



DOING BUSINESS IN SWEDEN

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Market profile

Sweden is the largest Nordic economy as well as one of the closest and most significant partners for Finland and Finnish businesses. Usually dubbed as “the second home market”, Sweden is the most common first market for Finnish SMEs in their internationalization journey.

The economy in Sweden is dynamic and blooming, and currently the country is ranked as the second most competitive in the world ([IMD World Competitiveness Ranking 2021](#)). Sustainability, equality, and innovation play a fundamental part in the Swedish economy and business culture. Companies are expected to create impact to society, beyond profits.

Due to the proximity and historical connections, Finns and Swedes usually find a common tone and mutual trust fast. Still, the Finnish and Swedish business cultures are different. While Finnish technological solutions, innovative mindset and honesty are appreciated in Sweden, they are not enough in Sweden where investments in sales and marketing are needed to cope with the high competition. However, the international atmosphere, double the market size and quality-savvy customers make Sweden an attractive market for developing and testing solutions in a competitive and more international environment, yet close by. Developing a business concept in Sweden creates often good prerequisites to succeed in other international markets.

Sweden is a member of the European Union and is subject to EU trade regulatory requirements while still maintaining its own currency (SEK).

Economy and business structure

2021 was marked by the pandemic-recovery and GDP grew by 4.8 per cent. Most forecasters envisage relatively good growth for 2022-2024. There are large sectors specific differences in growth and exports. However, prognostic uncertainties are high due to the war in Ukraine.

According to PwC CEO Survey 2022, at the time of the interview in late 2021, major part of the interviewed Swedish chief executives believed that economic growth in Sweden would improve in 2022. A shift to a more optimistic expectation compared with the previous year when roughly one third believed in revenue growth was also observed. Further, Swedish chief executives see cyber risks and climate change as their main concern for their business.

FACTS

- Capital: Stockholm
- Official language: Swedish, 5 minority languages incl. Finnish
- Area: 410 000 sq km
- Population: 10.5 million

In another survey made at the end of the first quarter in 2022, the outlook is less optimistic. DI Näringslivsbarometer demonstrates that almost half of the Swedish executives evaluate that war in Ukraine has a negative or major negative impact on their company. Especially executives representing transportation, manufacturing and construction industry experienced the situation as challenging as the existing issues, such as high freight costs and energy prices, accelerate. More than half of the executives see uncertainty as the biggest threat affecting their business negatively, followed by increased fuel and energy prices and shortage of components. Nevertheless, more than two thirds of the executives believe that the growth in the market will be good or excellent.

There are around 1,2 million companies in Sweden, of which major part, 96 percent, are small enterprises with less than 10 employees. Despite that large companies make only around one permille of the number of businesses, their contribution to the economy is significant: they account for 40 percent of the total revenue and employ around one third of the employees. Small enterprises account for another 40 percent of the revenue and 45 percent of the employees, while the share of the medium-sized companies is around 20 percent for both revenue and employees. (Tillväxtverket, SCB).

Key industries and their trends

Sweden is a highly developed industrial country with an especially strong knowledge-based service sector. A variety of industries are thriving, and many of the key industries offer lucrative business opportunities for Finnish companies.

While traditional industries (such as Metals, Mineral oils – and Forest based products i.e. Paper) are still playing a key role in the economy, they are now transitioning to greener business by leveraging fossil-free electricity, green technological innovations and circular business models. Sweden is also one of the leading European countries in research and innovation, and this reflects directly to industries such as ICT&telecom, medical technology and pharmaceuticals, cleantech and mobility where some of the leading global companies come from the country. While tourism was damaged by the covid-pandemic, sectors such as the life science has bloomed and experienced double-digit growth and is now 2nd largest by exports category in Sweden.

Besides the competitive industrial sector, the retail and consumer industries have a major significance to the Swedish economy. The largest retail market in the Nordic is strong and competitive with both international and global Swedish brands and retail chains. Swedish consumers pose high purchasing power and expect the products and services to have high standard.

Top five industry sectors in the country by shares of total industry

Sector	Employs (%)	Value added (%)	Net turnover (%)
Wholesale and retail trade	17,4	16,5	31,9
Manufacturing	17,8	19,4	21,2
Construction	11,6	9,7	9,7
Information and communications	7,1	10,2	7,5
Professional, scientific and technical activities	9,7	9,8	6,2

Source: [Share of total non-financial business economy enterprises, employment, turnover, value added by industry \(NACE sections\) 2020 \(scb.se\)](https://www.scb.se/en/press-releases/2022/04/share-of-total-non-financial-business-economy-enterprises-employment-turnover-value-added-by-industry-nace-sections-2020)

Important things to consider when doing business in Sweden

Swedes do business by collaborating and through consensus. This may lead to a lot of talking, but reaching wide agreement is an important part of making decisions in Swedish business. Allowing enough time for meetings and building a relationship is key when doing business in Sweden.

Swedish organizations are often flat and strive for harmonic organizational culture. This leads to a very relaxed and casual business meetings. Sweden is also one of the most gender-equal countries in the world. Limited bureaucracy and low corruption make for an easy environment to get started in, but it can be worth the time to familiarize oneself with the Swedish welfare system and the employment laws. Costs for running a business are quite equal to the costs of doing business in Finland.

Annual main trade shows and events

Check the exact dates from our office

The most important trade show locations list the largest conferences and trade fairs on their websites

[Stockholmsmässan](#)

[Svenskamässan](#)

[Kistamässan](#)

[Elmia](#)

Market data sources and other useful links

Add your text here. If you need subheadings, use heading 3 and heading 4. Keep your text short and to the point.

Country information

- [Sweden.se](#) – Official site of Sweden
- [Business Sweden](#) – Swedish Trade & Invest Council
- [Verksamt.se](#) – Government Services for Businesses
- [FinSve](#) – Chamber of Commerce • Swedish Companies Registration Office - Bolagsverket
- [The Swedish Tax Agency](#) - Skatteverket
- [Swedish Agency for Economic and Regional Growth](#) - Tillväxtverket
- [Granstjanst.se](#) – The North Calotte Cross-Border Advice Service

Databases with company information

- [Allabolag](#) – corporate information
- [Vainu](#) – actionable business data

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