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**Report Highlights:**

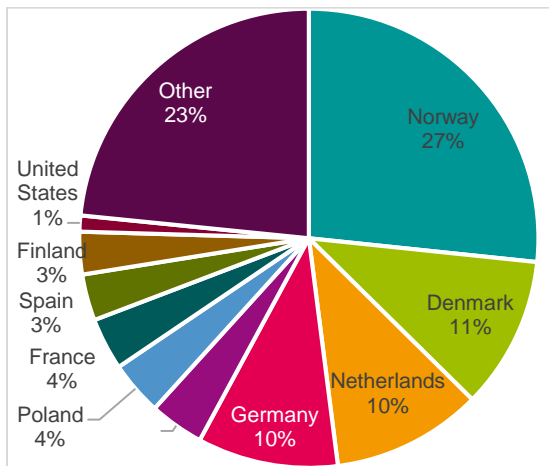
The exporter guide provides practical tips for U.S. exporters on how to conduct business in Sweden. Although a small market, Sweden offers export opportunities for U.S. exporters of wine, beer, biodiesel, specialty foods, condiments and sauces, tree nuts, and other products.

## Executive Summary

With a population of just over 10 million people, Sweden is one of the EU's smaller national markets for food. Nevertheless, it is a high-income country and its per-capita GDP is among the highest in the world. The Swedish economy is trade-oriented, with trade in goods and services representing 89 percent of its GDP. The Swedish balance of trade has traditionally been positive, but a deficit was first registered in 2018 as imports have been growing faster than exports.

## Imports of Agricultural and Related products

Swedish imports of agricultural and related products totaled \$20 billion in 2019. Norway, Denmark, the Netherlands and Germany were Sweden's main trading partners, while the United States was the most important non-EU supplier of agricultural and related products to the Swedish market. Swedish exports of agricultural and related products totaled \$14.1 billion in 2019, resulting in a negative net trade balance of \$5.9 billion.



## Food Processing Industry

Sweden's food and beverage industry is comprised of approximately 4,000 registered companies. These companies collectively generated a turnover of \$20.8 billion in 2018. The food industry is the country's third largest sector in terms of production value and number of employees. The largest sectors within the Swedish food industry are beef and related products, dairy products, and baker's wares. Other notable sectors include the pet food and animal feed industry.

## Food Retail Industry

In 2019, sales of food and beverages totaled to SEK 305 billion (\$36.7 billion). The Swedish retail market is consolidated with the three leading retailers comprising 71 percent of the market. Sweden's packaged food retail sales reached nearly \$14.1 billion in 2019. The Swedish retail market has enjoyed positive annual growth for 22 consecutive years, fueled by a steadily increasing population and rising disposable incomes.

### Quick Facts CY 2019

**Imports of Agricultural and Related Products** \$20 billion  
**Exports of Agricultural and Related Products** \$ 14.1 billion

**Imports of Consumer-Oriented Products** \$9.3 billion  
**Exports of Consumer-Oriented Products** \$3.6 billion

#### Top 10 Import Products in Sweden (imported from the world)

1. Salmon	6. Coffee
2. Cheese	7. Baker's wares
3. Wine	8. Pure alcohol
4. Food preparations	9. Sugar confectionary
5. Biodiesel	10. Bovine meat

#### Top 10 Retailers

1. ICA	39.1%	6. Lidl	3.4%
2. COOP	17.1%	7. City Gross	3.3%
3. System bolaget	10.2%	8. Tempo	0.6%
4. Willy's	8.6%	9. Handlarn	0.5%
5. Hemköp	4.0%	10. Direkten	0.4%

#### GDP/Population

Population: 10.1 million  
 GDP: \$531.9 billion  
 GDP per capita: \$ 55,240

## Strengths/Weaknesses/Opportunities/Challenge

Strengths	Weaknesses
U.S. producers are professional, offer great variety, and deliver products with a consistent quality.	Shipping time & costs, import tariffs and EU labeling regulations make U.S. products more expensive.
Opportunities	Threats
A growing demand for food products with a special claim (e.g., sustainable or ethical production methods).	Fierce competition on price, quality, uniqueness and innovation from other EU Member States

**Data and Information Sources:** Trade Data Monitor, Economist Intelligence Unit, Industry websites, Eurostat, Euromonitor, Statistics Sweden

