



BUSINESS CLIMATE SURVEY FOR SWEDISH COMPANIES IN CANADA 2025

A REPORT FROM TEAM SWEDEN IN CANADA

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FOREWORD

As like-minded supporters of open, fair, and sustainable free trade, Sweden and Canada enjoy a longstanding strong commercial relationship underpinned by our shared values and a common outlook on the world. In both countries, there is a deep-rooted belief in innovation and a focus on the green transition as drivers of economic growth. This, together with a similar business mindset, has paved the way for many Swedes and Swedish businesses to make Canada their home.

While past years of reporting on Canada's business climate have been marked by lingering post-Covid-19 uncertainty – including supply chain issues, inflation, and workforce shortages – this year, these issues are eclipsed by the added element of the impact of US tariffs on global trade and economy. In the face of a more challenging global reality, new opportunities arise for Sweden and Canada to deepen collaboration, building on existing strong trade and diplomatic relations. There is also scope for deeper ties between Canada and the European Union, with CETA providing ample opportunities to further boost trade.

Year over year, Team Sweden has reported that Swedish firms are well-integrated within the Canadian market. As longstanding suppliers, customers, and partners to Canadian industries, Swedish businesses share the same concerns as the Canadian business community at large. The trade conflict between the US and Canada is top of mind for both Canadian and Swedish businesses, with 56 per cent of Swedish companies surveyed reporting that access to the US is very important to their Canadian strategy. Fifty-one per cent of Swedish firms surveyed expect to increase local investment in 2025. Moreover, Team Sweden has noted an influx of Swedish firms interested in expanding to and supplying Canada.

Swedish companies have long been allies to Canadian industry and innovation. Team Sweden would like to thank all 39 Swedish companies that participated in the 2025 Business Climate Survey. Our goal to understand the Canadian business climate for Swedish firms and promote trade relations between our nations is supported by your time and feedback.

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39 respondents in Canada

Current business climate

32%

of Swedish companies consider the Canadian business climate as positive

Industry turnover

54%

of Swedish companies expect their industry turnover to increase

Future investments

51%

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

Globally valued success factors

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

Brand Sweden

73%

of Swedish companies abroad consider Brand Sweden beneficial for business

Local conditions with high satisfaction

1. Personal safety
2. Suppliers
3. Transparency / equal treatment

Local conditions with least satisfaction

1. Corporate taxation
2. Digitalisation
3. Financial system

Environmental considerations

10%

of respondents believe environmental considerations are a factor in their customers' purchasing decisions

Corruption

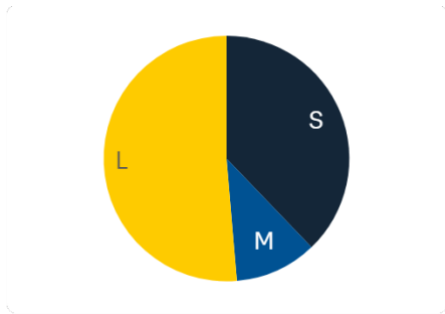
No respondents reported experiencing corruption, bribery or fraud in Canada in 2024.

Human rights violations and labour rights abuse

No respondents reported encounters of human or labour rights violations in Canada in 2024.

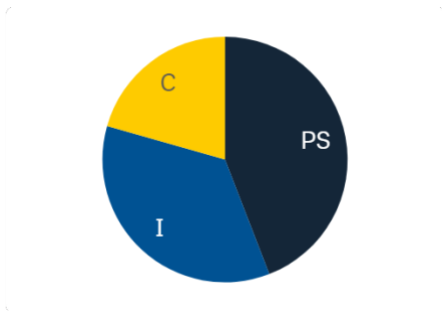
ABOUT THE SURVEY

SIZE OF COMPANIES



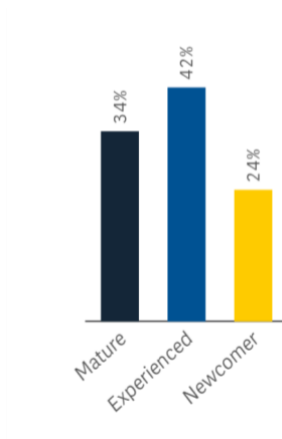
NOTE: Global employees. Large >1,000. Medium 250-1,000. Small 0-249

MAIN INDUSTRY



NOTE: Industrial 35%. Professional services 44%. Consumer 21%

AGE OF COMPANIES



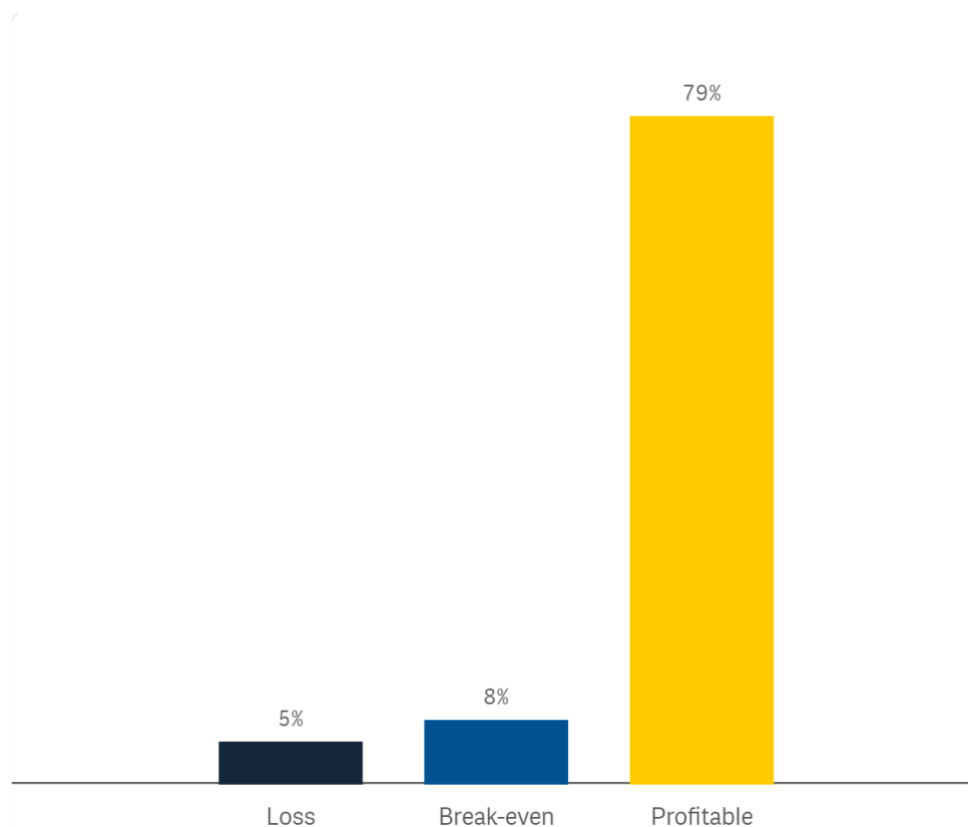
NOTE: Mature (-2003). Experienced (2004-2019). Newcomer (2020-)

ECONOMIC OUTLOOK

Good harvest

In 2024, Canada was a solid place of business for Swedish companies – with 79 per cent of companies surveyed reporting a positive financial result. Swedish companies in Canada report standout positive results even when compared to other markets in the region, demonstrating resilience, effective seizing of opportunities, and a strong understanding of the local market.

