



Business Climate Survey Canada



Business Climate Survey for Swedish companies in Canada 2026

A report from Team Sweden in Canada

Table of Contents

Foreword	4
Executive summary	5
About the survey	6
Economic outlook.....	7
The market.....	10
How Swedish companies succeed in Canada.....	14
Acting sustainably	17
Contact us.....	20

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31 respondents

(total +2,250 respondents for 41 markets)

Current business climate

Neutral view on the current Canadian business climate

Industry turnover

50%

of Swedish companies expect their industry turnover to increase

Future investments

57%

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

Locally valued success factors

1. Cost efficiency
2. Collab-/feedback from clients
3. Partnerships/relationships

Brand Sweden

79%

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. Corporate taxation
2. Customs
3. Licenses and permits

Environmental considerations

16%

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

Corruption

– Very low risk in Canada

Human rights violation and labour rights abuse

– Very low risk in Canada

Foreword

The Embassy of Sweden in Ottawa, the Swedish Canadian Chamber of Commerce, and Business Sweden, together as Team Sweden in Canada, are proud to present the results of our annual Business Climate Survey in Canada 2026. This is the 7th Business Climate Survey conducted in Canada, and we have gained valuable insights into how Swedish businesses view the Canadian business climate during this period.

In recent years, Canada and Sweden have enjoyed strong, positive relations in both business and diplomacy, and we expect this relationship to continue to thrive. A decade after the signing of the Canada–European Union Comprehensive Economic and Trade Agreement (CETA), ties between Sweden and Canada have been strengthened. According to Global Affairs Canada, trade between our two countries has increased by 135 per cent, labour mobility has improved, and there is growing recognition of our shared cultural strengths and values. Canada and Sweden continue to be close partners and allies within the United Nations, the Arctic Council, the OECD, the WTO, and, more recently, NATO.

The past year marked an important milestone in relations between Sweden and Canada. In November 2025, Canada welcomed Their Majesties King Carl XVI Gustaf and Queen Silvia of Sweden on a state visit, accompanied by the largest-ever Swedish business delegation to take part in such a visit to Canada. That same week, Canada and Sweden signed a Strategic Partnership Agreement, ushering in a new phase of bilateral relations and deepening cooperation across key policy areas.

Canada's Minister of Industry Mélanie Joly underscored the deep commitment by saying, "At the heart of our ambition lies a common interest in promoting free trade, competitiveness, innovation and a green transition".

Team Sweden in Canada is proud to support this strong and enduring relationship. We are proud to work closely with Swedish companies operating in Canada and to support them as they continue to grow, invest, and succeed. As Team Sweden, we remain firmly committed to enabling long-term engagement and creating the best possible conditions for Swedish businesses to thrive in Canada. We stand ready to support their ambitions and encourage those interested to reach out to learn how Team Sweden can help your continued success in the Canadian market.

Finally, Team Sweden extends its sincere thanks to all companies that participated in the 2026 Business Climate Survey. Your insights are essential to our work. Thank you for your continued investment in Sweden-Canada relations and for your contribution to a strong, sustainable business environment between our nations.



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Ambassador of Sweden to
Canada



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Executive summary

The 2026 Canada Business Climate Survey captures responses from thirty-one (31) Swedish companies operating in Canada, representing approximately one-fifth (1/5) of all Swedish firms in Canada. The survey results create a snapshot of Swedish business sentiment and performance in the Canadian market in 2026.

Swedish companies in Canada are characterised by a long-standing presence, scale, and deep market integration. More than half of Swedish company respondents have operated in Canada for over 20 years – reflecting maturity, strong local knowledge, and long-term commitment to the market. The majority are large, globally active firms with a particularly strong footprint in the industrial sector, complemented by professional services and consumer-facing industries. Overall, Swedish firms operate in close alignment with Canadian business norms and face challenges similar to those of domestic companies.

Despite a softening economic environment, Swedish companies continue to view Canada as a reliable and transparent market. Over the past year, respondents reported a decline in profitability, reflecting broader macroeconomic headwinds, slower GDP growth, and increasing economic uncertainty. Perceptions of the current Canadian business climate remain largely neutral. Canada's enduring strengths, including personal safety, access to reliable business partners and cost-effectiveness, continue to underpin its attractiveness as a market.

As Canada primarily serves as an end market for Swedish goods, increasingly complex trade conditions and global economic uncertainty have become key priorities for companies to manage. Nevertheless, Swedish firms have demonstrated resilience, supported by stable and improving relations between Canada, Sweden, and Europe. The Swedish brand continues to be perceived positively in Canada, reinforcing trust and market positioning.

