companies, especially in the **manufacturing industry**, have decided to close down activities end of March/beginning of April due to the overall situation on world markets (Sweden being an export dependent nation), and have made use of the offered short-term layoff possibility (where the government partly compensates laid-off staff). Since mid-April, the **major automotive manufacturers** Volvo AB, Volvo Cars and Scania, and their Swedish supply chains, have slowly restarted production, mainly in order to cater for existing order stock. This has been done in coordination with the European automotive industry and its supply chains, to avoid unnecessary bottlenecks.

Clearly, the **Swedish tourism sector** has been suffering hard from worldwide travel restrictions, and consumer behavior in general has changed. Many businesses depending on income from tourists (hotels, restaurants, amusement parks, boutiques etc.) have closed down or reduced their services and activities. The hospitality industry has lost up to 80% of sales, while other businesses (e.g. fashion boutiques) have reported a drop in sales of up to 60%. Online sales of consumer goods however rose by 33% in March and even quintupled among those over 65. Scandinavian Airlines had to drastically reduce its operations in March. Since June, more and more flights are being added to the schedule, again.

The press and media sector suffers due to reduced earnings from advertising. At the same time, it experiences an increased demand for COVID-19 related news reporting. This puts the companies in the sector in a difficult situation where they have to balance laying off staff against producing demanded news content.

The Swedish central bank and government have adopted various support measures in favor of the economy (e.g. loan package for the banks; loan guarantees for the non-banking sector, wage financing for short-time layoffs, relief for companies regarding social security contributions, etc.). The most important ones are:

Central bank (Riksbank): loan program for companies via the banking system of up to SEK 500 billion (EUR 50 billion); provision of up to USD 60 billion in USD-denominated loans; purchase of debt securities of the state, municipalities and companies in the amount of up to SEK 300 billion (EUR 30 billion).

Government: SEK 300 billion (EUR 30 billion) for short-term layoffs, tax reductions and postponing payment of social security contributions (albeit with 6% interest); SEK 500 billion (EUR 50 billion) to increase credit guarantees of the Swedish export risk insurance EKN; loosening of co-financing requirements for ALMI, Sweden's most important start-up investor; SEK 39 billion (EUR 3.9 billion) for companies that are struggling with lost sales and are realigning themselves (e.g. restaurants that are now offering take-away or taxis that are delivering goods); SEK 5 billion (EUR 500 million) for loan guarantees to the airlines (including SEK 1.5 billion for SAS).

(KPMG provides a good overview of the numerous support measures Sweden has proposed/enacted: <https://home.kpmg/xx/en/home/insights/2020/04/sweden-government-and-institution-measures-in-response-to-covid.html>)

2. International and regional economic agreements

2.1 Country's policy and priorities

Sweden has been a member state of the EU since 1995 and even though the EU has been going through many different crises, a majority of Swedes is in favor of their country being and remaining a member. 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. Sweden's economic and trade relations with Switzerland are governed by the free trade agreements between Switzerland and the EU (Bilaterale I and II).

Until now, there is no apparent aggregated Brexit effect on Swedish exports to the UK, which in 2019 increased by 0.7% to SEK 82.4 billion (goods) and by 14% to SEK 78 billion (services) respectively. Since 2015, export of services has increased more than doubly compared to the export of services to other EU countries. 10.8% of all Swedish services exported go to the UK, making it the second most important country of destination after Norway (14.2%). The sales of services via Swedish subsidiaries in the UK is even higher than exports.

Sweden with its small and open economy is particularly exposed to developments in world trade. The US and China accounted for 8% and 4.7% respectively of total Swedish exports in 2019. So far, the imposition of steel and aluminum tariffs on May 31st 2018 by the Trump administration on Canada, Mexico and the European Union did not negatively affect the total value of Swedish exports to the US – they increased by more than 23% in 2019.²

2.2 Outlook for Switzerland (potential for discrimination)

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 Embassy has no knowledge of any cases of targeted discrimination against Switzerland. Sweden and Switzerland are both open, export-oriented economies, that have an existential need for and vital interest in unhindered market access. Therefore, the current protectionist measures by the US and other trading partners could threaten both countries substantially.

