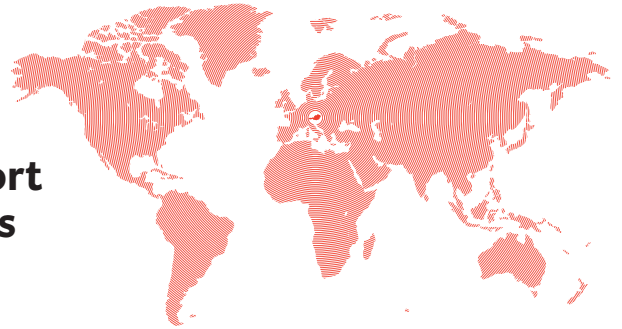


# Oberbank

## Economic and Banking Report Global Financial Institutions



## Sweden

### Economic situation

> Real economic growth of 2.3 % in 2021

Sweden's economy was dominated by agriculture until the beginning of the 19th century. With far-sighted state intervention as well as the export of available raw materials such as iron ore, oats and wood, Sweden became an industrial nation. Energy, chemicals, mechanical engineering and the paper industry were established at an early stage. Due to the extraordinary resources of water, the electrical industry flourished, which was characterised by water power. Telephone manufacturers, the steel industry and the automotive industry followed shortly afterwards.

The affluent society, which was already well-developed at the time, continues to demonstrate export success in the 21st century with a surplus in the foreign trade balance. In the crisis year 2020, the sum amounts to 20 billion euros. **The economy has only recorded a decline of 3 %.**

### Sweden's alternative path in the Corona pandemic

The newspapers describe Sweden's coronavirus policy as "the other way". While very many countries imposed a lockdown to combat the corona pandemic, Sweden did not and relied on residents' own responsibility and few rules. The rules are considered mild, but consistently propagated. The aim was to slow down a rapid increase in the incidence of infection. Despite these ru-

les, Sweden had a high mortality rate, which caused damage to its image. All in all, Sweden was able to maintain a solid national budget. As every year, the spring budget balanced the current state budget. This amounted to EUR 10 billion in 2021. Before that, EUR 42 billion in funding had already been used to counter the effects of the pandemic.

Only five countries came out of the crisis economically better - Taiwan, Hong Kong, China, Norway, Switzerland and South Korea. **Thus, Sweden demonstrates a high level of economic resilience in the year of the coronavirus pandemic.**

Nevertheless, Sweden has also suffered losses. For example, the unemployment rate rose **to around 9 % in 2020** and beyond that a peak of 10 % is expected in 2021. Even before the onset of the Covid 19 pandemic, household consumption expenditure had fallen. Impending job losses and lack of opportunities to spend money accounted for a **5 % decline in private consumption**. Furthermore, the weak Swedish krona prevented the National Bank from reaching the 2 % inflation target. Instead, the value reached 0.5 %. As a result, the **key interest rate** was raised from - 0.25 % to 0.0 %

at the beginning of 2020. It is expected that no changes will be made in the near future.

Sweden offers good opportunities for companies that want to rely on **green technologies** in machinery and plant construction. There is also a strong focus on organic farming in the food sector. Due to the enormous expansion of infrastructure, construction companies and civil engineering specialists can take advantage. **Sweden plays a pioneering role** in digitalisation, which offers innovative opportunities for trade, Fintech and Edtech, i.e., the sector that develops educational technology. Thus, Sweden is not only attractive for long-established companies, but also for **start-ups**, which are encouraged.

*Sweden's economy demonstrates high resilience in the Covid-19-year*

#### Summary:

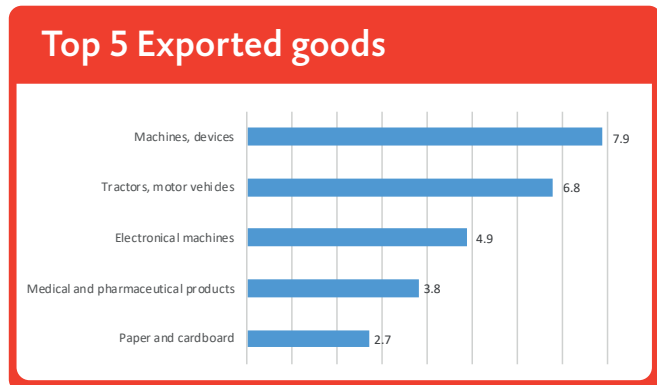
- Economic growth fell by only 3 % in 2020
- The sixth lowest decline in economic growth worldwide
- Sustainable issues on the rise
- Favourable climate for start-ups

