

2019/2020



# *Retail Guide* SWEDEN



STOCKHOLM | GOTHENBURG | MALMÖ





# 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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Stockholm

Photo: Tove Freij / mediabank.visitstockholm.com

# SWEDEN STANDS OUT

*International companies are attracted to Sweden for numerous reasons. The country is a global leader in innovation with a highly skilled labor force, hungry consumers, smooth business procedures and an openness to international ownership.*

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.

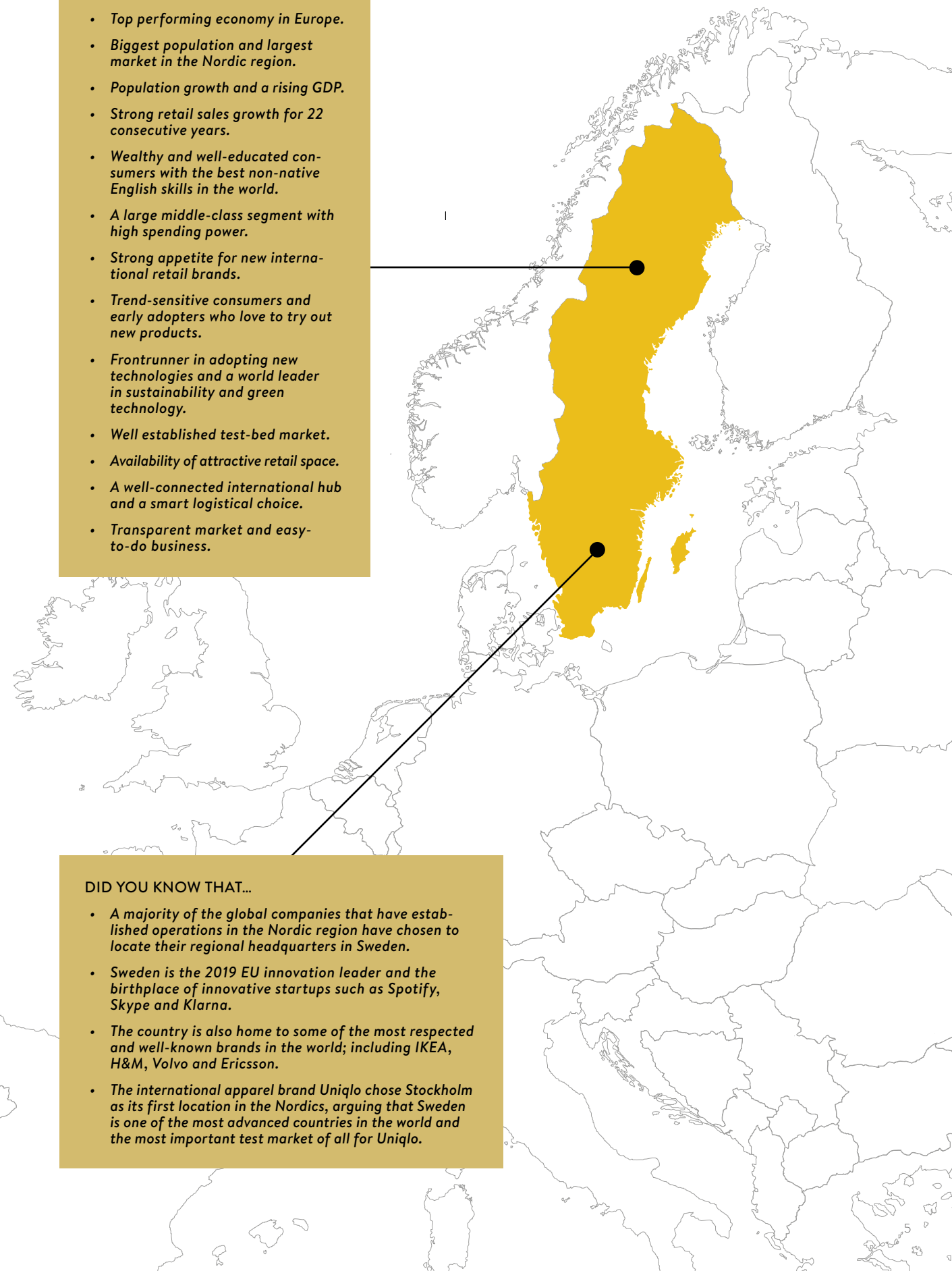
Please contact us for advice, networking contacts and establishment support – free of charge and in full confidentiality – to assist you further in evaluating the opportunities and setting up a successful business in Sweden. Please see contact details at the back.

## 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.

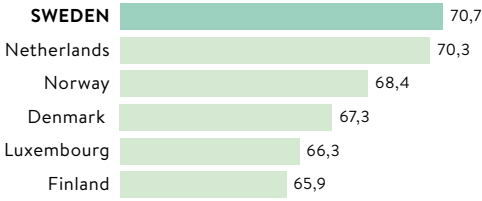
**ECONOMIC GROWTH**  
The Nordic markets, and especially Sweden with twice the population of any of the other Nordic countries, have shown strong development in recent years. Being amongst the least-populated areas in Europe, while having both an increasing population and rising GDP, indicates great 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.

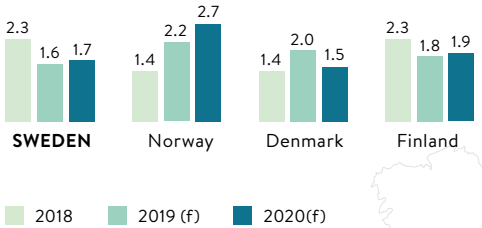
Sweden: The world’s most reputable country  
*(Source: Country Reprtrak® Index, 2019)*  
Forbes Magazine ranked Sweden second in “The Best Countries for Business, 2019”

RANKING OF EUROPEAN COUNTRIES BY ENGLISH SKILLS



Source: EF English Proficiency Index, 2018

GDP DEVELOPMENT AND FORECAST



Source: National Institute of Economic Research

“Sweden is the gateway to Northern Europe and its capital Stockholm has the largest city in the Nordics with a population of over 930,000. We saw that Sweden will be a promising market for us.”

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

**NORWAY**  
RETAIL TURNOVER INDEX: 111,0  
INHABITANTS: 5,3 M

**DENMARK**  
RETAIL TURNOVER INDEX: 103,7  
INHABITANTS: 5,8 M

**SWEDEN**  
RETAIL TURNOVER INDEX: 112,2  
INHABITANTS: 10,2 M

**FINLAND**  
RETAIL TURNOVER INDEX: 107,9  
INHABITANTS: 5,5 M

PRICE LEVELS VS. GDP PER CAPITA  
EUROPEAN RANKING (INDEX 2018)

EU28=100	Price level	GDP per capita
Iceland	164	133
Switzerland	159	157
Norway	155	150
Luxembourg	142	254
Denmark	138	126
Ireland	129	187
SWEDEN	127	121
Finland	123	110
UK	118	104
Netherlands	115	129
Austria	114	127
Belgium	113	115

Source: Eurostat, 2019

PURCHASING POWER PER CAPITA  
NORDIC CAPITALS, 2018

	Purchasing power, index gross	Price level, incl rent	Earning level, index gross	City rank out of 77 cities
STOCKHOLM	96,4	79,8	85,8	22
Oslo	93,4	96,9	100,6	27
Copenhagen	95,5	94,4	101,3	30
Helsinki	82	84,1	75,2	31

New York = Index 100. The price level rankings reveal the relative cost of goods and services worldwide. Source: UBS, 2018.

Source: Eurostat, 2019 (Index = 2015).



