



Sweden
Sverige

BUSINESS CLIMATE SURVEY FOR SWEDISH COMPANIES IN THE UNITED KINGDOM 2025

A REPORT FROM TEAM SWEDEN IN THE UNITED KINGDOM

TABLE OF CONTENTS

FOREWORD..... 3
ABOUT THE SURVEY 5
ECONOMIC OUTLOOK 7
THE MARKET 12
HOW SWEDISH COMPANIES SUCCEED IN THE UK 20
ACTING SUSTAINABLY 23
CONTACT US 27

KEY CONTRIBUTORS TO THIS REPORT

Business Sweden in the United Kingdom
Qahir Bandali, Consultant, Qahir.Bandali@business-sweden.se

Swedish Chamber of Commerce in the United Kingdom
Alexander Högberg, Head of Communications
Alexander.Hogberg@scc.org.uk

Maja Stenberg, Marketing Executive
Maja.Stenberg@scc.org.uk

Embassy of Sweden in the United Kingdom
Clara Korsgren, Economic and Trade Politics Officer
clara.korsgren@gov.se

FOREWORD



H E Stefan Gullgren
Ambassador of Sweden
to the UK



Gustaf Bergström
Trade & Invest
Commissioner UK and
Ireland, Business
Sweden



Fredrik Warneryd
Chief Executive Swedish
Chamber of Commerce
for the UK

Team Sweden in the United Kingdom is pleased to present the findings of the **sixth edition of the Business Climate Survey** for Swedish companies in the UK. The survey is – as always – a result of close collaboration between the Embassy of Sweden, the Swedish Chamber of Commerce, and Business Sweden (the Swedish Trade and Invest Council), as well as part of the larger Global Business Climate Survey team.

More than half a decade has passed since the first iteration of the Business Climate Survey for Swedish companies in the United Kingdom. At the time of the inaugural report's publication, the Covid-19 pandemic had not yet manifested to the point of significant and irrevocable global disruption. Last year's survey was conducted against the backdrop of a general election in the UK. Now, at the time of this writing, the UK Labour Party nears its first year in office. Across the Atlantic Ocean, President Trump has passed 100 days of his second presidency. Rising and continuing geopolitical tensions, such as in Eastern Europe and the Middle East, are creating dual uncertainty at national and international levels. In uncertain times, some businesses have opted to adopt a 'wait-and-see' approach, thereby postponing strategic decisions and investments while awaiting more certain rules of engagement, for example, with regards to the policy and regulatory environment in the relevant market(s) or the impact of conflict or political change on crucial trade flows and routes.

Despite this uncertainty, **Team Sweden in the UK is delighted to present the key results from this year's survey** – pointing to continued strong Swedish-British bilateral trade relations, including:

- **Sixty per cent** of respondent describe their company's **financial performance** in 2024 as profitable.
- **Seventy-seven per cent** expect their **industry turnover to increase**, while **60 per cent of companies** have indicated that they plan to increase their investment in the UK in the next 12 months.
- Moreover, **a majority** find that the **'Swedish brand' contributes positively** to their business in the UK.

63 respondents in the United Kingdom

Current business climate

70%

of Swedish companies deem the UK business climate to be neutral/good/very good

Industry turnover

77%

of Swedish companies expect their industry turnover to increase

Future investments

60%

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

Globally valued success factors

1. Partnerships/relationships
2. Brand awareness
3. Collab-/feedback from clients

Brand Sweden

75%

of Swedish companies abroad consider Brand Sweden beneficial for business

Local conditions with high satisfaction

1. Personal safety
2. Service providers
3. Work culture

Local conditions with least satisfaction

1. Customs
2. Physical infrastructure
3. Corporate taxation

Environmental considerations

68%

of respondents believe environmental considerations are a factor in their customers' purchasing decisions

Corruption

4% of companies reported exposure to corruption.

Human rights violations and labour rights abuse

4% of companies reported exposure to human rights violations and/or labour rights abuse.

ABOUT THE SURVEY

The 2025 Business Climate Survey for the UK features responses from 63 Swedish companies

With its business-friendly environment, world-leading talent base, and population of more than 69 million people, the UK offers an attractive market for Swedish companies expanding internationally. Furthermore, in addition to being home to leading, historic universities and ecosystems of research and innovation, the UK is a top-ranking country in the latest global indexes for both nation branding and soft power.

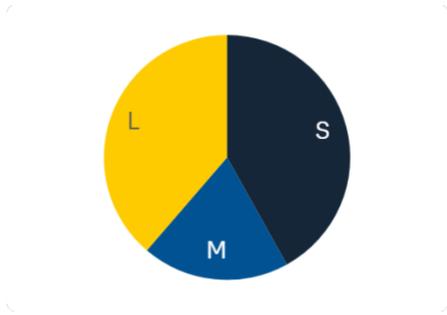
The presence of an estimated 1,500 Swedish and/or Swedish-owned companies in the UK further demonstrates that our bilateral trading links remain strong and deeply rooted in history. In fact, as is highlighted in the most recent iteration of the Swedish Government's 'Strategy for Sweden's trade, investment, and global competitiveness', the UK is Sweden's sixth largest export market and fourth largest import source. For a small export-reliant country like Sweden, the UK is a key trading partner.

As with previous editions, the purpose of the Business Climate Survey is to gain a better understanding of the perception of market conditions for Swedish companies active in the UK, as well as their economic prospects and possible challenges. To this end, the internationally standardised survey questionnaire has been complemented by tailored questions regarding local market conditions.

This year, companies were asked to share their views on upcoming larger business opportunities, the influence of the current political climate on strategic decision-making, as well as anticipated growth through acquisitions in the UK market. In total, the survey was sent to over 500 company representatives. The answers to this year's survey were collected during February and March 2025, with a total of 63 Swedish companies responding. Of these 63 respondents, 42 per cent were small companies, 39 per cent were large companies, and 19 per cent were medium-sized companies. In terms of industries represented amongst responding companies, 47 per cent identify as being within the professional services sector, followed by 41 per cent in the area of Industrials and 12 per cent within the consumer space.

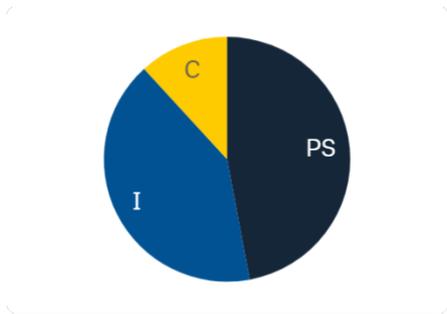
As in previous years, any results and statistics presented in this year's report are purely indicative of responding companies' views and experiences of the past, current and future market conditions in the UK. As always, the survey needs to be interpreted in the context of the current economic climate as well as the political and geopolitical environment. This year specifically, in light of the ongoing Russian aggression in Ukraine, the war between Israel and Hamas and the consequences of President Trump's enhanced trade tariffs toward much of the global economy.

SIZE OF COMPANIES



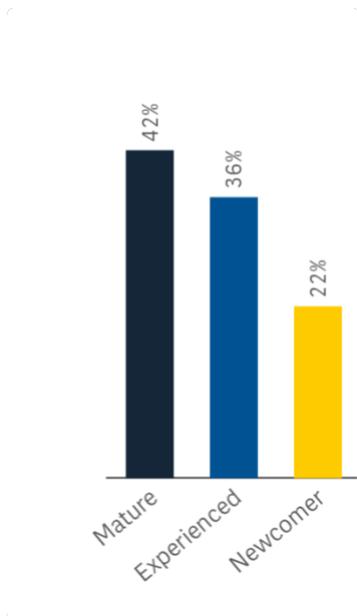
NOTE: Global employees. Large >1000. Medium 250-1000. Small 0-249

MAIN INDUSTRY



NOTE: Industrial 41%. Professional services 47%. Consumer 12%

AGE OF COMPANIES



NOTE: Mature (<2003). Experienced (2004-2019). Newcomer (2020-)

ECONOMIC OUTLOOK

Following a period of volatility, the UK economy is showing signs of growth

As we move through 2025, the UK presents a mixed picture for Swedish businesses, one that calls for both attentiveness and agility. Economic growth remains modest, with forecasts ranging from 0.8 per cent to 1.7 per cent. While this points to relative resilience given global uncertainty, it also reflects underlying caution across the domestic economy. Inflation continues to run above the Bank of England's 2 per cent target, with the Consumer Price Index expected to reach 2.8 per cent by year-end. In turn, interest rates are likely to remain elevated, with the base rate projected to hold at 4.25 per cent, keeping the cost of borrowing higher for businesses and households alike. However, projections suggest a decrease in interest rates to 3.75 per cent by the end of 2025.

The UK's post-Brexit relationship with the EU continues to evolve. The May 2025 trade agreement is a welcome step towards reducing friction in areas such as regulatory cooperation and customs processes. However, it stops short of full alignment, meaning many of the practical challenges facing cross-border trade remain. For Swedish firms with supply chains or customers on both sides of the Channel, careful planning and adaptation will remain essential.

Broader geopolitical shifts are also shaping the landscape. The UK has taken on a more prominent role within NATO amid heightened global security concerns. This increased engagement, alongside rising defence spending, may create opportunities for Swedish companies in sectors such as advanced manufacturing, clean technologies, and cyber resilience – all areas in which Sweden is well-positioned to contribute.

