

INVEST IN SWEDEN AGENCY

# Beyond the crisis

— *How foreign companies view Sweden's business climate*



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## *Keep investment into Sweden strong!*

Welcome to this unique survey, in which ISA asked 50 senior representatives of foreign companies with 150,000 employees in Sweden for their views on Sweden's business climate. The interviews are accompanied by a questionnaire that grades Sweden's ability to meet business needs. By chance, the report coincides with a global economic crisis on a scale unprecedented in modern times and which has far-reaching implications for the world economy and international business.

Like many other countries, Sweden is going through a difficult time. Gross domestic product will fall by more than 5 percent this year and government policy is focused on combating the slowdown. Many companies are experiencing a state of emergency that has seen demand for their products and services fall sharply. There will, however, come a time after the crisis in which Sweden's long-term attributes as a good country for investment will come to the attention of international business.

Foreign companies employ more than 600,000 Swedes – a quarter of everyone employed in private enterprise. These companies account for more than one third of industrial research and development and operate in virtually all sectors and business areas. They contribute capital, new technologies, marketing channels and an inflow of skills through foreign managers, experts and researchers.

Globalization has served Sweden well thus far. But there is no guarantee that these companies will continue to invest in Sweden in the future. Multinational corporations have numerous alternatives when it comes to business localization and investment. This is why it is important to know what they feel Sweden has to offer.

How does Sweden meet business needs? Is there adequate access to skills? How do foreign companies view taxes and costs in Sweden?

How good is Sweden's infrastructure? What future do international corporations see for their Swedish business?

The willingness of business leaders to take part in the survey in the midst of an economic crisis illustrates the depth of their interest in issues of key importance to Sweden's future in a globalized world: education, access to skills, taxes, energy, incentives for work and investment, and our relationship with Europe and emerging markets.

Foreign multinationals are important drivers of business in Sweden. Many have their roots here in Sweden and are world-class performers. This report demonstrates that Sweden is a good host country but also shows that we can make more of our assets. I hope we can convert that insight into doing an even better job for the Swedish business climate, thus ensuring further investment in Sweden.

My warmest thanks to all the business leaders who gave their time and made this report possible.



*Per-Erik Sandlund*

*Per-Erik Sandlund,  
Director General*

# About the report

The report shows the main results and findings from interviews with 50 senior representatives of foreign corporations and presents a picture of the conditions under which these businesses operate in Sweden.

## Multinational corporations and structural factors

Companies were chosen from a list of the 200 largest foreign corporations in Sweden by employee headcount. Selections also included companies deemed especially relevant due to their nationality or nature of operations in Sweden.

The companies that participated in the report have more than 150,000 staff in Sweden and represent a wide variety of sectors and industries. Many originate from Sweden but have at one time been acquired by or merged with foreign counterparts. Most are part of large multinational groups – a fact that should be borne in mind when evaluating the report's findings.

The interview period coincided with one of the most rapid and dramatic economic slumps in modern times – a downturn that has adversely affected many of the companies interviewed. The report nevertheless focuses on structural factors affecting the Swedish business climate rather than the impact of temporary economic swings.

## Business climate in depth and in figures

The report was based on in-depth interviews of 1-2 hours conducted with the chief executive officer (see Interview Guide in the Appendix) or, in some cases, with a company official nominated by the chief executive officer. A limited number of interviews were conducted by phone. Most took place from September 2008 to March 2009, with the last being held in June 2009.

Most of the interviewees were native Swedes with extensive international experience combining in-depth knowledge of Swedish conditions with an ability to see Sweden from an outsider's perspective.

In addition to the interviews, the report used a digital questionnaire in which interviewees were asked to grade on a scale of 1 ("very poor") to 10 ("excellent") the way Sweden measures up to company needs in a variety of areas. The questionnaire response rate was 80 percent.



The views, thinking and findings presented in the report are those of ISA alone and are not necessarily shared by those interviewed. ISA is solely responsible for the report's results and findings.

