

# Sweden's Export Strategy



Government Offices of Sweden

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# Foreword

Swedish exports are a linchpin of our economy that create growth, employment and increased prosperity. By exporting and importing goods and services, Sweden’s business sector has been able to grow strongly far outside of our country’s borders and to take advantage of the global marketplace.

Globalisation means that the economies of the world’s countries are becoming increasingly intertwined. This creates enormous opportunities for a small, export-dependent country such as Sweden, but it also involves stiff competition for our business sector.

The Swedish Government’s overall goal is to increase the number of people in employment and the number of hours worked to such an extent that we achieve the lowest unemployment rate in Europe by the year 2020. The export industry already directly and indirectly employs over 1.3 million people in Sweden.

Sweden’s new export strategy has been developed in close collaboration with the business sector. In the strategy, the Government addresses the challenges faced by Swedish exports with a large number of concrete measures.

Stockholm, September 2015



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# Introduction

Sweden’s prosperity is dependent on exports. In 2014, total exports of goods and services were equivalent to 45 per cent of Sweden’s GDP. Swedish exports remain strong, but its share of the export market is decreasing in relation to the rest of the world. Following the downturn resulting from the financial crisis in 2008–2009, export recovery has been weak and domestic consumption has been driving the Swedish economy in recent years. Close to 70 per cent of Sweden’s exports are destined for the EU’s internal market. Weak growth in Europe is an important factor in explaining why Swedish exports are developing slowly. It has not been possible to compensate for this with increased exports to emerging markets, primarily in Asia. This is one reason why Sweden has found it difficult to maintain its market share of world trade. If Swedish exports cannot be successfully reconfigured and reach the emerging markets, we will be faced with significant challenges, as the strongest growth up to 2020 is expected to take place in these markets. On top of this must be added the lower rate of increase in Swedish productivity noted by, for example, the OECD<sup>1</sup>.

In light of this, the Swedish Government has decided to draw up an export strategy containing initiatives to strengthen Swedish enterprises’ export and internationalisation opportunities in important markets and increase the number of enterprises that export. Specific focus has been placed on strengthening small and medium-sized<sup>2</sup> enterprises’ export and internationalisation opportunities. Among these are the large enterprises of the future and it is primarily in these enterprises that employment opportunities are created in Sweden. At the same time, it is important that our traditional exporters continue to increase their exports with Sweden as their home base.

The export strategy has been drawn up in consultation with the business community, both individual enterprises and trade organisations.

With the export strategy, the Government is addressing the challenges faced by Swedish foreign trade:

- Swedish exports must reach emerging markets to a greater extent
- more small and medium-sized enterprises must have the courage and the will to export
- Swedish goods, services and systems must reach even higher up the value chain
- Sweden’s attractiveness to investments, skills and tourists must increase
- global trade must be kept open.

The Government’s ambition is for Sweden to have the world’s most ambitious environment and climate policy. The transition to a green economy through the streamlining of resources and a circular economy, sustainable consumption and production, environmental technologies and innovations presents opportunities for businesses to develop at the same time as the impact on the environment and climate is reduced.

The export strategy will contribute to the Government’s overall goal for Sweden to have the EU’s lowest unemployment rate in 2020. The goals in the strategy are to:

- increase exports, both in absolute figures and as a proportion of GDP
- increase Sweden’s attractiveness to investments, skills and tourists
- increase the proportion of enterprises that export
- increase Swedish enterprises’ participation in the global economy.

<sup>1</sup> “2015 OECD Economic Surveys Sweden”.

<sup>2</sup> According the EU’s definition of small and medium-sized enterprises, i.e. fewer than 250 employees and a turnover not exceeding EUR 50 million or a balance sheet total not exceeding EUR 43 million.



In the continuing process, these goals will be broken down into sub-goals that should be both measurable and time-limited.

Trade is driven by the business sector, but the State can provide support and complement the market. However, the State does not have unlimited resources and thus has to prioritise so that support is provided where it is most beneficial. The State's promotion of the business sector's exports and internationalisation will, within the scope of the EU's rules governing state aid, rectify those market failures that surround international trade by supporting small and medium-sized enterprises with:

- information about exporting and internationalisation
- information about individual export markets
- information about export promotion in the form of guarantees and funding solutions
- contacts with buyers, procurers and decision makers
- combined presentations of Swedish solutions and experiences
- help with bureaucratic barriers to trade.

The State's export promotion initiatives should focus especially on countries that have a high GDP, a high level of expected growth or high thresholds that enterprises have to cross to get a foothold in the market.

The export strategy is not the Government's only response to the challenges affecting exports. Work to strengthen Sweden's international competitiveness takes place continuously in several policy areas that are not covered in this document. The Statement of Government Policy indicates those reforms the Government is prioritising and their implementation can be

deduced from the annual budget bills and individual bills. For example, the competitiveness of the Swedish business sector is affected by the long-term, sustainable investments being made in infrastructure, research, education, favourable conditions for entrepreneurship and innovation, housing, energy supply, environmental and climate adaptation, etc.

