



Embassy of Switzerland in Stockholm	Form : <b>A754</b>
Sweden	Last update May 2021

# Sweden: Economic Report 2020/21

## 0. Executive Summary

In the wake of the Covid-19 crisis, the Swedish economy has been hit hard by historical standards but the fallout has been less severe than in other European countries. GDP fell by 2.8% in 2020. Current estimates predict that the Swedish economy will recover to pre-pandemic levels during the first half of 2021 and then bounce back strongly in the second half of the year, with GDP growth forecast at 3.3% in 2021 and at 2.9% in 2022. The level of public debt remains very low in Sweden in comparison with Europe and the rest of the world: 38.5% in 2020 (35.1% in 2019) - according to IMF figures.

To mitigate the impact of the pandemic, the Swedish government released a large economic support package. So far, the crisis-related budget and liquidity measures, guarantees and capital injections for 2020 and 2021 combined amount to about 28% of GDP.

While the economic fallout of the pandemic is comparable among the Nordic countries (Sweden, Denmark, Norway and Finland), Covid-19 infection and mortality rates have been much higher in Sweden than in the neighboring countries who all imposed rather strict and long shutdowns. It is therefore unclear to which extent Sweden's light-hand approach to the pandemic has really benefitted the economy directly.

The current government is well aware of the need to address Sweden's long-term structural challenges, especially in the dysfunctional labor and housing markets. Unemployment is at 8.3% and still growing (8.7% est. for 2021), and youth unemployment at 24% (one of the highest rates in the EU). However, other political priorities during the pandemic have prevented most reform proposals from moving ahead.

The Riksbank projects that the policy (repo) rate will likely remain at the same level over the medium term (following its increase to zero effective January 2020). While inflation was at 0.4% last year, its medium-term projection is slightly below the 2% target.

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 per capita in the world.

Swedish exports contracted by 6% in 2020, imports by 8.6% (goods). Most exports (57%) went to other EU countries, and most imports (72%) 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. Service trade weakened somewhat more: exports -13.5%, imports -10.8%.

Sweden's trade in goods with Switzerland decreased with 6.4% in 2020, to CHF 3.1 billion; exports decreased with 3.6% to CHF 1.63 billion whereas imports decreased with 9.4% to CHF 1.45 billion. It is worth noticing that the value of Swedish export of services to Switzerland is three times the value of the export of goods, whereas the Swiss export of services to Sweden is close to the value of goods exported. The Swiss direct investment stock in Sweden amounted to CHF 7.9 billion in 2019, the Swedish direct investment stock in Switzerland to CHF 10.2 billion.

## 1. Economic problems and issues

**As elsewhere, Sweden's main concern in 2020 was how to mitigate the impact of the worldwide Covid-19 pandemic.** The economy has been hit hard by historical standards, but the fallout has been less severe than in other European countries. The 2020 output has fallen by about 2.8%. While inflation was at 0.4% last year, its medium-term projection is slightly below the 2% target. Unemployment increased from 6.8% in 2019 to 8.3% in 2020. The fiscal response was strong resulting in a deficit of about 4% of GDP. The level of public debt remains very low in Sweden in comparison with Europe and the rest of the world: 35.1% in 2019, 38.5% in 2020 and 40.7% according to the IMF projections for 2021<sup>1</sup>.

The Swedish government's corona-strategy has been mainly based on recommendations rather than enforceable laws and regulations. Instead of a shutdown, it is expected that everyone adhere to the few restrictions in place and follow the public health authorities' 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 in the public service and by all types of businesses.

**The authorities released a timely and large economic support package.** It provided much needed support to households and businesses, helped avert a financial crisis and stabilize markets. However, the increase in unemployment, especially of temporary workers, the youth and foreign-born, was larger than in countries that suffered a deeper recession.

**Budgetary measures** amount to CHF 40 billion<sup>2</sup> and include a short-time work scheme (CHF 5.3 billion), adaptation, shutdown and turnover support (CHF 5.2 billion), general contributions (CHF 4.5 billion), reduced employers' contributions (CHF 3.4 billion), costs for sick leave (CHF 2.6 billion), targeted efforts for e. g. testing and tracing (CHF 1.9 billion).

**Supportive measures without budgetary impact** are state guarantees worth CHF 31 billion (emergency credits CHF 15.3 billion, Swedish Export Credits CHF 7.7 billion, Export Credit Agency CHF 5.1 billion) and temporary liquidity measures of CHF 71 billion (mainly tax deferrals and VAT respites).

So far, the crisis-related budget and liquidity measures, guarantees and capital injections for 2020 and 2021 combined amount to about 28% of GDP. Not all of them are being fully utilized<sup>3</sup>.

**The clear winner of the crisis in Sweden**, as in most European countries, is e-commerce. In total, e-commerce grew by 40%. Convenience goods grew by 95%, furniture and interior design by 63% and pharmacies by 59%. In Q4/2020 82% of all Swedes shopped online (2019: 74%). Housing prices (both for primary residences and for vacation homes) have been increasing continuously since the onset of the pandemic. Between May 2020 and April 2021, prices for houses rose nationwide by 18.8%, those for apartments by 10.3%. Tourism and hospitality as well as the cultural scene are among the sectors that suffer the most because of worldwide travel and local event restrictions.

The Covid-19 pandemic did not affect Sweden as hard as forecasted in mid-2020. Swedish exporting companies had a good order stock in Q1/2020 and managed to keep the industry

<sup>1</sup> IMF Article IV Consultation with Sweden, 18.03.2021

<sup>2</sup> annual average exchange rate of 1 CHF= 9.8 SEK is used throughout this report

<sup>3</sup> Swedish MOF; Ekonomifakta: <https://www.ekonomifakta.se/Fakta/Offentlig-ekonomi/Statsbudget/stodatgarder-coronakrisen/>

going until suppliers and clients abroad increased both demand and supplies for production to increase again in H2/2020. While the economic fallout of the pandemic is comparable among the Nordic countries, Covid-19 infection and mortality rates have been much higher in Sweden than in the neighboring countries (and somewhat above the EU average). Since Denmark, Finland and Norway all imposed rather strict and long shutdowns, it is unclear to which extent Sweden's light-hand approach has really benefitted the economy directly.

