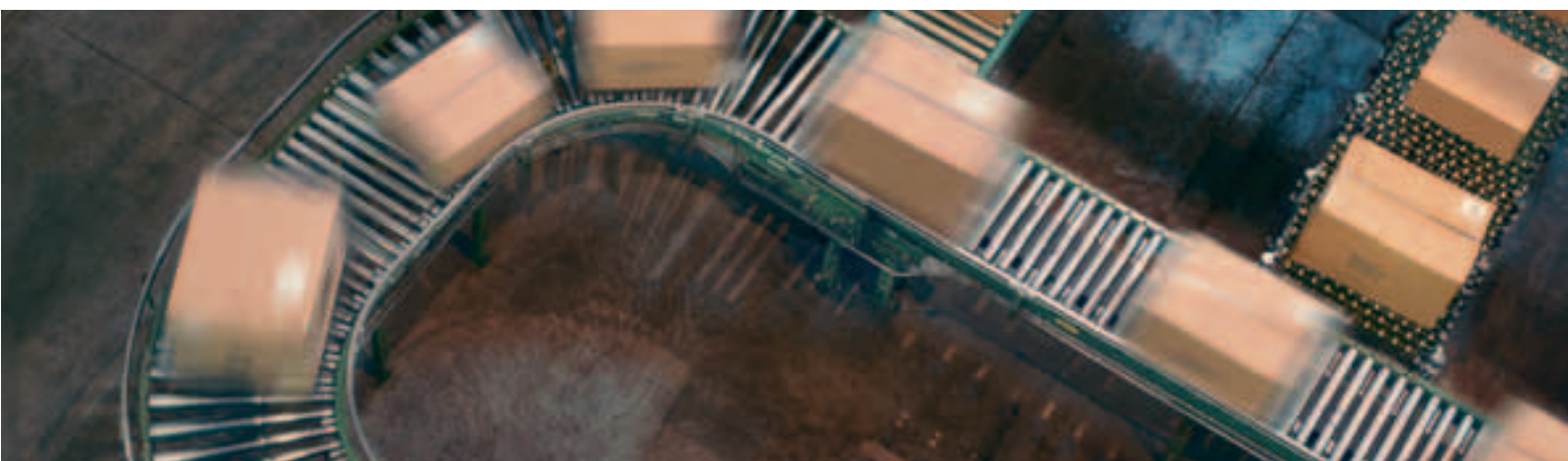


Invest in Sweden  
Logistics



*The quality choice for centralized distribution in Northern Europe*



## The largest market in the Nordic region

Sweden is at the center of one of Europe's most exciting and dynamic economic arenas. The integration of emerging economies in Estonia, Latvia and Lithuania with mature markets in Scandinavia (Sweden, Denmark, Norway and Finland) has created a rapidly growing region.

With nine million of the region's 31 million consumers and a share of 35 percent of the seven countries' combined GDP, Sweden is by far the largest market. Sweden receives almost 50 percent of inbound foreign direct investment (FDI) into the region, i.e. almost as much as the six other nations combined. Sweden is also the most common choice for regional headquarters. Two-thirds of the Fortune 100 companies that operate regional headquarters do so from a base in Sweden.



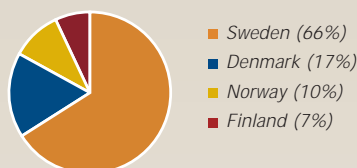
### Gross domestic product – GDP

EUR billion

<b>Sweden</b>	<b>259.9</b>
Denmark	171.6
Norway	135.8
Finland	130.1
Lithuania	12.2
Latvia	7.8
Estonia	5.6
<b>Total</b>	<b>723.0</b>

Source: The Øresund Institute, 2004

### Regional headquarters in the Nordic region

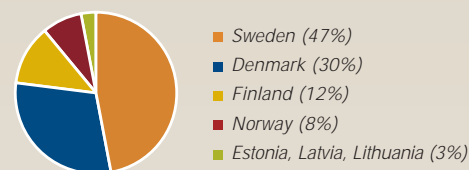


DHL, Goodyear Dunlop, Honda, IBM, Mitsui, Procter & Gamble and Unilever are examples of companies with regional headquarters in Sweden.

