

BUSINESS SWEDEN



# SWEDEN'S EXPORTS BACK ON COURSE

GLOBAL EXPORT, DECEMBER 2019

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## A WORD FROM THE CHIEF ECONOMIST

# THE BEGINNING OF A NEW ERA?

It is becoming increasingly clear that Sweden's position on the global export market has stabilised. For the third year in a row, Sweden's share of the export market has remained unchanged, which indicates that the downward trend since the beginning of the 21st century has been broken.

Swedish goods exports currently account for 1.1 per cent of the world market. The fact that Sweden is no longer losing market shares is due to several different factors. One important explanation is that exports from the emerging economies such as China and India are not increasing as fast as they have done in the past. Another is that the investment climate in Europe – to which over 70 per cent of Swedish exports go – has improved somewhat since 2016. This benefits Swedish exports, which to a great extent consist of input and investment goods.

Global trade has changed a great deal since the beginning of the new millennium. Emerging markets such as China and India have gone from being relatively insignificant to being among the most important export countries in the world. The emerging economies – particularly in Asia – are thereby taking up increasingly expansive positions on the world market while Europe and North America are losing market shares.

Europe's share of the total export market has shrunk from 44 to 40 per cent since the beginning of the 21st century. During the same period, North America's share has dropped from 19 to 14 per cent. Simultaneously, Asia has increased its share substantially from 30 to 37 per cent. China is a strong contributor to the increase in Asia's share and is today the world's largest goods exporter. Other regions' shares are at a much lower level and remain virtually unchanged.

The fact that Sweden has failed to keep pace with the emerging economies such as China, which virtually doubled its exports over the last ten years, is neither surprising nor problematic. However, the fact that Sweden has lost export market shares in relation to its most important competitor countries is more disturbing. Primarily, Sweden has lost market shares in the USA, Great Britain and Germany. The decline in the Nordic Region is not so extensive, but as the Nordic Region as a whole is Sweden's biggest trading partner, the losses are noticeable.

Sweden's position in important export markets has weakened in almost all sectors over the last two decades compared with our competitor countries. However, the outlook looks brighter for the two goods groups representing the largest Swedish exports – *automotive and machinery*. The engineering industry, in particular the machine and vehicle industry, dominates Swedish goods exports with more than 40 per cent of the total goods exported.

During the past year, Swedish exports as a whole grew at roughly the same rate as the world market. Most of the goods sectors increased at a slower pace than the world market, but three sectors increased at a much faster pace – namely automotive, electric current and food and beverages.

It remains to be seen if this is the beginning of a new era in which Swedish exports retain or even advance their position on the global export market.



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# SWEDEN MAINTAINS ITS POSITION ON THE GLOBAL MARKET

Since 2015, Sweden's share of the global market for goods exports has remained stable, with Swedish goods exports accounting for 1.1 per cent of total world exports. The last three years of this stable development of Sweden's share of the export market was preceded by a rather lengthy period of decline in export market shares.

The global export market has changed substantially since the beginning of the new millennium. Several growth markets, primarily in Asia, have advanced their positions and during this period Swedish exports have failed to keep pace with the global export market. Global Exports focuses on Swedish goods exports, and the largest groups within those exports, in order to determine which commodity groups in Sweden are gaining or losing export market shares.

## SWEDEN'S EXPORT MARKET SHARE UNCHANGED

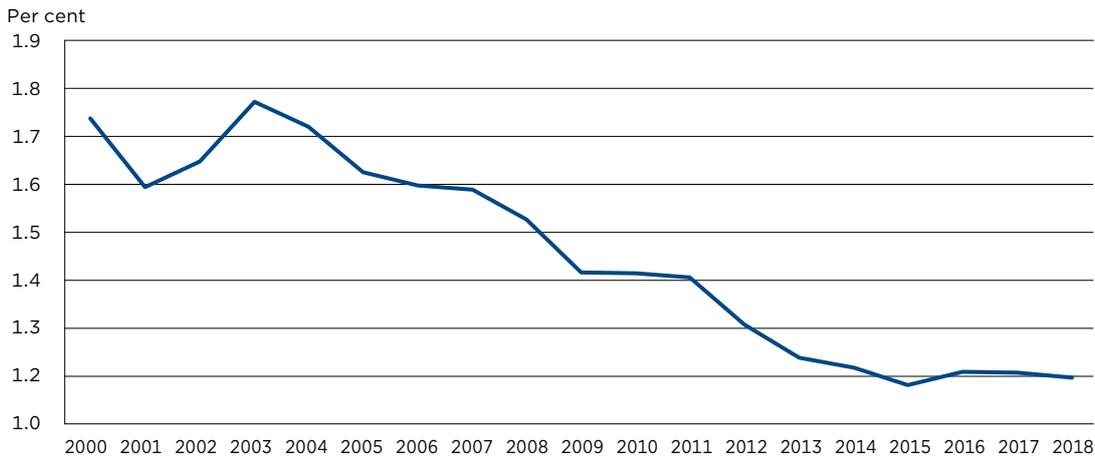
Global trade has changed a great deal during the last two decades. Emerging markets such as China and India have gone from being relatively insignificant to being among the most important exporting countries in the world. Since China became a member of the World Trade Organisation (WTO) in 2001, the country has gone from being the 6th largest to being the largest goods exporter in the world today. Such a transformation is significant for all players on the global export market. It leads not only to tougher competition but also to an expansion of total world trade. In this changing landscape, Swedish exports have not succeeded in maintaining its share of global total exports, which has fallen from 1.7 per cent in 2000 to 1.1 per cent in 2018. However, in 2016 this downward trend with falling export shares for Sweden was broken, and since then Sweden's share

