



# SWEDISH GOODS EXPORTS IS FALLING BEHIND

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GLOBAL EXPORTS ANALYSIS 2016

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- ▶ Sweden's exports of goods increased by an average of four per cent per annum during the period 1998-2015. Exports of goods in the rest of the world, however, increased at a much higher rate. Western European exports also increased more quickly. This means that Swedish exports of goods have lost global market shares.
- ▶ Sweden lost just over 30 per cent of its market share compared with its most important competing countries between 2004/05 and 2014/15 in terms of total exports of goods. Western Europe as a whole lost 17 per cent, while the emerging economies increased their market shares.
- ▶ The product group in which Sweden is suffering the biggest losses is telecoms, with a fall of 66 per cent over the last decade. Sweden is also losing in other important product groups such as machinery, automotive, pulp and paper.
- ▶ Food is the only product group in which Swedish exports of goods have increased their market share, by 14 per cent in total over the last ten years. In clothing and footwear, Sweden has maintained its market share over the same period.
- ▶ China is the single biggest exporter of goods and is the big winner during the period. The country is dominant in a number of product groups such as other electronics, telecoms, steel, metal, clothing and footwear. China is now also challenging major Western European players and the USA as the biggest player in most product groups, in particular machinery, pulp and paper, and chemicals (excluding pharmaceuticals).
- ▶ India too gained market shares in most product groups, although not in telecoms and furniture. Poland, the Czech Republic and Turkey also increased their market shares significantly.
- ▶ Sweden is, however, maintaining its position in the global services market. During the period studied, the market share for exports of services increased by a total of four per cent. Western European exports of services, by contrast, lost 12 per cent during the same period.



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# SWEDISH GOODS EXPORTS IS FALLING BEHIND

Sweden's exports of goods are increasing, but the rest of the world's exports is increasing more. Over the last ten years, Europe suffered heavy losses in market share to the emerging economies, and Sweden is losing more than the average in Western Europe. This analysis focuses on exports of goods and the major product groups in Swedish exports in order to identify which of Sweden's competing countries are winning and losing market shares.

## SWEDISH EXPORTS OF GOODS LAG BEHIND

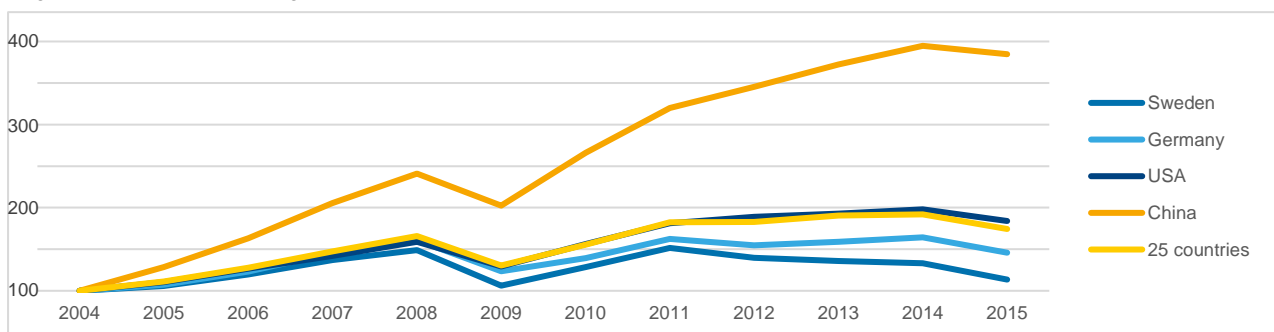
In 2015, Sweden's exports of goods totalled almost SEK 1,300 billion<sup>1</sup>. Exports of goods increased by four per cent compared with the previous year, which is also the average annual growth rate since 1998. The fact that Sweden's exports of goods continue to increase at a reasonable rate indicates that Swedish companies are competitive in the global market.

But a different picture emerges if you consider Sweden's exports of goods in relation to the outside world. When compared with global

exports and with countries competing directly with Sweden, Swedish exports of goods are increasing slowly. This means that Sweden is losing market shares to the outside world.

Business Sweden has analysed the export trend for Sweden and 24 important competing countries over a ten-year period. Each country's export share in 2004/05 was compared with the share in 2014/15. This produces a picture of which countries have increased and decreased their exports in relation to the other countries studied. These 25 countries include the most important countries in Western Europe, as well as a number of other competing countries of

Figure 1: Export trend for goods 2004-15 in current prices, USD, index 2004=100<sup>2</sup>



<sup>1</sup> SCB; Business Sweden (2016)

<sup>2</sup> UN Comtrade; Business Sweden (2016)

importance to Sweden such as Poland, the Czech Republic, Turkey, the whole of NAFTA, Brazil, Japan, China, India, Australia and Oceania.

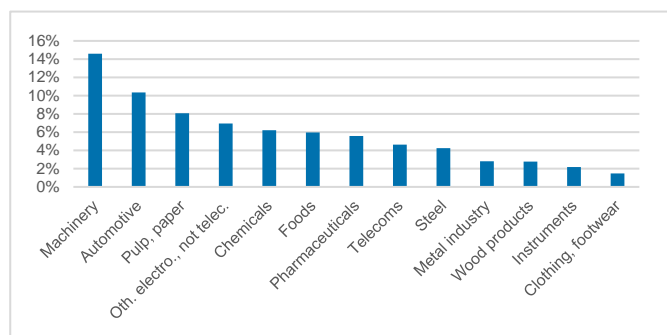
Over the period 2004 to 2015, Sweden's exports of goods increased, albeit at a slower rate than in the 25 countries selected in total. The biggest increases were in China and other emerging economies. Exports in large parts of the western world, such as Germany and the USA, also increased by more than in Sweden, figure 1.

### MAJOR LOSSES IN MOST PRODUCT GROUPS

The biggest product groups in Swedish exports, excluding refined oil products<sup>1</sup>, accounted for about 80 per cent of Sweden's exports of goods in 2014/15. Engineering dominates, led by the machinery and automotive industries. Pulp and paper, other electronics and chemicals are also important product groups. The composition of Swedish exports of goods largely matches the composition in global trade. The biggest export segments in the 25 countries are, in descending order, other electronics (excluding telecoms), machinery, automotive industry, chemicals (excluding pharmaceuticals) and food. Sweden does, however, have relatively large exports of pulp, paper and wood products.

Sweden's exports of goods lost a total of 31 per cent in market share compared with the other 24 countries over the last ten years. This is almost twice as much in terms of share as Western Europe, which lost 17 per cent over the same period. This indicates that Western Europe on average and in particular major players such as Germany have acquitted themselves better than

Figure 2: Product groups in Swedish exports, average for 2014-15 (%)<sup>2</sup>



Sweden.

The product group where Sweden has lost the most is telecoms, where its market share has fallen by 66 per cent. Western Europe<sup>3</sup> has also made heavy losses in the field of telecoms. Sweden also lost a lot in the field of pharmaceuticals, where Western Europe fared better. Other product groups where Sweden saw major losses are the machinery and vehicle industries, where Western Europe also fared better. Sweden's losses in pulp and paper were more or less the same as for Western Europe, while Sweden acquitted itself better in the area of other electronics.

Sweden increased its share in food, while Western Europe as a whole declined. Sweden also fared well in clothing and footwear, maintaining its market share.

Figure 3: Trend in Sweden's and Western Europe's market shares by product group (per cent)

Goods segment	Share of Swedish exports 14/15	Sweden's share of 25 countries' exports 14/15	Δ Sweden's market share 04/05-14/15	Δ Western Europe's market share 04/05-14/15
Machinery	15%	2%	-22%	-10%
Automotive industry	10%	1%	-31%	-11%
Pulp and paper	8%	7%	-18%	-17%
Other electronics (excl. telecom)	7%	1%	-12%	-31%
Chemicals (excl.pharmaceutical)	6%	1%	-11%	-14%
Foods	6%	1%	14%	-14%
Pharmaceuticals	6%	2%	-40%	-3%
Telecoms	5%	2%	-66%	-58%
Steel	4%	2%	-38%	-22%
Metal industry	3%	1%	-32%	-22%
Wood products	3%	5%	-11%	-7%
Instruments	2%	1%	-34%	-11%
Clothing and footwear	1%	1%	0%	-21%
Furniture	1%	2%	-35%	-38%
<b>Total</b>	<b>100%</b>	<b>1%</b>	<b>-31%</b>	<b>-17%</b>

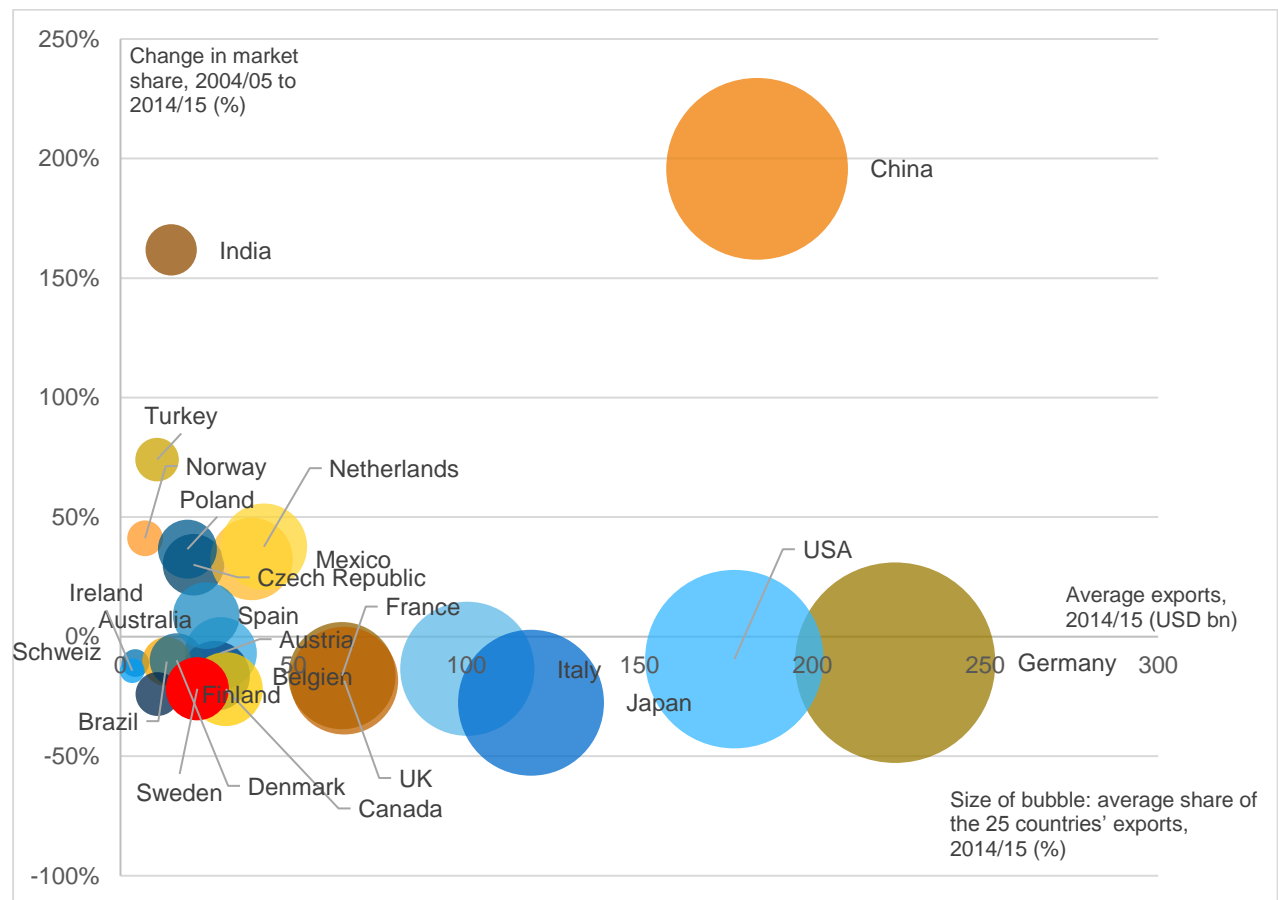
<sup>1</sup> Refined oil products are not included in this analysis, as it is a very volatile product group

<sup>2</sup> UN Comtrade; Business Sweden (2016)

<sup>3</sup> Comprises the Western European countries included in the study

## CHINA CHALLENGE GERMANY WITHIN MACHINERY

Diagram 4: Machinery – perc. change of 25 countries' exports market share 2004/05 to 2014/15<sup>1</sup>



Machinery is since long the most important segment within Swedish exports and comprise power generating machines, metalworking machines and other non electric machines. Here are many of our traditional exporting companies such as Atlas Copco, SKF, Alfa Laval and Husqvarna. Other large exporting companies are Hexagon, Nibe, Systemair, Gunnebo and Valmet, and besides those there are a large amount of small and mid-sized companies.