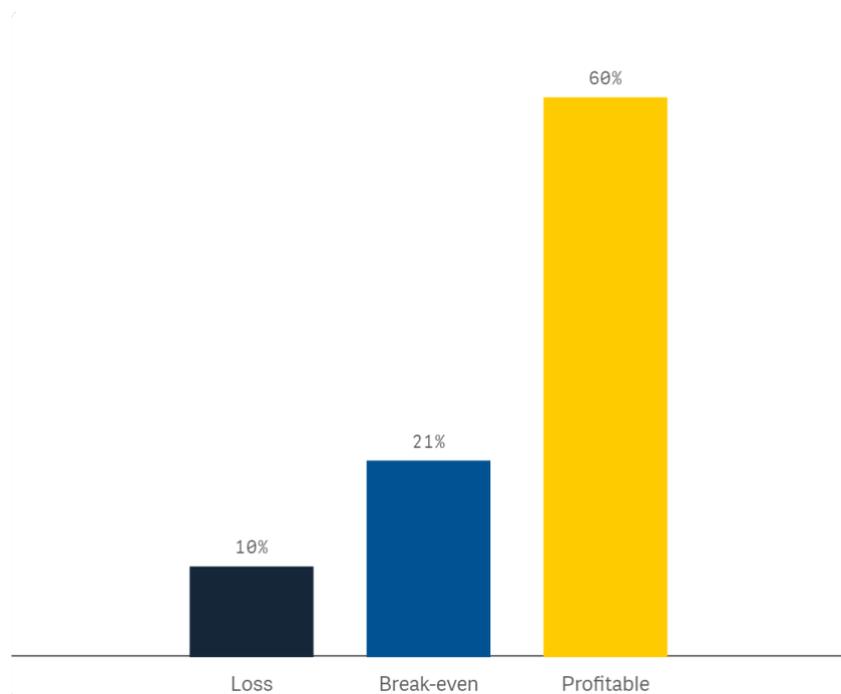
At the same time, the USA's trade policy has re-entered the spotlight. The return of Donald Trump to the White House has brought renewed talk of tariffs, particularly on European goods. While the direct impact on UK-Sweden trade may be limited, global supply chains are increasingly interconnected, and volatility in one market can quickly ripple into another. Swedish businesses with a footprint in the UK should keep a close eye on these developments, especially in sectors exposed to global pricing or intermediate goods.

Domestically, the new Labour government is implementing a range of employment law reforms with a focus on strengthening workers' rights. This includes changes to minimum wage levels, limits on certain types of contracts and expanded statutory protections. While these reforms aim to support long-term economic fairness, they are also likely to raise costs for employers and increase the need for robust HR and compliance systems.

Consumer sentiment, though still fragile, has shown tentative signs of recovery. For Swedish companies in consumer-facing sectors, this may offer opportunities, particularly for those with strong brand recognition and a clear value proposition.

Taken together, the UK remains a strategically important market for Sweden. It is a key economic partner with deep-rooted ties and global reach. Succeeding in 2025 will require careful navigation of regulations, supply chains and an evolving global context. For those who get it right, the UK still offers room for growth and meaningful long-term partnerships.

HOW WOULD YOU DESCRIBE YOUR COMPANY'S FINANCIAL PERFORMANCE IN THE UNITED KINGDOM IN 2025?



NOTE: The number of respondents for this question was 63. "Don't know/Not applicable" responses are included but not shown in this figure.

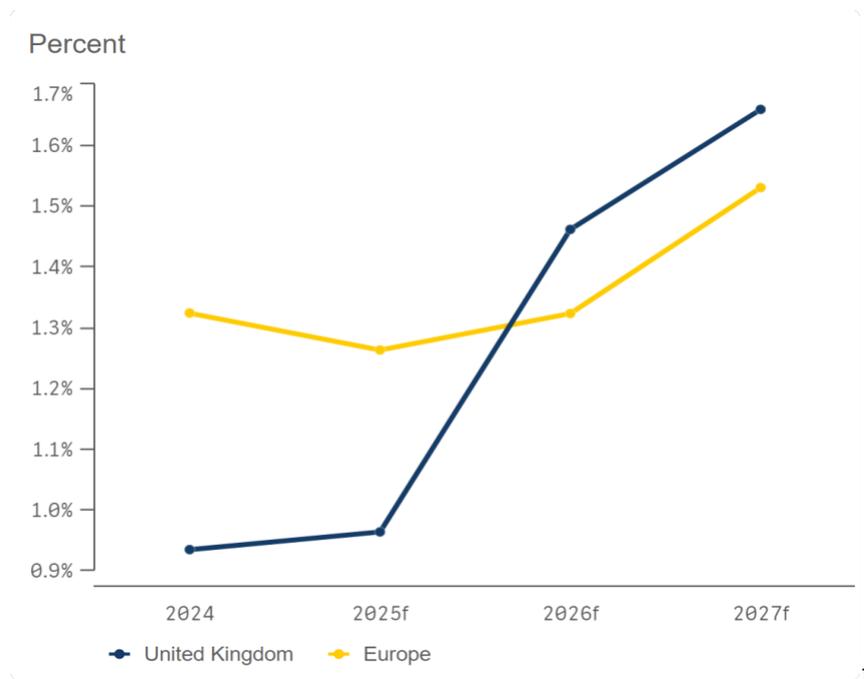
SOURCE: Business Climate Survey for Swedish companies in the United Kingdom 2025.

Swedish companies continued to demonstrate strong profitability in 2024

It was positive to observe that a solid 60 per cent of surveyed companies in the UK reported profitability. A further 21 per cent managed to break even, while 10 per cent unfortunately experienced losses. When we look back at 2023, the profitability figure was also 60 per cent, demonstrating a consistent continuation.

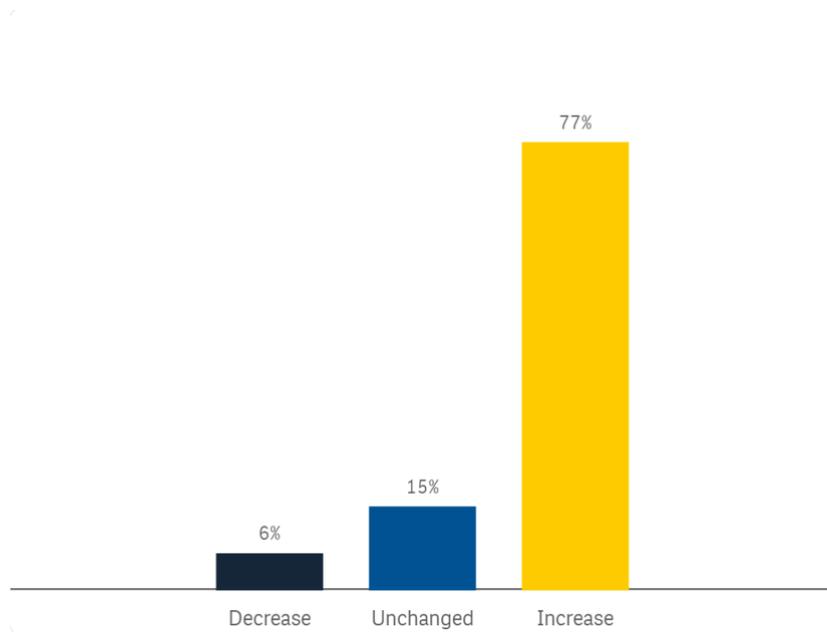
Indeed, the UK continues to maintain a competitive corporate tax regime and a business-friendly regulatory framework, which supports foreign companies in operating efficiently and cost-effectively. Many Swedish firms have shown a strong ability to adapt to the UK market by localising operations, streamlining supply chains, and investing in operational efficiency.

PROJECTED GDP GROWTH IN THE UNITED KINGDOM



NOTE: Constant prices.
 SOURCE: Oxford Economics 11 March 2025

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



NOTE: The number of respondents for this question was 63. "Don't know/Not applicable" responses are included but not shown in this figure.
 SOURCE: Business Climate Survey for Swedish companies in the United Kingdom 2025.

Optimism continues with regard to industry turnover

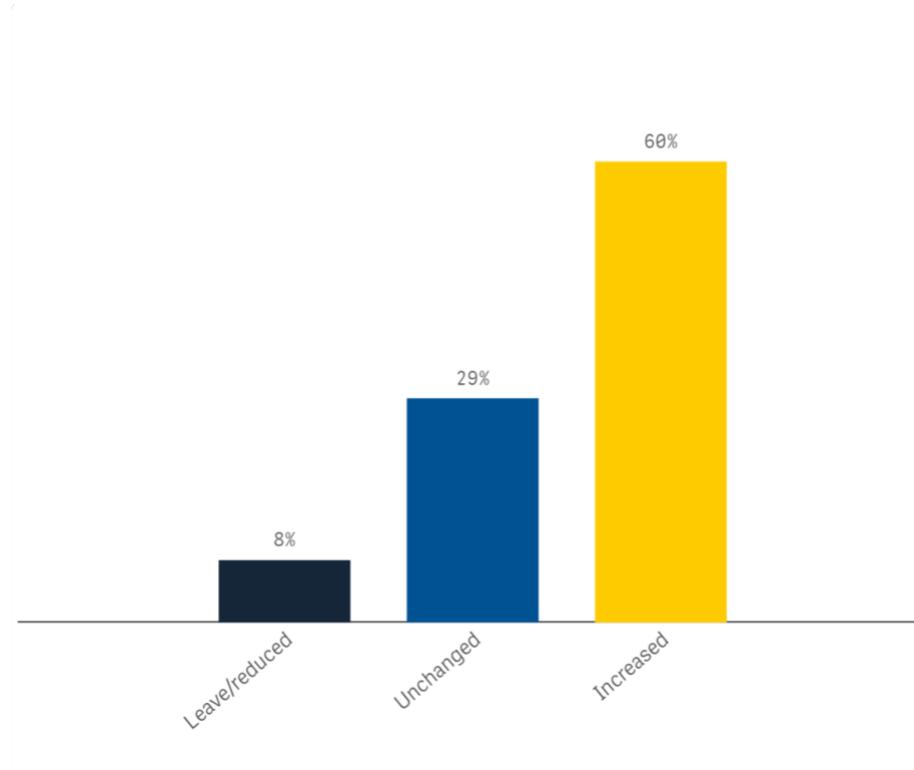
The UK economy expanded by 0.7 per cent in the first quarter of 2025, exceeding market expectations of 0.6 per cent growth for the period. This performance marks a positive shift in economic momentum, underpinned by resilient consumer spending, improving business investment, and stabilising inflation. Significantly, the UK recorded the strongest quarterly growth among G7 nations, which include Canada, France, Germany, Italy, Japan, and the United States.

