

2022 SME COUNTRY FACTSHEET'S EVIDENCE BACKGROUND DOCUMENT

Sweden


This document faithfully reproduces evidence from various relevant sources, thus providing SME-focused “pure facts” in the form of concise facts. This factual information arises from national evidence, data and insights, such as the SME-relevant recent national studies, surveys, publications, policy measures, etc. (including those published only in the national language) as well as relevant international studies and other relevant sources, indicators and statistics.



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Factual SME-related evidence	Source
KEY NOWCASTS & FORECASTS  KEY NOWCASTS & FORECASTS	
Compared to the downturn in value added (-0.4%) and employment (-1.8%) in 2020, SMEs in Sweden recovered significantly in 2021, growing by 8.9% in value added and 0.8% in employment. However, SMEs were outperformed by large firms in 2021, which grew by 17.3% in value added and 1.1% in employment.	Estimates produced by JRC, based on figures from the Structural Business Statistics Database as well as provisional data for 2020-2021 from the National Accounts Database and the Short-Term Business Statistics Database.
The <i>digital ecosystem</i> is one of the few ecosystems in Sweden that generated growth in SME employment in both 2020 (3.4%) and 2021 (3.7%). SME value added also grew strongly by 8.0% in 2021, following a decline of 1.0% in 2020.	Estimates produced by JRC, based on figures from the Structural Business Statistics Database as well as provisional data for 2020-2021 from the National Accounts Database and the Short-Term Business Statistics Database.
SMEs in the <i>mobility - transport - automotive ecosystem</i> recovered in terms of both value added and employment in 2021, with growth rates of 8.9% and 0.6% respectively, after declining by 2.2% and 3.3% in 2020.	Estimates produced by JRC, based on figures from the Structural Business Statistics Database as well as provisional data for 2020-2021 from the National Accounts Database and the Short-Term Business Statistics Database.
Based on data from early 2022, it was expected that SME value added and SME employment in Sweden would continue to grow by 6.4% and 2.5% respectively, but Russia's war of aggression against Ukraine will affect these estimates.	Estimates and forecasts produced by JRC, based on figures from the Structural Business Statistics Database, provisional data for 2020-2021 from the National Accounts Database and the Short-Term Business Statistics Database and forecasts from the AMECO database (the annual macro-economic database of the European Commission's Directorate General for Economic and Financial Affairs).
Swedish SMEs generated 55.1% of employment and 48.1% of value added in 2021, below the corresponding EU averages of 64.4% and 51.8%.	Estimates produced by JRC, based on figures from the Structural Business Statistics Database as well as provisional data for 2020-2021 from the National Accounts Database and the Short-Term Business Statistics Database.
ENVIRONMENTAL ASPECTS OF SUSTAINABILITY  ENVIRONMENTAL ASPECTS OF SUSTAINABILITY	
Sweden ranked 2 nd in the UN Sustainable Development Report and the Global Innovation Index and topped the Global Sustainable Competitiveness Index in 2020/2021. Sweden was also 5 th in Environmental Performance Index. The business sector including large businesses as well as SMEs are vital to Swedish sustainable development to bring environmental sustainability at national and international level. For example, they helped to formulate the 2030 Agenda and Addis Ababa Action Agenda.	<p>Swedish Institute, Sweden and sustainability, 2021. https://sweden.se/climate/sustainability/sweden-and-sustainability</p> <p>United Nations, Sustainable Development Report, 2021. https://sustainabledevelopment.un.org/content/documents/279582021_VNR_Report_Sweden.pdf</p> <p>Yale Center for Environmental Law & Policy, Environmental Performance Index, 2020. https://epi.yale.edu/epi-country-report/SWE</p>
There is a decline on Swedish firms' spending on energy efficiency (9%) as compared with the EU which has increased	European Investment Bank, European firms and climate change 2020/2021 Evidence from the EIB Investment Survey, 2021.

