Retail Guide

SWEDEN

2019/2020
Welcome to SWEDEN

HEJ!

We are glad that you picked up this publication, as it means you are interested in learning more about retail opportunities in Sweden. The purpose of this guide is to give an overview and assist you in evaluating an entry into this dynamic market.

RETAIL GUIDE SWEDEN 2019/2020

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Sweden stands out and outperforms the rest of Europe in many key areas, such as in terms of economy and competitiveness. Equally importantly, it is a nation of high-income earners who devote a large share of their spending on retail and food & beverages. Swedes are also recognized as widely traveled trendsetters who are innately curious about new international brands and products. And since their purchasing power is amongst the highest in Europe, they have ever-increasing means to satisfy that curiosity.

Many international brands, both new and established, have already recognized that potential, but there is room for many more. The share of international retailers in Sweden is low compared to markets in the rest of Europe.

This guide charts retail opportunities in Sweden’s three largest city regions – Stockholm, Gothenburg and Malmö and provides hard facts and information about the market, demand and supply. It has been developed in collaboration with the national investment council Business Sweden and the regional investment promotion agencies of Stockholm, Gothenburg and Malmö. Among the partners are property owners and consultants.

Please contact us for advice, networking contacts and establishment support – free of charge and in full confidentiality – to assist you further in evaluating the opportunities and setting up a successful business in Sweden. Please see contact details at the back.

REASONS TO TAKE A CLOSER LOOK AT SWEDEN:

- Top performing economy in Europe.
- Biggest population and largest market in the Nordic region.
- Population growth and a rising GDP.
- Strong retail sales growth for 22 consecutive years.
- Wealthy and well-educated consumers with the best non-native English skills in the world.
- A large middle-class segment with high spending power.
- Strong appetite for new international retail brands.
- Trend-sensitive consumers and early adopters who love to try out new products.
- Frontrunner in adopting new technologies and a world leader in sustainability and green technology.
- Well established test-bed market.
- Availability of attractive retail space.
- A well-connected international hub and a smart logistical choice.
- Transparent market and easy-to-do business.

DID YOU KNOW THAT...

- A majority of the global companies that have established operations in the Nordic region have chosen to locate their regional headquarters in Sweden.
- Sweden is the 2019 EU innovation leader and the birthplace of innovative startups such as Spotify, Skype and Klarna.
- The country is also home to some of the most respected and well-known brands in the world; including IKEA, H&M, Volvo and Ericsson.
- The international apparel brand Uniqlo chose Stockholm as its first location in the Nordics, arguing that Sweden is one of the most advanced countries in the world and the most important test market of all for Uniqlo.
THE NORDICS – OUTPERFORMING EUROPE

Sweden is the world’s most reputable country and the country has become synonymous with hospitality. Rising from fourth to second place in Forbes “The Best Countries for Business 2019” is evidence of that. Sweden is the largest market in the Nordics and together the Nordic countries – Sweden, Denmark, Norway, Finland and Iceland, as well as their autonomous regions – make up the 12th largest economy in the world.

THE NORDICS – WELL-EQUIPPED FOR THE GLOBAL ECONOMY
Four of the Nordic countries – Sweden, Denmark, Norway and Finland - are not simply a group of countries with a combined population of 27 million people. These four countries are also more competitive than most other countries in the world when it comes to economic growth, stable business environments and thriving living conditions.

ECONOMIC GROWTH
The Nordic markets, and especially Sweden with twice the population of any of the other Nordic countries, have shown strong development in recent years. Being amongst the least-populated areas in Europe, while having both an increasing population and rising GDP, indicates great potential for continued economic growth. Of all the Nordic countries, Sweden has the largest market, producing a combination of stability and growth potential, due to conditions of low sovereign debt, transparent economics and a well-consolidated banking system.

STABLE BUSINESS ENVIRONMENTS
All Nordic countries have a GDP above the European average, yet prices are not as high, indicating stable business environments. While Norway stands out, with a slightly higher GDP, largely due to its abundance of oil, it is also the most expensive Nordic country to live in. Conversely, the Norwegians flock to Sweden to shop. Sweden on the other hand scores the highest in Eurostat’s retail turnover index, an indicator for domestic demand. As a part of the EU, Sweden also offers a smart entry point to the greater European market.

THRIVING LIVING CONDITIONS
Most Swedes live in urban areas where, from an international perspective, the purchasing power is high. Swedes also have the best non-native English skills in the world, making these urban areas of growing interest among international companies, workers and students. This development is enhanced by thriving living conditions, such as high-quality free education and free health care, as well as the most generous parental leave in the world, with 480 days of paid parental leave.
SWEDEN AT A GLANCE

Despite the relatively small population, Sweden consistently ranks as one of the most competitive, productive and globalized countries in the world.

HIGHLY COMPETITIVE AND PROGRESSIVE NATION
The Swedish business community continues to demonstrate the ability to innovate, and with a combination of a collaborative environment and a highly skilled workforce, Sweden has become very competitive in an international setting. Sweden is the 2019 EU innovation leader, and the undeniable fact is that Sweden is home to some of the most respected and well-known brands in the world, including IKEA, Volvo, Electrolux, Ericsson, H&M, Skanska and Vattenfall. It is also the birthplace of innovative startups that have achieved global success, such as Spotify, Skype and Klarna.

WEALTHY MIDDLE CLASS WITH ONE OF THE HIGHEST LEVELS OF PURCHASING POWER IN EUROPE
Disposable income and private consumption growth are stronger than in most other European countries. The progress of the economic standards of households continues to be favorable, and the real economic standard has increased by 60 percent since 1961. The difference between high and low-income households in Sweden is low, and together with a large middle-class segment with high spending power, retail opportunities are promising.

ATTRACTION HEADQUARTERS AND ROOM FOR INVESTMENT
Sweden has the biggest population and the largest retail market of the Nordic countries. Being geographically in the center of the Nordic countries, Sweden is also notable for its strategic location. With the highest level of retail attractiveness, it is no surprise that international retailers continue to expand their business ventures, company headquarters and logistics centers to Sweden. Moreover, several sectors of the Swedish market, such as furniture & decorations and children’s toys, remain somewhat unexplored by international actors, indicating that there is still room for investment.

GROWING POPULATION
Sweden’s population is 10.2 million and the country has enjoyed steady population growth over the past 23 years, especially in urban areas, due to net immigration, increasing birth rates and lower mortality. The trend is only expected to continue and especially in the largest cities – Stockholm, Gothenburg and Malmö – where the majority of the population lives. Sweden is a multicultural country in which one in five people were born in a foreign country, resulting in a highly diverse population.

 Among global companies that have established operations in the Nordic region with regional headquarters, about 64 percent have chosen to locate their regional headquarters in Sweden, 20 percent in Denmark and 8 and 9 percent in Norway and Finland respectively.

Source: “Global companies with offices in the Nordic region”, Oresundinstitutet, 2015

TOP 10 COUNTRIES IN EU
GDP PER CAPITA IN PPP, SEK

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP per Capita (PPP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Luxembourg</td>
<td>927,491</td>
</tr>
<tr>
<td>Ireland</td>
<td>684,807</td>
</tr>
<tr>
<td>Norway</td>
<td>646,310</td>
</tr>
<tr>
<td>Switzerland</td>
<td>561,936</td>
</tr>
<tr>
<td>Iceland</td>
<td>486,036</td>
</tr>
<tr>
<td>Sweden</td>
<td>460,542</td>
</tr>
<tr>
<td>Germany</td>
<td>456,848</td>
</tr>
<tr>
<td>Austria</td>
<td>453,180</td>
</tr>
<tr>
<td>Denmark</td>
<td>453,041</td>
</tr>
<tr>
<td>Belgium</td>
<td>453,041</td>
</tr>
<tr>
<td>Finland</td>
<td>403,574</td>
</tr>
</tbody>
</table>

