

**BUSINESS SWEDEN**



# **SWEDEN'S EXPORTS ON THE RISE**

GLOBAL EXPORT ANALYSIS, OCTOBER 2018

Layout / graphics  
Business Sweden Marcom & Digitalization

Photos  
Page 1: [www.istockphoto.com](http://www.istockphoto.com)  
Page 3: Anders Thessing, [www.thessing.se](http://www.thessing.se)  
Pages 25–26: Business Sweden

# SWEDEN'S EXPORTS ON THE RISE

After experiencing a decline in its share of the worldwide export market for goods during the last decade, Sweden is back in the global arena. The downward trend was broken in 2016, and last year Swedish exports continued to gain market share in the global export market.

Swedish exports were hit considerably harder by the financial crisis than those of many other countries. One of the main reasons for this was a steep decline in investments on the part of many of Sweden's most important trading partners, primarily in Europe. The demand for intermediate and investment goods – key export products for Sweden – declined markedly. In line with recovery in the global economy, the value of Swedish exports in USD is increasing, but has still not recovered fully from the effects of the crisis period.

Over the past two years, Sweden's share of the global export market has increased. The share now stands at 1.3 per cent compared with 1.8 per cent prior to the outbreak of the financial crisis in 2008. The fact that Sweden's share is increasing again is largely due to the strength of the investment climate in Europe, where as much as 73 per cent of Sweden's exports go. Another contributing factor is a slowdown in exports from several growth economies, not least from China. Last year, Sweden increased its share of the export market in three segments – automotive, steel as well as clothes and shoes. The mechanical engineering, wood products and furniture are in line with the development of the world market.

Sweden is not the only country that has suffered a loss in its global export market share during the last ten years. The rest of Europe combined has seen its share of the global export market decline, while North America, on the other hand, has retained its share. During the same period, growth economies have increased their share of the market. This is especially true of China and India which have both recovered rapidly from the effects of the financial crisis compared with many other countries. Europe and North America still dominate the global export market with 42 and 15 per cent respectively – a combined total of 57 per cent. However, Asia's share has rapidly increased to 37 per cent, compared to 31 per cent in 2007.

During the past decade, Sweden has experienced weak development in its share of the market in several product groups. In Europe, the development of exports in different product groups has either been weaker than, or in line with the world market. In North America, exports have developed stronger than the world market in automotive, steel and wood products. Asia has increased its exports much faster than the world market in all product groups with the exception of automotive, clothes and shoes. China's export journey is impressive with almost a doubling of its exports in ten years. Electronics with telecom is by far the largest product group.

A healthy global economy combined with a weak krona benefits Swedish exports. The fact that Sweden is back in the global export arena is gratifying and most of the indicators show that Sweden will continue to increase its share of the global export market in the years ahead.



**LENA SELLGREN**  
Chief Economist  
Business Sweden

Lena Sellgren  
Chief Economist

# SWEDEN REGAINS ITS POSITION IN THE GLOBAL EXPORT MARKET

During the last decade, Sweden's export of goods have declined by 9 per cent, calculated in current prices in USD. However, for the world at large, exports increased during the same period by 24 per cent. As a result, Sweden lost market share in relation to other countries. In 2016, the trend was broken and Sweden increased its share – albeit marginally – of the global export market. In 2017, Sweden continued to increase its share of the global export market. This report, “Global Export Analysis”, focuses on goods exports and the largest product groups exported by Sweden in order to establish in which groups Sweden is making gains or losses in market share.

## SWEDISH EXPORTS CONTINUE TO GAIN MARKET SHARE

Last year, Sweden's export of goods amounted to more than SEK 1,300 billion at current prices. Exports are a key driver of the Swedish economy and account for almost half of GDP. Export of goods accounts for more than two thirds of the country's exports and development of goods exports is therefore of great importance for exports as a whole.

Sweden's share of the export market for goods amounts to more than 1.3 per cent. Ten years ago, it was 1.8 per cent. With the exception of 2010 and 2011, Sweden lost market share from 2007 up to 2015. In 2016 however, this downward trend for Sweden's share was broken. In fact, the country even increased its share of the global export market, albeit marginally. The reason for this increase in the last two years is that the investment climate in Europe has improved and the demand for Swedish industrial products has therefore increased. Europe is

a major export market for Sweden with 73 per cent of all Swedish goods exports.

The development of Swedish exports in both 2016 and 2017 was more favourable compared to the world market. In 2016, the world export market declined by almost 3 per cent. Clearly, Sweden's exports also declined although not as much as the world market or exports from large countries such as China and USA. In 2017, Sweden's exports grew by almost 10 per cent, which was more than the world market and countries such as China, Germany, USA and Japan.

During the period 2007–2017, the world export market grew by 24 per cent while Sweden's exports declined by 9 per cent. However, it is important to underline that all calculations in the analysis are based on current prices in USD. Prices as well as currency effects are therefore included. If both prices and currency effects are removed from the equation, i.e. if the analysis uses fixed prices in SEK, the picture is different. During the years 2007–2017, goods

exports in fixed prices in SEK increased by more than 13 per cent, which can be compared to the decline of 9 per cent in current prices in USD. The price and currency effects can therefore explain much of the difference in the development between goods exports in fixed and current prices respectively.

The fact that Sweden's exports in current prices in USD have declined means that Sweden, in total, has lost export market share. One explanation for the decline in Sweden's share of the world market is that the financial crisis – accompanied by a sharp fall in investments in several of Sweden's most important trading partner countries – resulted in reduced demand, especially for engineering products, goods that form a major part of Sweden's exports. Engineering products such as machinery, vehicles, electronics with telecom and instruments make up more than 40 per cent of Sweden's exported goods.

Another conceivable explanation is that growth economies, such as China and India, have continued to improve their positions as new and relatively large players in the world economy, and thereby also contribute to an increase in the global export market. China became a member of the World Trade Organi-

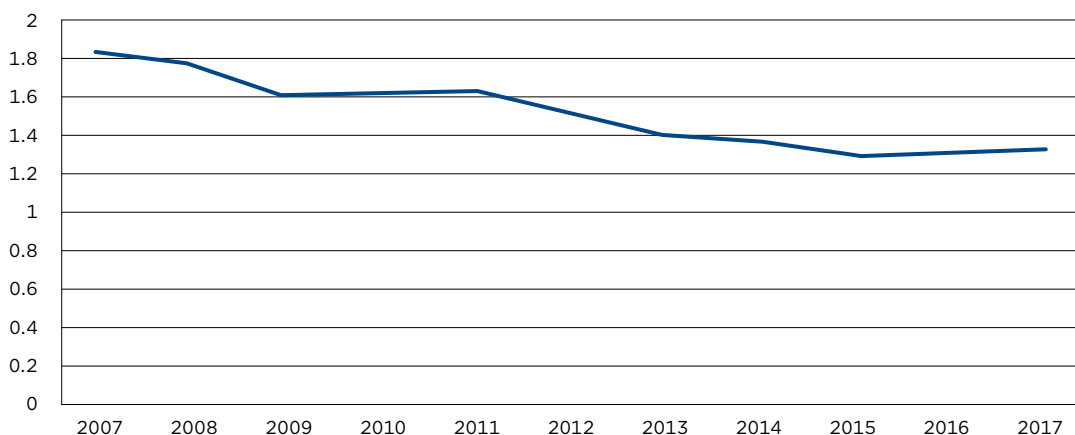
sation (WTO) in 2001 and has since increased its exports markedly, by just over 800 per cent.

During the last ten years, its growth has continued but at a slower rate, more than 85 per cent. A more developed economy such as Sweden's has, relatively speaking, therefore become a smaller player. Even other growth economies have experienced a relatively favourable export development during the 2007–2017 period, including Poland, Turkey and Brazil, with growth rates of between 35 and 60 per cent.

The fact that exports have developed faster in growth economies than in Sweden is not especially surprising. A more problematic development is that several developed economies have also increased their exports faster than Sweden. Europe's exports grew by 9 per cent 2007–2017, which is in stark contrast to Sweden's export losses of almost 9 per cent during the period. The export value for Sweden and Norway is still at a lower level than before the financial crisis. The export value for Germany is just above the level prior to the financial crisis and has therefore recovered since the crisis ended. The USA is a good deal above the level it was at before the financial crisis.

The difference in export growth during the last ten years becomes clearer when the distri-

SWEDEN'S SHARE OF THE EXPORT MARKET \*2007-2017, PER CENT OF THE WORLD MARKET

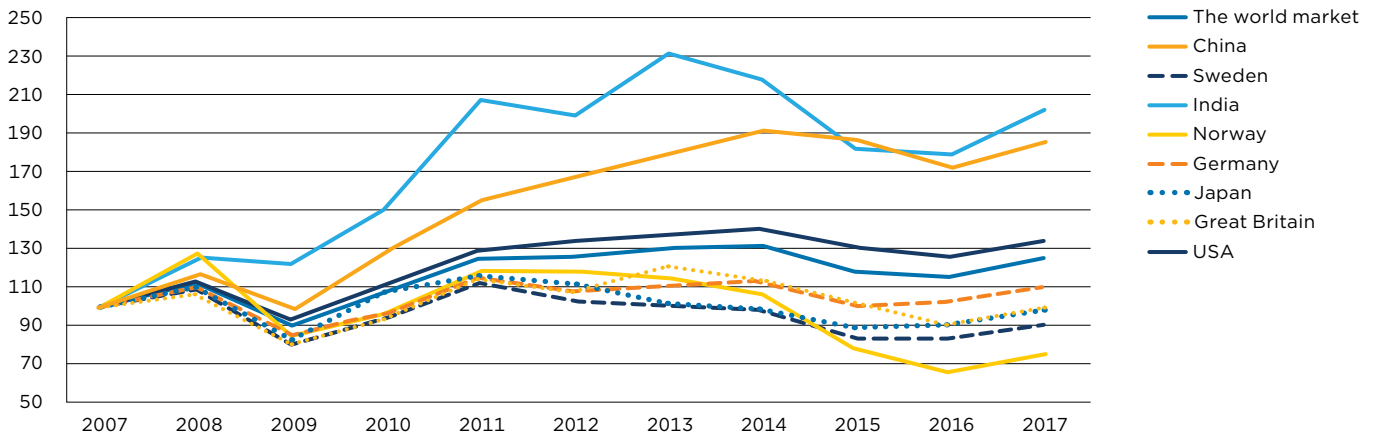


\*Share of the world market, see definition on page 7

EXPORT DEVELOPMENT OF GOODS 2016/2017 FOR SWEDEN AND SELECTED COUNTRIES IN THE WORLD MARKET

Year	Sweden	The world market	China	Germany	USA	Japan
2016	- 0.4	- 2.7	- 7.7	+0.9	- 3.4	+3.2
2017	+9.8	+8.7	+7.9	+8.2	+6.6	+8.2

