

# THE INVISIBLE EXPORTS

*Development and drivers of  
Sweden's export of services*



# FOREWORD AND REFLECTIONS

The outlook for global trade is troubling. Is the weak performance of recent years due to cyclical factors such as declining global demand? Does it signal that China's unprecedented expansion of export has reached its limits? Or are there deeper causes, such as a broader slowdown in globalisation?

Adding to the challenges is the tariff shock unleashed by the new US administration and arbitrary treatment of its trade partners – actions that threaten to overturn the multilateral trading system and undo decades of progress toward freer global trade.

While the stagnation in global trade in goods has drawn widespread attention, the continued rise in global trade in services has largely flown under the radar. This is often due to a general lack of awareness about what international trade in services consists of, how it works and how it contributes to national economies. This knowledge gap is understandable: trade in services is inherently more complex than trade in goods, and the available statistics are hard to interpret – which means that analyses tend to reach only a narrow circle of experts.

Moreover, companies that report their services exports to national statistical agencies often pay little attention to whether their services are delivered across borders or locally through foreign subsidiaries. Their focus is on global sales, without distinguishing how revenue from international markets is generated.

For these reasons, it is fair to describe export of services as “the invisible exports.”

## SWEDEN SHINES IN SERVICES EXPORTS

Global trade in services has grown rapidly over the past decade, while growth in goods trade has lost momentum. In 2024, the value of global trade in services reached 8.7 trillion dollars – equivalent to just over one-third of the value of goods trade.

Sweden's export of services totalled 1,260 billion kronor in 2024, or 60 per cent of the value of export of goods. According to the National Board of Trade, Sweden's share of global services exports was approximately 1.3 per cent in 2023 – higher than its 0.9 per cent share of global goods exports. For a deeper analysis, see the report [\*Sweden A Winner in Declining World Trade\*](#) (Business Sweden, 2024).

As we will show, Sweden's export of services is particularly strong in digital services for both businesses and consumers. These successes reflect the high level of digitalisation in Swedish industry and the emergence of new business models in manufacturing, where value propositions are shifting from product-focus to functionality, from one-time purchases to subscriptions, and from goods to integrated solutions.

## HEADQUARTERS A MAJOR DRIVER

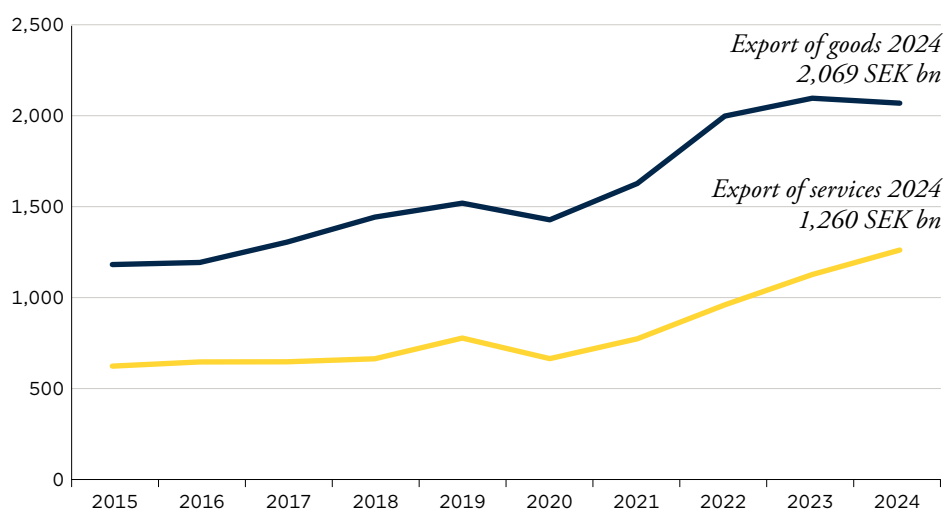
A recent analysis by Sweden's central bank, the Riksbank, highlights that Sweden's export of services is dominated by a small number of multinational groups headquartered in Sweden. As much as one-third of services exports take place within these groups, through transactions between parent companies in Sweden and their foreign subsidiaries.

The parent companies own intangible assets that they sell to their subsidiaries abroad – such as digital blueprints needed to manufacture products to customer specifications. They also support their subsidiaries with a range of internal services that generate revenue and are reported as services exports.



## RAPID UPSWING FOR EXPORT OF SERVICES

Sweden's export of goods and services,  
SEK billion, 2015–2024



Source: Statistics Sweden (2025)

## THE US MOST IMPORTANT MARKET FOR SWEDISH EXPORT OF SERVICES

Sweden's top 10 largest export markets for services

Country	Export of services SEK bn, 2024	% of total exports of services
1. USA	162.0	12.9
2. United Kingdom	139.2	11.0
3. Norway	111.8	8.9
4. Germany	92.8	7.4
5. Denmark	76.8	6.1
6. Finland	68.1	5.4
7. Ireland	64.5	5.1
8. France	60.5	4.8
9. Switzerland	59.9	4.8
10. The Netherlands	45.8	3.6
11. Other countries	378.5	30.0

Source: Statistics Sweden (2025)

Revenue from Swedish subsidiaries in foreign markets surged in the immediate post-pandemic years, with the US emerging as the single largest market. The US is also Sweden's biggest market for export of services.

One clear conclusion is that headquarters and headquarter functions – such as R&D – are crucial to retain and grow domestically. They support Swedish subsidiaries abroad and generate revenue that can be reinvested in expanding the group's Swedish innovation environments and other advanced operations.

## SERVICES EXPORTS A GROWTH ENGINE

Can countries become rich by exporting services? Can Sweden grow wealthier from its export of services? In economic debates, it is sometimes argued that the era when countries could achieve prosperity through export of industrial and consumer goods is over – due to rising economic nationalism, protectionism, and new technologies that have levelled the playing field between high- and low-cost countries. If that's true, can countries instead rely on export of services to reach their growth targets?

The fact that many more services can now be traded across borders than a decade ago cannot be denied, thanks to digitalisation and vastly expanded connectivity among businesses and consumers in most markets. Services have also become more advanced, allowing for higher prices and greater revenue potential for exporters.

At the same time, The Economist notes that India's export-oriented IT sector – accounting for 250 billion dollars in services exports, or 7–8 per cent of GDP – employs only 10 million people in a labour market of over one billion.

