



Sweden
Sverige

Capturing the next frontier

Global Business Climate Survey 2023

Inside perspectives from Swedish companies
on doing business abroad

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Preamble

International trade and competitive Swedish companies are part of the foundation on which Sweden has traditionally built its prosperity. What for several decades in Sweden have been two different ministerial portfolios – international development cooperation and trade – is now one. It is a historic change. There are several reasons for that. We are a government that believes in the power of business and entrepreneurship. To create new products and services, but also as a springboard for more countries to be able to leave poverty behind and build economic growth. Just look at our own journey. It was not aid that took Sweden from being an impoverished barren country in a corner of northern Europe, to a prosperous industrial country. It was trade and business, market economy and private property rights. Rule of law and entrepreneurship. And that is exactly what will be the key for the countries in the world that still have the journey ahead of them that we have done.

The task of politics is to ensure that companies have good conditions to be able to do their job and expertise. That makes companies well positioned and at their full potential. During the Swedish EU presidency in 2023, we have had a good impact on our most important priorities. For the first time in a long time, competitiveness in the EU is being discussed. And it happened under Swedish leadership!

Today, Sweden and Swedish industry is facing a compound of new challenges. Heightened geopolitical tensions, increasing international competition for raw materials, supply chain pressures, a rise in protectionism and regional trade conflicts make it even more crucial to have a good understanding of the constraints and pressure points facing Swedish business in the global market. It is my belief that this report contributes to just that. The needs and demands of Swedish companies must be the starting point for any measures and activities by the Government to promote and support Swedish industry's trade and expansion abroad. It is not least for this reason that the Global Business Climate Survey of 2023 and its key insights, are so important and timely as we prepare to strengthen and revitalise Sweden's export promotion activities.

I wish to sincerely thank all of you who have contributed your knowledge and experience to this report. You thereby share your know-how with others considering the path to going global. And essentially, what is good for Swedish companies is good for Sweden.



Johan Forssell
Minister for International
Development Cooperation
and Foreign Trade

Johan Forssell
Minister for International Development Cooperation and Foreign Trade

Optimistic outlook despite new roadmap

The global economy is slowing down and world markets are adapting to a new reality. The era of negligible price increases and interest-free loans is over. The Covid pandemics' initial blow to economic activity was followed by an equally dramatic upswing in demand. But supply could not keep up with the sudden surge as companies had cut production capacity and as international container traffic was paralysed by lockdowns in the world's ports. A household spending spree was fuelled by the launch of massive Covid relief packages in Europe and the US. The ensuing imbalance between supply and demand resulted in the onset of inflation in the Western world of a magnitude that has not been seen for decades.

Another supply chock then hit the global economy. Russia's full-scale military attack on Ukraine triggered an energy crisis across the European continent and rising prices on world commodity markets, not least for agricultural products.

Central banks are now taking action to bring down inflation with a series of interest rate hikes at record pace – a path pursued by the US Federal Reserve, the European Central Bank, Sweden's Riksbank and others. Inflation has certainly cooled, but a permanent increase in price levels and rising interest rates have diminished households' purchasing power substantially. This year, economic growth will fall short of one per cent in Europe. In the US, growth will barely exceed one per cent. Asia will fare considerably better and is for the moment the world economy's growth engine, even though the latest available data have raised doubts on the strength of China's economic recovery.

Global GDP growth will fall back from little over three per cent last year to just above two per cent this year and next. At the same time, the already slow development of world trade shows signs of further deterioration. Foreign direct investment, FDI, is held back by the weakening global economy and an unpredictable geopolitical landscape. Company mergers and acquisitions activity has been notably subdued since the second half of 2022, and the outlook does not point to a rebound any time soon. For now, companies are fully focused on keeping costs down and streamlining operations to maintain competitiveness and cope with the economic slowdown.

In this dampened economic environment, we are nonetheless delighted to present the results of the Global Business Climate Survey 2023 which is conducted jointly by Business Sweden, the Swedish Chambers of Commerce (SCI) and Sweden's embassies and consulates.

The results show that many Swedish companies – particularly in manufacturing – continue to be successful abroad, and their view of the business climate in some emerging markets has improved markedly. Swedish companies are generally profitable, they are inclined to invest locally and are adept at leveraging Swedish brand values. Last but not least, Swedish companies are clear winners in the ongoing green and digital transition as they pioneer the development of innovative and climate-smart solutions.

We look forward to continuing our work to support their strategic planning. With a global presence and unwavering commitment, we provide the analysis, local expertise, key contacts and practical assistance to help Swedish companies maximise their potential and gain ground in new markets.



Jan Larsson
CEO,
Business Sweden



Andreas Hatzigeorgiou
President,
Swedish Chambers
International (SCI)

Jan Larsson
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Andreas Hatzigeorgiou
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Global BCS covers:

+1,600 respondents from **23** markets
where Swedish companies are active

Current business climate

Most positive
business climate
in some emerging
markets

Industry turnover

66%

of Swedish companies
expect their industry
turnover to increase

Future investments

48%

of Swedish companies plan
to increase their investments
slightly or significantly in
the next 12 months

Top 3 success factors

1. Cost efficiency
2. Sales competence
3. Brand awareness



Brand Sweden

81%

of Swedish companies abroad
consider *Brand Sweden*
to be beneficial for business



Most satisfying local conditions

1. Personal safety
2. Suppliers
3. Service providers

Least satisfying local conditions

1. Licenses and permits
2. Corporate taxation
3. Labour market regulation

Environmental considerations

43%

of respondents find that environmental
aspects have high or very high importance
in customers' purchasing decisions

Trade barriers

- Regulations
- Custom procedures
- Financial access
- Custom duties

Executive summary

This report captures Swedish companies' collective views on the current business climate and future expectations in 23 markets globally, where their local presence has given them invaluable experience.

The over 1,600 respondents are sending a clear message:

Swedish companies are cautious going forward in developed markets while increasingly optimistic in some emerging markets.

THE FOLLOWING KEY INSIGHTS SUPPORT THIS MESSAGE:

- Swedish companies' views on the current business climate have improved in some emerging markets, while dampened in the majority of the developed markets. Despite this, the business climate index for Swedish companies in North America and Western Europe still indicates positive sentiment.
- A majority of Swedish companies were profitable last year. The Americas region had the highest share of companies reporting profitability, while China and Hong Kong reported the lowest percentage of profitable companies. Respondents from large industrial companies showed the highest profitability gains.
- 66 per cent of the Swedish companies expected an increase in industry turnover, which is a more moderate result compared to 2022. The least optimistic expectations were reported in Germany, Portugal, Hong Kong, Taiwan, and Vietnam, where less than 60 per cent of Swedish companies expected an increase in industry turnover. The remaining respondents in Americas, Western Europe, APAC, and MEA+ are cautiously optimistic in terms of their turnover expectations.
- Globally, 48 per cent of Swedish companies plan to increase their investments in the next 12 months, which is 7 percentage points less than last year. From a regional perspective, the Americas have the largest investment share while from a market perspective, Canada, Brazil, and India top the list for planned future investments.
- Swedish companies abroad rank cost efficiency, sales competence, and brand awareness as the top three success factors for competitiveness. The results differ between the regions – Swedish companies in the Americas consider sales competence to be the key success factor, while companies in Western Europe, APAC, and MEA+ rank cost efficiency the highest.
- 80 per cent of Swedish companies consider "Brand Sweden" to be a strengthening factor for their business. Similar to last year, 'Brand Sweden' is seen as an important factor by companies in Western Europe and APAC, but to a lesser degree in the Americas.
- Swedish companies emphasised the following key conditions for succeeding in local markets: personal safety and access to suppliers, service providers and distributors. The results for Western Europe, Americas, and APAC stand out in terms of access to suppliers and service providers, personal safety, and physical infrastructure. In the MEA+ region, companies in the UAE are very satisfied with local conditions while respondents in South Africa have low satisfaction levels.
- A slightly increased share of Swedish companies abroad – currently above 40 per cent – confirm that their customers care about the environmental aspects of products or services in their purchasing decisions. Compared to last year, companies in Western Europe maintained their high evaluation of environmental aspects in purchasing decisions, views in MEA+ and APAC strengthened, while the share of positive respondents in Americas remained the same.
- Regulation is the most frequently encountered barrier worldwide that negatively impacts operations, followed by customs procedures. South Africa, Brazil and Türkiye topped the list of markets where companies encounter trade barriers.

Introduction

The Global Business Climate Survey captures the current views and future expectations of Swedish companies abroad. By mapping key insights on economic developments, success factors, local conditions, and sustainability, this survey report provides valuable first-hand perspectives on how to navigate overseas, and gives business leaders the opportunity to compare results across markets and regions.

For the fourth year in a row, the Global Business Climate Survey presents Swedish companies' views on issues related to the business climate abroad and local success factors. The survey compiles the results of local surveys conducted in 23 markets worldwide for Swedish companies. The global survey is conducted jointly by Business Sweden, Swedish Chambers International (SCI) and Sweden's embassies and consulates abroad.

In total, over 1,600 decision-makers answered 18 standard questions on what Swedish companies consider to be critical success factors to remain competitive, such as sales competence, cost efficiency and partnerships. In addition, the report provides an economic outlook based on how Swedish companies describe last year's financial results, including expectations on future turnover and plans for future investments, as well as an outline of how well local conditions are met in various markets and how sustainability factors affect business. By consolidating the collected data, we are building a unique database of viewpoints from Swedish companies on the essential factors to consider when doing business abroad, with the ambition to track changes and developments over time.