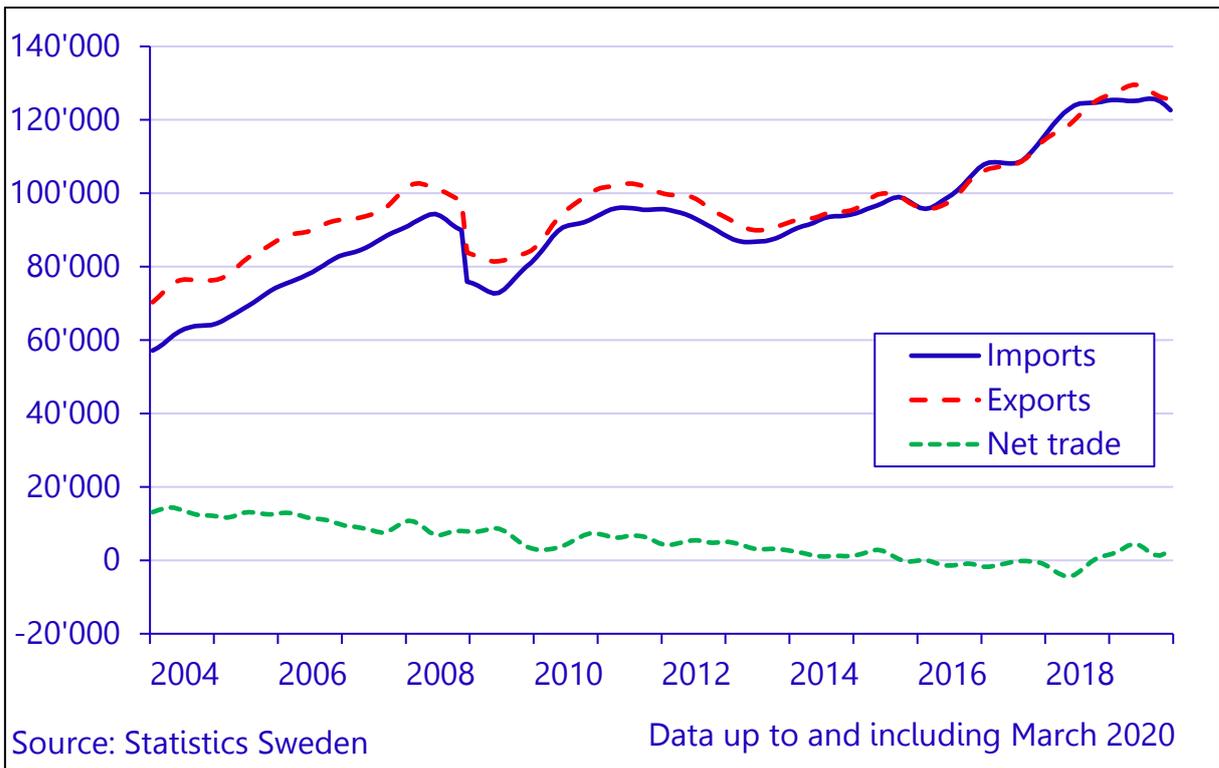
3. Foreign Trade

3.1 Development and general outlook

Swedish exports grew by 7.6% (goods 5.9%, services 11.8%) and imports by 3.8% (goods 0.9%, services 10.5%) in 2019 compared with 2018.³ During January-December 2019, the value of Swedish exports (goods and services) amounted to SEK 2'361 billion (CHF 248 billion) and imports to SEK 2'195 billion (CHF 231 billion). This resulted in a net trade surplus of SEK 166 billion (CHF 17 billion). The figures are taken from the balance of payments and therefore not comparable with the figures presented for trade in goods where primary statistics from customs are used.

² Kommerskollegium, Sveriges utrikeshandel med varor och tjänster samt direktinvesteringar 2019, Annex 1 p.14, 15 (Sveriges utrikeshandel)

³ Sveriges utrikeshandel, p. 1 ff.

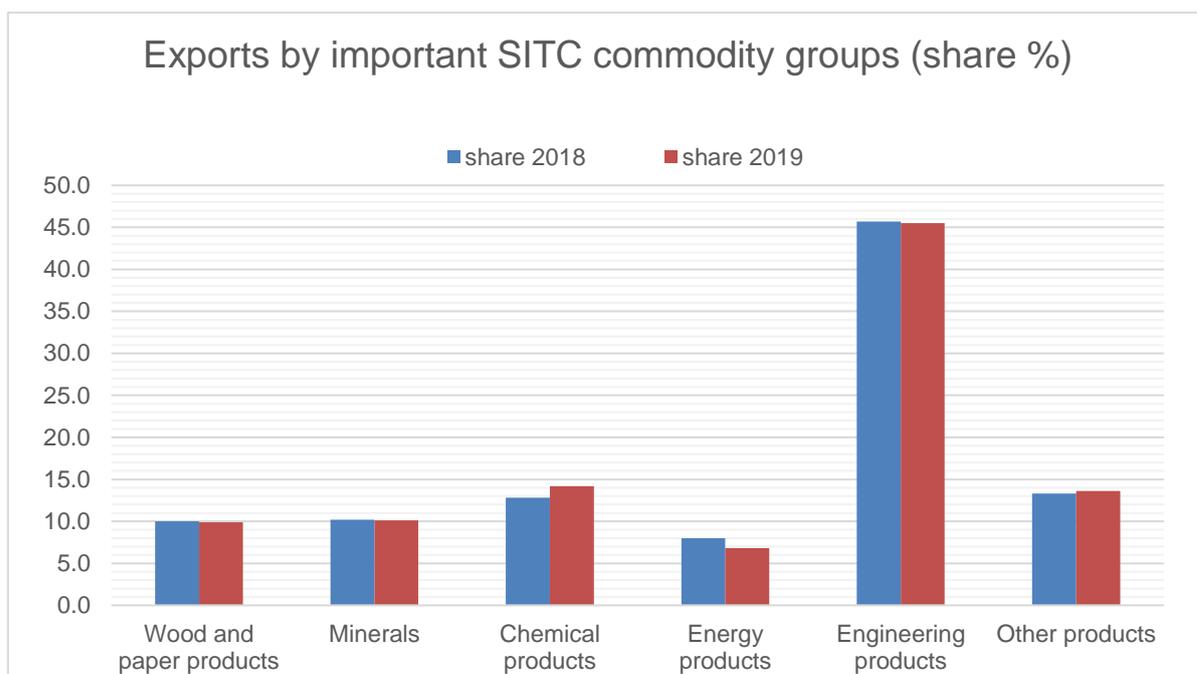


Graph 2: Development of Swedish trade in goods and services 2004 - 2019, MSEK
 Source: Statistics Sweden, URL: <http://www.scb.se/en/finding-statistics/statistics-by-subject-area/trade-in-goods-and-services/foreign-trade/foreign-trade---exports-and-imports-of-goods/png/tables-and-graphs/exports-imports-and-net-trade-of-goods/>

3.1.1 Trade in Goods

The value of total Swedish exports of goods amounted to SEK 1'518 billion (CHF 160 billion) in 2019. The EU remained Sweden's most important trading partner during 2019 and accounted for 58% of all Swedish exports, which corresponds to SEK 879 billion (CHF 92 billion). Sweden's five most important trading partners in 2019 were Norway (10.7%), Germany (10.5%), USA (8.0%), Finland (7.1%) and Denmark (7.0%) – Switzerland (1.1%) ranking no 17.

