



Optimism in uncertain times

Global Business Climate Survey 2022

Inside perspectives from Swedish companies
on doing business abroad

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Preamble

Much like the year before, 2021 was a difficult year, also for global trade. For this reason, I am very pleased to see that despite the continued impacts of the Covid-19 pandemic, rising geopolitical tensions and potential disruptions to global trade, Swedish companies have a generally optimistic outlook.

Access to information and Team Sweden's support systems are vital to enable more companies, not least small- and medium-sized companies, to take the important step into the global market. The steps to exporting will also increase their turnover and expand their footprint at home, boosting competitiveness, employment, and growth throughout Sweden. As Minister for Foreign Trade, I believe these are key goals to strive for.

I am also very proud to see that companies consider both 'Brand Sweden' and our focus on sustainability as important success factors in their expansion into global markets.

I would like to thank all of you who have taken the time to share your views, thoughts and experience by participating in this survey. Your valuable input can help other companies take the decision to go global, in the true Team Sweden spirit. Together, we continue to pioneer the possible.

Anna Hallberg

Minister for Foreign Trade and Nordic Affairs



ANNA HALLBERG
Minister for Foreign Trade
and Nordic Affairs

Cautious optimism despite darkening prospects

The global economy took a remarkable nosedive when the pandemic hit in early 2020. The world was brought to a virtual standstill and cross-border trade suffered its biggest shock in decades. But the rebound after the first paralysing six months was surprising. As the pandemic continued to rage, global demand bounced back and companies' frozen investment plans were gradually resumed. First in manufacturing, then in the services sector.

Three factors underpinned the spectacular rebound witnessed in 2021: rapid roll-out of coronavirus vaccines, far-ranging steps taken by companies to curb the spread of the virus at home and abroad, and unprecedented government support in the form of massive stimulus packages coupled with low interest rate policies by central banks. In all, these measures lifted the world economy by 6 per cent and global trade in goods by 10 per cent, prompting foreign direct investment to soar by more than 60 per cent.

Just as the prospects were looking brighter and the Covid-19 pandemic began to subside, another disaster rocked the world. Besides the tremendous human suffering of Russia's war in Ukraine and its potential to escalate into a full-blown geopolitical conflict, the challenges unleashed by the pandemic were severely compounded. Rising prices, shortage of key industrial intermediate goods and supply chain headaches define today's reality. The world economy seems destined to slow considerably.

This complex backdrop of events makes the Global Business Climate Survey 2022 particularly relevant. Produced in collaboration between Business Sweden, the Swedish Chambers of Commerce (SCI), and Sweden's embassies and consulates, the survey covers 22 markets in Western Europe, APAC, MEA+, and the Americas. It aims to give Swedish companies first-hand perspectives on the business landscape overseas and a head-start as markets recover.

Despite today's turbulent environment, the findings presented in this report are encouraging and give reason for cautious optimism. The vast majority of Swedish companies are doing well, they are profitable and have their sights set on new investments. And the consensus is clear: the business climate in key regions is improving.

To help Swedish companies' further drive their expansion and influence in global markets, our teams stand mobilised around the world – equipped with local knowledge, contacts and in-depth industry expertise.



JAN LARSSON
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Global BCS covers:

+1,600 respondents from **22** markets
where Swedish companies are active

Current business climate

Increasingly
positive view
on the current
business climate
in most markets

Industry turnover

77%

of Swedish companies
expect their industry
turnover to increase

Future investments

55%

of Swedish companies plan
to increase their investments
slightly or significantly in
the next 12 months

Top 3 Success Factors

1. Customer collaboration
2. Cost efficiency
3. Sales competence



Brand Sweden

60%



of Swedish companies abroad
consider *Brand Sweden*
to be beneficial for business

Most satisfying local conditions

1. Personal safety
2. Service providers
3. Suppliers

Least satisfying local conditions

1. Corporate taxation
2. Labour market regulation
3. Level of digitalisation

Environmental considerations

40%

of respondents find that environmental
aspects have high or very high importance
in customers' purchasing decisions

Trade barriers

- Customs procedures
- Regulations
- Local requirements

Executive summary

This report captures Swedish companies' collective views on the current business climate and future expectations in 22 markets globally, where their local presence has given them invaluable experience.

The 1,600 respondents are sending a clear message:

Overall, Swedish companies operating abroad find that the business climate is improving compared to last year. Only Swedish companies in the APAC region report minor challenges.

THE FOLLOWING KEY INSIGHTS SUPPORT THIS ENCOURAGING MESSAGE:

- The view on the current business climate has improved or remained unchanged in the majority of the markets located in Americas, Western Europe and MEA+ compared to 2021 results. APAC is the region where the business climate differs most between markets, revealing a worsened outlook and less optimistic sentiment in China and Hong Kong.
- A majority of Swedish companies were profitable last year. The highest share of profitable performance was reported in Western Europe. Although Swedish companies in China and Hong Kong report pessimistic business climate views, their financial performance in the past year was still profitable.
- As much as 77 percent of the Swedish companies expect their industry turnover to increase the next 12 months. Markets in the Americas region have the most positive expectations of industry turnover followed by Western Europe, and MEA+. In the APAC region, Swedish companies in China, Hong Kong and Indonesia forecast a slight upturn of revenues and profits in 2022, although with a bleaker outlook compared to last year's expectations.
- Globally, slightly more than half of Swedish companies plan to increase their investments in the coming 12 months, indicating cautious optimism. Brazil and the UK have the highest share of companies reporting increased investments.
- Overall, Swedish companies rank customer collaboration, cost efficiency and sales competence as the top three success factors for competitiveness. The results differ between the regions, as Swedish companies in the Americas and Western Europe rank sales competence as their main success factor for competitiveness, while Swedish companies in APAC and MEA+ give cost efficiency top priority.
- Around 2 out of 3 companies consider "Brand Sweden" as beneficial to their business. The MEA+ region has the highest share of respondents stressing the importance of 'Brand Sweden' to their business success. 'Brand Sweden' is also seen as an important factor by companies in Western Europe and APAC, but to a lesser degree in the Americas.
- Swedish companies have, in general, moderate to high satisfaction levels across the regions regarding local market conditions. Personal safety is ranked highest closely followed by availability and quality of service providers, physical infrastructure, suppliers, and distributors. Challenges mainly occur in Indonesia and South Africa.

– An increased share of Swedish companies abroad – currently around 40 per cent – confirm that customers care about environmental aspects of products or services in their purchasing decisions. However, some regional differences are observed, as all companies in Western Europe indicate that customers consider environmental aspects

in their purchasing decisions to a greater extent while markets in the Americas, APAC and MEA+ are not unified in their answers.

– Few Swedish companies experience trade barriers, although challenges related to custom procedures, regulations, and local requirements occur in specific markets.

To summarise, Swedish companies are overall cautiously optimistic going forward.



Introduction

The Global Business Climate Survey captures the current views and future expectations of Swedish companies abroad. By mapping key insights on economic developments, success factors, local conditions, and sustainability, this survey report provides a valuable source of information for successful business abroad and gives business leaders the opportunity to compare results across markets and regions.

For the third year in a row, the Global Business Climate Survey presents Swedish companies' views on issues related to the business climate abroad and local success factors. The survey compiles the results of local surveys conducted in 22 key markets worldwide produced in a joint collaboration between Business Sweden, Swedish Chambers International (SCI) and Sweden's embassies and consulates abroad. In total, over 1,600 decision-makers answered 18 standard questions on what Swedish companies consider to be critical success factors to remain competitive, such as sales competence, cost efficiency and partnerships. In addition, the report provides an economic outlook based on how Swedish companies describe last year's financial results, including expectations on future turnover and plans for future investments, as well as an outline of how well local conditions are met in various markets and how sustainability factors affect business. By consolidating the collected data, we are building a unique database of viewpoints from Swedish companies on the essential factors to consider when doing business abroad, with the ambition to track changes and developments over time.

The Global Business Climate report is complemented by individual survey reports for each market where readers can get an in-depth understanding of local business conditions. These reports can be found on [Business Sweden's webpage](#), through local Business Sweden offices or the Swedish Chambers of Commerce. The survey results are stored in a database that can be used to make further com-

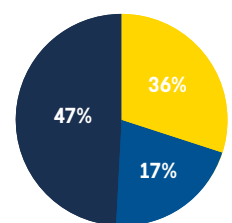
parative analysis of how companies view local conditions based on company size, sector, age, and other variables.

Since the response rate is high for most local surveys the results can be generalised for the respective markets. The global survey covers 22 selected markets, four in the Americas (US, Canada, Brazil and Mexico), six in Western Europe (France, Germany, Netherlands, Italy, Spain and United Kingdom), nine in APAC (China, Hong Kong, India, Indonesia, Japan, Singapore, South Korea, Vietnam and Thailand) and three in MEA+ (South Africa, Türkiye and UAE). More details about survey coverage, recipients, response rates, regional groupings etc are presented in a technical note at the end of the report.