# 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.

## ATTRACTIVE 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.

## 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.

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", Øresundsinstitutet, 2015

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

Luxembourg	927,491
Ireland	684,807
Norway	646,310
Switzerland	561,936
Iceland	486,036
SWEDEN	460,542
Germany	456,848
Austria	453,180
Denmark	453,041
Belgium	453,041
Finland	403,574

Source: KNOEMA, 2018

## TOP 10 MOST COMPETITIVE WORLD ECONOMIES

1	USA
2	Singapore
3	Germany
4	Switzerland
5	Japan
6	Netherlands
7	Hong Kong SAR
8	UK
9	SWEDEN
10	Denmark

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



## KEY FACTS SWEDEN

Population 2018	10,2 million
GDP Growth, 2018	2,3 %
GDP per capita 2018	471 000 SEK
Inflation rate 2018	2,2 %
Retail sales growth 2018	1,8 %
Retail sales growth 2019 (average Q1, Q2)	2,6 %
Unemployment rate	6,3 %
Disposable income per capita 2018	298 139 SEK
Total retail sales	786 bSEK
Retail sales per capita	77 000 SEK
Corporate tax rate	21 %
Swedish krona, SEK/EURO (average 2018)	10,2567
Swedish krona SEK/\$ (average 2018)	8,6921

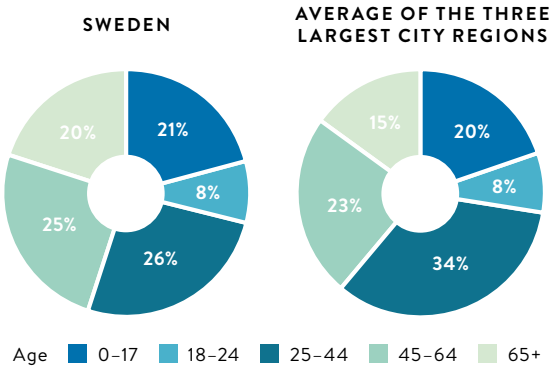
Source: OECD, Knoema, Statistics Sweden, Government Offices of Sweden

## SWEDEN'S LARGEST CITY REGIONS

	Population 2018	Growth from 2017 (%)
1 Stockholm county	2,344,124	1,7 %
2 Gothenburg (greater region)	1,035,318	1,4 % (city)
3 Malmö (greater region)	734,656	1,7 % (city)
4 Uppsala	225,164	2,4 %
5 Linköping	161,034	1,6 %
6 Örebro	153,367	2,0 %
7 Västerås	152,078	1,3 %
8 Helsingborg	145,415	1,5 %
9 Norrköping	141,676	0,5 %
10 Jönköping	139,222	1,3 %

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

## DEMOGRAPHY - AGE STRUCTURE, 2018 %



Source: HUI Research: Handeln i Sverige, 2019

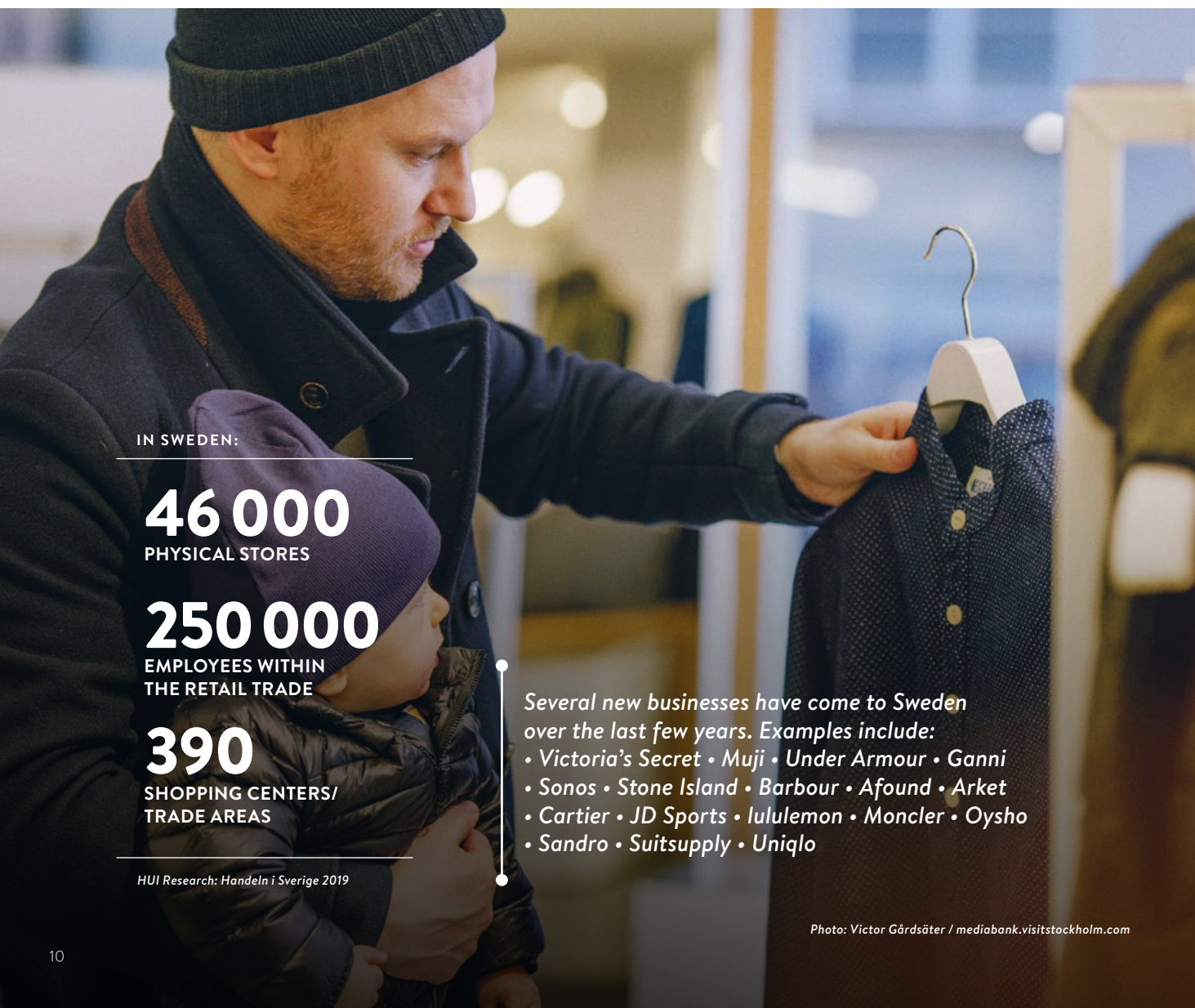




Photo: Superstudio D&D / mediabank.goteborgco.se



*The international shopping event Black Friday has become a well-established shopping day in Sweden, accounting for 6,7 mSEK during 2018, an increase of 27 percent from the previous year.*



IN SWEDEN:

**46 000**  
PHYSICAL STORES

**250 000**  
EMPLOYEES WITHIN  
THE RETAIL TRADE

**390**  
SHOPPING CENTERS/  
TRADE AREAS

HUI Research: Handeln i Sverige 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 • Oysho
- Sandro • Suitsupply • Uniqlo

Photo: Victor Gårdsäter / mediabank.visitstockholm.com

# 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.

**22** CONSECUTIVE YEARS  
OF ANNUAL RETAIL  
SALES GROWTH.

**786** bSEK  
RETAIL TURNOVER 2018  
(E-COMMERCE AND  
PHYSICAL TRADE).

**2,7%** RETAIL SALES  
GROWTH DURING 2018  
(21 bSEK).

**1/3** OF TOTAL HOUSEHOLD  
EXPENDITURE IS SPENT  
ON RETAIL.

Source: HUI Research: Handeln i Sverige 2019, E-barometern PostNord 2019

## RETAIL SALES AND GDP DEVELOPMENT

	2018	2019 (f)	2020 (f)	2021 (f)
GDP	2,4%	1,5%	1,3%	1,7%
Private consumption	1,2%	0,7%	1,3%	1,7%
Total retail trade	2,7%	2,5%	2,0%	-
Groceries	3,4%	3,5%	2,5%	-
Retail trade (excl groceries)	1,9%	2,0%	1,5%	-

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



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.

