



THE ICT SECTOR IN SWEDEN

-A Key driver of Sweden economic growth-

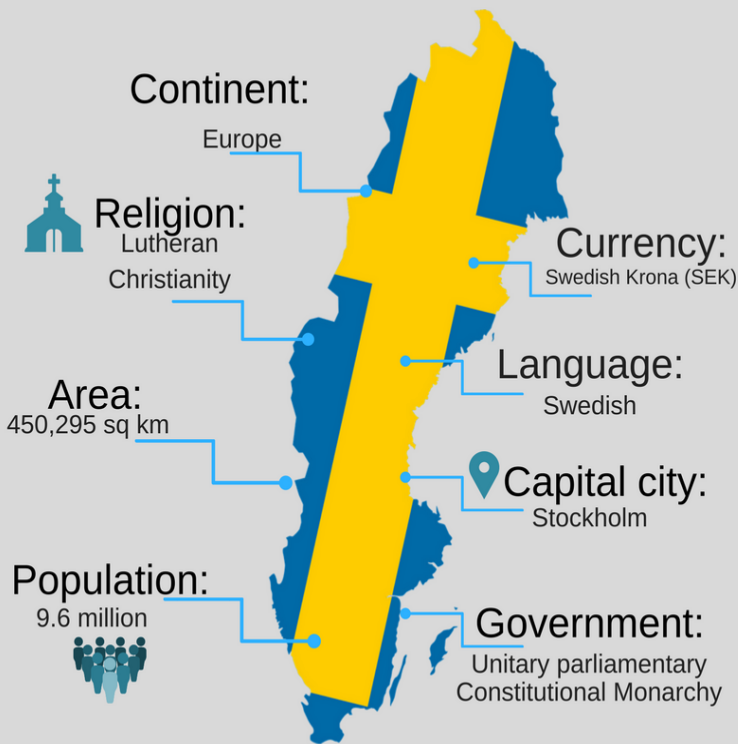


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Ministry of Enterprise and
Innovation

Consultant:



SWEDEN COUNTRY PROFILE



ECONOMIC ASPECTS

GDP:	511 Billion USD
GDP per capita:	49.410 \$
Life expectancy at birth:	82.3 years
Exchange rate (AUD/USD):	8.56
Tax on corporate profit:	3 %
Real GDP growth:	3.3 %
Inflation rate (CPI):	1.0 %

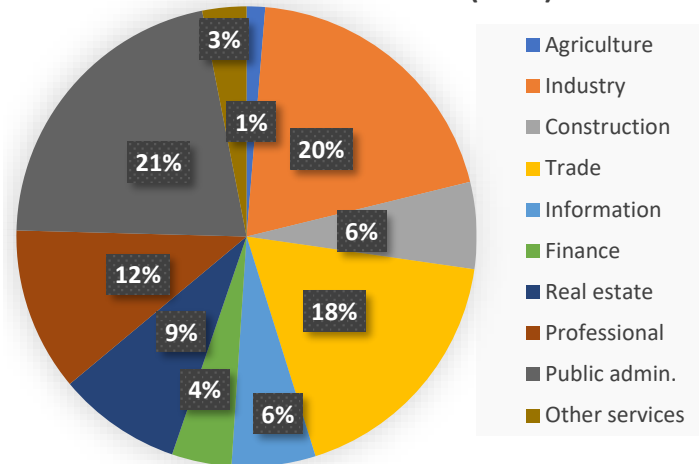
INSTITUTIONAL ASPECTS



Business freedom:	90.8 %
Trade freedom:	87.0 %
Investment freedom:	85 %
Property rights:	88.6 %
FDI inflows:	18. 746 Mln USD
FDI outflows:	19 955 Mln USD



Economic structure (2016)



SOCIOECONOMIC AND CULTURAL ASPECTS

Total Population:	9.6 million
Population growth rate:	0.9%
Total fertility rate:	1.9 %
Infant mortality rate:	2.5
Unemployment rate:	7.0%
Population below poverty line:	15%

The aim of this report is to present the characteristics of the ICT sector in Sweden in order to attract new investors. Sweden offers a dynamic environment for the development of information and communication technologies, innovation and multiple investment opportunities in telecom, web, industrial IT, computer games, e-commerce, imaging and e-Health.

OVERVIEW

Sweden is a Scandinavian country in Northern Europe. It borders Norway to the west and north and Finland to the east, and is connected to Denmark in the southwest by a bridge-tunnel across the Öresund.