The survey takes into consideration the size, sector, and maturity level of the respondent companies. This year, 47 per cent of the companies are classified as large, 17 per cent as medium-sized companies and 36 per cent as small companies. Regarding sector categorisation, 43 per cent identified as industrial companies, 30 per cent provided professional services and 13 per cent worked within the consumer sector. The majority of the responding companies are classified as mature (44 per cent), followed by experienced (36 per cent) and newcomers (20 per cent). The definitions of size, sector and age used in the report follow the segments visualised in the graphs to the right.

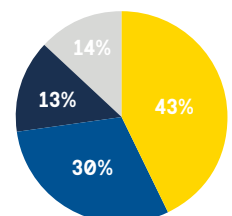
Size of firms in survey

Global employees



- Small (0-249)
- Medium (250-1000)
- Large (>1000)

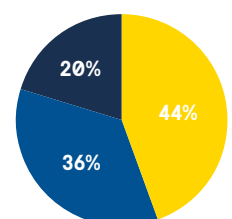
Main sectors



- Industrial
- Professional services
- Consumer
- Other

Maturity level

Year of market entry



- Mature
- Experienced
- Newcomer

Business performance and outlook

Swedish companies abroad are either more positive or have unchanged views of the current business climate this year compared to last year's results across all markets, except for China and Hong Kong where sentiment has worsened. Nearly 70 per cent of this year's respondents described last years' financial results as profitable, 11 per cent reached break-even and 13 per cent experienced a loss. The results differ depending on company size and sector, with large industrial companies reporting the most profitable results in the past financial year. Regarding future investments, 55 per cent of respondents reported that their companies are planning to significantly or slightly increase their investments in the next 12 months. Brazil and the UK top the list for future investments plans, with 69 per cent and 66 per cent of companies in the respective markets reporting they will increase investments either slightly or significantly.

A MORE POSITIVE VIEW

The perception of the business climate is subjective and reflects how the respondents perceive day-to-day business processes, which can be impacted by a number of factors – many of them explored throughout the survey. While subjective, it does provide a good indication of how conditions abroad are developing over time. Most surveys were carried out between March and April 2022. Therefore, the survey's results could have been influenced by geopolitical uncertainties unleashed by the war in Ukraine.

For the second consecutive year, Swedish companies have a more positive view of the current business climate compared to last year's results. Compared to 2021 results, the average has improved slightly from 3.3 to 3.4

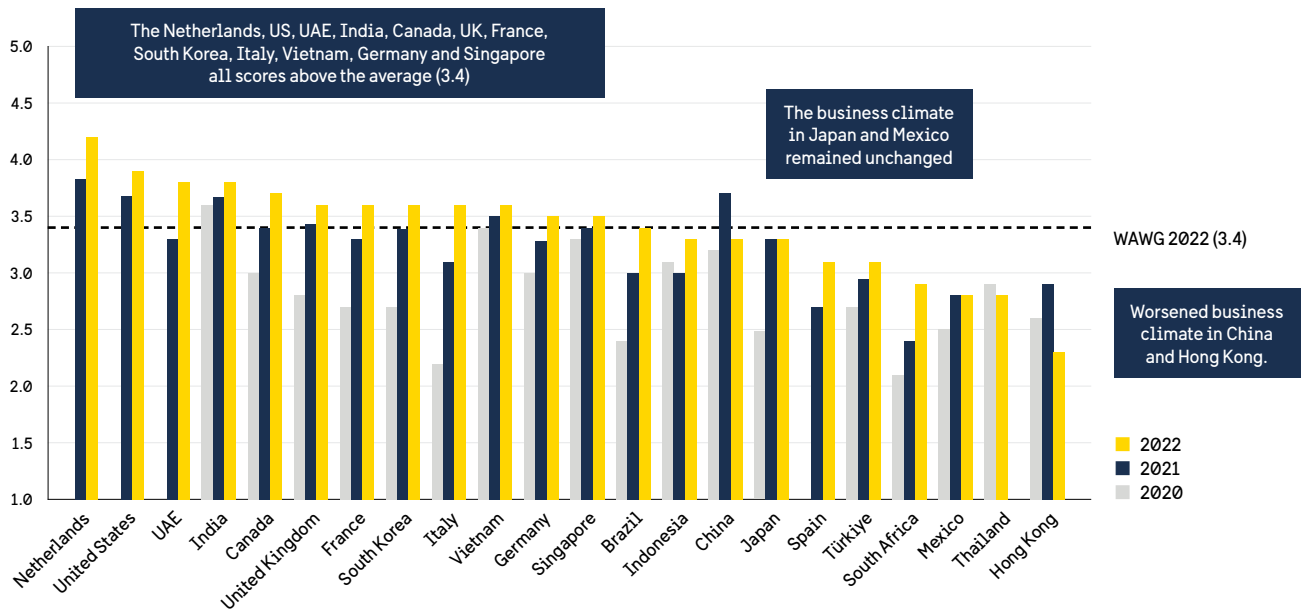
on a scale from 1 to 5 where 1 equals 'very poor' and 5 'very good'. This year, 18 out of 22 markets scored above 3 which can be interpreted as positive, with most found between the range of 3.5 to 4.0. Views of the business climate have improved or remained neutral in the majority of markets in the Americas, Western Europe and MEA+ compared to 2021 results. The Netherlands scored above 4 followed by the US, UAE, India, and Canada which scored above average. APAC was the region where views differed the most between markets. Swedish companies in China and Hong Kong demonstrated more negative sentiment compared to last year's results. Most likely, this is largely, due to growing concerns and uncertainties around the Covid-19 pandemic and related restrictions.

“ Covid-19 is not over in China and Hong Kong and the zero-tolerance approach seems to have a strong negative impact on Swedish companies' views of the business climate in these markets. The tougher attitude towards foreign companies may also have contributed to a gloomier view. ”

Lena Sellgren, Chief Economist, Business Sweden

Business climate 2022 has improved in 17 out of 22 markets

Index measuring Swedish companies views on the current business climate, where 1 equal very poor and 5 very good



“ Changing legal infrastructure after the national security law, Covid-19 travel restrictions, quarantine and ever changing rules mean great uncertainty. ”

Company representative Hong Kong
Swedish financial company (anonymous)

To gain a more in-depth understanding of how Swedish companies perceive the current business climate in local markets, the graph below shows the distribution of responses in the categories ‘very good’, ‘good’, ‘neutral’, ‘poor’ and ‘very poor’. Overall, 41 per cent of respondents perceived the business climate to be very good, 10 per cent good, 35 per cent neutral, 11 per cent poor and 1 per cent very poor. Compared to 2021 results, 10 per cent more respondents perceived their business climate to be ‘good to very good’. For the second year in a row, The Netherlands tops the positive results with 84 per cent of respondents perceiving the market’s business climate to be good or very good.

From a regional perspective, markets in the Americas were positively assessed in the US and Canada, scoring higher than the other markets in the region. Swedish companies located in Western Europe also reported that business conditions were generally “good to very good”, except for Italy and Spain where most companies have a neutral perspective. Markets located in APAC were mostly positive except for China and Hong Kong. Hong Kong had the lowest share of firms giving a positive or neutral assessment of the business climate. The answers for the MEA+ region was very heterogeneous. Swedish companies in the UAE stated positive views of the business climate, while companies in Türkiye were neutral and in South Africa mostly gave ‘poor to very poor’ results.