### Comparison of Covid-19 and GDP in the Nordic Countries, as of 17.05.2021

Country	Population	Covid-19 cases	per 100'000	Covid-19 deaths	per 100'000	GDP 2020	GDP 2021*
Denmark	5'823'000	267'204	4'589	2'503	43	-3.3%	2.8%
Finland	5'525'000	90'105	1'631	931	17	-2.9%	2.3%
Norway	5'389'000	119'299	2'214	774	14	-0.8%	3.9%
Sweden	10'379'000	1'037'126	9'993	14'275	138	-2.8%	3.3%
Switzerland	8'606'000	679'510	7'896	10'731	125	-3.0%	3.5%

\*IMF Projection

Source:

Johns Hopkins; <https://www.arcgis.com/apps/opsdashboard/index.html#/bda7594740fd40299423467b48e9ecf6>

IMF; <https://www.imf.org/en/Countries>

**Looking forward**, Sweden's economy is projected to grow at about 3.3% in 2021, with the main industry, trade and consumer behavior indices pointing upward. Since the beginning of 2021, Stockholm stock exchange has seen an unparalleled growth of 18%, outpacing all major stock exchanges worldwide. Since March last year, the rise has been a staggering 80%. However, uncertainties remain regarding new virus strains and the rollout of vaccinations. Higher growth implies that the budget deficit will decline, and public debt will remain fairly low, at around 40%. The Riksbank projects that the policy (repo) rate will likely remain at the same level over the medium term (following its increase to zero effective January 2020).

The expansion of the Riksbank's asset purchase program contributed importantly to supporting the economy and stabilizing key markets. Still, additional fiscal measures might be needed. The **e-krona** pilot project will help design a central bank currency proposal in a way that maximizes the benefits while minimizing risks, including for financial intermediation and cybercrime.

**Sweden still needs to address its long-term structural challenges, especially in the dysfunctional labor and housing markets.** 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 24%, Sweden has one of the highest youth unemployment rates in the EU). Unemployment is projected to edge up further to 8.7% in 2021, particularly due to reduced employment opportunities for low-skilled migrants. The latter were mostly working in the hospitality sector prior to the pandemic and disproportionately impacted by the economic fallout. At least, the 2021 budget bill contains higher spending on training and education, lower social security contributions for the youth, as well as initiatives geared towards the foreign-born, especially women. The over-regulated rental market favors existing tenants, generating long queues. Especially in the big cities, it is often impossible for newcomers to find appropriate and affordable housing. Streamlining the complex local regulations would increase competition in the construction sector, thus driving down costs, and help workers' mobility.

Other measures, including gradually increasing property taxes from their extremely low level, would also contribute to a more dynamic housing market. The current government is well aware of these reform needs and has plans to address some of the issues. However, other political priorities during the pandemic have prevented most reform proposals from moving ahead.

## **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. 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 governed by the free trade agreements between Switzerland and the EU (Bilateral Agreements I and II).

### **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 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. Therefore, protectionist measures by important trading partners like the US and China could threaten both countries' substantially.

## **3. Foreign Trade**

### **3.1 Development and general outlook**

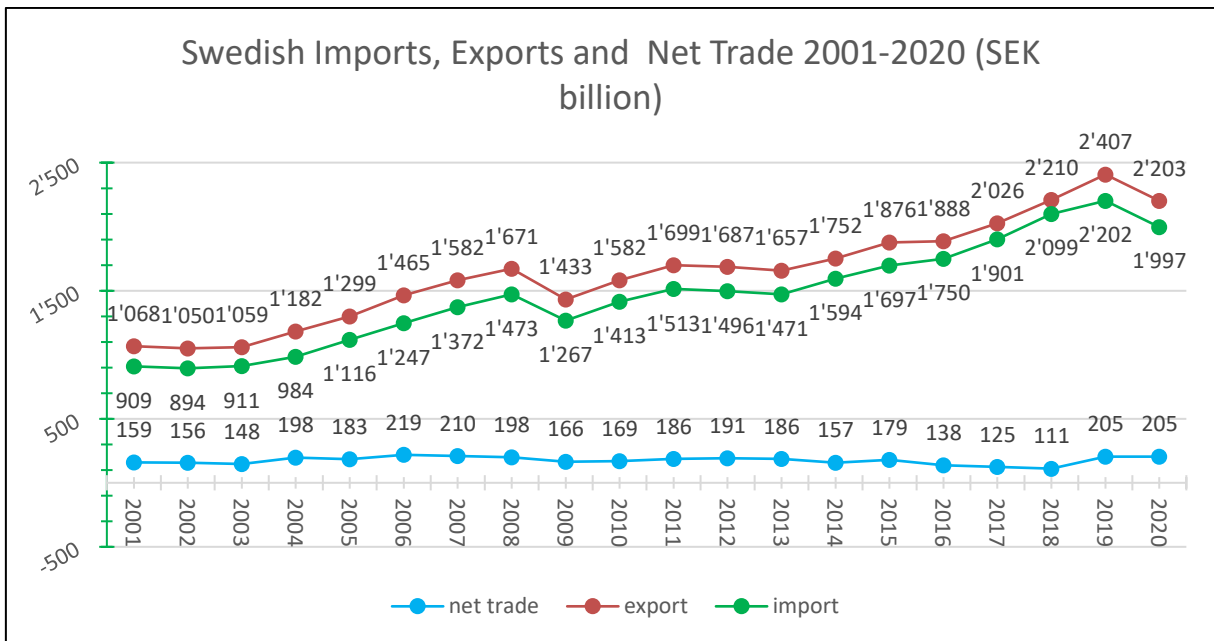
Swedish exports contracted by 8.5% (goods -6.3%, services -13.5%) and imports by -9.3% (goods -8.6%, services -10.9%) in 2020 compared with 2019, reaching similar levels as in 2018<sup>4</sup>. During January-December 2020, the value of Swedish exports (goods and services) amounted to SEK 2'203 billion (CHF 225 billion) and imports to SEK 1'997 billion (CHF 204 billion). This resulted in a net trade surplus of SEK 206 billion (CHF 21 billion), which amounts to about 4% of GDP. The figures are taken from the balance of payments and therefore not comparable with the figures presented in *3.1.1 Trade in goods*, below, where primary statistics from customs are used.

