

Regional investment grants

Companies can apply for regional investment subsidies, when investing in municipalities categorized as "Development area".

Conditions in brief

Geographic location

The main rule is that the applying company must be situated in either of the support areas A or B.

There are, however, certain limitations related to both of the areas:

Limitations for support area A

In the following parts of support area A a grant can only be awarded in connection with large investments that are judged to be of strategic importance:

- Östersund municipality, except the parishes of Näs and Häggenås.
- Krokoms municipality, except the parishes of Näskott, Laxsjö, Föllinge, Hotagen, Offerdal and Alsen.

Limitations for support area B

In support area B a grant can only be awarded if there are specific reasons for it and if the investment is judged to be of strategic importance or especially important to regional development. A further requirement is that loans should be judged as insufficient to supply the capital needed.

These limitations above do not apply to grants for construction and rebuilding of premises to let or for new investments in buildings that are judged to be of strategic importance.

In the following parts of support area B a grant can only be awarded in connection with large investments:

- Sundsvall municipality, except the parishes of Holmand Liden, which belong to support area A.
- Timrå, Vännäs, Umeå and Luleå municipalities.
- Boden municipality, except the parishes

of Edefors and Gunnarsbyn, which belong to support area A.

- The Sundsvall, Umeå and Luleå urban areas are generally not considered as being support areas.

Activities entitled to support

The subsidies can only be granted to companies involved in the following activities:

- industry and industry-like operations
- industrial service activity
- service activity that is aimed at a larger market than one that is exclusively local or regional
- tourism activity
- construction of premises to let
- other activities of special importance for regional business development

Other conditions

The company must have an approved or authorized public accountant. The work environment must be satisfactory and employment benefits should be at least equivalent to those of an appropriate collective agreement. The company shall fulfill the requirements for active measures according to the Gender Equality Act and the Act on measures against working life discrimination due to ethnicity, religion or other faith. The subsidy may be reclaimed, in full or part of it, if the company does not meet the agreed upon conditions or if the business activity, subject to the subsidy, is discontinued.

Size of subsidies

The maximum size of the regional investment subsidy is defined as a percentage of the total investment cost. There are three determining factors that have impact on the level of the subsidy: type of investment, type of company, and the development area in which the company operates (see table below). An individual assessment of the appropriate size of the subsidy is made for each application. Circumstances considered are, for example, employment, growth, and the overall importance for the regional development.

Type of investment	Small companies	Medium-sized companies	Large companies and groups of companies
<i>Maximum financing share</i>			
Machinery, equipment, buildings, etc.	Support area A: 35%	Support area A: 25%	Support area A: 15%
Patents and licenses	Support area B: 30%	Support area B: 20%	Support area B: 10%
Premises to let	Support area A: 25%	Support area B: 20%	0%
Consulting services, participation in certain fairs and exhibitions	50%	50%	0%
Special education 1)	40%	40%	30%
Pre-competitive product development 2)	40%	40%	0%

Comments

Small enterprises are defined as having fewer than 50 employees and medium sized enterprises as having between 50-250 employees.

1) Great restrictiveness must be observed since education is often supported by the Employment Service.

2) Great restrictiveness must be observed since development is often supported by authorities/bodies other Nutek. No support is given for product development that can be described as current development.

Source: NUTEK, 2007

Application and disbursement

As a rule, the regional investment grant must be approved before the investment starts. Applications regarding support area A shall be submitted to the local county administrative board or, in Västra Götaland, to the Västra Götaland Region.

Applications for support area B shall be sent to NUTEK, with one exception.

Applications regarding Västra Götaland are instead submitted to the Västra Götaland region.

An investment should normally be implemented within two years after the subsidy was granted. Disbursements are made in arrears, but in the case of large amounts, on several occasions.

Employment grants for development areas

Conditions in brief

- Employment grants in regional areas aim at an increased growth and balanced regional development. The following conditions attached to an employment grant shall be fulfilled.
- Newly started and established companies in development areas A and B can apply for an employment grant to finance recruitment of new staff.
- An employment grant can only be obtained for the activities entitled to support, listed under the header Investment grants above.
- The activity must be judged to be profitable and lead to lasting employment.
- The grant must be judged to be necessary for bringing about the planned employment increase.
- The recruitment must aim at permanent employment and apply to persons who have no jobs or are about to lose their jobs.
- A job-creation subsidy from the Employment Service cannot be combined with the employment grant.

Limitations and exceptions in support areas

- In support area A a grant can be awarded for starting a new business or for other employment increases that are judged to be of strategic importance or especially important to regional development.
- In support area B a grant can only be awarded for starting a new business.

An employment grant can be awarded in support areas A and B with the following exceptions:

- Luleå Municipality: Luleå cathedral parish, the parishes of Örnäset and Nederluleå.
- Umeå and Vännäs municipalities.

- Östersund municipality: the parishes of Östersund, Frösö, Sunne, Locke, Marieby, Brunflo, Kyrkås and Lit
- Krokoms municipality: the parishes of Aspås, Ås, and Rödön
- Timrå municipality
- Sundsvall municipality: the parishes of Gustaf Adolf, Skönsmon, Skön, Alnö, Sättna, Selånger, Stöde, Tuna, Attmark Njurunda and Indal.

Detailed information on the support areas is given at Nutek's website www.nutek.se

Grant size

In order to determine the size of the grant, all applications will undergo an individual assessment with due consideration of, for example, the effect of the grant on employment and growth and the importance of the business activity to society.

A basic principle is that nobody should get more support than what is required for the employment increase to take place.

Max subsidies	Support area A, SEK	Support area B, SEK
<i>Max subsidies for each new full-year employee in support areas A and B</i>		
Year 1	66 000	40 000
<i>Subsidies for the next years are granted under the conditions that the employment increase continues</i>		
Year 2	66 000	40 000
Year 3	66 000	40 000
Total max	198 000	120 000

Source: NUTEK, 2007

Application and disbursement

The application for an employment grant can be submitted at any time during the year, but it must be submitted before the recruitment takes place. The application shall be submitted to Nutek or to the Västra Götaland region if the recruitment is to take place there.

More information

The rules and conditions for employment grants and investment subsidies are based on government ordinances and Nutek's implementing regulations. Nutek is the Swedish authority responsible for regional support. The information on this fact sheet is based on information from Nutek. For more detailed information, please contact:

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www.nutek.se

County Administrative Board of Västra Götaland
Phone: +46 31 60 50 00 (switchboard)
E-mail: lansstyrelsen@o.lst.se

Sweden's County Administration
www.lst.se

Sweden is divided into 21 counties, each of which has its own County Administration and County Governor. The County Administrations function as representatives of the State in their respective counties, and as links between the inhabitants, the municipal authorities, the Central Government, the Swedish Parliament and the central state authorities. Each County Administration also has its own website where you can read more about regional investment subsidies or find a contact.

The National Labor Market Administration
www.ams.se

The National Labour Market Administration (Arbetsmarknadsverket - AMV) consists of the National Labour Market Board (Arbetsmarknadsstyrelsen - AMS), which is the central authority, as well as 20 County Labour Boards and approximately 325 local public employment services.

A range of labor market policy programmes offer economic support for employers who hire job applicants from the employment services. The employment grants aim at stimulating employers to hire personnel that have been unemployed for a longer period. For information about employment grants, visit the website www.ams.se.