In all likelihood, countries such as Sweden – which already has an advanced industrial sector and a diversified economy – stand to gain the most from services exports. With headquarters that can support the overseas expansion of foreign subsidiaries. With digital services that break new ground and lay the foundation for new industries. And with new business models that boost the competitiveness of manufacturing.

Headquarters, digitalisation, and new business models in manufacturing are the key drivers of Sweden's export of services. This is both a prerequisite for and a reflection of a globally competitive and outward-looking Sweden.

Our special thanks to Statistics Sweden for providing support and valuable input in the development of this report.

Lena Sellgren  
Chief Economist

■ Headquarters, digitalisation, and new business models are the primary drivers of Sweden's export of services.

■ 30 per cent of services exports take place between parent companies and subsidiaries within Swedish corporate groups.

■ Swedish tech companies account for 30 per cent of services exports, while the manufacturing industry contributes 20 per cent.

# HOW SERVICES EXPORTS WORK

Services exports take place when companies, individuals, or public sector entities sell services to counterparts in another country. The key criterion is that the transaction crosses national borders and involves an economic activity, regardless of ownership structure.

Services exports also arise from transactions between companies within the same corporate group. These transactions must comply with applicable accounting and tax regulations, such as transfer pricing rules, meaning that internal group transactions must be conducted at market-based prices.

In Sweden, companies report their export of services quarterly to Statistics Sweden, which conducts the survey on behalf of the Riksbank. Statistics Sweden collects data on Swedish companies' service

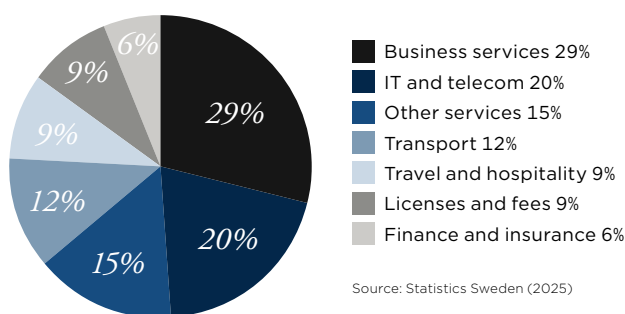
exports through a combination of surveys, registry data, and collaboration with other authorities. In a recent analysis (*Ökad betydelse för utrikeshandeln med tjänster*, in Swedish, 2025), Statistics Sweden notes that Sweden's export of services in 2024 involved 40,000 companies exporting services worth at least 100,000 kronor.

The statistics concede that services reported as Swedish exports can actually be conducted from anywhere in the world. Consider for example an assembly job carried out by a Swedish construction firm's subsidiary in Thailand for a Thai customer. However, to qualify as a Swedish services export, the invoicing entity must have a Swedish corporate registration number or a permanent establishment in Sweden.



## BUSINESS SERVICES AND IT AND TELECOM ACCOUNT FOR HALF OF EXPORT OF SERVICES

Sweden's export of services, distribution by services category, per cent, 2024



### MANY SERVICES ARE SOLD AS GOODS

The Riksbank notes that services are often bundled with goods, and the entire value is then reported as goods exports, with any import duties in the recipient country applied to the full amount. A telling example is mobile phones, where the incorporated services account for most of the sales price, while the hardware represents a smaller share. Meanwhile, US tariffs on phones made in China are calculated on the full sales price. Services tied to goods can also be sold separately and are then reported as export of services – typically software updates or licensing agreements.

Because services exports encompass a wide range of offerings, aggregate analysis is challenging. A somewhat alleviating factor is that services are categorised using international classification systems – see the distribution of service categories in Sweden's export of services in the diagram above, and the categories' development from 2019 to 2024 in the diagram below.

A Swedish parent company providing IT support to its German subsidiary at market rates, which is classified under *Business services*, would be a typical example of services exports.

Other examples illustrating the far-ranging

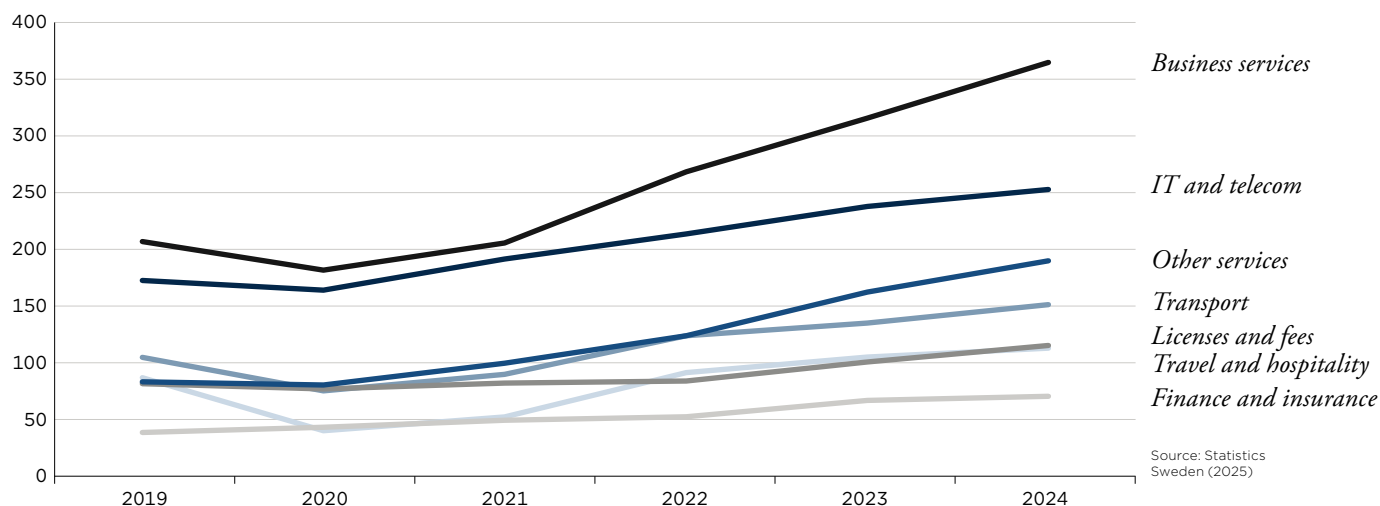
scope of Sweden's export of services include an American tourist buying hotel and restaurant services in Sweden (*Travel and hospitality*); a Swedish shipping company or courier transporting goods for a foreign client (*Transport*); a Swedish firm developing an app for a company in Germany (*IT and telecom*); or licensing technology to companies abroad (*Licenses and fees*). Additional examples include Swedish asset managers charging fees for managing foreign portfolios (*Finance and insurance*), or a Swedish company selling music via streaming to international consumers (*Other services*).

