



Sweden  
Sverige



# **BUSINESS CLIMATE SURVEY FOR SWEDISH COMPANIES IN SINGAPORE 2024**

A REPORT FROM BUSINESS SWEDEN IN SINGAPORE

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## **KEY CONTRIBUTORS TO THIS REPORT**

**Business Sweden in Singapore**

# FOREWORD

The Business Climate Survey, a reputable and long-standing initiative by Business Sweden, has been providing a comprehensive assessment of Swedish companies operating in Singapore for the past seven years. This survey, backed by research and data, offers factual insights into their performance and challenges, all within the context of Singapore's macroeconomic outlook.

Singapore, a small city-state, aims to ensure its competitive edge while preserving its independence and city safety and it has forged strong relationships with the global community while maintaining its neutrality. Its strategic location between the West and the East has allowed it to become a heavyweight in global and regional affairs, making Singapore a natural home for Swedish companies in Southeast Asia. In 2024, Singapore hosts over 300 Swedish companies, making it one of the highest concentrations of Swedish companies in the Asia Pacific region.

To commemorate the long-standing trade and investment relationship between Sweden and Singapore, the 2023 "Sweden Indo-Pacific Business Summit" was held in Singapore. The Summit was graced by guests of honours: Mr. Johan Forssell, Minister for International Development Cooperation and Foreign Trade of Sweden, and Mr. Heng Swee Keat, Deputy Prime Minister and Coordinating Minister for Economic Policies for Singapore. Over 250 leaders in business, government, and academia attended the summit, which provided a platform to deepen collaboration between Sweden, Singapore, and the broader Indo-Pacific region.

We are happy to share that Swedish companies remain optimistic about the business climate in Singapore and are increasing their use of Singapore as a strategic location, not only for sales and marketing but also for R&D and as a regional management hub.

We want to extend our gratitude to the 94 participating companies and respondents who shared their time and insights with us. Your contributions will support the success of this report and Business Sweden's and the wider Team Sweden's efforts to continue accelerating business growth and sustainable development. Thank you!



**Emil Akander**  
Trade Commissioner of  
Sweden to Singapore,  
Business Sweden



**Rickard Levin**  
Country Manager in  
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# +90 respondents Singapore

## Current business climate

Positive view on Singapore's current business climate

## Industry turnover

63%

of Swedish companies expect their industry turnover to increase

## Future investments

40%

of Swedish companies plan to increase their investments slightly or significantly in the next 12 months

## Valued success factors

1. Brand awareness among local customers
2. Local partnerships & relationships
3. Sales competence

## Brand Sweden

79%

of Swedish companies in Singapore consider Brand Sweden beneficial for business

## Local conditions with high satisfaction

1. Personal safety and quality of life
2. Physical infrastructure
3. Robust financial system

## Local conditions with least satisfaction

4. Challenges to employ specialised local talent and key personnel
5. Challenges to hire foreign talent due to new immigration laws
3. Overall high cost of living and operating a business in Singapore

## Environmental considerations

65%

of respondents believe the environment is a considerable factor in their customers' purchasing decisions

## Corruption

– Low risk for corruption

## Human rights violation and labour rights abuse

– Low risk for human rights violation and labour rights abuse

# ABOUT THE SURVEY

## The seventh report conducted by Business Sweden

In 2024, the Business Sweden Climate Survey was conducted by Business Sweden in Singapore for the seventh consecutive year. The survey provides insight into the perspectives of Swedish companies on Singapore's macroeconomic conditions, business opportunities, challenges, and sustainability agenda. It also includes details on the operations of Swedish companies in Singapore, such as business activities, industries, company size, and the year of establishment.

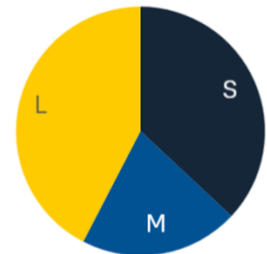
The survey was completed in Q1 2024, with a total of 94 Swedish companies participating, including large, mid-sized, and small companies. To be included in the survey, companies must be of Swedish origin, owned by a Swedish juridical entity, or owned by a Swedish citizen.

Large companies, with more than 1,000 global employees, accounted for 42 per cent of the respondents, while medium-sized companies (250-1,000 global employees) comprised 21 per cent, and small companies with less than 250 employees made up 37 per cent.

The report classifies the companies into three industry categories: Industrial (45 per cent), Professional services (41 per cent), and Consumer goods (14 per cent). In 2024, 40 per cent of respondents have more than two decades of experience in Singapore, 41 per cent established their business between 2002-2016, and 18 per cent set up their companies between 2017-2023.

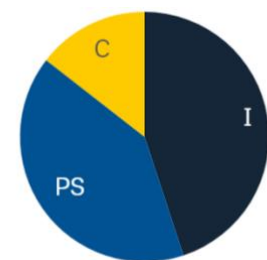
The absolute majority of the questions in the survey are the same as those used in previous years' surveys, allowing for comparisons over time. A few market-specific questions for Singapore have been added to this year's survey, focusing on Swedish companies' regional supply chain diversification and changing presence in Asia to/from Singapore.

### SIZE OF COMPANIES



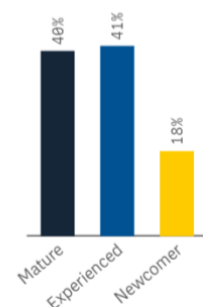
NOTE: Global employees. Large >1000. Medium 250-1000. Small 0-249

### MAIN INDUSTRY



NOTE: Industrial 45%. Professional services 41%. Consumer 14%

### AGE OF COMPANIES



NOTE: Mature (<2001). Experienced (2002-2016). Newcomer (2017-)

# ECONOMIC OUTLOOK

## In 2024, Singapore's economy is expected to achieve a moderate growth of 2.1%.







In 2023, Singapore's economy experienced a slowdown compared to 2022, with GDP growth decreasing from 3.8 per cent in 2022 to 1.1 per cent in 2023. This decline was due to an overall economic slowdown in 2023, driven by higher inflation, Russia's illegal war in Ukraine, geopolitical turbulence, and supply chain disruptions. It is worth noting that Singapore's manufacturing sector contracted by 4.3 per cent in 2023, a reversal from the 2.7 per cent growth in 2022.

There is a more optimistic outlook for Singapore's GDP growth in the coming years, with an expected growth of 2.1 per cent in 2024 and an average GDP growth of 2.2 per cent until 2028. This surpasses the forecasted global average growth rate of 1.7 per cent in advanced economies for the same period. However, it is important to mention that Singapore's economic growth is significantly lower than that of most countries in Southeast Asia, which are expecting more than double the growth rate in the coming years.

► **Singapore's Real GDP**  
(Year-on-year growth)

2022: **+3.8%**  
2023: **+1.1%**  
2024f: **+2.1%**

### SINGAPORE AND SOUTHEAST ASIA GROWTH OUTLOOK 2023-2028F

Country	GDP, Billion US\$ Constant 2015						
	2023			2024f		2028f	
	Total GDP	Growth	Share of SEA GDP	Total GDP	Growth	Total GDP	Growth per year 23-28
Indonesia 	1179	5.0%	37.2%	1237	5.0%	1 508	5.0%
Thailand 	459	1.9%	13.1%	471	2.7%	529	2.7%
Philippines 	430	5.6%	14.4%	457	6.2%	582	6.1%
Malaysia 	401	3.7%	12.2%	419	4.4%	493	4.1%
Singapore 	383	1.1%	10.6%	391	2.1%	432	2.2%
Vietnam 	377	5.1%	12.7%	399	5.8%	513	6.2%

SOURCE: World Bank, IMF, GDP, constant prices and exchange rates, US\$, Last update: April 2024

Examining the key drivers behind Singapore's GDP growth in the forthcoming years, several pivotal factors stand out as central to this trajectory. Firstly, key industries, such as manufacturing, are expected to rebound, driven by factors such as recovering semiconductor sales. Secondly, the enhanced global connectivity and increased tourism whereby there is a supported growth in services, air transport, accommodation, and consumer industries like retail trade and F&B services. Thirdly, the ongoing major infrastructure projects in Singapore, such as Changi Terminal 5, Tuas Seaport, Cross Island MRT Line and construction of residential buildings, will support growth in the coming years. Lastly, GDP growth will continue to be supported by Singapore's position as an FDI hub drawing investments from the world into the region.

Focusing on the manufacturing sector, the electronics cluster is expected to recover steadily in 2024, driven by global demand for semiconductors used in mobiles, computers, and AI. This growth will also support further expansion in the precision engineering and machinery sector. New projects within chemicals, such as sustainable aviation fuel, will also propel the manufacturing sector in the coming years. This sector is highly prioritised by the government of Singapore with initiatives such as “Manufacturing 2030” designed to boost the industry value-add by 50 per cent by 2030, and Singapore’s budget for 2024 contains further support measures to grow the value-add and sophistication of the sector. Altogether, the output value of the manufacturing sector is expected to grow from 2.6 trillion SEK in 2023 to 2.9 trillion SEK by 2029.