Source: The global competitiveness report/KNOEMA, 2018-2019

KEY FACTS SWEDEN

<table>
<thead>
<tr>
<th>Category</th>
<th>2018 Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>10.2 million</td>
</tr>
<tr>
<td>GDP Growth, 2018</td>
<td>2.3%</td>
</tr>
<tr>
<td>GDP per capita 2018</td>
<td>471,000 SEK</td>
</tr>
<tr>
<td>Inflation rate 2018</td>
<td>2.2%</td>
</tr>
<tr>
<td>Retail sales growth 2018</td>
<td>1.8%</td>
</tr>
<tr>
<td>Retail sales growth 2019 (average Q1, Q2)</td>
<td>2.6%</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>6.3%</td>
</tr>
<tr>
<td>Disposable income per capita 2018</td>
<td>298,139 SEK</td>
</tr>
<tr>
<td>Total retail sales</td>
<td>786,565 SEK</td>
</tr>
<tr>
<td>Retail sales per capita 2018</td>
<td>77,000 SEK</td>
</tr>
<tr>
<td>Corporate tax rate</td>
<td>21%</td>
</tr>
<tr>
<td>Swedish krona, SEK/EURO (average 2018)</td>
<td>10,2567</td>
</tr>
<tr>
<td>Swedish krona SEK/ (average 2018)</td>
<td>8,6921</td>
</tr>
</tbody>
</table>

Source: OECD; Resumo; Statistics Sweden; Government Offices of Sweden

DEMOGRAPHY - AGE STRUCTURE, 2018 %

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Population Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-17</td>
<td>20%</td>
</tr>
<tr>
<td>18-24</td>
<td>21%</td>
</tr>
<tr>
<td>25-44</td>
<td>26%</td>
</tr>
<tr>
<td>45-64</td>
<td>23%</td>
</tr>
<tr>
<td>65+</td>
<td>34%</td>
</tr>
</tbody>
</table>

Source: MSCI Research: Handeln i Sverige 2019; Statistics Sweden

SWEDEN'S LARGEST CITY REGIONS

<table>
<thead>
<tr>
<th>Region</th>
<th>Population 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stockholm county</td>
<td>2,344,124</td>
</tr>
<tr>
<td>Gothenburg (greater region)</td>
<td>1,035,318</td>
</tr>
<tr>
<td>Malmö (greater region)</td>
<td>734,656</td>
</tr>
<tr>
<td>Uppsala</td>
<td>225,164</td>
</tr>
<tr>
<td>Linköping</td>
<td>161,084</td>
</tr>
<tr>
<td>Örebro</td>
<td>153,367</td>
</tr>
<tr>
<td>Västerås</td>
<td>152,078</td>
</tr>
<tr>
<td>Norrköping</td>
<td>141,676</td>
</tr>
<tr>
<td>Jönköping</td>
<td>139,223</td>
</tr>
</tbody>
</table>

Source: MSCI Research: Handeln i Sverige 2019; Statistics Sweden

GOTHENBURG/LANDSKRONA

Helsingborg

Halmstad

Malmö

STOCKHOLM

Umeå

Västerås

Örebro

Linköping

Norrköping

Jönköping

Source: HUI Research: Handeln i Sverige 2019; Statistics Sweden

Age

Source: MSCI Research: Handeln i Sverige 2019
THE SWEDISH RETAIL MARKET

An increasingly attractive market for expansion, forecasted to outperform other countries.

STRONG RETAIL SALES GROWTH IN SWEDEN

The Swedish retail market has enjoyed positive annual growth for 22 consecutive years, fueled both by steadily increasing population growth and rising disposable income. Growth in both private consumption and retail sales is stronger in Sweden than in almost any other European country.

OPPORTUNITIES FOR INTERNATIONAL RETAILERS

For international retailers seeking growth and diversification, the Swedish retail market is an increasingly attractive market for expansion. The Swedish marketplace has traditionally been dominated by domestic brands and by a small number of large chains, especially in the high-volume clothing, furniture and food retail segments. It has therefore remained relatively untapped by international retailers. Two examples of this are Swedish H&M, the second largest apparel retailer in the world, and IKEA, the world’s largest furniture retailer. However, in recent years many international brands have entered the Swedish retail market and established a popular position among consumers. Popular international brands with several stores in Sweden include Zara, Lidl and Sephora. More recently, actors such as Uniqlo have opened in Sweden and are laying the foundations for further expansion.

RETAIL SALES AND GDP DEVELOPMENT

<table>
<thead>
<tr>
<th>2018</th>
<th>2019 (f)</th>
<th>2020 (f)</th>
<th>2021 (f)</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP</td>
<td>2,4%</td>
<td>1,5%</td>
<td>1,3%</td>
</tr>
<tr>
<td>Private consumption</td>
<td>1,2%</td>
<td>0,7%</td>
<td>1,3%</td>
</tr>
<tr>
<td>Total retail trade</td>
<td>2,7%</td>
<td>2,5%</td>
<td>2,0%</td>
</tr>
<tr>
<td>Groceries</td>
<td>3,4%</td>
<td>3,5%</td>
<td>2,5%</td>
</tr>
<tr>
<td>Retail trade (excluding groceries)</td>
<td>1,9%</td>
<td>2,0%</td>
<td>0,5%</td>
</tr>
</tbody>
</table>

GDP growth and private consumption in real prices, retail trade in current prices
Source: SEB Nordic Outlook 2019, HUI Research 2019

Several new businesses have come to Sweden over the last few years. Examples include:
- Victoria’s Secret
- Muji
- Under Armour
- Ganni
- Sonos
- Stone Island
- Barbour
- Afound
- Arket
- Cartier
- JD Sports
- lululemon
- Moncler
- Gysvo
- Sandro
- Suitsupply
- Uniqlo

CONSECUTIVE YEARS OF ANNUAL RETAIL SALES GROWTH.

786 retail turnover 2018 (e-commerce and physical trade).

1/3 of total household expenditure is spent on retail.

EXCELLENT LOGISTIC HUB FOR NORTHERN EUROPE
Sweden is a well-connected international hub and a smart logistical choice. Early globalization of Swedish businesses created high demand for an efficient transport and communications system and Sweden's logistics sector has become one of the most capable in Europe. All major cities in Sweden, Denmark and Norway are accessible by road or transport from Sweden in less than 12 hours. This makes Sweden the preferred choice when companies consolidate distribution and warehousing activities in Northern Europe to one central location. Moreover, Sweden also ranks at the top of the most trade-friendly and logistically efficient nations in the world.

THRIVING E-COMMERCE IN SWEDEN
E-commerce is showing strong growth in Europe and as many as 270 million Europeans today say that they regularly shop online. In fact, Sweden has one of the highest rates of online shopping in the world. Growing e-commerce is creating an increasing interest in international brands amongst Swedish consumers and for example, when Swedes are asked to name their favorite online store, the German e-commerce chain Zalando ranks in third place. Great Britain, Germany, China, the US and Denmark top the list when consumers are choosing to shop from international sites to a greater extent.

A GROWING CONSUMER INTEREST FOR INTERNATIONAL BRANDS
Despite the growing interest in foreign e-commerce stores in recent years, there is still room for more international actors within all e-commerce segments and some are still relatively untapped by international players, such as "beauty & health" and "books & media", see chart below.

One path to success in the Swedish retail market might begin with an online store, in order to better understand Swedish consumer behavior and which commodities Swedes are interested in. 51 percent of Swedish online consumers prefer a foreign webstore over a Swedish one, because they could not find the product they were looking for in Swedish e-commerce stores. This indicates that the market is still unsaturated and that there is a need for a wider Swedish retail selection.

