



Business Climate Survey United Kingdom



Business Climate Survey for Swedish companies in the United Kingdom 2026

A report from Team Sweden in the United Kingdom

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48 respondents

(total +2,250 respondents for 41 markets)

Current business climate

Positive view on the current global business climate on the rise

Industry turnover

68%

of Swedish companies expect their industry turnover to increase

Future investments

37%

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

Globally valued success factors

1. Partnerships/ local relationships
2. Sales competence
3. Feedback from clients

Brand Sweden

76%

of Swedish companies abroad consider Brand Sweden beneficial for business

Local conditions with high satisfaction

1. Personal safety
2. Distributors
3. Service providers

Local conditions with least satisfaction

1. Labour market regulations
2. Corporate tax
3. Licenses and permits

Environmental considerations

69%

of respondents believe the environment is a considerable factor in their customers' purchasing decisions

Corruption

- Low exposure to corruption in the UK
- Low risk in advanced economies

Human rights violation and labour rights abuse

- No reports of violations in the UK
- Low risk in advanced economies

Foreword

Team Sweden in the United Kingdom is pleased to present the seventh edition of the Business Climate Survey for Swedish companies in the UK. As always, the survey is the result of close collaboration between the Embassy of Sweden, the Swedish Chamber of Commerce, Business Sweden, and the wider Global Business Climate Survey team.

The 2026 survey is conducted against a backdrop of continued geopolitical instability and economic adjustment following a prolonged period of high inflation and interest rates, alongside an evolving policy landscape in the UK.

Nearly two years after the UK general election, the Labour government has moved from agenda-setting to implementation. Policy initiatives related to industrial strategy, energy transition, infrastructure investment and skills are increasingly translating into regulatory proposals and public spending priorities, meanwhile financial constraints continue to shape the pace and scope of reform. For foreign-owned companies, including Swedish firms, the UK remains an open and competitive market, but one in which visibility on future regulation, taxation and public procurement has become increasingly important for long-term planning.

Internationally, the operating environment remains characterised by elevated uncertainty. Russia's invasion of Ukraine continues to affect European security and energy markets, while conflicts in the Middle East and disruptions to global shipping routes have underscored vulnerabilities in international trade flows. Results were collected during renewed unrest in the Middle East, including attacks by the United States and Israel on Iran beginning in late February, creating new implications for businesses. At the same time, structural shifts, such as supply-chain reconfiguration, increased industrial policy intervention and tighter scrutiny of foreign investment, are reshaping how companies assess risk and opportunity across markets. Although inflation has eased from its mid-2020s peaks, financing conditions remain more restrictive than in the pre-pandemic era, influencing both investment decisions and cost structures.

Against this uncertain backdrop, Team Sweden is pleased to present key results from this year's survey, including:

- **A positive growth outlook:** Swedish companies remain optimistic about the UK market, with 68 per cent expecting industry turnover to increase and 37 per cent planning to increase investments over the next 12 months.
- **Competitiveness driven by commercial capabilities:** Success in the UK is primarily underpinned by strong partnerships and local relationships, followed by sales competence and close customer collaboration with customers.
- **Strong fundamentals alongside clear pressure points:** High satisfaction with personal safety, distributors and service providers supports stable operations, while labour market regulation, corporate taxation and licensing procedures remain areas of lowest satisfaction.



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Executive summary

With its business-friendly environment and strong institutional framework, the United Kingdom continues to offer an attractive and sizeable market for Swedish companies expanding internationally. The UK combines market scale with a world-leading talent base and remains home to globally recognised universities and well-established ecosystems for research, innovation and entrepreneurship. In international comparisons, the UK continues to rank highly in global indexes related to nation branding and soft power, reinforcing its appeal as a destination for international business and investment.

The presence of an estimated 1,500 Swedish or Swedish-owned companies in the UK underlines the depth and durability of bilateral trade and investment relations. These long-standing commercial ties reflect a shared history of cooperation and complementary economic strengths. The UK remains one of Sweden's most important trading partners, ranking among Sweden's largest export markets and import sources. For an export-oriented economy such as Sweden's, the UK continues to play a strategically important role, both as a domestic market and as a platform for international growth.

As in previous years, the purpose of the Business Climate Survey is to gain a clearer understanding of how Swedish companies active in the UK perceive local market conditions, assess their economic prospects and identify key opportunities and challenges. The internationally standardised survey questionnaire is complemented by questions tailored to the UK context, allowing for a more nuanced analysis of business conditions on the ground.

In the 2026 edition of the survey, companies were invited to share their views on current business conditions, expected turnover and investment developments, competitiveness drivers, and the impact of policy, regulatory and geopolitical factors on strategic decision-making. The survey was distributed to Swedish companies with operations in the UK, and responses were collected during February and March 2026. The results reflect the experiences and assessments of participating companies across a broad range of sizes and sectors, including professional services, industrial activities and consumer-oriented businesses.

As in previous editions, the findings presented in this report are indicative of respondents' perceptions and experiences and should be interpreted in the context of prevailing economic, political and geopolitical conditions. In 2026, this includes continued geopolitical uncertainty, ongoing global trade tensions, and a period of adjustment in the UK economy following recent years of inflation, monetary tightening and policy reform. Against this backdrop, the survey provides a timely snapshot of how Swedish companies assess the UK market and their outlook for the year ahead.

We are grateful to all contributors and hope you find this report both informative and useful.

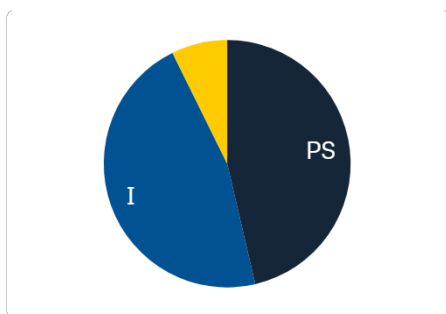
“2026 feels different... we appear to be seeing increased confidence among clients in undertaking projects and moving ahead with business.”

Manager
Swedish construction &
industrials company

About the survey

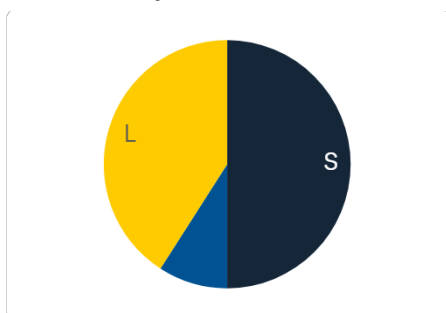
This year's report features perspectives from a wide array of companies

Size of companies



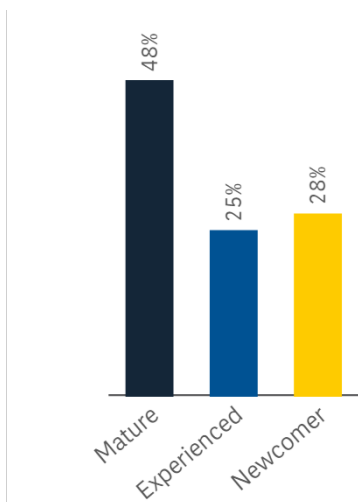
NOTE: Industrial 46%. Professional services 46%. Consumer 8%.

Main industry



NOTE: Global employees. Large >1,000: 41%. Medium 250-1,000: 9%. Small 0-249: 50%.

Age of companies



NOTE: Mature (-2004). Experienced (2003-2020). Newcomer (2021-).

Economic outlook

Swedish companies in the UK operate across a broad range of sectors

As the UK moves through 2026, the macroeconomic environment for Swedish companies remains challenging but more stable than in recent years. After a prolonged period of weak growth, the UK economy is showing signs of gradual recovery, although momentum remains uneven across sectors. Growth is expected to remain moderate, reflecting continued caution among households and businesses. International developments continue to shape the outlook, underlining the importance of flexibility and risk awareness for internationally active firms.

Developments in the Middle East during early 2026, including heightened tensions involving Iran, have contributed to renewed volatility in energy markets and global shipping routes. While the direct economic impact on the UK has been broadly manageable, these developments have underscored the sensitivity of global trade and logistics to geopolitics. For Swedish companies operating in the UK, this has translated into higher transport and insurance costs, longer lead times in some supply chains, and renewed focus on contingency planning, particularly for energy-intensive or globally integrated operations.

Domestic inflationary pressures have eased compared with previous years, supporting a gradual improvement in real incomes and household spending power. However, the disinflationary trend remains sensitive to external factors such as energy prices and logistics costs. Monetary policy has begun to shift cautiously towards a less restrictive stance, with interest rates easing gradually downward from the elevated levels of 2024 and 2025. While borrowing costs remain above pre-pandemic norms, the stabilisation of financial conditions has improved visibility for investment planning and financial decisions.

At the same time, the UK government's industrial strategy is increasingly reflected in concrete initiatives and bilateral cooperation. Public investment and procurement are being directed towards priority areas such as clean energy, electrification, power networks, transport infrastructure, defence capabilities, life sciences and digital infrastructure. These priorities are reinforced by closer UK–Sweden collaboration, including memoranda of understanding and structured cooperation frameworks covering areas such as the energy transition, defence and innovation.

This includes the 2023 Strategic Partnership between Sweden and the United Kingdom, which deepened bilateral cooperation on security, technology, climate and trade, and underscored a shared commitment to resilient, responsible and rules-based economic development. This policy alignment corresponds closely with Swedish industry strengths, particularly in sustainability solutions, advanced engineering and high-value technology services. For Swedish companies seeking growth in the UK, participation in public tenders, collaboration with UK partners and engagement in regional investment and innovation programmes are becoming increasingly important routes to market.

