

SWEDEN

MARKET OPPORTUNITIES

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1 COUNTRY PROFILE

Overview

EU's third largest country; Sweden enriched the world with IKEA, Volvo, Spotify, and ABBA

- The largest Nordic country by territory and by population
- Europe's most sparsely populated country
- EU member since 1995 and NATO member since 2024
- High quality of life, entrepreneurship mentality, and strong business climate
- Second highest gross domestic expenditure on R&D in the EU (2022)
- Fourth happiest country in the world (2024)



Total area: 173,860 square miles (4.4 times bigger than Virginia)

Population: 10.6 million

Government type: Parliamentary constitutional monarchy

Language: Swedish (official)

Capital + major cities: Stockholm (1 million) + Göteborg (580,000) and Malmö (350,000)

Currency: Swedish crown (krona, SEK)

Average annual exchange rates (Riksbanken): SEK per USD 1

2019	2020	2021	2022	2023	2024 (Jan-Jun)
9.608	9.203	8.581	10.124	10.612	10.538

Sweden is one of the most industrialized countries in Europe. Traditional industries include automotive manufacturing, electronics, machinery, chemicals, and food processing. In recent years, Sweden has seen a notable expansion in high value-added sectors such as biotechnology, life sciences, advanced engineering, nanotechnology, and information technology, including software development. The service sector accounts for approximately 70% of GDP, reflecting the country's advanced stage of economic development.

As an open economy, with one of the highest export-to-GDP ratios in Europe, Sweden is particularly sensitive to global economic trends and external economic shocks. This openness is a double-edged sword, providing opportunities for growth but also exposing the economy to international market fluctuations.

Sweden's key trading partners include neighboring Nordic countries and major European economies: Germany (Sweden's largest export market), Norway, Denmark, Finland, and the Netherlands.

Key economic indicators, Sweden

GDP nominal	USD 623 billion
GDP growth	2023: -0.2% 2024: 0.2% 2025: +2.1%
GDP per capita PPP (worldwide ranking)	USD 69,177 (17th)
Inflation	2023: 5.9% 2024: 2.0% 2025: 1.8%
Unemployment	8.4% (2024)

Source: Eurostat, 2024

After a 2023 recession, GDP is expected to increase again in 2024 and 2025. Lower inflation (due to falling energy prices) and increasing wages are expected to improve the economic situation for households in 2024.

Persistent comparatively weak demand in the economy is expected to continue to slow inflation in the future, which opens up the possibility of interest rate cuts, which are expected to drive household consumption and housing investment in 2025. However, household interest expenditure is expected to remain high in 2024, with the effect of a sluggish purchasing power trend and slow growth of household consumption. Higher costs in combination with weak household demand are also expected to continue to hamper housing investments in 2024. Low demand for labor is expected to lead to somewhat increased unemployment in 2024.

Fighting inflation has been the Government's economic policy priority, utilizing a combination of restrained fiscal policy, austere monetary policy, and responsible wage negotiations - the inflation target is expected to be met this year. As inflation drops and the effects of the recession become increasingly obvious, the primary aim of the economic policy is to lay the foundations for recovery – higher growth and better welfare¹.