## Introduction

At more than 450,000 square kilometers, Sweden is the largest country in the Nordic region of Europe. Due to severe winters and a short growing season, Sweden relies heavily on imports to feed its people. In 2019, imports of agricultural and food products totaled \$20 billion and accounted for 12.6 percent of Sweden's total import value. Nearly 60 percent of Sweden's imports came from Norway, Denmark, the Netherlands and Germany. The United States is the largest non-European supplier, closely followed by Russia and China. Although U.S. agricultural exports in 2019 were valued at \$226 million, the United States was responsible for just 1.1 percent of total Swedish agricultural imports. In addition to an overview of the macroeconomic situation in Section I, this report also provides a brief overview of the food retail landscape in Sweden. Section III provides detailed information on the best products prospects, including wine, beer, biodiesel, specialty foods, tree nuts, and other products.



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## I. Market Overview

### Macroeconomic Situation

Sweden is a Scandinavian country with thousands of coastal islands and inland lakes, along with vast boreal forests and glaciated mountains. It borders Norway and Finland and connects to Denmark via a bridge. Its principal cities, the eastern capital Stockholm and southwestern Gothenburg and Malmö, are all coastal. Stockholm is built on 14 islands and has more than 50 bridges.

Sweden is a constitutional monarchy and their king since 1973 is Carl XVI Gustav. Sweden has been a member of the European Union (EU) since 1995 but decided not to participate in the Euro (the Swedish Krona {SEK} is the nation's currency).

It is a modern, developed economy and has a high standard of living with an estimated per-capita gross domestic product (GDP) of \$55,240.<sup>1</sup> Between 2014 and 2018, Sweden experienced an average 2.8 percent growth in GDP. However, GDP is expected to decline by 5 percent in 2020 as a result of the coronavirus (COVID-19) pandemic. Economists, however, are optimistic that GDP will rebound in 2021, rising by three percent. In terms of GDP, the service sector is the largest sector of the economy (65.2 percent), followed by industry (22.2 percent), and agriculture third at 1.4 percent.<sup>2</sup>

<sup>1</sup> Economist Intelligence Unit

<sup>2</sup> <https://www.nordeatrade.com/no/explore-new-market/sweden/economical-context>

**Table 1: Key Economic Indicators**

	2019	2020	2021
Growth rate GDP	1.3 %	-5.1 %	3 %
Inflation rate	1.7 %	0.6 %	1.5 %
Unemployment rate	6.8 %	9.9 %	8.6 %

Source: Economist Intelligence Unit

The Swedish economy is dependent on exports. Nearly half of Sweden’s GDP comes from exports such as nuclear machinery, vehicles, and electric machinery. Roughly 70 percent of the country’s exports are to European countries. Sweden is also a strong supporter of free trade and has generally been supportive of the Transatlantic Trade and Investment Partnership.<sup>3</sup>

The United States is Sweden’s largest export market for agricultural and related products (mainly vodka, wood products, and food preparations) outside of the EU, accounting for 3.8 percent of Swedish exports (almost \$529 million). Sweden imported an estimated \$226 million of agricultural, fishery, and forestry products from the United States in 2019; leading to a trade surplus of \$303 million.<sup>4</sup>

### **Advantages and Challenges U.S. exporters Face in Sweden**

<i>Advantages (product strengths and market opportunities)</i>	<i>Challenges (product weakness and competitive threats)</i>
American products enjoy a favorable image and are known for the high quality.	Transatlantic transportation is costly and takes time.
Sweden is a sophisticated market featuring affluent, well-educated, and open-minded consumers. The Swedes speak English very well.	Fierce competition on price, quality, uniqueness and innovation.
Greater awareness of health drives growing demand for fresh and organic food products.	Competition from EU Member States as well as from third countries due to tariffs and non-tariff trade barriers.
There is an interest in experimenting with new and innovative products and cuisines.	Standard U.S. product labels do not comply with Swedish labeling requirements.
Sweden depends on imports and Swedish importers often serve other markets in the Nordics and Baltics.	The following products cannot be exported to Sweden: 1. poultry (sanitary requirements), 2. processed food products with unapproved GMO ingredients or bleach flour and 3. shellfish.

## **II. Exporter Business Tips**

Business people in Sweden speak English very well and have a high level of education. They require timely follow-up and do not like hierarchy. Furthermore, the Swedes are punctual, straightforward, and

<sup>3</sup> [www.government.se/opinion-pieces/2016/09/sweden-needs-ttip-for-jobs/#:~:text=Sweden%20is%20an%20export%2Ddependent,strong%20supporter%20of%20free%20trade.&text=Since%202014%2C%2012%20000%20new,employed%20thanks%20to%20our%20exports.](http://www.government.se/opinion-pieces/2016/09/sweden-needs-ttip-for-jobs/#:~:text=Sweden%20is%20an%20export%2Ddependent,strong%20supporter%20of%20free%20trade.&text=Since%202014%2C%2012%20000%20new,employed%20thanks%20to%20our%20exports.)