Source: Invest in Sweden Agency, 2003

### Share of FDI inflows

Total inflow of FDI 1999-2003: USD 235 billion



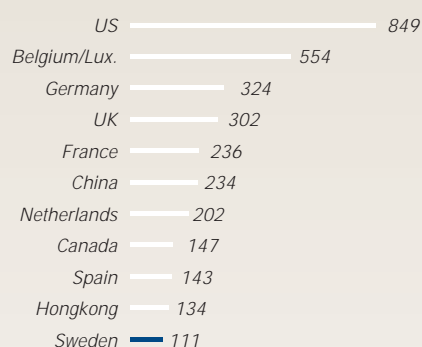
Source: Unctad, 2004

## Sweden – engine for growth

There are several reasons why Sweden is attractive to foreign business. For one, investors gain access to sophisticated products and technologies, skills, innovations, and first-rate infrastructure. Establishing a position in Sweden means a triple market presence in Scandinavia, the Northern Europe/Baltic Sea region, and the European Union – home to some 450 million consumers. Additional advantages include a qualified workforce, extensive R&D facilities, an advanced testing market, and demanding customers and suppliers providing the foundation for business operations of the highest caliber. The Swedish business climate and growth prospects earn high rankings in most internationally recognized studies and surveys.

### Largest recipients of FDI

1999–2003, USD billion



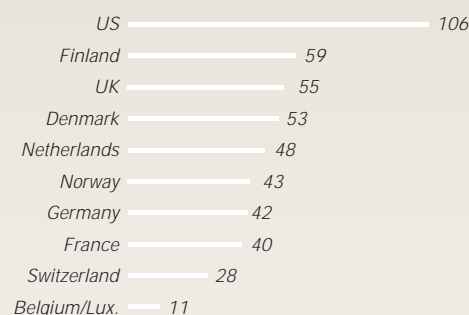
Sweden is one of the world's main recipients of foreign direct investment (FDI).

Note: Figures for Belgium/Luxembourg are not comparable since the registered capital flows to a large extent are channelled to other countries.

Source: Unctad, 2004

### Foreign-owned companies are major employers

2003, employees (000s)



Sweden is an internationalized business community. In 2003, 10,100 foreign-owned companies employed a total of 564,200 Swedes, or approximately 23 percent of all employees in the private sector.

Source: Swedish Institute of Growth Policy Studies, 2004

## Companies using Sweden for centralized distribution in Northern Europe

Company	Industry	Location
ABB	Automation products	Västerås
Adidas	Sportswear	Norrköping
Atria Group	Meat processing	Örebro
BioMérieux	Life science	Göteborg
Black & Decker	Household and professional products	Göteborg
Bosch	Automotive	Stockholm
Canon	Business and consumer electronics	Göteborg
DaimlerChrysler	Automotive	Göteborg
Dell	Computer equipment	Stockholm
Dresser Wayne	Petrol pumps and electronic payment systems	Helsingborg/Malmö
Elkjöp (Dixons Group)	White and brown goods	Jönköping/Nässjö
Ellos/Redcats Nordic	Mailorder/e-commerce	Borås
Ensto	Plastics, tubes	Borås
Flextronics	Electronics	Jönköping/Nässjö
Goodyear Dunlop	Tires	Norrköping
Honda	Automotive	Helsingborg/Malmö
HP	Business and consumer electronics	Göteborg
IBM	Computer equipment	Stockholm
Ikea	Home furnishings	Jönköping/Nässjö
Ingram Micro	Technology distributor	Stockholm
Johnson & Johnson	Healthcare products	Göteborg
JVC	Home entertainment	Göteborg
Michelin	Tires	Göteborg
Nike	Sporting goods	Göteborg
Oras	Faucets	Västerås
Outokumpu	Steel	Eskilstuna
Philips	Consumer electronics	Norrköping
Polaroid	Eyewear	Norrköping
Rexam Glass	Glass	Borås
Shell	Oil products	Jönköping/Nässjö
Subaru	Automotive	Göteborg
Tech Data	Technology distributor	Stockholm
The Hilti Group	Construction tools	Helsingborg/Malmö
Thomson	HiFi, audio, electronics	Norrköping
Toyota	Automotive	Helsingborg/Malmö
Uponor	Plastics, tubes	Borås
Volvo Cars	Automotive	Göteborg
Volvo Parts	Automotive	Eskilstuna
Whirlpool	Appliances	Norrköping
Würth	Fixing and assembly materials	Örebro

## Honda: “A great place to cover the Nordic markets.”

The car manufacturer Honda serves seven markets in Northern Europe from its spare parts logistics center in Malmö. “Centralizing logistics activities to Sweden has shortened delivery lead times, reduced warehousing costs and increased total delivery quality,” says Hideo Masuda, managing director at Honda Nordic.