Both exports and imports are expected to bounce back to pre-pandemic levels in 2021 already, and then grow continuously over the next few years.

So far, Brexit does not seem to have had a dramatic impact on Sweden's trade balance. The UK remains one of Sweden's most important trading partners for both goods and services. The slight decline in trade value may also – a least partly - be a result of the pandemic.

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<sup>4</sup> Kommerskollegium; Sveriges utrikeshandel med varor och tjänster samt direktinvesteringar, Helåret 2020, p. 1 ff.



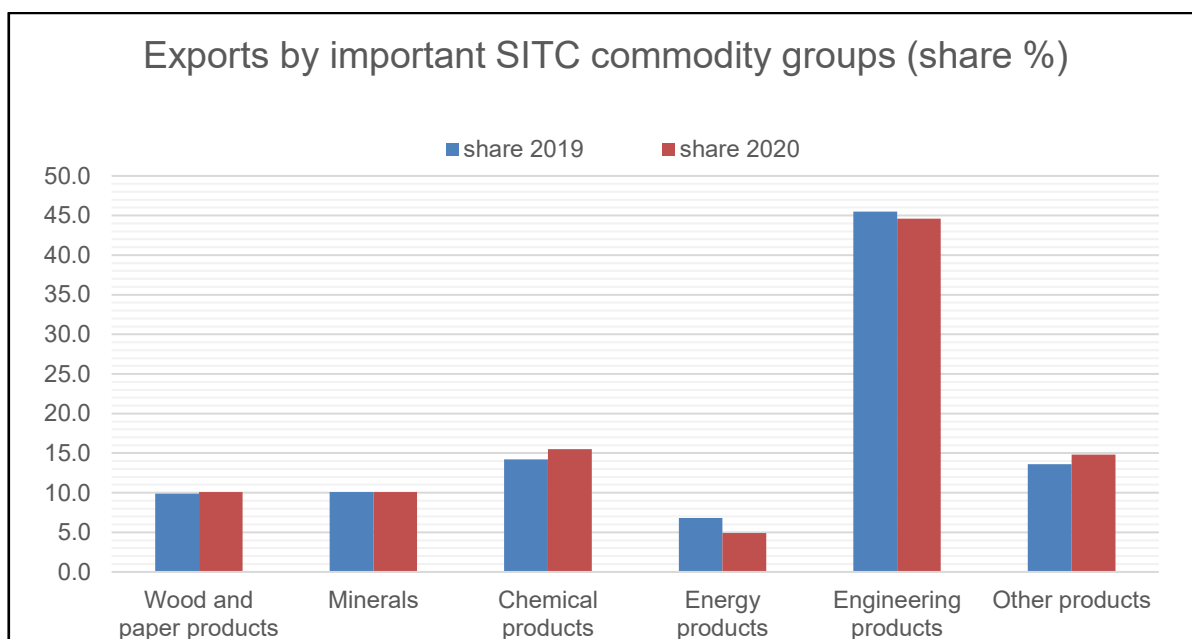
**Graph 1: Development of Swedish trade in goods and services 2001 - 2020**

S: Statistics Sweden

### 3.1.1 Trade in Goods

The value of total Swedish exports of goods amounted to SEK 1'428 billion (CHF 146 billion) in 2020. The EU remained Sweden's most important trading partner during 2020 and accounted for 57% of all Swedish exports, which corresponds to SEK 818 billion (CHF 83 billion). Europe accounted for 72% of all exports. Sweden's five most important trading partners in 2020 were Norway (10.7%), Germany (10.6%), USA (8.5%), Denmark (7.6%) and Finland (7.0%) and – Switzerland (1.0%) ranking no 17.

Engineering and machinery products dominate Swedish exports with a total value of SEK 637 billion (CHF 65 billion).

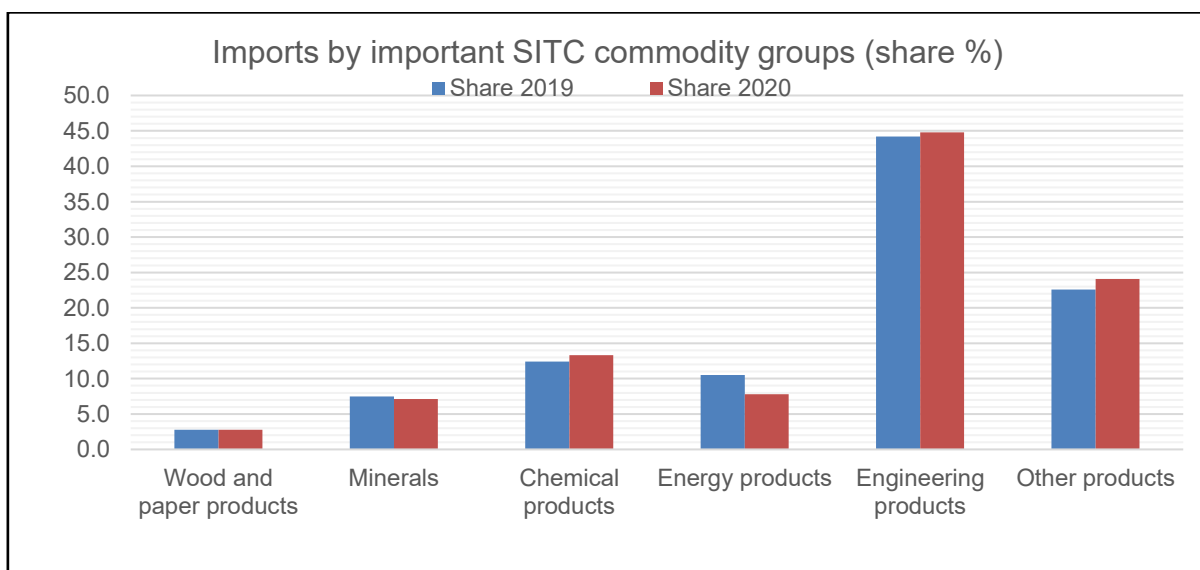


**Graph 2: Swedish exports of goods by categories in 2020**

S: *Kommerskollegium / Statistics Sweden*

The value of total Swedish imports in 2020 shrank to SEK 1'374 billion (CHF 140 billion). 72% or SEK 990 billion (CHF 101 billion) of the goods imported to Sweden came from the EU. The largest countries of consignment were Germany (18.2%), the Netherlands (9.8%), Norway (9.6%), Denmark (6.8%) and China (5.2%) – Switzerland (0.7%) ranking no 24.