Looking ahead, the sentiment is optimistic. Half of Swedish companies expect revenue growth in 2026 to 2027, and ~60 per cent plan to increase investment in Canada over the same period. This forward-looking confidence aligns with broader Canadian business sentiment and highlights Canada's continued appeal as a stable and strategically positioned market within North America.

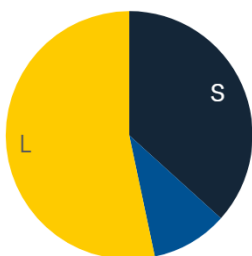
Overall, Swedish companies view Canada as a dependable, transparent, and opportunity-rich market, well suited for sustained engagement and long-term investment.

About the survey

Sweden: Big in Canada

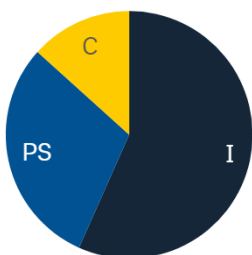
The majority of Swedish firms in Canada operate on a large scale: over 50 per cent employ 1,000+ people worldwide. Swedish competence shines across sectors, but is particularly notable in industrial goods and services for light and heavy industry.

Size of companies



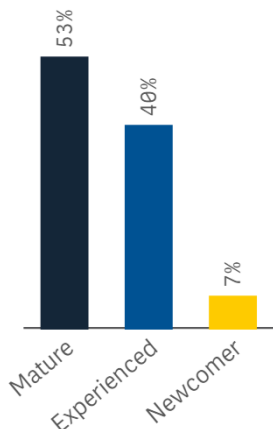
NOTE: Global employees. Large >1,000. Medium 250-1,000. Small 0-249.

Main industry



NOTE: Industrial 57%. Professional services 30%. Consumer 13%.

Age of companies



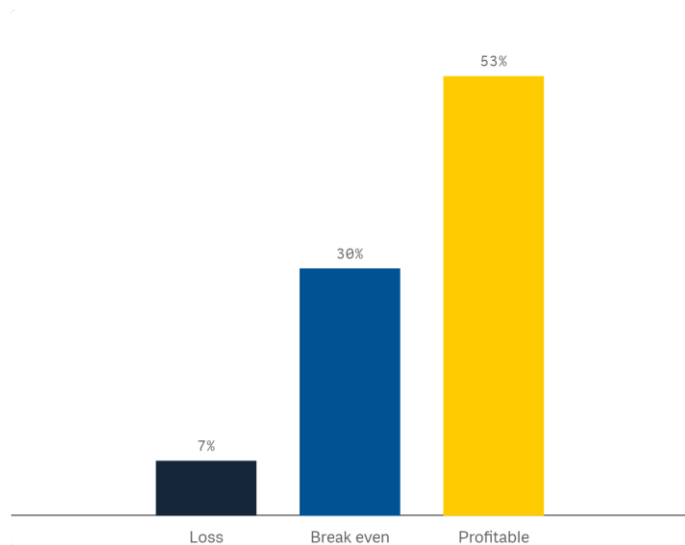
NOTE: Mature (-2004). Experienced (2003-2020). Newcomer (2021-).

Economic outlook

Suffering earnings

Swedish companies in Canada are less profitable in 2025 (53 per cent profitable, 30 per cent breakeven) compared to 2024 (79 per cent profitable, 8 per cent breakeven).

How would you describe your company's financial performance in Canada in 2025?



NOTE: The number of respondents for this question was 31. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Canada 2026.

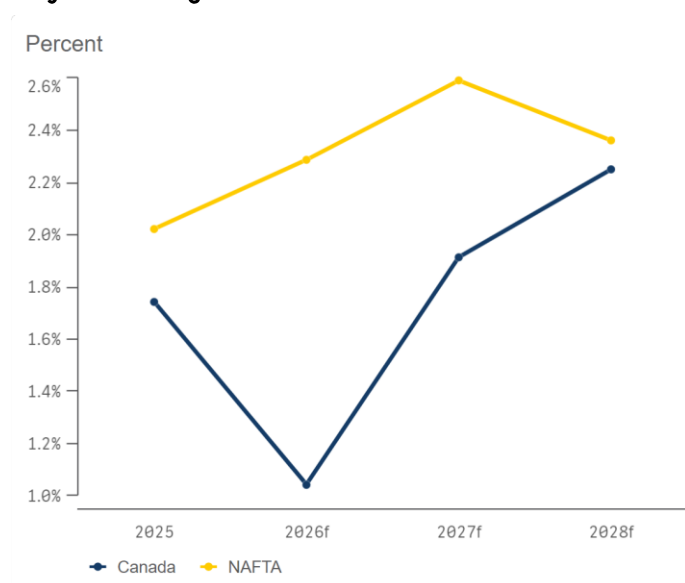
Swedish companies are staying, despite the sluggish economy

In Canada, GDP growth is slower than that of its closest geographical neighbours, Mexico and the US.

