



European  
Investment Bank

# Sweden

Overview

## EIB INVESTMENT SURVEY

# 2023



**EIB INVESTMENT SURVEY 2023**

# Sweden

Overview

## **EIB Investment Survey Country Overview 2023: Sweden**

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### **About the EIB Investment Survey (EIBIS)**

The EIB Group Survey on Investment, which has been administered since 2016, is a unique, annual survey of some 13 000 firms. It covers firms in all European Union Member States and also includes a sample of firms in the United States.

The survey collects data on firm characteristics and performance, past investment activities and future plans, sources of finance, financing issues and other challenges that businesses face, such as climate change and digital transformation. The EIBIS, which uses a stratified sampling methodology, is representative across all 27 EU Member States and the United States, as well as across four classes of firm size (micro to large) and four main economic sectors (manufacturing, construction, services and infrastructure). The survey is designed to build a panel of observations, supporting the analysis of time-series data. Observations can also be linked back to data on firm balance sheets and profit and loss statements. The EIBIS was developed by the EIB Economics Department. It is managed by the department with the support of Ipsos MORI.

### **About this publication**

These reports provide an overview of data collected for the 27 EU Member States and the United States. They are intended to provide a snapshot of the data. For the purpose of these publications, data are weighted by value-added to better reflect the contribution of different firms to economic output. Contact: [eibis@eib.org](mailto:eibis@eib.org).

**Download the findings of the EIB Investment Survey for each EU country or explore the data portal at [www.eib.org/eibis](http://www.eib.org/eibis).**

### **About the Economics Department of the EIB**

The mission of the EIB Economics Department is to provide economic analyses and studies to support the Bank in its operations and in the definition of its positioning, strategy and policy. The department and its team of 40 economists is headed by Debora Revoltella, director of economics.

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# EIBIS 2023 – Sweden overview

## KEY RESULTS

### Investment dynamics and focus

Notwithstanding decelerating economic growth and tightening monetary policy, Swedish firms held a positive investment outlook at the time of the interviews (April-July 2023), although it has shown signs of decline over time. Swedish firms expect on balance to increase investments (net balance of +12%), though less than what was reported in 2021 (23%), in 2020 (30%) and less than what was reported by firms across the EU as a whole (14%). Investments in Sweden remained high in 2022. Ninety-three per cent of Swedish firms invested in 2022, in line with 2021 results (92%) and well above the EU average (85%).

### Investment needs and priorities

Eight out of ten Swedish firms (80%) believe they invested about the right amount over the last three years. This is in line with what was reported by firms in the previous wave (EIBIS 2022) and with the EU average (82%). Looking ahead to investment priorities over the next three years, Swedish firms report to be prioritizing capacity expansion (34%), although less than what they reported in EIBIS 2022 (45%). Moreover, the share of firms prioritizing investment in new products or services increased from 20% in EIBIS 2022 to 29% in EIBIS 2023. Future investment priorities for Swedish firms are also broadly in line with the EU average.

When asked about short-term drivers and constraints to investment, firms in Sweden hold negative views on balance. The pessimistic views are generally related to the economic climate, for which net balance remains at -57%. Perception of the political or regulatory climate remains stable at -15%, while perception of business prospects in the sector has deteriorated, declining from a net balance of +23% in EIBIS 2022 to +4% in EIBIS 2023. Expectations for the availability of external and internal finance remain low at -14% and -1% respectively. Swedish firms share similar views to their EU peers on most drivers with the exception of the economic climate, for which they are more pessimistic (net negative of -57% versus -26%) and for the political/regulatory climate, for which they share less negative views than the EU as a whole (-15% versus -30%).

### Energy market developments

The energy crisis hit Swedish firms somewhat less strongly than EU firms as a whole. Sweden is a net energy exporter and energy production is almost entirely based on fossil-free sources (as renewables and nuclear etc). When asked about their concerns on energy sources, energy prices (85%) and uncertainty (81%) ranked among the first places, although levels of overall concern were lower than the EU averages (93% and 89%, respectively). While the majority of firms in Sweden had concerns about the availability of energy (64%) and regulatory frameworks (67%), levels of concern were lower than those seen across the EU as a whole (73% and 79%, respectively).

Swedish firms are equally likely as firms across the whole EU (both 95%) to respond to the energy shocks by adopting one or more relevant strategies. The strategies most frequently adopted by Swedish firms were seeking energy savings/efficiencies (75%) and passing increasing energy costs to customers (62%). Both findings are in line with the EU average. Nearly a half of the firms (46%) report that renegotiating their energy contract is a strategy, well below the EU average of 67%.

### International trade

Geopolitical tensions such as the Russian invasion of Ukraine posed challenges to trade. Almost all Swedish firms reported disruptions to international trade (97%), while half of them (49%) changed or are planning to change their sourcing strategy. These shares are in line with the EU average (96% and 49%, respectively). Moreover, Swedish firms were about as likely as firms across the EU to have increased or plan to increase stocks and inventory (28% versus 31%) as well as to have invested in digital inventory and inputs tracking or have plans to do so (16% versus 20%). Swedish importers are broadly as likely as importers across the EU to have reduced or plan to reduce the share of goods or services imported from abroad (14% versus 10%) and they are more likely to report having diversified or increased the number of countries they import from or having plans to do so (27% versus 24%).

## EIBIS 2023 – Sweden overview

### Climate change and energy efficiency

Climate change is gradually being perceived as serious threat among Swedish firms, as six out of ten (60%) firms report that weather events have an impact on their business. This is broadly in line with the results from EIBIS 2022 (53%) and with the EU average (63%). However, just below three in ten (27%) firms have developed or have invested in measures to build resilience to the physical risks caused by climate change, considerably less than the EU average (36%). In terms of actions undertaken, Swedish firms mainly invested in solutions to avoid or reduce the exposure to physical risks (19%), in line with the EU average of 20%, while 16% developed an adaptation strategy, matching again the EU average (16%).

Swedish firms are generally optimistic about the transition to stricter climate standards and regulations: the share of Swedish firms seeing the transition to stricter climate standards and regulations as a risk is lower than the proportion that see it as an opportunity (26% and 43%, respectively). This confirms results from the previous waves of the survey (EIBIS 2022). Moreover, Swedish firms are more optimistic than their European peers, as a larger share of firms reported to perceive the transition as an opportunity (43% versus 29%). Around six in ten Swedish firms (62%) set and monitor targets for their own Greenhouse Gas (GHG) emissions, while nine in ten (91%) are taking actions to reduce them (in line with the EU average of 89%). The main actions undertaken by Swedish firms include waste minimization and recycling (70%), followed by sustainable transport options (65%) and investments in energy efficiency (59%). Compared to the EU, Swedish firms are also more likely to be investing sustainable transport options (65% versus 46%) and in new, less polluting, business areas and technologies (45% versus 32%).

In Sweden, 53% of firms have already invested in tackling the impacts of weather events and dealing with the process of reducing carbon emissions, slightly below the EU average (56%). Over six in ten (63%) Swedish firms have plans to invest in these areas over the next three years, more than the EU average (54%).

### Innovation activities

Half (51%) of Swedish firms developed or introduced new products, processes or services as part of their investment activities in 2022. This is similar to what reported in EIBIS 2022 (47%) and only slightly below US figures (57%), but higher than what reported by firms across the EU (39%). A larger share of firms than in the whole EU (21% vs 13%) report developing/introducing new products, processes or services to either the country or the global market.

Swedish firms were also asked about the use of advanced digital technologies. A larger share of Swedish firms than the EU average used at least one advanced digital technology (76% vs 70%), similar to the US (73%).

### Investment impediments

Looking into the long-term impediments to Swedish firms' investment, the most frequently mentioned barriers are the availability of skilled staff (83%), uncertainty about the future (79%) and energy costs (71%). This pattern is similar to the EU average, but Swedish firms are less likely than the EU average to mention energy costs as a barrier (71% versus 82%, respectively).

### Access to finance

The proportion of financially constrained firms in Sweden is 7.2%, which is similar to the EU average (6.1%). Dissatisfaction among Swedish firms with most aspects of external finance is low, although a fifth (20%) of firms express dissatisfaction with the cost of finance. The findings for Sweden are broadly in line with the EU as a whole.

### Note on how to read the results:

*EIBIS 2023 overview presents the results of the survey run in 2023. Questions in the survey might point to "last financial year" (2022) or expectations for the current year (2023). The text and the footnote referring to the question will specify in each case which year is considered.*

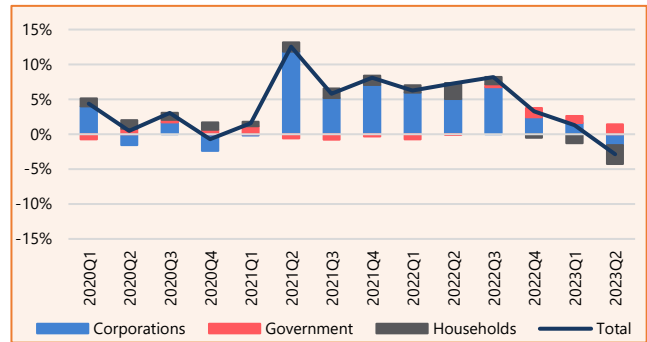
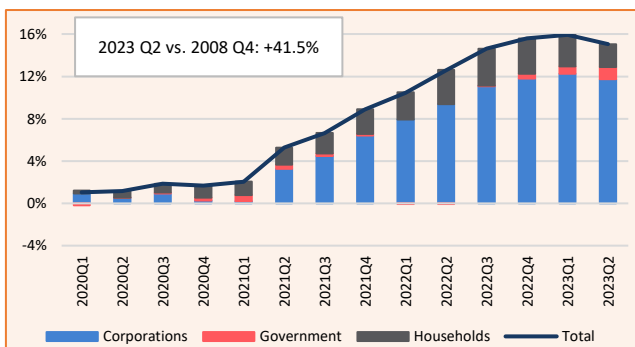
# Investment dynamics and focus

## INVESTMENT DYNAMICS BY INSTITUTIONAL SECTOR

- The level of aggregate investment increased between Q2 2021 and Q2 2022, a 11.2 percentage points rise relative to Q4 2019. This upward trajectory was primarily driven by the corporate sector as well as by the increasingly positive contribution from households. In contrast, government investments had a negative contribution that turned from positive (but already subdued) to negative at the start of 2022.
- Aggregate investment in Sweden grew until the end of 2022 (16 percentage points relative to Q4 2019) and then slightly

declined by 1 percentage point. This decline is mainly driven by a contraction in household investments and, by a smaller amount, in corporate investments. However, despite the aggregate slowdown, government investments increased by 2 percentage points since Q4 2022.

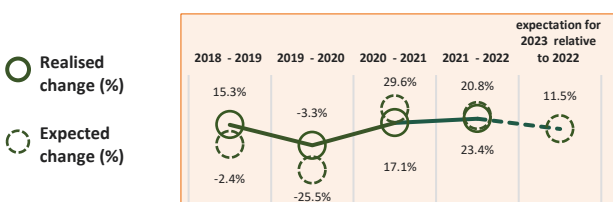
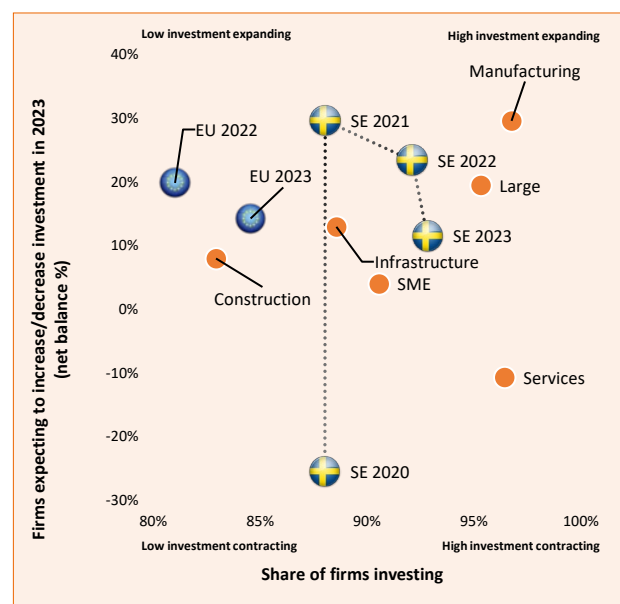
- Quarterly year-on-year change in investments show a similar dynamic. Aggregate investments declined by 3% in Q2 2023 from Q2 2020. This increase was almost entirely driven by households (3%) and by the corporate sector (1.5%), while government investments rose by 1.4%.