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



**Graph 3: Swedish imports of goods by categories in 2020**

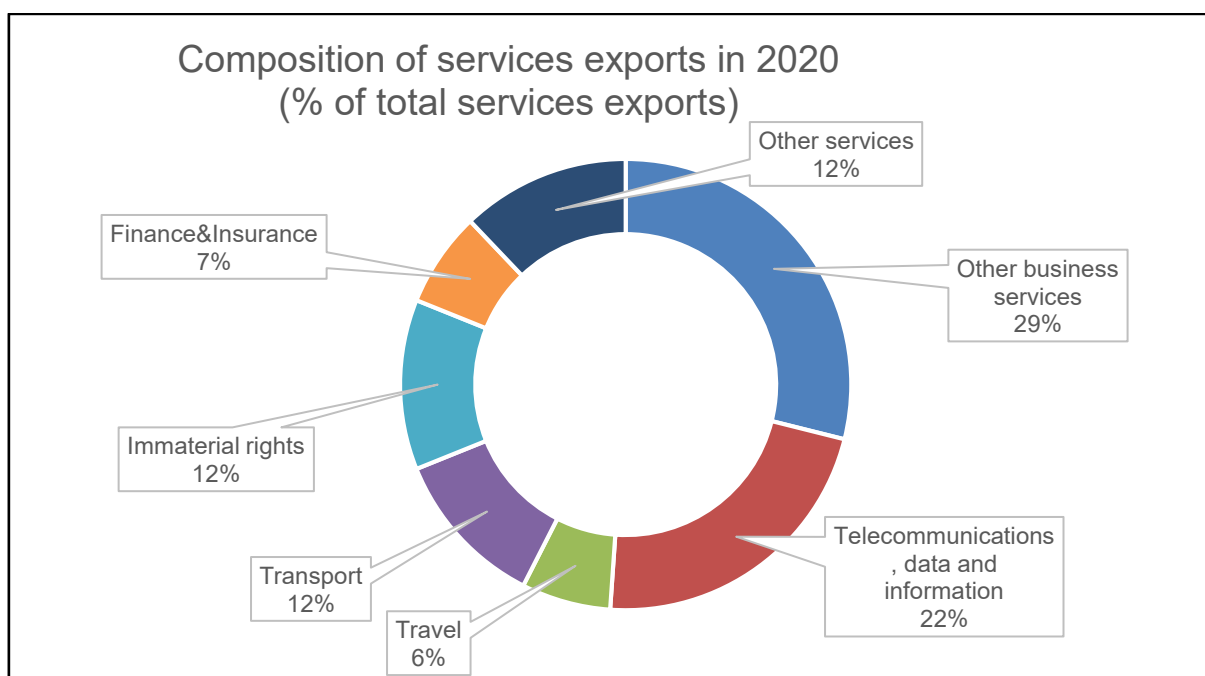
S: *Kommerskollegium / Statistics Sweden*

### 3.1.2 Trade in services

Between 2011 and 2019 Swedish exports of services grew by some 73% to SEK 731 billion (CHF 75 billion) and imports by 85% to SEK 705 billion (CHF 72 billion). 2020 reduced the exports and imports of services to SEK 632 billion (CHF 64 billion) and SEK 629 billion (CHF 64 billion) respectively. The EU (28) is the most important trading partner, as a recipient of 52% of all exported and as a source of 65% of all imported services.

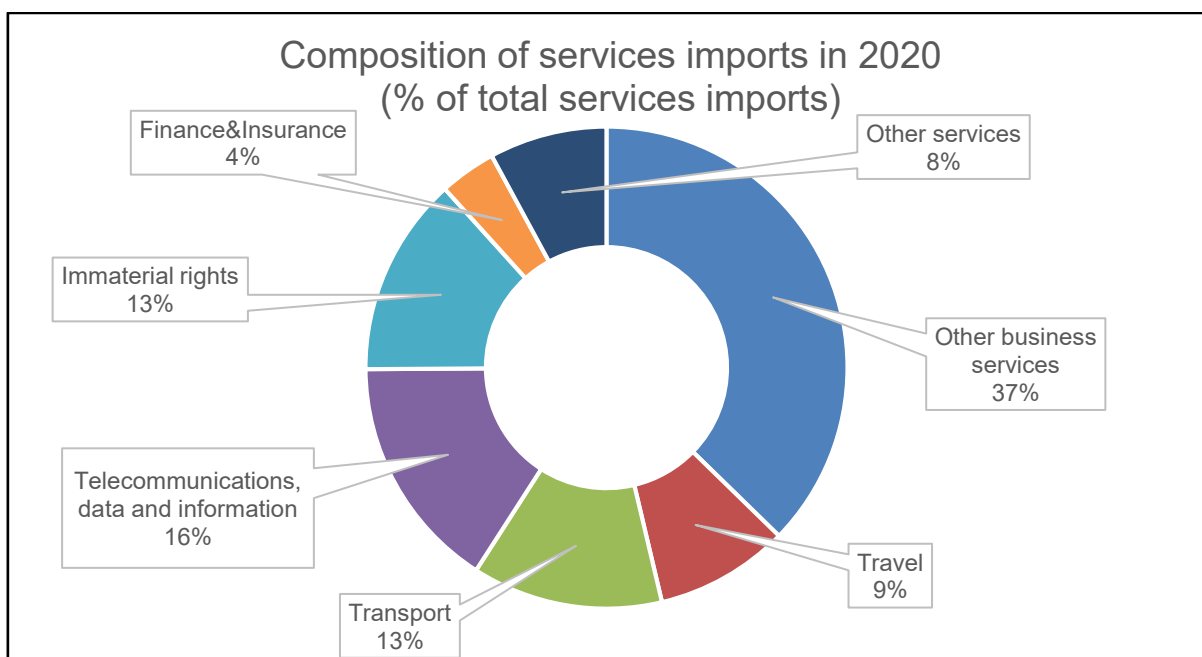
The United States (11.7%), the UK (9.8%), Norway (8.8%), Germany (7.0%) and Finland (6.5%) were the most important recipients of Swedish services (Switzerland with 6.3%, ranking no 6, before Denmark).