This performance positions the UK as a relative outlier among advanced economies, many of which continue to grapple with the lingering effects of high interest rates and subdued global demand. The uptick in UK growth signals a more confident domestic economic outlook and may offer greater fiscal flexibility in the months ahead.

The strength of the UK's trade relationship with the USA is particularly relevant in this context. As the UK's largest non-EU trading partner, developments in the USA's economy have substantial implications for British exports and investment flows. In May 2025, the UK and the USA signed a new trade agreement aimed at reducing selected tariffs and enhancing market access in key sectors, including advanced manufacturing, services, and clean technology.

While the agreement has been broadly welcomed by business leaders and policymakers alike, its implementation timeline remains uncertain, with several technical and regulatory elements still under discussion. Nevertheless, the announcement has contributed to improved business sentiment and reinforced the UK's international trade outlook during a critical phase of economic recovery.

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



NOTE: The number of respondents for this question was 63. "Don't know/Not applicable" responses are included but not shown in this figure.

SOURCE: Business Climate Survey for Swedish companies in the United Kingdom 2025

Looking ahead to the next 12 months, the optimism regarding industry turnover among company representatives in the UK has noticeably strengthened compared to the previous survey. This year, a significant 60 per cent of respondents anticipate an increase in industry turnover – the highest level of optimism for increased turnover since 2022. A further 29 per cent expect turnover to remain unchanged. Encouragingly, the proportion of those foreseeing a leave or reduction in turnover has fallen to just eight per cent.

This positive outlook represents a considerable shift from the 2024 survey, where 81 per cent of respondents anticipated an increase. While the expectation of increased turnover has slightly decreased this year, the key takeaway is the substantial rise in the number of companies expecting unchanged turnover, suggesting a greater sense of stability. Furthermore, the percentage anticipating a decrease has remained relatively low at eight per cent, a notable improvement compared to the 19 per cent who expected a decrease in the 2024 survey.

This evolving perspective on local market conditions is further supported by the opportunities identified by company representatives in the UK. These include sustained demand for high-efficiency products, continued business potential in energy storage and district heating solutions, and ongoing developments within the transport sector. One respondent commented that “the UK government should prioritise stronger incentives for energy efficiency and sustainability. Additionally, modernising infrastructure, including energy grids and transportation networks, is crucial”. This focus on the evolution of innovation and new skills is echoed by another respondent who pointed out the necessity of Swedish companies helping to “develop a training and upskilling programme to support UK employees or suppliers”.

THE MARKET

The UK maintains a robust environment for fledgling and mature Swedish companies alike

The UK offers a supportive business environment for fledgling and mature Swedish companies. For centuries, the UK has been recognised as a global beacon for business and entrepreneurship thanks to its supportive and diverse business environment. With a robust legal framework, favourable taxation policies, strong democratic values, access to finance and a vibrant business ecosystem, the UK provides a fertile ground for businesses to thrive. The UK has a well-established financial sector. Venture capital firms, angel investors and government-backed initiatives can provide funding support for companies. The presence of globally renowned financial institutions in cities like London but also Belfast, Edinburgh and Manchester enhances access to capital and facilitates international business transactions.

In 2024, venture capital investment in British businesses continued at a robust level, focusing increasingly on sustainable technologies and digital innovation. Angel investors remained active, particularly in seed and early-stage funding rounds. The UK's business ecosystem thrives on innovation, collaboration, and knowledge-sharing. Thanks to its central global location, the UK hosts numerous incubators, industry-specific conferences and networking events that connect entrepreneurs with potential partners, experts, and mentors. The presence of world-class universities and research institutions further bolsters innovation and fosters a skilled workforce. Throughout 2025, there has been a noticeable increase in initiatives supporting cross-border collaboration, particularly between UK and Nordic tech startups, facilitated by various government and private sector programs.

Based on this year's survey data (conducted in early 2025), the distribution of when responding companies established operations in the UK reveals some interesting trends. A significant proportion, 35 per cent, established their presence before 2003, indicating a strong foundation of long-term commitment from Swedish businesses in the UK market. The mid-periods of 2004-2008, 2009-2013, and 2014-2018 saw smaller but consistent levels of establishment, accounting for eight per cent, 5 per cent, and 12 per cent, respectively. The most notable trend is the substantial increase in companies establishing operations in the UK from 2019 onwards, representing 40 per cent of the respondents. This significant rise could be attributed to several interconnected factors. Post-Brexit adjustments may have prompted some Swedish companies to establish a direct UK presence to navigate new trade relationships. Furthermore, the growth in specific sectors within the UK, such as technology and renewable energy, likely attracts newer Swedish companies specialising in these areas.

The UK's continued reputation as a favourable investment climate, with its strong legal framework and access to talent, also contributes to this trend. Finally, a broader strategic focus on global market expansion among Swedish companies in recent years is likely playing a role in the increased number of new entrants into the UK market. Overall, the data suggests a continued strong and evolving interest in the UK market for Swedish companies, with a clear acceleration in new establishments in recent years.

Business Services stands out as the most prevalent sector, encompassing 22.6 per cent of respondents, indicating the significant role Swedish expertise plays in supporting various UK businesses. Following this, Industrial Equipment represents a substantial 11.3 per cent, highlighting the continued importance of Swedish manufacturing and engineering in the UK market. The 'Other' category accounts for 17.7 per cent, suggesting a diverse range of activities outside the top specific sectors. Several sectors show similar representation, including automotive and consumer goods at 6.5 per cent each, and healthcare/pharma and IT/electronics both at 4.8 per cent.

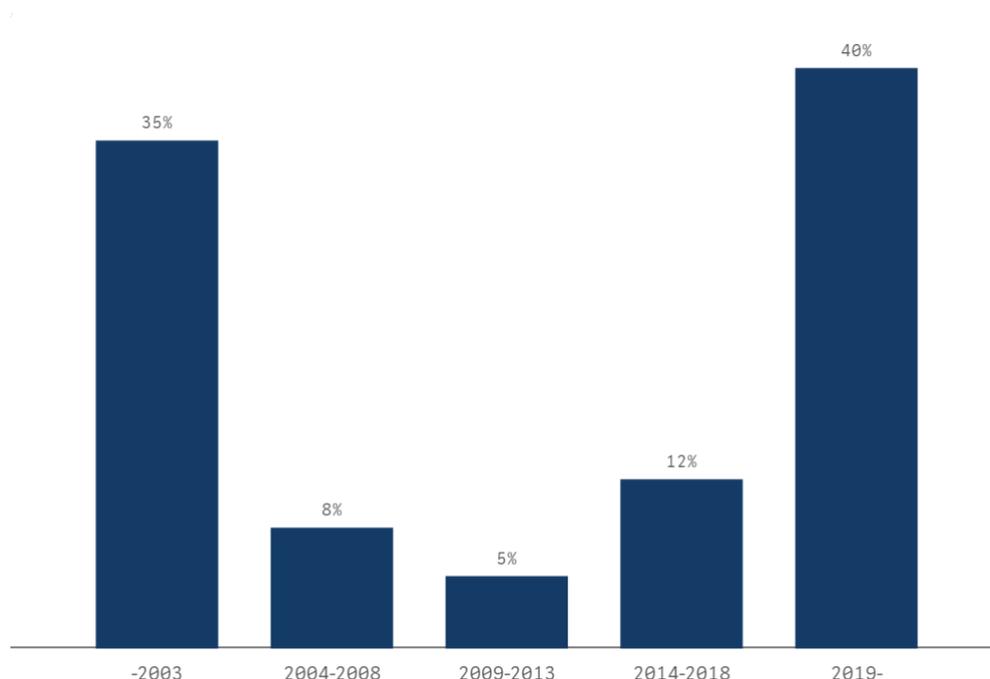
Aerospace/defence and water/recycling represent smaller segments. Finally, the 'Outside top 10' category comprises 14.5 per cent, indicating a long tail of various other industries.

When comparing this to last year's data, some interesting shifts emerge. Business Services has seen a significant increase in representation (from 8.5 per cent last year to 22.6 per cent this year), suggesting a growing trend of Swedish companies focusing on providing services to the UK market. Conversely, healthcare/pharma has experienced a notable decrease (from 10.6 per cent to 4.8 per cent), which could indicate sector-specific challenges or a shift in focus for Swedish investment. The Industrial Equipment sector remains a strong and relatively stable area of operation. The 'Other' category has also seen an increase (from 14.9 per cent to 17.7 per cent), potentially reflecting the emergence of new niche markets or a broader diversification of Swedish business activities in the UK. The 'Outside top 10' category has decreased (from 21.3 per cent to 14.5 per cent), suggesting a greater concentration of Swedish companies within the more defined top sectors this year. Overall, the data indicates a dynamic landscape with a strengthening presence in Business Services and a rebalancing across other sectors, reflecting the evolving opportunities and challenges within the UK economy.