Magnus Runnbeck, ISA Vice President, Strategy & Research, is the report author. The heads of ISA's business units were also involved in the majority of interviews. ISA's Economic Council, the Swedish Institute for Growth Policy Studies (Tillväxtanalys, formerly ITPS), Vinnova and the Swedish Agency for Economic and Regional Growth (Tillväxtverket, formerly Nutek) all provided input and valuable comments.

# Executive summary and findings

The report primarily looked at major foreign companies with well established businesses in Sweden. Many of them have their roots in Sweden and are fully integrated in the Swedish business community. These companies possess the resources to operate in different environments and develop solutions to problems that arise in the course of their business. The obstacles that businesses face in mature market economies like Sweden often pertain to economic and market conditions. However, Sweden's business climate is subject to a number of general and sector-specific problems. Companies often feel that the process of solving them in dialog with policymakers and government bodies is slow-moving. Some sectors are strongly influenced by political decisions whose outcome can be business-critical for the companies involved.

**Location of corporate headquarters** The location of a company's headquarters is relevant because management's knowledge of the Swedish business and its capacity to operate in Sweden will decrease if the head office moves abroad. However, many Swedish subsidiaries perform strongly in the internal battle for resources.

**Swedes in a global corporation** Swedish influence hinges on the ability of Swedes to make an impression and progress their careers within a global corporation. Swedish management is respected and sought-after but many Swedes abstain from an international career, often for family reasons.

**Doing business in Sweden** Foreign companies like Sweden. It is easy to do business here, though the report found no unique attributes that set Sweden apart from competing nations, for instance in Europe.

**Skills** Sweden has good access to skills and expertise, but wide disparities exist at company level. Enterprises rely on staffing companies and consultants to manage short-term and long-term problems. Specialists and highly qualified industrial personnel are in short supply.

**Taxes and costs** Corporate taxation is seen as acceptable, while individual taxes are perceived as

unacceptably high. Attitudes to business costs vary widely, though many companies say total salary costs, including social security expenses, are high.

**Infrastructure** Road and air infrastructure is good, but the railway system underperforms. Sweden's IT and telecommunications infrastructure is deemed solid, but businesses do not regard the country as a leader in this area.

**What the future holds for Sweden** Attitudes towards business and enterprise have improved in Sweden, but companies want the government and policymakers to show greater interest in and knowledge of their everyday conditions and problems.

Only a small minority of companies see scope for future growth in Sweden. Many regard the Swedish market as saturated in terms of their own products and services. The business climate is subject to general and specific deficiencies that make expansion difficult. Basic industries emphasize the unresolved energy issue as an impediment to continued investment.

Companies are overwhelmingly positive (though not effusive) about conditions for their Swedish operations. Sweden has a favorable business climate that offers a supply of skilled labor, well-run workplaces, a constructive climate of cooperation between company managements and trade unions, and modern infrastructure. Sweden boasts industrial expertise, high-quality research and an efficient public sector. Swedes also possess excellent language skills.

The questionnaire responses gave the business climate an average score of 6.6 out of 10. Service companies were consistently more positive than manufacturing companies.

The companies interviewed underlined the need to address long-term issues relevant to Swedish competitiveness, including education, the labor market, taxes and access to skills. Incentives for work and investment need to be strengthened and companies need to know the terms and conditions that apply in terms of energy, the environment and climate change. Strong support exists for Swedish membership of the European Economic and Monetary Union.

# Corporate headquarters

- Head office location has an impact
- Swedish operations often competitive
- Business culture influences local development

Foreign buyers that acquire a Swedish business usually close the Swedish head office and transfer its functions to the buyer's headquarters. This relocation process is typical for international business acquisitions in Sweden and other countries. Senior Swedish managers are assigned new tasks at home or at the foreign headquarters, or alternatively leave the company. The management team, or parts of it, is often put in charge of the Swedish subsidiary, with varying levels of responsibility.