HOW WOULD YOU DESCRIBE YOUR COMPANY'S FINANCIAL PERFORMANCE IN CANADA IN 2024?

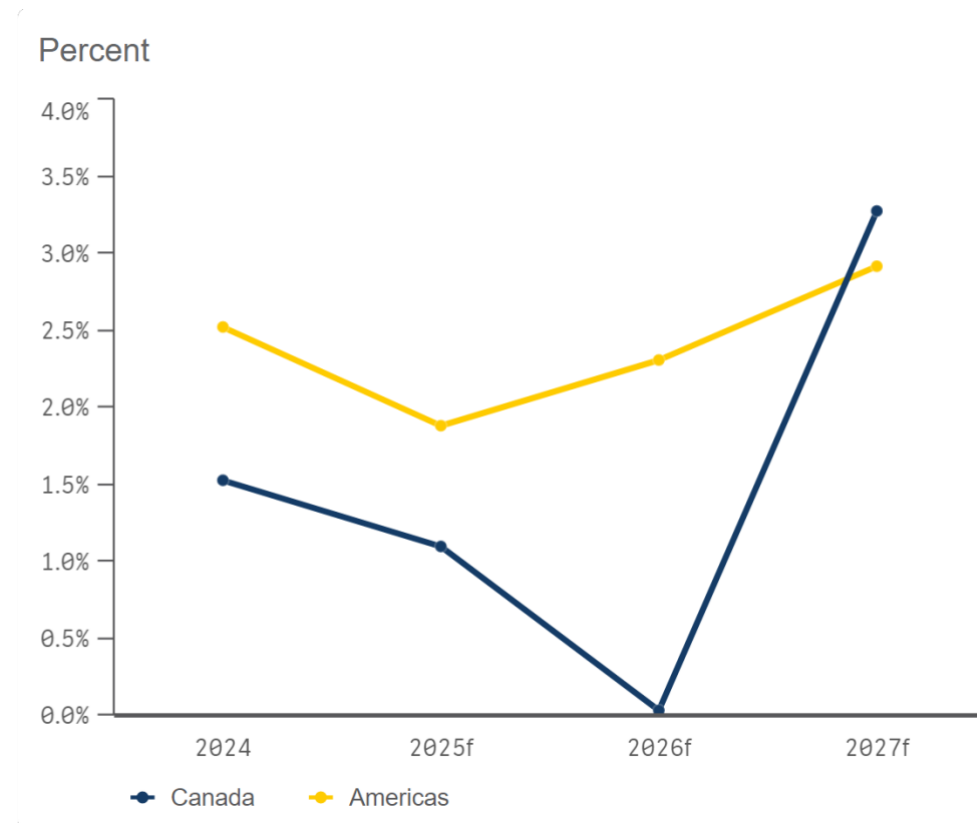


NOTE: The number of respondents for this question was 39. "Don't know/Not applicable" responses are included but not shown in this figure.

SOURCE: Business Climate Survey for Swedish companies in Canada 2025.

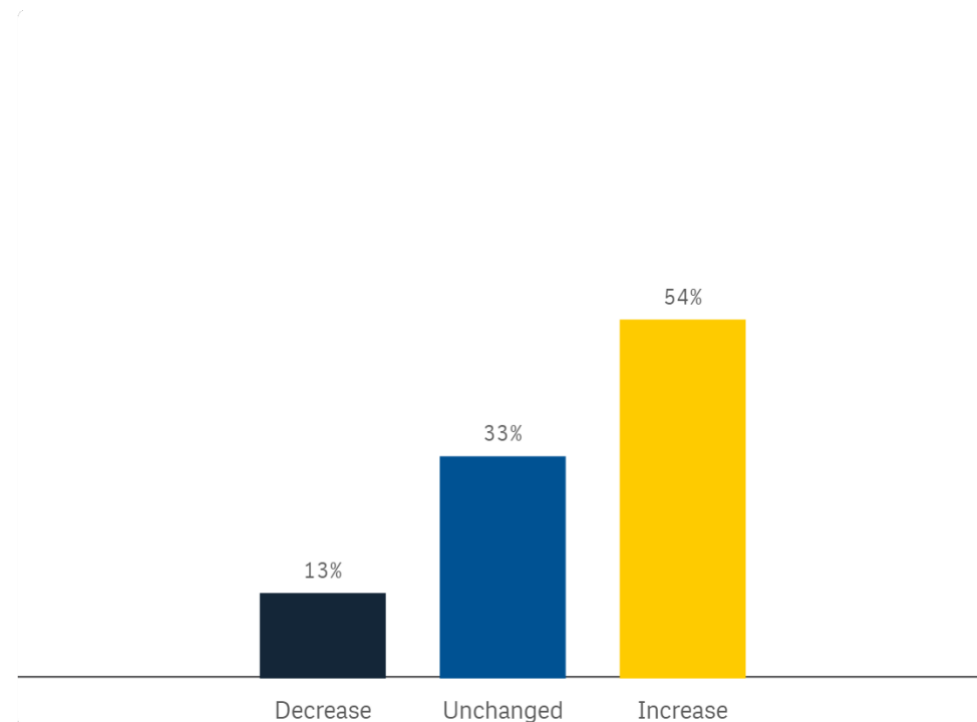
Continental outlook

According to the GDP outlook published by Oxford Economics, Canada can expect challenging years ahead. As nations in the American continent are expected to experience an average GDP growth of between two and 2.5 per cent by the end of the decade, Canada may lag behind its neighbours. As the economy is expected to contract, this can present market challenges for export-focused Swedish companies in Canada.

PROJECTED GDP GROWTH IN CANADA

NOTE: Constant prices.

SOURCE: Oxford Economics 11 March 2025

COMPARED TO THE DEVELOPMENT IN THE PAST 12 MONTHS, WHAT ARE YOUR EXPECTATIONS FOR THE COMING 12 MONTHS FOR YOUR INDUSTRY IN CANADA REGARDING TURNOVER?