According to a study by the National Board of Trade (*Sveriges tjänstehandel i internationell jämförelse*, in Swedish, 2025), services are harder to track than goods when crossing borders. They are often delivered digitally, within corporate groups, or bundled with goods—making them difficult to monitor.

Most economists agree that export of services is the future of trade and will account for an increasing share of total exports, see diagram above showing the development of global export of goods and services 2015–2024. The common argument is that global market offerings will increasingly consist of services – either standalone or bundled with goods – and that these services can be easily sold and delivered digitally to businesses and consumers.

### ROBUST GROWTH FOR BUSINESS SERVICES

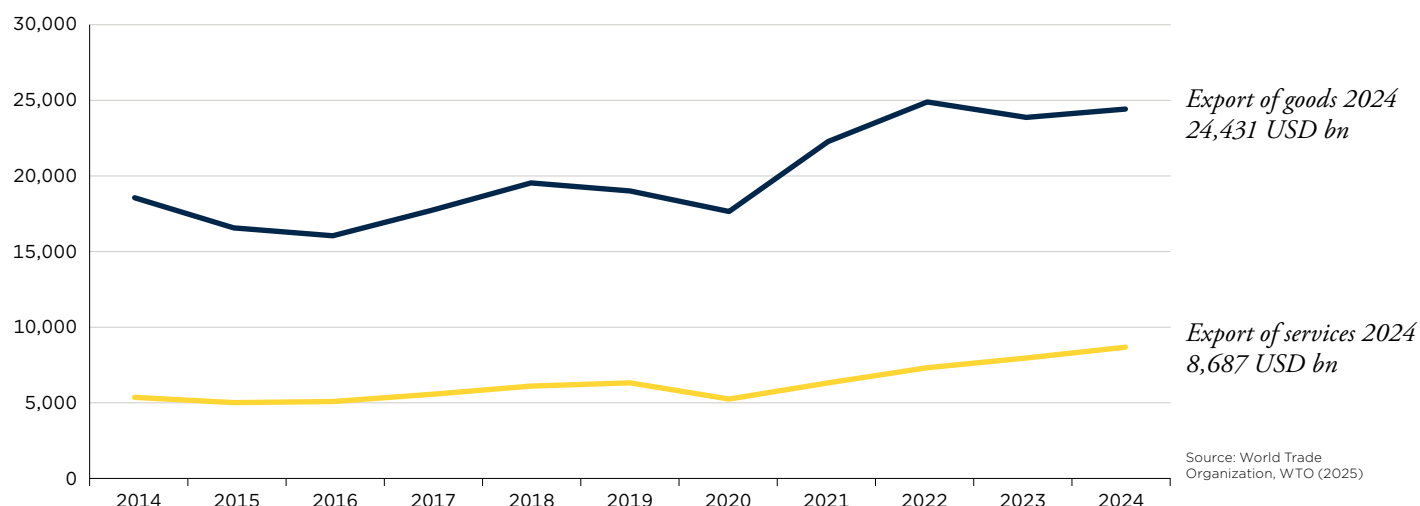
Sweden's export of services, distribution by services category, SEK billion, 2019–2024





## EXPORT OF SERVICES ACCOUNT FOR A THIRD OF GLOBAL EXPORTS OF GOODS

Global export of goods versus services, USD billion, 2015–2024



### HOW EXPORT OF SERVICES HAS CHANGED OVER TIME

Global services exports have evolved considerably in recent decades, both in terms of volume and the types of services being traded. Before the 1980s, services made up a small share of global trade and were mostly traditional services like transport, travel, and finance. Only a few countries – mainly developed economies like the US and the UK with major financial hubs in New York and London – would export services at scale.

From the 1980s to the early 2000s, the rise of information technology and improved communications enabled new types of services exports, such as IT and consulting. Globalisation accelerated in the 1990s as manufacturing moved to low-cost countries and sales expanded in emerging markets. Intra-group export of services grew as parent companies charged subsidiaries for headquarter services such as management, IT, finance, and intellectual property (e.g., digital blueprints for local production). Countries like India emerged as outsourcing hubs for services including call centres and programming.

From 2000 to 2020, digitalisation surged worldwide. Broadband access expanded, and the internet enabled widespread access to services. Secure online payments facilitated safe digital commerce. Software and cloud services – IT offerings delivered online rather than installed locally – grew rapidly. Streaming services took off and revolutionised access to film, music, and gaming.

The COVID-19 pandemic in 2020–2022 hit the international travel and hospitality sectors hard but accelerated digital services. Remote work and new digital solutions led to breakthroughs in online education, telemedicine, and e-commerce platforms. Since the pandemic, global services exports have rebounded quickly.

### THREATS FACING SERVICES EXPORTS

Despite the growth of global services exports, jobs in export-oriented service sectors – especially customer service, tech support, and finance – face technological and structural challenges.

Many routine service jobs (e.g., data entry, translation, accounting) are likely to be automated using AI or software. Global competition allows companies to switch service providers quickly, increasing price pressure and making service jobs more mobile across borders.

Digital self-service and new business models mean companies offer services via apps, websites, or automated platforms. Business clients increasingly use cloud services which reduces the need for support staff and consultants.

Stricter laws on data security, privacy, and localisation may also limit cross-border service delivery.

Onshoring and reshoring – bringing previously outsourced services back home or to nearby markets – are gaining traction, albeit slowly. This shift is driven by security concerns, protection of intellectual property and know-how, and political pressure to boost domestic employment. The result may be fewer contracts for export-oriented service providers.

Geopolitical tensions, sanctions, and trade frictions are also impacting the flow of services. For example, US–China tensions have led to supply chain restructuring and paused tech collaborations.

Modern free trade agreements, such as the EU–Canada deal, often include provisions for service market access – but these are typically limited. In practice, many barriers still remain to global and bilateral services trade.