## Recognition of competitiveness

Does head office relocation have any implications for the Swedish business? The answer, in most cases, is an unqualified yes. The effects are good and bad. New interesting business opportunities arise in a larger multinational business, while open competition for internal resources is often to the advantage of efficient and innovative Swedish subsidiaries. There is no evidence that head office relocation plays a decisive role in deliberations on issues such as downsizing. Such decisions hinge on a series of related factors, with poor profitability or market limitations being primary considerations.

Foreign head offices tend to see Sweden in overwhelmingly positive terms but also have deep-rooted misconceptions about the labor market and business costs. It is widely believed that it is expensive to scale back business operations in Sweden compared to other European countries, but the facts suggest the opposite. The position and influence of Swedish trade unions causes concern at some head offices, while Swedish subsidiaries see the unions as a business asset. The companies interviewed for this report noted generally good relations between employers and unions as one of Sweden's strengths.



## Importance of distance

Further consequences of head office relocation include reduced autonomy, the transfer of strategic decision-making and a heavier administrative burden.

The head office is where group management is located and is where senior executives develop company strategy and take many of the key decisions. However, group management may lack detailed knowledge of the Swedish business and market conditions in Sweden. For their part, Swedish subsidiaries have to report and obtain approval for all major investments and initiatives in competition with other subsidiaries, making it more difficult to make their voice heard.

Strategic group functions are often centralized to the head office and tend to attract the formation of advanced external businesses and services in areas such as R&D, finance, legal services, tax advisory and staffing/recruitment. Thus, the location of a corporate headquarters plays an important role in attracting talented individuals who aspire to a career within the company or its surrounding environment. Relocating a head office reduces demand for advanced ancillary services and also lessens the company's local attractiveness.

Corporate culture has a key impact on shaping the role played by the head office and its influence over the business at local level. Many corporations seek to combine a local presence with the resources of a global business, but this strategy is applied differently in practice. Local subsidiaries of multinational corporations with a strong domestic focus risk becoming mere agents of the group, lacking vision and an interesting future – even though they may have high potential.



# Swedes in global corporations

- Swedish management is respected and sought-after
- Management style must adapt to local conditions
- Swedes hesitate over pursuing an international career

A key question for Swedish subsidiaries is the extent to which Swedish managers enjoy influence within foreign corporations that acquire businesses in Sweden. The business leaders interviewed for this report stressed that Swedish managers perform well in competition for management positions at the foreign parent. Swedish management is sought-after and respected, with managers often having international experience and being attentive to local conditions. The business leaders were unanimous in agreeing that the main attributes of Swedish management are a consensus-based approach, a willingness to listen and an ability to delegate. At the same time, many companies highlighted individual personality as the decisive factor in terms of management.

## Swedish management limitations

Many of the business leaders interviewed said they felt the consensus-based management approach went too far and was excessively time-consuming in relation to the quality of decisions taken.

Widespread skepticism exists when it comes to the exportability of Swedish management and the notion that Swedes might be exceptionally good at creating innovative organizations. The prevailing view is that the Swedish management style is effective in Sweden but that cultural differences require Swedish managers to modify their approach considerably when on foreign placements.

## Swedes feel at home in Sweden

Many companies find it difficult to encourage Swedish staff to move abroad and pursue an international career, reflecting the fact that placements also need to cater for accompanying families (including availability of meaningful employment for the partner during the contract term).



International career incentives have decreased, while considerable difficulties are attached to the relocation of families. Some companies observe an increasing reluctance to travel frequently abroad among their younger staff, which puts certain positions out of reach.

Lack of international experience is an obstacle to long-term skills development, while Sweden appears to run only a small risk of brain drain.

Swedish interest in achieving a work-life balance is significant compared to many other European countries and especially the United States, and this hinders Swedish influence in multinational corporations. The Swedish approach, which includes paid parental leave to managers and enjoys wide support among Swedish subsidiaries, is often viewed with wonderment by head offices outside Northern Europe. Swedes have high expectations of foreign placements when it comes to catering for families, and these requirements can be difficult to meet. In such cases, it is easier for the company to turn to other nationalities with lower expectations.