This year's respondent group reflects a slightly different sectoral composition compared to previous years, which may partly explain some of the shifts observed. Notably, the proportion of companies from the Healthcare/pharma sector is lower this year, which could be due to several factors. These include broader industry trends, such as longer product development cycles, regulatory hurdles, or a temporary reduction in UK market expansion activity within the life sciences space. Additionally, the increased representation of Business Services may reflect a greater engagement from agile, service-based SMEs that are often quicker to respond to surveys and are currently more active in establishing or expanding UK operations. This evolving respondent mix highlights the importance of contextualising year-on-year changes and suggests that sectoral fluctuations may reflect both strategic business decisions and broader macroeconomic factors affecting sector participation.

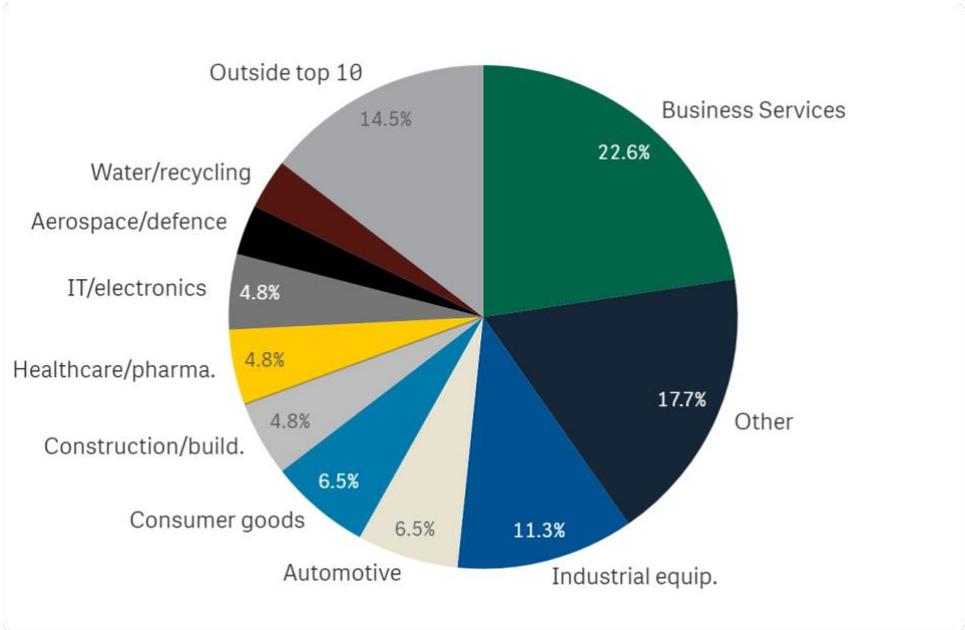
Based on this year's survey, the vast majority of responding Swedish companies operating in the UK are classified as small enterprises (0-249 employees), representing a significant 75 per cent. Medium-sized companies (250-1000 employees) constitute a much smaller proportion at seven per cent, while large companies (over 1000 employees) account for 15 per cent of the surveyed businesses. This distribution underscores the strong presence of small and medium-sized enterprises within the Swedish-UK business landscape, although a notable segment of larger companies also contributes to the economic activity.

IN WHAT YEAR DID YOUR COMPANY ESTABLISH OPERATIONS IN THE UNITED KINGDOM?



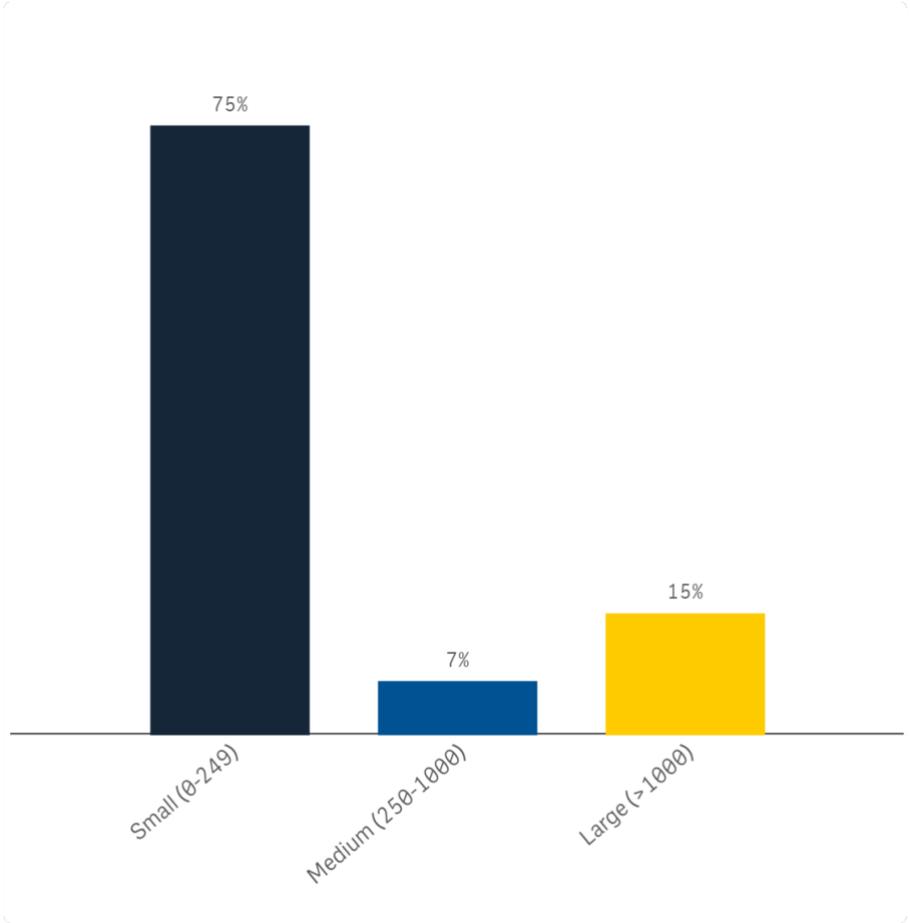
NOTE: The number of respondents for this question was 63. "Don't know/Not applicable" responses are included but not shown in this figure.
SOURCE: Business Climate Survey for Swedish companies in the United Kingdom 2025.

WHAT IS YOUR COMPANY'S MAIN INDUSTRY IN THE UNITED KINGDOM?



NOTE: The number of respondents for this question was 63. "Don't know/Not applicable" responses are included but not shown in this figure.
SOURCE: Business Climate Survey for Swedish companies in the United Kingdom 2025.

SWEDISH FIRMS' LOCAL NUMBER OF EMPLOYEES IN THE UNITED KINGDOM IN 2025



NOTE: The number of respondents for this question was 62. "Don't know/Not applicable" responses are included but not shown in this figure.

SOURCE: Business Climate Survey for Swedish companies in the United Kingdom in 2025.

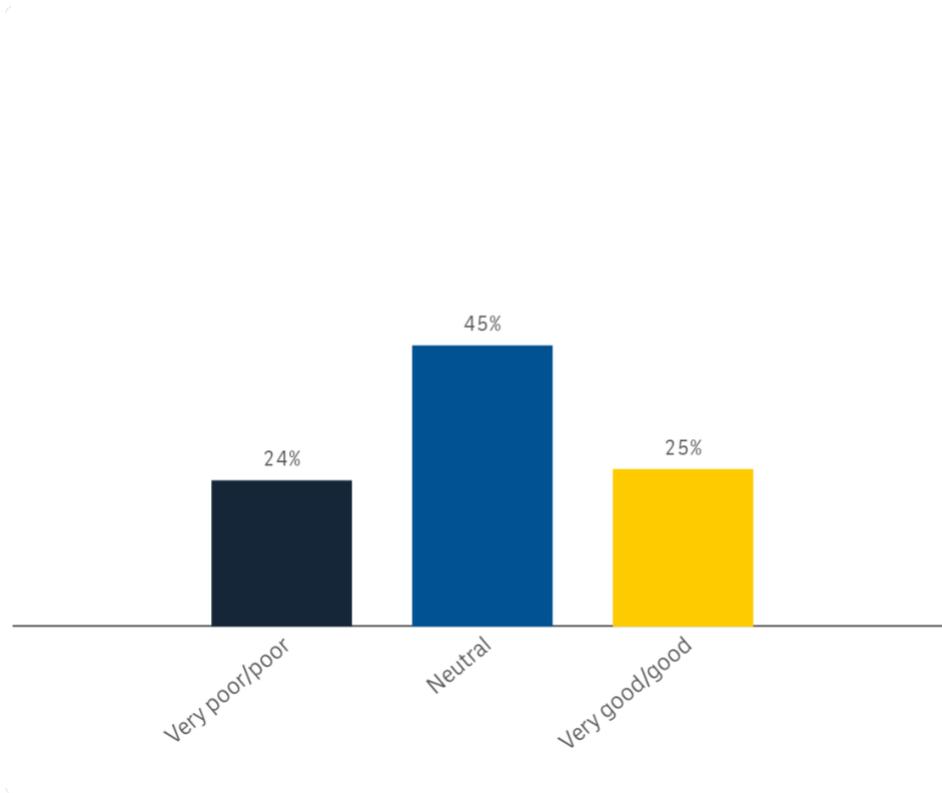
Swedish businesses have lowered their perception of the business climate in the UK

This year's survey paints a more complex and less optimistic picture of the UK business climate as perceived by Swedish companies. A significant increase in negative sentiment – with almost a quarter of respondents (24 per cent) reporting "very poor" or "poor" conditions – signals a notable shift from the previous year's more positive assessment. This downturn likely reflects the tangible impact of prevailing economic uncertainties, including concerns surrounding the trading environment and the increasing burden of taxation, both of which are projected to exert downward pressure on the UK's overall economic growth. The observed weakening of the labour market, coupled with a broader decline in business confidence, further contributes to this less sanguine perspective among Swedish enterprises operating within the UK. The plurality of respondents (45 per cent) adopting a neutral stance suggests a period of careful evaluation and strategic recalibration. These companies may be adopting a wait-and-see approach as they navigate the evolving economic landscape, assessing the potential impacts of both headwinds and anticipated policy responses. While the prospect of gradual monetary easing through future interest rate cuts offers a potential avenue for eventual improvement, the immediate uncertainty surrounding inflationary pressures and overall economic momentum appears to be fostering this cautious neutrality. The marked decrease in positive sentiment, with only a quarter (25 per cent) now describing the business climate as "very good" or "good", underscores the extent to which these economic concerns are weighing on the perceptions of Swedish businesses. This suggests that the resilience and adaptability previously noted may now be facing more significant tests, requiring careful navigation of more challenging and uncertain economic terrain in 2025.