While Swedish companies are noticing this trend in profitability, optimism is not waning – 50 per cent of companies expect their revenue in Canada to increase in 2026-2027. This is in line with Canadian business sentiment – 72 per cent of Canadian firms reported feeling very or somewhat optimistic about their outlook over the next 12 months.

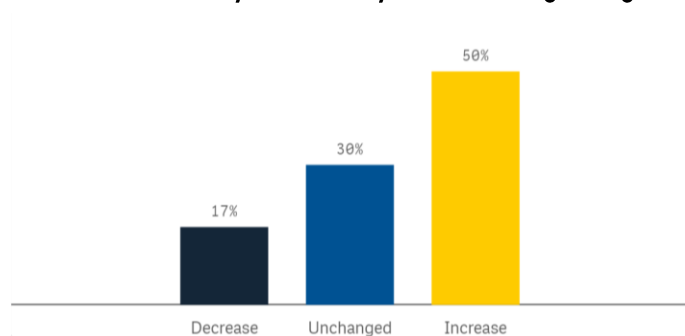
Beyond that, 30 per cent of companies expect their business to stay the same in 2025-2026.

Projected GDP growth in Canada



NOTE: Constant prices
SOURCE: Oxford Economics 20 March 2026

Compared to developments over the past 12 months, what are your expectations for the next 12 months for your industry in Canada regarding turnover?

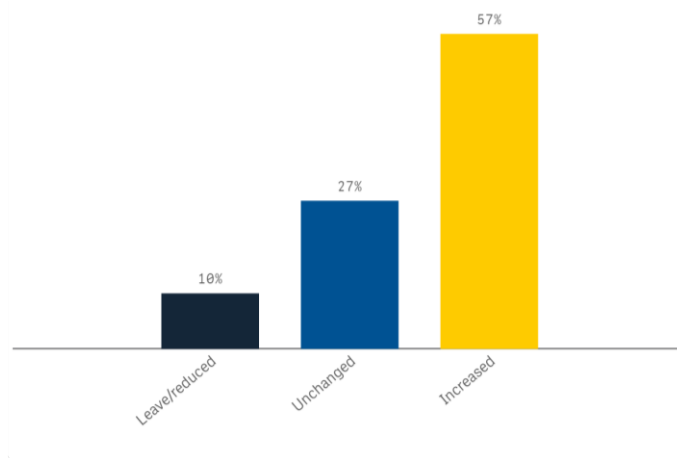


NOTE: The number of respondents for this question was 31. "Don't know/Not applicable" responses are included but not shown in figure.
SOURCE: Business Climate Survey for Swedish Companies in Canada 2026.

Swedish companies see an opportunity in Canada

Swedish firms continue to invest in Canada. 57 per cent of Swedish companies in Canada report expecting their investment in Canada to increase – a significant uptick from 2024, when only 44 per cent of companies reported an expected increase in investment.

What are your company's investment plans for the coming 12 months in Canada, compared to the past 12 months?



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SOURCE: Business Climate Survey for Swedish Companies in Canada 2026

The market

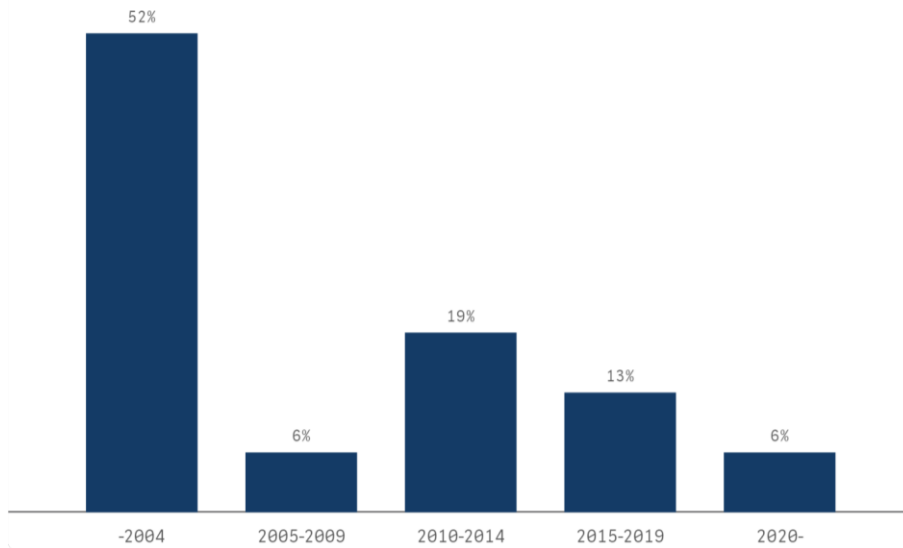
Knowing Canada

Swedish companies in Canada are mature. Over half (52 per cent) of Swedish companies arrived in Canada more than 20 years ago.