# EXPORT OF SERVICES THEN AND NOW

The evolution of Sweden's export of services can be illustrated by exploring the distribution of service categories in 2000, 2010, and 2024. Traditional services like *Transport* and *Travel and hospitality* halved their share between 2000 and 2024. Meanwhile, *IT and telecom* doubled their share, and *Other services* tripled — driven largely by its subcategory *Personal services*, including streaming to businesses and consumers. *Business services* remained the largest category, maintaining its share over time.

A review of all industries using the Swedish standard industrial classification, SNI 2007, shows that service sectors housing tech firms dominate services exports. According to data from Statistics Sweden prepared for Business Sweden, companies included in industry codes 62 and 63 accounted for 30 per cent of services exports in 2023. These include telecom companies, software firms, IT consultants, and companies specialising in finance, education, healthcare, as well as the fast-growing AI and machine learning segment.

Manufacturing accounted for 20 per cent of Swedish export of services, led by pharmaceuticals, machinery, and automotive. The reasons behind the large footprint of manufacturing in services exports are explored more in-depth in the section on key drivers of Sweden's export of services, on page 10.

## SWEDEN A PIONEER IN DIGITAL SERVICES

In some countries, the growth of services exports has been particularly sharp in the past decade. In the UK, services exports rose from 82 to 126 per cent of goods exports between 2015 and 2024 — now generating over a quarter more in revenue than the export of goods. In India, the figure rose from 58 to 85 per cent.

## EXPORT OF SERVICES IN SUMMARY

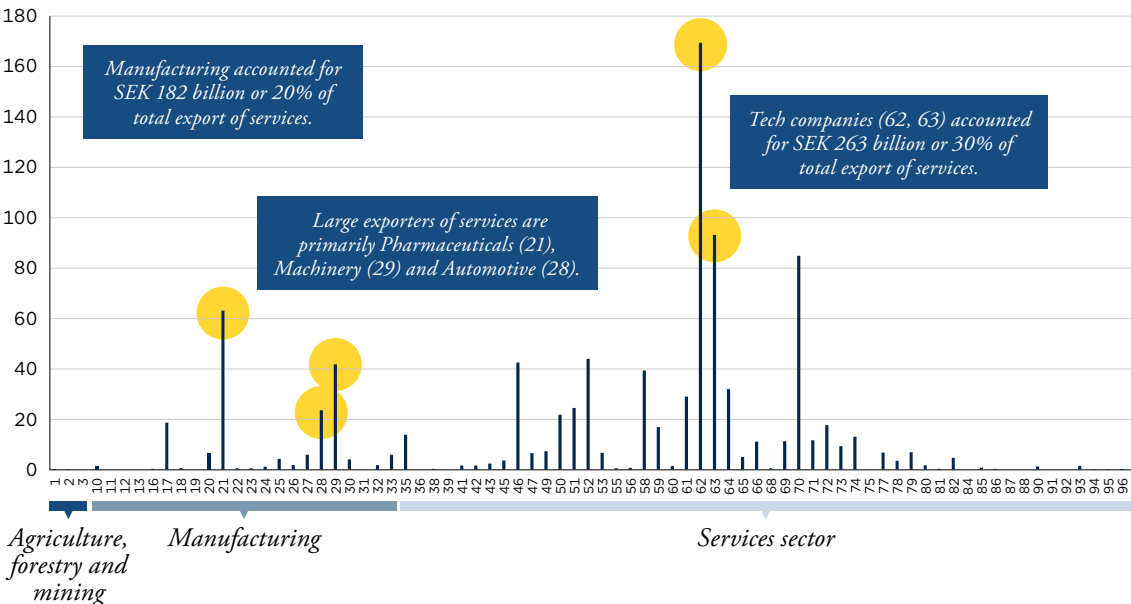
Sweden's export of services in SEK billion 2024 and distribution by services category, per cent, 2024, 2010 and 2000

Services category	Export of services SEK bn, 2024	2024	2010	2000
Business services	366	29%	30%	29%
IT and telecom	253	20%	16%	9%
Other services	190	15%	5%	5%
Transport	152	12%	20%	24%
Licenses and fees	115	9%	11%	7%
Travel and hospitality	113	9%	15%	20%
Finance and insurance	71	6%	3%	6%
<b>TOTAL</b>	<b>1,260</b>			

Source: Statistics Sweden (2025)

## TECH COMPANIES DOMINATE SWEDEN'S EXPORT OF SERVICES

Sweden's export of services, distribution by industry\*, SEK billion, 2023



THE UNITED KINGDOM'S EXPORT OF SERVICES IS LARGER THAN ITS EXPORT OF GOODS  
Export of goods and services, selected countries and regions, 2024

Country/region	Export of services, USD bn	Export of goods, USD bn	Export of services % of export of goods	
	2024	2024	2024	2015
Sweden	118	195	61%	52%
Germany	465	1,683	28%	21%
United Kingdom	645	513	126%	82%
EU*	3,241	7,150	45%	35%
USA	1,077	2,065	52%	50%
China	444	3,577	12%	10%
Japan	223	707	31%	25%
India	374	443	85%	58%
World	8,687	24,431	36%	30%

\*Note: The figures include export services and goods to the EU Single Market  
Source: World Trade Organization, WTO (2025)

In some major manufacturing and goods exporting nations, growth has been more sluggish. In Germany, services exports rose from 21 to 28 per cent of goods exports between 2015 and 2024, and in Japan from 25 to 31 per cent. China, a major exporter of goods, has not kept pace: in 2024, services exports were just 12 per cent of goods exports – a share that has barely changed in a decade.









Sweden ranks among the top-performing countries with service exports rising from 52 to 61 per cent of goods exports between 2015 and 2024. The US also has a high share, though it only rose slightly from 50 to 52 per cent over the same period.

International comparisons show Sweden’s services exports are especially competitive in *IT and telecom* and *Other services*. The reasons behind Sweden’s strong position in these categories are explored in the next section and illustrated in the diagrams on pages 13 and 14.

The UK stands out for its large share of *Business services* and *Finance and insurance* – due to the high concentration of headquarters and financial institutions in London. Germany and France account for significant shares in *Transport*, though they are outpaced by Denmark (52 per cent) and Norway (41 per cent), reflecting the importance of their shipping industries.

Tourism-heavy countries like France and the UK have large shares in *Travel and hospitality*. Finland’s services exports are dominated by *IT and telecom*, while all Nordic countries – including Sweden – have relatively small shares in *Finance and insurance*.