During the period between 004/05 and 2014/15 the Swedish machinery industry has lost 22 percent in market share. Western Europe<sup>2</sup> has lost 10 percent, and thus did better than Sweden.

The large winners are India and China. India is still a small player within machinery industry, whereas China has passed USA and closes on Germany that is the largest exports country. Both USA and Germany have lost 10 percent during the period. Other winners are Turkey, Mexico, the Netherlands, Poland, Czech Republic and Norway. Countries that loose much are, besides Sweden, Japan, UK, France, Finland and Canada.

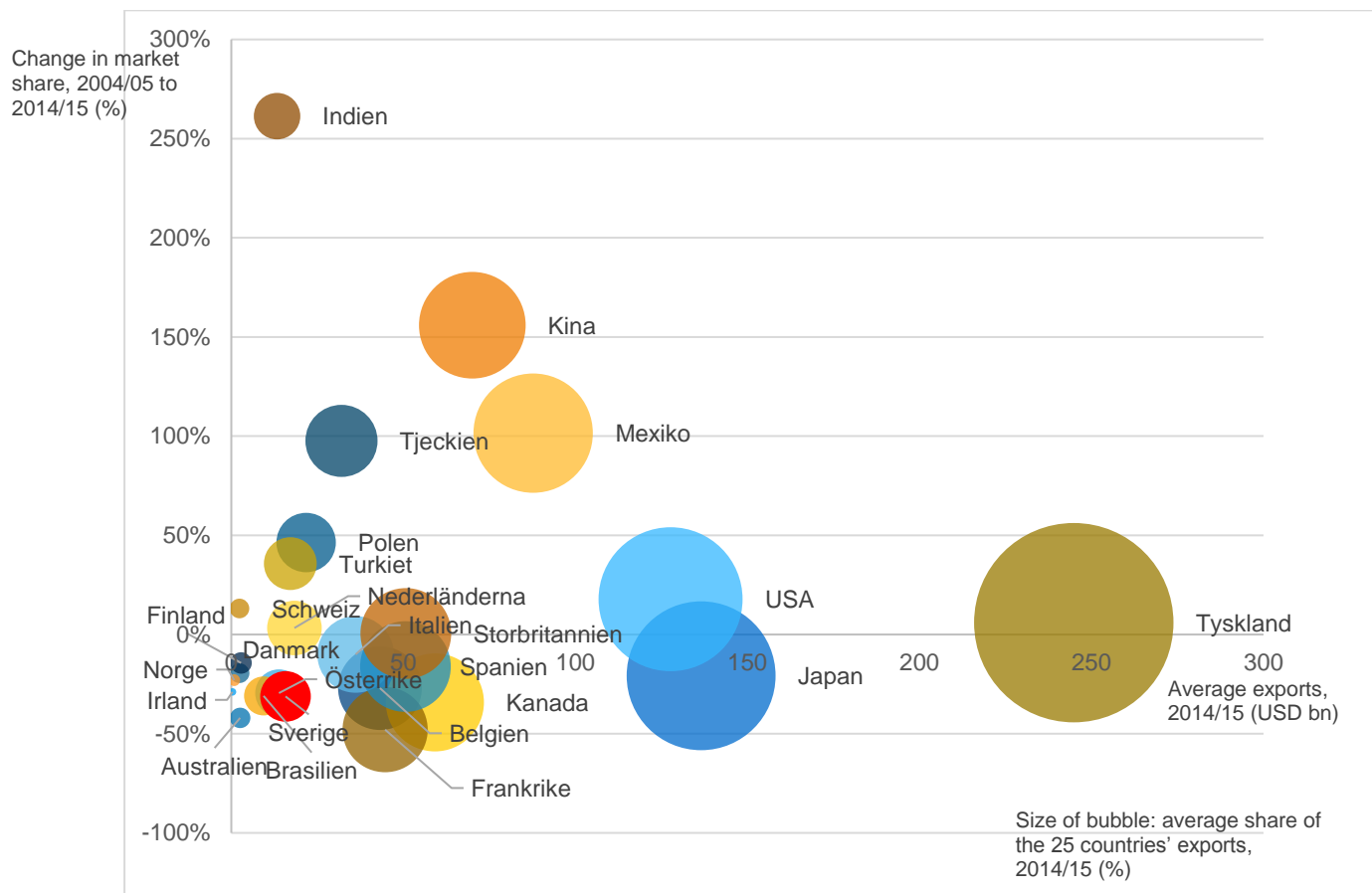
The 25 countries accounts for 86 percent of the world's exports within the segment.

<sup>1</sup> UN Comtrade; Business Sweden (2016)

<sup>2</sup> Comprises the Western European countries included in the study

## GERMANY CONTINUES TO DOMINATE WITHIN AUTOMOTIVE INDUSTRY

Diagram 5: Automotive – perc. change of 25 countries' exports market share 2004/05 to 2014/15<sup>1</sup>



Automotive industry is the second largest segment within Swedish exports and comprise road vehicles. The segment is dominated by Volvo AB, Volvo Cars and Scania, but covers hundreds of companies. Important component producers are Autoliv, Thule Group and Haldex. The car trade is also important, many cars are sold across the borders and impact the numbers.

Swedish automotive exports have dropped 31 percent in market share the last decade. Western Europe did better with a drop of 11 percent, and we see a recovery within the automotive industry in Europe.

Germany still dominates the segment, followed by other large players such as USA and Japan. Japan has however lost heavily, whereas India is the country that has increased its market share the most. India is, though, still a rather small player within automotive. China, Mexico and Czech Republic are other countries that increased their shares significantly.

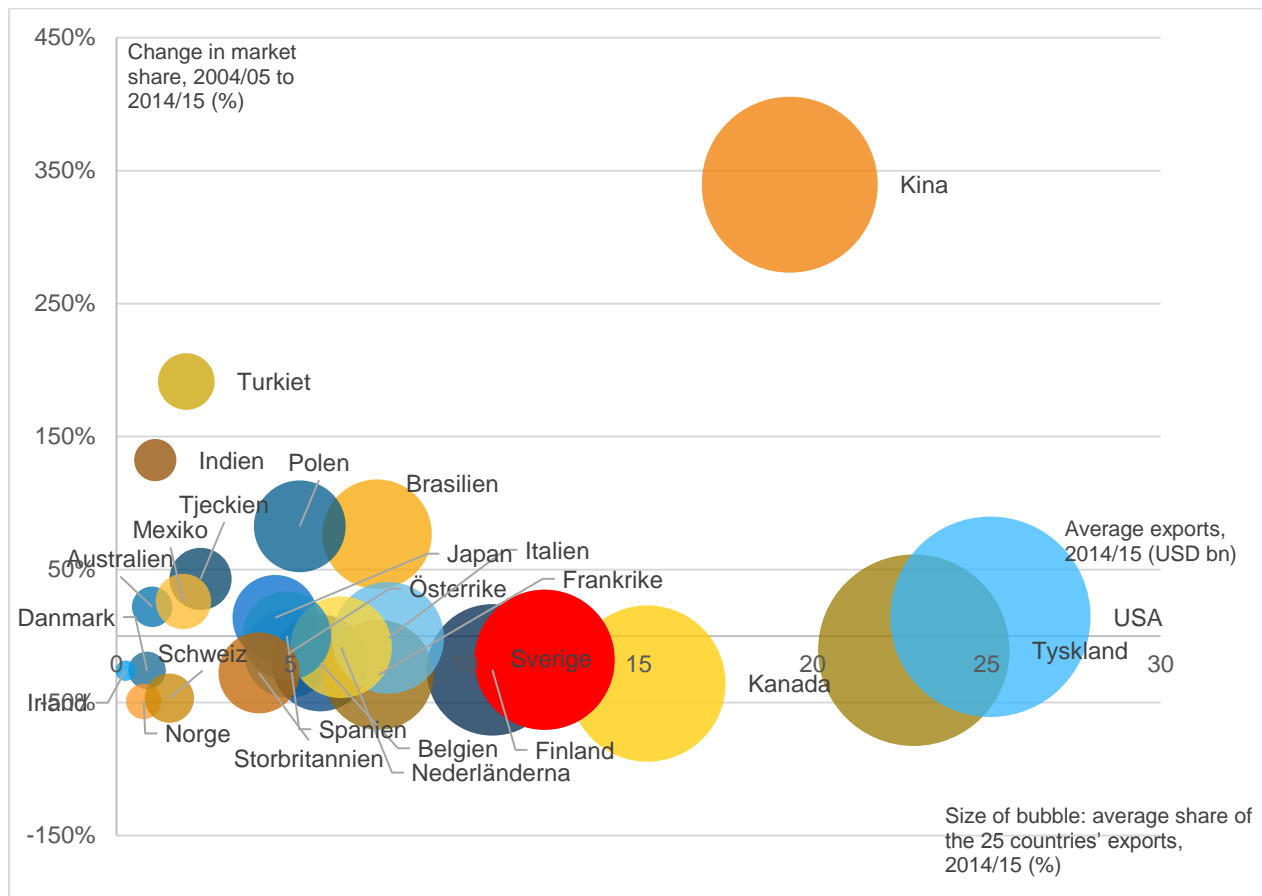
The 25 countries account for 86 percent of the world's exports within the segment.

<sup>1</sup> UN Comtrade; Business Sweden (2016)

<sup>2</sup> Comprises the Western European countries included in the study

## DESPITE LOSS SWEDEN CONTINUES TO BE A LARGE PLAYER WITHIN PULP AND PAPER

Diagram 6: Pulp and paper – perc. change of 25 countries' exports market share 2004/05 to 2014/15<sup>1</sup>



Pulp and paper is the third largest exports segment within Swedish exports. It is a traditional Swedish exports industry that used to be the largest, going back to the decades after the second world war. Companies such as SCA, Metsä, Stora Enso, Billerud Korsnäs, Holmen and Södra Skogsägarna dominate the market.

