



Subnational Investment Climate Assessment 2022: Denmark, Finland and Sweden

*Comparing Business Regulation
for Domestic Firms in 20 Cities in
Denmark, Finland and Sweden with
Other European Union Member States*



Subnational Investment Climate Assessment 2022: Denmark, Finland and Sweden

SWEDEN

Madalina Papahagi & Trimor Mici , Global Indicators
Group, Development Economics, World Bank Group

November 9, 2022

Subnational Investment Climate Assessment 2022: Denmark, Finland and Sweden



AGENDA

- Scope of the study
- Main findings
- Findings per topic and areas for improvement

AGENDA

- **Scope of the study**
- Main findings
- Findings per topic and areas for improvement

What do these studies measure?

Subnational Investment Climate in the European Union

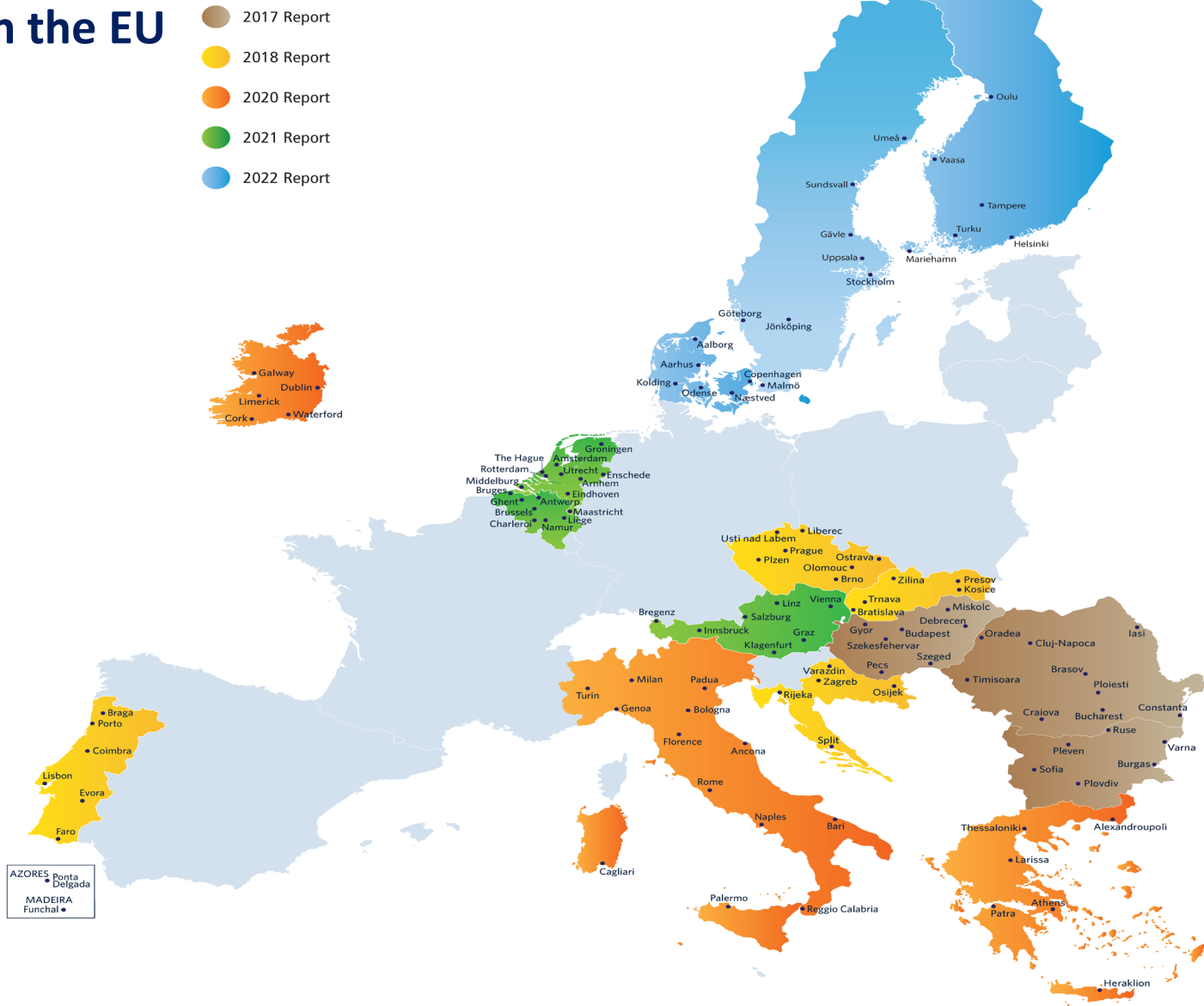
- Demand driven
- Go beyond the largest city
- Selected indicators
- Local good practices
- City stories



- Focus on regulations relevant to the life cycle of a small to medium-size domestic business.
- Cities selected represent NUTS2 regions in a country.
- Are built on standardized case scenarios.
- Are focused on the formal sector.

Subnational Investment Climate Assessment in the EU

- Four studies published, covering 95 cities across 13 EU member states.
- Current study includes 20 cities from 3 EU member states.



Five regulatory areas and eight cities measured across Sweden



Business start-up

Procedures, time, cost and paid-in minimum capital to open a business



Building permits

Procedures, time and cost to comply with formalities to build a warehouse + Quality of building regulation



Electricity connection and supply

Procedures, time and cost to obtain an electricity connection + Reliability of supply and transparency of tariffs



Property transfer

Procedures, time and cost to transfer property between two local companies + Quality of land administration