Within the scope of the export strategy, the Government will continue working with certain sectors where there is an untapped potential for increased exports and internationalisation and where there is an interest from abroad in Swedish experiences and solutions to meet various societal challenges. The Government is drawing up specific national strategies and action plans for sectors including food, forestry, maritime and life sciences. These may also include proposals that aim to increase exports and the internationalisation of Swedish enterprises. The Government is also working on a strategy for new industrialisation that aims to improve the conditions for Swedish industry to be a world leader in modern industrial production.

The export strategy encompasses all export promotion for civilian products, services and systems. Defence materiel is only included in part as this is governed by a specific regulatory framework with its own licensing procedure. Nevertheless, the general measures described also apply to these deals when the required licences are in place.

The implementation of the export strategy is an ongoing process that will continue throughout the rest of the current term of office. Action plans will be drawn up for each measure.





# Challenges

## Emerging markets and global societal challenges

Europe is our home market and a first important step for many enterprises that want to expand internationally. The development of the EU's internal market for goods and services has been vital to the growth of Swedish enterprises. However, it is in the emerging countries that the majority of the world's growth is expected to take place in the near future. Up to the year 2020, close to 40 per cent of economic growth is expected to take place in Asia. We also see that growth is taking off in many countries in Africa, albeit from lower starting levels. Increased international competition, larger financial flows towards developing and middle-income countries and the rapidly expanding middle class in Africa and Asia mean that new remote markets become more important for the future of Swedish exports. This indicates that Swedish exports must increase to countries outside Europe in both the short and the long term.

Consequently, the Government has previously presented a list of 26 priority markets<sup>3</sup>. The vast majority of these are emerging countries. One important factor in the selection of these countries, aside from their growth potential, income level, etc., has been the degree of economic freedom. Where there is a low level of economic freedom, Swedish enterprises also come up against additional barriers, meaning that state promotion can make a relatively big difference.

In several emerging markets there is not just a lack of economic freedom, but also other political, social and environmental problems. Contact and trade between people and countries is good and promotes values such as

democracy, gender equality, human rights and a better environment. The countries that we trade with are those we can also conduct dialogue with. Swedish enterprises are often world leaders in sustainable business in terms of both social and environmental values, and there are also many examples where their day-to-day operations make a beneficial contribution to a society's development. Many Swedish enterprises work actively and successfully with sustainability and sustainability also has to be a tool for the State's export promotion. However, the Government has good reason to clearly set out what it expects from enterprises, particularly when they do business in countries that have specific challenges. Accordingly, work involving sustainable business is being reinforced, for example through the national action plan for business and human rights that was presented on 24 August 2015. The Government will also develop the policy for sustainable business as one aspect of its work with the policy for global development (PGU).

Sweden has a long tradition of development cooperation with individual countries. Through long-term involvement, contacts have been built up and a good image of Sweden and Swedish solutions has been developed. In country after country, (India, Vietnam, etc.) aid can be phased out as a result of positive economic development. Many of these countries have a strong desire to make a transition and move towards broader bilateral relationships that include economic cooperation and trade. Several of these countries are also important emerging markets with strong economic growth. By improving coordination between export promotion and aid, the Government can work to ensure that sustainable trade and investments in developing

countries leads to lasting trade relationships that benefit Swedish exports.

Sweden is a major donor to the UN system and international financial institutions (IFIs) such as the World Bank and other development banks. At the same time, Swedish enterprises have a remarkably low level of sales to the UN, and Swedish enterprises also perform relatively poorly in procurement processes linked to the development banks' financing. Given the expertise of Swedish enterprises, not least those that are small and medium-sized, the Government wants to try to help Swedish enterprises win more UN contracts than they do currently. The same applies to procurement processes in which IFIs and the EU play a key role.

Global societal challenges such as urbanisation, digitalisation, energy transition, waste management, electrification, lifestyle illnesses, ageing populations, epidemics, climate change and crises and catastrophes will involve major investments in the modernisation and expansion of infrastructure and systems. The need for solutions is evident in, for example, major cities in emerging countries. Such societal changes increase global demand for smart systems solutions, where Sweden and Swedish enterprise, education, research and innovation are at the forefront. It is therefore valuable to create meeting places where enterprises and other Swedish actors can gain a greater understanding of their customers' problems and present their existing solutions or be involved in creating new ones. This can involve Swedish know-how and capabilities in water purification, the expansion of information technology, energy supply, urban planning, public transport, road tolls, food production, e-administration, etc. Swedish exports can grow thanks to Swedish solutions being matched with needs and demand in the rest of the world. There is a

need to package various enterprises' solutions into larger systems that can meet the societal challenges these markets are faced with. International and bilateral work on policy within fields such as the environment, climate, health, agriculture and forestry can also create business opportunities for Swedish enterprises.