Swedish companies in Canada are diverse, with offerings spanning from mining equipment to security technology, telecommunications, food packaging and innovative clothing.

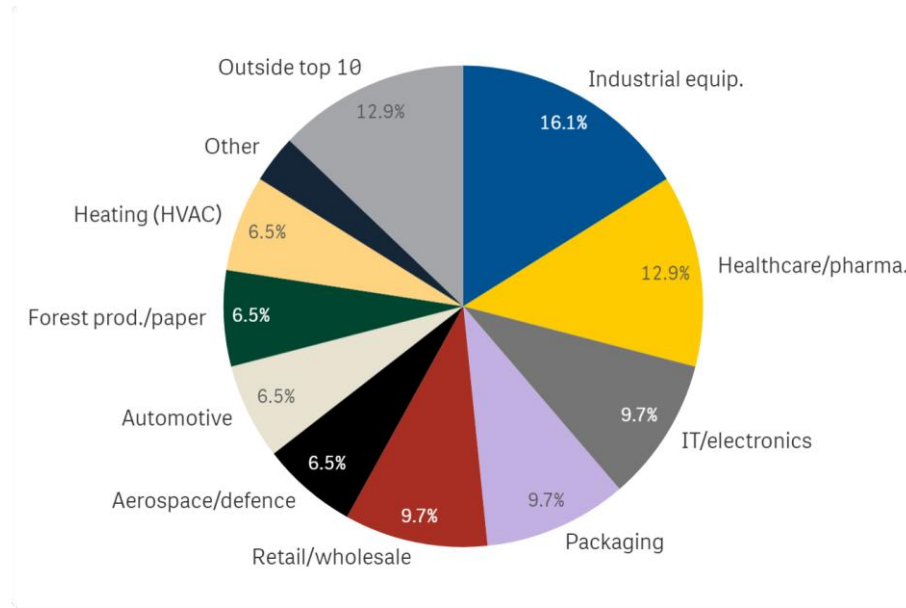
In Canada, the majority (80 per cent) of Swedish firms have a small local staff (less than 249 people). Canadian statistics consider a business “Large” if it employs 500+ people. Thus, Swedish firms reflect a Canadian reality – most businesses in Canada are small, and Swedish firms adapt to local conditions.

In what year did your company establish operations in Canada?



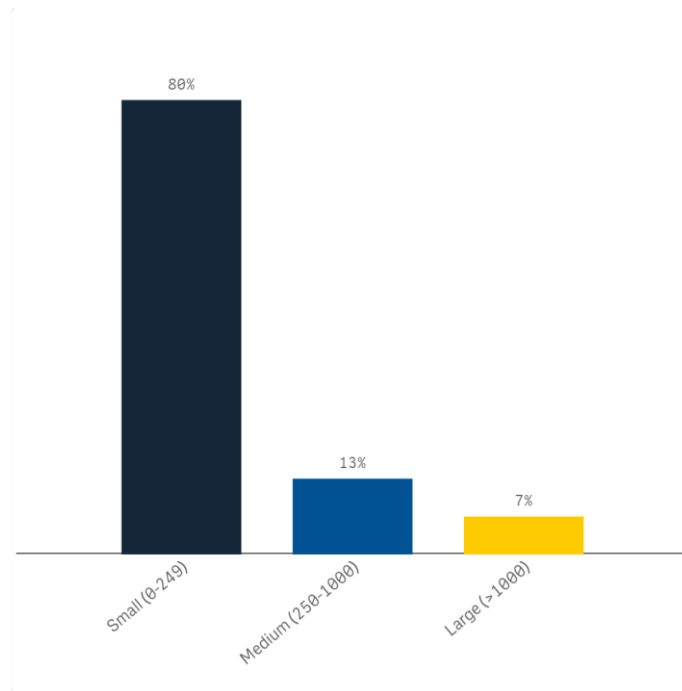
NOTE: The number of respondents for this question was 31. “Don’t know/Not applicable” responses are included but not shown in figure.
 SOURCE: Business Climate Survey for Swedish Companies in Canada 2026

What is your company's main industry in Canada?



