



Doing Business in Sweden: 2009

Country Commercial Guide for U.S. Companies

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Chapter 1: Doing Business In Sweden

(and with its Nordic neighbors)

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Market Overview

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Nordic Overview

The Nordic group of countries (Sweden, Norway, Denmark, and Finland) represents the world's leading region of free-trading nations, with their economies dependent on trade and business operating largely free of political influences. The present-day business hub for many Nordic-region companies is Stockholm, the progressive capital of Sweden, a country with strong business ties with the U.S. Sweden and its Nordic neighbors style themselves as pro-business, have worked on tax and employment reform, and focused much of their government resources on sustainable infrastructure. Nordic companies and their governments express great interest in working with U.S. companies and USG officials on technology in sustainable infrastructure. In addition, Nordic companies want to invest in regions of the U.S. where sustainable infrastructure is supported by regional governments. In the second half of 2009, Sweden assumes the European Union Presidency which coincides with Copenhagen's COP-15 climate change conference. In parallel to the Climate Change COP-15 meetings in Copenhagen, CS Copenhagen will stage a USA Pavilion for exhibitors and visitors at Copenhagen's "brightgreen" event. Both activities will help U.S. companies operating elsewhere in the EU or without an EU base to engage with European partners and market facilitators, especially in clean-tech (energy and environment) sectors.

Sweden and its Nordic neighbors have been affected by the current financial downturn but are not burdened to the same extent as the U.S. is with large losses from large financial investment houses and insurance companies. Because of Sweden's financial crisis in Sweden in 1990-1994, the design of the U.S. bank rescue package was allegedly inspired in part by the Swedish "Bank Emergency" programs in the early 90's. For the foreseeable future, the Nordic countries' main economic challenges are loss of jobs in the worldwide downturn, especially for youth and new entrants to the market, and maintaining a high-cost welfare system without increasing taxes. In comparison to the U.S., Nordic labor costs are high, constrained by rigid labor legislation and high cost of living.

The Nordic markets have savvy consumers and buyers that demand value in their product choices, and enjoy and regional average per capital annual income of more than

\$45,000. Flexibility in the distribution channels and in consumer habits allow for almost any entry path into the market. Sweden, as a Nordic hub, likes to be a trend leader and is good effective entry point for new-to-export (NTE) and new-to-market (NTM) products. Nordic businessmen and women are sensitive about wasting valuable business time and do not like meetings without a clear objective and a reasonable likelihood of return on the investment of time. Whereas Stockholm is the most frequent stop for visitors, the business value of the other Nordic capitals and major cities, depending on the sector, can be as high or higher. Oslo, the Nordic center for offshore oil and gas production, should not be neglected by clients in the traditional energy business sector. Agents and distributors are commonly used in the initial stage of market entry. First-hand visits are important because Nordic partners often rely on honesty and need to be assured of their new partner's reliability and experience. Nordic companies rely on consensus decision-making and prefer carefully developed plans.

One very distinct advantage to all the Nordic countries is that English is widely spoken and understood throughout the major cities. Business agreements are reliable, the infrastructure first-rate, and the area is one of the least corrupt, most high-tech, and most competitive regional economies in the world. As a region, the Nordic countries have close ties to the United States culturally, politically, and historically (Eric the Red and son, Leif, were likely very early European visitors to North America). The Nordic region, its partner Baltic posts, and Iceland represent a 30-million-consumer Nordic/Baltic marketplace, and as such, can be regarded as economy the size of Canada's or Spain's. For that reason, Commercial Service Nordic offices and allied Baltic partner posts have agreed to make the entire region more accessible as a single market by fostering more Nordic/Baltic programs for clients.

Sweden as a Market

Unemployment in Sweden, which was 6.2% in October 2008, is expected to rise sharply in the next two years. The government is expected to propose further fiscal measures to stimulate the economy. The exposure of Swedish banks to financial turbulence in the Baltic States is of particular concern. In October 2008, Sweden joined other European countries in taking steps to stabilize its financial system by guaranteeing over \$200 billion of new bank borrowing and creating a fund to take direct stakes in banks. The state deposit insurance was doubled to include savings of up to \$61,600 per customer and bank. During the period from July 2007 to October 2008, the Stockholm Stock Exchange index OMXS30 fell by 58%. The Swedish krona has also dropped sharply in value both against the dollar and euro. The auto industry (Volvo has announced that over 5,000 people in Sweden are to be laid off) and its subcontractors and the construction sector are predicted to be most affected. In Sweden during the last quarter of 2008, 57,000 people were given notice by their employers. In January, 12,500 people have been given notice, equaling almost a 400% increases to the entire month of January 2008. Consumer prices fell over one percent from November to December. Cuts in mortgage interest rates are given as the main reason for the dramatic fall in prices and thus inflation. The Central Bank will most likely reduce the main base (repo) rate by 0.75 percent in February and by another 0.75 percent later in the year, bringing the repo rate down to 0.5 percent by April/May.

Sweden is a small, trade-dependent country and its companies are therefore particularly hard-hit by today's lack of long-term credits. To meet the shortage mainly in long-term export financing that has arisen in connection with the turmoil on the world's finance

markets, the Government has approved a credit guarantee to the Swedish Export Credit Corporation (SEK) SEK for borrowing and raised the ceiling for export credit guarantees from SEK 200 billion to SEK 350 billion. This is intended to improve Swedish export companies' ability to finance important business, despite the current financial turmoil. At present Sweden exports about three times as much as it imports from the U.S., but there are indications that this imbalance has peaked. The U.S. Embassy Commercial Service in Stockholm has focused on redressing this imbalance and is working with the Swedish Government and companies to promote U.S. products in key areas such as life sciences, renewable energy, telecommunications software and services, auto aftermarket parts, consumer products, and education and travel in the U.S. for Swedish citizens. Of particular interest to Swedish companies and government liaison groups are products in the clean-tech sector. U.S. exporters to Sweden interested in local Swedish and related Nordic-based trade should review activities in the Commerce website (<http://www.buyusa.gov/sweden/en/>), trade events elsewhere in Europe with support of Commerce for U.S. visitors (<http://www.buyusa.gov/europe/tradeevents.html>), and U.S. trade events with Commerce support (http://www.export.gov/eac/trade_events.asp).

The most exciting sector in Swedish American trade is that of alternative energy, or clean-tech. Given U.S. and Swedish leadership in developing technological solutions to mitigate environmental damage caused by global warming, the U.S. Embassy in Stockholm, together with U.S. Embassies in Copenhagen and Oslo, have focused on opportunities in this sector as their priority sector. Opportunities exist in bio-fuels, bio-energy generation, gasification, tidal/wave, geothermal, solar, wind, hydro, energy storage, and conservation. Sweden has high environmental standards, high renewable energy utilization, and a preference for "clean-tech" solutions, which can fit well with U.S. company capabilities. Sweden and Denmark have demonstrated particularly good engineering and planning skills in coping with higher fuel costs and reliance on fossil fuels. Sweden relies heavily on hydro and nuclear power and Denmark on wind energy and conservation. To network U.S. technology and service companies in clean-tech, the U.S. Embassies in Sweden and Denmark are staging a USA Pavilion for exhibitors and visitors at the "BrightGreen" trade event that takes place in parallel to the COP-15 Climate Change conference in Denmark in December 12-13, 2009.

Market Challenges

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Prices are high in Sweden, which offers both an opportunity in terms of new product pricing, and challenges in terms of the cost of doing business. About 80% of working Swedes belong to a union. Swedish law requires that union members be represented on the board of any company with over 25 employees. Generally speaking, labor laws create an expensive market for labor, making operations like franchising a challenge. On the other hand, Sweden is one of the most cost-efficient countries in the world for design, research and development because of the relatively low cost of scientists and engineers and top-notch research facilities. Individual tax rates are among the highest in the world (the highest by some calculations), but corporate taxes are medium for Europe at about 28 %. VAT taxes of 25% apply for the import or sale of products anytime products change hands. Taxes have been reduced under the new government.

Sweden is a world leader in telecom, computers, electronics, robotics, pharmaceutical and medical products and biotech, Sweden is regularly listed as top in the world in terms of high-tech readiness and receptivity. Swedes are leaders in implementing e-government, and high-tech sectors like security ID systems, fossil free alternative energy, and nano-technology are flourishing fields in Sweden. Sweden has one of the most open and competitive markets in the world, ranking only behind the U.S. and Finland in the International Competitiveness Ranking. The U.S. has few substantial trade issues with Sweden and there is virtually no corruption and a venerable legal system. Sweden is sometimes described as the most Americanized of countries. By one count, there are 12 million Americans of Swedish ancestry living in the U.S., with only 9 million Swedes living in Sweden. Many Swedes have lived in or visited the U.S. and colloquial English is widely spoken. Swedes are receptive to U.S. products.

Sweden has a domestic auto, truck, and aviation industry with substantial foreign investment and partnering – primarily with the U.S. Sweden is considered an ideal test market, though an expensive one, because of the high regard for U.S. products coupled with fact that Swedes are “early adaptors”; being quick to start or follow trends. Sweden is home to more multinational corporations per capita than any other country in the world and is considered a headquarters base for the Nordic countries. Selling to Sweden is selling to all of northern Europe. With a high per capita income a combined Nordic market of 27 million, the economy reflects the 10th largest economy in the world.

Sweden is a sophisticated market with savvy consumers and buyers that demand value in their product choices. Sweden likes to be a trend leader. The most effective entry strategies will vary by product and sector. As for all the Nordics, flexibility in the distribution channels and in consumer habits allow for almost any entry path to the market. Stockholm is the most frequent stop for visitors, but depending on the sector, visits to other Swedish cities may be warranted. Gothenburg, the business center on the west coast, for example, should not be neglected in any business plan. Agents and distributors are commonly used in the initial stage of market entry.

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Using an Agent or Distributor

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Companies wishing to use distribution, franchising and agency arrangements need to ensure that the agreements they put into place are in accordance with European Union (EU) and Member State national laws. Council Directive 86/653/EEC establishes certain minimum standards of protection for self-employed commercial agents who sell or purchase goods on behalf of their principals. In essence, the Directive establishes the rights and obligations of the principal and its agents; the agent's remuneration; and the conclusion and termination of an agency contract, including the notice to be given and indemnity or compensation to be paid to the agent. U.S. companies should be particularly aware that the Directive states that parties may not derogate certain requirements. Accordingly, the inclusion of a clause specifying an alternate body of law to be applied in the event of a dispute will likely be ruled invalid by European courts.

Key Link:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31986L0653:EN:HTML>

The European Commission's Directorate General for Competition enforces legislation concerned with the effects on competition in the internal market of such "vertical agreements." Most U.S. exporters are small- and medium-sized companies (SMEs) and are therefore exempt from the Regulations because their agreements likely would qualify as "agreements of minor importance," meaning they are considered incapable of affecting competition at the EU level but useful for cooperation between SMEs. Generally speaking, companies with fewer than 250 employees and an annual turnover of less than €50 million are considered small- and medium-sized undertakings.

The EU has additionally indicated that agreements that affect less than 10 percent of a particular market are generally exempted as well (Commission Notice 2001/C 368/07).

Key Link:

http://eur-lex.europa.eu/LexUriServ/site/en/oj/2001/c_368/c_36820011222en00130015.pdf

The EU also looks to combat payment delays with Directive 2000/35/EC. This covers all commercial transactions within the EU, whether in the public or private sector, primarily dealing with the consequences of late payment. Transactions with consumers, however, do not fall within the scope of this Directive. In sum, the Directive entitles a seller who does not receive payment for goods/services within 30-60 days of the payment deadline to collect interest (at a rate of 7 percent above the European Central Bank rate) as compensation. The seller may also retain the title to goods until payment is completed and may claim full compensation for all recovery costs.

Key Link: http://ec.europa.eu/enterprise/regulation/late_payments/index.htm

Companies' agents and distributors can take advantage of the European Ombudsman when victim of inefficient management by an EU institution or body. Complaints can be made to the European Ombudsman only by businesses and other bodies with registered offices in the EU. The Ombudsman can act upon these complaints by investigating cases in which EU institutions fail to act in accordance with the law, fail to respect the principles of good administration, or violate fundamental rights.

Key Link: <http://www.ombudsman.europa.eu/home/en/default.htm>

Data Privacy

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The EU's general data protection Directive (95/46/EC) spells out strict rules concerning the processing of personal data. Businesses must tell consumers that they are collecting data, what they intend to use it for, and to whom it will be disclosed. *Data subjects* must be given the opportunity to object to the processing of their personal details and to opt-out of having them used for direct marketing purposes. This opt-out should be available at the time of collection and at any point thereafter. This general legislation is supplemented by specific rules set out in the "Directive on the processing of personal data and the protection of privacy in the electronic communications sector" (2002/58/EC). This requires companies to secure the prior consent of consumers before sending them marketing emails. The only exception to this opt-in provision is if the marketer has already obtained the intended recipient's contact details in the context of a previous sale and wishes to send them information on similar products and services.

Key Link: http://ec.europa.eu/justice_home/fsj/privacy/index_en.htm

Transferring Customer Data to Countries outside the EU

The EU's general data protection Directive provides for the free flow of personal data within the EU but also for its protection when it leaves the region's borders. Personal data can only be transferred outside the EU if adequate protection is provided for it or if

the **unambiguous consent** of the data subject is secured. The European Commission has decided that a handful of countries have regulatory frameworks in place that guarantee the adequate protection of data transferred to them – the United States is not one of these.

The Department of Commerce and the European Commission negotiated the Safe Harbor agreement to provide U.S. companies with a simple, streamlined means of complying with the adequacy requirement. It allows those U.S. companies that commit to a series of data protection principles (based on the Directive), and who publicly state that commitment by "self-certifying" on a dedicated website, to continue to receive personal data from the EU. Signing up is voluntary but the rules are binding on those who do. The ultimate means of enforcing Safe Harbor is that failure to fulfill the commitments will be actionable as an unfair and deceptive practice under Section 5 of the FTC Act or under a concurrent Department of Transportation statute for air carriers and ticket agents. While the United States as a whole does not enjoy an adequacy finding, transfers that are covered by the Safe Harbor scheme will. Companies whose activities are not regulated by the FTC or DoT (e.g. banks, credit unions, savings and loan institutions, securities dealers, insurance companies, not-for-profit organizations, meat packing facilities, or telecommunications carriers) are not eligible to sign up to the Safe Harbor.

EU based exporters or U.S. based importers of personal data can also satisfy the adequacy requirement by including data privacy clauses in the contracts they sign with each other. The Data Protection Authority in the EU country from where the data is being exported must approve these contracts. To fast track this procedure the European Commission has approved sets of model clauses for personal data transfers that can be inserted into contracts between data importers and exporters. The most recent were published at the beginning of 2005; work to update these and develop new ones is ongoing. Most transfers using contracts based on these model clauses do not require prior approval. Companies must bear in mind that the transfer of personal data to third countries is a processing operation that is subject to the general data protection Directive regardless of any Safe Harbor, contractual or consent arrangements.

EU countries' Data Protection Authorities (DPAs) and large multinational companies are also developing a third major approach to compliance with EU rules on transfers of personal data to countries outside the EU. This is based on country-by-country approval of "binding corporate rules" (BCRs). Companies that set up BCRs that satisfy European DPAs will be able to use the presumption of conformity that these approvals provide to transfer personal data from the EU to any location in the world – not just the United States. BCRs can be a tool for compliance with privacy rules on a global scale. The process of negotiation and approval of the BCRs is currently lengthy and complex, and has not been attempted by small or medium-sized companies.

Key Links: <http://www.export.gov/safeharbor/>
http://ec.europa.eu/justice_home/fsj/privacy/modelcontracts/index_en.htm
http://ec.europa.eu/justice_home/fsj/privacy/workinggroup/wpdocs/2007_en.htm

Establishing an office

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The most popular and simplest company structure is the limited liability company. This works well for many foreign firms – especially SMEs starting up in the market. For

greater details or what form would be best for your company you can contact the Invest in Sweden Agency - www.isa.se or any of the many reputable legal firms resident in Sweden. See list below:

Baker & McKenzie Advokatbyrå AB, www.bakernet.com
Delphi & Co Advokatfirma, www.delphilaw.com
NorelidHolm Law firm www.norelidholm.com
RydingCarlsten Law firm www.rydingcarlsten.se

There are no restrictions on foreign-owned firms establishing companies in Sweden. The legally recognized forms of business enterprise in Sweden are:

- Limited liability companies, two categories exist: public and private (aktiebolag)
- Limited partnerships (kommanditbolag)
- Trading partnerships (handelsbolag)
- Non-trading partnerships (enkla bolag)
- Branch of a foreign company (filial)

Foreign investors in Sweden historically have favored the limited liability corporate form, which is the only corporate form with no personal liability in Sweden. There are two different forms of limited liability companies: public and private. The difference between the two is that only the public limited liability company can turn to the public for capital.

A subsidiary of a foreign company established in Sweden in accordance with Swedish law is considered a Swedish company in all respects and generally no legislative distinction is made between companies whose shares are wholly or principally owned by foreigners and those owned by Swedes.

The Swedish Companies Act (Aktiebolagslagen) governs the founding of a company. However, a foreign investor need not bother with these proceedings, as it is much easier to acquire an already registered shelf-company and adapt its articles of association to the needs and intents of the investor. The share capital must be at least SEK 100,000 in a private limited liability company and SEK 500,000 in a public limited liability company.

A foreign company interested in establishing a business in Sweden may also conduct its operations through a Swedish branch (filial). A branch may be established without the permission of the Swedish authorities – the branch need only be entered in the Register of Branches, which is kept by the Swedish Companies Registration Office (Bolagsverket) (<http://www.bolagsverket.se>)

Franchising

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The interest in franchising in Sweden continues. According to the Swedish Franchise Association there are some 400 franchise systems, the majority of which are of Swedish origin, employing some 100,000 people in Sweden. The turnover of the franchise market is estimated at USD 17 billion. Franchising is especially popular in the area of fast food, retail trade and consulting/business services.

It is strongly recommended that U.S. companies considering franchising in Sweden conduct a qualified legal study to ensure full validity and enforcement of franchising agreements. The use of an American franchising agreement without adjustments for Swedish laws and practices could be detrimental to the franchiser's business.

Franchise networks, which have been successful in the United States, will not automatically succeed in Sweden, but a name that is well known in the U.S. market does have a great advantage. However, to meet the needs of the Swedish market, U.S. franchisers should be prepared to modify their product mix or implement other changes in their marketing policy in order to boost competitiveness.

For detailed information on franchising contact should be made with the Swedish Franchise Association, Box 5243, SE-402 24 Goteborg. Tel: 46-31-40 55 10.
<http://www.franchiseforeningen.se>

Direct Marketing

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There is a wide range of EU legislation that impacts the direct marketing sector. Compliance requirements are stiffest for marketing and sales to private consumers. Companies need to focus, in particular, on the clarity and completeness of the information they provide to consumers prior to purchase, and on their approaches to collecting and using customer data. The following gives a brief overview of the most important provisions flowing from EU-wide rules on distance selling and on-line commerce. It is worth noting that the EU is currently overhauling its consumer protection legislation. Companies are advised to consult the information available via the hyperlinks, to check the relevant sections of national Country Commercial Guides, and to contact the Commercial Service at the U.S. Mission to the European Union for more specific guidance.

Processing Customer Data

The EU has strict laws governing the protection of personal data, including the use of such data in the context of direct marketing activities. For more information on these rules, please see the privacy section above.