The overall state export promotion support will be adapted to the enterprises' needs. Small and medium-sized enterprises that want to begin exporting or expand their export market primarily want assistance in the Nordic countries, Europe and North America, while larger enterprises and those that are experienced exporters specifically ask for support in emerging markets far from Sweden.

## Small and medium-sized enterprises

Many of the export successes of the future will come from small and medium-sized enterprises, and this is where the majority of new Swedish employment opportunities will be created. It is vital to Sweden's prosperity for these enterprises to grow and be internationalised. The degree of internationalisation among small and medium-sized enterprises in Sweden is very much in line with the EU average, but we do not perform as well as neighbouring countries such as Denmark and Germany. This is problematic as many new jobs are created in small and medium-sized enterprises.

Small and medium-sized enterprises in, for example, the service sector to some extent have different requirements for public-sector support for internationalisation and exports than the traditional industrial enterprises. It is therefore very important that the State's export promotion is also able to assist these enterprises and that it is available regardless of where in the country the enterprise is based. In Sweden, there is a growing band of innovative micro-enterprises and entrepreneurs with

<sup>3</sup> These are: Algeria, Angola, Brazil, China, Colombia, Egypt, Germany, India, Indonesia, Israel, Japan, Kazakhstan, Malaysia, Mexico, Nigeria, the Philippines, Qatar, Saudi Arabia, South Africa, South Korea, Thailand, Turkey, Ukraine, the United Arab Emirates, the United Kingdom and the USA.

the potential to contribute to sustainable solutions to societal challenges. These often lack a domestic market and start exporting directly. Consequently, they require support at an early stage of the business development process in order to become exporters in the long-term. An initial deal may be required in order to secure references and production.

There are now entirely new opportunities for smaller enterprises to export and take advantage of the global economy. Digitalisation in the form of e-commerce, electronic payments and e-administration solutions, for example, means that even a small enterprise can do business in a global marketplace if it has the right product. There are many successful examples of Swedish companies that have been international from the start, but there could be even more of these so-called born globals.

Taking a step into the international market can be costly and risky for the individual enterprise. The bulk of the small and medium-sized enterprises that are in growth phases also have a low ability to pay for the services of consultants. This is where public-sector export promotion can play an important role by contributing with expertise and resources to reduce the thresholds smaller enterprises come up against. Larger international and global Swedish enterprises often have a great deal of knowledge about markets, customers and financing. This knowledge needs to be used to benefit more small and medium-sized enterprises in all parts of the country.

#### Positioning in the value chain

Sweden currently accounts for one per cent of the world's total investments in research and development. At the same time, the world is becoming increasingly integrated and products and services are being developed in global value chains in which the knowledge content

and labour elements of production and the enterprise's services are distributed internationally. For a small country dependent on exports like Sweden, it is important to get enterprises to locate activities with a high added value in the country, which contributes to increased competitiveness and employment. Major Swedish enterprises are often well positioned in these global value chains, with a large proportion in the high value-added stages such as research and development, design, logistics and marketing. However, the competition is tough and there has been a very strong development of knowledge-intensive capabilities around the world, not least in emerging countries. Countries such as China are focusing strategically on climbing up the value chain.

Swedish innovativeness is largely based on a well-functioning system of education, research and utilisation of which universities, research institutes, research funding bodies and promotional organisations are fundamental parts, in addition to the business sector. It is important that Swedish actors are involved in the early creation stages of the goods and services of the future. Sweden currently ranks highly in innovation metrics and is seen as an interesting country with which to cooperate, in spite of its size. Sweden should derive more benefit from this by reinforcing international education, research and innovation cooperation between academies, research institutes and the enterprise sector in Sweden and other countries. This will improve Sweden's ability to benefit from the 99 per cent of global research and development taking place outside the country's borders, to develop innovative solutions in conjunction with actors in other countries, to forge long-term relationships and to contribute to increased market access for Swedish enterprises.

If Sweden is to maintain its position or even climb further up the value chain, there needs to be a combination of measures in which a long-term focus on education, research, innovation, regulatory systems that stimulate new innovative enterprises, initiatives to attract talented people and investments and efforts targeting emerging markets are important constituent parts.

#### The global system of trade

Swedish enterprises' competitiveness has largely been due to the business climate in Sweden and increasing globalisation. Individual enterprises' competitiveness is dependent on how well they are able to succeed in global value chains. Goods and services are now increasingly produced in more than one country and region, with each country, region and enterprise contributing parts of the value chain and where specialisation means that enterprises can increase their productivity and competitiveness. The structure of Swedish trade reflects these global value chains. The largest Swedish export industries, such as manufacturing, are also the ones that account for the most imports.

