



An overview of Sweden Competence within industry

Latest update
June 2020



Services to facilitate investments in Sweden

About Business Region Skaraborg



Business Region Skaraborgs purpose is to strengthen the regional business climate in Skaraborg and to attract and expand foreign owned companies.

Business Region Skaraborg was founded in the fall of 2018, from mutual interest from Skaraborg's fifteen municipalities and the Region Västra Götaland. Business Region Skaraborg offers services free of charge for investors that wants to find the best location within the region.

WHAT WE DO

- Support business leaders in decision-making processes regarding investments in Sweden
- Engage in building business cases for a solution in Sweden by providing advices and conditions needed in an evaluation process related to new, expanding or consolidation of operations

AREAS OF ENGAGEMENT

Find opportunities
to develop operations and products

Mitigate risks
and secure informed
decision making processes

Accelerate landing
in an implementation process

EXAMPLE OF DELIVERIES

- Comparative studies and arguments for decision making
- Support in building business case
- Location searches and RFI reports
- Project coordination
- Marketing activities to create awareness
- Mapping of grants and incentives
- Identification of relevant Test bed & research projects
- Location costs
- Subcontractor searches
- Access to relevant networks

About Business Sweden



Business Sweden's purpose is to help Swedish companies grow global sales and international companies invest and expand in Sweden.

Business Sweden was founded on the first of January, 2013, by a merger of the Swedish Trade Council (Exportrådet) and Invest Sweden. Business Sweden is owned by the Swedish Government and the industry, a partnership that provides access to contacts and networks at all levels.

The Swedish R&D tax deduction directly lowers development labor costs and can accumulate to significant sums over time



Introduction

- Sweden has implemented an incentive to stimulate R&D activities
- The incentive works as a deduction of the monthly employer cost and directly lowers labor costs
- Calculation is based on employer contribution where the total annual cost can reach significant amounts



Qualification

- The R&D must be systematic and have a commercial purpose
- Emphasis on new knowledge creation – development of new products or significant improvements of new products or processes
- No pre-qualification or limitation in time
- No restriction on industry, size of company or location
- Applies to directly employed and consultants



Calculation

- Deduction calculated in two parts:
 - 9.59% of salary deducted from statutory employer contribution (max amount € 45 000 per month or € 540 000 p.a)
 - 10% of salary deducted from payroll contribution (max amount € 46 924 per month or € 563 088)
- The employee must work ≥75% and ≥15 hours per month with R&D to be qualified for the reduction
- Eligible R&D labor costs are deducted directly in company's tax reporting

Example of calculation of R&D tax deduction

Number of R&D Employees	1	10	100
Monthly gross salary	€ 5 000	€ 50 000	€ 500 000
Gross labor cost <small>(incl. 31,42% employer contrib.)</small>	€ 6 571	€ 65 710	€ 657 100
9,59% R&D deduction	€ 479.5	€ 4 795	€ 45 000
10% R&D deduction	€ 500	€ 5 000	€ 46 924
Net labor cost	€ 5 591.5	€ 55 915	€ 565 176
1 year total deduction	€ 11 754	€ 117 540	€ 1 103 088
5 years aggregated discount	58 770	587 700	5 515 440

Examples of eligible activities

- **Improvement of existing manufacturing processes in order to increase production efficiency or reduce cost**
- **Development of sustainable packaging material for the textile industry**
- **AI development of characters in computer games**

Source: Swedish Tax Agency Note: 1 EUR = 10 SEK. The calculations are split into two parts due to regulations with retirement pension contributions. The total deduction rate is 19,59%.

Sweden can jointly support clients in larger recruitment processes within manufacturing

- National, regional and local public organizations offer synchronized support for companies to acquire the right skills in larger investments.
- The program is called *Samarbete vid större etableringar*
- The program's main purposes are to:
 - Operationally support companies investing in Sweden to find the staff needed
 - Lower risks associated with a larger investment and increase predictability in competence supply
- The program is lead by the Swedish Public Employment Office in close cooperation with client, Business Sweden and relevant industrial and regional/local authorities |
- The program is driven by the client's specific needs and enables a focused approach involving key stakeholders working aligned to support the company

Example of cases using the program

- Expansion process involving recruitment of 200 people within advanced manufacturing and assembly within a 5 year period
- Expansion of operations with a new factory and 150 new people
- Consolidation process involving 700 people within service center operations

Main steps in the program