to 12% between 2019 and 2020. It shall however in general be noted that if certain firms have invested heavily for a few years, those firms don't necessarily keep spending at the same level as their needs in this respect may have been addressed previously to certain extent.	https://www.eib.org/attachments/publications/eibis-2020-report-on-climate-change-en.pdf
Swedish Export Credit Cooperation's (SEK) export financing for the extraction and exploration of fossil fuels will cease by the year 2022. In close collaboration with SEK, the Swedish Export Credit Agency (EKN) has investigated how the Swedish export finance systems can contribute to a clear climate transition and a decrease in greenhouse gas emissions. As a result, SEK will also cease to finance and provide guarantees for transactions aimed at the exploration, extraction, power generation and transportation of coal. In addition, SEK and EKN will provide additional export opportunities to companies that contribute to the climate transition and increase transparency in the Swedish export finance system.	Swedish Export Credit Corporation, Annual and Sustainability Report, 2020. https://www.sek.se/app/uploads/2021/02/Annual-and-Sustainability-Report-2020.pdf
SOCIAL ASPECTS OF SUSTAINABILITY  SOCIAL ASPECTS OF SUSTAINABILITY	
Sweden has a new national strategy for sustainable tourism since 2021 that will serve as a guide for the next ten years. The sector is viewed as an important job creator in all parts of the country and often provides the first job for young people and immigrants.	Government of Sweden, Strategi för hållbar turism och växande besöksnäring, 2021. https://www.regeringen.se/pressmeddelanden/2021/10/strategi-for-hallbar-turism-och-vaxande-besoksnaring/
The Swedish governmental agency for innovation ran a call for civil society's (including social enterprises') innovative solutions to contribute to sustainable and equal societal development in cross-sectoral collaboration.	Vinnova, Civil society's innovative solutions for a sustainable society, 2021: https://www.vinnova.se/en/calls-for-proposals/utlysning-2021-01023/civil-societys-innovative-solutions-2021-01584/
DIGITALISATION  DIGITALISATION	
Sweden ranks 3 rd of 27 EU Member States in the 2021 edition of the Digital Economy and Society Index (DESI). About 82% of Swedish SMEs have at least a basic level of digital intensity and about 25% of SMEs have high levels of digital intensity.	European Commission, The Digital Economy and Society Index, 2021. https://ec.europa.eu/newsroom/dae/redirection/document/80480
Swedish companies have been successful in integrating digital technologies and the country ranks 3 rd in the EU in 2021. However, the pace of growth in Sweden is slowing down, while other countries continue to advance. For example, for management practice in the use of digitalisation, Swedish firms lagged behind EU standards in various	<p>The Digital Economy and Society Index, European Commission, 2021. https://ec.europa.eu/newsroom/dae/redirection/document/80480</p> <p>European Investment Bank, Digitalisation in Europe 2020-2021: Evidence from the EIB Investment Survey, 2021.</p>

dimensions including strategic business monitoring system, performance pay, and implementation of advanced digital technology in parts of the business EIBIS (2020).	https://www.eib.org/en/publications/digitalisation-in-europe-2020-2021
In 2020, the proportion of SMEs selling online was higher than the EU average (30.55% compared to 17.49%).	Eurostat, Community Survey on ICT usage and e-commerce in enterprises, 2021.
INNOVATION  INNOVATION	
Sweden invests more than 3% of the country's GDP in innovation. The EIBIS (2020) Corporate Digitalisation Index ranked Sweden as one of the top 4 digital countries with the percentage of firms in all four sectors adopting digital technologies above EU levels.	<p>Sweden.se, Innovation in Sweden, 2021. https://sweden.se/work-business/business-in-sweden/a-country-of-innovation</p> <p>European Investment Bank, Digitalisation in Europe 2020-2021, 2021. https://www.eib.org/en/publications/digitalisation-in-europe-2020-2021</p>
Sweden is ranked in the top three in innovation ranking in the Global Innovation Index 2021.	<p>WIPO, GII 2021 Results, 2021. https://www.globalinnovationindex.org/gii-2021-report</p>
An estimated 48% Swedish SMEs have developed new products and services or substantially improved products and services during the period 2018-2020.	<p>Företagens villkor och verklighet 2020 - Huvudrapport, Tillväxtverket, 2022. Företagens villkor och verklighet 2020 - huvudrapport - Tillväxtverket (tillvaxtverket.se)</p>
SKILLS  SKILLS	
The collaboration program "Competence supply and lifelong learning" recognised that many SMEs lack knowledge, capacity and incentives to self-operate their digital transformation (2021). Under this program, an external advisory collaboration group is appointed by the government. These groups may consist of experts and representatives of business, academia and civil society as well as public society and have an advisory role. Each collaboration group has about 20 members. With joint competence, decision-making power, resources and networks, the collaboration groups will assist each other in finding innovative solutions that meet the major societal challenges and contribute to Swedish competitiveness.	<p>Swedish Government, Samverkansprogrammet Kompetensförsörjning och livslångt lärande , 2021. https://www.regeringen.se/politik/regeringens-strategiska-samverkansprogram/samverkansprogrammet-kompetensforsorjning-och-livslangt-larande/</p> <p>Swedish Government, Översikt av samverkansprogrammets Arbetsgrupper, 2021. https://www.regeringen.se/4ad528/contentassets/7f9295c96baf48cd85df42011acc634b/oversikt_samprog_ag.pdf</p>
ADMINISTRATIVE BURDEN  ADMINISTRATIVE BURDEN	
The conditions for entrepreneurship contain elements that are very favourable relative to other Member States, including low levels of administrative burden for start-ups and access to finance.	<p>OECD, Inclusive Entrepreneurship Policies, Country Assessment Notes, 2020. https://www.oecd.org/cfe/smes/Sweden-IE-2020.pdf</p>
As from 1 April 2022, the Swedish Tax Agency is responsible for the short-time work support application as it already has established control and law enforcement activities and will aid in the processing of	<p>Government of Sweden, Handläggande myndighet för ärenden om stöd vid korttidsarbete, 2021. https://www.regeringen.se/rattsliga-dokument/departementsserien-och-promemorior/2021/09/handlaggande-myndighet-for-arenden-om-stod-vid-korttidsarbete/</p>