EXPORT DEVELOPMENT GOODS, CURRENT PRICES USD, INDEX 2007=100

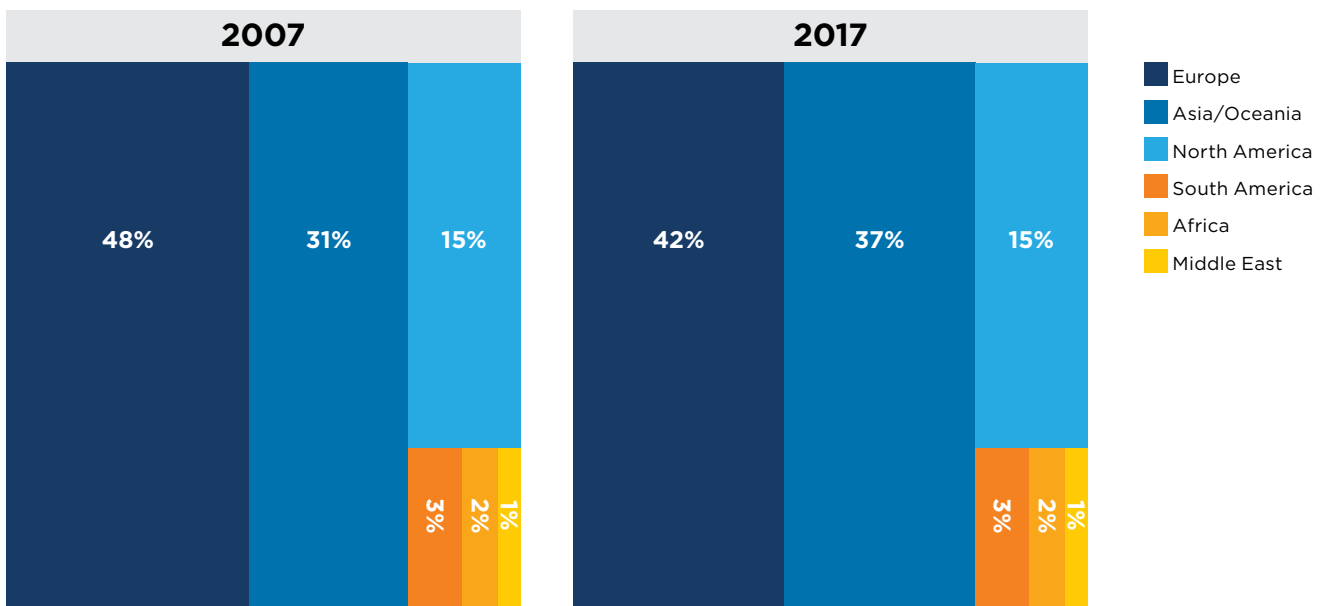


tribution of world exports per region in 2007 is compared to 2017. Europe and North America combined lose market share while the growth economies gain. In 2007, Europe and North America accounted for 63 per cent of world exports. In ten years, this share has fallen to 57 per cent. The decline is explained simply by the fact that Europe’s share has declined, while North America’s share has remained unchanged. Asia and Oceania has therefore increased their share of the export market substantially, from a share of less than 31 per cent

in 2007 to 37 per cent ten years later. The shares for South America, Africa and the Middle East remain virtually unchanged.

China is currently the world’s largest exporter of goods with an export value of more than USD 2,263 billion. USA and Germany, which are the world’s second and third largest exporters respectively, export goods for more than USD 1,500 billion. Japan, South Korea, Hong Kong, France, The Netherlands, Italy and Great Britain are also major players in the global export market for goods.

DISTRIBUTION OF WORLD EXPORTS\* PER REGION, 2007 AND 2017



\* Includes all the world’s countries that reported data for 2017, not the world market in the above box

**Current prices:** The analysis is based on current prices in USD which shows the nominal value. Therefore, value fluctuations as a result of price and currency effects are accounted for.

**The world market:** In order to create a relevant benchmark, the concept of “world market” is used. This relates to the export of goods from 23 large exporting countries in addition to Sweden. These countries include the most important countries in Western Europe (Belgium, Denmark, Finland, France, Ireland, Italy, The Netherlands, Norway, Switzerland, Spain, Great Britain, Sweden, The Czech Republic, Germany) as well as a number of other competitors to Sweden such as Poland, Turkey, Canada, Mexico, USA, Brazil, Japan, China, India and Australia. Together, the 24 countries represent more than three fourths of world exports.

**Measuring period with index:** The analysis covers the period 2007–2017. The year 2007 is used as the base year, which gives an overview of the development for each country relative to 2007 (i.e. index 2007=100).

**Global value chains:** The statistics do not take into account that a considerable portion of exported goods are processed and re-exported by global companies.

**Sources:** All statistics are extracted from the database UN Comtrade and processed by Business Sweden.

#### THE WORLD'S TEN LARGEST EXPORTERS OF GOODS YEAR 2017, BILLION DOLLARS (USD)

Country	Export goods	Share of world exports in per cent
China	2,263	14.6
USA	1,546	10.0
Germany	1,450	9.4
Japan	698	4.5
South Korea	574	3.7
Hong Kong	550	3.6
France	523	3.4
Netherlands	506	3.3
Italy	503	3.2
Great Britain	442	2.9

# WEAK DEVELOPMENT IN SEVERAL SEGMENTS

When broken down into product groups, foodstuff emerges as the big winner during the period 2007–2017. Swedish exports of foodstuff increased faster than the world market during the period. It should be mentioned, however, that almost half of all foodstuff exports consists of Norwegian salmon that passes through Sweden. In addition, foodstuff exports are at a low level. Foodstuff amounts to only 6 per cent of Sweden's total goods exports. In all other goods groups Swedish exports have increased slower than the world market.

The table below shows the development of exports per product group in 2017 compared to 2007. The colour coding indicates the development compared to the world market.

It is not only Swedish exports that have increased slower than the world market. Even Europe's overall development is weaker than the world market's in all product groups. North America's exports increased faster than the world market for automotive, steel and wood products. For the rest of the product groups, the development was in line with, or weaker than, the world market. Asia and Oceania increased their exports faster than the world market in most of the product groups.

EXPORT DEVELOPMENT PER PRODUCT GROUP AND REGION, 2007–2017, INDEX 2007=100

Product group	The world market	Sweden	Europe	Asia & Oceania	North America	South America	Africa	Middle East
Mechanical engineering	116.48	85.87	105.08	162.14	110.79	116.27	96.87	149.26
Automotive	118.70	98.09	115.37	119.63	139.24	110.01	183.84	98.35
Chemicals and pharmaceuticals	129.36	102.27	122.46	166.60	127.72	123.37	187.77	178.92
Electronics with telecom	122.39	74.49	96.39	148.39	119.72	67.33	192.83	195.02
Pulp and paper	105.68	84.91	93.04	186.69	100.32	141.15	145.64	151.84
Foodstuff	149.92	160.64	142.57	205.59	159.10	157.66	220.59	179.36
Steel	84.90	64.33	71.84	108.14	95.91	86.34	86.58	322.34
Wood products	106.44	73.00	95.76	131.52	122.25	107.84	127.00	183.43
Metals industry	125.70	85.03	106.81	165.17	123.43	133.01	122.64	101.27
Instruments	145.15	89.32	142.60	160.33	138.08	113.01	214.61	212.13
Clothes and shoes	140.21	148.44	130.34	131.63	115.02	75.93	95.21	108.94
Furniture	139.98	83.58	111.29	193.78	127.37	64.50	93.89	231.58
Total	124.46	90.56	109.45	151.08	128.41	126.86	113.72	101.22

Note. The colour coding indicates the development compared to the world market.

- Stronger development than the world market
- Roughly the same development as the world market
- Weaker development than the world market



Last year, Sweden's export growth was stronger than the world market's in three of the product groups, namely automotive, steel and clothes and shoes. Export development within the automotive industry was especially strong. Automotive is a large product group representing almost 14 per cent of total goods exported. The steep rise in automotive exports was of great benefit to the total amount of goods exported which last year increased faster than the world market. The development of exports within chemicals, electronics, pulp and paper, foodstuff, metals and instruments was weaker than the world market. Within mechanical engi-

neering, wood products and furniture, Swedish exports developed more or less in line with the world market.

