

An overview of Sweden Competitive Export Support System

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.

Competitive Export Support System

The Swedish Export Credit System

Sweden offers companies competitive financing solutions to support them in their international trade: Including both financing **and** guarantees

SEK (The Swedish Export Credit Corporation) provides long term funding for Swedish export-related transactions

- SEK support with **financing** in both **export deals** but also when a company wants financing upon **expanding in Sweden**
- Enjoying a high credit rating, Aa2 by Moody's and AA+ by Standard & Poor's, SEK can fund itself in large volumes with long terms on international capital markets and offer loans to facilitate export deals on competitive terms

EKN (Swedish Export Credit Agency) offers guarantees for payments and financing

- Guarantees give international customers competitive financing terms, while lowering the risk for Swedish exporting companies and commercial banks. EKN is a government authority and shares the Swedish State's AAA credit rating
- Transaction can be financed in its entirety and guaranteed up to **95%** and in cases of a public buyer or a state guaranteed up to **100%**
- Possibilities for exporters to include provide a Support Letter indicating willingness to finance and guarantee a project, including information on an anticipated credit period

- | | |
|--|--|
| ▪ Loans to Swedish companies and to their foreign customers
interest rates down 1,28% pa possible
(10 year EUR, April 2018) | ▪ Insurance of export credit risks
Insurance premium down to 0,08% p.a. possible |
|--|--|



Benefits

- ▶ **The exporting company** receives upfront payment and can still offer customers competitive financing
- ▶ **The buyer** receives access to attractive financing with long tenors. An export credit also diversifies the buyer's loan portfolio, and reduces the use of bank credit limits.
- ▶ **The commercial bank** minimizes its exposure to risk and capital loss thanks to the EKN guarantee. The bank also gains access to attractive funding options with SEK, which improves their balance sheet.
- ▶ With an EKN guarantee, **the commercial bank** can turn to SEK for optional funding of the loan. The loan is assigned to SEK together with the rights under the EKN guarantee. The loan is now on SEK's balance sheet, while the bank retains the 5% non-covered portion.

Sweden's Export Credit System can support clients with financing for both expansion in Sweden and international business

- The Swedish Export credit system offers companies competitive financing solutions to support them in their international trade.
 - Number of financing services available
- The Swedish Export Credit System can support companies with financing when expanding operations in Sweden for an international market
 - Purpose to indirectly support export by financing investments in operations in Sweden
 - Offers services on commercial terms but benefits from the high credit rating and the ownership
 - Clients benefit from long payment times and competitive interest rates
 - Financing will require at least 50% financing from other commercial bank
 - Financing can be done directly with client or through a contractor

Main stakeholders in the Export Credit System

SEK (The Swedish Export Credit Corporation) provides long term funding for Swedish export-related transactions

- SEK support with financing in both export deals but also when a company wants financing upon expanding in Sweden
- Enjoying a high credit rating, Aa1 by Moody's and AA+ by Standard & Poor's, SEK can fund itself in large volumes with long terms on international capital markets and offer loans to facilitate export deals on competitive terms.

EKN (Swedish Export Credit Agency) offers guarantees for payments and financing

- Guarantees give international customers competitive financing terms, while lowering the risk for Swedish exporting companies and commercial banks.
- EKN is a government authority and shares the Swedish State's AAA credit rating

Example cases

- The company ScandiNova Systems received financing from SEK to handle the company's expansion
- The financing aimed to support the company from a cash flow perspective
- Lending sum: MSEK 20
- EIF guaranteed the financing by 50%
- Period: 2017-2019

-
- The company VindIn received financing from SEK to acquire windturbines
 - Lending sum: MSEK 425
 - EIF guaranteed the financing by 50%
 - Period: 2013-2018

Sweden's competitive export support system backs you from factory setup to operations

- Sweden offer companies competitive financing solutions to support them in their international trade: Including both financing and guarantees
- **SEK** (The Swedish Export Credit Corporation) provides long term funding for Swedish export-related transactions
 - SEK support with financing in both export deals but also when a company wants financing upon expanding in Sweden
 - Enjoying a high credit rating, Aa1 by Moody's and AA+ by Standard & Poor's, SEK can fund itself in large volumes with long terms on international capital markets and offer loans to facilitate export deals on competitive terms.
 - Example: SEK lends 425 MSEK for wind turbine development
- **EKN** (Swedish Export Credit Agency) offers guarantees for payments and financing.
 - Guarantees give international customers competitive financing terms, while lowering the risk for Swedish exporting companies and commercial banks. EKN is a government authority and shares the Swedish State's AAA credit rating
 - Transaction can be financed in its entirety and guaranteed up to 95% and in cases of a public buyer or a state guaranteed up to 100%
 - Possibilities for exporters to include provide a Support Letter indicating willingness to finance and guarantee a project, including information on an anticipated credit period

- **Loans to Swedish companies and to their foreign customers: Interest rates down 1,28% pa possible (10 year EUR, April 2018)**
- **Insurance of export credit risks: Insurance premium down to 0,08% p.a. possible**

Mechanisms in place to support investors when expanding in Sweden

COMPETITIVE EXPORT SUPPORT SYSTEM

- Sweden offer companies competitive financing solutions to support them in their international trade: Including both financing **and** guarantees
- **SEK** (The Swedish Export Credit Corporation) provides long term funding for Swedish export-related transactions
 - SEK support with financing in both export deals but also when a company wants financing upon expanding in Sweden
 - Enjoying a high credit rating, Aa2 by Moody's and AA+ by Standard & Poor's, SEK can fund itself in large volumes with long terms on international capital markets and offer loans to facilitate export deals on competitive terms.
- **EKN** (Swedish Export Credit Agency) offers guarantees for payments and financing.
 - Guarantees give international customers competitive financing terms, while lowering the risk for Swedish exporting companies and commercial banks. EKN is a government authority and shares the Swedish State's AAA credit rating
- Transaction can be financed in its entirety and guaranteed up to **95%** and in cases of a public buyer or a state guaranteed up to **100%**
- Possibilities for exporters to include provide a Support Letter indicating willingness to finance and guarantee a project, including information on an anticipated credit period
 - Insurance of export credit risks
Insurance premium down to **0,08%** p.a. possible

SUPPORT IN FINDING THE RIGHT COMPETENCE

- National, regional and local public organizations will support with facilitating the right skills to your company's establishment in Sweden
- The program, *Samarbete vid större etableringar*, has been initiated to support companies establishing in Sweden to find the staff needed and lower risks associated with a larger establishment
- The program is lead by the Swedish Public Employment Office in direct dialogue with the company and relevant stakeholders such as the relevant municipality, TSL, labor organisations etc.
- The program is driven by the company's specific needs and enables a focused approach involving key stakeholders working aligned to support the company
- It includes mapping of:
 - Company needs
 - Available competence in the region
 - Measure needed to initiate programs for competence development of new staff
 - Financing possibilities for competence development

SOURCE: TILLVÄXTVERKET, SEK, EKN