



جمعية الأعمال الأردنية الأوروبية جيبا
Jordan Europe Business Association JEBA

SWEDEN TRADE PROFILE



Preface

Dear Members,

We are pleased to share with you the Sweden Trade Profile, prepared by the Jordan Europe Business Association, aiming to highlight the economic and commercial landscape in Sweden and explore opportunities for cooperation between Jordan and Sweden in trade and investment.

Sweden is one of the most advanced and innovative economies in the European Union, known for its strong industrial base, environmental leadership, and commitment to sustainability. Strategically positioned in Northern Europe, Sweden serves as a vital hub for high-tech exports, clean energy, and advanced manufacturing.

This profile is part of JEBA's ongoing efforts to enhance economic cooperation between Jordan and EU countries and to open new avenues for future partnerships.

We extend our sincere thanks to our members and partners for their continued support of the Association's mission and goals.





Geography

Location

Sweden is located in Northern Europe, occupying most of the Scandinavian Peninsula. It borders Norway to the west and north, Finland to the east, and is bounded by the Baltic Sea, Gulf of Bothnia, Kattegat, and Skagerrak straits

Climate

Sweden's climate varies significantly by region. The southern part has a temperate climate, marked by cold, cloudy winters and cool, partly cloudy summers. Moving north, the climate becomes sub-Arctic, with harsh winters and short, mild summers

People and Society

Population

10.6 million (2024 est.)

Languages

Official: Swedish. Recognized minority languages: Finnish, Meänkieli, Sámi, Romani, Yiddish; plus Swedish Sign Language and ~200 spoken languages nationwide.

Economic Snapshot

In 2024, the Swedish economy achieved moderate growth with resilience in key economic indicators despite global uncertainties. The main economic aspects are as follows:

➤ Economic Growth:

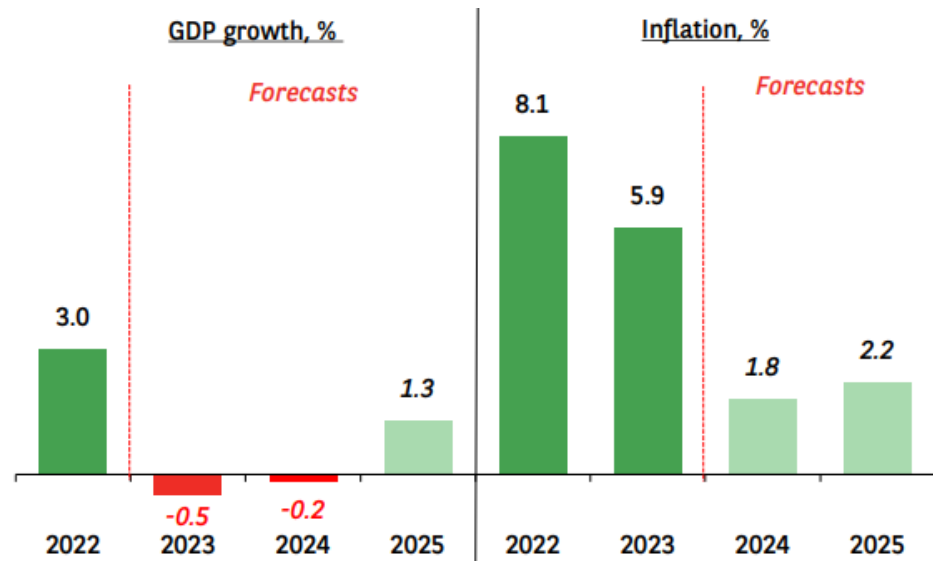


CHART 1

SOURCE: BNP PARIBAS GLOBAL MARKETS

Sweden's GDP grew by 1.0% in 2024. Although growth was modest, it reflects the Swedish economy's stability and adaptability in the face of global economic headwinds. This growth was supported by improved export performance and increased domestic demand, especially during the fourth quarter of the year. These indicators underscore Sweden's solid position as a reliable trade and investment partner.