Swedish pulp and paper exports has lost market share by 18 percent the last 10 years, which is in line with the decrease in Western Europe<sup>2</sup>. High electricity prices have pressured the forest industry and during 2013 more than 1 million tonnes capacity/machines in Sweden was closed down, according to Skogsindustrierna.

Sweden is the fifth largest exports country within pulp and paper, after USA, Germany, China and Canada.

China is the largest winner during the period, but also Turkey, India, Poland and Brazil increased their market shares significantly. Canada is the player that lost the most during the period.

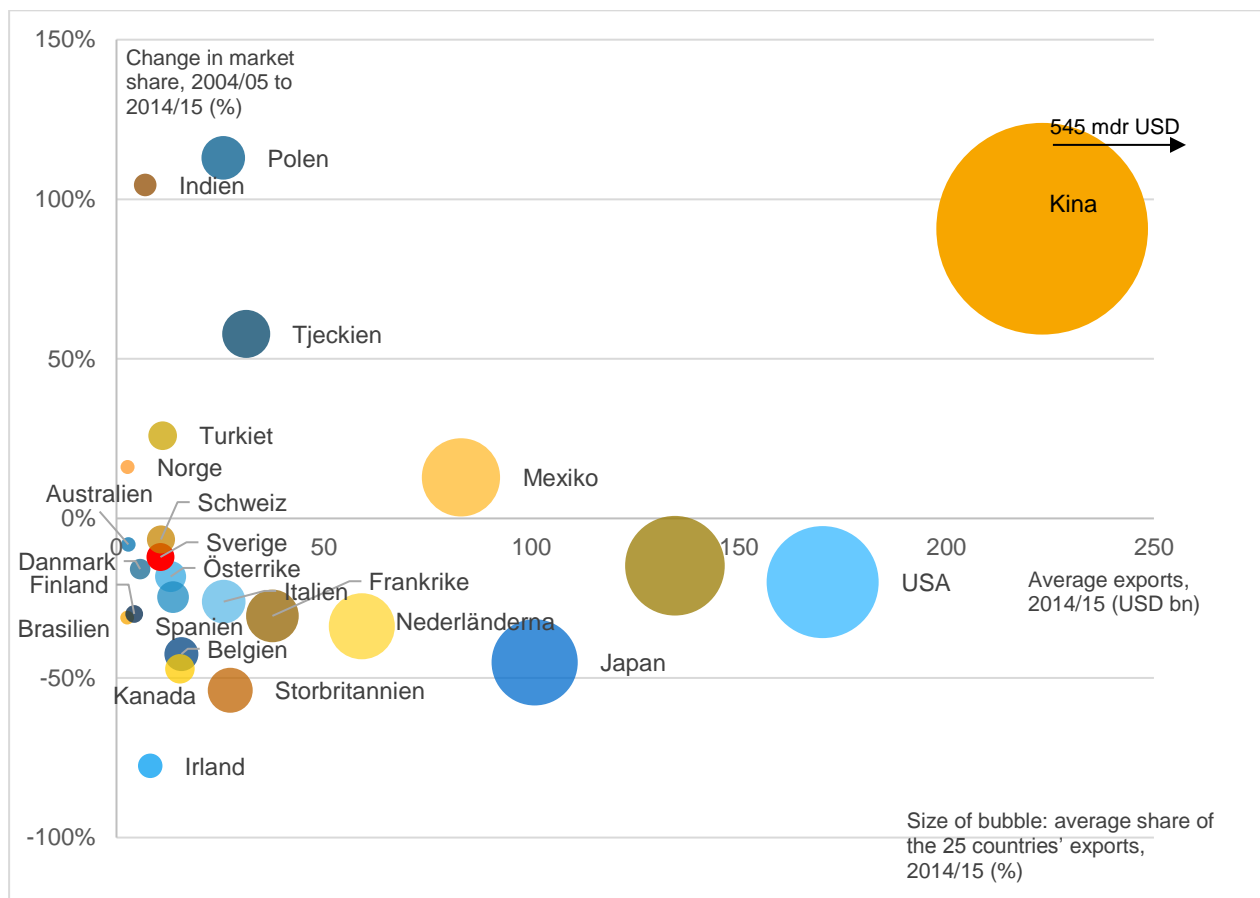
The 25 countries account for 83 percent of the world's exports within the segment.

<sup>1</sup> UN Comtrade; Business Sweden (2016)

<sup>2</sup> Comprises the Western European countries included in the study

## CHINA CONTINUES TO DOMINATE WITHIN OTHER ELECTRONICS (EXCLUDING TELECOMS)

Diagram 7: Other electronics – perc. change of 25 countries' exports market share 2004/05 to 2014/15<sup>1</sup>



Other electronics (excluding telecoms) comprise electrical products and equipment for both producers and consumers, such as equipment for current generation and distribution, computers and computer equipment, electronic components and domestic devices. ABB is an important exporter of power equipment. Electrolux is a world leading company within domestic appliances but has little exports from Sweden. Other large exporters within the segment is e.g. Elekta.

Sweden has lost 12 percent in market share within other electronics the last decade. Western Europe<sup>2</sup> as a whole lost 31 percent which means Sweden did better than Western Europe during the period. We see a continued shift within electronics from Western Europe to Asia.

China continues to dominate other electronics and has increased its market share even more the last 10 years. As within telecom, China is an important composition country and an exports platform for international groups.

Also Poland, India and Czech Republic gained market share, but they remain quite small players within the segment. Japan and UK has lost much, and so has Ireland which is a small player.

The 25 countries accounts for 64 percent of the world's exports within the segment. Large players that are not part of the analysis are e.g. Hong Kong and countries in South East Asia such as Singapore, Malaysia and the Philippines.

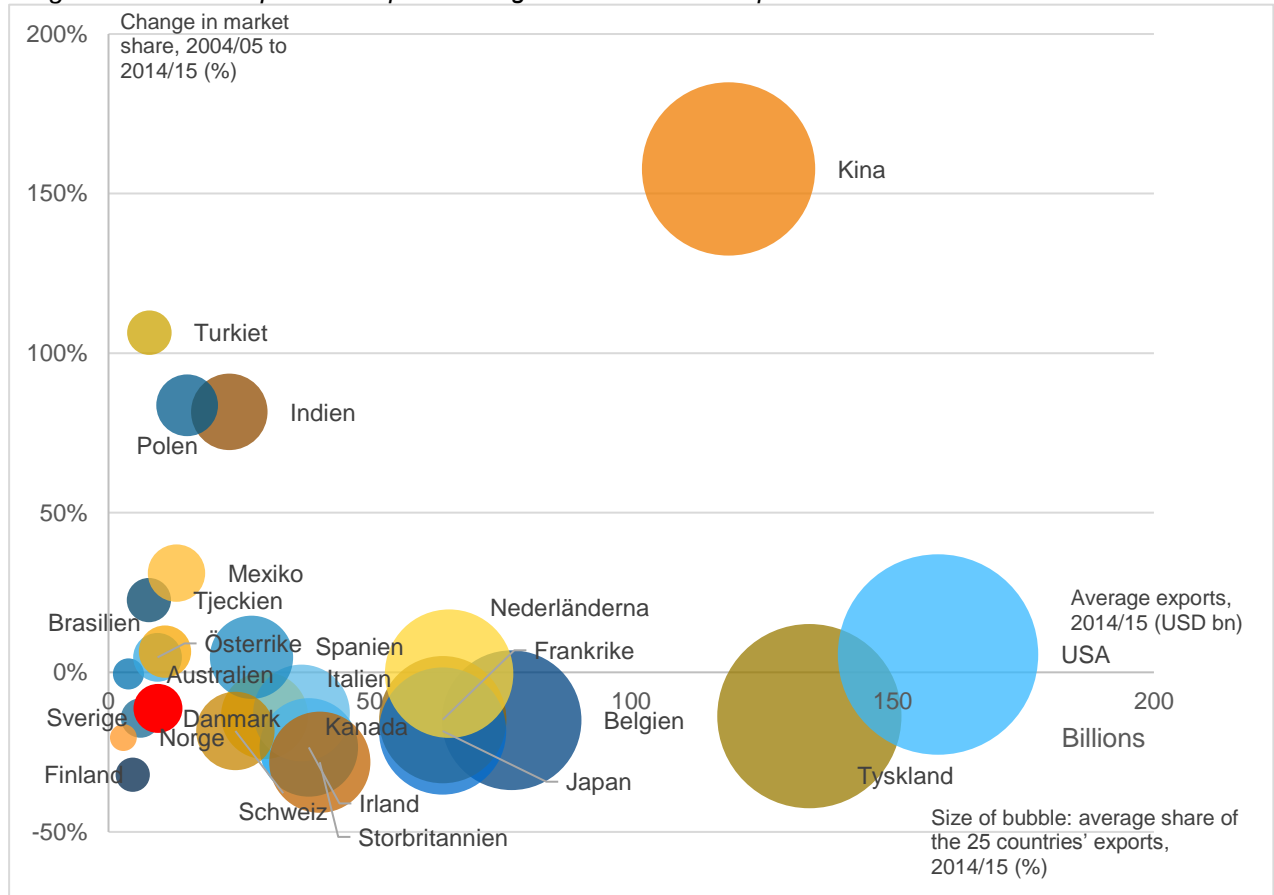
<sup>1</sup> UN Comtrade; Business Sweden (2016)

<sup>2</sup> Comprises the Western European countries included in the study



## USA CONTINUES TO BE THE LARGEST PLAYER WITHIN CHEMICAL PRODUCTS, BUT CHINA CHALLENGES

Diagram 8: Chemical products – perc. change of 25 countries' exports market share 2004/05 to 2014/15<sup>1</sup>



Within chemical products (excluding pharmaceuticals) there are chemicals, fertilisers and plastics. An important share of Swedish chemical industry is today part of international groups such as Akzo Nobel and Borealis.

Sweden 11 percent in market share the last decade. Western Europe as a whole lost somewhat more at 14 percent.

USA, as the largest player within chemical products, has increased its market share somewhat. China is the large winner and now challenges Germany as the second largest player. Germany, that before the financial crisis was the largest exporting country within chemical products, has lost market share.

Other countries that has gained market share are India, Poland and Turkey. UK is the largest loser during the period.