such application. The Tax Agency's appropriation will be increased by SEK 7.5 million (EUR 729,295) in 2022 and SEK 10 million (EUR 972,394) from 2023.	
In 2020, it took 7.5 days and 0.5% of income per capita to start a business in Sweden compared to 12.17 days and 3.2% of income per capita for the EU-27 average.	World Bank Doing Business Report, 2020.
REGULATORY OBSTACLES  REGULATORY OBSTACLES	
An estimated 20% of Swedish companies consider the primary regulatory obstacles for growth to be regulations concerning employment, tax and VAT.	Företagens villkor och verklighet 2020 - Huvudrapport, Tillväxtverket, 2022. Företagens villkor och verklighet 2020 - huvudrapport - Tillväxtverket (tillvaxtverket.se)
<p>The Swedish Government announced the following 5 goals for simplification of business regulations in September 2021.</p> <ol style="list-style-type: none"> 1. The rules shall be proportional and written in such a way that they contribute to promoting growth, competitiveness, the ability to innovate and transition to sustainability 2. The costs that arise because of business rules shall decrease, as a proportion of GDP, and the development of the costs shall be lower than in other countries. 3. The case process time of managing agencies shall be shortened and made more transparent. The expected process time for cases shall be made available to applicants in more case categories. 4. The initial contact and service of managing agencies shall be well functioning and adapted to enterprises. 5. The proportion of services that are available digitally for enterprise contacts with government agencies shall increase in order to simplify the submission of information to agencies and other agency contacts with the long-term goal of having enterprises only having to submit information once. <p>The government shall report on simplification of business regulation to parliament in the annual budget bill.</p>	<p>Regeringens skrivelse 2021/22:3 En förenklingsspolitik för stärkt konkurrenskraft, tillväxt och innovationsförmåga. En förenklingsspolitik för stärkt konkurrenskraft, tillväxt och innovationsförmåga - Regeringen.se</p>
ACCESS TO FINANCE  ACCESS TO FINANCE	
25% of SMEs in Sweden have been able to access and combine government support (grants or subsidies, credit or deferral payments, non-financial support) as	OECD, SME and Entrepreneurship Outlook 2021, 2021. https://www.oecd.org/industry/smes/SME-Outlook-2021-Country-profiles.pdf

