

INDUSTRIENS
UTREDNINGSENHETEN
ARKIVET

Facts
about
Swedish
Economy

The data presented in this pamphlet do not attempt to convey more than a nutshell survey of the Swedish economy. For those interested in a more exhaustive description there exist more detailed works among which can be mentioned: *Industry in Sweden, Freedom and Welfare*, as well as shorter surveys such as *Facts about Sweden, Sweden's Mainspring Private Enterprise and Sweden in the World*.

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The Country

Sweden is one of the northernmost countries in the world. Her southern extremity lies on the latitude of Labrador, her northern regions are parallel to upper Alaska.

With her total area of 173,393 sq. miles, Sweden is almost one and a half times as big as Great Britain and Ireland, a little larger than California and one twentieth the size of the United States.

Maximum length 978 miles, maximum breadth 310 miles. Total coast line 4,735 miles.

Thanks to the Gulf Stream sweeping along the west coast of the Scandinavian peninsula, Sweden enjoys a temperate climate — without this she would be as cold as Alaska. As a result of the considerable length of the country there are, however, great differences between the climates of northern and southern Sweden.

Area and Population

Total Area, Population and Density in Sweden compared with California and »Continental U.S.A«

Territory	Area in sq. miles	Population 1000 inh.	Density Inh. per sq. miles
Sweden	173,393	7,192 ¹⁾	42
California	158,688	10,586 ²⁾	67
U.S.A	3,022,400	150,697 ²⁾	50

1) Jan. 1, 1954

2) Census 1950

The land area is 158,507 sq. miles, i.e. 91 percent of the total area. Forests constitute nearly 55 percent and cultivated land 11 percent of the land area. The forests are mainly in the northern half of Sweden while the cultivated land is in the south and along the coasts.

**Population development since 1900 with relative distribution
between towns and countryside**

Year	Population 1,000 inh.	Percent Increase since 1900	Relative Distribution	
			Towns %	Countryside %
1900	5,136	—	21	79
1930	6,142	19,6	32	68
1940	6,371	24,0	37	63
1950	7,044	37,1	47	53
1953	7,192	40,0	49	51

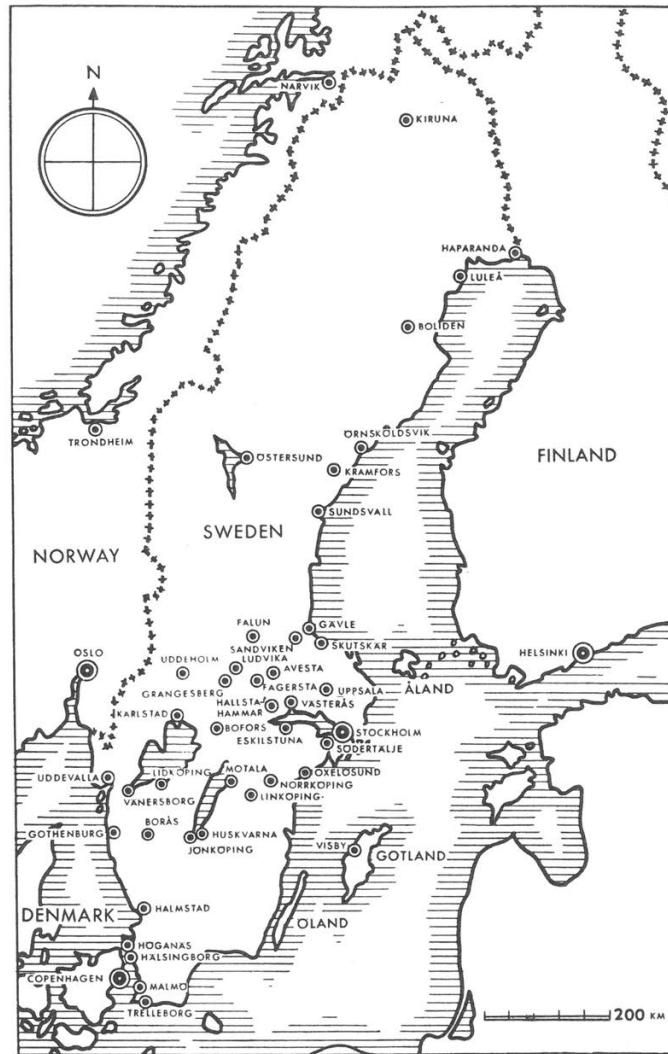
The average yearly increase in population for the period 1943 to 1952 was 1 percent.