Engineering and machinery products dominate Swedish exports with a total value of SEK 663 billion (CHF 69.6 billion).

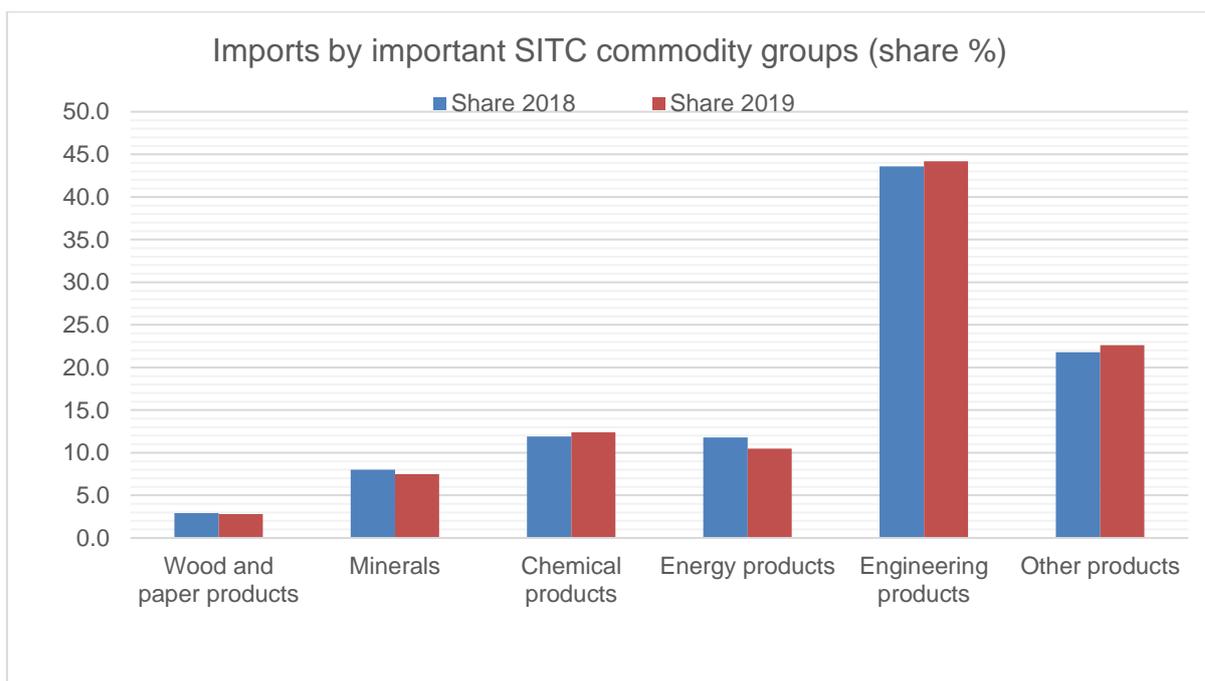


Graph 3: Swedish exports of goods by categories in 2019

Source: Kommerskollegium: Sveriges utrikeshandel med varor och tjänster samt direktinvesteringar
S: Kommerskollegium / Statistics Sweden

The value of total Swedish imports in 2019 amounted to SEK 1'501 billion (CHF 158 billion). 70% or SEK 1'055 billion (CHF 111 billion) of the goods imported to Sweden came from the EU. The largest countries of consignment were Germany (17.9%), the Netherlands (9.4%), Norway (9.2%), Denmark (6.6%) and China (5.2%) – Switzerland (0.7%) ranking no 25.

Here as well, engineering and machinery products (+10.0%) dominate the traded category, with almost 45% of the total value imported.



Graph 4: Swedish imports of goods by categories in 2019

Source: Kommerskollegium: Sveriges utrikeshandel med varor och tjänster samt direktinvesteringar
S: Kommerskollegium / Statistics Sweden