With international travel returning to pre-Covid levels, tourism and business travel are expected to drive growth in Singapore's service sector. Singapore is a top destination for Asian tourists, and the country has recently implemented a 30-day visa-free policy for Chinese nationals, who make up the largest tourist group in Singapore. The number of visitors to Singapore increased by 115 per cent, from 6.3 million in 2022 to 13.6 million in 2023. It is expected that nearly 16 million tourists will visit Singapore in 2024, generating approximately 204-216 billion SEK in tourism receipts. As an example of Singapore's strategic positioning as a tourist destination, the country secured exclusive rights in Southeast Asia to host Taylor Swift's six sold-out shows in 2024, generating nearly 3 billion SEK in tourism receipts to the country. Future events include the SEA Games in 2029 and Formula 1 races, for which Singapore has secured hosting rights until 2028. The sector is also being bolstered by the growth in MICE events, as Singapore increasingly hosts global and Asia-focused fairs for various industries.

Other segments within the services sector, such as the finance industry, will see further growth in the coming years, with the Monetary Authority of Singapore expecting the sector to grow by 4-5 per cent from 2023 until 2025. The banking and fund management sub-sectors are expected to see stronger growth due to the increased number of investment activities and family offices setting up in Singapore. The banking and fund management sector will also benefit from the expected peak of global interest rates, which will enable higher commissions and fees.

The construction sector is set for further growth due to the large number of major infrastructure projects, such as the 160 billion SEK Tuas Mega Port, which when finalised in 2040 is predicted to become the largest automated container terminal in the world. The 100 billion SEK Terminal 5 expansion at Changi Airport, which when completed in 2035 is anticipated to handle an additional 50 million passengers annually, more than the current terminals combined. These projects will further cement Singapore's position as a cross-border transport and logistic hub in the region and the world. Other noteworthy projects include the 35 billion SEK expansion of Marina Bay Sands for a fourth hotel tower and a 15,000-seat entertainment arena.

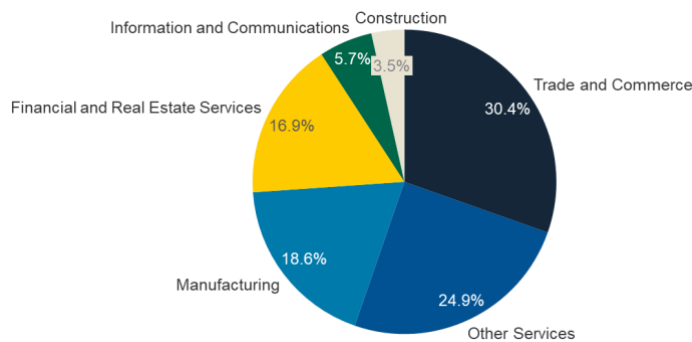
Singapore has successfully attracted major foreign direct investments (FDIs), primary towards advanced manufacturing, including pharmaceuticals and semiconductor production, chemicals, and services. The country is expected to continue its efforts to establish itself as the region's high-tech hub and it is forecasted that 218 billion SEK of FDI will be made into Singapore in 2024.

“ The entire world is experiencing a slowdown after the post-pandemic hype, and the influence of China's economic position is felt throughout Asia. Singapore likewise experienced a slowdown last year, but there is some recovery witnessed this year, with much of the manufacturing sector beginning to show signs of recovery

Managing Director,  
Southeast Asia, Scania

Leading Swedish  
manufacturer of  
commercial vehicles

## SINGAPORE GDP COMPOSITION 2023



SOURCE: Statistics Singapore, GDP, nominal% share, Last update: 2024

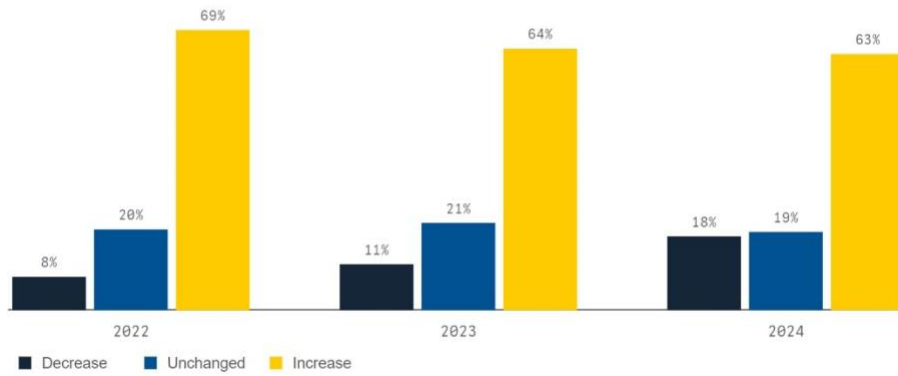
## Swedish companies are expecting revenue growth in 2024

Building on Singapore's positive overall economic outlook, the results from this year's business climate survey indicate that a majority of Swedish companies, 63 per cent, expect turnover growth in 2024 for their Singapore operations. The results are similar to the 2023 survey, where 64 per cent expected a positive development for their turnover. Over three years, there has been a slight negative trend, and in 2022, 69 per cent of the respondents had a positive view on turnover development for the coming year. Also worth noticing is an increased number of Swedish companies expecting a decline in turnover, with 18 per cent expecting a decrease in turnover, up from 11 per cent in 2023. Looking broader than the Swedish companies' responses, Singapore's overall local business sentiment is seen as positive, and the "SCCB Business Optimism Index" (2024, Q1) reports positive trends in key indicators such as sales volume, net profit, selling price, and new orders.

Diving deeper into the sector-specific responses of Swedish companies in Singapore, 40 per cent of Consumer goods companies are expecting increased turnover in 2024 (down from 57 per cent in 2023), and the equivalent for Industrials was 65 per cent (up from 46 per cent in 2023). 64 per cent of companies in the Professional service sector believe that turnover will increase in 2024 (down from 74 per cent 2023).



**COMPARED TO THE DEVELOPMENT IN THE PAST 12 MONTHS, WHAT ARE YOUR EXPECTATIONS FOR THE COMING 12 MONTHS FOR YOUR INDUSTRY IN SINGAPORE REGARDING TURNOVER?**



NOTE: The number of respondents for this question was 94. "Don't know/ Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Singapore 2024.

# SINGAPORE'S BUSINESS CLIMATE

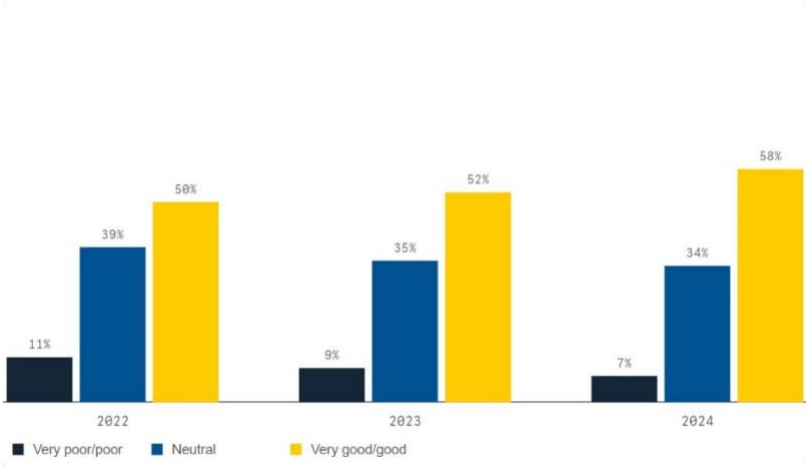
*This section will showcase how Swedish companies in Singapore perceive Singapore's business climate, as well as how Swedish companies in Singapore see trade barriers and if they have a noticeable negative influence on their business operations. Furthermore, an evaluation of how specific conditions, for instance, personal safety, physical infrastructure, and financial system, fulfil the needs of Swedish businesses in Singapore.*

## There is a continued optimism around Singapore's business climate

The perception of the business climate in Singapore has continued to remain optimistic. In the 2024-survey, 58 per cent of the responding companies reported a good or very good view, 34 per cent have a neutral view, and seven per cent have a poor or very poor view on Singapore's business climate. This position is comparable to the 2023 survey, where 52 per cent had a good or very good view, 35 per cent had a neutral view, and nine per cent had a poor or very poor view. Overall, the outlook is more positive when compared to results collected in 2022 and 2023.

There were variations in answers depending on industry, company size and maturity. Parallel to the findings from last year's survey, the most positive companies are found within Professional services, where 58 per cent had a very good or good view, although not as optimistic as last year, down from 68 per cent. The Industrial companies saw higher levels of optimism compared to last year, with 53 per cent of companies reporting a very good or good view (30 per cent last year). Companies within Consumer goods are also more optimistic about the business climate than last year, with 50 per cent reporting to have a very good or good outlook (29 per cent last year).