The United States (15.3%), the UK (12.0%), Germany (9.8%), Finland (6.0%) and Denmark (6.0%) were the most important sources of services (Switzerland 2.0%, ranking no 15).



**Graph 4: Swedish exports of services by categories in 2020**

S: *Kommerskollegium / Statistics Sweden*



**Graph 5: Swedish imports of services by categories in 2020**

S: Kommerskollegium / Statistics Sweden

## 3.2 Bilateral Trade

### 3.2.1 Trade in goods

The total trade with Sweden decreased with 6.4% to CHF 3.1 billion; exports decreased with 3.6% to CHF 1.63 billion and imports with 9.4% to CHF 1.45 billion (according to Swiss Customs figures).

In 2020, 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 vehicles, precious metals, stones and gems, and machines, appliances and electronics.

The current Swedish National Infrastructure plan amounts to SEK 622 billion (CHF 63.5 billion) for infrastructure improvements during 2018-2029. It allocates SEK 125 billion (CHF 12.8 billion) on operations maintenance and control of railroads, 164 billion (CHF 16.7 billion) on maintenance of roads and 34.5 billion (CHF 3.5 billion) on “*enhancement and environmental measures*” to develop and improve current transport infrastructure. 193 billion (CHF 19.7 billion) is allocated to specific named infrastructure projects, which are co-financed by regions, municipalities and the private sector. A new infrastructure plan 2022-2037 is being prepared by the Swedish Transport Administration. Government will provide directives during H1/2021. There are ambitious plans for new high-speed trains on pillars running between Stockholm and Gothenburg as well as Malmö estimated to cost around SEK 295 billion (CHF 30 billion) and being operational around 2050. This indicates a continued high potential for Swiss companies in the rail and infrastructure sectors for both trade and investments.

The Swedish Krona (SEK) has depreciated against the Swiss Franc by over 30% since 2014, and by 12% 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.

### 3.2.2 Trade in Services

The export of services to Switzerland constitutes 6.3%, and the import of services from Switzerland constitutes 2% 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.

<b>Swedish Export of services to Switzerland</b>			<b>Swedish Import of services from Switzerland</b>		
<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
37.02 BSEK	39.26 BSEK	39.65 BSEK	12.96 BSEK	12.71 BSEK	12.85 BSEK
3.77 BCHF	4.01 BCHF	4.04 BCHF	1.32 BCHF	1.30 BCHF	1.32 BCHF

Table 1 | **Swedish trade in services with Switzerland in SEK and CHF** (CHF according to year mean value 1 CHF=9.8 SEK).

It is worth noticing that the value of Swedish export of services to Switzerland is three 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>5</sup>.

Swiss large banks and financial institutions 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.

Not surprisingly, tourism between Switzerland and Sweden decreased substantially in both directions in line with the general development in the tourism industry: Swedish tourists reached 66'421 overnights in 2020, a decrease of 64% from 183'045 in 2019<sup>6</sup>. A majority of the Swedes visit Switzerland for alpine skiing and other outdoor activities. The preferred regions are Valais, Zürich, Lake Lucerne and Graubünden. On the other hand, the Swiss spent a total of 111'228 overnights in Sweden in 2020 (preliminary data), a decrease of 74% compared to the previous year (422'532). The number includes all types of lodging and places the Swiss in eighth place, with Norway, Germany and Denmark in the top three<sup>7</sup>.

<sup>5</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

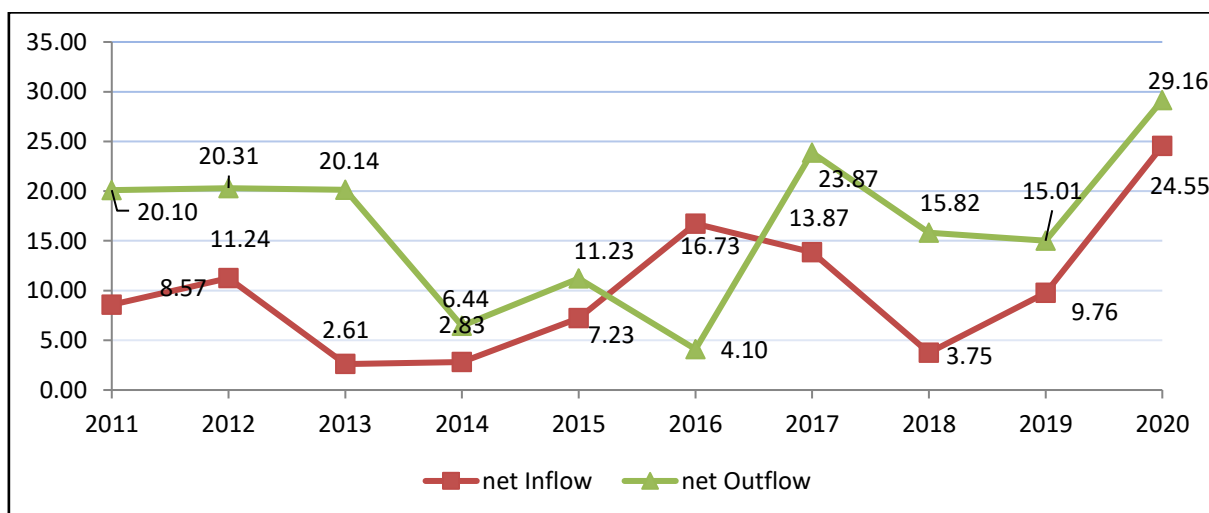
<sup>6</sup> Source: *Switzerland Tourism*

<sup>7</sup> Source: *Tillväxtverket, Swedish Agency for National and Regional Growth/SCB – Statistics Sweden*

## 4. Direct Investment

### 4.1 Development and general perspectives

Overall 2020 Swedish FDI (net) in- and out-flows showed a good level; CHF 24.6 billion, and CHF 29.2 billion respectively, but as the graphs below show, net flow of FDI may vary quite a lot over time.