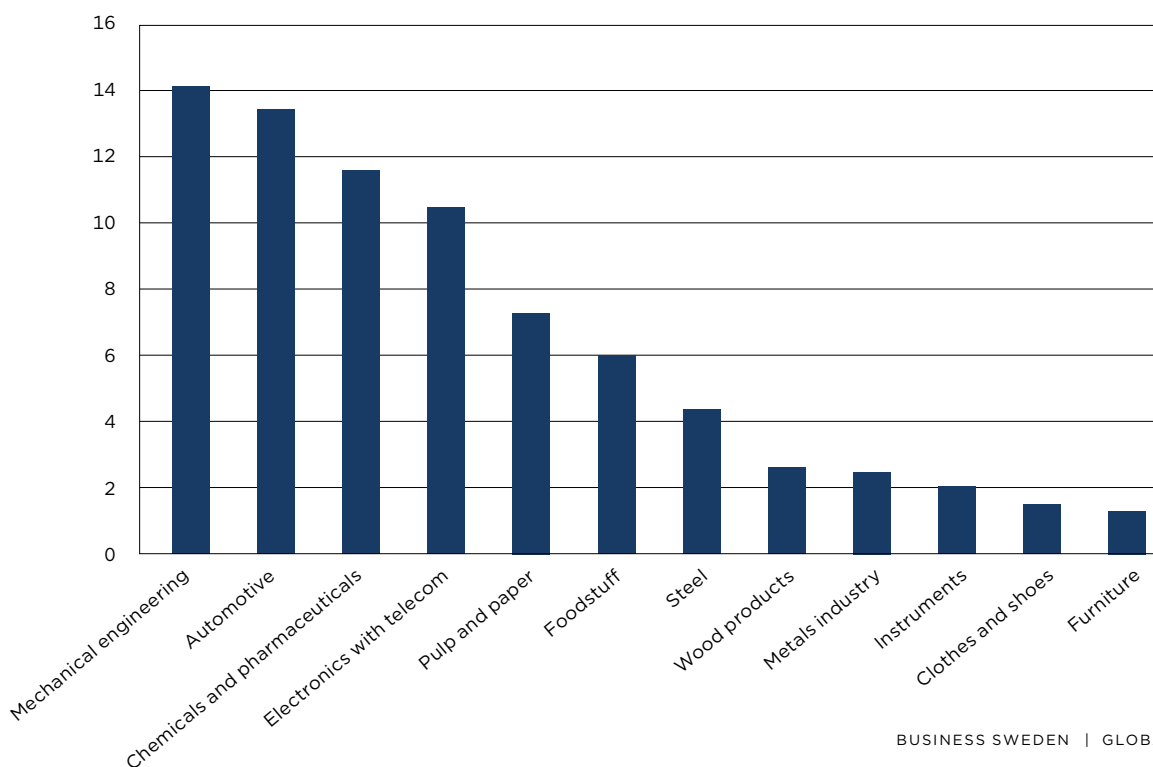
The engineering industry, and especially the mechanical engineering and automotive industries, dominates Swedish exports with more than 40 per cent of the total amount of goods exported. Chemicals, electronics, pulp and paper as well as foodstuffs are also important product groups. The product groups included in the analysis represent approximately 80 per cent of Swedish goods exports in 2017. Refined oil products is a large product group but has been excluded from the analysis due to its volatility.

#### EXPORT DEVELOPMENT 2017 COMPARED WITH 2016, CURRENT PRICES USD

Product group	World market	Sweden
Mechanical engineering	9.7	8.7
Automotive	7.9	17.7
Chemicals and pharmaceuticals	9.6	6.6
Electronics with telecom	8.6	2.6
Pulp and paper	5.8	4.3
Foodstuff	7.8	0.3
Steel	16.9	18.4
Wood products	7.8	8.7
Metals industry	8.3	2.5
Instruments	6.8	-2.8
Clothes and shoes	4.2	5.5
Furniture	5.2	4.4
Total	8.7	9.8

- Stronger development than the world market
- Roughly the same development as the world market
- Weaker development than the world market

#### SWEDEN'S GOODS EXPORTS PER INDUSTRY, 2017, PER CENT



## CHINA - AN IMPRESSIVE EXPORT JOURNEY

Last year, China's goods exports amounted to USD 2,263 billion. Ten years ago, China exported goods to the value of USD 1,220 billion. This is more than a doubling in one decade. At the beginning of the new millennium, its goods exports were considerably lower, USD 250 billion. Since China became a member of the World Trade Organisation (WTO) its goods exports have increased by just over 800 per cent. That corresponds to an average annual increase of as much as 14 per cent.

China has gone from a relatively small player on the global market to becoming the world's biggest exporter. In 2000, China's share of the export market stood at just over 5 per cent. Last year, the country represented almost one fifth of the world market's exports. In recent years, however, that share has declined. The reason for this is largely that China's growth rate has gradually slowed down - the result of a transition towards more long-term, sustainable growth in which the domestic economy is playing an increasingly vital role as the growth engine.

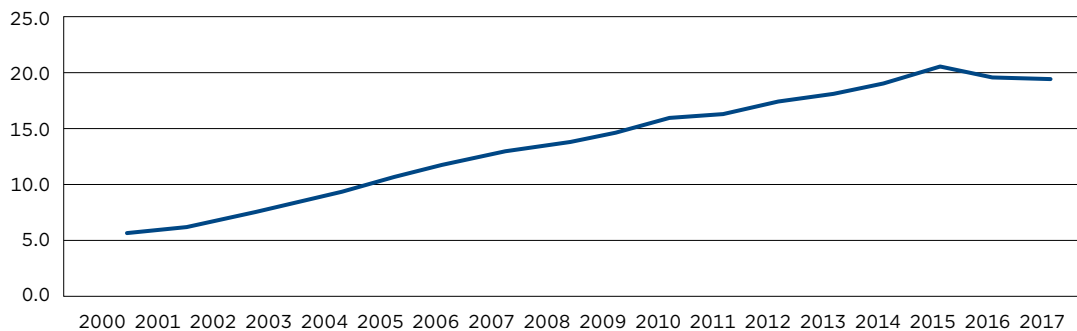
Electronics with telecom is the largest product group by far. Last year, the export of electronics accounted

for more than a third of goods exports. Even historically, the export of electronics has been the largest product group in goods exports. The fastest increase took place between 2000 and 2007 when electronics with telecom increased its share of exports from 25 per cent to 36 per cent.

Other large product groups are clothes and shoes and mechanical engineering, which accounted for almost one tenth each of China's goods exports. However, clothes and shoes have halved over the last 17 years, from 18 per cent in 2000 to 9 per cent in 2017. Mechanical engineering's share has almost doubled since the beginning of the millennium and now stands at almost 9 per cent.

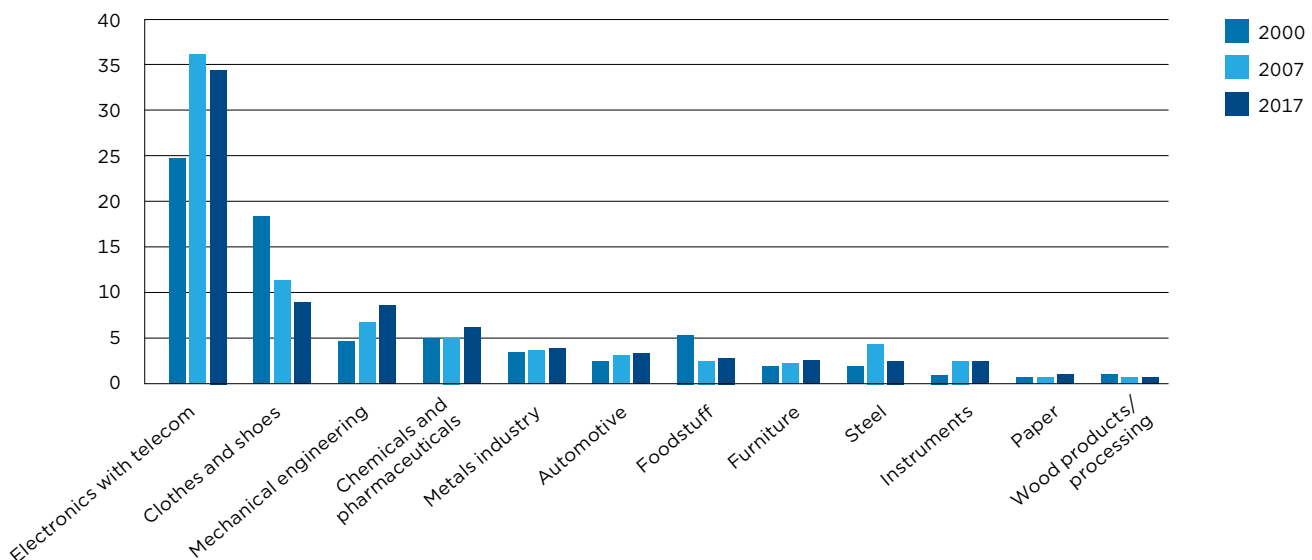
Almost half of Chinese goods exports go to the rest of Asia. North America and Europe account for just over one fifth of Chinese goods exports respectively. Other exports go to countries in Africa and South America. The USA is China's most important trading partner. The country imports slightly less than a fifth of China's goods exports. Other large recipients are Hong Kong, Japan, South Korea, Vietnam and Germany.

CHINA'S EXPORT MARKET SHARE \*2000-2017, PER CENT



\*Share of the world market, see definition on page 7

CHINA'S GOODS EXPORTS PER INDUSTRY, 2000, 2007 AND 2017, PER CENT



HELLO



# SWEDISH MECHANICAL ENGINEERING ROUGHLY IN LINE WITH THE WORLD MARKET LAST YEAR

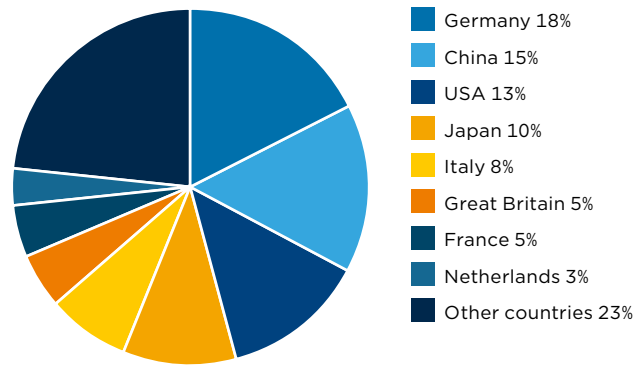


During the period 2007–2017, the world market’s exports of mechanical engineering products increased by 16 per cent. During the same period, Sweden’s export of mechanical engineering products fell by 14 per cent. In both 2015 and 2016 overall growth on the world market was negative. Last year, this growth was strong, almost 10 per cent. The fact that Sweden’s exports declined during the recent decade while the world market’s exports increased means that Sweden has lost market share in mechanical engineering sector. In 2007, Sweden’s share of the world market’s exports in mechanical engineering was 2.3 per cent. A decade later, it had dropped to 1.7 per cent.

During 2017, the world market’s exports in mechanical engineering increased by 10 per cent and Sweden’s exports with just under 9 per cent. Sweden’s export development last year was therefore roughly in line with the world market.