Distance Selling Rules

- Distance and Door-to-Door sales
The EU's Directive on distance selling to consumers (97/7/EC and amendments) sets out a number of obligations for companies doing business at a distance with consumers. It can read like a set of onerous "do's" and "don'ts," but in many ways it represents nothing more than a customer relations good practice guide with legal effect. Direct marketers must provide clear information on the identity of themselves as well as their supplier, full details on prices including delivery costs, and the period for which an offer remains valid – all of this, of course, before a contract is concluded. Customers generally have the right to return goods without any required

explanation within seven days, and retain the right to compensation for faulty goods thereafter. Similar in nature is the Doorstep Directive (85/577/EEC) which is designed to protect consumers from sales occurring outside of a normal business premises (e.g., door-to-door sales) and essentially assure the fairness of resulting contracts.

Key Link: http://ec.europa.eu/consumers/cons_int/safe_shop/index_en.htm

- **Distance Selling of Financial Services**
Financial services are the subject of a separate Directive that came into force in June 2002 (2002/65/EC). This piece of legislation amends three prior existing Directives and is designed to ensure that consumers are appropriately protected in respect to financial transactions taking place where the consumer and the provider are not face-to-face. In addition to prohibiting certain abusive marketing practices, the Directive establishes criteria for the presentation of contract information. Given the special nature of financial markets, specifics are also laid out for contractual withdrawal.

Key Link: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32002L0065:EN:NOT>

Direct Marketing over the Internet

The e-commerce Directive (2000/31/EC) imposes certain specific requirements connected to the direct marketing business. Promotional offers must not mislead customers and the terms that must be met to qualify for them have to be easily accessible and clear. The Directive stipulates that marketing e-mails must be identified as such to the recipient and requires that companies targeting customers on-line must regularly consult national opt-out registers where they exist. When an order is placed, the service provider must acknowledge receipt quickly and by electronic means, although the Directive does not attribute any legal effect to the placing of an order or its acknowledgment. This is a matter for national law. Vendors of electronically supplied services (such as software, which the EU considers a service and not a good) must also collect value added tax (see Electronic Commerce section below).

Key Link: http://ec.europa.eu/internal_market/e-commerce/index_en.htm

Joint Ventures/Licensing

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In Sweden a joint venture is an agreement between two or more parties to carry out a project. It is not a legal entity, but only an agreement, and a legal vehicle must be formed to pursue the project. This legal vehicle may be either a limited liability company with the joint-venture participants as shareholders, or a partnership with the joint-venture participants as partners. Agreements for production in Sweden of U.S. products are common. Royal and license fee payments may be freely transferred out of Sweden.

Selling to the Government

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The EU public procurement market, including EU institutions and Member States, totals around EUR 1,600 billion. This market is regulated by two Directives:

- Directive 2004/18 on Coordination of procedures for the award of public works, services and supplies contracts, and
- Directive 2004/17 on Coordination of procedures of entities operating in the Utilities sector, which covers the following sectors: water, energy, transport and postal services.

Remedies directives cover legal means for companies who face discriminatory public procurement practices. These directives are implemented in the national procurement legislation of the 27 EU Member States.

The US and the EU are signatories of the World Trade Organization's (WTO) Government Procurement Agreement (GPA), which grants access to most public supplies and some services and works contracts published by national procuring authorities of the countries that are parties to the Agreement. In practice, this means that U.S.-based companies are eligible to bid on supplies and services contracts from European public contracting authorities above the agreed thresholds. The revision of this agreement should be finalized in 2009.

However, there are restrictions for U.S. suppliers in the EU utilities sector both in the EU Utilities Directive and in the EU coverage of the Government Procurement Agreement (GPA). The Utilities Directive allows EU contracting authorities in these sectors to either reject non-EU bids where the proportion of goods originating in non-EU countries exceeds 50% of the total value of the goods constituting the tender, or is entitled to apply a 3% price difference to non-EU bids in order to give preference to the EU bid. These restrictions are applied when no reciprocal access for EU companies in the U.S. market is offered. Those restrictions however were waived for the electricity sector.

For more information, please visit the U.S. Commercial Service at the U.S. Mission to the European Union website dedicated to EU public procurement. This site also has a database of all European public procurement tenders that are open to U.S.-based firms by virtue of the Government Procurement Agreement. Access is free of charge.

Key Link: http://www.buyusa.gov/europeanunion/eu_tenders.html

Distribution and Sales Channels

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Consumers and businesses, alike, are very import-oriented in Sweden. To compliment this import-oriented market, Sweden offers American exporters a wide range of methods for the distribution and sale of products. A very high level of efficiency characterizes the distribution system. The Swedish Trade Federation (Svensk Handel) <http://www.svenskhandel.se> is the principal organization for private sector importers and traders in Sweden. Within this federation, the Import Council works to encourage Swedish importing by supplying American exporters with knowledge concerning items such as customs regulations and antidumping laws, while also providing Swedish

companies with information on potential American contacts/suppliers. The federation's membership includes 13,000 member firms active in retail and wholesale trade (including import/export, mail order business and e-commerce)

The major distribution centers in Sweden are Stockholm, Gothenburg and Malmo. Stockholm is the capital and business center of the country with a metropolitan area population of 1.9 million. The head offices of most Swedish industrial, and commercial associations, and most large corporations are located in Stockholm. Many multinationals also use Stockholm as the headquarters for their Nordic and Baltic operations.

Gothenburg, Sweden's second largest city, is the nation's foremost port for international shipping. Located on the southwestern coast, Gothenburg is also the center of a fast growing industrial complex representing a wide spectrum of manufactured products ranging from motor vehicles to petrochemicals.

Malmo and Helsingborg are located at the southern tip of the country, a short distance from neighboring Denmark. Both cities are important ports for Swedish shipping to continental Europe. A bridge between Malmo and Copenhagen is physically linking Northern Europe with the Continent.

The northern two-thirds of Sweden are sparsely populated, but contain many large industrial sites for forest products, mining, and hydroelectric power. Major population centers there include Sundsvall, Skelleftea, Lulea and Umea.

Selling Factors/Techniques

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Selling techniques are comparable to the practices in the U.S. General competitive factors such as price, quality, promptness of delivery and availability of service are those that determine the success of a supplier. Swedish firms do not change suppliers readily and many commercial relationships have been built up and maintained over decades.

Electronic Commerce

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In July 2003, the EU started applying Value Added Tax (VAT) to sales by non-EU based companies of Electronically Supplied Services (ESS) to EU based non-business customers. U.S. companies that are covered by the rule must collect and submit VAT to EU tax authorities. European Council Directive 2002/38/EC further developed the EU rules for charging Value Added Tax. These rules are currently set to expire at the end of 2009.

U.S. businesses mainly affected by the 2003 rule change are those that are U.S. based and selling ESS to EU based, non-business customers or those businesses that are EU based and selling ESS to customers outside the EU who no longer need to charge VAT on these transactions. There are a number of compliance options for businesses. The Directive created a special scheme that simplifies registering with each Member State. The Directive allows companies to register with a single VAT authority of

their choice. Companies have to charge different rates of VAT according to where their customers are based but VAT reports and returns are submitted to just one authority. The VAT authority responsible for providing the single point of registration service is then responsible for reallocating the collected revenue among the other EU VAT authorities.

Key Link: http://ec.europa.eu/taxation_customs/taxation/vat/how_vat_works/e-services/index_en.htm

Trade Promotion and Advertising

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General Legislation

Laws against misleading advertisements differ widely from Member State to Member State within the EU. To respond to this imperfection in the Internal Market, the Commission adopted a Directive, in force since October 1986, to establish minimum and objective criteria regarding truth in advertising. The Directive was amended in October 1997 to include comparative advertising. Under the Directive, misleading advertising is defined as any "advertising which in any way, including its presentation, deceives or is likely to deceive the persons to whom it is addressed or whom it reaches and which, by reason of its deceptive nature, is likely to affect their economic behavior or which for those reasons, injures or is likely to injure a competitor." Member States can authorize even more extensive protection under their national laws.

Comparative advertising, subject to certain conditions, is defined as "advertising which explicitly or by implication identifies a competitor or goods or services by a competitor." Member States can, and in some cases have, restricted misleading or comparative advertising.

The EU's Audiovisual Media Services Directive lays down legislation on broadcasting activities allowed within the EU. From 2009 the rules will allow for US-style product placement on television and the three-hour/day maximum of advertising will be lifted. However, a 12-minute/hour maximum will remain. Child programming will be subject to a code of conduct that will include a limit of junk food advertising to children.

Following the adoption of the 1999 Council Directive on the Sale of Consumer Goods and Associated Guarantees, product specifications, as laid down in advertising, are now considered as legally binding on the seller. (For additional information on Council Directive 1999/44/EC on the Sale of Consumer Goods and Associated Guarantees, see the legal warranties and after-sales service section below.)

The EU adopted Directive 2005/29/EC concerning fair business practices in a further attempt to tighten up consumer protection rules. These new rules will outlaw several aggressive or deceptive marketing practices such as pyramid schemes, "liquidation sales" when a shop is not closing down, and artificially high prices as the basis for discounts in addition to other potentially misleading advertising practices. Certain rules on advertising to children are also set out.

Key Link:

http://ec.europa.eu/comm/consumers/cons_int/safe_shop/fair_bus_pract/index_en.htm

Medicine

The advertising of medicinal products for human use is regulated by Council Directive 2001/83/EC. Generally speaking, the advertising of medicinal products is forbidden if market authorization has not yet been granted or if the product in question is a prescription drug. Mentioning therapeutic indications where self-medication is not suitable is not permitted, nor is the distribution of free samples to the general public. The text of the advertisement should be compatible with the characteristics listed on the product label, and should encourage rational use of the product. The advertising of medicinal products destined for professionals should contain essential characteristics of the product as well as its classification. Inducements to prescribe or supply a particular medicinal product are prohibited and the supply of free samples is restricted.

The Commission plans to present a new framework for information to patients on medicines in 2008. The framework would allow industry to produce non-promotional information about their medicines while complying with strictly defined rules and would be subject to an effective system of control and quality assurance.

Key Link:

http://ec.europa.eu/enterprise/pharmaceuticals/patients/patients_key.htm

Food

On July 1, 2007, a new regulation on nutrition and health claims entered into force. [Regulation 1924/2006](#) sets EU-wide conditions for the use of nutrition claims such as “low fat” or “high in vitamin C” and health claims such as “helps lower cholesterol”. The regulation applies to any food or drink product produced for human consumption that is marketed on the EU market. Only foods that fit a certain nutrient profile (below certain salt, sugar and/or fat levels) will be allowed to carry claims. Nutrition and health claims will only be allowed on food labels if they are included in one of the EU positive lists. Food products carrying claims must comply with the provisions of [nutritional labeling directive 90/496/EC](#).

Nutrient profiles will be developed by January 2009, based on scientific evaluations by the European Food Safety Authority (EFSA). Once they have been set, there will be another two-year period before the nutrient profiles begin to apply to allow food operators time to comply with the new rules. Nutrition claims can fail one criterion, i.e. if only one nutrient (salt, sugar or fat) exceeds the limit of the profile, a claim can still be made provided the high level of that particular nutrient is clearly marked on the label. For example, a yogurt can make a low-fat claim even if it has high sugar content but only if the label clearly states “high sugar content”. Health claims cannot fail any criteria. New products on the EU market must respect the conditions for using nutrition claims set out in detail in the Annex of Regulation 1924/2006. Products already labeled or on the market before January 2007 may remain on the market with the old labels until January 2010. From 2010, only nutrition claims included in the Annex will be allowed. A list of well-established health function claims such as “calcium is good for your bones” will be established by January 2010, based on Member States’ lists of health claims already approved at national level. Disease risk reduction claims and claims referring to the health and development of children will require an authorization on a case-by-case basis, following the submission of a scientific dossier to EFSA. A simplified authorization

procedure has been established for health claims based on new scientific data. [GAIN Report E48055](#) describes how application dossiers for authorization of health claims should be prepared and presented. A guidance document on how companies can apply for health claim authorizations can be downloaded from EFSA's website at http://www.efsa.europa.eu/EFSA/efsa_locale-1178620753812_1178623592471.htm.

Key Link: http://ec.europa.eu/food/food/labellingnutrition/claims/index_en.htm

Food Supplements

Regulation 1925/2006, applicable as of July 1, 2007, harmonizes rules on the addition of vitamins and minerals to foods. The regulation lists the vitamins and minerals that may be added to foods and sets criteria for establishing minimum and maximum levels.

Key Link: <http://useu.usmission.gov/agri/foodsupplements.html>

Tobacco

The EU Tobacco Advertising Directive bans tobacco advertising in printed media, radio, and internet as well as the sponsorship of cross-border events or activities. Advertising in cinemas and on billboards or merchandising is allowed though these are banned in many Member States. Tobacco advertising on television has been banned in the EU since the early 1990s and is governed by the TV without Frontiers Directive.

Key link: http://ec.europa.eu/health/ph_determinants/life_style/Tobacco/tobacco_en.htm

Media

Advertising plays a major role in Sweden's commercial life. All types of media are available. Daily newspapers and other publications are by far the most important media accounting for over half of all advertising expenditures. Direct mail is the second most important advertising medium, followed by radio and television commercials. Other forms, useful for certain types of products, are point-of-sale advertising, motion picture advertising, outdoor posters, and billboards. Commercial broadcasting exists and is growing in importance.

In order to place advertisements in newspapers, magazines, and trade journals, an agency must be authorized to do so by the Swedish Newspaper Publishers' Association (Tidningsutgivarna); Box 22500, 104 22 Stockholm. Web address:

<http://www.tu.se>

Email address: info@tu.se Tel: 46-8-692 46 00. Fax: 46-8-692 46 38.

Authorization requires that the agency have experience in advertising and that its books be open for audit by the association.

The major metropolitan papers in Stockholm, Gothenburg and Malmo have wide geographical circulation. The three large Stockholm dailies - Dagens Nyheter, Svenska

Dagbladet, and Dagens Industri - enjoy nationwide circulation. The large dailies in Gothenburg and Malmo (Goteborgs Posten and Sydsvenskan respectively) provide important media for advertising exposure in western and southern Sweden.

There are three major trade fair venues in Sweden. Together they host approximately 2.5 million visitors each year. The largest is Stockholmsmassan (Stockholm International Fairs) with 1.5 million visitors, followed by the Svenska Massan (Swedish Exhibition and Congress Center) and Malmo Massan (Malmo Fairs). For further information, contact the addresses below.

Stockholmsmassan
SE-125 80 Stockholm
Tel: 46-8-749 41 00
<http://www.stofair.se>

Svenska Massan
SE-412 94 Goteborg
Tel: 46-31-708 80 00
<http://www.swefair.se>

Malmo Massan
SE-202 80 Malmo
Tel: 46-40-690 85 00
<http://www.malmomassan.se>

Commercial Service Stockholm can help your company plan promotional events and market your products and services in Sweden. Please visit our website www.buyusa.gov/sweden for details on our programs and services set up for this: FUSE – Featured U.S. Exporters, Business Service Providers, and the Single Company Promotion.

Pricing

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Companies set prices individually. According to the Swedish Competition Act (which is in line with EU rules), companies are not allowed to practice price fixing. All goods and services are subject to VAT (value-added tax), which ranges from 6 percent to 25 percent. 25 being the normal percentage, 12 percent which is for food or hotel charges, and 6 percent for products such as newspapers, books and magazines, and admission fees for commercial sporting events and also for transportation within Sweden. Products in Sweden are priced using the following formula: CIF price + import duty + excise tax + profit + VAT.

Sales Service/Customer Support

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Conscious of the discrepancies among Member States in product labeling, language use, legal guarantee, and liability, the redress of which inevitably frustrates consumers in cross-border shopping, the EU institutions have launched a number of initiatives aimed at harmonizing national legislation. Suppliers within and outside the EU should be aware of existing and upcoming legislation affecting sales, service, and customer support.

Product Liability

Under the 1985 Directive on liability of defective products, amended in 1999, the producer is liable for damage caused by a defect in his product. The victim must prove the existence of the defect and a causal link between defect and injury (bodily as well as material). A reduction of liability of the manufacturer is granted in cases of negligence on the part of the victim.

Key link: http://ec.europa.eu/enterprise/regulation/goods/liability_en.htm

Product Safety

The 1992 General Product Safety Directive introduces a general safety requirement at the EU level to ensure that manufacturers only place safe products on the market. It was revised in 2001 to include an obligation on the producer and distributor to notify the Commission in case of a problem with a given product, provisions for its recall, the creation of a European Product Safety Network, and a ban on exports of products to third countries that are not deemed safe in the EU.

Key link: http://ec.europa.eu/consumers/safety/prod_legis/index_en.htm

Legal Warranties and After-sales Service

Under the 1999 Directive on the Sale of Consumer Goods and Associated Guarantees, professional sellers are required to provide a minimum two-year warranty on all consumer goods sold to consumers (natural persons acting for purposes outside their trade, businesses or professions), as defined by the Directive. The remedies available to consumers in case of non-compliance are:

- Repair of the good(s);
- Replacement of the good(s);
- A price reduction; or
- Rescission of the sales contract.

Key link:

http://ec.europa.eu/comm/consumers/cons_int/safe_shop/guarantees/index_en.htm

Other issues pertaining to consumers' rights and protection, such as the New Approach Directives, CE marking, quality control and data protection are dealt with in Chapter 5 of this report.

Protecting Your Intellectual Property

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Introduction

Several general principles are important for effective management of intellectual property rights in Sweden. First, it is important to have an overall strategy to protect IPR. Second, IPR is protected differently in Sweden than in the U.S. Third, rights must be registered and enforced *in* Sweden under local laws. Companies may wish to seek advice from local attorneys or IP consultants. The U.S. Commercial Service can often provide a list of local lawyers upon request.

It is vital that companies understand that intellectual property is primarily a private right and that the US government generally cannot enforce rights for private individuals in Sweden. It is the responsibility of the rights' holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. While the U.S. Government is willing to assist, there is little it can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IPR in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the USG can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should USG advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in Sweden require constant attention. Work with legal counsel familiar with Sweden laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IPR and stop counterfeiting. There are a number of these organizations, both Swedish or U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)
- American Chamber of Commerce in Sweden, <http://www.amchamswe.se/>
- Patent and Trademark Office, <http://www.prv.se/>
- The Swedish Ministry of Justice, <http://www.sweden.gov.se/sb/d/584>

IPR Resources

A wealth of information on protecting IPR is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: **1-866-999-HALT** or register at www.StopFakes.gov.
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: **1-800-786-9199**.
- For more information about registering for copyright protection in the US, contact the US Copyright Office at: **1-202-707-5959**.
- For US small and medium-size companies, the Department of Commerce offers a "SME IPR Advisory Program" available through the American Bar Association that provides one hour of free IPR legal advice for companies with concerns in Brazil, China, Egypt, India, Russia, and Thailand. For details and to register, visit: http://www.abanet.org/intlaw/intlproj/iprprogram_consultation.html
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: www.StopFakes.gov This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IPR-infringing products) and allows you to register for Webinars on protecting IPR.
 - o For an in-depth examination of IPR requirements in specific markets, toolkits are currently available in the following countries/territories: Brazil, Brunei, China, Egypt, European Union, India, Italy, Malaysia, Mexico, Paraguay, Peru, Russia, Taiwan, Thailand, and Vietnam.
 - o For assistance in developing a strategy for evaluating, protecting, and enforcing IPR, use the free **Online IPR Training Module on** www.stopfakes.gov.

IPR Climate in Sweden

The Swedish legal system provides adequate protection to all property rights, including intellectual property. As a 1993 signatory to the EEA agreement, Sweden has undertaken to obtain adherence with a series of multilateral conventions on industrial, intellectual, and commercial property.