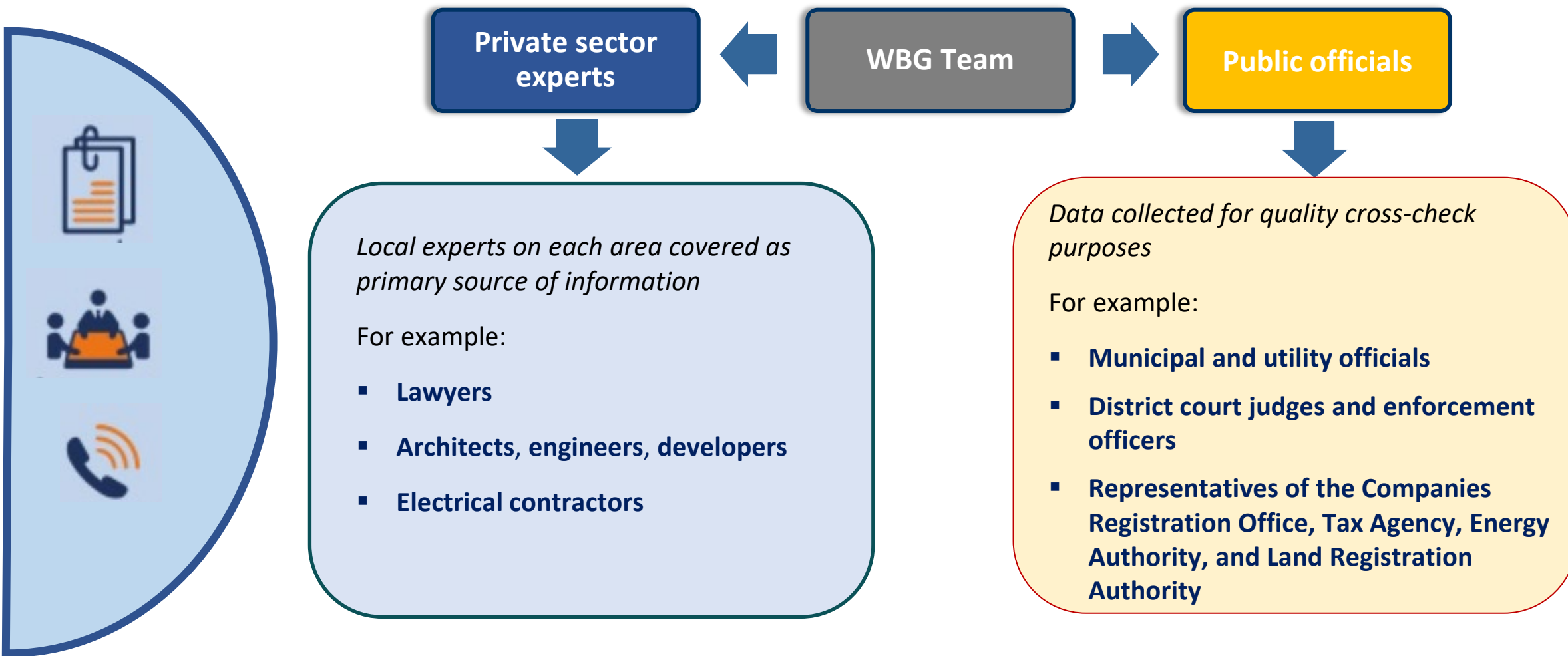
Commercial litigation

Time and cost to resolve a commercial dispute + Quality of judicial processes

THE CITIES

- Gävle
- Göteborg
- Jönköping
- Malmö
- Stockholm
- Sundsvall
- Umeå
- Uppsala

How we collected the data

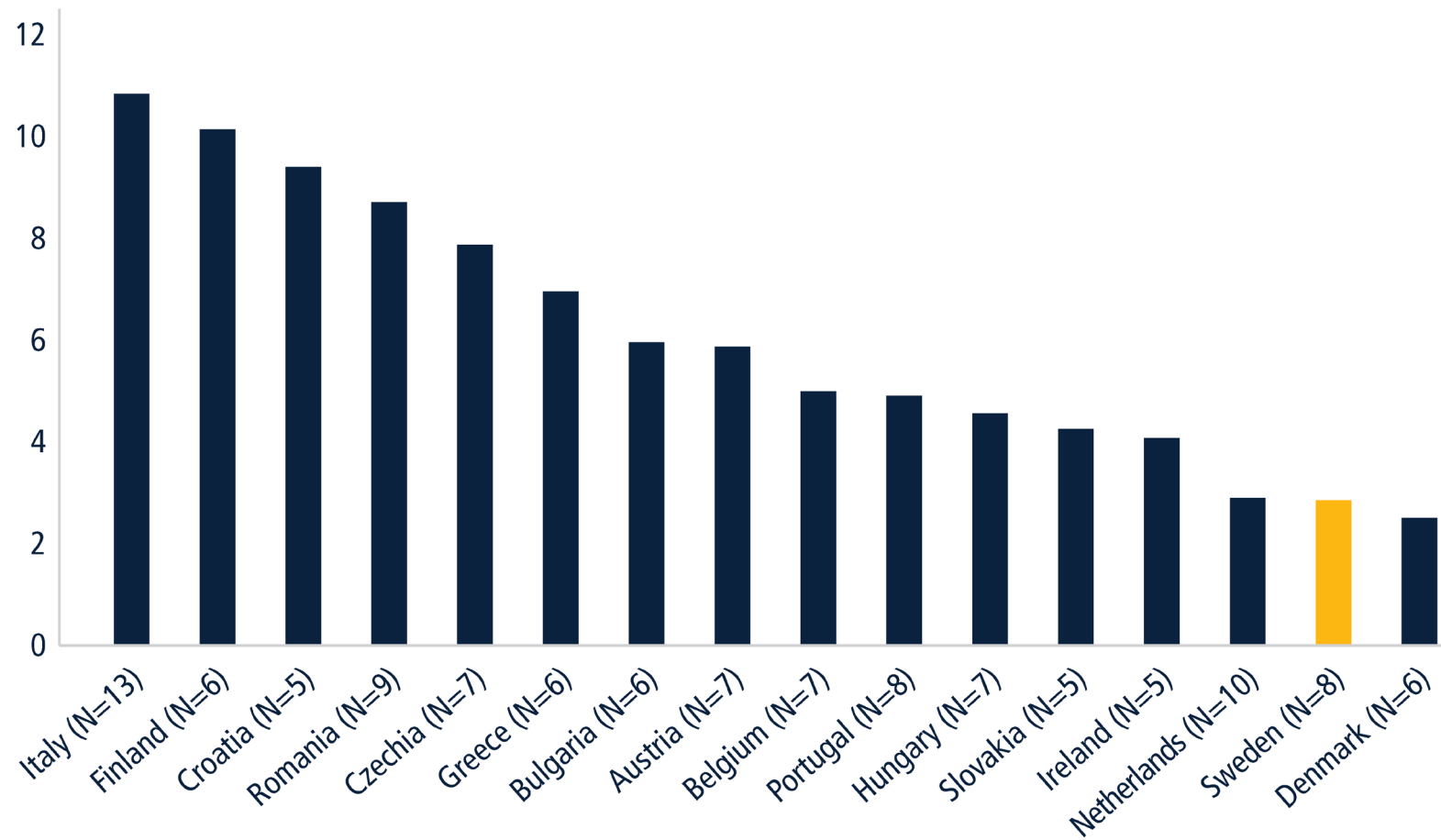


AGENDA

- Scope of the study
- **Main findings**
- Findings per topic and areas for improvement

Sweden has the second-smallest average spread between the lowest- and highest-scored cities, after Denmark

Average performance gap among cities
by country (across regulatory areas)



Note: “N” reports the number of cities benchmarked in each economy.