By the same token, many companies acknowledge that they are partly responsible for these problems by failing to look after returning staff members adequately. This obviously reduces the incentive to work abroad.

# Business operations in Sweden

- Business climate is good but lacks a cutting edge
- Efficient society is the major advantage
- The Swedish market is a limiting factor

Doing business in Sweden is straightforward. The Swedish market works efficiently, and attitudes among Swedish policymakers, media and the general public towards business and enterprise have become more positive in the last decade. The overall business climate has improved. However, many companies have specific problems that they voice through their respective lobby organizations. They find Swedish politicians readily accessible but feel that the process of removing barriers to enterprise and investment is painfully slow – and uncertain. At the same time, companies acknowledge that this process is also drawn-out in other countries, too.

The companies selected for the report represent a wide variety of sectors and businesses, ranging from R&D, manufacturing and services to distribution and sales. Major differences exist between them in terms of their history and preconditions for doing business in Sweden. Many have their roots in Sweden and have been acquired by a foreign group at some point in time. Others are relative newcomers to Sweden. The majority are European and US corporations.

## A Sweden that works

Sweden's strengths are a highly trained and efficient workforce, a proactive climate of cooperation between management and trade unions, and modern infrastructure. Swedish workplaces combine a pragmatic problem-solving culture with a tradition of industrial expertise and top-quality research that is highly valued by foreign companies. There is little

**6.6 out of 10**

*General business climate*



bureaucracy and society runs smoothly. There is relatively little pressure on the public transport system and quality of life is high. Overall, Swedes have excellent language skills, primarily in English.

Many companies perceive the Swedish market as advanced and interesting. Almost half use Sweden as a test market for new products and services. This is an area in which Sweden is a leader, for instance in environmental technologies.

## Market sets limits

Sweden's drawbacks include a small domestic market (which has reached saturation point for some firms) and geographical distance. Some companies even see an advantage in allocating investment to other countries as a way of generating more business for the Swedish subsidiary. The "Baltic Sea Region" does not mean a great deal to companies, although Swedish subsidiaries often have some kind of coordinating function and reporting responsibility for Scandinavia or the Baltic states. Many companies also highlight high cost levels and a lack of drive and dynamism as disadvantages in Sweden. Labor market rules and regulations need to be reformed, with first priority being a relaxation of the Employment Protection Act (LAS). One burning issue is the poor integration of foreign labor in the Swedish market, a factor that many companies believe limits the availability of qualified personnel.

Few companies have observed any specific changes in Sweden's business climate due to policy decisions or rule changes with a perceptible impact on their operations in the last five years. Certain EU directives have had sector-specific impacts, but these have not been confined to operations in Sweden.

Companies do not give any specific imperatives for operating in Sweden: the country has no unique attributes or conditions that set it apart from competitors in Europe. The companies are here largely for historical reasons, because it is an interesting market, or to follow their customers. These factors are practically speaking independent of the quality of the business climate.



# Skills and expertise

- No acute problems, but longer-term concerns exist
- Shortage of specialists
- Difficulties in recruiting from abroad

Companies interviewed reported relatively good access to skills in Sweden today. The country continues to produce top-quality civil engineers, with some weaknesses in basic knowledge being offset by high levels of personal independence and excellent problem-solving skills. The companies saw no acute problems but expressed concern over long-term access to skills, particularly specialists and qualified industrial workers. Technical and specialist skills are currently not superior to many other parts of Europe and in many sectors are inferior to countries such as Finland. The Swedish labor market is relatively small and suffers from chronic personnel shortages in various areas of key importance to industry. Regeneration in these areas is also low as the careers in question lack popularity among the younger generation.