Sweden is a member of the "Paris Union" International Convention for the Protection of Intellectual Property (patents, trademarks, commercial names, and industrial design) to which the United States and about 80 other countries adhere. American business executives and inventors are thus entitled to receive national treatment in Sweden (treatment equal to that accorded Swedish citizens), under laws regarding the protection of patents and trademarks.

American nationals are also entitled to certain other benefits, such as the protection of patents against arbitrary forfeiture for non-working and a one-year "right of priority" for filing a patent application. The "right of priority" period for trademarks is 6

months. Applications or inquiries pertaining to intellectual property should be addressed to:

Director General
Patents and Registration Office
(Patent & Registreringsverket)
Box 5055, S-102 42 Stockholm
Tel: 46-8-782 2500; Fax: 46-8-666 0286
<http://www.prv.se>

- Patents

Patents are adequately protected under the terms of the EU agreement, which states that the signatory countries comply in their law with the substantive provisions of the European Patent Convention of 1973, which Sweden ratified in 1980. Protection in all areas of technology may be obtained for 20 years.

Patent applications are examined for inventiveness and, if accepted, published for opposition for 3 months. If no opposition is filed or it is successfully overcome, the application is allowed and a patent is granted.

- Copyrights

Law No. 729 of 1960 as amended governs protection of copyrights in Sweden. The term of copyright protection of a work is for the author's life plus 50 years after the author's death. It includes all literary, dramatic, musical, and artistic works. Copyright includes the sole right to produce and reproduce the work or a translation of it; to publish such a work or translation; to perform it in public; and to authorize others to do so.

Sweden is a signatory to various multilateral conventions for the protection of copyrights. It is a member of the Universal Copyright Convention to which the United States and about 60 other countries adhere. Works of American authors copyrighted in the United States are entitled to automatic protection in Sweden. Authors need only show on such works their name; year of publication and the symbol "C" in a circle to obtain copyright protection.

Sweden is also a member of the "Berne Union" Copyright Convention and the WTO's Trade Related Intellectual Property (TRIPS) Convention.

Swedish copyright law also protects computer programs and databases. However, there have been complaints from American software companies that the law is ineffective since compliance investigations cannot be instituted without prior notification.

The legislative and enforcement framework in Sweden is generally effective against conventional hard goods piracy, but requires vast improvement related to Internet piracy. Internet piracy is a significant problem in Sweden and the government's efforts have not been effective. The government has taken several potentially helpful steps to address the problem, but the process is lengthy. The incidence of piracy has not declined as of early 2009. Sweden is home to Pirate Bay, the world's largest bit torrent tracker, as well as a large number of so-called top sites. It is also home to around one million people downloading illegally. A Bill proposing new legislation to align

Sweden's laws with the EU Enforcement directive was sent to Parliament in late 2008 and passed with some revisions. The new law will come into force on April 1, 2009. However, this does not address the fact that the police can only find out the identity of suspected file sharing if the crime only warrants a fine. Current rules allow police to only approach ISPs directly if the suspected crime carries a prison sentence. A report has been presented to the Ministry of Justice addressing this issue and final recommendations how to proceed will reportedly be presented in late 2009.

- Trademarks

Sweden protects trademarks under the Trademark Act, effective January 1, 1961 and has undertaken to adhere to the 1989 Madrid protocol. Sweden has adopted the Nice International Classification System for registration purposes. Trademark registrations are valid for 10 years from the date of registration and are renewable for like periods.

The first applicant for a trademark is entitled to receive a registration and exclusive ownership. However, if another party can prove he was the first user, he may have the trademark canceled and re-registered to himself. After 5 years, a registration becomes incontestable on grounds of prior use.

Applications are examined and, if acceptable, published for opposition for 2 months. Swedish or foreign official emblems or words, or markings contrary to public order or good morals cannot be registered as trademarks. A trademark registration may be canceled if not used within 5 years, unless the registrant shows an acceptable reason for non-use. The EEA agreement's Article 4 of Protocol 28 covers the subject of semiconductor chip layout design and protection.

Further details on the IPR protection can be found in Chapter 6 – Investment Climate Statement.

Designs

The EU adopted a Regulation introducing a single Community system for the protection of designs in December 2001. The Regulation provides for two types of design protection, directly applicable in each EU Member State: the registered Community design and the unregistered Community design. Under the registered Community design system, holders of eligible designs can use an inexpensive procedure to register them with the EU's Office for Harmonization in the Internal Market (OHIM), based in Alicante, Spain. They will then be granted exclusive rights to use the designs anywhere in the EU for up to twenty-five years. Unregistered Community designs that meet the Regulation's requirements are automatically protected for three years from the date of disclosure of the design to the public.

Key Link: <http://oami.europa.eu/>

Trademark Exhaustion

Within the EU, the rights conferred on trademark holders are subject to the principle of "exhaustion." Exhaustion means that once trademark holders have placed their product on the market in one Member State, they lose the right to prevent the

resale of that product in another EU country. This has led to an increase in the practice of so called "parallel importing" whereby goods bought in one Member State are sold in another by third parties unaffiliated to the manufacturer. Parallel trade is particularly problematic for the research-based pharmaceutical industry where drug prices vary from country to country due to national price Regulation.

Community wide exhaustion is spelled out in the Directive on harmonizing trademark laws. In a paper published in 2003, the Commission indicated that it had no plans to propose changes to existing legal provisions.

Key Link: http://ec.europa.eu/internal_market/indprop/tm/index_en.htm

Due Diligence

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Credit reports on Swedish companies can be obtained by contacting any of the sources below:

Dun & Bradstreet Sverige AB
Box 1529
SE-172 29 Sundbyberg, Sweden
Tel: 46-8-519 010 00
<http://www.dbsverige.se>

Syna – Kreditupplysning
Box 244
SE-201 22 Malmö, Sweden
Tel: 46-40-25 85 00
www.syna.se

UC AB
SE-117 88 Stockholm, Sweden
Tel: 46-8-670 92 50
<http://www.uc.se>

(UC AB, the Swedish Business and Credit Information Agency, is jointly owned by all Swedish commercial banks).

The Commercial Service in Stockholm offers the International Company Profile program which provides you with background reports on potential agents, distributors as well as other Swedish firms.

The report includes:

- Detailed background report on a prospective overseas sales representative or partner
- Listing of the company's key officers
- Banking and other financial information
- Market information, including sales, profit figures and liabilities
- Our insight on the strength of the prospective partner

Local Professional Services

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Local service providers focusing on EU law, consulting, and business development can be viewed on the website maintained by the Commercial Service at the U.S. Mission to the European Union at:
<http://www.buyusa.gov/europeanunion/services.html>.

For information on professional services located within each of the EU member states, please see EU Member State Country Commercial Guides which can be found at the following website: <http://www.export.gov/mrktresearch/index.asp> under the Market Research Library.

Web Resources

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EU websites:

Coordination of the laws of the Member States relating to self-employed commercial agents (Council Directive 86/653/EEC):
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31986L0653:EN:HTML>

Agreements of Minor importance which do not appreciably restrict Competition under Article 81(1) of the Treaty establishing the European Community
http://eur-lex.europa.eu/LexUriServ/site/en/oj/2001/c_368/c_36820011222en00130015.pdf

Regulation on late payment:
http://ec.europa.eu/enterprise/regulation/late_payments/index.htm

European Ombudsman: <http://www.ombudsman.europa.eu/home/en/default.htm>

EU's general data protection Directive (95/46/EC):
http://ec.europa.eu/justice_home/fsj/privacy/index_en.htm

Safe Harbor: <http://www.export.gov/safeharbor/>

Model Contracts:
http://ec.europa.eu/justice_home/fsj/privacy/modelcontracts/index_en.htm

Data Protection Working Group:
http://ec.europa.eu/justice_home/fsj/privacy/workinggroup/wpdocs/2007_en.htm

Distance Selling Rules: http://ec.europa.eu/consumers/cons_int/safe_shop/index_en.htm

Distance Selling of Financial Services:
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32002L0065:EN:NOT>

E-commerce Directive (2000/31/EC):
http://ec.europa.eu/internal_market/e-commerce/index_en.htm

VAT on Electronic Service:

http://ec.europa.eu/taxation_customs/taxation/vat/how_vat_works/e-services/index_en.htm

The Unfair Commercial Practices Directive:

http://ec.europa.eu/comm/consumers/cons_int/safe_shop/fair_bus_pract/index_en.htm

Information to Patients - Major developments:

http://ec.europa.eu/enterprise/pharmaceuticals/patients/patients_key.htm

Nutrition and health claims made on foods:

[Regulation 1924/2006](#)

Provisions of Nutritional Labeling:

[Nutritional labeling directive 90/496/EC](#)

EU-27 FAIRS Subject Report Health Claims - EU Authorization Procedure 2008:

[GAIN Report E48055](#)

Guidance document on how companies can apply for health claim authorizations:

http://www.efsa.europa.eu/EFSA/efsa_locale-1178620753812_1178623592471.htm.

Health & Nutrition Claims:

http://ec.europa.eu/food/food/labellingnutrition/claims/index_en.htm

Tobacco: http://ec.europa.eu/health/ph_determinants/life_style/Tobacco/tobacco_en.htm

Product Liability: http://ec.europa.eu/enterprise/regulation/goods/liability_en.htm

Product Safety: http://ec.europa.eu/consumers/safety/prod_legis/index_en.htm

Legal Warranties and After-sales Service:

http://ec.europa.eu/comm/consumers/cons_int/safe_shop/guarantees/index_en.htm

Copyright: http://ec.europa.eu/internal_market/copyright/documents/documents_en.htm

Harmonization of certain aspects of Copyright and related rights in the Information Society - Copyright Directive (2001/29/EC):

http://eur-lex.europa.eu/pri/en/oj/dat/2001/l_167/l_16720010622en00100019.pdf

Industrial Property: http://ec.europa.eu/internal_market/indprop/index_en.htm

European Patent Office (EPO): <http://www.european-patent-office.org>

Office for Harmonization in the Internal Market (OHIM): <http://oami.europa.eu/>

World Intellectual Property Organization (WIPO) Madrid: <http://www.wipo.int/madrid/en>

Directive on harmonizing trademark laws:

http://ec.europa.eu/internal_market/indprop/tm/index_en.htm

[U.S. websites:](#)

EU Public Procurement: http://www.buyusa.gov/europeanunion/eu_tenders.html

Food supplements: <http://useu.usmission.gov/agri/foodsupplements.html>

Local Professional Services: <http://www.buyusa.gov/europeanunion/services.html>.

EU Member State Country Commercial Guides - Market Research Library:
<http://www.export.gov/mrktresearch/index.asp>

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Chapter 4: Leading Sectors for U.S. Export and Investment

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Travel & Tourism

Overview

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	2006	2007	2008 (estimated)
Total Market Size	16,300	17,600	18,600
Total Local Production	2,310	2,500	2,600
Total Exports	9,300	9,650	9,800
Total Imports	5,100	5,450	6,200
Imports from the U.S.	7.30	6.76	6.58

The above statistics are unofficial estimates

Travel & Tourism is one of the largest industries in Sweden and the largest revenue earner in the United States. The total number of Swedish visitors to the US in 2007 amounted to 324,850. This is a substantial increase in numbers of visitors from Sweden. Each visitor spends approximately \$650 per day (excluding airfare). The dollar is less expensive now than the euro, which proves to be a great incentive for Swedish travelers. And tour operators report a 40 percent increase in bookings to the U.S throughout 2008. However, Thailand has become a strong contestant as the most popular long-haul destination for Swedes. The United States has fallen behind and is now number two in the ranking.

Rate of Exchange: US\$1.00 equals SEK 7.30, SEK 6.76, SEK 6.58

Best Prospects/Services

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Sun & Beaches, Big City Breaks, Soft Adventure, National Parks, Eco Tourism
FIT travel is growing steadily 2-3 percent per year

Opportunities

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Sweden continues to offer great opportunities for U.S Travel and Tourism service providers, as well as for US destinations.

Resources

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TUR, March 2009, Gothenburg www.tur.se www.swefair.se

Discover America Committee Promotional Events in Stockholm and throughout Sweden: www.discoveramerica.se

Local Commercial Specialist: Birgitta Gardelius, birgitta.gardelius@mail.doc.gov

Overview

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	2006	2007	2008 (estimated)
Total Market Size	3.750	4.070	4.300
Total Local Production	900	990	1100
Total Exports	750	820	900
Total Imports	3.600	3.900	4.100
Imports from the U.S.	90	100	200

Exchange rates SEK/USD: 2006 7.38, 2007 6.76 and 2008 6.58

The statistics are unofficial estimates.

The Swedish market for safety and security equipment has grown significantly in the recent years and the current turnover reaches USD 4.9 billion. The estimated annual market growth is 12%. The fastest growing sub-segments are technical security (17%), camera surveillance (16%) and passage control (11%). Wireless systems are replacing the traditional ones and rapidly becoming a norm. The whole concept of security thinking has gradually changed in Sweden as the risks for both conventional and cyber terrorism have become more tangible. In addition to the more traditional security measures, concerns such as BCP, airport and hotel security, access control and CBRN protection have come into focus.

The largest end-user groups of security and safety equipment and services are the public sector, manufacturing and transportation industries, large private companies in the high-tech fields, hotels and companies handling dangerous goods. Private households have in the past been more interested in less complicated security equipment, such as intruder alarms and lattice windows and doors. The demand for more complete domestic protection using latest technologies is, however, rapidly growing.

U.S. products enjoy a good reputation in the Swedish market. The main competitors are the strong and even globally active domestic manufacturers and German and U.K. suppliers. There are no trade barriers or market impediments for security and safety equipment.

Best Prospects/Services

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The most promising sub-sectors are equipment for both domestic and corporate security and protection, ranging from simple alarms and protective devices to complex wireless digital systems that integrate fire alarm, passage control, area control and CCTV. Other growing sectors are consulting and guard services and security training sectors. In the IT security market the largest subgroups are identification systems, anti virus programs, PKI, intrusion detection and backup equipment.

Opportunities

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Sweden provides good opportunities for U.S. companies in the field of biometrics, border control and high threat target security. Sweden has enforced the use

of digital passports and identity cards, is actively working on the Schengen Information System projects, and assessing potential biometric technologies for border crossing.

There are also good prospects for products and services within digital video transfer, electronic locking, access card systems and passage control systems using biometrics and infrared (IR) and radio frequency (RF) technologies.

Resources

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Swedish Police Board www.polisen.se

Swedish Safety & Security Companies www.swesec.se

Ministry of Justice <http://www.sweden.gov.se/sb/d/584>

Nuclear Power Inspectorate www.ski.se

Major Trade Events:

Sectech Expo & Conference, October 20-21, 2009

- Security technology exhibition and conference
http://www.sectech.nu/default.asp?Sectech_EventsENG_ID=10&Site_ID=14&SectechSite_ID=22&Sectech_Events_ID=18

Skydd 2010, Protection and Security Expo

September 28 – October 1, 2010

- Held in Stockholm every other year; the largest safety and security show in Northern Europe
<http://skydd.stofair.se/10185/index.asp?language=EN>

Local Commercial Specialist: Tuula Javanainen, Tuula.Javanainen@mail.doc.gov

Power Generation Systems, incl. renewables ELP, REQ

As outlined in the Business Overview, Alternative Energy programs are the major focus of the US mission in Sweden. These opportunities represent the primary focus of our commercial programs and therefore are listed as the first of our best prospects. The focus of this program is in five main areas:

1. Cellulosic ethanol and other 2nd generation biofuel production technologies;
2. Improved battery and auto engine technology;
3. Large-scale affordable production of electricity and heat from solar and wind;
4. Clean coal and carbon sequestration or CCS
5. Improved energy efficiency in homes and buildings.

We believe there are excellent opportunities in all of these areas to partner with and sell to the Nordic markets. One report predicts that the worldwide market for solar, wind, biofuels, and fuel cells products will grow from \$40 billion in 2005 to \$167 billion in 2015. The Swedish government is determined to take the lead in developing these technologies and has made a commitment to become fossil fuel independent by 2020. In addition, Swedish companies are major players in this effort around the world and are looking for superior technologies and partners to respond to the market demand and to meet domestic commitments. To promote this effort, the Commercial Service is organizing a Renewable Energy Trade Mission to Sweden in May 2008. We are very interested in hearing from companies that have products and solutions to offer in this sector.

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Figures in USD million	2006	2007	2008 (estimated)
Total Market Size	4.450	4.910	5.300
Total Local Production	4.000	4.400	4.800
Total Exports	1.800	1.990	2.200
Total Imports	2.250	2.500	2.700
Imports from the U.S.	300	410	500

Exchange rates SEK/USD: 2006 7.38, 2007 6.76 and 2008 6.58

The statistics are unofficial estimates

The annual energy supply in Sweden amounts to approximately 624 TWh. Fossil fuels, such as oil, natural gas and coal, that used mainly by the transportation and refinery sectors, account for almost 32% of the current supply, followed by nuclear power, biofuels and hydropower. Renewable energy plays an increasingly important role in the Swedish energy system, and currently contributes to 30% of the overall energy supply.

The main sources for electricity in Sweden are hydropower and nuclear power, accounting for 80% of the supply. The remaining 20% is covered by biofuels, wind power, conventional thermal power plants, and a small amount of photovoltaic and geothermal power.

Following the EU directives and regulations, Sweden is concentrating on improving and establishing long-term conditions for wider use of renewable energy resources, including new plant construction, R&D, incentives funding and industry harmonization. The government is committed to work on breaking the dependence on fossil fuels by 2020, and inclined to invest in renewable energy and power generation research and development to enable and alleviate the expanded use of bio-fuels and other renewable energy sources for electricity, heat and transportation. As noted in the overview, Embassy Stockholm, in line with U.S. policy to break dependencies on oil and combat Global Warming, has put the highest priorities on activities in this sector.

Best Prospects/Services

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Equipment and plant technology for the upgrade of nuclear, hydropower and CHP plants; wind power turbine technology and spare parts; solar, photovoltaic and geothermal technologies; biomass processing technology; natural gas network technology and power grid infrastructure; renewable vehicle fuel and battery production technologies.

Opportunities

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In recent years fall and winter storms have caused wide and long-term power outages in several rural areas in Sweden. Power lines have been destroyed by falling trees and snow, and the repair work is very time consuming and dangerous. There are good opportunities for US companies supplying both power grid hardware and technology as it is necessary to modify the current grid infrastructure.

In order to meet both the country specific and EU mandated climate change goals, Sweden needs to expand wind, solar and geothermal power production, further improve its biomass utilization and validate new technologies that enable efficient and cost-effective biofuel production. U.S. companies can provide world-leading product and technologies within many of these areas and have good opportunities in Sweden for cooperation and technology exchange.

Resources

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Swedish Energy Agency www.energimyndigheten.se
Energy in Sweden www.svenskenergi.se
Swedish Nuclear Power Inspectorate www.ski.se
Svenska Kraftnat (National Grid Company) www.svk.se
Swedish Bioenergy Association www.svebio.se
Swedish Wind Energy www.svenskvindenergi.org

Major Trade Shows:

Sveriges Energiting, March 11-12, 2009, Stockholm, Sweden

- Sweden's by far largest and most important annual energy conference and exhibition

European Offshore Wind Conference and Exhibition, September 14-16, 2009,
Stockholm, Sweden

- Conference and exhibition

World Bioenergy/Clean Vehicles and Fuels, September 14-18, 2009, Stockholm,
Sweden

- A professional meeting point for the bioenergy and – for the first time – also the automotive industry. Highlights the trends in the different markets and aims at developing and promoting bioenergy competences in a European and worldwide context.