of the export market has remained virtually unchanged. Within several sectors (automotive, petroleum, food and beverages, electric current and steel) Sweden has even increased its market share.

Beyond the fact that Swedish exports have from a long-term perspective lost market share, as a result of massive expansion by countries such as China and India, Sweden's position in relation to other leading competitive countries appears to have weakened. However, in recent years this negative trend has not been broken in quite such a clear way, despite the fact that the outlook is a little brighter in certain sectors, for example in the automotive and machinery industries.

It is important to emphasise that all the calculations in the analysis are based on current prices in U.S. dollars (USD). Price- and currency effects are key to understanding the analysed results. A fact box on page 13 explains, in general terms, the role of price- and currency effects.

## SWEDEN'S EXPORT MARKET SHARE\* 2000-2018

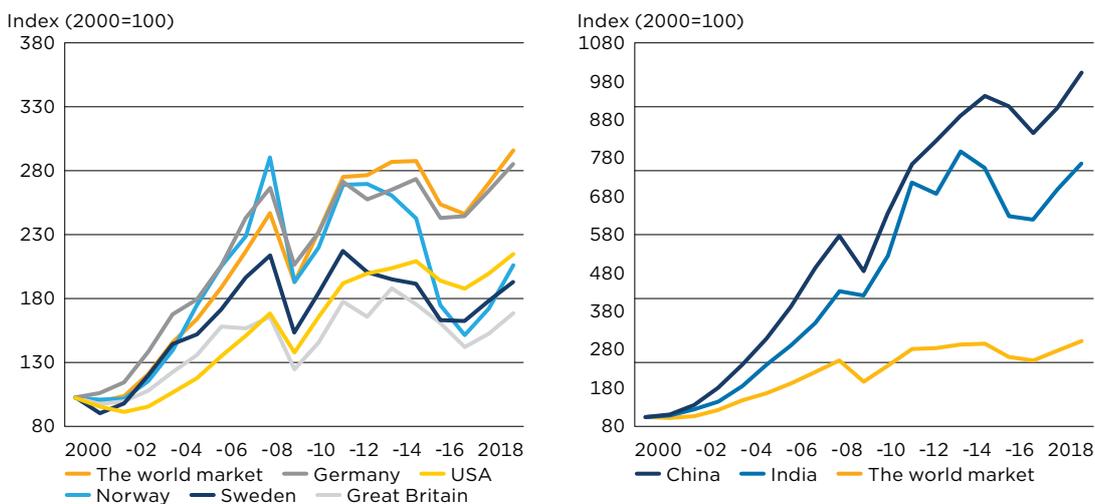


\*Share of the world market, see definition on page 6.

After a long period of falling export market shares, the trend was broken in 2016. Sweden even increased – albeit marginally – its share of the export market. One explanation is that the pace of investments in Europe speeded up around 2016 and that the demand for Swedish engineering products therefore increased. Europe is an important export market for Sweden, accounting for over 70 per cent of Swedish goods exports. Another explanation

is that the rate of export growth for several large countries declined between 2015 and 2016, among others, the USA, China and Great Britain. Simultaneously, Sweden's export growth between these years increased. The growth curves for the rest of the world began to rise again after 2016, which caused the increase in Sweden's export share to level off in 2017 and was virtually unchanged in 2018.

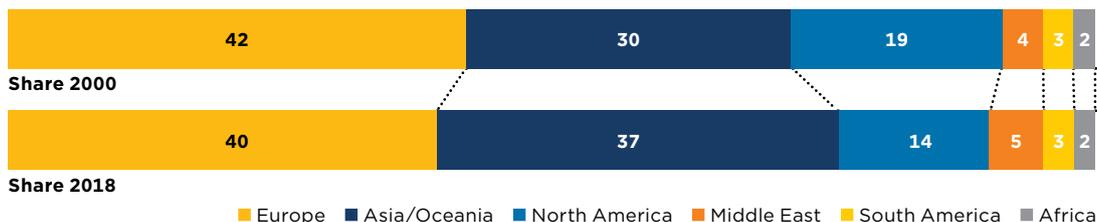
## DEVELOPMENT OF GOODS EXPORTS, CURRENT PRICES, USD



Note: The scale on the value axis differs considerably from the diagram to the left to the diagram to the right. For reference, the world market is shown in both diagrams.