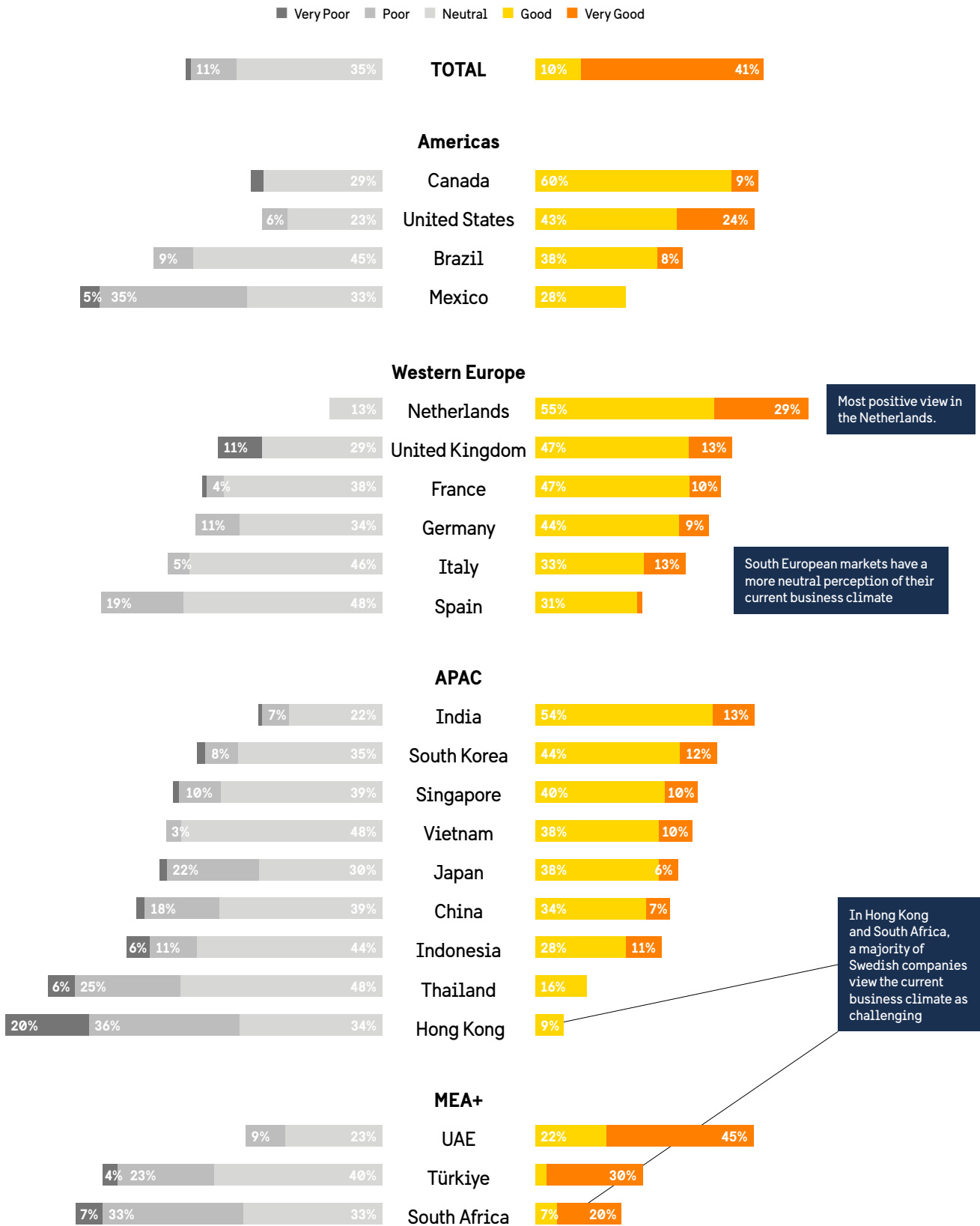
“ Many aspects of the business climate are positive and you can see that the government is working on continuously improving it. The more relaxed Covid-19 measures in Dubai as compared to the rest of the Gulf was also good for business. ”

Company representative UAE
Swedish industrial company (anonymous)

Americas and Western Europe top regions thanks to the US, Canada and Netherlands performance

Index measuring Swedish companies views on the current business climate, where 1 equals very poor and 5 very good.

Response percentages may not add up to 100 per cent as 'don't know answers' are excluded in graph.



Survey question: How do you perceive the current business climate?

A MAJORITY OF SWEDISH COMPANIES WERE PROFITABLE LAST YEAR

Almost 70 per cent of this year's respondents reported profitable results for the financial year 2021, 11 per cent reached break-even and 13 per cent made a loss. The results differ depending on company size with 77 per cent of large companies confirming profitable performance followed by 63 per cent of medium-sized companies and 51 per cent of small companies stating profitability. However, in South Africa, Spain, Türkiye, and Vietnam, medium-sized companies performed better than large companies. In France, Japan, Mexico, the Netherlands, UAE and the US the medium-sized companies experienced greater financial loss than small and large companies. Differences can also be observed depending on which sector companies operate in, with industrial companies experiencing the largest share of profitable performance, 74 per cent, followed by the consumer sector at 67 per cent and professional services at 59 per cent. The respondents operating in the consumer sector experienced the highest losses, at 18 per cent.

From a global perspective, more than half of the respondents in all markets except for South Africa reported profitable results with most ending up in 60 to 80 per cent range. Western Europe is the region with the highest share of companies reporting profitability, led by the Netherlands, Italy, Spain, and France. Germany reported the highest share of companies experiencing a loss in Western Europe. The financial performance of companies in the Americas was positive across the region's markets, with Brazil and Canada in the top.

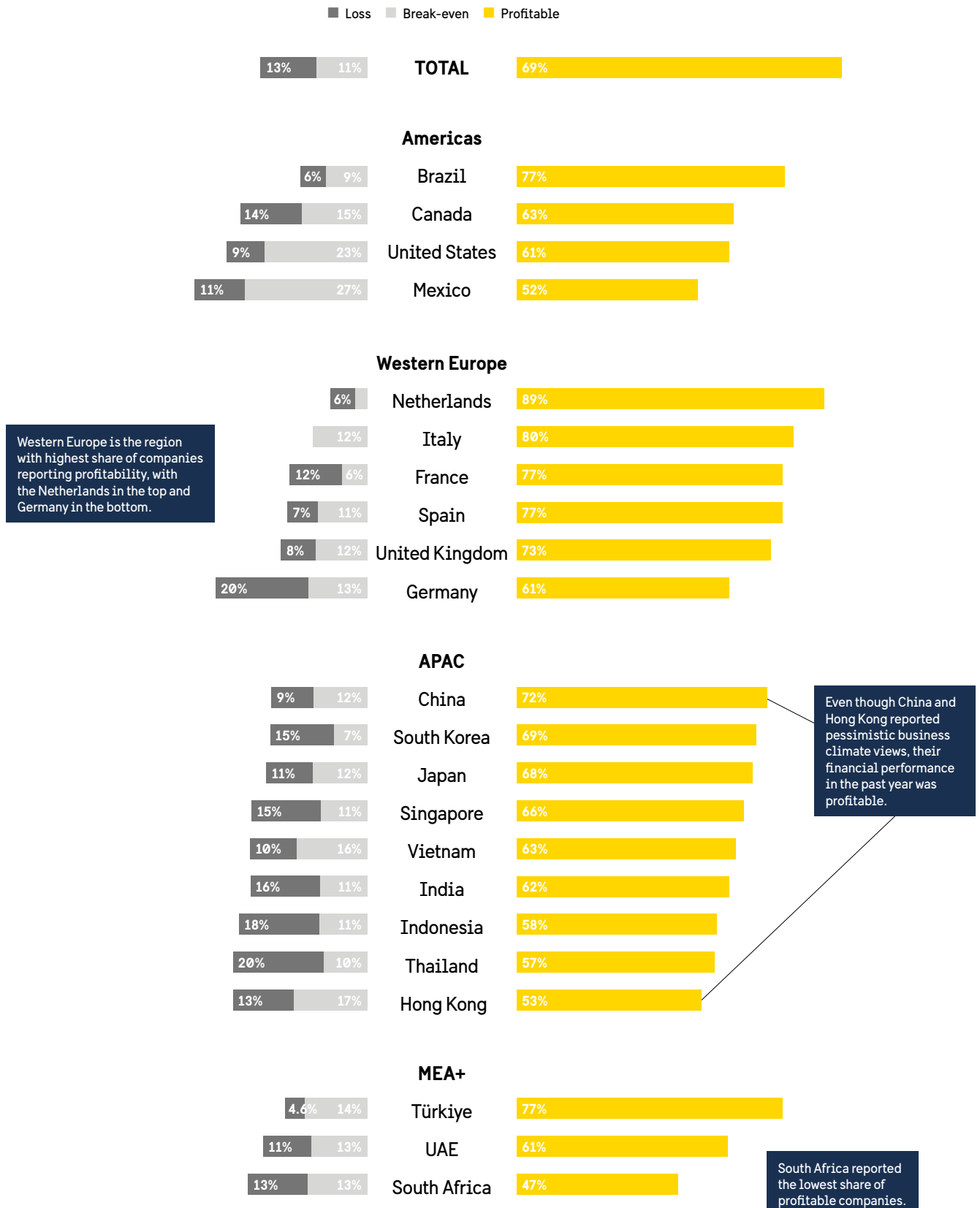
Although companies in China and Hong Kong demonstrated increasingly pessimistic views, their financial performance in the past year was profitable. This strong performance was underpinned by the pandemic's relatively stable situation in China and Hong Kong during 2021 coupled with a recovering global economy. Compared to the other APAC markets, Japan experienced the highest share of profitable results and Indonesia was the market with the largest share of loss-making activity. The MEA+ region also experienced a profitable financial year, where 77 per cent of the Swedish companies in Türkiye were profitable compared to 47 per cent in South Africa.



Highest share of profitable performance reported in Western Europe

Share of respondents' descriptions on financial results in 2021, per cent of respondents.

Response percentages may not add up to 100 per cent as 'don't know answers' are excluded in graph.