TOP FIVE COUNTRIES ATTRACTING E-COMMERCE FROM SWEDISH CONSUMERS:

- 1 UK
- 2 Germany
- 3 China
- 4 USA
- 5 Denmark

E-barometern PostNord, 2019

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

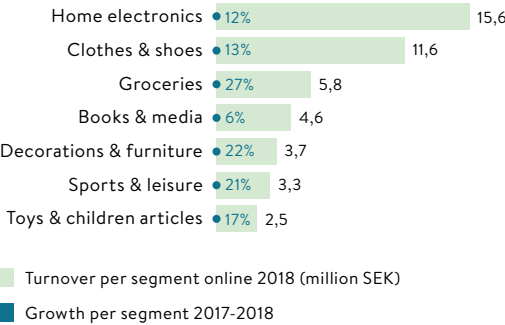
13 bSEK E-COMMERCE FROM FOREIGN COUNTRIES

E-barometern PostNord, 2019

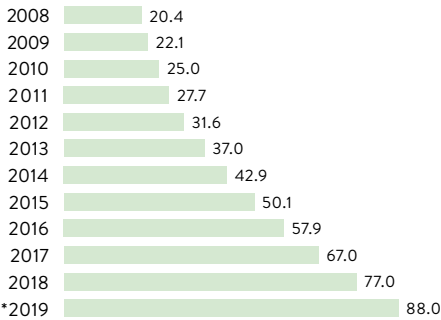


RANKED NUMBER 2 IN THE WORLD LEADING LOGISTICS INFRASTRUCTURE INDEX (GLOBAL RANKING). ONLY GERMANY RANKED BETTER (2017-2018).

E-COMMERCE SALES AND GROWTH PER SEGMENT

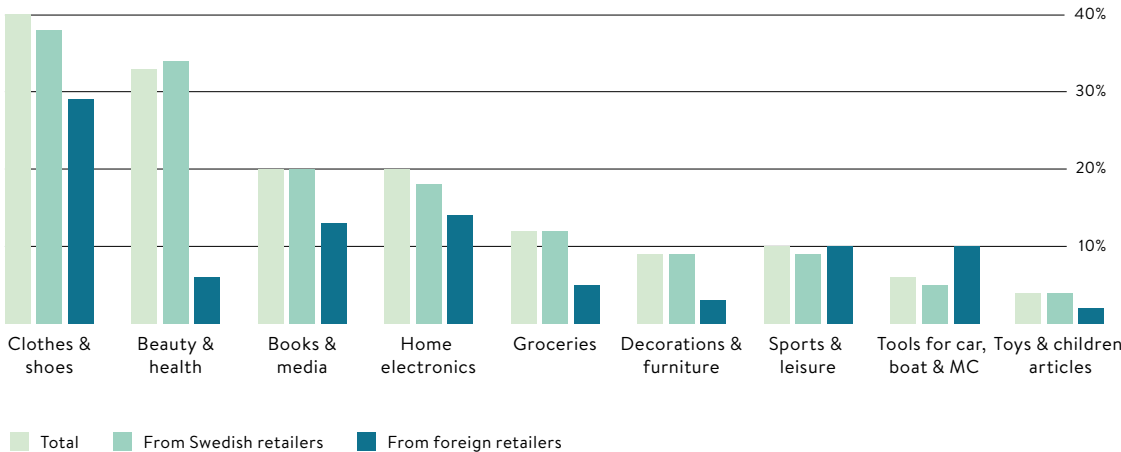


E-COMMERCE TURNOVER, BILLION SEK



Source: E-barometern PostNord 2019, \* = Forecast

PERCENTAGE OF CONSUMERS THAT E-COMMERCE PER SEGMENT



Source: E-barometern PostNord, 2019, Q2.



Photo: Tove Frelitz / imagebank.sweden.se

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



# CONSUMERS IN SWEDEN

Curious trendsetters driven by progressive values and ideals, Swedish shoppers are known as open and forward-looking early adopters.

## 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.

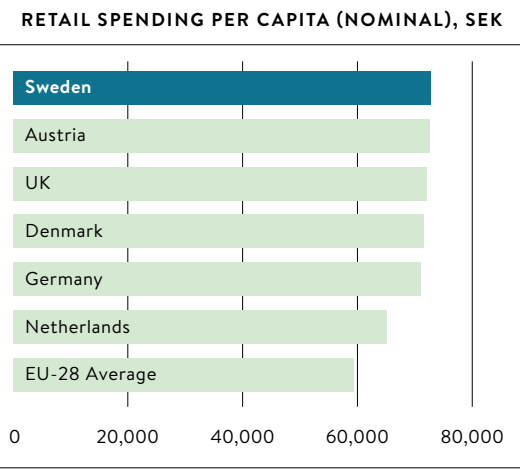
The use of social media and mobile communication is high. Consumption patterns reflect both equality and individuality. Alternative lifestyles and relationship patterns are tolerated and welcomed. New movements in fashion, music or design are often communicated through media, blogs and through influencers.

**73%** OF SWEDISH CONSUMERS SAY THAT THEY ARE IMPACTED BY SUSTAINABILITY ISSUES WHEN PURCHASING GOODS OR SERVICES

Source: Sustainable Brand Index 2018

**no.1**  
SWEDEN HAS THE HIGHEST SHARE OF ONLINE CUSTOMERS AGED 18-29 OF ALL THE NORDIC COUNTRIES

Source: E-Commerce in the Nordics, PostNord, 2019



Source: CBRE, 2019

*“We believe Swedish consumers want to have a clear conscience regarding the choices they make, including their daily purchases. They are well informed about sustainability and environmental impact and tend not to purchase a product just because it’s ‘organic’ - how and why it is organic, and the quality of the product, needs to be clear.”*

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



Photo: Simon Paulin / imagebank.sweden.se

## 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





Photo: Tove Freij / mediabank.visitstockholm.com

## 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

*“We Swedes like to feel safe and are looking for a safe consumption environment where we know that we are doing what’s right. We are also curious, well-read and demand honesty and transparency in what we consume.”*

– Ida Ström, Restaurant Manager & Sommelier, Fotografiska Museum Stockholm

*“On average, Swedish consumers have resources and purchasing power well above that of most other European consumers.”*

– Santander Trade (Santander Bank)



Photo: Mike Eriksson / mediabank.visitstockholm.com

## CASE: 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.

*“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



Photo: AMF



# 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.

### TOP COUNTRIES VISITING SWEDEN

Overnight stays absolute numbers

Norway	3 491 585
Germany	3 090 680
Denmark	1 310 974
USA	873 262
UK	833 860
Netherlands	735 118
Finland	587 367
Switzerland	397 538
China	347 365
France	327 451

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

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

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

65  
MILLION  
OVERNIGHT STAYS, OF WHICH 17.3 MILLION ARE FROM INTERNATIONAL VISITORS.

148  
SEK BILLION  
IN TOTAL CONSUMPTION FROM FOREIGN TOURISTS, AN INCREASE OF 12.5 PERCENT FROM LAST YEAR

189  
SEK BILLION  
IN TOTAL CONSUMPTION FROM DOMESTIC TOURISTS.

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



Photo: Kim Svensson / mediabank.goteborgco.se





INCREASE IN RESTAURANT  
TURNOVER SINCE 2008:  
BY 81 PERCENT IN  
STOCKHOLM, 63 PERCENT  
IN GOTHENBURG &  
69 PERCENT IN MALMÖ

Source: Visita, 2018

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 • Misshumasshu
- L'Avventura • TUGG Burgers • Holy Greens



Photo: Tina Stafrén / imagebank.sweden.se

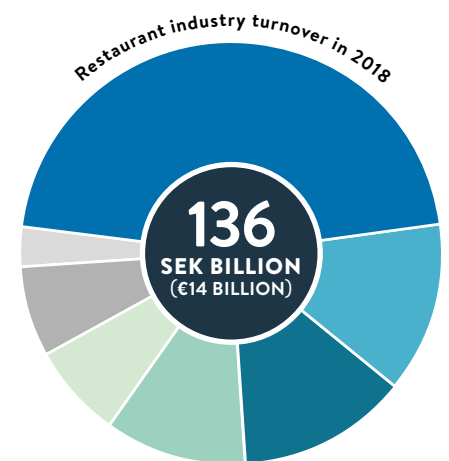
## FOODIE NATION

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 cafés are increasing their market shares. Moreover, restaurant turnover has increased tremendously since 2008, especially in the larger cities.