Honda’s 4,000 sq.m. logistics facility handles over 330,000 order lines annually. The state-of-the-art facility was inaugurated in 2001. All transactions, including inventory assessments, are handled digitally. “No paperwork is done by hand here,” says Masuda. “We are even certified for sending electronic information to the Swedish and Norwegian customs. We declare and import goods in advance, thereby speeding up delivery even further.” Dealers and workshops place their orders over the Internet.

The objective is for orders to be delivered within 24 hours to Sweden, Denmark and the major parts of the Norwegian and Finnish markets. Estonia and the more remote parts of Finland and Norway are reached within 48 hours, while Latvia and Lithuania are served within 3 days.

Masuda says the location of Honda’s logistics center in Malmö is a benefit. “In Sweden we find all the expertise and supplier networks that we need to operate and further improve our logistics operation.” Cost efficiencies are quite concrete. “Before, six to seven people served the Swedish market only. Today, 10 to 11 people serve the whole region’s seven countries.”



### Honda – Nordic Logistics Center

- Supplies car spare parts and accessories to Sweden, Denmark, Finland, Norway, Estonia, Latvia and Lithuania
- 4,000 sq.m. warehouse, 200 sq.m. office, 11,000 articles
- Order lines/year: 330,000
- Certified for ISO 14001 (environmental management system), OHSAS 18001 (occupational health and safety management system) and ISA 9001:2 (quality)

## Thomson: “Sweden one of five European logistics hubs.”

Thomson, the French manufacturer of home entertainment products, moved its Nordic distribution center from Denmark to Sweden in 2002. “Placing our logistics hub in Sweden has brought us closer to our main customers and contributed to increasing sales in the Nordic region,” says Johan Huss, managing director for Thomson in Scandinavia.

Moving from Roskilde in Denmark to Norrköping in Sweden was part of a pan-European supply chain project, whereby Thomson sought to streamline its distribution from plant to end-customer; the company had a warehouse in virtually every country. Now, Thomson operates five regional logistics hubs in France, Germany, UK, Poland and Sweden. “Our internal project selected Sweden as the preferred site for a logistics hub in the Nordic region.”

From the Scandinavian head office in Helsingborg, in southern Sweden, Thomson covers market operations in the five Nordic countries Sweden, Denmark, Norway, Finland and Iceland. Estonia, Latvia and Lithuania are soon projected to join this list. “The large Nordic customer agreements increasingly include the Estonian, Latvian and Lithuanian markets,” says Huss, explaining that the major retailers in these three countries are subsidiaries to large Nordic companies like Citymarket, Elkjöp, Expert and Onoff. “If our customers treat this region as one, so will we.”



### Thomson – Logistics in the Nordic countries

- Serves Sweden, Denmark, Finland, Norway, and Iceland from 3PL warehouse in Norrköping
- Use of warehouse space: 4-4,500 sq.m.
- Order lines/year: 50,000
- Shipments: 30,000
- No of customers: 2,500

“Sweden is right in the middle of the future, likely massive, flows of goods expected for markets in major Eastern European economies.”

Bill A. Blomquist  
Managing Director  
DHL Express Nordic

After analyzing the effects on goods flows that would occur as a result of the 2004 entry of ten new European Union member states, DHL decided to merge its operations in the Nordic countries, including Iceland, with the Estonian, Latvian and Lithuanian operations. The “new” DHL Nordic, comprising eight countries and a total of over 30 million consumers in northern Europe, is managed from Sweden.

All major cities are reached within 2 hours by air.



## Why Sweden should be your choice

**Most central geographical position** From Sweden, all major cities in Sweden, Denmark, Norway and Finland plus the coastal regions of Poland and Germany can be served in less than 12 hours. Estonia, Latvia, Lithuania and western Russia are served within 24 hours. By air, all major destinations in the region can be reached within two hours.