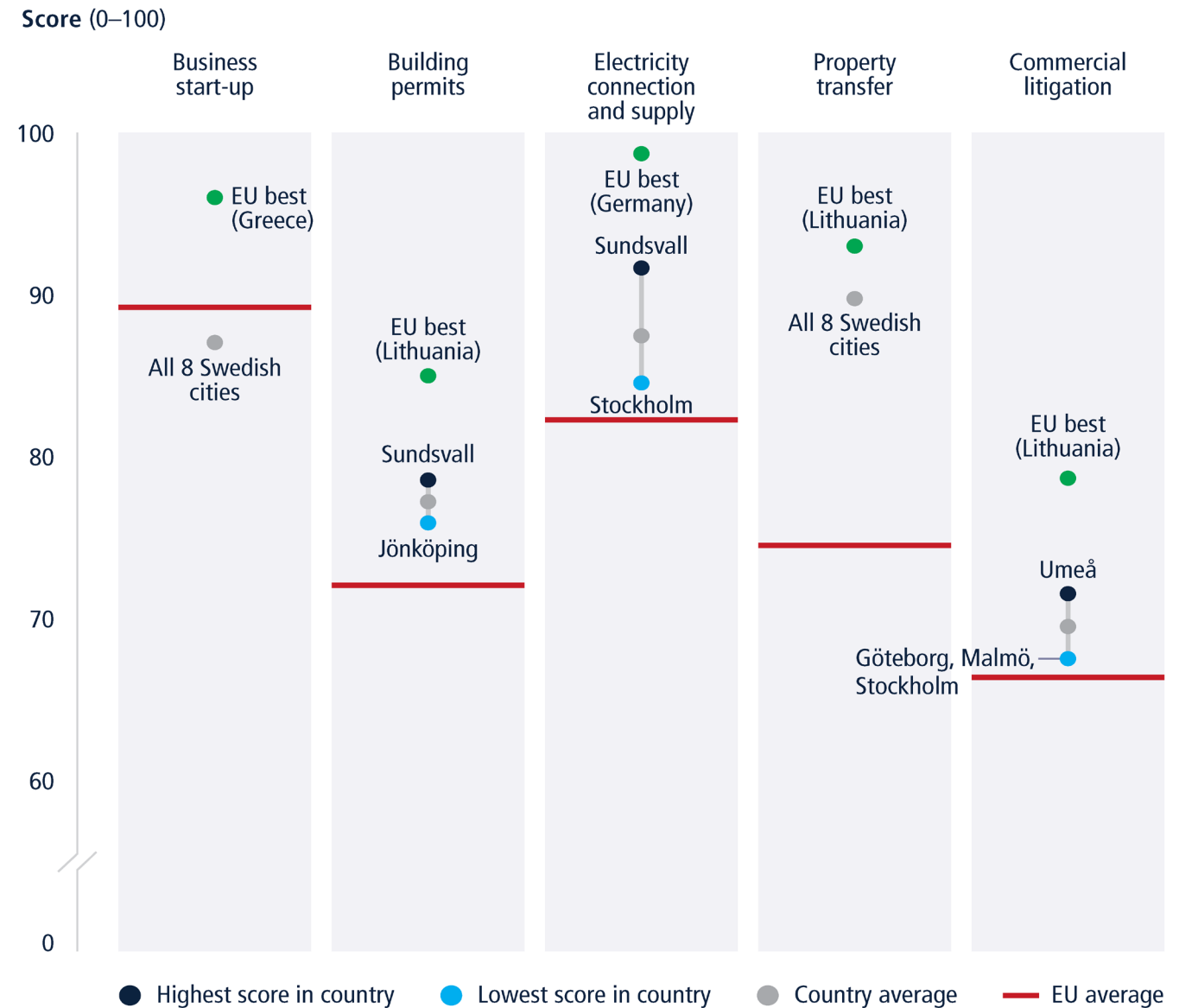
Where there is variation among locations, smaller cities tend to perform better

Sundsvall scores among the top two locations in all benchmarked areas

	Business start-up		Building permits		Electricity connection and supply		Property transfer		Commercial litigation	
City	Rank (1–8)	Score (0–100)	Rank (1–8)	Score (0–100)	Rank (1–8)	Score (0–100)	Rank (1–8)	Score (0–100)	Rank (1–8)	Score (0–100)
Gävle	1	87.05	3	77.43	6	85.53	1	90.17	2	70.62
Göteborg	1	87.05	7	76.28	3	88.00	1	90.17	6	67.44
Jönköping	1	87.05	8	75.96	2	90.75	1	90.17	2	70.62
Malmö	1	87.05	5	77.13	7	84.46	1	90.17	6	67.44
Stockholm	1	87.05	6	76.79	8	84.29	1	90.17	6	67.44
Sundsvall	1	87.05	1	78.61	1	91.71	1	90.17	2	70.62
Umeå	1	87.05	4	77.29	4	87.84	1	90.17	1	71.58
Uppsala	1	87.05	2	77.59	5	86.61	1	90.17	5	69.94

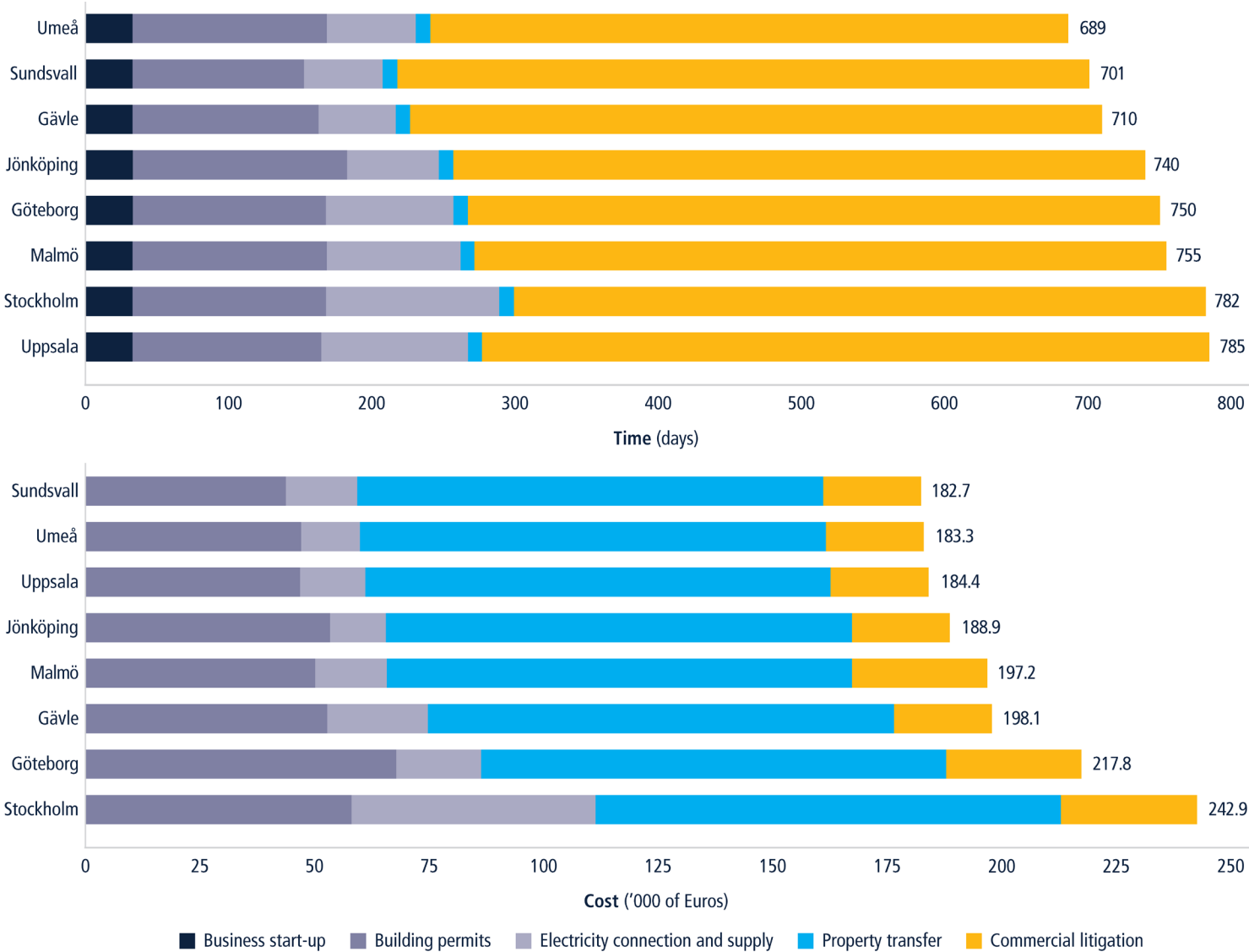
Swedish cities outperform the EU average on most indicators, yet they lag behind the top EU performers.