For the Government, it is thus very important that it is easy for enterprises to export and import goods and services and to invest both in Sweden and abroad. This primarily means that Sweden must have an open trade and investment policy with respect to the rest of the world. We are achieving this through:

- Sweden's policy of openness, which includes facilitating foreign investment in Sweden, making it easier for Swedish companies to employ foreign expertise or ensuring that Sweden's administrative regulations for imports and exports are simple and clear.

- Continuing to work towards a more far-reaching and well-functioning internal market within the EU and removing remaining barriers, particularly for enterprises in the service sector and those in the digital economy.
- The EU having an open trade and investment policy with respect to the rest of the world. Therefore, Sweden must continue to push the EU to liberalise its trade policy, reduce its customs duties, phase out its trade barriers and make trade in services and the flow of data easier.
- Sweden, via the EU, also influencing the rest of the world to pursue an open trade and investment policy and avoid protectionist tendencies.
- Promoting free and fair world trade. The Government is working to ensure progressive international trade agreements and to tear down trade barriers, at the same time as we are standing up for the environment, as well as the interests of employees and human health.
- Safeguarding an open and rule-based trade system in the Doha Round and other negotiations in the WTO, as well as in standardisation organisations.
- Contributing to the conclusion of the ongoing negotiations concerning bilateral free trade agreements between the EU and third countries, in particular the important, from Sweden's perspective, free trade negotiations with the USA (known as the TTIP agreement) and Japan.







# Measures

In order to meet the challenges described above, the Government intends to implement a number of measures that reinforce the State's promotion of the business sector's exports and internationalisation and make them more effective and efficient. These measures are based on the needs and desires of both major and small and medium-sized enterprises. In order to ensure that the implementation of these measures begins in 2015, the Government has allocated SEK 75 million to an export offensive in the spring revised budget. In addition, the Government has announced further funds for the export offensive for 2016–2019, which makes substantial future efforts to promote exports and investments possible.

## 1. Team Sweden

Many Swedish enterprises believe that the coordination of state support for export and internationalisation needs to be improved. They feel that there are a large number of public-sector actors whose mandates are sometimes unclear. Enterprises need to know which actor to turn to with a specific problem. Different public-sector organisations and authorities currently offer similar support, but with conditions that differ somewhat. Several of the measures below contribute in different ways to improving coordination and making information and the division of responsibility clear. One fundamental prerequisite is that the Government gets a clearly coordinated hold on what is being done. Consequently, a new collective umbrella for all of the State's work to support the enterprise sector's exports and internationalisation is being created – Team Sweden.

### Measures:

- A functional and cohesive structure – Team Sweden – is created. This will include representatives of the relevant ministries, central government agencies, organisations

and state-owned companies with a remit to support the enterprise sector's exports and internationalisation.

- Team Sweden's work is led by the State Secretary with responsibility for trade and export promotion. The Minister for Enterprise and Innovation will be kept continuously informed about how work on Team Sweden is developing.
- Clearer governance, division of roles and incentives for collaboration and coordination between actors are developed.
- Team Sweden will invite the enterprise sector, including trade organisations, to frequent meetings in order to discuss the implementation of the export strategy and other current issues.
- Swedish embassies will create local "Team Sweden" circles together with the Swedish export promotion organisations and chambers of commerce that are represented in the local country.

- Public-sector export promotion initiatives will be evaluated continually so that the most effective methods are always chosen.
- The Swedish Agency for Public Management conducts a survey of possible overlaps between different actors providing state support to export promotion.

## 2. An increased Swedish presence in emerging markets

The Swedish enterprise sector is doing increasing business in the new emerging markets. But there is more still to be done, not least in terms of making it easier for small and medium-sized enterprises. In these markets, support from Swedish embassies and state export promotion actors play a particularly important role, as the thresholds for market entry are higher than in the EU and other neighbouring countries. Important initiatives encompass, for example, opening doors to decision makers and buyers, measures that create contacts and build trust, information about Sweden, support to deal with trade barriers and concrete assistance with finding potential customers, agents and business partners. This applies particularly to major cities, where much of the current economic growth is taking place. In several emerging markets, the government ministries and their authorities are involved in bilateral cooperation and political processes. These and new contact surfaces are often important in supporting Swedish enterprises through enterprise promotion in strategic markets and areas.

### Measures:

- The Government's ambition is to open new embassies and consulates-general in important markets and important cities.
- A review of where Sweden has and should have honorary consulates is conducted.
- Business Sweden is given resources so that its presence in emerging markets can be reinforced. The needs of exporting enterprises will be a guide.

## 3. Regional export centres – a single point of contact for export advice

It is important that an enterprise is offered support to internationalise or focus on exports, regardless of where in the country it is. Many small and medium-sized enterprises around the country feel that it is difficult to find their way among the various public-sector actors that support enterprises in various ways within business development and internationalisation. Contributing to this problem is that different state actors do not always refer enterprises on to each other or have systems that support one another's initiatives in matters concerning exports and internationalisation. There are also regional differences, with some actors being present in some regions, but not in other, as well as differences between industries.