The Global Business Climate Survey report is complemented by individual survey reports for each of the 23 markets covered in the global survey where readers can get an in-depth understanding of local business conditions. These reports can be found on Business Sweden's website, through local Business Sweden offices or the Swedish Chambers of Commerce. The survey results are stored in

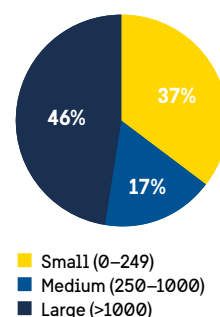
a database that can be used to make further comparative analysis of how companies view local conditions based on company size, sector, age, and other variables.

Since the response rate is high for most local surveys the results can be generalised for the respective markets. The global survey covers four markets in the Americas (US, Canada, Brazil, and Mexico), seven in Western Europe (France, Germany, Netherlands, Italy, Spain, Portugal and United Kingdom), nine in APAC (China, Hong Kong, Taiwan, India, Indonesia, Japan, Singapore, South Korea and Vietnam) and three markets in MEA+ (South Africa, Türkiye, and UAE). More details about survey coverage, recipients, response rates, regional groupings etc are presented in a [technical note](#) at the end of the report.

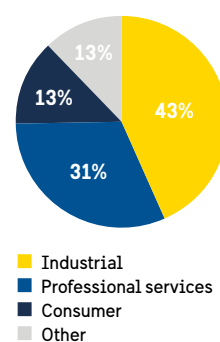
The survey takes into consideration the size, sector, and maturity level of the respondent companies. This year, 46 per cent of the companies are classified as large, 17 per cent as medium-sized companies and 37 per cent as small companies. In terms of sector categorisation, 43 per cent identified as industrial companies, 31 per cent provided professional services and 13 per cent were in the consumer sector. The majority of the responding companies are classified as mature (44 per cent), followed by experienced (38 per cent) and newcomers (18 per cent). The definitions of size, sector and age used in the report follow the segments visualised in the graphs to the right.

Size of firms in survey

Global employees

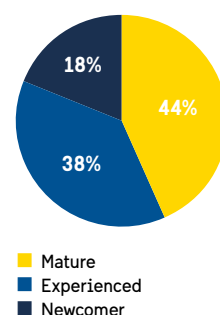


Main sectors



Maturity level

Year of market entry



Business performance and outlook

Swedish companies' views on the business climate abroad differ between developed and some emerging markets. Companies operating in developed markets are less optimistic, while companies in some emerging markets are increasingly optimistic. 68 per cent of respondents reported profitable financial results for last year, 13 per cent reached break-even and 12 per cent had negative results. About half of the companies are planning new investments.

Swedish companies' perception of the current business climate abroad reflects how the respondents perceive day-to-day business processes, which can be impacted by a number of factors – many of them explored throughout the survey. The results provide a valuable indication of how conditions in global markets are developing over time. Most surveys were carried out between March and April 2023.

Globally, the surveyed companies have an unaltered view of the business climate compared to last year's results. The average business climate index for 2023 is 3.5 on a scale from 1 to 5 where 1 equals 'very poor' and 5 'very good'. Views of the business climate have improved the most in India, UAE, Mexico, Hong Kong, and Indonesia. Views of the business

climate in North America decreased slightly compared to last year's results but reached a score above 3.5 which can still be interpreted as very positive.

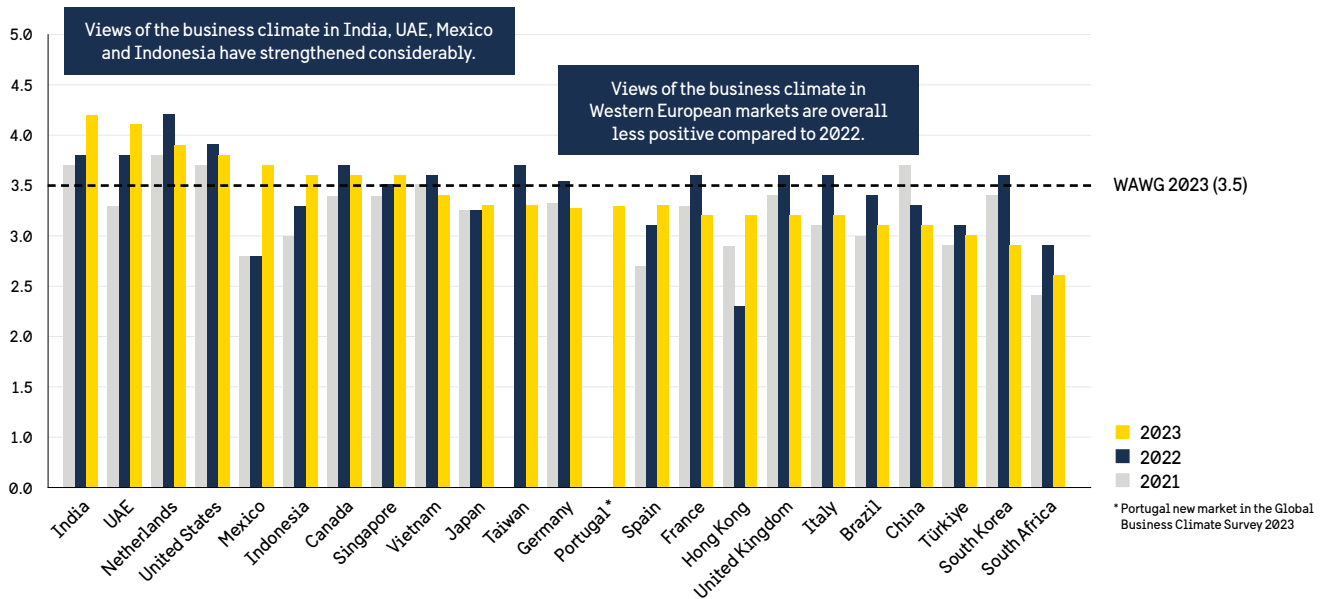
Similarly, markets in Western Europe revealed more negative sentiment compared to 2022, although with an overall score above 3 which remains optimistic. APAC was the region where views differed the most between markets. Swedish companies in China, South Korea, Taiwan, and Vietnam presented less optimistic views compared to last year's results, while companies in Hong Kong, Indonesia and India responded positively. Overall, the business climate has improved in some emerging markets, while sentiment has weakened for the majority of the developed markets in North America and Western Europe.

“ Despite the slowdown in global economic growth, Swedish companies overall seem to be doing well. This indicates that they are prepared for the digital and the green transition, and hopefully some of them can even gain market shares. ”

Lena Sellgren, Chief Economist, Business Sweden

Business climate improves in some emerging markets – weaker sentiment in developed markets

Index measuring Swedish companies views of the current business climate, where 1 equals very poor and 5 very good



“ In 2023, multiple government projects are experiencing a comeback and receiving major boosts in activity and investments, benefiting the entire value chain. ”

Raul Ocampo, Commercial Director Elekta,
Mexico & Central America

To gain an in-depth understanding of how Swedish companies perceive the business climate in local markets, the graph below shows the distribution of responses across the categories ‘very good’, ‘good’, ‘neutral’, ‘poor’ and ‘very poor’. Overall, 8 per cent of respondents perceived the business climate to be very good, 35 per cent good, 44 per cent neutral, 11 per cent poor and 1 per cent very poor. These global results are more cautious compared to 2022, with 8 per cent fewer respondents considering the business climate to be ‘good to very good’. India tops the positive results with 86 per cent of respondents perceiving the local business climate to be good or very good, which is an increase of nearly 20 percentage points compared to last year.

From a regional perspective, markets in the Americas revealed the most positive views, although the results differ between north and

south. Mexico and the US scored higher than the other markets in the region, while Brazil scored the lowest. Swedish companies operating in Western Europe reported that business conditions were generally neutral, except for the Netherlands where most companies have a positive perspective. In the APAC region, the business climate across Southeast Asian markets was perceived to be good or very good, led by India and Indonesia, while Swedish companies operating in East Asia stated neutral or negative results, with the lowest results coming in from South Korea and China.

The answers for the MEA+ region were very heterogeneous. Swedish companies in the UAE confirmed a very positive view of the business climate, while companies in Türkiye were neutral and in South Africa most respondents gave poor results.