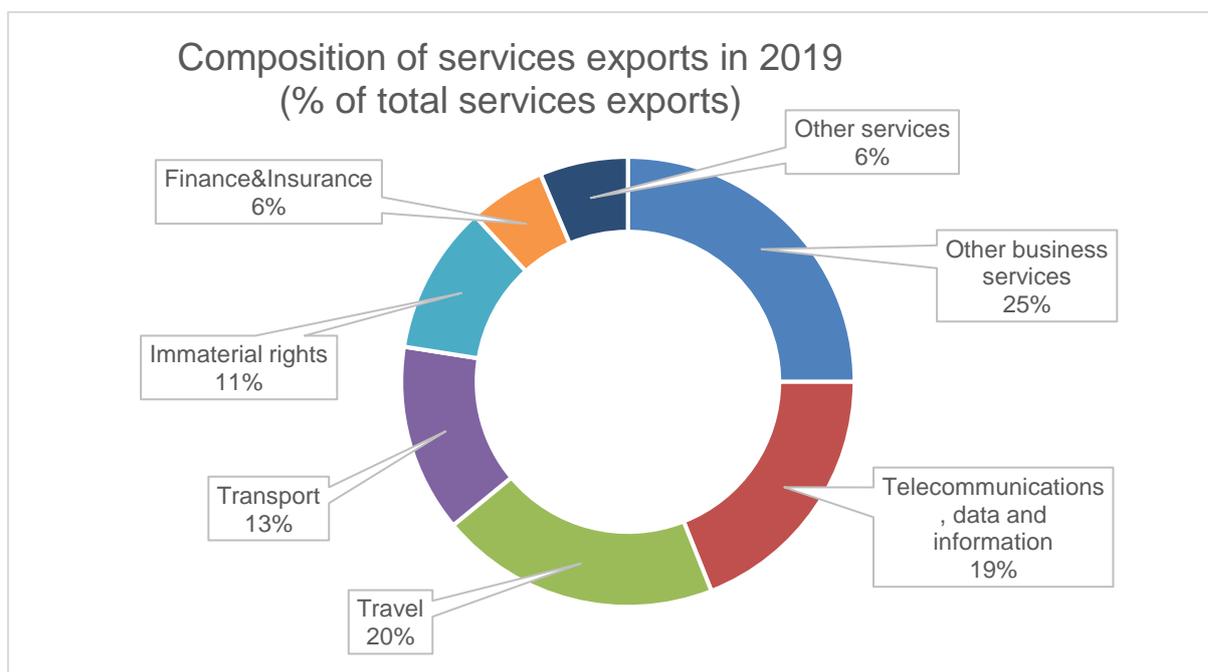
3.1.2 Trade in services

In the past five years Swedish exports of services have increased by some 18% to SEK 721 billion (CHF 76 billion) and imports by 36% to SEK 705 billion (CHF 74 billion). The EU (28) is the most important trading partner, as a recipient of 52% of all exported and as a source of 67% of all imported services.

Norway (14.2%), the United Kingdom (10.8%), the United States (10.1%), Finland (7.2%) and Denmark (6.7%) were the most important recipients of Swedish services (Switzerland 5.5%, ranking no 7).

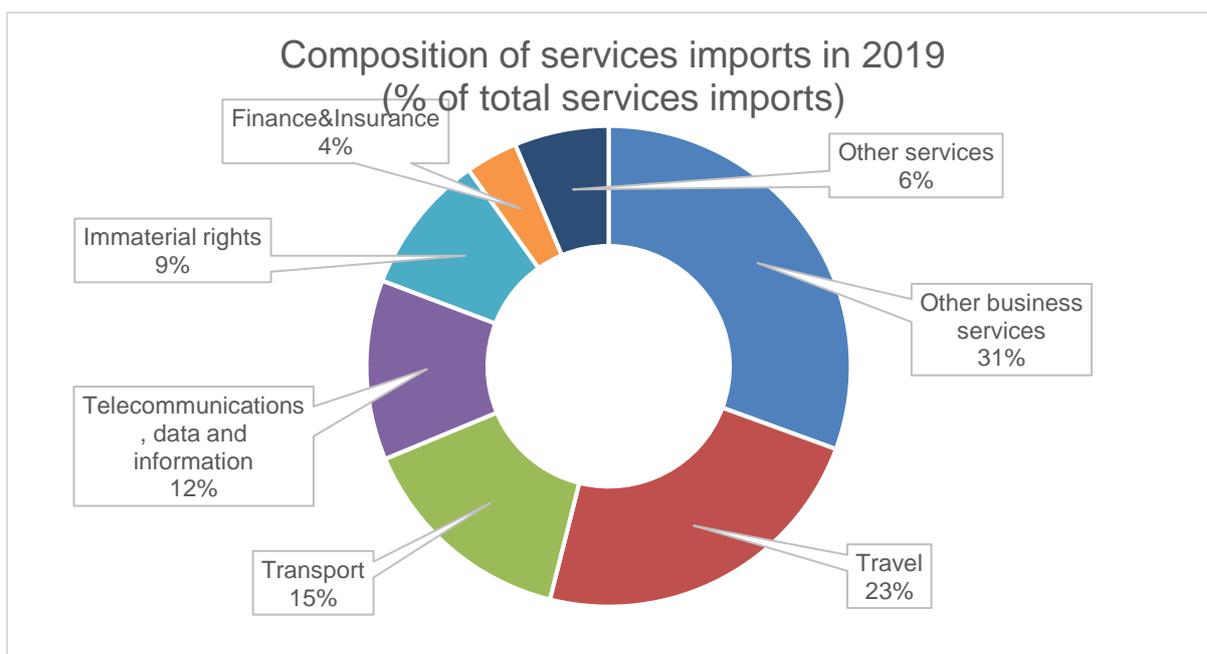
The United Kingdom (12.4%), the United States (11.6%), Germany (9.5%), Denmark (7.4%) and Norway (6.2%) were the most important sources of services (Switzerland 1.8%, ranking no 15).

The most important Swedish service sectors were telecommunication, data and information services, travel, and transport providers.



Graph 5: Swedish exports of services by categories in 2019

Source: Kommerskollegium: Sveriges utrikeshandel med varor och tjänster samt direktinvesteringar
S: Kommerskollegium / Statistics Sweden



Graph 6: Swedish imports of services by categories in 2019

Source: Kommerskollegium: Sveriges utrikeshandel med varor och tjänster samt direktinvesteringar
S: Kommerskollegium / Statistics Sweden

3.2 Bilateral Trade

3.2.1 Trade in goods

The total trade with Sweden decreased with 2% to CHF 3.3 billion; exports increased with 7.4% to CHF 1.69 billion whereas imports decreased with 10.6% to CHF 1.58 billion.

In 2019, 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 precious metals, precious stones and gems, vehicles and machines, appliances and electronics.

Although public and private investments in building and infrastructure have stabilized somewhat, Sweden is still pushing “green incentives”; i.e. green building, smart cities and e-mobility, that may provide opportunities for exchange of clean tech know-how, products and especially services in these sectors. It remains to be seen however, whether these initiatives and the huge public investments in the rail sector announced in 2018 will remain high on the political agenda - and to what extent they will prove feasible, given the immense public spending efforts underway to address the Corona-crisis.