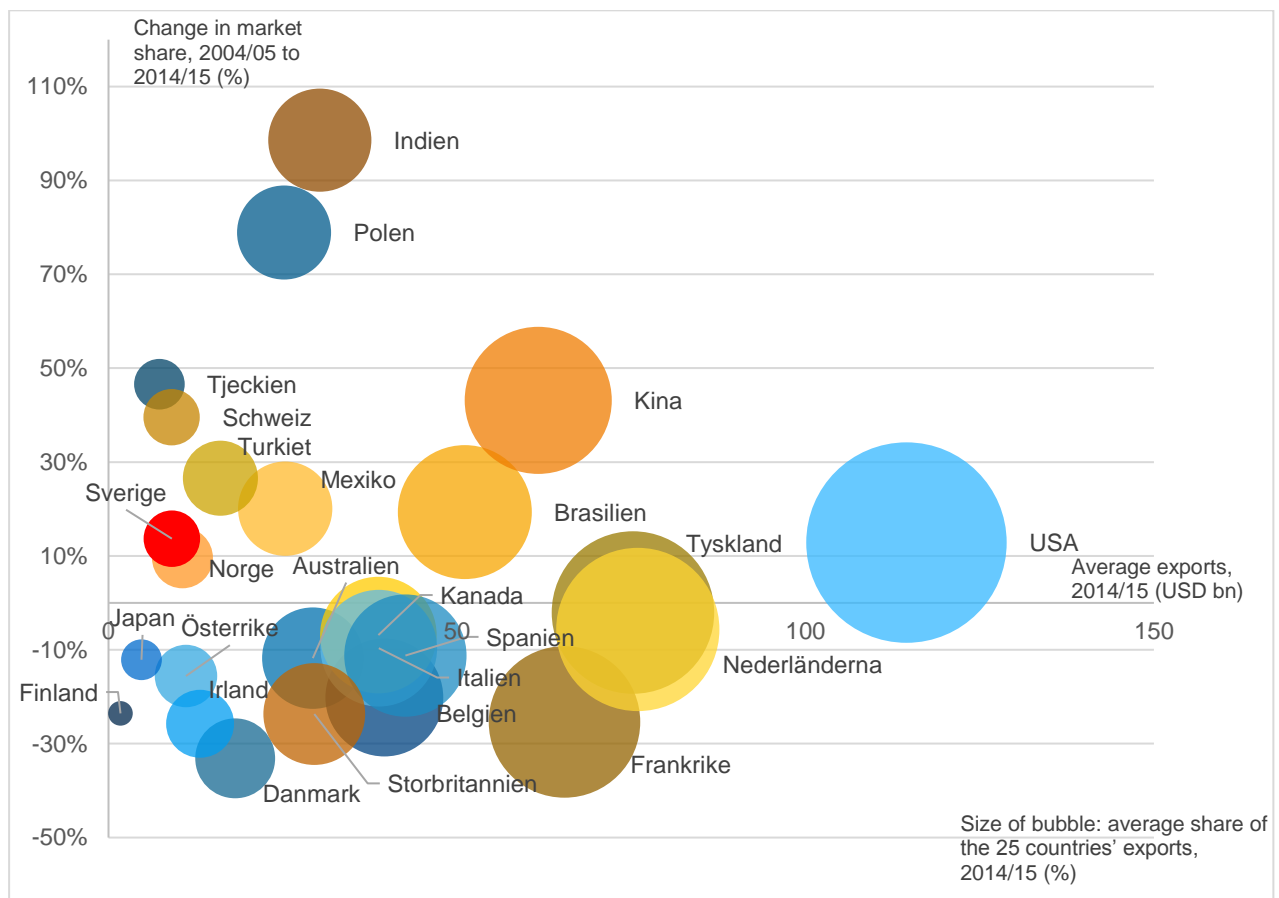
The 25 countries account for 76 percent of the world's exports within the segment.

<sup>1</sup> UN Comtrade; Business Sweden (2016)

<sup>2</sup> Comprises the Western European countries included in the study

## SWEDEN INCREASES SIGNIFICANTLY WITHIN FOODS

Diagram 9: Foods– perc. change of 25 countries' exports market share 2004/05 to 2014/15<sup>1</sup>



The foods segment comprises e.g. meat, milk, fish, vegetables, fruit, coffee, tea, sugar and drinks and tobacco products. The largest exporter since many years are Absolut Vodka, but also Åbro, Kopparbergs, Almondy, Annas Pepparkakor, Pågen, Gevalia Löfbergs, Findus, Abba, and other exporters.

Foods is the only segment where Swedish exports has increased more than other countries. The Swedish market share has increased by 14 percent the last decade. Swedish foods grows significantly, primarily within the Nordics, Germany, UK and the Netherlands, and has in many regions become associated with quality and security. Though, it should be noted that the Norwegian salmon that passes through Sweden is included in the numbers.

Western Europe<sup>2</sup> as a whole has lost market share by 14 percent, where Denmark, Ireland, France and UK have contributed to the large loss. India, Poland and China was the large winners during the period. Also the largest exports nation within the segment, USA, has increased its market share.

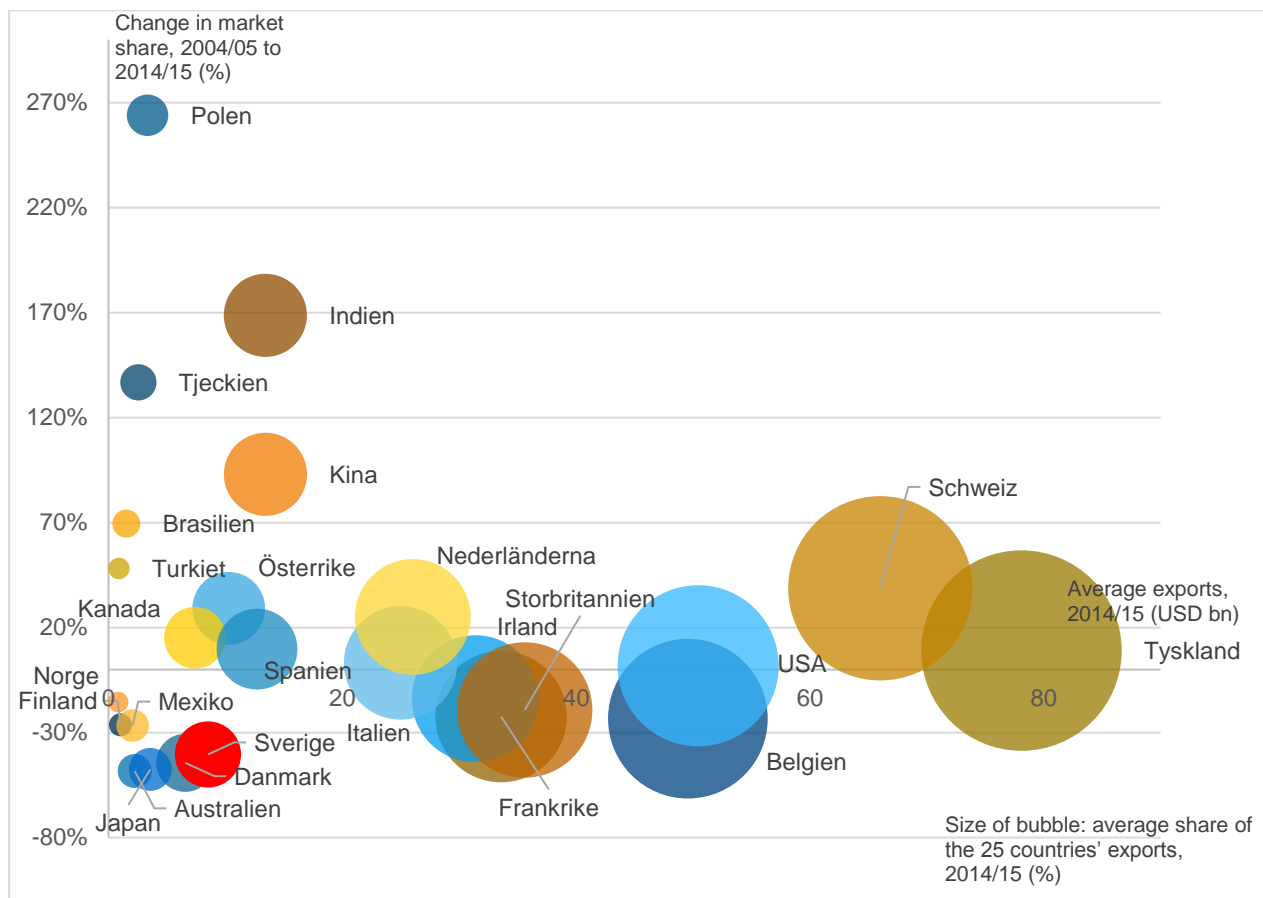
The 25 countries account for 72 percent of the world's exports within the segment.

<sup>1</sup> UN Comtrade; Business Sweden (2016)

<sup>2</sup> Comprises the Western European countries included in the study

## GERMANY AND SWITZERLAND CONTINUE TO DOMINATE WITHIN PHARMACEUTICALS

Diagram 10: Pharmaceuticals – perc. change of 25 countries' exports market share 2004/05 to 2014/15<sup>1</sup>



Astra Zeneca dominates within pharmaceuticals and is one of Sweden's largest export companies. Other large export companies within the segment are Pfizer Health, Meda and Octapharma. It should be noted that large amounts of royalties are generated through pharmaceuticals, which are registered within services exports.

Sweden has lost 40 percent in market share the last 10 years. Western Europe<sup>2</sup> as a whole did better, with a decrease of 3 percent. There are many stable players such as Germany and Switzerland. The large Western European countries that decrease the average are Belgium, UK and France.

The large winners are Poland, India, Czech Republic and China, where Poland and Czech Republic are quite small players.

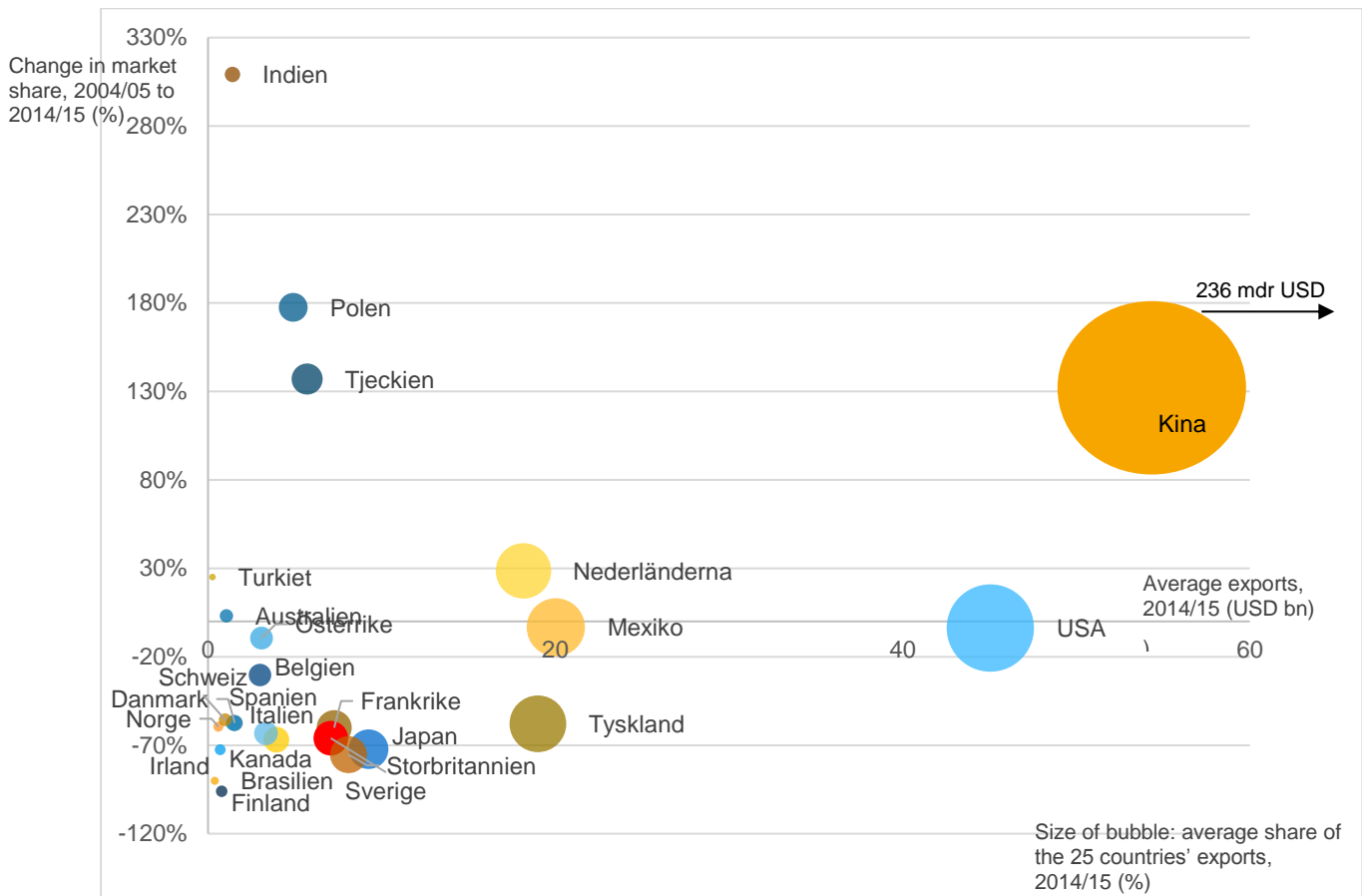
The 25 countries account for 92 percent of the world's export within the segment.