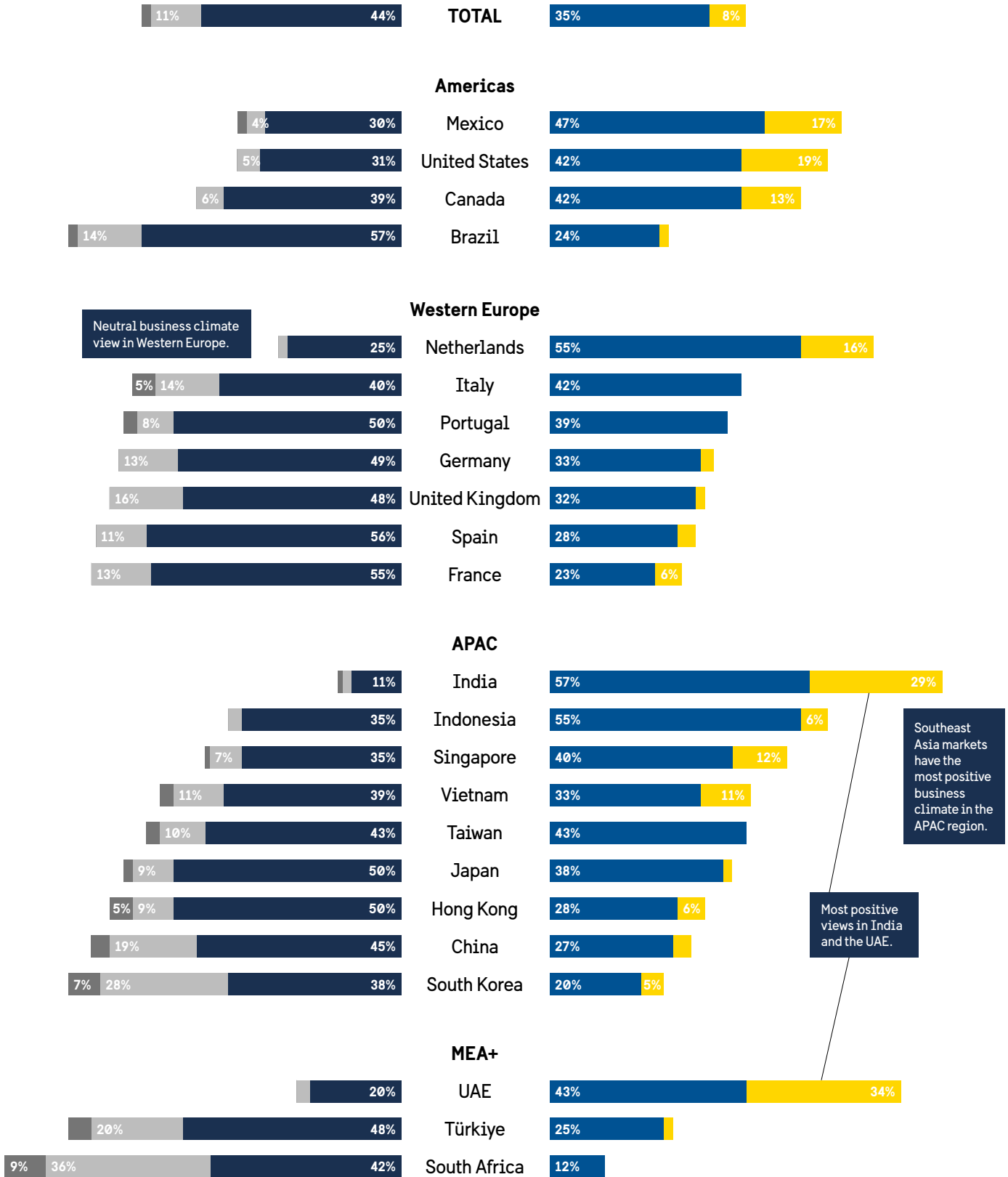
“ The business climate is overall very positive, the best I have seen for the last seven years. ”

Ronald Lichtenecker, Managing Director at Gulf Agency Co (Dubai) LLC

India and the UAE get top marks for business climate in 2023

Index measuring Swedish companies views of the current business climate, where 1 equals very poor and 5 very good. Response percentages may not add up to 100 per cent as 'undecided' answers are excluded in the graph.

■ Very Poor ■ Poor ■ Neutral ■ Good ■ Very Good



Southeast Asia markets have the most positive business climate in the APAC region.

Most positive views in India and the UAE.

Survey question: How do you perceive the current business climate?



“ With war and geopolitical instability on the rise, Canada stands out as a great place to invest and grow our business. ”

Lars Ruuth, Director of Sales SKF, Canada



KEY FINDINGS FROM THE 2022 RESULTS

68 per cent of this year's respondents reported profitable results for the financial year 2022, 13 per cent reached break-even and 12 per cent made a loss. These results are similar to the financial performance for 2021. The results differ depending on company size with almost 80 per cent of large companies confirming profitable performance, followed by 64 per cent of medium-sized companies and slightly above 50 per cent of small companies stating profitability. Differences can also be observed depending on which sector companies operate in, with industrial companies capturing the largest share of profitable performance, 74 per cent,

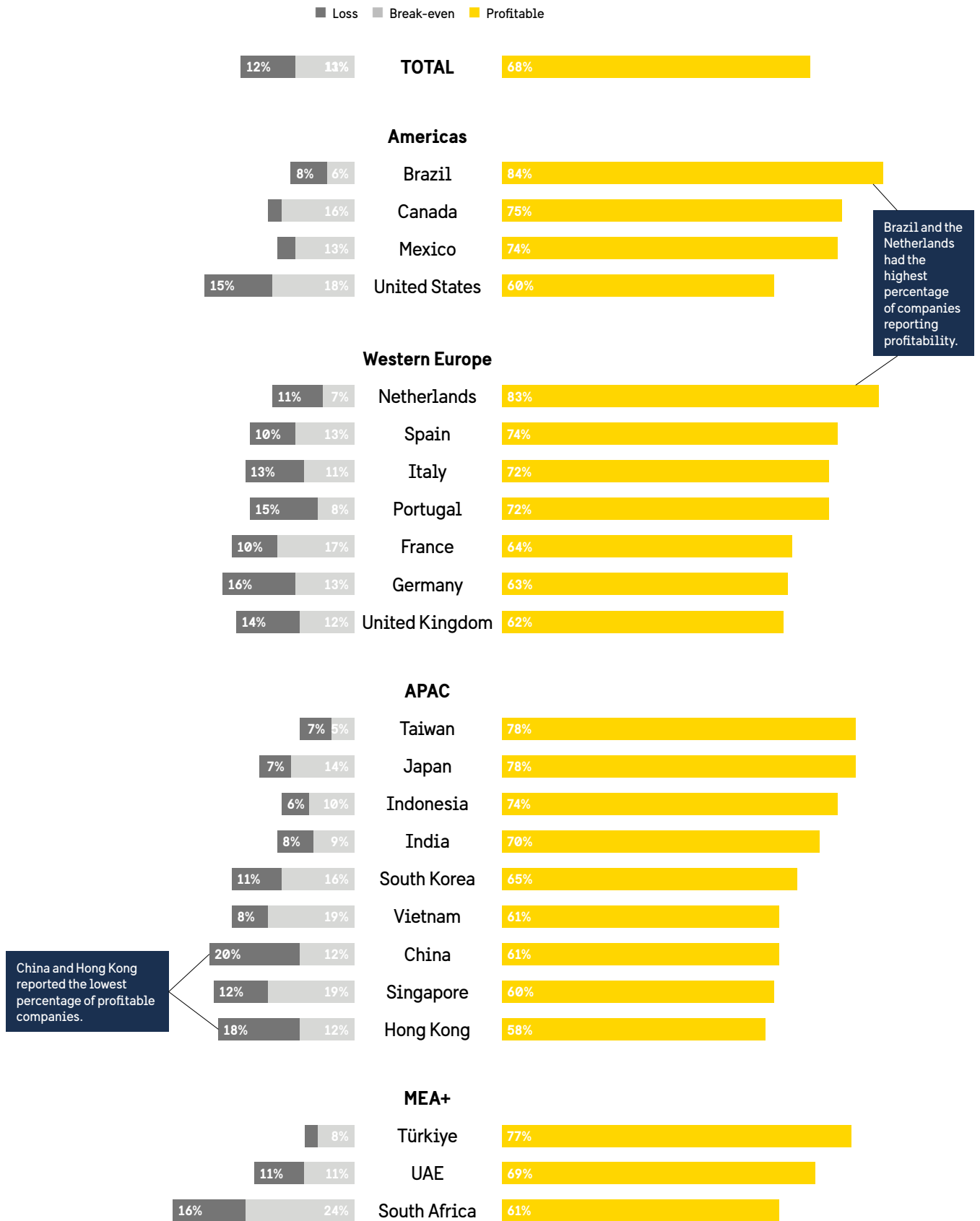
followed by professional services 66 per cent and, lastly, the consumer sector at 63 per cent. Respondents in the consumer sector experienced the highest losses, at 16 per cent.

From a global perspective, more than half of respondents in all markets reported profitable results 2022, with most ending up in a 60 to 80 per cent range. The Americas region had the highest share of companies reporting profitability, led by Brazil, Canada, and Mexico – but Western Europe, APAC, and the MEA+ regions trailed close behind. Looking at individual markets, Brazil and the Netherlands reported the highest percentage of profitable Swedish companies, while China and Hong Kong, had the highest share of negative results.

Americas had the highest share of companies reporting profitability 2022

Share of respondents' reporting on financial results in 2022, per cent.

Response percentages may not add up to 100 as 'undecided' answers are excluded in the graph.



Survey question: How would you describe your company's financial performance in the past year?

LARGE MAJORITY EXPECTING INCREASED INDUSTRY TURNOVER

When respondents were asked about their expectations on industry turnover in the next 12 months compared to the last 12 months, only one market expected the turnover to increase significantly, 17 markets believed that turnover would increase slightly, and 5 markets expected a more pessimistic industry turnover. On average, 66 per cent of Swedish companies expected their industry turnover to increase which is a more cautious result compared to the answers in last year's survey, where 71 per cent reported an increase.