As will be seen from the table the last fifty years have been characterized by a considerable migration from the countryside. In the last ten years, the proportion of persons gainfully employed on farms has declined from 30 percent of total to 20 percent.

Most Important Cities

	Population 1/1 1954	Most Important Industries etc.
Greater Stockholm	1,028,696	Capital of Sweden, General Administration, Metal Working, Electrical Equipment, Sweden's biggest Import Harbor
Gothenburg	367,579	Sweden's greatest Port, Shipbuilding, Metal Working, Textiles
Malmö	201,939	Shipbuilding, Metal Working, Cement, Textiles, Port
Norrköping	87,989	Textiles

MAP OF SWEDEN



Constitution

Sweden is a constitutional monarchy governed on a democratic basis under a parliamentary system.

Head of the state is King Gustav VI Adolf.

The Swedish Parliament (Riksdagen) consists of two chambers. The first chamber has 150 members; election is indirect. The second chamber has 230 members who are elected by direct popular vote.

Distribution of seats in the Second Chamber 1944—1952

	Number of seats		
	1944	1948	1952
Conservatives	39	23	31
Agrarian	35	30	26
Liberals	26	57	58
Labor (Social Democrats)	115	112	110
Communists	15	8	5

National Economy

CURRENCY

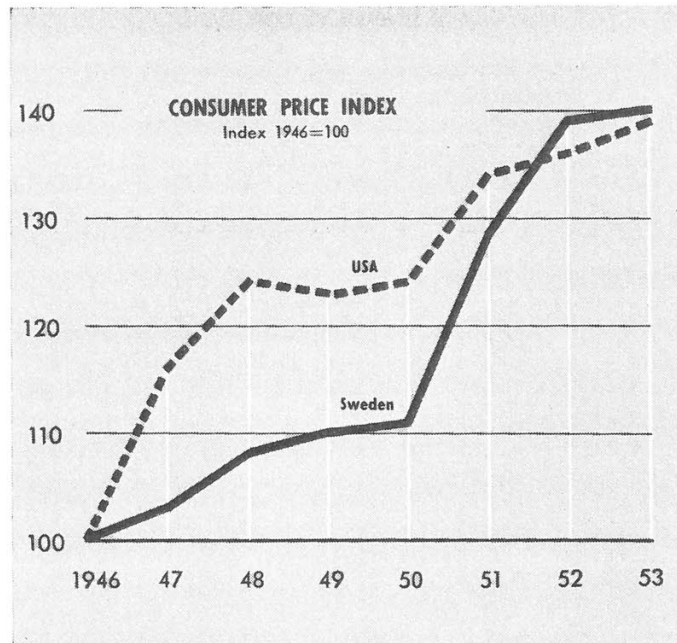
1 Swedish Krona=100 öre=US \$ 0.19

US \$ 1=5.18 Swedish kronor.

The consensus appears to be that the general buying power of the Swedish krona is about double the value indicated by the official rates of exchange as against the U.S. dollars.

PRICES

Since the end of World War II Swedish consumer prices have risen about 40 percent, i.e. about the same as in U.S.A.



DIRECT TAXATION

INDIVIDUALS pay the following yearly taxes: local income tax, national income tax and national tax on capital owned.

Income Tax

Taxable income is arrived at by deduction of certain allowances, such as the local cost-of-living allowance from the income earned.

One difference between local and national income tax is that the national income tax is progressive.