<sup>1</sup> UN Comtrade; Business Sweden (2016)

<sup>2</sup> Comprises the Western European countries included in the study

## CHINA CONTINUES TO DOMINATE WITHIN TELECOMS AND GAIN FURTHER MARKET SHARE

Diagram 11: Telecoms – perc. change of 25 countries' exports market share 2004/05 to 2014/15<sup>1</sup>



Telecoms comprises telecommunications equipment as well as audio, radio and TV products. In Sweden, the segment is dominated by Ericsson, that is one of the world's leading suppliers and exporters of telecommunications equipment. Also, other Swedish companies on the exports market are e.g. Transmode and Eitel.

Swedish exports lost 66 percent in market share the last decade. Western Europe<sup>2</sup> as a whole also decreased, but slightly less at 58 percent.

China is with almost 60 percent of the 25 countries' exports the dominating player, and continues to increase its market share during the period. Chinese telecom producers such as Huawei and ZTE are large at exports, but China

is also used as a composition country and exports platform for audio, radio and tv products.

USA is the second largest player within the segment and an important exports country within consumer electronics. Poland and Czech Republic have increased their market shares significantly, but are still small actors. Large losers during the period are Germany, Japan and UK.

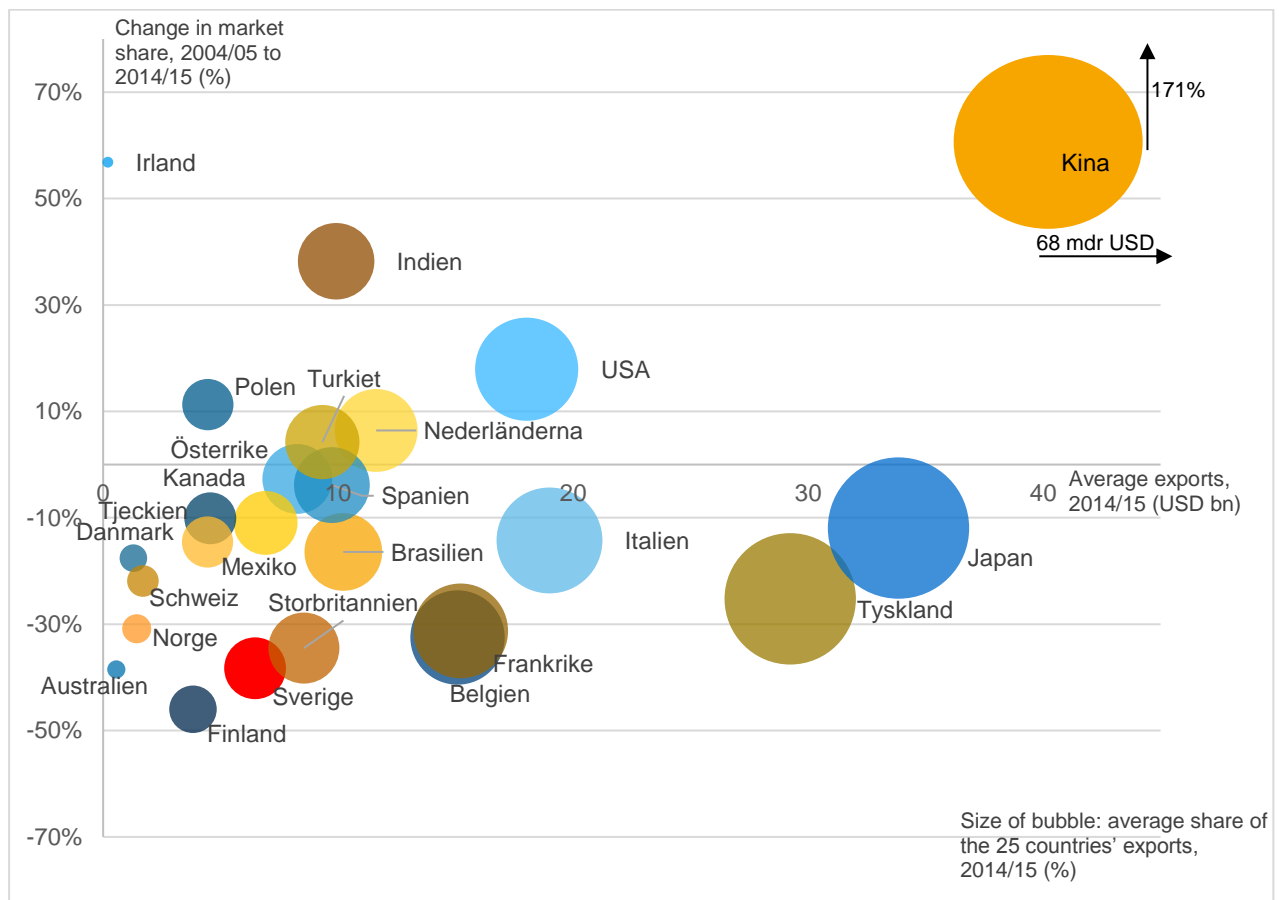
The 25 countries account for 68 percent of the world's exports within the segment. Large exporting nations that are not included in the analysis are e.g. Hong Kong and countries in South East Asia such as Singapore, Malaysia and the Philippines.

<sup>1</sup> UN Comtrade; Business Sweden (2016)

<sup>2</sup> Comprises the Western European countries included in the study

## CHINA CONTINUES TO DOMINATE WITHIN STEEL, WHEREAS JAPAN AND GERMANY LOOSE MARKET SHARE

Diagram 12: Steel – perc. change of 25 countries' exports market share 2004/05 to 2014/15<sup>1</sup>



The steel segment comprises iron and steel. Sweden is today a leading niche producer of different kinds of special steels with companies such as SSAB, Sandvik, Outokumpu, Ovako and Uddeholm. Probably an important part of whole sale trade is also included in Sweden's numbers.

Sweden has lost 38 percent in market share during the last decade. Western Europe<sup>2</sup> as a whole lost 22 percent.

China continues to dominate within the segment and has increased its market share further. India and USA have also increased significantly. Large nations that has contributed to Western Europe's loss are, besides Sweden, Finland, UK, Belgium, France and Germany.

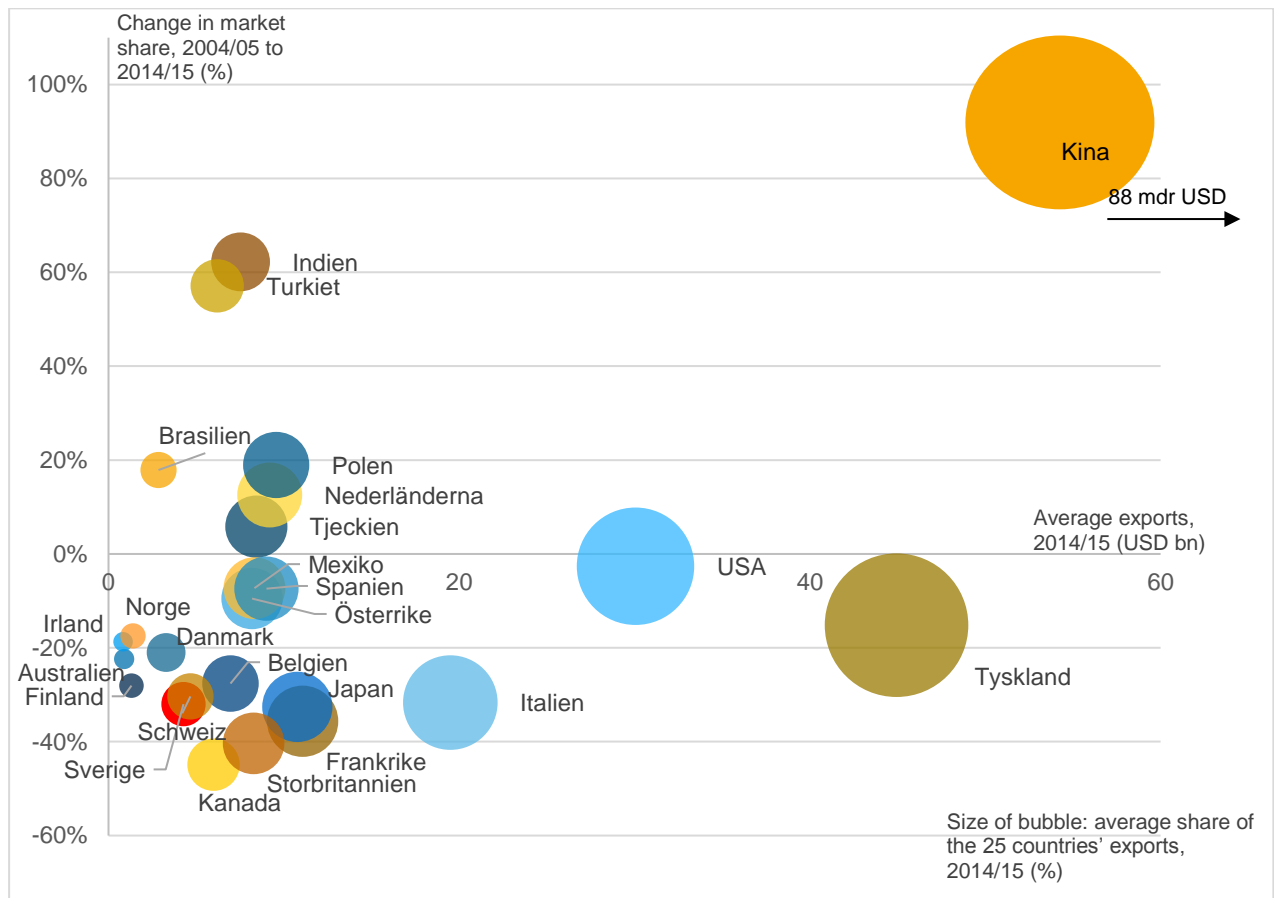
The 25 countries account for 75 percent of the world's exports within the segment.