SWEDEN'S EXPORT OF SERVICES: INTERNATIONAL COMPARISON  
Export of services, distribution by services category, per cent: 2024 (Sweden) and 2023 (Other)

Services category	 Sweden	 USA	 Germany	 United Kingdom	 France	 Norway	 Denmark	 Finland
Business services	29%	25%	26%	39%	29%	26%	15%	23%
IT and telecom	20%	7%	11%	8%	8%	8%	8%	33%
Other services	15%	8%	9%	5%	9%	5%	8%	10%
Transport	12%	10%	22%	7%	18%	41%	52%	15%
Travel and hospitality	9%	18%	9%	13%	19%	12%	9%	8%
Licenses and fees	9%	13%	11%	5%	5%	1%	6%	9%
Finance and insurance	6%	19%	12%	23%	12%	2%	2%	2%

Sources: Statistics Sweden, OECD (2025)

 Largest share by services category



# 3 DRIVERS OF SWEDEN'S SERVICES EXPORTS

Based on analyses conducted by the National Board of Trade, the National Institute of Economic Research, the Riksbank, Statistics Sweden, other statistical and analytical sources, as well as interviews with Swedish export companies, Business Sweden has identified three primary drivers of Sweden's export of services: headquarters, digitalisation, and new business models.

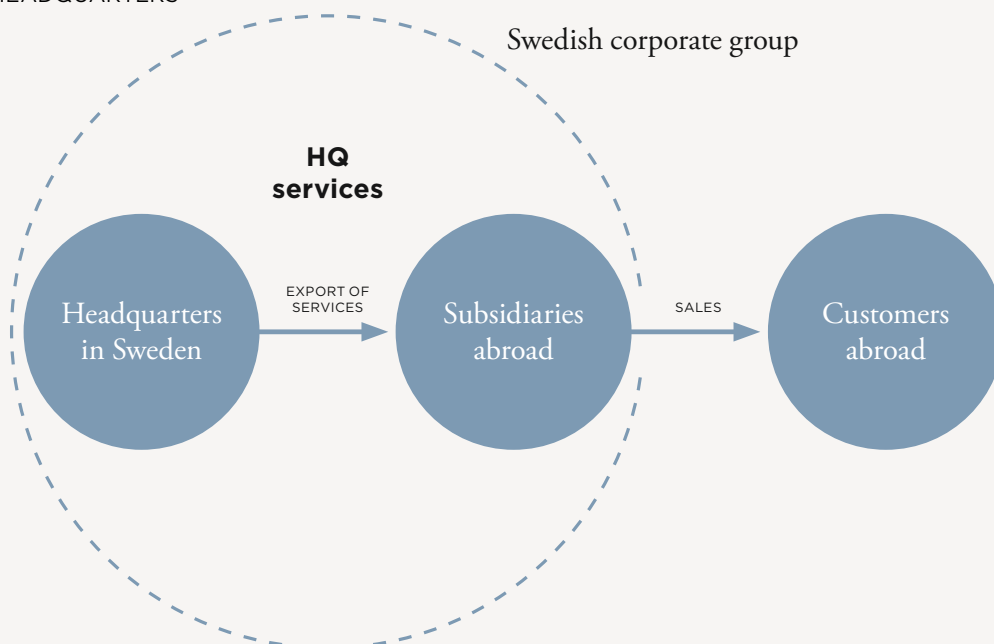
## 1 HEADQUARTERS

Headquarters represent the core function of any company or organisation as they are responsible for overarching governance, strategic decision-making, and operational support. Administrative functions are typically located at corporate headquarters – the geographic hub for executive leadership – while strategically important activities such as R&D, demonstration and testing, and advanced manufacturing may be distributed across countries.

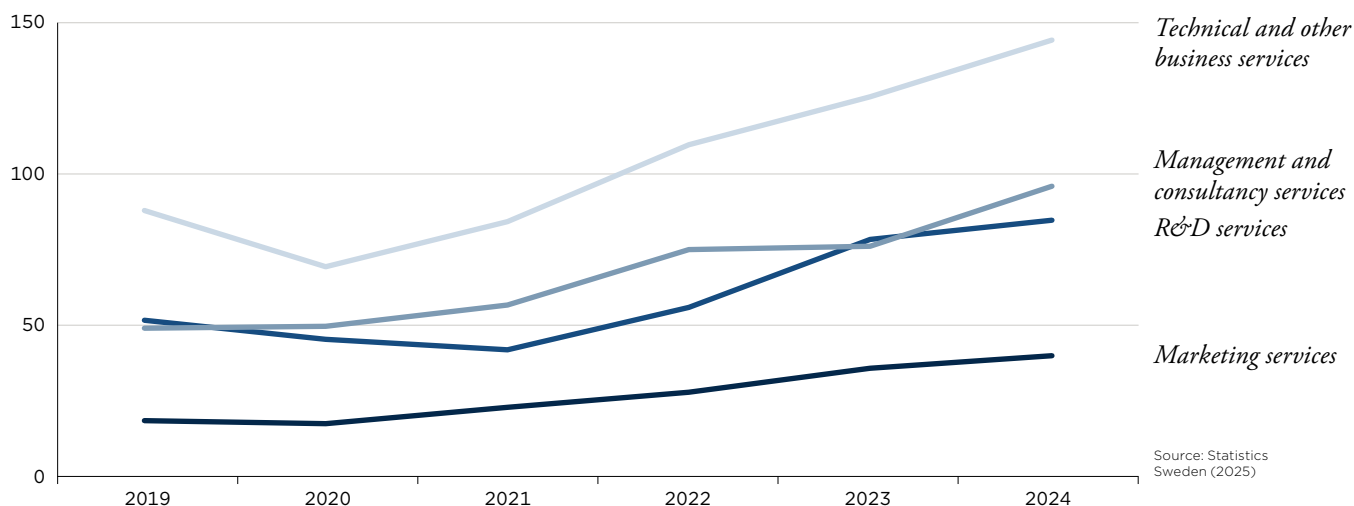
Headquarters provide services to the rest of the corporate group, including management and administration, IT and communications, R&D, finance and accounting, legal, and technical services. When corporate headquarters charges their subsidiaries abroad for these services, the transactions are reported as export of services to the national statistics authority – in Sweden's case, Statistics Sweden. See breakdown of subcategories under *Business services* in the diagram on the next page.