70% OF SWEDISH CONSUMERS PURCHASE ONLINE AT LEAST ONCE PER MONTH

PERCENTAGE OF CONSUMERS THAT E-COMMERCE PER SEGMENT

E-COMMERCE SALES AND GROWTH PER SEGMENT

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</tr>
</thead>
<tbody>
<tr>
<td>Home electronics</td>
<td>12%</td>
<td>13%</td>
<td>13.6%</td>
<td>11.8%</td>
<td>11.6%</td>
<td>13.5%</td>
<td>13.3%</td>
<td>13.8%</td>
<td>13.9%</td>
<td>13.7%</td>
<td>13.6%</td>
<td>13.4%</td>
</tr>
<tr>
<td>Clothes &amp; shoes</td>
<td>13%</td>
<td>8%</td>
<td>11.6%</td>
<td>10.8%</td>
<td>11.6%</td>
<td>11.6%</td>
<td>11.6%</td>
<td>12%</td>
<td>12%</td>
<td>12%</td>
<td>12%</td>
<td>12%</td>
</tr>
<tr>
<td>Groceries</td>
<td>27%</td>
<td>29%</td>
<td>27.7%</td>
<td>27.6%</td>
<td>27.6%</td>
<td>27.1%</td>
<td>27.1%</td>
<td>27.1%</td>
<td>27.1%</td>
<td>27.1%</td>
<td>27.1%</td>
<td>27.1%</td>
</tr>
<tr>
<td>Books &amp; media</td>
<td>6%</td>
<td>4.8%</td>
<td>4.6%</td>
<td>4.8%</td>
<td>4.6%</td>
<td>4.8%</td>
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<td>4.8%</td>
<td>4.8%</td>
</tr>
<tr>
<td>Decorations &amp; furniture</td>
<td>27%</td>
<td>37%</td>
<td>37%</td>
<td>37%</td>
<td>37%</td>
<td>37%</td>
<td>37%</td>
<td>37%</td>
<td>37%</td>
<td>37%</td>
<td>37%</td>
<td>37%</td>
</tr>
<tr>
<td>Sports &amp; leisure</td>
<td>9%</td>
<td>9.5%</td>
<td>9.3%</td>
<td>9.3%</td>
<td>9.3%</td>
<td>9.3%</td>
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<td>9.3%</td>
<td>9.3%</td>
<td>9.3%</td>
</tr>
<tr>
<td>Toys &amp; children articles</td>
<td>7%</td>
<td>2.5%</td>
<td>2.5%</td>
<td>2.5%</td>
<td>2.5%</td>
<td>2.5%</td>
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<td>2.5%</td>
<td>2.5%</td>
<td>2.5%</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

Source: E-barometern PostNord 2019, Q2.

PHYSICAL STORES STILL HAVE THEIR PLACE IN SWEDISH CONSUMERS’ HEARTS
Even though e-commerce is thriving, many Swedish consumers still prefer to buy things over a physical counter, and the successful investment of 6 bSEK ($657 mUSD) in the “Westfield Mall of Scandinavia” shopping destination just outside Stockholm is evidence of that.

Ensuring consumer satisfaction, shortening lead times and providing a fashionable selection are essential elements moving forward. Therefore, we are investing in establishing a new 30,000 sqm fulfilment center near Stockholm.”

- Kenneth Melchior, General Manager Northern Europe at Zalando
LOYAL EARLY ADOPTERS
Sweden is a progressive and forward-looking country, and consumption patterns reflect both individuality and equality. Swedes have a powerful thirst for the outside world and travel extensively, exposing themselves to many different cultures, and cultivating a taste for new brands as well as innovative restaurants and retail experiences. They are highly inclined to seek out and buy products, services and brands that provide something new to the market. Swedish consumers are trend-sensitive early adopters who love to try new products, and to test them against their own high standards. The tech-savvy Swedes are known not only for rapidly adopting new trends from abroad, but also for setting them. The cultural and creative industries are especially strong in Sweden, which is home to trailblazing companies such as Mojang (developer of the world-building Minecraft computer game), Spotify and a vibrant music and fashion scene – and consumers are quick to pick up on new movements.

Swedes are discerning in how they consume, valuing function and quality as much as design and branding in their purchasing decisions. At the same time, they are ardent and well-traveled shoppers who embrace new international brands and shopping concepts, especially ones they may have already encountered (and learned to love) on trips abroad.

Exhibiting a general willingness to pay a premium for well-known brands, Swedish consumers are likely to return to brands that they trust, preferring high-quality solutions over cheap or convenient options. Building trust among consumers is key to the Swedish market – and the good news is, once that trust is established, consumer loyalty tends to be strong and persistent. The openness of Swedes to the wider world paves the way for international brands to be embraced by consumers just as wholeheartedly as domestic ones.

The use of social media and mobile communication is high. Consumption patterns reflect both equality and individuality. Alternative lifestyles and relationship patterns are tolerated and welcomed. New movements in fashion, music or design are often communicated through media, blogs and through influencers.

73% of Swedish consumers say that they are impacted by sustainability issues when purchasing goods or services.

Source: Sustainable Brand Index 2018

VALUE-DRIVEN CONSUMERS
Swedes are increasingly putting their money where their hearts are. They are highly informed consumers, expecting transparency and to know more about companies than perhaps ever before. This extends not only to the products themselves, but also to the overarching values of a company. Sweden is a highly individualized country, making consumption an important identity marker. As a result, Swedes pay great attention to, and prefer to buy from, brands that they feel reflect their values and lifestyles.

For companies, this means being open and honest about values and beliefs, and not being afraid to take a stand on social issues that matter. Committing to building a transparent brand is key to building consumer trust, engagement and loyalty, and is quickly becoming a business imperative. This is especially important in Sweden, which is a society shaped by a long tradition of openness. Brands that can provide an emotional benefit are likely to have the competitive edge, as Swedish consumers are incentivized by moral attachments to brands and products, generally not hesitating to pay more for those that are good for the environment.

“Sweden is seen as a frontrunner in adopting new technologies and setting new consumer trends. U.S. and other exporters can take advantage of a test market full of demanding, highly sophisticated customers.”

– U.S. Department of State, 2018

CONSUMERS IN SWEDEN
Curious trendsetters driven by progressive values and ideals, Swedish shoppers are known as open and forward-looking early adopters.
SUSTAINABILITY AS A DRIVING FORCE
Climate change is one of the single greatest issues engaging Swedish consumers, and they are increasingly expecting brands to commit actively to sustainable development. Consumers are placing higher demands than ever on companies not only when it comes to minimizing environmental impact, but also making a positive contribution. Though environmental responsibility is not new to Swedes, who have a long history of managing their landscape respectfully and with care, in the wake of Greta Thunberg’s internationally recognized climate strike the issue has effectively been brought to the forefront.

The Swedish debate around climate change tends to highlight individual action and responsibility. This has resulted in many consumers, not least young consumer groups, increasingly reflecting upon their consumption and its environmental and social effects. However, this does not necessarily result in decreased consumption. In fact, Sweden has greater retail spending per capita than many other European countries. At the same time, the way consumers view their possessions is beginning to shift. There is a growing interest in brands that offer recycling, repairing and second-hand products.

The importance of ownership is being challenged by access-driven businesses that are shaking up established categories. The sharing-based economy is expanding, driven by changing consumer needs and attitudes, and there is a plethora of innovative startups following in the footsteps of pioneers such as Uber and Airbnb (examples include Qasa, focusing on private home leasing). Staying true to their propensity to rapidly adapt to new ways of life, Swedish consumers have proven quick to take sharing services to their hearts. This shift in consumer behavior can be effectively harnessed by traditional retail as well, and there are many examples of established brands launching selling, lending or re-selling services, often in partnership with sharing-oriented startups. A local example is the Swedish apparel brand Filippa K, which has its own second-hand stores. There is also a growing number of secondhand stores focusing on designer brands, such as Stockholm-based Arkivet, and services such as Sabina & Friends where consumers can rent designer clothing.

95% OF SWEDES THINK THAT THE COUNTRY WILL BE AFFECTED BY CLIMATE CHANGE IN THE FUTURE
Source: Swedish Environmental Protection Agency, 2018

54% OF SWEDISH E-COMMERCE CONSUMERS BELIEVE IT IS IMPORTANT TO BE ABLE TO SEE THE ENVIRONMENTAL IMPACT THE PRODUCT HAS, BOTH IN TERMS OF PRODUCTION AND DELIVERY.
Source: E-commerce in the Nordics, PostNord, 2019

“On average, Swedish consumers have resources and purchasing power well above that of most other European consumers.”
– Santander Trade (Santander Bank)

“With the current shift in fashion towards more sustainable business models, we see a huge opportunity for second hand in Sweden. Most consumers however are still driven more by convenience than sustainability in their purchase decisions, so it’s going to be key to provide a great buying experience.”
– Gustav Wessman, CMO & Partner at Sellpy

Sellpy is a fast-growing startup that offers an online selling service and e-commerce for secondhand items such as clothing, toys and household items. Among the investors are the Swedish fashion empire H&M. During 2017, Sellpy doubled its turnover, and in 2018, it increased by 36 percent. With a clear focus on customer experience, the company has developed an AI-driven pricing model and offers a number of different delivery options, including home delivery. Sellpy is also moving into physical retail through collaborations with established actors. Among them is Swedish fashion brand Indiska – in 2019, Sellpy opened a temporary shop-in-shop in one of Indiska’s Stockholm stores, selling vintage jeans. The concept was also launched online.
SHOPPING TOURISM

The Swedish economy is the largest in the Nordic region, and with increasing volumes of international visitors and record shopping expenditure, the Swedish retail and restaurant sector is looking promising.