Key economic figures	2019	2020	2021*	2022*
Nominal GDP in billion EUR	475.3	465.6	490.4	534.0
GDP/capita at purchasing power parity in USD	56,484	56,965	58,837	61,152
Population in millions	10.32	10.42	10.50	10.57
Real economic growth in %	1.3	-3.0	2.3	2.6
Inflation rate in %	1.8	0.5	1.4	1.5
Unemployment rate in %	6.8	8.3	8.4	7.7
Exchange rate of the national currency EUR to SEK; (1 EUR = X SEK)	10.59	10.49	10.29	9.87
Country's goods exports in billion EUR	154.63	144.34	154.49	164.94
Country's imports of goods in billion EUR	140.96	125.90	136.87	147.26

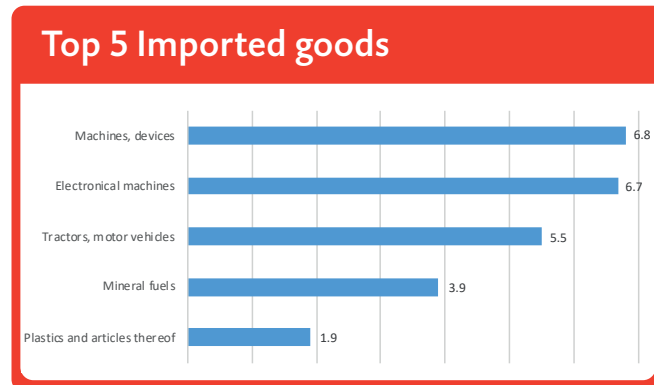
\* Forecast; Source: WKO Wirtschaftsbericht Schweden, April 2021

## Exports/Imports

Sweden's most important trading partners in 2019 are from the EU. It is striking that Norway, Finland, Denmark, Germany and the Netherlands are represented among the top 5 countries, thus making use of short routes.



Source: Länderprofil, WKO; in %, April 2021



## Economic relations with Austria

The economic relationship with Sweden can be described as healthy, enabling companies to take advantage of a wide range of products.

### > Imports to Austria

In the pandemic year, demand for cars from Austrian consumers fell sharply. In general, there was less demand for vehicles, machinery and apparatus, as well as paper and cardboard. Nevertheless, packaging machines and parts for cranes and earth-moving machinery were able to form a slight plus.

**Imports of goods 2020: -13.6 %**

### > Exports from Austria

Machinery, apparatus, electronic machinery and vehicles account for 39 % of imports and are thus Sweden's main import goods. Both imports and exports are declining at roughly the same rate. Exports, for example, have declined by 12.8 %. Despite the general decline in demand due to the pandemic, trucks from Austria increased by 50 %.

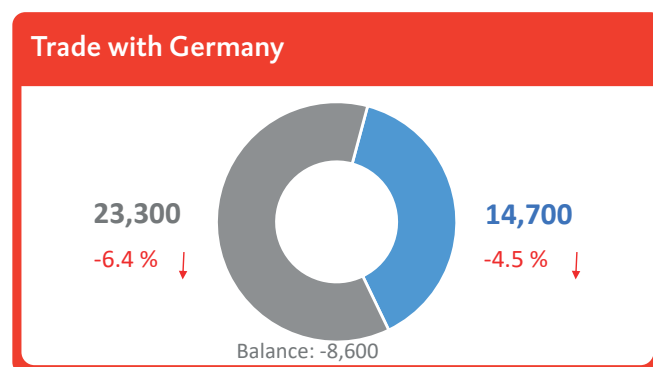
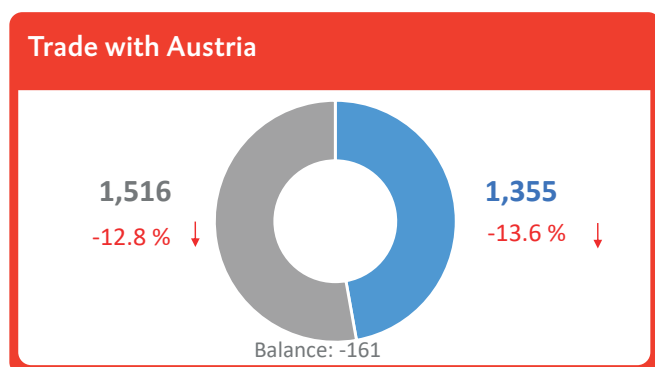
**Exports of goods 2020: -12.8 %**