<sup>1</sup> UN Comtrade; Business Sweden (2016)

<sup>2</sup> Comprises the Western European countries included in the study

## CHINA INCREASE FURTHER WITHIN METAL INDUSTRY, WHILE GERMANY LAGS BEHIND

Diagram 13: Metal industry– perc. change of 25 countries' exports market share 2004/05 to 2014/15<sup>1</sup>



The metal industry comprises different types of manual and machine tools as well as other objects of metal for households and industry. Cemented metal carbide and machinery tools are large parts of our exports where Sandvik is a leading international player.

Sweden has lost 32 percent in market share during the last 10 years. Western Europe<sup>2</sup> as a whole lost slightly less at 22 percent.

China continues to dominate within metal industry and is the winning country during the

period. Many large international cooperations, e.g. Sandvik, has large parts of their production in China.

India and Turkey have also increased their market shares significantly. Germany continues to be an important player within the segment, even though the country has lost market share during the period. The largest losers were Canada, UK, France, Japan and Italy.

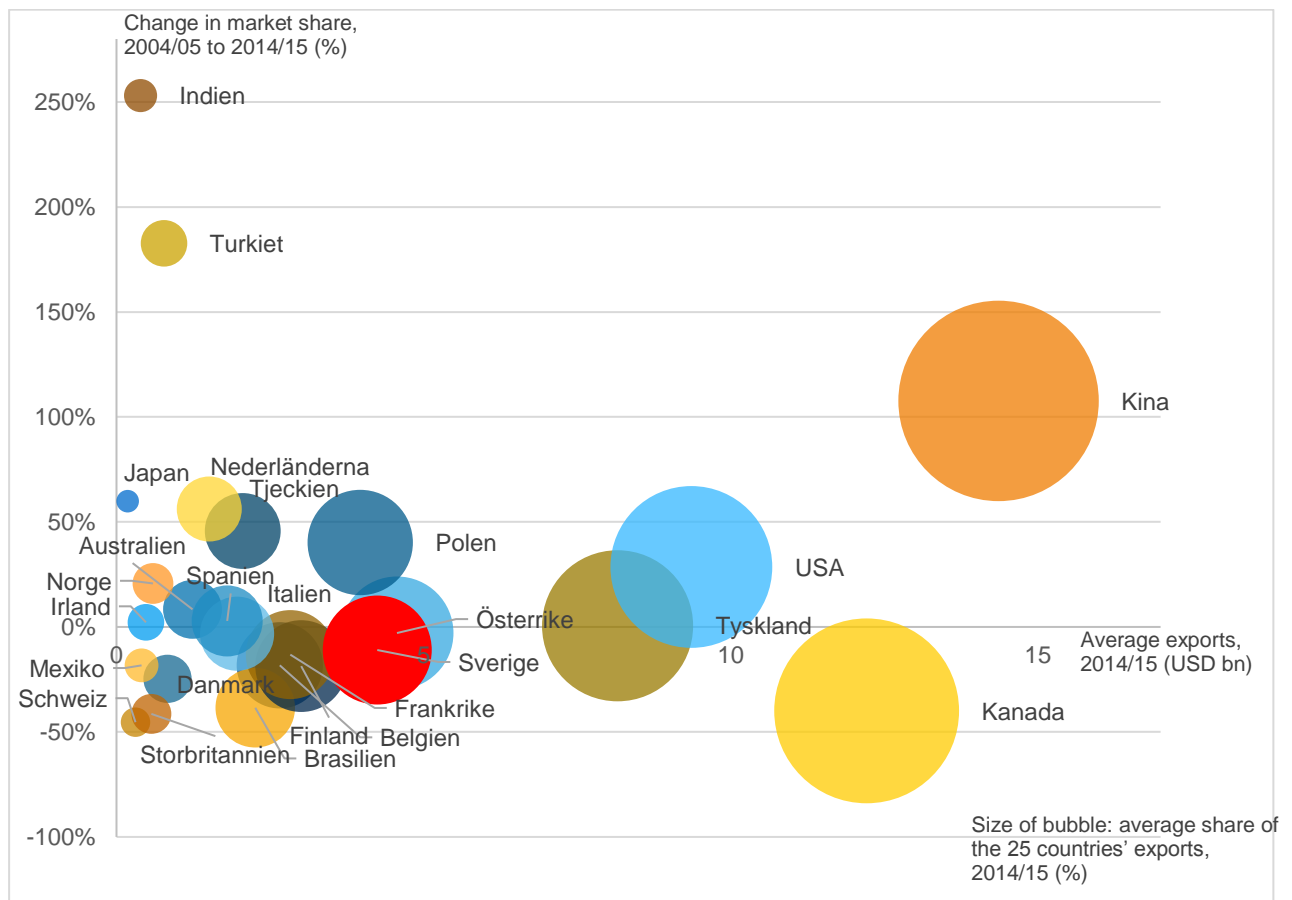
The 25 countries account for 83 percent of the world's export within the segment.

<sup>1</sup> UN Comtrade; Business Sweden (2016)

<sup>2</sup> Comprises the Western European countries included in the study

## WOOD PRODUCTS CONTINUES TO BE DOMINATED BY PLAYERS AS CHINA, CANADA, USA AND GERMANY

Diagram 14: Wood products– perc. change of 25 countries' exports market share 2004/05 to 2014/15<sup>1</sup>



Wood products comprise primary commodities and processing of wood and cork, but not furniture. Examples of large Swedish companies within the segment are Södra Skogsägarna, SCA, Setra, Derome and Holmen.

Sweden has lost 11 percent, which is more than Western Europe<sup>2</sup> as a whole that lost 7 percent.

Large players within wood products are to large extent the same as within pulp and paper, i.e. China, Canada, USA and Germany. Also Sweden and Austria are important players.

The largest players during the period is India and Turkey, but also China, Poland, the Netherlands and Czech Republic are doing well. The losers are e.g. Canada and Brazil. Förlorare är bland annat Kanada och Brasilien.

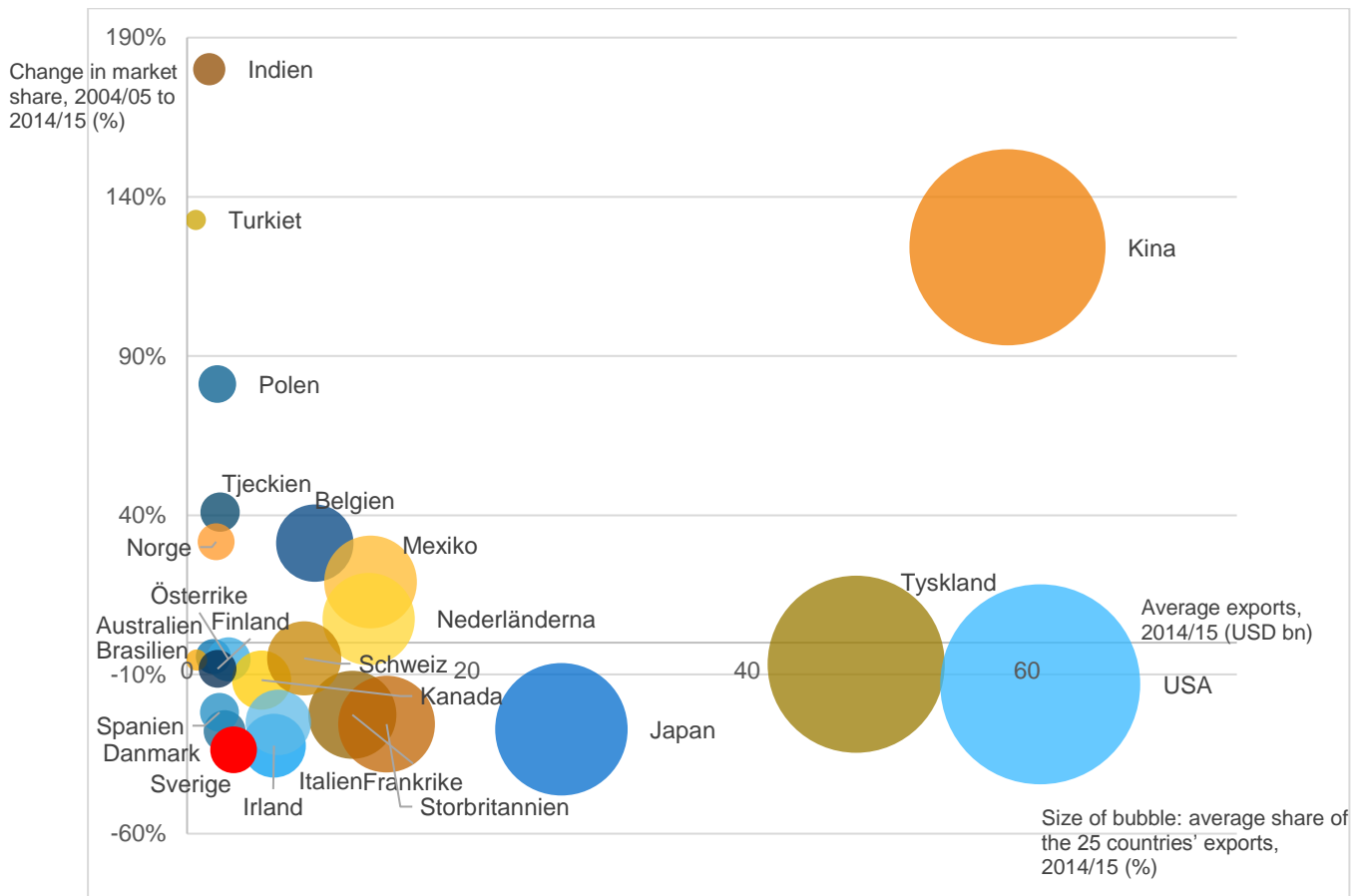
The 25 countries account for 65 percent of the world's exports within the segment. Large nations that are not included in the analysis are e.g. Russia, Latvia, New Zealand as well as countries in South East Asia such as the Philippines and Malaysia.

<sup>1</sup> UN Comtrade; Business Sweden (2016)

<sup>2</sup> Comprises the Western European countries included in the study

## USA, CHINA AND GERMANY CONTINUES TO BE THE LARGEST PLAYERS WITHIN INSTRUMENTS

Diagram 15: Instruments – perc. change of 25 countries' exports market share 2004/05 to 2014/15<sup>1</sup>



Instruments comprise different types of measuring and control instruments as well as photographic and optic instruments for scientific and technical use. Also consumer products such as watches are part of this segment. Sweden has a large number of niched companies that are active on the exports market, e.g. within medical instruments.

Sweden has lost 34 percent during the last decade. Western Europe<sup>2</sup> did somewhat better than Sweden, but lost 11 percent in market share.

The large players within instruments are USA, China and Germany, of which only China keeps winning market share.

Other, smaller countries within the segment, that has increased market share significantly are India, Turkey and Poland. Large losers are Japan, UK, France, Italy and Ireland.