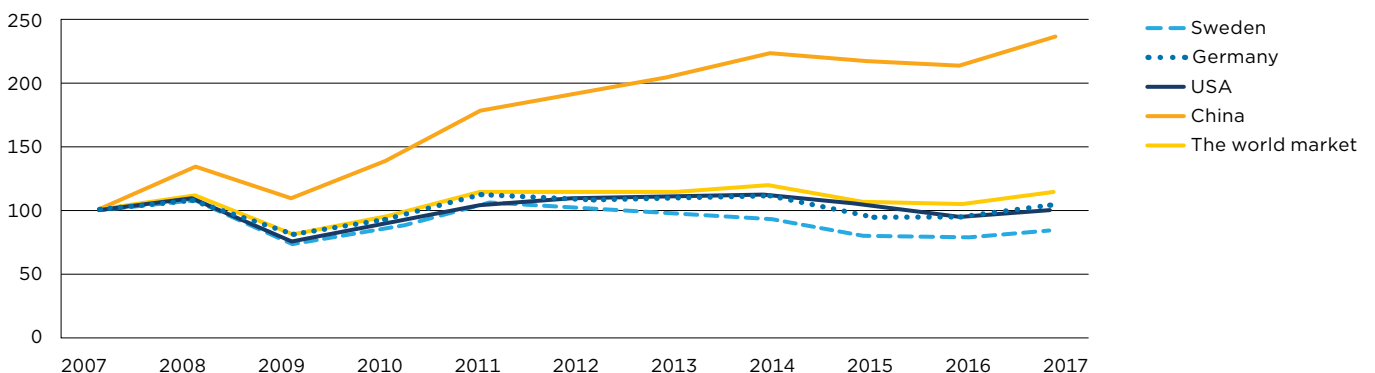
Germany is the largest exporter of mechanical engineering products with 18 per cent of the total exports on the world market. The country increased its exports by 6 per cent between 2007 and 2017. China, which today is the second largest exporter of mechanical engineering products, with 15 per cent of the world market, increased its exports by 137 per cent during the period. In third place in this product group is the USA with 13 per cent of exports on the world market. Over ten years, the USA’s exports of mechanical engineering products increased by 2 per cent.

DISTRIBUTION OF THE MOST IMPORTANT COMPETITOR COUNTRIES’ EXPORTS IN THE MECHANICAL ENGINEERING INDUSTRY, 2017



The mechanical engineering industry has long been the largest product group in the Swedish export industry and today accounts for 14 per cent of Sweden’s total goods exports. Mechanical engineering refers to machinery for specific industries, metal processing machinery and other non-electric machines and equipment. Within the mechanical engineering industry are many of Sweden’s traditional export companies such as ABB, Atlas Copco, SKF, Alfa Laval and Husqvarna. Other large export companies are Epiroc Rock Drills, Hexagon, Nibe, Systemair, Gunnebo and Valmet. In addition, the industry includes a large number of small and medium size companies.

EXPORT DEVELOPMENT MECHANICAL ENGINEERING, CURRENT PRICES USD, INDEX 2007=100



# PICKING UP SPEED IN THE AUTOMOTIVE INDUSTRY



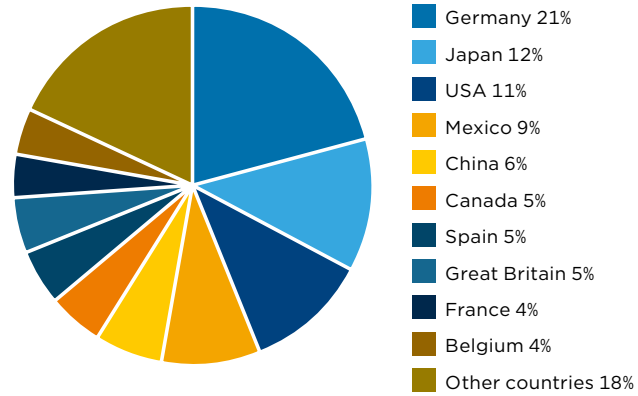
World market exports in the automotive industry increased by 19 per cent, 2007–2017. After 2009, the rate of development has been positive with the exception of a temporary decline in 2015. However, Sweden’s automotive exports declined by almost 2 per cent during the period. This means that Sweden lost market share on the world market. Sweden’s market share of automotive exports declined from 2.1 per cent in 2007 to 1.8 per cent in 2017.

Between 2016 and 2017, the world market’s exports within the automotive industry increased by 8 per cent. Sweden’s export increase was considerably stronger, all of 18 per cent. Therefore, Sweden substantially increased its share of the market in this product group last year.

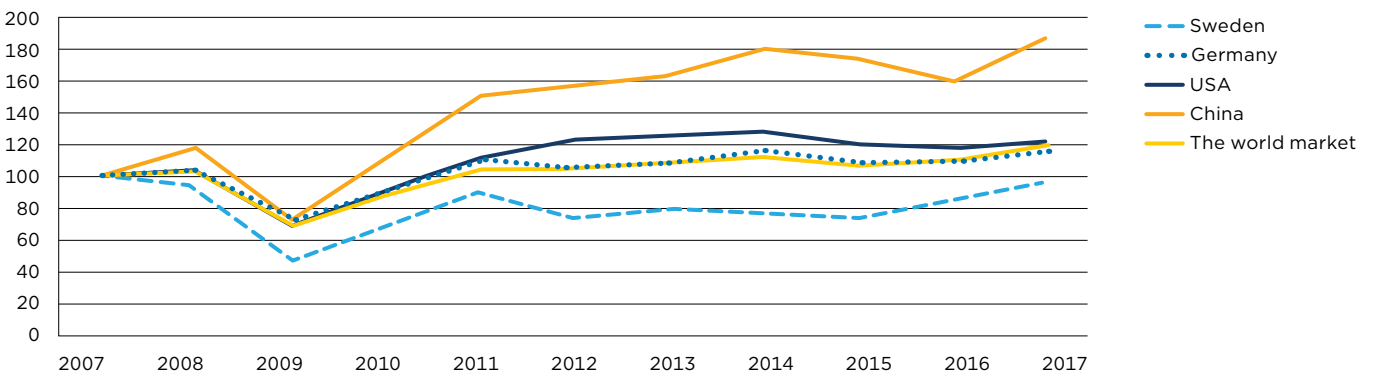
Germany is by far the largest exporter in the automotive industry. The country is responsible for more than a fifth of the world market’s exports and has increased its exports by 15 per cent over ten years. Japan and the USA are also major players with 12 per cent and 11 per cent of the world market, respectively. The USA had a somewhat stronger development than the world market during the period 2007–2017 and increased its exports by more than 22 per cent.

Automotive is the second largest product group and represents almost 14 per cent of Sweden’s total goods exports. The category consists of vehicles for roads. Volvo AB, Volvo Cars, Volvo buses and Scania are examples of large companies that dominate the industry. Large component manufacturers include Autoliv, Thule Group and Haldex.

DISTRIBUTION OF THE MOST IMPORTANT COMPETITOR COUNTRIES’ EXPORTS WITHIN THE AUTOMOTIVE INDUSTRY, 2017



EXPORT DEVELOPMENT AUTOMOTIVE INDUSTRY, CURRENT PRICES USD, INDEX 2007=100



# SWEDEN LOSES MARKET SHARE IN CHEMICALS AND PHARMACEUTICALS



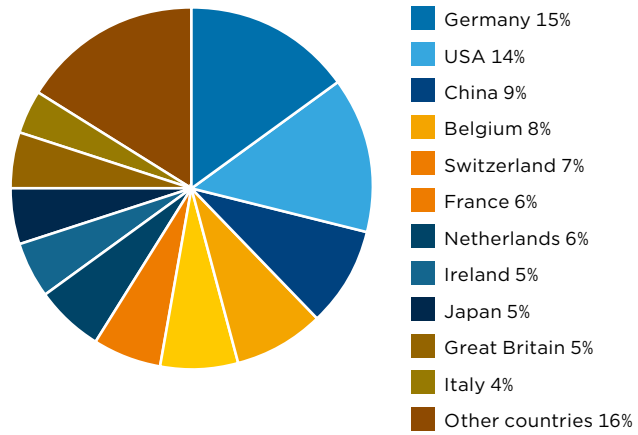
The world market's exports within chemicals including pharmaceuticals, increased by 30 per cent during the period 2007–2017. Sweden's increase of 2 per cent was considerably smaller. Sweden has therefore lost market share compared with the world market. In 2007, Sweden's share of the world market's exports within chemicals including pharmaceuticals, amounted to 1.5 per cent. A decade later it had declined to 1.2 per cent.

In 2017, the world market's exports and Sweden's exports increased by 10 and 7 per cent respectively. This means that Sweden lost market share relative to the world market last year as well.

Germany and the USA are the largest exporters in this product group. Together they account for almost a third of the world market's exports. Germany, however, increased its exports at a somewhat slower rate than the world market during the period 2007–2017 while the USA's exports increased faster. China, which is the third largest exporter within chemicals including pharmaceuticals, increased its exports by as much as 134 per cent in ten years.

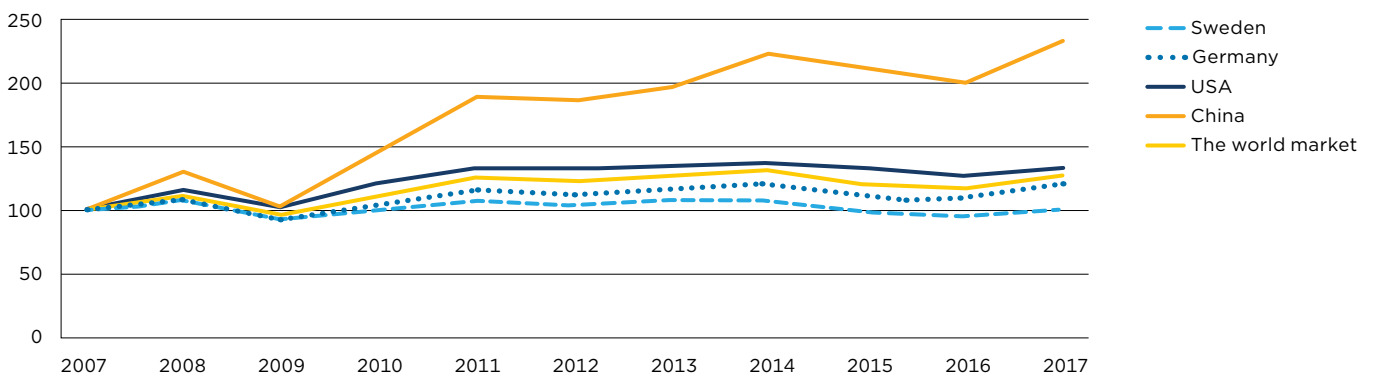
Chemicals including pharmaceuticals – which is the third largest product group – accounts for almost 12 per cent of Swedish goods exports. The product group consists of chemical products such as chemicals, fertilizer products and plastics, and pharmaceuticals. Today, a considerable portion of Sweden's chemicals industry belongs to international corporations such as Akzo Nobel and Borealis.