Local Commercial Specialist: Tuula Javanainen, Tuula.Javanainen@mail.doc.gov

Drugs & Pharmaceuticals

Overview

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	2006	2007	2008 (estimated)
Total Market Size	3,580	4,171	4,468
Total Local Production	8,108	8,875	8,663
Total Exports	6,845	7,470	7,416
Total Imports	2,317	2,766	3,221
Imports from the U.S.	170	207	288

Exchange rate used

USD 1 equals SEK 7.38 6.76 6.58

The above statistics are unofficial estimates. Figures in US\$ million.

** it should be noted that the figures quoted reflect direct import from the U.S.

U.S. imports are in reality higher as the market is supplied through U.S. subsidiaries in Europe.

The Swedish pharmaceutical industry has established itself as one of Sweden's most important growth industries. Domestic industry is active in research and drug sales in the areas of oncology, growth disorders and eye diseases, gastrointestinal, respiratory and cardiovascular diseases. The Swedish pharmaceutical market is dominated by two firms AstraZeneca (Swedish/British) and Pfizer (U.S.), Novartis (Switzerland), and Johnson & Johanson (U.S.) but there are also a large number of small and medium sized firms active in development and manufacture. These include biotechnology-based drug discovery firms as well as firms focusing on generics, pharmaceutical formulation, drug delivery and contract manufacturing. Sales of the largest pharmaceutical products in 2007 include: Enbrel, Symbicort, Remicade, Lipitor and Cozaar. The U.S. market share (estimated at 43%) is the highest among foreign suppliers. American pharmaceutical firms are considered world-leaders in research and production, consequently their products enjoy a good reputation.

Best Prospects/Services

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The Swedish pharmaceutical market is highly competitive, but according to trade sources the following areas should represent opportunities for new entrants in the market: antibiotics, anti-asthmatics, impotence treatment, treatments for Alzheimer, AIDS and cancer.

Resources

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Trade Show:

Riksstamman, Nov 25-27, 2009
Biotech/Scanlab Nov 25-27, 2009

www.stofair.se

Contacts:

The Swedish Association of the Pharmaceutical Industry LIF	www.lif.se
Medical Products Agency	www.mpa.se
The Swedish Council on Technology Assessment in Health Care	www.sbu.se
FGL; The Association for Generic Pharmaceuticals in Sweden	www.generikaforeningen.se
The Swedish Association for small and Medium-sized companies active in R&D	www.iml.nu
The Swedish Association of Pharma Traders (parallel import) www.lakemedelshandlarna.se	
Commercial Service Trade Specialist Catharina Kronstrom	catharina.kronstrom@mail.doc.gov

Computer Software

Overview

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	2006	2007	2008 (estimated)
Total Market Size	2,860	3,031	3,097
Total Local Production			
Total Exports			
Total Imports			
Imports from the U.S.			

Exchange rate used

USD 1 equals SEK

7.38

6.76

6.58

The above statistics are unofficial estimates

The Swedish software market is sophisticated with skilled domestic software development companies. Sales are around USD 3 billion. The market is expected to grow by only a few percent in the near term due to the current global economic situation when many large IT projects will be put on the back burner. The Swedish software market consists of global software development companies and small, innovative niche-oriented companies. There are around 800 Swedish software development companies in Sweden, many of which specialize in systems software for communications, business systems (tax and accounting packages with local applications), and applications software for telecommunications. Security software and Web related software are also a dominant segment among Swedish software developers.

Swedes are sophisticated IT users and are looking for the latest solutions that will increase customer service, cost savings, and also enhance business processes. Demand is expected in the following segments: solutions for business intelligence, information management, applications for increased mobility, e-business, and information security.

U.S. products are well received and 75-80% of imported application software is of U.S. origin. The market is highly competitive and customers are looking for products that will make business processes efficient, robust, and flexible.

Best Prospects/Services

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Network security applications
Business intelligence products
Storage management applications
Applications for increased mobility

Resources

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Trade Shows:

ICT Stockholm
February 2010

<http://www.kistamassan.com/kalendarium>

Contacts:

Ministry of Industry, Employment and Communication

<http://www.industry.ministry.se>

Invest in Sweden Agency (ISA)

<http://www.isa.se>

ITSweden

Information site on the Swedish ICT sector.

<http://www.itsweden.se>

Swedish Association of Software Industry

<http://www.swedishsoftware.org/>

Local Commercial Specialist: Gunilla Laroche, gunilla.laroche@mail.doc.gov

Medical Equipment

Overview

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	2006	2007	2008 (estimated)
Total Market Size	3,051	3,557	3,557
Total Local Production	3,367	3,830	4,131
Total Exports	2,104	2,335	2,974
Total Imports	1,778	2,062	2,224
Imports from the U.S.	503	563	607

Exchange rate used

USD 1 equals SEK 7.38 6.76 6.58

The above statistics are unofficial estimates. Figures in US\$ million.

Sweden's health system is one of the best and most well developed in the world. The population of just over 9 million enjoys very good health. Sweden invests about 9.1 per cent of its GDP in health and medical services, a figure that has been fairly stable since the early 1980s. The infant mortality rate is less than 2.8 deaths per 1,000 in the first year of life and the average life expectancy is 78 years for men and 82 years for women. As Sweden has a population that is one of the oldest in the world, more than 5 percent are 80 years or older, there will be increasing demand for medical equipment and supplies, and longer medical treatments, to meet the health needs of an ageing population.

U.S. suppliers, dominating the import market, enjoy a good reputation. Major third-country competitors include Germany, Netherlands and Denmark.

Best Products/Services

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The best sales potential during 2009-2011 for U.S. manufactured medical equipment is expected to be in the following areas:

- Telemedicine
- Medical informatics
- Non-invasive surgical equipment
- Orthopedic and prosthetic equipment
- Home health care - equipment and supplies

Resources

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Trade Shows:

Vitalis, April 21-23, 2009
Telemedicine/e-health

www.swefair.se

Health, Wellness & Fitness, Nov 6-8, 2009

www.stofair.se

Riksstamman, Nov 25-27, 2009
Biotech/Scanlab Nov 25-27, 2009

www.stofair.se

Riksstamman is Scandinavia's biggest meeting place and know-how forum for everyone employed in the health care and health sectors. Research staff, doctors, nurses, technicians, buyers and many other health care professionals come to this fair to see all the latest and gain an overview of products available on the market.

Contacts:

Swedish Medtech

www.swedishmedtech.se

The Swedish Handicap Institute
The Swedish Council on Technology
Assessment in Health Care
The Swedish National Institute of Public Health

www.hi.se

www.sbu.se

www.fhi.se

National Board of Health & Welfare
Commercial Service Trade Specialist
Catharina Kronstrom

www.socialstyrelsen.se

catharina.kronstrom@mail.doc.gov

Environmental Technologies

Overview

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	2006	2007	2008 (estimated)
Total Market Size	13,143	14,571	15,197
Total Local Production	-	-	-
Total Exports	4,019	4,650	5,160
Total Imports	2,790	3,208	3,460
Imports from the U.S.	202	218	235

Exchange rate used

USD 1 equals SEK 7.38 6.76 6.58

The above statistics are unofficial estimates. Figures in US\$ million.

* As current statistics on local production is not readily available the table above indicates actual market turnover as reported by Swentec – The Swedish Environmental Technology Council.

The environment is one of the most important issues of our times. Sweden was among the first countries in the world to recognize the growing environmental problems. Swedish environmental technologies and services firms are active in the areas of air pollution, water and waste water treatment, waste management and recycling. Domestic suppliers of pollution control equipment are strong and world leaders in their respective field, but they look for new development in R&D and the application for new techniques. American products enjoy a good reputation on the market but will find strong competition from both domestic firms as well as third-country suppliers.

Best Products/Services

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According to trade sources, the market for water treatment control is mature and well covered, while best sales prospects may be found in products and services related to air pollution control, soil remediation and waste management products/techniques.

Resources

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Ministry of the Environment	www.miljo.regeringen.se
Swedish Environmental Protection Agency	www.environ.se
Swedish Recycling Industries' Association	www.recycling.se
Swentec - Swedish Environmental Technology Council	www.swentec.se
Avfall Sverige – Swedish Waste Management	www.avfallsverige.se
Varim - Swedish Association of Suppliers of Effluent and Water Treatment Equipment	www.varim.se

Stockholm International Water Institute

www.sivi.org

Stockholm Environment Institute

www.sei.se

Trade Shows:

Water 2009, September 22-24

www.stofair.se

Commercial Service Trade Specialist
Catharina Kronstrom

catharina.kronstrom@mail.doc.gov

Automotive Parts / Accessories

Overview

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	2006	2007	2008 (estimated)
Total Market Size	9,531	10,735	11,977
Total Local Production	8,765	9,203	9,927
Total Exports	4,579	5,104	5,926
Total Imports	5,345	6,636	7,976
Imports from the U.S.	94	106	117

Exchange rates: 7.38 6.76 6.58

The above statistics are unofficial estimates.

Sweden, with a population of about 9 million, had 4.3 million cars in 2007. This corresponds to one car to every 2.2 people. The number of commercial vehicles was 517,000.

The total import of automotive parts and accessories (HS 87.08) was worth US\$ 6.6 billion in 2007. Major supplying countries were Germany (34%), Belgium (10%) and France (7%). US suppliers accounted for 2% percent of the import market.

Best Products/Services

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Generally, Sweden offers a good market for high-quality and technically sophisticated automotive products. Good prospects exist for products within the safety and environment sectors. Swedes are very safety conscious and the manufacturers are known to follow high safety standards.

Sweden is a global leader in renewable energy and alternative fuels use. The Swedish government has pledged to cut CO2 emissions by 25 percent by the year 2020. In 2007, there were 55,000 new environmental vehicles registered which is an increase by 50 percent compared to 2006. Good prospects exist for products within emission technology, alternative energy technology and telematics.

Other products that enjoy good prospects are products that relate to the Swedish climate. Examples are engine heaters for the winter and roof boxes for skis. Extra lights are also popular, especially as it is very dark for 6 months of the year in Sweden. There is also a growing market for truck aftermarket equipment.

Another sector of interest is specialty vehicles. Customizing cars is a hot trend. Many Swedes consider the U.S. to be a leading country when it comes to styling and tuning their cars. The most popular products in this sector are tires and wheels, lowering kits, exhaust systems, body kits, spoilers, lighting equipment and stereo equipment.

Resources

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Trade Shows: Lastbil (trucks), Jonkoping, August 25 - 28, 2010 www.elmia.se/lastbil

Trade Organizations: Scandinavian Automotive Suppliers

<http://www.fordonskomponentgruppen.se/>

The Association of Swedish Wholesalers of Automotive Parts and Accessories

<http://www.bildelsgrossisterna.se/>

Commercial Trade Specialist: Hakan Vidal hakan.vidal@mail.doc.gov

Telecommunications Equipment & Services

Overview

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	2006	2007	2008 (estimated)
Total Market Size	1,596	1,622	1,667
Total Local Production	4,316 (est.)	4,380	4,511
Total Exports	4,834	4,906	5,056
Total Imports	2,114	2,148	2,212
Imports from the U.S.	117*	118*	122*

Exchange rate used

USD 1 equals SEK 7.38 6.76 6.58

The above statistics are unofficial estimates

* Imports from the U.S. are in reality higher as Swedish Customs statistics do not show U.S. goods imported via other EU countries and U.S. production plants within the EU.

Telecommunications Services

USD million	2006	2007	2008 (est.)
Total Market Size	7,410	7,396	7,470

Exchange rate used

USD 1 equals SEK 7.38 6.76 6.58

The above statistics are unofficial estimates

Sweden is in the forefront in terms of communications in general and wireless communications in particular.

TeliaSonera is the largest provider of fixed telephony followed by Tele2, and Telenor. Mobile phone penetration is extremely high in Sweden, over 100%. There are three GSM carriers that have their own infrastructure; TeliaSonera, Tele2, and Telenor. Third generation (3G) services are provided by four operators; 3 (Three), TeliaSonera, Tele2, and Telenor. All told, there are over 20 service providers in the mobile telephony market. IP telephony is gaining ground in the Swedish market, both in the corporate and consumers markets. IPTV is another segment with healthy growth. It is estimated that around 3.2 million mobile phones were sold in Sweden during 2008. The share of 3G phones is increasing steadily.

Internet penetration in Sweden is very high. As many as 90% of Swedes over 18 years of age have access to Internet and 75% of the Swedish population has access to broadband. During the first half year of 2008, the broadband market increased by 20%. ADSL is the dominating form of broadband access, followed by CaTV and LAN. The dominant operators for broadband services are TeliaSonera, ComHem, B2 Bredband, and Tele2. The market for mobile broadband is booming. In 2007, the market grew by over 70% and it is estimated that in 2008 it will grow by around 40%. Use of W-LAN is expanding in Sweden. The largest operator is Telia Homerun. Other service providers are Defaultcity, Powernet, Glocalnet, and The Cloud Nordic. Fiber optic infrastructure covers some 200 metro networks in more than 100 towns.

Around four million households in Sweden have access to at least one television set. Broadcasts are provided via terrestrial, cable or satellite means. Since the fall of 2003, all terrestrial TV broadcasting in Sweden is digital.

Best Products/Services

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Wireless Broadband
IP Telephony/TV
Wireless communications hardware and software

Resources

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Trade Shows:

ICT Stockholm
February 2010
<http://www.kistamassan.com/kalendarium>

Internet Expo
February 2010
<http://www.kistamassan.com/kalendarium>

Contacts:

Ministry of Industry, Employment and Communication
<http://www.industry.ministry.se>

The National Swedish Telecom Agency (PTS)
<http://www.pts.se/en-gb/>

Invest in Sweden Agency (ISA)
<http://www.isa.se>

ITSweden
Information site on the Swedish ICT sector.
<http://www.itsweden.se>

Local Commercial Specialist : Gunilla LaRoche gunilla.laroche@mail.doc.gov

Agricultural Sector Overview

Data Table - \$Millions	2006	2007	2008 (est.)
Total Market Size	63,282	64,320	65,500
Total Local Production	62,452	63,000	63,500
Total Exports	13,111	15,241	16,000
Total Imports	13,941	16,561	18,000
Imports from the U.S.	232	256	250
Average exchange rate CY	7.38	6.76	6.58

Source: Swedish SCB (www.scb.se)

Note: The above statistics are unofficial estimates

Due to the severe Nordic winters and relatively short growing season, Sweden relies heavily on imported food and agricultural products. In 2007, imports of agricultural, fish and forestry products totaled US\$ 16,561 million, which accounted for 2 percent of the Swedish total import value. Agricultural products in Sweden are subject to the EU standard import licensing system, EU-wide quotas, import taxes and other provisions required of European member states. Sweden has maintained the right to continue some of its pre-EU membership food safety standards during a transitional period. Most of these national standards are tougher than those of the EU. For example, within the dairy, livestock and poultry sector, Sweden maintains what is essentially a zero tolerance for salmonella. In all other respects, Sweden conforms to EU regulations.

Best Products/Services

Best prospects: Dried fruits and nuts, wine, beer, seafood, healthy snacks, ethnic foods, organic foods, health and diet foods, convenience foods, frozen juices, rice and rice mixes, processed fruits and vegetables, fresh fruits, confectionery and pet food.

Opportunities

The Swedish consumer is gravitating towards fresher, healthier, more convenient and more nutritious foods. High demands are made on food quality. Swedes are concerned about where products are from and how they were produced. Swedish consumers are moving away from their culinary traditions as they become more open to new and exotic cuisine.

Resources

For current data on agricultural trade prospects with Sweden, the reader is referred to the following Internet site: www.usemb.se/Agriculture. The USDA office in Stockholm,

which has regional responsibility for Sweden, Finland and Norway, maintains the site.

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Chapter 5: Trade Regulations and Standards

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Import Tariffs

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Sweden entered into the European Union in 1995 and has since applied the customs EU laws and coherent regulations, as well as common customs tariffs from the United States and other non-EU countries. The basis of EU Customs Tariff is the ten-digit Harmonized Commodity Description and Coding System (HS), which indicates the duty that should be applied and whether an import license or permit is required for the commodity in question.

The Integrated Tariff of the Community, TARIC, referred to as TARIC (Tarif Intégré de la Communauté), is designed to show various rules applying to specific products being imported into the customs territory of the EU or, in some cases, when exported from it. To determine if a license is required for a particular product, check the TARIC.

The TARIC can be searched by country of origin, Harmonized System (HS) Code, and product description on the interactive website of the Directorate-General for Taxation and the Customs Union. The online TARIC is updated daily.

Most industrial products imported to Sweden are subject to duty varying from 0% to 20%. Duty rates for foodstuffs can be higher as they are based on the weight of the commodity.

Customs procedures, including the classification and valuation of imported goods, are governed by EU rules. As a member of the EU, Sweden maintains duty-free entry on all products originating in other EU countries.

The value for customs purposes is directly based on the value of transaction and the following additional costs:

- Freight costs up to the place of importation to EU
- Insurance costs

- Loading/other handling costs
- Broker fees
- Package costs
- Royalties or license fees
- The seller's yield in case of further sale to a third party

Most goods imported to Sweden are subject to customs duty and also a value-added-tax (VAT). The general VAT rate is 25%, with a lower rate of 12% for food and certain services, and 6% for books and periodicals.

There are several cases when the importer can apply for reduced Customs Duty or even exemption, the most straightforward being a proof that the goods originate from a country with which EU has a free trade agreement. Other common cases are:

- Temporary importation (e.g. testing or exhibiting purposes)
- Inward processing when a product is imported in order to be processed further, repacked and re-exported
- Scientific instrument imports

Trade Barriers

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For information on existing trade barriers, please see the National Trade Estimate Report on Foreign Trade Barriers, published by USTR and available through the following website:

http://www.ustr.gov/assets/Document_Library/Reports_Publications/2008/2008_NTE_Report/asset_upload_file991_14650.pdf

Information on agricultural trade barriers can be found at the following website:
<http://useu.usmission.gov/agri/>

To report existing or new trade barriers and get assistance in removing them, contact either the Trade Compliance Center at <http://www.trade.gov/tcc> or the U.S. Mission to the European Union at <http://www.buyusa.gov/europeanunion>.

Import Requirements and Documentation

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The documents required from the exporter include a commercial invoice, a bill of lading, and other special certifications as may be necessary. Certificate of origin (or certification of origin as part of the invoice) is required for textile products.

There are no stipulations as to the form of commercial invoices, bills of lading, or other shipping documents. According to both the Swedish and EU customs regulations the invoice must contain the following information:

- Name and address of the seller
- Name and address of the buyer
- Date the invoice was issued
- Number and type of packages, gross weight and information on how the packages are marked
- Trade description of the goods

- Quantity of the goods
- Price for each item
- Discounts, if any, and what kind
- Delivery and payment terms

A pro-forma invoice may be presented for shipments that are free of charge, such as:

- Replacement deliveries and commodities supplied under guarantee
- Samples and advertising items
- Gifts
- Goods returned to sender
- Printed advertising materials

Shipping documents may be made out in the English language. The standard bill of lading (or an airway bill) suffices for shipments to Sweden. The bill of lading should be completed in accordance with the invoice.

Sanitary certificates, which show the country of origin, are required for goods that may carry contagious animal or vegetable diseases or for goods for which special stipulations are prescribed. Goods subject to these sanitary certificates include live animals, animal products (meat, meat products and animal feed) and vegetable products such as potatoes, live plants and seeds. The certificate must be authorized by a competent legal authority in the country of production or export.