**Excellent infrastructure** Infrastructure investments have provided Sweden with an outstanding capacity to assure fast, frequent and timely deliveries. Road and rail capacity to and from Sweden is supported by several high-frequency ferry connections and an extensive port network covering 14 cities. The Port of Göteborg is the Baltic Sea region’s main entrance for deep sea and short sea shipping.

**Proficient service providers** The Swedish distribution network comprises a large number of freight-forwarding and full-service third-party logistics (3PL) providers. Driven by demands from diversified and multinational industries, Sweden’s logistics sector has become one of the most capable in Europe. Early globalization of Swedish manufacturers put high requirements on efficient transport and communications systems.

**Technology advantage** Logistic providers and goods owners capitalize on state-of-the-art telecommunications, Internet technology and widespread use of IT and EDI to enable just-in-time delivery and seamless flow of materials and information along supply chains. For four consecutive years, Sweden has been ranked the world’s leading IT country.

**English a working language** Over 80 percent of Sweden’s population speak English, substantially facilitating cross-border business and customer relations. Swedes also possess good command of other European languages, particularly German and French as well as the languages spoken in neighboring Norway, Finland, Denmark and the Baltic States.

**Superb customs handling** The Swedish Customs has introduced new solutions to enable companies easier and more rapid customs handling. The “Stairway concept” allocates goods owners in five categories, depending on their compliance with Swedish Customs’ standards and procedures. From step three and up, companies are assured a non-interrupted flow of goods. Ikea, the home furnishings company, made a 50 percent saving in their customs administrations budget in its first full year of applying the “Stairway concept”. The customs authority is presently working in pilot projects with the American customs organization to integrate RFID solutions for better tracking and information in shipments.

**Advanced buyers** Swedish industrial buyers such as AstraZeneca, Atlas Copco, Electrolux, Ericsson, SKF, Saab, Scania and Volvo promote advanced use of IT in logistics solutions. This has helped foster the creation of large suppliers of solutions and software for supply chain management, such as IBS, IFS, Intenia, IMI and WM-data.

## Suggested logistics hubs

Swedish distribution and logistics sites are utilized both by goods owners that want to consolidate Nordic distribution operations to one country or seek to expand in Northern Europe/the Baltic Sea region from one logistics hub.

The map highlights Sweden's top ten logistics hubs, according to an analysis made by the industry magazine Purchasing & Logistics ("Inköp & Logistik") in 2004. All ten hubs are located in the southern part of the country, close to large populations and with good infrastructure capabilities. Each of the hubs are today used for centralized distribution in Northern Europe.

The cities/city-regions have been selected based on their strengths in the following areas:

- Population growth, local industry structure, growth of logistics service providers
- Infrastructure & distribution networks
  - capacity
  - service
  - intermodality
- Availability of logistics service providers
- Availability of higher education in logistics

### Transportation alternatives



City/Region	Airplane	Train	Truck	Ship
Borås	●	●	●	●
Eskilstuna/Strängnäs	●	●	●	
Göteborg	●	●	●	●
Halmstad	●	●	●	●
Jönköping/Nässjö	●	●	●	
Malmö/Helsingborg/Landskrona	●	●	●	●
Norrköping/Linköping	●	●	●	●
Stockholm/Arlanda Airport	●	●	●	●
Västerås	●	●	●	●
Örebro	●	●	●	

“The transport business place their headquarters where the customer base is the largest. UPS and DHL have placed their regional headquarters in Stockholm, where demand for express transports is the greatest, while Schenker and Maersk Logistics are based in Göteborg, the largest port in Scandinavia.”

*The Øresund Institute, "How businesses are organized in the Øresund and Nordic regions", 2004*



## ***ISA – Business facilitator***

Invest in Sweden Agency (ISA) is the government agency responsible for informing about business and investment opportunities in Sweden. Companies planning to establish or expand operations in Sweden can, free of charge, obtain information and assistance from ISA and its regional and international network.

With headquarters in Stockholm, ISA has international operations and representation in major European, North-American and Asian cities. The vast majority of ISA staff have a background in the corporate sector and expertise in the investment process. These attributes help ensure professional guidance for successful business launches in Sweden.

*Welcome to the ISA web site at [www.isa.se](http://www.isa.se)*

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