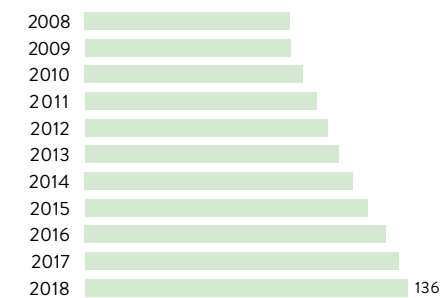


### TOTAL FOOD & BEVERAGE SALES SEGMENT, 2018

- 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

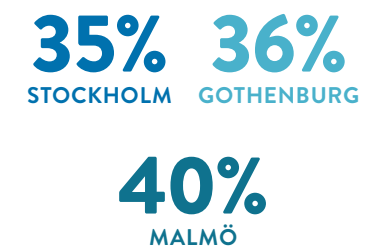
Source: Statistics Sweden, 2019

### RESTAURANT TURNOVER PER YEAR M SEK



Source: HUI Research: Handeln i Sverige 2019

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



Source: Food & Friends, 2019





*“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*

#### **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 of 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).

#### **🔍 DID YOU KNOW THAT...**

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

*“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.**

*Photo: Photoagency cafe damatteos / mediabank.goteborgco.se*





Photo: Lieslotte Van Der Meijjs / magebank.sweden.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, Oatly, 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.

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

SWEDEN	3,40%
Switzerland	3,37%
Austria	3,16%
Denmark	3,05%
Germany	3,04%
Finland	2,76%

Source: OECD 2016-2018

*"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)

## 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.

*"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







SPACE  
Photo: TMRW



ZALANDO IS CURRENTLY PILOT TESTING REUSABLE PRODUCT PACKAGING FOR THEIR DELIVERIES IN THE NORDICS (SEPT 2019)



RANKING 2ND IN THE WORLD IN THE 2019 DIGITAL ECONOMY AND SOCIETY INDEX (DESI)

Photo: Anton Olin / imagebank.sweden.se

## FRONTRUNNER

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 Robecosam'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)

**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

*"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



# MALMÖ

*Diverse, young and flourishing*



The gateway to Scandinavia, Malmö is southern Sweden's largest city and its growth center, offering access to 4 million regional consumers. With its proximity to continental Europe, Malmö is a modern and vibrant city, great for work, leisure, and business opportunities.

## KEY FACTS MALMÖ

**GRP/CAPITA\*\*** 398 tSEK

### POPULATION

CITY 339,000  
MALMÖ REGION\* 1,362,000  
GREATER COPENHAGEN\*\* 4 MILLION

**WORKFORCE** 173,000

**EMPLOYED WITHIN RETAIL 2018**  
16+ 33,400

**STUDENTS\*** 78,000  
GREATER COPENHAGEN\*\* 145,000

### COMPANIES

MALMÖ REGION\*: 122,000  
FOREIGN OWNED COMPANIES  
IN MALMÖ REGION\*: 2,500

### COMMERCIAL

BEDNIGHTS 2018 1,9 million (+3%)

**AVERAGE AGE** 38,4

**SINGLE HOUSEHOLDS** 43,2%

**AVERAGE INCOME 2017**  
20+ 260 tSEK

### RETAIL SALES

**CITY:** 25,3 bSEK  
**REGION:** 82 bSEK

\* Skåne County  
\*\* Including Skåne and Eastern Denmark

## RETAIL SALES INDEX

	Daily goods	Non-daily goods	Total
Malmö	96	133	113
Sweden	100	100	100

Source: HUI Research, Handeln i Sverige, 2019

Photo: Justin Brown



# SUSTAINABLE, SUCCESSFUL & STRATEGICALLY IMPORTANT

Located just 20 minutes from mainland Europe and Copenhagen, across the Öresund bridge, Malmö is Sweden's most European city. As the economic hub of the country's southernmost region, Skåne, it lies within the most densely populated part of Scandinavia.

Europe meets Scandinavia in Skåne, and the result is the best of both worlds—here, Swedish values and sensibilities are warmed by the influence of the multicultural mainland. Joined to Copenhagen via the Öresund Bridge and a shared economic area that is home to 4 million consumers, Malmö is a city rooted in diversity, ingenuity and togetherness. Known for its sustainability initiatives, innovative economy and superior quality of life, Malmö is an exciting new destination for any retail brand.

## SWEDEN'S HAPPIEST CITY

Named Sweden's happiest city in 2016 by the European Commission, Malmö is also one of its most multicultural—more than 170 different nationalities call the city home. Drawn by its vibrant food and art scene, international reputation for supporting foreign-owned businesses, and numerous world-class universities in its vicinity, Malmö's population is young, diverse, highly educated, and growing. As a result, purchasing power and retail sales in Malmö are increasing.

The residents of Malmö are smart shoppers with a particular interest. New, hip, brands and Malmö's retail landscape offers a well-balanced mixture of city center malls, high street retail and larger city periphery shopping complexes to meet everyone's needs. This combination has made it the perfect place for both boutique and large international brands to establish. Recent newcomers to the scene include Normal, Afound, Apple, Zara Home, COS, &Other Stories, Slettvoll, Chanel, Hollister Co., and Desigual.

## AN ATTRACTIVE DESTINATION FOR RETAIL TOURISM

The Öresund Bridge is the famous link between Malmö and Copenhagen, where people and goods flow freely and easily between Sweden and Denmark. Mutually beneficial for both cities, it is common for residents to travel between the countries daily for work, shopping, and entertainment. Malmö is an especially attractive city for Danes, who add approximately 5.8 Billion SEK to Skåne's tourism industry each year as they frequent Sweden's restaurants and retail centers.

Malmö is a popular city for international tourists in the Öresund Region as well, as it is easily explored by walking or cycling and provides plenty of opportunities for shopping and eating. Offering some of the mildest temperatures in all of Scandinavia, Malmö is a city that begs to be explored, from the high streets of the historic old town to the stunningly modern architecture of the waterfront Western Harbor.

## A THRIVING HUB FOR GLOBAL BRANDS

In recent years, Malmö has established itself as a thriving hub for innovation and tech, drawing more startup investment in 2016 than any other Scandinavian non-capital. With nearly 10% of all Nordic headquarters located in Skåne—a figure two times higher than for Oslo, and 6 times higher than for Helsinki—it is a competitor in its own right. Global companies including Massive Entertainment, IBM, King, Dow, Mercedes-Benz, Vestas and Perstorp have all chosen Malmö for their regional headquarters. In the greater Skåne region companies such as Canon, Sony, Bosch, Borg Warner, The Absolut Company, Schneider Electric and Oatly have established offices.