Headquarters often own the group's intangible assets, such as patents, trademarks, licenses, design protections, business systems, or proprietary

### KEY DRIVER 1: HEADQUARTERS



TECHNICAL SERVICES THE LARGEST SUBCATEGORY AMONG BUSINESS SERVICES  
Sweden's export of Business services, distribution by subcategory, SEK billion, 2019–2024



software. When these assets are made available to subsidiaries abroad, services exports are generated. For example, if a company headquartered in Sweden sells digital blueprints to its subsidiaries for product manufacturing in Asia and North America, this constitutes a service export from Sweden.

As such, headquarters play a central role for countries' services exports by acting as hubs for services and intangible assets sold to their foreign subsidiaries.

A significant share of global services exports is generated within multinational groups – i.e., transactions between parent companies and subsidiaries. This share is approximately 30 per cent for Sweden, according to Statistics Sweden.

While multinational corporations can theoretically locate ownership of intangible assets in any country, legal and tax constraints still apply. OECD guidelines stipulate that revenues from intangible assets must reflect genuine economic activity in the country where they are owned. If a company wishes to locate its intangible assets in a low-tax country, it must demonstrate that the assets were developed or managed there, or that the country plays a key role in asset stewardship – such as R&D or licensing.

Internal transactions within groups – such as license fees or sales of intellectual property – must be conducted on market-based terms, in accordance with internationally agreed transfer pricing rules. Companies that fail to comply risk fines and retroactive taxation.

### A FEW LARGE COMPANIES AND SECTORS DOMINATE SERVICES EXPORTS

Over the past year, the National Board of Trade, the National Institute of Economic Research, the Riksbank, and Statistics Sweden have each

produced extensive analyses of Sweden's services exports from different perspectives. By examining microdata – individualised economic and financial data submitted by export companies – the Riksbank concludes (*Staff memo: Large companies behind growing foreign trade in services*, 2025) that large multinational firms account for the major part of Sweden's services exports. Statistics Sweden notes that the 70 largest companies generate 50 per cent of total services exports.

Many of these companies have chosen to locate all or parts of their production abroad. However, they have retained key functions and assets in Sweden, such as executive management, R&D, and intangible assets. The Riksbank observes that investments in intangible assets in Sweden's private sector are substantial and concentrated in a few sectors that also generate significant services exports – often through licenses and fees charged to subsidiaries or external overseas clients.

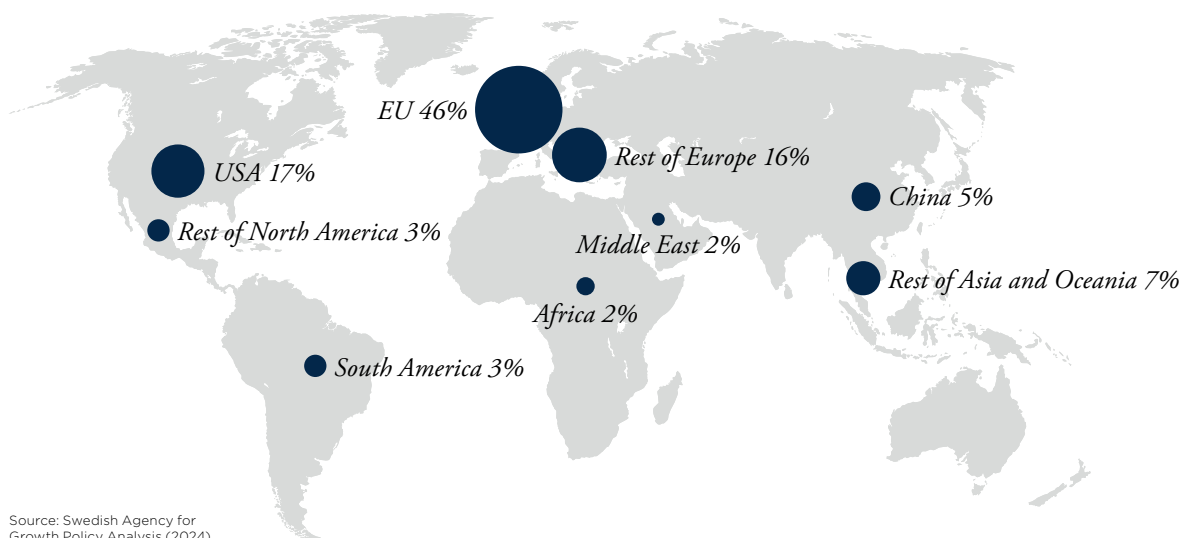
### SERVICES EXPORTS GROW WITH SUBSIDIARY SALES

The Swedish Agency for Growth Policy Analysis compiles annual statistics on the turnover of Swedish corporate groups' foreign subsidiaries, covering both goods and services. According to the latest report (*Svenska koncerner med dotterbolag i utlandet 2022*, in Swedish, 2024), the top markets for subsidiary sales largely overlap with the largest markets for Sweden's services exports. The US, Germany, Norway, Finland, the UK, and Denmark are the six largest markets for both subsidiary sales and for Swedish services exports, albeit in varying order.

An unpublished study commissioned by Business Sweden (*Utlandsförsäljningen och utrikeshandeln*, in Swedish, 2020) found that services exports rose by 0.4 per cent for every 1 per cent increase in

## SWEDISH COMPANIES' FOREIGN SALES CONCENTRATED TO EUROPE AND THE US

Swedish subsidiaries' overseas revenues, share by region, per cent, 2022



foreign sales by Swedish subsidiaries – based on data from Swedish manufacturing companies with international operations between 2007 and 2015. These results are preliminary and should be interpreted with caution.

A likely explanation is that subsidiary expansion drives demand for internal group services from the Swedish headquarters, which are reported as exports under *Business services* and *Licenses and royalties*. Naturally, subsidiaries may also procure other types of services from external Swedish providers.

The map above shows the regional distribution of Swedish subsidiaries' turnover, while the diagram below illustrates the rapid growth in total foreign turnover between 2013 and 2022.