Batteries

EU battery rules changed in September 2006 following the publication of the Directive on batteries and accumulators and waste batteries and accumulators (Directive 2006/66). This Directive replaces the original Battery Directive of 1991 (Directive 91/157). The updated Directive applies to all batteries and accumulators put on the EU market including automotive, industrial and portable batteries. It aims to protect the environment by restricting the sale of batteries and accumulators that contain mercury or cadmium (with an exemption for emergency and alarm systems, medical equipment and cordless power tools) and by promoting a high level of collection and recycling. It places the responsibility on producers to finance the costs associated with the collection, treatment, and recycling of used batteries and accumulators. The Directive also includes provisions on the labeling of batteries and their removability from equipment. EU Member States must implement the EU Directive into their national law by September 26, 2008. For more information, see our market research report: http://www.buyusainfo.net/docs/x_8086174.pdf

REACH

REACH is a major reform of EU chemicals policy that was adopted in December 2006 and became national law in the 27 EU Member States in June 2007. Virtually every industrial sector, from automobiles to textiles, could be affected by the new policy. REACH stands for the "Registration, Evaluation and Authorization of Chemicals." As of June 1 2008, REACH will require all chemicals produced or imported into the EU in volumes above 1 ton per year to be registered with a central European Chemicals Agency (ECHA), including information on their properties, uses and safe ways of handling them. Most chemicals currently imported into the EU are eligible for pre-

registration which provides ECHA with basic information on the substance and allows the continued imports until a later registration deadline. ECHA will accept pre-registrations from 1 June 2008 until 1 December 2008. US companies should take advantage of the pre-registration period if possible. The full registration period for chemicals which are pre-registered ranges from three to eleven years depending on the volume of the substance and its hazard properties. Substances not pre-registered must be registered to stay on the market. Chemicals of very high concern, like carcinogens, will need an authorization for use in the EU. U.S. exporters to Europe should carefully consider this piece of EU environmental legislation. For more information, see the CSEU REACH webpage at: <http://www.buyusa.gov/europeanunion/reach.html>.

WEEE & RoHS

EU rules on waste electrical and electronic equipment (WEEE), while not requiring specific customs or import paperwork, may entail a financial obligation for U.S. exporters. They require U.S. exporters to register the products with a national WEEE authority, or arrange for this to be done by a local partner. Similarly, related rules for EEE restricting the use of the hazardous substances (RoHS) lead, cadmium, mercury, hexavalent chromium, PBBs, and PBDEs, do not entail customs or importation paperwork. However, U.S. exporters may be asked by a European RoHS enforcement authority or by a customer to provide evidence of due diligence in compliance with the substance bans on a case-by-case basis. U.S. exporters seeking more information on WEEE and RoHS regulations should visit: <http://www.buyusa.gov/europeanunion/weee.html>

U.S. Export Controls

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Export license applications for both military equipment and dual-use goods are handled by the National Inspectorate of Strategic Products (ISP). While ISP makes routine licensing decisions, matters of fundamental significance should be referred to the Swedish Government for decision.

The legal basis for export control of military equipment is the Military Equipment Act (1992:1300) and the Military Equipment Ordinance (1992:1303). The legal basis for export control of dual use goods is the Council Regulation (EC) No. 3381/94 and on a national basis complemented by Act (1998:397) on Strategic Products and Ordinance (1998:400) on Strategic Products.

Temporary Entry

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Goods can be completely exempt from customs duty and/or VAT when they are imported into EU temporarily, to be re-exported unmodified. Goods that fall into this category include materials for trade shows and exhibitions, some professional equipment, special tools used for assembling goods to be exported, replacement machinery or equipment during warranty repairs, samples, works of art to be exhibited, some medical, surgical and laboratory and scientific equipment used in hospitals, other medical institutions and for teaching and research purposes. The importer should always check with the local customs office to verify that the goods meet the criteria for complete or partial exemption of import costs.

Sweden honors the ATA carnet, an international customs document designed to simplify customs procedures for business and professional people taking commercial samples, advertising materials, film, medical or professional equipment into specified countries for a short period. More than 40 countries participate in the carnet system.

Labeling and Marking Requirements

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Sweden does not require country of origin marking for imports. However, goods carrying incorrect designations of origin are prohibited, and products made to appear as produced or manufactured in Sweden may not be imported unless the correct foreign origin is clearly and durably marked thereon.

Special marking regulations and labeling requirements exist for pharmaceuticals, chemicals, food products and other product categories. Sweden has very strict health, sanitary and labeling rules and sophisticated capabilities for monitoring product quality.

A retail-size food package must show the name of the manufacturer, packer or importer, commercial name of the product, net metric weights or volume, ingredients in descending order of weight, last recommended date of consumption, and storage instructions if perishable or intended for infants. The information described above should be in Swedish and the local importers can assist NTM companies in arranging for proper labeling information.

Inspection and food labeling requirements were changed to conform to EU regulations when Sweden became a member of the EU on January 1, 1995.

An overview of EU mandatory and voluntary labeling and marking requirements has been compiled in a market research report that is available at:
http://www.buyusainfo.net/docs/x_4171929.pdf.

More information on labeling can be obtained from the following sources:

Food labeling:

Livsmedelsverket (National Food Administration)
Box 622
S-751 26 Uppsala
Tel: 4618 17 55 00
Fax: 4618 10 58 48
<http://www.slv.se/default.aspx?id=231&epslanguage=EN-GB>
Email: livsmedelsverket@slv.se

Cosmetics and pharmaceuticals labeling:

Lakemedelsverket (Medical Products Agency)
Box 26
S-751 03 Uppsala
Tel: 46 18 17 46 00
Fax: 4618 54 85 66
<http://www.mpa.se/eng/index.shtml>

Email: cwik@mpa.se

Other chemical products:

Kemikalieinspektionen (National Chemicals Inspectorate)

Box 1384

S-171 27 Solna

http://www.kemi.se/default____550.aspx

Email: kemi@kemi.se

Tel: 46 8 783 11 00

Fax: 46 8 735 76 98

Prohibited and Restricted Imports

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After Sweden's entry into the EU import licenses permits are required for a number of commodities, such as some textiles, steel and iron products, agricultural products, arms, hypodermic needles and syringes, animals and plants of endangered species, wines and alcoholic beverages and certain products from the Republic of China. The license has to be obtained and available prior to customs clearance. The entities to be contacted before import to the country are:

- for agricultural products, Swedish Board of Agriculture <http://www.sjv.se>
- for fish products, National Board of Fisheries <http://www.fiskeriverket.se>
- for any other products, National Board of Trade <http://www.kommers.se>

A complete list of restrictions and licensing requirements is available at <http://www.tullverket.se>, the official website of Swedish Customs.

Certain goods, such as weapons, explosives, drugs, and poisons may be imported only by authorized persons and institutions, and require import licenses or special permits.

The TARIC is designed to show various rules applying to specific products being imported into the customs territory of the EU or, in some cases, when exported from it. To determine if a product is prohibited or subject to restriction, check the TARIC for that product for the following codes:

CITES	Convention on International Trade of Endangered Species
PROHI	Import Suspension
RSTR	Import Restriction

For information on how to access the TARIC, see the Import Requirements and Documentation Section above.

Key Link: http://ec.europa.eu/taxation_customs/common/databases/taric/index_en.htm

Customs Regulations and Contact Information

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The Swedish Customs website lists and updates both the Swedish and the EU regulations and laws pertaining to import and applicable directives from other government agencies.

On EU level, information on customs valuation is contained in Title II, Chapter Three, of Council Regulation (EEC) 2913/92, establishing the Community Customs Code, titled, "Value of Goods for Customs Purposes" (Articles 28 through 36). The primary basis for determining customs value set out in Article 29 is: "... the transaction value, that is, the price actually paid or payable for the goods when sold for export to the customs territory of the Community..." Article 29 lists the following conditions, which must be met in determining customs value:

- There are no restrictions as to the disposal or use of the goods by the buyer, other than restrictions which are imposed or required by a law or by the public authorities in the community, limit the geographical area in which the goods may be resold, or do not substantially affect the value of the goods;
- The sale or price is not subject to some conditional consideration for which a value cannot be determined with respect to the goods being valued;
- No part of the proceeds of any subsequent resale disposal or use of the goods by the buyer will accrue directly or indirectly to the seller, unless an appropriate adjustment can be made in accordance with Article 32; and
- The buyer and seller are not related, or, where the buyer and seller are related, that the transaction value is acceptable for customs purposes.

The "price actually paid or payable" in Article 29 refers to the price for the imported goods. Thus the flow of dividends or other payments from the buyer to the seller that do not relate to the imported goods are not part of the customs value.

Articles 32 and 33 provide for adjustments to the value for customs purposes. Article 32 lists charges that are added to the customs value, such as, commissions and brokerage, costs of containers, packing, royalties and license fees, and the value of goods and services supplied directly or indirectly by the buyer in connection with the production and sale for export of the imported goods. Article 33 lists charges that are not included in the customs value, such as, charges for transport, charges incurred after importation, charges for interest under a financing arrangement for the purchase of the goods, charges for the right to reproduce imported goods in the Community, and buying commissions.

Effective July 1, 1995, the Commission amended Article 147(1) of Regulation 2454/93 of the Customs Code which affects valuation in the case of successive sales. This amendment "defaults" valuation to the last sale, but allows the value of an earlier sale if it can be demonstrated that such a sale took place for export to the EU. The evidentiary requirements to support the bona fides of any earlier sales will be based upon commercial documents such as purchase orders, sales contracts, commercial invoices, and shipping documents.

Key Link: http://ec.europa.eu/taxation_customs/customs/index_en.htm

For contact information at national customs authorities, please visit:
http://ec.europa.eu/taxation_customs/common/links/customs/index_en.htm

The Swedish contact information:

Swedish Board of Customs
Box 12854
112 98 Stockholm
Sweden
Ms. Karin Starrin, Director General
Email: tullverket@tullverket.se
<http://www.tullverket.se/en>

Standards

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Overview

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Products tested and certified in the United States to American standards are likely to have to be retested and re-certified to EU requirements as a result of the EU's different approach to the protection of the health and safety of consumers and the environment. Where products are not regulated by specific EU technical legislation, they are always subject to the EU's General Product Safety Directive as well as to possible additional national requirements.

European Union standards created under the New Approach are harmonized across the 27 EU Member States and European Economic Area countries to allow for the free flow of goods. A feature of the New Approach is CE marking. While harmonization of EU legislation can facilitate access to the EU Single Market, manufacturers should be aware that Regulations and technical standards might also function as barriers to trade if U.S. standards are different from those of the European Union.

The European Union is currently undertaking a major revision of the New Approach that will enhance some aspects, especially in the areas of market surveillance. To follow the revision, please visit:

http://ec.europa.eu/enterprise/regulation/internal_market_package/index_en.htm

The establishment of harmonized EU rules and standards in the food sector has been ongoing for several decades, but it took until January 2002 for the publication of a general food law establishing the general principles of EU food law. This Regulation introduced mandatory traceability throughout the feed and food chain as of Jan 1, 2005. For specific information on agricultural standards, please refer to the Foreign Agricultural Service's website at: <http://useu.usmission.gov/agri/>.

The supreme body for the Swedish standardization system is the Swedish Standards Council, SSR. The Council's members include the state, the Federation of County Councils, Association of Local Authorities, Confederation of Swedish Enterprises, Federation of Swedish Commerce and Trade and the Swedish Bankers Association.

SSR manages the register of both adopted and withdrawn Swedish standards and approves the standardization bodies in Sweden. All standardization is currently carried out by three accredited standardization bodies: The Swedish Standards Institute (SIS) handles most business areas, Informationstekniska Standardiseringen (ITS) handles telecommunication issues and Svenska Elektriska Kommissionen (SEK) handles electronic and electro-technical application standards.

All three standardization bodies are working on both European and global levels. Products tested and certified in the U.S. to American standards are likely to have to be retested and re-certified to European Union (EU) requirements as a result of the EU's different approach to the protection of the health and safety of consumers and the environment.

SIS is the Swedish member of the Council and Technical Board of ISO and serves on both the administrative and technical boards of the European Committee for Standardization. ITS acts as the national standardization body for Sweden at ETSI, European Telecommunication Standards Institute, and SEK is the Swedish member of both International Electrotechnical Commission, IEC and European Committee for Electrotechnical Standardization, CENELEC.

Standards Organizations

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The organizations that develop standards in Sweden are:

Swedish Standards Institution, SIS

P.O. Box 3295,

S-103 66 Stockholm

Sweden

Tel: 46-8-610 3000

Fax: 46-8-30 1850

<http://www.sis.se>

CEN, European Committee of Standardization

<http://www.cen.eu>

- SIS develops or revises over 1,300 Swedish and international standards annually within most business areas, by working closely with the private sector, Swedish authorities, consumer representatives and other stakeholders

Informationstekniska Standardiseringen, ITS

The Swedish Telecommunication Standardization Organization

Box 1284
S-16429 Kista
Sweden
Tel. 46 8 444 1424
Fax. 46 8 444 1430
<http://www.its.se>
European Telecommunications Standards Institute ETSI
<http://www.etsi.org>

- Since March 2002, ITS has been recognizing European standards (EN) directly instead of transposing them to Swedish SS standards. All new proposals of standards and changes/adoption of technical regulations should be determined and adjusted in respect to existing international and European standards

SEK Svensk Elstandard
The Swedish Electro-technical Standards
Box 1284
S-16429 Kista
Sweden
Tel. 46 8 444 1400
Fax. 46 8 444 1430
<http://www.elstandard.se>
European Committee for Electrotechnical Standardization CENELEC
<http://www.cenelec.org>

- SEK coordinates the electro-technical standardization through technical committees that directly reflect the work done on the international level at both IEC and CENELEC. The standardization and revision process is open to all Swedish organizations, companies, institutions and public sector offices.

Due to the EU's vigorous promotion of its regulatory and standards system as well as its generous funding for its business development, the EU's standards regime is wide and deep - extending well beyond the EU's political borders to include affiliate members (countries which are hopeful of becoming full members in the future) such as Albania, Croatia, FYR of Macedonia, and Turkey. Another category, called "partner standardization bodies" includes the standards organizations of Bosnia and Herzegovina, Republic of Moldova, Egypt, Serbia, the Russian Federation, Tunisia, the Ukraine, Armenia and Australia, which are not likely to join the EU or CEN any time soon, but have an interest in participating in specific CEN technical committees. They agree to pay a fee for full participation in certain technical committees and agree to implement the committee's adopted standards as national standards. Many other countries are targets of the EU's extensive technical assistance program, which is aimed at exporting EU standards and technical Regulations to developing countries, especially in the Mediterranean and Balkan countries, Africa, as well as programs for China and Latin America.

NIST Notify U.S. Service

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the

WTO all proposed technical regulations that could affect trade with other Member countries. **Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: <http://www.nist.gov/notifyus/>

Conformity Assessment

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Conformity Assessment is a mandatory step for the manufacturer in the process of complying with specific EU legislation. Bodies that perform analysis, testing and certification in accordance with certain EC directives (medical devices, contracting (building and civil engineering) machinery, pressure vessels, toys etc.) must be notified to the European Commission. In Sweden, SWEDAC is the entity responsible for assessing and appointing these bodies, known as "Notified Bodies", by formally notifying them to the European Commission and exercising oversight on them. SWEDAC is also responsible for assessing Conformity Assessment Bodies.

SWEDAC, Styrelsen for Ackreditering och Teknisk Kontroll
Swedish Board for Accreditation and Conformity Assessment
Box 878,
S-501 15 Boras, Sweden
Tel: 46-33-177 700
Fax: 46-33-101 392

[http://www.swedac.se/sdd/System.nsf/\(GUview\)/index_english.html](http://www.swedac.se/sdd/System.nsf/(GUview)/index_english.html)

To promote market acceptance of the final product, there are a number of voluntary conformity assessment programs. CEN's certification systems are the Keymark, the CENCER mark, and the European Standard Agreement Group. CENELEC has its own initiative. ETSI does not offer conformity assessment services.

You can find conformity assessment bodies in each individual member state country at <http://ec.europa.eu/enterprise/newapproach/nando/>

Product Certification

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To sell products on the EU market of 27 Member States as well as Norway, Liechtenstein and Iceland, U.S. exporters are required to apply CE marking whenever their product is covered by specific product legislation. CE marking product legislation offers manufacturers a number of choices and requires decisions to determine which safety/health concerns need to be addressed, which conformity assessment module is best suited to the manufacturing process, and whether or not to use EU-wide harmonized standards. There is no easy way for U.S. exporters to understand and go through the process of CE marking, but hopefully this section provides some background and clarification.

Products manufactured to standards adopted by CEN, CENELEC and ETSI, and published in the Official Journal as harmonized standards, are presumed to conform to the requirements of EU Directives. The manufacturer then applies the CE marking and issues a declaration of conformity. With these, the product will be allowed to circulate freely within the EU. A manufacturer can choose not to use the harmonized EU

standards, but then must demonstrate that the product meets the essential safety and performance requirements. Trade barriers occur when design, rather than performance, standards are developed by the relevant European standardization organization, and when U.S. companies do not have access to the standardization process through a European presence.

The CE marking addresses itself primarily to the national control authorities of the Member States, and its use simplifies the task of essential market surveillance of regulated products. Although CE marking is intended primarily for inspection purposes by Member State inspectors, the consumer may well perceive it as a quality mark.

The CE marking is not intended to include detailed technical information on the product, but there must be enough information to enable the inspector to trace the product back to the manufacturer or the authorized representative established in the EU. This detailed information should not appear next to the CE marking, but rather on the declaration of conformity, the certificate of conformity (which the manufacturer or authorized agent must be able to provide at any time, together with the product's technical file), or the documents accompanying the product.

Swedish Bodies

The Swedish National Testing and Research Institute is accredited for certification in the fields of environment (ISO14001, EMAS, Environmental product declarations, EPD), quality (ISP9000 series, QS 9000, EU directives), the workplace in accordance with the National Board of Occupations Safety and Health Code Statutes AFS 2001:1) and products (CE marking, P-marking).

The certification requirements are set out in product standards, voluntary specifications or specified by public authorities.

SP Swedish National Testing and Research Institute
Box 857
S-501 15 Borås
Sweden
Tel. 46 33 16 50 00
Fax. 46 33 13 55 02
<http://www.sp.se/en/Sidor/default.aspx>

SEMKO-DEKRA Certification AB, an approved certification body accredited by SWEDAC, offers certification to the ISO 9000 series, QS 9000, ISO 14001 and QS 9000, AFS 1996:6 (Working Environment) and validations under EMAS, and also certification to SS 627799 (Information Security), and EPD (Environmental Product Declaration).

SEMKO-DEKRA Certification AB
Head Office/Stockholm
Box 1103
S-164 22 KISTA
Tel: 46 8750 0333
Fax: 46 8750 0307
info@semko-dekra.se

SWEDAC is the national accreditation body, working under the Ministry for Foreign Affairs. SWEDAC assesses the competence of laboratories, certification and inspection bodies and is also the public authority responsible for regulations and surveillance in the field of legal metrology.

SWEDAC assesses the independence of laboratories and their competence to perform analysis, tests or calibration within IT, building technology, legal metrology, foodstuffs, medical technology, electrical technology, chemistry, clinical chemistry, mechanics, materials testing, water analysis or calibration within many different quantities.

The accreditation is performed in accordance with the international SS EN ISO/IEC 17025 standard. SWEDAC also issues certificates for Good Laboratory Practice (GLP) in accordance with OECD rules (OECD/GD[92] 32 - Paris 1992) to laboratories that perform investigations of chemicals other than pharmaceuticals, hygienic or cosmetic products.

In conjunction with the Chemicals inspectorate, SWEDAC is also responsible for accreditation of bodies for testing of plant protection products in efficacy trials in accordance with GEP, 'Good Efficacy Practice' (EPPO Guidelines 152, 181).