**Graph 6: Development of Swedish FDI flows (CHF million) 2011-2020**

S: *Kommerskollegium / Statistics Sweden*

The 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).

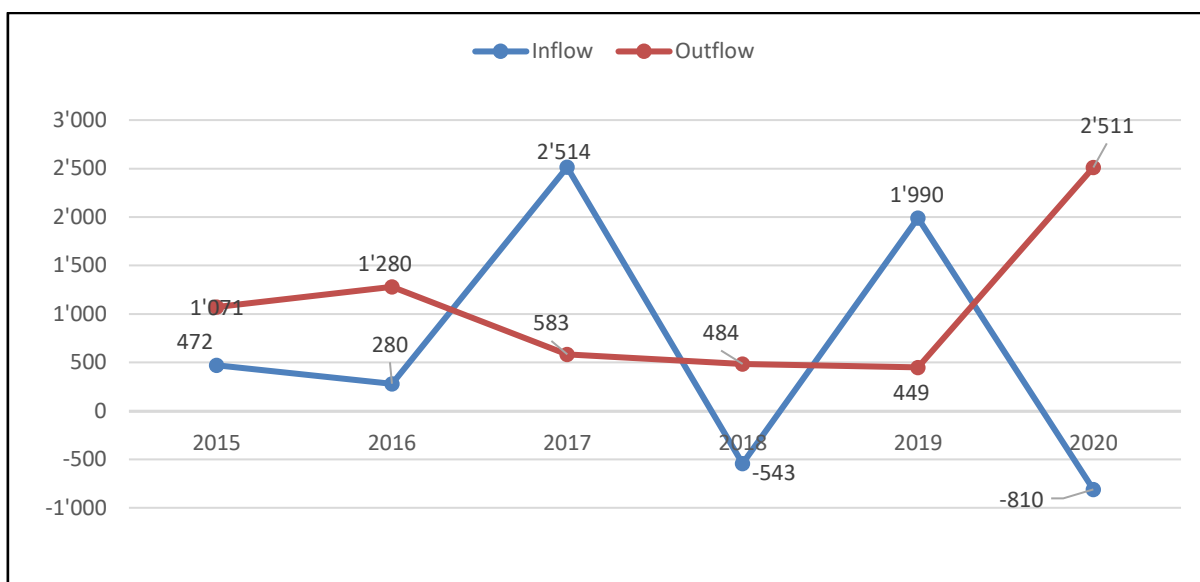
Foreign direct investment stock in Sweden has shown a steady increase (+36%) during the past ten years and amounted to CHF 341 billion in 2020 (CHF 323 billion in 2019). The largest contributors in Sweden are the Netherlands, the UK, Luxemburg, Germany and Norway (Switzerland ranking no 12). Almost all 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 388 billion in 2020 (CHF 389 billion in 2019). The largest target countries are the United States, the Netherlands, Norway, the UK 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.

### 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.



**Graph 7: Development of Swedish – Swiss FDI flows (CHF million) 2015-2020**

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.

Northern Sweden is currently attracting a number of important investments contributing to the green transition: SEK 1'070 billion (CHF 109 billion) are being invested in *Northvolt* (one of Europe's largest battery factories), the *Hybrit* and *H2 Green Steel* fossil free steel manufacturing plants, in Europe's largest wind energy park in Markbygden, and in the expansion of the Luleå and Piteå harbours – to mention a few<sup>8</sup>.

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.

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.

Sweden has been very efficient in creating start-ups that go through successful IPOs. In the wake of both Skype and Spotify, the next hot sector is Fintech, where Klarna, a payment solutions provider, and Trustly, a peer to peer payment provider, plan IPOs on the NY Nasdaq

<sup>8</sup> Dagens Industri 13.04.2021; pp.6-7

exchange. Also, food tech company Oatly, producer of oat-based dairy alternatives, is planning an IPO on Nasdaq in 2021.

Swiss direct investment stock in Sweden amounted to CHF 7.9 billion in 2019, 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 2019, rendering Switzerland the 12<sup>th</sup> place among target countries for Swedish FDI. 112 Swedish companies employed some 13'000 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](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.

Due to the Covid-19 pandemic restrictions, almost no physical events could be organized. The main events that the *Trade Point Nordics* co-organised in 2020 were a webinar on virtual teams (in cooperation with the Swiss Chamber of Commerce and the Stockholm School of Economics House of Innovation/SSE-HOI), as well as a hybrid "digital dinner" and webinar on digitalization (in cooperation with the Embassy and SSE-HOI), in which the Delegate of IT Steering, Mr. Peter Fischer, gave a keynote. This took place under the umbrella of the Swedish Digital Days (*Digital Idag*), modelled after the Swiss *Digitaltag*.

Furthermore, the Trade Point supported the Swiss participation at the start-up conference *SLUSH-20* in Helsinki, Finland, which this time was fully digital (*Innosuisse* supported 25 Swiss start-ups to attend the event, a virtual Swiss pavilion was organised 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 tourists visiting Switzerland come from Sweden, with the winter share slightly dominating. *Switzerland Tourism* focuses on both outdoor and snow sport enthusiasts as well as business meeting

segments. Through its new Swisstainable program, *Switzerland Tourism* points the way to a responsible world of travel.

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The *centennial of Switzerland's official presence in Sweden in 2020/21* 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 planned activities had to be conducted online, resized or postponed.

## 5.2 Sweden'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* will be signed in 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.