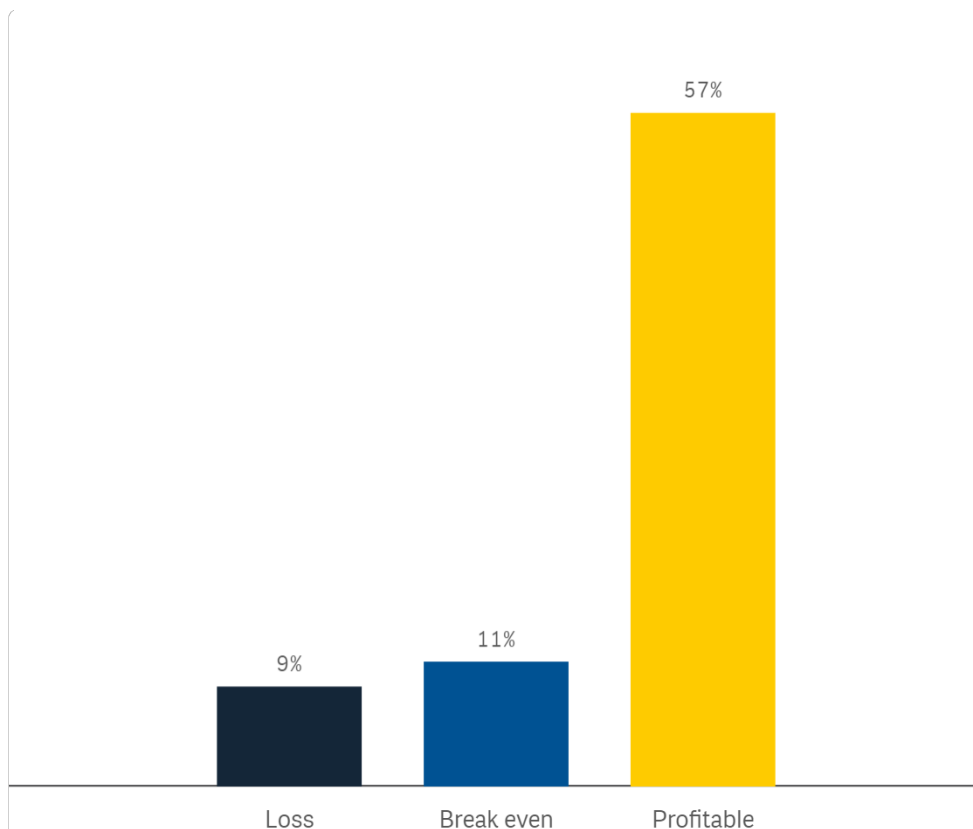
Trade and investment relations between Sweden and the UK remain robust, although the post-Brexit framework continues to shape how business is conducted in practice. Incremental improvements in UK–EU cooperation have eased some administrative frictions, but regulatory divergence and customs procedures remain embedded features of cross-border trade. For Swedish exporters, this places continued emphasis on customs expertise, product compliance and market-specific adaptation. In response, many Swedish companies have deepened their UK footprint by expanding subsidiaries, establishing local sales, service or assembly operations, or restructuring supply chains to serve UK customers more efficiently from within the market.

Demand conditions vary across sectors. Consumer demand has stabilised but remains cautious, with growth largely favouring companies that combine strong brand recognition with clear value propositions and cost competitiveness. Business-to-business demand is more resilient, particularly in areas linked to infrastructure investment, the energy transition, digitalisation and defence-related activity. For Swedish companies, growth opportunities in the UK are therefore increasingly tied to exposure to these structural drivers rather than reliance on broad-based economic expansion.

Overall, the UK in 2026 remains a strategically important market for Swedish companies seeking international growth. While geopolitical developments, regulatory change and cost pressures require active management, the combination of market scale, an open investment environment and deepening sector-specific cooperation between Sweden and the UK continues to offer meaningful opportunities. Swedish companies that invest in local capability, manage regulatory requirements proactively and

align with UK policy and procurement priorities are well placed to operate successfully in the UK market. Doing so, however, requires a long-term outlook, as building local presence, relationships and credibility takes time before delivering a return on investment.

How would you describe your company's financial performance in the United Kingdom in 2025?



NOTE: The number of respondents for this question was 47. "Don't know/Not applicable" responses are included but not shown in figure.

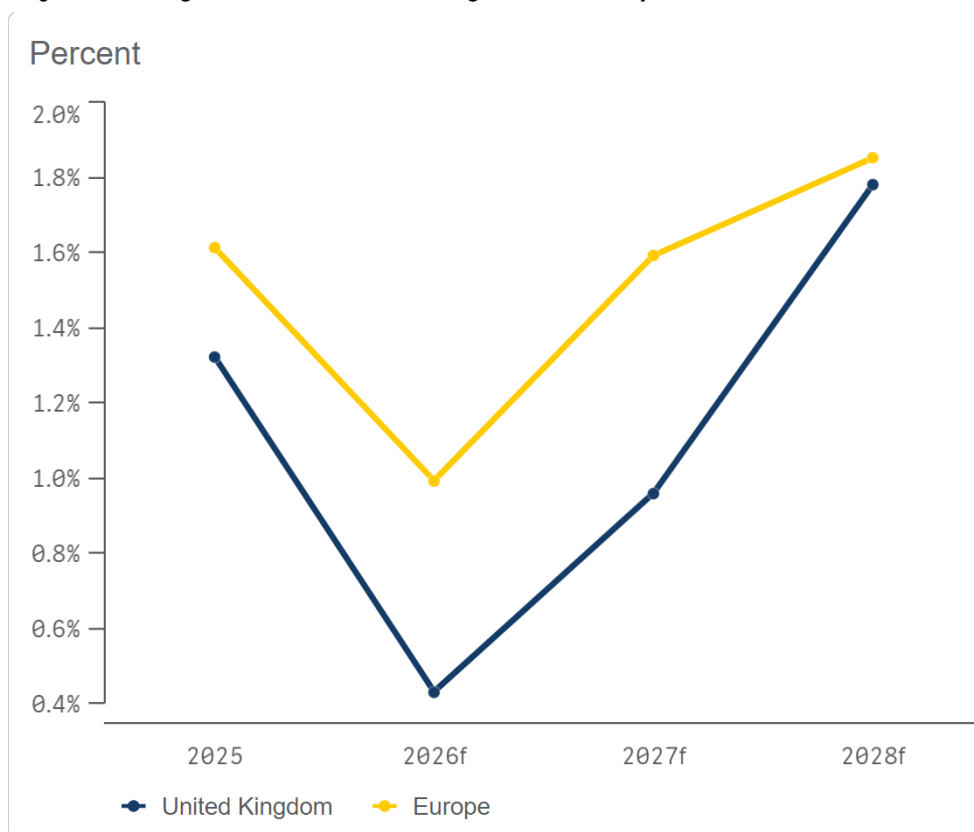
SOURCE: Business Climate Survey for Swedish Companies in the United Kingdom 2026

Swedish companies are demonstrating improving sentiment in a restrained growth environment

In 2026, Swedish companies operating in the UK describe a business climate that remains challenging but more stable than in previous years. The survey shows that 57 per cent of respondents report being profitable, while the share of companies reporting losses has declined to 9 per cent, indicating improved resilience despite cost pressures and ongoing uncertainty. Performance varies notably by sector, with stronger demand reported in infrastructure, defence-related activity and digital services, while firms exposed to consumer demand or global trade frictions continue to face margin pressure.

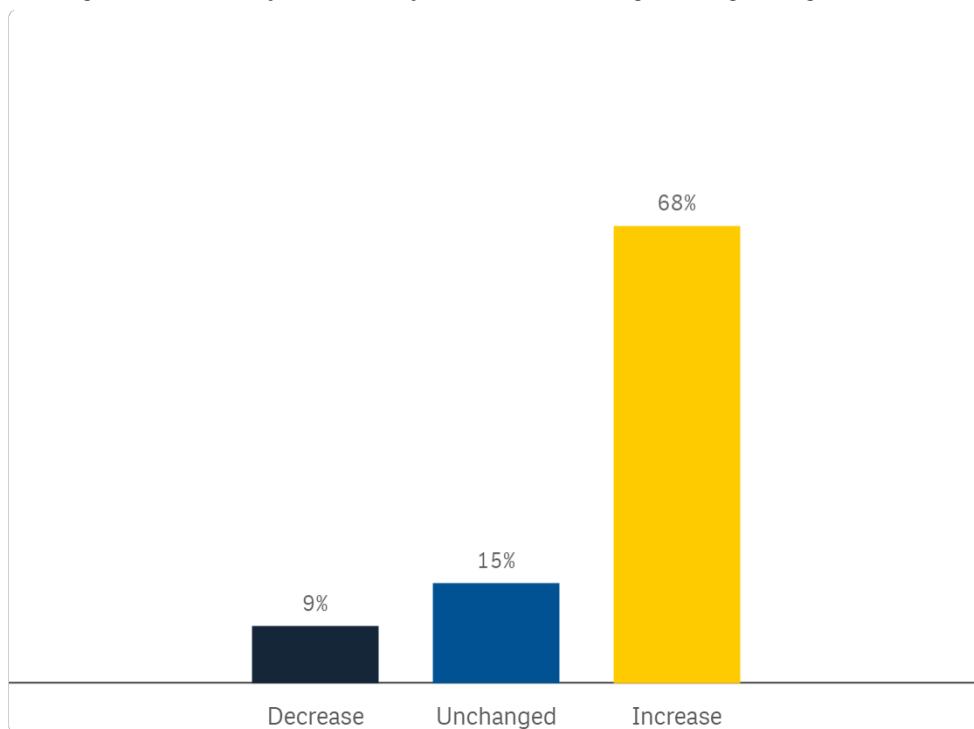
Qualitative responses point to a cautiously improving sentiment compared with recent years. Several companies note that investment decisions are still being postponed, but there are signs of increased willingness among customers to move projects forward. As one respondent notes, "2026 feels different. We appear to be seeing increased confidence in clients undertaking projects and getting on with business". At the same time, companies continue to emphasise the importance of policy predictability, manageable regulatory change and competitive cost conditions. Overall, the results suggest a more balanced outlook in 2026, where growth opportunities exist, but success depends increasingly on sector exposure, cost control and the ability to navigate a complex economic and policy environment.

Projected GDP growth in the United Kingdom and Europe



NOTE: Constant prices.
SOURCE: Oxford Economics 2025

Compared to the development in the past 12 months, what are your expectations for the coming 12 months for your industry in the United Kingdom regarding turnover?