DISTRIBUTION OF THE MOST IMPORTANT COMPETITOR COUNTRIES' EXPORTS WITHIN CHEMICALS INCLUDING PHARMACEUTICALS, 2017



The pharmaceutical industry is dominated by Astra Zeneca, one of Sweden's biggest exporting companies. Other large exporting companies in this industry include Pfizer Health, Meda and Octapharma. Pharmaceuticals also includes the generation of large royalty earnings which are registered as service exports and therefore are not part of this analysis.

EXPORT DEVELOPMENT CHEMICALS INCLUDING PHARMACEUTICALS, CURRENT PRICES USD, INDEX 2007=100



## ELECTRONICS INCLUDING TELECOM CONTINUES TO DECLINE



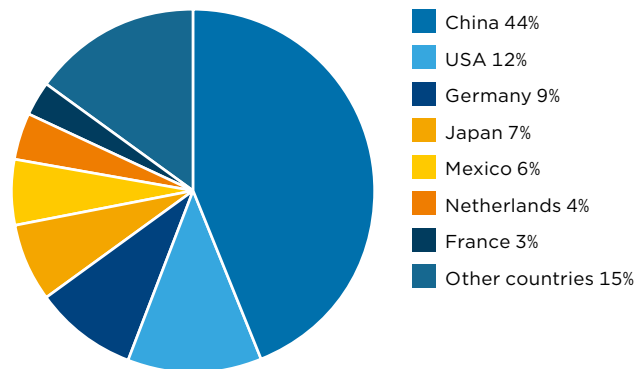
During the past ten years, the world market's exports within electronics including telecom increased by 22 per cent. The development since 2007 has been slow with an average annual growth of just over 2 per cent. Sweden's exports declined markedly during the period, by almost 26 per cent. Despite a recovery in exports after the financial crisis, it began to decline around 2012, with the exception of a modest upswing in 2014. During 2017, Swedish exports within this product group increased by almost 3 per cent. Overall however, the development of Swedish exports in electronics has been weak for the past ten years. As the development has been weaker than the world market's, it means that Sweden has lost market share relative to the world market. Sweden's share of the world market's exports has declined from 1.5 cent in 2007 to 0.9 per cent 2017.

During 2017, the world market's exports within electronics increased by nearly 9 per cent. Sweden's increase of 3 per cent was lower, and Sweden therefore lost additional market share within this product group.

China is by far the largest player with almost half of the world market's electronics exports. During 2007–2017, the country increased its exports of electronics by 78 per cent. Huawei and ZTE are examples of telecom producers with large export shares. It is also important to mention that China is used as an assembly country and export platform for audio, radio and TV products.

The USA and Germany are large exporters within this product group, with 12 per cent and 9 per cent respectively. The increase for

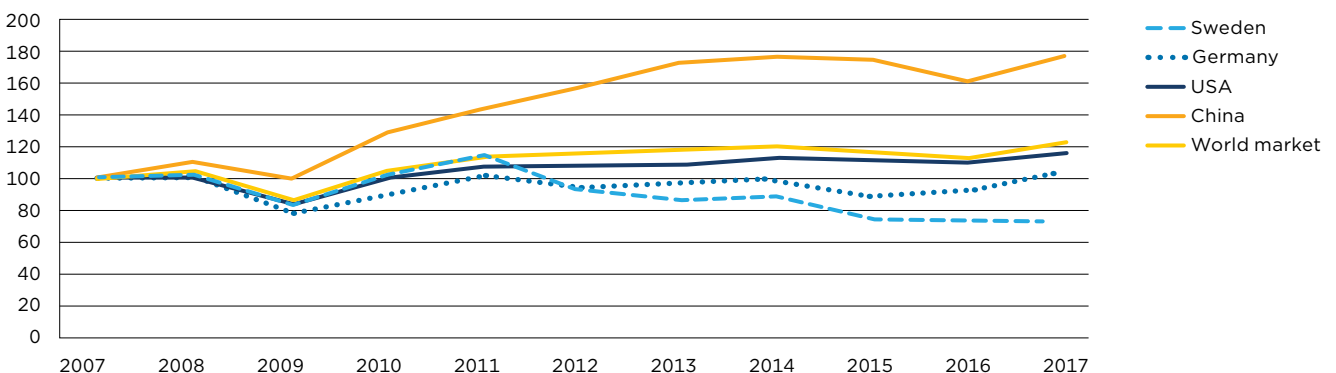
DISTRIBUTION OF THE MOST IMPORTANT COMPETITOR COUNTRIES' EXPORTS WITHIN ELECTRONICS INCLUDING TELECOM, 2017



both countries in electronics exports during the period 2007–2017 was weaker relative to the world market.

Electronics including telecom consists of electrical products and equipment for, for example, the generation and distribution of electricity, computers and computer equipment, electronic components, household appliances, as well as telecommunications equipment and audio, radio and TV products. Ericsson has traditionally been a large exporter within this product group. Since 2015 Ericsson has been classified as a service company. Despite this reclassification, the company remains a major supplier of base stations. However, an overwhelming amount of these products are supplied from other countries through so-called triangular trade or merchanting.

EXPORT DEVELOPMENT ELECTRONICS INCLUDING TELECOM, CURRENT PRICES USD, INDEX 2007=100



# SWEDEN STILL A GLOBAL PLAYER IN PULP AND PAPER



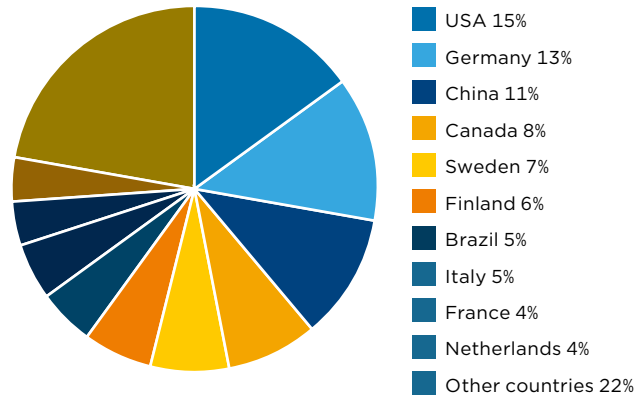
During the period 2007–2017, the world market’s exports of pulp and paper increased by approximately 6 per cent. After the financial crisis these exports improved, but in recent years the development has been weak. Sweden’s exports of pulp and paper declined by 15 per cent during the period and therefore Sweden lost market share relative to the world market. Ten years ago, Sweden’s export share as a share of the world market stood at 8.3 per cent. By 2017 it had declined to 6.7 per cent.

During 2017, the world market’s exports of pulp and paper increased by almost 6 per cent. Sweden’s export increase of slightly more than 4 per cent was somewhat weaker than the world market’s, which means that Sweden lost market share relative to the rest of the world.

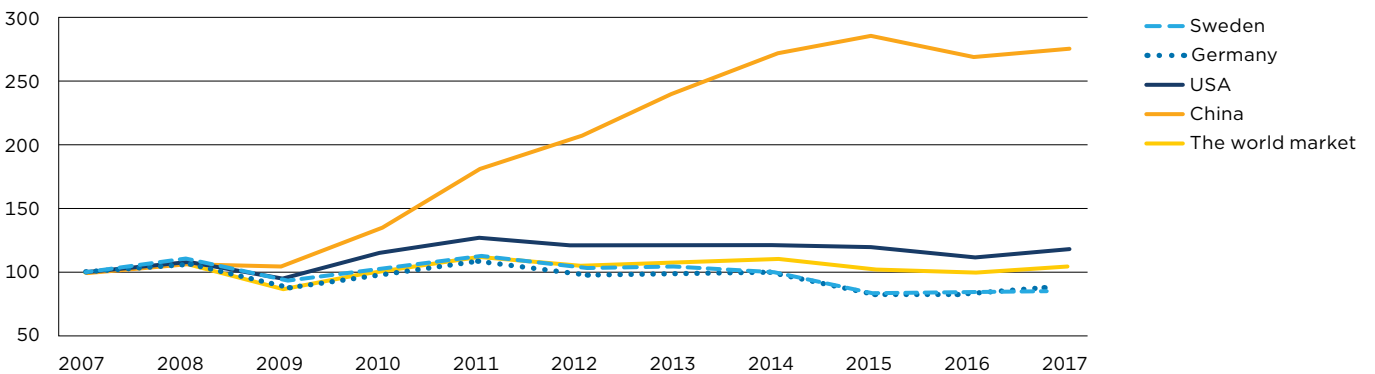
The USA is the largest exporter in this product group with 15 per cent share of exports. Germany and China are also major players with just over 13 per cent and 11 per cent respectively. The USA increased its exports by 19 per cent during the period 2007–2017, while Germany’s exports declined by almost 11 per cent in ten years. China’s exports increased by 175 per cent during the period.

At the present time, the pulp and paper industry is the fifth largest product group with just over 7 per cent of Swedish goods exports. SCA, Metsä, Stora Enso, Billerud Korsnäs, Holmen, Södra Skogsägarna and Kappa Kraftliner are the companies that dominate the market. Exports constitute a major portion – more than 90 per cent – of the pulp and paper companies’ production.