Income Tax

Income in Sw. kr.	Family Tax	Tax for Singles
4,000	240	535
5,000	445	770
6,000	680	1,010
7,000	920	1,260
8,000	1,150	1,530
9,000	1,390	1,810
10,000	1,630	2,120
12,000	2,100	2,780
15,000	2,870	3,880
18,000	3,790	5,090
20,000	4,510	5,920
25,000	6,450	8,160
30,000	8,640	10,600
40,000	13,310	15,620
50,000	18,400	20,980
75,000	32,410	35,300
100,000	47,510	50,400
150,000	79,260	82,260
200,000	112,880	115,960

Tax on Capital

Taxable Capital in Sw. kr.	Capital Tax in Sw. kr.
50,000	0
100,000	250
150,000	650
200,000	1,150
400,000	3,750
1,000,000	13,350

Corporation Tax

Corporations and economic societies pay 40% and 32% respectively on taxable income in national income tax, and an additional average 10% in local income tax.

Corporation and economic societies are not allowed to balance one year's deficit against another year's profit. On the other hand, a business may obtain the right of unlimited depreciation of machinery and goods. This right has been suspended temporarily for the purpose of restricting investments, however, and is presently confined to a maximum of 20% on machinery and inventories.

It may be mentioned that corporation dividends are doubly taxed. As mentioned above, enterprises first pay 50% in taxes on profits, whereupon the dividends paid to shareholders are taxed as income on capital.

Estate Duty

The estate of a deceased, after a surviving spouse has received a tax-free 50%, is subject to estate duty. This tax is applied only on estates exceeding 50,000 kronor and according to a rising scale.

Taxable Estate in Sw. kr.	Estate Duty in Sw. kr.
50,000	0
70,000	1,000
100,000	4,000
200,000	19,000
300,000	39,000
500,000	89,000
1,000,000	239,000
2,000,000	589,000
5,000,000	1,789,000

Inheritance Duty

After deduction of the 50% inheritance and the estate duty, the remainder is divided among other heirs who are liable to inheritance tax on their share. The tax varies according to the degree of kinship of the heir.

Taxation on Gifts

A donor is liable to estate duty as described above and a recipient to a gift tax according to the rules which apply to inheritance tax.

GROSS NATIONAL PRODUCT

The Swedish GNP in 1953 is estimated to \$ 9,921 million.¹⁾

Principal sources of gross national income in 1952 (Data for 1953 not available).

	mill. \$	per cent
Manufacturing, Mining, Electrical Power..	3,089	38.6
Commerce	1,158	14.5
Transportation	965	12.1
Construction	579	7.2
Agriculture	579	7.2
Housing for Rent	386	4.8
Forestry	290	3.6
Other Sources	966	12.0
	8,012	100.0

¹⁾ This dollar value refers to the official exchange value, \$1=5.18 Swedish Kronor. A rough estimate based on the domestic buying power of the respective currencies (\$1=3 Sw. kr.) gives a Swedish GNP of \$ 17,130 million.

How the income was used in 1953

	mill. \$	per cent
Private domestic gross Investment	1,404	14.1
Public domestic gross Investment	1,103	11.1
Private Consumption	4,834	48.7
Public Consumption	1,027	10.4
./. Change in Stocks	— 77	— 0.8
	8,290	83.6
Export of Goods fob and net of Services ..	1,631	16.4
	9,921	100.0

National Resources

Forests, iron ore and water power constitute Sweden's most important natural resources. They have formed the basis for Sweden's most successful industries.