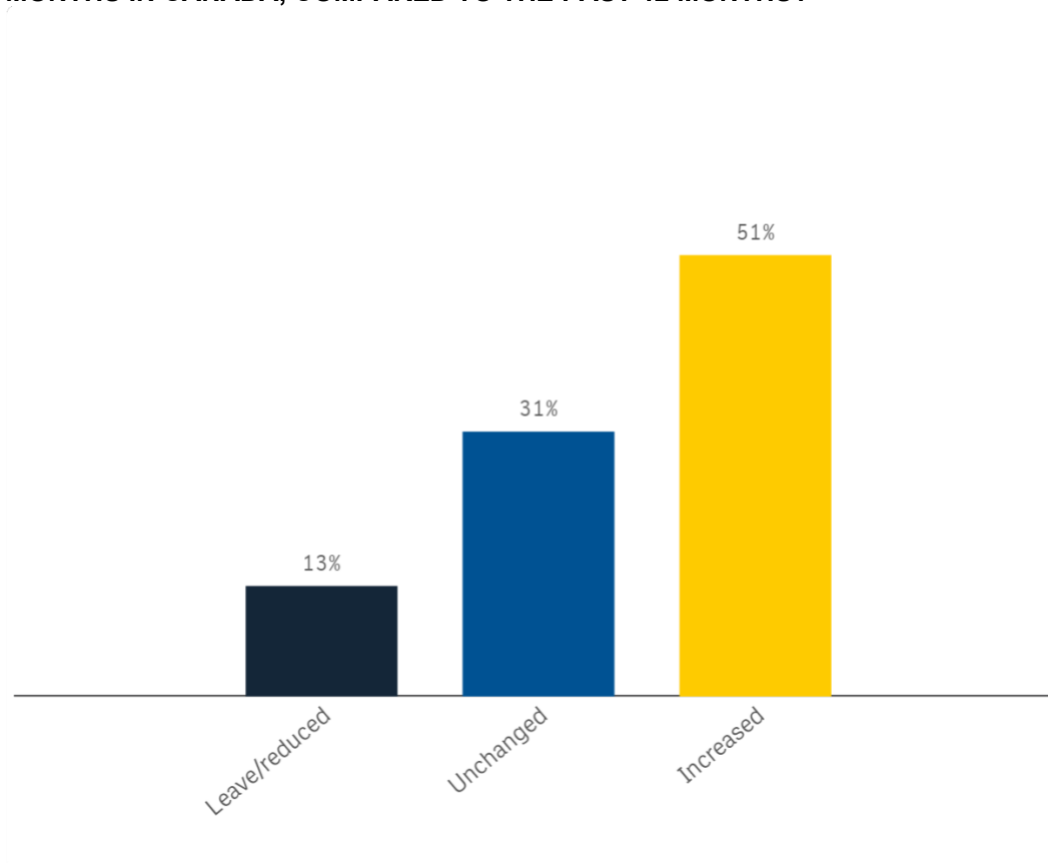
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SOURCE: Business Climate Survey for Swedish companies in Canada 2025.

Local investment

Despite economic challenges and overall market uncertainty, over half of Swedish firms expect to continue investing in Canada. Team Sweden sees that Swedish firms perceive Canada as an important market despite growing concerns about economic uncertainty and trade disputes worldwide.

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 2025.

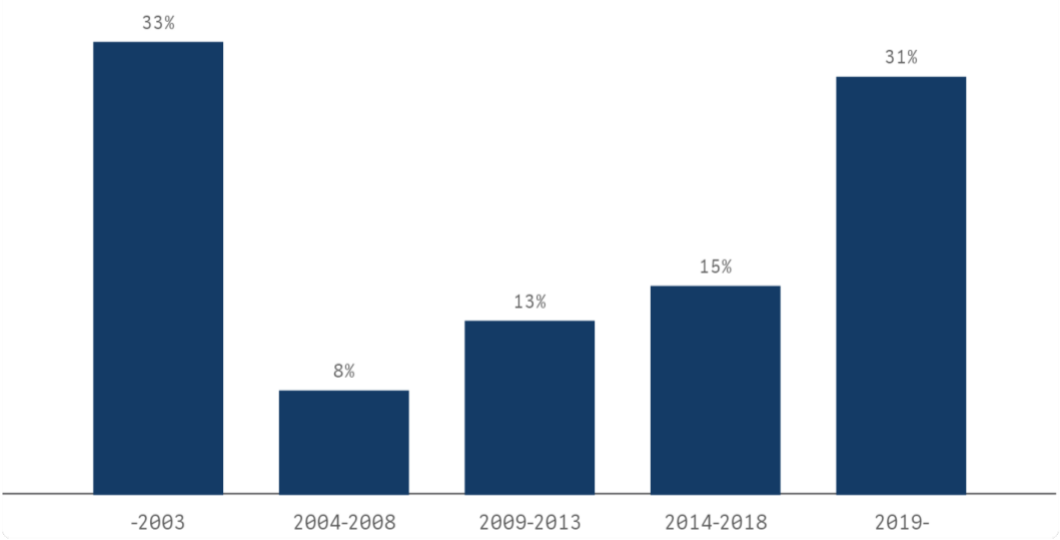
THE MARKET

Well-forged ties

Swedish companies in Canada are diverse – representing a variety of industries, sizes, and offerings. Swedish expertise in Canada ranges from scale-ups to industry giants, from factory automation software to jewellery.

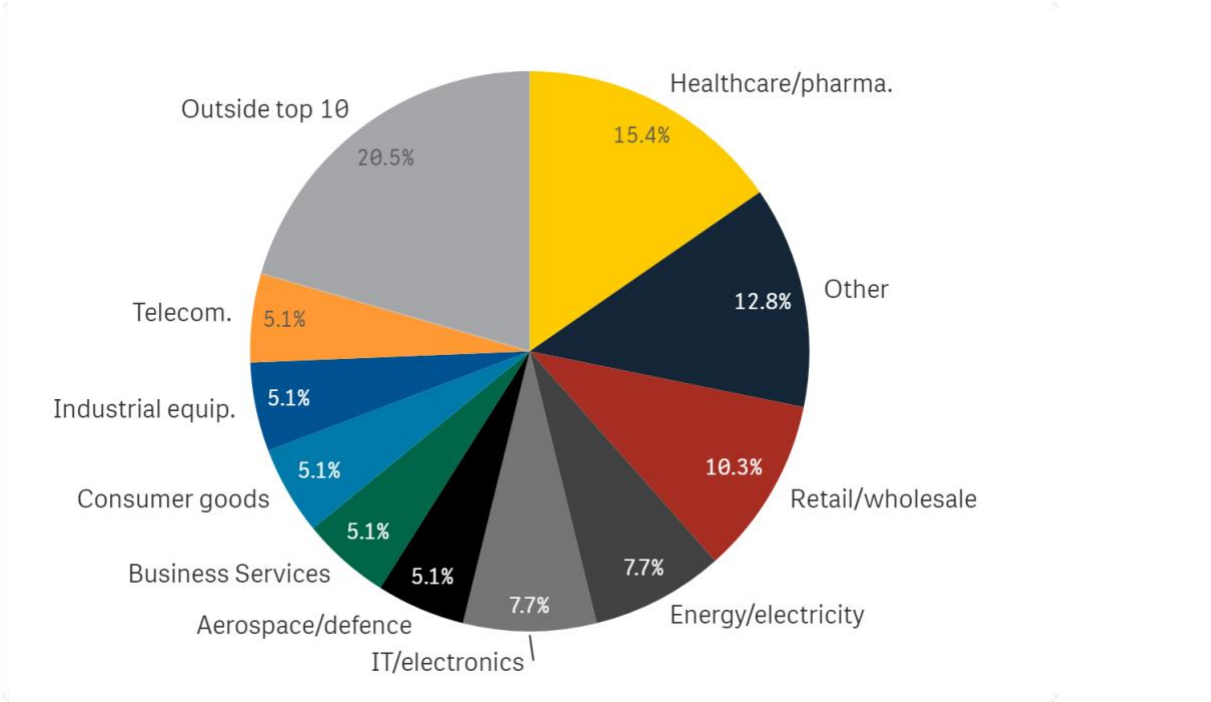
Swedish firms have strong ties to Canada – so well represented, in fact, that many Canadians don’t know they’re Swedish. Swedish companies have established strong connections in Canada. For some, their industry dominance is recognised, yet their Swedish origins may go unnoticed in Canada.