### Measures:

- Regional export centres are created in accordance with the principle of a single point of contact.
- Regional export centres will have knowledge of and be well staffed in the region.





- Regional export centres are established with regional and local offices for Almi Företagspartner AB, Business Sweden, the Swedish Export Credits Guarantee Board, the Swedish Agency for Economic and Regional Growth and other relevant organisations. Their structure will be worked out in cooperation with the regional development supervisors. The possibility of also including local and regional/county offices for enterprise development is also investigated, retaining flexibility for the regions.
- A survey is conducted in order to confirm what support is currently being offered by different national and regional publicly funded actors.
- Regional export centres are organised with a clear division of responsibility between actors and where one party is given overall responsibility for coordination.
- Business Sweden's network of regional export advisers is reinforced so that export advice can be provided in all parts of the country.

#### 4. Digital export information – “a single window”

Despite the large range of services on offer to smaller enterprises that want to increase their exports and internationalisation, the state actors are remarkably unknown. This lack of knowledge means there is a risk of small and medium-sized enterprises not using the support available and, in the worst case, making mistakes in their export ventures that could have been avoided. Enterprises also report that the information provided to enterprises that want to export is fragmented. Different authorities and organisations tasked

with supporting enterprises' exports and internationalisation link to one another, but there is not a single digital portal for an enterprise that want to obtain export support. This is an unfortunate difference when compared with the digital support available for starting and running small enterprises that is gathered together on the website “verksam.se”.

#### Measures:

- A digital portal for export advice and services is created. This will gather together the full range of public-sector export and internationalisation support.
- An information campaign is implemented in order to make enterprises aware of the support available for exports and internationalisation.

#### 5. Strengthen the desire to export

The Swedish Agency for Economic and Regional Growth frequent investigations indicate that an important reason why small and medium-sized Swedish enterprises do not choose to export or try to enter new markets is that they assess the risks and amount of additional work to be too high. At the same time, Swedish embassies and trade offices report that business people's views of individual countries are sometimes more negative than what is supported by reality. This is more often the case for emerging markets than for neighbouring markets and high-income countries. The combined effect may be that potential Swedish export successes fail to materialise. It is therefore important to support not just small and medium-sized enterprises in their ventures, but also to provide enterprises with a more nuanced view of the global economy, individual markets and interest them in new export ventures.



**Measures:**

- Informing small and medium-sized enterprises about individual markets and working to influence attitudes to exporting and individual markets within the scope of the information campaign described above.

## 6. Financing and credit provision

Financing can be a critical factor when exporting. International trade involves specific challenges such as exchange rate risks and the risk of payments not being made or being delayed. The state export creditors are valued by the enterprise sector but are surrounded by conditions such as the EU's state aid regulations, meaning that they are very poorly utilised by small and medium-sized enterprises. At the same time, these enterprises report that private banks and credit insurers have become more cautious about financing smaller export deals.

**Measures:**

- The Swedish Export Credits Guarantee Board and the Swedish Export Credit Corporation are being encouraged to increase their marketing directed at small and medium-sized enterprises.
- Almi expands its cooperation with the Export Credits Guarantee Board and the Swedish Export Credit Corporation.
- A working group is appointed with participation from the most important state actors in this area and the commercial banks in order to identify the causes of the problem described above and provide possible solutions to them. The group is led jointly by the Swedish Export Credit Corporation and the Swedish Bankers' Association.

## 7. High potential opportunities

Sweden and Swedish enterprises have solutions for modernising and expanding infrastructure and systems that we can export. Exports of systems often depend on the participation of enterprises both large and small, including technical consultants. The processes involved in systems procurement are long and often have elements dependent on political decisions. In some cases, Sweden has succeeded in packaging what we offer in a way that can compete with enterprise groupings from other countries, but no collective effort has been made. Project groups need to be created for each individual major deal with the involvement of the enterprises involved, the Government Offices and relevant authorities in order to coordinate state export promotion initiatives such as delegation visits and high-level visits.

**Measures:**

- Business Sweden is given the task of continually identifying, together with interested enterprises, the largest global deals over the course of the next ten years that have the greatest potential for Swedish exports and employment in Sweden.
- The possibility of financing preparatory and supportive studies by consultants ahead of projects is investigated.
- Relevant authorities are given a remit to contribute, if required, to export promotion initiatives in order to describe Swedish solutions from an authority's perspective.
- When new bilateral memoranda of understanding (MoU) and mixed commissions are being considered, the interests of the enterprise sector and tangible business opportunities will be taken into account, as well as long-term positioning, e.g. in research and innovation.