### HOW DO YOU PERCEIVE THE CURRENT BUSINESS CLIMATE IN SINGAPORE?



NOTE: The number of respondents for this question was 91. "Don't know/Not applicable" responses are included but not shown in figure.  
SOURCE: Business Climate Survey for Swedish Companies in Singapore 2024.

“ In terms of personal safety, our most recent workplace satisfaction survey found that one of the highest scores in Singapore was employees feeling safe coming to work. This is especially important for us because it reflects the environment that we strive to cultivate, which naturally leads to increased productivity

Regional Commercial Director, AAK

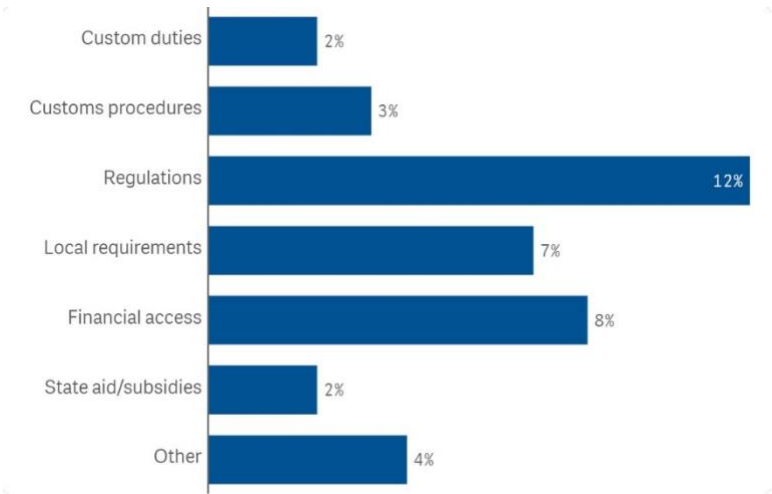
Leading Swedish food ingredient company of vegetable oils and fats

# Low barriers to trade support business operations

Singapore's position as a trade hub in Asia, and the world, supports Swedish companies access to growing markets in the region, such as Indonesia and the Philippines. Further on, signed in 2018, the European Union-Singapore Free Trade Agreement has benefitted both countries with e.g. tariff concessions, preferential access to certain sectors, faster entry into markets and Intellectual Property protection. Prior to the agreement, exports from Sweden to Singapore in 2017 were valued at 6.4 billion SEK. In 2023 alone, Sweden exported 12.7 billion SEK to Singapore, representing more than 97 per cent growth over a five-year period—even amidst the Covid-19 crisis.

Most Swedish companies that responded to the survey have not experienced any trade barriers in Singapore that have had a noticeably negative impact on their business operations. Only 12 per cent of companies stated that they faced issues with regulations, nearly the same as in 2023 (11 per cent). Furthermore, there have only been a slight increase of companies experiencing difficulties when it comes to financial access (eight per cent, up from seven per cent in 2023).

## HAS YOUR COMPANY IN THE PAST YEAR ENCOUNTERED TRADE BARRIERS IN SINGAPORE WITH A NOTICEABLY NEGATIVE IMPACT ON OPERATIONS, IN ANY OF THE FOLLOWING AREAS?



NOTE: The number of respondents for this question was 94.  
SOURCE: Business Climate Survey for Swedish Companies in Singapore 2024.

“ We collaborate with governments, regulators, legislators, companies, and industry associations to achieve positive and sustainable long-term conditions for the ICT sector

Head of Strategy Southeast Asia, Oceania and India

Global leader in communications solutions

# Despite Singapore being one of the easiest and safest countries to do business in, access to labour is a challenge to Swedish companies, amplified by new immigration laws

Swedish companies perceive personal safety, physical infrastructure, and the financial system, as the factors that most meet their expectations and needs in Singapore. Further, Singapore’s “top-of-mind” investment status stems from the ease of setting up a company, the many incentive programmes implemented by the government, and an English-speaking society. In addition, Singapore is actively entering into collaborative agreements with other ASEAN countries to promote integration and establish ease of doing business in the whole region. Singapore is also well-known for its low income and corporate tax rate of 0-24 per cent and 17 per cent, respectively.

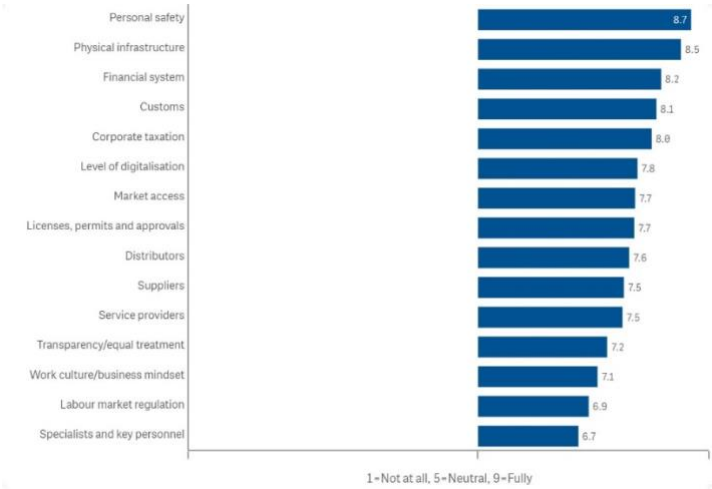
Survey respondents also shared their views on the challenges when operating in Singapore, where access to specialists and key personnel scored the lowest. One key factor contributing to the talent shortage is the new and stricter immigration laws implemented in 2023, whereby Employment Pass (EP) candidates need to pass the points-based COMPASS system. The COMPASS system considers factors like whether the applicant enhances the company’s nationality diversity, educational background, and salary.

“ To attract talent, you must have a strong brand identity, as well as good career path and development opportunities for employees. Being a technologically advanced company is also essential, as is having a digitalisation and sustainability agenda, particularly to attract the younger generation

Managing Director, Southeast Asia, Scania

Leading Swedish manufacturer of commercial vehicles

## HOW WELL DO THE FOLLOWING CONDITIONS MEET THE NEEDS OF YOUR COMPANY IN SINGAPORE?



NOTE: The number of respondents for this question was 94. “Don’t know/Not applicable” responses are included but not shown in figure.  
SOURCE: Business Climate Survey for Swedish Companies in Singapore 2024.

# SWEDISH FOOTPRINT IN SINGAPORE

*In this section, a description of Sweden and Singapore's long-standing relationship, together with an overview of the Swedish companies that are currently operating in Singapore, will be presented. This includes how long these companies have been in Singapore, in which industries they operate, how many of these companies intend to increase their presence in Singapore, as well as which types of operations they focus on in Singapore, such as marketing, sales, and R&D, for example.*

## Longstanding relationship between Sweden and Singapore

In 1966, the first Ambassador of Sweden took residence in Singapore, one year after the country gained independence. Since then, relations between the two nations have flourished, especially in the areas of business and student exchange. Foreign Direct Investments from Sweden to Singapore reached 19 billion SEK in 2022, and this trend is expected to continue.

While 39 per cent of the current Swedish companies in Singapore established operations before 2002, there has been a notable increase in the establishment of Swedish companies in the past five years, with 28 per cent setting up operations after 2018. These include small-sized companies such as Åre Water, a Swedish F&B company, Scila, a trade surveillance service provider, and Gloobe, which provides products and technology to intervene and prevent metabolic disorders. Additionally, mid-sized companies like Fingerprint Cards have established new sales organisations to support distribution operations in Southeast Asia.

In May 2024, AstraZeneca announced plans to build a new manufacturing facility in Singapore valued at over 15 billion SEK, with a focus on manufacturing antibody drug conjugates (ADCs). The facility is expected to be operational by 2029.

However, some companies have chosen to move their operations out of Singapore. For instance, TetraPak will close its Singapore factory in 2024 and relocate production to Vietnam. Similarly, Electrolux closed its Singapore regional office in the spring of 2024, relocating to Bangkok.