The Swedish Krona (SEK) has depreciated against the Swiss Franc by ca 30% over the past 10 years. 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 10%, whereas it depreciated ca. 24% against the Dollar on the mean annual value within the same period.

N.B. There are notable discrepancies in the trade statistics published in Sweden and in Switzerland: If goods, commodities or services imported from or exported to a (non-EU) country transit via an EU country, that country is registered as country of origin or destination.

3.2.2 Trade in Services

The export of services to Switzerland constitutes 5.5%, and the import of services from Switzerland constitutes 1.8% of Sweden's total service trade. There are no exact figures to the types of services traded between the two countries, but they can be assumed to correspond to the types described in chapter 3.1.2.

Swedish Export of services to Switzerland			Swedish Import of services from Switzerland		
2017	2018	2019	2017	2018	2019
34.98 BSEK	37.22 BSEK	39.73 BSEK	12.71 BSEK	13.19 BSEK	12.99 BSEK
3.93 BCHF	4.19 BCHF	4.17 BCHF	1.43 BCHF	1.49 BCHF	1.36 BCHF

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

It is worth noticing that the value of Swedish export of services to Switzerland is more than double the export of goods, whereas the Swiss export of services to Sweden almost equals the value of goods exported (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).

Swiss large banks and financial institutions dealing with institutional asset management and private banking are represented by branch offices in Sweden. In recent years, companies within construction and rail services have successfully expanded in Sweden. Furthermore, Swiss companies within transport, logistics and travel, tourism, as well as insurances are quite active on the Swedish market.

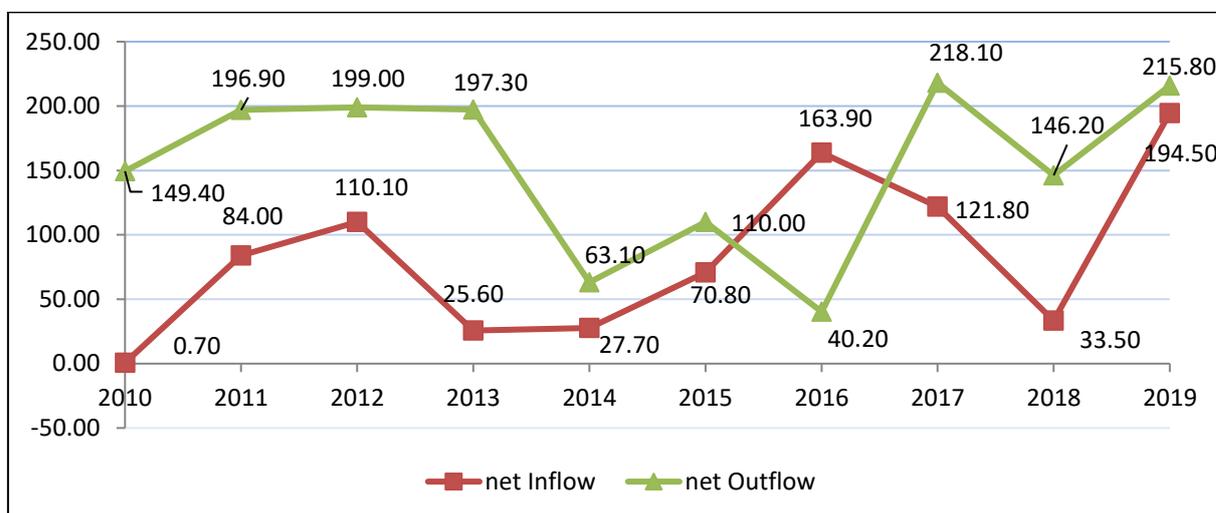
Swedish tourists reached 183'045 overnights in 2019, a decrease of 5% from 192'205 in 2018. The three top regions in Switzerland were Zürich with ca. 18%, Graubünden with ca. 13% and Geneva with ca. 11% of overnight stays. The number represents only group, company and incentive trips; individual bookings, as well as apartment rentals and camping stays are not included in the figures. Therefore, it is safe to presume that the total number of overnight stays is considerably higher. (Source: *Switzerland Tourism*)

The Swiss spent a total of 423'521 overnights in Sweden in 2019 (preliminary data), an increase of 6.5% compared to the previous year (397'538). The number includes all types of lodging and places the Swiss in eighth place, with Norway, Germany and Denmark in the top three. (Source: *Tillväxtverket, Swedish Agency for National and Regional Growth/SCB – Statistics Sweden*)

4. Direct Investment

4.1 Development and general perspectives

Overall 2019 Swedish FDI (net) in- and out-flows showed a good level; SEK 194.5 billion and SEK 215.8 billion respectively, but as the graphs below show, net flow of FDI may vary quite a lot over time.