DISTRIBUTION OF THE MOST IMPORTANT COMPETITOR COUNTRIES’ EXPORTS WITHIN PULP AND PAPER, 2017



EXPORT DEVELOPMENT PULP AND PAPER, CURRENT PRICES USD, INDEX 2007=100





## FOODSTUFF LOST MARKET SHARE 2017



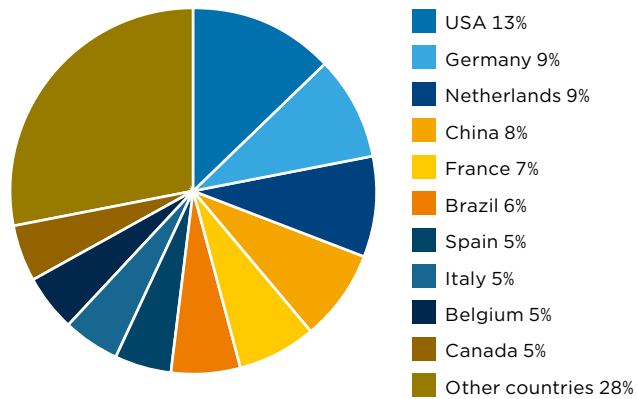
During the period 2007–2017, the world market's exports of foodstuff increased by almost 50 per cent. Sweden's increase during the period amounted to just over 60 per cent. Sweden's exports therefore increased faster than the world market and Sweden therefore gained market share. Ten years ago, Sweden's share of the world market's exports of foodstuff was 1.0 per cent. Up until 2016, the trend was that Swedish exports of foodstuff continued to gain market share, and in 2017 its share stood at 1.1 per cent.

Between 2017 and 2016, the world market's exports of foodstuff increased by almost 8 per cent. In principle, Sweden's exports in this product group remained unchanged. This means that the upward trend was broken and therefore Sweden lost market share during last year.

The USA is the largest exporter of foodstuff with 13 per cent of the world market's exports. The USA's exports increased by more than 50 per cent during the period. Germany, The Netherlands, France and China are other major exporters with nearly one tenth each. Germany and The Netherlands both increased their exports by 40 per cent during the period. France's increase of approximately 11 per cent was considerably lower. China more than doubled its exports during 2007–2017.

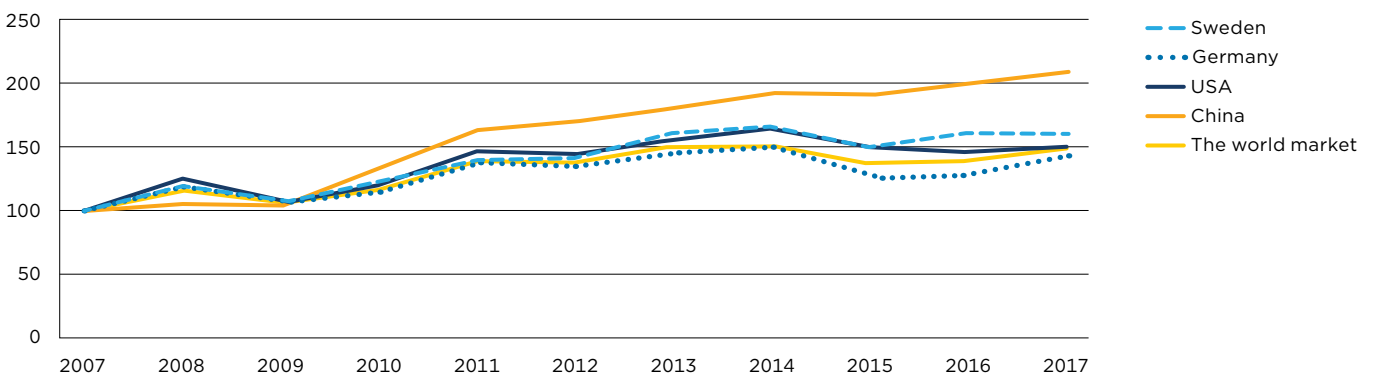
The foodstuff product group includes meat, dairy and fish products, vegetables and fruit, coffee and tea, sugar products as well as beverages and tobacco products.

DISTRIBUTION OF THE MOST IMPORTANT COMPETITOR COUNTRIES' EXPORTS WITHIN FOODSTUFF, 2017



The largest Swedish exporter for many years is Absolut Vodka, but even Åbro, Kopparbergs, Almondy, Annas Pepparkakor, Pågen, Gevalia Löfbergs, Findus and Abba, among others, are also large exporters. The Swedish foodstuff industry is experiencing strong growth, primarily in countries in Western Europe, and in many countries has become synonymous with quality and safety. It should be noted that the statistics include the Norwegian salmon that passes through Sweden.

EXPORT DEVELOPMENT FOODSTUFF, CURRENT PRICES USD, INDEX 2007=100



# SWEDISH STEEL EXPORTS BEAT THE WORLD MARKET

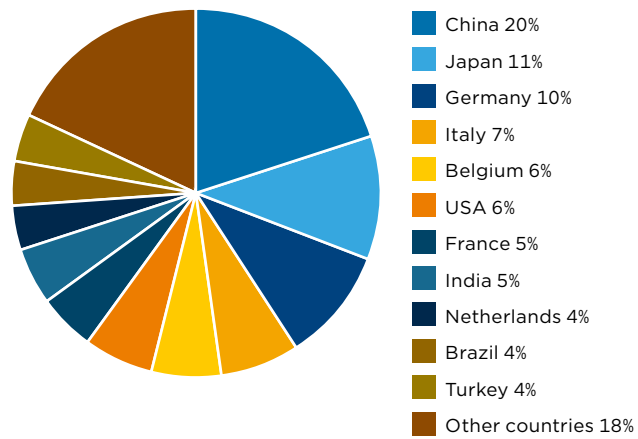


During the period 2007–2017, the world market’s exports within the steel industry declined by more than 15 per cent. 2009 was a real crisis year when exports in the steel industry almost halved. Since then, the development has been mixed with strong growth in 2010 and 2011 and negative growth, with the exception of 2014, during the period 2012–2016. Sweden’s steel exports declined by almost 36 per cent in ten years, which means that Sweden has lost market share relative to the world market. In 2007, Sweden’s share of the world market’s steel exports amounted to 3.3 per cent. In 2017, it dropped to 2.5 per cent.

2017 was a good year for steel exports which increased by 17 per cent. Sweden’s exports increased marginally more, by 18 per cent. Sweden therefore beat the world market last year.

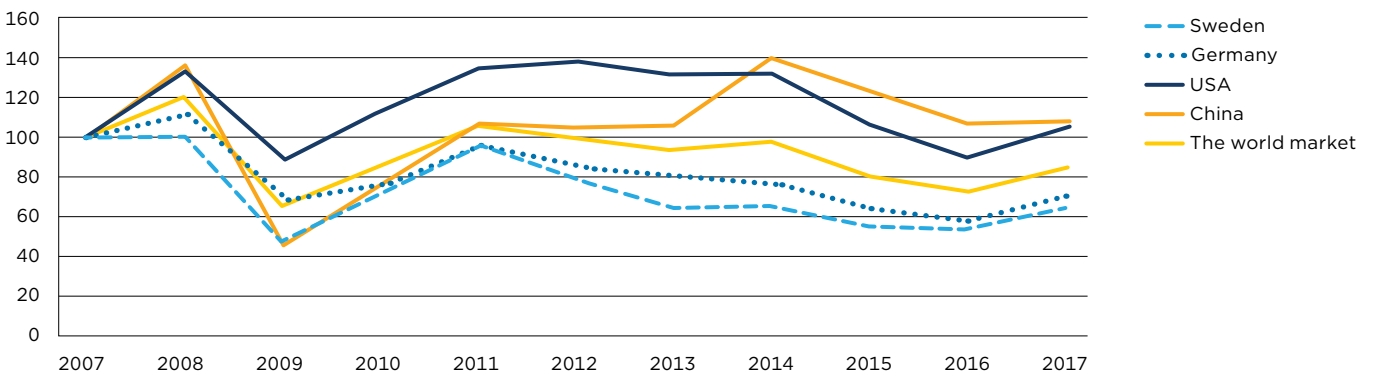
China is the largest exporter in the steel industry with a share amounting to one fifth of the world market’s exports. The country’s steel exports increased by more than 8 per cent during the period. Japan and Germany are examples of other large exporters, each with slightly more than one tenth of the world market’s steel exports. During the period, both countries’ exports declined by more than 15 per cent and 30 per cent respectively.

DISTRIBUTION OF THE MOST IMPORTANT COMPETITOR COUNTRIES’ EXPORTS WITHIN STEEL, 2017



The steel product group includes iron and steel. Sweden is currently a leading niche producer of various types of special steel through companies such as SSAB, Sandvik Materials Technology, Outokumpu Stainless, Ovako and Uddeholm, among others. Most of the so-called finished steel that is supplied by the steel companies in Sweden goes for export, which means that all steel companies are exporters.

EXPORT DEVELOPMENT STEEL, CURRENT PRICES USD, INDEX 2007=100



# WEAK SWEDISH DEVELOPMENT IN THE METALS INDUSTRY



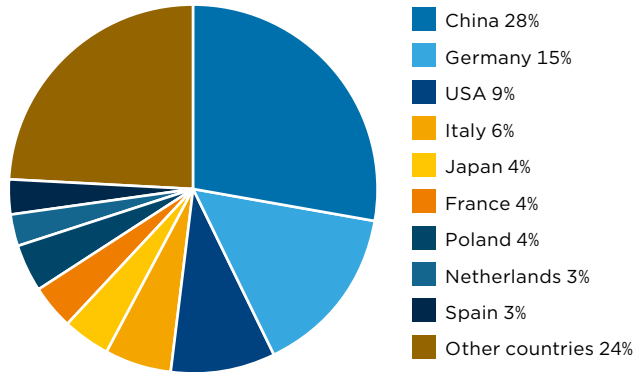
Between 2007 and 2017, the world market's exports within the metals industry increased by 26 per cent. With the exception of 2015 and 2016, the development of exports after the financial crisis has been relatively stable. During the period, Sweden's exports within the metals industry declined by almost 15 per cent. Sweden has therefore lost market share relative to the rest of the world. Ten years ago, Sweden's share of the world market's exports within the metals industry was 1.9 per cent. By 2017 it had declined to 1.3 per cent.

During 2017, the world market's exports within the metals industry increased by more than 8 per cent. Sweden's exports increased as well, but only by 2 per cent. Sweden therefore lost market share last year.