## DISTRIBUTION OF WORLD EXPORTS\* PER REGION YEAR 2000 AND 2018 RESPECTIVELY

Per cent



\*The world's total exports (i.e. not the world market according to the definition below).

Note: Due to rounding up, the sum of total shares for 2018 does not amount to 100%.

### EMERGING ECONOMIES ESTABLISH POSITIONS ON THE WORLD MARKET

The fact that emerging markets account for an increasingly large portion of the world market becomes clear when the distribution of world exports per region in 2000 is compared with 2018. Europe as a whole is losing shares on the global export market, while emerging economies are taking an increasingly larger share. Europe's share of total exports has fallen from 42 to 40 per cent, while Asia and Oceania have increased their share of the export market considerably, from 30 per cent in 2000 to 37 per cent in 2018. North America has lost a relatively large portion of its share of world exports, from 19 per cent in 2000 to 14 per cent in 2018. The shares for South America, Africa and the Middle East are considerably lower and, in principle, remain unchanged during the period.

### WORLD'S TOP TEN EXPORTERS OF GOODS 2018

	Goods export Billion dollars (USD)	Percentage share of the world's exports* (2017 yearly shares in parenthesis)
China	2 494	13.5 (13.1)
USA	1 665	9.0 (9.0)
Germany	1 563	8.4 (8.4)
Japan	738	4.0 (4.1)
South Korea	605	3.3 (3.3)
Netherlands	586	3.2 (2.9)
Hong Kong	569	3.1 (3.2)
France	569	3.1 (3.0)
Italy	543	2.9 (2.9)
Great Britain	491	2.7 (2.6)

\*Total exports (i.e. not the world market according to the definition in the grey box below).

**Current prices:** The analysis is based on current prices in U.S. dollars (USD).

**The world market:** In order to create a relevant benchmark for making comparisons, the concept "the world market" is used. This refers to goods exports from 32 countries as well as Sweden. Together these countries account for approximately 80 per cent of world exports. The countries that are included account for a minimum of 0.5 per cent of Sweden's exports during the period 2016-2018.

**Global value chains:** The statistics do not take into consideration the fact that a considerable amount of goods exports are processed and re-exported by globally active companies.

**Source:** The analysis is based on statistics gathered from the database UN Comtrade and processed by Business Sweden, unless otherwise stated.



# SWEDISH EXPORTS FALL BEHIND COMPETING COUNTRIES

Sweden's export market share has declined markedly since 2000. This does not necessarily mean that the competitive environment on the world market has become more challenging for Swedish export companies. If Swedish exports have diminished as a share of the world's total exports due to the fact the global export market has expanded it is certainly an indication that Swedish export companies have not succeeded in exploiting the increased export potential.

That Sweden has not succeeded in keeping pace with the emerging economies such as China, whose exports almost doubled over the last ten years (and doubled every fourth year between 2000 and 2008), is perhaps neither surprising nor problematic. On the other hand, what does give cause for concern is if Sweden also loses export market share in relation to its most important competitor countries.

By analysing the size of a certain country's imports that come from Sweden (i.e. Sweden's share of the import market in that country) and relate that to a selection of competitor countries' exports to the same country, it is possible to get an idea of how much of Sweden's reduced share

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*“SWEDEN IS STRONGEST ON THE NORDIC MARKET”*

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of the world's total exports is due to the expansion of the emerging economies, or if there are also other factors at play that have influenced the status of Swedish exports on the world market. The analysis does not provide answers as to which factors these might be, but only gives an indication if any such factors exist or not.

The selected competitor countries we have chosen to include in the analysis comprise countries with similar industrial structures and sizes as Sweden. These have been limited to Belgium, Denmark, Finland, Netherlands, Switzerland and Germany. Obviously, Sweden competes with many other countries on different markets around the world. In addition, the competitive environment can vary within different sectors in one and the same market. For example, exports from the Swedish automotive industry compete

## SWEDEN'S SHARE OF IMPORTS IN IMPORTANT COUNTRIES FOR SWEDISH EXPORTS

Per cent

	Nordics	Germany	USA	Netherlands	Great Britain
<b>Difference in per cent between 2000 and 2018</b>	<b>-6.7</b>	<b>-23.5</b>	<b>-41.6</b>	<b>-34.1</b>	<b>-30.0</b>
Market share 2000	12.2	1.9	0.8	2.3	2.0
Market share 2018	11.4	1.4	0.5	1.5	1.4

with the automotive exports of Italy and Germany in the U.S. market, whereas Swedish exports of food and beverages compete with the exports of totally different countries in the same market. As we do not go into detail in the analysis, we have made a selection based on aggregates by which we obtain a rather rough selection of competitive countries. Once again, we are analysing the period 2000–2018.