Swedac, Styrelsen for Ackreditering och Teknisk Kontroll
Swedish Board for Conformity and Technical Control
Box 878
S-501 15 Boras, Sweden
Tel: 46-33-177 700
Fax: 46-33-101 392
<http://www.swedac.se>

Independent certification bodies, known as notified bodies, have been officially accredited by competent authorities to test and certify to EU requirements. However, under U.S.-EU Mutual Recognition Agreements (MRAs), notified bodies based in the United States and referred to as conformity assessment bodies, are allowed to test in the United States to EU specifications, and vice versa. The costs are significantly lower which results in U.S. products becoming more competitive. At this time, the U.S.-EU MRAs cover the following sectors: EMC (in force), RTTE (in force), medical devices (in transition), pharmaceutical (on hold), recreational craft (in force) and marine equipment (in force). The U.S. Department of Commerce, National Institute of Standards and Technology (NIST), has a link on its website to American and European Conformity Assessment bodies operating under a mutual recognition agreement.

Key Link: <http://ts.nist.gov/Standards/Global/mra.cfm>

Accreditation is handled at Member State level. "European Accreditation" (http://www.european-accreditation.org/default_flash.htm) is an organization representing nationally recognized accreditation bodies. Membership is open to nationally recognized accreditation bodies in countries in the European geographical area that can demonstrate that they operate an accreditation system compatible with EN45003 or ISO/IEC Guide 58.

Publication of Technical Regulations

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When it comes to technical regulations Sweden abides by the EU directives and WTO agreements and accordingly reports all proposals to both EU and WTO. The entity responsible for information and notification procedures for new national technical regulations is the National Board of Trade.

All the Swedish proposals and final regulations are listed on the EU data base TRIS, Technical Regulations Information System.

The National Board of Trade
Box 6803
113 86 Stockholm
Sweden
Tel. 46 8 690 4800
Fax. 46 8 30 67 59
Email: kerstin.carlsosn@kommers.se
<http://www.kommers.se>
<http://europa.eu.int/comm/enterprise/tris/>

The Official Journal is the official gazette of the European Union. It is published daily on the internet and consists of two series covering draft and adopted legislation as well as case law, questions from the European Parliament, studies by committees, and more (<http://europa.eu.int/eur-lex/lex/JOIndex.do?ihmlang=en>). It lists the standards reference numbers linked to legislation (<http://www.newapproach.org/Directives/DirectiveList.asp>). National technical Regulations are published on the Commission's website <http://ec.europa.eu/comm/enterprise/tris/> to allow other countries and interested parties to comment.

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT) Agreement to report to the WTO all proposed technical Regulations that could affect trade with other member countries.

Notify U.S. is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical Regulations that can affect your access to international markets. Register online at Internet URL: <http://tsapps.nist.gov/notifyus/data/index/index.cfm>

Labeling and Marking

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Special marking regulations and labeling requirements exist for pharmaceuticals, chemicals, food products and other product categories. Sweden has very strict health, sanitary and labeling rules and sophisticated capabilities for monitoring product quality.

A retail-size food package must show the name of the manufacturer, packer or importer, commercial name of the product, net metric weights or volume, ingredients in descending order of weight, last recommended date of consumption, and storage instructions if perishable or intended for infants. The information described above should be in Swedish and the local importers can assist NTM companies in arranging for proper labeling information.

Inspection and food labeling requirements were changed to conform to E.U. regulations when Sweden became a member of the E.U. on January 1, 1995.

Manufacturers are advised to take note that all labels require metric units although dual labeling is also acceptable until end of December 2009. The use of language on labels has been the subject of a Commission Communication, which encourages multilingual information, while preserving the right of Member States to require the use of language of the country of consumption.

The EU has mandated that certain products be sold in standardized quantities. Council Directive 2007/45/EC, to replace 80/232/EC in April 2009, harmonizes packaging of wine and spirits throughout the EU. Existing national sizes will be abolished with a few exceptions for domestic producers.

Key Link: http://ec.europa.eu/enterprise/prepack/packsiz/packsiz_en.htm

The Eco-label

EU legislation in 1992, revised in 2000, distinguishes environmentally friendly products and services through a voluntary labeling scheme called the Eco-label. Currently, the scheme applies to 7 product groups: cleaning products, appliances, paper products, clothing, lubricants, home and garden products and tourism services. The symbol, a green flower, is a voluntary mark. The Eco-label is awarded to producers who can show that their product is less harmful to the environment than similar products. This "green label" also aims to encourage consumers to buy green products. However, the scheme does not establish ecological standards that all manufacturers are required to meet to place product on the market. Products without the EU Eco-label can still enter the EU as long as they meet the existing health, safety, and environmental standards and Regulations.

The EU Eco-label is a costly scheme (up to EUR 1,300 for registration and up to EUR 25,000/year for the use of the label, with a reduction of 25% for SMEs) and has therefore not been widely used so far. However, the Eco-label can be a good marketing tool and, given the growing demand for green products in Europe, it is likely that the Eco-label will become more and more a reference for green consumers.

http://buyusainfo.net/docs/x_4284752.pdf
http://ec.europa.eu/comm/environment/ecolabel/index_en.htm
<http://www.eco-label.com/>

More information on labeling can be obtained from the following sources:

Food labeling:

Livsmedelsverket (National Food Administration)
Box 622
S-751 26 Uppsala
Email: livsmedelsverket@slv.se
Tel: 4618 17 55 00
Fax: 4618 10 58 48

Cosmetics and pharmaceuticals labeling:
Lakemedelsverket (Medical products Agency)
Box 26
S-751 03 Uppsala
Tel: 46 18 17 46 00
Fax: 4618 54 85 66

Other chemical products:

Kemikaleinspektionen (National Chemicals Inspectorate)
Box 1384
S-171 27 Solna
Email: kemi@kemi.se
Tel: 46 8 783 11 00
Fax: 46 8 735 76 98

Contacts

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US Embassy Stockholm
Dag Hammarskjolds Vag 31
115 89 Stockholm, Sweden
Tel. 46 8 783 5300
Fax. 46 8 660 9181
Post Standards Contact: Tuula Javanainen, tuula.javanainen@mail.doc.gov

Swedish Standards Institution, SIS
P.O. Box 3295,
S-103 66 Stockholm, Sweden
Tel: 46-8-610 3000
Fax: 46-8-30 1850
<http://www.sis.se>

Informationstekniska Standardiseringen, ITS
The Swedish Telecommunication Standardization Organization

Box 1284
S-16429 Kista, Sweden
Tel. 46 8 444 1424
Fax. 46 8 444 1430
<http://www.its.se>

SEK Svensk Elstandard
The Swedish Electro-technical Standard
Box 1284
S-16429 Kista
Sweden
Tel. 46 8 444 1400
Fax. 46 8 444 1430
<http://www.elstandard.se>

SWEDAC, Styrelsen for Ackreditering och Teknisk Kontroll
Swedish Board for Accreditation and Conformity Assessment
Box 878,
S-501 15 Boras, Sweden
Tel: 46-33-177 700
Fax: 46-33-101 392
<http://www.swedac.se>

SP Swedish National Testing and Research Institute
Box 857
S-501 15 Boras
Sweden
Tel. 46 33 16 50 00
Fax. 46 33 13 55 02
<http://www.sp.se>
SEMKO-DEKRA Certification AB
Head Office/Stockholm
Box 1103
S-164 22 KISTA
Tel: 46 8750 0333
Fax: 46 8750 0307
info@semko-dekra.se
www.semko-dekra.se

The National Board of Trade
Box 6803
113 86 Stockholm
Sweden
Tel. 46 8 690 4800
Fax. 46 8 30 67 59
Email: kerstin.carlsosn@kommers.se
<http://www.kommers.se>

Livsmedelsverket (National Food Administration)
Box 622
S-751 26 Uppsala

Email: livsmedelsverket@slv.se
Tel: 4618 17 55 00
Fax: 4618 10 58 48

Lakemedelsverket (Medical products Agency)
Box 26
S-751 03 Uppsala
Tel: 46 18 17 46 00
Fax: 4618 54 85 66

Kemikaleinspektionen (National Chemicals Inspectorate)
Box 1384
S-171 27 Solna
Email: kemi@kemi.se
Tel: 46 8 783 11 00
Fax: 46 8 735 76 98

Trade Agreements

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Importers from certain countries and/or groups of countries and economic areas are entitled to lower or no customs duty when exporting to EU countries, including its member state Sweden. This applies to the majority of goods originating from these countries. The origin of goods must be established by a Certificate of Origin, issued by a legal authority in the country of export.

Preferential treatment of imports into the EU is possible for import of goods originating from the following countries and areas/zones:

- EES (Iceland, Liechtenstein and Norway)
- EFTA
- The Faroes
- Andorra
- Central-and Eastern Europe
- Western Balkans (Albania, Bosnia-Herzegovina, Croatia and Federal Republic of Yugoslavia including Kosovo)
- Slovenia
- Turkey
- Israel
- The West Bank and Gaza
- Maghreb (Alger, morocco, Tunis)
- Mashrek (Lebanon, Egypt, Jordan, Syria)
- South Africa
- Mexico
- ACP Countries (African, Caribbean and Pacific States)
- OCT (Overseas Countries and Territories)
- Developing countries

More information on these agreements can be found at <http://www.tullverket.se/en>

Swedish Customs <http://www.tullverket.se/en/Business/>
National Inspectorate of Strategic Products ISP
<http://www.isp.se/nyaengelska/indexeng.htm>
Livsmedelsverket (National Food Administration) www.slv.se
Lakemedelsverket (Medical Products Agency) <http://www.mpa.se/eng/index.shtml>
Kemikaleinspektionen (National Chemicals Inspectorate) www.kemi.se
Swedish Board of Agriculture <http://www.sjv.se>
National Board of Fisheries <http://www.fiskeriverket.se>
National Board of Trade <http://www.kommers.se>
Swedish Standards Institution SIS www.sis.se
European Committee of Standardization www.cenorm.be
Swedish Telecommunication Standardization Organization www.its.se
European Telecom Standards Institute www.etsi.se
Swedish Electro-Technical Standards <http://www.elstandard.se>
European Committee of Electrotechnical Standardization www.cenelec.org
Swedish Board of Accreditation and Conformity Assessment www.swedac.se
EU Conformity Assessment Bodies <http://europa.eu.int/comm/enterprise/nando-is/home/index.cfm>
Swedish National Testing and Research Institute www.sp.se
Certification body www.semko-dekra.se
European accreditation www.european-accrediation.org

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Chapter 6: Investment Climate

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Openness to Foreign Investment

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General Conditions

Sweden is generally considered to be an attractive country in which to invest. There are few countries that can match Sweden's potential to benefit from the intensifying, technology-driven global competition. Sweden already hosts one of the most internationally integrated economies in the world. The nation's competitiveness is manifested by large flows of trade and foreign investment. Sweden offers access to new products and technologies, skills and innovations, as well as an attractive location and gateway to Northern Europe/the Baltic Sea region. Low levels of corporate tax, the absence of withholding tax on dividends and a favorable holding company regime combine to make Sweden particularly attractive for doing business. The Swedish growth rate is in the EU's upper range; trade is at record levels; and there is an international confidence in the long-term viability of the Swedish economy.

The General Government Attitude Toward Foreign Direct Investment

Until the mid-1980s, Sweden's approach to direct investment from abroad was quite restrictive and governed by a complex system of laws and regulations. Sweden's entry into the European Union (EU) in 1995 has greatly improved the investment climate and attracted foreign investors to the country.

Swedish authorities have implemented a number of reforms to improve the business regulatory environment that benefits investment inflows. The Moderate Party-led

coalition government elected in September 2006 set a goal of selling some \$31 billion in state assets during the time period 2007-2010 to further stimulate growth and raise revenue to pay down the federal debt. To date, the Swedish government has sold V&S (Vin & Sprit AB) to French Pernod Ricard for some \$8.3 billion and the Swedish OMX stock exchange to Borse Dubai/Nasdaq for \$318 Million. The ongoing financial crisis may require some deals to be postponed, but aside from that, privatization should continue. Sweden is also seeking ways to ensure wider ownership in Swedish industry, which it believes will increase competition and lead to greater efficiency. As a result, foreign ownership in Sweden has increased rapidly in the last decade. Approximately 50% of them are acquisitions, and 30% are new establishments. Foreign-owned firms now employ almost 25% of the work force in the business sector. To an increasing extent, those employees work in service industries. Foreign ownerships are dominated by other EU countries.

The Swedish Moderate Party-led coalition government elected in September 2006 has pursued a macroeconomic policy that is favorable to the business sector. In a 2003 public referendum on whether or not to join the European Monetary Union (EMU), a majority voted for Sweden to remain outside the monetary union. In 2008, public opinion shifted somewhat and a majority of Swedes viewed the Euro positively for the first time ever. However, Sweden is not likely to join the Euro area in the next three years.

Conditions for doing business in Sweden have improved under the Moderate Party-led coalition government that was elected in September 2006. Corporate income taxes have decreased to 28% and are now among the lowest in Europe. Combined with a well-educated labor force, outstanding telecommunications network, and a stable political environment, Sweden has become more competitive as a choice for American and foreign companies establishing a presence in the Nordic region. Sweden is the largest market in the Baltic Sea region, and is ranked among the most competitive and corruption-free economies in the world, with a major share of both consumers and economic activities. It is seen as a frontrunner in adopting new technologies and setting new consumer trends. Products can be tested in a market with demanding customers and high levels of technical sophistication.

FDI inflows to Sweden surged in the second half of the 1990s, a trend fueled by accelerating globalization, deregulation in Sweden, the devaluation of the Swedish krona in 1992 and the country's entry into the European Union 1995. As an example, the number of foreign subsidiaries in Sweden has increased sharply from the mid 1990s, from just over 3,000 to over 10,000 ten years later. Despite the substantial FDI inflows, the stock of Swedish assets held abroad still exceeds the stock of foreign assets in Sweden.

The value of Swedish holdings of international portfolio shares decreased during the first six months 2008 by nearly SEK 333 billion (\$50.5 billion) to SEK 1,514 billion (\$230 billion). It should be noted that Swedes continued to purchase foreign shares for the equivalent of SEK 46 billion (\$7 billion) during the period. (Note: The U.S. Federal Reserve 2008 average exchange rate of \$1 = SEK 6.6 has been used throughout this document. End Note).

Foreign holdings of Swedish portfolio shares decreased in value by approximately SEK 344 billion (\$52.1 billion) to SEK 965 billion (\$146.2 billion) during this period. Aside from the fall of the Swedish stock exchange, the decrease was due to foreign investors

also selling Swedish shares for approximately SEK 10 billion (\$1.5 billion) during the first half of the year.

In 2008, foreign companies in Sweden employ about 570,000 employees. About 1,300 U.S. companies with 110,000 employees are established in Sweden, many of which are active in computer software or hardware, pharmaceuticals, the automotive industry, telecom or finance. This makes the U.S. the largest country of origin (around 20% of the work force employed by foreign-owned firms and the trend is rising) among foreign-owned companies in Sweden.

Surveys conducted by investors in recent years ranking the investment climate in Sweden show rather uniform results: positives mentioned are competent employees, low corporate tax rates, excellent infrastructure and good access to capital. On the minus side are high cost of labor, rigid labor legislation, high individual tax rates, and the overall high costs in Sweden.

Financial Crisis

Although conditions in Sweden are better than in many other countries, Sweden and Swedish banks have been affected to an increasing extent by not having access to long-term funding.

Sweden has not been affected by the ongoing financial crisis to the same extent as the U.S., since Swedish banks have been more restrictive with loans because of the lesson learned from the financial crisis in Sweden 1990-1994. The design of the U.S. rescue package was allegedly inspired by the Swedish "Bank Emergency" from the 1990s.

However, the global economic downturn will have significant effects on the real economy in Sweden. GDP is predicted to decrease by almost 1% in 2009. Inflation was 2.5% in November 2008, but had climbed as high as 4% in fall 2008. The government is expected to propose further fiscal policy measures to stimulate the economy, and the Central Bank will lower the repo rate to 1%. Unemployment, which was 6.2% in October 2008, is expected to rise sharply in the next two years.

The exposure of Swedish banks to financial turbulence in the Baltic states is of particular concern, although Central Bank Governor Stefan Ingves is confident in the Swedish banking sector. Ingves commented that Swedish banks are sufficiently strong to be able to manage increasing credit losses in the region.

Sweden's economy is set to resume its growth trend in 2010 as the ongoing financial crisis tails off in 2009, according to a new prognosis from Sweden's central bank. Inflation is expected to continue to drop during 2009. Swedish Central Bank forecasts, and those of most other experts, indicate that growth will recover in 2010 but inflation will increase.

In October 2008, Sweden joined other European countries in taking steps to stabilize its financial system by guaranteeing up to \$205 billion of new bank borrowing and creating a fund to take direct stakes in banks. The state deposit insurance was doubled to include savings of up to \$61,600 per customer and bank. During the period July 2007 to October 2008, the Stockholm Stock Exchange index OMXS30 fell by 57.8%. The Swedish krona has dropped sharply in value both against the dollar and euro. The auto

industry (Volvo has announced that 5,200 people in Sweden may be laid off) and its subcontractors and the construction sector are predicted to be most affected.

Sweden's total net International Investment Position (IIP) showed a net debt of SEK 321 billion (\$48.7 billion) at the end of June 2008. The net debt has thus increased by SEK 112 billion (\$17 billion) compared with the end of the year 2007. Debt increased from 7 to 9% when calculated as a percentage of GDP.

Laws/Rules/Practices Affecting Foreign Investment

During the 1990s Sweden made considerable progress deregulating its product markets. In a number of areas, including electricity and telecommunication markets, Sweden has been on the leading edge of reform. These reforms have resulted in more efficient sectors and lower prices. Nevertheless, a number of practical impediments to direct investments remain in Sweden. These include a fairly extensive, though non-discriminatory, system of permits and authorizations needed to engage in many activities and the dominance of few, very large players in certain sectors, such as construction and food wholesaling.

Regulation on foreign ownership in financial services has been liberalized. Foreign banks, insurance companies, brokerage firms, and cooperative mortgage institutions are permitted to establish branches in Sweden on equal terms with domestic firms, although a permit is required. Swedes and foreigners alike may acquire shares in any company listed on the Stockholm Stock Exchange.

Government monopolies: Despite extensive deregulation, foreign and domestic investors are still barred from retail sale of pharmaceuticals and alcoholic beverages.

Legal Aspects: Swedish company law provides various forms under which a business can be organized. The main difference between these forms is whether the founder must own capital and to what extent the founder is personally liable for the company's debt. The Swedish Law, Act (1992:160) on Foreign Branches, applies to foreign companies operating some form of business through a branch and also to people residing abroad who run a business in Sweden. A branch must have a president who resides within the European Economic Area (EEA). All business enterprises in Sweden (including branches) are required to register at the Swedish Companies Registration Office. An invention or trademark must be registered in Sweden in order to obtain legal protection. A bank from a non-EEA country needs special permission from the Financial Supervision Authority to establish a branch in Sweden.

Taxes: Sweden's taxation structure is straightforward and corporate tax levels are low. Sweden has a corporate tax of 28% in nominal terms. Companies can make pre-tax allocations to un-taxed reserves, which are subject to tax only when utilized. Availability of this allocation makes Sweden's effective corporate tax rate about 26% of undistributed profits. Certain amounts of untaxed reserves may be used to cover losses. Personal income taxes are among the highest in the world. Since public finances have improved due to extensive consolidation packages to reduce deficits, the government has been able to reduce the tax pressure as a percentage of GDP. Currently, it is below 50% for the first time in decades. One particular area has been tax reductions to encourage employers to hire long-term unemployed people. The additional cuts for

personal income taxes initiated by the conservative government entered into force in 2008 and were followed by an additional step in January 2009. Expectations are that the taxes will stay at this level during the year and will not increase or decrease because of the financial instability.