The 25 countries account for 79 percent of the world's market share within the segment.

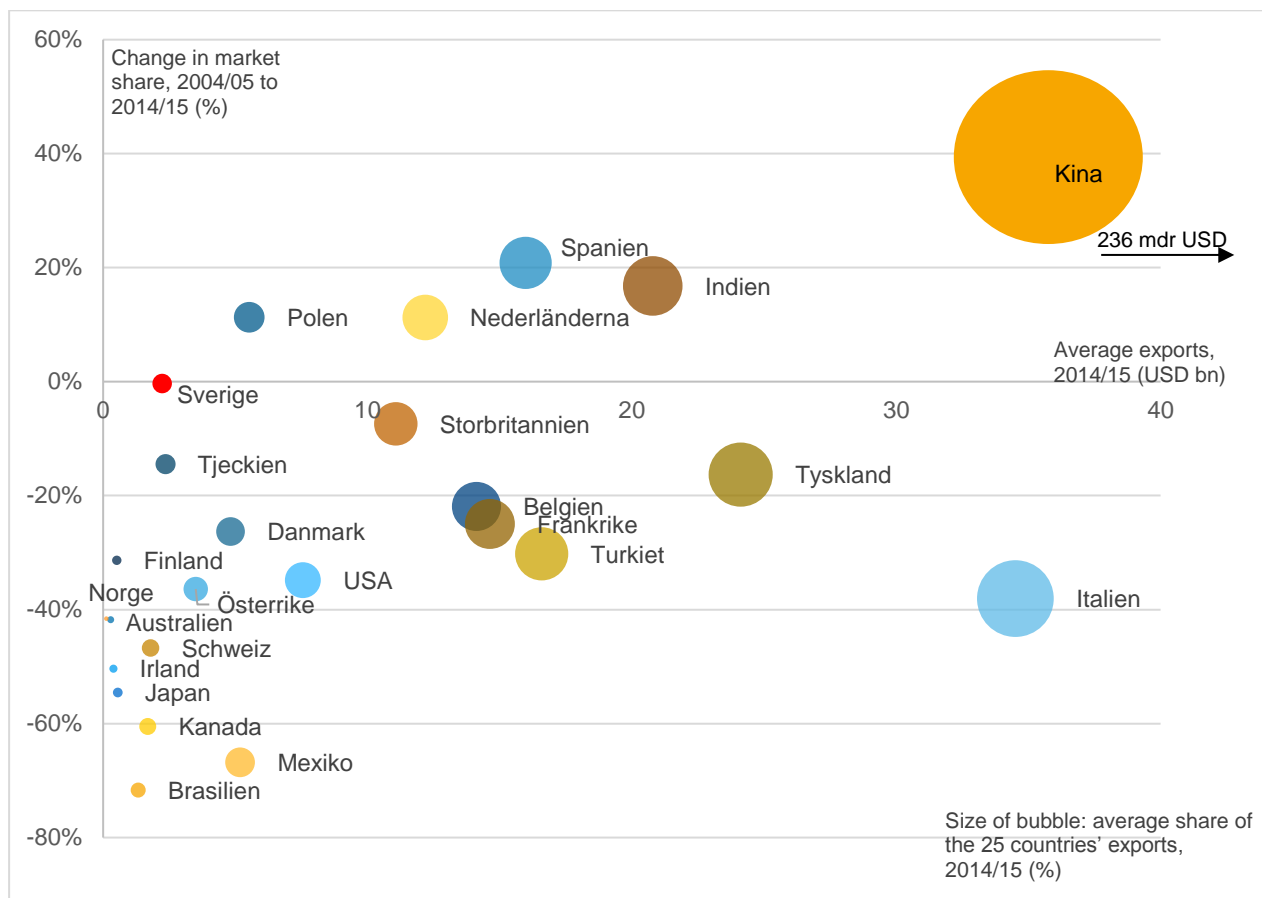
<sup>1</sup> UN Comtrade; Business Sweden (2016)

<sup>2</sup> Comprises the Western European countries included in the study



## CHINA IS BY FAR THE LARGEST PLAYER WITHIN CLOTHING AND FOOTWEAR

Diagram 16: Clothing/footwear– perc. change of 25 countries' exports market share 2004/05 to 2014/15<sup>1</sup>



Sweden is a well-established country within the international fashion industry with large companies such as H&M, Acne, Wesc, Nudie, Cheap Monday and Filippa K. Despite this Sweden is, according to statistics, a relatively small player. This is likely because a majority of the production take place in low cost countries, and because merchandising does not show in the statistics. Merchandising (onward selling of goods that is produced and sold outside Sweden by Swedish companies) is of high importance for Swedish multinational cooperations with large part of the production abroad, but with head office in Sweden. Besides this, intellectual property such as use of brands is likely an important part of clothing and footwear, and is registered within the services statistics.

The Swedish market share has been constant during the last 10 years. Western Europe has on the other hand lost 21 percent. Important

countries in Western Europe that has lost largely are Italy, Germany, France and Belgium.

The Chinese textile and shoes exporters dominates largely and have further more increased their market share. Italy is, with all their globally successful brands, the second largest exporting country, but has lost market share as previously mentioned. Other winners, except China, are India, Spain and the Netherlands.

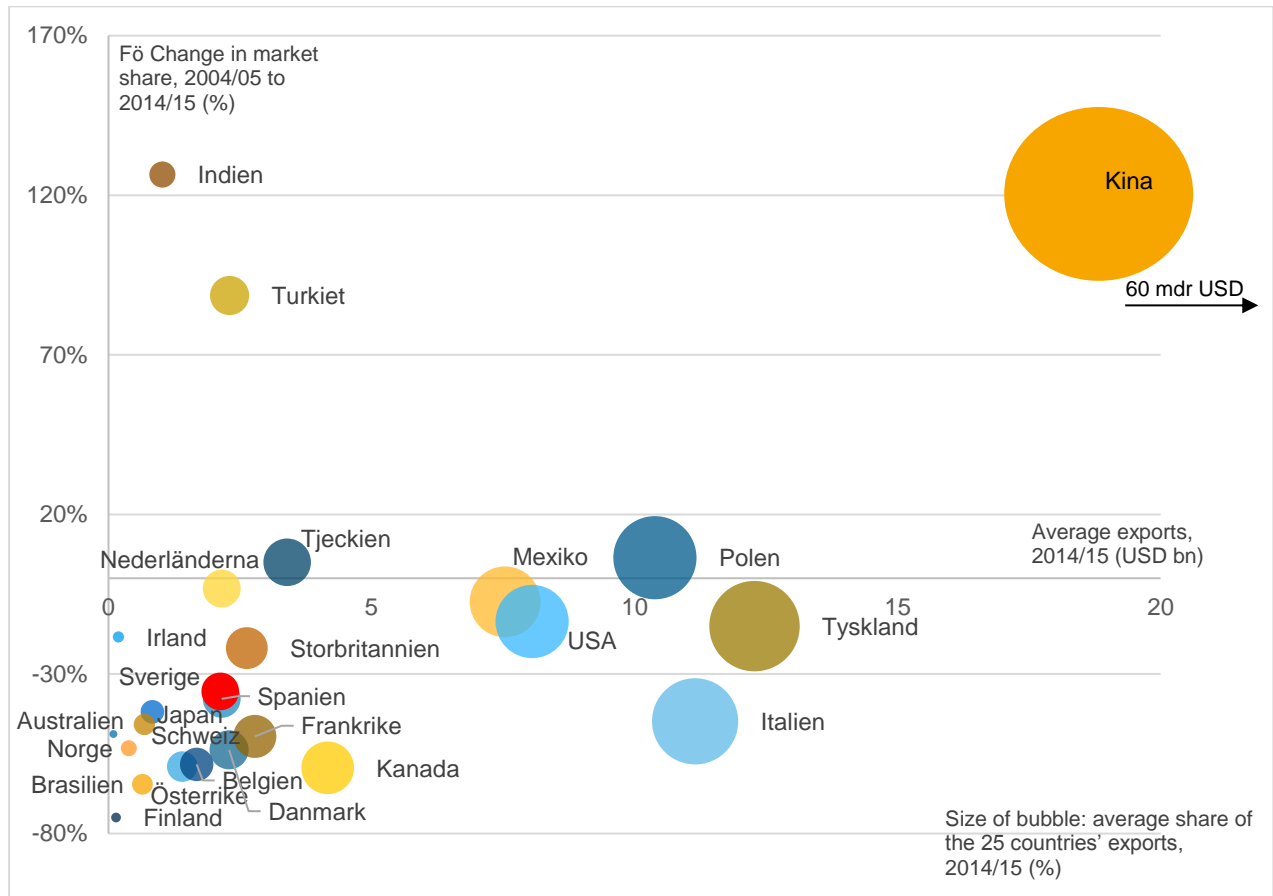
The 25 countries account for 79 percent of the world's export within the segment.

<sup>1</sup> UN Comtrade; Business Sweden (2016)

<sup>2</sup> Comprises the Western European countries included in the study

## ALSO WITHIN FURNITURE CHINA DOMINATES AND KEEPS WINNING MARKET SHARE

Diagram 17: Furniture– perc. change of 25 countries' exports market share 2004/05 to 2014/15<sup>1</sup>



Furniture comprise furniture, mattresses, bedlinen and pillows. The most important Swedish exporter within the segment is IKEA, even if the majority of the production take place abroad:

Sweden has lost 35 percent in market share during the last decade, which is in line with Western Europe's<sup>2</sup> decline.

China dominates the segment and has continued to increase its market share strongly. Also Poland has increased its market share, whereas other large players such as Germany, Italy and

Mexico have lost market share. The increase for Poland is largely due to the outsourcing wave to Eastern Europe that has characterised the industry.