IN WHAT YEAR DID YOUR COMPANY ESTABLISH OPERATIONS IN CANADA?



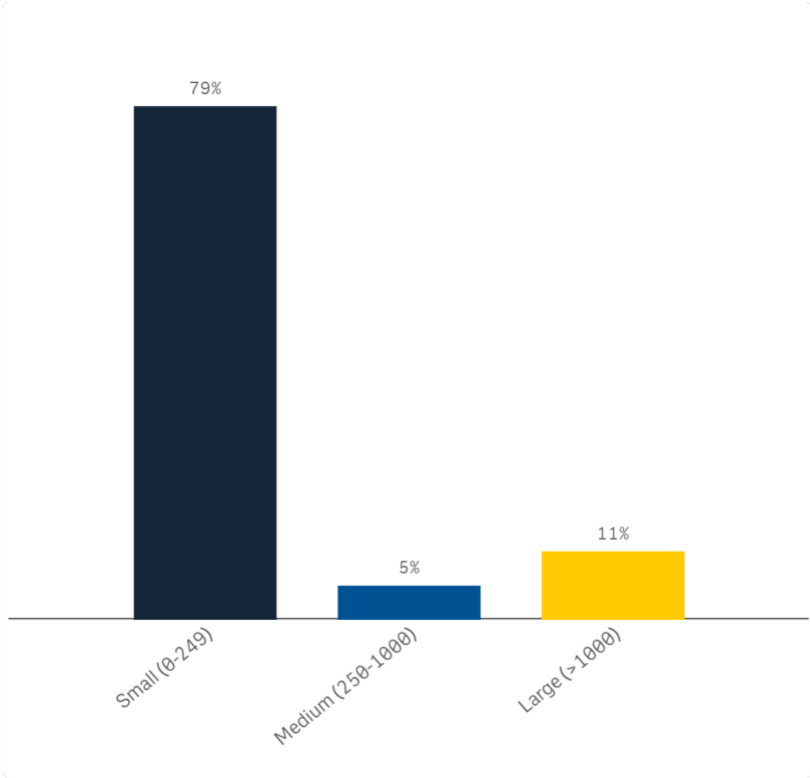
NOTE: The number of respondents for this question was 39. “Don’t know/Not applicable” responses are included but not shown in this figure.
SOURCE: Business Climate Survey for Swedish companies in Canada 2025.

WHAT IS YOUR COMPANY’S MAIN INDUSTRY IN CANADA?



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SOURCE: Business Climate Survey for Swedish companies in Canada 2025.

SWEDISH FIRMS’ LOCAL NUMBER OF EMPLOYEES IN CANADA IN 2024

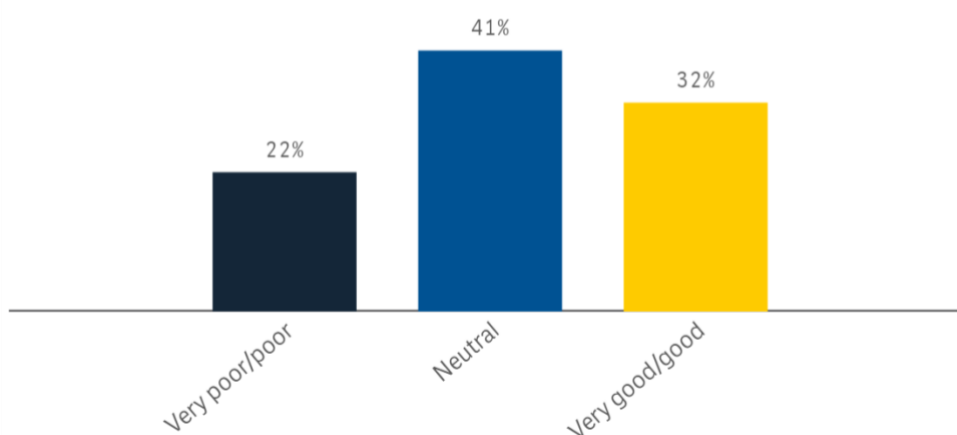


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SOURCE: Business Climate Survey for Swedish companies in Canada 2025.

A difficult course

Opinions on the business climate in Canada are split. While some firms are finding business increasingly difficult, others see no need to adjust to new realities and appear to thrive. Overall, the share of companies finding local business conditions unsatisfactory appears to be growing, inching closer to where perceptions of Canada were in 2020 and 2021. In those Covid-19 years, Swedish businesses struggled to sell their products and services. With ongoing trade disturbances and economic turmoil affecting profits, it is unsurprising that a growing share of Swedish firms have increasingly negative perceptions of the business climate in Canada. Across the Americas, Team Sweden notes similar trends – Swedish businesses are less optimistic about the local business climate than in years past.

HOW DO YOU PERCEIVE THE CURRENT BUSINESS CLIMATE IN CANADA?



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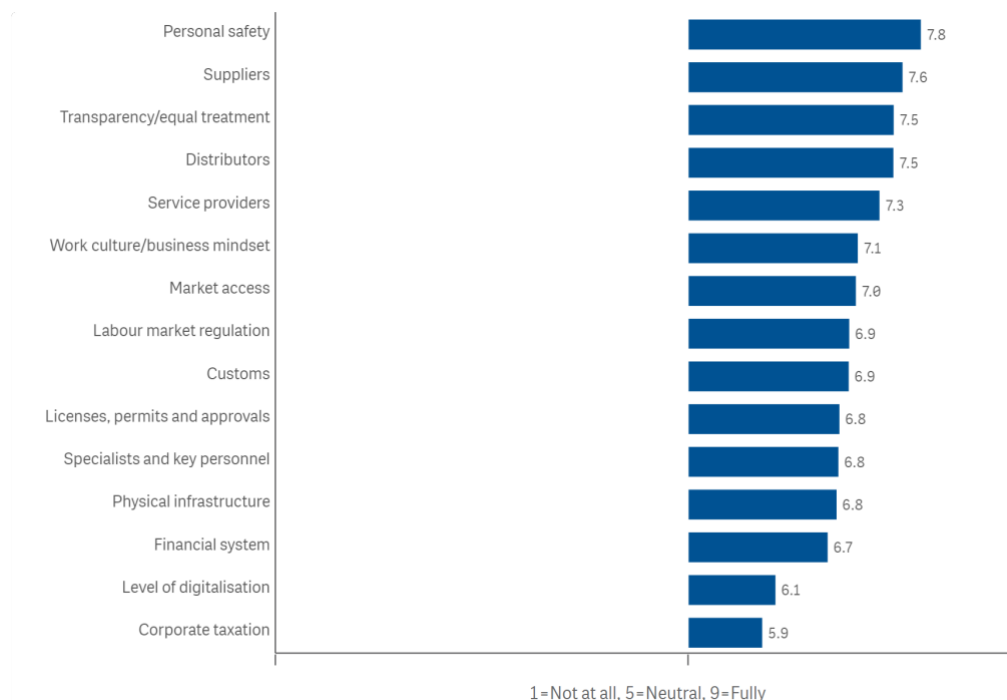
SOURCE: Business Climate Survey for Swedish companies in Canada 2025.