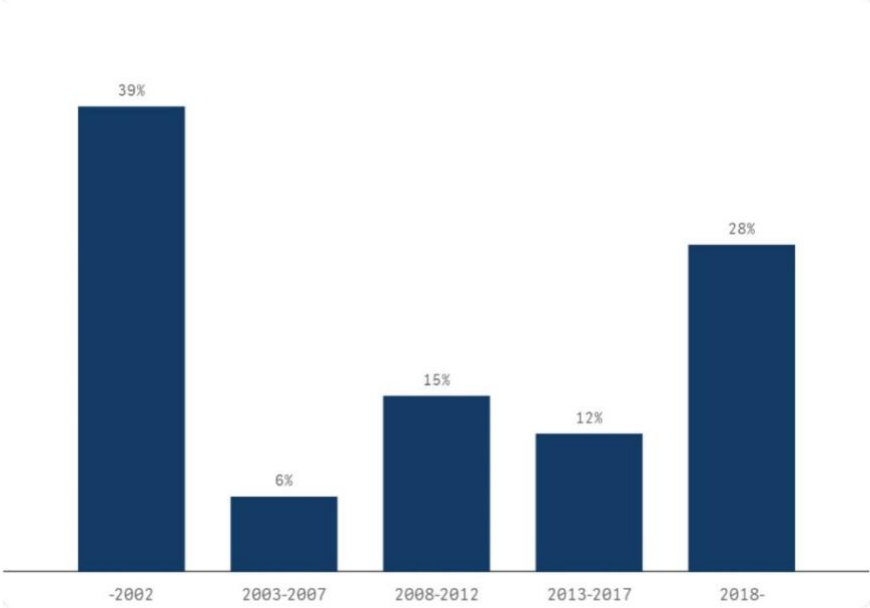


The Singapore Ericsson office was established in 1986, and in 1989, we installed Singtel's first generation mobile network, E-TACS. Singtel is a strategic partner in providing mobile connectivity throughout the country to both consumers and enterprises as they go through digital transformation

Head of Strategy at Market Area Southeast Asia, Oceania and India, Ericsson

Global leader in communications solutions

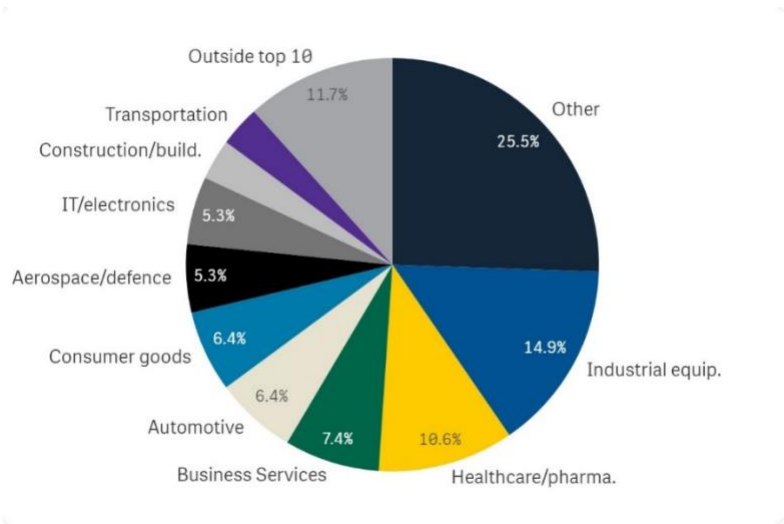
### IN WHAT YEAR DID YOUR COMPANY ESTABLISH OPERATIONS IN SINGAPORE?



NOTE: The number of respondents for this question was 94. "Don't know/Not applicable" responses are included but not shown in figure.  
 SOURCE: Business Climate Survey for Swedish Companies in Singapore 2024.

Swedish companies in Singapore are present in a wide range of industries, with the top industries being Industrial equipment (14.9 per cent), Healthcare/pharma (10.6 per cent), Business services (7.4 per cent), Automotive (6.4 per cent), and Consumer goods (6.4 per cent).

### WHAT IS YOUR COMPANY'S MAIN INDUSTRY IN SINGAPORE?



NOTE: The number of respondents for this question was 94. "Don't know/Not applicable" responses are included but not shown in figure.  
 SOURCE: Business Climate Survey for Swedish Companies in Singapore 2024.

Swedish companies in Singapore come in various sizes in terms of their global employee count. Of these companies, 37 per cent have fewer than 250 global employees, 20 per cent have between 250 and 1000, and 42 per cent have more than 1000. It is important to note that many of the largest Swedish companies, such as Ericsson, Saab, IKEA, H&M, Sandvik, Volvo, Scania, and Epiroc, have a presence in Singapore.

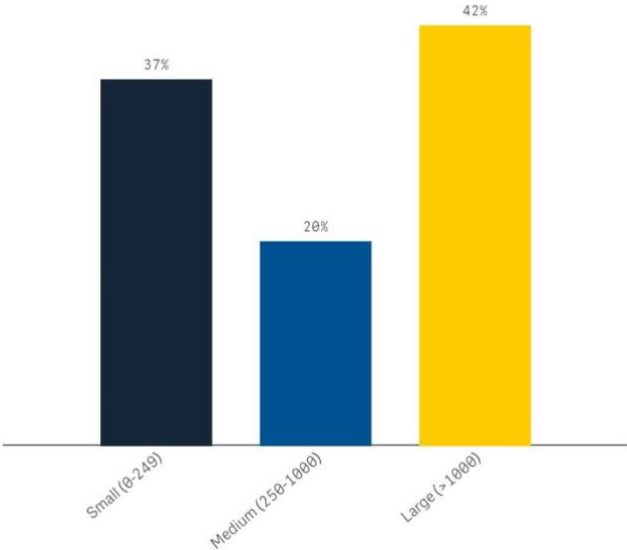
“ As we have grown, we have observed advantages to having our hub in Singapore. Singapore is very open and seeking investments in the food industry, which was AAK's sweet spot. In addition, Singapore has excellent connectivity and a lot of good talent in the food industry, particularly in the technical field

Regional Commercial Director, AAK

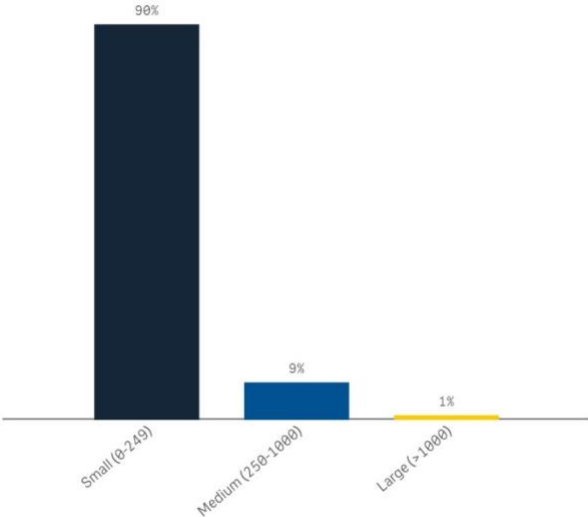
Leading Swedish food ingredient company of vegetable oils and fats

However, the majority of Swedish companies in Singapore have fewer than 250 local employees, with many having less than five employees. This suggests that their primary operations in Singapore focus on sales, marketing, and regional leadership, rather than labour-intensive operations like manufacturing.

**SWEDISH COMPANIES' TOTAL NUMBER OF EMPLOYEES GLOBALLY 'IN 2024**



**SWEDISH COMPANIES' LOCAL NUMBER OF EMPLOYEES IN SINGAPORE IN 2024**



NOTE: The number of respondents for this question was 93. "Don't know/Not applicable" responses are included but not shown in figure.

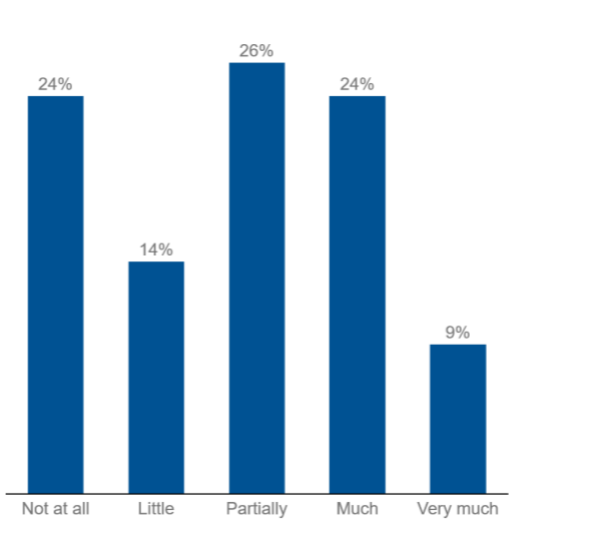
SOURCE: Business Climate Survey for Swedish Companies in Singapore 2024.

# Swedish companies' commitment to establish presence in Singapore remains strong

The commitment to establishing a presence in Singapore is increasingly strong among Swedish companies. Most survey respondents indicated that their companies' presence in Singapore has increased over the past year. Nearly 60 per cent stated that their presence increased during 2023, compared to 44 per cent in 2022. Increased presence can come in the form of more employees, increased regional responsibilities, and global mandates.

This indicates the persistence of Singapore as a regional hub, as emphasised in several interviews conducted for this study. Singapore's political stability, business-friendly legislation and taxes, presence of banks and capital, etc., make it an attractive option for long-term commitments and investments. For example, Singapore consistently ranks top three globally in the Political Stability Index and top five in the Transparency International's 2023 Corruption Perceptions Index (with Sweden sixth), making it the only Asian country among the top ten least corrupt.