## 8. A transition from aid to broader economic cooperation

Swedish development assistance has been phased out in a number of countries in recent years, but it has been shown that replacing good development relations with the equivalent trade relations is a challenge. The contact networks that have been established are not utilised to support trade relations. The good name Sweden has built up in the country through aid is gradually hollowed out as new generations take over and other countries come into their field of view. It should be possible for Sweden to get better at managing the transition from aid to trade in its relations with these countries, including in the form of research and innovation cooperation.

**Measures:**

- Export promotion initiatives should be coordinated with development cooperation within sectors and in countries where there is a need for development cooperation, a strong Swedish resource base and a concrete demand both for and from the Swedish resource base.
- Five pilot countries have been selected to test how the transition from aid-based to trade-based relations can be managed strategically.
- The possibility of creating an aid-financed educational instrument within sectors where there is a Swedish resource base with systems expertise and where Sweden's partner countries require modernisation is investigated in order to bridge the gap between aid and trade.

## 9. Enhanced interaction with international organisations

The volume of procurements by the UN system has increased dramatically in recent years. In 2013, goods and services worth USD 16.1 billion were purchased, but enterprises in Sweden only accounted for USD 28.5 million (0.18 per cent) of this. However, the UN's procurement system is being modernised, which may give rise to new opportunities for Swedish suppliers. The development banks and other international financial institutions (IFIs) finance infrastructure and major systems solutions in developing and transitional economies, which leads to large-scale procurement through IFIs and by local authorities. Nevertheless, Swedish enterprises perform relatively poorly in these procurement processes and the same applies to the EU's external development and cooperation programmes. A more systematic approach needs to be developed.

**Measures:**

- A coordinated strategy for increasing Swedish sales of goods and services to the UN system, international financial institutions and the EU is drawn up.
- A long-term process is initiated in order to influence and change the UN system's procurement requirements so that longevity and sustainability are taken into account to a greater extent in decision-making.
- The seconding of Swedish staff to the UN, to third countries' authorities and to multilateral development banks and international financial institutions is expanded.
- Investigate opportunities to make Sweden a candidate when new UN offices are established.





## 10. It has to be easy to import and export

For enterprises that are part of global value chains, it is very important that cross-border trade functions effectively. Countries with simple and predictable customs procedures have a comparative advantage over other countries in terms of creating beneficial conditions for international trade. Exporters are also dependent on there being efficient customs management processes in the countries they export their goods to or those they import goods from.

- Swedish Customs will provide information that is more adapted to needs. The goal is to improve the conditions for enterprises to make far-sighted and lasting decisions in customs-related issues.
- Efforts will be made to develop capacity and technical assistance in countries outside the EU whose customs management processes are not as efficient.

## 11. Simplify cross-border e-commerce and data flows

For many enterprises, e-commerce is a first springboard out into a large, dynamic international market. There is untapped potential in cross-border e-commerce, both within and outside of the EU. The problems for this type of trade include fragmented regulations, insufficient information and advice but also an increasing level of digital protectionism. The ability to transfer data across borders is a prerequisite for many enterprises' foreign trade opportunities.

### Measures:

- Sweden will push for the EU to accept proposals in the trade in services agreement TiSA and other free trade agreements concerning freer data flows and the prohibition of requirements for locally sited computer equipment and local data storage.
- The free, digital e-commerce export advice is developed so that it covers more countries than it currently does.
- The information provided to and e-services for foreign enterprises who want to target their sales at Sweden are improved.

## 12. Promote the mobility of people moving to and from Sweden

Being able to easily travel to and work in other countries has become an increasingly important factor for trade. Swedish exporters need to be able to quickly and easily invite potential customers, agents, suppliers and business partners to Sweden in order to visit facilities, negotiate contracts, discuss problems with implementation or have specific specialist services accomplished. For foreign companies that are considering establishment in Sweden, it is very important that they along with their staff and any specialists who need to work for a short time in order to set up the company can obtain visas, residence permits or work permits without unnecessary delays. One challenge for Swedish companies is gaining access to the right personnel in order to expand and reach new markets. Multinational enterprises do not, as they once did, have staff with equivalent expertise in many countries; instead, they gather together cutting edge expertise in a few places around the world. Students and researchers are also internationally mobile, which necessitates a rapid process



for visas and residence permits. An efficient visa process is also very important for attracting tourists from countries outside the EU.

#### Measures:

- Investigate how foreign missions can work to reduce the processing times for visas.
- The possibility of increasing visa cooperation between Swedish foreign missions and companies with a clear interest in Sweden in order to make the application process more efficient is investigated.
- Clear information to enterprises and employees about applicable regulations for the movement of people will be provided.
- Sweden will work towards well-functioning regulations for the movement of people that makes things easier for enterprises.

### 13. Focus on international standardisation

International standardisation is an important tool that contributes to Sweden's competitiveness as it allows Sweden's enterprises to avoid having to adapt to different requirements for the same product in different export markets and instead participate in the specification of standards. Sweden has historically been highly involved and successful in international standardisation, but our strong position has been eroded in recent years. Through the secretariat function, Sweden can strive to achieve a good impact on how new standards are designed for products of particular importance to Swedish trade. Consequently, we need to retain Sweden's current secretariat commitments, but also be capable of accepting new ones.