### IMPORTANT EXPORT MARKETS FOR SWEDEN TODAY

We begin by analysing Sweden's position on markets that today account for a major share of Swedish goods exports, in total almost 55 per cent.

The selection includes:

- The Nordic region excluding Sweden (25 per cent\*)
- Germany (11 per cent\*)
- USA (7 per cent\*)
- Netherlands (6 per cent\*)
- Great Britain (6 per cent\*)

Since 2000, Sweden has lost import market shares on all markets mentioned above. Primarily, since 2000, Sweden has lost market shares in the USA, but also in the Netherlands, Great Britain and Germany where large reductions of Sweden's contribution to these countries' imports have occurred since 2000. At best, Sweden has managed to remain relatively stable in the Nordic region with a 7 per cent drop in its share of the import market since 2000. As the Nordic region is Sweden's biggest trading partner, Sweden has, however, lost the most in absolute figures in that market.

The development for our competitor countries is not quite so gloomy. On the US market, all of the competitor countries we compare ourselves to, i.e. Belgium, Denmark, Finland, Netherlands, Switzerland and Germany, have had a more positive development than Sweden since 2000. Moreover, all of these competing countries with the exception of Belgium have increased their market shares, while Sweden's shares have declined during the period. When it comes to the German and Dutch markets, there is only one country which has lost more than Sweden in each market: Denmark and Switzerland, respectively. Several of the selected competitor countries have clearly done better than Sweden in the British market. Only Finland and Switzerland have fared worse than Sweden on the British market during the past twenty years. In Sweden's most important market, the Nordic market, both The Netherlands and Germany have succeeded in increasing their share of the import market, while Belgium and Switzerland have lost more than Sweden.

A comparable analysis of our most important emerging markets (Brazil, India, Indonesia, China and Mexico) arrives at roughly the same conclusion. Sweden's position has weakened in terms of import market shares in these markets as well since 2000. Even if the perception of our competitor countries is not entirely consistent in terms of how well their positions have fared in the emerging markets, it is still the case that Sweden, overall, has fared a little worse than the competitor countries. Bearing in mind that the import market shares are small for Sweden and the competitor countries in several of the growth markets, and that these markets have developed fast during the period, it is difficult to draw any clear conclusions.

### CHANGE IN COMPETITOR COUNTRIES' SHARE OF IMPORTS IN IMPORTANT COUNTRIES FOR SWEDISH EXPORTS 2000–2018

Per cent

	Nordics	Germany	USA	Netherlands	Great Britain
<b>Difference in per cent between 2000 and 2018</b>					
Belgium	-11.4	-14.0	-16.0	11.9	24.0
Denmark	-	-27.6	41.9	-11.1	32.7
Finland	-	-20.7	5.6	2.4	-56.2
Netherlands	3.0	-7.8	21.9	-	33.8
Switzerland	-25.0	21.9	86.4	-53.1	-49.7
Germany	3.0	-	2.3	-1.1	17.4

■ More favourable development than Sweden

\*Source: Statistics Sweden (SCB)

**“EMERGING  
ECONOMIES  
ARE TAKING  
A LARGER  
SHARE...”**





**...OF THE  
GLOBAL  
EXPORT  
MARKET”**

allseasons  
HOTELS

## SWEDEN HAS LOST IMPORT MARKET SHARES IN IMPORTANT SECTORS

The analysis above focuses on Sweden's total exports to some of its most important export markets compared to those of competitor countries. It is also of interest to see if the same change has occurred within the sectors that account for the largest portion of Swedish exports. In 2018 this consisted of automotive (14.2 per cent of Sweden's exports) and machinery (14 per cent). In total, these sectors account for slightly more than 28 per cent of Sweden's exports.

The development for these industrial sectors follows the development for exports as a whole, with a slightly weaker development for a couple of our competitor countries. Since 2000 Sweden has lost import market shares within all of its largest and most important sectors in all of what are today its most important markets. Sweden's biggest losses have been incurred in Great Britain followed by the USA – in both these markets, Sweden's import market share has almost halved since 2000. Once again, Sweden's strongest position is in the Nordic Region with marginal loss in total of 2 per cent since 2000.

Sweden's competitor countries are not as well positioned in the automotive and machinery sectors as their exports as a whole. Both Belgium and Switzerland have, with the exception of one market for Belgium, lost market share in all of the five markets that have been analysed. Both are also losing more than Sweden in three of those five markets. Germany has taken market share in Great Britain and The Netherlands but lost market share in the Nordic Region and USA. Finland has taken large shares in The Netherlands (142 per cent) and relatively large shares in Germany since 2000 (an increase of 19 per cent) and in the USA (an increase of 34 per cent) but has lost shares in Great Britain. Denmark has increased slightly in Germany and substantially in the USA (31 per cent), Great Britain (52 per cent) and The Netherlands (60 per cent).