## IN THE PAST YEAR, TO WHAT EXTENT DO YOU AGREE THAT YOUR COMPANY'S PRESENCE HAS INCREASED IN SINGAPORE?



NOTE: The number of respondents for this question was 92. "Don't know/Not applicable" responses are included but not shown in figure.  
SOURCE: Business Climate Survey for Swedish Companies in Singapore 2024.

“ Singapore is very stable, and it is a bit of a leading star in the region to really fight and show that you can run a business transparently and fairly. This makes Singapore a safe place to use as an Asian hub in terms of financial and political stability

Co-Founder, Gloobe

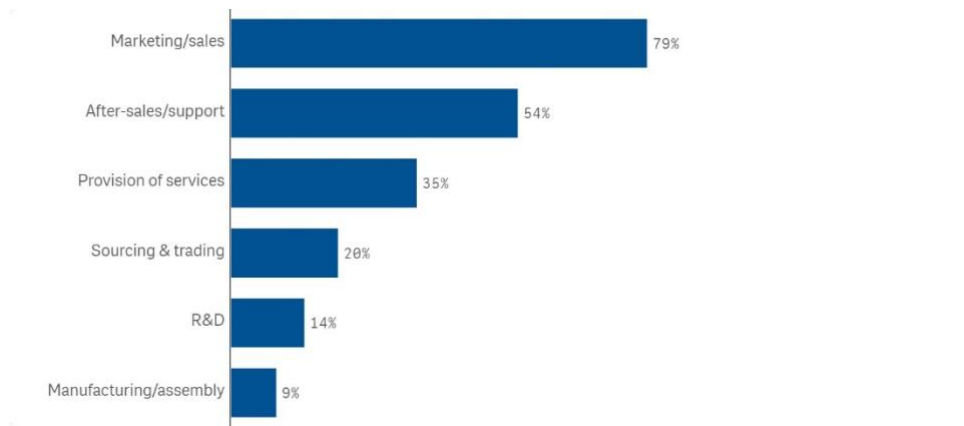
Swedish health-tech company

# Swedish companies operating in Singapore are mainly involved in marketing and sales

In Singapore, the majority of Swedish companies are primarily focused on marketing, sales, after-sales, and support services. This trend has been persistent over time. However, there has been a slight decrease in the percentage of companies engaged in marketing and sales (from 85 per cent to 79 per cent) and after-sales and support (from 57 per cent to 54 per cent) compared to last year. On the other hand, there has been an increase in sourcing and trade (from 16 per cent to 20 per cent) as well as in research and development (R&D) (from 9 per cent to 14 per cent). Singapore has seen an increase in innovation centres and R&D capabilities, with Volvo Cars establishing a tech hub there in 2023, and other international corporations like Hyundai also selecting Singapore as the location for their innovation centres.



**OPERATIONS OF SWEDISH COMPANIES IN THE MARKET**



NOTE: The number of respondents for this question was 94. "Don't know/Not applicable" responses are included but not shown in figure.  
 SOURCE: Business Climate Survey for Swedish Companies in Singapore 2024.

“ Attending the Summit organised by Team Sweden last year, gave an understanding of Singapore's potential for future growth, which also confirmed that we will maintain our presence in Singapore

Managing Director, Singapore & Philippines, SKF

Leading Swedish bearing and seal manufacturing company

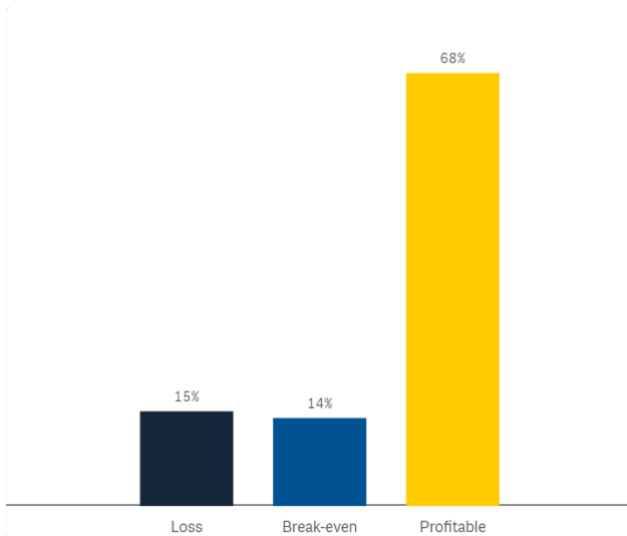
**Most Swedish companies reported profitability in 2023**

In 2023, Swedish companies demonstrated resilience amidst a weak economy with GDP growth only reaching 1.1 per cent. Despite the economic slowdown, more Swedish companies were profitable in 2023 as compared to 2022.

In 2023, 68 per cent of Swedish companies in Singapore were profitable, compared to 60 per cent in 2022. There was however a slight increase in the number of companies reporting losses, with 15 per cent in 2023, compared to 12 per cent in 2022. It should be noted that both these shifts are occurring in the backdrop of GDP growth substantially slowing from 3.8 per cent in 2022, to 1.1 per cent in 2023. The survey did not specifically ask Swedish companies more about this paradoxical trend with increased profits during a year of economic slowdown, but it could be attributed to factors such as high-quality products being more resilient to economic fluctuations, Swedish companies' brand strength, increased regional sales, operational efficiency, and adaptability.

A deep dive into the sectors to further analyse Swedish companies' performance by each sector reveals that 74 per cent of the Industrial companies said they were profitable in 2023, up from just 58 per cent in 2022. Additionally, 68 per cent of companies in Professional services said they were profitable in 2023, up from 60 per cent in 2022. However, for Consumer goods the profitability has deteriorated; only 50 per cent of the companies surveyed this year reported being profitable in 2023, down from 57 per cent in 2022. It is particularly noteworthy that Swedish companies in Industrials and Professional Services reported significantly higher profits compared to the previous year given the weaker economic growth in 2023. On the other hand, the results for the Consumer goods segment aligns well with the overall macroeconomic environment in 2023, with consumers adopting a more cautious approach to spending.

## HOW WOULD YOU DESCRIBE YOUR COMPANY'S FINANCIAL PERFORMANCE IN SINGAPORE IN 2023?



NOTE: The number of respondents for this question was 94. "Don't know/Not applicable" responses are included but not shown in figure.

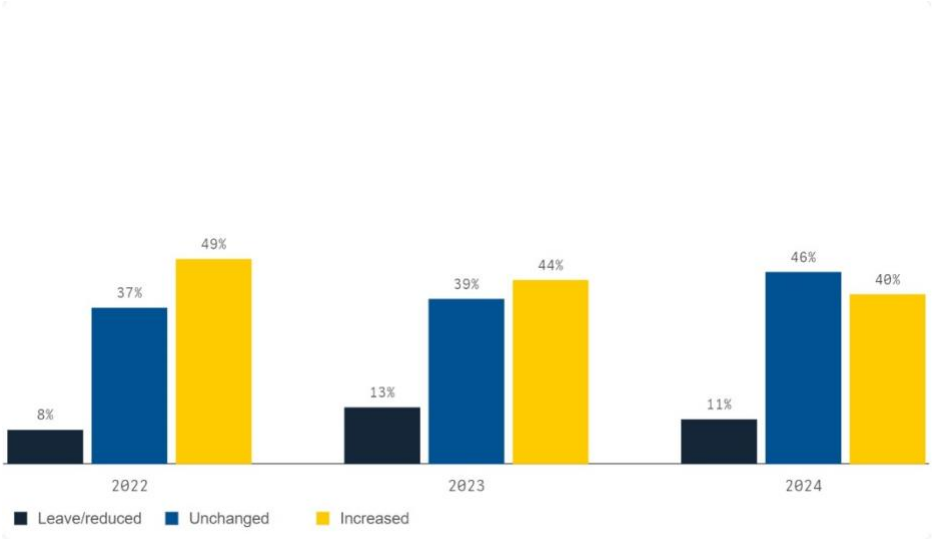
SOURCE: Business Climate Survey for Swedish Companies in Singapore 2024.

## Investments by Swedish companies are expected to continue to grow in 2024, but at a slower pace compared to previous years

Swedish companies will continue to invest in Singapore throughout 2024. However, there is a modest decline from last year's survey results, with 40 per cent saying they would increase their investments in 2024, compared to 44 per cent during 2023.

Breaking it further down into industries, the largest fall was observed for Consumer goods companies; only 30 per cent of the companies anticipate increasing their investments in the next 12 months, down from 57 per cent the previous year. Further, only 29 per cent of Professional services companies anticipate increasing investments over the next 12 months, down from 43 per cent last year. The most similar results were found for the Industrial companies, where 45 per cent of companies anticipate raising investments in 2024, compared to 46 per cent in 2023.