NOTE: The number of respondents for this question was 47. "Don't know/Not applicable" responses are included but not shown in figure.
SOURCE: Business Climate Survey for Swedish Companies in the United Kingdom 2026

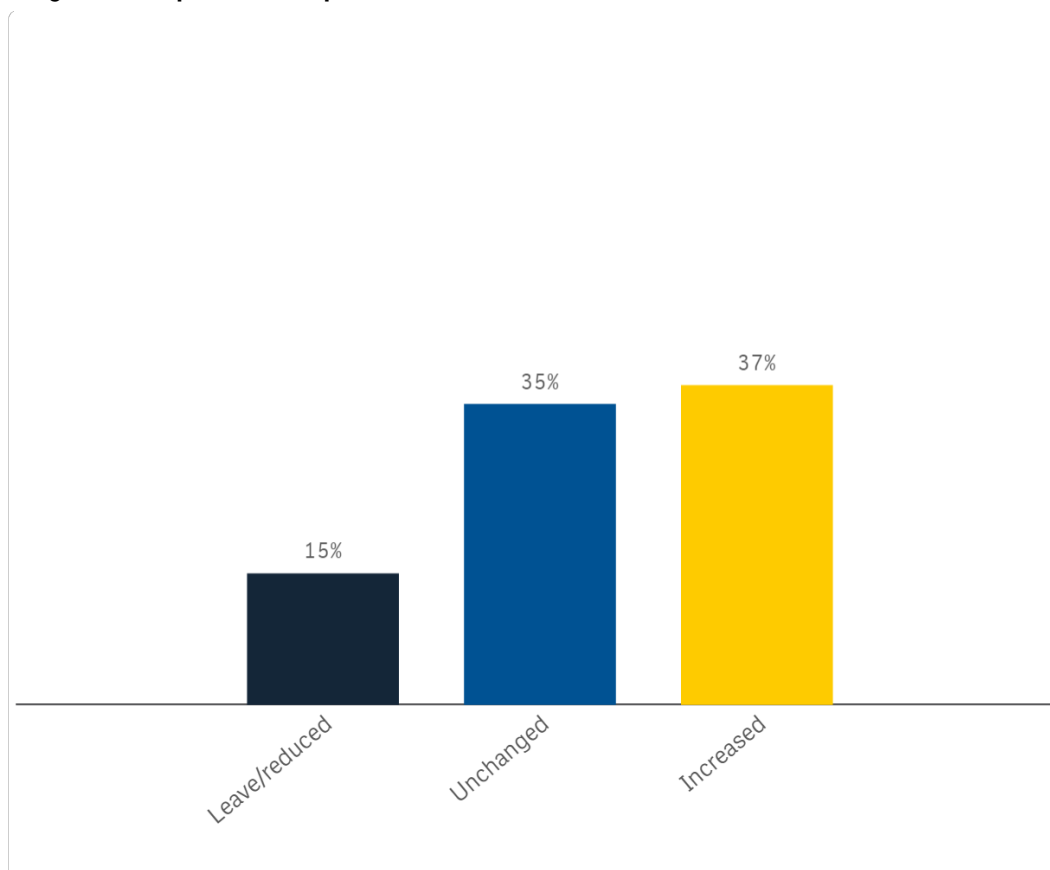
Turnover expectations remain positive amid cost pressures and uneven UK demand

Looking ahead to the next 12 months, Swedish companies in the UK continue to expect growth in industry turnover, although expectations have softened compared with previous years. In the 2026 survey, 68 per cent of respondents anticipate an increase in turnover, while 15 per cent expect turnover to remain unchanged. A further 9 per cent foresee a decrease, indicating that optimism remains, although at a more moderate level. Compared with 2024 and 2025, the declining share of companies expecting higher turnover suggests a shift from broad-based growth expectations towards a more cautious and selective market outlook.

Qualitative responses point to UK-specific factors weighing on turnover growth, particularly rising cost levels and uncertainty affecting customer behaviour. Several respondents highlight that high business rates, labour costs, and regulatory charges are limiting spending capacity among both businesses and consumers. As one company notes, “very high business rates for retail, new EPR charges, increases in employers’ national insurance (NI) contributions have placed tremendous cost pressures on businesses on top of inflation, and as a result we see less investment and growth.”

Others emphasise that customer confidence remains fragile and closely linked to macroeconomic stability and policy predictability. One respondent summarises this by stating that “as ever, a stable economy and predictable tax regime is what our customers require to gain confidence for growth and investment.” Taken together, the findings suggest that while Swedish companies continue to see turnover growth potential in the UK, the ability to realise this growth increasingly depends on customers’ ability to absorb higher costs and on improved clarity around the UK’s economic and regulatory trajectory.

What are your company’s investment plans for the coming 12 months in the United Kingdom, compared to the past 12 months?



NOTE: The number of respondents for this question was 46. “Don’t know/Not applicable” responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in the United Kingdom 2026

Investment intentions remain strong amid a more cautious UK outlook

Looking ahead to the next 12 months, Swedish companies in the UK continue to signal a strong commitment to investment, although expectations have moderated compared with the exceptionally high levels recorded in previous surveys. In 2025, 68 per cent of respondents planned to increase investments in the UK, while 15 per cent expected investment levels to remain unchanged. Only 9 per cent anticipated a reduction.

The slight softening in investment optimism reflects a more measured assessment of UK-specific conditions rather than a loss of confidence. Qualitative responses point to continued uncertainty related to political developments, global geopolitics and cost levels, which has led some customers to delay rather than cancel investment decisions. As one respondent notes, “many companies and organisations are delaying investments... uncertainty around the political situation within the UK, as well as global geopolitical instability, is affecting the willingness to invest and kick off new projects.”

At the same time, several companies observe a shift in sentiment during 2025 and early 2026, supported by clearer policy direction and reduced macroeconomic volatility. One respondent summarises this change by stating that “2026 feels different... we appear to be seeing increased confidence in clients moving projects forward and getting on with business.” Taken together, the results suggest a maturing investment outlook, where Swedish companies remain willing to expand in the UK, but increasingly prioritise targeted, sector-specific investments and disciplined capital allocation.

The market

The UK is a mature market with continued appeal

The survey shows that a large share of Swedish companies in the UK have a long-standing presence, with 43 per cent established before 2004. At the same time, 25 per cent entered the market from 2020 onwards, indicating continued interest in the UK despite recent economic and political uncertainty.

Together, this suggests a market characterised by both deep-rooted commitment and ongoing new entry, with Swedish companies continuing to view the UK as a strategically important destination for long-term investment and growth.

This pattern reflects the UK's position as a mature but adaptive market. Long-established Swedish companies point to the benefits of scale, deep customer relationships and a strong legal and institutional framework, while newer entrants are often attracted by the UK's market size, sectoral breadth and role as a gateway to global customers. At the same time, respondents emphasise that operating in the UK increasingly requires the ability to navigate policy change, cost pressures and regulatory complexity, particularly following Brexit and recent reforms affecting labour markets, taxation and sector-specific regulation. For many companies, these factors have reinforced the importance of local presence, local decision-making and closer engagement with customers and authorities.

Company perspectives suggest that confidence in the UK is closely linked to expectations of policy stability and effective implementation. Several companies stress that clearer signals on industrial strategy, infrastructure investment and regional development would further strengthen the UK's attractiveness as a destination for long-term growth. One respondent notes that "sentiment is improving after the recent Autumn budget removed uncertainty, however funding is still tight and progress continues to be slow," highlighting both the perceived improvement in direction and the continued need for follow-through. Overall, the survey indicates that Swedish companies continue to view the UK as a strategically important market, but one where sustained appeal increasingly depends on predictable policy, competitive cost conditions and the government's ability to translate strategic ambitions into tangible outcomes.

This long-term commitment is also reflected in the sectoral composition of Swedish companies active in the UK. The survey shows a strong concentration in energy and electricity (26.1 per cent) and business services (23.9 per cent), together accounting for around half of all respondents. This aligns closely with UK policy priorities in recent years, including the energy transition, grid modernisation, digitalisation and the expansion of professional and knowledge-intensive services. Other represented sectors include industrial equipment, consumer goods, healthcare and telecommunications, highlighting the breadth of Swedish engagement across the UK economy.

Several respondents underline that sector exposure plays a decisive role in how companies experience the UK business climate. Firms operating in infrastructure-linked and regulated markets point to long-term demand potential, but also to complex policy environments and funding constraints. One respondent notes that "our business is to a large extent geared towards the Water Industry and they seem to be in a very bad financial situation," illustrating how sector-specific challenges can weigh on near-term growth despite long-term structural need. In healthcare and life sciences, reimbursement and regulatory processes continue to influence commercial decisions. As one company observes, "reimbursement for innovative medicines continues to be an issue for global healthcare companies operating in the UK, with a number of companies having announced that they are pausing or reducing investments in the country." These perspectives underline how policy design and implementation remain critical to sustaining investment across key sectors.