compared to 33.6% in the OECD. Non-repayable forms of support have been the most popular for 29% of SMEs.	
EUR 485 million government loan guarantee was provided to small businesses to replace income lost during the pandemic. Structural measures have also been taken such as EUR 290 million capital grants to lend to SMEs through ALMI, EUR 19 billion Extended Loan Limit from Swedish Export Credit Agency.	OECD, SME and Entrepreneurship Outlook 2021, 2021. https://www.oecd.org/industry/smes/SME-Outlook-2021-Country-profiles.pdf Swedish government Proposed central government loan guarantee programme for small and medium-sized enterprises, 2020. https://www.government.se/articles/2020/03/proposed-central-government-loan-guarantee-programme-for-small-and-medium-sized-enterprises/
Swedish Agency for Economic and regional growth analysis shows that general funding gaps concern small and medium-sized companies in early stages of development and regional differences also affects capital supply. These gaps are significant enough to justify market-complementary initiatives.	Tillväxtverket, Kapitalförsörjning små och medelstora företag, 2021. https://tillvaxtverket.se/download/18.45dc835c179c0f8f6b13ad52/1623076359017/F%C3%B6rhandsbed%C3%B6mning%20ERUF%202021-2027+SMF%20finansiering%20generellt+SLUTGILTIG.pdf
In 2020, access to public financial support including guarantees was better than the EU-27 average, as the percentage of respondents that indicated a deterioration was lower (6.24%) than the EU-27 average (14.05%).	European Commission and European Central Bank, Survey on Access to Finance for Enterprises (SAFE), 2020.
LATE PAYMENTS	
A temporary respite of tax payment can be applied for employer contributions, tax deductions and VAT. The tax can be deferred for one year from the date of the decision. Respite can also be granted for annual VAT (one period) which is reported between 27 December 2019 and 17 January 2022. In connection with the respite expiring, it is possible to apply for an extension of the respite for another year.	Swedish Government, Möjlighet till avbetalningsplan för företag som beviljats anstånd med skatt under krisen, 2021. https://www.regeringen.se/pressmeddelanden/2021/09/mojlighet-till-avbetalningsplan-for-foretag-som-beviljats-anstand-med-skatt-under-krisen/
Total amount of time it takes to get paid in Sweden and the average delay in payments from public authorities in Sweden are similar to the EU averages.	Intrum, European Payment Report, 2021; and Atradius Payment Practices Barometer, 2021. https://atradius.se/documents/atradius-payment-practices-barometer-western-europe-key-survey-results.pdf
ACCESS TO MARKETS	
Swedish Export Credit Agency's (EKN) loan guarantee aims to strengthen SMEs' competitiveness by reducing payment risks and making it easier for access to finance when EKN guarantees export transactions. This guarantee is further supported by the Swedish government with the increase in loan limit from SEK 125 billion (EUR 11.9 billion) to SEK 200 billion (EUR 19.1 billion). EKN ceiling for credit guarantees has been extended to a total of SEK 500 billion (47.7	EKN, Guarantee for companies and Banks, 2021. https://www.ekn.se/garantier/ Swedish Government, Extended loan opportunities for companies via ALMI, EKN, SEK, 2020. https://www.regeringen.se/regeringens-politik/regeringens-arbete-med-coronapandemin/foretag/

billion), and reduced deductibles at the banks give companies new and improved opportunities to borrow until 31 December 2021.	
START-UP ENVIRONMENT  START-UP ENVIRONMENT	
Venture capital investment in Sweden continues to increase from an average of 2,2 billion SEK yearly average from 2010-2017 to 4,81 billion SEK in 2020. Most of the increase is explained by a 60% increase of foreign investments 2020.	Statistik 2022:01, Riskkapital statistik 2020 – venture capital, Myndigheten för tillväxtpolitiska utvärderingar och analyser, 2022 Riskkapitalstatistik – venture capital – Tillväxtanalys (tillvaxtanalys.se)
SCALE-UP ENVIRONMENT  SCALE-UP ENVIRONMENT	
Startup Sweden accelerates the country's most promising tech startups by offering entrepreneur-centred support for both early stage and scaling companies. National and international accelerator programs and events are implemented, supported by the Swedish Agency for Economic and Regional Growth (Tillväxtverket).	Tillväxtverket, Startup Sweden, 2021. https://tillvaxtverket.se/english/startup-sweden.html
IMPACT OF THE COVID-19 CRISIS  IMPACT OF THE COVID-19 CRISIS	
In aggregate, the Swedish industry was recovering from the worst economic effects of the covid-19 crisis, with a 14,3% increase in turnover in 2021 as compared to 2020. Some business sectors are still severely affected. The hotel and restaurant sector, which has a high representation of SMEs, showed strong growth compared to 2020. The sector is still 7% below 2019 levels in turn over however.	Ekonomiska läget 2021 – kvartal 4 – Tillväxtverket (tillvaxtverket.se)
The COVID-19 crisis had strong adverse effects on SMEs in Sweden. As the economy was recovering in 2021, manufacturing businesses experienced a shortage of components. The service sector experienced a shortage of skilled workers. The COVID-19 crisis has accelerated already ongoing trends in digitalisation, remote work and internet sales in SMEs. These trends increase the need for workers with relevant skills in data, IT and technology in SMEs.	Företagens villkor och verklighet 2020 – Huvudrapport, Tillväxtverket, 2022. Företagens villkor och verklighet 2020 – huvudrapport – Tillväxtverket (tillvaxtverket.se)
NATIONAL RECOVERY AND RESILIENCE PLAN  NATIONAL RECOVERY AND RESILIENCE PLAN	
The National Recovery and Resilience Plan including green restart package for Swedish economy and long-term reforms have a budget set at EUR 10.5 billion in 2021 and EUR 8.5 billion in 2022. Key measures include EUR 484 million Government Loan guarantee to small business to replace income lost during the pandemic, EUR 290	OECD, SME and Entrepreneurship Outlook 2021, 2021. https://www.oecd-ilibrary.org/sites/97a5bbfe-en/1/3/3/2/index.html?itemId=/content/publication/97a5bbfe-en&csp=d1fc5acec34e67180d5f3e84ef7e00e6&itemIGO=oecd&itemContentType=book#section-d1e23855