Business start-up is the only area where Swedish cities lag behind the EU average performance



Overall, Umeå and Sundsvall have the fastest turnaround times and are the least expensive cities across the five regulatory areas benchmarked

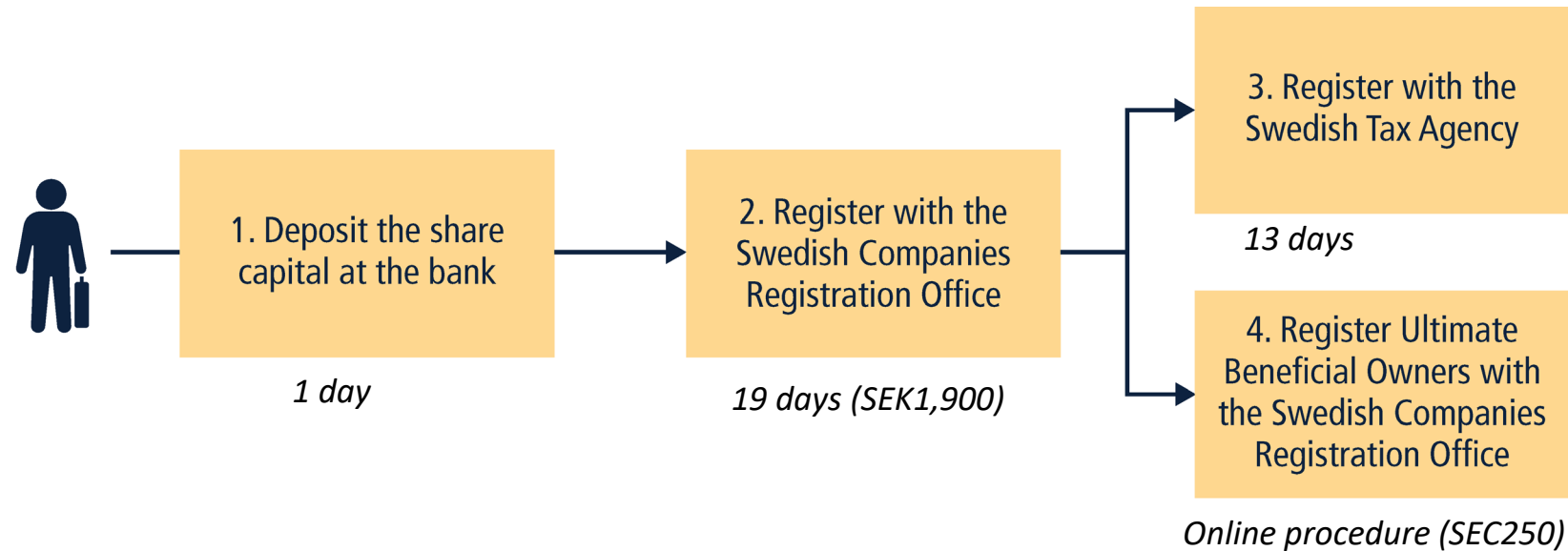
It takes entrepreneurs in Uppsala more than three months longer than their peers in Umeå to comply with bureaucratic requirements, and the cost of compliance in Sundsvall is about one-fourth less than in Stockholm



AGENDA

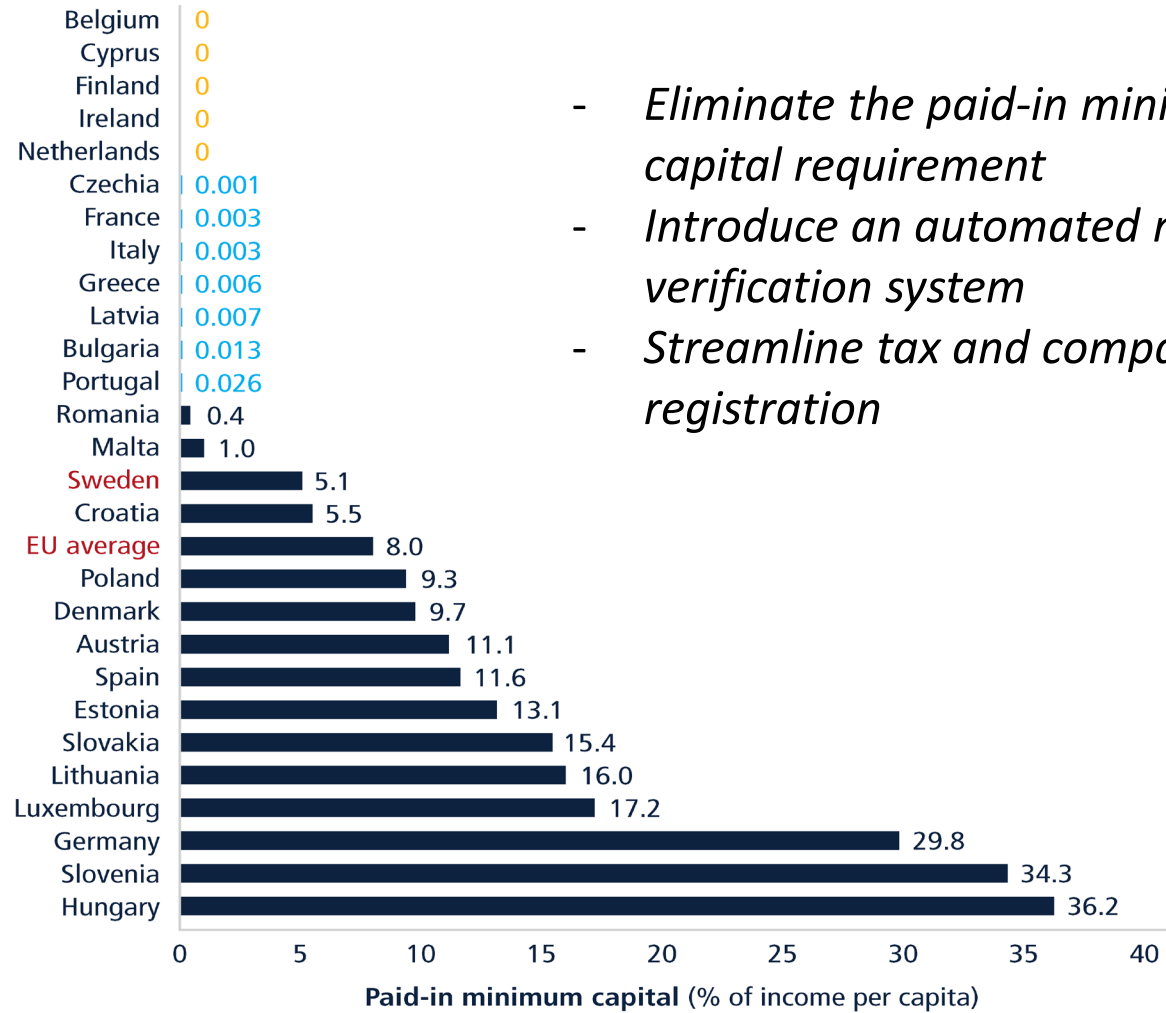
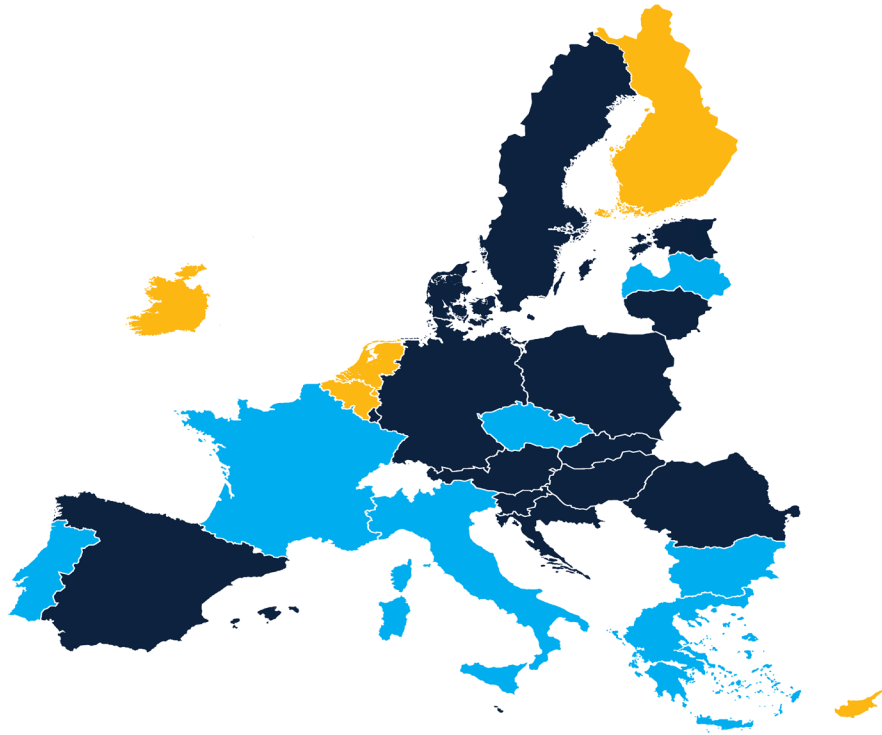
- Scope of the study
- Main findings
- **Findings per topic and areas for improvement**