- **fiscal Deficit** :Sweden recorded a slight increase in its fiscal deficit, reaching 1.5% of GDP in 2024, up from a balanced level in 2023. This rise is attributed to expanded public spending on energy support measures and social programs. However, Sweden continues to maintain one of the lowest public debt ratios in the EU, demonstrating sound fiscal management and long-term financial sustainability.

Labor Market: The unemployment rate in Sweden was 8.53% in 2024, showing a slight increase compared to 7.61% in 2023, reflecting the challenges Sweden faces in creating new job opportunities. However, the youth unemployment rate remains high at 23.77% in 2024, highlighting the need for more effective policies to integrate young people into the labor market.

Labor Force Participatio n Rate	Unemployment Rate	Employment Rate	Job Vacancy Rate
79.0%	8.53%	70.9%	2.0%

Sweden's labor market faces challenges such as an aging population, regional labor shortages, and rapid technological change. These factors limit the skilled workforce, reduce labor supply, and pressure the social welfare system, highlighting the need for continuous upskilling.

In light of these challenges, the Swedish government is actively pursuing reforms to address labor shortages by encouraging longer workforce participation, such as linking retirement age to life expectancy. Additionally, there is a strong focus on enhancing education and vocational training, especially in digital skills, to equip workers for the evolving demands of the labor market. Policies supporting flexible work arrangements, including remote work, also aim to improve labor market inclusivity and adaptability. These efforts are designed to ensure a sustainable and resilient labor market that can meet future economic needs.



Green Transition

In 2024, Sweden made significant strides toward a green economy, focusing on three main pillars:

➤ **Increase in Renewable Energy Production:**

Sweden's wind farms set new production records, generating 40.8 terawatt-hours (TWh) of electricity in 2024, the highest annual output ever recorded. This achievement was attributed to increased capacity and favorable wind conditions.



- **Reduction of Carbon Emissions:** Despite progress in renewable energy, Sweden experienced a 7% increase in greenhouse gas emissions in 2024 compared to the previous year. This uptick was primarily due to increased emissions from the construction industry, which rose by 31% due to higher fossil fuel use.



- **Investment in Clean Energy Infrastructure:** The Swedish government incentivized investment in clean energy through a quota system, tax regulation mechanisms, and a subsidy scheme. These measures aimed to promote the development and adoption of renewable energy technologies.



Sweden's main climate goals for 2024 include:

➤ **Reducing Carbon Emissions:**

Sweden experienced a 7% increase in greenhouse gas emissions in 2024 compared to the previous year, marking the largest rise since 2010. This increase was mainly due to a lower share of biofuel blending, which led to higher fossil diesel use in the transport sector. Despite this setback, Sweden remains committed to its goal of achieving carbon neutrality by 2045, aiming to reduce emissions by 85% from 1990 levels.

➤ **Expanding Renewable Energy:**

In 2024, Sweden installed wind turbines with a total capacity of 446 MW, down from 1,244 MW in 2023. Despite this decrease, Sweden continues to invest in renewable energy projects, with plans to add 2 GW of wind power capacity by 2027.

➤ **Investing in Clean Energy:**

Sweden allocated SEK 22 billion in 2024 to support companies and municipalities in clean energy projects, aiming to accelerate the green transition nationwide.



Health and economic, social and institutional resilience

- **Economic Resilience** :In 2024, Sweden's economy demonstrated resilience amidst global uncertainties, with a real GDP growth of 1.0% following a decline in 2023. This recovery was primarily driven by strong exports, business investments, and household spending. However, challenges persisted, including a rise in the unemployment rate to 8.53% from 7.61% in 2023, reflecting ongoing structural issues in the labor market. Inflation, measured by the Harmonised Index of Consumer Prices (HICP), stood at 2.01% for the year, indicating a stabilization of price levels. To bolster economic growth and address structural challenges, Sweden's Recovery and Resilience Plan allocated significant investments in green and digital transitions, aiming to foster sustainable development and improve labor productivity.