## 2 DIGITALISATION

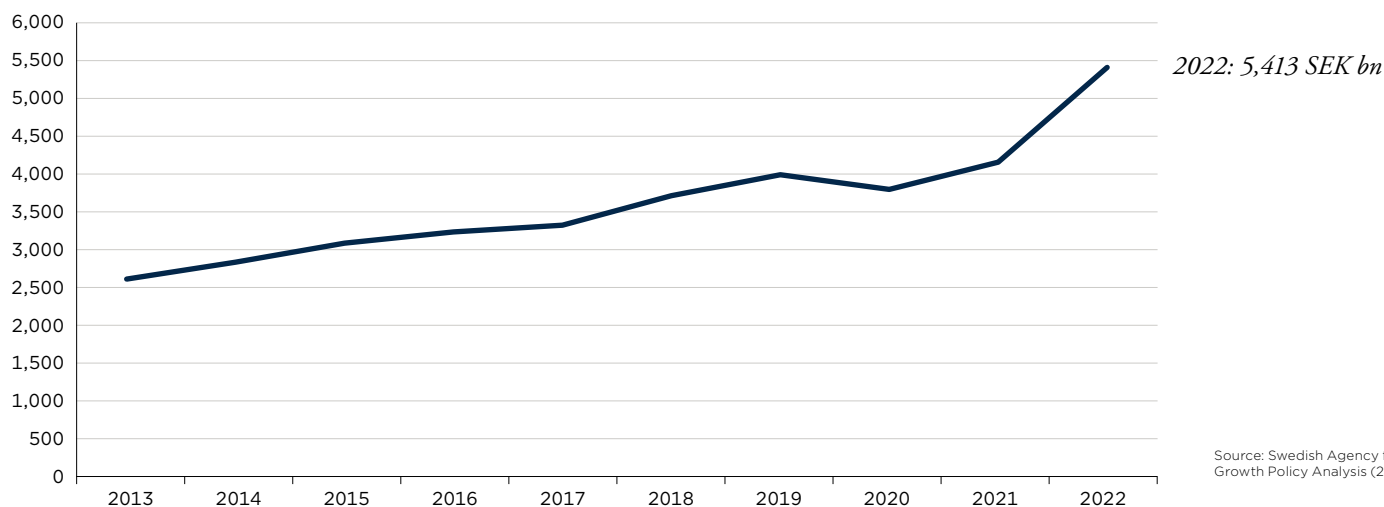
Digitalisation refers to the transformation of analogue processes, goods, or services into digital formats – often using computers, sensors, and software – to make them more efficient, accessible and user-friendly.

Digitalisation has had a profound and rapidly expanding impact on services exports. It has changed what can be exported, how exports are delivered and who can participate in the global services trade.

The sharp rise in Swedish service providers offering digital solutions has given services

## SHARP SURGE IN SWEDISH COMPANIES' FOREIGN SALES

Swedish subsidiaries' overseas revenues, SEK billion, 2013–2022





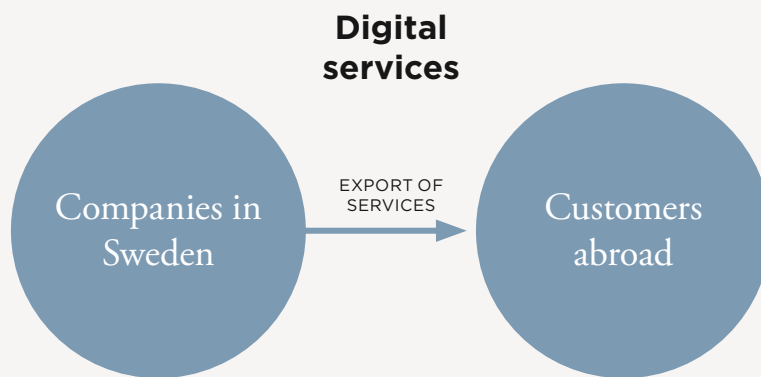
exports a significant boost, see diagram below showing the growth of the *Data services* subcategory within *IT and telecom* services. In recent years, consumer-facing digital services – such as streaming of film, music, and games – have grown markedly. See the development of the subcategory *Personal services* within *Other services* in the diagram on the next page.

Digitalisation paves the way for real-time delivery of services worldwide. More types of services are now exportable. Digital channels allow Swedish companies to sell services globally without having a physical market presence – e.g. consulting, education, software, support, data analytics, and design. Digital services are scalable which means that exports can grow without proportional increases in cost or complexity.

Service providers can reach international customers via e-commerce platforms, app stores, and their own digital channels – such as websites and social media. Even small companies can become international players.

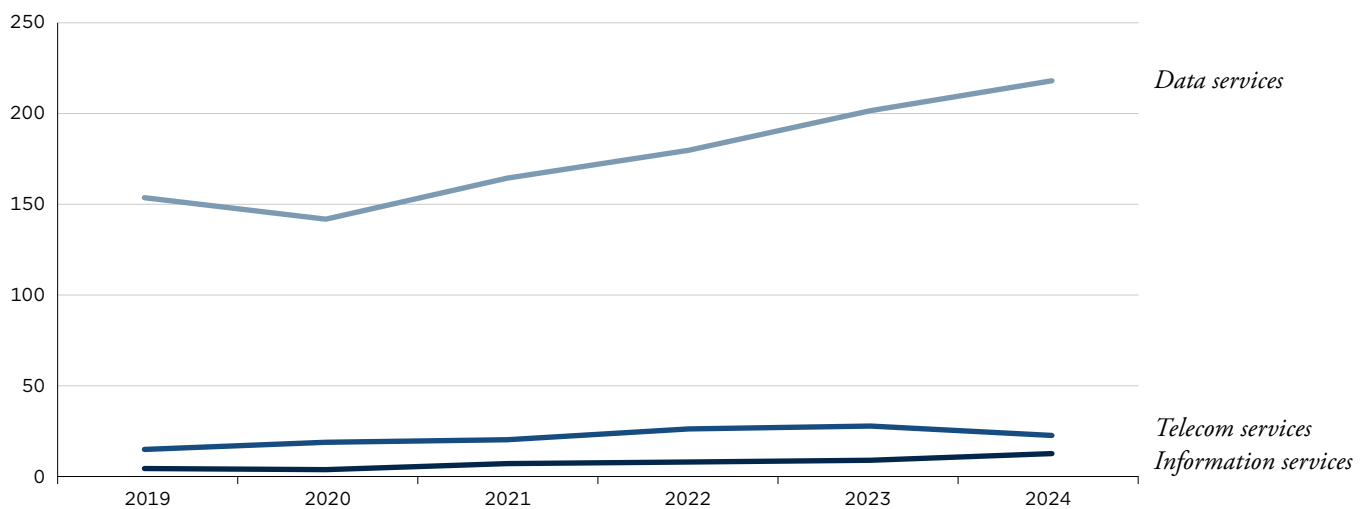
Platform-based business models are found in both manufacturing and the services sector. A Swedish manufacturer might offer a digital platform for third-party development, payment services, support, or licensing to overseas customers. Similarly, pure service companies can build platforms for engaging with international customers and suppliers. In the services sector, the trend is heading towards integrated solutions, subscriptions, automated and AI-driven services, and franchising of digital concepts suited for foreign markets.