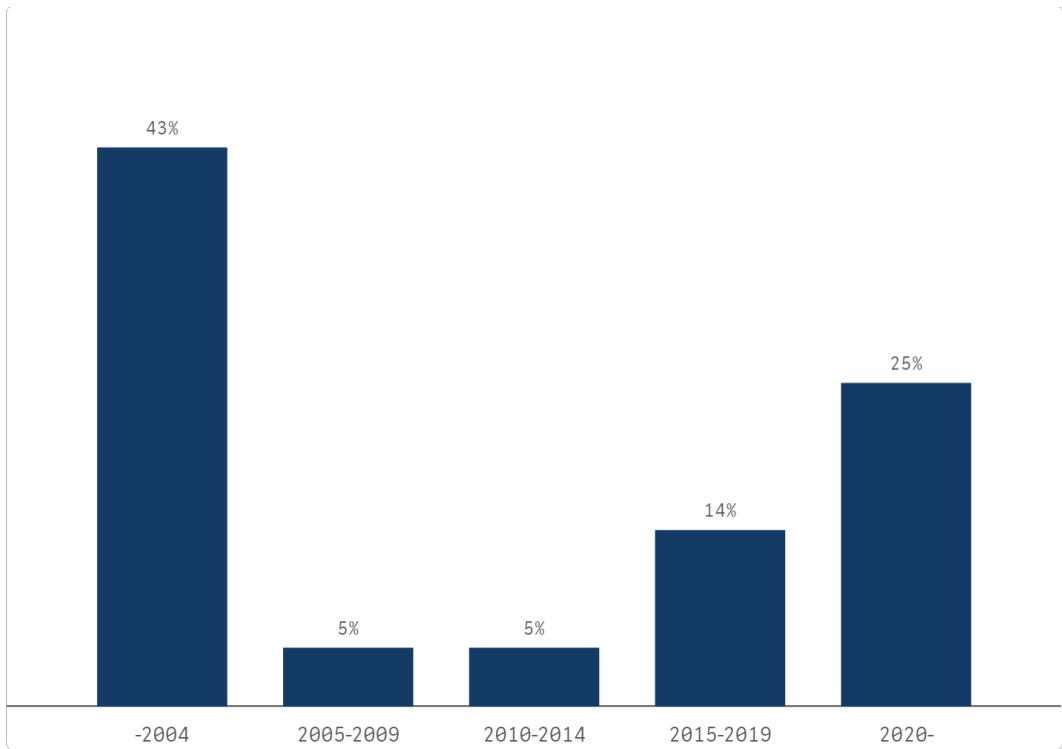
Company size further shapes how Swedish firms navigate the UK market. The survey shows that 62 per cent of respondents are small companies with fewer than 250 employees, while 22 per cent are large companies and 11 per cent medium-sized. Smaller companies often highlight the UK's openness, market size and access to customers as key advantages, but also report greater sensitivity to cost increases, regulatory change and administrative complexity. Larger firms, by contrast, are typically better positioned to absorb volatility, but remain highly attentive to policy stability, trade conditions and the cumulative impact of taxation, labour costs and compliance requirements. One respondent captures this concern by stating that "some international companies are moving headquarters elsewhere due to post-Brexit taxation increases and reduced competitiveness," reflecting broader strategic reassessments among multinational firms.

Across company sizes and sectors, respondents repeatedly emphasise the importance of predictable economic governance. While the UK continues to be valued for its legal framework, talent base and global connectivity, companies stress that confidence is closely tied to clarity on taxation, regulation

and long-term policy direction. As one respondent puts it, “as ever, a stable economy and predictable tax regime is what our customers require to gain confidence for growth and investment.” Others point to recent policy signals as a step in the right direction but note that tangible delivery remains essential. One company comments that “sentiment is improving after the recent Autumn budget removed uncertainty; however, funding is still tight and progress continues to be slow.”

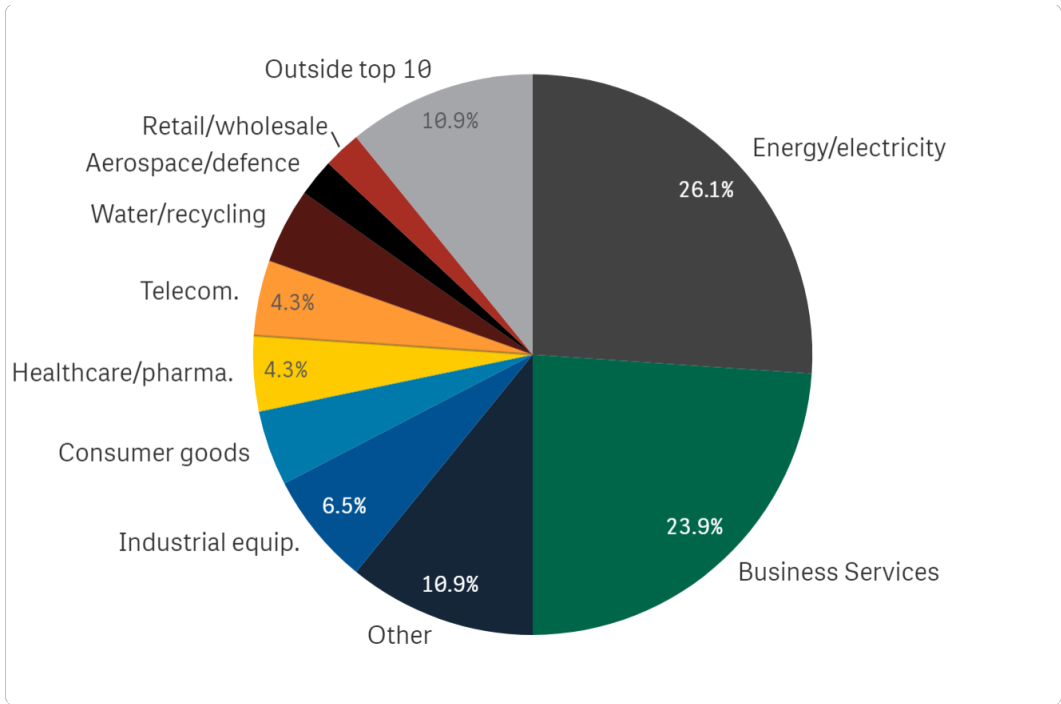
Taken together, the findings reinforce the picture of the UK as a mature and strategically important market for Swedish companies, characterised by both deep-rooted presence and continued new entry. The sectoral and size distribution suggests that Swedish firms are well aligned with areas of structural demand in the UK economy but also exposed to policy execution risks and cost pressures. For many companies, sustained engagement in the UK will depend not only on market opportunities, but on the extent to which policy ambitions translate into consistent, investable conditions across sectors and regions.

In what year did your company establish operations in the United Kingdom?



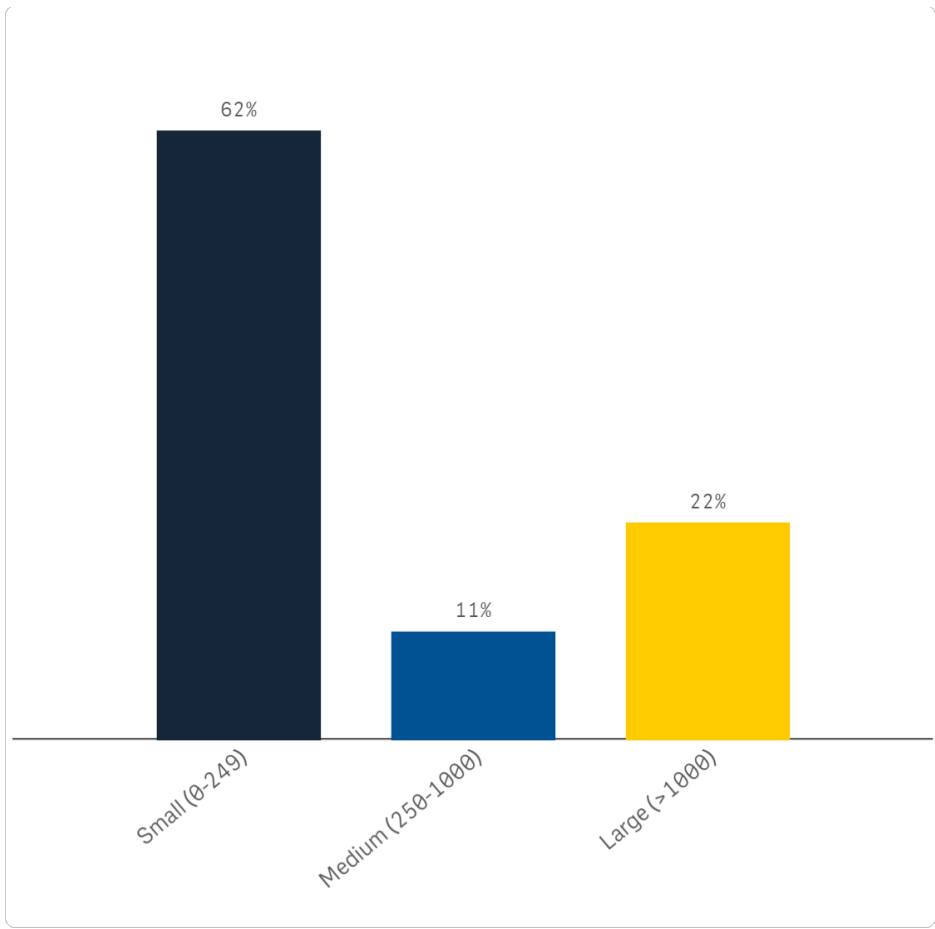
NOTE: The number of respondents for this question was 47. “Don’t know/Not applicable” responses are included but not shown in figure.
 SOURCE: Business Climate Survey for Swedish Companies in the United Kingdom 2026

What is your company's main industry in the United Kingdom?



NOTE: The number of respondents for this question was 46. "Don't know/Not applicable" responses are included but not shown in figure.
 SOURCE: Business Climate Survey for Swedish Companies in the United Kingdom 2026

Swedish firms' local number of employees in the United Kingdom in 2026



NOTE: The number of respondents for this question was 47. "Don't know/Not applicable" responses are included but not shown in figure.
 SOURCE: Business Climate Survey for Swedish Companies in the United Kingdom 2026

Swedish businesses report a stabilising and gradually improving business climate in the UK

The 2026 survey suggests that perceptions of the UK business climate among Swedish companies have stabilised and, in some respects, begun to improve following a more challenging period. While sentiment remains cautious, the results indicate that confidence has stopped deteriorating and is showing early signs of recovery. In total, 22 per cent of respondents describe the business climate as “very poor” or “poor”, a slight improvement compared with 2025. At the same time, 24 per cent assess conditions as “very good” or “good”, broadly unchanged year on year. The largest share of respondents, 46 per cent, continue to report a neutral view, suggesting that many companies see the current environment as manageable, albeit still demanding.

