

FR EN

We use cookies to make your connection secure and make statistics about the number of visits. In order to get more information about cookies and find out how to refuse them, [visit our cookie policy page](#).

[Cookies settings](#)

REQUIRED ONLY

ACCEPT
ALL

INVEST

FOREIGN DIRECT INVESTMENT

According to UNCTAD's [World Investment Report 2023](#), FDI inflows to Sweden more than doubled in 2022, reaching USD 45.9 billion, up from USD 21.1 billion one year earlier. The country was thereby the most attractive market in Europe for FDI and reached ninth place globally. In the same year, the stock of FDI stood at USD 353.8 billion. Sweden is also a big investor, with an outward FDI stock of USD 481.7 billion. In terms of FDI stocks, the UK, Luxembourg, the Netherlands, Germany, the U.S., and Norway are the main investing countries in Sweden. As of 2021, Sweden's FDI stock totalled SEK 3,722 billion, with a significant presence from neighbouring Nordic and other European countries. European companies collectively hold 85% of foreign-owned assets. Notably, Luxembourg and the Netherlands serve as major investment hubs, although the controlling parent company is often located elsewhere, occasionally even in Sweden. The largest foreign assets are held in legal, professional, scientific and technical activities, manufacturing, the financial and insurance activities sector, wholesale and retail trade, and information and communication. According to the latest figures from the OECD, in the first semester of 2023, FDI inflows to Sweden reached USD 9.9 billion, compared with USD 22.3 billion recorded in the same period one year earlier.

Despite the unfavourable international situation, the country maintains a high level of appeal to foreign investors, because of its multilingual and qualified workforce, very high per capita purchasing power, an economy at the forefront of new technologies and innovation, as well as its advantageous tax regime. The Swedish government has undertaken measures to develop support for investment, focusing on key sectors (biotechnologies and food processing), as well as rapidly growing markets (Baltic countries, India, Brazil, etc.). There are gaps in the food-processing field, as well as in the housing and interior design sectors. On September 13, 2023, the Swedish Parliament approved the FDI Act, creating a national screening system for foreign direct investments. This legislation, effective December 1, 2023, empowers the Inspectorate of Strategic Products (ISP) to assess FDIs that may impact Sweden's national security, public order or public safety. All foreign investments closing on or after December 1, 2023, must comply with mandatory notification and approval procedures under the FDI Act, regardless of when the investment agreement was initiated. As evidence of the quality of the Swedish business climate, the country ranks high on most international investment lists, including the AT Kearney [2023 Foreign Direct Investment Confidence Index](#) (17th worldwide), the [Global Innovation Index 2023](#) (2nd worldwide, the country has been in the top 3 for over a decade), and the [2023 Index of Economic Freedom](#) (9th).

Foreign Direct Investment	2020	2021	2022
FDI Inward Flow <i>(million USD)</i>	21,514	21,133	45,963
FDI Stock <i>(million USD)</i>	395,715	387,483	353,791
Number of Greenfield Investments*	93	95	125
Value of Greenfield Investments (million USD)	2,332	2,858	2,616

Source: UNCTAD - Latest available data.

Note: * Greenfield Investments are a form of Foreign Direct Investment where a parent company starts a new venture in a foreign country by constructing new operational facilities from the ground up.

Country Comparison For the Protection of Investors	Sweden	OECD	United States	Germany
Index of Transaction Transparency*	8.0	6.5	7.0	5.0
Index of Manager's Responsibility**	4.0	5.3	9.0	5.0
Index of Shareholders' Power***	7.0	7.3	9.0	5.0

Source: Doing Business - Latest available data.

Note: *The Greater the Index, the More Transparent the Conditions of Transactions. **The Greater the Index, the More the Manager is Personally Responsible. *** The Greater the Index, the Easier it Will Be For Shareholders to Take Legal Action.

WHAT TO CONSIDER IF YOU INVEST IN SWEDEN

Strong Points

Advantages for FDI in Sweden:

- The political and economic situation is very favourable and creates a good quality business environment.
- According to the World Bank, Sweden is the 10th country in terms of ease of doing business ([Doing Business 2020](#)).
- Corporates taxes are among the lowest in Europe: The country applies participation exemption, authorises a total tax deduction for interest and has no strict capitalisation rules.
- The economy is open, diversified (specialised in high-potential sectors such as high-tech products and sustainable economy) and extremely competitive.
- Demographics are becoming increasingly dynamic and are fuelling a highly qualified workforce adapted to export trades.
- The judicial system is balanced and allows for safe, transparent and reliable decisions.
- The quality of management and advisory services is very high, and the business procedures are simple to undertake.
- The potential of the domestic market is often underestimated, as Swedish consumers have one of the highest levels of purchasing power in Europe and a growing propensity to consume.

For more information, visit the [Business Sweden](#) website.

Weak Points

Disadvantages for FDI include:

- High labour costs
- Rigid labour legislation giving priority to worker protection
- High household debt (201% of net disposable income)
- Tensions in the housing market

Government Measures to Motivate or Restrict FDI

Since entering the European Union, the Swedish government has put in place a number of reforms to improve the legal business environment. This allowed the country to attract foreign investors and increase its competitiveness.

There are a number of incentives available to both Swedish and foreign owned companies, including:

- Financial incentives (such as loans and grants).
- Favourable tax regimes (such as tax relief for foreign experts and key personnel).

The Swedish government offers certain incentives to set up a business in targeted depressed areas. A range of regional support programs, including location and employment grants, low rent industrial parks, and economic free zones are available.

Sweden does not have a national security screening mechanism for inbound foreign investment. However, the government is considering how to implement the EU Commission's investment screening framework.

[Business Sweden](#) is the investment promotion agency tasked with facilitating business.

INVESTMENT OPPORTUNITIES

The Key Sectors of the National Economy

Automotive, businesses, cleaning, natural resources (including the mining industry), packaging, mechanical industry, ICT.

High Potential Sectors

Automotive, retail, cleaning, real estate, natural resources, packaging, information and communication technologies, life sciences, transport, renewable energies (wind, biofuels and geothermal), eco-construction.

Privatization Programmes

Privatisation policies are debated in Sweden. Some measures concerning the privatisation of education and health divide opinion. The government has a mandate to divest or liquidate its holdings in various companies in the vehicle inspection, automotive and export credit sectors.

Tenders, Projects and Public Procurement

[Tenders Info](#), [Tenders in Sweden](#)

[Ted - Tenders Electronic daily](#), [Business opportunities in EU 27](#)

[DgMarket](#), [Tenders Worldwide](#)

Sectors Where Investment Opportunities Are Fewer

Monopolistic Sectors

Post, delivery

Sectors in Decline

Agriculture and in particular the livestock sector.

Finding Assistance For Further Information

Investment Aid Agency

Business Sweden Agency: The Swedish Trade and Invest Council
Almi Foretagspartner

Other Useful Resources

Invest in Stockholm
How to start and run a business in Sweden - Invest in Skane

Doing Business Guides

KPMG country report on Sweden
How to invest in Sweden - The Balance
Doing Business in Sweden - UHY