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 SOURCE: Business Climate Survey for Swedish Companies in Canada 2026

Swedish firms' local number of employees in Canada in 2026



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 SOURCE: Business Climate Survey for Swedish Companies in Canada 2026

Neutral ground

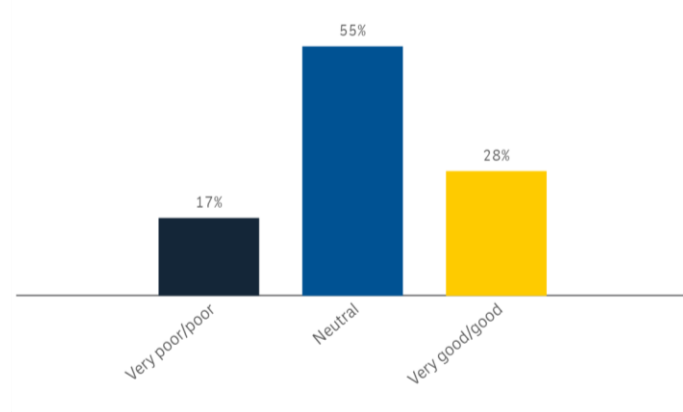
Currently, a majority of Swedish companies perceive the Canadian business climate as neutral (55 per cent).

Year over year, fewer Swedish companies see the Canadian business climate as favourable for their business. In 2026, 28 per cent of firms viewed the business climate as good/very good, compared with 32 per cent in 2025 and 45 per cent in 2024.

Economic uncertainty and trade challenges are similarly experienced by Canadian businesses – though in the past year, cost-related fears have significantly eased for many, primarily due to the resolution of trade disputes with the United States.

However, fewer Swedish firms view the Canadian business environment as poor/very poor in 2026 (17 per cent) than in 2025 (22 per cent).

How do you perceive the current business climate in Canada?



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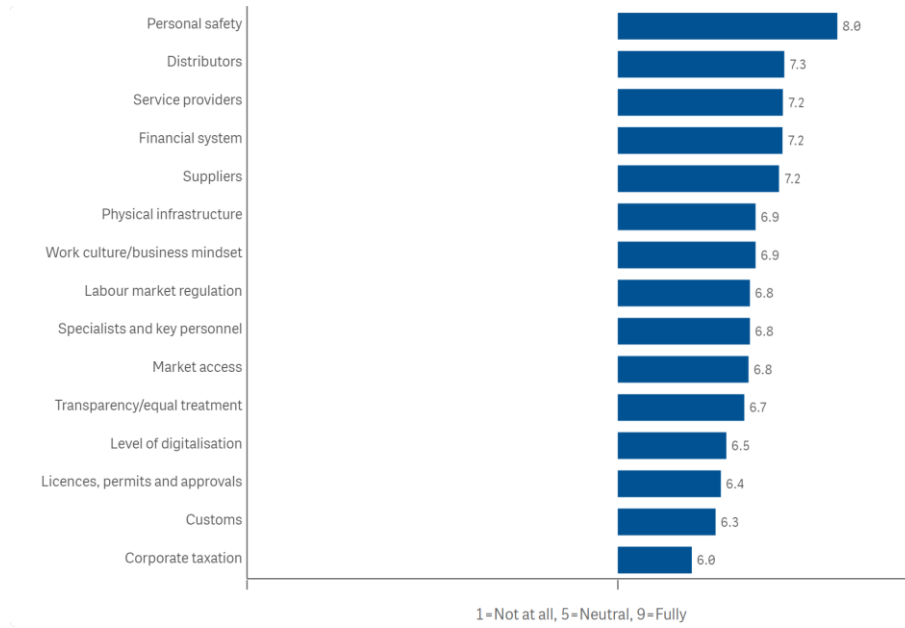
SOURCE: Business Climate Survey for Swedish Companies in Canada 2026.

Canadian consistency

Year after year, Swedish companies consistently report personal safety, access to distributors, service providers and suppliers as Canada's most positive market qualities.

Similarly, corporate taxation, digitalisation, customs, licenses and approvals are noted as Canada's least attractive qualities. However, all qualities are ranked at least 6.0 on a scale of 10.0, thereby adequately meeting business needs.

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



NOTE: The number of respondents for this question was 31.
 SOURCE: Business Climate Survey for Swedish Companies in Canada 2026