<sup>4</sup> TDM data

business-minded. They like to be well-informed about a product, its price, and their business partner. As a result, Swedes can be quick decision makers while still valuing long-term partnerships. Small and medium-sized companies have an advantage in Sweden as buyers tend to not want to do business with larger corporations.

### Swedish Retail Sector

The value of the Swedish food retail market is estimated at SEK 304 billion (\$32.6 billion).<sup>5</sup> The food retail industry is quite consolidated. The three leading retailers (ICA, Coop and Axfood) have a market share of 71 percent. Appendix I provides more detailed information about buying groups in Sweden. Supermarkets (i.e., full-service supermarkets, discounters, and convenience stores) dominate the food retail landscape. There are very few independent grocers or large hyper-markets in Sweden. Swedes spend 12.6 percent of their disposable income on food and non-alcoholic beverages.<sup>6</sup>



Half of the Swedish population lives in three metropolitan areas: Gothenburg, Malmö, and Stockholm. There is a close density of shops in these areas and a few supermarkets, generally within walking distance anywhere in the city, many with long hours of operation. In addition to well-known A-brands, most supermarkets have their own private labels -- often a high-end brand and a low-budget brand. The majority of Sweden's supermarkets have a modern, upscale look.

The average Swedish supermarket offers the following products from the United States: confectionary, non-alcoholic beverages, dates, almonds, cranberries, sweet potatoes, raisins, pulses and sauces. The alcohol monopoly, Systembolaget, offers a good selection of U.S. wines and craft beer.

Sweden has one of the highest consumption rates of organic products in the world, \$240 per-capita per year. Nine percent of all of the food and beverages sold in Sweden is organic, which is, along with Denmark, the highest percentage in the world.<sup>7</sup> In 2019, organic food sales totaled \$3.3 billion (SEK 28.2 billion), up 0.4 percent from 2018 (SEK 27.8 billion). The reason for the increase is due to the growing health consciousness among consumers. There is also an increase in the availability of organic products and in new product development. In order to keep up with the growing demand, the Swedish government released an ambitious plan to double the land area under organic cultivation by 2020. You will find organic products at any supermarket in Sweden. There are no special organic sections; rather, organic products are placed within a product category next to conventional products.

### Entry Strategy

The first step for U.S. companies that would like to start exporting to Sweden is to determine whether there is a market for their product. In Section III, FAS/The Hague has highlighted several product

<sup>5</sup> © Euromonitor International. (2019, July).

<sup>6</sup> Eurostat Database [nama\_10\_co3\_p3]

<sup>7</sup> Ekoweb

groups that have good sales prospects. However it is important to gain a good understanding of the clients and end-users.

The buyer of the product is in most cases a specialized importer or direct user. Products from the United States in general have a good quality image; however, after import duties and taxes, the product may not be price competitive compared to other suppliers. Additionally, shipping costs and the shipping time might be a disadvantage. It is highly recommended to study Swedish import requirements. The EU Food and Agricultural Import Regulations and Standards ([EU FAIRS Report](#)) provides an overview of import regulation standards and required health certificates. It is also recommended that U.S. exporters verify the full set of import requirements with their Swedish buyer. The buyer and local freight forwarder are in the best position to research such matters with local authorities. The final approval of any product is subject to the Swedish rules and regulations as interpreted by border officials at the time of product entry.

There are several options on how to enter the Swedish market. Exporters may consider exhibiting at a specialized food ingredient trade show in the United States. Swedish buyers regularly travel around the world to see new products, make new contacts and buy great products. Exporters should also consider visiting or even exhibiting at one of Europe's trade shows. Appendix II contains a list of the most relevant European shows. Trade shows can serve as a springboard into the market, helping businesses to establish new trade contacts and gauge product interests. Swedish buyers visit these European shows every year.

U.S. exporters can also contact FAS/The Hague, their respective U.S. State Regional Trade Group, their commodity Cooperator Group and/or their State Department of Agriculture to obtain additional market entry support. Trade Missions, which are often organized around trade shows or other industry trade events, have proven to be an excellent platform for U.S. suppliers of food ingredients to meet with foreign buyers.