## 6. Sources

Federal Statistical Office	<a href="https://www.bfs.admin.ch/bfs/en/home/statistics/tourism.html">https://www.bfs.admin.ch/bfs/en/home/statistics/tourism.html</a>
Kommerskollegium / National Board of Trade	<a href="http://www.kommers.se/In-English/">http://www.kommers.se/In-English/</a>
Statistical database	<a href="http://statistikblad.kommers.se/en/">http://statistikblad.kommers.se/en/</a>
Sveriges utrikeshandel med varor och tjänster samt direktinvesteringar, Helåret 2020 (Sweden's Trade with Goods and Services 2020)	<a href="https://www.kommerskollegium.se/globalassets/publikationer/statistikrapporter/2021/sveriges-utrikeshandel-med-varor-och-tjanster-samt-direktinvesteringar---helaret-2020.pdf">https://www.kommerskollegium.se/globalassets/publikationer/statistikrapporter/2021/sveriges-utrikeshandel-med-varor-och-tjanster-samt-direktinvesteringar---helaret-2020.pdf</a>
Statistiska Centralbyrån - Statistics Sweden	<a href="http://www.scb.se/en/">http://www.scb.se/en/</a>
Development of Swedish trade in goods and services	<a href="https://www.statistikdatabasen.scb.se/pxweb/en/ssd/START_FM_FM0001_FM0001A/FM0001BytBAR/">https://www.statistikdatabasen.scb.se/pxweb/en/ssd/START_FM_FM0001_FM0001A/FM0001BytBAR/</a>
Foreign Trade – Exports and imports of goods	<a href="https://www.scb.se/HA0201-en">https://www.scb.se/HA0201-en</a>
Sveriges Riksbank – Sweden's Central Bank	<a href="https://www.riksbank.se/en-gb/">https://www.riksbank.se/en-gb/</a>
Swiss Customs Administration	<a href="http://www.ezv.admin.ch">www.ezv.admin.ch</a>
Swiss-Impex	<a href="https://www.gate.ezv.admin.ch/swissimpex/public/bereiche/waren/query.xhtml">https://www.gate.ezv.admin.ch/swissimpex/public/bereiche/waren/query.xhtml</a>
Switzerland Global Enterprise	<a href="http://www.s-ge.com">www.s-ge.com</a>
Switzerland Tourism	<a href="https://www.myswitzerland.com/en-ch/">https://www.myswitzerland.com/en-ch/</a> <a href="http://www.stnet.ch/de/home.html">http://www.stnet.ch/de/home.html</a>
Tillväxtverket - Swedish Agency for National and Regional Growth	<a href="https://tillvaxtverket.se/english.html">https://tillvaxtverket.se/english.html</a>
Tillväxtverket – Nights spent and visitors' country of residence 2010 - 2020	<a href="https://tillvaxtverket.se/download/18.72c0c59c177429cd4eb257a1/1612279142426/Inkvarteringsstatistik_December2020.xlsx">https://tillvaxtverket.se/download/18.72c0c59c177429cd4eb257a1/1612279142426/Inkvarteringsstatistik_December2020.xlsx</a>
Tillväxtanalys – Swedish Agency for Growth Policy Analysis	<a href="https://www.tillvaxtanalys.se/in-english.html">https://www.tillvaxtanalys.se/in-english.html</a>

### Structure of the Swedish economy

Distribution of GDP (%)	2015	2019 <sup>*)</sup>
Primary sector	1.45	1.44
Manufacturing sector	22.16	22.2
Services	65.3	65.25
- of which public services	<i>No data</i>	

Distribution of employment (%)	2015	2020
Primary sector	2.04	1.6
Manufacturing sector	18.2	17.71
Services	79.68	80.69
- of which public services	<i>No data</i>	

**Source:**

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

**Note:** <sup>\*)</sup> No data available for 2020

## Economic facts

	2018	2019	2020	2021*
<b>GDP</b> (billion USD) <sup>1)</sup>	555	531	538	626
<b>GDP/Capita</b> (USD) <sup>2)</sup>	54'356	51'434	51'800	58'980
<b>GDP-Growth</b> (in % ) <sup>2)</sup>	2.0	1.4	-2.8	3.3
<b>Inflation rate</b> (%) <sup>2)</sup>	2.2	1.7	0.4	0.7
<b>Unemployment rate</b> (%) <sup>2)</sup>	6.3	6.8	8.3	8.7
<b>Current account balance</b> (% of GDP) <sup>2)</sup>	2.6	4.6	5.0	4.5
<b>Total external debt</b> (% of GDP) <sup>2)</sup>	38.9	35.1	38.5	40.7
<b>Debt-service ratio</b> (% of exports)	n/a	n/a	n/a	n/a
<b>Reserves</b> (months of imports) <sup>2)</sup>	3.0	2.8	3.3	n/a

**Source:**

<sup>1)</sup> IMF, country statistics, Sweden [www.imf.org/external/country/index.htm](http://www.imf.org/external/country/index.htm)

<sup>2)</sup> IMF: Article IV Consultation (March 18, 2021)

<https://www.imf.org/en/News/Articles/2021/03/24/pr2180-sweden-imf-executive-board-concludes-2021-article-iv-consultation-with-sweden>

\* Forecast



### Sweden's Largest Trading Partners 2020

<i>Country</i>	<i>Export of Goods</i>		<i>Total share (%)</i>
	<i>Value BCHF**</i>	<i>Change (%) 2020/19</i>	
1. Norway	15.53	-6.4	10.7
2. Germany	15.44	-4.9	10.6
3. USA	12.32	-0.1	8.5
4. Denmark	11.05	2.9	7.6
5. Finland	10.27	-7.6	7.0
6. China	7.99	9.4	5.5
7. Netherlands	7.52	-7.5	5.2
8. UK	7.49	-10.4	5.1
9. France	5.95	-5.1	4.1
10. Belgium	5.17	-16.6	3.6
...			
<b>17. Switzerland</b>	<b>1.45</b>	<b>-17.7</b>	<b>1.0</b>
EU 28	83.46	-6.9	57.3
Nordics*	37.21	-4.1	25.5
<b>Export Total</b>	<b>145.68</b>	<b>-6.0</b>	<b>100</b>

<i>Country</i>	<i>Import Goods</i>		<i>Total share (%)</i>
	<i>Value BCHF**</i>	<i>Change (%) 2020/19</i>	
1. Germany	25.49	-6.7	18.2
2. Netherlands	13.80	-4.9	9.8
3. Norway	13.47	-4.7	9.6
4. Denmark	9.55	-5.7	6.8
5. China	7.29	-8.3	5.2
6. Poland	6.60	2.4	4.7
7. Finland	6.59	-12.4	4.7
8. Belgium	6.20	-7.4	4.4
9. UK	6.07	-12.9	4.3
10. France	5.34	-7.8	3.8
...			
<b>24. Switzerland</b>	<b>0.99</b>	<b>-5.9</b>	<b>0.7</b>
EU 28	100.97	-6.1	72.0
Nordics*	29.64	-6.9	21.1
<b>Import Total</b>	<b>140.18</b>	<b>-8.6</b>	<b>100</b>

\* Denmark, Finland, Norway and Iceland

\*\* Original values in SEK; an (annual average) exchange rate of 100 CHF=980 SEK was used.