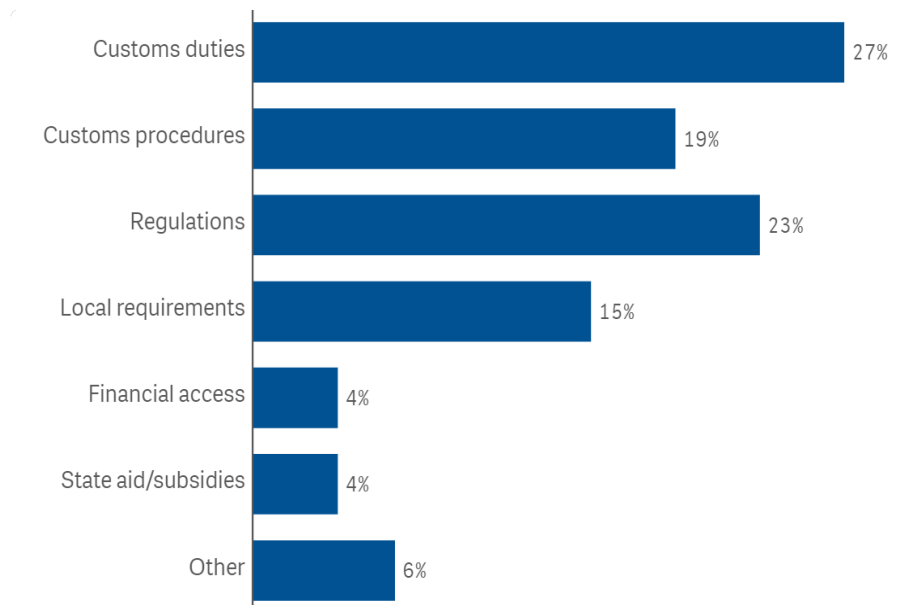
Complicating trade

In 2026, trade with Canada has become more difficult for Swedish firms compared to previous years.

Swedish companies report increased complexity negatively affecting their operations in Canada, including customs duties, procedures and regulations.

On an international scale, trade barriers in Canada are lower than in other nations where Swedish businesses operate.

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



NOTE: The number of respondents for this question was 31.
 SOURCE: Business Climate Survey for Swedish Companies in Canada 2026

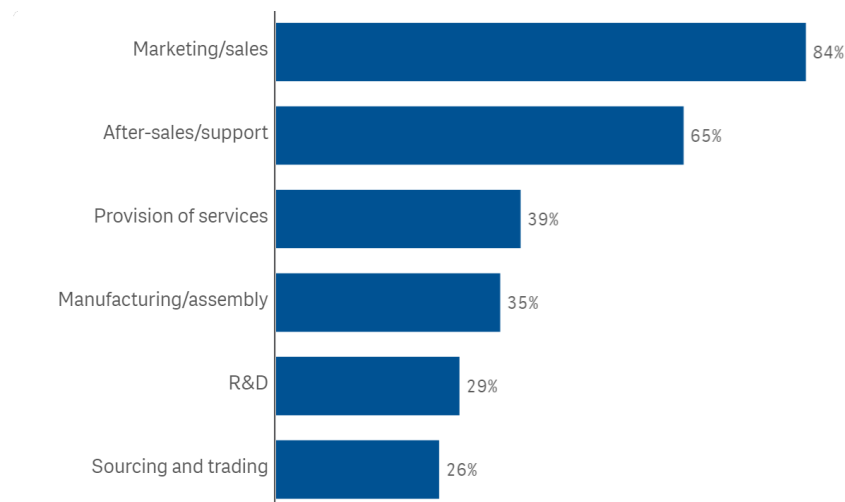
How Swedish companies succeed in Canada

Sales destination

Similar to past years, the Swedish firm primarily operates in Canada as a marketing, sales, and after-sales hub. This reflects on Canada's developed, service-based economy.

Unlike previous years, it is notable that Swedish companies are increasingly sourcing and trading in Canada – 26 per cent in 2026 vs. 13 per cent in 2025. This may be partially attributed to the Buy Canadian policy introduced in early 2025, in which Canadians increasingly sought to buy Canadian-made goods or goods made with Canadian materials, even if produced by foreign firms, to support the local economy.

Operations of Swedish firms in the market



NOTE: The number of respondents for this question was 31. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Canada 2026

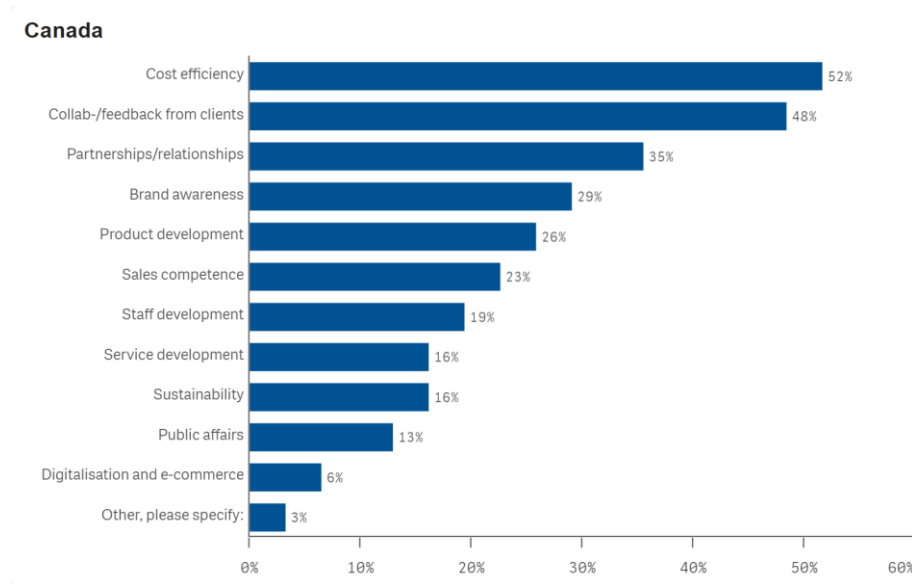
Local talents

Swedish firms consistently note cost efficiency and collaboration with clients and partners as Canada's most attractive qualities for their business.