Setting up a business in Sweden is simpler and less costly than the EU average but takes significantly longer



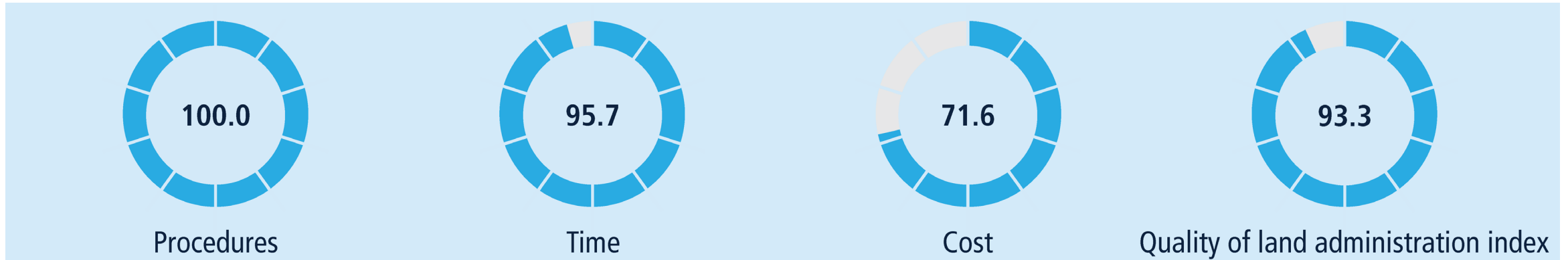
Setting up a business in Swedish cities takes 33 days—more than twice as long as the EU average of 14 days.

What can be improved in business start-up: emulate good practices across the EU



- Eliminate the paid-in minimum capital requirement
- Introduce an automated name verification system
- Streamline tax and company registration

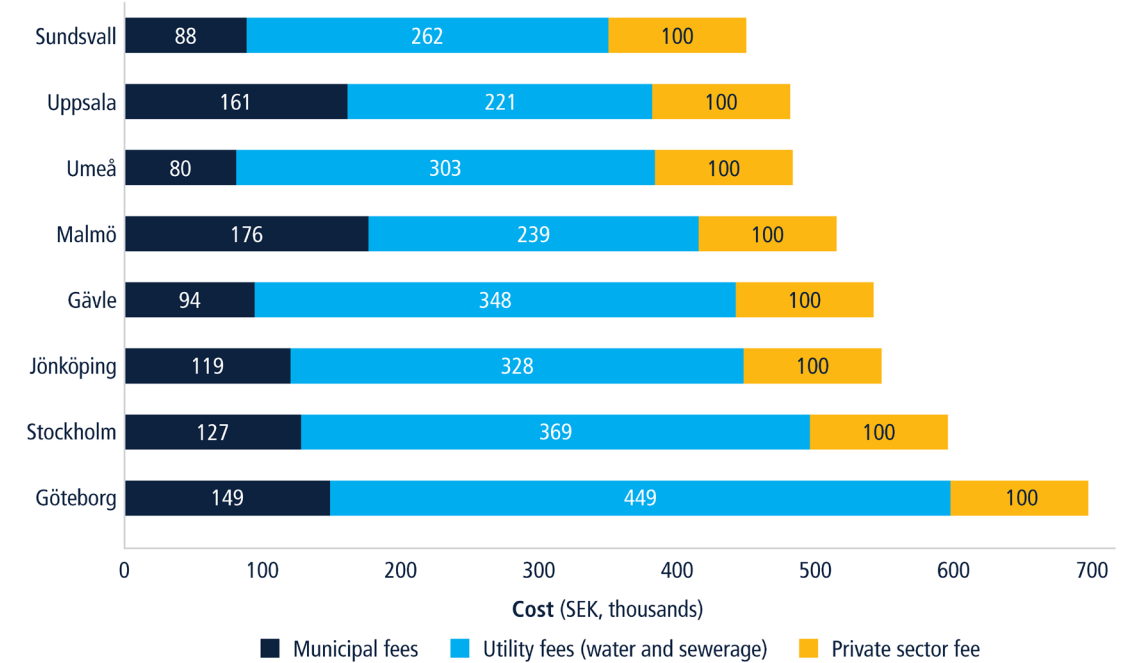
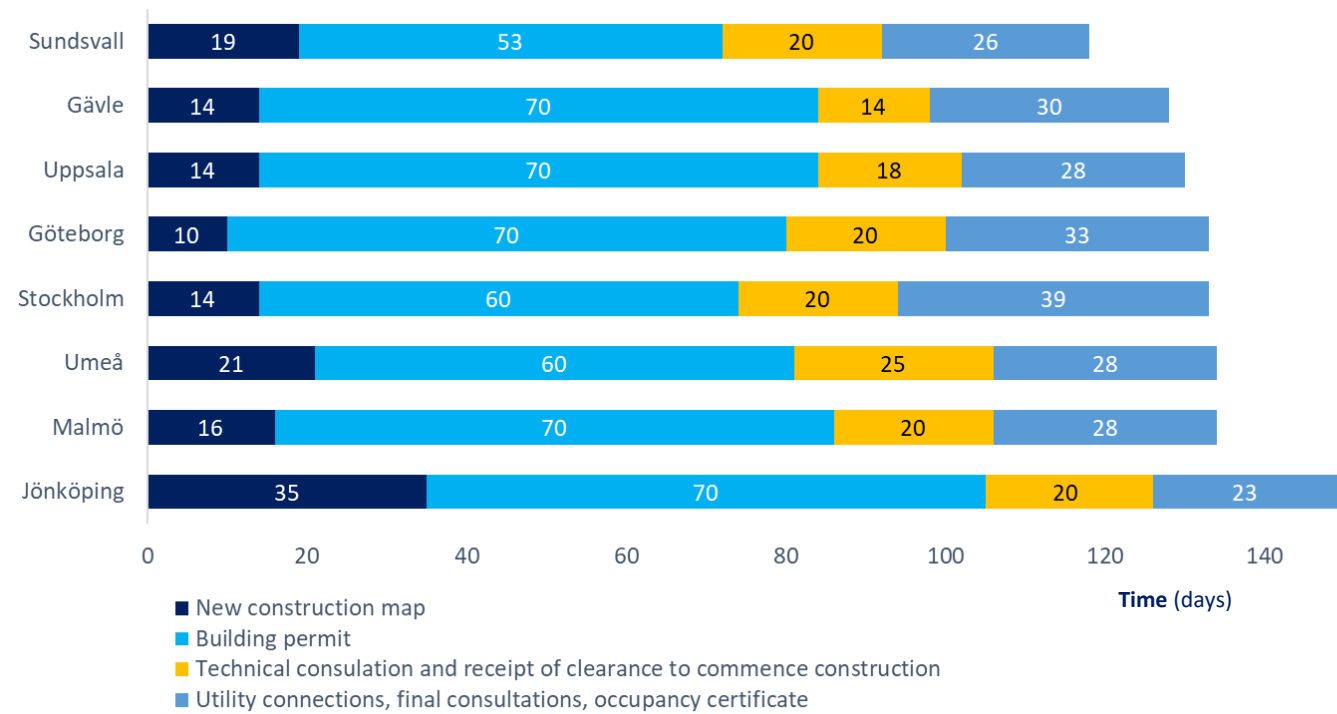
Sweden is one of the easiest places to transfer property in the EU and globally