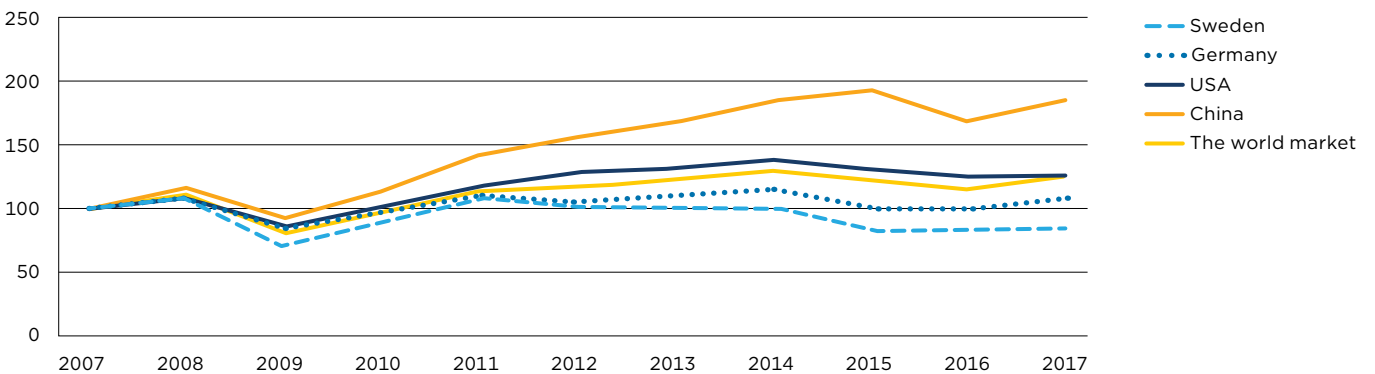
China dominates the product group with exports of just over 28 per cent. During the period 2007–2017, the country increased its exports by 86 per cent. Germany and the USA are two other large players with 15 per cent and 9 per cent of the world market's exports, respectively. The increase in exports for Germany and the USA during the period amounted to 9 per cent and 28 per cent, respectively.

The metals industry manufactures various types of hand and machine tools, metal constructions such as containers as well as metal objects for household and industrial use. Hard metals and machine tools are major export products with Sandvik as a prime example.

DISTRIBUTION OF THE MOST IMPORTANT COMPETITOR COUNTRIES' EXPORTS WITHIN THE METALS INDUSTRY, 2017



EXPORT DEVELOPMENT METALS INDUSTRY, CURRENT PRICES USD, INDEX 2007=100



## EXPORT OF WOOD PRODUCTS STABLE



During the period 2007–2017, the world market’s exports of wood products increased by just over 6 per cent.

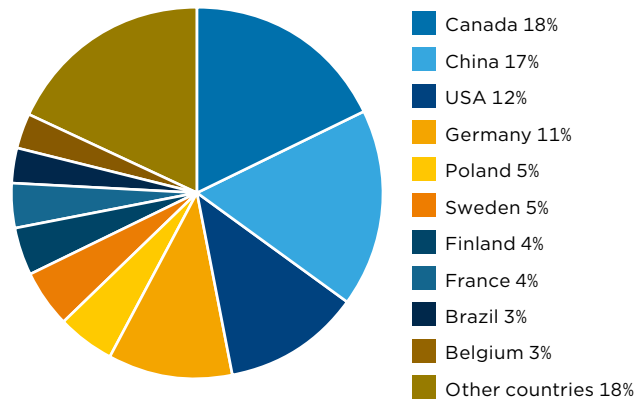
After the financial crisis, export development has been positive with the exception of a temporary decline in 2015. Sweden’s exports declined by almost 30 per cent during the period. Sweden has therefore lost market share relative to the world market. Ten years ago Sweden had 7.4 per cent of the world market’s exports of wood products. In 2017, this figure had declined to 5.1 per cent. Despite the decline in market share, Sweden is a major international player in this product group.

During 2017, the world market’s exports in this product group increased by almost 8 per cent. Sweden’s exports increased by almost 9 per cent. Therefore, during last year, Sweden kept pace with the world market.

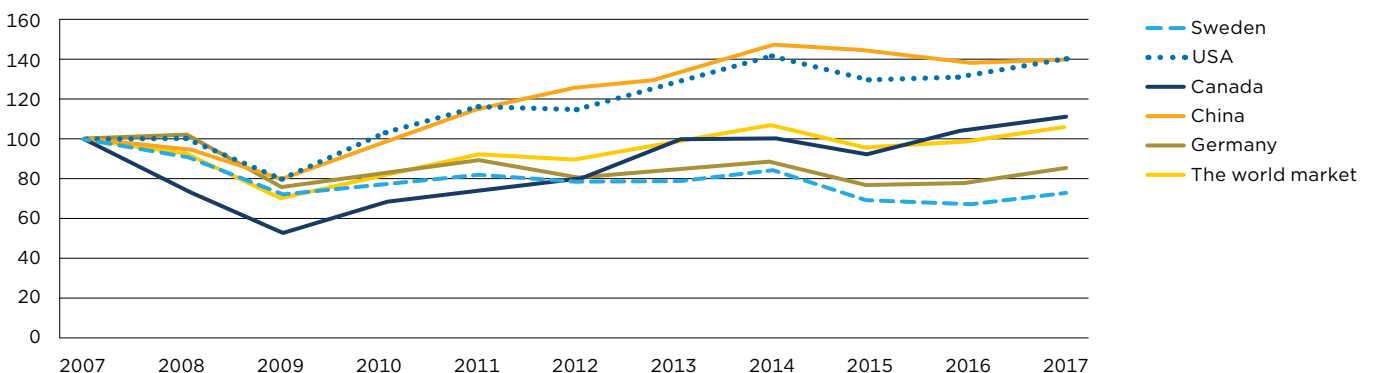
Canada and China are the largest exporters of wood products with almost one fifth of the world market’s exports each. Both countries increased their exports of wood products with 12 per cent and 40 per cent respectively during the period.

Wood products include raw materials and processed wood and cork, but not furniture. Examples of large Swedish companies within this segment are Södra Skogsägarna, SCA, Setra, Derome and Holmen.

DISTRIBUTION OF THE MOST IMPORTANT COMPETITOR COUNTRIES’ EXPORTS WITHIN WOOD PRODUCTS, 2017



EXPORT DEVELOPMENT WOOD PRODUCTS, CURRENT PRICES USD, INDEX 2007=100



# SWEDEN'S EXPORT MARKET SHARE IN INSTRUMENTS FALLS



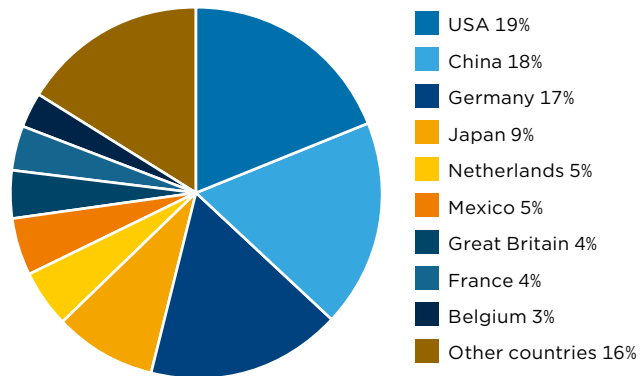
Between 2007 and 2017 the world market's exports in the instruments segment increased by just over 45 per cent. After 2009 – with the exception of 2015–2016 – exports have shown positive growth. Sweden's exports of instruments declined by more than 10 per cent during the period, which means that Sweden has lost market share relative to the world market. A decade ago, Sweden's share of instrument exports amounted to 1.6 per cent. In 2017, the share fell to 1 per cent.

Last year, the world market's exports of instruments increased by just over 7 per cent. Sweden's exports declined by almost 3 per cent. The development of Sweden's exports was therefore weaker than the development in the world market.

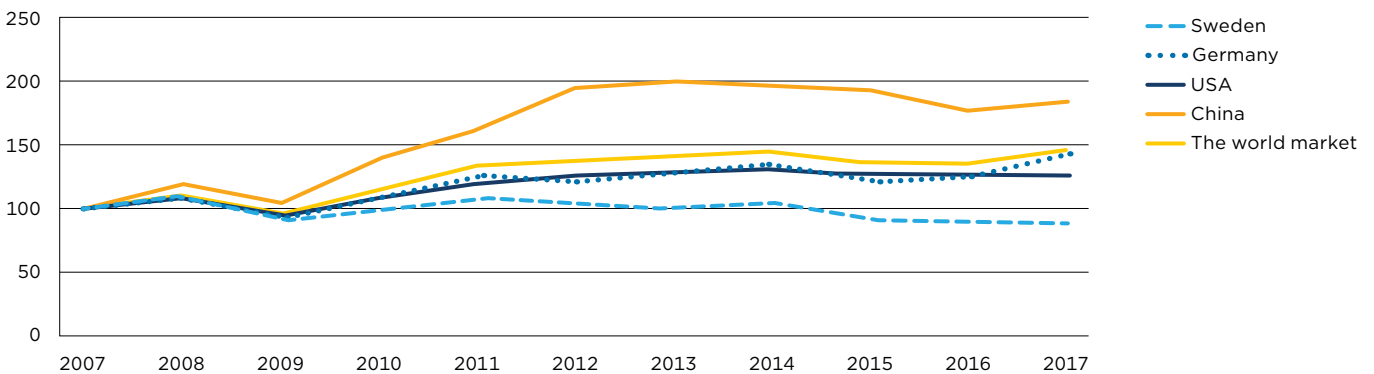
The USA is the largest exporter within the instrument segment with almost 20 per cent of the world market. China and Germany are also strong exporters with 18 per cent and 17 per cent respectively of the world market's exports in this product group. USA and Germany increased their exports by 27 per cent and 42 per cent respectively during the period. China increased its exports by 83 per cent.

The instruments group includes various types of measuring and control instruments as well as photographic and optical instruments for scientific and technical applications, for example in health care. Even consumer products such as clocks are included in this segment. Sweden has a large number of niche companies that are active on the export market, for example within medical instruments. Getinge Sterilization, Gambro and Electa are a few of the companies in this market.