As Team Sweden, we have observed Swedish firms establishing their North American headquarters in Canada and benefiting from proximity to both the United States and Canada, with staffing more readily affordable through Canada's talent pool.

Cultural similarity between Swedes and Canadians can ease communication between counterparts, allowing for the achievement of business objectives.

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



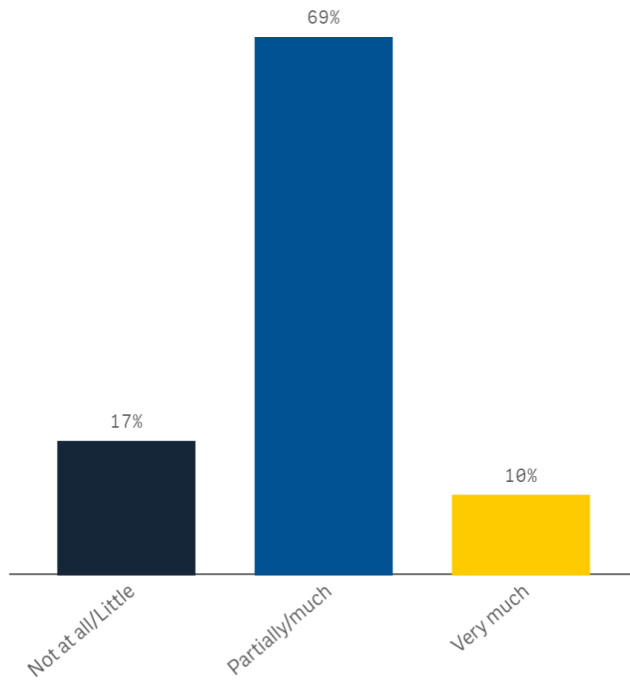
NOTE: The number of respondents for this question was 31. "Don't know/Not applicable" responses are included but not shown in figure.
 SOURCE: Business Climate Survey for Swedish Companies in Canada 2026.

Positive perception

Nearly 8 in 10 Swedish businesses in Canada report that the Swedish brand positively contributes to their branding in Canada.

While "buying Swedish" may not be a key purchasing criterion for Canadians, firms in Canada note that their positioning as a Swedish brand has positive connotations and can improve their market position.

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



NOTE: The number of respondents for this question was 31. “Don’t know/Not applicable” responses are included but not shown in figure.
SOURCE: Business Climate Survey for Swedish Companies in Canada 2026

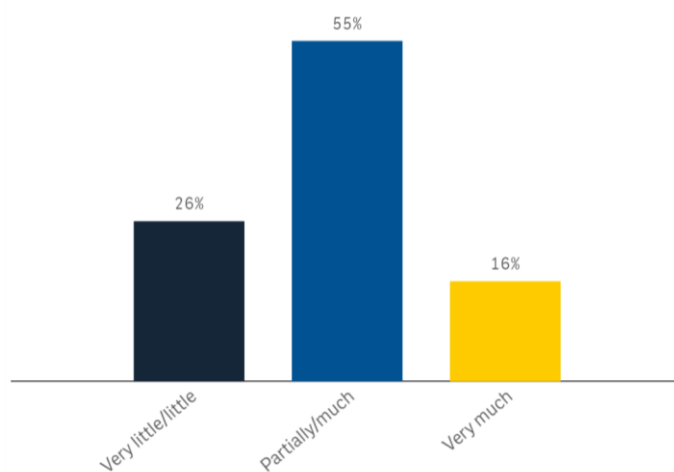
Acting sustainably

Sustainable business

According to Swedish firms, only 16 per cent of Canadians highly value environmental factors when making purchases. However, 55 per cent of Canadians still consider environmental factors to some extent before making a purchase.

Sustainability remains important to Canadians; however, its significance is changing.

