

Sweden – Press review September 2017

Investment in job creation

The government is to invest SEK 30 million in order to raise Sweden's level of food self-sufficiency and to promote Swedish food abroad. Minister for Rural Affairs Sven-Erik Bucht believes the investment has the potential to create up to 10,000 jobs in rural areas. (DN I: 15)

Expansionary monetary policy to continue

Stefan Ingves, the governor of Sweden's central bank, has told members of the standing committee on finance, that expansionary monetary policy will be needed for some time to come to ensure that inflation remains around the 2% target. (DI: 26)

Top speed 250km/h

One year ago the government put forward its infrastructure proposal with an economic framework of SEK 622.5 billion for investment in the road and rail network between 2018 and 2029. Sweden's Transport Administration (Trafikverket) has now proposed that the country's high-speed railway lines should have a maximum speed of 250 kilometres per hour, which is lower than many had expected. "It's important we ensure that we modernise, upgrade the railways; that we have a better maintenance system," said Lena Erixon, the administration's director general. Work will begin on the high-speed links between Järna and Linköping, and Hässleholm-Lund, during the period. After that Trafikverket wants to invest in the link between Linköping and Tranås/Aneby. Construction will be less expensive than originally forecast as a result of the lower top speed. (SvD bus: 5, DI: 9)

Insurance industry picking up pace

Life insurance premiums, mainly occupational pensions and other long-term savings, totalled SEK 255 billion in the last year, reports Insurance Sweden (Svensk Försäkring). Over the past five years premium earned has increased by 40%. "Sweden has enjoyed a period of strong economic growth, which explains much of the increase in premium inflow. For example, occupational pension contributions have grown apace with salaries," says Anna Pettersson Westerberg, chief economist at Insurance Sweden. (DI: 9)

Sales of biofuels up

Sales of biofuels increased by 11% during the first seven months of the year, compared to the same period last year. Up until and including July, 1.1 million cubic metres of biofuel was sold, according to the Swedish Petroleum and Biofuel Institute. (DI: 7)

Dairy farmers get paid more

Dairy farmers receive 38% more in pay for conventional milk than they did a year ago, according to figures from LRF Dairy. This means the price of milk is close to its highest level in a decade. (DI: 6)

Construction costs highest in Sweden

Sweden now has higher construction costs for new homes than Norway, reports Göteborgsposten. Additionally, Sweden has the highest construction costs in the EU, according to Eurostat. (DI: 7)

Gov't plans to sue Danish state

The Swedish government is planning to sue the Danish state over a breach of the PostNord

shareholder agreement, reports DN this morning. There is a statutory requirement in Denmark that citizens must be able to receive digital post from the authorities. This has led to a 90% drop in letter deliveries in Denmark since 2000 and the Danish subsidiary of PostNord has seen revenues drop accordingly. With more than 3,000 employees entitled to three years' severance pay in the event their jobs are axed, the carrier could be facing costs of SEK 6 billion. PostNord has asked the Danish and Swedish governments for a capital injection of SEK 3 billion, but Swedish Enterprise Minister Mikael Damberg has said "this is a Danish problem". The lawsuit is seen as an attempt to force the Danes to back down. (DN I: 21)

Heated talks

ComHem and Discovery have been embroiled in talks over distribution rights for some time but things heated up over the weekend with Henriette Zeuchner, CEO of Discovery Networks Sweden, describing ComHem's latest bid as a "bad joke". According to DI sources, Zeuchner saw red when ComHem said Discovery would pay state-owned Teracom's fees to send over the terrestrial network. In the previous agreement, ComHem paid this cost. Kinnevik, which is the largest shareholder in ComHem with a stake of 18.6%, has said the dispute is a matter for ComHem to resolve. (DI: 10)

Nordea to move headquarters to Finland

Nordea will move its headquarters from Sweden to Finland to enable the bank to base itself inside the eurozone's banking union, which will provide the lender with the means to meet competition from other European banks. Nordea has been in talks with the Swedish government over plans to introduce a bank tax and extra regulation, and has debated for the past six months on whether to move to Finland or Denmark, or stay in Sweden. On Wednesday the lender said its headquarters and a limited number of key staff would move to Helsinki. Casper von Koskull, chief executive of Nordea, said the move, planned for the second half of 2018, was in the interests of the bank, its shareholders and employees: "We are not leaving Sweden and our Swedish customer relations will not be affected". (DN I: 18, DI: 6-7, SvD bus: 4)

Games market growth

The Swedish PC games industry has reported sales of SEK 12.4 billion for 2016, up from SEK 11.7 billion in 2015. A total of 4,267 people were employed in the industry in 2016, an increase of 15% on the previous year. (DN I: 15)

Sweden to invest in test centre

The government is prepared to invest SEK 1 billion in the next six years in a national test centre for electric vehicles in Gothenburg on the condition that industry invests a similar sum, said Enterprise Minister Mikael Damberg. (DI: 7)

Apartments reserved for EU bureaucrats

Sweden has bid to host the European Medicines Agency following Brexit, believing the Stockholm-Uppsala region is well-suited for the purpose. In its bid to Brussels, Sweden has plans to earmark between 600 and 900 rented apartments for the agency's employees and their families. These will mainly be in the Hagastad and Norra Djurgård districts of Stockholm and in Uppsala. (25/9 SvD bus: 6)

Vattenfall and LKAB lift performance

State-owned companies have posted a profit after tax of SEK 20 billion for the first six months of 2017, compared to a loss of SEK 9.7 billion a year ago. Utility Vattenfall and miner LKAB are the strongest performers. The state portfolio was worth SEK 510 billion at the beginning of the year. (DI: 7)

Karlström leaves Skanska

Johan Karlström is to step down as President and CEO of construction giant Skanska after almost 10 years in the post. DI sources suggest Anders Danielsson, the CEO of Skanska USA, will take over after Karlström. (DI: 8)

ABB teams up with Northvolt

ABB is investing EUR 10 million, or some SEK 95 million, in Northvolt's project to build Europe's largest battery factory in Sweden, which will cater for expected demand growth for electric cars. The plant, which will probably be built either in Västerås or Skellefteå, creating up to 2,500 jobs, is expected to start production in 2020. (DI: 13, SvD bus: 15)