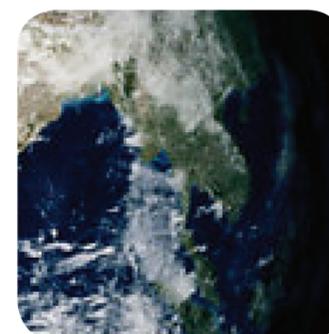
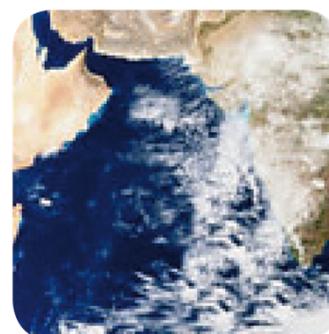


# Made in Sweden?

Presentation to the WTO Public  
Forum 2011-09-19

Henrik Isakson

Co-author: Emma Wajnblom



## Swedens view of itself

1. Swedish exports are made in Sweden
2. Half our GDP is generated by exports
3. We mostly sell manufactured goods abroad
4. Outsourcing is mostly going to low wage countries
5. Tariffs are almost only affecting finished goods

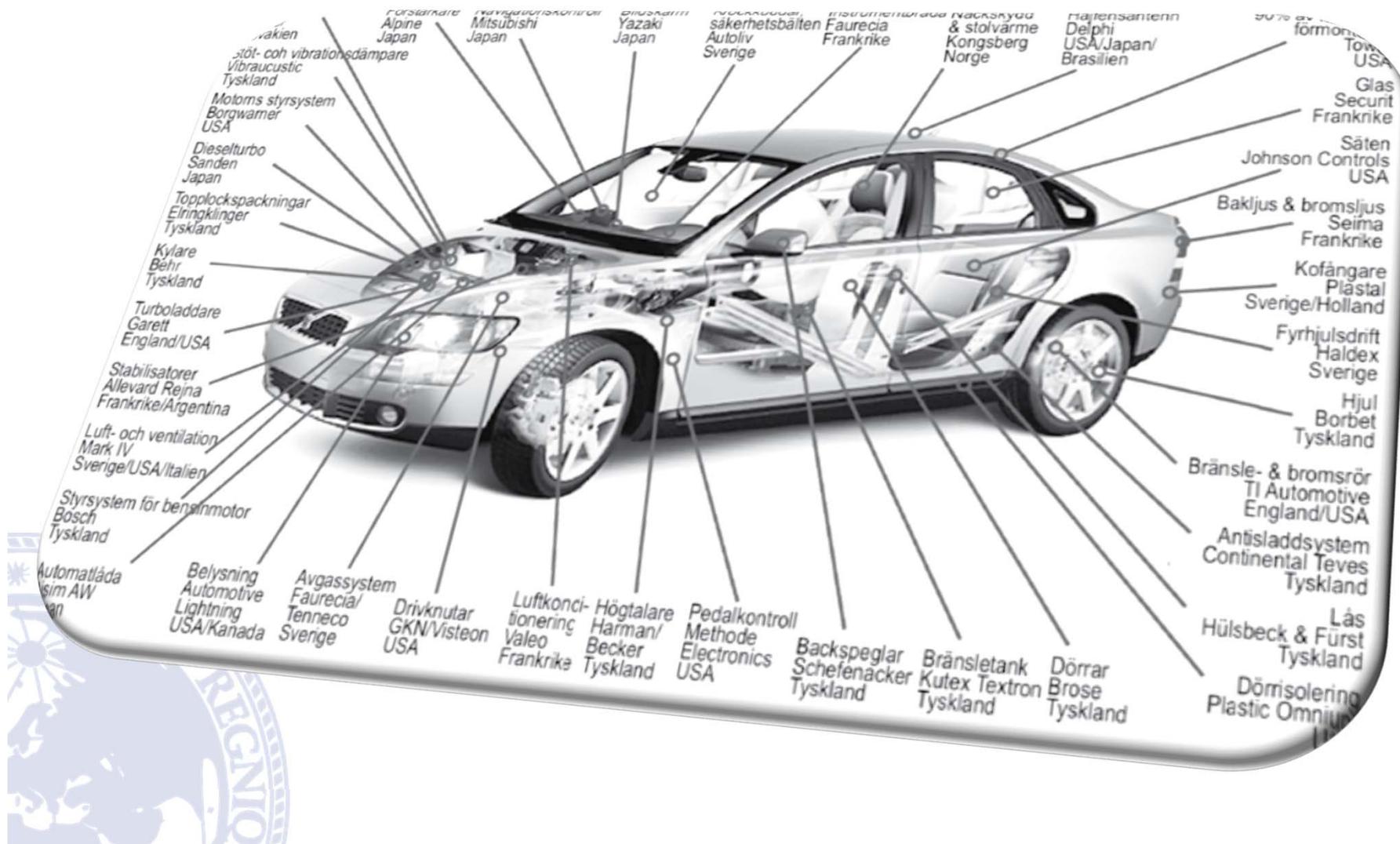


Is all this true? If not, what is the truth? And does it matter for trade policy?



# 1. Swedish exports are **not only** made in Sweden

A typical Swedish motor vehicle is only 50 % Swedish...



# 1. Swedish exports are **not only** made in Sweden

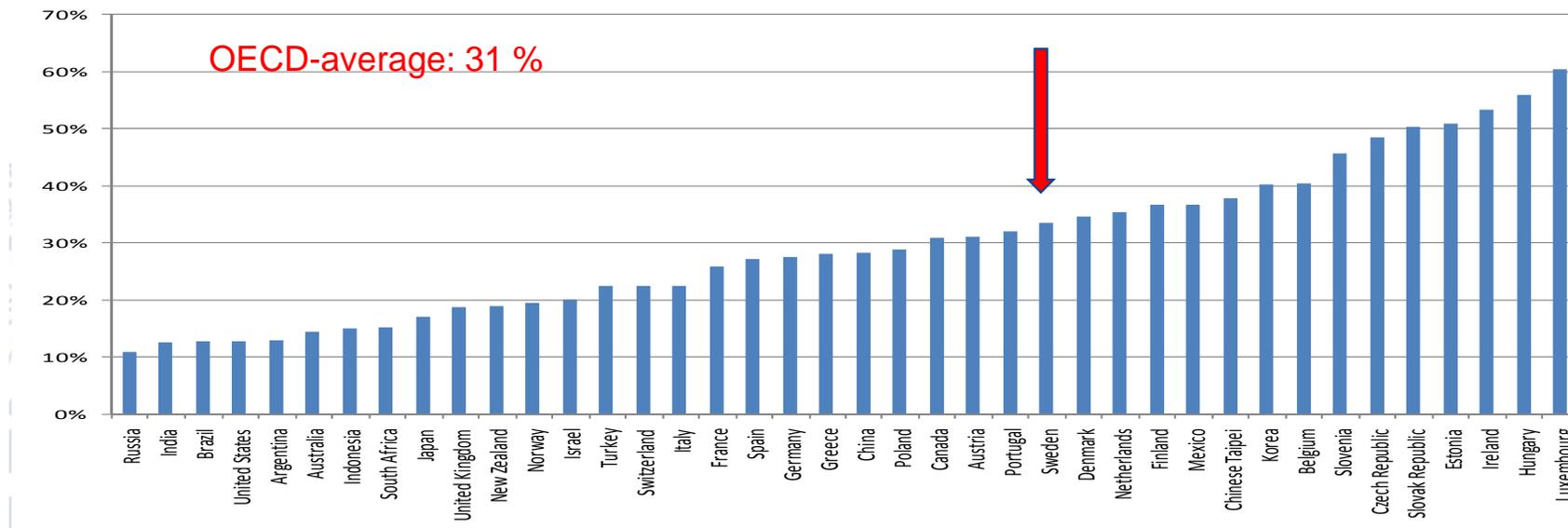
Only two thirds of a product that has been "made in Sweden" has really been made in Sweden. The rest is imported inputs. This includes