## Regional recruitment provides competitiveness

Although many companies have special skills development programs, they often manage their needs on a day-to-day basis. Here, particular difficulties arise when it comes to attracting staff to work in smaller towns and locations. Staffing companies are important suppliers of labor, especially to the manufacturing industry. A combination of cooperation with regional universities, strong contacts with local authorities, and local marketing has proven a successful long-term approach for companies in this area. Some of the companies in this category are world-class businesses that access skills from local and regional catchment areas.

Companies interviewed stressed the importance of improving the education system. Many expressed the view that Sweden has lost ground in this area. Education needs to be strengthened to ensure pupils have strong basic knowledge in subjects like mathematics already at elementary school level. This is seen as a matter of crucial strategic importance for Sweden.

## Foreign recruitment not a matter of course

Recruiting staff from abroad is difficult, time-consuming and not always successful. Companies are not always able to offer the salary and benefit levels required, particularly to people from the US and Western Europe. Moreover, Sweden is not a particularly attractive destination to foreign personnel, though companies' experience is that most are very happy once they have spent time in the country.

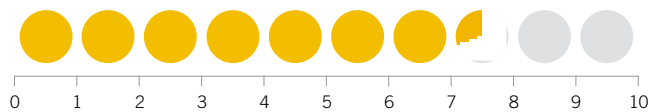
It is, however, important not to exaggerate the need to recruit from abroad. Companies are not over-enthusiastic about it and tend to prefer local solutions. Recruiting and installing foreign staff is resource-intensive.

The special tax regime whereby key foreign personnel qualify for a reduced rate of income tax can rarely be utilized and needs reform. Companies regard the tax break as complex, unpredictable and subject to long delays in processing. Only rarely does it act as an incentive during a recruitment process. Typically, employers opt to offer remuneration packages that are equally competitive to the employee's terms and conditions at home.

Some companies, particularly in the consulting and IT sectors, often seek to circumvent the problems attached to full-time foreign placements by encouraging employees to work abroad in countries like Sweden on a monthly basis.

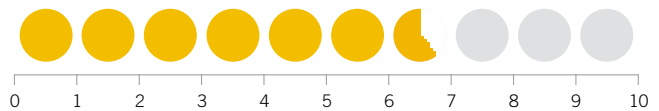
*7.3 out of 10*

*General access to skills*



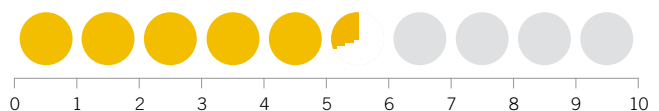
*6.6 out of 10*

*Specialist skills*



*5.3 out of 10*

*Foreign recruitment*



# Taxes and costs

- Competitive corporate tax regime
- Personal tax rates a long-term obstacle for Sweden
- Total salary costs are too high

Sweden has a reputation, partly endorsed by international benchmarking, as a country of high taxes and costs. But the reality is more subtle. Businesses agree that Swedish corporate taxes are competitive – or at least not a negative factor in investment decisions. The current nominal corporate tax rate of just over 26 percent is seen as acceptable in European terms. However, many companies would like to see a level of 20-25 percent to fend off increasing competition from Eastern and Central Europe.

Many interviewees stressed their role as representatives of multinationals with the opportunities and resources to influence their total tax bill. A few percentage points here and there in national corporate tax rates are relatively unimportant because profits can be apportioned between group companies.

One very important question facing industries like life science is the need to make tax frameworks more favorable for venture capital and private equity. Many companies also want to see tax incentives for R&D to keep them competitive with equivalent operations elsewhere in Europe.

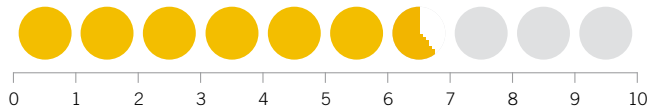
## Income taxes too high

There is also agreement that high personal taxes are a problem for Sweden, even in the absence of any directly identifiable impact on Swedish business operations or competitiveness.