Several cooperators such as the Brewers Association, SUSTA, WUSATA, Food Export USA, and Washington State Wine Commission are active in Sweden. They have specific information and experience in helping U.S. companies in their endeavors expanding business in Sweden. Both the Wine Institute and the USA Poultry and Egg Export Council have a local representative in Sweden.

### III. Best Products Prospects



*An overview of several best product prospects*

U.S. exports of agricultural, fishery, and forestry products to the EU in 2020 were valued at \$16.1 billion of which 1.1 percent, or \$170.2 million, was exported to Sweden.<sup>8</sup> U.S. agricultural, fishery, and

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<sup>8</sup> <https://apps.fas.usda.gov/gats/BicoReport.aspx?type=country>

forestry exports to Sweden increased by 1.1 percent (by value) from 2019. Although a relatively small market, Sweden is an interesting market for high-value products and continues to offer export potential for specialty foods, wine, craft beer, tree nuts, and several additional products from the United States. FAS/The Hague maintains a list of Swedish importers of many of these products and can provide interested U.S. exporters with this information upon request (contact information can be found at the end of this report). Additionally, trade statistics can be found online at <http://apps.fas.usda.gov/gats/default.aspx>.

Table 2: Sweden, Best High-Value Products Prospects, \$1,000

<b>Product</b>	<b>Total Imports, 2019</b>	<b>Imports from the United States in 2019 (U.S. Market share)</b>	<b>Key Constraints Over Market Development</b>	<b>Market Attractiveness for USA</b>
Wine (HS code 2204 & 2205)	781,798	36,433 (4.7%)	Wines from France, Italy and Spain are very popular. South African, Chilean, and Argentine wines are popular New World wines.	Sweden does not produce wines and therefore is dependent on imports. The Swedes are among the most affluent consumers in the world.
Biodiesel (HS code 3826)	405,984	0 (0%)	Compliance with the EU Renewable Energy Directive	Sweden only produces twenty percent of their domestic consumption.
Bioethanol (HS code 2207)	284,122	14,462 (5.1%)	Compliance with the EU Renewable Energy Directive	U.S. ethanol is price competitive since the anti-dumping duty has been lifted. There is still an import tariff of €102 per 1,000 liters for denatured ethanol
Sauces and Condiments (HS Code 210390)	157,085	24,055 (15.3%)	Competition from Thailand and EU MS	Growing demand for sauces, preparations, condiments, and seasoning due to Sweden's strong grilling tradition, especially during the summer.
Oils & Fats (HS codes 1501, 1506, 1515, 1518, 3803)	149,555	60 (0%)	Compliance with the EU Renewable Energy Directive	Sweden is expanding its production of biofuels and will increase the sourcing of feedstocks for its production. The United States has an exportable supply of feedstocks, including used cooking oils and tall oil.

Beer (HS Code 2203)	133,268	18,802 (14%)	Competition from the Czech Republic, Belgium, the Netherlands, Denmark, and Germany	The Swedes have strong interest in specialty craft beers from microbreweries.
Almonds (HS Codes: 080212 & 080211)	46,795	20,733 (44%)	Competition from Spanish organic almonds.	Strong demand from bakeries and snack companies.
Raisins (HS Code 080620)	24,050	12,033 (50%)	Competition from Turkey and South Africa	The United States is a trusted supplier of raisins in the world
Oak wood (HS Code 440791)	24,036	9,653 (40%)	The size of Swedish oak wood imports vary depending on the year	The United States has been the largest foreign supplier of oak wood to Sweden for many years
Walnuts (HS Code)	20,273	3,853 (19%)	Some competition from France.	Growing demand from the snack industry and bakeries.
Sweet potatoes (HS Code 071420)	8,373	794 (9.5%)	Competition from the Netherlands and some competition from Belgium and the UK	Strong growth in demand for sweet potatoes in recent years
Whiskies (HS Code 220830)	68735612	2844090 (4.1%)	Competition from the UK and a number of other EU MS	Swedish imports of U.S. whiskies have shown strong growth and demand continues to rise
Non-alcoholic Beverages HS220290	141,918	1,335 (1%)	Competition from other EU MS	The Swedes are interested in well-known brands and innovative beverages.
Snack Food (including Confectionary)	374,635	735 (<1%)	Competition from other EU MS	The Swedes are interested in well-known branded snack foods.