➤ **Social Resilience:** Sweden's social resilience in 2024 was anchored by its gradual economic recovery, with projected GDP growth of approximately 0.6% after subdued activity in earlier years. The services sector—including healthcare, education, and professional services—played a central role in supporting households and communities. Tourism rebounded moderately, contributing around 2.5–2.7% to GDP, with domestic travel and sustainable nature tourism helping sustain rural incomes and social cohesion. Government-led initiatives focused on inclusive labor market policies, skills training, and social support measures—particularly for low-skilled, elderly, and foreign-born workers—to bolster social inclusion and mitigate the impacts of long-term unemployment and demographic pressures..

➤ **Institutional Resilience :** Sweden strengthened its institutional resilience through trusted public institutions and reforms supported by the National Recovery and Resilience Plan. In 2024, 43% of citizens reported trust in the national government, above the OECD average. The EU granted Sweden €3.5 billion, with major investments in climate and digital transition to improve governance efficiency and public service delivery.

➤ **Health System Resilience :**Sweden operates a universal, tax-funded healthcare system recognized for its accessibility and equity. In 2024, healthcare spending is estimated at around 11.3% of GDP, a slight increase from 11.2% in 2023, with 86% funded by the public sector. Nevertheless, the system faces significant pressures, including acute workforce shortages (notably among nurses and specialized staff), widespread public-sector dissatisfaction, and growing strain on local healthcare in the face of an aging population .



Sweden Investment Opportunities by Sector

Sweden presents diverse and high-value investment prospects across multiple sectors, including;

- **Manufacturing and Industry:** Sweden's manufacturing sector contributes about 20% of GDP, with around 75% of output exported. Investment focuses on automation, decarbonization, and advanced machinery development, supported by a strong industrial base.



- **Automotive Sector:** Home to brands like Volvo, Scania, and Koenigsegg, Sweden's automotive industry focuses on electric vehicles, autonomous driving, and safety technologies, backed by extensive export networks.



- **Green Technologies and Clean Energy:** Sweden leads in green tech with projects like Hybrit (fossil-free steel) and Stegra, alongside growing wind power capacity—16.4 GW in 2023, targeting 19.5 GW by 2026—creating investment opportunities in renewables and grid modernization.



- **Innovation and ICT:** Sweden invests over 3% of GDP in R&D, hosting companies like Ericsson and Spotify. The startup ecosystem thrives in fintech, biotech, and sustainable infrastructure, attracting innovation-focused investors.



- **Tourism:** Sweden's tourism sector in 2024 contributed approximately 5.85% of GDP, though this share is forecasted to gradually decline to 5.66% by 2028. The country is increasingly recognized for its nature-based and sustainable tourism offerings—such as Arctic experiences, Northern Lights adventures, and cultural tourism in cities like Stockholm and Gothenburg. Despite a full recovery in tourist arrivals globally, Sweden's hotel occupancy in 2023 remained modest at 40.6%, slightly below its pre-pandemic level of 41.5%. The Swedish Agency for Growth and Visit Sweden are investing in digital tourism platforms, climate-smart accommodations, and expanding rural tourism attractions to boost the sector's resilience and sustainability.



Sweden and Jordan Investment Opportunities by Sector

Jordan and the Italy have significant potential to enhance their bilateral cooperation in several strategic sectors such as :

➤ Renewable Energy

Sweden generates over 50% of its electricity from renewable sources such as hydropower, wind, and bioenergy, leading in green technology innovation. Jordan is focused on expanding solar and wind energy projects, offering opportunities for joint ventures, technology import, and specialized training in sustainable energy management.

➤ 2. Environmental Technology and Water Management

Sweden possesses advanced expertise in environmental technologies including water treatment and waste management. Jordan faces environmental challenges, especially in water scarcity and quality, creating demand for sustainable solutions and infrastructure development.



➤ Pharmaceuticals and Healthcare

Sweden has a strong healthcare system with emphasis on research and medical technologies. Jordan serves as a regional hub for healthcare services and pharmaceutical manufacturing, presenting opportunities for cooperation in production, distribution, and healthcare tourism. Sources:



➤ 4. Construction and Infrastructure

Both countries are investing in infrastructure development. Sweden's expertise in sustainable construction and urban planning can complement Jordan's infrastructure expansion efforts.





Jordan Europe Business Association

JEBA

© July, 2025