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



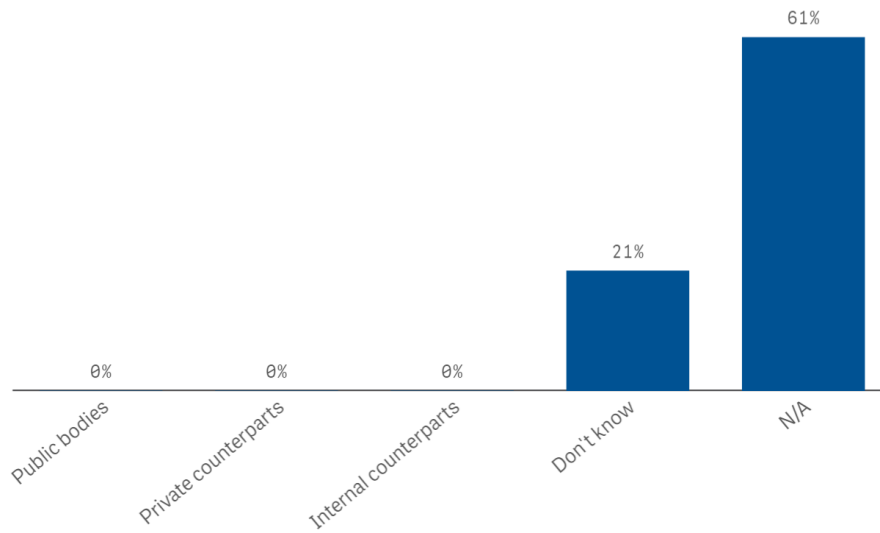
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SOURCE: Business Climate Survey for Swedish Companies in Canada 2026

Among world leaders

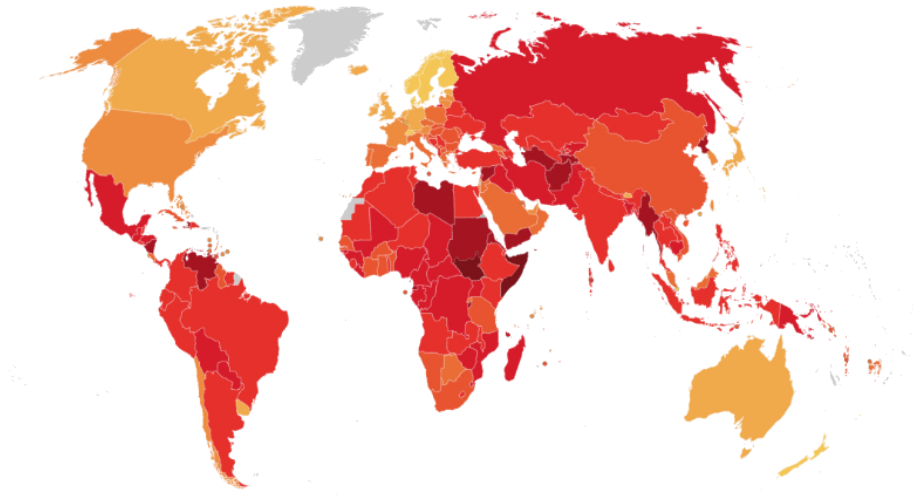
Swedish firms surveyed report no instances of bribery and fraud encountered in Canada in the past year of doing business.

Has your company in Canada 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 31. "Don't know/Not applicable" responses are included but not shown in figure.
 SOURCE: Business Climate Survey for Swedish Companies in Canada 2026

Corruption Perceptions Index 2025

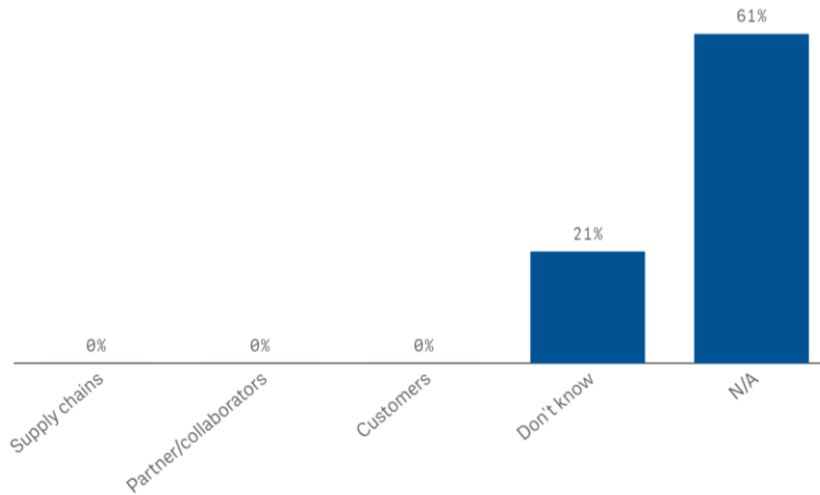


SOURCE: Transparency International

Respect for human rights

Swedish firms report no instances of human rights violations encountered in Canada in the past year of doing business.

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



NOTE: The number of respondents for this question was 31. Don't know/Not applicable" responses are included but not shown in figure.
SOURCE: Business Climate Survey for Swedish Companies in Canada 2026

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