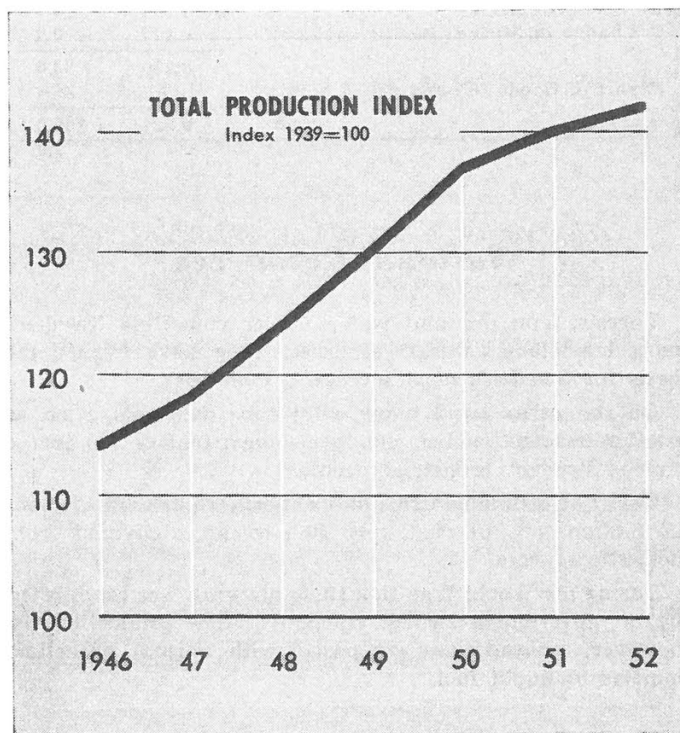
On the other hand many vital raw materials, such as coal, petroleum, rubber, etc., are nonexistent or too scarce to feed Sweden's industrial machine.

Out of an estimated demand for energy equivalent to about 20 million tons of coal only 40 percent is covered from domestic sources.

During the World War II, a shale-oil work was established by a government-owned company. The production is, however, insignificant compared with normal peacetime imports of liquid fuel.

Production

TOTAL PRODUCTION has increased by more than 40 percent from 1938/39 to 1952, and about 25 percent since 1946.



According to the 1950 Census — the latest data available — the number of persons employed in production is about 3,1 million.

Industry	Distribution of gainfully employed
Mining, Manufacturing and Construction	40.9
Transport and Commerce	23.5
Agriculture, Forestry and Fishing	20.6
General Administration and Professions	11.0
Unspecified	4.0
	100.0

INDUSTRIAL PRODUCTION

since 1938/39 has increased about 65 percent. For the post-war period the increase is about 22 percent.

Most important industries

	No. of plants 1951	Motive power HP per worker 1951	Production 1953
Sawmills 1000 stds	1,113	11	1,400
Pulp Mills 1000 ton ...	72	37	2,440
Paper Mills 1000 ton ...	73	35	1,225
Ore Mining 1000 ton ..	68	22	17,127
Iron and Steel Mills ...	55	20	—
Pig Iron 1000 ton	—	—	1,004
Steel Ingots and Castings 1000 ton ...	—	—	1,964
Iron and Steel, finished 1000 ton	—	—	1,175
Engineering, Works mill. \$ 1951	3,022	5	879,003 ¹⁾
Shipyards 1000 gross ton	147	7	469
Manufacture of electrical Machinery, etc. mill. \$ 1951	294	4	259,195 ¹⁾
Electrical Power mill. kWh			22,368

1) 1951

FARM PRODUCTION

has increased about 10 percent since pre-war, despite about 25 percent fewer working hours. Productivity is about 35 percent higher than in 1946 mainly because of intensive mechanization.

Most important farm products

Product	Quantity mill. lbs.	Value of Production mill. \$
Milk	9,500	309
Pork	440	135
Cattle	285	97
Cereals	2,200	97

Communications

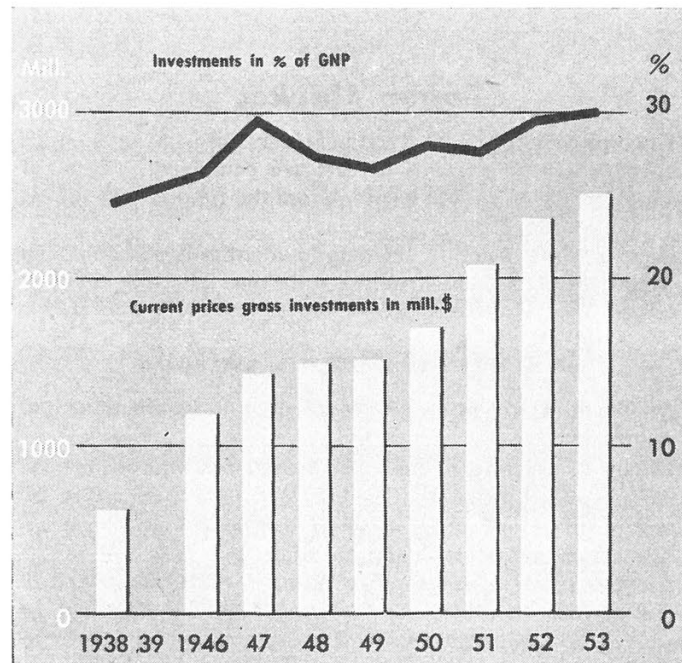
THE RAILWAY SYSTEM is state-owned to more than 90 percent. About 40 percent of the railways are electrified.