The problem relates rather to long-term incentives for education, work and investment, which are increasingly too weak. Many companies highlight opportunities for private wealth building as a key driver of entrepreneurship and a prerequisite for having strong business owners. High personal taxes also lead to tax wedges that are expensive for companies to compensate for, hampering recruitment from abroad. This is especially the case for the US and

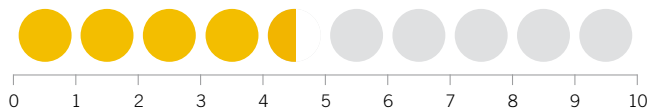
6.6 out of 10

Corporate tax



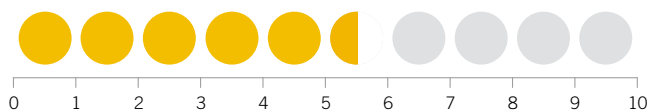
4.5 out of 10

Personal tax



5.5 out of 10

General cost level



large parts of Europe, where salaries are higher. The argument that access to public services compensates for the Swedish tax burden has some validity but does not work in a recruitment process. Individuals focus on disposable income and have difficulty in weighing in other factors.

## Cost reality not clear-cut

Sweden is widely regarded as fairly expensive, but the reality is less clear-cut. In European terms, some companies say Sweden performs well; others say Sweden performs less well. In truth, there are probably differences between sectors, positions and qualifications – and these differences make it difficult to make generalized comparisons with the US and other European nations. In addition, social security charges apply at different points in the chain and in different situations. Nevertheless, there is relative unanimity among companies that total salary costs, meaning salary and social security charges, are relatively high in Sweden and that social security charges should be reduced.

# Infrastructure

- Excellent roads and air transport
- Major potential for improvement on the railways
- IT and telecom is solid but Sweden no longer leads

Sweden's infrastructure received high marks across the board, though the wide differences in individual companies' transport and communication needs should be pointed out. For logistics companies, transport is a core business, while other firms use the roads, for example, only for personal transport to and from work. As throughout the report, the opinions expressed reflect the extent to which Swedish conditions meet the need of the companies concerned. Hence, logistics companies gave considerably lower grades than the average, especially for railway transport.

## Highest marks for roads and IT

Few companies have serious complaints about infrastructure quality. At the same time, firms say they do not expect Sweden's infrastructure to compare with that of densely populated southern Germany, for example.

Where problems have arisen they have often been solved at local and regional level, with strong backing from the municipal authorities. The road network received a strong approval rating. However, the railways underperformed all other modes of transport, with companies regarding the network as under-dimensioned and underused in relation to its potential.

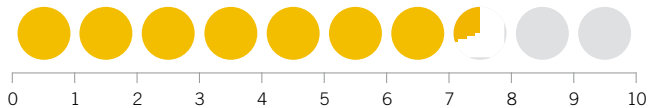
Air transport received high marks, though companies said journey times were long due to excessive numbers of connecting flights and insufficient departures. Here, local and regional initiatives have sought to improve travel links with Europe. Maritime transportation was only relevant to a minority of companies but received high marks.

Many companies remarked on a lack of political leadership on key decisions that need to be taken in the transport sector to reduce environmental and climate impacts. This has a negative effect on willingness to invest.

IT and telecom infrastructure received very high marks, even among IT companies. However, Sweden is seen as having been leapfrogged by a number of other countries and is no longer regarded as a leader in IT and telecom infrastructure.