One tax reform to help bring foreign experts to Sweden is a reduction of key foreign personnel's income tax. The tax is based on 75% of his or her income. This applies to foreign key personnel, such as executives, researchers and experts, employed by a Swedish company. The tax relief is not applicable to individuals assigned to Sweden by a foreign company that has no operations in Sweden.

Dividends paid by foreign subsidiaries in Sweden to their parent company are not subject to Swedish taxation. Dividends distributed to other foreign shareholders are subject to a 30% withholding tax under domestic law. Profits of a Swedish branch of a foreign company may be remitted abroad without being subject to any other tax than the regular corporate income tax. Sweden has no foreign exchange controls or restrictions.

The Swedish system of allowing A/B preferred stock has been identified by some, both in and outside of the EU, as an obstacle to takeover efforts of Swedish companies and the free flow of capital. A and B stocks differ from common and preferred stocks in that owners of A stocks have a greater number of votes than owners of B stocks. Both A and B stocks have the same right to dividends.

Incentives: The Swedish government offers certain incentives to set up a business in various targeted depressed areas. Loans are available on favorable terms from the National Board for Industrial and Technical Development (NUTEK) and from regional development funds. A range of regional support programs, including location and employment grants, low rent industrial parks, and economic free zones are also available. Regional development support is concentrated in the lightly populated northern two-thirds of the country. There are also several European funds that offer subsidies for starting enterprises and a range of incentives to research and development programs provided by the Swedish Government.

Stock options: There is no exit taxation and no specific rules regarding the tax of stock options received before a move to Sweden. Instead, cases of double taxation are solved by applying tax treaties and cover not only moves within the EU but all countries, including the U.S.

Conversion and Transfer Policies

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There are no foreign exchange controls in Sweden, nor are there any restrictions on remittances of profits, of proceeds from the liquidation of an investment, or of royalty and license fee payments. A subsidiary or branch may transfer fees to a parent company outside of Sweden for management services, research expenditures, etc. In general, yields on invested funds, such as dividends and interest receipts, may be freely transferred. A foreign-owned firm may also raise foreign currency loans both from its parent corporation and credit institutions abroad.

Expropriation and Compensation

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Private property is only expropriated for public purposes, in a non-discriminatory manner, with reasonable compensation, and in accordance with established principles of international law.

Dispute Settlement

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There have been no major disputes over investment in Sweden in recent years. The country has written and consistently applied commercial and bankruptcy laws, and secured interests in property are recognized and enforced.

Sweden is a member of the International Center for the Settlement of Investment Disputes and is a signatory to the New York Convention on the Recognition and Enforcement of Foreign Arbitration Awards. The Arbitration Institute of the Stockholm Chamber of Commerce is one of the leading arbitration centers in the world, with many of its cases originating in East-West business relations. An agreement between the American Arbitration Association and the Russian Federation Chamber of Commerce, stemming back to the 1990's, provides for arbitration to take place in Sweden under the rules of the United Nations Commission on International Trade Law, with the Stockholm Chamber of Commerce administering the cases and acting as appointing authority if needed.

Performance Requirements and Incentives

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Sweden imposes no performance requirements on presumptive foreign investors.

Right to Private Ownership and Establishment

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Rights of this kind are not specifically written into Swedish law, but individuals and Swedish entities are well protected by the legal system. Private and public enterprises enjoy equal access to markets necessary for conducting business operations.

Protection of Property Rights

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Swedish law generally provides adequate protection of all property rights, including intellectual property. As a member of the European Union, Sweden adheres to a series of multilateral conventions on industrial, intellectual, and commercial property.

Patents - Protection in all areas of technology may be obtained for 20 years. Sweden is a party to the Patent Cooperation Treaty and the European Patent Convention of 1973, which both entered into force in 1978.

Copyrights - Sweden is a signatory to various multilateral conventions on the protection of copyrights, including the Berne Convention of 1971, the Rome Convention of 1961, and the WTO's trade related intellectual property (TRIPS) agreement. Swedish copyright law protects computer programs and databases. Sweden has, however, to deal with a serious internet piracy problem. The Parliament is expected to pass a bill which will implement EU's Intellectual Property Rights Enforcement Directive (IPRED) 2004/48/EC. The new law is expected to enter into force on April 1, 2009. Industry in

Sweden and abroad state that this legislative measure will be insufficient to come to terms with the piracy problem. They argue that the Swedish government should also allocate additional enforcement resources to address it.

Trademarks - Sweden protects trademarks under a specific trademark act (1960:644) and is a signatory to the 1989 Madrid Protocol.

Trade secrets - proprietary information is protected under Sweden's patent and copyright laws, unless acquired by a government ministry or authority, in which case it may be made available to the public on demand.

Transparency of Regulatory System

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As an EU member, Sweden has altered its legislation to comply with the EU's stringent rules on competition. The country has made extensive changes in its laws and regulations to harmonize with EU practices, all with a view to avoiding distortions in or impediments to the efficient mobilization and allocation of investment.

Efficient Capital Markets and Portfolio Investment

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Credit is allocated on market terms and is made available to foreign investors in a non-discriminatory fashion. The private sector has access to a variety of credit instruments. Legal, regulatory, and accounting systems are transparent and consistent with international norms.

The Stockholm Stock Exchange is a modern, open, and active forum for domestic and foreign portfolio investment. It is an official institution and operates under specific legislation.

The balance sheet total of Sweden's banking sector increased dramatically during 2008, but the expanded balance sheet items have not increased the revenue risk in the bank sector.

The banking crisis of the early 1990s changed the structure of the banking sector. A large number of savings banks were converted into commercial banks. Several foreign banks have established branch offices, and several niche banks have started to compete in the retail bank market. A deposit guarantee system was introduced in 1996, whereby individuals received protection of up to SEK 250,000 (\$37,900) of their deposits in case of bank insolvency. As mentioned earlier, this guarantee was doubled in fall 2008 in response to the crisis in the financial systems.

Political Violence

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Sweden is politically stable and no changes are expected.

Corruption

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Sweden has comprehensive laws on corruption, which are fully implemented. It has ratified the 1997 OECD Anti-bribery Convention.

Sweden has concluded investment protection agreements with the following countries:

Albania, Algeria, Argentina, Belarus, Bolivia, Bosnia and Herzegovina, Bulgaria, Chile, China, Cote d'Ivoire, Croatia, Czech Republic, Ecuador, Egypt, Estonia, Guatemala, Hong Kong, Hungary, India, Indonesia, Kazakhstan, Kirgizstan, Kuwait, Laos, Latvia, Lithuania, Lebanon, Madagascar, Macedonia, Malaysia, Malta, Morocco, Mexico, Mozambique, Montenegro, Oman, Pakistan, Peru, Poland, Republic of Korea, Romania, Russian Federation, Senegal, Serbia, Slovakia, Slovenia, Sri Lanka, South Africa, Tanzania, Thailand, Tunisia, Turkey, Ukraine, United Arab Emirates, Uruguay, Uzbekistan, Venezuela, Vietnam and Yemen.

There is a bilateral taxation agreement between the U.S. and Sweden, but no bilateral investment protection agreement.

Sweden's labor force of 4.5 million is disciplined, well- educated, and experienced in all modern technologies. About 80% of the workforce belongs to labor unions. Swedish unions have helped to implement business rationalization and strongly favor employee education and technical progress. Management-labor cooperation is generally excellent and non-confrontational.

The cost of doing business in Sweden is generally comparable to most OECD countries, though some country-specific cost advantages are present. Overall salary costs have become increasingly competitive due to relatively modest wage increases over the last decade and a favorable exchange rate. This development is even more pronounced for highly qualified personnel and researchers. The leverage in terms of high productivity and skills is substantial and offers investors good value for money.

There is no fixed minimum wage by legislation. Instead, wages are set by collective bargaining. The traditionally low wage differential has increased in recent years as a result of increased wage setting flexibility at the company level. Still, Swedish unskilled employees are relatively well paid, while well-educated Swedish employees are low-paid compared to those in competitor countries. The average increases in real wages in recent year have been high by historical standards, in large due to price stability. Even so nominal wages in recent years have been slightly above those in competitor countries, about 3% annually. Some U.S. companies have encountered high costs due to the need to pay overtime during non-regular hours regardless of how many hours the employee worked during so-called regular hours.

Employers must pay social security fees of about 38% for workers and 41% for other professions. The fee consists of statutory contributions for pensions, health insurance and other social benefits. For employees under 25, the fee is about 22%.

Sweden has co-determination legislation, which provides for labor representation on the boards of corporate directors once a company has reached a certain size. This law also requires management to negotiate with the appropriate union or unions prior to implementing certain major changes in company activities. It calls for a company to

furnish information on many aspects of its economic status to labor representatives. But in the end, management has the final say. Labor and management usually find this system works to both sides' benefit.

Sweden has ratified most ILO conventions dealing with workers rights, freedom of association, collective bargaining, and the major working conditions and occupational safety and health conventions.

Foreign-Trade Zones/Free Ports

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Sweden has foreign trade zones with bonded warehouses in the ports of Stockholm, Goteborg, Malmo, and Jonkoping. Goods may be stored for an unlimited time in these zones without customs clearance, but they may not be consumed or sold on a retail basis. Permission may be granted to use these goods as materials for industrial operations within a free trade zone. The same tax and labor laws apply to foreign trade zones as to other workplaces in Sweden.

Foreign Direct Investment Statistics

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In the first half of 2008, there was a surplus of SEK 13.4 billion (\$2.1 billion) in the current account balance, compared with the corresponding period last year. The trade balance improved by SEK 2.5 billion (\$378.8 million) to a surplus of SEK 71.2 billion (\$10.8 billion), and the service balance deteriorated by SEK 4.5 billion (\$681.8 million), yielding a surplus at SEK 49.5 billion (\$7.5 billion).

Total Swedish merchandise exports increased in value by 10% and 7% in volume, in the first half of 2008. Medicines, iron ore and cars declined in volume, while paper pulp, oil products, telecommunications, food and trucks increased in volume.

Direct investment abroad resulted in an outflow of SEK 171.4 billion (\$25.9 billion) during first half of 2008. Foreign investment in Sweden resulted in an inflow of SEK 131.2 billion (\$19.8 billion) thus a net direct investment outflow of SEK 40.2 billion (\$6.1 billion).

Table I: Flow of FDI into Sweden (SEK Million)

A positive value indicates that investment is larger than disinvestment. (Note – figures for 2008 are until September)

Selection of countries	2006	2007	2008
-----	----	----	----
EU15	64,675	64,495	84,692
EU27	73,856	63,022	84,089
United States	73,806	-3,358	-4,009
Total	177,406	168,599	131,407

Source: National Board of Trade

Table II: Stock of FDI in Sweden (SEK Billion)

Selection of countries	2004	2005	2006
-----	----	----	----
OECD	1,267	1,297	1,482
EU	877	899	1,073
United States	256	247	225
The Nordic countries	282	293	345
Total	1,302	1,363	1,552

Source: Statistics Sweden

Table III: Swedish Stock of FDI Abroad (SEK Billion)

Selection of countries	2004	2005	2006
-----	----	----	----
OECD	1,267	1,297	1,482
EU	877	899	1,073
United States	256	247	225
The Nordic countries	282	293	345
Total	1,302	1,363	1,552

Source: Statistics Sweden

Table III: Swedish Stock of FDI Abroad (SEK Billion)

Major Foreign Investors

Major foreign investment in the past few years has been in the chemical and pharmaceutical industry, as well as in the energy and automotive sectors. Other sectors that figure prominently are the IT-sector, consulting services, staffing services, and the defense industry. Major U.S. investors, in terms of number of employees in Sweden, include: Volvo Car Corporation (Ford), Manpower, SAAB Automobile (General Motors), IBM Corporation, McDonald's, Hewlett Packard and Lear Corporation.

COMMENT

In Swedish public debate there is sometimes a tendency to fear foreign ownership, but surveys show that foreign companies have in general been beneficial to the Swedish economy and employment market, since multinational corporations usually pay higher salaries.

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Chapter 7: Trade and Project Financing

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- [How Does the Banking System Operate](#)
- [Foreign-Exchange Controls](#)
- [U.S. Banks and Local Correspondent Banks](#)
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How Do I Get Paid (Methods of Payment)

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Common terms of sale are payment within 30 or 90 days after delivery or against documents. Payment is normally prompt, with interest charged and paid if payment is late. All normal methods of payment are used but the most common and preferred method of payment is open account. The use of letters of credit is rare.

An U.S. exporter looking to recover debts should contact the Association of Swedish Debt Collectors for information on and contact with debt collecting agencies. The Association can be reached on: www.svenskinkasso.se

Credit reports on Swedish companies can be obtained by contacting any of the sources below:

Dun & Bradstreet Sverige AB
Box 1529
SE-172 29 Sundbyberg, Sweden
Tel: 46-8-519 010 00
<http://www.dbsverige.se>

Syna AB
Box 244
SE-201 22 Malmö, Sweden
Tel: 46-40-25 85 00
www.syna.se

UC AB
SE-117 88 Stockholm, Sweden
Tel: 46-8-670 90 00
<http://www.uc.se>

(UC AB, the Swedish Business and Credit Information Agency, is jointly owned by all Swedish commercial banks).

How Does the Banking System Operate

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The Swedish banking system is made up of four main categories: Swedish commercial banks (joint-stock banks), foreign banks, savings banks and co-operative banks. All the above-mentioned types of banks are - since the amendment of banking legislation in 1969 - entitled to operate in all areas of banking. At the end of 2006 Sweden had a total of 126 banks.

In 1986, Sweden issued a charter for the first 12 foreign-owned commercial banks and since 1990 foreign-owned banks have been entitled to open branch offices in Sweden. These branch offices have primarily concentrated on servicing the business sector. Also in 1990, the restrictions concerning foreign ownership of Swedish bank stock were abolished. The largest foreign bank is Danske Bank, which after acquiring the Swedish Ostgota Bank in 1997 became the fifth largest bank in Sweden.

The banks' activities are closely supervised by the Swedish Financial Supervisory Authority (Finansinspektionen) (<http://www.fi.se>) to ensure that all necessary standards are met. Swedish banks' financial statements meet the international standards well and are audited by internationally recognized auditors only.

The Swedish Bankers' Association (<http://www.bankforeningen.se>) represents the banks in Sweden. The association disseminates information about the banks and their position in society. The Association has 32 members – 22 banks (of which nine are foreign owned), five finance companies and five credit institutions. New smaller, so-called 'niche banks' have been established. These banks tend to concentrate on certain areas of banking services or methods of banking, e.g. 'dial-in' banks for banking services by telephone. All major banks are offering banking services through Internet.

The largest Swedish banks are Nordea (MeritaNordbanken Group's bank in Sweden), Skandinaviska Enskilda Banken (SEB), Svenska Handelsbanken and Swedbank. .

Foreign-Exchange Controls

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Foreign exchange restrictions in Sweden were removed in 1991. Commercial transactions are in general not subject to any restrictions. There are no restrictions on remittances of profits, or from investment liquidation proceeds. Royalty and license fee payments may be freely transferred out of Sweden. Moreover, yields on invested funds, such as dividends and interest receipts, are usually freely transferred.

U.S. Banks and Local Correspondent Banks

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The American banks and financial institutions represented in Sweden are Citibank and GE Money Bank.

Citibank
Box 1422
SE-111 84 Stockholm
Tel. Int/46/8-723 34 00

www.citibank.se

GE Money Bank AB
Box 302
SE-171 75 Stockholm
Tel. Int/46/8/559 510 00
www.gemoneybank.se

- List of Swedish banks with correspondent U.S. banking arrangement

Nordea
Smalandsgatan 17
S-105 71 Stockholm
Tel: Int/46/8-614 7800
www.nordea.com

Nordea Bank Finland, Plc
437 Madison Avenue
New York, NY 10022
Tel: (212) 318 9300
www.nordea.com

Svenska Handelsbanken AB
Kungstradgardsgatan 2
S-106 70 Stockholm
Tel: Int/46/8-701 1000
www.handelsbanken.se

Svenska Handelsbanken
875 Third Avenue, 4th floor
New York, NY 10022-7218
Tel: (212) 326-5100
www.handelsbanken.se/us

SE-Banken
Kungstradgardsgatan 8
S-106 40 Stockholm
Tel: Int/46/771-62 10 00
www.seb.se

Skandinaviska Enskilda Banken
245 Park Avenue, 42nd floor
New York, NY 10167-0061
Tel: (212) 907-4700
www.seb.se

Project Financing

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EU financial assistance programs provide a wide array of grants, loans, loan guarantees and co-financing for feasibility studies and infrastructure projects in a number of key sectors (e.g., environmental, transportation, energy, telecommunications, tourism, public health). From a commercial perspective, these initiatives create significant market opportunities for U.S. businesses, U.S.-based suppliers, and subcontractors. The EU supports projects within its Member States, as well as EU-wide "economic integration" projects that cross both internal and external EU borders. In addition, the EU provides assistance to accession countries in Eastern and Southern Europe and Turkey, as well as some of the former Soviet republics.

The European Union provides project financing through grants from the European Commission and loans from the European Investment Bank. Grants from the Structural Funds are distributed through the Member States' national and regional authorities, and are only available for projects in the 27 EU Member States. All grants for projects in non-EU countries are managed through the EuropeAid Cooperation agency in conjunction with various European Commission departments, called "Directorates-General."

The CSEU Tenders Database

The U.S. Commercial Service at the U.S. Mission to the European Union offers a tool on its website to help U.S.-based companies identify European public procurement opportunities. The database features all current public procurement tenders issued by all national and regional public authorities in the 27 Member States of the European Union, plus four other European countries, and that are open to U.S.-based firms under the terms of the Government Procurement Agreement (GPA) implemented in 1995. The database is updated twice weekly and is easy to use with a range of search options, including approximately 20 industry sectors. The database also contains tenders for public procurement contracts relating to structural funds. Readers may access the database at http://www.buyusa.gov/europeanunion/eu_tenders.html.

EU Structural Funds

The EU Structural Funds, including the European Regional Development Fund, were created in 1975 to assist economically depressed regions of the European Union that required industrial restructuring. The EU earmarked EUR 308 billion for projects under the Structural Funds and the Cohesion Fund programs for the 2007-2013 period for the EU-27. In addition to funding economic development projects proposed by Member States or local authorities, EU Structural Funds also support specialized projects promoting EU socioeconomic objectives. Member States negotiate regional and "sectoral" programs with officials from the regional policy Directorate-General at the European Commission. For information on approved programs that will result in future project proposals, please visit:

http://ec.europa.eu/regional_policy/atlas2007/fiche_index_en.htm.

For projects financed through the Structural Funds, Member State officials are the key decision-makers. They assess the needs of their country; investigate projects; evaluate bids; and award contracts. To become familiar with available financial support programs in the Member States, it is advisable for would-be contractors to meet with local officials to discuss local needs.