From an international perspective, there may be reason for cautious optimism. As well as the aforementioned quelling of trade tensions with the USA, the incumbent UK government have formed formal agreements with both the European Union and India. The agreement with the European Union seeks to set out post-Brexit relations in areas including fishing rights, trade and defence. At the time of this writing, it is not fully clear what the full details of this agreement will be. However, it has been announced that the UK and the EU will link their carbon markets to avoid taxes on carbon-intensive goods like steel and cement travelling between the UK and the EU. As well as this, a formal UK-EU defence pact has been established, and EU boats will have continued access to UK waters for fishing until 2038. Moreover, the removal of some checks on animal and plant products will expedite the import of food and beverages. One respondent to this survey called for the UK to "have a grown-up conversation about its relation with the EU", and another expressed dismay at "too much focus on obstacles and political division". It will, therefore, be interesting to explore the company's judgment in future iterations of this survey as the UK's relationship with the EU evolves further.

The UK's international business credentials have been enhanced further through the signing of a trade deal with India. Indeed, trade between the UK and India last year totalled GBP 42.6 billion and is forecast to grow, and the UK government posits that a trade deal would boost trade by GBP 25.5 billion by 2040.

Indeed, it remains to be seen what the implications are at a continental and global level. However, the movement toward more international engagement and cooperation suggests an improvement in the business climate both in and around the UK.

HOW DO YOU PERCEIVE THE CURRENT BUSINESS CLIMATE IN THE UNITED KINGDOM?

NOTE: The number of respondents for this question was 60. "Don't know/Not applicable" responses are included but not shown in this figure.

SOURCE: Business Climate Survey for Swedish companies in the United Kingdom 2025.

Swedish

When Swedish companies consider the business climate in the UK for 2025, the picture that emerges is one of moderate satisfaction, leaning towards neutral rather than outright endorsement or rejection. Based on the 2025 Business Climate Survey, a crucial element for their operation, personal safety, stands out as a significant positive, scoring a robust 7.3 out of nine. This reflects the UK's continued position as one of the safer large economies in which to operate, supported by stable institutions and relatively low levels of violent crime. Similarly, the availability and quality of service providers in the UK are viewed favourably, scoring 7.0. This is a vital component for smooth operations in sectors such as logistics, legal support and professional services.

Access to specialists and key personnel, which received a score of 6.8, also meets business needs in most cases. A compatible work culture and business mindset follow closely, at 6.7, pointing to a generally smooth integration into the UK's professional environment. The efficiency of distributors, also at 6.7, continues to support business continuity, while perceived transparency and equal treatment, as well as consistent market access, both scoring 6.6, indicate a broadly fair and accessible market. The UK supplier network performs similarly, with a score of 6.6, suggesting that supply chains are functioning relatively well across key industries such as manufacturing, automotive and consumer goods.

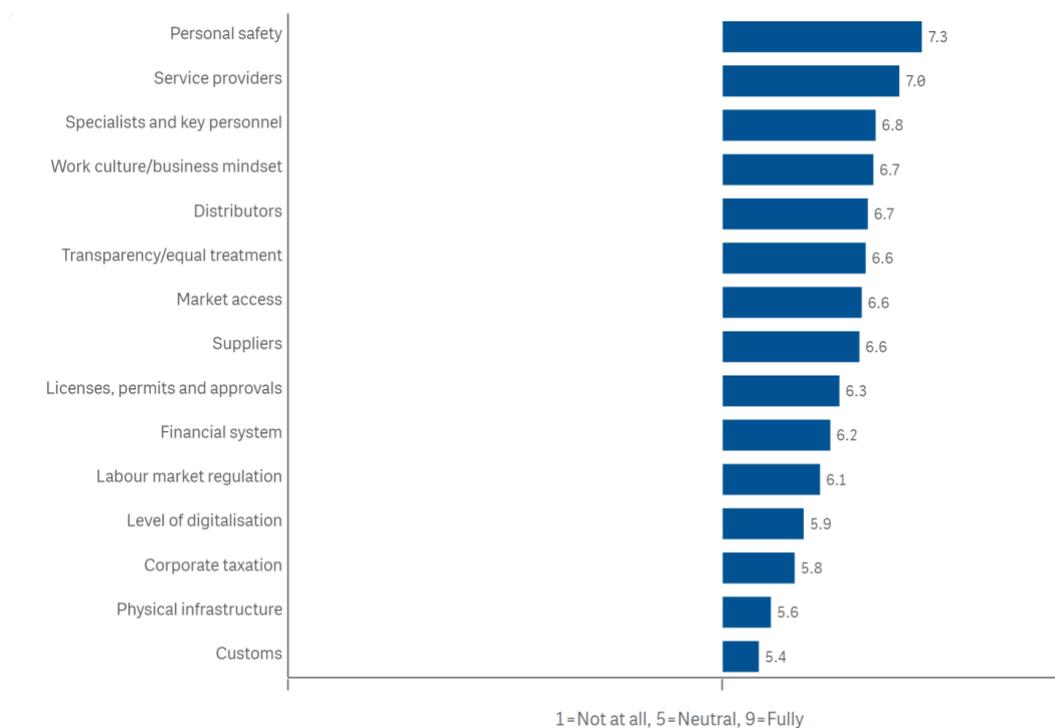
Several areas, however, reveal more mixed experiences. Navigating licences, permits, and approvals received a score of 6.3, which indicates that while processes are generally manageable, there remains a clear opportunity to reduce administrative burden. This is particularly relevant considering regulatory divergence from the EU, which has added layers of complexity for some businesses. The financial system, at 6.2, appears adequate but perhaps not especially suited to Swedish operating models, particularly for mid-sized firms used to more consolidated Nordic banking ecosystems. Labour market regulation, scoring 6.1, presents some uncertainty, especially with anticipated changes under the new government, including possible restrictions on zero-hour contracts and greater protection for workers.

The level of digitalisation scored 5.9, a result that may surprise some. Although the UK is widely recognised as a digital leader in many areas, this result suggests gaps remain in infrastructure or service provision, particularly in legacy sectors or within public administration. Corporate taxation scored 5.8. The UK's tax environment is not seen as particularly competitive, nor is it considered a major deterrent – more a neutral factor in decision-making.

At the lower end of the scale, the more significant challenges become clearer. Physical infrastructure, including transport and utilities, scored 5.6. This continues to be an area of concern, particularly outside London and the South East, where ageing transport networks and delayed investment in major projects are increasingly being felt. Most strikingly, customs procedures scored just 5.4, making them the lowest-rated factor in this year's survey. This reflects persistent frictions in cross-border trade, even after the UK and EU signed a new agreement in May 2025 aimed at reducing red tape. Many companies report difficulties with documentation, rules of origin and inconsistent enforcement at the border.

In short, the UK remains a strategically important market for Sweden. It offers a secure, open and largely supportive business environment. However, firms continue to identify a number of pain points that risk undermining long-term competitiveness, particularly around infrastructure, regulatory complexity and post-Brexit trade procedures. Addressing these challenges will be key to ensuring the UK remains an attractive destination for Swedish businesses in the years ahead.

HOW WELL DO THE FOLLOWING CONDITIONS MEET THE NEEDS OF YOUR COMPANY IN THE UNITED KINGDOM?



NOTE: The number of respondents for this question was 63.
 SOURCE: Business Climate Survey for Swedish companies in the United Kingdom 2025.

Five years after the UK's withdrawal from the EU, customs procedures remain challenging

Comparing the 2024-2025 survey results with those from the previous year reveals some interesting shifts in how Swedish companies perceive the UK business environment, influenced by the evolving political and geo-economic landscape. Several factors that were viewed positively in the 2023-2024 period have remained relatively stable or experienced minor declines in the latest survey. Personal safety remains a high priority and continues to be well-regarded (7.3 vs 7.5), likely reflecting the UK's generally stable social environment. Similarly, service providers continue to receive a strong rating (7.0 vs 7.4), suggesting consistent satisfaction. However, distributors have seen a slight dip (6.7 vs 7.6), which could potentially be linked to evolving supply chain dynamics or post-Brexit trade adjustments impacting distribution networks.

Customs remains the least favourably rated aspect (5.4 vs 5.8), likely reflecting the ongoing complexities and costs associated with procedures following the UK's departure from the European Union. This persistent concern highlights a tangible impact of Britain's relationship with overseas markets and the trade implications on Swedish businesses engaged in trade with the UK. Physical infrastructure also remains relatively low (5.6 vs 6.3), suggesting that while adequate, it may not be seen as a significant strength and could be an area where improvements are desired, particularly in light of the UK government's focus on infrastructure investment.