Note: Scores showing how far a location is from the best performance achieved by any economy on each indicator. The scores are normalized to range from 0 to 100 (the higher the score the better).

Transferring a property in Sweden takes only 1 procedure over 10 days at a cost of 4.3% of property value.

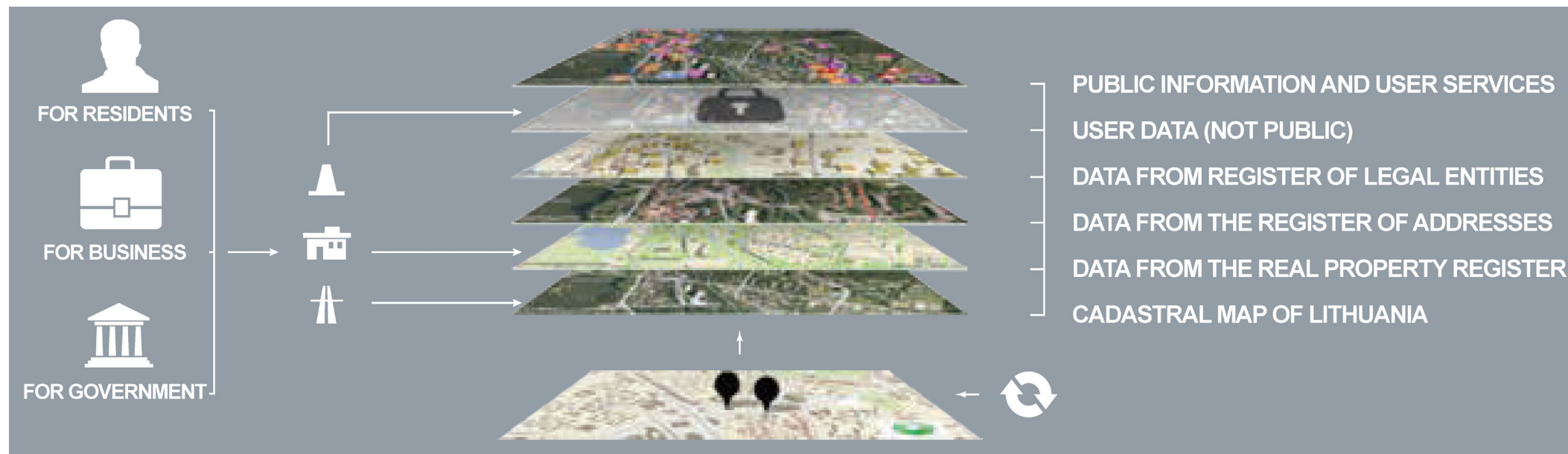
Obtaining **building permits** is fastest and cheapest in Sundsvall, where the process takes about four months at a cost of 1.8% of the warehouse value