### Economic relations between Austria and Germany

	2020	2019	Change on previous year in %
Austrian exports of goods in EUR million	1,516	1,739	-12.8
Austrian imports of goods in EUR million	1,355	1,569	-13.6
Austrian exports of services in EUR million 1st-3rd quarter	573	752	-23.8
Austrian imports of services in EUR million 1st-3rd quarter	678	783	-13.4
German imports in EUR million	14,700	15,400	-4.5
German exports in EUR million	23,300	24,900	-6.4

Source: Wirtschaftsbericht WKO and Statistisches Bundesamt, April 2021

### Sweden's foreign trade



2020, change YOY, in EUR million  
Imports, exports and balance from Sweden's perspective; own presentation

### Assessment of the business environment

	Sweden
Ease of Doing Business 2020	Rank 10 out of 190 countries
Global Competitiveness Index 2019	Rank 8 out of 141 countries
Corruption Perceptions Index 2020	Rank 3 out of 180 countries
Rule of Law Index (World Justice Project) 2020	Rank 4 out of 126 countries
Most important export market for goods AT/DE 2020	Rank 19 / Rank 14

Current rankings of Oberbank regions as trading partners from Sweden's perspective:

Germany	2
Austria	21
Czech Republic	23
Slovakia	40
Hungary	33

Source: ITC, <https://www.trademap.org>, Exports 2020 from Sweden's perspective

The **Rule of Law Index** is intended to present a picture of the rule of law in the countries on the basis of 44 indicators and is published annually. In terms of the rule of law, Sweden achieves a top ranking in the country comparison. The importance of this principle for the

Swedes is also evident in the joint declaration on the rule of law in times of Covid-19. Even in times when emergency measures have to be taken, the rule of law, democracy and fundamental rights should never be violated.

The **Ease of Doing Business ranking** reflects how business-friendly an economy is. Sweden has risen two places since 2019 and is now among the top 10 countries.

## Rating Sweden

> Investment grade

Agency	Rating	Outlook	Date
Fitch	AAA	Stable	4. June 2021
S&P	AAA	Stable	16. February 2004
Moody's	Aaa	Stable	27. March 2020

*Triple-A ratings with stable outlook for Sweden*

In confirming the rating in June 2021, Fitch emphasises the country's strong institutions on the one hand and its very good governance indicators on the other. Solid public finances, a healthy

banking sector as well as strong external indicators contribute significantly to overcoming the pandemic shock and underpin the stable outlook.

## Banks

> Sweden's financial sector in digital transformation

Sweden's land mass is vast. To stay in touch, Swedes rely on good long-distance communication infrastructure. For this reason, and to stay on the cutting edge of technology, the 5G internet network is being expanded. Due to this trend, there is a shift in retail to on-

line platforms. This trend is also reflected in the financial sector. Banks are going digital - but not only the banks, but also the Swedish krona.

The Swedish National Bank (Riksbank) is developing a pilot project in which it

offers a digital alternative to the actual currency. This cryptocurrency is called "e-krona". Announced in January, there are now already tests in the summer of 2021.

## Sweden's largest banks

Place	Bank	Total Assets
1	Svenska Handelsbanken	382,599*
2	Skandinaviska Enskilda Banken	371,024*
3	Swedbank	316,624*
4	Länsförsäkringar Bank	49,985*
5	Avanza Bank	24,989*
6	Skandiabanken	10,975
7	Volvofinans Bank	4,722
8	Sparbanken Sjuhärad	3,432
9	Sparbanken Nord	3,432
10	Varbergs Sparbank	2,183

Total assets as of 31.12.2020 in USD million; \*consolidated  
Source: Bankers Almanac, download on 21.06.2021

### Oberbank Expertise

#### Banks shaded in grey:

Oberbank has an active relationship (SWIFT/RMA) with these relationship banks and can thus present documentary transactions for customers.

Payment transactions are also possible with all Swedish banks via our clearing bank partners.