¹ www.government.se/articles/2024/04/the-2024-spring-budget-in-five-minutes/

2 ROUTE TO MARKET

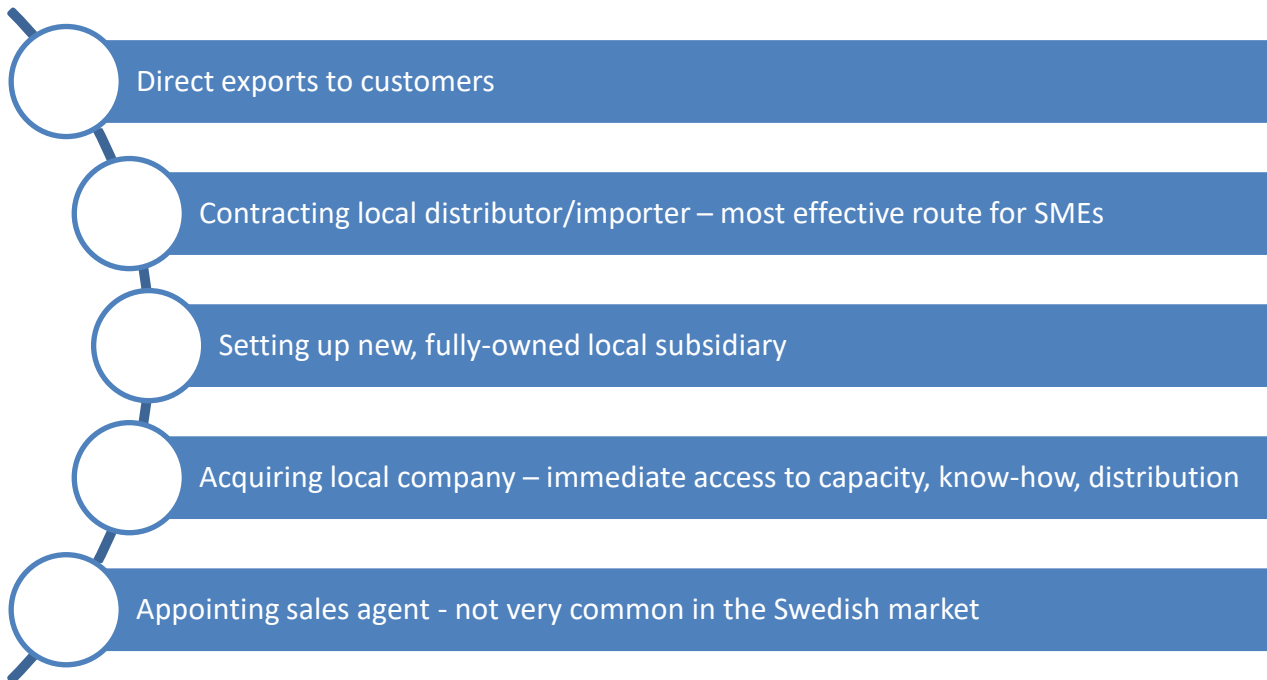
This document maps five sectors that present specific market opportunities for Virginia exporters.

The Swedish market is a mature and highly competitive environment, characterized by modern consumers and businesses that look for quality, innovation, and sustainability. For foreign companies to succeed it is essential to offer products or services that deliver significant added value and distinct advantages over existing offerings. This means that unique features, superior quality, innovative technology, or a clear commitment to sustainability can be critical differentiators. Companies must ensure that their offerings not only meet the high standards of the Swedish market but also stand out in a landscape where innovation and quality are paramount.

Sweden is a member of the EU, OECD, and WTO, and applies all international regulations from those bodies. US companies can apply the same business principles as when entering any other EU market.

US companies can gain access via multiple channels.

Routes to market



Having local representation who speaks the Swedish language is a significant advantage for US companies, as local contractors and suppliers with daily operations in the market, access to valuable information, and connections with key decision-makers can more effectively identify and respond to business opportunities.

3 TARGET SECTORS

3.1 CYBERSECURITY



Sweden is a frontrunner in digitalization, both in the public sector as well as in its core industries. However, this digital transformation comes with increased cyber threat risks, therefore requiring a proactive approach to cybersecurity. The public and critical infrastructure sectors (transportation, energy, and communications) generate approximately 30% of the cybersecurity solutions demand. Investments in cybersecurity are expected to continue growing in the wake of an overall increase in IT security awareness.

The country has a national cybersecurity strategy and collaborates internationally to address cyber threats. The National Cybersecurity Index demonstrates that a large proportion of companies have not taken the necessary countermeasures to secure their technologies. The fast digitalization creates a security gap that needs to be bridged in the near future, which creates a **market for cybersecurity solutions and services**:

- Sweden's focus on protecting critical infrastructure, government systems, and private enterprises from cyber threats offers **opportunities for foreign companies specializing in network security, threat detection, and incident response**.
- With stringent data protection regulations, including compliance with the EU's GDPR, there is demand for solutions that ensure data privacy and compliance. **Companies offering data protection services, encryption technologies, and privacy solutions** can capitalize on this need.
- Collaborative R&D projects in cybersecurity, particularly in areas like AI for cybersecurity, secure communications, and quantum computing, are of interest. Foreign companies engaged in cutting-edge cybersecurity research can explore partnerships with Swedish research institutions and companies.

The NIS2 directive (adopted by the European Parliament in December 2022) and the Swedish Act that implements the directive (entering into force on January 1, 2025) has stricter requirements for operators and contains provisions for a more far-reaching collaboration within the EU compared to its predecessor, NIS1. The overall aim of the new rules is to achieve a higher level of cybersecurity for an expanded number of sectors that are specified in the legislation.