DISTRIBUTION OF THE MOST IMPORTANT COMPETITOR COUNTRIES' EXPORTS WITHIN INSTRUMENTS, 2017



EXPORT DEVELOPMENT INSTRUMENTS, CURRENT PRICES USD, INDEX 2007=100



## STABLE POSITION FOR SWEDEN IN CLOTHES AND SHOES



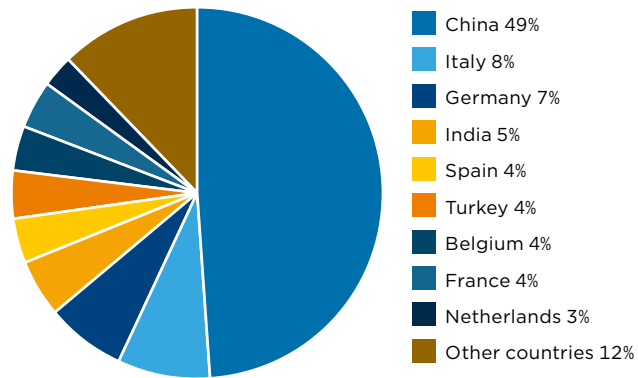
During the years 2007–2017 the world market's exports in clothes and shoes increased by just over 40 per cent. After the financial crisis, the development has been positive, with the exception of 2015–2016. Sweden's exports increased even more, by almost 50 per cent, during the period. Sweden has therefore gained market share relative to the rest of the world. In 2007, Sweden exported 0.5 per cent of the world market's exports in clothes and shoes. Ten years later it had increased to 0.6 per cent.

During 2017, the world market's exports in clothes and shoes increased by just over 4 per cent. Sweden's exports increased by 5.5 per cent. Sweden's share of the export market therefore continued to strengthen.

China is by far the largest player in this product group. The country accounts for almost half of the world market's exports and increased its exports by almost 46 per cent during the period 2007–2017. Italy, Germany and India are other major exporters of clothes and shoes. Italy increased its exports by a modest 2 per cent during the period. The increases for Germany and India were considerably larger, 54 per cent and 86 per cent, respectively.

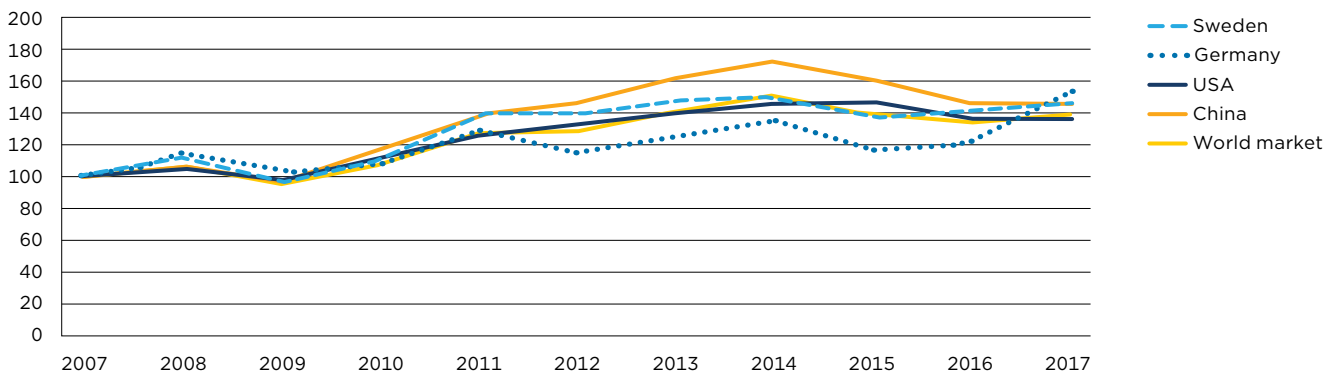
The Swedish fashion industry is relatively well established on the global market. H&M accounts for a large portion of the exports (approximately 88 per cent) but even companies such as Acne, WeSC, Nudie, Cheap Monday and Filippa K have become relatively large players. In spite of this, the statistics characterise

DISTRIBUTION OF THE MOST IMPORTANT COMPETITOR COUNTRIES' EXPORTS WITHIN CLOTHES AND SHOES, 2017



Sweden as a small exporter. One possible explanation is that the majority of the production takes place in low cost countries. Another explanation is that merchandising is not reflected in the statistics. Merchandising (the resale of products produced and sold outside Sweden by Swedish companies) is of great importance to Swedish multinationals with the largest portion of their production located abroad but their head offices located in Sweden. Added to this are immaterial rights such as the exploitation of brands – probably an important item within clothes and shoes segment – and which is registered in the statistics for services.

EXPORT DEVELOPMENT CLOTHES AND SHOES, CURRENT PRICES, USD, INDEX 2007=100



## EVEN PACE IN FURNITURE EXPORTS



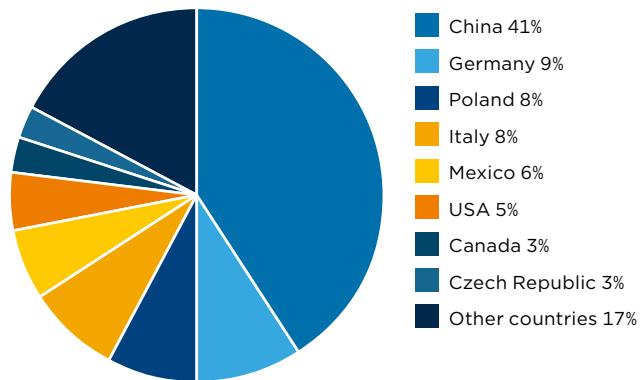
Between 2007–2017 the world market’s exports of furniture increased by nearly 40 per cent. After the financial crisis, the development of these exports has been very positive, with the exception of the years 2015–2016. Sweden’s furniture exports declined by slightly more than 16 per cent during the period. Sweden has therefore lost market share relative to the world market. In 2007, Sweden’s share of the world market’s exports within this product group amounted to 2.4 per cent. Ten years later, it amounts to 1.4 per cent.

Last year, the world market’s furniture exports increased by 5 per cent. Sweden’s export increase was marginally smaller with just over 4 per cent. Therefore, Sweden kept an even pace last year with the world market.

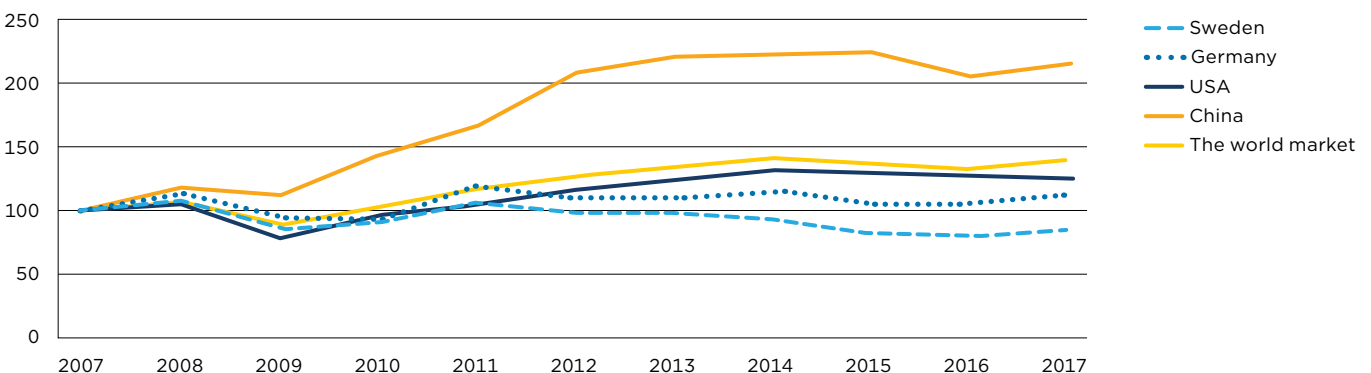
China exports approximately 41 per cent of the world market’s exports of furniture. The country more than doubled its exports during the period 2007–2017. Germany, Poland and Italy are other important players. Germany and Poland increased their exports by 10 per cent and 48 per cent respectively during the period. Italy’s exports declined by 17 per cent.

This product group includes furniture, mattresses, bedclothes and cushions. IKEA is by far the leading Swedish exporter in the group.

DISTRIBUTION OF THE MOST IMPORTANT COMPETITOR COUNTRIES’ EXPORTS WITHIN FURNITURE, 2017



EXPORT DEVELOPMENT FURNITURE, CURRENT PRICES USD, INDEX 2007=100



# ABOUT THIS REPORT

Business Sweden publishes the report *Global Export Analysis* on an annual basis.

The report used the United Nations database UN Comtrade to source export statistics on Sweden's 24 most important competitors for the years 2000 to 2017. However, the analysis focuses on export development during the past ten years. UN Comtrade contains information on the foreign trade activities of most countries, disseminated into product groups according to the so-called SITC nomenclature (revision 3).

All statistics are based on current prices expressed in USD. To compile an analysis of value-based trade flows has its limitations. Fixed price estimations, however, are unavailable from many countries, which is why, in order to penetrate down to product level, value-based data is adhered to in this report.

The 24 chosen competitor countries include Australia, Belgium, Brazil, Denmark, Finland, France, India, Ireland, Italy, Japan, Canada, China, Mexico, The Netherlands, Norway, Poland, Switzerland, Spain, Great Britain, Sweden, Czech Republic, Turkey, Germany and USA. Statistics are not available for all countries. Neither is it interesting for us to compare with Sweden countries that are primarily exporters of raw materials. The analysis has therefore been limited to all larger countries that also to various degrees are "competitors" to Sweden.

Goods exports has been divided into 12 product segments which cover almost 80 per cent of Sweden's exports. The segments are as follows, with SITC codes (Standard International Trade Classification, revision 3) in parenthesis:

- Foodstuff (0,1)
- Wood products/processing (24, 63)
- Chemicals including pharmaceuticals (5)
- Paper (24, 64)
- Steel (67)
- Metals industry (69)
- Mechanical engineering (71, 72, 73, 74)
- Electronics including telecom (75, 76, 77)
- Automotive industry (78)
- Furniture (82)
- Clothes and shoes (84, 85)
- Instruments (87)

The most important product groups not covered within the 12 mentioned above are refined oil products (SITC 32–35), various consumer products (SITC 89) for example sports products, toys etc., as well as non-iron metals (SITC 68).











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

**BUSINESS SWEDEN** Box 240, SE-101 24 Stockholm, Sweden  
World Trade Center, Klarabergsviadukten 70  
T +46 8 588 660 00 F +46 8 588 661 90  
[info@business-sweden.se](mailto:info@business-sweden.se) [www.business-sweden.se](http://www.business-sweden.se)