Survey question: How would you describe your company's financial performance in the past year?

“ We can see that the industry is opening up again and projects that were postponed are being brought back to life. ”

Markus Karbach, Managing Director of Munters Euroform GmbH Germany

POSITIVE EXPECTATIONS ON INDUSTRY TURNOVER

When respondents were asked about their expectations on their industry turnover in the coming 12 months compared to the last 12 months, 17 out of 22 markets (77%) believed that turnover will increase, either slightly or significantly. Swedish companies in China, Hong Kong and Indonesia forecast a slight upswing for revenues and profits in 2022 but have a more pessimistic outlook compared to last year’s expectations. It is important to take into account that this survey’s results could have been influenced by geopolitical uncertainties resulting from the war in Ukraine or Covid-19 restrictions.

Expectations on turnover in the next 12 months were most positive in the Americas markets with 80 per cent of companies anticipating increased industry turnover. Swedish companies in Western Europe have slightly less positive expectations with 72 per cent of companies expecting an increase in turnover, where the UK market has the highest share of

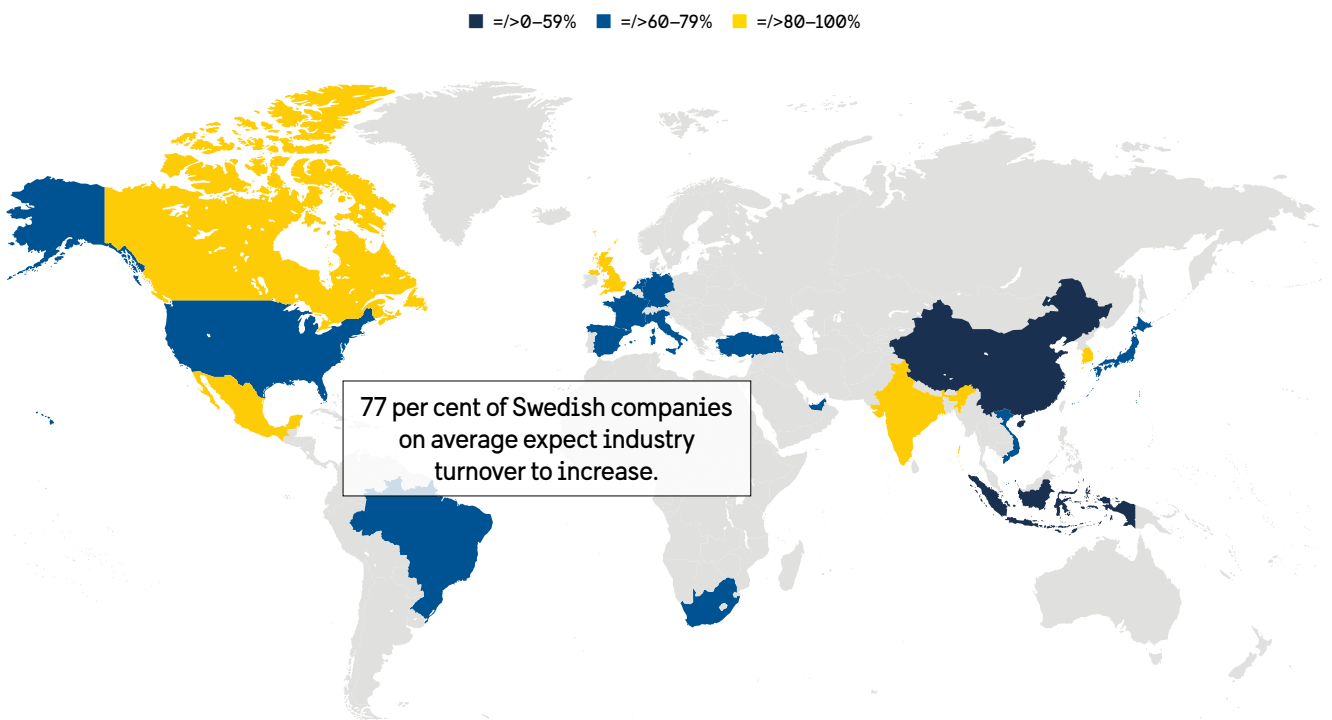
positive respondents. All markets in the MEA+ region show moderately positive views on turnover prospects while the results in APAC differed considerably between markets. 81 per cent of companies in India responded that they expect turnover to increase in the next 12 months compared to China and Hong Kong, where only 40 per cent of companies have optimistic expectations.

The most optimistic expectations were found among newly established companies: 72 per cent compared to the most mature companies where 57 per cent expected an increase. This optimism is echoed in all three sector categories (professional services, consumer and industry). In all three sectors, 61 per cent of respondents expect turnover to increase in the next 12 months. Expectations regarding a potential industry slowdown are overall low, 26 per cent among consumer companies closely followed by industry and professional services.

For an updated analysis of macro-economic prospects see Business Sweden’s Global Economic Outlook (September, upcoming).

Industry turnover expected to increase but regional differences remain

Percentage share of Swedish companies that expect industry turnover to increase in the upcoming 12 months, compared to the previous 12 months



Survey question: Compared to the development in the past 12 months, what are your expectations for the coming 12 months for your industry regarding turnover?

“ The IT/Tech industry we sell into continues to grow, expanding our potential and growth abilities. ”

Robert Rebergen, Commercial Director, Younium Netherlands

ROBUST INVESTMENT PLANS GOING FORWARD

To understand the Swedish companies' investment plans for the coming 12 months, the graph below shows the distribution of responses in the categories 'significantly increase', 'slightly increase', 'no change', 'slightly reduce', 'significantly reduce' and 'leave the market'. On a global level, 18 per cent of the respondents reported that their companies are planning to significantly increase their investments, 37 per cent indicated that they are planning to slightly increase, 33 per cent stated no change, 6 per cent planned to slightly reduce their investments, 4 per cent answered that they will significantly reduce and 2 per cent aimed to leave the market.

In most markets, companies with more recently established operations ('newcomers') have the highest share of respondents aiming to increase investments either significantly or slightly, at 68 per cent compared to 51 per cent amongst the experienced and mature companies. However, in Japan, Mexico, and South Africa, the mature companies had the highest share of respondents planning to increase investments.

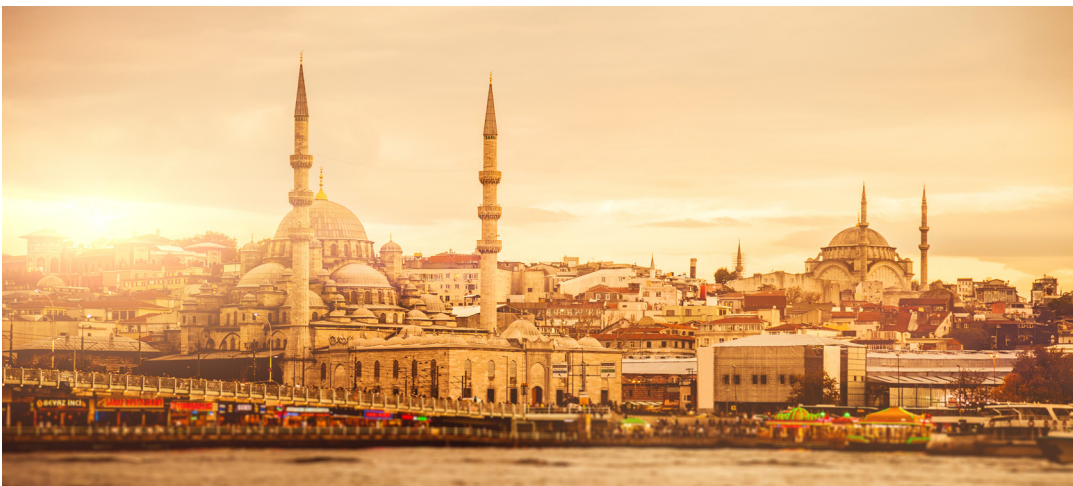
Our regional analysis shows that markets in the Americas generally have large investment

plans except for Mexico where companies seem to be more risk averse. The investment plans in Western Europe are also considerable in size, where the northern European markets have a higher percentage of companies aiming to increase their investments 'slightly or significantly' compared to the southern European markets. The investment plans in APAC differ significantly between markets where companies in India and South Korea have strong investment plans compared to companies in China, Hong Kong, and Japan where respondents plan to maintain current investment levels or reduce them. In the MEA+ region, Türkiye, and UAE half of companies are planning to increase investments either 'slightly or significantly', in contrast to South Africa where the majority of the respondents aim to 'slightly increase' or maintain their investment plans over the next 12 months.

From a market perspective, Brazil and the UK top the list for planned future investments, with 69 per cent and 66 per cent of companies in each respective market reporting that they are planning to increase investments either 'slightly or significantly'. A minor share (1–2 per cent) of companies in the US, Mexico, China and Germany, confirm that they are planning to leave the market.