The Netherlands has fared the best by far within the automotive and machinery sectors. The country has taken import market shares on all markets since 2000, with a top score in the USA of 45 per cent. Although Netherlands is certainly a country with considerable transit trade, there is no reason to believe that this form of trade has had any significant effect on the results in this analysis.

## BETTER OUTLOOK IN SIGHT

To summarise, the analysis above indicates that Sweden's position on important export markets

has weakened over the last two decades compared to our competitor countries, even if the situation appears to have marginally improved in relation to the competitor countries in the two sectors with the largest portion of Swedish exports – automotive and machinery. On the other hand, this drop in market shares for Swedish exports is not only explained by the fact that the emerging economies are advancing and establishing themselves on the world stage, but also by the fact that our exports are developing at a slower rate than those of our competitors.

The above analysis is based on a long-term perspective and examines the change that occurred from 2000 to 2018. In the short-term perspective, the past three years, the outlook is somewhat brighter when analysing import market shares in important markets. This is in line with the analysis of Sweden's share of the global export market presented earlier in the report.

Even if the curves related to Sweden's total share of most of the important countries' imports from Sweden during the period 2016–2018 point slightly downward, Sweden is not alone in this regard. Countries such as Belgium, Switzerland and Germany, are placed at roughly in the same class as Sweden, with relatively large losses in many markets and increases in just a few markets during the period. Finland, Denmark and above all The Netherlands, have all performed better during the period. This means that over last three years, Sweden has recovered somewhat from the gloomy development since 2000 where we have clearly come last compared to our competitor countries when viewed from the perspective of aggregated export results.

For the automotive and machinery sector the outlook is brighter still. Here all curves point slightly upward for Sweden. Sweden has also experienced a stronger development than the majority of the competitor countries, where only The Netherlands has performed as well during the period. On the other hand, the development for automotive and machinery in the past three years has been considerably stronger than in a long time.

Against this background, it is important to keep in mind that the complete analysis is based on statistics that are converted into U.S. dollars. The Swedish krona has been weakened against the dollar since 2015, while the euro, for example, (several of the countries that Sweden is compared to in the analysis are in the euro zone) has been strengthened against the dollar during the same period. This means that the development of Swedish exports is hampered by the conversion of the krona into dollars.

# SIGNIFICANCE OF EXCHANGE RATES FOR THE ANALYSIS

The analysis in this report is based on UN Comtrade's statistics that are expressed as current prices converted to U.S. dollars (USD). If one wishes to understand what effect the development of the Swedish export industry has had on employment and growth in Sweden it is necessary to understand how exports have developed in terms of volume (sometimes designated as constant prices).

The analysis shows that Sweden has lost market shares on the global export market since the beginning of the 21<sup>st</sup> century. As all figures are converted to dollars from local currencies, irrespective of what currency in which the trade has occurred, the SEK/USD exchange rate and SEK/EUR exchange rate in relation to, for instance the EUR/USD exchange rate development, has great significance for the reported results. As the conversion of the currency (the kronor to the dollar) has a tenuous connection to the currency in which the trade has been carried out, a currency effect is entered into the accounts, which does not necessarily reflect a realistic competitive relationship. The most relevant approach in order to determine how the Swedish export industry is performing in the world market would be to analyse the development in terms of volume. By analysing the development in volume terms the irrelevant effects of currency conversions are cleared from the accounts.

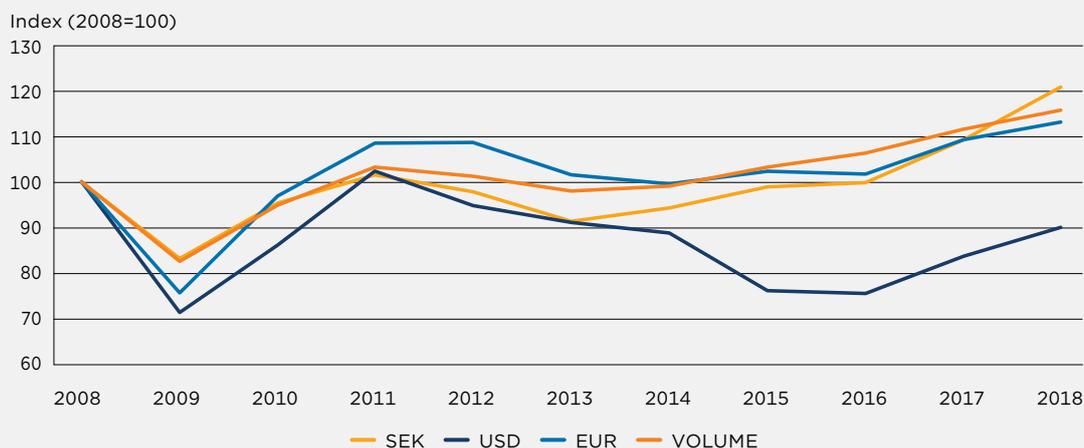
This is not to say that the exchange rate is irrelevant for analysing where the development of Swedish exports stands in relation to our competitor countries. A weakening of the krona strengthens competitiveness, all things being equal, if the production value is to a large extent generated using domestic labour as opposed to foreign labour (which often occurs in relation to imported input goods) and conversely, it is also

