

On Developing Swedish Trade

You could say it all started with the Vikings, transporting goods across the Baltic and North Seas in their open longships. This trade and conquest was an amazing feat, considering that most people in the eleventh century barely left the village where they were born. In the late 1500s, Sweden had become a world power and international trade flourished as a result. Swedes then brought their knowledge and technology with them as they emigrated to North America beginning in the 1630s. At the end of the 1800s, modern corporate trade between the U.S. and Sweden developed.

An Explosive Issue

The pioneers of modern trade didn't have it so easy. Alfred Nobel, one of the first truly great trans-Atlantic businessmen, started his career by developing the use of nitroglycerine as an explosive. Unfortunately, both his first nitroglycerine factories in Sweden and the U.S. blew up, killing his brother and three other employees. By 1867, Nobel invented and patented dynamite, which was safe and simple enough to revolutionize industry and land development. Despite the fact that Nobel's invention enabled the first transcontinental railroad to be completed through the Rocky Mountains in 1870, almost no profits or royalties reached Nobel and he sold nearly all his U.S. holdings in 1885. His legacy later became reestablished in the U.S. through several companies and, of course, the Nobel Prizes.

Similar stories and struggles lie behind each individual and company that were pioneers in establishing trade and commerce between the U.S. and Sweden. If it



Representatives from corporate winners of Swedish Trade Council's annual Achievemant Awards with Queen Silvia of Sweden at this year's ceremony in Washington D.C. From left: Fredrik Arp, Monarch Industrial Tire Corp., Bo Ljunggren, FlexLink Systems Co., Queen Silvia; Bengt Gerborg, Viking Husqvarna Sewing Machine Co.; Benkt Berg, Q-Matic Corp. (Photo by Marshall H. Cohen, courtesy Swedish Trade Council.)

weren't for them, we could not take it for granted when Volvo advertises on prime time TV or Absolut Vodka's distinctive ads appear on the back of almost every magazine.

The 'Snaps' Glass Effect

Modern Swedish business depends on international trade and retaining an export surplus with major partners such as the United States. In fact, fully 27% of Sweden's 1993 GDP (gross domestic product) is based on export markets, compared to 7% of the U.S. 1993 GDP.

And where does the export come from? Huge multinational companies such as ABB, Volvo, and Electrolux dominate the Swedish economy and export. Following this deep and wide bulk of multinationals is a very small number of

mid-sized firms in Sweden that form only a thin stem of the Swedish economy. At the wide base of Swedish economic growth are small, independent entrepreneurial firms. Put that all together and you will realize that the shape of the snaps glass is a valid model of the Swedish economy. In 1994, the top five designated drivers of Swedish export had combined U.S. sales of approximately \$20 billion dollars, equivalent to the total GDP of the state of Delaware, home to the first Swedish immigrants to the New World.

From the Woods of Småland to a Major Metropolis Near You

Just as many Swedish-Americans trace back their ancestry to Småland, this wooded southern province of Sweden is also known for having a large number of small

entrepreneurial firms. There are, however, small firms with export-friendly products throughout Sweden, from automatic guided vehicles in Gothenburg to computer software firms located above the Arctic Circle. How can these small companies with staffs of ten to a hundred people create export markets across the Atlantic and the world?

Two organizations work closely with many Swedish firms and individuals to encourage trade between Sweden and the United States—the Swedish American Chamber of Commerce (SACC), founded in 1906, and the Swedish Trade Council (STC), founded in 1949. SACC and STC work closely together to help meet the needs of Swedish companies that are interested in becoming established in North America or have been present here for decades. Currently, 15 active Swedish business communities are established through Swedish American Chamber of Commerce regional chapters, which focus on providing Swedish-American business functions and publications.

Non-Stop Stockholm to Miami

Cooperation between the Swedish-American Chamber of Commerce and the Swedish Trade Council has intensified in the past couple of years. In New York, a new organization—Swedish-American Business Services (SABS)—was formed by SACC and STC to focus on promoting bilateral trade and investment. The same spirit of cooperation was also evident at this year's Annual Achievement Award Ceremony, which was held in Washington, DC on October 5, 1995. The event was hosted by the Swedish Office of Science and

Technology, the Embassy of Sweden, STC and SACC. Last year, Volvo, Tetra Pak, and Scandinavian Naturals were the recipients of this prestigious award that commemorates outstanding Swedish-related companies in the United States. This year's awdees were FlexLink Systems Co., Q-Matic Corp., Viking Husqvarna Sewing Machine Co., and Monarch Industrial Tire Corp.

The Swedish-American Chamber of Commerce and Swedish Trade Council are also completing joint projects together. For example, the Swedish Civil Aviation Administration (*Luftfartsverket*, the Swedish equivalent of the Federal Aviation Administration) approached the organizations last fall to study the potential for a third route between Sweden and the United States. As a result, a major joint study was completed that has culminated in current discussions with U.S. and Swedish carriers regarding establishment of a non-stop route between Stockholm and Miami.

Dial 1-800-SWEDEN 4

The Swedish Trade Council's toll-free number, 1-800-SWEDEN-4, allows American firms and consumers to receive free listings of specific Swedish firms according to their needs. Information specialists utilize the latest information technology to provide prompt answers, usually within 24 hours.

In addition to toll-free telephone service, Swedish-American Business Information also sells publications related to doing business between Sweden and the U.S. Several examples follow here: *Swedish Related Companies in the United States Directory*, containing

names, addresses and contact persons for approximately 1,000 firms, continuously updated and printed per order. Price: \$85 national or \$20 per state.

Swedishness by Bengt Andersson, a short informative book that covers key differences between Swedish and American business cultures. Price: \$11.25. *Sources of Information on Doing Business with Sweden*, prepared by the U.S. Department of Commerce Sweden Desk, listing pertinent U.S. and Swedish government agencies, chambers of commerce, taxation, investment and other information. Free. *Currents*, the monthly news of the Swedish American Chamber of Commerce. Free to SACC members.

The Swedish-American business community maintains a strong national presence, which plays an integral role in further developing U.S.-Sweden trade. If you wish to learn more about specific Swedish products or firms, or if you wish to learn more about local Swedish-American business and networks, please call us at our toll free number.

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