“ We believe that sales are getting better compared to 2021 and the supply chain will be more predictable in the coming months. ”

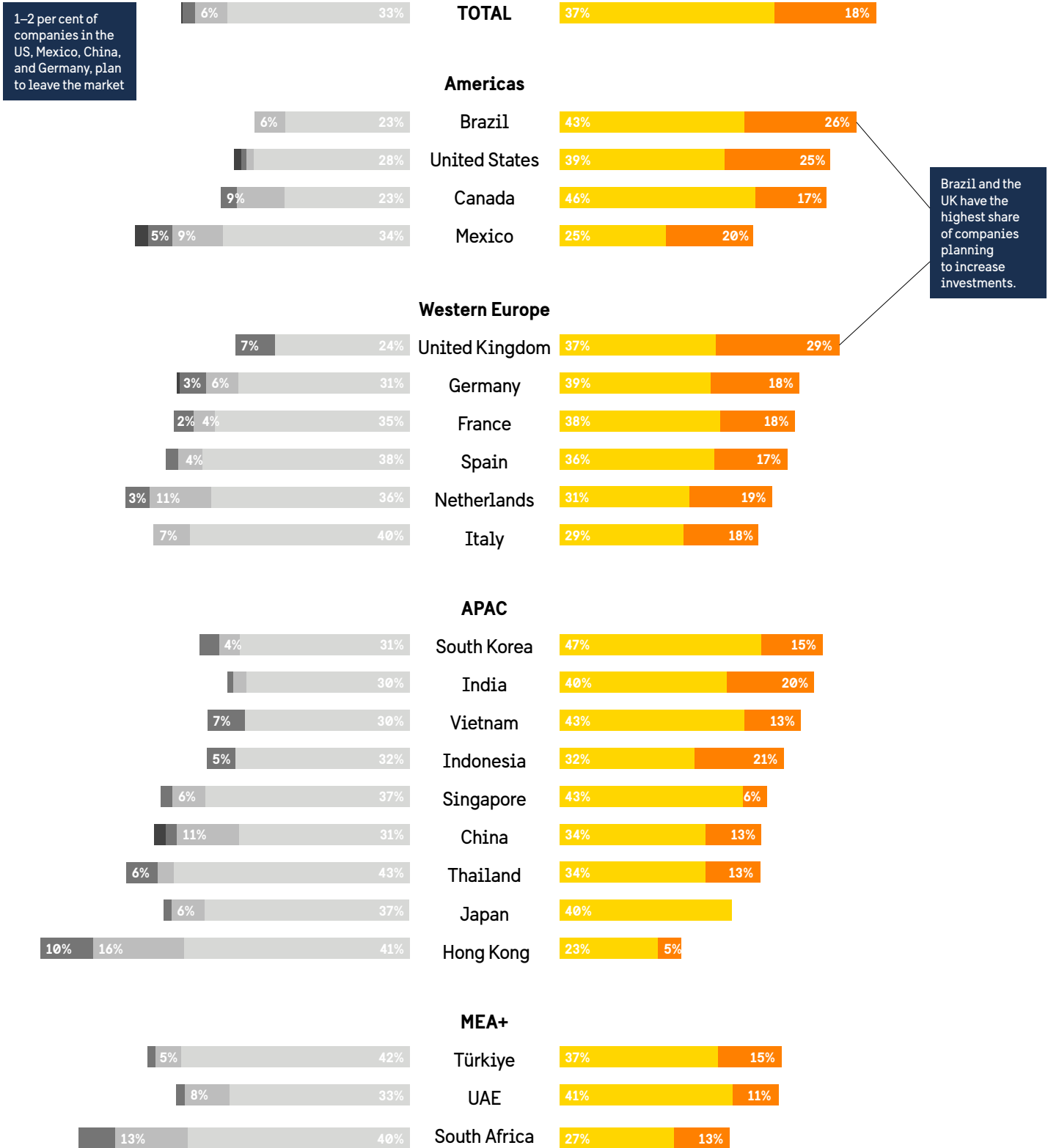
Magnus Pereira, General Director South America, Autoliv representative Brazil



Slightly more than half of the Swedish companies plan to increase their investments

Investment plan in the coming 12 months compared to the previous 12 months, per cent of respondents.
Response percentages may not add up to 100 per cent as 'don't know answers' are excluded in graph.

■ Leave Market ■ Significantly reduce ■ Slightly reduce ■ No change ■ Slightly increase ■ Significantly increase



Survey question: What are your company's investment plans for the coming 12 months in [MARKET], compared to the past 12 months?

Success factors

When Swedish companies abroad were asked which factors are most important for maintaining competitiveness, customer collaboration, cost efficiency and sales competence were the top success factors. However, the priority ranking for success factors differs across regions where companies in the Americas and Western Europe rank sales competence as the key success factor, while companies in APAC and MEA+ rank cost efficiency the highest. Swedish companies in the Netherlands stand out by choosing sustainability as the key success factor for maintaining competitiveness.

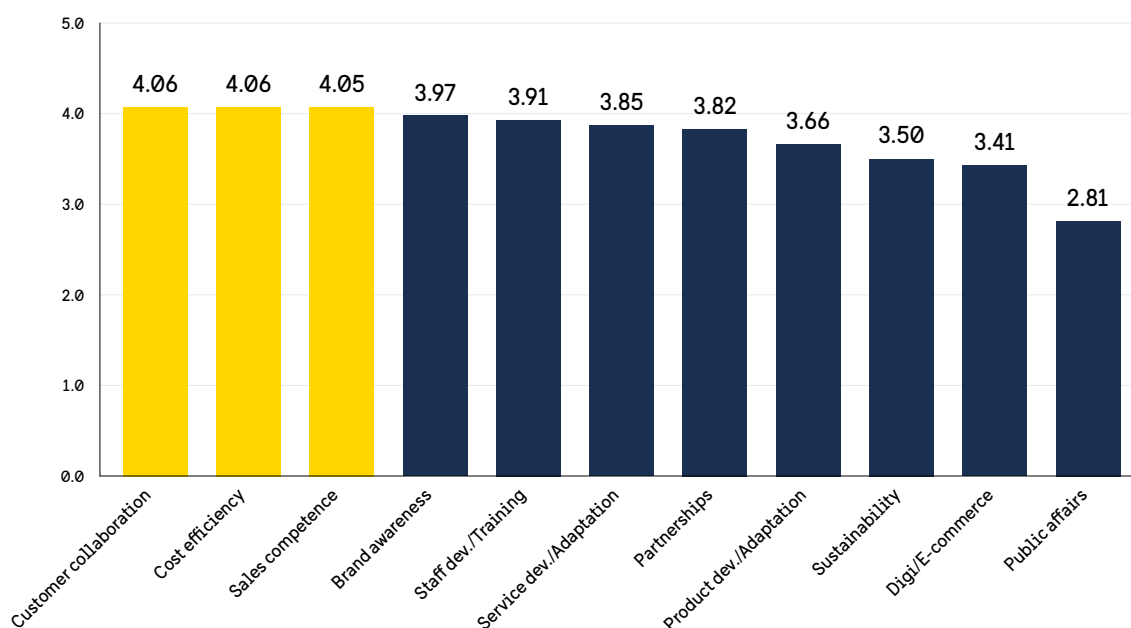
SUCCESS FACTORS: CUSTOMER COLLABORATION, SALES COMPETENCE AND COST EFFICIENCY

This section presents views on the most important success factors when doing business abroad. The respondents were asked to rank different factors in terms of their importance for maintaining competitiveness, on a scale of 1 to 5. As shown in the graph below, *collaboration*

with/feedback from customers, cost efficiency and sales competence are considered the most important success factors in a global perspective. It is important to take into account that nearly all factors mentioned in the survey, except for *public affairs*, are considered highly relevant for competitiveness (scores over 3). Compared to last year's results, *collaboration with/feedback from customers* jumped from fourth place to first place.

Customer collaboration top ranked success factors

Success factors showing the average share of respondents on a global scale that regard a factor to be a top three success factor. Response percentages exceeds 100 per cent as the question allowed respondents to select multiple answers (max three).



Survey question: Which of the following areas have been important for your company in maintaining competitiveness?

“ Sweden is associated with quality, innovation and reliability. ”

Henrik Bergman, Regional Director Spain & Portugal
Charge Amps Spain

SALES COMPETENCE LEADING SUCCESS FACTOR IN AMERICAS AND EUROPE

The priority ranking for the success factors differs across regions where companies in Americas and Western Europe rank sales competence as their main priority, while Swedish companies in APAC and MEA+ place cost efficiency at the top of the list. Customer collaboration is highly ranked in all the regions except for Western Europe where brand awareness is the important success factor to maintain competitiveness.