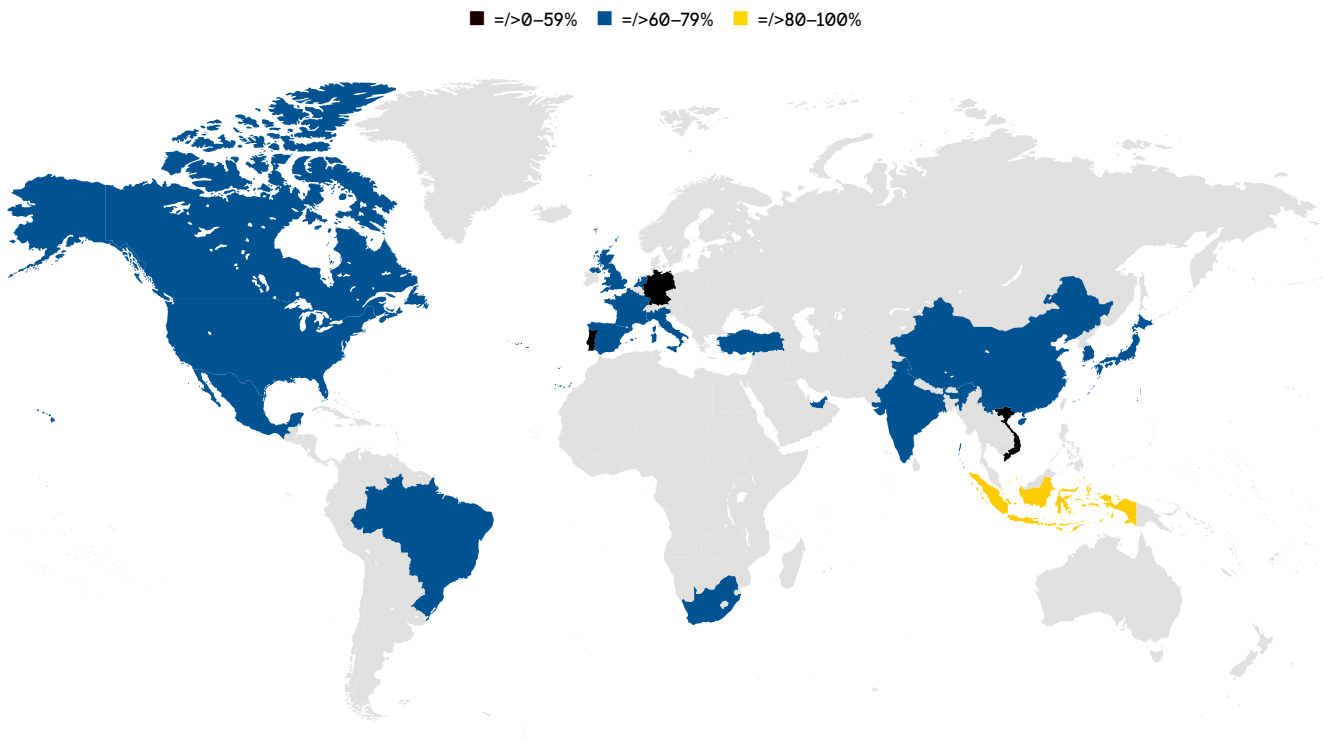
Expectations on turnover in the next 12 months were most positive in Indonesia where

over 80 per cent of companies anticipate an increased industry turnover. Least optimistic expectations were reported in Germany, Portugal, Hong Kong, Taiwan, and Vietnam, where less than 60 per cent of Swedish companies expect an increase in industry turnover. The remaining respondents in Americas, Western Europe, APAC, and MEA+ are cautiously optimistic.

The most optimistic expectations were found among newly established companies, 74 per cent, compared to the most mature companies where 58 per cent expected an increase. This optimism is mostly echoed in the professional services and industrial sectors. In these sectors, 63 per cent of respondents expect turnover to increase in the next 12 months.

66 per cent of Swedish companies expect an increase in industry turnover

Percentage share of Swedish companies expecting industry turnover to increase in the next 12 months, compared to the previous 12 months



Survey question: Compared to the development in the past 12 months, what are your expectations for the coming 12 months for your industry regarding turnover?

FEWER COMPANIES PLAN TO INCREASE THEIR INVESTMENTS

To gain an understanding of how Swedish companies' plan to invest in the next 12 months, the graph below shows the distribution of responses in the categories 'significantly increase', 'slightly increase', 'no change', 'slightly reduce', 'significantly reduce' and 'leave the market'. At a global level, 15 per cent of respondents reported that their companies plan to significantly increase their investments, 33 per cent indicated that they are planning to slightly increase, 34 per cent stated no change, 10 per cent planned to slightly reduce their investments, while 4 per cent answered that they will significantly reduce investments.

Compared to the 2022 results, 7 per cent fewer companies are planning to increase their investments this year. Similar to last year in most markets, companies with more recently established operations ('newcomers') have the highest share of respondents planning to increase investments significantly or slightly, at 57 per cent compared to 50% amongst mature and experienced companies. However, in UAE, mature companies had the highest share of respondents planning to increase investments.

From a regional perspective, like last year results, companies in the Americas have the most ambitious investment plans. APAC comes in second place and has a high

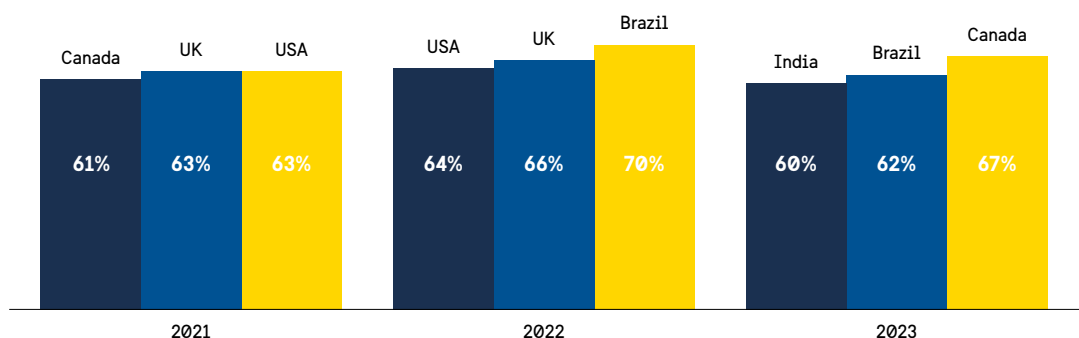
percentage of markets where companies aim to slightly increase their investments, with India in the lead. Investment plans in Western Europe have shifted compared to last year where companies in Southern Europe and in the UK now take the lead as main investors, while companies in Germany and the Netherlands are maintaining current investment levels. More than half of companies planning to increase investments 'slightly or significantly' in the MEA+ region are operating in the UAE. In contrast, respondents in Türkiye and South Africa plan to maintain or reduce their investments.

Looking at specific markets, Canada, Brazil, and India top the list for planned future investments, with more than 60 per cent of companies in each respective market reporting plans to increase investments either 'slightly or significantly'. Conversely, a small percentage of the responding Swedish companies, 3–4 per cent, plan to decrease their investment in Vietnam, South Africa, and Mexico.

When comparing the results across a three-year timeline, we can observe that markets in the Americas have had the most ambitious investment plans, with the US in the lead for 2021, Brazil for 2022 and Canada for 2023. Companies in the UK planned to significantly increase their investments in both 2021 and 2022. This year, some emerging markets such as India have ranked top three.