[The Swedish National Cybersecurity Centre](#) (NCSC, Nationellt cybersäkerhetscenter) plays a crucial role in enhancing Sweden's cybersecurity resilience and protecting national interests in the digital domain.

3.2 SUSTAINABLE CONSTRUCTION AND ENERGY SYSTEMS



The Swedish building and construction market generates an annual turnover of approximately SEK 750 billion (USD 70 billion); 27% of its turnover is generated by the civil engineering segment.

An important player in the European construction industry, **Sweden is known for its innovative approach to sustainable, smart, and energy-efficient construction.** There are several national and municipal public-private sector strategic innovation projects in place across the country, ranging from awareness creation to digitalization.

A strategic innovation plan (2016-2028) - [Smart Built Environment Program](#) - outlines how the built environment sector can contribute to Sweden's journey to the global forefront of the new opportunities of digitalization, in order to achieve intelligent & sustainable cities, managing resources more efficiently, and carbon emissions reduction.

The most interesting trends and challenges within sustainable building and energy systems include:

- Circular and climate neutral buildings with regards to developments in re-use, life cycle thinking and construction with wood. There is a large focus on construction with wood in Sweden and a need for higher productivity: covering the need for many new residential and public buildings at lower costs.
- Renewable energy systems - specifically in the areas of electricity generation, smart grids, and energy saving in renovation
- User-focused design & measuring well-being
- Digitalization of the construction process and digitalization of buildings.

Opportunities for US companies may include:

- products and services for energy saving in renovation
- technologies and knowledge around industrialization of the renovation process (standardization and automation)
- technology and processes that efficiently identify and extract materials and products in deconstruction
- solutions for implementing material banks, material passports, and demolition plans
- innovative and accessible electricity generation and smart grid products and services, energy management systems
- solutions for digital marketplaces for reused materials.

Over 110,800 companies are active in the construction sector (amounting to 9% of companies in industry and trade); most construction companies in Sweden are small (87% of the companies had no more than four employees). Broken down by their specialization, there are 29,000 building and construction contractors, 16,400 demolition firms and firms for land improvement and foundation work, 21,400 construction

installation firms (electrical, water and sanitation etc.), and 32,300 firms for final treatment of buildings (carpentry, flooring, painting, glazing, etc.). 11,800 companies are defined as “other specialized building and construction contractors”, such as sheet metal contractors, drilling, roofing companies, diving contractors.

After a number of years of rising construction investments, the sector cooled down in 2023 and is estimated to decrease by 5% in 2024. There is a decline in housing construction and at the same time a positive development for premises and civil engineering investments.

3.3 HEALTHCARE – MEDICAL DEVICES AND E-HEALTH



Healthcare system

Sweden’s healthcare system is decentralized, managed by national, regional and local government bodies; as a result, the type of healthcare services available may vary.

The Swedish National Healthcare Services are both public and private.

- Healthcare services provided by a private company under contract with the county council, local authority or municipality. In the event of such contract, the cost of private and public healthcare is the same.
- Healthcare services provided by a private company under no contract with the National Healthcare Services. Patients are then liable to pay the full cost of any treatment and care they receive.

Out of over 70 hospitals in Sweden, seven are university hospitals.

All regions have integrated electronic health record solutions (EHRs) and e-prescriptions are very popular (99% of all prescriptions are issued electronically). Digital healthcare services where patients can consult with health care professionals online (via mobile applications) have grown rapidly in the last few years; the sector is dominated by local companies such as Kry, Min Doktor, Doktor 24, and Doktor.se.

The share of GDP in Sweden spent on health has fluctuated since 2011, peaking in 2020 at 11.3% and starting to decrease afterwards, reaching 10.7% in 2022; it is on par with most other European countries.

Sweden has a well-established and vibrant ecosystem for research and innovation in life sciences and health technology. The country is known for its high-quality research institutions, universities, and innovation clusters, such as the Karolinska Institute, which is one of the world's leading medical universities. This environment fosters cutting-edge research and provides opportunities for collaboration in areas like pharmaceuticals, biotechnology, and medical technology, including research and development in areas such as precision medicine, digital health, and medical devices.