#### Measures:

- The Swedish standardisation organisations are given more opportunities to take on secretariat responsibilities for international standardisation in areas that are important to Sweden.
- Selected central government authorities are given the task of prioritising work on standardisation.

### 14. Survey export and import problems and trade barriers

Despite free trade and movement being guaranteed by the regulations of the EU's internal market, the WTO agreements and various bilateral and regional free trade agreements, enterprises come up against administrative and bureaucratic barriers in export markets. This may involve customs duties, regulations and quotas that the international free trade effort has yet to succeed in removing, but sometimes it is a question of trade barriers that conflict with the applicable agreements and regulations. The gathering of information about perceived and actual trade barriers in the internal market and internationally currently only takes place sporadically. Information about trade barriers is a perishable commodity and thus needs to be surveyed more frequently and in a more structured way. This would give the Government and the authorities concerned a better basis on which to make decisions concerning measures at the national level and their actions in negotiations and discussions bilaterally, both within the EU and internationally.





**Measures:**

- The National Board of Trade is given the task of carrying out a large-scale survey of barriers that Swedish enterprises experience in their trade links both within the EU and with the rest of the world.
- This survey will then be updated regularly.

## 15. Increased ambition for sustainable business

Swedish enterprises generally have a strong sustainability profile and see this as a competitive advantage. The Government expects Swedish enterprises to respect human rights in all their operations. This requires specific attention when doing business in countries where the legislation and authorities do not fully respect these rights. At the same time, many Swedish companies feel that they need support from state actors when doing business in such complex markets. The Government hopes that the national action plan for business and human rights will be able to contribute to the business sector's work with sustainability. Sweden also has a strong and competitive business sector in which sustainability itself is the business idea.

**Measures:**

- A platform is created that can, for example, support foreign missions to contribute to sustainable business in export promotion contexts.
- The general level of knowledge about sustainable business is increased at the foreign missions.
- Other measures listed in the Government's national action plan for business and human rights also constitute one aspect of the export strategy's implementation.

## 16. Foreign enterprises want to invest in Sweden

Sweden is seen internationally as a prominent innovative country and there is the potential to attract knowledge-intensive enterprises to invest and locate their operations here. Foreign investments in Sweden contribute to growth and employment. This increases competitiveness and thus forces Swedish companies to adapt and increase their productivity. But it also makes a contribution in the form of ideas, capital and networks that spill over onto Swedish enterprises and increases their innovativeness. Foreign enterprises provide new stimuli, particularly in organised cluster collaborations with high knowledge intensity. Joint ventures and other strategic partnerships between Swedish and foreign enterprises are also a form of investment that strengthens Swedish competitiveness when it leads to additional business in Sweden. Investment promotion builds on information about Swedish legislation, regulations and conditions being easily available. However, as all investments take place in a local environment, contact with foreign investors need to involve a close interaction with actors involved in regional and local investment promotion.

**Measures:**

- Team Sweden coordination is also created for investment promotion.
- One of its first actions will be to submit proposals for the strategic focus of investment promotion.
- An analysis is conducted of the long-term financing of the regions' investment promotion initiatives with the aim of making them less dependent on short-term project funding.

- Resources are allocated to Business Sweden in order to reinforce its expertise in providing support to regional investment promotion.
- Foreign investments that lead to new production and exports from Sweden are given particular attention.

## 17. Born Globals

In some industries such as IT, computer gaming, music, design and trade, start-up enterprises are global from the very beginning. Sales often take place online. These enterprises need support in order to continue expanding internationally, but the nature of this support will be somewhat different from that provided to enterprises that have initially built up domestic operations. For example, assistance with e-commerce, payments, recruitment of staff with unique expertise, financing, international networks or collaboration with authorities may be required. These enterprises may need a greater quantity of intensive advice that is extremely specialised and may be relatively costly for participating enterprises. State export promotion has to also be able to support these enterprises with their needs. However, there must be vigilance applied so that this support does not lead to these enterprises, entirely or to a large extent, moving their operations out of Sweden.

**Measures:**

- Export and internationalisation advice is adapted so that it can meet the more specialised requirements of innovative companies that have internationalised at an early stage.

- Once a survey of overlaps between different state actors is completed, a clear remit will be given to one of these actors to take responsibility for drawing up a programme for international rapidly expanding enterprises (born globals).

## 18. Strengthen Sweden's image abroad

Sweden has a relatively strong image abroad. In relation to Sweden's size, we rank highly in international comparisons concerning everything from governance and welfare solutions, through openness and transparency, to creativity, innovation, sustainability and investment climate. The major challenge lies in the fact that knowledge of Sweden is low or actually declining in countries further afield, for example in Asia and Latin America, and among younger generations. The cultural and creative industries have a particularly important role to play in presenting a positive image of Sweden.