	Length in Miles	Length per sq. Mile
Sweden	10,306	0,59
USA	224,553	0,74

THE SWEDISH MERCHANT FLEET has a gross tonnage of 2,7 mill. tons. More than one third of the fleet is less than five years old. Motor vessels constitute three fourths of the fleet.

Investments

Investments today take a larger part of the gross national product than they did in pre-war days. The ratio between investments and gross national product in Sweden during the post-war period has been one of the highest in the world. This is one of the principal reasons for Sweden's favorable economic development.



Principal categories of investments in 1953

	mill. \$	%
Communications	757	30.2
Residential Construction	502	20.0
Manufacturing and Mining	470	18.8
Agriculture, Forestry, Fishing	206	8.2
Military Investments	217	8.7
State Administration	176	7.0
incl. Social Service, Education, etc.		
Electricity and Gas	154	6.1
Commerce	24	1.0
	<hr/> 2,506	<hr/> 100.0

Labor Market

Unemployment has declined considerably in Sweden since before World War II — in fact we can hardly speak of unemployment — as will be seen from the figures on page 19, which represent averages per year.

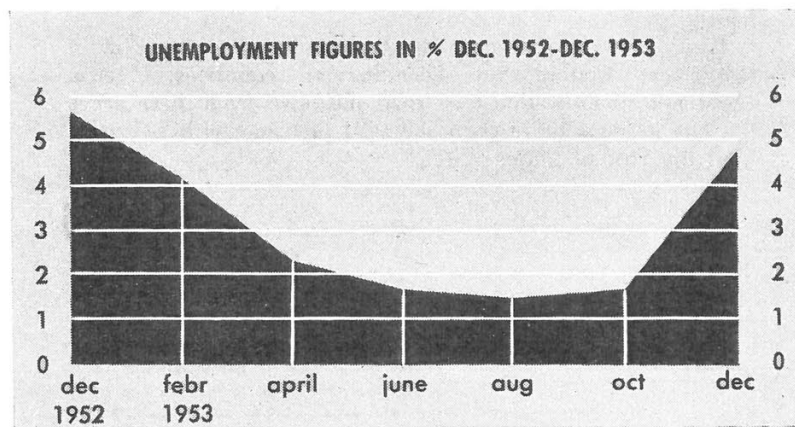
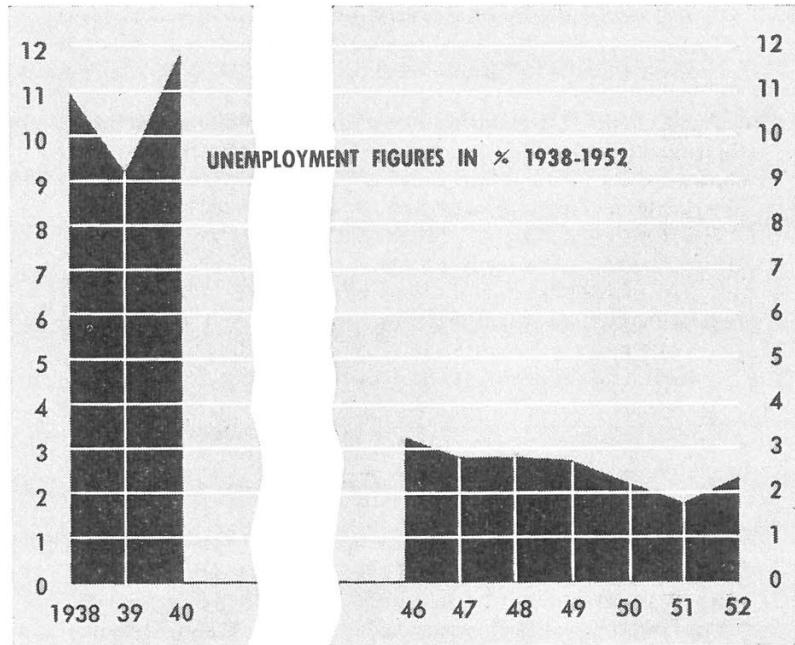
The unemployment in the winter months is seasonal and is mainly located to construction activities.