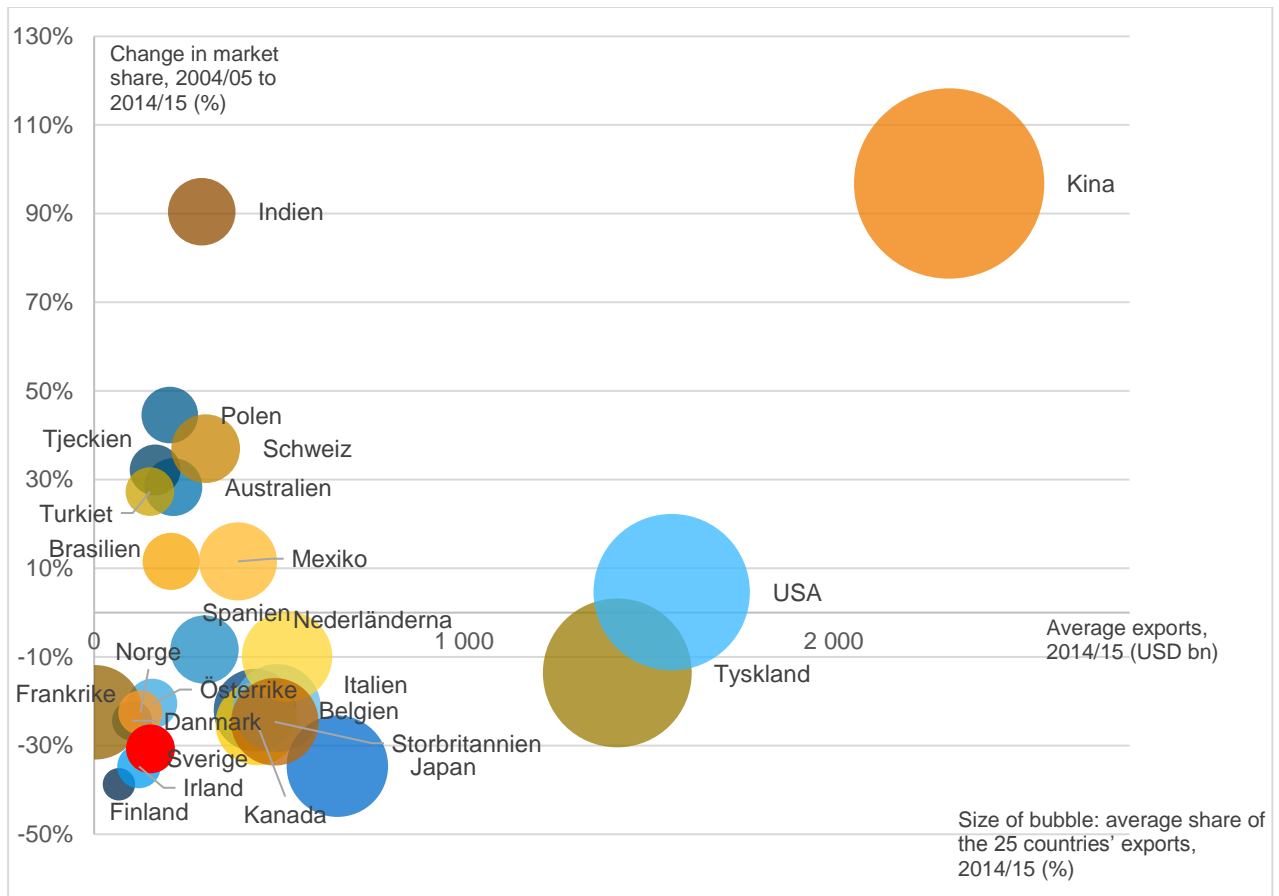
India and Turkey have increased their market share significantly, whereas large losers are e.g. Canada, France, Belgium and Denmark, as well as Italy as already mentioned. The 25 countries account for 85 percent of the world's export within the segment.

<sup>1</sup> UN Comtrade; Business Sweden (2016)

<sup>2</sup> Comprises the Western European countries included in the study

## CHINA IS BY FAR THE LARGEST WINNER ACROSS SEGMENTS, WHILE WESTERN EUROPE LOOSES MARKET SHARE

Diagram 18: Total goods exports—perc. change of 25 countries' exports market share 2004/05 to 2014/15<sup>1</sup>



Looking at goods in total it is clear what countries that have lost market share. When aggregating the goods segments there is a risk that the price development impacts. The countries that are more exposed in segments that had a faster price development will show as winners. This can easily be reversed in a later period of time.

The total picture is still clear. Sweden has lost market share by 31 percent, whereas Western Europe<sup>2</sup> as a whole lost 17 percent.

China is the large winner during the period and is among the largest winners within all segments. Other winners are India, Poland, Switzerland,

Czech Republic, Australia and Turkey. Large losers are among others Japan, UK, Belgium, Italy, Denmark, Ireland, France and Sweden.

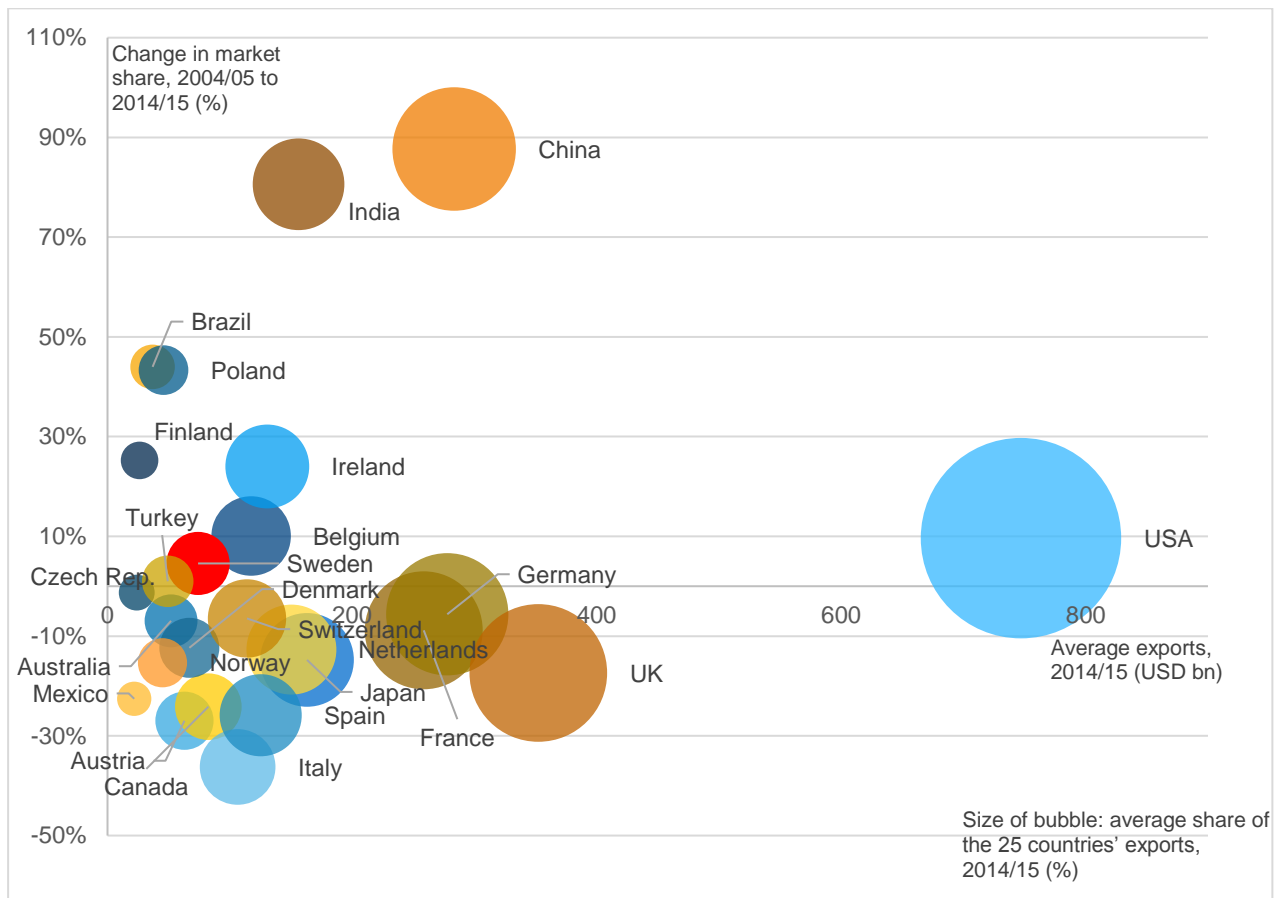
The 25 countries account for 72 percent of the world's total goods export.

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<sup>2</sup> Comprises the Western European countries included in the study

## SWEDEN STRENGTHENS ITS POSITION IN EXPORTS OF SERVICES

Diagram 19: Services in total – perc. change of 25 countries' exports market share 2004/05 to 2014/15<sup>1</sup>



Services are more difficult to register than goods in statistics, and the international statistics probably contain deficiencies. The above figure provides a general picture of total exports of services.

Exports of services include pure service sectors such as business services (e.g. legal services, auditing, bookkeeping, advisory services), IT services, tourism, transport and the utilisation of intellectual property rights (e.g. royalties and patent revenue), to mention Sweden's most important exports. Merchanting is also strong in Sweden, i.e. the onward selling of goods produced abroad.

On the service side, Sweden increased its market share by five per cent over the last ten-year period. Sweden acquitted itself much better

than Western Europe<sup>2</sup> as a whole, which lost 12 per cent.

USA continues to be biggest in the market and further increased its market share. The UK is the second largest export nation in the field of services, closely followed by China, which has now overtaken Germany and France.

China and India are the big winners during the period, while Brazil, Poland, Ireland and Finland also increased their market shares. The big losers are important nations in Western Europe such as the UK, Spain, Italy and Austria, as well as Japan and Canada.

Data for global exports of services is not available, but it is assumed that the 25 countries selected account for a large part of the world's exports of services.

<sup>1</sup> IMF; Business Sweden (2016)

<sup>2</sup> Comprises the Western European countries included in the study

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## ABOUT THE MARKET ANALYSIS

Export figures for a total of 25 competing countries were obtained for the years 2004, 2005, 2014 and 2015 using the UNs Comtrade database. The values of exports between the two periods 2004/05 and 2014/15 were compared. Two-year periods were chosen to achieve stability in the data. Individual industries can be affected to a relatively high degree when individual years are compared. UN Comtrade contains most countries' foreign trade broken down into product groups using the SITC nomenclature. All figures are current prices, expressed in USD. Performing an analysis of the trading flows in value constitutes a restriction. But fixed-price calculations are not available for many countries, and to be able to go down to product level you are forced to use value data.

The 25 countries include not only Sweden, but also our Nordic neighbours Denmark, Finland and Norway, the most important countries in Western Europe, Belgium, France, Ireland, Italy, the Netherlands, Switzerland, Spain, the UK, Germany and Austria, and a number of other important countries competing with Sweden such as Poland, the Czech Republic and Turkey in Central and Eastern Europe, the whole of NAFTA, Brazil as well as Japan, China and India in Asia, and finally Australia and Oceania. Statistics are not available for all countries. Nor is it of interest for us to compare Sweden with countries that do not export raw materials. The analysis was therefore limited to all major countries that are in various degrees "competing countries" with Sweden.

It must be noted that this is completely different from which countries' companies have won or lost market shares. Companies of such a size that they affect a country's exports are normally global in their nature, they export from several countries and can thus change their "country mix".

Statistics on exports of services are at a total level and were obtained from the IMF. This is because there are insufficient statistics on trade in services at service type level.

Exports of goods were divided into 14 product segments covering almost 80 per cent of Swedish exports of goods and the majority of global trade. The product segments are as follows, with their SITC codes (Standard International Trade Classification) in brackets:

- ▶ Food (0,1)
- ▶ Wood products (24, 63)
- ▶ Pharmaceuticals (54)
- ▶ Chemicals, excl. pharmaceuticals (5 excl. 54)
- ▶ Paper (25, 64)
- ▶ Steel (67)
- ▶ Metal industry (69)
- ▶ Machinery (71, 72, 73, 74)
- ▶ Telecoms (764)
- ▶ Other electronics, excl. telecoms (75, 76 excl. 764, 77)
- ▶ Automotive industry (78)
- ▶ Furniture (82)
- ▶ Clothing, footwear (84, 85)
- ▶ Instruments (87)
- ▶ Total goods (0-9)

The most important product groups outside the 14 listed above are refined oil products (SITC 32-35), miscellaneous consumer products (SITC 89) e.g. sports articles, etc. and non-ferrous metals (SITC 68). The figures in UN Comtrade do not correspond entirely with the statistics from SCB, and larger amounts therefore have a residual.

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