

Sweden – Press review January 2018

Ikea

Ingvar Kamprad, the founder of the Ikea furniture chain, has died at the age of 91 at his home in Småland, the company announced. Mr Kamprad, who pioneered flat-pack furniture, founded Ikea at the age of 17, initially selling Christmas cards, pens and stockings. Ikea now has 403 stores in 43 countries, employs 194,000 and last year posted a pre-tax profit of SEK 44 billion. Swedish Finance Minister Magdalena Andersson was among those who paid tribute to Mr Kamprad, describing him as “a fantastic ambassador for Sweden” and a “source of inspiration to many”. Ikea has remained privately-owned under a Dutch trust operated by the Kamprad family with Mr Kamprad’s three sons holding key positions in the complex business structure. (29/1 DI: 2-19, SvD I: 6-12, DN I: 6-9)

Share of renewables in energy consumption

With more than half (53.8%) of energy from renewable sources in gross final consumption of energy, Sweden had in 2016 by far the largest share among EU member states, ahead of Finland (38.7%) and Latvia (37.2%) reports Eurostat. Sweden is also one of 11 member states that have already met their targets ahead of 2020. The lowest proportions of renewables were registered in Luxembourg (5.4%) and Malta and the Netherlands (both 6%). (27/1 DI: 15)

Internet pharmacy grows drastically

The internet pharmacy Apotea increased sales by over 50% last year, according to preliminary figures for the fourth quarter. In total the company sold products worth over SEK 1.5 million. (DI: 7)

Costly acquisition

The acquisition of Swedish Soundtrap, with turnover of just under SEK 1 million, cost Spotify some SEK 500 million, making it one of the music streaming company’s most expensive purchases to date. (DI: 11)

HIVE expands mining of cryptocurrencies

Canada’s HIVE Blockchain has announced that it is raising USD 800 million to open a bitcoin mining hub in Boden, northern Sweden. The company already has operations in Iceland, but the hub in Boden will be ten times larger. HIVE is backed by Genesis Mining, which has a 30% stake in the cryptocurrencies miner. (DI: 13)

Skanska restructures and cuts 3,000 jobs

Construction group Skanska is to restructure its business to deal with unsatisfactory performance in the fourth quarter, particularly outside the Nordic region, and will lay-off 3,000. Write-downs of SEK 1.1 billion will be booked in the quarter, most of which are attributable to construction units in Europe. A further write-down of SEK 600 million will be booked in 2018. (DI: 6-7, DN I: 22, SvD bus: 4)

AB Volvo’s new owner on way to Sweden

Geely’s senior management is coming to Sweden. The news that the Chinese car giant had bought a major stake in truck maker AB Volvo came as a shock over the festive period. Chair Li Shufu now plans to appear in Stockholm or Gothenburg before 31 January, when AB Volvo presents its annual accounts.

SvD reports that the Chinese delegation will meet Fredrik Lundberg, chair of Industrivärden, as well as AB Volvo chair Carl-Henric Svanberg and CEO Martin Lundstedt. A meeting with Prime Minister Stefan Löfven and Enterprise Minister Mikael Damberg has also been discussed. (SvD bus: 4-5)

Comhem swallowed by Tele2

Mobile giant Tele2 and broadband firm Comhem are merging into a new company, under the Tele2 name. The announcement was unexpected and the new Tele2 will be led by Anders Nilsson, CEO for Comhem. [<https://www.svd.se/tele2-och-comhem-gar-ihop> Accessed 2018-01-10 09.04]

Uniqlo heads for Sweden

Japanese fashion giant Uniqlo is poised to open its first store in Stockholm, according to Veckans Affärer. The business magazine reports that Uniqlo will open in Sverigehuset (Sweden house), a shopping establishment close to Kungsträdgården. (DN I: 13)

Ericsson hit by SEK 14.2 billion write-down

Ericsson announced write-downs of SEK 14.2 billion on Tuesday, as well as a SEK 1 billion non-cash charge as a result of US tax reforms. The main write-down is in digital services, where a charge of SEK 7.1 billion is being booked. "The majority of goodwill originates from investments made a decade or more ago," Ericsson said. The company acquired British Marconi for SEK 17 billion in 2006. In the same year it paid SEK 16 billion for router manufacturer Redback, and in 2007 it purchased Norway's Tandberg Television for SEK 10 billion, in a bid to attain digital TV technology. Analysts are now speculating that Ericsson will announce losses of some SEK 20 billion in its year-end accounts, which will be presented on 31 January. Ericsson has emphasised that cash flow will not be affected, sending a clear signal to prospective buyers of its media business that it does not have to sell its assets at a bargain price, finds DN. (SvD bus: 5, DI: 8, DN I: 12)

NCC wins large order in Uppsala

The construction company NCC has received an order worth SEK 915 million to expand the Ångström Laboratory at Uppsala University, according to a press release. (20/1 DI: 5)

SAS buys new aircraft

SAS has entered final negotiations with Airbus to buy 50 new aircraft. The deal is estimated to be worth around SEK 55 billion and a contract is expected to be finalised during March-April. Deliveries are expected to continue up until 2025 as the old Boeings are phased out. (22/1 SvD bus: 5)

Impatient Skandia sells H&M

Fund giant Skandia has lost patience with H&M, divesting almost its entire holding after the clothing giant's latest problems. "There is so much they have to do that I do not think that they are going to resolve this quickly," says fund manager Erik Sjöström. H&M's shares fell more than 30% last year and have experienced a weak start to 2018. (SvD bus: 11, DN I: 14)

Investment in batteries

State-owned venture capitalist Fouriertransform AB and Pegroco Invest are investing in First North-listed Alelion Energy Systems, which is building a battery factory in Gothenburg that will have the capacity to produce 500 MWh per year. The company's two main clients are Toyota Material Handling, which has a market share of 25%, and Jungheinrich, Europe's largest truck maker. (DI: 11)

Saab wins defence order

Defence and security group Saab has won an order from the Swedish Defence Materiel Administration, FMV, to provide operational and development support for the Gripen fighter over a period of three years, from 2018 to 2020. The total order value is SEK 1.35 billion. (DI: 7)

Brexit could lead to new jobs in Sweden

AstraZeneca, which carries out much of its quality testing of new medicines in the UK, says it is unable to await the outcome of Brexit talks and will carry out quality testing in Sweden as well.

Executive Vice President of Global Operations and IT Pam Cheng tells DN that Brexit will increase costs for the company and it will have to employ more people in Sweden, although she is unable to give an exact figure. Her message to the Swedish government is to simplify the rules for those wanting to move to Sweden to work. She would also like to see a “more competitive” income tax on labour for foreign expertise. Cheng has been in Södertälje for the inauguration of Södertälje Science Park and KTH Södertälje, which brings together 1,200 researchers and students. AstraZeneca is one of the partners investing in the park. (DN I: 21)