The matrix below shows how the different markets ranked success factors for maintaining competitiveness. Globally, the top three success factors were: customer collaboration,

sales competence and cost efficiency. Companies in China, Hong Kong, and Indonesia chose *collaboration with/feedback from customers* as the most important success factor. While for Swedish companies located in advanced economies such as the US, Germany, France, Italy and Japan, *sales competence* is the most important factor. This also applies to companies located in Mexico. The third most importance success factor on a global scale, *cost efficiency*, is particularly important for companies in Brazil, Canada, and India. Other interesting findings include the importance of *sustainability* in the Netherlands and *product development and adaption* as chosen by the UK respondents.

Ranking of success factors in different markets

Success factors showing the average share of respondents on a global scale that regard a factor to be a top three success factor. Response percentages exceeds 100 per cent as the question allowed respondents to select multiple answers (max three).

■ First priority ■ Second priority ■ Third priority

	Americas				Western Europe						APAC						MEA+					
	BR	CA	MX	US	DE	ES	FR	IT	NE	UK	CN	HK	ID	IN	JP	KR	KR	TH	VN	TR	UAE	ZA
Customer collaboration	■			■	■	■	■		■	■	■	■	■	■	■	■	■	■		■	■	■
Cost efficiency	■	■				■		■			■			■				■	■	■		■
Sales competence	■	■	■	■	■	■	■	■			■	■	■		■	■	■			■	■	■
Brand awareness									■			■			■	■					■	■
Staff development/training			■				■	■										■	■			
Service development/adaptation			■	■			■	■	■			■		■								
Partnerships/local relationship																			■			
Product development/adaptation					■					■				■								
Sustainability		■							■													
Digitalisation and e-commerce																						
Public affairs/relations with gov.																				■		

Survey question: Which of the following areas have been important for your company in maintaining competitiveness?
 Note: BR=Brazil, CA=Canada, US=United States, MX=Mexico, FR=France, DE=Germany, NE=Netherlands, IT=Italy, ES=Spain, UK=United Kingdom, CN=China, HK=Hong Kong, IN=India, ID=Indonesia, JP=Japan, SG=Singapore, KR=South Korea, VN=Vietnam, RU=Russia, ZA=South Africa, TR= Türkiye, UAE=United Arab Emirates.

“ We always market ourselves as a Swedish-Indian company and work with the strengths of both cultures. ”

Mikael Gislén, Chairman and Managing Director
Gislen Software India

BRAND SWEDEN CONTRIBUTES TO BUSINESS SUCCESS

A key feature of the survey is to explore how *Brand Sweden* contributes to the competitiveness of Swedish companies abroad. Trade and investment promotion organisations such as Business Sweden, the Swedish Institute as well as the Swedish Embassies and Chambers of Commerce actively work to promote the image of Sweden abroad. Sweden’s brand identity is synonymous with innovation, equality, and sustainability, among other strengths and values, and many companies use their Swedish origin to communicate these brand attributes. According to 61 per cent of the respondents, Brand Sweden contributes to ‘an extent’ or to ‘a great extent’ to their business success. 20 per cent confirmed that it contributes ‘partially’, while only 14 per cent see ‘little’ or ‘no value at all’ in promoting the Swedish identity in their product or service offerings. In general, independently of company size, age and

sector, Swedish companies believe that Brand Sweden contributes much or very much to their businesses.

From a regional perspective the MEA+ region has the highest share of respondents answering that Brand Sweden contributes to an ‘extent or great extent’ to their business success followed by Western Europe, APAC and lastly Americas. Although the Brand Sweden contribution to business success is globally high, the results vary between the different markets in the four regions. India, South Korea, and South Africa are the markets with the highest share of respondents answering that Brand Sweden contributes to an ‘extent or great extent’ to their business success. Most markets have similar results compared to 2021. However, Spain, Germany, China, and UAE stand out for more positive results compared to last year, while the US, France, Vietnam, Hong Kong, and Türkiye express a more moderate belief in the contribution of the Swedish brand identity to business success.



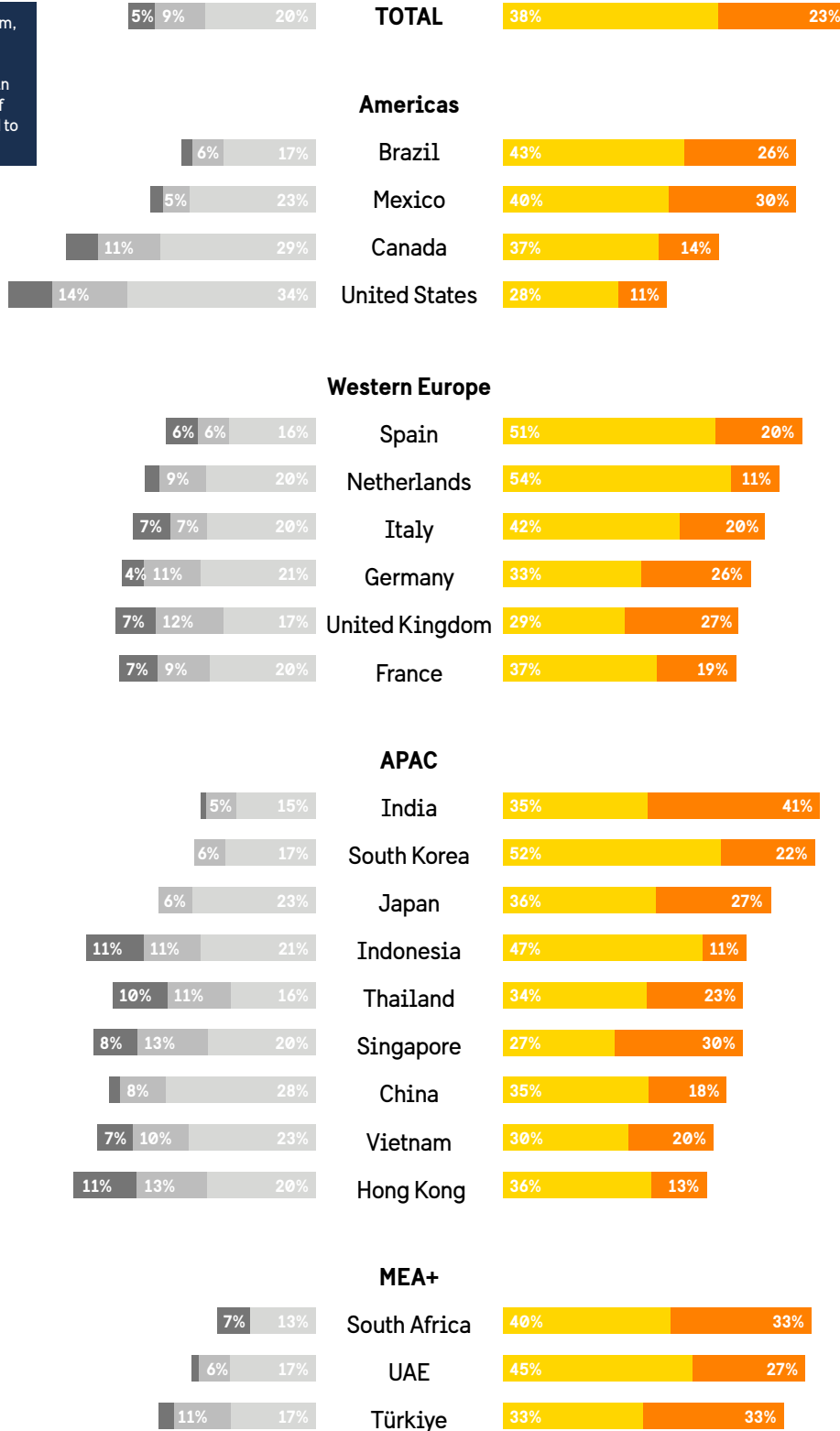
Brand Sweden most useful in MEA+

Index measuring business impact and contribution of *Brand Sweden*, per cent of respondents.

Response percentages may not add up to 100 per cent as 'don't know answers' are excluded in graph.

■ Not at all ■ Little ■ Partially ■ To an extent ■ To a great extent

US, France, Vietnam, Hong Kong, and Türkiye express a decreased belief in the contribution of the Swedish brand to business success.



India, South Korea, and South Africa have the highest share of respondents answering that *Brand Sweden* contributes to an 'extent or great extend'

The MEA+ region has the highest share of respondents answering that '*Brand Sweden*' contributes to an 'extent or great extend'

Survey question: To what extent do you estimate that 'Brand Sweden' contributes to your business success?

Local conditions

Swedish companies are in general fairly satisfied with most local conditions, with personal safety ranked highest closely followed by service providers, physical infrastructure, suppliers, and distributors.