true of course that competitiveness is weakened if the krona is strengthened. Strong competitiveness should, all things being equal, make it easier for Swedish export companies to sell their products. In other words, one should be able to expect a weakened competitiveness to lead to reduced exports in volume terms, i.e. that Swedish export companies sell fewer products. The problem is that there are no comparative export statistics, in volume terms that cover the level of detail presented in this report. For this reason it is necessary to present this analysis in current prices converted to dollars. That is why it is important to keep in mind that the currency being used for the calculations has great significance for the analysis. If the analysis had been conducted in local currency, it would show that Sweden has had a stronger export development since 2016 than most comparable competitor countries.

## *Volume terms vs. current prices*

Exports expressed in volume terms is, exactly as it sounds, designed to reflect how many units (e.g. trucks) that have been exported, rather than how much money has been generated through these exports. When using volume calculations, consideration is also given to quality changes, i.e. even if exactly the same number of trucks have been exported from one year to the next, the estimated volume value can be higher if, for example, the trucks are equipped with more advanced gearboxes. If exports decline in current prices, it can either mean that exports have declined in terms of volume or that the price of the exported goods has been reduced. The size of a possible price change can, in turn, depend on which currency the price is expressed in. When productivity remains unchanged, a positive development in volume terms means that employment increases.

## DEVELOPMENT OF SWEDISH EXPORTS IN VOLUME TERMS AND CURRENT PRICES PER CURRENCY



Sources: Statistics Sweden (foreign trade), Macrobond and Business Sweden

# WEAK DEVELOPMENT IN SEVERAL SEGMENTS

Since 2016, Swedish exports have on the whole developed at roughly the same pace as global exports. Broken down into commodity groups it is primarily automotive, electric current, petroleum and food and beverages that have developed well during the period 2015–2018. When it comes to the export of food and beverages it is worth noting that more than half of the export of foodstuffs consists of Norwegian salmon that passes through Sweden. None of the commodity groups have reduced their exports during the period, but chemicals with pharmaceuticals, electronics together with telecom and instruments have increased more slowly than global exports within corresponding categories.

Viewing the development from a regional perspective, all regions kept pace with global exports on an aggregate basis between 2016 and 2018, with the exception of Europe which developed stronger. However, several product groups in North- and South America have shown markedly slower growth than global exports for the corresponding group.

Africa's development was also weaker than the global development for several commodity groups. Asia and Oceania increased their exports faster than the world market for three of the commodity groups, while the rest developed at the same pace or slower than global exports. The Middle East saw a growth in exports for the majority of the product categories, but as