**Measures:**

- Strengths are mustered to focus on a handful of countries in which Sweden's image is weak, but where the export potential is great. The view of Sweden is measured, a short and long-term plan for the work to promote Sweden in an integrated way using various tools is produced and initiatives are implemented. The effects of this venture are then followed up.
- A Swedish brand is built up for selected industries; similar to the concept "Try Swedish" for Swedish food/Swedish gastronomy.
- The possibility of making Swedish embassies test facilities/showrooms for innovative Swedish solutions and technologies is investigated.





- An effort is made to increase internationalisation within the cultural and creative industries and to promote culturally driven exports, together with the actors concerned. This effort includes a study comparing Sweden with other countries.
- The possibility of launching a digital shop window for the cultural and creative industries is investigated.

## 19. More visitors to Sweden

Global tourism and Swedish tourism continue to grow. New, increasing flows of tourists are added each year from emerging countries, particularly those in Asia. The majority of enterprises in the Swedish hospitality industry are small and have limited opportunities to conduct destination development work or market themselves internationally. In order to take advantage of the growth and employment potential of the hospitality industry, it is key that there are continued initiatives to develop destinations, collaboration and initiatives abroad to market Sweden as a destination.

### Measures:

- VisitSweden continues with its remit and is provided with additional resources in order to market Sweden as a tourist destination and get more tourists to come to Sweden.
- VisitSweden will be implementing specific initiatives to reinforce its presence in emerging markets such as India and China, to profile rural Sweden as a destination for ecotourism and nature tourism and to extend the length of time foreign visitors stay in Sweden.
- The Swedish Agency for Economic and Regional Growth's initiatives to create

additional export-ready destinations will be complemented with initiatives at an earlier stage, with a specific focus on initiatives that support the development of new sustainable products and experiences that can contribute to more visitors and growing enterprises.

## 20. Reinforce Sweden's attractiveness to talent

Working at the top of the value chain is dependent on access to world-leading education and research. It is therefore important for Sweden to be able to attract researchers, students and employees from all over the world. The number of students studying outside their home country is increasing around the world and is estimated to amount to 4.5 million in 2015. Sweden receives about 0.7 per cent of these. Recruiting a greater proportion of this large group would make a positive contribution to the conditions for Swedish exports, partly by increasing the number of people around the world with experience of Sweden and partly by improving the supply of skills for Swedish enterprises in both Sweden and abroad. International students who have studied at Swedish universities and educational institutions have a good knowledge of our country and particularly good prerequisites to promote trade and other exchanges between Sweden and their home country in their future careers. Many foreign-born Swedes have their roots in two cultures and have a good command of both language and cultural/social codes, and they have access to networks that are advantageous to foreign trade. For many years, Sweden has been organising exchange programmes for foreign journalists and also for potential future leaders from other countries. However, similar exchange programmes have not been implemented for other strategically selected individuals.



**Measures:**

- The possibility of establishing a scholarship programme, partly funded by the enterprise sector, targeting highly qualified non-European students in fields such as technology, design, the sciences, medicine, innovation and entrepreneurship is investigated.
- Exchange programmes are created for qualified target groups of decision makers in themes such as innovation, entrepreneurship, environmental technology, etc.
- An alumni platform is created for foreign missions, educational institutions and Swedish enterprises.
- Efforts that aim to utilise foreign-born Swedes' and foreign students' unique expertise and value to Swedish foreign trade are developed.
- The marketing of Sweden as a study destination is reinforced in order to increase the number of international students who go on to promote Swedish interests following their studies.

## 21. Attract global events

Major global events can help to position a country or a region and have a positive impact on how the country is viewed. There are financial risks involved in arranging major events, but they can also generate profits (in the form of hotel stays, meals, shopping, etc.) and the possibility of new employment opportunities. In addition, the advertising value is huge and the political changes facilitated can have positive effects (Stockholm's effort to attract the Olympics and the creation of Hammarby Sjöstad is a good example). The Swedish Sports Confederation and the hospitality industry

have drawn up a joint strategy setting out how Sweden is to arrange more international sporting events. There is also cause to consider which other major events Sweden should try to attract.

**Measures:**

- Together with the sports movement and other relevant actors, the Government will work to ensure that more international events take place in Sweden.

## 22. More direct flights to and from Sweden

Accessibility in the form of airports with direct flights is becoming increasingly important in today's globalised world. This is one of the most important factors when foreign enterprises are choosing between different options for establishing operations and making new investments. Swedish airports have comparatively few direct flights to and from important cities, not least those in emerging countries, which also means that our cities are losing ground in terms of global accessibility.

**Measures:**

- The State's tourism and investment promotion will support the work conducted by, primarily, Swedavia to attract more direct flights to Sweden.

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