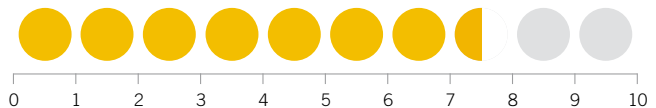
7.3 out of 10

General infrastructure



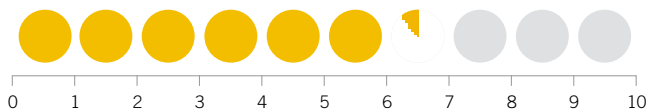
7.5 out of 10

Roads



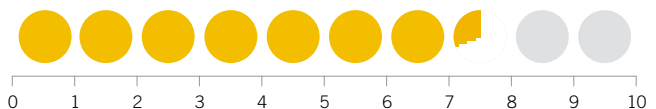
6.1 out of 10

Railways



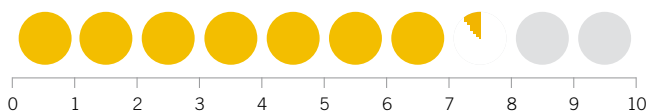
7.3 out of 10

Maritime



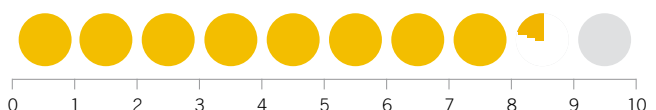
7.1 out of 10

Air



8.2 out of 10

IT and telecom



# What the future holds for Sweden

- Dialog to shape policymaking
- Competition from many surrounding countries
- Risk that investment in Sweden will level out

Companies want the government and policymakers to show greater knowledge of and interest in their business realities and problems. They want to see a longer term approach and for political decisions to be based on more rigorous impact assessment analyses. Many companies also desire clear strategic thinking from the government when it comes to Sweden's future in a global market. They see closer dialog between business and government as a tool for improved policymaking through greater understanding of business conditions and imperatives but reject any return to traditional industrial policy.

## Europe's return

Different companies have different motives for being in Sweden. Service companies follow and stay close to their customers in Sweden without paying much heed to the business climate. Some services can only be provided locally. Other companies have a long tradition in Sweden and are disinclined to move. Few enterprises can pinpoint special reasons for being in Sweden other than it is where the company has its business roots or that it is an interesting market with important customers.

Swedish competitiveness for advanced and knowledge-intensive production of goods and services remains strong, but many companies in Sweden compete with alternative locations in some areas of their business.

Moving production to low-cost countries such as China and India is seen as a natural step under the right circumstances. However, there is awareness that relocation also poses potential risks – such as quality, control and staff turnover issues, and rising costs.

For Sweden, the relocation trend raises the prospect of increased competition with other European countries for facilities owned by foreign companies. This would appear to be confirmed by the fact that some business leaders identified other European countries as alternatives to Sweden.



There is strong business support for Swedish membership of the European Monetary Union as this would reduce red tape and costs. Nevertheless, companies stressed that they regard EMU primarily as a political issue.

## Running on empty

Only a few of the companies interviewed see opportunities for future growth in Sweden. Differences in attitudes to this question were mainly company-specific, though service companies saw greater growth potential than manufacturing companies. Most companies plan to keep employment and investment at current levels, or to make cutbacks in these areas. Reasons here include increasing efficiency which makes downsizing possible; the fact that many companies see the Swedish market as saturated; and general and specific shortcomings in the business climate that hamper expansion. Also, the need for a long-term political agreement on energy is particularly important to basic industries.

Nevertheless, companies expressed a positive view of Sweden's basic ability to compete globally – and in this context emphasized the importance of high-quality education.

# List of participant companies and interviewees

ABB	Sten Jakobsson
Adecco	Hans-Peter Lindqvist
Aga Linde	Jan Bäckvall
AkzoNobel	Jan Svärd
AstraZeneca	Sverker Ljunghall
Atria	Björn Widegren
Bombardier	Klas Wåhlberg
Capio	Åke Strandberg
Carlsberg	Otto Drakenberg
Danske Bank	Leif Norburg
DHL	Lars Jordahn
Eisai	Christer Ahlberg
E.ON	Lennart Fredenberg
Flextronics	Björn Burklint
Fortum	Christian Lundberg
G4S	Monica Lingegård
GE	Hans Enocson
HeidelbergCement	Jan Gånge
HP	Roland Vejdemo
IBM	Johan Ekésiö
Keolis	Erik Bech-Jansen
Kone	Juha Mennander
Logica	Stefan Gardefjord
Manpower	Lars Forseth
Metso	Anders Björn
Moelven	Lars Atterfors