Graph 7: Development of Swedish FDI flows (SEK billion) 2010-2019

S: *Kommerskollegium / Statistics Sweden*

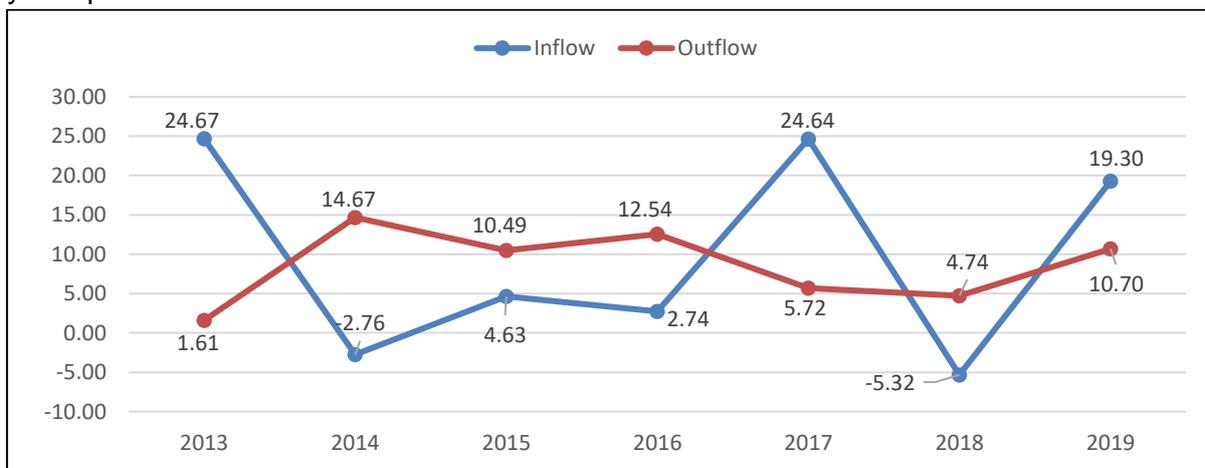
The Swedish FDI flow (both out and in) and stock largely come from manufacturing industry (SEK 98 billion net out- and SEK 59 billion influx) and knowledge-intensive Services (SEK 103 billion net out- and SEK 59 billion influx).

Foreign direct investment stock in Sweden has shown a steady increase during the past ten years and amounted to SEK 3'158 billion in 2019 (SEK 3'079 billion in 2018). The largest contributors in Sweden are the Netherlands, Great Britain, Luxemburg, Germany and Finland (Switzerland ranking no 9). Almost all FDI in Sweden comes from OECD countries (93%).

At the same time Swedish direct investment stock abroad has shown a similar development, and amounted to SEK 3'688 billion in 2019 (SEK 3'432 billion in 2018). The largest target countries are the US, the Netherlands, Norway, Finland and Denmark (Switzerland ranking no 12). 84% of Swedish FDI stock abroad is in OECD countries.

4.2 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. No data is available for years prior to 2013.



Graph 8: Development of Swedish – Swiss FDI flows (SEK billion) 2013-2019

S: *Kommerskollegium / Statistics Sweden*

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.

For Swiss companies, access to the Swedish market, especially in construction, rail and other infrastructure, is a key element for business activities in Sweden. This is mainly achieved through acquisitions. In other industries, access to all Nordic countries is important, with Sweden often serving as a regional hub.

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.

If the Swedish government follows through on its 2018-plans to allocate SEK 700 billion (CHF 73.5 billion) for infrastructure improvements (mainly for developing a sustainable transport system, but also for maintenance of state-owned roads and railways), opportunities for Swiss investments in the infrastructure sector in Sweden could increase substantially. However, about the same amount has been put aside for crisis-packages to address the negative impact of the Corona-crisis in Sweden so far, implying spending priorities could shift in the near future.

Swiss direct investment stock in Sweden amounted to CHF 7.04 billion in 2018, earning Switzerland a 9th place among the largest investors in Sweden. Swiss companies employed about 30'000 people.

Swedish direct investment stock in Switzerland amounted to CHF 10.29 billion in 2018, rendering Switzerland the 12th place among target countries for Swedish FDI. Swedish companies employed some 20'000 persons in Switzerland.

5. Trade-, Economic- and Tourism promotion

5.1 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) and the *Swedish-Swiss Chamber of Commerce in Switzerland* (www.swecham.ch), as well as with other Nordic chambers of commerce in Switzerland, and their chapters in their countries of origin.

The main events that the *Trade Point Nordics* co-organised in 2019 were the Swiss reception at the *Nordic Game Conference* in Malmö, Sweden (in cooperation with *Pro Helvetia*), and the Swiss participation at the start-up conference *SLUSH-19* in Helsinki, Finland (*Innosuisse* sponsored 15 Swiss start-ups to attend the event, a Swiss booth and an executive breakfast was organised by the Swiss Ambassador in Finland). Furthermore, the *Trade Point* co-organised a rail delegation to Norway, Sweden and Denmark for the *SWISSRAIL Industry Association* and supported the Swiss Embassy's commitment at *Three days of Design* in Copenhagen, Denmark. A trade mission to Sweden organized by the association *Carbon Composites Schweiz* also received the Embassy's support.

The new focus "sustainable infrastructure development/rail" (see chapter 4.2) led to the Embassy organizing an infrastructure panel during the 2019 policy week in *Almedalen/Gotland* and a study trip "*Railway Infrastructure*" to Switzerland for journalists from the Nordic countries in September last year (in cooperation with PRS).

Switzerland Tourism is running an office with four persons, based in Stockholm, who cover all Nordic countries. Almost half (42.1%) of the Nordic tourists visiting Switzerland come from Sweden, with the winter share slightly dominating. *Switzerland Tourism* will intensify its efforts in the outdoor enthusiast segment, with an important focus on bikers.

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The *centennial of Switzerland's official presence in Sweden in 2020* serves as platform for various events and lines of cooperation not only, but also in the economic and tourism sector. However, due to the COVID-19 situation, most of the Embassy's planned activities have to be resized or postponed to 2021.

5.2 Sweden's interest in Switzerland

Nordic travellers are early adopters, adventurers, foodies, skiers, and very loyal customers. The tourism trade sector is doing both MICE and Leisure, a chance to get both travellers while doing business with the same partner. Swedes prefer Zürich, Geneva, Zermatt and Engelberg as their top travel destinations. Alpine and big city tourism are equally popular (around 40% each).