LOCAL CONDITIONS MEET COMPANIES' NEEDS WELL IN MOST MARKETS

To gain a detailed understanding of how Swedish companies view local conditions in global markets, this section explores various factors related to three key areas:

- a) *Market related factors*
(digitalisation, financial system etc.)
- b) *Operation related factors*
(corporate taxation, labour market etc.)
- c) *Access to qualified partners*
(distributors, service providers etc.)

For a full description of all factors please see the matrix below. The companies were asked to rate from 1–9 how well these local market conditions meet their needs. The lower the

score, the more the respondents consider the factor to be an obstacle for competitiveness and the higher the score, the more they consider it to be an asset for competitiveness. Both similarities and differences are identified between regions and markets.

In a global perspective, the most critical local condition for doing business is personal safety, closely followed by access to service providers and suppliers, followed by physical infrastructure and distributors. Thus, access to qualified partners is the area that scored best globally. The ranking of importance of local conditions differs between regions especially within markets in the Americas and APAC.



In the Americas, access to qualified distributors, service providers and suppliers is highly met in Brazil, Canada, and Mexico. Swedish companies in the US responded that they have a moderate satisfaction level in all local market conditions except for market access where they have a high satisfaction level. The globally most important local condition – personal safety – is only ranked ‘highly important’ by companies in Canada.

Western European markets stand out for advanced infrastructure, personal safety, and access to qualified distributors. Swedish companies in Germany, France, the Netherlands and the UK responded, ‘high to very high’, while companies in Spain and Italy to a greater extent answered “moderate”.

Markets located in the APAC region were mostly content with their personal safety, and their access to qualified distributors and suppliers. Indonesia stands out with very low results in several of their business needs and was the only market where companies have a low level of satisfaction with access to specialists. In contrast, Swedish companies in Singapore responded that their needs are highly met, especially regarding infrastructure and personal safety.

The MEA+ region had very different responses across its markets. The companies in the UAE are in general satisfied with the market’s local conditions, while South African respondents are not satisfied with their intellectual property protection, transparency, and operational related factors.

Moderate to high satisfaction levels in most markets – challenges mainly in Indonesia and South Africa but also in Mexico

Index measuring how local conditions meet needs of Swedish companies, where 1 equal not at all and 9 equals fully

■ Low ■ Moderate ■ High ■ Very High

		Americas				Western Europe						APAC						MEA+						
		BR	CA	MX	US	DE	ES	FR	IT	NL	UK	CN	HK	ID	IN	JP	KR	SG	TH	VN	TR	UAE	ZA	
Market related factors	Digitalisation									High						Low	High	High				High		
	Financial system					High		High		High			High	Low				High						
	Infrastructure					High	High	High		Very High		High						High	High		High	Very High	Low	
	IPP		High			High				High				Low										High
	Market access	High			High					High									High				High	
	Transparency								High		High				Low									Low
Operations related factors	Corporate taxation												High					High				High	Low	
	Labour market									High	High												Low	
	Legal security		High			High		High		Very High	High					High		High					Low	
	Licenses etc.									High					Low			High		Low			Low	
	Personal safety	High	Very High			High	High	High	High	Very High	High		High			High	High	High		High		High	Low	
	Work culture	High	High							High	High													
Access to qualified partners	Distributors	High				High		High	High	High					High		High	High			High	High		
	Service providers	High	High			High		High	High	High					High		High	High			High	High		
	Specialists			High					High	High				Low										
	Suppliers	High				High		High	High	High					High			High			High	High		

Survey question: Please rate from 1-9 how the below conditions meet the needs of your company’s business in [COUNTRY]. (1= not at all, 9=fully)

Note: Brazil (BR), Canada (CA), United States (US), Mexico (MX), France (FR), Germany (DE), Netherlands (NL), Italy (IT), Spain (ES), United Kingdom (UK), China (CN), Hong Kong (HK), India (IN), Indonesia (ID), Japan (JP), Singapore (SG), South Korea (SK), Vietnam (VN), Russia (RU), South Africa (ZA), Türkiye (TR), United Arab Emirates (UAE)

– Singapore applied an original scale of 1-7 which has been converted to 1-9

Sustainability

An increased share of Swedish companies abroad, nearly 40 percent, confirms that customers care a lot about environmental aspects of products or services in their purchasing decisions. Canada, France, and Vietnam were the markets with the highest rating of sustainability while customers in Indonesia, Türkiye and Mexico have rather limited interest. Customers in Western Europe care the most about sustainability aspects in their purchasing decisions.

Sustainability is rapidly becoming a key component for competitiveness as customers want to take conscious decisions and are also willing to pay for positive outcomes. But the global picture is fragmented. The graph below uncovers the extent to which Swedish companies believe that environmental features of products and services are important in their local customers' purchasing decisions. Results show that companies are divided in their assessment of customers' consideration of environmental aspects in their purchasing decisions.

All companies in Western Europe responded that their customers consider environmental aspects in their purchasing decisions to a great extent, led by France. On the other hand, markets in the Americas did not have a unified answer. Respondents in Canada and Brazil did consider environmental aspects to a great extent, while companies in Mexico and the US had a low response rate. In the US, only 24 per cent of companies believed that their customers put a high value on environmental aspects in their purchasing decisions, which is a clear decrease compared to last year's results. Sustainability considerations differ substantially between the APAC markets, where half of the respondents in Vietnam answer that their cus-

tomers consider sustainability to a great extent, while only 16 per cent of the companies do so in Indonesia. Despite China's ambitious goals to reduce carbon emissions, most Swedish companies report that their customers give only partial or little consideration to environmental aspects in their purchasing decisions. In MEA+ only 21 per cent answer that their customers care to an extent or a great extent about sustainability, where South Africa tops the results.

From a market perspective Canada, France, and Vietnam are the top markets where customers to a great extent take environmental aspects into account in their purchasing decisions. In contrast, more than 75 per cent of the companies in Indonesia, Türkiye, and Mexico reply that their customers only partially consider environmental aspects in their purchasing decisions, or do not do so at all. Compared to 2021 results, sustainability has become more important in nearly all markets. The surging interest in markets such as Brazil and Vietnam is remarkable, both demonstrating a 20 per cent increase this year. On the other hand, respondents in the US, India and Hong Kong reveal sustainability have dropped down on the list of priority considerations when making purchasing decisions.

“Canada is a rich market in many aspects, for example, culture, diversity, and the level of life. It has a good infrastructure and a strong focus on green energy and sustainability, among other advantages and opportunities.”

Ariel Rubinstein, President and General Manager
Atlas Copco, Canada

“At some point some years back, the sustainability wave started to build, and it has still not flattened out but continues to rise, not only in France but globally.”

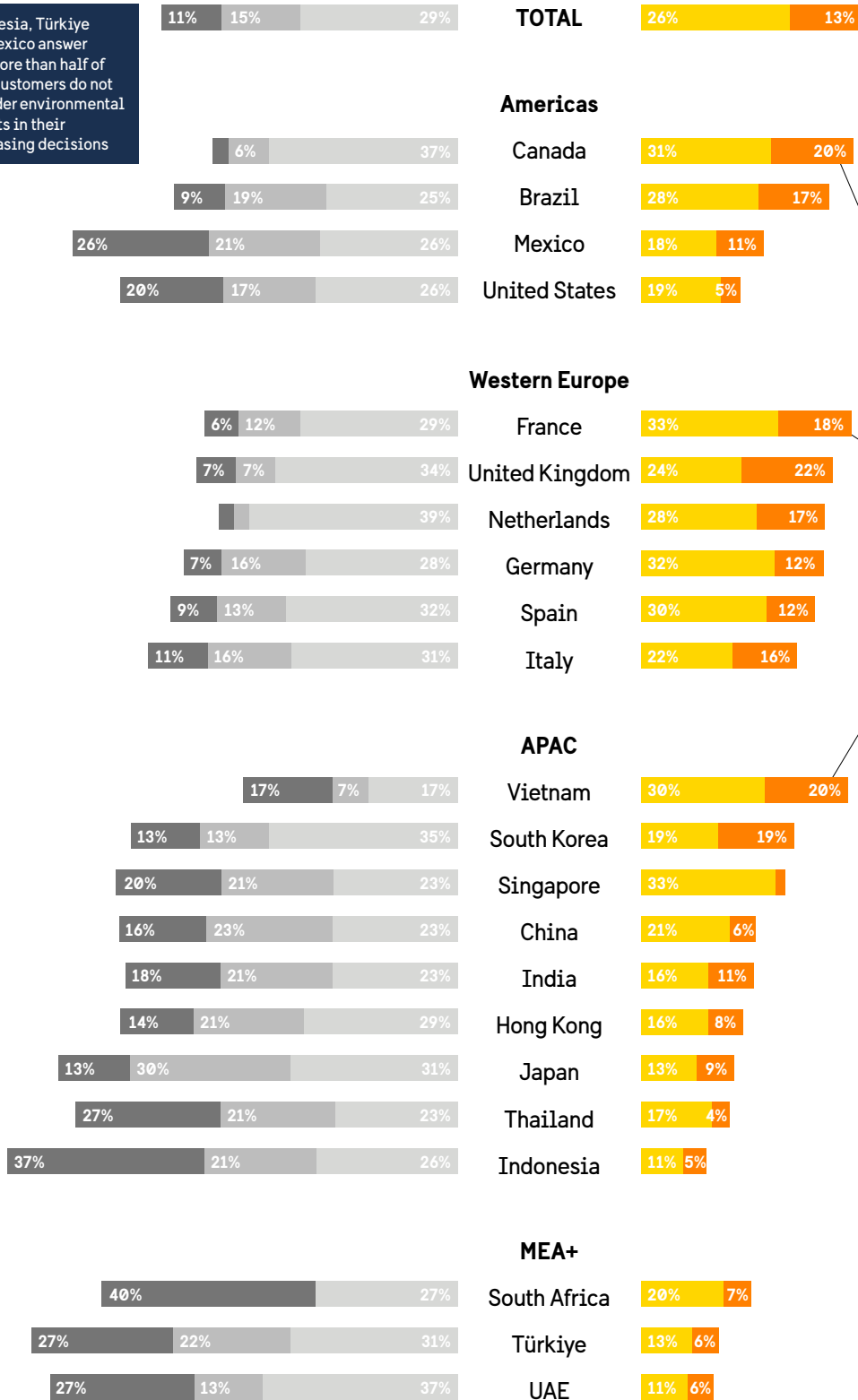
Ariel Rubinstein, President and General Manager
Atlas Copco, Canada