Holding strong

Year over year, Swedish companies note **personal safety, suppliers, and transparency and equal treatment** as the most favoured business conditions in Canada. Altogether, these factors summarise well the value proposition of Canada: good people, strong networks and shared values between Canada and Sweden. Swedish companies can trust a nation like Canada to retain its strengths, as survey results show consistent ratings for all factors contributing to business conditions surveyed.

Perceived high levels of corporate taxation and a lack of digital infrastructure continue to detract from a perfect score for Canada. Calls for increased digitalisation are coming from Canada, too, as a Canadian survey shows that 70 per cent of Canadian respondents want the government to deliver a fully digital suite of public services. As flexible and agile adopters of technology, Canadians hope that policy, government, and businesses follow suit.

HOW WELL DO THE FOLLOWING CONDITIONS MEET THE NEEDS OF YOUR COMPANY IN CANADA?



NOTE: The number of respondents for this question was 39.

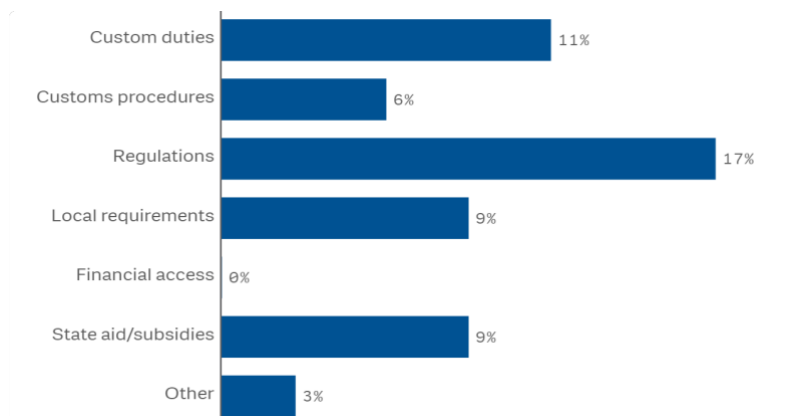
SOURCE: Business Climate Survey for Swedish companies in Canada 2025.

Trading orders

Year over year, Team Sweden sees five to 20 per cent of Swedish companies experiencing some challenges trading with Canada, most often when it comes to local requirements and regulations. Canada's large geographic size, multiple levels of government, and demographic and cultural differences can impede foreign business trade, but overall, we see Swedish companies able to adjust their business practices to meet the varying requirements in the Canadian provinces.

Trade between provinces is expected to become easier in Canada as new legislation is being fast-tracked to remove inter-provincial barriers to trade. Previously, businesses have noted that differing standards, licensing requirements and rules have created interprovincial barriers. As our relationship with previous trading partners changes, Canada is also making a commitment to making it easier to do business across the country.

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 39.

SOURCE: Business Climate Survey for Swedish companies in Canada 2025.

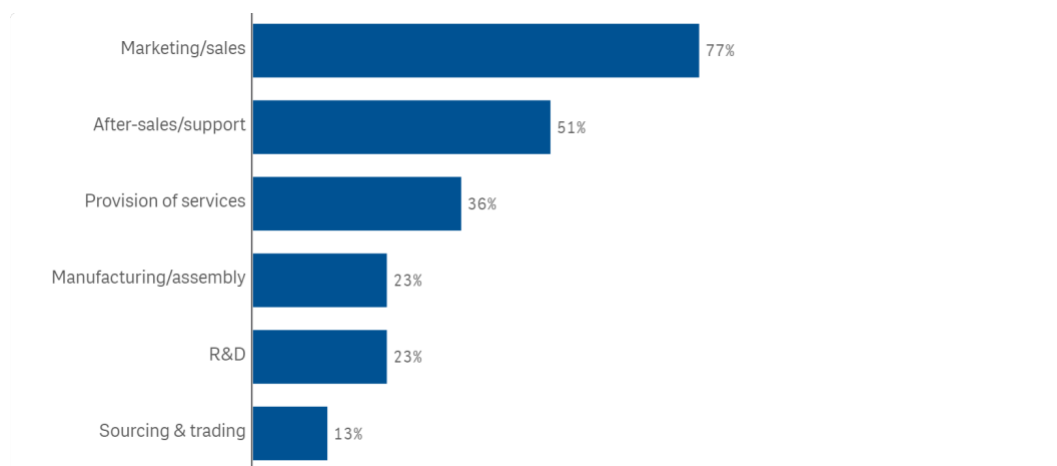
HOW SWEDISH COMPANIES SUCCEED IN CANADA

Destination canada

Canada is a mature market, well integrated into global trade with prosperous, selective consumers and strong supply links. Recognising this, many Swedish businesses perform marketing, sales, and aftermarket support in Canada.

Swedish firms also recognise Canada's educated and capable population, with nearly one-fourth performing manufacturing, assembly, research and development activities locally – including Ericsson, which recently launched a project to support next-generation telecommunications technology development in Canada, adding to local research and development capabilities.

OPERATIONS OF SWEDISH FIRMS IN THE MARKET



NOTE: The number of respondents for this question was 39. "Don't know/Not applicable" responses are included but not shown in this figure.

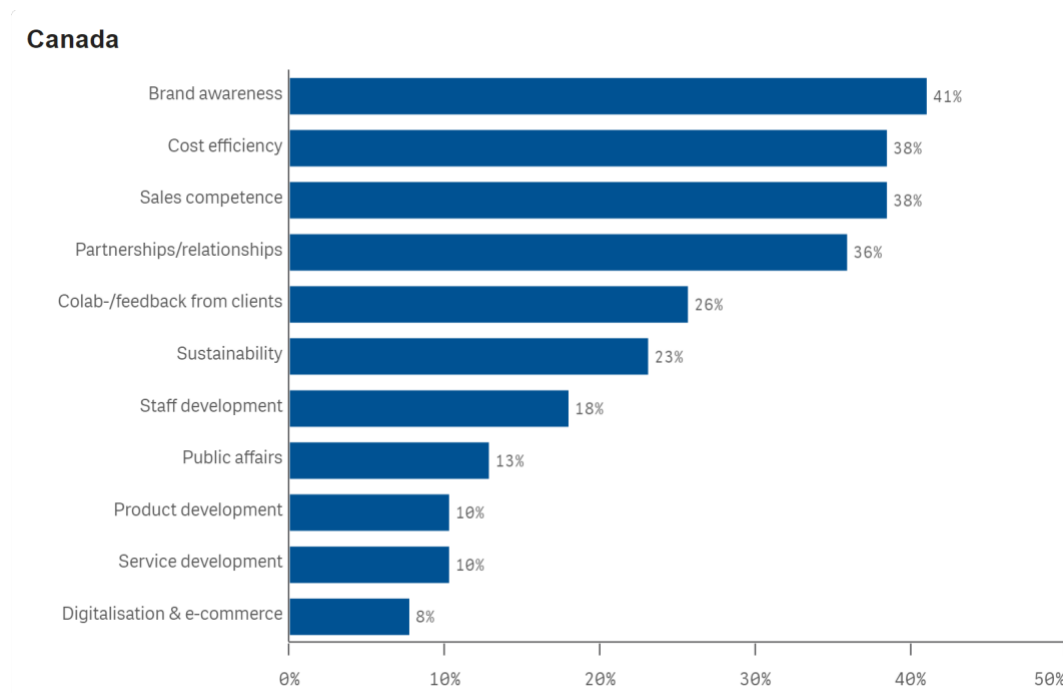
SOURCE: Business Climate Survey for Swedish companies in Canada 2025.