- Raw materials
- Semi processed components
- Business services



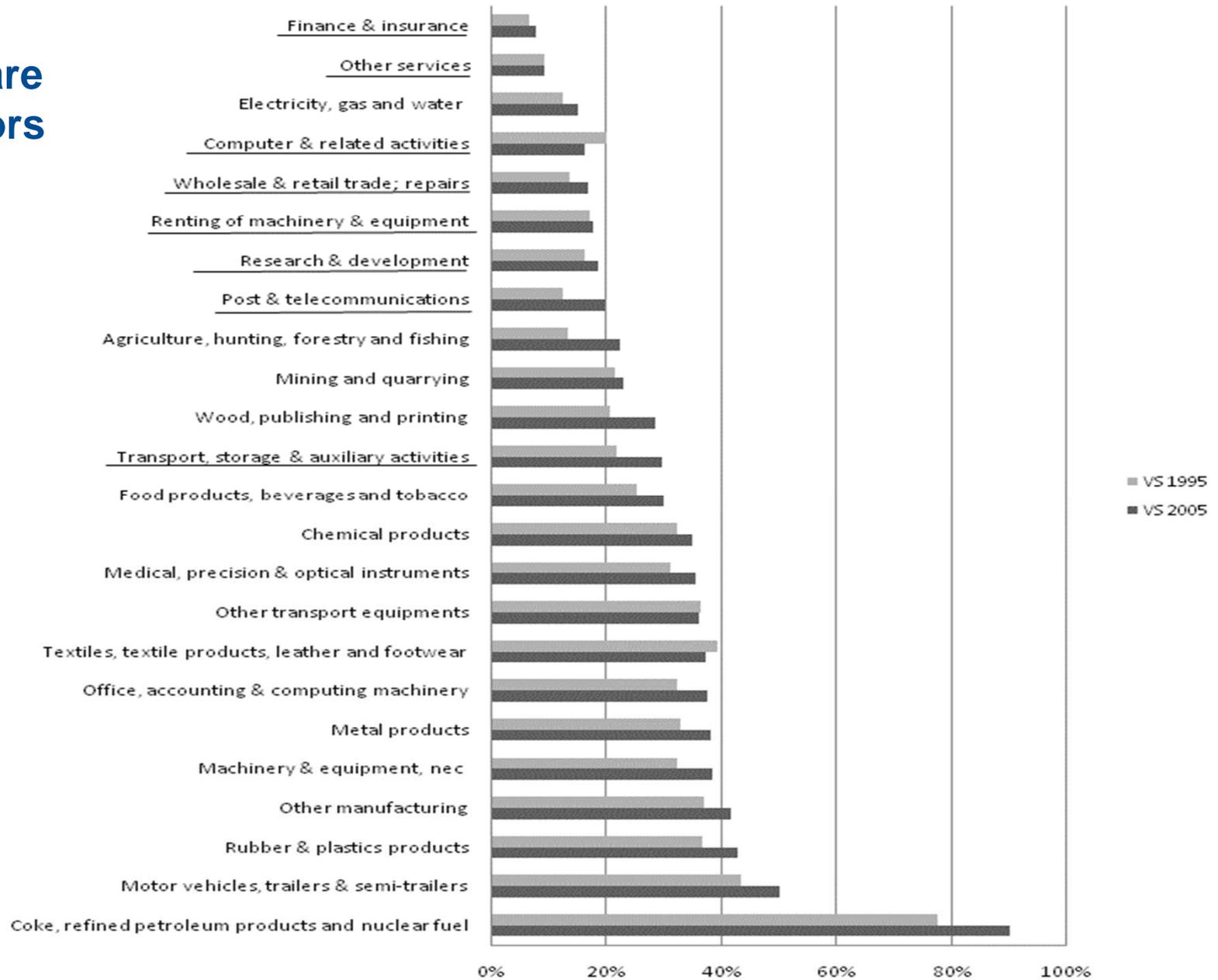
The imported content of exports rose from 30 % (1995) to 33,5 % (2005)

