

Sweden – Press review February 2018

Lack of security pushes up prices

In a series of articles, DI has looked at the vulnerability of retail business owners. Although the number of robberies has stabilised, petty theft and shoplifting have increased, according to the Swedish Trade Federation. Anders Nyberg, CEO for ICA-owned pharmacy chain Hjärtat Sverige, which is the second biggest pharmacy after state-owned Apoteket AB, says security measures are pushing up prices. Meanwhile Dagens Nyheter (DN) reports that state Apoteket lost SEK 600 million in sales during Q4 due to lost contracts with county councils. (3/2 DI: 12, DN I: 30)

Construction has peaked

Property construction has peaked. Last year 64,000 new apartment projects were started, according to Statistics Sweden, which is an 8% increase from the year before. Danske Bank's chief economist Michael Grahn bases his assessment on the falling number of applications for planning permission. "This means that construction launches will fall significantly." House prices fell around 10% during the autumn and this has led property companies to be more cautious. Michael Grahn predicts a fall of 15% in house construction this year. (DN I: 17)

E-commerce on the rise

In 2017, e-commerce increased in Sweden by 16%, compared to a year before. E-commerce has a turnover of SEK 67 billion, corresponding to 8.7% of total retail sales. (DN I: 18)

Small-scale alcohol production

There are 2,500 annual employees in the small-scale alcohol production industry in Sweden, according to the Federation of Swedish Farmers (LRF). This is an increase of 2,000 people in a short space of time. It is mainly micro-breweries, with a turnover of SEK 1.5 billion, that have boosted growth. (DI: 7, DN I: 20)

Northvolt receives funding

The Swedish Energy Agency (Statliga Energimyddigheten) is providing SEK 146 million to Northvolt's gigantic battery project. The money is going to the planned pilot site in Västerås, according to a press release. (DN I: 13)

New CEO for Boliden

The running favourite, Mikael Staffas, has been appointed new CEO of mining giant Boliden. He says the challenges include the volatility of the industry and this demands a great deal of capital. (DI: 9)

Not holding Telia back

The government is prepared to give the go-ahead for Telia's plans for a major acquisition. Within Telia there has been growing frustration that the Swedish state, as the only major owner with 37% of the company, is defensive, putting a stop to significant structural deals. Minister for Enterprise Mikael Damberg now says to Dagens Industri (DI) that he has not stood in the way of any deal. "We have not formally been asked to go in with money in a deal," he says, adding, "We are in continual discussions with the management of Telia and we have been clear that we back the board's plans to grow in the Nordic and Baltic regions." He also says that Telia is a strategically important company for Sweden just now, making major investments in strategic infrastructure. (DI: 8, SvD bus: 10)

EU to support Northvolt's battery project

The European Investment Bank (EIB) has approved a loan of up to SEK 520 million to Northvolt. The funds are to be released to support Northvolt's pilot demonstration plant in Västerås. The financing is supported by InnovFin – EU Finance for Innovators' Energy Demonstration Projects facility. Eva Haghanipour, senior advisor at the Swedish Ministry of Finance, tells Dagens Industri (DI) that the Swedish government is positive to the project, saying "The EIB has made the assessment that this will contribute to the EU's policy goals for innovation and climate, and we share that assessment". (DI: 9)

AstraZeneca receives US approval

The American Food and Drug Administration (FDA) has approved a drug from AstraZeneca to treat patients with stage III lung cancer. Imfinzi was already approved in May last year by the FDA for use when treating cancer of the bladder. (DI: 6, DN I: 17, SvD bus: 10)

Swedish electric trucks on the road

Tech company Einride wants to be a challenger in autonomous electrical transport and aims to be on the road by September. (DI: 11)

Saab out first with GlobalEye early warning aircraft

Saab rolled out its first GlobalEye airborne early warning and control (AEW&C) platform during a ceremony at the company's Linköping production facility on Friday. The system is based on the Bombardier Global 6000, which can fly for up to 12 hours, and can switch between air, maritime and ground surveillance. The GlobalEye is built around the Saab Erieye Extended Range (ER) radar but is fitted with new technology. The aircraft is to embark on a number of trials prior to the commencement of deliveries to the United Arab Emirates, which ordered two aircraft in 2015 and a third in 2017 in a deal valued at some USD 1.5 billion. (24/2 DI: 13)

Ekholm calls for greater state effort

At the Mobile World Congress 2018 in Barcelona, Ericsson CEO Börje Ekholm called on governments to facilitate the evolution of the network for 5G technology. "Governments must begin to see mobile infrastructure as a critical national asset," he said. To date, Ericsson has announced two contracts, one with Verizon and one with Deutsche Telekom but Ekholm said on Monday that the network equipment maker had signed 38 contracts to trial 5G and a number of contracts for the commercial delivery of 5G at the end of 2018. The customers have not been named, but it is common knowledge that Swisscom has chosen Ericsson for deliveries of 5G. Ericsson has forecast that data traffic will rise at a compound annual growth rate of 40% by 2023, which will mean eight times more traffic per site. (DN I: 13)

Cevian continues to buy into Ericsson

In recent weeks, activist investor Cevian Capital has raised its stake in Ericsson to just over 9%. Talking to DI, Cevian partner Christer Gardell is convinced Ericsson must streamline, saying he has "high expectations" of former Electrolux CEO, Ronnie Leten, who will take over as Ericsson's board chairman in a few weeks. (DI: 12 , SvD bus: 14)