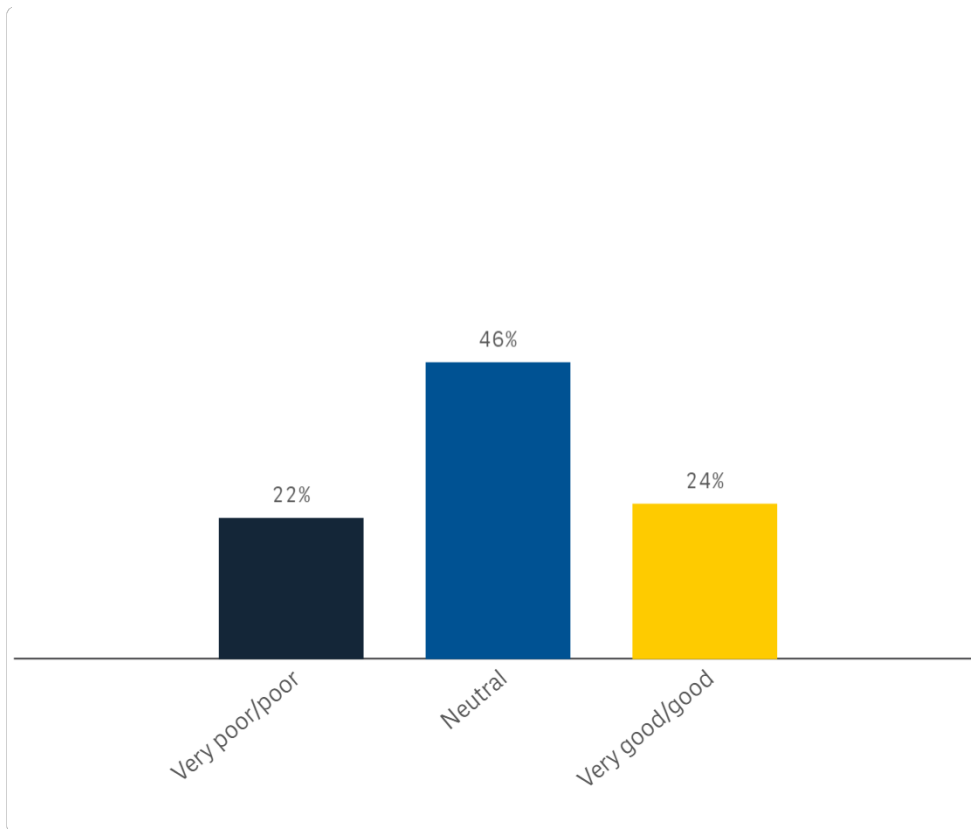
This distribution points to a business climate characterised less by pessimism and more by adjustment. Swedish companies appear to have recalibrated expectations after several years of elevated uncertainty linked to inflation, interest rates, Brexit-related frictions and geopolitical instability. While challenges remain, particularly around cost levels and regulatory complexity, the absence of further deterioration suggests that companies are increasingly able to plan within the current framework. The high share of neutral responses reflects a market where risks are well understood and incorporated into decision-making, rather than one marked by acute instability. UK-specific developments are also contributing to a more balanced outlook.

Easing inflationary pressures, gradually improving financing conditions and clearer policy direction under the current government have helped reduce volatility compared with previous years. Recent fiscal and policy measures have improved visibility for businesses, even if concerns remain regarding execution and long-term competitiveness. Against this backdrop, Swedish companies continue to highlight the UK’s fundamental strengths, including market size, sectoral depth, access to talent and a well-established legal and institutional environment.

From an international perspective, the UK’s continued engagement through trade agreements and bilateral cooperation is also supporting sentiment. While such initiatives have not yet translated into a marked upswing in positive perceptions, they reinforce the UK’s role as an outward-looking economy and an important hub for global business. Many Swedish companies view this as a foundation for future improvement, particularly if combined with consistent policy implementation and progress on infrastructure, skills and productivity.

Overall, the 2026 results suggest that the UK business climate is no longer deteriorating and is entering a phase of cautious normalisation. While confidence has not yet returned to pre-2024 levels, the stabilisation of sentiment and the persistence of positive assessments indicate that Swedish companies continue to see the UK as a viable and strategically important market. Further improvement in perceptions will likely depend on sustained economic stability, predictable policy frameworks and the government’s ability to translate strategic ambitions into tangible outcomes that support growth and competitiveness.

How do you perceive the current business climate in the United Kingdom?



NOTE: The number of respondents for this question was 46. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in the United Kingdom 2026

Swedish companies report a stabilising business climate in the UK

Swedish companies describe a UK business climate in 2026 marked by cautious normalisation rather than further deterioration. Based on this year's Business Climate Survey, perceptions appear to have stabilised following a more challenging period. While views remain mixed, the results suggest that confidence has stopped declining and that companies are increasingly adapting to prevailing conditions rather than reacting to acute uncertainty.

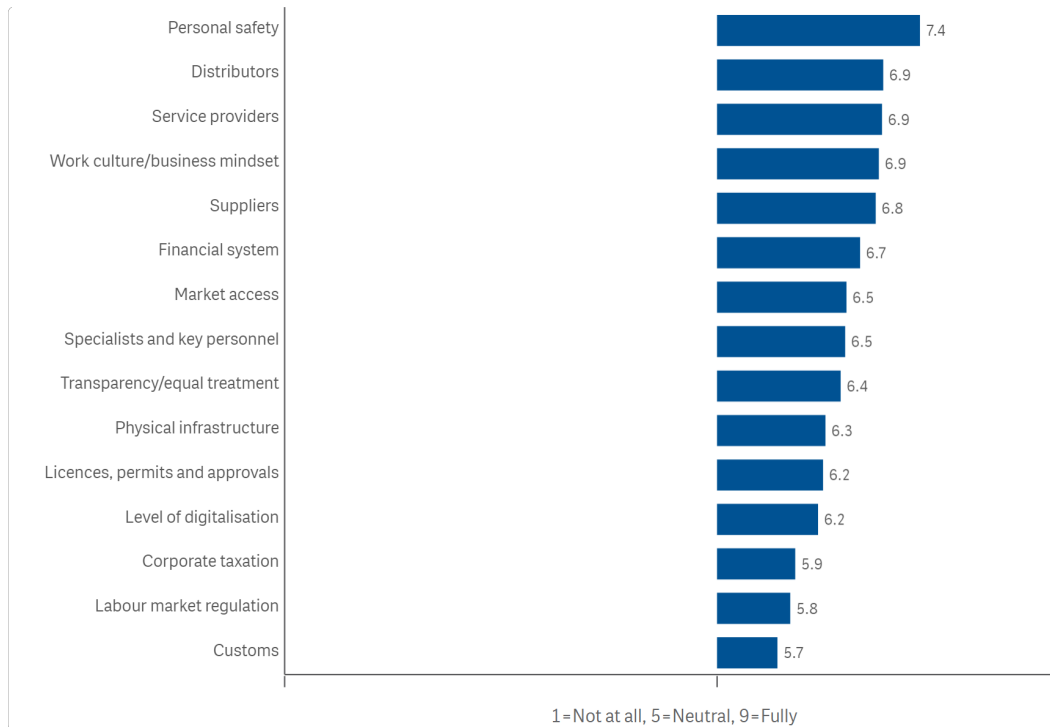
In total, 22 per cent of respondents describe the business climate as "very poor" or "poor", a slight improvement compared with 2025. At the same time, 24 per cent assess conditions as "very good" or "good", broadly unchanged year on year. The largest share of respondents, 46 per cent, continue to report a neutral assessment. This distribution points to a business environment viewed as broadly manageable rather than strongly positive or negative, with risks and opportunities appearing broadly balanced.

The high share of neutral responses suggests that companies are adapting to current market conditions. Swedish companies appear to have adjusted their expectations after several years marked by high inflation, rising interest rates, Brexit-related frictions and global geopolitical uncertainty. While challenges related to cost levels, regulation and market growth remain present, they are increasingly seen as structural features of the operating environment rather than short-term shocks. This has allowed many companies to shift focus from crisis management to selective growth, efficiency and longer-term positioning.

At the same time, the stabilisation of sentiment reflects some improvement in the broader UK context. Easing inflationary pressures, gradually improving financing conditions and clearer policy direction have helped reduce volatility compared with previous years. Although concerns remain around policy implementation, infrastructure investment and long-term competitiveness, the results indicate that confidence is no longer deteriorating.

In summary, the 2026 survey suggests that the UK remains a strategically important market for Swedish companies, characterised by a demanding but increasingly predictable business climate. While enthusiasm has not fully returned to earlier levels, the combination of stabilising perceptions, a large share of neutral assessments and a sustained share of positive assessments points to a market that continues to support long-term engagement. Further improvements in sentiment will likely depend on sustained economic stability, policy consistency and tangible progress on growth-enhancing reforms.

How well do the following conditions meet the needs of your company in the United Kingdom?



NOTE: The number of respondents for this question was 48.
SOURCE: Business Climate Survey for Swedish Companies in the United Kingdom 2026

Swedish companies report a stabilising UK business environment in 2026

Comparing the 2026 survey results with those from the previous year suggests that the UK business environment has broadly stabilised, with modest improvements in several areas and fewer signs of further deterioration. Many of the UK's long-standing strengths remain intact, while the policy environment has become more predictable as the Labour government has moved from agenda-setting to early implementation. This has helped reduce uncertainty for internationally active companies, even as structural challenges persist.

Personal safety remains the most positively assessed aspect of the UK business climate, with a score of 7.4, improving slightly compared with 2025. This continues to reflect the UK's strong institutions and rule of law, which remain a key foundation for business confidence. Distributors, service providers and work culture and business mindset, all scoring 6.9, also remain stable strengths, supporting Swedish companies' day-to-day operations. The continued positive assessment of service providers is particularly important in a policy environment where compliance, legal and professional services are becoming increasingly important as regulation evolves.