Sweden joined the European Union on 1 January 1995, in a 2003 referendum the Swedish electorate voted against the country joining the Euro currency. Sweden is the ten-richest country in the world in terms of GDP (gross domestic



product) per capita and it has achieved an enviable standard of living with its combination of free-market capitalism and extensive welfare benefits. Sweden is an export-oriented mixed economy. Timber, hydropower and iron ore constitute the resource base of an economy with a heavy emphasis on foreign trade. Sweden's engineering sector accounts for 50% of output and exports, while telecommunications, the automotive industry and the pharmaceutical industries are also of great importance. The country ranks among the highest for telephone and Internet access penetration.

ICT KEY FIGURES

The Swedish ICT sector is the largest in the Nordic region, and it is expected to grow at an average of 5% until 2017. According to the OECD definition, the ICT sector encompasses both the production of goods, IT and telecom products and services, telecommunication services, and data operations. The ICT sector is one of the dominating sectors in Sweden, and is one of the few industries whose turnover, as well as the number of employees, increased during economic downturns. According to the trade organization Swedish IT and Telecom Industries (IT & Telekomföretagen), the ICT business can be divided into four major segments:

1. Hardware Production
2. Hardware Sales and Services
3. Tele-and Data-Communication Services
4. Software Products and IT Services

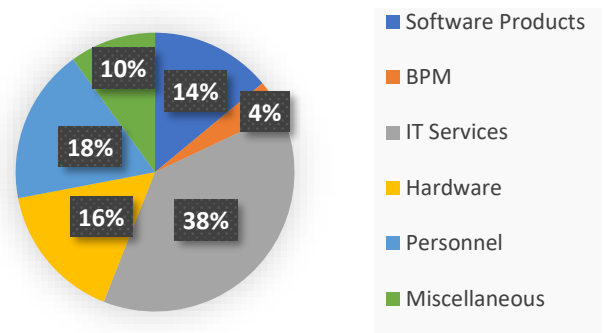
In 2012 the sector had a turnover of approximately 555 billion SEK. Sweden is thus one of the leading ICT countries in the world, with a strong industrial basis, a high usage of IT in both the private and public sectors, and a solid expansion of IT companies.

IT SPEND: \$ 23 BILLION (2016)

IT SERVICES AND BPM: \$ 10 BILLION

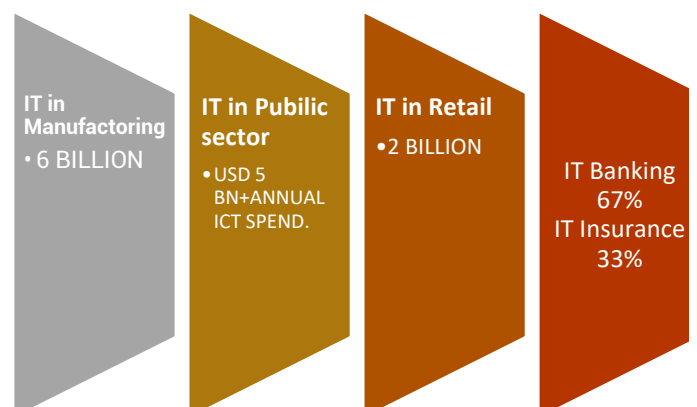
64% SWEDISH ORGANIZATION TO INVEST IN DIGITALIZATION

IT spend Sweden by type



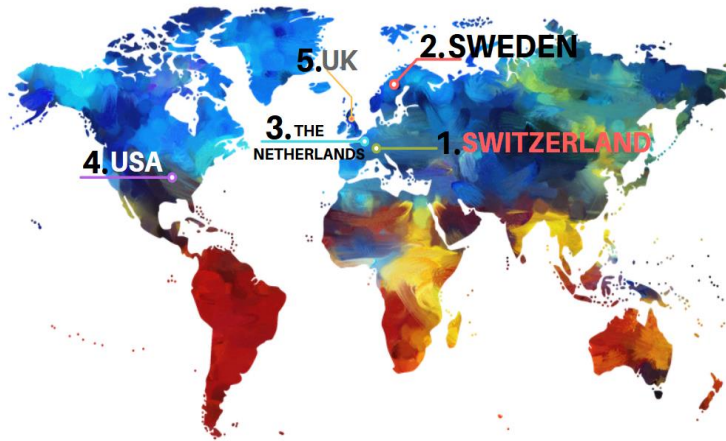
The Swedish IT services market is a large and dynamic industry that has shown growth over the years.