The LHS chart shows the evolution of total gross fixed capital formation (GFCF) by institutional sector, in real terms and non seasonally nor calendar adjusted. The nominal GFCF source data was transformed into four-quarter sums and deflated using the implicit deflator for total GFCF (2015=100 euro). The four-quarter sum of total GFCF in 2019Q4 is normalised to 0. The RHS chart shows the y-o-y % change in total real GFCF by institutional sector. The implicit deflator for total GFCF (2015=100 euro) was used for deflating the nominal GFCF source data. Source: Eurostat, authors' own calculations.

## INVESTMENT CYCLE AND EVOLUTION OF INVESTMENT EXPECTATIONS

- Swedish firms hold a positive investment outlook in 2023. Overall, firms are more likely to report expecting to raise investments (net balance of 12% in Sweden, in line with a net balance of 14% in the EU). The data, however, shows a downward trend from a net balance of 30% of firms reporting to increase investments in 2021 and a net balance of 23% of firms in 2022.
- Manufacturing firms represent the highest share expecting to increase rather than decrease their investment in 2023 (net balance 30%), while firms in services are the ones expecting a decrease in investments (net balance -11%).
- Overall, the share of Swedish firms having invested in 2022 is higher than in the EU as a whole (93% versus 85%).



"Realized change" is the share of firms that invested more minus those that invested less. "Expected change" is the share of firms that expect(ed) to invest more minus those that expect(ed) to invest less.

Base for expected and realised change: All firms

Share of firms investing shows the percentage of firms with investment per employee greater than EUR 500.

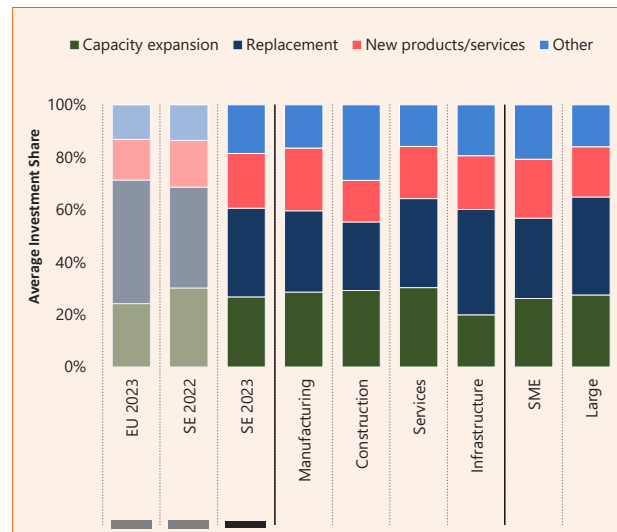
Base for share of firms investing: All firms (excluding don't know/refused responses)

Base for expected and realised change: All firms

# Investment dynamics and focus

## PURPOSE OF INVESTMENT IN LAST FINANCIAL YEAR (% of firms' investment)

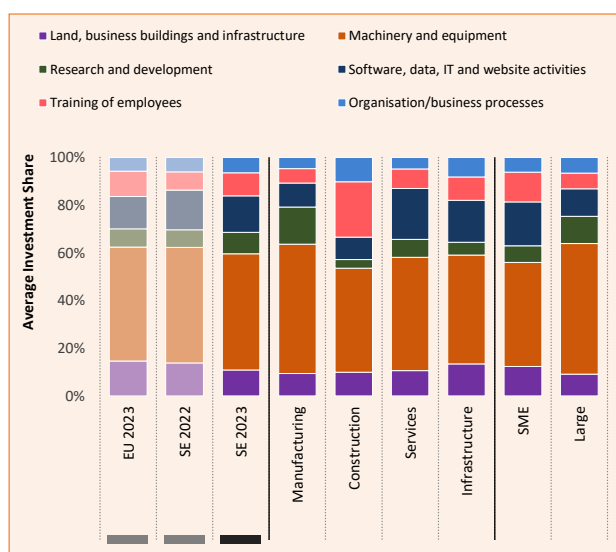
- In terms of investment purpose, firms were asked what proportion of their total investment was spent for developing new products, expanding capacity and replacing existing capacity.
- On average, Swedish firms spent 34% of their investment on capacity replacement in 2022, a similar share to what was reported in EIBIS 2022 (38%) but lower than the 2023 EU average (47%).
- Investment in capacity expansion accounted for a quarter of total investment (27%), in line with the EU average (24%), while investment in new products and services reported by Swedish firms was much higher (21% vs 16%).
- These shares vary across sectors. For example, firms in manufacturing report that 24% of their investments was spent for the development of new products, as opposed to 16% in construction. Instead, firms in infrastructure report to have spent 40% of their investments for capital replacement as opposed to 26% for firms in construction.



Q. What proportion of total investment in the last financial year was for (a) developing or introducing new products, processes, services (b) replacing capacity (including existing buildings, machinery, equipment and IT) (c) expanding capacity for existing products/services?

Base: All firms that have invested in the last financial year (excluding don't know/ refused responses)

## INVESTMENT AREAS



- Firms were also asked to report the share of investments in different business areas.
- Investment in intangible assets by Swedish firms (R&D, software, training and business processes) accounted for 40%, in line with EIBIS 2022 (38%) and the EU average (38%).
- Investment activities varied depending on the sector and size of the business. Small and medium enterprises (SMEs) invested, with respect to large firms, a higher share in intangible assets (44% versus 36%) and a lower share in tangible assets (land, buildings, infrastructure and machinery) (56% versus 64%).
- Manufacturing firms were the most likely to invest in R&D (16%), while construction firms were the most likely to invest in staff training (23%). Finally, firms in services were the most likely to invest in software, data and IT.

Q. In the last financial year, how much did your business invest in each of the following with the intention of maintaining or increasing your company's future earnings?

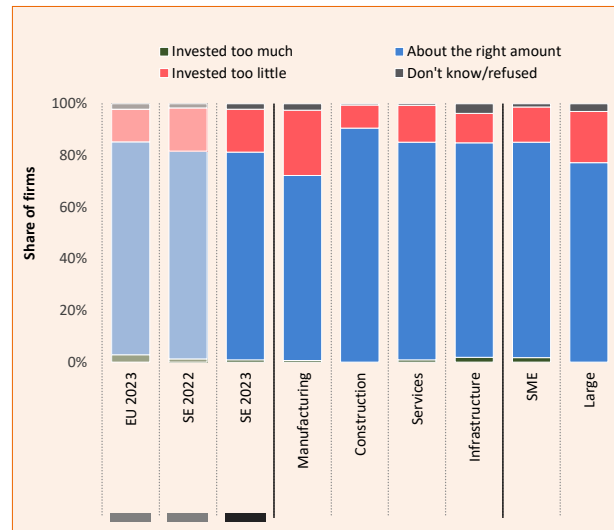
Base: All firms that have invested in the last financial year (excluding don't know/ refused responses)



# Investment needs and priorities

## PERCEIVED INVESTMENT GAP

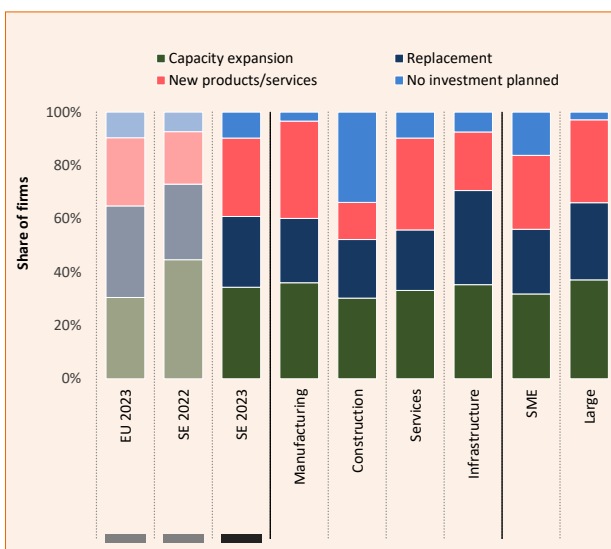
- Swedish firms did not perceive major gaps in terms of investment. Despite high levels of uncertainty and geopolitical tensions, eight out of ten firms (80%) believe that the size of their investment activities over the last three years was about the right amount. This share matches the share reported in EIBIS 2022 (80%) and it is similar to what reported by the average EU firm (82%).
- 17% of Swedish firms report investing too little. This number is in line with the findings from EIBIS 2022 (17%), but higher than the share of EU firms (13%).
- Perceptions of the investment gap varied both by firm size and sector. For example, firms in manufacturing are more likely to report that they invested too little (25%) than firms in construction (9%). Moreover, SMEs are less likely to report having invested too little (13%) than large companies (20%).



Q. Looking back at your investment over the last three years, was it too much, too little, or about the right amount?

Base: All firms (excluding 'Company didn't exist three years ago' responses)

## FUTURE INVESTMENT PRIORITIES



Q. Looking ahead to the next three years, which is your investment priority (a) replacing capacity (including existing buildings, machinery, equipment, IT); (b) expanding capacity for existing products/services; (c) developing or introducing new products, processes or services?

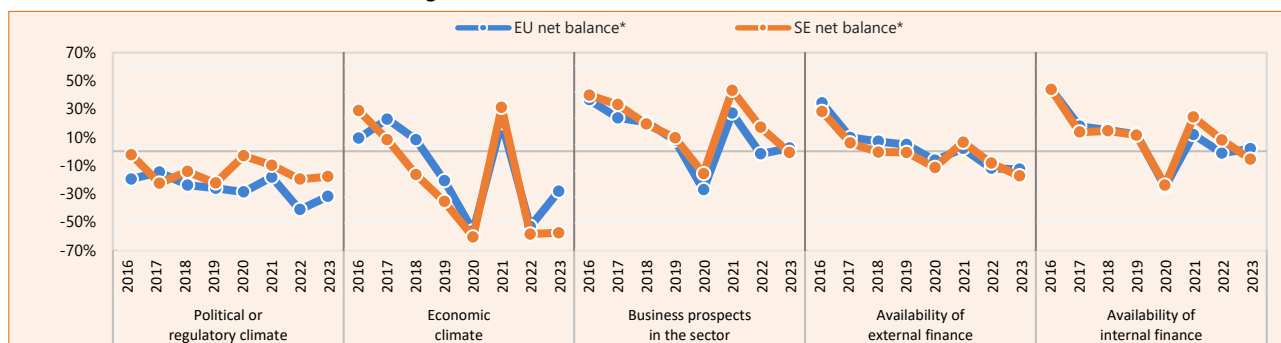
Base: All firms (excluding don't know/refused responses)

- Swedish firms were also asked about their investing priorities over the next three years.
- Investment in capacity expansion (34%) is the most cited priority by Swedish firms, a stark decrease compared to EIBIS 2022 (45%). The share of firms prioritizing investment in new products or services has increased from 20% in EIBIS 2022 to 29% in EIBIS 2023.
- The distribution of future investment priorities for Swedish firms is broadly in line with the average EU firm.
- Investment in new products or services is the main priority for manufacturing (37%) and service (35%) firms in Sweden. Notably, around a third (34%) of construction firms have no investment planned.
- SMEs are more likely to have no plans to invest than larger firms (16% versus 3%).