Source: Trade Data Monitor

### Systembolaget

Direct sales of alcoholic beverages to consumers are restricted to a government agency. As a result, wine, beer, and spirits are only available via the non-profit monopoly known as Systembolaget. The purpose of Sweden's alcohol policy is to reduce the harmful effects of alcohol. In 2019, Systembolaget operated 446 shops throughout Sweden and another 527 agents in smaller towns and rural areas.<sup>9</sup> The agents merely serve as pick-up-points.

Systembolaget has two main product ranges: the *fixed-range* and the *available-for-order-range*. The *fixed-range* accounts for the majority of Systembolaget's sales and the 2,465 products in this range meet the demand of the majority of Systembolaget's customers. The *fixed-range* is renewed every March, June, September, and December. The *available-for-order-range* includes the remaining 11,235

<sup>9</sup> Systembolaget



different products which can be ordered in the Systembolaget stores or on-line at [www.systembolaget.se](http://www.systembolaget.se). These items are delivered in the stores or to agents and in some areas are even delivered to homes. Items in the *available-for-order range* that prove to be very popular may move to the *fixed-range*.<sup>10</sup>

The monopoly does not import alcoholic drinks directly but works with specialized and licensed importers. Systembolaget's purchasing process is complicated and competitive, yet transparent. Basically, every three months, Systembolaget's purchase department puts out a very specific Tender Request and importers are invited to present their best beer, spirits, and wines. In these tenders, Systembolaget describes precisely what they are looking for as far as taste, types of hop or grape, style, price, origin, required volumes, etc. Only a few products make it after critically being analyzed, tested, and blind tasted.<sup>11</sup>

In 2019, Systembolaget sold a total of 511.8 million liters with a retail value of SEK 40.2 billion (\$48.4 billion). Volumes increased by 1.4 percent compared to the year before, while the retail value increased by 4.2 percent. Mixed drinks and spirits represented the largest growth segments with a growth of 10.3 percent and 4.4 percent, by volume, respectively. Whereas sales of both alcohol-free products and organic products experienced an increase of 4.2 percent in 2019. In absolute terms, however, beer accounted for the largest share of the increase, with more than 3.6 million liters more sold in 2019 than in 2018.<sup>12</sup>

## **Wine**

The vast majority of all wine sales are generated by the monopoly. In 2019, the monopoly was responsible for 84 percent of all wine sales in Sweden. While the remaining sales consist of restaurants purchasing wines from licensed importers. Sweden is a mature market for wines. In terms of volume, the market has been stable for the past five years at around 200 million liters per year. The retail value of sales increased by 4 percent to SEK 21 billion (\$ 2.5 billion), with wine accounting for 52.2 percent of the total retail value of sales. The Swedes are buying better quality and somewhat more expensive wines. Red wines account for majority of sales (\$1.2 billion). Other popular wines are white (\$687 million) and sparkling wines (\$377 million), followed by rosé (\$164 million) and dessert wines (\$27 million).

Wine in glass bottles is the best-selling type of packaging for wine in Sweden, with a market share of over 70 percent. This is followed by boxed wine (three-liter plastic bags filled with wine in a carton box) which accounts for 20.3 percent of total wine sales. Sales of wines in PET bottles and tetra carton packaging continue to be small.

The popularity of organic wines among the Swedes has been growing rapidly in recent years. Sales more than tripled in the past five years and are now valued at \$5.6 billion (SEK 4.7 billion). Organic wines now account for over 22 percent of total wines sales,<sup>13</sup> and the market for these wines is expected to continue to grow in the years ahead. In order to meet consumer demand, Systembolaget is striving to offer an organic alternative for all of the major conventional wine segments. In addition, the monopoly

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<sup>10</sup> <https://www.omssystembolaget.se/om-systembolaget/inkop-kvalitet/sa-valjer-vi-sortiment/>

<sup>11</sup> For more information about Systembolaget's purchasing process, see [www.omssystembolaget.se/english/to-become-a-supplier/purchasing-process/](http://www.omssystembolaget.se/english/to-become-a-supplier/purchasing-process/)

<sup>12</sup> [https://www.omssystembolaget.se/img/publishedmedia/07qg5z3dayr05yo9ej3n/2019Q4\\_Varugrupp.pdf](https://www.omssystembolaget.se/img/publishedmedia/07qg5z3dayr05yo9ej3n/2019Q4_Varugrupp.pdf)