**WHAT ARE YOUR COMPANY'S INVESTMENT PLANS FOR THE COMING 12 MONTHS IN SINGAPORE, COMPARED TO THE PAST 12 MONTHS?**



NOTE: The number of respondents for this question was 94. "Don't know/Not applicable" responses are included but not shown in figure.  
SOURCE: Business Climate Survey for Swedish Companies in Singapore 2024.

# HOW SWEDISH COMPANIES SUCCEED IN SINGAPORE

*This section will explore the areas that Swedish companies believe are important to maintain competitiveness in Singapore. There will also be an overview of what Swedish companies in Singapore consider are the most beneficial areas where Business Sweden may provide non-financial assistance in reaching business goals in the region. Further, an analysis of the most important selling points for Swedish companies while doing business in Singapore and the Southeast Asian region, together with an analysis of the role of the Swedish brand for Swedish companies in Singapore, will be provided.*

## Swedish companies deem that partnerships/relationships, and brand awareness are essential to ensure business competitiveness

There are a variety of elements that contribute to Swedish companies' success in Singapore. Matching to last year's survey, the most dominant factors named this year are brand awareness, partnerships/relationships, and sales competence. This highlights the competitive nature of Singapore's business environment and emphasises that having strong ties to customers and local stakeholders, as well as establishing a strong reputation in the market, are major factors to success.

Further, while customer feedback has diminished in importance somewhat compared to the previous year, it still remains one of the main factors contributing to the growth of companies. Customer feedback is especially crucial for Swedish companies serving the wider Southeast Asia-region, which is home to a huge population with high growth and significant diversity in culture, language, racial groups, religion, political and economic systems, and even spending habits. This diversity makes it vital for Swedish companies to be agile, adapting to the needs of the region by implementing the right strategies to succeed and indeed, even finding the right local partners.

This year, cost efficiency, staff development and product development are only regarded as moderately important areas. Sustainability, digitalisation & e-commerce and public affairs are considered less important, a result that has been similar across all business climate surveys conducted.

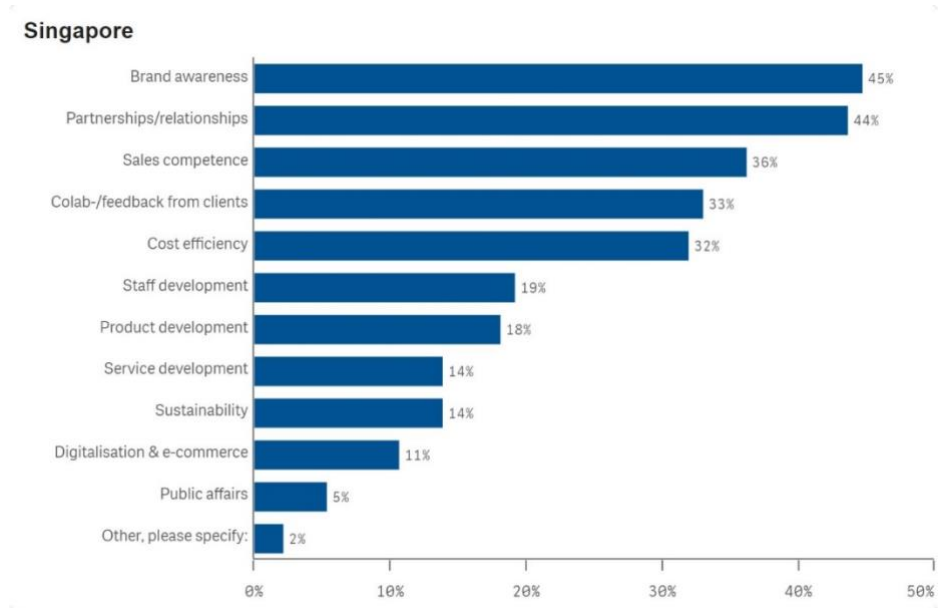


Partnerships and innovation are imperative for the transformation of enterprises. Singapore's startup community is home to many unicorns and an excellent environment to be involved in. Additionally, we also partner with universities and innovation centres where we contribute with digital skills and impart know-how to upcoming talent

Head of Strategy at Market Area Southeast Asia, Oceania and India, Ericsson

Global leader in communications solutions

**TO DATE, WHICH OF THE FOLLOWING AREAS HAVE BEEN IMPORTANT IN MAINTAINING COMPETITIVENESS IN SINGAPORE?**



NOTE: The number of respondents for this question was 94. "Don't know/Not applicable" responses are included but not shown in figure. Respondents could choose max 3 options.  
 SOURCE: Business Climate Survey for Swedish Companies in Singapore 2024.

“ Team Sweden provides us with access to detailed information that would be difficult to obtain on our own

Managing Director, Singapore & Philippines, SKF

Leading Swedish bearing and seal manufacturing company

**To enable growth in Singapore, Swedish companies believe that support in expanding business network, generating business leads and managing governmental relations would be most impactful**

Given Swedish companies' increased perception of the importance of partnerships to stay competitive in Singapore, it is unsurprising that the highest regarded forms of non-financial support sought from Swedish companies in Singapore from Business Sweden relates to expanding business networks, (60 per cent), business lead generation (36 per cent) and enabling and managing governmental relations (36 per cent). There are few differences from last year's study, but one category that stands out is the significant increase in responses in the expanding business networks industry, which was just 50 per cent last year, indicating a 10-percentage increase.

Geographical distance and unfamiliarity with the local market and customs pose challenges for the success of Swedish companies. Local knowledge and support allows Swedish companies to navigate and unlock opportunities in the unique business landscape. Team Sweden, a collaboration of Business Sweden, the Embassy of Sweden, and the Swedish Chamber of Commerce, is committed to bridging this gap. We provide tailored solutions to help Swedish businesses overcome these challenges, leverage Singapore's strategic location, and thrive in the Asian market.

**HOW CAN WE SUPPORT YOU IN ACHIEVING YOUR BUSINESS GOALS IN THE REGION?**



NOTE: The number of respondents for this question was 91. "Don't know/Not applicable" responses are included but not shown in figure.  
 SOURCE: Business Climate Survey for Swedish Companies in Singapore 2024.

“ It is critical to have transparent business practices with traceability in Singapore. We are currently developing technology to support ESG, and we believe that even though it is more expensive, customers have been trained to consider ESG as a result of the government's push

Managing Director, Singapore & Philippines, SKF

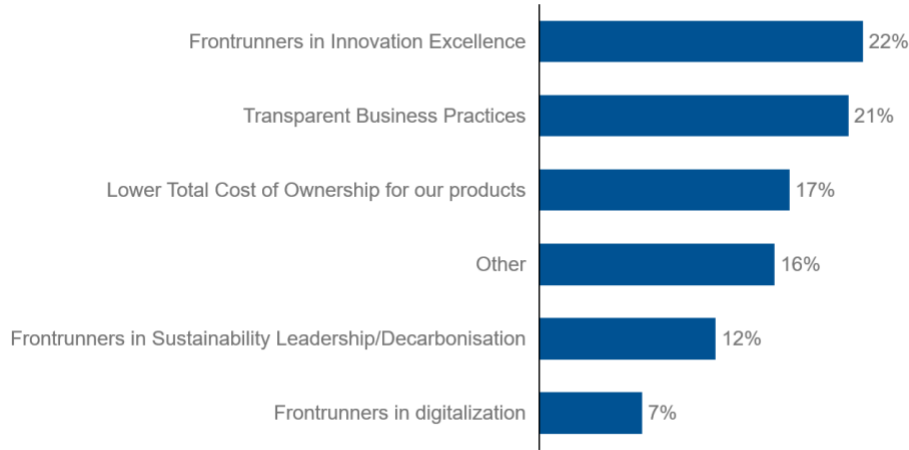
Leading Swedish bearing and seal manufacturing company

**Swedish companies believe that being Frontrunners in Innovation Excellence and having Transparent Business Practices are key selling points**

According to the 2023 Global Innovation Index, Singapore ranked seventh in the world in innovation, a few places behind Sweden, which ranked third. Of all respondents, 22 per cent identified being Frontrunners in Innovation Excellence as the key selling point, while 21 per cent of respondents selected Transparent Business Practices.

Further, 16 per cent selected "Other" as their key selling point. These responses include design and service, quality and expertise, partnerships, diversification and growth, product uniqueness and "Swedishness," stringent traceability and quality control, knowledge of a well-functioning supply chain, presence in the global marine market, and excellent technical know-how in industry applications.

**WHAT ATTRIBUTE WOULD YOU HIGHLIGHT AS THE KEY SELLING POINT WHEN YOUR COMPANY IS DOING BUSINESS IN SINGAPORE AND THE SEA REGION?**



NOTE: The number of respondents for this question was 94. “Don’t know/Not applicable” responses are included but not shown in figure.  
 SOURCE: Business Climate Survey for Swedish Companies in Singapore 2024.