# Investment needs and priorities

## SHORT-TERM DRIVERS AND CONSTRAINTS

- When asked about short-term drivers and constraints for investment needs and priorities, Swedish firms report, on balance, a negative outlook on investment for the next year across several measures asked about.
- There is general pessimism about the economic climate (stable at a net negative balance of -57%, in contrast with the EU average, -26%) and about the perception of the political or regulatory climate (-15%, on balance). The perception of business prospects in the sector has continued its downward trend following the rebound after COVID-19, from +23% in EIBIS 2022 to +4%. Expectations on the availability of external and internal finance declined to -14% and -1% in net balance terms, respectively.
- Firms in Sweden hold similar views to firms across the EU except for the economic climate, where they hold more negative views-and for the political/regulatory climate where they hold more positive ones (net negative of -15% versus -30%).

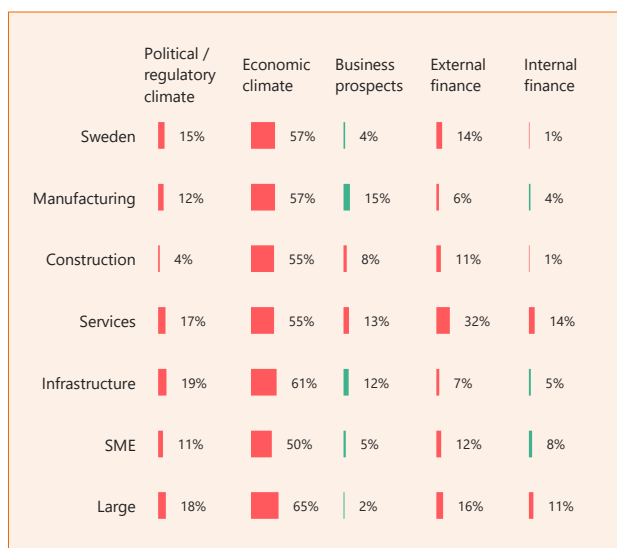


Q. Do you think that each of the following will improve, stay the same, or get worse over the next 12 months?

\*Net balance is the share of firms expecting an improvement minus the share of firms anticipating a deterioration.

Base: All firms

## SHORT-TERM DRIVERS AND CONSTRAINTS BY SECTOR AND SIZE (net balance %)



Please note: green figures represent a positive net balance,, while red figures represent a negative net balance.

- Firms in Sweden are consistently more pessimistic than optimistic about the political/regulatory climate, the economic climate and the availability of finance.
- While views on the economic climate are pessimistic and homogeneous across sectors and firms of different sizes, they are more mixed regarding business prospects in the sector, as only firms in construction (-8%) and services (-13%) hold overall negative views in net balance terms.
- Similarly, firms in construction (-1%), services (-14%) and large (-11%) firms hold mixed views about the availability of internal finance.
- Interestingly, firms report different levels of pessimism on access to external finance. While it is larger for firms in services (net negative of -32%), it is smaller for firms in manufacturing.

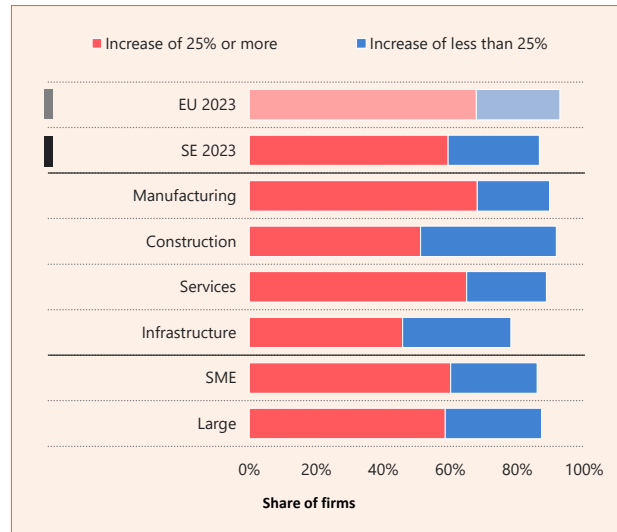
Q. Do you think that each of the following will improve, stay the same, or get worse over the next 12 months?

Base: All firms

# Energy market developments

## INCREASED SPENDING ON ENERGY

- When asked by how much their energy spending has changed in the past year, Swedish firms were less likely than those across the EU to have faced increases in energy costs (87% versus 93%).
- This also reflects the Sweden energy supply mix, which is highly reliant on renewables and less from fossil fuels. Sweden is a net energy exporter, with almost 98% of energy produced being generated by renewables.
- Infrastructure firms were the least likely to report increasing energy costs (46% of firms report an increase of 25% or more), while manufacturing firms were the largest share of firms reporting increase of 25% or more. Firms of different sizes were equally as likely to have faced increased energy costs.



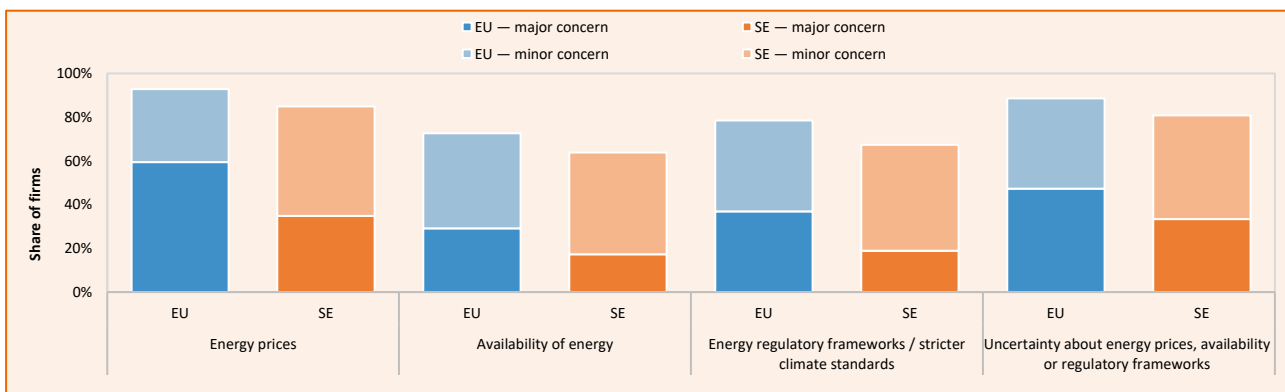
Q. Since the beginning of 2022, by how much has your company's spending on energy (including gas, electricity, oil) changed on average?

Please note: Responses of 'spending on energy stayed about the same' and 'spending on energy decreased' not shown on chart.

Base: All firms (excluding don't know/refused responses)

## IMPACT OF ENERGY SHOCK

- The energy crisis hit Swedish firms somewhat less severely than across the EU as a whole. The main concerns were for energy prices (85%) and uncertainty (81%), but levels of overall concern in these two areas were lower than the EU averages (93% and 89%, respectively).
- While the majority of firms in Sweden had concerns about the availability of energy (64%) and regulatory frameworks (67%), levels of concern were again lower than those seen across the EU as a whole (73% and 79%, respectively).



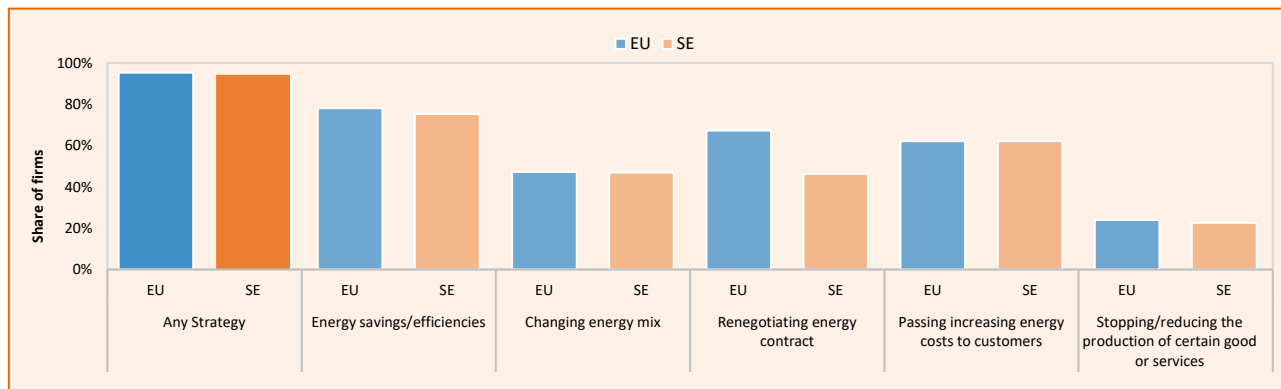
Q. Thinking about the energy shock, to what extent is your company concerned about ...?

Base: All firms (data not shown for those that said not an obstacle at all/don't know/refused)

# Energy market developments

## STRATEGIES TO DEAL WITH THE ENERGY SHOCK

- Swedish firms are equally as likely as those across the EU (95% versus 95%) to respond to the energy shocks by adopting at least one among the strategies proposed.
- In Sweden, the most frequently adopted strategies/priorities were to seek energy savings/efficiencies (75%) and to pass increasing energy costs to customers (62%) – similar to EU firms.
- Nearly a half (46%) of Swedish firms report that renegotiating their energy contract is a strategy, well below the EU average of 67%.
- Moreover, nearly a half (47%) of Swedish firms mention changing their energy mix as a strategy, while 23% say this for stopping or reducing the production of certain goods. Both shares are in line with the EU average.

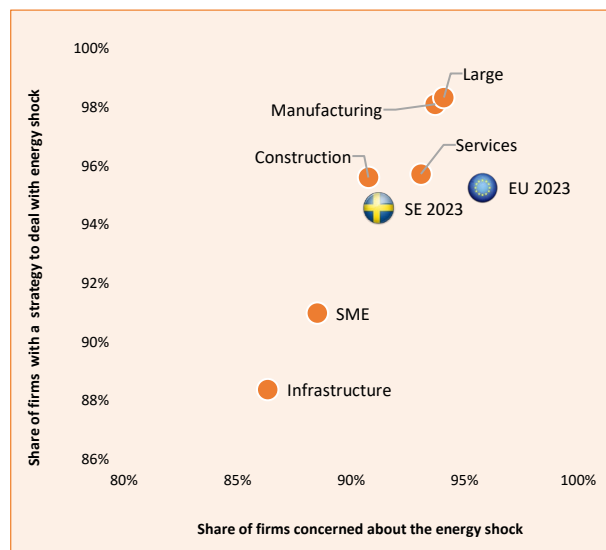


Q. Which, if any of the following, are your priorities/strategies to deal with the recent developments in the energy market?

Base: All firms (excluding don't know/refused responses)

## IMPACT AND STRATEGIES TO DEAL WITH ENERGY SHOCK

- The proportion of Swedish firms concerned about the energy shock is slightly lower than what has been reported by firms across the EU (91% versus 96%). Yet, the proportion of firms that adopted strategies to help dealing with recent developments in the energy market is similar to the EU average (95%).
- In Sweden, levels of concern were broadly similar by sector and size of firm, but the adoption of a strategy to deal with the energy shock was least likely among infrastructure firms (88% versus 96% or more for manufacturing firms) and SMEs (91% versus 98% of large firms).



Q. Which, if any, of the following, are your priorities/ strategies to deal with the recent developments in the energy market?

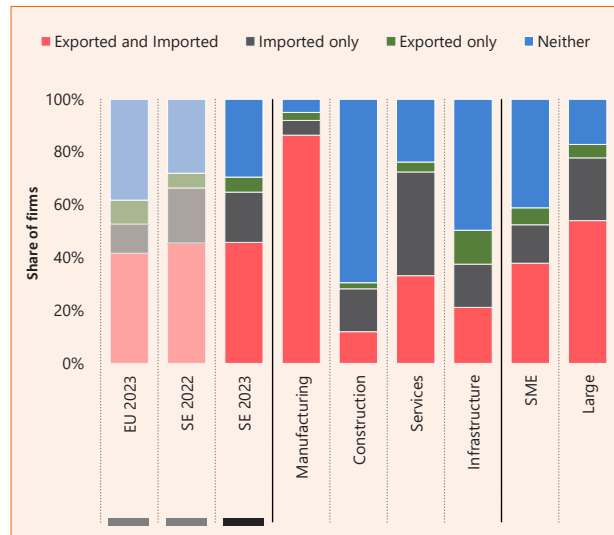
Q. Thinking about the energy shock, to what extent is your company concerned about ...