The strengths

Swedish firms recognise their success in Canada is owed to a multitude of factors, from in-house strategy for cost efficiency and sales to strong relationships with partners. Across the Americas, Swedish brands note digitalisation and e-commerce as key improvement factors.

Canada has a developed economy and culture. Consumers are affluent and can expect a choice of international suppliers in nearly every purchase. Swedish firms succeed in the local market by cultivating an understanding of the Canadian consumer, acknowledging similarities, differences and local conditions which can support or impede a product or service.

TO DATE, WHICH OF THE FOLLOWING AREAS HAVE BEEN IMPORTANT IN MAINTAINING COMPETITIVENESS IN CANADA?



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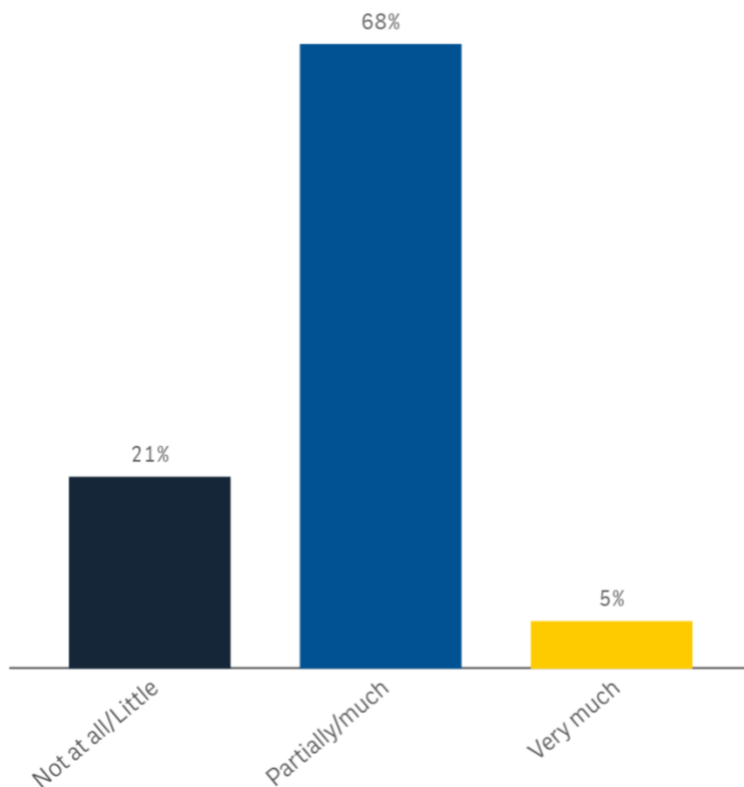
SOURCE: Business Climate Survey for Swedish companies in Canada 2025.

Sweden's strength

Swedish firms report that Canadian consumers have a strong affinity for the Swedish brand, with 73 per cent of Canadian consumers finding that 'Swedishness' is at least partially relevant for local consumers. In light of recent trade disruptions with the US, which remains Canada's closest trading partner, Team Sweden sees unity in a Canadian call to diversify its economy, explore new trade partnerships, and strengthen economic ties with Sweden.

Canadians associate Swedish-branded products with quality, transparency and innovation. This preference spans from furniture design to confectionery and often extends to other Scandinavian and Nordic products. For some Canadians, there is nothing more Swedish than IKEA, which celebrated another year as one of Canada's top home design retailers and broke ground on a new distribution centre in Canada as part of a USD 400 million investment in Canada.

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 39. “Don’t know/Not applicable” responses are included but not shown in this figure.

SOURCE: Business Climate Survey for Swedish companies in Canada 2025.

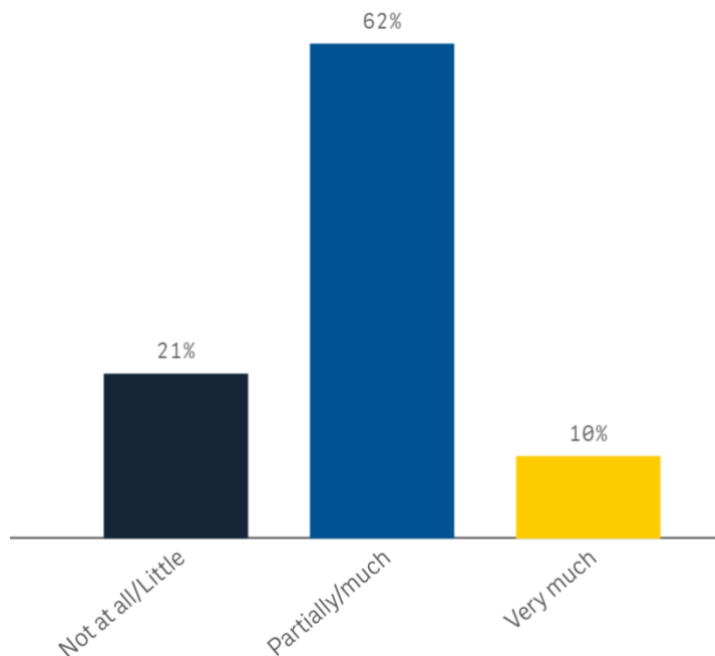
ACTING SUSTAINABLY

Exploring environmentalism

Overall, Canadian consumers remain mindful of the environmental impact of their purchases, but sustainability is not a primary deciding factor for purchases. Over the past five years, Swedish companies have noted that Canadians' concern for sustainability is waning – with only 10 per cent of Canadian consumers highly concerned with environmental aspects compared to over 51 per cent in 2022. Most Canadians still consider the environmental effects of products to some extent, but overall, their level of concern has diminished.

Canadians are developing new preferences for goods and services, with new values shaping purchasing decisions. Canadians want to support what's local and Canadian – as well as prioritise companies that share their values. Canadians are looking for brands that support Canadian farmers, create Canadian jobs, and are sold through Canadian retailers. For Swedish firms, this presents an opportunity to introduce products to an interested market and – for those companies which are already in Canada – strengthen their position as a Canada-aligned brand. While product sustainability can be included as part of a brand's identity, local partnerships and supply chain transparency should be prioritised. Swedish brand Oatly, for example, is partnering with Canadian oat farmers and manufacturers for production while at the same time emphasising the sustainability of their products as part of the brand story and values.