M-Real	Peter Kinell
Outokumpu	Lennie Frykman
Parker	Anders Hagberg
Pfizer	Sven-Eric Söder
Phadia	Magnus Lundberg
Preem	Michael G:son Löw
Procordia	Mikael Aru
Saab Automobile	Jan Åke Jonsson
SAS Institute	Liselotte Jansson
Scania	Leif Östling
Schibsted	Gunnar Strömblad
Siemens	Jan-Erik Rydén
SITA	Mårten Widlund
Skandia	Hans G Svensson
SmurfitKappa	Lars Heidenberg
Sodexo	Christer Petrén
St Jude Medical	Magnus Öhman
Stora Enso	Christer Ågren
TCS	Amit Bajaj
Toyota Industries	Håkan Schill
Veolia	Tomas Wallin
Wipro	Olov Larsson
WSP	Rikard Appelgren
YIT	Fredrik Sederholm

N.B. Some of the interviewees have changed jobs since being interviewed.

# Appendix

## SWEDEN'S BUSINESS CLIMATE – INTERVIEW GUIDE

### I. The company

1. What is your company's main business in Sweden?
2. In what way, if at all, does being part of a global group influence the Swedish business?

### II. Economic conditions and outlook

3. What challenges do your company's Swedish operations face in the next three years, and how do you see the future? Can you say anything about the next ten years and, if so, what?

### III. The market

4. What, if anything, does the Baltic Sea region mean to your company's Swedish operations?
5. Does your company use Sweden as a test market for products and services? If so, what results have you seen?

### IV. Business and investment climate

6. How would you grade Sweden's business climate on a scale of 1 to 10 (1 = very poor, 10 = excellent) on behalf of your company? What are the reasons for your grade?
7. Does your company have any special reasons for having presence in Sweden? If so, what are they?
8. What are the key advantages and disadvantages of Sweden for your company?
9. What factors would you highlight as having improved and worsened Sweden's business climate in the last five years? Which of these has been most important to your company's Swedish business?
10. Is Swedish research competitive? Do companies need special incentives to invest in R&D?
11. How would you describe your company's access to skills in Sweden in the short-term and the long-term?
12. Does a Swedish business culture exist? If so, how would you describe it and is it an advantage for Sweden? What impact does it have in your company?
13. Is Swedish corporate taxation competitive? What areas are there for improvement?
14. Are personal taxes a major issue for your company in Sweden and, if so, how?
15. Is the ability to recruit managers and specialists from abroad a major issue for your company in Sweden? Do you have any experience of the tax relief for key foreign personnel that was introduced in 2001? How could the system be improved?
16. Is Sweden's transport and communications infrastructure competitive? Are there any shortcomings that need to be remedied?
17. Can Sweden do anything to strengthen its attractiveness as a location for corporate or regional headquarters and, if so, what?
18. What role should the government and policymakers play in promoting Sweden's business climate?



*Appendix cont.***SWEDEN'S BUSINESS CLIMATE – INTERVIEW GUIDE**

19. Do you see any need for cooperation between your company and public actors such as government agencies and Sweden's research community? If so, how do you define them?
20. Do any specific national or international issues concern you with regard to your company's operations in Sweden?
21. What are the most important competitor countries to your company's Swedish operations in terms of potential relocation of R&D, manufacturing or other group businesses?
22. Would Swedish membership of the European Monetary Union affect your company's Swedish business and, if so, how?
23. What channels does your company use to lobby the government on conditions for doing business in Sweden?
24. Do you have any particular observations concerning your company's Swedish operations that you would like to add to this report?

Invest in Sweden Agency (ISA) is a government agency that actively promotes different forms of investment by foreign companies in Sweden through the provision of information and by facilitating contacts.

Examples of investments include new businesses, expansion, cooperation agreements, strategic alliances and mergers and acquisitions.

ISA is headquartered in Stockholm and has offices in the US, Japan, China and India. It also works closely with many public and private actors, in Sweden and abroad.

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