## EXPORT DEVELOPMENT PER COMMODITY GROUP AND REGION 2015–2018

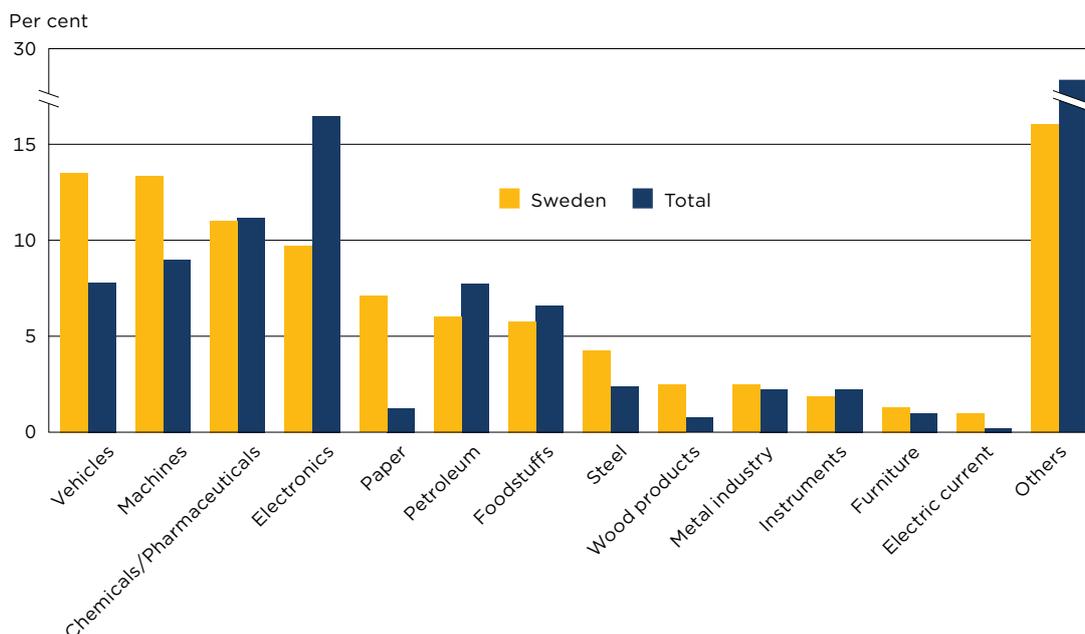
Per cent

	Total global exports	Sweden	Europe	Asia and Oceania	North America	South America	Africa	Middle East
Machinery industry	19	13	20	24	5	17	-9	38
Automotive	16	51	21	12	10	13	18	-6
Chemicals and pharmaceuticals	21	11	24	26	4	-11	13	31
Electronics with telecom	16	4	22	15	6	-13	-24	84
Pulp and paper	14	10	16	13	6	26	6	23
Petroleum	19	36	34	35	52	53	53	-40
Foodstuffs	10	18	17	5	4	3	-4	20
Steel	21	26	29	13	4	19	34	29
Wood products	16	10	29	-4	16	24	-30	-4
Metal industry	13	8	22	5	5	-4	1	38
Instruments	11	2	24	1	10	-61	-36	55
Furniture	9	6	22	-1	2	5	22	35
Electric current	12	101	13	13	-3	4	54	51
<b>Total</b>	<b>15</b>	<b>19</b>	<b>20</b>	<b>11</b>	<b>10</b>	<b>15</b>	<b>16</b>	<b>10</b>

Stronger development than global exports (>5 per cent)

Weaker development than global exports (< 5 per cent)

## SWEDEN'S AND THE WORLD'S TOTAL EXPORTS BY COMMODITY GROUP, 2018



the export of petroleum declined considerably during the period it burdened the total figure for the region. Europe's development was the best during the period, with an export growth over, or in line with, global export growth in all product categories.

The engineering industry, and the machinery and automotive industry in particular, dominates Swedish goods exports with more than 40 per cent of the total goods exports. Even chemicals, electronics, pulp and paper as well as food and beverages are important commodity groups. The commodity groups included in the analysis accounted for more than 83 per cent of Swedish goods exports in 2018. Compared with the world export market, Swedish exports account for a far greater share of vehicles and machines, as do paper, steel and wood products. Global exports carry greater weight primarily in electronics and in those categories not represented below (Others).

Sweden's exports grew at a lower rate than the world market in 2018. With the exception of vehicles, electric current and foodstuffs, Sweden lost market shares in all commodity groups in 2018, compared to the preceding year.

## DEVELOPMENT OF SWEDISH AND GLOBAL EXPORTS, 2017-2018, CURRENT PRICES USD

Per cent

Goods group	World market	Sweden
Machine industry	9.7	7.0
Vehicles	5.1	13.6
Chemicals and pharmaceuticals	11.7	7.4
Electronics with telecom	9.0	4.0
Pulp and paper	10.4	8.7
Petroleum	28.4	22.6
Foodstuffs	4.1	8.2
Steel	11.4	7.3
Wood products	9.2	4.0
Metal industry	8.9	6.9
Instruments	5.5	3.7
Furniture	7.6	2.4
Electric current	14.3	41.3
<b>Total</b>	<b>9.6</b>	<b>8.5</b>

■ Stronger development than the world market (>5 per cent)

■ Weaker development than the world market (< 5 per cent)

# COMMODITY GROUPS



## AUTOMOTIVE INDUSTRY

The automotive industry is the largest commodity group and accounts for almost 14 per cent of Sweden's total goods exports. The category consists of vehicles for roads. Volvo AB, Volvo Cars, Volvo buses and Scania are examples of large companies that dominate the sector. Major component manufacturers are Autoliv, Thule Group and Haldex.



## MACHINE INDUSTRY

The machine industry is the second largest commodity group within the Swedish export industry and today accounts for 14 per cent of Sweden's total goods exports. The machine industry comprises machines for specific industries, metalworking machinery and other non-electric machines and apparatuses. Within the machine industry can be found many of Sweden's traditional export companies such as ABB, Atlas Copco, SKF, Alfa Laval and Husqvarna. Other large export companies are Epiroc Rock Drills, Hexagon, Nibe, Systemair, Gunnebo and Valmet. In addition to this there is a large number of small and medium sized companies.



## CHEMICALS AND PHARMACEUTICALS

Chemicals and pharmaceuticals - which is the third largest commodity group - accounts for almost 12 per cent of Swedish commodity exports. The goods group consists of chemical products such as chemicals, fertilizer and plastics, as well as pharmaceuticals. A considerable portion of Sweden's chemicals industry today belongs to international company groups such as Akzo Nobel and Borealis. The pharmaceutical industry is dominated by Astra Zeneca, one of Sweden's biggest export companies.

Other large exporters in this sector are Pfizer Health, Meda and Octapharma. Large royalty revenues are also generated within the pharmaceuticals sector but registered as a service export and therefore not included in this analysis.