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*, an industrial R&D partnering program, helps realizing high-technology projects between Switzerland and Sweden, and the two innovation agencies *Innosuisse* and *Vinnova* are about to sign a new MoU. In recent years, three Swiss scientists have been awarded the Nobel Prize in Stockholm (two in physics, one in chemistry). Furthermore, Swiss Hospitality education has a good reputation in Sweden and the Swiss Education Group promotes an active Alumni network.

There is still an interest of private citizens and entrepreneurs to move their companies to Switzerland, mainly for taxation reasons, but the *Trade Point* strives to broaden the picture by promoting the central geographical location, the excellent infrastructure, close ties between academia, policy makers and the business community, the highly educated labour force and the pragmatic approach to labour legislation.

The interest in and relevance of Switzerland as a financial hub is reflected by the presence of the most important Swedish commercial banks, as well as the reciprocation by UBS and Credit Suisse in the form of representations run from London or Frankfurt, which provide services primarily in Investment Banking and Asset Management.

6. Sources

Swiss Customs Administration	www.ezv.admin.ch
Swiss-Impex	https://www.gate.ezv.admin.ch/swissimpex/public/be/reiche/waren/query.xhtml
Kommerskollegium / National Board of Trade	http://www.kommers.se/In-English/
Statistical database	http://statistikblad.kommers.se/en/
Report: Sveriges Handel med Varor och Tjänster Helåret 2019 (Sweden's Trade with Goods and Services 2019)	https://www.kommerskollegium.se/globalassets/publikationer/statistikrapporter/2020/sveriges-utrikeshandel-med-varor-och-tjanster-samt-direktinvesteringar-helaret-2019.pdf
Statistiska Centralbyrån - Statistics Sweden	http://www.scb.se/en/
Foreign Trade – Exports and imports of goods January–December 2019	https://www.scb.se/contentassets/c39b57677a07427cb96f4ec47a391c64/ha0201_2019m12_sm_ha22sm2002.pdf
Sveriges Riksbank – Sweden's Central Bank	https://www.riksbank.se/en-gb/
Switzerland Global Enterprise	www.s-ge.com
Switzerland Tourism	https://www.myswitzerland.com/en-ch/ http://www.stnet.ch/de/home.html
Tillväxtverket - Swedish Agency for National and Regional Growth	https://tillvaxtverket.se/english.html
Tillväxtverket – Nights spent and visitors' country of residence 2010 - 2019	https://tillvaxtverket.se/download/18.7ca55de16fee9569b17d29a/1580825981545/Inkvarteringsstatistik%202019%20-%20Tabell%201%20G%C3%A4stn%C3%A4tter%20per%20land.xls
Tillväxtanalys – Swedish Agency for Growth Policy Analysis	https://www.tillvaxtanalys.se/in-english.html

Structure of the Swedish economy

Distribution of GDP (%)	2014	2016	2018
Primary sector	1.5	1.4	1.4
Manufacturing sector	21.7	21.8	22.6
Services	65.7	65.4	64.7
- of which public services	<i>No data</i>		

Distribution of employment	2014	2016	2018
Primary sector	2.0	1.9	1.8
Manufacturing sector	18.0	18.2	18.0
Services	79.4	80.0	80.2
- of which public services	<i>No data</i>		

Source:

<https://www.statista.com/statistics/375648/employment-by-economic-sector-in-sweden/>

Economic facts

	2018	2019	2020 (progn.)	2020 ²
GDP (BUSD)	556	529	541	
GDP/Capita (USD)	54'356	51'242	51'892	
GDP-Growth (in %)	2.3	0.9	1.5	-7.8
Inflation rate (%)	2.0	1.7	1.5	0.2
Unemployment rate (%)	6.3	6.5	6.7	10.6
Budget-Saldo (% of GDP)	0.9	0.4	0.3	-8.8
Income balance (% of GDP)	1.7	2.9	2.7	2.3
Total debt (% of GDP)	38.5	37.0	35.4	42.3

Source:

SECO / IWF World Economic Outlook Database,

https://www.seco.admin.ch/dam/seco/de/dokumente/Aussenwirtschaft/Wirtschaftsbeziehungen/L%C3%A4nderinformationen/Europa_Zentralasien/schweden.pdf.download.pdf/Schweden.pdf

²: OECD Economic Outlook June 2020

Sweden's Largest Trading Partners 2019

Country	Export of Goods		Total share (%)
	Value bnSEK	Change (%) 2019/18	
1. Norway	162.4	7.1	10.7
2. Germany	159.7	1.7	10.5
3. USA	120.9	23.4	8.0
4. Finland	107.8	6.9	7.1
5. Denmark	105.6	5.6	7.0
6. UK	82.4	0.7	5.4
7. Netherlands	80.0	-5.5	5.3
8. China	71.6	6.8	4.7
9. France	61.6	-0.8	4.1
10. Belgium	60.7	4.5	4.0
...			
17. Switzerland	17.2	14.5	1.1
EU 28	878.7	2.4	57.9
Nordics*	379.3	6.5	25.0
Export Total	1518.0	5.3	100

Country	Import Goods		Total share (%)
	Value bnSEK	Change (%) 2019/18	
1. Germany	268.5	1.4	17.9
2. Netherlands	141.3	1.9	9.4
3. Norge	137.3	7.7	9.2
4. Denmark	99.7	-4.4	6.6
7. China	77.4	13.5	5.2
6. Finland	74.0	5.2	4.9
5. UK	68.5	-7.5	4.6
8. Belgium	65.8	5	4.4
9. Poland	63.4	6.9	4.2
10. France	56.8	3.5	3.8
...			
25. Switzerland	10.8	5	0.7
EU 28	1'054.6	1.6	70.3
Nordics*	311.4	3.0	20.7
Import Total	1'500.9	1.3	100