Base: All firms (excluding don't know/refused responses)

# International trade

## ENGAGEMENT IN INTERNATIONAL TRADE

- When asked about imports and exports, Swedish firms report to be more likely to be engaged in international trade than the average EU firm (71% vs 62%). Half (52%) of Swedish firms report exporting goods or services in 2022 (either solely or exporting and importing) and 65% report importing goods (either solely importing or importing and exporting).
- Almost all firms (95%) in manufacturing are engaged in international trade, while this share is only approximately 31% in the construction industry. Interestingly, a larger share of firms in infrastructure are exporters-only if compared to firms in other industries.
- Moreover, larger firms (83%) are more prone to be engaged in international trade than smaller ones (59%).

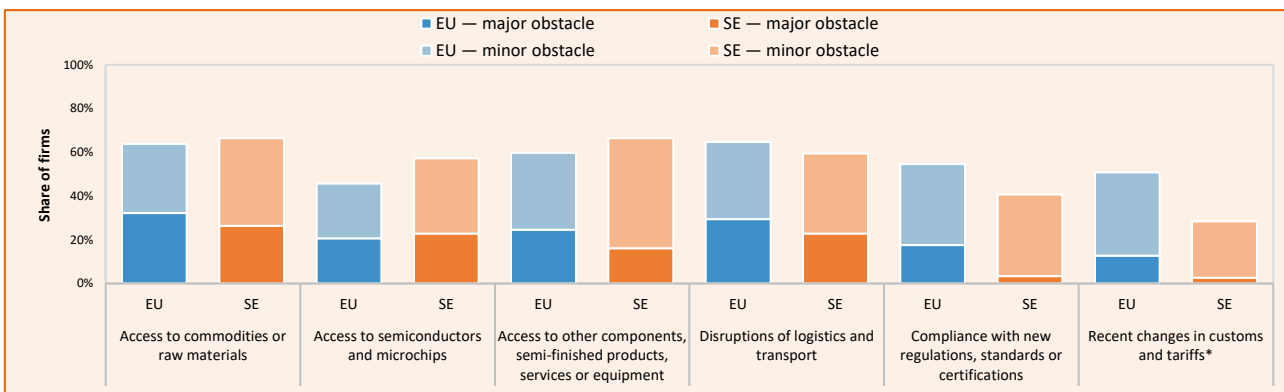


Q. In 2022, did your company export or import goods and/or services?

Base: All firms (excluding don't know/refused responses)

## DISRUPTIONS RELATED TO INTERNATIONAL TRADE

- Overall, 97% of firms in Sweden faced disruptions due to international trade, not too differently from the EU average (96%).
- Among the obstacles to business activities, more than half of Swedish firms reported difficulties with access to commodities or raw materials (66% vs 64% in the EU), reduced access to other components, semi-finished products, services, equipment (66% vs 60% in the EU),
- Compliance with new trade restrictions, customs and tariffs (41%) and recent changes in customs and tariffs (28%) were less of an obstacle to firms in Sweden than in the EU as a whole (55% versus 51%, respectively).



Q. Since the beginning of 2022, were any of the following an obstacle to your business's activities?

Base: All firms (excluding don't know/refused/not applicable responses)

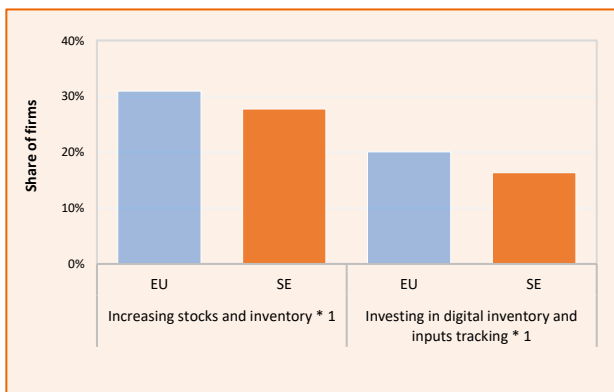
\*Base: All importers and exporters (excluding don't know/refused/not applicable responses)



# International trade

## SOURCING STRATEGY

- When asked about realised or potential changes to their sourcing strategy, Swedish firms were as likely as those across the EU to report the increase in stocks and inventory (28% versus 31%) and investment in digital inventory and inputs tracking (16% versus 20%).

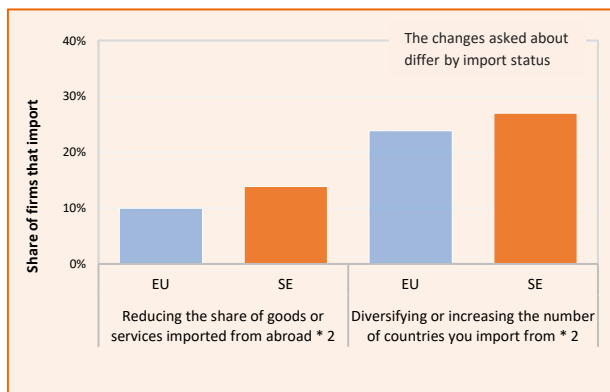


\* 1 = Asked to all, 2 = Asked to all importers

Q. Since the beginning of 2022, has your company made or are you planning to make any of the following changes to your sourcing strategy?

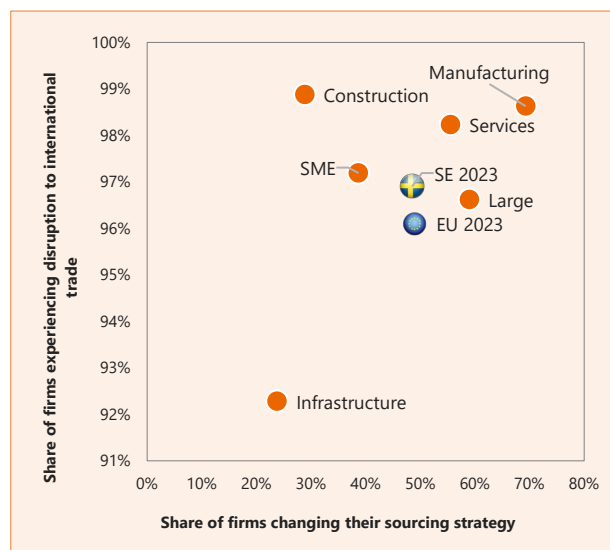
Base: All firms (excluding don't know/refused responses)  
Base: All firms that import (excluding don't know/refused responses)

- Among importers, Swedish firms are broadly as likely as firms across the EU to have reduced or plan to reduce the share of goods or services imported from abroad (14% versus 10%) and to diversify or increase the number of countries they import from or have plans to do so (27% versus 24%).



## DISRUPTIONS AND SOURCING STRATEGY

- Almost all Swedish firms faced at least one of the disruptions to international trade considered (97%), while about half of them (49%) have changed their sourcing strategy or are planning to change it. The share of firms having changed or planning to change their sourcing strategy is similar to the EU average (49%).
- When considering disruptions and sourcing strategies across sectors, manufacturing and firms in services are most likely to change or have plans to change their sourcing strategy (69% and 56%, respectively). Only 24% of firms in infrastructure report changing their sourcing strategy.
- Moreover, large firms are more likely to change their sourcing strategy than SMEs.



Q. Since the beginning of 2022, were any of the following an obstacle to your business's activities?

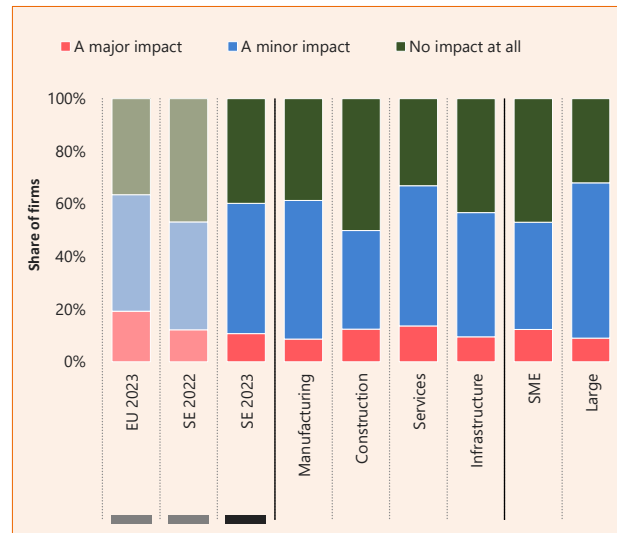
Q. Since the beginning of 2022, has your company made or are you planning to make any of the following changes to your sourcing strategy?

Base: All firms (excluding don't know/refused responses)

# Climate change and energy efficiency

## IMPACT OF CLIMATE CHANGE – PHYSICAL RISK

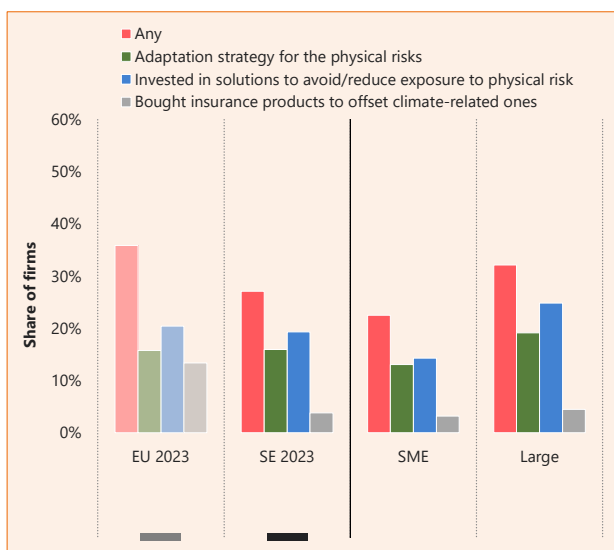
- Climate change is increasingly impacting on firms' business, as six in ten (60%) firms in Sweden report weather events having an impact on their business. This is broadly in line with results from EIBIS 2022 (53%) and with the EU average (63% in EIBIS 2023).
- Large firms are more likely than SMEs to report climate change impacting their business (68% versus 53%). At a sectorial level, firms in Sweden are broadly similar in their response regarding the impact of climate change.



Q. Thinking about the impact of climate change on your company, such as losses due to extreme climate events, including droughts, flooding, wildfires or storms or changes in weather patterns due to progressively increasing temperature and rainfall. What is the impact, also called physical risk, of this on your company?

Base: All firms (excluding don't know/refused responses)

## BUILDING RESILIENCE TO PHYSICAL RISK



- Around three in ten (27%) Swedish firms have developed or have invested in measures to build resilience to physical risks caused by climate change. This is lower than the EU average (36%).
- When considering individual measures, Swedish firms report having mainly invested in solutions to avoid or reduce the exposure to physical risks (19%, in line with the EU average of 20%), while 16% report having developed or invested in an adaptation strategy (the EU average is 16%).
- Interestingly, Swedish firms were much less likely than the EU average to have bought insurance products to offset climate related risk (4% versus 13%).
- When considering firm size, large firms were more likely than SMEs to develop or invest in any measures (32% versus 23%).