#### Source:

Kommerskollegium – National Board of Trade:

<https://www.kommerskollegium.se/globalassets/publikationer/statistikrapporter/2021/sveriges-utrikeshandel-med-varor-och-tjanster-samt-direktinvesteringar---helaret-2020.pdf>

<b>Export of services</b>			
<b>Country</b>	<b>Value BCHF**</b>	<b>Change (%) 2020/19</b>	<b>Total share (%)</b>
1. USA	7.56	1.7	11.7
2. UK	6.31	-16.0	9.8
3. Norway	5.66	-32.5	8.8
4. Germany	4.48	-4.3	7.0
5. Finland	4.21	-16.5	6.5
<b>6. Switzerland</b>	<b>4.04</b>	<b>1.0</b>	<b>6.3</b>
7. Denmark	3.94	-14.2	6.1
8. France	2.74	8.7	4.2
9. Netherlands	2.11	-5.6	3.3
10. China	1.64	-18.7	2.6
...			
EU 28	33.34	-13.1	51.7
Nordics*	20.64	-23.4	21.4
<b>Export Total</b>	<b>64.52</b>	<b>-13.5</b>	<b>100</b>

<b>Import of services</b>			
<b>Country</b>	<b>Value BCHF**</b>	<b>Change (%) 2020/19</b>	<b>Total share (%)</b>
1. USA	9.82	18.2	15.3
2. UK	7.71	-10.8	12.0
3. Germany	6.28	-10.0	9.8
4. Finland	3.88	-0.9	6.0
5. Denmark	3.86	-25.4	6.0
6. Netherlands	3.80	-6.1	5.9
7. Ireland	3.79	14.6	5.9
8. Norway	2.88	-32.2	4.5
9. France	2.48	-6.1	3.9
10. Poland	1.59	-15.2	2.5
...			
<b>15. Switzerland</b>	<b>1.32</b>	<b>1.1</b>	<b>2.0</b>
...			
EU 28	41.65	-13.6	64.9
Nordics*	13.71	-22.5	16.6
<b>Import Total</b>	<b>64.17</b>	<b>-10.8</b>	<b>100</b>

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

\*\* Original values in SEK; an (annual average) exchange rate of 100 CHF=980 SEK was used.

**Source:**

Kommerskollegium – National Board of Trade:

<https://www.kommerskollegium.se/globalassets/publikationer/statistikrapporter/2021/sveriges-utrikeshandel-med-varor-och-tjanster-samt-direktinvesteringar---helaret-2020.pdf>

### Development in Bilateral Trade 2012 – 2020 (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	1'688	7.4	1'601	-10.4	87	3'289	-2.0
<b>2020 prel</b>	<b>1'628</b>	<b>-3.6</b>	<b>1.450</b>	<b>-9.4</b>	<b>178</b>	<b>3'079</b>	<b>-6.4</b>
<b>2021 (I)*</b>	<b>450</b>	<b>-0.1</b>	<b>346</b>	<b>-18</b>	<b>104</b>	<b>796</b>	<b>-8.8</b>

\*) Compared to the same period last year

### Most important Products by Product Category (nature of goods) in 2020

Exports to Switzerland	2019 (% of total)	2020* (% of total)
1. Vehicles	19	19
2. Precious metals, precious stones and gems	24	18
3. Machines, appliances, electronics	17	18
4. Products of the chemical and pharmaceutical industry	13	16
Imports from Switzerland	2019 (% of total)	2020* (% of total)
1. Products of the chemical and pharmaceutical industry	34	35
2. Machines, appliances, electronics	21	18
3. Vehicles	12	16
4. Precision instruments, clocks and watches and jewellery	11	9

#### Source:

**Swiss-ImpEx:** <https://www.gate.ezv.admin.ch/swissimpex/index.xhtml>

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 2019, FDI Assets, CHF billion

Country	2018	2019	Share	Variation	Inflow
Netherlands	54	49	15.2%	-9.3%	-5
UK	44	46	14.1%	4.5%	2
Luxemburg	39	43	13.4%	12.8%	5
Germany	28	29	8.9%	3.6%	1
Norway	25	28	8.5%	8%	2
Finland	27	26	7.9%	-3.7%	-1
Denmark	23	24	7.4%	4.3%	1
USA	23	22	6.7%	-4.3%	-1
China	8	9	2.8%	12.5%	1
France	7	8	2.5%	14.2%	1
...					
<b>Switzerland (12)</b>	<b>7</b>	<b>8</b>	<b>2.4%</b>	<b>14.2%</b>	<b>1</b>
...					0
<b>Total</b>	<b>311</b>	<b>323</b>		<b>3.9%</b>	<b>12</b>
<b>OECD</b>	290	300	92.9%	3.4%	10
<b>EU (28)</b>	237	244	75.5%	2.9%	7
<b>Nordic Countries*</b>	75	77	23.8%	2.7%	2
<b>Asia</b>	14	14	4.4%	0%	0

\*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 <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>
<b>2014</b>	7.11	7.49	7.93	8.77	9.10	9.53	6.34	6.86	7.81
<b>2015</b>	7.83	8.77	9.51	9.07	9.36	9.64	7.82	8.44	8.84
<b>2016</b>	8.33	8.69	9.25	9.15	9.47	9.98	7.92	8.56	9.38
<b>2017</b>	8.79	8.91	9.01	9.42	9.59	9.78	8.46	8.86	9.15
<b>2018</b>	8.32	8.88	9.43	9.76	10.26	10.70	7.84	8.69	9.19
<b>2019</b>	9.02	9.52	9.97	10.19	10.59	10.91	8.87	9.46	9.93
<b>2020</b>	9.25	9.80	10.63	10.04	10.49	11.23	8.19	9.20	10.44

#### 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>