#### KEY DRIVER 2: DIGITAL SERVICES



#### DATA SERVICES DOMINATE IT AND TELECOM SERVICES

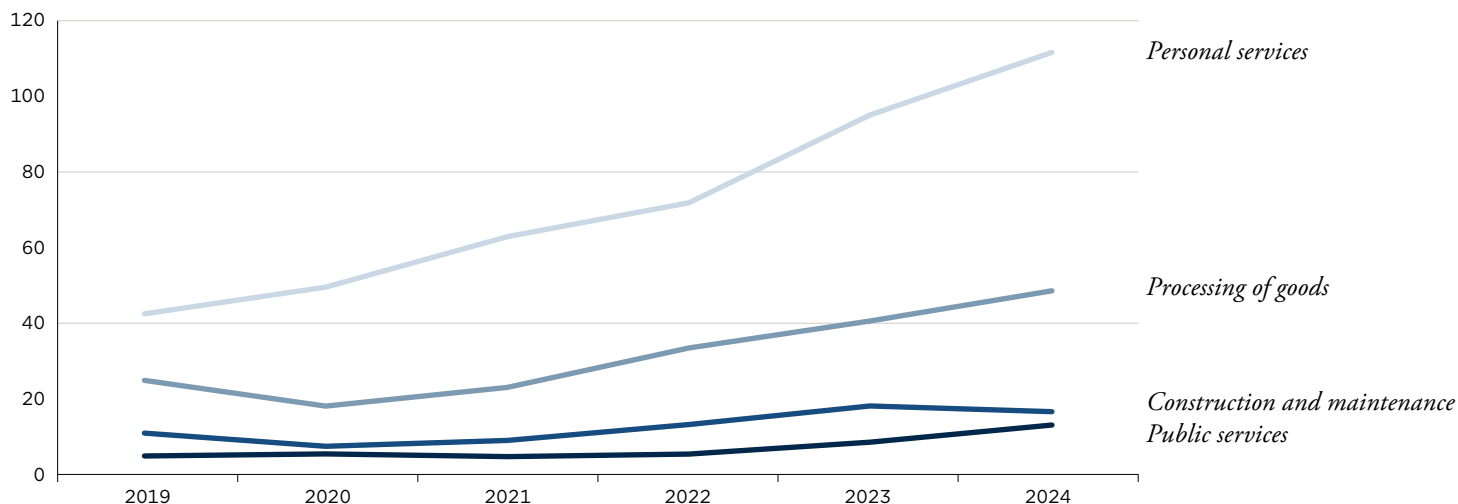
Swedish export of IT and telecom services, distribution by subcategory, SEK billion, 2019–2024



Source: Statistics Sweden (2025)

## PERSONAL SERVICES ACCELERATE WITH DIGITALISATION

Swedish export of Other services, distribution by subcategory, SEK billion, 2019–2024



Source: Statistics Sweden (2025)

## 3 NEW BUSINESS MODELS

Driven by globalisation, digitalisation and rising sustainability demands, new business models have emerged in manufacturing. These differ from traditional product sales by focusing on value, services, data and customer relationships as opposed to strictly physical products.

Sales of services – and by extension services exports when foreign customers are involved – have

become strategic pillars of modern manufacturing.

*Product-as-a-Service*, whereby sales shift from goods to functionality, is a typical example of the servicification of manufacturing. Instead of one-time sales, companies export continuous functionality such as machine uptime, lighting, compressed air or pressure capacity. Services exports are generated through service contracts with international customers.

At the same time, the *Internet of Things (IoT)*, combined with robust data communications, enables efficient delivery of remote services. Through



connected products, Swedish manufacturers can monitor and control equipment abroad in real time. They can also offer data-driven analytics, troubleshooting, and advisory services – without a physical presence – which enables export of advanced services to customers in all corners of the world.

Many manufacturers embed software and AI into their products. When these services are licensed or updated remotely for foreign markets, they are reported as service exports. Circular models promote recurring service exports through rental, repair, upgrades, and reuse—creating demand for logistics, remote diagnostics, maintenance, and digital tracking across borders.

### LIMITED IMPACT SO FAR

The ongoing experimentation with new business models in manufacturing has so far had limited impact on services exports. Many goods-producing firms face organisational and commercial challenges in shifting to service production. New service-oriented business models do not automatically lead to higher revenues, profits or competitiveness.

Business Sweden's interviews with leading Swedish industrial companies reveal that the level of services exports to external customers from entities in Sweden is still modest. Most services to international customers are delivered and invoiced locally by foreign subsidiaries. However, some licenses and subscriptions are exported from Sweden and reported as services exports, along with specific types of IT support.

A so-far unpublished section of a survey conducted by Origo Group on behalf of Business Sweden (*The krona, prices and geopolitics*, 2024) shows that 15 per cent of surveyed Swedish industrial companies exported services to external international customers. Of these, 60 per cent said services exports were significantly smaller than goods exports, and 22 per cent said they were somewhat smaller. Only 9 per cent reported that services exports were equal to or larger than goods exports.

As previously noted, the diagram on page 8 shows that the manufacturing sector accounted for one-fifth of Sweden's export of services in 2023. Despite the rise of service-oriented business models, this share has remained largely unchanged over the past decade. One explanation may be that growth has merely kept pace with the rapid expansion of digital services offered by pure service providers. Another is that the shift is partly masked by the presence of industrial services companies, which support new business models in manufacturing but whose services exports are (correctly) reported as stemming from services sector companies. See, for example the report by The Swedish Association of Industrial Employers on the integration of goods and services in value chains (*Många nya jobb direkt och indirekt tack vare industrin och dess gröna omställning*, in Swedish, 2023).

#### KEY DRIVER 3: NEW BUSINESS MODELS

### Services connected to goods







*We help Swedish companies grow global sales and  
international companies invest and expand in Sweden.*

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