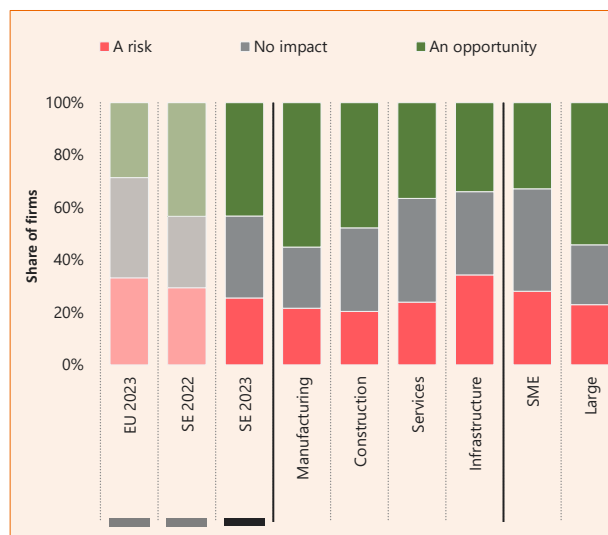
Q. Has your company developed or invested in any of the following measures to build resilience to the physical risks to your company caused by climate change?

Base: All firms (excluding don't know/refused responses)

## Climate change and energy efficiency

### IMPACT OF CLIMATE CHANGE – RISKS ASSOCIATED WITH THE TRANSITION TO A NET ZERO EMISSION ECONOMY OVER THE NEXT FIVE YEARS

- Swedish firms were asked to report their expectations on whether stricter climate standards and regulations pose a risk, have no impact or represent an opportunity to their business.
- The share of Swedish firms seeing the transition to stricter climate standards and regulations as a risk is lower than the share reporting it as an opportunity (26% and 43%, respectively). These shares are similar to the results reported in EIBIS 2022, although different from EU average results. Swedish firms are more likely to see the transition as an opportunity than firms across the EU (43% versus 29%).
- Moreover, firms in manufacturing (55%) and large firms (54%) are more likely to see the transition to a net zero emission economy over the next five years as an opportunity (55%) than firms in other industries.

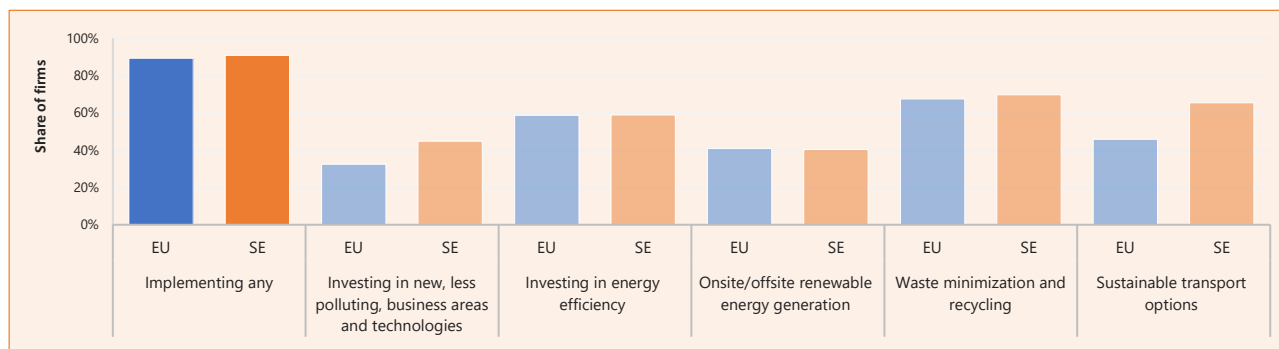


Q. Thinking about your company, what impact do you expect this transition to stricter climate standards and regulations will have on your company over the next five years?

Base: All firms (excluding don't know/refused responses)

### ACTIONS TO REDUCE GREENHOUSE GAS EMISSIONS

- Nine in ten Swedish firms (91%) are taking actions to reduce Greenhouse Gas (GHG) emissions, similar to the rest of the EU (89%).
- The main actions carried out by Swedish firms are waste minimization and recycling (70%), followed by sustainable transport options (65%) and investments in energy efficiency (59%).
- Compared to the EU, Swedish firms are more likely to be investing in sustainable transport options (65% versus 46%) and new, less polluting, business areas and technologies (45% versus 32%).



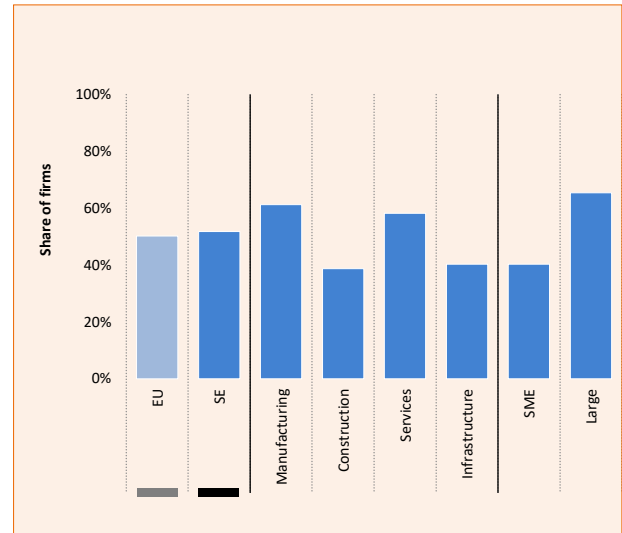
Q. Is your company investing or implementing any of the following, to reduce greenhouse gas (GHG) emissions?

Base: All firms (excluding don't know/refused responses)

# Climate change and energy efficiency

## ENERGY AUDIT

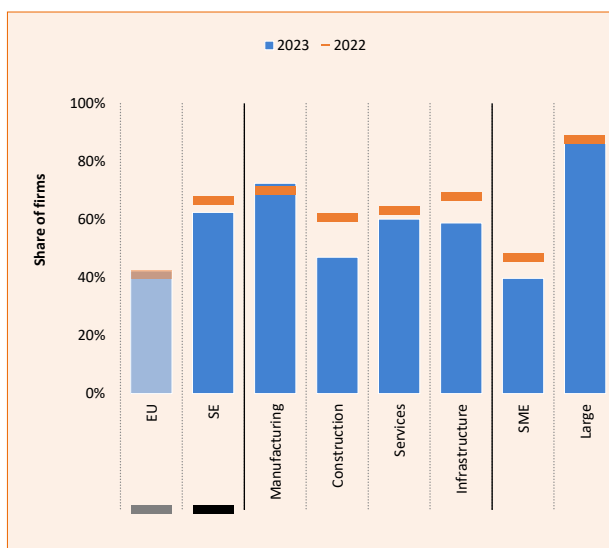
- Firms were asked whether they have been undertaking an energy audit to assess the energy needs of their company's buildings.
- Just over half (52%) of Swedish firms report having conducted an energy audit in line with the rest of EU firms (50%).
- Across different sectors, firms in manufacturing (61%) and services sectors (58%) were the most likely to have conducted an energy audit.
- Similarly, large firms (65%) were more likely to have conducted an energy audit than SMEs.



Q. In the past three years, has your company had an energy audit (i.e. an assessment of the energy needs and efficiency of your company's building or buildings)?

Base: All firms (excluding don't know/refused responses)

## CLIMATE CHANGE TARGETS FOR OWN GREENHOUSE GAS EMISSIONS



- When asked about their targets on Greenhouse Gas (GHG) emissions, around six in ten Swedish firms (62%) report to set and monitor targets. This number is broadly in line with results from EIBIS 2022 (67%), while it is higher than the EU average (42%).
- Interestingly, large firms are more than twice as likely than SMEs to say that they set and monitor targets for their own Greenhouse Gas emissions (86% versus 40%). This difference is larger than what was reported by firms in EIBIS 2022 (87% and 47%, respectively).
- When looking at sectorial differences, manufacturing firms are the most likely to set and monitor these targets (73%), while construction industry report the largest decline from 2022 levels.

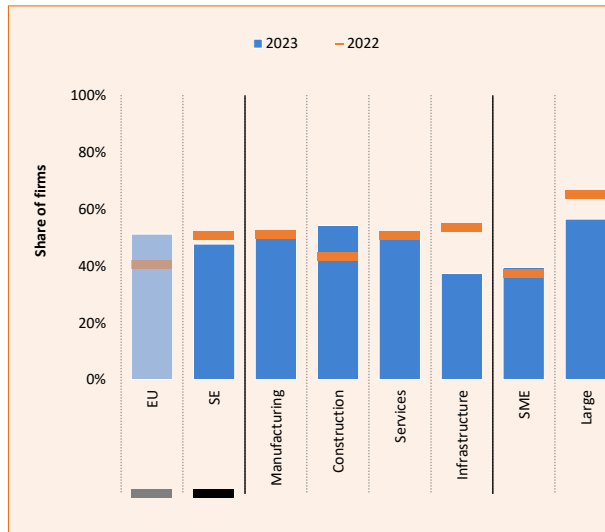
Q. Does your company... sets and monitors targets for its own greenhouse gas (GHG) emissions?

Base: All firms (excluding don't know/refused responses)

# Climate change and energy efficiency

## SHARE OF FIRMS INVESTING IN MEASURES TO IMPROVE ENERGY EFFICIENCY

- On average around half (48%) of Swedish firms invested in measures to improve energy efficiency in 2023, in line with EIBIS 2022 (51%) and with the EU average (51%).
- Among Swedish firms, SMEs (39%) and those in the infrastructure sector (37%) were the least likely to be investing in energy efficiency.
- Moreover, firms in the infrastructure industry report the largest difference since EIBIS 2022 (down from 54% to 37%).

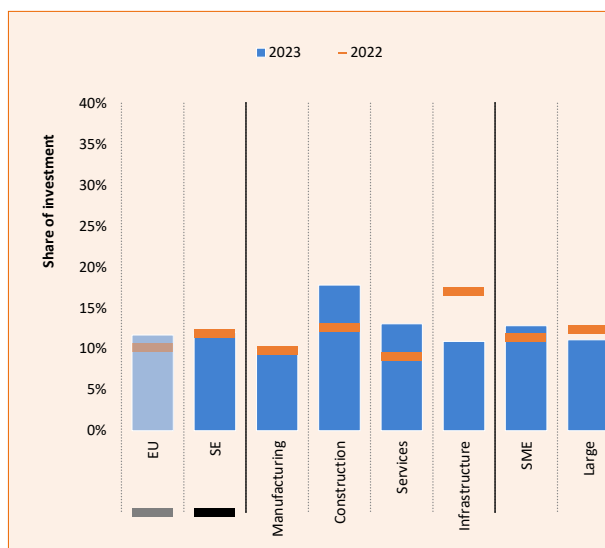


Q. What proportion of the total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

Base: All firms

## AVERAGE SHARE OF INVESTMENT IN MEASURES TO IMPROVE ENERGY EFFICIENCY

- The average share of investments to improve energy efficiency was 12% in 2022. This is broadly similar to what was reported in EIBIS 2022 (12%) and with the EU average (12%).
- Firms in the construction industry (18%) made the highest share of their investment on energy efficiency across all sectors considered. They are also the ones reporting the highest increase from the previous year.
- There is no difference in the share of investments made to improve energy efficiency across all sizes in Sweden.