## Sources:

Auswärtiges Amt, Gemeinsame Erklärung zu Rechtsstaatlichkeit in Zeiten von Covid-19, 02.04.2020, Gemeinsame Erklärung zu Rechtsstaatlichkeit in Zeiten von Covid-19 - Auswärtiges Amt (auswaertiges-amt.de), Downloaded on 16.08.2021

Bankers Almanac, Country Ranking Sweden, <https://www.bankersalmanac.com> (Die größten Banken Schwedens), Downloaded on 21.06.2021 Countryeconomy, Rating: Sweden Credit Rating, <https://countryeconomy.com/ratings/sweden>, Downloaded on 22.06.2021

Destatis, Statistisches Bundesamt, Fachserie 7 – Außenhandel, Reihe 1, 2020, Downloaded on 15.05.2021

European Route of Industrial Heritage, Zur Industriegeschichte von Schweden, <https://www.erih.de/wie-alles-begann/industriegeschichte-europaeischer-laender/schweden>, Downloaded on 03.08.2021

FitchRatings, Fitch Affi ms Sweden at ‚AAA‘, Outlook Stable, <https://www.fitchratings.com/entity/sweden-80442207>, Downloaded on 22.05.2021

GTAI Germany Trade & Invest, Wirtschaftsdaten kompakt Schweden [https://www.gtai.de/resource/blob/15182/d7b205b93f38590e9bd7063f4b0d3c7e/GTAIWirtschaftsdaten\\_Mai\\_2021\\_Schweden.pdf](https://www.gtai.de/resource/blob/15182/d7b205b93f38590e9bd7063f4b0d3c7e/GTAIWirtschaftsdaten_Mai_2021_Schweden.pdf), Downloaded on 21.05.2021

ITC, Trade Statistics

[https://www.trademap.org/Country\\_SelProductCountry.aspx?nvpm=1%7c752%7c%7c%7cTOTAL%7c%7c%7c2%7c1%7c1%7c2%7c1%7c1%7c2%7c1%7c1%7c1](https://www.trademap.org/Country_SelProductCountry.aspx?nvpm=1%7c752%7c%7c%7cTOTAL%7c%7c%7c2%7c1%7c1%7c2%7c1%7c1%7c2%7c1%7c1%7c1), Downloaded on 15.05.2021

Schwab, Klaus, World Economic Forum, The Global Competitiveness Report 2019, 2019, [http://www3.weforum.org/docs/WEF\\_TheGlobalCompetitivenessReport2019.pdf](http://www3.weforum.org/docs/WEF_TheGlobalCompetitivenessReport2019.pdf), Downloaded am 25.05.2021

The World Bank, <https://www.doingbusiness.org>, 2019, Downloaded on 21.05.2021

Transparency International, Corruption Perceptions Index 2020, 2020 <https://www.transparency.org/en/cpi/2020/index/nzl>, Downloaded on 11.05.2020 WKO, AußenwirtschaftsCenter Stockholm, „Wirtschaftsbericht Schweden“, April 2021

WKO, Abteilung für Statistik, Länderprofil Schweden, April 2021

World Justice Project, Rule of Law Index 2019, 2019, <https://worldjusticeproject.org>, Downloaded on 25.05.2021 WKO, Abteilung für Statistik, Wirtschaftsprofil Schweden, May 2021

## Disclaimer:

These documents are for information purposes only and are based on the knowledge of the persons entrusted with their preparation at the time of preparation. Any statements contained in this document should not be construed as a general recommendation. Although we consider the sources, we have used to be reliable, we do not accept any liability for the completeness and accuracy of the information contained herein. accuracy of the information contained herein. In particular, we expressly reserve the right to make errors with regard to figures.

status: 09/2021

Subscribe to the newsletter now at [oberbank.at/newsletter](https://oberbank.at/newsletter)

Download  
Oberbank App!



**Oberbank AG**

Untere Donaulände 28, 4020 Linz – Österreich  
[oberbank.at](https://www.oberbank.at)

GFI Creation date: September 2021

Oberbank AG. Legal Form: Aktiengesellschaft (Joint Stock Company). Registered Office: Untere Donaulände 28, A-4020 Linz, Austria.  
Commercial Register No.: FN 79063 w, Landesgericht Linz (State Court of Linz), DVR: 0019020