<sup>13</sup> [https://www.omssystembolaget.se/img/publishedmedia/qzvoje34nq6mniu7b3fn/2019Q4\\_Eko.pdf](https://www.omssystembolaget.se/img/publishedmedia/qzvoje34nq6mniu7b3fn/2019Q4_Eko.pdf)

offers ethically certified wine. This segment has experienced a similar growth in recent years. In 2018 and 2019, sales of ethically certified wine grew by 13.3 percent and 10 percent, respectively, reaching a total of 13.2 million liters. Sales of ethically certified wine accounted for 4.6 percent of the retail value of all wines sold by Systembolaget in 2019. Sales of alcohol-free wine have seen a strong increase as well in recent years, however, sales (0.6 percent), as percentage of total wine sales by the Monopoly, remain small.<sup>14</sup>

Retail prices for wines can vary from an average price of \$10.52 per liter for white wine up to an average price of \$18.40 per liter for sparkling wine. Average prices for rosé wines (\$10.6/liter), red wines (\$12.02/liter) and dessert wines (\$16.47/liter) are found within this range.<sup>15</sup>

Sweden does not produce wine and therefore fully depends on imports. Wines from France, Italy, and Spain account for nearly half of Sweden's total wine imports. At the moment, wine imports from the United States (\$1.5 billion) are dominated by wines from California. The average Swedish consumer is not very familiar with wines from other States. However, there are ample opportunities for conventional and organic wines from states such as New York, Washington, Oregon, Virginia, Idaho, and elsewhere. In 2019, Systembolaget sold 7.8 million liters of red wine from the United States, the U.S. being the fifth largest country of origin for red wine sales in Sweden. White wine sales from the U.S. reached 1.7 million liters in that same year, making the U.S. the thirteenth largest exporter of white wines to Sweden.<sup>16</sup>

## **Beer**

Beer with an alcohol percentage higher than 3.6 percent can only be sold via the monopoly while beer with a lower alcohol percentage can also be sold via Swedish food retail stores. Systembolaget's annual beer sales in 2019 totaled SEK 9.7 billion (\$1.2 billion) of which more than 90 percent are sales of lager beer. Beer accounted for 51 percent of Systembolaget's sales by volume and 24 percent by value.<sup>17</sup>

Total sales have seen a slight increase in the past five years in terms of volume. In terms of value, however, beer sales grew annually (by three to four percent) due to the shifting consumer demand from lager beer to more expensive craft and organic beer. Interest in these types of beer is likely to continue, along with growing interest in locally produced beer and beer with a lower alcohol content. Moreover, sales of seasonal beer experienced a slight uptick in 2019 (increasing by 1.4 percent).<sup>18</sup> Sales of organic certified beer have slowed compared to previous years. While sales of organic beers increased by 17 percent in 2018, the increase in 2019 was only 3.2 percent, reaching a total of 17 million liters (accounting for 6.5 percent of all beer sales)<sup>19</sup>

Sales of specialty beer continue to increase, but no longer by double digits. In 2019, total sales of craft beer were up by 5 percent, reaching 21.6 million liters and representing 22.4 percent of overall beer sales by the Monopoly. Ale beer, like the well-known IPAs, is still the biggest segment within the craft beer range (while sales of high alcohol IPAs are on the decline). This is most likely a reaction to the fact that consumers are increasingly thinking about their alcohol intake. Consumers also seem to have

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<sup>14</sup> Systembolaget

<sup>15</sup> Ibid

<sup>16</sup> [https://www.omsystembolaget.se/img/publishedmedia/wj5fwgbasukn7q589cfl/2019Q4\\_Vin\\_Land.pdf](https://www.omsystembolaget.se/img/publishedmedia/wj5fwgbasukn7q589cfl/2019Q4_Vin_Land.pdf)

<sup>17</sup> Systembolaget

<sup>18</sup> [https://www.omsystembolaget.se/img/publishedmedia/07qg5z3dayr05yo9ej3n/2019Q4\\_Varugrupp.pdf](https://www.omsystembolaget.se/img/publishedmedia/07qg5z3dayr05yo9ej3n/2019Q4_Varugrupp.pdf)

<sup>19</sup> [https://www.omsystembolaget.se/img/publishedmedia/qzvoje34nq6mniu7b3fn/2019Q4\\_Eko.pdf](https://www.omsystembolaget.se/img/publishedmedia/qzvoje34nq6mniu7b3fn/2019Q4_Eko.pdf)

more appreciation for craft beer flavored with a variety of fruits. Beer with a less hoppy taste is gaining popularity, as are sour beers and classic-style beer. Growing interest in beer and food pairings will likely result in further growth in the craft beer segment in the future. Beer is increasingly competing with wine as a drink to serve with fine dining. Consumers are increasingly asking for menu suggestions to be accompanied by beer.