Sweden boasts a stable economy with a high level of disposable income, which has contributed to the affordability of medical devices and increased consumer spending in the healthcare sector. The country's rapidly aging population has led to an increased demand for medical devices that can support the healthcare needs of the elderly. Additionally, the government has implemented reforms to improve access to healthcare services, which has further fueled the demand for medical devices. The **Swedish Medical Products Agency's** ([Läkemedelsverket](#)) task is to carry out monitoring to ensure that relevant legislation in the medical device field is complied with. The **National Board of Health and Welfare** ([Socialstyrelsen](#)) is responsible for medical device regulations and use. The **Health and Social Care Inspectorate** ([IVO](#)) supervises how medical devices are used in healthcare and in-house manufacture of medical devices.

Market opportunities

Sweden is at the forefront of digital health and eHealth initiatives, investing heavily in digital transformation within the healthcare sector. This includes electronic health records, telemedicine, connected devices, remote monitoring systems, and other digital solutions aimed at improving healthcare delivery and patient outcomes.

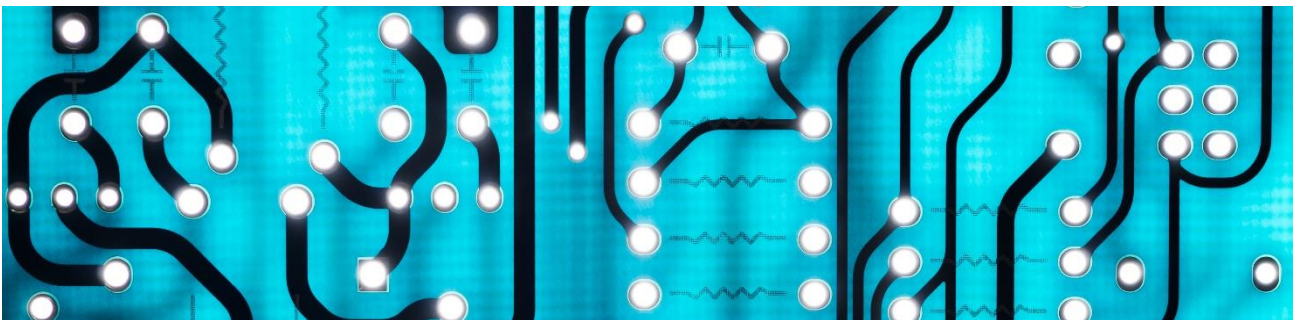
Companies providing integration tools, advanced EHR systems, data analytics solutions or virtual care solutions might find interesting opportunities in Sweden.

All eHealth services are purchased through public procurement.

There is also a growing focus on preventive healthcare, which has led to an increased demand for medical devices for early diagnosis and monitoring of chronic diseases. Another trend is the growing importance of personalized medicine. Advances in genomics and molecular diagnostics have enabled healthcare providers to tailor treatments based on an individual's genetic makeup. This has created a demand for medical devices that can support personalized medicine, such as genetic testing kits and diagnostic tools. Also, solutions that enhance patient engagement, such as mobile health apps, patient portals, and self-management tools, are in demand as Sweden emphasizes patient-centered care.

The **Swedish eHealth Agency** ([eHälsomyndigheten](#)) coordinates the government's e-health initiatives and monitors developments in the e-health field, both nationally and internationally; it is responsible for registers and IT services used by individuals, healthcare providers, and pharmacies.

3.4 ADVANCED MANUFACTURING



Manufacturing companies generated over 13% of the country's GDP in 2023. Key products include steel, automotive components, industrial machinery, electrical equipment, communications equipment, forest products, construction products, pharmaceutical products, and food processing equipment.

Sweden is home to many world-leading manufacturing companies. To grow their competitiveness, they invest in innovation, digitalization, and education.