SWEDEN IS GAINING ATTENTION

Sweden offers everything from killer fashion to five-star culinary experiences, contributing to a growing interest in Sweden from travelers around the world. This has also resulted in the entry of many international retailers. The fact that tourism is the fastest growing service industry sector in Sweden has had a significant impact on the retail and shopping culture. Revenues from international visitors have more than doubled in the last five-year period, and visitor volumes have increased faster than the European average. There is great demand for new products and services. This, coupled with the fact that Sweden is a progressive and trendsetting country with a good infrastructure, makes it an attractive expansion destination for international retailers.

Sweden also has excellent communications, with an increasing amount of direct and low-cost flights as well as a road and railway network with easy access to the rest of Europe. Several major ferry lines serve the countries around the Baltic Sea, making Sweden a popular cruise destination. This ensures continued accessibility and future inflows of visitors.

“The significance of tourists on commerce in Sweden continues to grow”

– Mats Hedenström, business policy manager at Svensk Handel (Market magazine, February 2019).

148

SEK BILLION

IN TOTAL CONSUMPTION FROM FOREIGN TOURISTS, AN INCREASE OF 12.5 PERCENT FROM LAST YEAR

65

MILLION

OVERNIGHT STAYS, OF WHICH 17.3 MILLION ARE FROM INTERNATIONAL VISITORS.

189

SEK BILLION

IN TOTAL CONSUMPTION FROM DOMESTIC TOURISTS.

Source: Swedish Agency for Economic & Regional Growth/Statistics Sweden, 2019

Source: Swedish Agency for Economic and Regional Growth, Statistics Sweden, 2018

TOP COUNTRIES VISITING SWEDEN

<table>
<thead>
<tr>
<th>Country</th>
<th>Overnight stays absolute numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Norway</td>
<td>3,491,585</td>
</tr>
<tr>
<td>Germany</td>
<td>3,090,680</td>
</tr>
<tr>
<td>Denmark</td>
<td>1,310,974</td>
</tr>
<tr>
<td>USA</td>
<td>873,262</td>
</tr>
<tr>
<td>UK</td>
<td>833,860</td>
</tr>
<tr>
<td>Netherlands</td>
<td>735,118</td>
</tr>
<tr>
<td>Finland</td>
<td>587,367</td>
</tr>
<tr>
<td>Switzerland</td>
<td>397,538</td>
</tr>
<tr>
<td>China</td>
<td>347,365</td>
</tr>
<tr>
<td>France</td>
<td>327,451</td>
</tr>
</tbody>
</table>

Source: Swedish Agency for Economic & Regional Growth/Statistics Sweden, 2019

Source: Swedish Agency for Economic and Regional Growth, Statistics Sweden, 2018

Photo: Kim Svensson / mediabank.goteborg.se
FOODIE NATION

The restaurant and food segments in Sweden offer high potential in terms of purchasing power, consumer interest, as well as favorable conditions for foreign companies to establish themselves. People living in Sweden are distinct for their great interest in eating out, compared to other countries in the Nordics, as well as for their appreciation for healthy food concepts. This has helped Sweden to emerge as a foodie nation, and with its modern food scene and world-recognized Swedish chefs, it has transformed itself into one of Europe’s haute cuisine spots.

SWEDES LOVE TO EAT OUT

While it is not necessarily always cheap to eat out in Sweden, it is a popular form of social interaction both for residents and for the millions of tourists that visit each year. Swedes are spending more and more of their disposable income in restaurants and they value concepts that offer inventive menus, unique flavors, and trendy experiences. On average 18 percent eat out for dinner at least once a week. When it comes to lunch, on average a third of the Swedish population eats out at least once a week, and the percentages are higher in the larger cities. Consequently, property owners and mall owners are devoting more retail space to restaurants.

The modern Swedish consumer is looking to "buy more time", creating a shift from traditional grocery consumption towards meals for immediate consumption. Consequently, restaurants and cafes are increasing their market shares. Moreover, restaurant turnover has increased tremendously since 2008, especially in the larger cities.

RESTAURANT TURNOVER PER YEAR M SEK

<table>
<thead>
<tr>
<th>Year</th>
<th>Turnover</th>
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<tbody>
<tr>
<td>2008</td>
<td></td>
</tr>
<tr>
<td>2009</td>
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<td>2015</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>136</td>
</tr>
</tbody>
</table>

Source: HUI Research: Handeln i Sverige 2019

Interesting new openings over the past few years:
- Jungle Juice Bar
- Ciccio’s
- Ben & Jerry’s
- Cinnabon
- Eataly
- Egon Restaurant
- Joe & the Juice
- Lett
- Lindt
- Picard
- Wagamama
- Holy Monkey
- Misshumashhu
- L’Avventura
- TUGG Burgers
- Holy Greens

PERCENTAGE OF POPULATION WHO EAT OUT AT LEAST ONCE A WEEK:

<table>
<thead>
<tr>
<th>City</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stockholm</td>
<td>35%</td>
</tr>
<tr>
<td>Gothenburg</td>
<td>36%</td>
</tr>
<tr>
<td>Malmo</td>
<td>40%</td>
</tr>
</tbody>
</table>

Source: Statistics Sweden, 2019

INCREASE IN RESTAURANT TURNOVER SINCE 2008:
- By 81 percent in Stockholm
- 63 percent in Gothenburg
- 69 percent in Malmo

TOTAL FOOD & BEVERAGE SALES SEGMENT, 2018

- 46% Lunch & evening restaurants
- 13% Entertainment venues & bars
- 13% Fast food restaurants
- 11% Hotel restaurants
- 7% Cafés/Coffee shops
- 7% Roadside restaurants
- 3% Workplace restaurants

Source: Food & Friends, 2019

Restaurant industry turnover in 2018

136 SEK BILLION (£14 BILLION)

Source: Statistics Sweden, 2019

Photo: Tina Stafrén / imagebank.sweden.se

FINALE
INCREASING DEMAND FOR RESTAURANTS, CAFÉS AND HEALTHY CONCEPTS

The Swedish restaurant and café industry is booming, and even though the market is dominated by domestic players, there is room for new alternatives. Swedes love it when innovative and international concepts expand to Sweden, including examples such as the successful establishment of the British concept Wagamama and the Danish concept Joe & The Juice.

The line between food service and retail is blurring, as popular food blogs and creative new concepts are increasing Swedish consumers’ interest for innovative food experiences. This allows for retailers to offer restaurant services, along with drinks and ready-to-eat meals, and thus create a relaxing atmosphere where customers can stop and rest. For example, several H&M and Arket stores in Sweden have opened in-store cafés, a concept that the H&M group has also expanded to London and other European cities.

Swedes are interested in healthy food and beverage concepts and despite the establishment of several such chains in the past few years, the market is still unsaturated and there is a high untapped potential for various healthy food concepts. Green alternatives are undoubtedly popular among Swedes and 23 percent are either flexitarians, vegetarians or vegans (Food & Friends, 2019).

“Sweden may be our best market; Swedes go out and have lunch in a different way than Danes. Perhaps it’s more of an outgoing culture. In any case, it has worked very well.”
– Kaspar Basse, Joe & The Juice founder

“The segment between fast food and fine food was completely empty. There I saw an opportunity.”
– Christian Lagerlöf, former CEO, Vapiano Sweden

“We found that shoppers who dined at the mall stayed 35 percent longer and increased transactions by 25 percent.”
– James Cook, JLL’s director of retail research

“ON AVERAGE, A SWEDISH PERSON DRINKS ALMOST FOUR CUPS OF COFFEE EACH DAY, AMONGST THE HIGHEST PER CAPITA CONSUMPTION IN THE WORLD.”

“Sweden is a very innovative country when it comes to gastronomy, every year we see new restaurants pop up in Malmö with unique flavors, local fresh produce and great experiences.”
– Erik Bjergert Elgaard, CEO and Co-Owner at Salads and Smoothies

“Big players need to work together to bring everyone to the same place and create a more sustainable mindset. If we can together set a sustainable standard that is not just a trend but a tradition, we will together give our guests a sustainable and safe experience.”
– Ida Ström, Restaurant Manager & Sommelier, Fotografiska Museum in Stockholm

“DID YOU KNOW THAT...
... Sweden offers world-class cuisine with a total of 29 Michelin stars shared between as many as 22 restaurants.