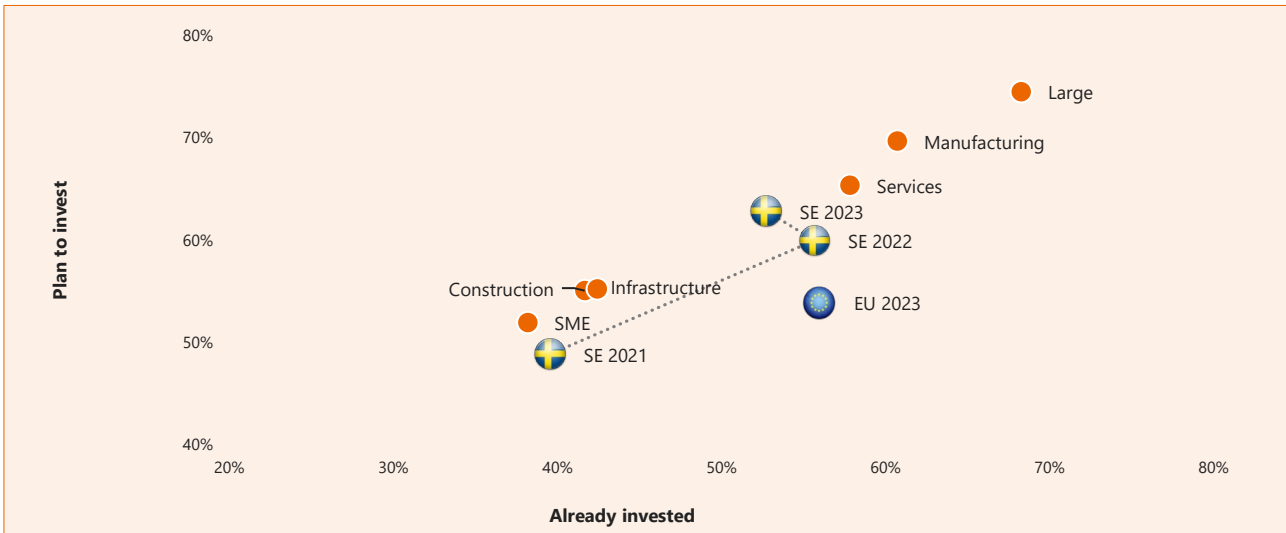
Q. What proportion of the total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

Base: All firms that have invested in the last financial year (excluding don't know/refused responses)



# Climate change and energy efficiency

## INVESTMENT PLANS TO TACKLE CLIMATE CHANGE IMPACT



EIBIS 2022/2023:

Q. Which of the following applies to your company regarding investments to tackle the impacts of weather events and to help reduce carbon emissions?

Please note: question change and an additional answer option was included in 2022, this may have influenced the data. Treat comparison to 2021 with caution.

EIBIS 2021:

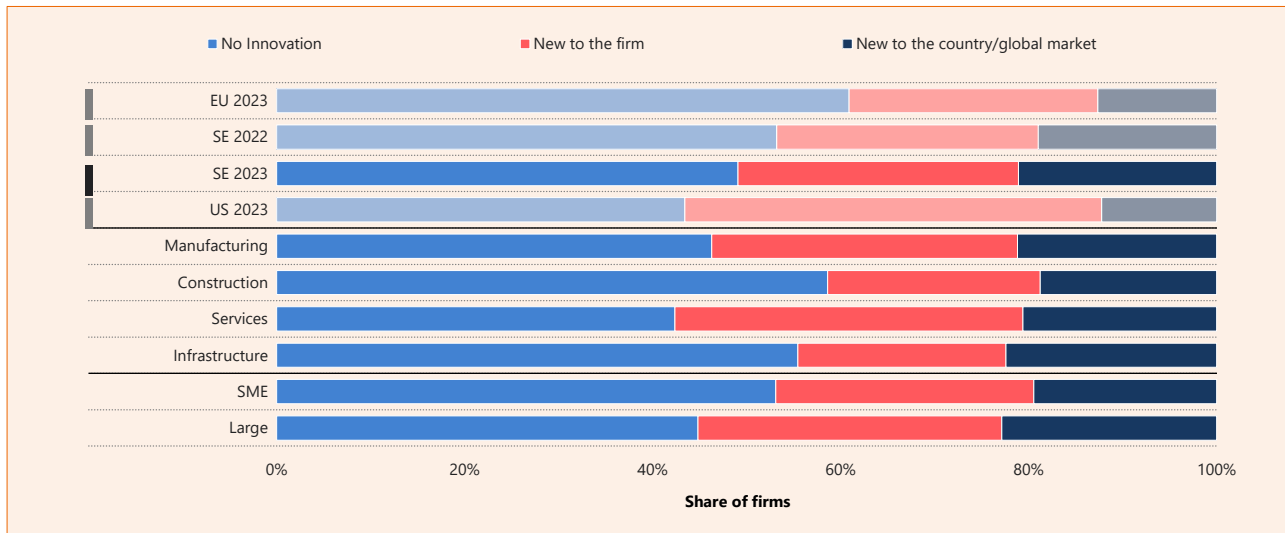
Q. Now thinking about investments to tackle the impacts of weather events and to deal with the process of reduction in carbon emissions, which of the following applies?

Base: All firms (excluding don't know/refused responses)

- Firms were also asked about whether they have invested or if they plan to invest to tackle climate change. 53% of Swedish firms report having already invested in tackling the impacts of weather events and having already started dealing with the process of reducing carbon emissions. This number is slightly below the EU average (56%).
- Over six in ten (63%) Swedish firms have plans to invest in these areas over the next three years, as opposed to 54% across the EU.
- Large firms are considerably more likely than SMEs to have invested to tackle climate change (68% versus 38%) and are also more likely to invest in the future (75% versus 52%).
- When looking across different sectors, firms in manufacturing (61%) and services (58%) have the highest likelihood of having already invested in and plan to do so (70% and 65%, respectively).

# Innovation activities

## INNOVATION ACTIVITY



Q. What proportion of total investment in the last financial year was for developing or introducing new products, processes or services?

Q. Were the products, processes or services new to the company, new to the country or new to the global market?

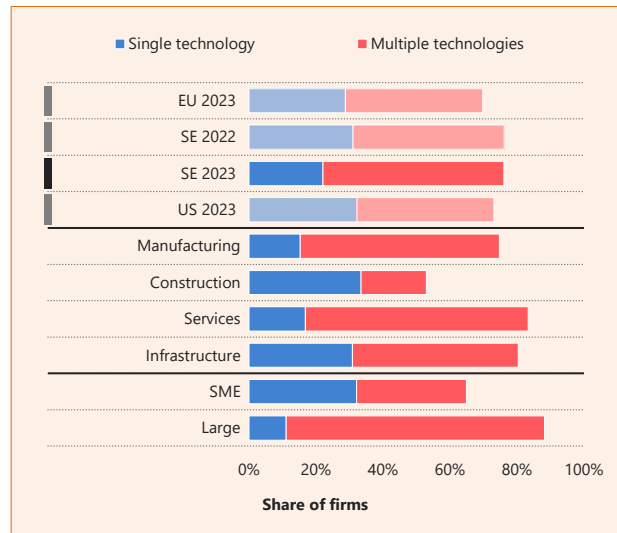
Base: All firms (excluding don't know/refused responses)

- Innovation is a relevant topic for Swedish firms. Half (51%) of Swedish firms developed or introduced new products, processes or services as part of their investment activities in 2022. This share is broadly in line with the results from EIBIS 2022 (47%) and from US firms (57%), although it is higher than the EU average of 39%.
- One in five (21%) of firms in Sweden report the development/ introduction of products, processes or services that were new to either the country or global market. This result is considerably higher than the EU average (13%) and it testifies the importance of Stockholm as one of the main start-up hubs in the EU.
- Levels of innovation were highest among firms in the services industry (58%) and manufacturing (54%). Firms of all sizes in Sweden had broadly similar levels of innovation.

# Innovation activities

## USE OF ADVANCED DIGITAL TECHNOLOGIES

- Overall, 76% of firms in Sweden used at least one advanced digital technology, a number that is higher than what was reported by firms across the EU (70%) and also higher than the US average (73%).
- Firms in the construction sector (53%) and SMEs (65%) are the least likely to adopt digital technologies.
- By looking into specific digital technologies, Swedish firms are most likely to be using digital platform technology (58%), robotics (56%) and the internet of things (IoT) (52%).
- If compared to other firms in the EU, Swedish firms are stronger in the implementation of IoT (52% versus 41%) and big data (40% versus 29%). Notably, when considering drone technology, firms in the US are stronger than those in Sweden and the EU as a whole.



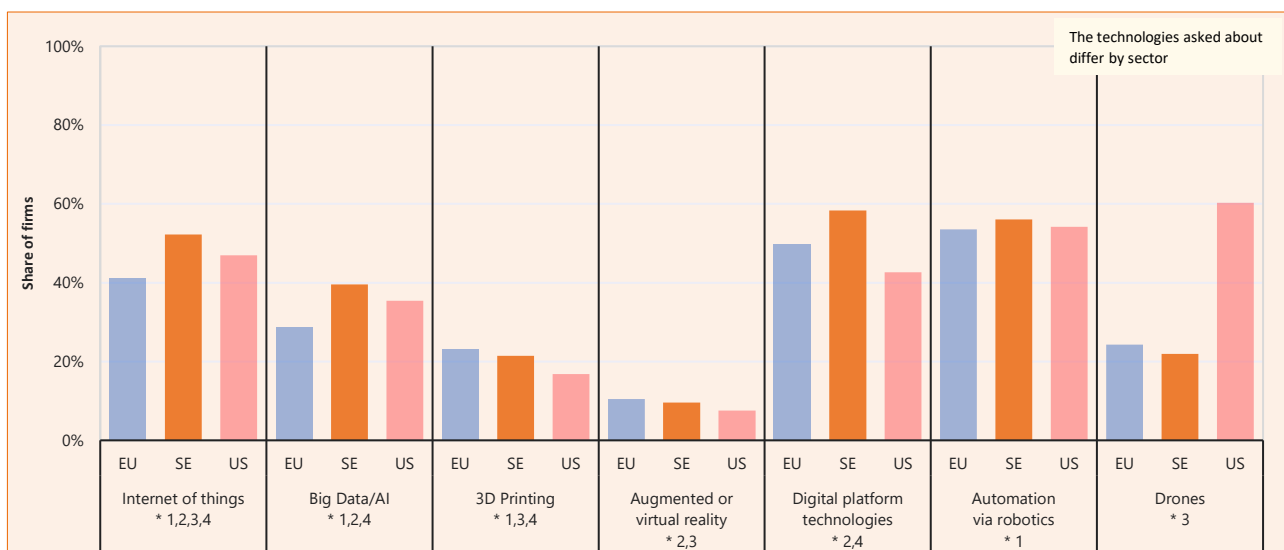
Reported shares combine "used" the technology "in parts of business" and "entire business organised around it."

Single technology is where firms have used one of the technologies asked about. Multiple technologies is where firms have used more than one of the technologies asked about.

Q. To what extent, if at all, are each of the following digital technologies used within your business? Please say if you do not use the technology within your business.

Base: All firms (excluding don't know/refused responses)

## ADVANCED DIGITAL TECHNOLOGIES



\* Sector: 1 = Asked to manufacturing firms, 2 = Asked to services firms, 3 = Asked to construction firms, 4 = Asked to infrastructure firms

Q. To what extent, if at all, are each of the following digital technologies used within your business? Please say if you do not use the technology within your business.

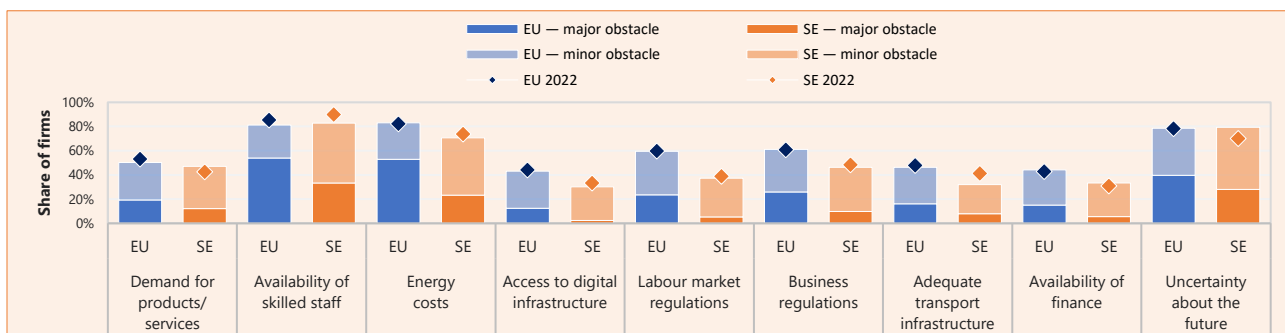
Reported shares combine used the technology 'in parts of business' and 'entire business organised around it'

Base: All firms (excluding don't know/refused responses);  
Sample size SE: Manufacturing (150); Construction (90); Services (106); Infrastructure (115).