Customers in the US and Japan among the least interested in environmental aspects

Share of respondents who believe environmental benefits of products or services are important in customers' purchasing decisions, per cent of respondents. Response percentages may not add up to 100 per cent as 'don't know answers' are excluded in graph.

■ Not at all ■ Little ■ Partially ■ To an extent ■ To a great extent

Indonesia, Türkiye and Mexico answer that more than half of their customers do not consider environmental aspects in their purchasing decisions



Canada, France, and Vietnam express the highest interest from customers

Survey question: In your view, to what extent do customers in your industry in [MARKET] consider environmental aspects of a product or service in their purchasing decision?

“ Nowadays, it is more difficult to sell without having an assembly on-site in the market. We understand that the local government is driving this way (trade barrier) to create more jobs in the market. ”

Director Indonesia, Swedish Healthcare Company (anonymous)

FEW COMPANIES EXPERIENCE SERIOUS TRADE BARRIERS

The following section analyses the trade barriers encountered globally by Swedish companies. It is worth noting that the view on perceived impact of trade barriers may differ between markets, which can affect the survey results. Additionally, it is important to take into consideration when reading the graphs that the results only present the percentage share of companies experiencing trade barriers. Indonesia, Brazil, Türkiye, Mexico, South Africa and the UK topped the markets where companies encounter trade barriers with a negative impact on operations, while only 3 per cent of companies in the Netherlands have experienced trade barriers.

lands have experienced trade barriers.

In general, custom procedures is the most frequently encountered barrier, followed by regulations and local requirements. Custom procedures are especially problematic for companies in Indonesia, the UK and Türkiye. Companies in Indonesia, Brazil and Mexico highlight regulatory barriers.

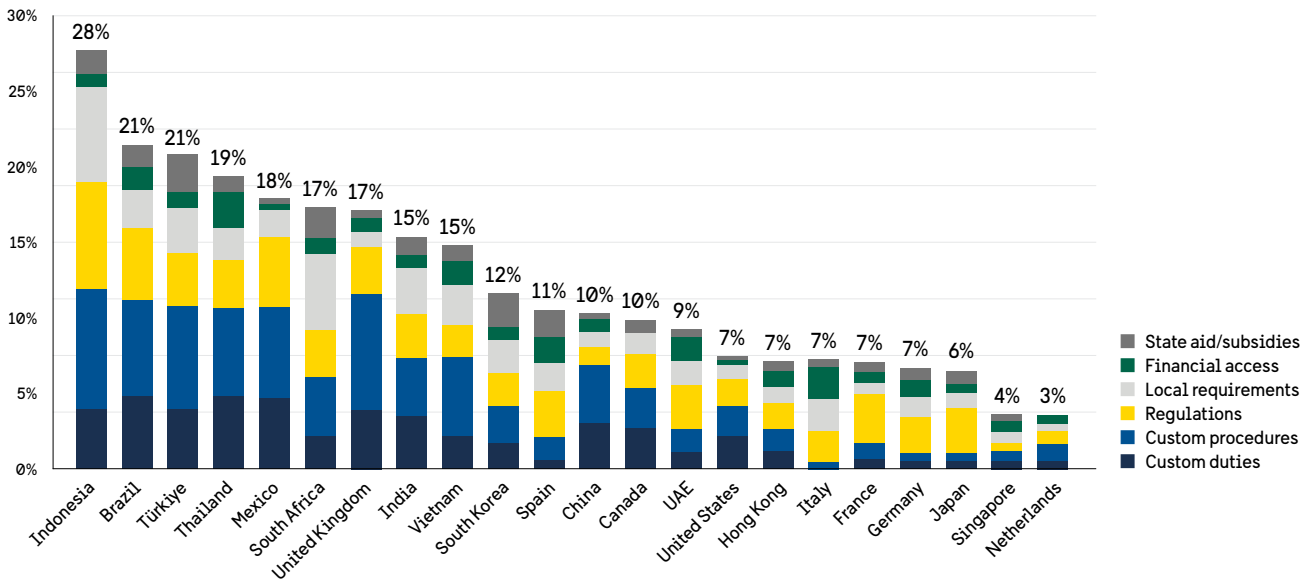
The APAC region illustrates two very different results when comparing Indonesia with Singapore. Swedish companies in Singapore and the Netherlands experience a favourable business climate with openness to trade, while companies in Indonesia are reporting trade barriers due to more ‘protective’ trade policies.

“ With respect to the Russia-Ukraine war and the related geo-political dimensions, it is clear where Singapore is and what it stands for – especially with the sanctions that it introduced against Russia and Belarus. From our perspective, and with the (corporate) clients we are dealing with, this makes life not only easier but also secures Singapore’s role as “the Regional Hub. ”

Benjamin Swedberg, Market Manager, SEB Singapore

Few Swedish companies experience serious trade barriers

Trade barrier in order of negative impact in operations by global survey respondents. Response percentages may not add up to 100 per cent as ‘don’t know answers’ are excluded in graph.



Survey question: Has your company in the past encountered trade barriers with a noticeably negative impact in operations, in any of the following areas?

Technical note

ABOUT THE SURVEY

The Global Business Climate Survey covers 22 markets in total and was first published in 2020. Now conducted for the third consecutive year, the survey covers over 60 per cent of employees in Swedish companies operating in global markets. The largest gap is the Nordic markets.

SURVEY RECIPIENTS AND RESPONSE RATES

The Global Business Climate Survey was sent to companies with Swedish ownership or Swedish origin and identity such as Volvo Cars and ABB. The survey was sent to C-level management in the respective companies and contained 18 standard questions, with some additional market specific questions. Two additional questions were added into the harmonised questionnaire compared to last year's survey. Some answers from the new questions were not able to be included in this year's report due to a lack of accurate responses. In total, more than 1,600 representatives of Swedish companies abroad responded to the survey. Surveys from most markets have a high response rate.

REGIONAL GROUPING

The markets included in each regional aggregate are listed below.

The Americas

United States
Brazil
Canada
Mexico

Asia Pacific (APAC)

China
Hong Kong
India
Indonesia
Japan
Singapore
South Korea
Vietnam
Thailand

Western Europe

France
Germany
Italy
Spain
United Kingdom
Netherlands

Middle East, Africa and Türkiye (MEA+)

South Africa
Türkiye
UAE

WEIGHTING OF AGGREGATE DATA

The number of respondents from the regions covered in the survey does not reflect the actual number of companies operating in the different regions. In order to obtain a more realistic picture, the results reported on an aggregated level (sometimes referred to as survey weighted average and sometimes as total global average) have been weighted with respect to the number of Swedish companies operating in the various regions. This means, for example, that answers from Western European surveys carry more weight than data from the Middle East, Africa and Türkiye regions in the survey aggregate, as there are more Swedish companies doing business in Western Europe than in MEA+. The weights are based on the number of Swedish subsidiaries in the respective region in 2021, based on statistics from the Swedish Agency for Growth Policy Analysis.

The weights used for each region

Region	Weight
Western Europe	62.8 %
APAC	19.6 %
The Americas	12.7 %
MEA+	4.9 %

Please note that the Nordics are not included in the regional aggregate called Western Europe.



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