

Swedish Investment in Canada

Sweden is the 10th largest source of direct foreign investment in Canada, and Swedish corporate presence is significant. About 110 Swedish companies have subsidiaries in Canada, half with manufacturing facilities employing over 8,000 Canadians. These companies account for 80% of Swedish exports to Canada.

The major Swedish investors are ABB (Montreal), Stora Kopparberg (Cape Breton), Volvo (Halifax and Milton, Ontario), Atlas Copco (Montreal), Astra (Toronto), Pharmacia (Montreal), Tetrapak (Ajax, Ontario), and Ikea (across Canada). Another 350 Swedish firms have distributors in Canada or have arranged licensing agreements or joint ventures.

The most significant recent acquisitions by Swedish firms were ABB's \$100 million takeover of Westinghouse Canada's power transmission and distribution plants in July 1989, followed by ABB's acquisition of Combustion Engineering, and Trelleborg's joint takeover with Noranda Inc. of Falconbridge Ltd.

ABB alone has 4,000 Canadian employees, and Stora is the largest single employer in Nova Scotia.

Swedish investment has begun to increase through the technology inflow program, as seen in the joint venture and licensing agreement between a Swedish firm and Canadian Superior Milwork in Saskatoon for the manufacture of kitchen cabinets for handicapped persons.

Canadian investment in Sweden is minimal. Some 18 Canadian firms (principally high technology firms such as GEAC and Cognos) have offices in Sweden, operated mainly by local employees.

Senior officials of Canadian and Swedish firms have been visiting each other's country in the past few years to learn more about their respective business environments and opportunities. Canadians are learning, in particular, that Swedish firms are keen to acquire the latest technology in data processing, data communications, and marine technology.