Swedish exports "less Swedish" than before. True for almost all sectors



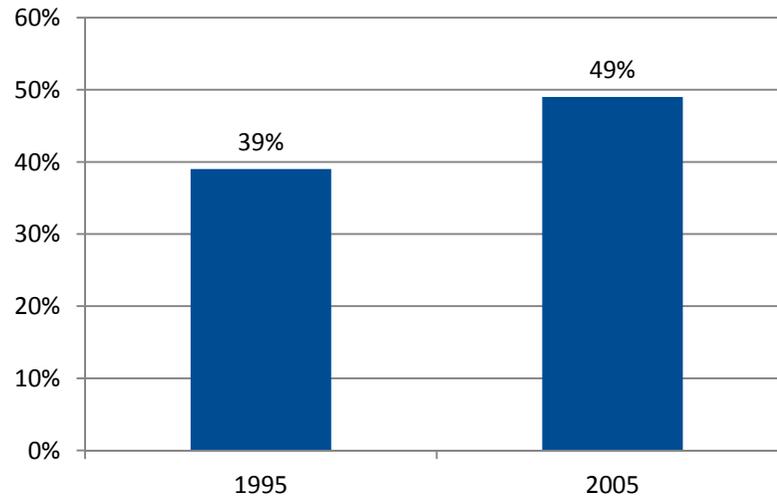
## Import share in 24 sectors

ranging from  
8 % to 90 %



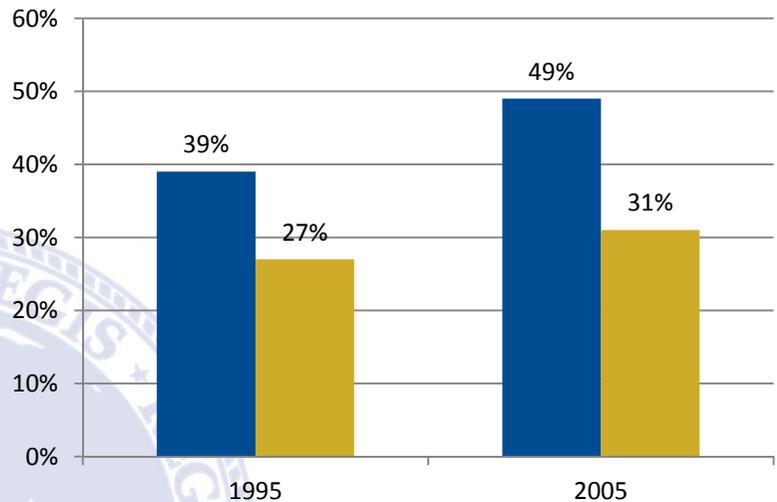
Source: Statistics Sweden and own calculations