Photos: Photoagency café damatteos / mediabank.goteborgco.se
A PIONEER MARKET

Sweden has outstanding infrastructure and a good climate for innovation, as well as a skilled and diverse workforce. Innovative startups attract many competent international workers and there are a growing number of exciting actors looking to settle in Sweden.

CULTIVATES INNOVATION

Sweden has enjoyed tremendous expansion and has quickly become not only the tech hub of the Nordics but also, according to the European Commission, is the 2019 world leader in innovation. With Spotify, Skype, iZettle, Klarna, Olj, Minecraft and King, to name only a few, Stockholm has the second highest number of startups in the world per capita. Consequently, it is no surprise that investments in Sweden are at record level and Sweden has the highest spending on R&D in Europe.

Swedish culture also plays a part in cultivating innovation. In Sweden, CEOs often work closely with their colleagues, fostering a collaborative culture. Sophisticated cooperation between startups, universities, industry and government means knowledge is shared effectively.

SWEDEN ATTRACTS FOREIGN TALENT

Sweden is one of the foremost countries in the world at attracting international talent, according to The Global Talent Competitiveness Index. Despite Sweden’s small size, startups are flourishing in all industries and foreign talent is attracted from all around the world. Sweden’s generous social welfare system has resulted in high productivity coupled with low working hours. Free universities allow for a highly educated and talented population. And Sweden’s strategic location within the Nordics, together with the highest level of English skills in the world, further attracts international talent, all contributing to the fact that 64 percent of the headquarters of foreign companies in the Nordics are located in Sweden.

CASE: IZETTLE

iZettle is a Swedish startup founded in 2010 that revolutionized mobile payments, with the world’s first mini chip card reader for mobile devices.

“I believe that foreign employees are attracted to what they call the Scandinavian working model, which allows workers both to make a career professionally and still be a present parent.”

– Katarina Berg, Chief Human Resources Officer at Spotify (Breakit, July 2019)

TOP 6 HIGHEST SPENDING ON R&D IN EUROPE, TOTAL, % OF GDP, 2016-2018

<table>
<thead>
<tr>
<th>Country</th>
<th>% of GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switzerland</td>
<td>3.40%</td>
</tr>
<tr>
<td>Austria</td>
<td>3.37%</td>
</tr>
<tr>
<td>Sweden</td>
<td>3.15%</td>
</tr>
<tr>
<td>Denmark</td>
<td>3.05%</td>
</tr>
<tr>
<td>Germany</td>
<td>3.04%</td>
</tr>
<tr>
<td>Finland</td>
<td>2.76%</td>
</tr>
</tbody>
</table>

Source: OECD 2016-2018

Stockholm has a well-established startup scene with lots of exciting companies to join. Also, Stockholm is a small yet incredibly global city.”

– Jacob de Geer, founder and CEO of Stockholm startup iZettle

Photo: Lieselotte Van Der Meijs / magebank.sweden.se
Sweden is a frontrunner in adopting new technologies, and a world leader in sustainability and green technology.

DIGITALLY ADVANCED
The high levels of digital development in Sweden places it at the cutting edge, ranking 2nd in the world in the 2019 Digital Economy and Society Index (DESI). For instance, Sweden leads the way in cashless payments. Swedish consumers prefer to use their bank cards or the mobile payment Swish when making a purchase. For retailers, payments by card minimizes the risk of robberies and speeds up the payment process. Moreover, research has shown that consumers spend more when they pay by credit card.

STRONG ENVIRONMENTAL PERFORMANCE
Sweden is one of the most sustainable countries in the world, as evidenced by the fact that it has once again been ranked number one in Robescosam’s Country Sustainability Ranking. CO2 emissions per unit GDP are well below the European average and falling. Sweden offers unbeatable opportunities for businesses to build a strong environmental profile, and moreover the country has the lowest electricity prices in the EU.

“Sweden is one of the most advanced countries in the world and it is the most important test market of all for Uniqlo”

- Founder of Uniqlo, Tadashi Yanai
(SvD magazine, October 2018)

“Swedish consumers are highly educated, aware of environmental impact and they want to be informed thoroughly about our products. We see this as a chance to deepen our thoughts and review our production by sharing feedback from Swedish consumers”

- Ryosuke Ino, Director/Operation Manager at MUJI Sweden AB

80% OF SWEDISH CONSUMERS USED A DEBIT CARD FOR THEIR MOST RECENT PURCHASE.
Source: Sweden’s Central Bank, 2018

54% PERCENT OF THE ENERGY IN SWEDEN IS RENEWABLE.
Source: Swedish Energy Agency, 2016
Welcome to Gothenburg – one of the fastest growing regions in Europe, a hot-spot for innovation, and a true gateway to the world as a perfectly positioned logistics hub.

**KEY FACTS GOTHENBURG**

**GRP/CAPITA** SEK 552 tSEK

**POPULATION**
- CITY: 572,000 (+7,800 per year)
- REGION: 1.0 million (+10,000 per year)
- COUNTY: 1.7 million (+17,000 per year)

**WORKFORCE** 560,000

**EMPLOYED WITHIN RETAIL 2018**
- 41,000

**STUDENTS** 60,000

**COMPANIES** 111,000

**FOREIGN OWNED COMPANIES** 2,400

**AVERAGE AGE** 39

**HIGHLY EDUCATED PEOPLE** 51%

**SINGLE HOUSEHOLDS** 44%

**AVERAGE INCOME** SEK 300,000

**RETAIL SALES** 103.8 bSEK

*Gothenburg Region

Source: Business Region Göteborg, AllResearch, Statistics Sweden

**RETAIL SALES INDEX**

<table>
<thead>
<tr>
<th></th>
<th>Daily goods</th>
<th>Non-daily goods</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gothenburg</td>
<td>102</td>
<td>129</td>
<td>115</td>
</tr>
<tr>
<td>Sweden</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: HUI Research: Handeln i Sverige, 2019
THE THRIVING WEST COAST CAPITAL

With a thriving business environment and a strong entrepreneurial spirit, Sweden’s second city is not only a hotbed for innovation – it is also known for its openness-mindedness, ranked as the most sociable city in the world.

A PROGRESSIVE REGION PERFECTLY POSITIONED IN SCANDINAVIA

Home to Volvo, Gothenburg is a center for knowledge-intensive industries and advanced services. It is also Scandinavia’s leading hub for both imports and exports of goods, boasting the Nordic countries’ largest port, with a strategic location at the epicenter of Scandinavia. About 70 percent of Scandinavia’s population and industry is within 500 km of Gothenburg. The region is an innovation leader in the EU, according to the European Commission.

A CITY IN TRANSFORMATION

Gothenburg is one of the most rapidly expanding regions in Europe, and the city is in the process of its biggest development leap in modern history. By 2035 around 105,000 homes will have been built in the region and an estimated EUR 100 billion will be invested in property developments and infrastructure. Many of the development projects are in optimal city locations. Commercial space is also being built in large volumes across the Gothenburg region.

IMPRESSIONS OF A PROGRESSIVE CITY

Gothenburg is increasingly making waves on the fashion scene. It is the birthplace of global brands Nudie Jeans, Monki, Elvine, Dr Denim and Twist & Tango. Meanwhile, most of the major Swedish chains MQ, Lindex and KappAhl all have their headquarters in the city.

THE SOCIAL CITY

Gothenburg has been named the world’s most sociable city – and for good reasons. The city is characterized by a propensity for openness and socializing, offering a lively nightlife as well as a dynamic and innovative culinary scene. There is an exciting array of food options, spanning everything from Michelin-starred restaurants to innovative street food. Gothenburg is known for its social dining scene, with relaxed and modern options serving up a range of different cuisines. The proximity to the sea and archipelago also means that the selection and quality of fish and seafood is second to none in Sweden. With a flourishing micro-brewery scene, Gothenburg is also one of Europe’s hottest hubs for craft beer.