The Swedish brand benefits our business externally by instilling trust, quality, and sustainability. Our company is inspired by the Scandinavian culture, with fewer levels of hierarchy and a high degree of interdependence between levels and functions. This encourages collaboration, removes barriers, and improves organisational fluidity

Regional Commercial Director, AAK

Leading Swedish food ingredient company of vegetable oils and fats

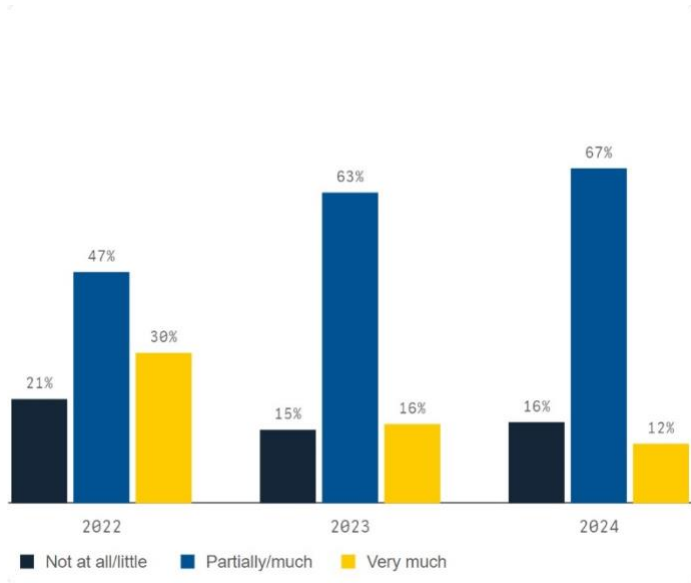
**The Swedish brand creates a more significant impact for medium-sized companies**

When asking any local in Singapore what they know about Sweden, most will say Scandinavian design or fashionable clothes, before citing famous brands like H&M, IKEA, and Volvo. Indeed, Singapore and Sweden are both global economic powerhouses, possessing strengths in manufacturing, innovation, and technology. How, then, does a company’s Swedish origins support its business and operations?

This year, 79 per cent of respondents stated that the Swedish brand has a positive impact (Partially/Much/Very much) on their business, which is consistent with the results shown over the past three years. However, breaking down the numbers in more detail, the percentage of respondents that have answered “Very Much” has decreased to 12 per cent from last year’s 16 per cent, while the percentage of respondents that have answered “Partially/Much” has increased to 67 per cent from last year’s 63 per cent. Further, the number of respondents answering that the Swedish brand has contributed “Not at all” or “Little” has increased from 15 per cent to 16 per cent this year. In other words, while there is still a large proportion of Swedish companies asserting that the Swedish brand is contributing positively to doing business in Singapore, there is less weight on the impact of the Swedish brand.

Breaking down the data by company size, 79 per cent of small companies, 90 per cent of medium, and 75 per cent of large companies mentioned that the brand image of Sweden contributes positively to their business (Partially/Much/Very much). Further, the medium companies (11 per cent) answered that the Swedish brand contributes “Not at all” or “Little” to their business. The corresponding figures were 13 per cent for small companies and 23 per cent for large companies. This shows that overall, medium-sized companies have the most positive outlook on the role of the Swedish brand on their business.

**TO WHAT EXTENT WOULD YOU ESTIMATE THAT THE “SWEDISH BRAND” CONTRIBUTES TO YOUR BUSINESS IN SINGAPORE?**



NOTE: The number of respondents for this question was 92. “Don’t know/Not applicable” responses are included but not shown in figure.  
 SOURCE: Business Climate Survey for Swedish Companies in Singapore 2024.



Having a professor from Karolinska Institutet as part of our team benefits us as it represents the Swedish brand. Those who are familiar with Karolinska Institutet in Singapore will also be familiar with Sweden due to the high level of brand awareness surrounding it

Co-Founder, Gloobe

Swedish health-tech company



# SPECIAL TOPICS

*This section will go over special topics including the importance of supply chain diversification, sustainability in Singapore and Asia, corruption and human rights. This includes an analysis on how supply chain diversification is becoming a pressing topic for Swedish companies in Asia, how Swedish companies may capitalise on sustainability opportunities in Singapore, and how Singapore customers consider environmental factors in purchasing decisions. Furthermore, the section will conclude with an assessment of Singapore's level of corruption and human rights.*



We notice a shift to more regional trade patterns. Some companies are considering regional manufacturing hubs to produce goods closer to where they could be sold. Such a strategy acts as a risk management practice in reducing lead time and overcoming shipping disturbances

Managing Director,  
Southeast Asia, Scania

Leading Swedish  
manufacturer of  
commercial vehicles

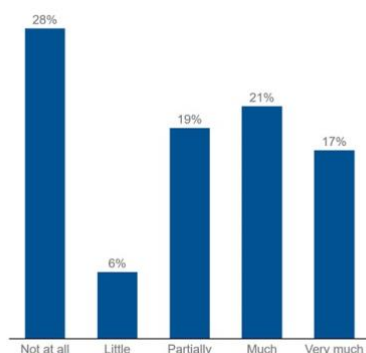
## SUPPLY CHAIN DIVERSIFICATION

### Supply chain diversification is a pressing topic for Swedish companies in Asia

In 2023, most respondents answered that they have to some extent been planning or have already diversified production in Asia. Of the respondents, 38 per cent agree to a large extent (“Much” and “Very much”) and 25 per cent to a smaller extent (“Little” and “Partially”) that they have been planning or have already diversified production in the region. Given recent supply chain disruptions, it is not surprising that the topic regarding how to mitigate the risks of further disruptions is pressing for many Swedish companies in Singapore. Furthermore, 28 per cent answered that this has not been a topic of discussion during 2023.

The results are consistent with larger trends that have been regionally present in the aftermath of Covid-19-induced disruptions and geopolitical tensions that required business leaders to re-evaluate already established supply chains. Implications of increasing supply chain diversification could entail a larger emphasis of Swedish companies to regionalise their internationalisation strategy and re-think organisational structures in Asia.

#### IN THE PAST YEAR, TO WHAT EXTENT DO YOU AGREE THAT YOUR COMPANY HAS BEEN PLANNING TO OR HAS ALREADY DIVERSIFIED PRODUCTION IN ASIA?



NOTE: The number of respondents for this question was 94. “Don’t know/Not applicable” responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Singapore 2024.

## SUSTAINABILITY

### Singapore's increased emphasis on sustainability enables opportunities for Swedish companies

Singapore has come a long way in sustainability since its independence in 1965. The island nation used to suffer from high pollution and proper sanitation. With foresight, able political leadership, and strong support from its citizens, Singapore transformed itself into a Green City-State.

In 2021, Singapore announced its Green Plan to advance the national agenda on sustainable development towards 2030. The Singapore Green Plan 2030 is Singapore's contribution to the international sustainability agenda and global climate goals, underpinned by five pillars: City in Nature, Sustainable Living, Energy Reset, Green Economy and Resilient Future.

This new focus on sustainability and developing Singapore's circular eco-economy may create more opportunities for Swedish companies, especially with many companies leading in sustainable development within their industries. This is where Swedish businesses can bring substantial value, offering high-quality sustainable solutions with world-class levels of green innovation. Time is of essence for Swedish companies to leverage this opportunity.



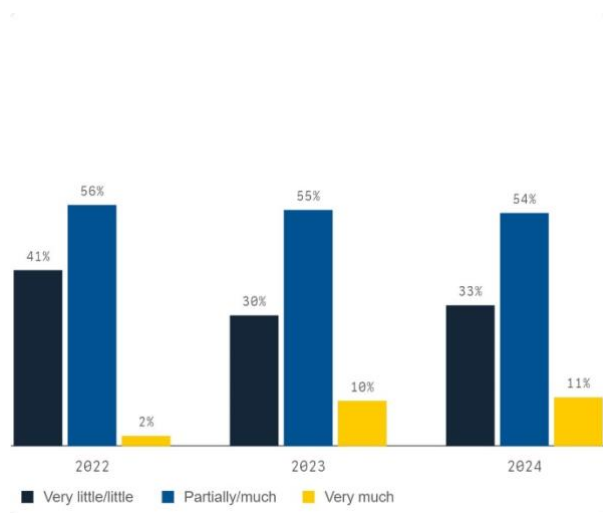
**Singapore looks forward to working with like-minded partners to build a sustainable and resilient future for ourselves and generations to come”**

*Lee Hsien Loong  
Prime Minister of the  
Republic of Singapore*

## Environmental aspects are becoming more influential in customers' purchasing decisions

There has been an encouraging increase in customers who consider environmental aspects (Partially/Much/Very Much) in purchasing decisions, from 58 per cent in 2022 to 65 per cent in 2023 and 2024. This growth can be attributed to new consumer trends like using organic materials in multi-use products, or items made using recyclables. Overall, consumer interest in sustainability is not as high as in the Nordics, but there is a growing trend in Singapore to emphasise these concerns. Additionally, 33 per cent of Swedish companies still reported that Singaporean customers paid very little or little attention to environmental aspects in their purchasing decisions, which indicates a decline comparing to observations from 2022, down from 41 per cent, but a slight increase from 2023, up from 30 per cent.