## ELECTRONICS WITH TELECOM

Electronics with telecom includes electrical products and equipment for, for example, the generation and distribution of electric current, computers and computer equipment, electronic components, household appliances, as well as telecommunications equipment and audio, radio and TV products. Ericsson has traditionally been a large exporter within this goods group. Since 2015, Ericsson has been classified as a service company. Despite this reclassification Ericsson is still a major supplier of base stations, but an overwhelming portion of the deliveries take place from other countries, so-called merchenting.



## PAPER AND PULP

At the present time, the pulp and paper industry is the fifth largest commodity group with more than 7 per cent of Swedish exports. SCA, Metsä, Stora Enso, Billerud Korsnäs, Holmen, Södra Slogsägarna and Kappa Kraftliner are companies that dominate the market. A large portion - more than 90 per cent - of the paper and pulp companies' production is exported.



## PETROLEUM PRODUCTS

The commodity group petroleum includes, among other things, crude oil and refined mineral oil products. Important companies in this sector are Preem, Nynäs and Shell.



## FOOD AND BEVERAGES

Included in the goods group Food and Beverages are, among other products, meat, milk and fish products, fruit and vegetables, coffee and tea, sugar products as well as drink and tobacco products. For many years, the largest Swedish exporter in this group is Absolut Vodka, but also Åbro, Kopparbergs, Almondy, Annas Pepskakor, Pågen, Gevalia Löfbergs, Findus, Abba, as well as others are large exporters. The Swedish foodstuff industry is developing strongly, primarily in countries in Western Europe and has in many regions become synonymous with quality and safety. It should be noted that there is an unrecorded statistic associated with Norwegian salmon that passes through Sweden.



## STEEL

The commodity group steel is comprised of iron and steel. Sweden is today a leading nisch producer of different types of special steel with actors such as, among others, SSAB, Sandvik Materials Technology, Outokumpo Stainless, Ovako and Uddeholms. Most of the so-called finished steel supplied by steel companies in Sweden is exported, which means that all steel companies are exporters.



## METAL INDUSTRY

The metal industry manufactures different types of hand- and machine tools as well as metal constructions, containers and metal objects for households and industry. Hard metals and machine tools are big export items with Sandvik as a leading example.



## WOOD PRODUCTS

Wood products is comprised of raw material and processing of wood and cork, but not furniture. Examples of large Swedish companies in this sector are Södra Skogsägarna, SCA, Setra, Derome and Holmen.



## INSTRUMENTS

Instruments includes different types of measuring and control instruments as well as photographic and optical instruments for scientific and technical purposes, such as in the public health service. Even consumer products such as watches are included in this sector. Sweden has a large number of niched companies that are active in the export market, for example within medical instruments. Getinge Sterilization, Gambro and Electa are just a few of the companies in this market.



## FURNITURE

This commodity group is comprised of furniture, mattresses, bedclothes and cushions. IKEA is by far the most important Swedish exporter in this group.



## ELECTRIC CURRENT

The commodity group electric current includes only electric current. Important companies in this sector are Vattenfall, E.ON and Fortum.

# ABOUT GLOBAL EXPORT

**Business Sweden publishes the report Global Export once a year.**

The United Nations' database UN Comtrade has been used to produce export statistics for Sweden's 32 most important export markets for the period 2000–2018 (this group of countries is referred to in the report as 'the world market'). UN Comtrade contains most of these countries' foreign trade, broken down into commodity groups according to the so-called SITC-nomenclature (revision 3).

All figures are in current prices, expressed in USD. To compile the analysis based on the value of trade streams is limiting. Volume calculations are lacking for many countries and in order to perform meaningful analyses at individual commodity level, it is necessary to keep to current prices.

The group 'World market' encompasses Australia, Belgium, Brazil, Denmark, Finland, France, India, Ireland, Italy, Japan, Canada, China, Mexico, the Netherlands, Norway, Poland, Switzerland, Spain, Great Britain, Sweden, the Czech Republic, Turkey, Germany, and the USA.

The goods exports have been divided up into 12 commodity groups to cover about 90 per cent of Swedish goods exports. The commodity groups are as follows, with SITC-codes (Standard International Trade Classification, revision 3) in parenthesis.

- Food and beverages (0.1)
- Wood products/processing (24, 63)
- Chemicals with pharmaceuticals (5)
- Paper (24, 64)
- Petroleum and products (33)
- Electric current (35)
- Steel (67)
- Metal industry (69)
- Machine industry (71, 72, 73, 74)
- Electronics with telecom (75, 76, 77)
- Automotive industry (78)
- Furniture (82)
- Instruments (87)

The most important goods groups that are outside of the 14 sectors mentioned above are certain mineral fuels (SITC 32 and 34), clothes and shoes (SITC 84, 85), diverse consumer products (SITC 89) for example sporting goods, toys etc., as well as non-ferrous metals (SITC 68).





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

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