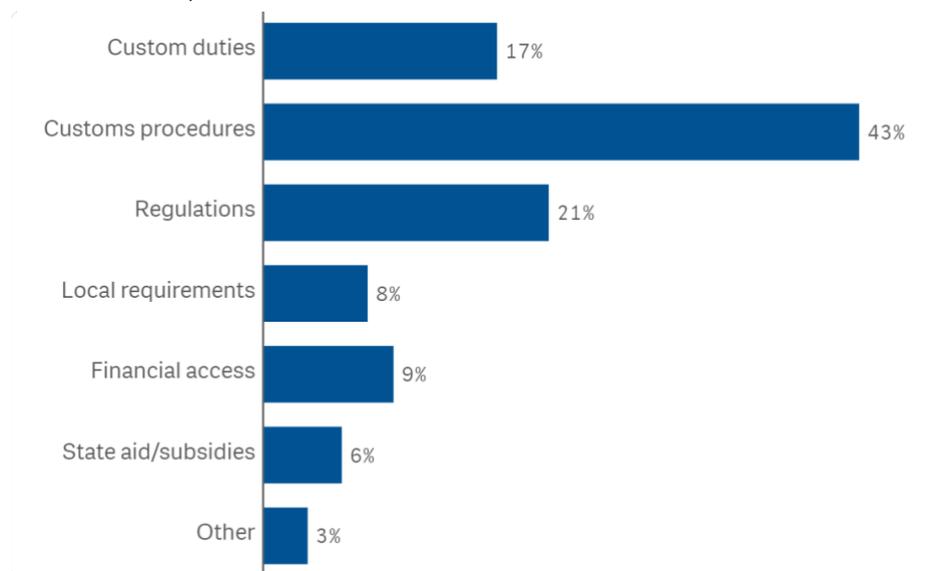
Some areas have seen more notable shifts. Corporate taxation has become less favourably viewed (5.8 vs 7.0). In the UK, the Corporation Tax's main rate is 25 per cent, which has been increased from the previous rate of 19 per cent in 2024. The level of digitalisation has also seen a minor decrease (5.9 vs 6.3), perhaps indicating that Swedish companies, known for their digital maturity, perceive the UK's progress in this area as not keeping pace with their expectations or the advancements in other markets.

The perception of Specialists and key personnel has remained relatively stable at a positive level (6.8 vs 6.8), suggesting the UK continues to be a source of valuable talent. However, Labour

market regulation remains around the neutral mark (6.1 vs 6.9), indicating ongoing complexities or areas where Swedish companies find the regulatory environment less aligned with their needs. This could be related to post-Brexit immigration rules or evolving employment laws. Market access remains reasonably positive but has seen a slight decrease (6.6 vs 6.9), which could be a subtle indication of some increased friction or complexities in accessing the UK market post-Brexit. Transparency/equal treatment has also slightly declined (6.6 vs 7.1), which might reflect broader concerns about the evolving regulatory landscape and its impact on foreign businesses.

The comparison between the two surveys suggests a nuanced picture. While fundamental aspects like personal safety and service providers remain strong positives, there's a discernible trend of slight declines in several areas, potentially reflecting the ongoing adjustments to the UK's post-Brexit reality and evolving global economic factors. The persistent low rating for customs underscores a significant challenge for Swedish companies. The slightly less favourable views on corporate taxation and the level of digitalisation could also indicate areas where the UK needs to focus on maintaining its attractiveness to foreign investors. These shifts highlight the importance of ongoing dialogue and policy adjustments to ensure a supportive and competitive business environment for international partners like Swedish companies.

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



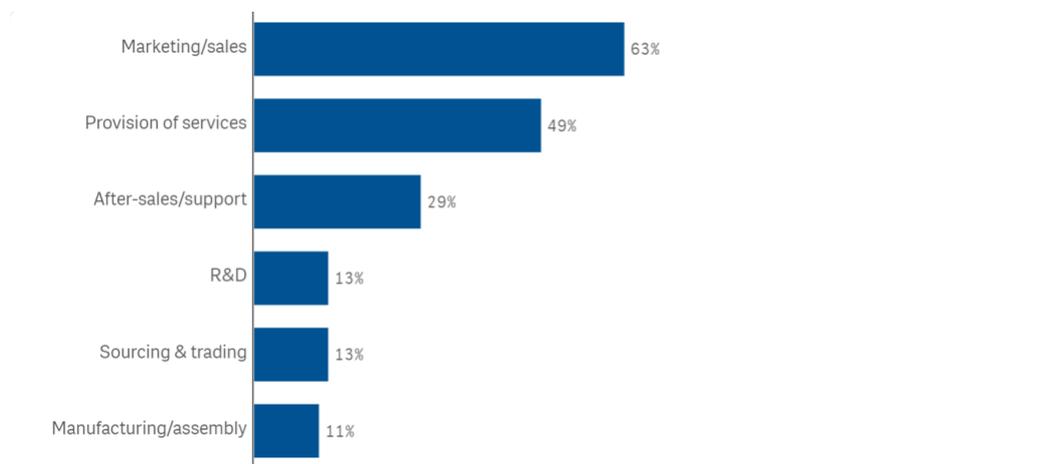
NOTE: The number of respondents for this question was 63.
SOURCE: Business Climate Survey for Swedish companies in the United Kingdom 2025.

HOW SWEDISH COMPANIES SUCCEED IN THE UK

Swedish companies maintain a well-rounded offering in the UK

For 63 per cent of respondents this year, marketing and sales form the key part of their local operations in the UK. Other leading areas include the provision of services (49 per cent), and after-sales /support (29 per cent). It's in these most consumer-centric functions that respondents representing Swedish companies reported was the focus of their operations in the UK. More than one in eight companies also indicated that they are engaging in research and development in the UK, signalling a continued commitment of private stakeholders to innovation.

OPERATIONS OF SWEDISH FIRMS IN THE MARKET



NOTE: The number of respondents for this question was 63. "Don't know/Not applicable" responses are included but not shown in this figure.

SOURCE: Business Climate Survey for Swedish companies in the United Kingdom 2025.

Building and maintaining strong relationships is essential for Swedish companies wanting to maintain competitiveness in the UK

The data indicates that partnerships and relationships are overwhelmingly considered the most crucial aspect, cited by 44 per cent of respondents. This emphasis likely reflects the importance of strong strategic alliances, local networks, and collaborative efforts for foreign companies seeking to establish and expand their presence in a competitive market like the UK. Cultivating robust relationships can facilitate market entry, foster trust, and provide access to vital resources and expertise. In the UK, where regional clusters – such as the Northern Powerhouse in the North of England or the Golden Triangle of London-Oxford-Cambridge – play a key role in innovation and growth, having the right local partnerships is often essential to unlock sector-specific opportunities.

'Brand awareness' follows as the second most significant concern at 39 per cent, underscoring the need for Swedish companies to effectively communicate their value proposition and differentiate themselves in the diverse UK consumer and business landscape. With the UK being the sixth-

largest economy globally and home to a highly competitive and saturated marketplace, especially in sectors like retail, fintech, and professional services, a strong brand presence can significantly influence both B2B and B2C success. Additionally, post-Brexit dynamics have heightened the importance of clearly positioning oneself to stand out in the UK's evolving trade environment.

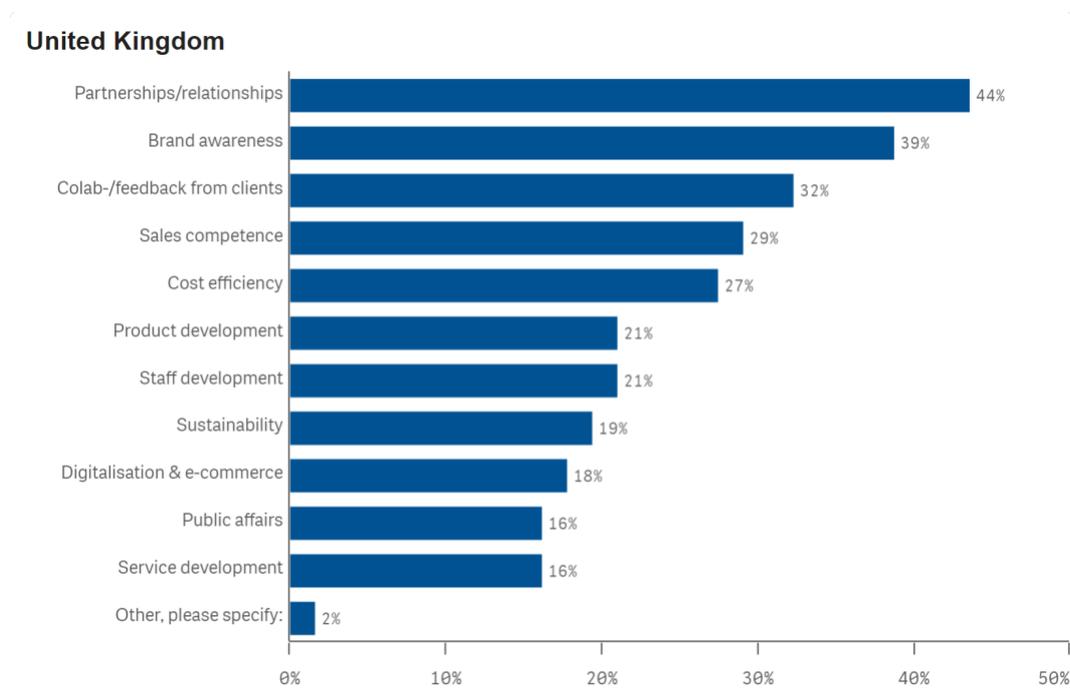
'Collaboration/feedback from clients' was also highly ranked at 32 per cent, suggesting that Swedish firms in the UK are keenly aware of the importance of client-centric approaches and continuous improvement based on direct input. This aligns with broader UK business trends, where customer experience and service excellence are key differentiators, particularly in service-heavy sectors that dominate the UK economy, such as financial services and consulting.