# Investment impediments

## LONG-TERM BARRIERS TO INVESTMENT

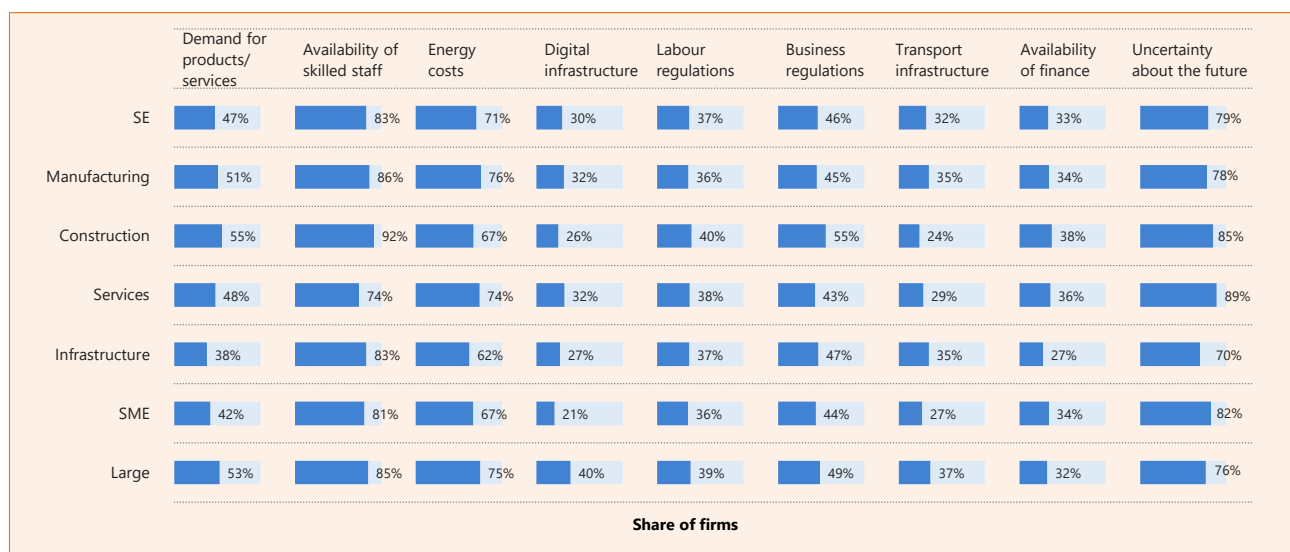
- Lack of skilled staff (83%) is one of the most frequently mentioned long-term barriers to investment in Sweden, together with uncertainty about the future (79%) and high energy costs (71%). The obstacles reported are similar to the ones reported by firms across the EU, although Swedish firms are less likely than EU firms to report energy costs as a barrier (71% versus 82%, respectively).
- Swedish firms are less likely to report other barriers to investments as main obstacles to finance than firms across the EU.
- When considering barriers across sectors, Swedish firms report similar barriers to investments. Moreover, large firms are more likely than SMEs to access to digital infrastructure as a barrier (40% versus 21%).



Q. Thinking about your investment activities, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

Base: All firms (data not shown for those that said not an obstacle at all/don't know/refused)

## LONG-TERM BARRIERS BY SECTOR AND SIZE



Reported shares combine 'minor' and 'major' obstacles into one category

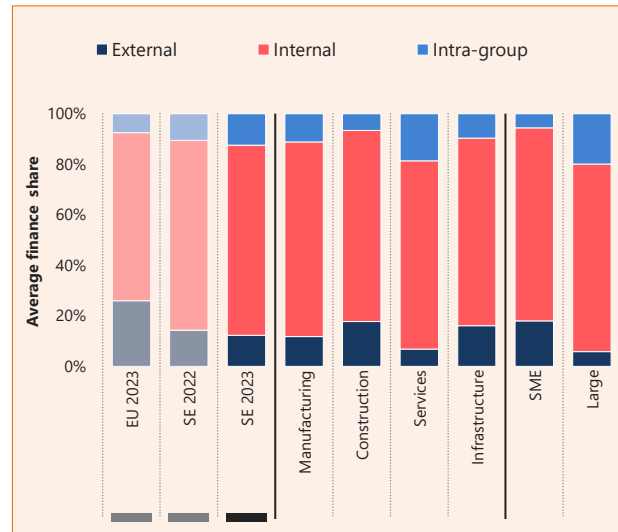
Q. Thinking about your investment activities, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

Base: All firms (data not shown for those that said not an obstacle at all/don't know/refused)

# Access to finance

## SOURCE OF INVESTMENT FINANCE

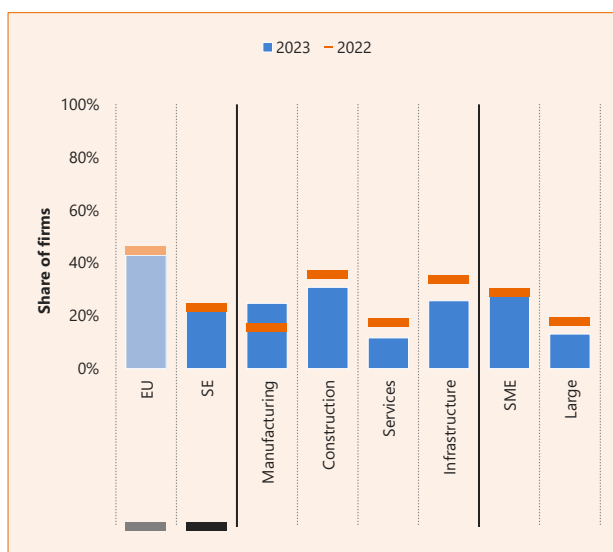
- Internal financing accounted for the largest share of finance for firms in Sweden (75%), followed by external finance (12%) and intra-group finance (12%). The picture is broadly similar as what was reported by firms in EIBIS 2022.
- Swedish firms were more likely than firms in the EU to be sourcing finance internally (75% versus 66%) and intra-group (12% versus 7%). They were thus less likely to source external financing, suggesting that they are on average less leveraged than firms in the EU.
- Internal finance represented the largest share of funding sources across all sectors considered.
- Yet, when looking at firm size, SMEs had a relatively larger share of financing from external sources than large firms (18% versus 6%) and a smaller share from intra-group sources (6% versus 20%), indicating the difficulty of SMEs to get access to finance.



Q. What proportion of your investment was financed by each of the following?

Base: All firms that invested in the last financial year (excluding don't know/refused responses)

## USE OF EXTERNAL FINANCE



- Just over a fifth (22%) of Swedish firms reporting to invest in the last financial year, had financed at least some of their investment through external sources. This is in line with EIBIS 2022 (23%) but lower than the EU average (43%).
- Across sectors, services were the least likely to report the use of external finance (12%, a drop from 18% in EIBIS 2022). Similarly, large firms were less likely than SMEs to rely on external sources of financing (13% versus 30%) and less likely than they were to have accessed such finance in EIBIS 2022 (18%).

Q. Approximately what proportion of your investment in the last financial year was financed by each of the following

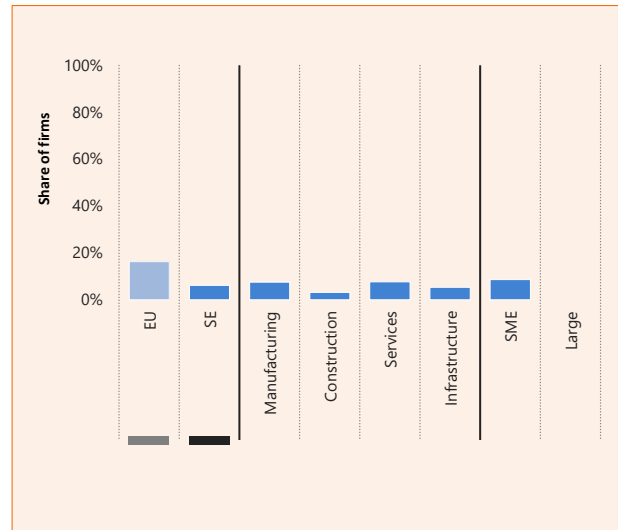
Base: All firms that invested in the last financial year (excluding don't know/refused responses)



## Access to finance

### SHARE OF FIRMS WITH FINANCE FROM GRANTS

- Less than a tenth of firms using external finance in Sweden received grants (6%). This is well below the EU average (16%).
- When looking across sectors, firms report an homogeneous share of investments financed by grants. No industry reported a share of firms larger than 8%.
- Large firms did not receive grants, while grants account 9% of SMEs funding for total investments.

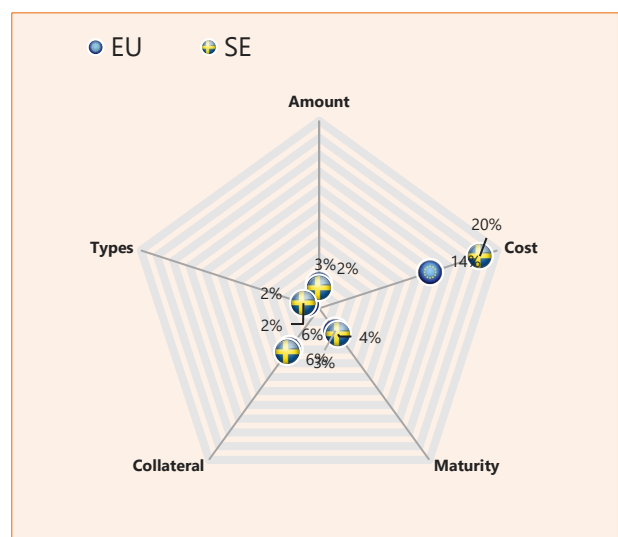


Q. What proportion of your total investment in your last financial year was financed by grants?

Base: All firms using external finance (excluding don't know/refused responses)

### DISSATISFACTION WITH EXTERNAL FINANCE RECEIVED (% of firms)

- Dissatisfaction with most aspects of external finance is low across Swedish firms. 6% or less expressed dissatisfaction with the amount of finance available, the types of finance, as well as the collateral and maturity terms. However, one-fifth (20%) of Swedish firms expressed dissatisfaction with the cost of finance.
- Dissatisfaction for the cost of finance may reflect the increase in interest rates implemented by the Riksbank and by the other central banks, to fight inflation.
- Moreover, the level of dissatisfaction for Swedish firms is broadly in line with the EU as a whole.



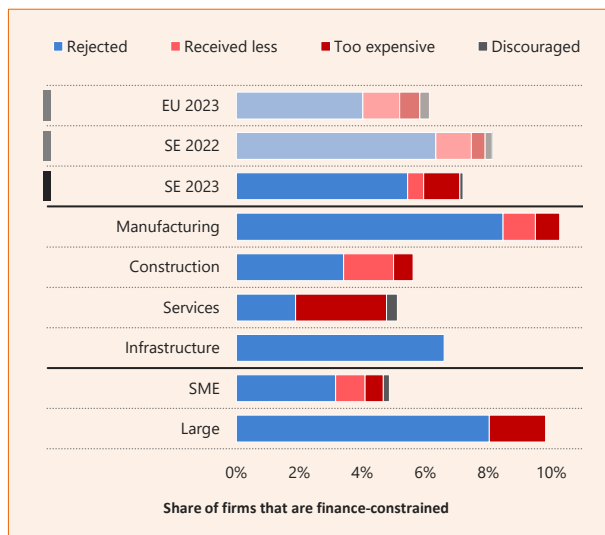
Q. How satisfied or dissatisfied are you with ...?