TO WHAT EXTENT DO CUSTOMERS IN CANADA CONSIDER ENVIRONMENTAL ASPECTS OF A PRODUCT OR SERVICE IN THEIR PURCHASING DECISION?



NOTE: The number of respondents for this question was 39. "Don't know/Not applicable" responses are included but not shown in this figure.

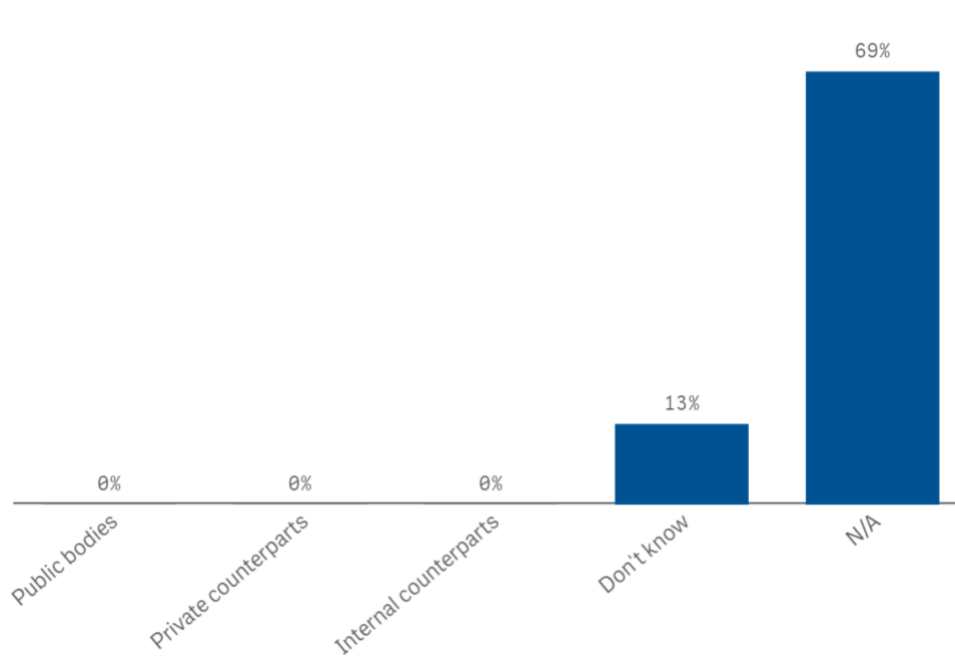
SOURCE: Business Climate Survey for Swedish companies in Canada 2025.

Good business leadership

Canada continues to be perceived among the most transparent and least corrupt countries on Earth – ranking alongside Australia, Germany, and Japan.

Year over year, Swedish companies surveyed in Canada report no interactions with labour or human rights violations over the course of their business in the past year.

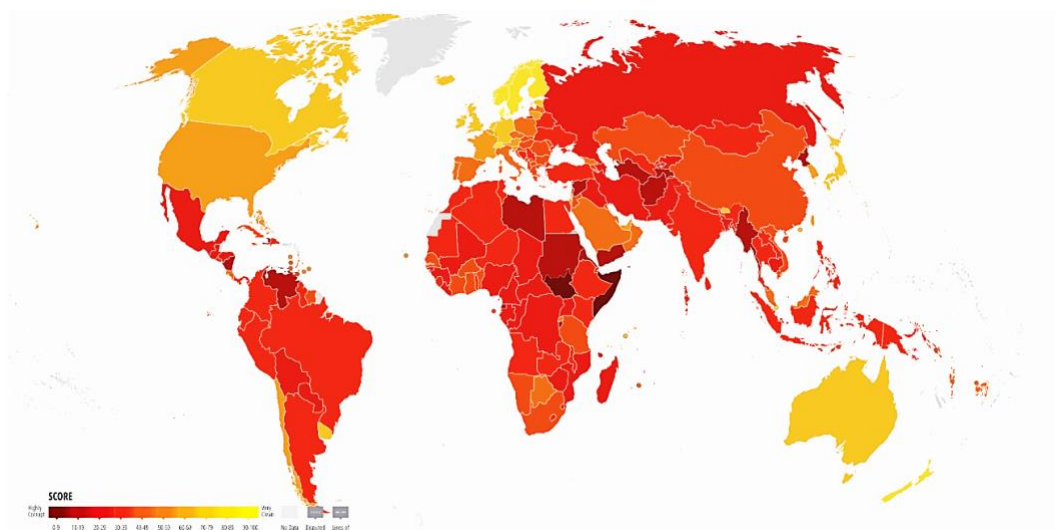
HAS YOUR COMPANY IN CANADA BEEN EXPOSED TO CORRUPTION SUCH AS, BUT NOT LIMITED TO, ATTEMPTS OF BRIBERY OR FRAUD IN CONTACTS WITH ANY OF THE FOLLOWING AREAS?



NOTE: The number of respondents for this question was 39. "Don't know/Not applicable" responses are included but not shown in this figure.

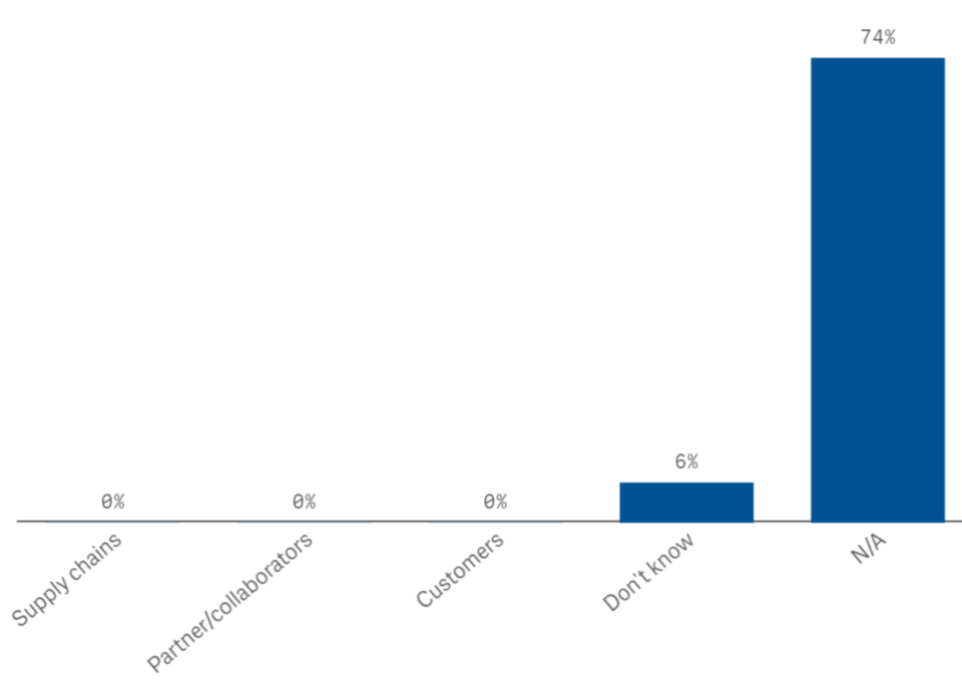
SOURCE: Business Climate Survey for Swedish companies in Canada 2025.