Industrial Organizations

Industrial employers are represented by three principal organizations:

1. The *Federation of Swedish Industries*, whose purpose is to promote production beneficial to the community by attention to economic questions of common interest to industry, such as taxes, tariffs and investments.

2. The *Swedish Employers' Confederation* whose task is to further the interests of the individual employer in negotiating wage contracts with workers and salaried employees. The Confederation also occupies itself with human relations problems. It has 12,300 member enterprises, employing about 750,000 persons, of whom 600,000 are industrial and 150,000 office employees.



3. The *General Export Association of Sweden*, whose aim is to promote Swedish foreign trade, particularly the sale of Swedish products in foreign markets.

The *Central Organization of Salaried Employees* furthers the interests of salaried employees in negotiations for wage contracts. Its membership exceeds 300,000 persons employed in private service and in government administration.

The *Confederation of Trade Unions in Sweden* is the central body of the trade unions. Its task is to promote the interests of labor in negotiating wage contracts. Its members, approximately 1,351,000 persons, are employed in private, municipal and stateowned industrial undertakings.

Foreign Trade

A small nation must export to secure vital imports. Sweden's total exports in 1953 were \$1,476 million. This is more than 20 percent of her gross national product.

The import in 1953 was \$1,576 million. The difference between exports and imports is made up by income from shipping.

The »normal» pattern of trade is that Sweden sells more to Great Britain, the Scandinavian countries, Africa, Australia and the Far East than she buys from these areas — but imports more than she sells in trade with Germany and the United States.

Principal Exports in 1953

	Exports to U.S.A.			
	mill. \$	%	mill. \$	percent of each product
Farm Products	104	7.0	1.7	1.6
Lumber	214	14.5	1.3	0.6
Wood Pulp	252	17.1	32.6	12.9
Paper and Paperboard ..	133	9.0	5.0	3.8
Iron Ore	183	12.4	25.9	14.2
Steel and other Metal Products	186	12.6	17.5	9.4
Machinery, Ships, etc. ..	270	18.3	4.8	1.8
Other Exports	134	9.1	9.9	7.4
	1,476	100.0	98.7	6.7

Principal Imports in 1953

	Total imports		Imports from U.S.A.	
	mill. \$	%	mill. \$	percent of each product
Farm Products	280	17.8	18.8	6.7
Coal, Coke, and Petroleum Products	303	19.3	16.9	5.6
Chemicals	91	5.8	5.8	6.4
Yarns and Fabrics ...	228	14.5	12.6	5.5
Base Metals and Manufactures	179	11.4	8.4	4.7
Machines	194	12.3	29.5	15.2
Automobiles, Aircraft, Railway Equipment, etc.	123	7.8	26.4	21.4
Other Imports	175	11.1	8.4	4.8
	1,576	100.0	126.8	8.1

State Finances

National Budget in Fiscal Year 1954
(July 1, 1953—June 30, 1954)