A SHOPPING AND TOURISM DESTINATION

Gothenburg is a city open to the world. It is a highly popular event and tourist destination, and the region is proactively working on drawing in even more visitors, with the objective of doubling its incoming tourism by 2030. In 2018, the number of guest nights spent in the region rose for the 27th year in a row. Gothenburg is an attractive destination for shopping, offering a mixture of small independent shops, international stores and large malls. It is estimated that foreign tourists in Gothenburg spend on average half their holiday budget on shopping. Most foreign visitors come from Norway, Germany, the United Kingdom and the United States. Extensive experience and excellent facilities also place Gothenburg in a strong position as a venue city.

A WORLD LEADER IN SUSTAINABILITY

Gothenburg is an international frontrunner in sustainability and green solutions, highly committed to making a change for the better, both environmentally, socially and economically. Practically all of the hotels in the city and many of its restaurants are environmentally certified, and over 90 percent of all public transport is powered by renewable energy. This means that Gothenburg is rapidly moving towards being a low carbon economy.

In 2018, Gothenburg was named the world’s most sustainable destination, ranking higher than cities such as Copenhagen, Reykjavik and Oslo. The city has an impressive number of cutting-edge ‘cleantech’ companies, with high levels of expertise in technical solutions to help reduce climate impact. It is also home to innovative actors within the fashion industry. Examples include The Circular Textile Initiative, which focuses on groundbreaking solutions to reduce the environmental impact of fashion textiles, and the recent opening of H&M’s Take Care concept, which offers repair and sewing services to consumers while giving unemployed women an entry into the labor market.

IMPRESSIVE RETAIL GROWTH

Retail sales are an important growth engine for the Gothenburg region. In recent years, the region has seen a steady wave of international retailers and products enter its market, including Tesla, Superdry and Victoria’s Secret. Meanwhile, a fifth of the region’s workforce...has 2,400 foreign-owned companies that employ...

DID YOU KNOW THAT GOTEBURG...

...is Sweden’s top logistics location and home to Scandinavia’s largest port...

...has 2,400 foreign-owned companies that employ a fifth of the region’s workforce.

“One of the world’s best food destinations 2019 – according to National Geographic.

“The city’s blue-and-white trams still rumble down the wide boulevards, but visitors will also find a diverse music scene, inspiring art, world-class breweries, trendsetting shops and gregarious locals determined to convince you that this west coast is the best coast.”

– The New York Times, 2018

65 000 SEK RETAIL SPENDING PER PERSON PER YEAR (EXCLUDING FOOD AND BEVERAGES)
SHOPS AND OUTLETS

GOTHENBURG

From inner city shopping areas to regional retail parks and outlets, here are some of the region’s popular shopping destinations.

1. ALLUM
Allum is located 8 kilometers east of Gothenburg city center. It is a modern shopping center featuring specialty shops side by side with well-known chains as well as eateries.
Owner: Steen & Ström
No of tenants: 20
Turnover: mSEK 1.847
GLA: 44,000 sq m
Visitors: 6.4 million

2. ARKADEN GALLERIA
Arkaden, located just north of Gothenburg’s city center, is one of Sweden’s largest shopping areas. It covers approximately 110,000 square meters and holds more than 120 stores. Arkaden is a public transportation hub and is easy to reach by car.
Owner: Skandia Placer, Eriksförs Fastigheter
No of tenants: 116
Turnover: mSEK 2.892
GLA: 78,700 sq m
Visitors: 6 million (2014)

3. BACKPLAN
Backplan, located just north of Gothenburg’s city center, is one of Sweden’s largest shopping areas. It covers approximately 110,000 square meters and holds more than 120 stores. Backplan is a public transportation hub and is easy to reach by car.
Owner: Skandia Placer, Eriksförs Fastigheter
No of tenants: 116
Turnover: mSEK 2.892
GLA: 78,700 sq m
Visitors: 6 million (2014)

4. FEMMEN
is a shopping mall in the center of Nordstan. On three floors there are attractive brands, cafes and restaurants, including Victor’s secret, H&M, H&M Home, Intimissimi, Joe & The Juice among others, and Lidl. The 16,000 sq m mall, which underwent a complete renovation in 2016, has 65 stores, restaurants and cafes that attract more than 12 million visitors annually.
Owner: Hufvudstaden
No of tenants: 63
Turnover: mSEK 693
GLA: 16,500 sq m
Visitors: 12.5 million

5. FREDSGANÄS/FREDSTAN
Fredsängen is in the retail heart of Gothenburg and the area around this main shopping street is known as “Fredstan.” Working together strategically, the local landlords have evolved this destination into the most vibrant retail area in the region. Fredshagen is a modern/external shopping street with stores such as Superdry, Levi’s, Chanel Beauty Stores, Hugo Boss, Gant, Zara home, Vans, Nude Jeans, Barry’s Bootcamp, Mango, Na-Kd and many more.
Owner: Vasakronan, Hufvudstaden, Balder
No of tenants: 250
Turnover: mSEK N/A
GLA: 40,172 sq m
Visitors: 6 million

6. FROLUNDA TORG
Frolunda Torg offers over 200 stores just 15 minutes from the city center. It has everything from fashion, home décor and sporting goods to cosmetics and electronics. There are also several cafes and restaurants, as well as unique delicacies at the Salutorget food hall.
Owner: Skandia
No of tenants: 217
Turnover: mSEK 2,956
GLA: 56,675 sq m
Visitors: 11.7 million

7. HEDE FASHION OUTLET
A unique collection of premium shops with a wide selection of your favorite fashion, sportswear, interior and accessories brands including Adidas, Calvin Klein, Filippa K, Gant, Hugo Boss, J. Lindeberg, Morris, Peak Performance, LillaLisa, Samsonite, Sand Copenhagen and Tommy Hilfiger.
Owner: Via Outlet
No of tenants: 70
Turnover: mSEK N/A
GLA: 20,200 sq m
Visitors: 1.8 million (2018)

8. KUNGSMÄSSAN
The retail trade in the growing city of Kungsbacka, south of Gothenburg, is characterized by three separate shopping areas – Hecke Fashion Outlet, Kungsbacka and the inner city. Kungsbacka is in the heart of Kungsbacka.
Owner: Aranäs
No of tenants: 61
Turnover: mSEK 1,516
GLA: 28,550 sq m
Visitors: 4.9 million

9. KONGAHÄLLA CENTER
A new retail destination in the municipality of Kungsåra has opened in 2019 – just along the E6 motorway. This is the biggest mall investment in 10 years in the Gothenburg region and it consists of 77 retail stores and new residential units, which will be adjacent to the new travel center that also is planned for this area.
Owner: Adapla, Alecta
No of tenants: 77
Turnover: mSEK N/A
GLA: 98,000 sq m
Visitors: N/A million

10. MOLNDAL GALLERIA
Mölndal Galleria is a new, modern urban city gallery focusing on daily necessities, services and a generous food and beverage offering. Located in the city center of the fast growing Mölndal, and connected to a large hub for public transportation, the shopping center serves as the natural meeting place for people working and living in the neighborhood.
Owner: Citygym
No of tenants: 64
Turnover: mSEK N/A
GLA: 24,200 sq m
Visitors: N/A million

11. NORDSTAN
The largest shopping center in Gothenburg is much more than a routine shopping trip. Aside from the massive selection of clothing, shoes and eateries, Nordstan also offers cosmetics, home electronics, sporting goods, toys, interior design items and much more.
Owner: Hufvudstaden & Vasakronan
No of tenants: 200
Turnover: mSEK 4,200
GLA: 77,500 sq m
Visitors: 28.4 million

12. NORDISKA KOMPANIET (NK)
Located at Östra Hamngatan 42, this exclusive department store occupies four floors boasting the latest fashion, accessories, beauty products and interior design. Shop celebrated Swedish brands such as Dagmar, Wihrd, Acne and Axel Arigato, as well as international premium brands such as Gucci, Kenzo, Loewe and many others. Enjoy lunch at NK’s restaurant Swedish Taste, which is run by award winning chef Magnus Lindström and his colleague Tolle Svanstrom, serving high-quality cuisine cooked from the freshest produce in a beautiful setting beneath vaulted ceilings from the 1700’s. Finish with a ‘fika’ or glass of wine in one of our cozy cafes. NK offers style, inspiration and the latest trends in all that we do.
Owner: Hufvudstaden
No of tenants: 51
Turnover: mSEK 866
GLA: 10,160 sq m
Visitors: 3.2 million (2018)

13. SISJÖ RETAIL PARK
- A customer-friendly and comprehensive shopping complex for both consumable and durable goods. Located in Askim in the south of Gothenburg, it is one of the largest shopping areas in the region, which is rapidly growing and attracting more stores to the area. There is a mixture of stores offering electronics, DIY and home improvement, sporting goods, toys, etc.
Owner: Akula Holding
No of tenants: 83
Turnover: mSEK 2,744
GLA: 107,950 sq m
Visitors: N/A million

14. STENUNGSTORG CENTER
This center in the municipality of Stenungsund consists of many stores with a large variety of brands. The location is in a quiet marine environment just by the ocean.
Owner: Citygym
No of tenants: 72
Turnover: mSEK 830
GLA: 18,450 sq m
Visitors: 3.3 million
Gothenburg has an exciting mix of international fashion brands, independent shops, pedestrian streets, malls and department stores.