### TO WHAT EXTENT DO CUSTOMERS IN SINGAPORE CONSIDER ENVIRONMENTAL ASPECTS OF A PRODUCT OR SERVICE IN THEIR PURCHASING DECISION?



NOTE: The number of respondents for this question was 89. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Singapore 2024.



Even though it has improved, Singapore is still lagging behind many other markets in terms of sustainability, with overpacking and garbage sorting being less developed than in many other markets

Co-Founder, Gloobe

Swedish health-tech company

## CORRUPTION

### Singapore's zero tolerance on corruption

Singapore has always taken a firm stance against corrupt practices. This can be attributed to the stability of Singapore's political system – a lack of fractious partisan politics that have reduced any ability for persons to find loopholes or ways to circumvent laws and processes. Nonetheless, there have been rare instances of corruption in Singapore recently, such as the charges against former Singaporean Minister Iswaran or the recent 20 billion SEK money laundering case, involving funds obtained from outside criminal activity. However, as these problems were resolved promptly, bank procedures have been reviewed and tightened.

Despite this, Singapore is the only Asian country classified among the top ten least corrupt countries in the world, according to Transparency International's 2023 Corruption

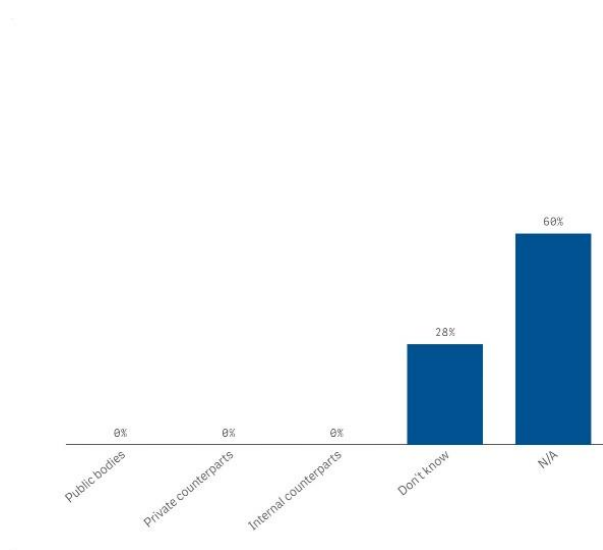
Perceptions Index, ranking fifth and Sweden sixth. Strict anti-corruption laws and robust enforcement, coupled with a modern economy and efficient bureaucracy, have contributed to the country's success on the anti-corruption front.

Survey results reveal that zero per cent of companies have claimed that they have been exposed to some type of corruption related to private or internal counterparts in the last year.

**HAS YOUR COMPANY IN SINGAPORE BEEN EXPOSED TO CORRUPTION SUCH AS, BUT NOT LIMITED TO, ATTEMPTS OF BRIBERY OR FRAUD IN CONTACTS WITH ANY OF THE FOLLOWING AREAS?**

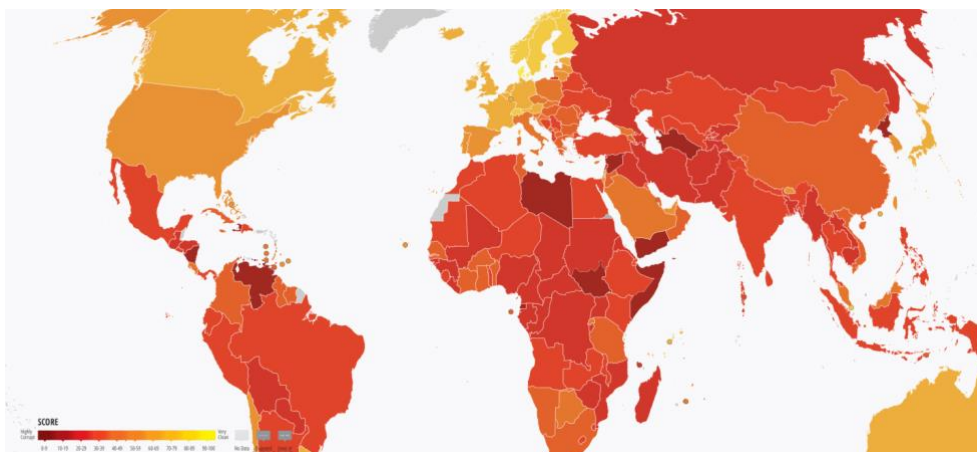
**GLOBAL CORRUPTION PERCEPTIONS INDEX 2023 - RANKING**

- 1<sup>st</sup> Denmark
- =5<sup>th</sup> Singapore
- =6<sup>th</sup> Sweden
- 14<sup>th</sup> Hong Kong
- 57<sup>th</sup> Malaysia
- 83<sup>rd</sup> Vietnam
- 108<sup>th</sup> Thailand
- 115<sup>th</sup> Indonesia
- 115<sup>th</sup> Philippines



NOTE: The number of respondents for this question was 94.  
SOURCE: Business Climate Survey for Swedish Companies in Singapore 2024.

**CORRUPTION PERCEPTION INDEX 2023**



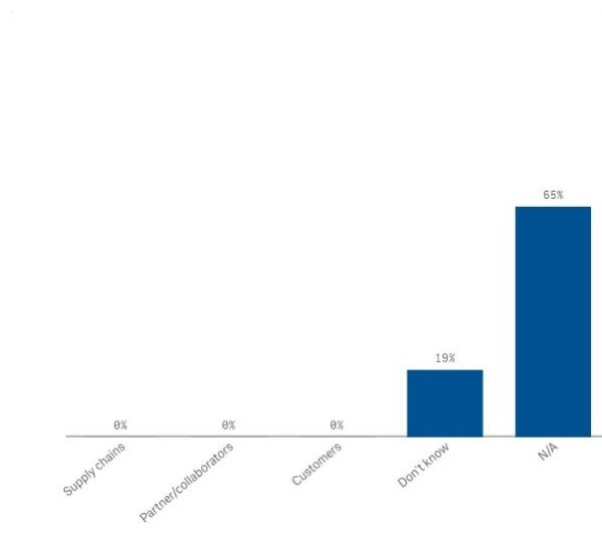
SOURCE: Transparency International.

## HUMAN RIGHTS

### Encountering human rights violations and labour violations are very rare in Singapore

All respondents have noted that they did not encounter any human rights or labour violations over the past year. Business Sweden encourages Swedish companies to report any violations, irregularities, or crimes encountered to the Ministry of Manpower in Singapore or the Swedish Embassy.

#### HAS YOUR COMPANY IN SINGAPORE ENCOUNTERED ANY FORM OF HUMAN RIGHTS VIOLATIONS AND/OR LABOUR RIGHTS ABUSE IN ANY OF THE FOLLOWING AREAS?



NOTE: The number of respondents for this question was 94.  
SOURCE: Business Climate Survey for Swedish Companies in Singapore 2024.

# CONCLUSION

In agreement with the international business community, Swedish companies have a high appreciation for Singapore as a country where it is easy to do business. Few other countries can offer a better developed financial industry, with stability in the political and regulatory space, which ensures predictability. It is also evident that the geographical location of Singapore, being the gateway to the wider region, is vital for the attractiveness of Singapore to international companies. These factors, together with Singapore's efficiency and relatively high availability of skilled personnel continue to make Singapore the number one regional hub. This is apparent for Swedish companies, whom in general are increasing their presence in Singapore while also increasing attention to diversifying supply chains in the region.

Although these factors contribute to why companies tend to establish their regional bases in Singapore, the Swedish corporate community has persistent concerns about the cost of doing business and perceived difficulties in accessing skilled labour. Moreover, governmental limitations on employing foreign talent are also seen as a challenge for Swedish companies in Singapore.

As the global challenges of elevated levels of inflation, high cost of commodities, and supply chain disruptions continue to impact Singapore in 2024 and beyond, the local challenges faced by Swedish companies should not be taken lightly. Partnerships and a sharp focus on continuing to generate business opportunities in the region is essential for Swedish companies to push through current and short-to-medium-term challenges.

Business Sweden in Singapore has always been committed to supporting Swedish companies in Singapore and assisting companies on their growth journeys across the globe. We would be pleased to answer any questions and welcome hearing from you, should you have any concerns.

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