* Denmark, Finland, Norway and Iceland

Source:

Kommerskollegium – National Board of Trade:

<https://www.kommerskollegium.se/globalassets/publikationer/publikationer/statistikrapporter/2020/sveriges-utrikeshandel-med-varor-och-tjanster-samt-direktinvesteringar-helaret-2019.pdf>

Export of services			
Country	Value bnSEK	Change (%) 2019/18	Total share (%)
1. Norway	102.5	13.8	14.2
2. UK	77.9	13.9	10.8
3. USA	72.5	18.2	10.1
4. Finland	51.5	9.1	7.2
5. Denmark	48.2	13.2	6.7
6. Germany	47.5	2.1	6.6
7. Switzerland	39.7	6.7	5.5
8. France	25.0	25.0	3.5
9. Netherlands	23.3	2.9	3.2
10. China	17.6	-0.3	2.4
...			
EU 28	374.0	10.7	51.9
Nordics**	202.3	12.4	28.1
Export Total	720.5	11.8	100

Import of services			
Country	Value bnSEK	Change (%) 2019/18	Total share (%)
1. UK	87.6	17.5	12.4
2. USA	81.9	-7.1	11.6
3. Germany	66.8	15.5	9.5
4. Denmark	52.3	4.4	7.4
5. Norway	43.4	14.4	6.2
6. Finland	38.8	18.4	5.5
7. Netherlands	34.7	34.0	4.9
8. Ireland	30.1	7.5	4.3
9. France	26.7	12.1	3.8
10. Poland	18.6	23.0	2.6
...			
15. Switzerland	13.0	-1.5	1.8
...			
EU 28	470.6	13.4	66.5
Nordics**	134.4	11.3	19.1
Export Total	704.8	10.5	100

**Denmark, Finland and Norway (no data on Iceland)

Source:

Kommerskollegium – National Board of Trade:

<https://www.kommerskollegium.se/globalassets/publikationer/statistikrapporter/2020/sveriges-utrikeshandel-med-varor-och-tjanster-samt-direktinvesteringar-helaret-2019.pdf>

Development in Bilateral Trade 2012 – 2019 (Total 2)

Year	Export (MCHF)	Change (%)	Import (MCHF)	Change (%)	Bal. (MCHF)	ImpExp (MCHF)	Ch. (%)
2012	1'598	-0.3	1'816	13.9	-218	3'414	
2013	1'473	-7.8	1'919	5.7	-447	3'392	-0.6
2014	1'489	1.1	1'632	-15	-144	3'121	-8.0
2015	1'478	-0.7	1'597	-2.2	-119	3'075	-1.5
2016	1'443	-2.4	1'457	-8.8	-14	2'900	-5.7
2017	1'510	4.7	1'587	8.9	-77	3'097	6.8
2018	1'571	4	1'786	12.6	-215	3'358	8.4
2019 prel.	1'688	7.4	1'597	-10.6	91	3'286	-2.0
2020 (I)*	132	-18.4	196	-10.6	-64	329	

*) Compared to the same period last year

Most important Products by Product Category (nature of goods) in 2019

Exports to Switzerland	2018 (% of total)	2019 (% of total)
1. Precious metals, precious stones and gems	30	24
2. Vehicles	20	19
3. Machines, appliances, electronics	14	17
4. Products of the chemical and pharmaceutical industry	9	13
Imports from Switzerland	2018 (% of total)	2019 (% of total)
1. Products of the chemical and pharmaceutical industry	32	34
2. Machines, appliances, electronics	25	21
3. Vehicles	7	13
4. Precision instruments, clocks and watches and jewellery	12	11

Source:

Swiss Customs Administration SCA, General total (total 2): including gold bars and other precious metals, coins, precious stones and gems, works of art and antiques.

Imports: Use the "country of origin" concept and not that of "country of production". The *country of origin* is the country in which the goods have been wholly or predominantly obtained or produced. The *country of production* designates the territory in which a product was in free circulation before being imported to Switzerland.

Exports/Imports: The **foreign trade figures for gold, silver and coins** are aggregated by country and form an integral part of the statistics on Swiss foreign trade (general total) in the *Swiss-Impex* online database.

Largest Investor Countries in Sweden 2018, FDI Assets, BSEK

Country	2014	2015	2016	2017	2018
the Netherlands	498	435	516	485	510
Great Britain	306	343	336	416	430
Luxemburg	381	414	421	433	416
Germany	186	261	277	291	283
Finland	246	241	254	268	259
Norway	160	188	227	230	249
Denmark	207	216	213	200	227
USA	173	172	266	238	222
Switzerland	65	84	74	72	67
France	30	46	43	57	65
...					
Total	2'504	2'679	2'874	3'018	3'079
OECD	2'350	2'510	2'707	2'824	2'877
EU (28)	1'958	2'060	2'158	2'310	2'349
Nordic Countries*	613	645	694	698	735
Asia	52	81	84	125	137

*Norway, Denmark, Finland (no data on Iceland)

Source:

Kommerskollegium – National Board of Trade

Swedish Krona to other currencies

	1 CHF			1 EUR			1 USD		
	SEK _{Min}	SEK _{Mid}	SEK _{Max}	SEK _{Min}	SEK _{Mid}	SEK _{Max}	SEK _{Min}	SEK _{Mid}	SEK _{Max}
2013	6.72	7.03	7.44	8.29	8.65	9.10	6.29	6.51	6.84
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

Source:

Sveriges Riksbank – Swedish National Bank, <https://www.riksbank.se/en-gb/statistics/search-interest-exchange-rates/annual-average-exchange-rates/?y=2019&m=12&s=Comma&f=y>