Several factors reflect cautious optimism linked to clearer government priorities. The supplier base (6.8) and financial system (6.7) are viewed as reliable, supporting operational continuity and investment planning. While not viewed as major competitive advantages, these scores suggest that core market mechanisms are functioning predictably. Market access (6.5) and access to specialists and key personnel (6.5) remain solid, though labour availability and skills shortages continue to limit upside potential. This aligns with the Labour government's stated focus on skills, workforce

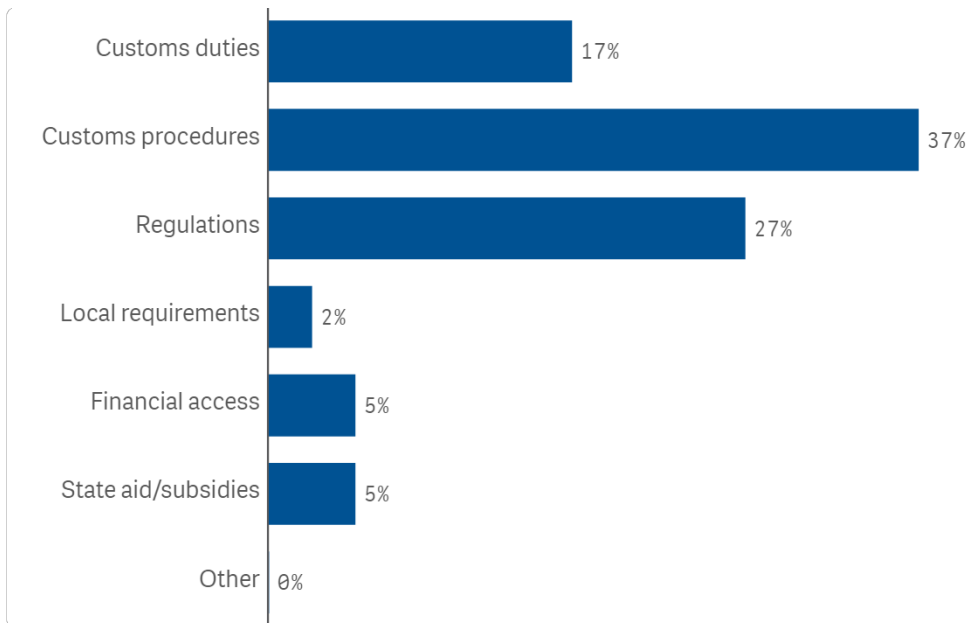
participation and long-term productivity, areas where businesses are watching closely for tangible delivery.

Incremental improvements are also visible in areas that were previously more clearly perceived as weaknesses. Physical infrastructure scores 6.3, indicating a gradual improvement in sentiment, potentially reflecting renewed political emphasis on infrastructure investment, regional development and transport connectivity beyond London and the southeast. Licences, permits and approvals (6.2) and the level of digitalisation (6.2) remain close to neutral. While administrative processes are generally manageable, respondents continue to highlight scope for simplification and faster digital rollout, particularly in public administration, where expectations remain high.

At the lower end of the scale, corporate taxation (5.9) and labour market regulation (5.8) remain areas of concern. These scores reflect ongoing cost pressures and adjustment to recent and forthcoming labour reforms under the Labour government, including expanded employee protections and changes to employment practices. While these reforms aim to improve fairness and long-term labour market resilience, companies continue to assess their impact on flexibility and operating costs. Customs procedures, although still the lowest-rated factor, improve slightly to 5.7, suggesting that while post-Brexit trade frictions remain a structural challenge, companies are increasingly adapting to the regulatory reality.

Overall, the 2026 results point to a UK business environment that is no longer weakening and is benefiting from greater policy clarity. While few areas are perceived as strong competitive advantages, the combination of stable institutional strengths, incremental improvements and clearer government direction supports a more predictable operating environment. For Swedish companies, further improvements in competitiveness will depend on the Labour government’s ability to deliver on infrastructure, skills and productivity ambitions, while maintaining regulatory stability and addressing persistent trade-related frictions.

Has your company in the past year encountered trade barriers in the United Kingdom with a noticeably negative impact on operations, in any of the following areas?



NOTE: The number of respondents for this question was 48.
 SOURCE: Business Climate Survey for Swedish Companies in the United Kingdom 2026

How Swedish companies succeed in the United Kingdom

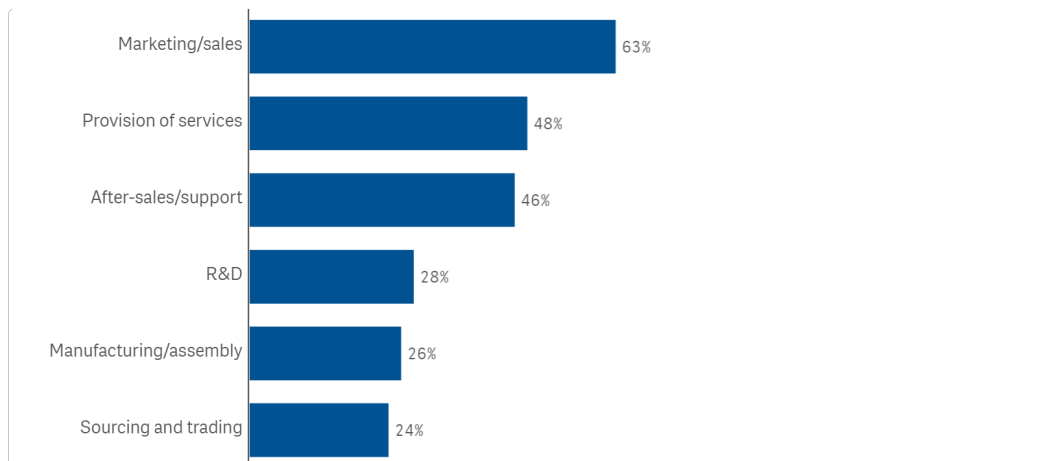
Swedish companies are maintaining a well-rounded offering in the UK

The operations of Swedish firms in the market remain largely similar to those of respondents to 2025's survey. As in last year's survey, 63 per cent of respondents indicated that marketing and sales form the key part of their local operations in the UK. Similarly, just under half note their involvement in the provision of services.

One marked change, however, is a significant increase in the share of companies providing after-sales services and/or support. This figure has increased by 17 percentage points between 2025 and 2026, suggesting that Swedish companies are becoming more deeply established in the UK market than previously and are now in a position to offer additional customer services such as after-sales services and/or support. This trend may be partly linked to post-Brexit conditions, including reduced ease of short-term travel and on-site work across borders, as well as greater administrative burdens for temporary staffing. Establishing local after-sales capabilities can therefore reflect both commercial maturation and a practical response to the changed operating environment.

Moreover, within the research and development area, we can observe that the percentage of companies engaging in this area has more than doubled since 2025 (13 per cent versus 28 per cent). The UK and Sweden have demonstrated their commitment to bilateral partnerships to encourage R&D partnerships as reflected in a Memorandum of Understanding (MoU) in 2022 on Life Sciences and in 2025 on Research and Innovation. The 2025 MoU focuses on a multitude of important areas including the co-development of Artificial Intelligence (AI) applications, health data and medical technology commercialisation. The creation of bespoke environments for innovation in both countries has contributed to a significant uptick in this metric.

Operations of Swedish firms in the market



NOTE: The number of respondents for this question was 48. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in the United Kingdom 2026

Strong relationships remain crucial for Swedish companies seeking to succeed in the UK

In contrast to last year's more cautious assessment of the UK business climate, the 2026 results highlight how Swedish companies are actively strengthening their competitiveness through operational and commercial capabilities. Rather than focusing primarily on structural conditions,

respondents emphasise company-level drivers that enable them to perform well in a mature and demanding market.

The most frequently cited factor is partnerships and relationships, identified by 51 per cent of respondents as critical to competitiveness in the UK. This underscores the importance of local presence, trusted customer relationships and close collaboration with suppliers, partners and stakeholders. In a market shaped by regulatory complexity, post-Brexit trade frictions and sector-specific requirements, strong relationships appear to play a decisive role in navigating challenges and securing long-term business.

Commercial capability also features prominently. Sales competence (32 per cent) and collaboration and feedback from clients (30 per cent) rank among the top drivers of competitiveness, pointing to the importance of customer proximity and responsiveness. These results suggest that Swedish companies are competing not primarily on price alone, but on their ability to understand customer needs, adapt offerings and deliver value in close dialogue with the market. This is particularly relevant in the UK, where procurement processes, tendering and customer expectations can differ significantly across sectors and regions.

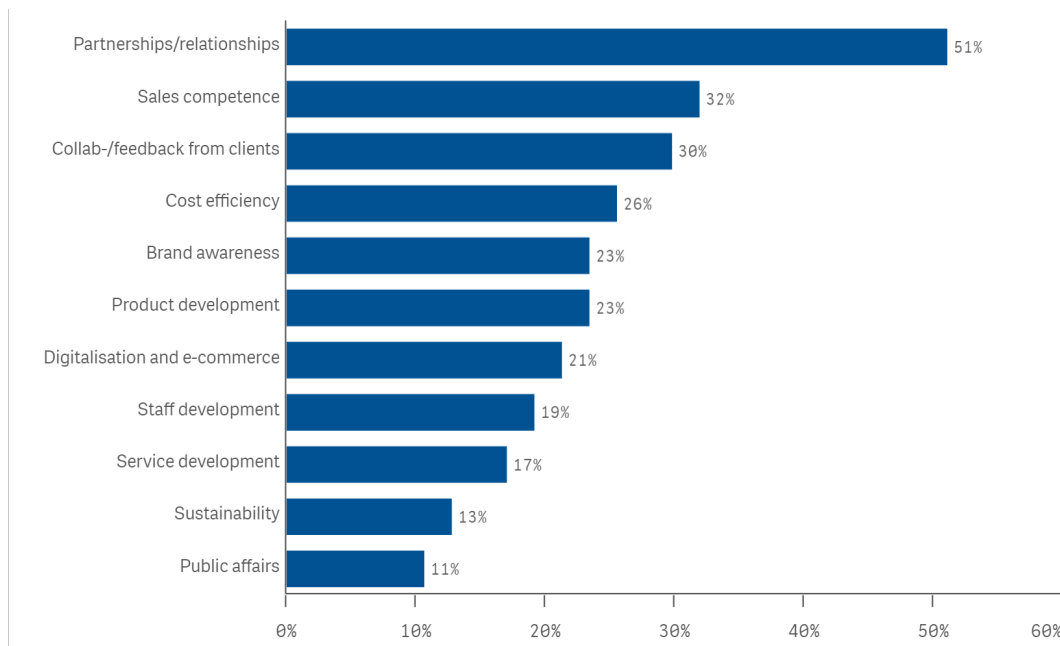
Cost management remains an important consideration, with 26 per cent of respondents highlighting cost efficiency as a key factor. While the UK is not perceived as a low-cost market, this result indicates that companies are actively managing margins through operational efficiency while maintaining their UK presence. At the same time, brand awareness and product development, both cited by 23 per cent, highlight the continued relevance of innovation and strong market positioning, especially in competitive sectors such as business services, industrial equipment and consumer-facing industries.

Digital capabilities and human capital also feature as supporting competitiveness factors. Digitalisation and e-commerce (21 per cent), alongside staff development (19 per cent), reflect the growing importance of digital tools, skills and workforce capability in maintaining performance. This aligns with broader UK policy ambitions around productivity, digital transformation and skills development, even if companies continue to call for faster and more consistent policy delivery.