## 2. Half of Swedish GDP is not generated by exports



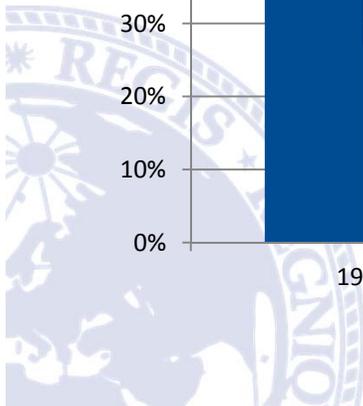
■ Gross exports / GDP

Swedish exports  
"less Swedish" but  
more valuable for  
the economy



■ Gross exports / GDP

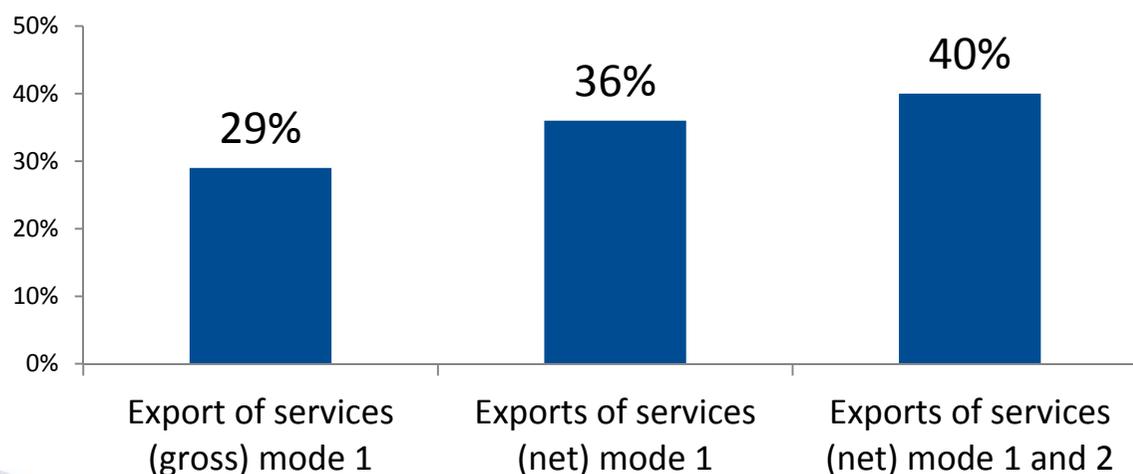
■ Net exports / GDP



### 3. We mostly sell manufactured goods (or services?) abroad

Services exports less dependent on imports = greater in net terms than gross terms

GATS Mode 2 (basically tourism) should be included.

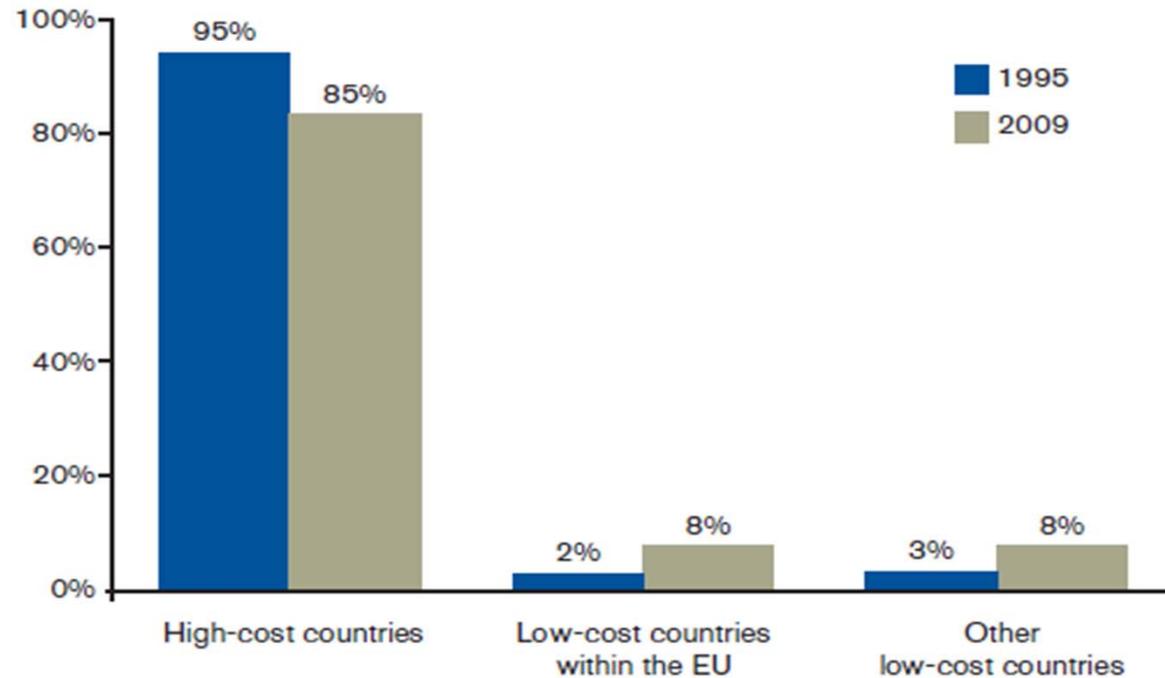


Around, perhaps above, 50 %?