**AVENYN - THE CITY’S BOULEVARD**

Kungsportavenyn, known as Avenyn (the Avenue), stretches from the monumental Götaplatsen to Kungsportsbron bridge by the mast. Avenyn is a popular destination for over 5 million Gothenburg natives and tourists every year. The boulevard and its side streets are lined with numerous cozy cafés, renowned restaurants and popular bars. In summer, Avenyn becomes even livelier as the pavements fill up with sunny terrace bars, cafés and strolling holidaymakers. The district also has several museum shops, including the one at the Gothenburg Museum of Art with its large selection of art and design books, and Rösskas, which offers an assortment of curated design items and prints. Here you will find flagship stores for Oscar Jacobson, Vilenny & Eboch, Tommy Hilfiger, Bang & Olufsen and Nespresso.

**HAGA**

is one of the oldest and most popular districts in Gothenburg. The neighborhood has kept a lot of its original charm and the picturesque main street Haga Nygata is lined with well-preserved wooden houses, boutiques and cafés. It is home to numerous small boutiques that offer an eclectic mix of old and new. There is a wonderful assortment of antiques, handicrafts, designer goods, books, children’s clothing and fashion. The neighborhood merges into the Linné district.

**LINNÉ**

The Linné district extends from Jämtorg Square to the hub Linnéplatsen, next to Slottsskogen, a park. The street is sometimes described as “the main boulevard” by locals, largely thanks to its large selection of restaurants and bars. The area is also good for shopping, with a varied selection of vintage, fashion boutiques and art galleries. The four side streets named Långgatan are dotted with urban fashion stores, vintage boutiques, record shops, antique shops, pubs and restaurants.

**MAGASINSTADEN/VALLGATAN**

is the trendy neighborhood in Gothenburg’s inner city and is a popular meeting place for Gothenburg’s citizens. Here you will find pleasant cafes, a wide selection of restaurants and bars, as well as shopping that offers both Scandinavian and local brands - Acne, Grandpa, Artillery, Houdini, Vallygatan 10, Midi Rodin, Leiter, Designgalleriet, Livly etc. GLA 3900 sqm.

**FREDSTAN**

is a shopping area centered on Fredsgatan, which also embraces the surrounding streets and squares. Fredstan is the crown jewel in Gothenburg’s shopping. Working together strategically, the landlords have evolved the destination into the most vibrant retail area in the region.

**VASASTAN**

extends from Avenyn to Haga and is characterized by grand stone buildings built between 1870 and 1920. This lively neighborhood includes everything from cozy cafés and fashion boutiques to Michelin starred restaurants and independent art galleries.
RETAIL DEVELOPMENT IN THE GOTHENBURG REGION

Gothenburg is transforming rapidly with extensive urban development plans in ideal city locations. Existing shopping streets and malls are expanding and developing, and new areas are emerging. Here are some of the retail developments currently underway.

AIRPORT CITY GÖTEBORG
Ongoing development
In Härryda you can find Göteborg Landvetter Airport. Over 1.7 million square meters is now under development for business, services, travel and shopping in what will become Airport City Göteborg. There are detailed plans for large areas dedicated to logistics, business parks and retail. Around 1.2 million people live within 40 minutes of the airport and the number is expected to grow by another 500,000 by the year 2030. A new high-speed railway is planned between Gothenburg and Borås with a stop at the Airport City, which will provide an easy and sustainable access.

ALLUM
Ongoing expansion
This mall is in Partille, 7 kilometers east of Gothenburg and with easy access from the highway that passes on its way to Stockholm. Allum is set to expand by 15,400 square meters taking the total number of stores to more than 130. The expected opening of the new extended mall is during 2019.

BACKAPLAN RETAIL DISTRICT
Ongoing 2016–2025
This large and popular retail district has a central location, just a bridge and a few minutes away from Gothenburg’s inner city. It will transform into a new urban district – an attractive area for living and shopping. Developers have joined forces, and plans include 5,000–6,000 housing units, public spaces and retail/food & beverage space.

HÖGSBO-SISISJÖN
Ongoing 2016–2021
With an area of 2 million square meters this is one of West Sweden’s largest business areas. Högbo-Sisjön today houses over 1,700 companies within 200 branches. The area is located just south of Gothenburg and continues to expand. The investments will lend the area a new character, with housing, offices, new retail space and hotels.

KARLASTADEN
Ongoing development
Gothenburg’s first real skyscraper, Karlatornet, is currently under construction. When completed in 2021, it will be 245 meters in height, making it the tallest building in the Nordic region. In the same area, a new mixed district will take form, Karlstaden. This will be around ten new blocks with offices, apartments, shops, restaurants, schools and services.

5 million square meters is being developed in central Gothenburg alone, and the total investment volume for the entire region is estimated at SEK 1,000 billion. The largest sums will be invested in new housing, infrastructure, industry/production and retail.

KÄLLERED RETAIL PARK
Expected opening 2021
This is a large area of retail expansion in the municipality of Mölndal, which will give the new modern shopping destination a combined total area of nearly 80,000 square meters.

NORDISKA KOMPANIET (NK)
Opening winter 2019/2020
Nordiska Kompaniet in Gothenburg is continuing its redevelopment journey with the completion and grand opening of its new lower ground floor in 2019. The lower ground floor now boasts exclusive departments in a modern setting and a restaurant beneath beautiful, vaulted ceilings from the 1700’s. New departments include ‘NK Interiors’ (interior design), ‘NK Travel Essentials’ and ‘NK Sko, Kem & Sysservice’ providing laundry, cobbler and sewing services. The restaurant ‘Swedish Taste’ is run by award-winning chef Magnus Lindström and his colleague Totte Svanström, and serves fine food made from the freshest ingredients. Lunch here is very popular, as well as restaurant events such as oyster & champagne evenings and cooking classes. Also recently opened on this floor are NK Hemma (homeware), NK Glas, Porslin & Kök (kitchen & cookware), NK Kaffe, Te & Choklad (gift shop focusing on fine teas, coffee & chocolate) and Lexington Home (homeware).

NYA HOVÅS RETAIL
Ongoing 2016–2021
This first-class retail area in the prosperous residential area in southern Gothenburg, about a 15–20 minute drive from Gothenburg city center, is set to boom during the coming years. Nya Hovås already receives some 100,000 visitors per month which is expected to increase. There are major plans for more retail space with a total of 50 well-sorted stores and more housing.

THE AVENUE – AVENYN
MAIN BOULEVARD OF GOTHENBORG
Ongoing expansion and development
Avenyn and its side streets are being developed to make room for even more shops, experiences and restaurants with international influences. This transformation aims to give visitors an exceptional range of choice within fashion, food and exciting art and culture concepts.
Sweden is a stable but competitive economy where new ideas are welcome. Nonetheless, international expansion is an investment with potential returns and risks. Growing a business in a new market is a complex and dynamic process that must be approached strategically.

In Sweden there are several regional companies that act as partners to help international companies develop successful businesses in Sweden by providing strategic advice, information and hands-on support. Services are free of charge and in full confidentiality.
The first step is to conduct a market and industry analysis and gain insights about the Swedish market. Understanding of the Swedish business climate, consumer behaviors, the industry sectors, operating costs, legal framework and more will allow for clearly defined business goals suited to the Swedish market.