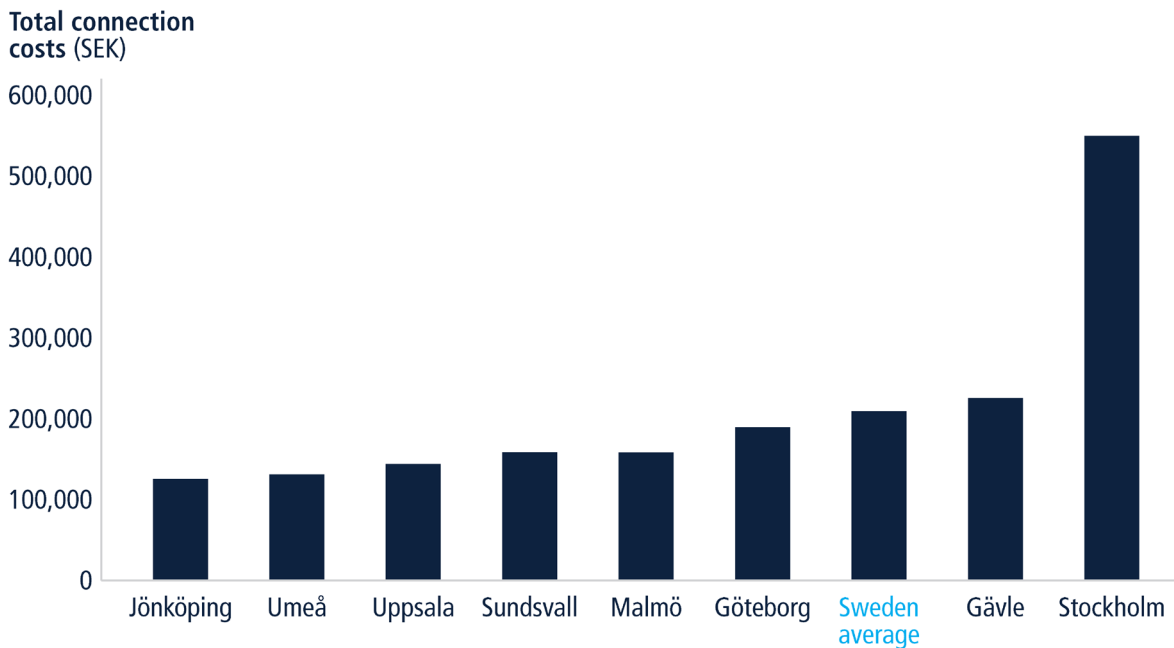
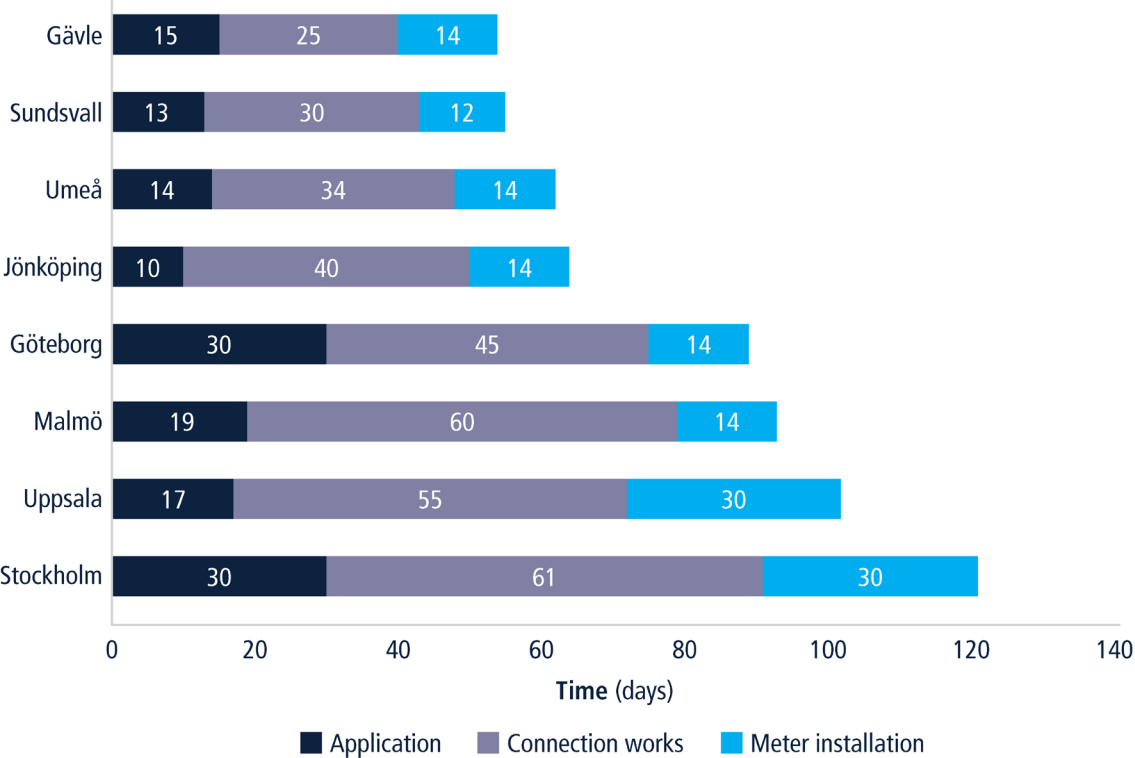
Swedish cities benchmarked on this assessment score 10 out of 15 points on the building quality control index.

What can be improved in building permits: adoption of GIS and online registration platforms that further streamline application and approval processes

In Lithuania, REGIA offers a comprehensive GIS system to citizens, businesses, and public agencies

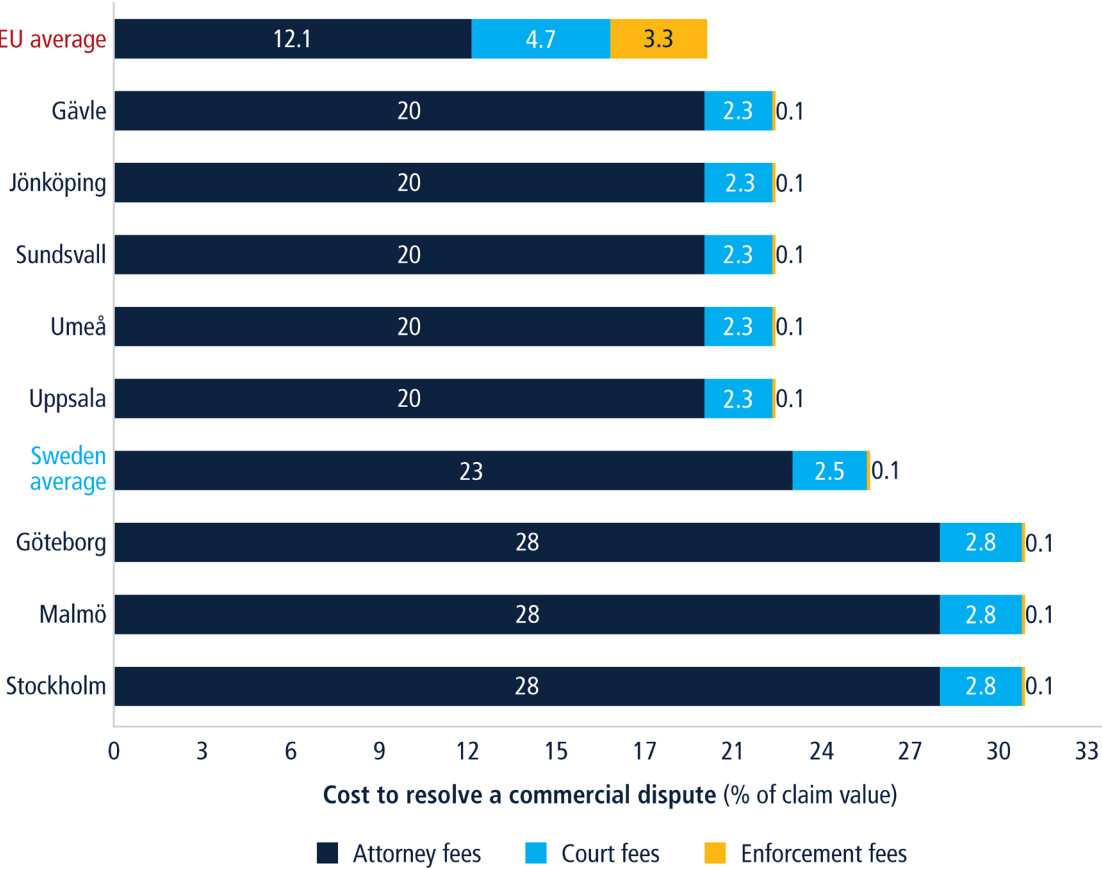
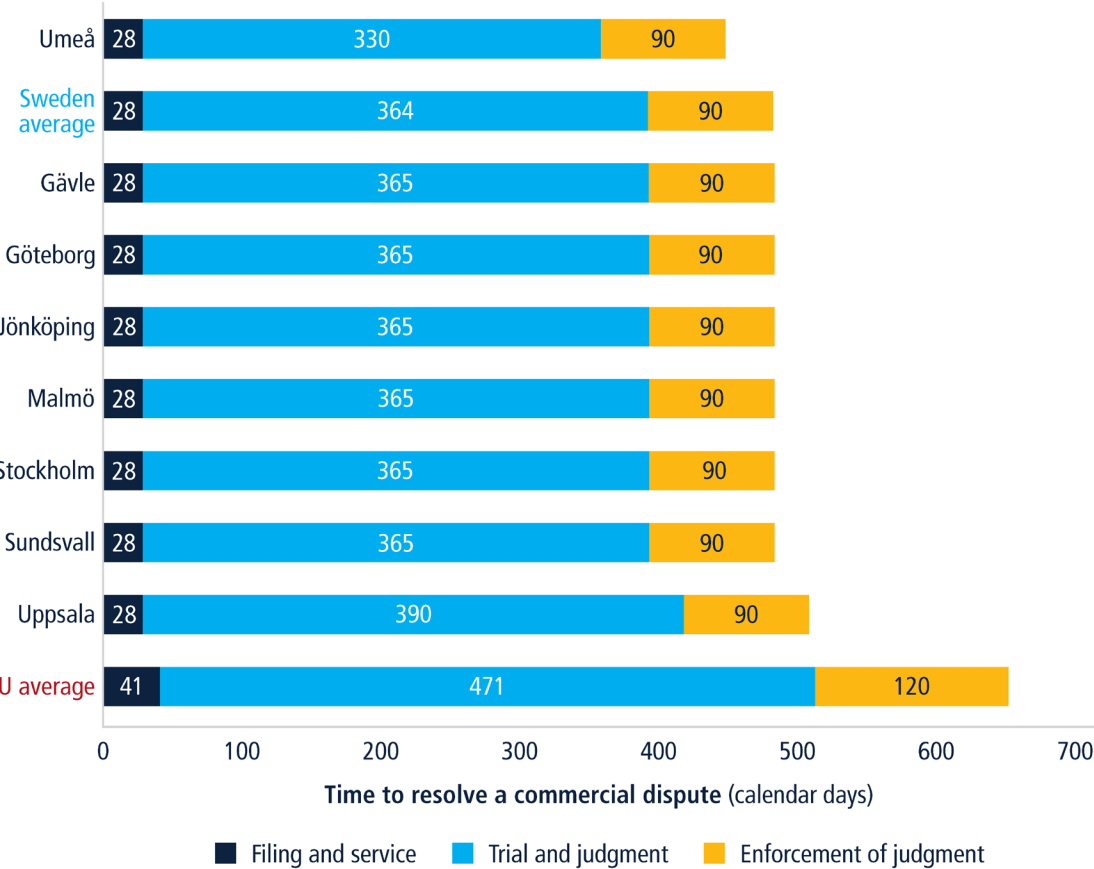