The Swedish beer market is dominated by beer brewed in Sweden. In addition, the Swedes love imported specialty beer (especially those from the United States, Belgium, and the United Kingdom). Craft beer imports from the United States represent roughly between 4.5 to 5 percent of craft beer on offer in Sweden. Sweden offers excellent export opportunities for craft and organic beer from the United States.<sup>20</sup>

### **Biofuels & Feedstocks**

Sweden is an interesting market for transport biofuels and, in particular, for the feedstocks used for the production of biofuels. Since 2016, the United States exported roughly \$25-30 million<sup>21</sup> of tall oil to Sweden each year (U.S. Census Bureau). As a result, Sweden is the third largest export market for U.S. tall oil, just behind Japan and Finland. In 2020, the export of U.S. tall oil to Sweden is forecast to pass the \$30 million. In Sweden, tall oil is mainly used for the production of Hydrogenated Vegetable and Pyrolysis Oil (HVRD), a biofuel which can be used for road, air, and marine transport.

The Swedish demand for tall oil and other feedstocks for the production of HVRD is forecast to increase significantly during the next three years.<sup>22</sup> Currently, Sweden produces nearly 160 million liters of HVRD each year from tall oil. However, the Swedish biofuel sector is planning to expand its production capacity to 220 million liters, and is reportedly planning to further expand its HVRD production to more than 1 billion liters in 2023 (likely using UCO and tall oil as feedstocks). Sweden is also an interesting market for transport biofuels. In the EU, Sweden is the third and sixth largest market for biodiesels and ethanol, respectively, for road transport, and is a net importer of both biofuels. For more information about the Swedish and EU biofuels and related feedstock market see the [FAS EU Biofuels Annual 2020](#), published June 29, 2020.

### **Specialty Foods**

Supermarkets offer a good selection of specialty foods. Unique to Sweden is the huge popularity of “pick & mix” confectionary products and nuts. The United States has a good reputation in Sweden as specialty foods from the United States enjoy a positive image among consumers.



*Barbecue sauces and pick & mix are popular*

<sup>20</sup> Systembolaget

<sup>21</sup> This trade is not reflected by Swedish import statistics probably because the product is imported via another EU Member State.

<sup>22</sup> Examples of other feedstocks for HVRD production are animal fats, technical corn oil, and used cooking oil (UCO).

Some supermarkets offer a special “U.S. Foods Section” while other stores have moved U.S. specialty foods into the general category shelves. Well known branded sauces & condiments (especially barbecue sauces), prepared foods, snack products, and non-alcoholic beverages from the United States are popular. In 2019, U.S. exports of specialty foods to Sweden totaled \$34.6 million. Specialty foods are imported by a handful of specialized Swedish importers who often distribute to other countries in the Nordics as well.

### **Tree Nuts & Raisins**

Like all Northern European countries, Sweden does not produce any tree nuts and fully depends on foreign suppliers. Tree nut imports were valued at \$184.6 million in 2019. The most popular tree nuts are almonds followed by cashew nuts, walnuts, and hazelnuts. Almond imports, mainly coming from California, totaled \$46.8 million in 2019.<sup>23</sup> The bakery and the snack industries use almonds for making marzipan, almonds paste, toppings (sliced flakes), and fillings. In Sweden, almond filling is used for making Semlas, a traditional and popular sweet roll. Almonds are also increasingly being used by snack companies who mix them with other nuts. Nut-based healthy snack bars and trail mixes are also popular in Sweden and can be found in all supermarkets.

Sweden’s imports of walnuts more than doubled in the past five years. Walnuts are used as an ingredient in the baking industry, as a topping in salads and other food products, and as a snack. Although the United States dominates the walnut market, a lot of imports enter Sweden via the Netherlands and Germany. Swedish bakery and snacking companies import directly from the United States but also buy their products from specialized importers.

The United States is also responsible for 50 percent of Swedish raisins imports (valued at \$12 million). The United States is followed by Turkey (29 percent) and South Africa (7 percent) as the second and third largest exporters of raisins to Sweden.