Canada overtakes Brazil, UK, India, and the US as top investment destination

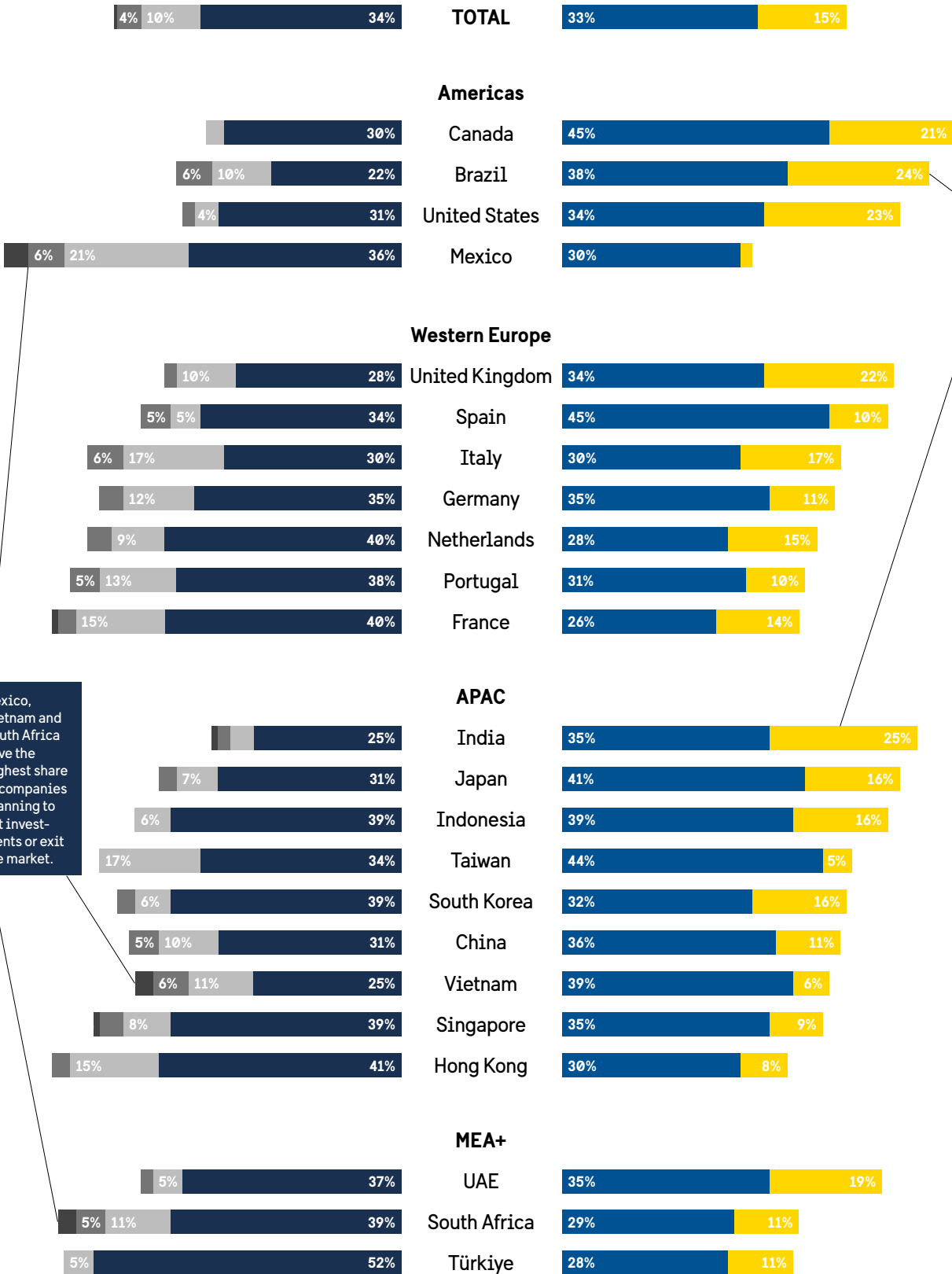
Investment plans in the coming 12 months compared to the previous 12 months, comparison 2021, 2022 and 2023



Most ambitious investment plans in Canada, Brazil, and India

Investment plans in the coming 12 months compared to the previous 12 months, share of respondents.
Response percentages may not add up to 100 as 'undecided' answers are excluded in the graph.

■ Leave market ■ Significantly reduce ■ Slightly reduce ■ No change ■ Slightly increase ■ Significantly increases



Canada, Brazil and India have the highest share of companies reporting plans to increase investments.

UK has higher investment plans than northern Europe.

Mexico, Vietnam and South Africa have the highest share of companies planning to cut investments or exit the market.

Survey question: What are your company's investment plans for the coming 12 months compared to the past 12 months?

Success factors

U f c l Q u c b g f a n k n _ l g c b n g e ` s c j c q l ` p m b u c p c _ q c b u f g f d _ a m p q _ p c k n e r g k n n p r _ l r d h p k _ g r _ d _ g e a n k n c r g g c l c q q c a n e r c a g l a v r q j c q a n k n c r c l a c _ l b ` p _ l b _ u _ p c l c q p a _ k c g r f c m m r f p c c , c n p g r g v p _ l i g e d h p c s a a c c p d a m p q b g _ c p q a p n e p c e g n h q u f c p c a n k n _ l g c q g r f c ? k c p g a _ q p _ l i q j c q a n k n c r c l a c _ q r f c k n e r g k n n p r _ l r d a m p u f g c a n k n _ l g c q g U c q r e d C s p m m c * ? N A * _ l b K C ?) p _ l i a n e r c a g l a v r f c f g e f c q ,

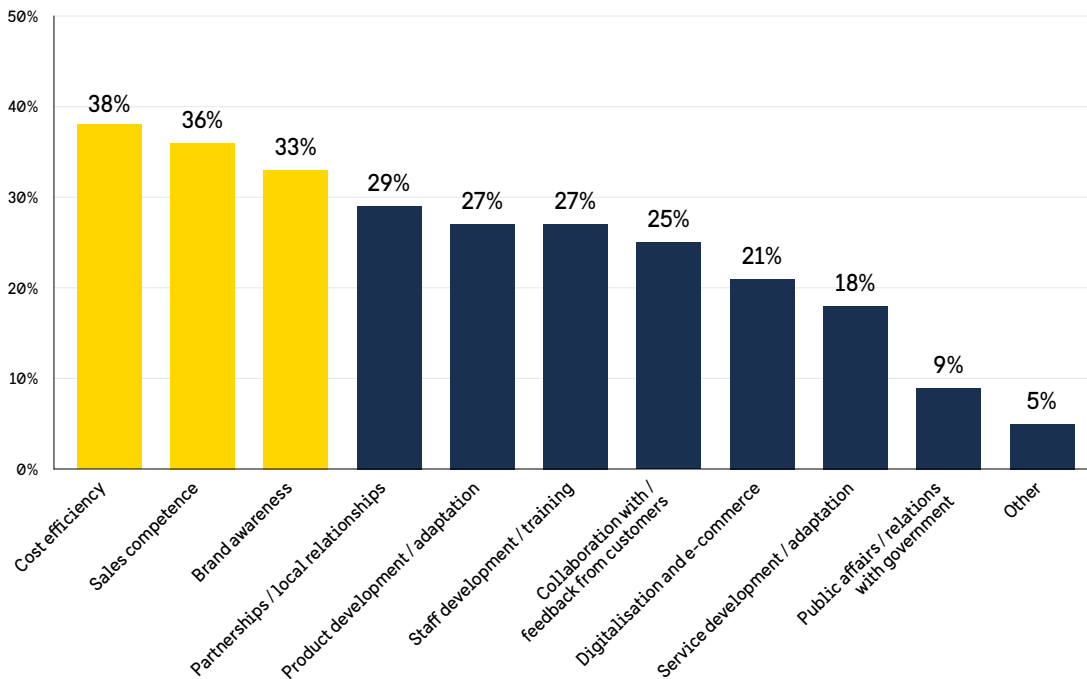
KEY SUCCESS FACTORS: COST EFFICIENCY, SALES COMPETENCE, AND BRAND AWARENESS

This section presents views on the most important success factors when doing business abroad. The respondents were asked to rank different factors in terms of their importance for maintaining competitiveness, on a scale of 1 to 5. As shown in the graph below, cost efficiency, sales competence and brand awareness are

considered the most critical success factors from a global perspective. The results differ depending on the sector. Sales competence was most important for companies in the consumer and industrial sectors, while partnerships is a priority for respondents in professional services. Compared to last year’s results, customer feedback fell from first to seventh place while brand awareness became more important.

Cost efficiency tops the ranking

Success factors ranked in order of priority by global survey respondents
Response percentages exceed 100 as the question allowed respondents to select multiple answers (max three).



Survey question: Which of the following factors have been important for your company in maintaining competitiveness?

“ Since moving to Portugal we have gained access to a much larger pool of senior professionals. This has led us to higher productivity, scalability, and increased our capacity for another level of project sizes. ”

Marcus Nordquist, CEO QueensLab, Portugal

COST EFFICIENCY IN FOCUS IN WESTERN EUROPE, MEA+ AND APAC

The matrix below shows how the different markets ranked success factors for maintaining competitiveness. Cost efficiency ranked as the most important success factor for maintaining competitiveness in Western Europe, MEA+ and APAC. This is a shift compared to last year’s analysis, which underscores that companies in Western Europe and the MEA+ region are becoming more cost sensitive. Sales competence is the number one priority in the Americas

region, while still being highly relevant in Western Europe too. Brand awareness is a very important success factor for companies located in the MEA+ region.

Companies in the UK, Indonesia, Singapore, and UAE chose partnerships / local relationships as the most important success factor. Product development was highly ranked in Germany, China, India, and Japan. Staff development was given high priority in the Netherlands and Vietnam, together with sustainability.

Similar success factors across regions

■ First priority ■ Second priority ■ Third priority

	Americas				Western Europe								APAC							MEA+			
	BR	CA	MX	US	DE	ES	FR	IT	NE	PT	UK	CN	HK	ID	IN	JP	KR	SG	TW	VN	TR	UAE	
Cost efficiency	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Sales competence	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Brand awareness	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Partnerships / local relationships	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Product development / adaptation	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Staff development / training	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Collaboration with / feedback from customers	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Service development / adaptation	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Sustainability	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Digitalisation and e-commerce	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Public affairs / relations with government	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■

Survey question: Which of the following factors have been important for your company in maintaining competitiveness?

Note: BR=Brazil, CA=Canada, MX=Mexico, US=United States, DE=Germany, ES=Spain, FR=France, IT=Italy, NE=Netherlands, PT=Portugal, UK=United Kingdom, CN=China, HK=Hong Kong, ID=Indonesia, IN=India, JP=Japan, KR=South Korea, SG=Singapore, TW=Taiwan, VN=Vietnam, TR=Türkiye, UAE=United Arab Emirates



“BRAND SWEDEN” USEFUL FOR MAINTAINING GLOBAL SUCCESS

A key feature of the survey is to explore how Swedish brand values, or ‘Brand Sweden’, contributes to the competitiveness of Swedish companies abroad. Trade and investment promotion organisations such as Business Sweden, the Swedish Institute and the Swedish Embassies and Chambers of Commerce are actively working to promote the image of Sweden abroad.