Other notable priorities include 'Sales competence' (29 per cent) and 'cost efficiency' (27 per cent), indicating a drive for effective sales strategies and prudent financial management in the UK market. As inflationary pressures and rising operational costs continue to affect UK businesses, particularly SMEs, a keen focus on cost control and ROI-driven sales tactics is both timely and necessary.

'Product development' and 'staff development' both registered at 21 per cent, pointing to a sustained focus on innovation and human capital investment. With the UK's skills shortages in areas like digital technology, engineering, and green industries, investing in staff development can be a competitive advantage. Similarly, innovation remains vital, especially as the UK government has increased R&D tax relief and funding to support tech and clean growth sectors.

Lower-ranked concerns, such as 'public affairs' and 'service development' (both 16 per cent), suggest that while these areas are important, they may not be as immediate or widespread priorities for Swedish companies in the UK compared to foundational business development aspects like relationships and brand building.

TO DATE, WHICH OF THE FOLLOWING AREAS HAVE BEEN IMPORTANT IN MAINTAINING COMPETITIVENESS IN THE UNITED KINGDOM?



NOTE: The number of respondents for this question was 63. "Don't know/Not applicable" responses are included but not shown in this figure.
 SOURCE: Business Climate Survey for Swedish companies in the United Kingdom 2025

For the second year running, the proportion of respondents identifying the ‘Swedish brand’ as a contributor to success has increased

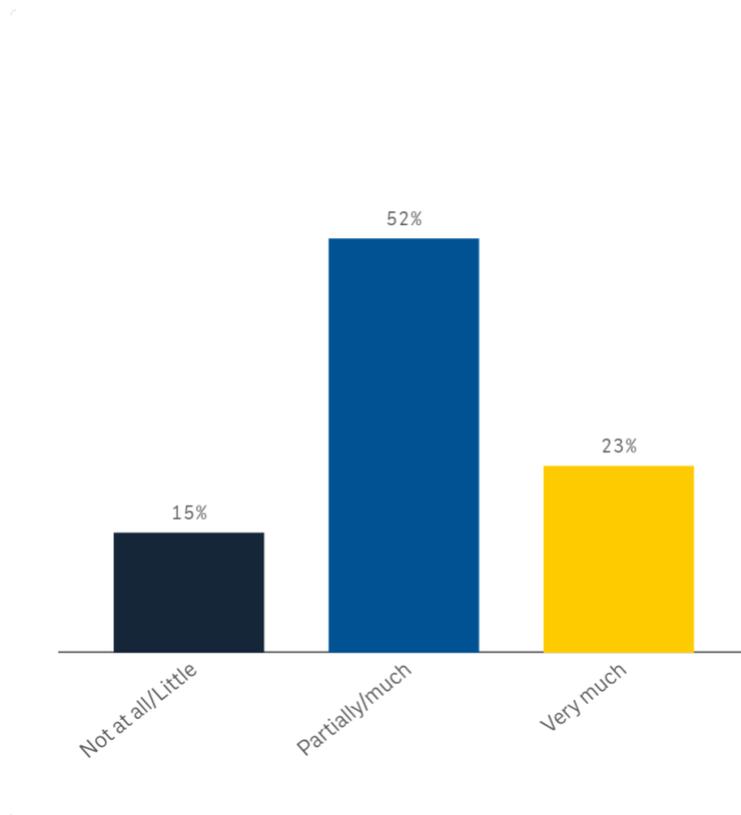
Surveys conducted in 2024 and 2025 among Swedish companies operating in the UK explored the perceived contribution of the Swedish brand to their business activities.

In 2024, 56 per cent of respondents stated that the Swedish Brand contributed “Partially” or “Much” to their operations in the UK, while a further 17 per cent reported that it contributed “Very much.” By contrast, 21 per cent indicated that it had contributed “Not at all” or “Little.”

By 2025, the proportion of companies citing a “Partially/Much” contribution had declined slightly to 52 per cent, whereas those reporting a “Very much” contribution increased to 23 per cent. Meanwhile, the percentage indicating little or no contribution fell to 15 per cent.

Taken together, these findings suggest a subtle but notable shift over the two-year period: a growing number of companies now perceive the Swedish brand as a strong and distinctive asset, while fewer view it as a marginal factor in their UK business performance.

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



NOTE: The number of respondents for this question was 60. “Don’t know/Not applicable” responses are included but not shown in this figure.

SOURCE: Business Climate Survey for Swedish companies in the United Kingdom 2025.

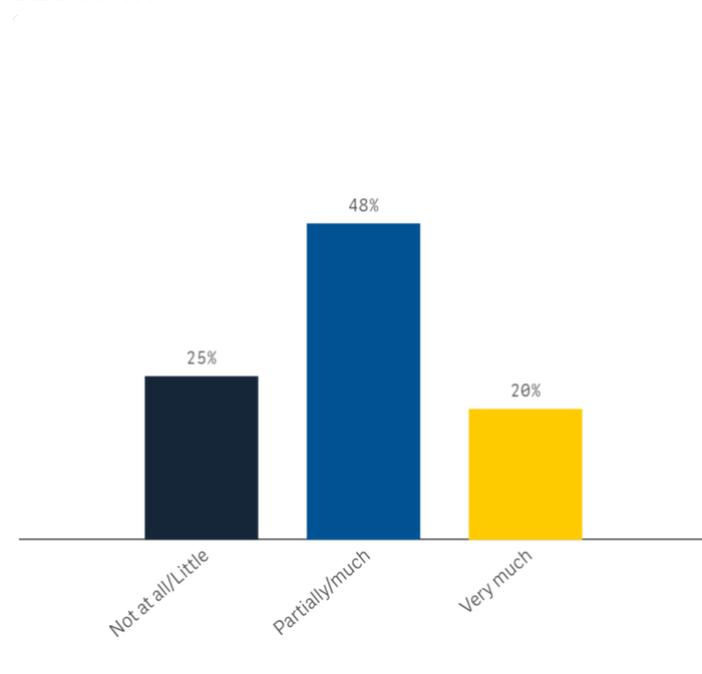
ACTING SUSTAINABLY

This year's results indicate a sharp decline in the assessment of environmental considerations in purchasing decisions

The results of this year's survey show a surprising shift in the opinion of respondents with regard to the assessment of Swedish companies' perception of the extent to which customers in the UK consider environmental aspects when making purchasing decisions.

In both 2024 and 2025, the perception of customers considering environmental aspects when making purchases 'very much' has stood firm at 20 per cent. Where we see a significant shift, however, is in the 'partially/much' category, which has slipped dramatically from 73 per cent to 48 per cent. One respondent pointed to "ambitions to do business more sustainably and invest more in our (their) sustainability strategy", yet they also noted that "there is no incentive for us to invest more in sustainability". Another respondent highlighted the lack of "a centralised governance that everyone needs to adhere to". Indeed, the behaviour is summarised succinctly by one respondent who reflected, "Consumers state that they care about sustainability when asked (i.e. in research), but when it comes to actual behaviour when faced with financial consequences of their decision, they are not following through with this statement".

TO WHAT EXTENT DO CUSTOMERS IN THE UNITED KINGDOM CONSIDER ENVIRONMENTAL ASPECTS OF A PRODUCT OR SERVICE IN THEIR PURCHASING DECISION?



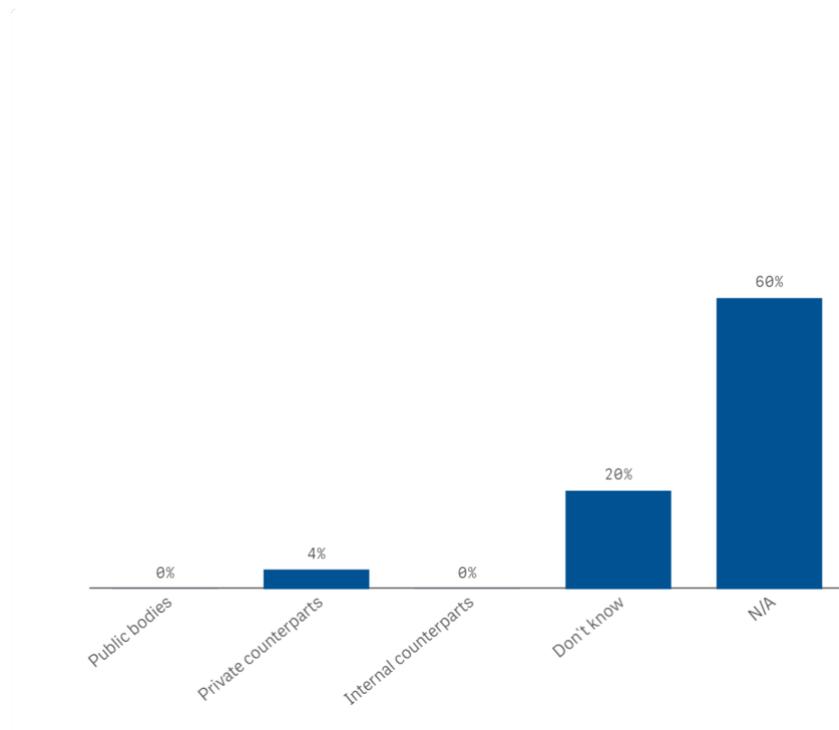
NOTE: The number of respondents for this question was 60. "Don't know/Not applicable" responses are included but not shown in this figure.