CORRUPTION PERCEPTION INDEX 2024



SOURCE: Transparency International.

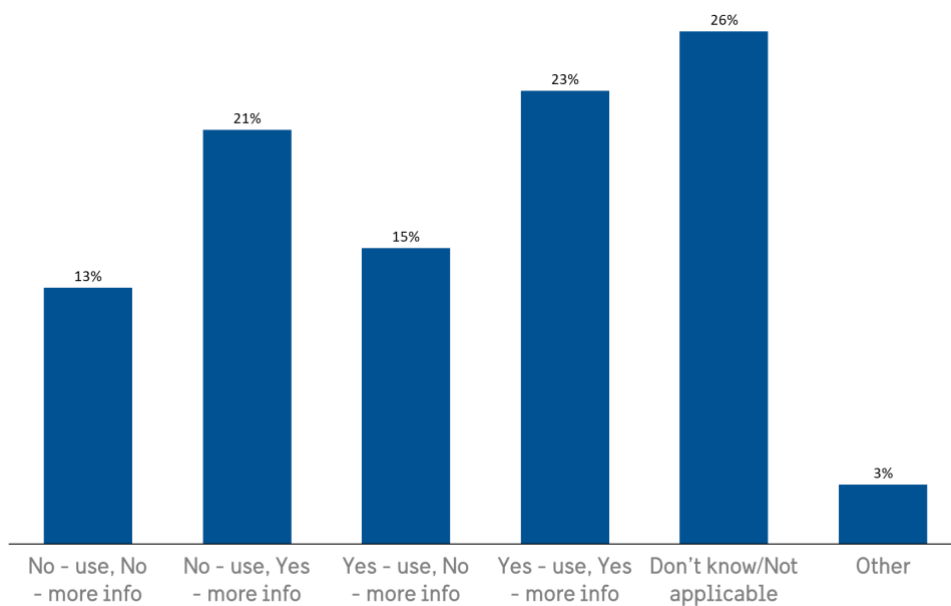
HAS YOUR COMPANY IN CANADA ENCOUNTERED ANY FORM OF HUMAN RIGHTS VIOLATIONS AND/OR LABOUR RIGHTS ABUSE IN CONTACTS WITH ANY OF THE FOLLOWING AREAS?



NOTE: The number of respondents for this question was 39. Don't know/Not applicable" responses are included but not shown in this figure.

SOURCE: Business Climate Survey for Swedish companies in Canada 2025.

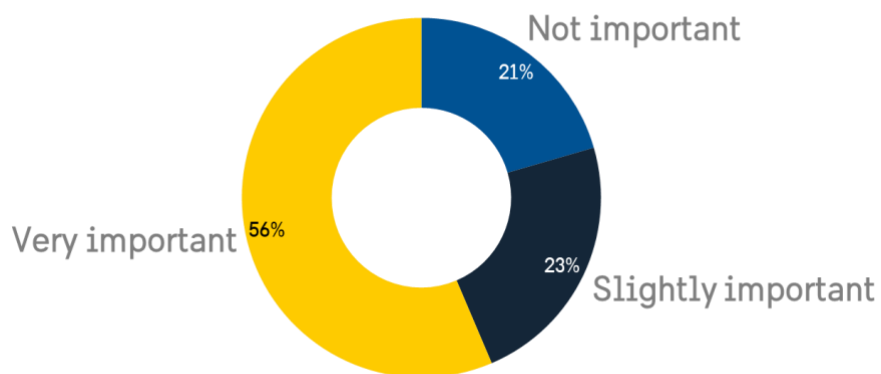
DO YOU CURRENTLY USE THE CANADA-EUROPEAN UNION COMPREHENSIVE ECONOMIC AND TRADE AGREEMENT (CETA)? WOULD YOU BENEFIT FROM ADDITIONAL INFORMATION REGARDING CETA?



SELECTING UP TO THREE OPTIONS, WHICH OF THE FOLLOWING DO YOU SEE AS THE GREATEST CHALLENGES IN RELATION TO YOUR BUSINESS IN CANADA?



HOW IMPORTANT IS ACCESS TO THE UNITED STATES AS PART OF YOUR BUSINESS MODEL IN CANADA?



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TIELMAN

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Authentic



Flexible



Inventive

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ABB Robotics is collaborating with leading construction innovators to drive automation in the industry to develop more affordable homes, environmentally friendly buildings, and to reduce the environmental impact of construction, amidst a worldwide labor and skills shortage.

In the rapidly evolving world of construction technology, Horizon Legacy stands at the forefront of innovation, leveraging automation to transform the industry. At the helm of this pioneering company is Nhung Nguyen, CEO of Horizon Legacy, who is dedicated to integrating robotic technology with construction to address labor shortages and inspire a new generation of builders.



Nhung Nguyen, with over 15 years of experience in developing complex infrastructure projects, is leading Horizon Legacy's ambitious project to build

Canada's first and largest housing development using on-site robotics.

"We are solving the problem of labour shortage and productivity through robotics and automation," says Nguyen.

Frank Belerique, Vice President of Horizon Legacy, brings a wealth of experience to the table, having supervised the development and construction of numerous prestigious projects. Recently, he secured building permits for Canada's first and largest 3D printed neighbor-

hood. "This project is a testament to our commitment to innovation," Belerique explains. "We are formalizing Ontario's largest housing development using on-site robotics in collaboration with the Town of Gananoque."

The collaboration with ABB Robotics has been instrumental in Horizon Legacy's journey. "Our vision and ABB's capabilities aligned seamlessly," Nguyen recalls. "The ABB team was always there when support was needed, and the depth of their expertise, paired with their patience, has truly made a meaningful impact."

Nicolas Durand, General Manager of Robotics at ABB Canada, emphasizes the importance of technology partnerships and collaboration. "Working together with Horizon Legacy has allowed us to push the boundaries of what's possible in construction automation," says Durand. "Our tailored applications and on-the-ground service have been key in overcoming challenges and driving innovation."

The need for housing and skilled labor led Horizon Legacy to seek solutions in automation. "We were looking for ways to automate repetitive, risk-prone, labor-intensive work," Nguyen explains. "ABB helped us understand other possibilities, connecting us to a global network of passionate individuals."

3D printing, also known as additive manufacturing, is at the heart of this transformation. This technology involves printing layer upon layer of materials to create three-dimen-

sional shapes. Using computer-aided design (CAD) or building information modeling (BIM) programs, 3D printers can produce specific components or entire structures. "The freedom to design complex curves is one of the most exciting aspects of 3D printing," Nguyen notes. "It allows builders and architects to bring their most ambitious visions to life."



The impact of automation on Horizon Legacy's operations has been profound. "The product created by the robot is impressive," Belerique notes. "Visitors to the site are excited by the possibilities, and the robot deploying concrete is mesmerizing."

Looking to the future, Horizon Legacy envisions deploying a team of robots to construct various aspects of buildings. "ABB has helped us tremendously with the robotics portion of our work," Nguyen affirms. "We have expert builders, engineers, and project managers, and ABB provided a fountain of knowledge for us to be successful in robotics."

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