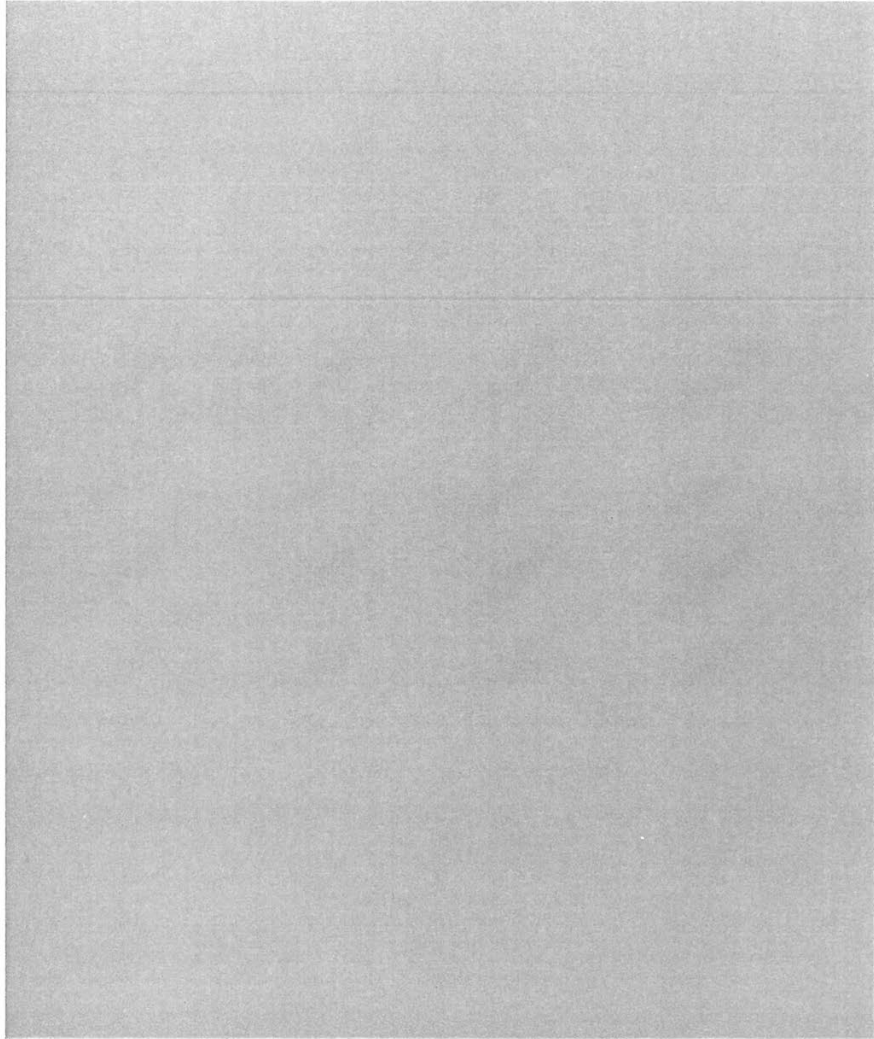
	mill. \$	percent
<i>Budget Receipts</i>		
Direct Taxes	851	54.0
Indirect Taxes and Customs	446	28.3
Automobile Taxes	118	7.5
Total Taxes	1,415	89.8
Government Enterprises	47	3.0
Other Income	113	7.2
Total Receipts	1,575	100.0
<i>Budget Expenditures</i>		
Social Security, Welfare and Health	530	33.4
Education	190	12.0
Communications	143	9.1
Agriculture	77	4.9
Interest on Government Debt	69	4.4
Other Expenditure	163	10.4
Military Services	409	25.8
Total	1,581	100.0

Ownership in Sweden's Business

(in percent)

	Private	Public ownership	Cooperatives
<i>Mining and Manufacturing</i>			
(total)	91	5	4
Forest Industries	95	3	2
Iron Mining	62	38	—
Steelmaking	98	2	—
Electrical Power	58	42	—
<i>Other Industries</i>			
Cultivated Land	93	7	—
Forest Land	75	25	—
Railways	10	90	—
Shipping	99	1	—
Bus Lines	60	40	—
Wholesaling	90	—	10
Retailing	86	—	14
Banking	94	6	—
Housing	90	5	5

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