## SWEDEN'S MOST STRATEGIC SITE

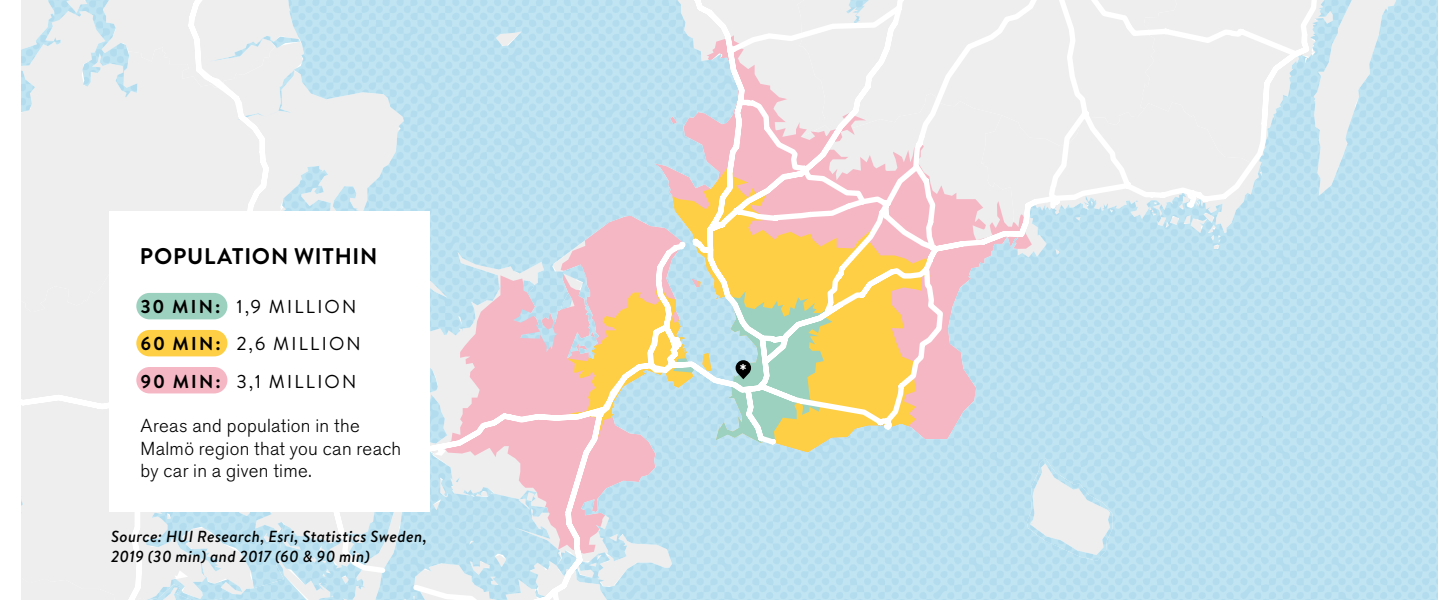
Malmö's position as the gateway to Scandinavia makes it one of the most strategic logistic positions in the Nordics, with one third of all trade in Sweden passing through the region. And a major new infrastructure project is set to make Malmö's location even more attractive. The Fehmarn Belt will create a seamless connection between Sweden and Germany when completed, making it the world's longest combined road and rail tunnel. The current journey takes between seven and eight hours, but the Fehmarn Belt will reduce travel times between Malmö and Hamburg to just three hours. The project is expected to be completed by 2030.

## DUE TO BECOME EVEN MORE ATTRACTIVE

Malmö is making significant investment into sustainable urban development. The city is investing in electrical public transport, bike lanes and an additional 28,550 new homes in Malmö and the larger region.

## ❓ DID YOU KNOW THAT MALMÖ...

- ...ranks 7 in EU – Inhabitants most satisfied with their lives. (EU Eurobarometer 2015)
- ...ranks in the top three greenest cities in the world. (Green Uptown Magazine 2013)
- ...is the second city in European entrepreneurial rankings. (European Cities)
- ...greater region has largest labour market in Scandinavia and generates 25% of the countries GNP.
- ...has 14,500 people who commute daily over the Öresund Bridge. (2018)



# NO.1

**MALMÖ**  
HAS BEEN RANKED  
AS SWEDEN'S  
HAPPIEST CITY

Source: European Commission



# NO.1

**MALMÖ**  
LIFESTYLE AND WELFARE SECTOR,  
RECEIVES MOST REGIONAL  
CAPITAL INVESTMENT

Source: 2018 tech investment  
report, Invest in Skåne

# NO.4

**MALMÖ**  
WAS RECENTLY RANKED AS  
THE WORLD'S FOURTH MOST  
INVENTIVE CITY

Source: Forbes Magazine

*"Malmö city is really evolving now that the Triangeln shopping center has been refurbished. The city is in full swing with its open-air restaurants, and several exciting new concepts have opened on the high street."*

—Vasakronan, Property  
owner Triangeln





## SHOPPING DESTINATIONS IN THE MALMÖ REGION

*From city malls, retail parks and award-winning shopping centers; Malmö region has something for everyone.*

### 1. BURLÖV CENTER

Located in Arlöv in the north-eastern corner of Malmö, this shopping center has 38,700 square meters of retail space. The 59 shops include Cubus, Din Sko, Lindex, MQ, Twilfit, Gina Tricot, Rusta, Elgiganten, Stadium, H&M, Ecco and Clas Ohlson.

**Owner:** Grosvenor Fund  
**No of tenants:** 59  
**Turnover:** mSEK 1,104  
**GLA:** 41,800 sq m  
**Visitors:** 3.3 million (2016)

### 2. EMPORIA

Emporia is the leading shopping center in Scandinavia. It has an international atmosphere, a full range of stores, and a well-developed service concept spread over three floors. Located in Malmö's most rapidly expanding district, Emporia is easily accessible thanks to the Hyllie train station next door. There is a unique rooftop park that is open to the public. As well as being a magnificent viewpoint, the park is a major part of Emporia's environmental strategy.

**Owner:** Steen & Ström  
**No of tenants:** 163  
**Turnover:** mSEK 2,882  
**GLA:** 70,200 sq m  
**Visitors:** 7.3 million

### 3. C4 SHOPPING – KRISTIANSTAD

C4 Shopping had its Grand Opening in September 2018. Every year, about 3 million people drive through the C4, which makes the shopping center a perfect place for business. C4 has 1,700 parking spaces, and 90 retail spaces.

**Owner:** Eurocommercial  
**No of tenants:** 90  
**Turnover:** mSEK 399  
**GLA:** 40,000 sq m  
**Visitors:** 3 million

### 4. GALLERIA CENTER SYD

Galleria Center Syd is a family destination with an ambition to be the most attractive choice for shopping in the region for families with children. Anchor tenants: ICA Maxi, Systembolaget, H&M, KappAhl, Lindex, NewYorker, Akademibokhandeln, Dressmann, Cubus, Cassels, Drakens Playground. Galleria Center Syd is part of a large commercial area.

**Owner:** NRF Sweden Holding (Cornerstone)  
**No of tenants:** 80  
**Turnover:** mSEK 1,363  
**GLA:** 40,425 sq m  
**Visitors:** 4 million (2017)

### 5. HANSA

Hansa is Malmö's luxury city mall with shopping, fashion, food, drinks and much more in the middle of Malmö city. Retailers include most of major brands, classics and newcomers alike. There are also several exciting brands, exclusively house here within the region, including, Chanel, COS, & Other Stories, Weekday, Monki, Odd Molly, Hope and Spirit Stores. There are also Systembolaget, ICA, cafés and restaurants.

**Owner:** Areim Fastigheter  
**No of tenants:** 47  
**Turnover:** mSEK 630  
**GLA:** 12,450 sq m  
**Visitors:** N/A million

### 6. KV. CAROLI

Kv. Caroli is strategically situated in the Old town close to Malmö Central Station and Malmö City. Kv. Caroli has a unique atmosphere and offers a well-balanced mix of fashion, food, service and leisure. Personal, innovative and exciting cafés, bistros and restaurants add to the mix targeting consumers. Plans for extensive redevelopments make it one of the exciting retail areas in Malmö to watch.

**Owner:** A Group of Retail Assets Sweden  
**No of tenants:** 24  
**Turnover:** mSEK 358  
**GLA:** 15,825 sq m  
**Visitors:** 2.8 million

### 7. MOBILIA

This is one of Malmö's most comprehensive and accessible shopping centers. With over 100 shops and 2,000 parking spaces, it has a genuine atmosphere in which a strong Malmö tradition has evolved since the late 1960s. The center expanded in 2013, and the surrounding area is accorded strong priority in the development plans. Retailers include Best of Brands, Clas Ohlson and Åhléns.

**Owner:** Atrium Ljungberg  
**No of tenants:** 107  
**Turnover:** mSEK 1,818  
**GLA:** 52,450 sq m  
**Visitors:** 13.8 million (2017)

### 8. NOVA LUND

Since its opening in 2002 in the western part of the university town of Lund, Nova Lund has become a popular shopping destination for the entire Skåne region. An additional 6,000 square meters were added in 2006. Its 78 shops center on fashion and include Esprit, H&M, Odd Molly, Jack & Jones, Dressmann and Vero Moda.