Selected manufacturing companies in Sweden



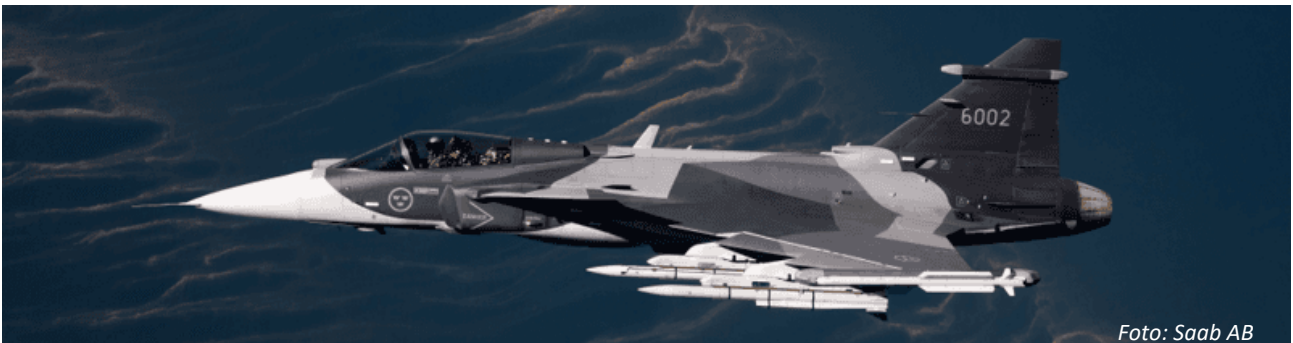
The **Strategic Research and Innovation Platform** - [Produktion2030](https://produktion2030.se) - supported by Vinnova, the Swedish Energy Agency and Formas, aims to increase competitiveness in the Swedish manufacturing industry through co-operation between the industry, academia, and research.

Multiple challenges² that Sweden focuses on resolving also offer opportunities for foreign companies:

- Resource-efficient production is a prerequisite for competitive manufacturing in a country like Sweden, with high wages, high quality standards, and high material costs. Innovative solutions aimed at resource-efficient manufacturing offer possibilities for US companies.
- Consumers demand increasingly customized and personalized products, which requires a great deal of flexibility from the production process to handle volume changes, different variants, new materials and new combinations of materials. The Swedish manufacturing industry needs new knowledge, innovative manufacturing methods, and automation solutions.
- Virtual tools and digitized models are essential for developing future complex products and production systems. In tomorrow's factories, basically everything is connected to the Internet. It provides the ability to collect and analyze large amounts of data, which in turn allows the production to be developed virtually.
- Although the future of manufacturing is digital, humans still have a vital role to play. Digitalization, sensors and big data impose new demands on personal safety, communication, interfaces, and allocation of tasks between people and technical systems. New technical solutions are needed to make it possible to improve workstations, working methods, and ergonomics.
- The shift towards a circular economy and circular production requires new design at the product and production level. The service life of products and production systems can be extended through smart maintenance, new combinations of materials and components, and data analysis. To achieve this, there is a need to develop competence and find new types of service-based products.

² <https://produktion2030.se/en/challenges/>

3.5 DEFENSE AND SECURITY



Sweden's well-established defense industry, which is one of the largest in Europe, is known for high level of technological sophistication and innovation, with focus on areas such as aerospace, naval systems, and land defense. The country's defense companies produce some of the most sophisticated equipment on the market, such as Saab's Jas 39 Gripen and BAE System AB's Combat Vehicle 90.

The defense industry generated USD 3 billion in 2022 with exports of defense material totaling over USD 2 billion. The sector employs approximately 28,000 people; the figure is likely to rise following the government's announcement of a considerable increase in its defense budget for 2024, which is nearly double the 2020 defense budget. The high demand for defense production, which has struggled to keep up with weapons demand as countries provide armaments to Ukraine in the wake of Russian aggression, is only going to continue in upcoming years.

Sweden's aerospace sector includes companies like Saab, which produces fighter aircraft, radars, and other advanced systems. Foreign companies involved in aerospace technologies, avionics, and defense electronics could find opportunities for partnerships, supply chain integration, or technology transfer. Sweden's land defense capabilities include armored vehicles, weapons systems, and soldier systems. Foreign companies involved in vehicle manufacturing, armament systems, or soldier equipment could find a receptive market.

The **Swedish Security and Defense Industry Association, SOFF**, is a trade organization for companies in the field of cyber defense, civil security, and defense.

The **Swedish Armed Forces (Försvarmakten)** select suppliers through a procurement process, as regulated by the Public Procurement Act (2016:1145) or the Defense and Security Procurement Act (2011:1029). All procurements are advertised via www.eavrop.se and/or on the EU's official advertising portal, Tenders Electronic Daily (TED). Interested suppliers must be active and inform themselves about the Defense Forces procurements. It is not possible to pre-register for a procurement (see www.forsvarsmakten.se/sv/om-myndigheten/upphandlingar).

Swedish Armed Forces cannot accept suppliers for marketing of products/services, nor can they read information from external links. This is a very important way of ensuring equal treatment of suppliers that may be considered in a potential/future tender.