Sweden’s brand identity is synonymous with innovation, equality, and sustainability, among other strengths and values, and many companies use their Swedish origin to communicate these brand attributes. According to 81% of the respondents,

Brand Sweden contributes to business success, while 14 per cent see ‘little’ or ‘no value at all’ in promoting the Swedish identity of their product or service offerings. In general, independently of company size, age and sector, Swedish companies believe that Brand Sweden contributes much or very much to their businesses. These results are very similar compared to 2022.

Brazil, India, and South Korea reveal the highest share of respondents confirming that their Sweden’s brand identity contributes to an ‘extent or great extent’ to their success. Conversely, Canada, the United States and Hong Kong had the lowest share of respondents stating that Brand Sweden contributes to their success.

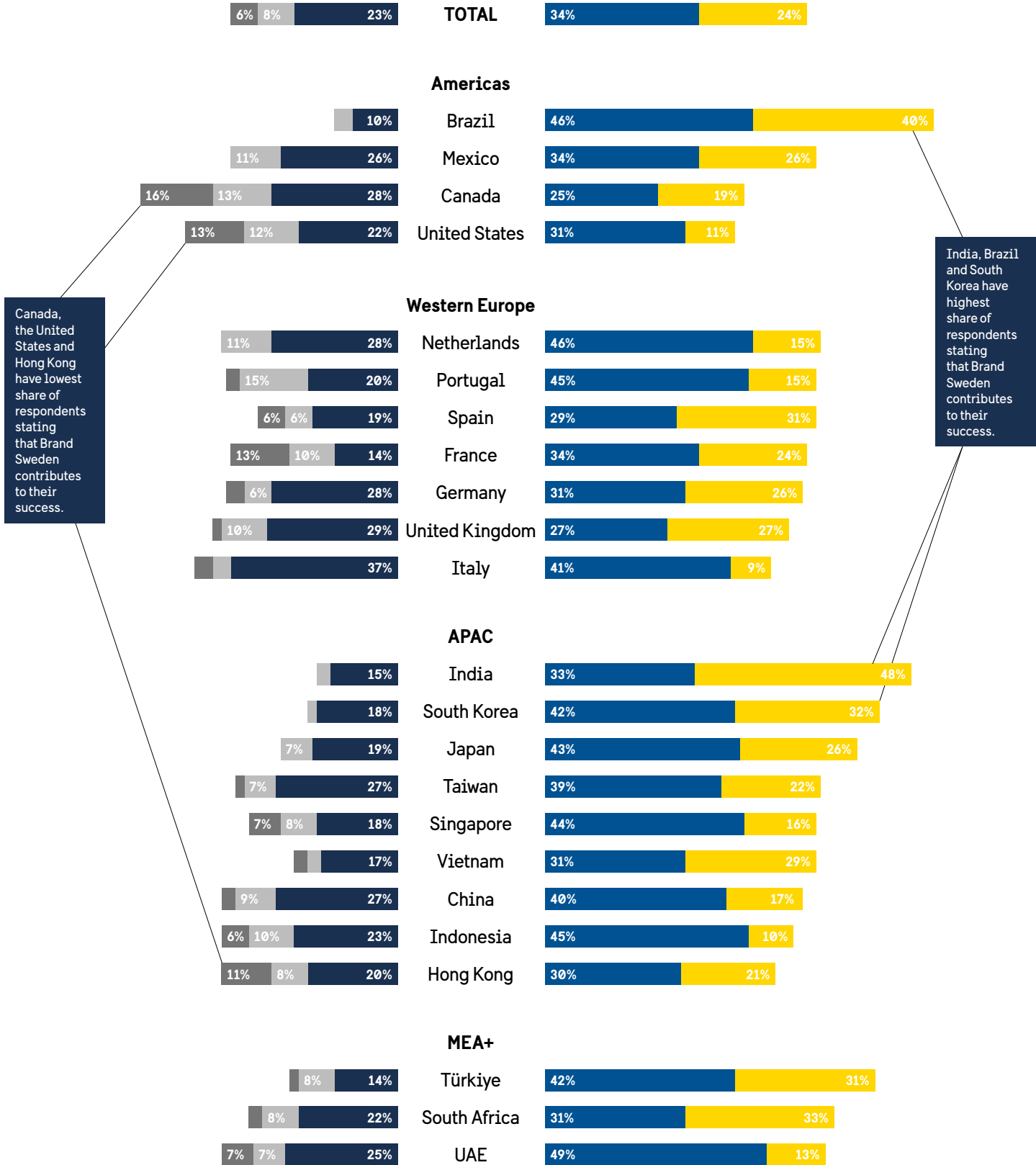
“ Our partners in South Korea perceive that Swedish brands stand for diversity and equality with a strong focus on environmental sustainability, technological expertise and innovation. Our presence in South Korea reflects these values and helps us to attract talent and promote our solutions to local customers. ”

Hannes Ekstrom, CEO Ericsson-LG, South Korea

Brand Sweden most useful in India, Brazil and South Korea

Index measuring the business impact and contribution of 'Brand Sweden', share of respondents.
 Response percentages may not add up to 100 as 'undecided' answers are excluded in the graph

■ Not at all ■ Little ■ Partially ■ To an extent ■ To a great extent



Survey question: To what extent do you estimate that 'Brand Sweden' contributes to your business success?

Local conditions and trade barriers

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LOCAL CONDITIONS BEST MET IN WESTERN EUROPE

To gain a detailed understanding of how Swedish companies view local conditions in global markets, this section explores various factors related to three key areas:

- a) *Market related factors (digitalisation, financial system etc.)*
- b) *Operation related factors (corporate taxation, labour market etc.)*
- c) *Access to qualified partners (distributors, service providers etc.)*

For a full description of all factors please see the matrix below. The companies were asked to rate from 1–9 how well these local market conditions meet their needs. The lower the score, the more the respondents consider the factor to be an obstacle for competitiveness and the higher the score, the more they consider it to be an asset for competitiveness. Both similarities and differences can be observed between regions and markets.

In a global perspective, the critical local condition for doing business is personal safety and access to suppliers, service providers

and distributors. The ranking of importance of local conditions differs between regions and markets. In the Americas, access to qualified service providers and suppliers is highly met, coupled with work culture / business mindset.

Western European markets stand out for personal safety, as well as access to suppliers and service providers. Companies in Italy reported low levels of satisfaction when it comes to corporate taxation while respondents in Germany were not content with the level of digitalisation.

Similar to last year, markets in the APAC region were mostly satisfied with personal safety, physical infrastructure, and access to qualified suppliers. Japan stands out for very low results regarding level of digitalisation. In contrast, Swedish companies in Singapore responded that their needs are highly met, especially regarding financial systems, infrastructure, customs, and personal safety.

In the MEA+ region companies in the UAE are in general very satisfied with local conditions in terms of infrastructure. In contrast, respondents in South Africa have low satisfaction levels, especially related to transparency and corporate taxation.



The best met conditions: personal safety and access to suppliers and service providers

Index measuring how local conditions meet needs of Swedish companies, where 1 equal not at all and 9 equals fully

■ Low ■ Moderate ■ High ■ Very High

		Americas				Western Europe						APAC						MEA+							
		BR	CA	MX	US	DE	ES	FR	IT	NE	PT	UK	CN	HK	ID	IN	JP	KR	SG	TW	VN	TR	UAE	ZA	
Market related factors	Digitalisation					Low				High						High	Low		High				High		
	Financial system									High				High					Very High						
	Infrastructure						High	High					High	High					Very High	High			High	Very High	
	Market access									High				High									High	High	
	Transparency									High										High		Low			Low
Operations related factors	Corporate taxation								Low					Very High					High	High			High	Low	
	Customs		High					High						High					Very High				High		
	Labour market													High											
	Licenses etc.													High					High						
	Personal safety		High			High	High	High	High	High	High	High	High	High			High	High	High	High			High	High	
Access to qualified partners	Work culture	High		High						High				High						High				High	
	Distributors		High	High		High	High	High	High	High		High		High					High	High			High	High	
	Service providers	High	High	High		High	High	High	High	High		High		High					High	High			High	High	
	Specialists	High						High															High		
Suppliers	High	High	High		High	High	High	High	High		High		High					High	High			High	High		

Survey question: Please rate from 1–9 how the below conditions meet the needs of your company's business

Note: R=Brazil, CA=Canada, MX=Mexico, US=United States, DE=Germany, ES=Spain, FR=France, IT=Italy, NE=Netherlands, PT=Portugal, UK=United Kingdom, CN=China, HK=Hong Kong, ID=Indonesia, IN=India, JP=Japan, KR=South Korea, SG=Singapore, TW=Taiwan, VN=Vietnam, TR= Türkiye, UAE=United Arab Emirates, ZA=South Africa

“ Local ownership and content requirements through legislation such as B-BBEE severely limit the capacity of Swedish companies operating locally. Besides this, there are infrastructure challenges related to electricity generation, reliable transport and more. ”

Rupa Thakrar Bagoon, Trade Commissioner South Africa

“ We lose our advantage as an EU member compared to other brands from outside the union. Lead times have increased substantially due to customs bureaucracy. ”

Christine Kahrs, Export Manager Ragnars AB, UK

TRADE BARRIERS MOST COMMON IN SOUTH AFRICA, BRAZIL AND TÜRKIYE

The following section analyses the trade barriers encountered globally by Swedish companies. It is worth noting that views on perceived impacts of trade barriers may differ between markets, which can affect the survey results. Globally, regulation is the most frequently encountered barrier, followed by custom procedures. South Africa, Brazil and Türkiye topped the list of markets where companies encounter trade barriers with a negative impact on operations.