**Owner:** Nuveen  
**No of tenants:** 78  
**Turnover:** mSEK 1,074  
**GLA:** 25,600 sq m  
**Visitors:** 2.6 million

### 9. SVÅGERTORP RETAIL PARK

At the Svågertorp retail park you will find a large selection of shops catering for home construction, interior design, sporting goods and gardening. For example: Ilva, Bauhaus, Stof&Stil, K-rauta, Elgiganten and Stadium. IKEA has a new 44,000 square meter department store in the area, one of the largest IKEA stores in the world.

**Owner:** IKEA, SNREF, Aberdeen, Schrodgers  
**No of tenants:** 47  
**Turnover:** mSEK 3,838  
**GLA:** 109,375 sq m  
**Visitors:** N/A million

### 10. TRIANGELN

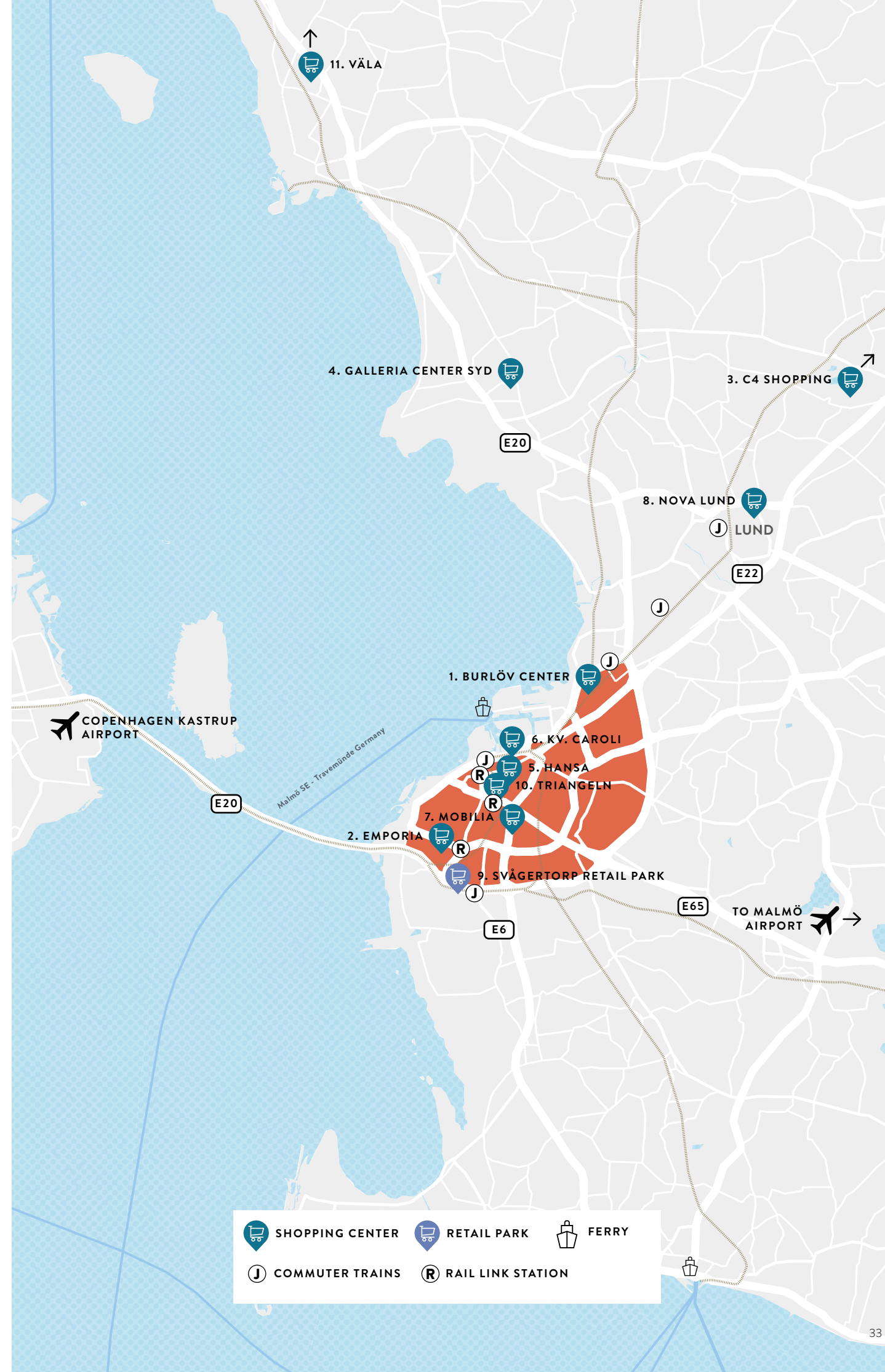
The most central shopping mall in Malmö city, directly above the Triangeln train station is 30 minutes from Copenhagen's central train station. After more than 25 years, Triangeln is still the largest market-place in Malmö city center, drawing over 8 million visitors every year. It features a wide variety of shopping, with 120 shops, restaurants, cafés and other services, including H&M, XXL, Clas Ohlson, Joe & The Juice, Repeat and Volt.

**Owner:** Vasakronan  
**No of tenants:** 120  
**Turnover:** mSEK 1,040  
**GLA:** 35,000 sq m  
**Visitors:** 8.5 million

### 11. VÅLA

With its 200 shops located outside Helsingborg, Våla Centrum and Våla Norra brings you world-class shopping. Here shoppers will find both international chains and trendy local stores: Zara, Hugo Boss, Desigual, New Yorker, Filippa K, G-Star, Mango, J. Lindeberg and many more. Våla Center won the NCSC Nordic award for Best Nordic Shopping Center 2013. Våla continues to develop as a shopping area.

**Owner:** Skandia  
**No of tenants:** 197  
**Turnover:** mSEK 3,282  
**GLA:** 89,825 sq m  
**Visitors:** 11.8 million





## KEY RETAIL AREAS IN MALMÖ CITY CENTER

Malmö offers a large selection of designer boutiques and young, trendy fashion retail and food outlets. Commercial pedestrian areas stretch from Stortorget along Södergatan, Skomakaregatan and Baltzarsgatan, past Gustav Adolfs Torg and Södertull, all the way down Södra Förstadsgatan to Triangeln and Möllevången. Most of the shopping districts are pedestrian only, and within walking distance.

### CITY CENTER

Malmö Central Station is Sweden's third largest station with over 45,000 travellers passing through each day. Since the Citytunnel opened in 2010, the station has gone through major renovations, successfully combining new modern architecture with beautiful historic buildings, such as Kungälången, the time waiting lounge for the king in the 19th century. At Malmö Central Station you will find a mix of shops selling books, magazines and flowers, as well as a wide range of good quality and tasty restaurants and coffee shops with flavors from all over the world.

Södergatan is one of the city's oldest streets - with a rich tapestry and a strong flow of people. The architecture of the buildings trace the history of Malmö, from the Flensburg House dating back from 1596 to Baltzar City opened in 2002. Baltzar City is in an attractive location in the middle of the city. The beautiful glass façade of the building makes for a spectacular contrast to the surrounding turn of the 20th century houses. Shops on Södergatan include Zara, Mulberry, Eton, Peak Performance, Filipa K and Bolia.com. Södergatan is also home to Åhléns City, one of Sweden's leading department store chains.

Baltzargatan and Skomakargatan form one of Malmö's most exclusive shopping streets. At the intersection where Baltzargatan meets Södergatan and becomes Skomakargatan, shoppers find high-end boutiques such as Marlene Birger, Lacoste, littala, Nespresso, Gagliardi and Whyred. On Baltzargatan you will smell the aroma of brewing coffee at the very popular Lilla Kafferosteriet housed in a charming 17th century yellow Swedish house.

The Form/Design Center is in Hedmanskagården at Lilla Torg. Here you will find the best in Scandinavian design and local arts and crafts. Lilla Torg is a large outdoor area that is home to several of Malmö's best-known restaurants and clubs. The square is one of Malmö's busiest locations - no matter the season.