Base: All firms that used external finance in the last financial year (excluding don't know/refused responses)

# Access to finance

## SHARE OF FINANCE-CONSTRAINED FIRMS

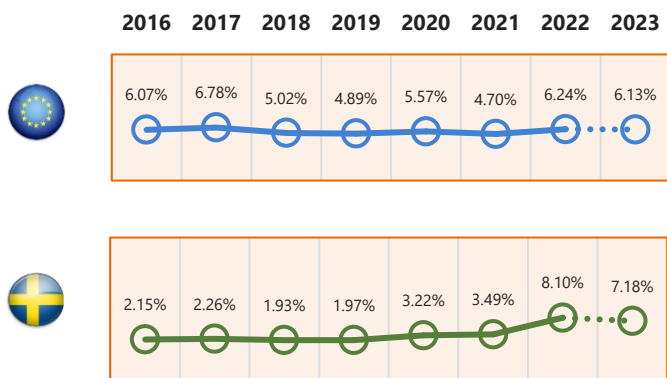
- The share of financially constrained firms in Sweden is 7.2%, similar to the EU average (6.1%).
- The main constraint reported by firms in Sweden is rejection (5.4%), followed by the expense of finance (1.2%).
- Compared to EIBIS 2022, the overall share of financially constrained firms remained broadly similar, although the share of firms claiming that borrowing costs were high increased considerably.
- When looking across sectors, the share of finance-constrained firms in Sweden is greatest among manufacturing (10.3%) firms.



*Finance-constrained firms include: those dissatisfied with the amount of finance obtained (received less), firms that sought external finance but did not receive it (rejected) and those that did not seek external finance because they thought borrowing costs would be too high (too expensive) or they would be turned down (discouraged)*

*Base: All firms (excluding don't know/refused responses)*

## FINANCING CONSTRAINTS OVER TIME

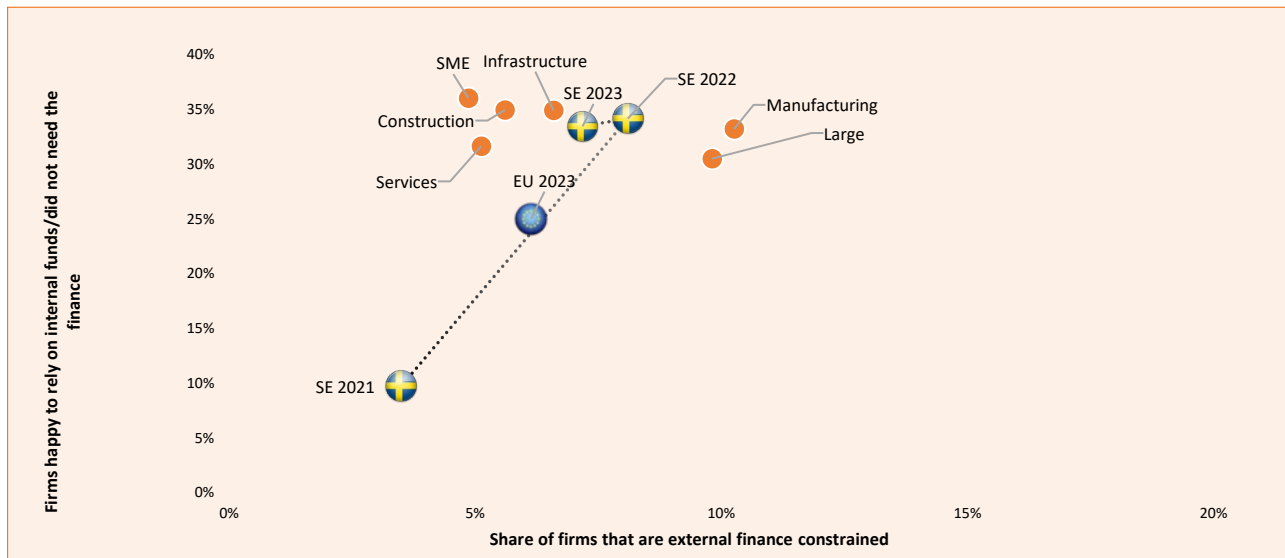


- The proportion of Swedish firms that are finance constrained has increased since EIBIS 2017, from 2.3% to 7.2% in 2023, reaching a high of 8.1% in EIBIS 2022.
- Since EIBIS 2022, the proportion of finance constrained firms in Sweden has been closer to the EU average, reflecting a worsening in the credit market condition for bank-lending finance.

*Base: All firms (excluding don't know/refused responses)*

# Access to finance

## FINANCING CROSS



Data derived from the financial constraint indicator and firms indicating main reason for not applying for external finance was 'happy to use internal finance/didn't need finance'

Base: All firms (excluding don't know / refused)

- While 7.2% of Swedish firms can be considered finance constrained in EIBIS 2023, a third (33%) are happy to rely on internal finance, similar to EIBIS 2022 (34%).
- The proportion of financially constrained firms in Sweden is similar to the EU average (7.2% versus 6.1%), although a greater proportion of Swedish firms is happy to rely on internal finance (34% versus 25%).

## EIBIS 2023 – Country technical details

### SAMPLING TOLERANCES APPLICABLE TO PERCENTAGES AT OR NEAR THESE LEVELS

The final data are based on a sample, rather than the entire population of firms in Sweden, so the percentage results are subject to sampling tolerances. These vary with the size of the sample and the percentage figure concerned.

	EU	US	SE	Manufacturing	Construction	Services	Infrastructure	SME	Large	EU vs SE	Manuf vs Constr	SME vs Large
	(12030)	(802)	(480)	(155)	(92)	(111)	(116)	(412)	(68)	(12030 vs 480)	(155 vs 92)	(412 vs 68)
10% or 90%	1.1%	3.9%	3.2%	5.4%	6.6%	6.6%	6.4%	2.5%	6.0%	3.4%	8.5%	6.5%
30% or 70%	1.8%	6.0%	4.9%	8.3%	10.0%	10.1%	9.8%	3.9%	9.2%	5.2%	13.0%	10.0%
50%	1.9%	6.5%	5.3%	9.1%	10.9%	11.0%	10.7%	4.2%	10.0%	5.7%	14.1%	10.9%

### GLOSSARY

<b>Investment</b>	A firm is considered to have invested if it spent more than EUR 500 per employee on investment activities with the intention of maintaining or increasing the company's future earnings.
<b>Investment cycle</b>	Based on the expected investment in current financial year compared to last one, and the proportion of firms with a share of investment greater than EUR 500 per employee.
<b>Manufacturing sector</b>	Based on the NACE classification of economic activities: firms in group C (Manufacturing).
<b>Construction sector</b>	Based on the NACE classification of economic activities: firms in group F (Construction).
<b>Services sector</b>	Based on the NACE classification of economic activities: firms in group G (wholesale and retail trade) and group I (accommodation and food Services activities).
<b>Infrastructure sector</b>	Based on the NACE classification of economic activities: firms in groups D and E (utilities), group H (transportation and storage) and group J (information and communication).
<b>SME</b>	Firms with between 5 and 249 employees.
<b>Large firms</b>	Firms with at least 250 employees.

*Note: the EIBIS 2023 country overview refers interchangeably to 'the past/last financial year' or to '2022'. Both refer to results collected in EIBIS 2023, where the question is referring to the past financial year, with the majority of the financial year in 2022 in case the financial year is not overlapping with the calendar year 2022.*

## EIBIS 2023 – Country technical details

The country overview presents selected findings based on telephone interviews with 480 firms in Sweden (carried out between April and July 2023).

**BASE SIZES** (\*Charts with more than one base; due to limited space, only the lowest base is shown)

Base definition and page reference	EU 2023/2022	US 2023	Sweden 2023/2022	Manufacturing	Construction	Services	Infrastructure	SME	Large
All firms, p. 5 (bottom left), p. 8 (top), p. 8 (bottom), p. 16 (top)	12030/12021	802	480/482	155	92	111	116	412	68
All firms (excluding don't know/refused responses), p. 5 (bottom right)	11624/11682	776	475/474	152	92	110	115	410	65
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 6 (top)	10147/9704	692	419/421	134	79	97	105	362	57
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 6 (bottom)	9948/9501	704	447/428	140	88	105	109	389	58
All firms (excluding 'Company didn't exist three years ago' responses), p. 7 (top)	12015/12005	802	479/479	155	91	111	116	411	68
All firms (excluding don't know/refused responses), p. 7 (bottom)	11880/11814	794	471/476	152	91	108	114	405	66
All firms (excluding don't know/refused responses), p. 9 (top)	11812/NA	782	459/NA	148	88	107	110	394	65
All firms (data not shown for those that said not an obstacle at all/don't know/refused), p. 9 (bottom)	12030/NA	802	480/NA	155	92	111	116	412	68
All firms (excluding don't know/refused responses), p. 10 (top)	11739/NA	786	469/NA	152	90	106	113	401	65
All firms (excluding don't know/refused responses), p. 10 (bottom)	11739/NA	786	469/NA	152	90	106	113	401	65
All firms (excluding don't know/refused responses) p. 11 (top)	11978/11975	800	478/478	155	92	111	114	410	68
All firms (excluding don't know/refused/not applicable responses), p. 11 (bottom)	6692/NA	284	285/NA	130	21	73	44	229	56
All firms (excluding Don't know/refused responses), p. 12 (top left)	11918/NA	797	473/NA	152	92	109	114	406	67
All firms that import (excluding don't know/refused responses), p. 12 (top right)	6151/NA	240	262/NA	126	21	72	38	209	53
All firms (excluding don't know/refused responses), p. 12 (bottom)	10139/NA	717	428/NA	147	76	104	96	361	67
All firms (excluding Don't know / refused responses) p. 13 (top)	11930/11911	797	472/476	152	91	110	113	406	66
All firms (excluding Don't know / refused responses), p. 13 (bottom)	11944/11909	789	466/472	149	91	108	112	402	64
All firms (excluding don't know/refused responses), p. 14 (top)	11433/11172	771	453/460	149	83	108	107	389	64
All firms (excluding don't know/refused responses), p. 14 (bottom)	11956/11964	800	477/476	155	91	110	115	409	68
All firms (excluding don't know/refused responses), p. 15 (top)	11549/NA	766	440/NA	141	88	98	107	384	56
All firms (excluding don't know/refused responses), p. 15 (bottom)	11836/11712	791	466/471	150	92	109	109	400	66
All firms that have invested in the last financial year (excluding don't know/refused responses), p. 16 (bottom)	10210/9752	707	429/412	134	82	103	105	373	56
All firms (excluding don't know/refused responses), p. 17	11721/11685	770	464/473	149	90	108	112	399	65
All firms (excluding don't know/refused responses), p. 18	11738/11735	780	459/459	148	87	106	112	394	65
All firms (excluding don't know/refused responses), p. 19 (top)	12009/11980	801	474/479	154	91	109	115	408	66
All firms (excluding don't know/refused responses), p. 19 (bottom)	11916/11844	800	466/470	150	90	106	115	401	65
All firms (data not shown for those who said not an obstacle at all/don't know/refused), p. 20 (top)	12030/12021	802	480/482	155	92	111	116	412	68
All firms (data not shown for those who said not an obstacle at all/don't know/refused), p. 20 (bottom)	12030/12021	802	480/482	155	92	111	116	412	68
All firms who invested in the last financial year (excluding don't know/refused responses), p. 21 (top)	10517/10051	697	446/441	139	85	106	110	385	61
All firms who invested in the last financial year (excluding don't know/refused responses), p. 21 (bottom)	10517/10051	697	446/441	139	85	106	110	385	61
All firms using external finance (excluding don't know/refused responses), p. 22 (top)	4269/4107	265	118/111	42	29	13	32	110	8
All firms that used external finance in the last financial year (excluding don't know/refused responses), p. 22 (bottom)	4184/3988	264	118/110	41	28	12	33	111	7
All firms (excluding don't know/refused responses), p. 23 (top)	11544/11504	729	459/471	143	87	107	116	398	61
All firms (excluding don't know/refused responses), p. 23 (bottom)	11544/11504	729	459/471	143	87	107	116	398	61
All firms (excluding don't know/refused responses), p. 24	11544/11473	729	459/469	143	87	107	116	398	61





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# Sweden

## Overview

# EIB INVESTMENT SURVEY

# 2023