Having gained a solid market analysis and clearly defined goals, it is time to define the opportunities that best match specific business requirements; covering areas like location, technologies and potential partners. Regional companies contribute with regional and local networks and access to detailed data.

Finally, it is time to arrange meetings with Swedish companies and form strategic partnerships, R&D collaborations and other types of cooperation. It might also be a good idea to meet professional service providers, including partner companies that have collaborated in the creation of this report (see page 46), lawyers, accountants and recruitment specialists. This will help and provide support for establishment, such as information on how to set up and run a business in Sweden; including rules and regulations, legal entities, employment matters, taxes and more.

“The ability to make things happen is extremely important if you are to expand globally.”

-Henrik Bunge, CEO Björn Borg

THREE STEPS FOR ESTABLISHING IN SWEDEN

Below is a three-step investment and trade facilitation process designed to help retailers evaluate and capitalize on potential investment opportunities with maximum ease and effectiveness. The role of the regional companies is to assist international retailers in each of the following steps.

1 DEFINE: BUSINESS OPPORTUNITY

The first step is to conduct a market and industry analysis and gain insights about the Swedish market. Understanding of the Swedish business climate, consumer behaviors, the industry sectors, operating costs, legal framework and more will allow for clearly defined business goals suited to the Swedish market.

2 SEARCH: MATCHING BUSINESS REQUIREMENTS

Having gained a solid market analysis and clearly defined goals, it is time to define the opportunities that best match specific business requirements; covering areas like location, technologies and potential partners. Regional companies contribute with regional and local networks and access to detailed data.

3 MEET: SWEDISH COMPANIES FOR ESTABLISHMENT SUPPORT

Finally, it is time to arrange meetings with Swedish companies and form strategic partnerships, R&D collaborations and other types of cooperation. It might also be a good idea to meet professional service providers, including partner companies that have collaborated in the creation of this report (see page 46), lawyers, accountants and recruitment specialists. This will help and provide support for establishment, such as information on how to set up and run a business in Sweden; including rules and regulations, legal entities, employment matters, taxes and more.

“SWEDEN WAS THE ONLY COUNTRY IN THE NORDICS THAT MADE THE TOP TEN LIST OF INTERNATIONAL FRANCHISE ATTRACTION INDEX, 2019”
ESTABLISHMENT FACTS

Setting up a business in Sweden is a straightforward process. Procedures are simple and efficient, based on a transparent system that seeks to facilitate the establishment of new enterprises.

WAY OF ENTERING THE MARKET

The most common way to enter the Swedish retail market is through direct ownership. Other ways include franchising and entering via shop-in-shops or testing the market through temporary pop-up stores. There has been strong growth in franchising in Sweden in recent years, especially in the retail, consulting and restaurant sectors.

FAVORABLE RENTAL CONDITIONS

There are no restrictions on foreign companies either buying or renting property in Sweden. Swedish commercial leases are generally standardized and for shorter periods (normally 3-5 years), providing flexibility to business tenants. Rents are normally constructed as a total sum for the space agreed and tend to involve quarterly payment in advance. The rent payable is usually turnover based or fixed. It is common for a minimum base rent to have a turnover element if sales exceed the base rent.

COMMERCIAL LEASES AND RENTS

Compared to other countries, tenants in Sweden have a strong legal position and leased offices are usually adjusted to the tenants’ needs and wishes. Landlords bear a higher proportion of operating costs than in other countries. Rent usually includes heating and water but not electricity or telecommunications. Rent also often includes cleaning of common areas and snow removal.

International retailers tend to have longer opening hours than domestic ones, for example Uniqlo in central Stockholm is open until 8:00 p.m. Mon-Fri.

OPENING HOURS

Companies are free to set their own opening hours, as long as this is not in conflict with the lease. It is common for the retail trade in a given city to reach an accord on opening hours. During the last year, opening hours have expanded in both high streets and shopping malls.

Typical opening hours for high streets are 10:00 a.m. – 7:00 p.m. Mon-Fri, 10:00 a.m. – 6:00 p.m. Sat, 11:00 a.m. – 6:00 p.m. Sun

For shopping malls opening hours are longer and tend to be the same all days of the week, until 8:00 p.m./9:00 p.m. For grocery stores opening hours vary, for example some in the larger inner cities are open between 07 a.m. – 10 p.m.

SALARY COSTS

The average salary for a full-time salesclerk is 25 900 SEK (about 2430 EUR), before taxes. There is no statutory minimum wage in Sweden; wage issues are instead left to employers and employees and their representatives. In the retail sector, the retail union stipulates a minimum monthly and hourly wage, depending on age and experience, in the collective agreement.

STARTING A BUSINESS IN SWEDEN – FAST AND EASY

Setting up a business in Sweden is a straightforward process. Procedures are simple and efficient, based on a transparent system that seeks to facilitate establishment of new enterprises without red tape. 85 percent of the population speaks English.

For more detailed information about how to expand to Sweden – please contact Business Sweden.
CONTACT INFORMATION

This publication is provided by the investment promotion organizations of Sweden, Stockholm, Gothenburg and Malmö in partnership with industry organizations and retail property owners. Contact us for assistance, information and network contacts when considering expanding into Sweden.

INVESTMENT ORGANIZATIONS

BUSINESS SWEDEN, the Swedish Trade and Investment Council, assists international companies to invest and expand in Sweden by providing strategic advice, hands-on support and network access, free of charge and under full confidentiality.

www.business-sweden.se

INVEST STOCKHOLM is the official investment promotion agency of Stockholm. We work on a long-term basis with the marketing and development of the Stockholm region as a business destination.

www.investstockholm.com

INVEST IN SKÅNE is the official trade and investment promotion agency for southern Sweden. We provide free professional advice and services to international companies considering southern Sweden for future investments, and assist regional companies in developing their international business.

www.investinskane.com

PROPERTY OWNERS

AMF FASTIGHEIER is one of Sweden’s largest property companies. By developing and managing our local retail properties and the surrounding neighborhoods, we are contributing to the creation of vibrant and attractive cities. AMF Fastigheter is a subsidiary of the pension company AMF.

www.amffastigheter.se

HUFVUDSTADEN provides office and retail premises in prime locations in Stockholm and Gothenburg. The Company was founded in 1915 and is today one of Sweden’s largest listed property companies and one of the strongest brands in the country in the property sector. The Company represents quality and long-term thinking in the management and development of the properties in the most attractive marketplace such as Nordiska Kompaniet, Bibliotekstan, Fredstan, Fermann and Nordstan.

www.hufvudstaden.se

PEMBROKE is an international real estate advisor that acquires, develops and manages properties and places on behalf of its investors. Over the past twenty years, we’ve built a portfolio that encompasses commercial and mixed-use environments in the world’s leading cities. And the services we provide are just as important as our properties, because we create places that work for people. With creativity and foresight, we are dedicated to delivering solutions that generate real and sustainable value. We have been present in Stockholm and the Nordics since 2010, with our first acquisition in 2008.

www.pembridge.com

VASAKRONAN is the leading commercial property company in Sweden. Our strategy is to focus on retail premises and centrally located offices in Sweden’s major growth regions: Stockholm, Uppsala, Gothenburg and Malmö. We believe in wholeheartedly in city shopping, and with 310,000 sq. m. of retail space and over 765 retailers in our premises, we are the largest retail asset manager in Sweden. We offer attractive prime city retail premises. Please visit us at www.vasakronan.com

VIA OUTLETS create outlet shopping destinations to serve the growing consumer demand for premium shopping experiences. The fund is based in London and was created in 2014 to acquire existing outlet centers across Europe and enhance their performance so as to provide strong investment returns for its stakeholders. Together we establish unique partnerships of property, investments and retail experts.

www.viaoutlets.com

CONSULTANTS

CUSHMAN & WAKEFIELD is a leading professional services firm that specializes in real estate and investment management. Our vision is to reimagine the world of real estate, creating rewarding opportunities and amazing spaces where people can achieve their ambitions. In doing so, we will build a better tomorrow for our clients, our people and our communities. JLL is a Fortune 500 company with annual revenue of $16.3 billion, operations in over 80 countries and a global workforce of nearly 90,000 as of June 30, 2019. JLL is the brand name, and a registered trademark, of Jones Lang LaSalle Incorporated. In Sweden, JLL have offices in Stockholm and Gothenburg.

www.jllsweden.se

www.jllsweden.se

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