Tenders issued by Member States' public contracting authorities for projects supported by EU grants are subject to EU public procurement legislation if they meet the EU minimum contract value requirement for the eligible sector. Below this threshold, tender procedures are subject to national procurement legislation. There are no overt prohibitions against the participation of U.S. companies, either as developers or concessionaires of projects supported partially by the Structural Funds, or as bidders on subsequent public tenders related to such projects, but it is advisable to team up with a local partner. All Structural Fund projects are co-financed by national authorities and most may also qualify for a loan from the European Investment Bank. The private sector is also involved in project financing. For more information on these programs, please see the market research section on the website of the US Mission to the EU:

<http://www.buyusa.gov/europeanunion/mrr.html>

The Cohesion Fund

The Cohesion Fund is another instrument of EU structural policy. Its EUR 61.5 billion (2007-2013) budget seeks to improve cohesion within the EU by funding transport infrastructure and environmental projects in Portugal, Spain, Greece and the twelve new (since 2004) EU Member States from Central and Eastern Europe. These projects are

generally co-financed by national authorities, the European Investment Bank, and the private sector.

Key Link: http://ec.europa.eu/regional_policy/funds/cf/index_en.htm

The Trans-European Networks

The European Union also provides financial support to the Trans-European Networks (TENs) to develop infrastructure, strengthen cohesion and increase employment across greater Europe. Launched at the Essen Council (Germany) in 1994, the TENs are a series of transport, telecommunications and energy projects that are continually being expanded and upgraded. The TENs are largely financed by private sector and non-EU sources. The EU does, however, provide grants from the Cohesion Fund, loans from the European Investment Bank (and loan guarantees from the European Investment Fund), and partial feasibility study grants for the TENs. There are no overt EU restrictions on the participation of U.S. firms in the TENs.

Key Link: http://ec.europa.eu/ten/transport/index_en.htm

Other EU Grants for Member States

Another set of sector-specific grants offers assistance to EU Member States in the fields of science, technology, communications, energy, environmental protection, education, training and research. Tenders related to these grants are posted on the various websites of the directorates-generals of the European Commission. Conditions for participation are strict and participation is usually restricted to EU firms or tied to EU content. Information pertaining to each of these programs can be found on:

http://europa.eu.int/grants/index_en.htm

External Assistance Grants

The EuropeAid Cooperation Office is the European Commission agency in charge of managing the EU's external aid programs. This Agency is responsible for the management of the entire project cycle, from identification to evaluation, while the Directorates-General in charge of External Relations and Development, are responsible for the drafting of multi-annual programs. The EuropeAid website offers extensive information on the range of grant programs, the kind of projects that are eligible, as well as manuals to help interested parties understand the relevant contract law. However, participation to calls for tender for contracts financed by EuropeAid is reserved for enterprises located in the EU Member States and requires that the products used to respond to these projects are manufactured in the EU or in the aid recipient country. But consultants of US nationality employed by a European firm are allowed to form part of a bidding team. European subsidiaries of U.S. firms are eligible to participate in these calls for tender.

Key Link: http://europa.eu.int/comm/europeaid/index_en.htm

All tenders related to EU-funded programs outside the territory of the European Union (including the accession countries) are located on the EuropeAid Cooperation Office website: http://europa.eu.int/comm/europeaid/tender/index_en.htm.

Two new sets of programs have been approved for the financing period 2007-2013. As of January 2007, the EU will provide specific Pre-Accession financial assistance to the accession candidate countries that seek to join the EU through a new instrument called the Instrument for Pre-accession Assistance (IPA). Also, the European Neighborhood and Partnership Instrument (ENPI) will provide assistance to countries that are the Southern Mediterranean and Eastern neighbors of the EU.

- IPA replaces the following programs: PHARE (Poland and Hungary Assistance for Restructuring of the Economy), ISPA (Instrument for Structural Pre-Accession financing transport and environment projects), SAPARD (projects in the agriculture sector), CARDS (aid to southern Balkans) and the Turkey Facility Fund. IPA focuses on priorities linked to the adoption of the *acquis communautaire* (the body of European Union law that must be adopted by accession candidate countries as a precondition to accession), i.e., building up the administrative and institutional capacities and financing investments designed to help them comply with European Commission law. IPA will also finance projects destined to countries that are potential candidate countries, especially in the Balkans. The budget of IPA for 2007-2013 is EUR 11.4 billion.

Key Link: http://ec.europa.eu/enlargement/financial_assistance/ipa/index_en.htm

- ENPI: replaces the former TACIS and MEDA programs. The European Neighborhood Policy program covers the EU's neighbors to the east and along the southern and eastern shores of the Mediterranean i.e. Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, the Palestinian Authority, Syria, Tunisia and Ukraine. ENPI budget is € 11,9 billion for 2007-2013.

Loans from the European Investment Bank

Headquartered in Luxembourg, the European Investment Bank (EIB) is the financing arm of the European Union. Since its creation in 1958, the EIB has been a key player in building Europe. As the EIB's lending practices evolved over the years, it became highly competent in assessing, reviewing and monitoring projects. As a non-profit banking institution, the EIB offers cost-competitive, long-term lending in Europe. Best known for its project financial and economic analysis, the Bank makes loans to both private and public EU-based borrowers for projects in all sectors of the economy, such as telecommunications, transport, energy infrastructure and environment.

While the EIB mostly funds projects within the EU, it lends outside the EU as well (e.g., in Central, Eastern and Southeastern Europe; Latin America; and Pacific and Caribbean states). In 2007, the EIB approved loans for projects worth EUR 56.4 billion, of which around 16% was lent outside the EU. The EIB also plays a key role in supporting EU enlargement with loans used to finance improvements in infrastructure, research and industrial manufacturing to help those countries prepare for eventual EU membership. Projects financed by the EIB must contribute to the socioeconomic objectives set out by the European Union, such as fostering the development of less favored regions; improving European transport and telecommunication infrastructure; protecting the environment; supporting the activities of SMEs; assisting urban renewal; and, generally promoting growth, competitiveness and employment in Europe. Last year, the EIB

created a list of projects to be considered for approval and posted the list on its website. As such, the EIB website is a source of intelligence on upcoming tenders related to EIB-financed projects: <http://www.eib.org/projects/index.htm?lang=-en>.

The EIB presents attractive business opportunities to U.S. businesses. EIB lending rates are lower than most other commercial rates. Like all EIB customers, however, U.S. firms must apply the loan proceeds to a project that contributes to the European objectives cited above.

The EIB's i2i (Innovation 2010 Initiative) is designed to highlight projects that support innovative technology in the European Union, in particular by financing broadband and multimedia networks; the physical or virtual infrastructure providing local access to these networks; and research and development infrastructures, especially in the less developed regions of the European Union. i2i will also finance projects to computerize schools and universities and to provide information technology training in conjunction with public authorities.

Key Link: http://www.eib.org/Attachments/thematic/innovation_2010_initiative_en.pdf

The US Mission to the European Union in Brussels has developed a database to help US-based companies bid on EIB public procurement contracts in non-EU countries in particular. The EIB-financed contracts that are open to US-based companies are featured in this database. All the tenders in this database are extracted from the EU's Official Journal. The EIB database contains on average 50 to 100 tenders and is updated twice per week.

Key Link: http://www.buyusa.gov/europeanunion/eu_tenders.html

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OPIC: <http://www.opic.gov>

Trade and Development Agency: <http://www.tda.gov/>

SBA's Office of International Trade: <http://www.sba.gov/oit/>

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/default.htm>

U.S. Agency for International Development: <http://www.usaid.gov>

Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: http://www.exim.gov/tools/country/country_limits.html

OPIC: <http://www.opic.gov>

Trade and Development Agency: <http://www.tda.gov/>

SBA's Office of International Trade: <http://www.sba.gov/oit/>

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/ccc/default.htm>

U.S. Agency for International Development: <http://www.usaid.gov>

EU websites:

Future project proposals:

http://ec.europa.eu/regional_policy/atlas2007/fiche_index_en.htm.

The EU regional policies, the EU Structural and Cohesion Funds:

http://ec.europa.eu/regional_policy/index_en.htm

The Trans-European Networks (TENs): http://ec.europa.eu/ten/transport/index_en.htm

EU Grants and Loans index: http://ec.europa.eu/grants/index_en.htm

EuropeAid Co-operation Office: http://europa.eu.int/comm/europeaid/index_en.htm

IPA: http://ec.europa.eu/enlargement/financial_assistance/ipa/index_en.htm

The European Investment Bank: <http://www.eib.org/?lang=en>

EIB-financed projects: <http://www.eib.org/projects/index.htm?lang=-en>.

The EIB's i2i (Innovation 2010 Initiative):

http://www.eib.org/Attachments/thematic/innovation_2010_initiative_en.pdf

U.S. websites:

CSEU Tender Database:

http://www.buyusa.gov/europeanunion/eu_tenders.html

Market research section on the website of the US Mission to the EU:

<http://www.buyusa.gov/europeanunion/mrr.html>

European Union Tenders Database:

<http://www.buyusa.gov/europeanunion/euopportunities.html>

Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: http://www.exim.gov/tools/country/country_limits.html

OPIC: <http://www.opic.gov>

Trade and Development Agency: <http://www.tda.gov/>

SBA's Office of International Trade: <http://www.sba.gov/oit/>

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/ccc/default.htm>

U.S. Agency for International Development: <http://www.usaid.gov>

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Chapter 8: Business Travel

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Business Customs

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The business traveler to Sweden will quickly realize that most customs and entry procedures are similar to those of the United States. After arriving in the world class Arlanda airport, one can catch a cab to center Stockholm, being sure to ask for the fixed fee before departing, all very standard. There are in addition to cabs, a speed train which will take you to the city center in 20 minutes, as well as an inexpensive, but much slower, airport bus service.

Swedes tend to be less formal than Americans are in all but two areas, “toasting guests” and more formal dinner parties. The procedure is well defined and best explained by your Swedish host. If one remembers to make strong eye contact before and after a “toast” and not to drink until the host “toasts” you, the rest will fall into place. The guest of honor usually is seated to the left of the hostess and is responsible for offering the “thanks” or behalf of all the guests in a toast to the host and hostess.

There is an anecdote that concludes the Swedish worker is the most efficient in the world, unfortunately he only works 9 months a year. Swedish workers do get 5 weeks of vacation each year. Business slows down in Sweden during the month of July. July begins the day before mid-summer’s night June 20 and ends in mid August. The Christmas celebration actually begins when the country slows down for the Nobel prize ceremonies December 10, and the St Lucia festival December 13. Business is usually back to normal after Orthodox Christmas and New Year’s celebrations in January. The month of May has three official holidays, making it the month of long weekends. Consequently the business traveler should focus on specific periods, e.g., September 15 to December 10, January 15 to April 30, and early June. Business is conducted during the vacation periods, but the senior management is often not available.

Swedish business people appear to be willing to spend more time discussing a situation than do Americans. During a business meeting there is always time to get to know each other and to discuss the program in sufficient detail that all feel comfortable with each other’s position. Promptness for meetings and functions is very important, as is organization, be it company matters or an event.

Travel Advisory

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U.S. travelers to Sweden must have a valid passport. A tourist or business visa is not required for stays up to 3 months. This 90-day period begins when entering the Nordic area: Sweden, Norway, Denmark, Iceland or Finland.

For further information concerning entry requirements to Sweden: Please contact the Swedish Embassy, located at 2900 K Street, NW, Washington, D.C. 20007, telephone: (202) 467-2600. Sweden has no vaccination requirements.

Medical care is widely available in Sweden. U.S. medical insurance is not always valid out of the United States. Travelers have found that in some cases, supplemental medical insurance with specific overseas coverage has proved to be useful. Further information on health matters can be obtained from the Center for Disease Control International Travelers' telephone hot line at (404) 332-4559.

- Temporary Entry

Sweden honors the ATA Carnet, an international customs document designed to simplify customs procedures for business and professional people taking commercial samples, advertising materials or film, or medical or professional equipment into specified countries for a short period. More than 40 countries participate in the carnet system. The U.S. Council of the International Chamber of Commerce, 1212 Avenue of the Americas, New York, NY 10036-4480 (fax 212-944-0012, tel. 212-354-4480) has been designated by the U.S. Bureau of Customs as the U.S. issuing and guaranteeing organization. U.S. firms should write to the U.S. Council at its New York address to apply for ATA Carnets.

Visa Requirements

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U.S. travelers to Sweden must have a valid passport. A tourist or business visa is not required for stays up to 3 months. This 90-day period begins when entering the Nordic area: Sweden, Norway, Denmark, Iceland or Finland.

For further information concerning entry requirements: Please contact the Swedish Embassy at 2900 K Street, NW, Washington, D.C. 20007, telephone: (202) 467-2600. Sweden has no vaccination requirements.

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security options are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: <http://travel.state.gov/visa/index.html>

United States Visas.gov: <http://www.unitedstatesvisas.gov/>

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security options are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: <http://travel.state.gov/visa/index.html>

United States Visas.gov: <http://www.unitedstatesvisas.gov/>

Embassy of the United States in Stockholm: <http://www.usemb.se/consulate>

Telecommunications

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High speed internet connections are available at all business hotels.

Transportation

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Visitors can access Sweden by air or by ferry. Sweden enjoys a modern infrastructure and all modes of transportation are available. In addition to busses and taxis, a high-speed train is available from Arlanda airport to downtown Stockholm.

Language

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The native language is Swedish. English is the second language in Swedish schools. Most people understand English, and this is certainly true of the business community.

Health

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Medical care is widely available in Sweden. U.S. medical insurance is not always valid out of the United States. Travelers have found that in some cases, supplemental medical insurance with specific overseas coverage has proven useful. Further information may be obtained from the Center for Disease Control International Travelers' telephone hot line at (404) 332-4559.

Local Time, Business Hours, and Holidays

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Local time: GMT + 1 hour

Business hours: 8 am – 5 pm

Holidays for 2008

New Year's Day: January 1

Good Friday and Easter Monday April 10-13

Swedish Labor Day: May 1

Ascension Day: May 21

Swedish National Day June 6

Mid- Summer Day: June 19-20

All Saints Day: November 1

Christmas: December 24-26

New Year's Eve: December 31

Offices are also closed on Mid-Summer's Eve, Christmas Eve, and New Year's Eve. Government and many business offices generally close at 1:00 p.m. on the day before major holidays.

- Business Infrastructure

Business infrastructure in Sweden is similar to that in the United States. The two countries have had a long history of educational exchanges at the student and professorial level. Consequently most business leaders have been taught the same

operating principles by professors who have collaborated on writing the text. One slight difference may be that the senior business people in Sweden may be a bit more “hands on” than their American counterparts. Perhaps due to the Swedish tradition of social democracy or the great egalitarian concerns, Swedish managers are more consensus builders than decision-makers. Delays in reaching an agreement are less a negotiating tool as in other cultures and more an in-house management activity.

- Guide for Business Representatives

Guides for business representatives are available for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402; tel. (202) 512-1800; fax. (202) 512-2250. Business travelers to Sweden seeking appointments with the U.S. Embassy Stockholm officials should contact the commercial section in advance. The commercial section can be reached by telephone at 46-8-783-5346 or by fax at 46-8-660-9181.

Temporary Entry of Materials and Personal Belongings

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Sweden honors the ATA Carnet, an international customs document designed to simplify customs procedures for business and professional people taking commercial samples, advertising materials or film, or medical or professional equipment into specified countries for a short period. More than 40 countries participate in the carnet system. The U.S. Council of the International Chamber of Commerce, 1212 Avenue of the Americas, New York, NY 10036-4480 (fax 212-944-0012, tel. 212-354-4480) has been designated by the U.S. Bureau of Customs as the U.S. issuing and guaranteeing organization. U.S. firms should write to the U.S. Council at its New York address to apply for ATA Carnets. U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security options are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: <http://travel.state.gov/visa/index.html>

United States Visas.gov: <http://www.unitedstatesvisas.gov/>

Local Embassy Consular Website: <http://www.usemb.se/consulate/index.html>

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http://travel.state.gov/travel/warnings_consular.html

State Department Visa Website: <http://travel.state.gov/visa/index.html>

United States Visas. gov: <http://www.unitedstatesvisas.gov/>

<http://travel.state.gov/travel/sweden.html>

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Chapter 9: Contacts, Market Research, and Trade Events

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- [Trade Events](#)

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-Ministries

Ministry of Agriculture

<http://www.sweden.gov.se/sb/d/2064>

Ministry of Defense

<http://www.sweden.gov.se/sb/d/2060>

Ministry of Education and Research

<http://www.sweden.gov.se/sb/d/2063>

Ministry of Finance

<http://www.sweden.gov.se/sb/d/2062>

Ministry of Health and Social Affairs

<http://www.sweden.gov.se/sb/d/2061>

Ministry of Enterprise, Energy and Communications

<http://www.sweden.gov.se/sb/d/2067>

Ministry of Justice

<http://www.sweden.gov.se/sb/d/584>

Ministry of the Environment

<http://www.sweden.gov.se/sb/d/2066>

- Government Agencies

The Swedish National Rail Administration

(Banverket)

<http://www.banverket.se/>

The Swedish Defense Materiel Administration

(FMV)

<http://www.fmv.se/>

The Swedish Civil Aviation Administration

(Luftfartsverket)

<http://www.lfv.se>

The Swedish National Post & Telecom Agency
(Post & Telestyrelsen)
<http://www.pts.se>

The Swedish National Police Board
(Rikspolisstyrelsen)
<http://www.police.se>

The Swedish Radio and TV Authority
(Radio- och TV-verket)
<http://www.rtvv.se>

The Swedish Maritime Administration
(Sjöfartsverket)
<http://www.sjofartsverket.se>

Swedish National Food Administration
(Statens Livsmedelsverk)
<http://www.slv.se>

The Swedish Board of Customs and Excises
(Tullverket)
<http://www.tullverket.se>

The Swedish National Road Administration
(Vagverket)
<http://www.vv.se>

The Swedish Agency for Public Management
<http://www.statskontoret.se>

Statistics Sweden
(SCB)
<http://www.scb.se>

Swedish Agency for Economic and Regional Growth
(NUTEK)
<http://www.nutek.se>

Swedish National Board of Trade
(Kommerskollegium)
<http://www.kommers.se>

The Legal, Financial and Administrative Services Agency
(Kammarkollegiet)
<http://www.kammarkollegiet.se>

- Trade Associations

Swedish Federation of Trade

(Svensk Handel)
<http://www.svenskhandel.se>

The Swedish Association of Agents
(Agenturforetagen)
<http://www.agenturforetagen.se>

The Swedish IT and Telecom Industries
(IT&Telecom Företagen)
<http://www.itforetagen.se>

Confederation of Swedish Enterprise
(Svenskt Näringsliv)
<http://www.svensknaringsliv.se>

Branschkansliet (trade association for various sectors)
<http://www.branschkansliet.se>

The Swedish Plastics and Chemicals Federation
(Plast & Kemiforetagen)
<http://www.plastkemiforetagen.se/>

- Chambers of Commerce

Stockholm Chamber of Commerce
Stockholms Handelskammare
<http://www.chamber.se>

American Chamber of Commerce
<http://www.amchamswe.se>

West Sweden Chamber of Commerce
<http://www.west.cci.se>

Malmö Chamber of Commerce
<http://www.handelskammaren.com>

U.S. Embassy Contacts

Mr. Frank Carrico, Senior Regional Commerce Officer
<http://www.buyusa.gov/sweden>

Market Research

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To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/marketresearch.html> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, but free of charge.

Please click on the link below for information on upcoming trade events.

<http://www.export.gov/tradeevents.html>

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Chapter 10: Guide to Our Services

The U.S. Commercial Service offers customized solutions to help your business enter and succeed in markets worldwide. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers

For more information on the services the U.S. Commercial Service offers U.S. businesses, please click on the link below.

<http://www.buyusa.gov/sweden/en/mission.html>

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U.S. exporters seeking general export information/assistance or country-specific commercial information should consult with their nearest **Export Assistance Center** or the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRADE**, or go to the following website: <http://www.export.gov>

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.