”Servicification” – exports of services ”disguised” as goods

Sales abroad by Swedish affiliates larger than exports and mostly consisting of services

## 4. Outsourcing is mostly **not** going to low wage countries



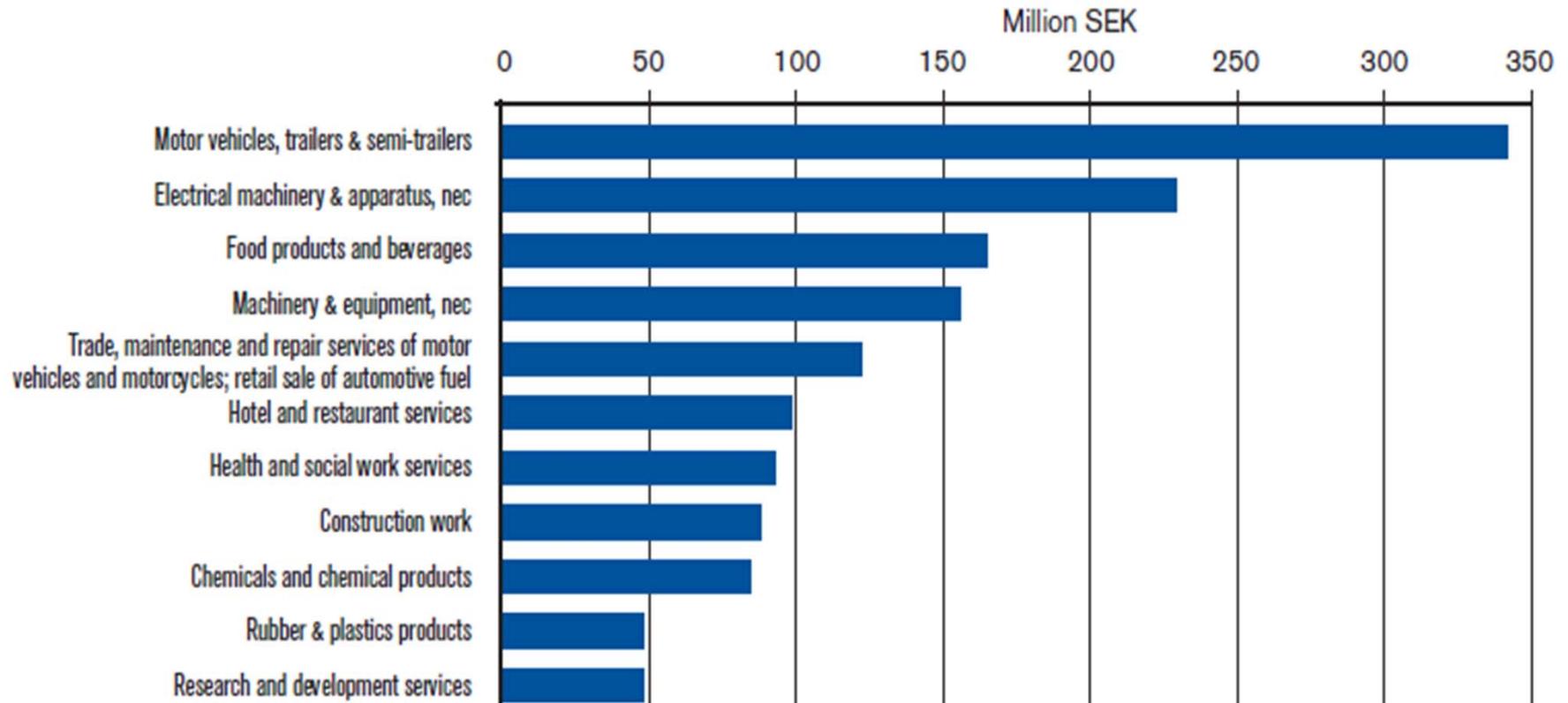
Source: Comtrade and own calculations

(Statistical problem underestimating share from low cost countries)

Explanation: low cost countries have low costs...

Do not draw the wrong conclusions from this!

## 5. Tariffs are **not** only affecting finished goods



50 % of all tariffs imposed on Swedish imports are on input goods

On top of that, add trade defence measures

Multiple effects of compounded tariffs in global value chains?



## Possible policy conclusions

”Made in”-label misleading

Better informed media, politicians and general public, less support for protectionism

Import promotion instead of export promotion?

Business services trade more visible and more tradeable – go for integrated goods and service trade liberalisation

Vital access to low cost input imports (motivates better trade procedures, liberal rules of origin)

Eliminate tariffs for important inputs and reform trade defence legislation



**Thank you**