Obtain an electricity connection in Stockholm takes 2 months longer than in Gavle or Sundsvall and costs more than three times as much as in the rest of the country

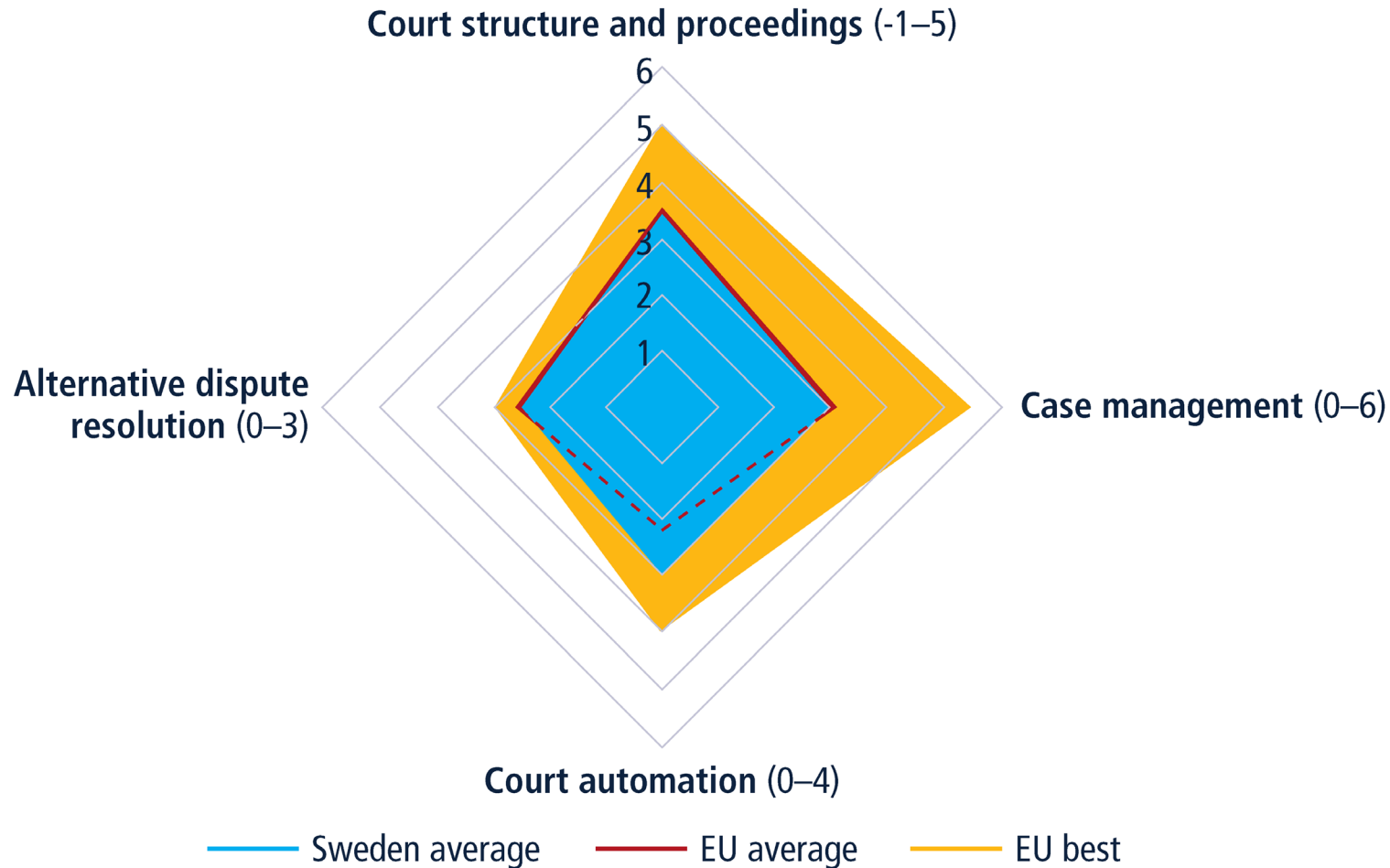


More than half of the Swedish cities benchmarked on this assessment score maximum points on the reliability of supply and transparency of tariffs index.

Commercial Litigation: there is little variation in time across Swedish cities, while attorney fees account for larger differences in cost



Swedish courts have room to catch up with the EU top performers on judicial quality



- *Create specialized commercial court sections*
- *Expand the use of electronic case management*
- *Make judgments available online*

THANK YOU!

Visit us at www.doingbusiness.org/EU



SUBNATIONAL STUDIES Measuring Business Regulations

ENGLISH ▾



HOME ABOUT CONTRIBUTORS

Doing Business in the European Union is a series of reports being produced by the World Bank Group at the request of and funded by the European Commission, Directorate-General for Regional and Urban Policy.