IT Spend Sweden by sector



START-UPS AND TECHNOLOGY INNOVATION IN SWEDEN

WORLD LEADERS IN INNOVATION



According to the Global innovation system 2017 at the global level, Sweden is the second most innovative country, preceded only by the Switzerland. On the European level instead it is the first, followed by Denmark, Finland and Germany.



Stockholm #2
worldwide in unicorns
percapita after Silicon
Valley

#2 Global
Innovation Index



#3 In the world for
networked
readiness

3.2 % of GDP spent on
R&D - more than any
European country

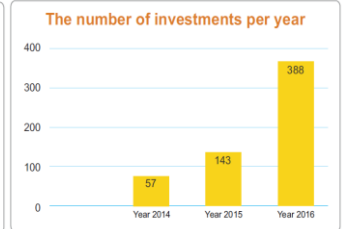
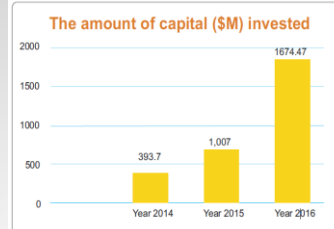
R&D

Sweden, and particularly **Stockholm**, has been a strong source of IT start-ups and is one of the leading global innovation centres for startups. The strength of internet connectivity, local technological literacy, the skills base, high device penetration and state support are all identified as contributing to the success of firms. For instance, Skype was created by Swede Niklas Zennstrom in 2003; Ebay acquired the video chat application for \$2.6 billion in 2005, followed by Microsoft for \$8.5 billion in 2011. Music streaming service Spotify was founded in Sweden a decade ago by Daniel Ek and Martin Lorentzon.

Global success of Swedish-born games like Minecraft and Candy Crush has made the Stockholm-Uppsala region the second largest hub of game developers in Europe after London. Various opportunities exist for international companies in partnerships, licensing or acquisitions.

USD 1.6 MN
AMOUNT INVESTED IN 2016 IN
START-UPS IN SWEDEN

+60%
GROWTH IN CAPITAL INVESTED



Stockholm is a hotspot for ICT innovation. The region has a highly skilled and creative workforce with years of experience developing pioneering ICT solutions. Stockholm is the world's leading region for expertise in mobile and fixed communication. Some of the most important mobile communication technologies including GSM, wCDMA and LTE originate in the Stockholm region. Ericsson, with headquarters located in Stockholm, has been instrumental in this development and has the skillset and ecosystem necessary for delivering the mobile solutions for the future be it 5G or small cell solutions. There is also a strong skill set in life science, finance, e-commerce and media related ICT. There is also leading clusters in game development and online gaming.

The Swedish capital is home to 134 of the fastest growing private companies in Europe, according to the 2017 Inc. 5000 Europe. Based on private companies' three-year revenue five of the top 10 companies hail from Stockholm.

The image shows companies that have expanded from a base in Sweden to become global corporations. Some of these are now foreign-owned or have merged with other entities.



Decades of experience within the areas of telecoms, wireless, electronics, computer game development and web applications/design, make Sweden an ideal place for ICT related R&D. Apple, ARM, Electronic Arts, Ericsson, Google, Huawei, IBM, Intel, Mediatek, Opera, Qualcomm, RIM, Skype and Sony as well as many others are in Sweden to develop their technologies.

Reasons to invest in Swedish ICT

“Sweden is one of the two or three leading countries in the world when it comes to new technologies. If you’re curious about new trends, just come and take a look at Sweden.” Steve Ballmer, Microsoft

Sweden Ranked #1 in “Best Countries for Business 2017” Ranking by Forbes.

A world leading ICT nation, evolving into one of the first truly mobile and online societies.

A leader in the convergence of mobile and Internet technologies and the development of 3G services.

Economy, engineering, research and highly skilled employees at competitive costs.

Dynamic ICT clusters and science parks with close cooperation between industry and universities

Strategic position as a hub for the northern European market.

Sweden is the most creative country in Europe, able to attract the world’s most talented workers and gain a competitive edge.



“The key to competition in the future is who can attract creative people on a global scale.”
Professor Richard Florida, Financial Times



Swedish commercial legislation is adapted to both foreign investments and international trade. There are no restrictions on ownership or operations of foreign companies.

Internet usage is high and most services are available online. The infrastructure is well developed in communications and transportation as well as energy

Sweden's tax structure is transparent and efficient. Corporate Income tax in Sweden is low by international standards. The corporate tax rate is 22 percent.

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