Notably, fewer respondents identify public affairs (11 per cent) as a primary competitiveness driver. This suggests that while engagement with policy and regulation remains important, Swedish companies are largely focused on execution within the existing framework rather than relying on policy influence to shape outcomes. Similarly, sustainability, while still relevant, is cited by 13 per cent, reinforcing the view that competitiveness in the UK is currently driven more by commercial performance and operational delivery than by compliance or reporting considerations alone.

Overall, the 2026 results paint a more constructive picture than in the previous year. While structural challenges identified in 2025, such as infrastructure constraints, regulatory complexity and post-Brexit frictions, have not disappeared, Swedish companies are increasingly adapting their strategies to operate successfully within this environment. Competitiveness in the UK is now less about favourable conditions and more about how effectively companies leverage relationships, skills, innovation and local execution in a mature and competitive market.

To date, which of the following areas have been important in maintaining competitiveness in the United Kingdom?



NOTE: The number of respondents for this question was 46. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in the United Kingdom 2026

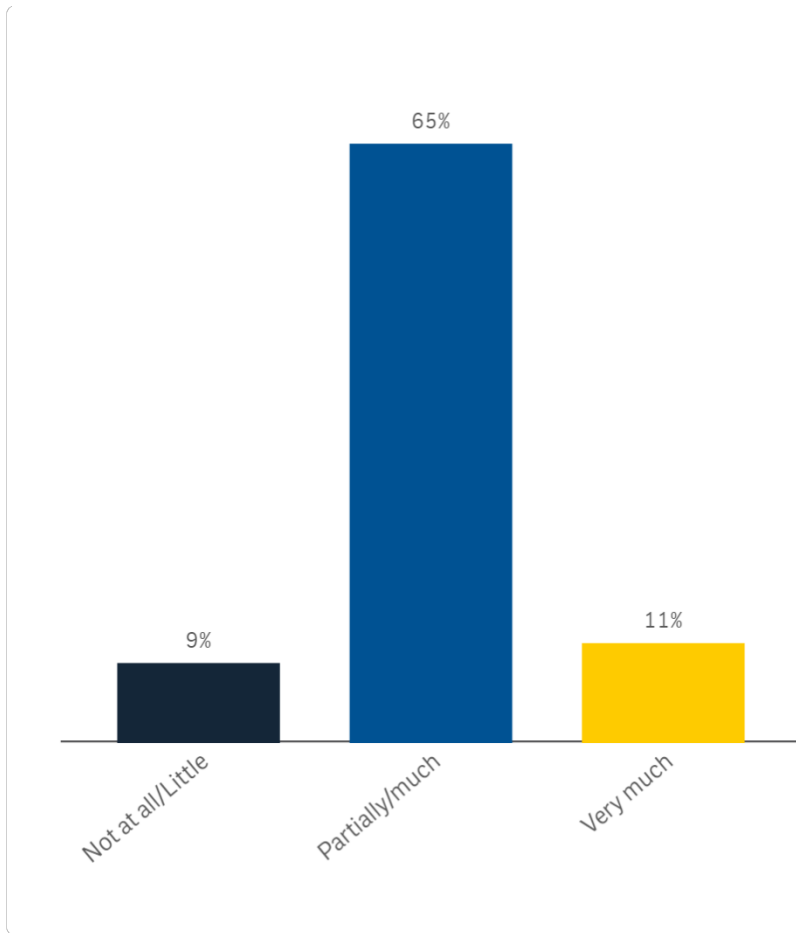
The "Swedish brand" continues to strengthen its contribution to business success in the UK

For the third consecutive year, the share of Swedish companies who have indicated that the "Swedish brand" contributes to their business in the UK "partially" or "very much" has increased. In 2024 this figure stood at 73 per cent, in 2025 it was 75 per cent and this year increased further to 76 per cent.

More notably, the figure of companies reporting that the Swedish brand does not contribute to their business in the United Kingdom has fallen from 21 per cent in 2024 to 15 per cent in 2025 and now even further to 9 per cent in 2026. It is particularly promising that this figure has more than halved in just two years. Sweden maintains a strong reputation associated with quality and innovation. Sweden has also benefitted from highly notable cultural exports which have bolstered the Swedish brand to new demographics.

Musicians including Zara Larsson remain immensely popular with UK audiences as do more vintage performers as demonstrated by the continued success of the ABBA Voyage experience in London. From a sporting perspective, 2025 saw a Swede in Alexander Isak become the most expensive footballer in Premier League history. More recently, Graham Potter, an Englishman, coached the Swedish men's national football team to qualification for the 2026 World Cup to be held in the United States, Mexico and Canada. These are not merely cheerful sideshows but rather palpable examples of the strong cultural ties that bind the UK and Sweden so tightly together.

To what extent would you estimate that the “Swedish brand” contributes to your business in the United Kingdom?



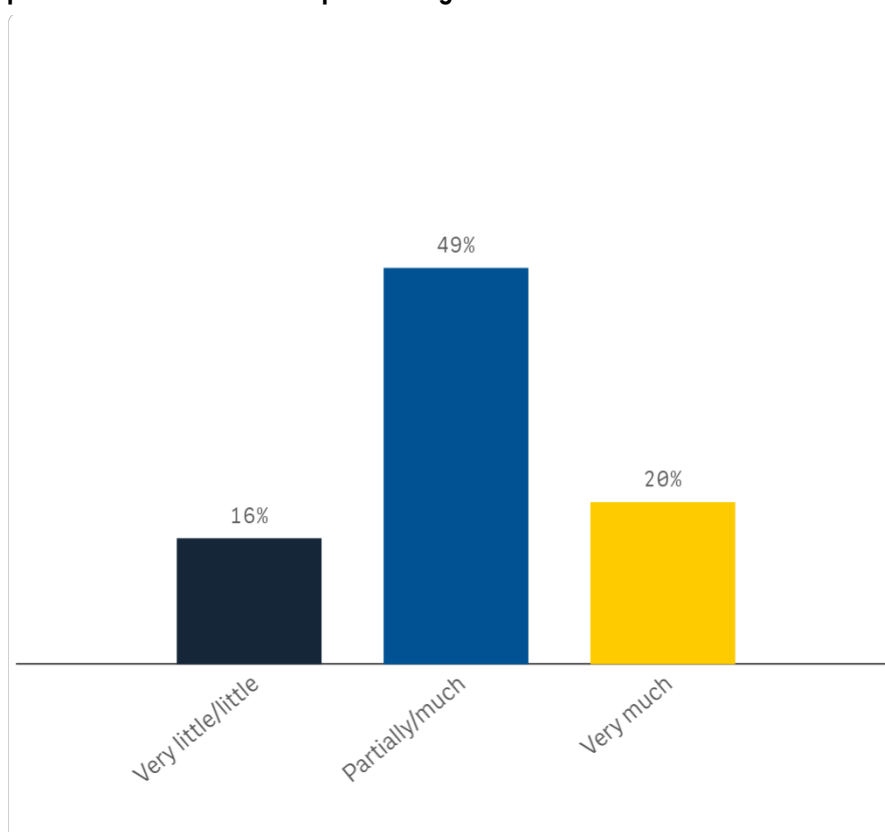
NOTE: The number of respondents for this question was 46. “Don’t know/Not applicable” responses are included but not shown in figure.
SOURCE: Business Climate Survey for Swedish Companies in the United Kingdom 2026

Acting sustainably

Environmental considerations play a reduced role in purchasing decisions

Last year's report noted a significant decline in the percentage of companies that consider environmental aspects of a product or service "partially" or "much" in their purchasing decision between 2024 (73 per cent) and 2025 (48 per cent). The 2026 results show a continuation of this trend with 49 per cent of companies reporting the same response in this year's survey.

To what extent do customers in the United Kingdom consider environmental aspects of a product or service in their purchasing decision?



NOTE: The number of respondents for this question was 45. "Don't know/Not applicable" responses are included but not shown in figure.

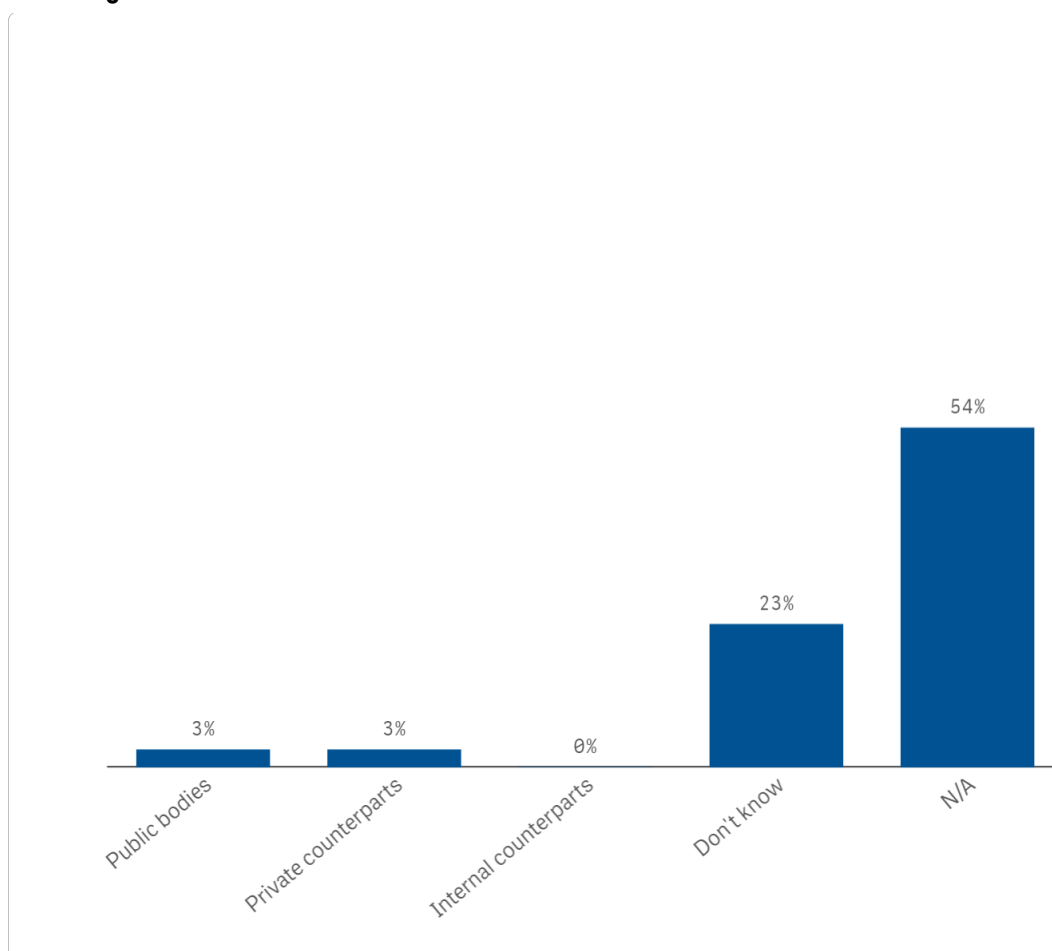
SOURCE: Business Climate Survey for Swedish Companies in the United Kingdom 2026