Regulations are especially problematic for companies in Mexico, South Africa, Taiwan,

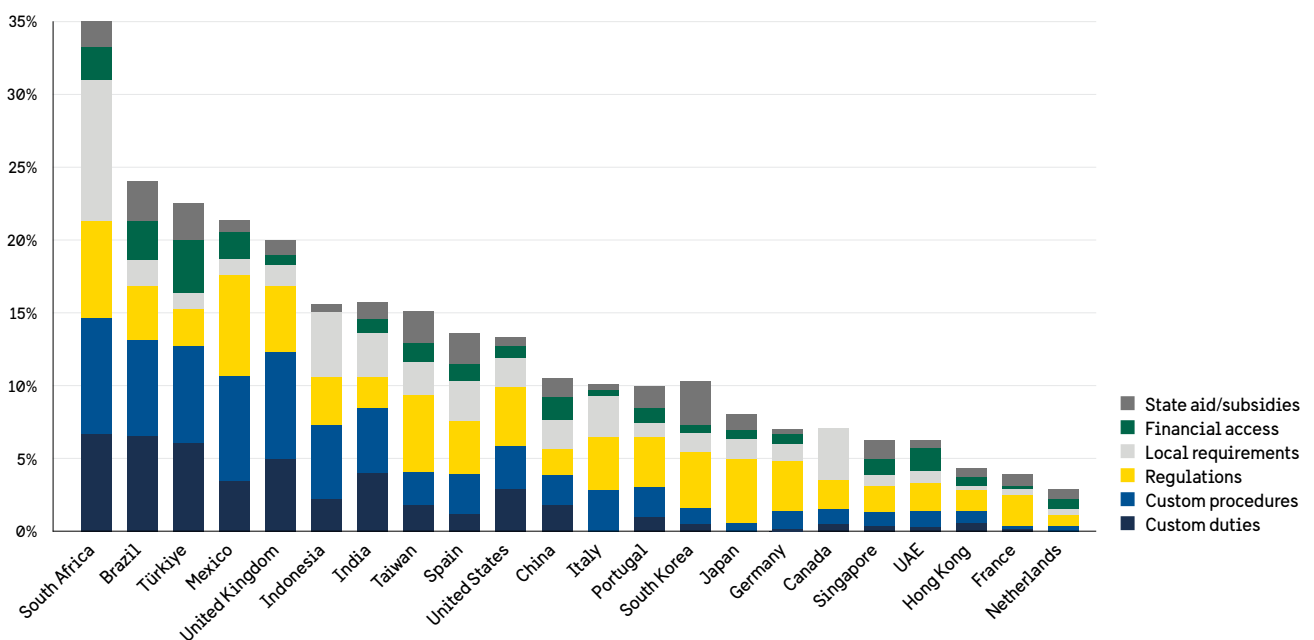
and the UK. Similarly, customs procedures barriers are also challenging in South Africa, the UK, Mexico and Türkiye.

From a regional perspective, the MEA+ and Americas regions, experienced the highest share of companies encountering trade barriers, mostly allocated in South Africa, Türkiye, Mexico and Brazil. APAC illustrates very heterogeneous results, as companies in Indonesia and India point to relatively high rates compared to Hong Kong. In Western Europe, companies generally experience low trade barriers, although the UK and Spain top the results, with custom procedures and regulations being the main challenges.

Regulations the most frequent trade barrier

Share of trade barriers with noticeably negative impact on operations.

Response percentages may not add up to 100 as undecided answers are excluded in the graph.



Survey question: Has your company in the past encountered trade barriers with a noticeably negative impact in operations, in any of the following areas?

Sustainability

□ cdf _pc no Q u c b g f a n k n _ l g q p c n n p r g e r f _ r a s q n k c p q u n p j b u f o c a _ p c _ ` n s r c l t g n h k c l r _ j _ q n c a r q n e h p n b s a r q n p c p t g a c q g r f c g n s p a f _ c j e b c a g g n h q f _ q c j g e f r j v g a p c _ q b a n k n _ p c b r m j _ q v e _ p P c q n h b c l r q g K C ?) _ l b ? N P A u c p c a n h q b c p _ j v k n p c n n e g g c * u f g i c a s q n k c p q g U c q r c p l C s p m m c a _ p c r f c k n e r _ ` n s r c l t g n h k c l r _ j _ q n c a r q g n s p a f _ c j e b c a g g n h q

Sustainability is becoming a key component for competitiveness as customers want to take conscious decisions and are also willing to pay for positive outcomes. Although the global picture is fragmented, the trend has slightly improved compared to last year’s results. The graph below uncovers the extent to which Swedish companies believe that environmental features of products and services are important in local customers’ purchasing decisions. At the global level, 43 per cent of respondents reported that their customers consider environmental aspects much or very much in their purchasing decisions, 27 per cent responded partially and 29 per cent answered little or not at all.

Compared to last year results, Western Europe maintained its strong emphasis on environmental performance, MEA+ and APAC increased their positive responses by 10 and 3 percentage points respectively, while views from respondents in the Americas were unchanged from 2022.

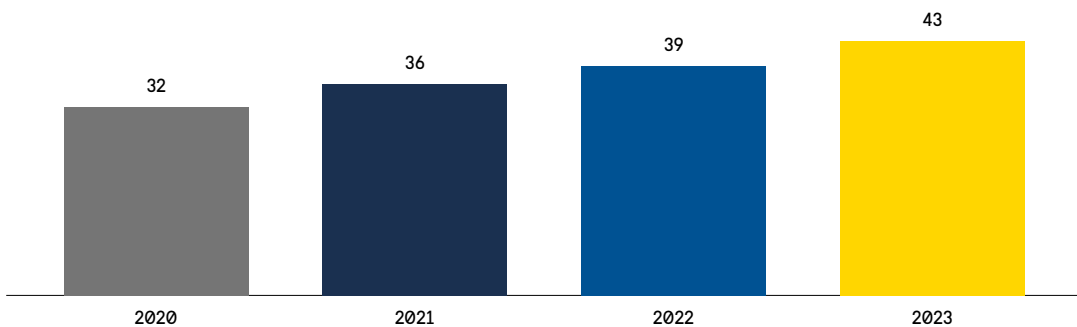
From a regional perspective, Western Europe had the most unified answers, with the Netherlands in the lead. In the MEA+ region,

companies in South Africa and the UAE, stated that environmental aspects were considered to a great extent, while companies in Türkiye had a low response rate. Similarly, in the APAC region the responses were heterogenous as companies in Vietnam, India, and Singapore gave positive answers, while respondents in Japan and Indonesia did not consider environmental performance aspects as a critical purchasing factor. Views from the Americas were fragmented as respondents in Canada and Brazil placed high emphasis on environmental performance, while companies in Mexico and the US had more pessimistic responses.

From a market perspective, the Netherlands, the UK, and Germany are the top markets where customers care about environmental aspects ‘to a great extent’ when making purchasing decisions. Around 50 per cent of companies in Indonesia, Türkiye, and Japan replied that their customers only partially consider environmental aspects in their purchasing decisions, or not at all. India, South Africa, and the UAE were the markets where the focus on environmental performance increased the most, compared to the 2022 survey results.

Environmental performance an increasingly important factor

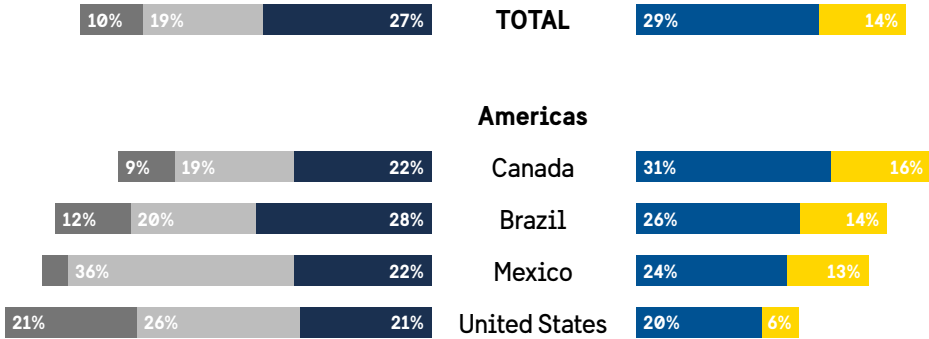
Share of respondents who believe that environmental benefits of products or services are important in customers’ purchasing decisions, share of respondents.