### **Other products of note:**

Sweden also provides good opportunities for other products, including, but not limited to, oak wood, spirits, and sweet potatoes:

#### **Oak Wood**

The United States is the world’s leading exporter of oak wood.<sup>24</sup> Sweden is the 12<sup>th</sup> largest importer of processed oak wood from the United States, which accounts for 40 percent of total Swedish oak wood imports by value (\$9.7 million). Moreover, U.S. exports during the first six months of 2020 were 15 percent higher than during the same period in 2019.

#### **Spirits**

The United States is also a large exporter of spirits<sup>25</sup>, particularly whiskies. Swedish imports of U.S. whiskies were valued at \$2.8 million in 2019. Systembolaget’s sales of U.S. whiskies have increased sharply -- from 216,877 liters in 2010 to 345,656 liters in 2018, an increase of nearly 60 percent.<sup>26</sup> Trade figures for 2020 (January – August), however, show a 5.6 percent decrease

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<sup>23</sup> Organic almonds, however, are typically sourced from Spain.

<sup>24</sup> HS Codes: 440391 & 440791

<sup>25</sup> HS Code: 2208

<sup>26</sup> <https://medium.com/northern-bourbon/2018-american-whiskey-sales-in-sweden-moderately-examined-42c31f78c04a>

of U.S. whisky exports to Sweden. Most likely, this decrease is the result of the corona pandemic which led to reduced trade in food products during the first months of the pandemic.

**Sweet potatoes**

In 2019, Sweden imported nearly 5,000 tons of sweet potatoes, valued at \$8.4 million. The United States is the world's largest producer and exporter of sweet potatoes. However, most imports entered via the Netherlands, which was responsible for 64 percent of Swedish sweet potato imports.

**FAS/The Hague Stands Ready to Assist**

FAS/The Hague maintains a list of buyers for various food products and is happy to assist U.S. exporters interested in the Swedish market. For inquiries, please email us at [agthehague@usda.gov](mailto:agthehague@usda.gov).

## Appendix I. Leading Buying Groups in Sweden

<b>Purchase Group:</b>	<b>Market Share, percentage:</b>	<b>Retail chains:</b>
<b>ICA Gruppen AB</b> Kolonnvägen 20 SE-169 71 Solna, Sweden Phone: +46 8 56 15 00 00 www.icagruppen.se	39.1	ICA Supermarket – mid-size supermarkets (21.5 percent); ICA Maxi – hypermarkets (supermarket and department store) (12 percent); ICA Nära – convenience stores (5.6 percent)
<b>Coop - Swedish Co-operative Union</b> (In Swedish: Kooperativa Förbundet) Englundavägen 4 SW 171 41 Solna, Sweden Phone: +46 10 740 00 00 www.coop.se	17.9	Coop Stora – (7.1 percent) Coop (6.0 percent) Coop Forum – hypermarkets (supermarket and department store) (1.4 percent); Netto – (1.4 percent); Coop Konsum – mid-size supermarkets (0.7 percent); Coop Maximat – (0.7 percent) And others (0.5 percent)
<b>AxFood</b> Norra Stationsgatan 80C SE-113 65, Stockholm, Sweden Phone: +46 8 553 99 000 www.axeljohnson.se	14.2	Willy's - (8.6 percent) Hemköp - (4.0 percent) Tempo - (0.6 percent) Handlarn - (0.5 percent) Direkten – (0.4 percent) Östenssons Livs – (0.2 percent)
<b>Systembolaget</b> Kungsträdgårdsgatan 14 SE-111 47, Stockholm, Sweden Phone: +46 8 503 300 00 www.systembolaget.se	10.2	There are 445 liquor stores in Sweden and they are the only stores that are allowed to sell alcoholic beverages that contain more than 3.5% alcohol.
<b>Schwarz Gruppe</b> Anderstorpsvägen 22 SW-171 04, Solna, Sweden Phone: +46 8 55 55 70 00 www.lidl.se	3.4	Lidl – discount supermarkets (3.4 percent)
<b>Bergendahl &amp; Son AB</b> Industrigatan 22 SW-281 21 Hässleholm, Sweden Phone: +46 451 480 00 www.bergendahls.se	3.4	City Gross – large discount supermarkets (3.3 percent) Matöppet – (0.2 percent)
Other	11.8	

Source: Euromonitor International, a market research provider, and company websites

## **Appendix II. Trade Shows in Europe**

Due to the current corona pandemic no trade shows are currently scheduled. FAS/The Hague will keep businesses posted about any trade show opportunities in the Nordic region in 2021 and 2022. For more information, please visit the website of FAS Europe: <https://fas-europe.org/>

### **Attachments:**

No Attachments.