### MÖLLAN

is Malmö's most colorful neighborhood with lively markets, shops and vibrant restaurants from all around the world. There are 177 different countries represented in Malmö, and they all meet in Möllevångstorget. When it comes to restaurants, you will find virtually the whole world represented here. Close to Möllevångstorget is also Malmö Chokladfabrik/Chocolate factory, Malmö Chocolate Museum and microbrewery Malmö Bryghus, all showcasing proud traditions from southern Sweden's long and renowned food and drink culture.

### SÖDRA FÖRSTADSGATAN/TRIANGELN

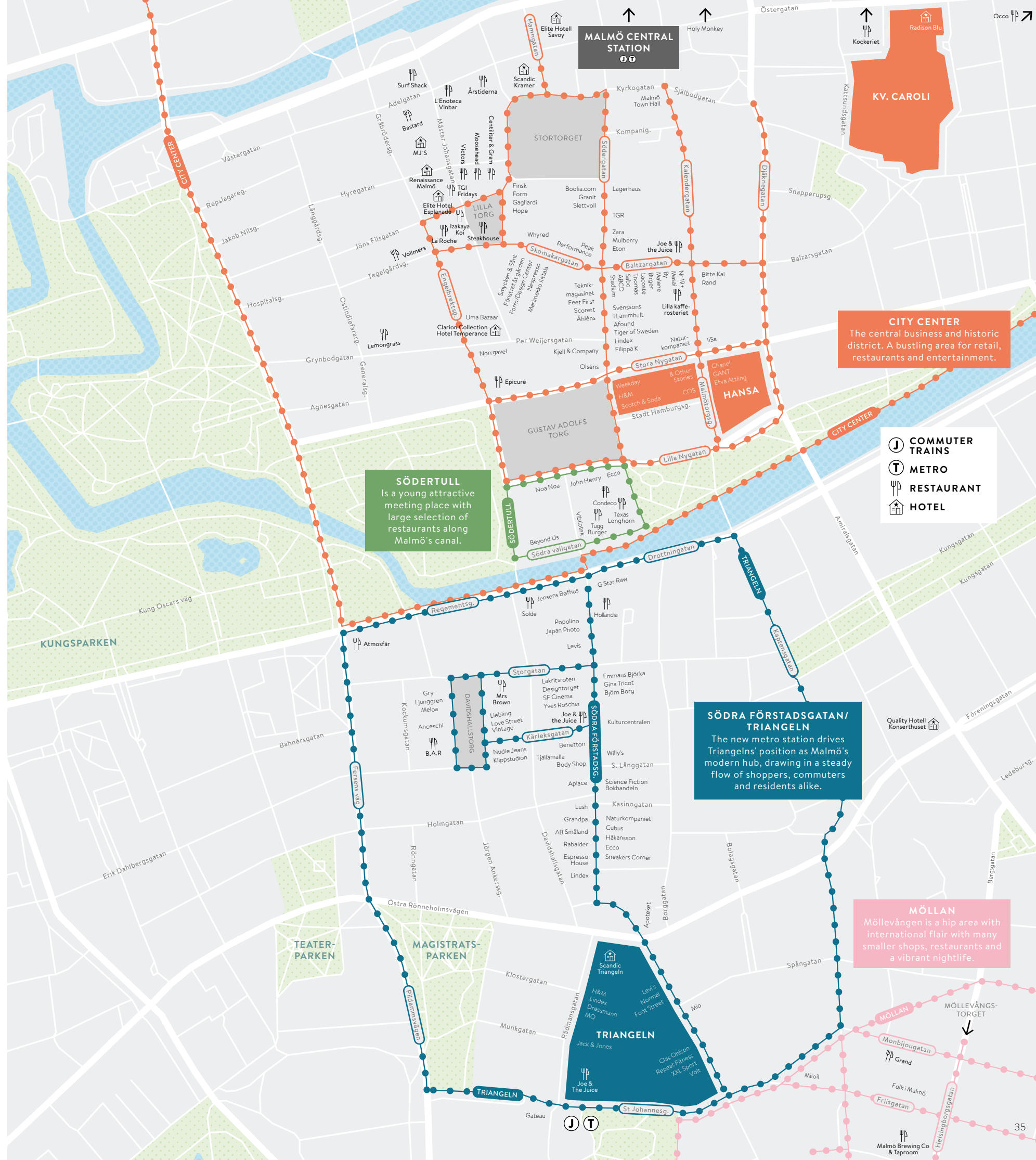
is a popular pedestrian shopping street that stretches from Davidshalls Bridge to the Triangeln shopping center, where you'll find Design Torget, Grandpa, Levis, Lakritsroten, AB Småland and Benetton.

Over recent years, many new restaurants, cafés and shops have popped up in the area around Davidshalls Torg. Most of the stores cater to a young and trend-conscious audience, but you can still find everything from boutiques with custom designs to vintage shops. Find your favorite designer at Tjallamalla, Gry, Aplace, Anceschi or Liebling.

### SÖDERTULL

Since the reconstruction in 2002, Södertull has become a meeting place in the south with proximity to water. Södertull is a favorite among sun-thirsty Malmö residents from the time temperatures start to rise in the spring to well into the fall. If you are hungry, there is a large selection of restaurants, fast food outlets and cafés, including Texas Longhorn, Condeco, Vibliotek and TUGG Burgers.

A new retail marketplace called Beyond Us is opening at Södertull in 2019. Beyond Us is 1000 sq.m. of innovative retail space - with a vibrant mixture of fashion, technology, lifestyle and interior design, with a particular focus on consumer experience. Every third month new and exciting brands will showcase new collections.





# RETAIL DEVELOPMENT IN THE MALMÖ REGION

There are several new urban and retail developments underway in Malmö and the surrounding region. The region is growing, while existing premises are renovating and expanding as a result of increasing innovation, investment and residents.

## H+ AND OCEAN HARBOR – HELSINGBORG

H+ is the largest urban renewal project in Helsingborg in modern times. The project will include 1 million square meters of old harbor and industrial sites. Expected completion is in 2035 which will make room for some 5,000 homes, office space, schools, retail and restaurants and meeting places. Oceanhamnen is the first stage of H+, with a direct connection to the central station via a pedestrian and cycling bridge. The area will include a residential area with about 340 residential units as well as a new business district that will provide space for 32,000 square meters of business premises and retail space. Project time expected 2017–2020.

## SÖDERPUNKTEN / SÖDER GLÖDER – HELSINGBORG

In central Helsingborg, Skanska is renovating and expanding the mall Söderpunkten on behalf of the property company Jefast. Söderpunkten will be a modern shopping and entertainment center of 12,000 square meters with restaurants, cafés, shops and one of the most modern cinemas in the Nordic region. The entire interior will be renovated and on top of the mall's parking deck there will be a cinema with seven screens.

The mall is marketed under the designation "Söder Glöder" and will be a natural meeting point for all living and working nearby. In conjunction with Helsingborg's new meeting place, Skanska will also build a 20-storey high building with offices and approximately 80 residential units. The mall was recently completed, and tenants will be moving into the apartments in 2020.

## C4 SHOPPING – KRISTIANSTAD

C4 Shopping opened in 2018 and is rolling out expansion in stages over the coming years. Located in Kristianstad, a city with strong commercial traditions, the new shopping center is in the center of a region with 300,000 inhabitants. Every year, about 3 million people drive through the C4, which makes the shopping center a perfect place for business. With its 70,000 square meters, 2,400 parking spaces, and 100 retail spaces it will be a commercial center attracting visitors from Eastern Skåne, Western Blekinge and Southern Småland. It is situated in the green surroundings of the castle of Hammarshus, where King Christian IV of Denmark founded the city in 1614.

*"I love this city and that is why I have invested heavily in it, with a total of three new hotels in the coming years. Malmö has incredible potential with its pioneering spirit and diversity and I have decided to be part of the city's growth."*

– Petter A Stordalen, owner of Nordic Choice Hotels, in newspaper Sydsvenskan

## NEW HARBOR DISTRICT – MALMÖ

At Malmö Central Station, the district of Nyhamnen 'New Harbor' begins. In the southern part of the station, there will be new neighborhood for quality urban lifestyles. The new neighborhoods, offices and homes are mixed with shops, bars and restaurants. The varying heights and expressions of the houses, green spaces and venues also give the neighborhoods a unique character. The developments will undoubtedly add to Malmö's new urban skyline with houses of up to sixteen floors. The district is expected to add 600 new homes and 1,700 new workplaces.