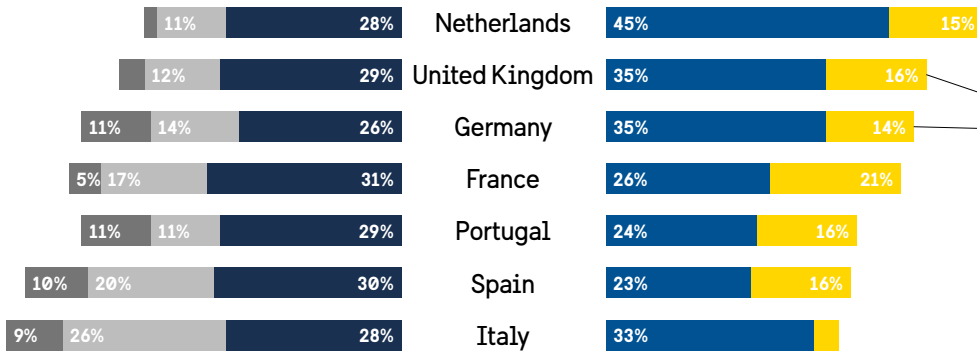
Customers in Western Europe put strongest emphasis on environmental aspects

Share of respondents who believe environmental benefits of products or services are important in customers' purchasing decisions, share of respondents. Response percentages may not add up to 100 as 'undecided' answers are excluded in the graph.

■ Not at all ■ Little ■ Partially ■ To an extent ■ To a great extent



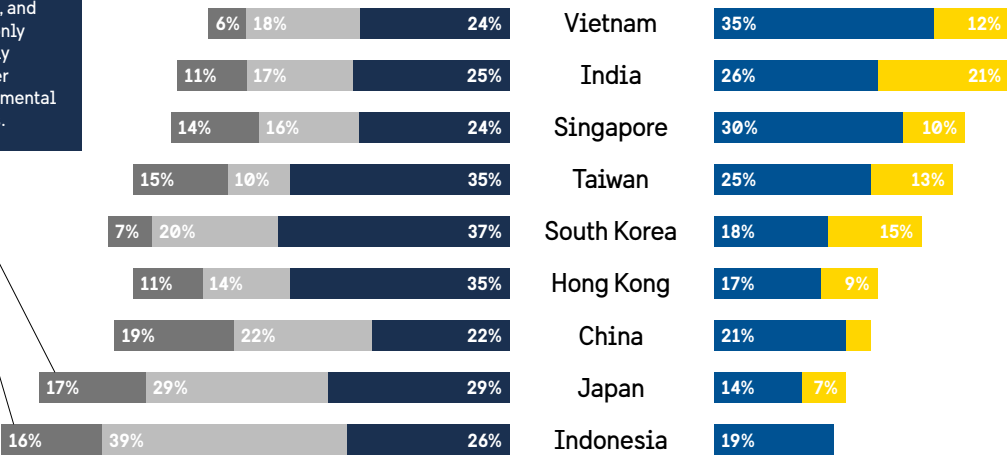
Western Europe



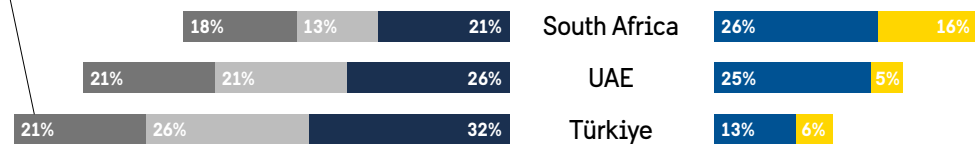
Netherlands, the UK and Germany top markets where environmental aspects is a key component for competitiveness.

Customers in Indonesia, Türkiye, and Japan only partially consider environmental aspects.

APAC



MEA+



Survey question: In your view, to what extent do customers in your industry in [MARKET] consider environmental aspects of a product or service in their purchasing decision?

“ Most customers care about basic factors such as price and quality and after-sales service instead of sustainability. But I think the younger generations are starting to consider sustainability issues. ”

Iffan Suryanto, President Director and Country General Manager PT Electrolux, Indonesia

REPORTED OVERALL LOW LEVEL OF CORRUPTION

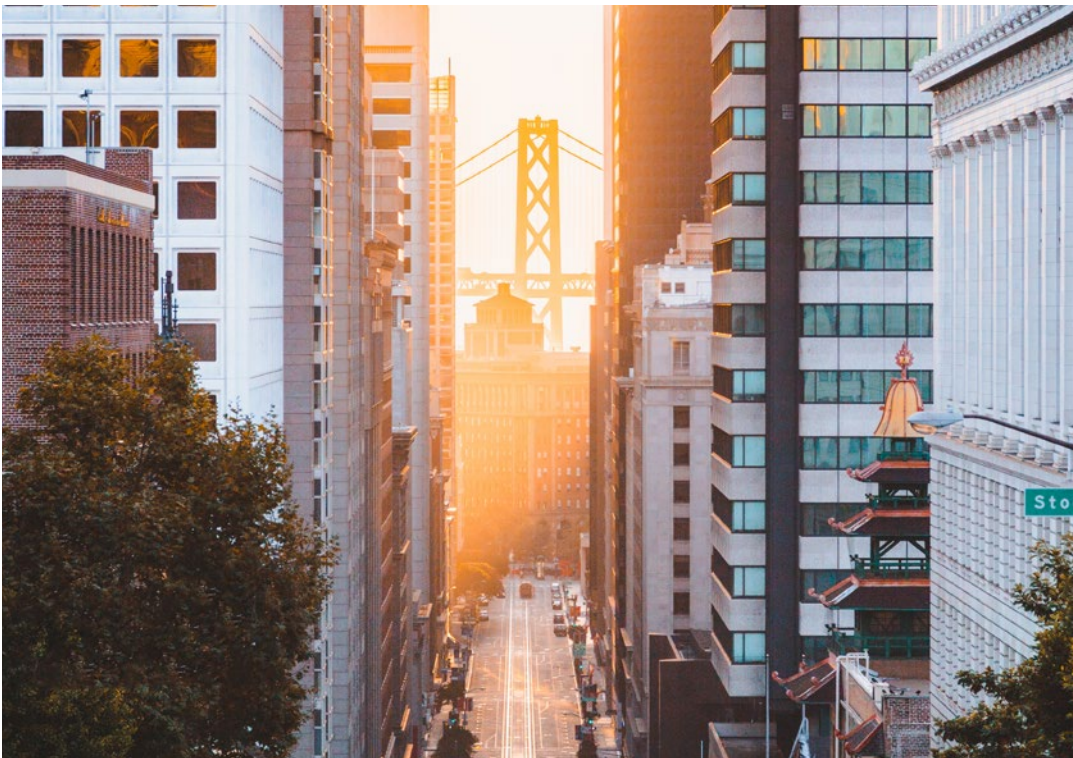
Views on the perceived impact from corruption can differ between markets which may affect the results. No market had more than 5 per cent of respondents reporting that they had experienced corruption. Overall, the findings show that the risk of corruption is higher in emerging economies than in advanced

ones. Corruption was mainly encountered among private stakeholders, followed by internal stakeholders.

The survey shows that few Swedish companies experience severe exposure to human rights violations or labour rights abuse. Based on the results, the highest risk for encountering human rights violations occurs in collaborations with local partners.

“ The US has a long road ahead when it comes to sustainability. The policies are good, but they are yet to create an impact in our business. This will probably come, but for now, energy is still so cheap that it won't influence purchasing decisions. ”

Swedish machinery manufacturing company in the US (anonymous)



Technical note

Global Business Climate Survey

The Global Business Climate Survey covers 23 markets in total and was first published in 2020. Now conducted for the fourth consecutive year, the survey covers over 60 per cent of employees in Swedish companies operating in global markets. The largest gap is the Nordic markets.

Survey methodology

The Global Business Climate Survey was sent to companies with Swedish ownership or Swedish origin and identity. The survey was sent to C-level management in the respective companies and contained 18 standard questions, with some additional market specific questions. Two additional questions were added into the harmonised questionnaire compared to last year's survey. In total, more than 1,600 representatives of Swedish companies abroad responded to the survey. Surveys from most markets have a high response rate.

Regional breakdown

The markets included in each regional aggregate are listed below.

Americas

United States
Brazil
Canada
Mexico

Western Europe

France
Germany
Italy
Spain
Portugal
United Kingdom
Netherlands

Asia Pacific (APAC)

China
Hong Kong
India
Indonesia
Japan
Singapore
South Korea
Vietnam
Taiwan

Middle East, Africa, and Türkiye (MEA+)

South Africa
Türkiye
UAE

Weighting

The number of respondents from the regions covered in the survey does not reflect the actual number of companies operating in the different regions. To obtain a more realistic picture, the results reported on an aggregated level (sometimes referred to as survey weighted average and sometimes as total global average) have been weighted with respect to the number of Swedish companies operating in the various regions. This means, for example, that answers from Western European surveys carry more weight than data from the Middle East, Africa and Türkiye regions in the survey aggregate, as there are more Swedish companies doing business in Western Europe than in MEA+. The weights are based on the number of Swedish subsidiaries in the respective region in 2022, based on statistics from the Swedish Agency for Growth Policy Analysis.

The weights used for each region

Region	Weight
Western Europe	70.96 %
APAC	10.90 %
The Americas	14.42 %
MEA+	3.70 %

Please note that the Nordics are not included in the regional aggregate called Western Europe.



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