Exposure to corruption has increased slightly, highlighting the importance of awareness and compliance

Encouragingly, three in five companies who were polled noted that they had not been exposed to corruption (such as bribery or fraud). This year 6 per cent of companies polled pointed to exposure to corruption in interactions with both public and private bodies. At the time of writing, rapid and sometimes unpredictable advances in AI are forcing companies to adapt their ways of working quickly and confidently in order to stay competitive and ensure their survival. This must not come at the expense of understanding or of maintaining strong security standards. Corruption risks are not limited to technology alone, and companies must remain aware of the rules and regulations that govern their operations, particularly when operating in new markets or working with new partners.

As in last year's report, however, around 20 per cent of companies noted that they "don't know" if they have been exposed to corruption-related practices associated with corruption. This is not immediately alarming; however, it does suggest that company representatives may not be entirely familiar with the indicators of corruption and by extension may be less prepared to identify and respond to such situations. Therefore, it may be useful for some Swedish companies in the United Kingdom to fully understand what corruption looks like and consider more meticulous training in order to be able to properly detect and handle incidents of corruption in the future.

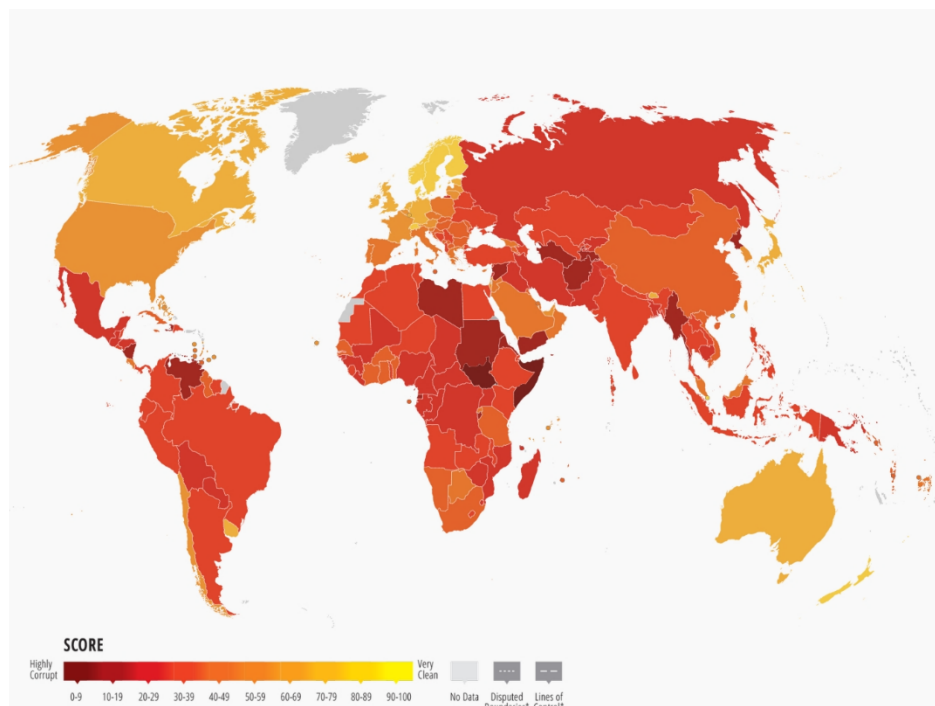
Has your company in the United Kingdom been exposed to corruption such as, but not limited to, attempts of bribery or fraud in contacts with any of the following areas?



NOTE: The number of respondents for this question was 48. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in the United Kingdom 2026

Corruption perception index 2025



Transparency International's Corruption Perceptions Index (CPI) 2025 continues to place the United Kingdom among the better-performing countries globally. With a score of 70 out of 100, the UK ranks 20th out of 182 countries, despite a marginal decline of one point compared with the previous year. While the score reflects a gradual weakening from the UK's mid-2010s peak, it still points to relatively strong institutions, a high degree of transparency and a broadly predictable operating environment. For Swedish companies, this underpins confidence in legal certainty and rule-based market conditions, even as calls for continued vigilance and institutional reform remain relevant.

NOTE: Corruption perception index 2025
SOURCE: Transparency International

Swedish companies report limited exposure to human rights and labour rights risks in the UK

The findings from this year's iteration of the survey offer a broadly positive outlook. A substantial share of companies indicate that they have not encountered human rights violations and/or labour rights abuses in their interactions across the areas assessed. In addition, 29 per cent of respondents state that they do not know whether their company has encountered such circumstances. On the surface, these results are encouraging and suggest that Swedish companies generally operate in an environment where serious violations are not an overt feature of day-to-day business activity.

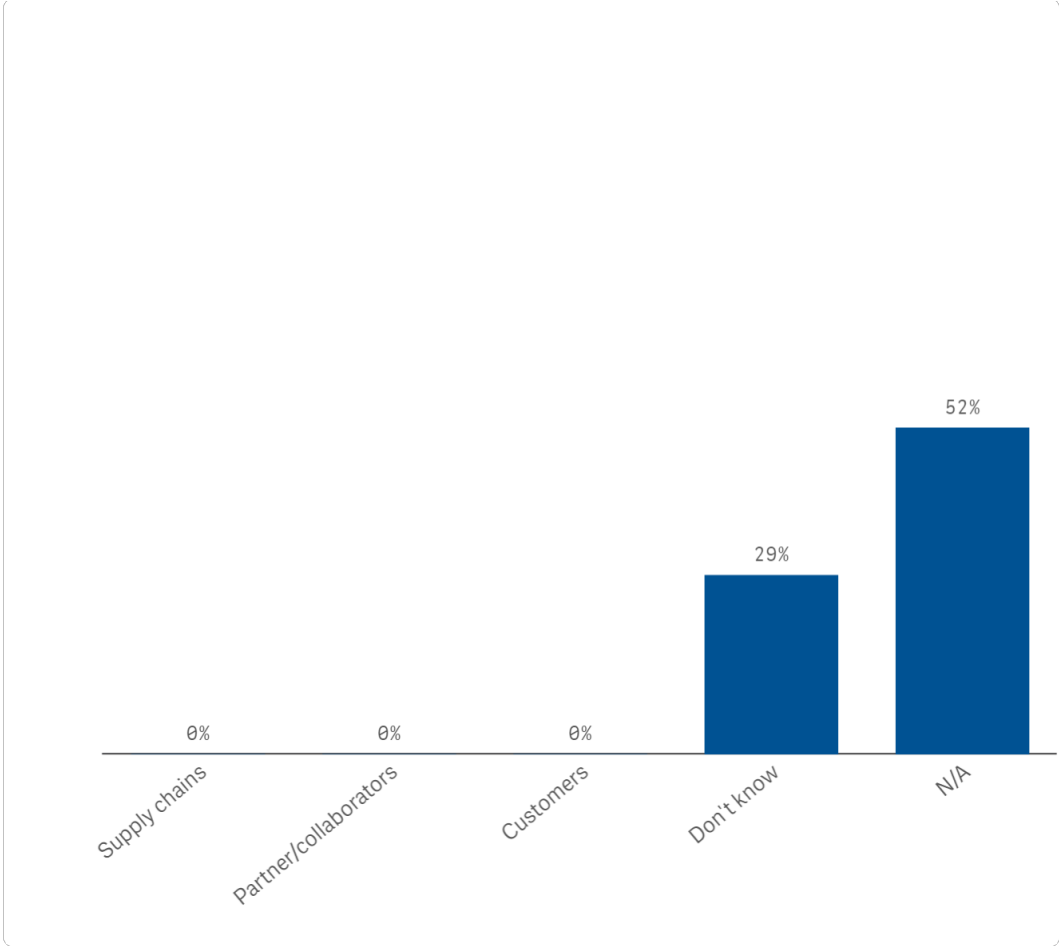
However, the findings should not be interpreted as conclusive evidence that risks are absent. Human rights violations and labour rights abuses are often difficult to detect, particularly beyond a company's immediate operations. The relatively high share of respondents answering "don't know" highlights potential gaps in visibility, monitoring or internal reporting, rather than confirming the absence of risk. This is especially relevant in complex business structures, extended value chains or regulated sectors, where responsibility may be shared across multiple actors.

The institutional context provides an important backdrop. Both the UK and Sweden benefit from strong rule-of-law traditions, independent judicial systems and regulatory frameworks that uphold human rights and labour standards. These foundations support transparency and accountability and help reduce the likelihood of systemic abuses. At the same time, evolving regulation, increased outsourcing and international supply chains mean that companies cannot rely solely on the institutional environment to mitigate risk. Ongoing due diligence, internal awareness and clear reporting mechanisms remain essential to ensure that potential issues are identified and addressed at an early stage.

Overall, the results suggest that while Swedish companies operating in the UK generally perceive a low incidence of human rights and labour rights violations, continued vigilance is warranted.

Strengthening internal processes, supply-chain oversight and awareness among staff and partners will be key to ensuring that this positive picture is sustained and that risks are identified even when not immediately visible.

Has your company in the United Kingdom encountered any form of human rights violations and/or labour rights abuse in contacts with any of the following areas?



NOTE: The number of respondents for this question was 48. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in the United Kingdom 2026

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