## SCIENCE VILLAGE SCANDINAVIA – LUND

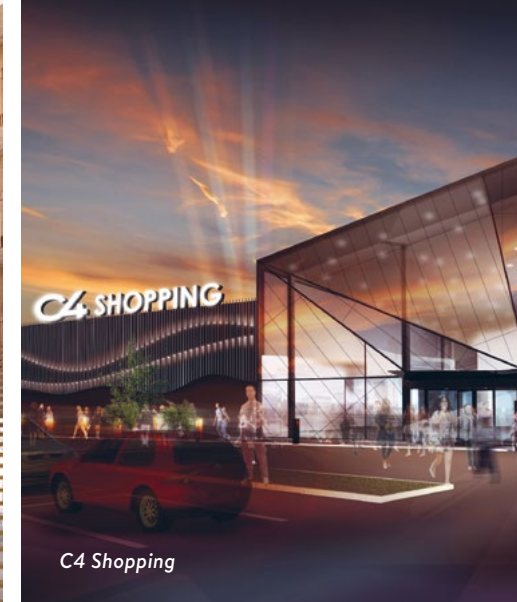
The land being developed around the two new research facilities, European Spallation Source (ESS) and Max IV covers 18 hectares. The plan is to build approximately 250,000 square meters GFA intended for use by businesses, research and educational facilities in the field of materials and life science research and innovation. University and college campuses, guest accommodation, research institutes, services, gyms, restaurants and cafés will be built on the plot. The buildings can be erected with up to seven or eight floors, in a variety of architectural styles. Find more information at [www.sciencevillage.com](http://www.sciencevillage.com).

## ❓ DID YOU KNOW THAT...

...in 2014, Malmö won two important prizes at MIPIM, one of the world's largest real estate fairs – Emporia for Best Shopping Center and Max IV for Best Future Project.



Science Village Scandinavia  
Photo: FOJAB Arkitekter



C4 Shopping



Western Harbor District



New Harbor District  
Photo: MandatWorks

Helsingborg is one of the fastest growing cities in the region. H+, Helsingborg's new waterfront district, is the largest urban renewal project in Helsingborg in modern times. Once an old harbor and industrial area, H+ is undergoing a transformation into a modern residential and business district.



H+ and Ocean Harbour  
Illustration: Jais Architects





# Let us ASSIST YOU

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.

Foto: Superstudio D&D AB





Photo: Jennie Smith / mediabank.goteborgco.se



Gothenburg  
Foto: Goteborg&co

*"The ability to make things happen is extremely important if you are to expand globally."*

-Henrik Bunge, CEO Björn Borg



Photo: Photo: Mikael Sjöberg

## 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.

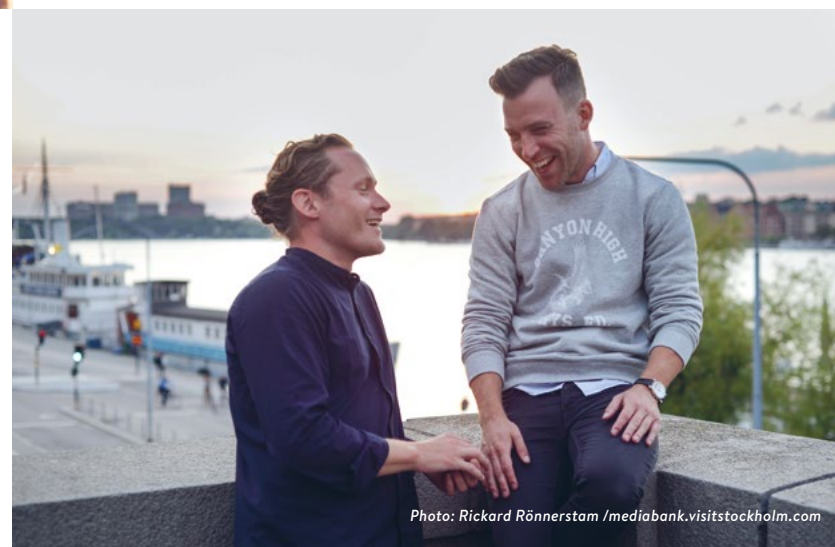


Photo: Rickard Rönnerstam / mediabank.visitsweden.com

# TOP 10

SWEDEN WAS THE ONLY COUNTRY IN THE NORDICS THAT MADE THE TOP TEN LIST OF INTERNATIONAL FRANCHISE ATTRACTIVENESS INDEX, 2019



Photo: Superstudio D&D / mediabank.goteborgco.se



# 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.*

### RETAIL RENTS 2018 SEK THOUSAND PER SQ M PA

City	Luxury District	Best Mass Market Street	Prime Shopping Center	Retail Parks
Stockholm	15'-22'	10'-25'	8'-12'	1.5'-2.0'
Gothenburg	9'-14'	7'-13'	5'-7'	1.3'-1.8'
Malmö	4'-5'	4'-5'	4'-5.5'	1.2'-1.6'

Source: CBRE, 2018

### 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.

FOR COMPANIES WITH R&D OPERATIONS IN SWEDEN A REDUCTION IN EMPLOYER CONTRIBUTIONS IS AVAILABLE.

PAYROLL TAXES IN SWEDEN ARE ABOUT TO BE REDUCED SUBSTANTIALLY FOR YOUNGER PEOPLE AND PEOPLE WHO ARE NEWLY ARRIVED IN SWEDEN.



Bibliotekstan  
Foto: Isabella Stühl



Uppsala  
Foto: Vasakronan

*Advantages of the Swedish Business framework include: No restrictions or disadvantages for foreign investors, clear rules for employment and redundancy of employees, competitive corporate tax framework.*

Source: Business Sweden, 2019



Photo: Peter Westrup, Vasakronan





Göteborg  
Photo: Frida Winter / Göteborg & Co



Stockholm  
Photo: Simon Paulin / imagebank.sweden.se



Malmö  
Photo: Aline Lessner / imagebank.sweden.se



# 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](http://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](http://www.investstockholm.com)

**CITY I SAMVERKAN STOCKHOLM** (Stockholm city center partnership) is a non-profit membership organization that initiates, manages and executes city center projects in collaboration with local authorities, property owners and various city stakeholders. Together we strive for the best possible Stockholm City center experience.  
[www.cityisamverkan.se](http://www.cityisamverkan.se)

**BUSINESS REGION GÖTEBORG** is the official investment promotion agency of the Gothenburg region. We are dedicated to strengthening and developing trade and industry in this region. We offer local expertise, market information, tailor-made data/analysis and contacts facilitating the establishment and expansion of businesses in greater Gothenburg.  
[www.investingothenburg.com](http://www.investingothenburg.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](http://www.investinskane.com)

## PROPERTY OWNERS

**AMF FASTIGHETER** is one of Sweden's largest property companies. By developing and managing our offices, 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](http://www.amffastigheter.se)

**HUFVUDSTADEN** provides office and retailing 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 marketplaces such as Nordiska Kompaniet, Bibliotekstan, Fredstan, Femman and Nordstan.  
[www.hufvudstaden.se](http://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.pembroke.com](http://www.pembroke.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 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.se](http://www.vasakronan.se)

**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](http://www.viaoutlets.com)

## CONSULTANTS

**CUSHMAN & WAKEFIELD** Fuelled by ideas, expertise and dedication across borders and beyond service lines, we create real estate solutions to prepare our clients for what's next. Cushman & Wakefield is a leading global real estate services firm that delivers exceptional value by putting ideas into action for real estate occupiers and owners. Our Retail Services team consists of 1300 Retail professionals, who are experts in assisting in expansion for international brands and helping property owners to develop their commercial property portfolios.  
[www.cushmanwakefield.se](http://www.cushmanwakefield.se)

**JLL** 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 92,000 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.  
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