SOURCE: Business Climate Survey for Swedish companies in the United Kingdom 2025.

Exposure to corruption has remained very low, but education is needed to bolster identification

Encouragingly, only four per cent of companies surveyed pointed to some form of exposure (such as bribery or fraud). Here, private counterparts were identified as being culpable. This is a slight increase from previous results, but this figure does remain low. Given the strong regulatory environments of both the UK and Sweden, these positive results are not particularly surprising. However, it is somewhat concerning that 20 per cent of respondents “don’t know” if their company has been exposed to corruption. This suggests that company representatives may not be entirely familiar with the signs and symptoms of corruption. Therefore, it may be useful for some Swedish companies in Ireland to seek to fully understand what corruption looks like and, indeed, how to act when encountering corruption.

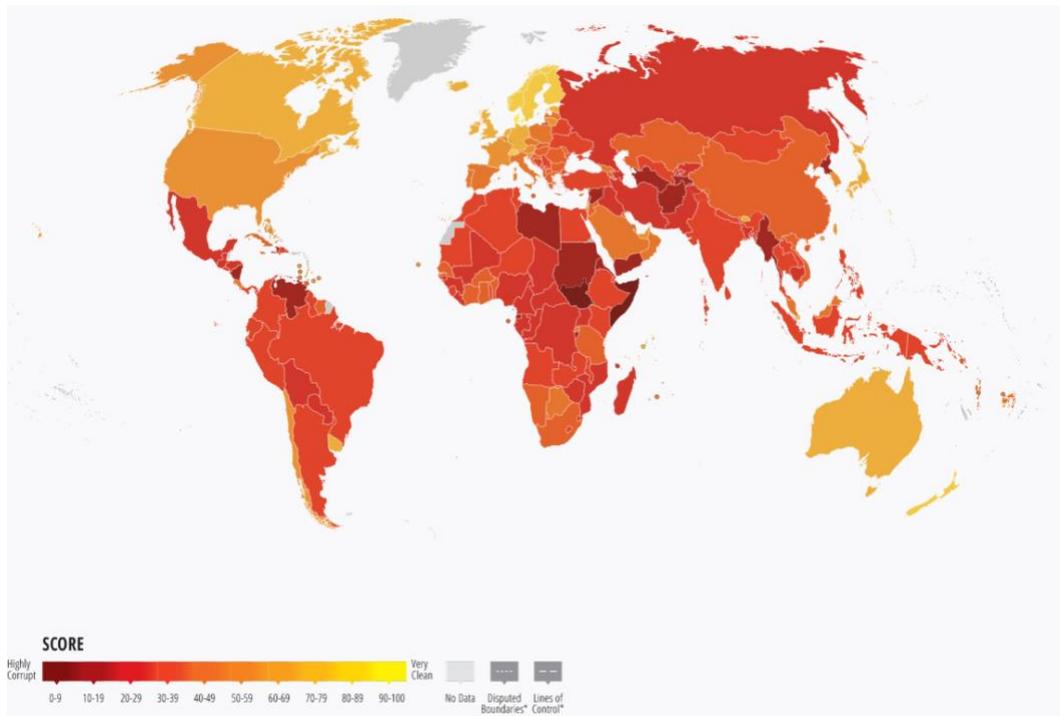
HAS YOUR COMPANY IN THE UNITED KINGDOM BEEN EXPOSED TO CORRUPTION SUCH AS, BUT NOT LIMITED TO, ATTEMPTS OF BRIBERY OR FRAUD IN CONTACTS WITH ANY OF THE FOLLOWING AREAS?



NOTE: The number of respondents for this question was 63. “Don’t know/Not applicable” responses are included but not shown in this figure.

SOURCE: Business Climate Survey for Swedish companies in the United Kingdom 2025.

CORRUPTION PERCEPTION INDEX 2024

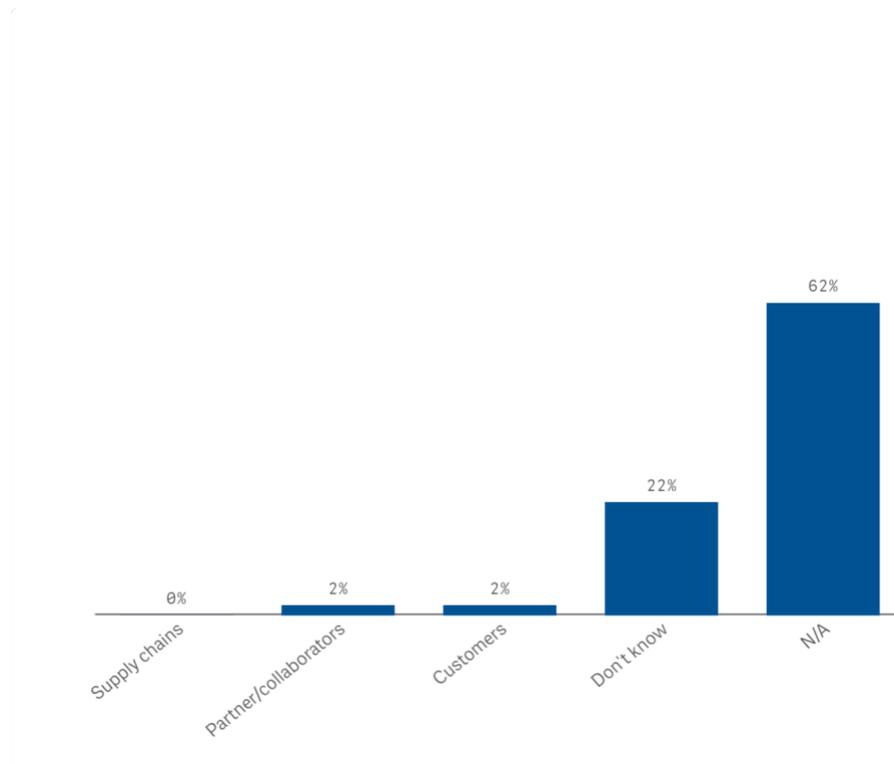


NOTE: Corruption Perception Index 2024
SOURCE: Transparency International.

There is a very small perceived risk of human rights abuses by Swedish companies in the UK

The findings from the Business Climate Survey regarding human rights violations and labour rights abuse among Swedish companies operating in the UK offer a largely positive outlook. A substantial majority of respondents (62 per cent) reported that these issues were “N/A” to their direct experiences, implying either an absence of such concerns in their specific areas of contact or that they simply haven’t encountered them. Furthermore, a considerable 22 per cent indicated “Don’t know,” which, whilst not a definitive clean bill of health, nonetheless suggests a lack of direct awareness or exposure to any violations. Crucially, the direct reporting of human rights violations or labour rights abuse in supply chains was zero, and in interactions with partners/collaborators and customers, it stood at a mere two per cent for each category. This remarkably low incidence of reported issues strongly implies that Swedish firms generally perceive the UK business environment as upholding human rights and labour standards in their immediate operational sphere. However, for those who responded, “Don’t know,” further education and proactive engagement with their own due diligence processes may be required to ensure comprehensive awareness and compliance throughout their value chains, thereby reinforcing the UK’s commitment to ethical business practices.

HAS YOUR COMPANY IN THE UNITED KINGDOM ENCOUNTERED ANY FORM OF HUMAN RIGHTS VIOLATIONS AND/OR LABOUR RIGHTS ABUSE IN CONTACTS WITH ANY OF THE FOLLOWING AREAS?



NOTE: The number of respondents for this question was 63. Don't know/Not applicable" responses are included but not shown in this figure.

SOURCE: Business Climate Survey for Swedish companies in the United Kingdom 2025.

CONTACT US

BUSINESS SWEDEN

Business Sweden (the Swedish Trade and Invest Council) has been present in the UK for over 50 years. Since 1973, we have covered both the UK and Irish markets from our office in London. Our team currently employs 14 consultants who form part of an international network of over 500 people covering over 40 markets globally. Business Sweden's consulting services include Market Expansion, Sales Acceleration, M&A, Public Affairs, Supply Chain Management, Business Incubation and Operations, as well as Government Enabled Services such as Invest Promotion, Business Delegations and Events and Trade & Invest Facilitation.

+44 (0)20 7258 5130

united.kingdom@business-sweden.se

www.business-sweden.com/markets/europe/united-kingdom

SWEDISH CHAMBER OF COMMERCE

The Swedish Chamber of Commerce for the UK is the ultimate business platform for Swedish and UK businesses. We help businesses establish, grow and develop through our wide range of business development services, matchmaking, events and programmes. We represent some 450 businesses, from startups and SMEs to unicorns and large multinational corporations, from across all sectors and industries. Founded in 1906 – by business and for business – we have connected the Swedish-British business community for over a century.

+44 (0)20 7224 8001

info@scc.org.uk

www.scc.org.uk

EMBASSY OF SWEDEN

The Embassy of Sweden in London is led by H.E. Ambassador Stefan Gullgren and is tasked with representing Sweden and the Swedish government in the UK. Around 30 people work at the Embassy with a wide range of issues, such as political and economic affairs, defence, innovation and science, cultural affairs and last but not least, the consular issues of Swedish citizens.

+44 (0)20 7917 6400

ambassaden.london@gov.se

www.swedenabroad.se/london

