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Sweden and Finland - the most attractive region in Europe to employ, invest and grow

Swedish-Finnish Business Declaration on Deepened Cooperation

Sweden and Finland are two countries tied together by common geography, people, history, culture, language, security, business relationships, a shared commitment to European integration and our membership in NATO. Both countries are leaders in areas of education, research, innovation and entrepreneurship. Similarly, we both are pursuing ambitious agendas on green, digital transition, coupled with advanced high technology industrial bases.

Against a backdrop of far-reaching geopolitical changes, it is increasingly important to take advantage of the current clear opportunities for reinforcing the competitive positions of our two countries. As a result, the Confederation of Swedish Enterprise and the Confederation of Finnish Industries are seeking to intensify their existing cooperation.

We are committed to advocating – at both at national and at European levels - for policies that will help boost our competitiveness through open and competitive markets. Sweden and Finland must be the most competitive locations in the world for sustainable growth and investment, based on technological excellence, high investment in RDI, affordable fossil-free energy, skilled workforces and streamlined administrative processes – including permitting. At the European level, we will work together to ensure the best possible framework for sustainable growth and competitiveness, based on our own strengths – the Single Market and open trade policies. A new legislative cycle must deliver proportionate, high-quality and evidence-based regulation, designed specifically to make our markets more dynamic and to unlock our economic potential. We will also advocate for EU policies that promote the best strategic frontrunner projects for advancing the green and digital transitions.

This joint declaration will provide the impetus needed to deepen the cooperation between our two organisations. It outlines ways in which we can undertake joint action at both national and EU levels in a number of specific areas. These include digital growth, energy security, defence and security, natural resources and biodiversity as well as trade.

Competitiveness through digital leadership

The Confederation of Swedish Enterprise and the Confederation of Finnish Industries are committed to promoting Sweden and Finland as Europe's digital frontrunners for data-driven economic growth and the use of key enabling technologies such as AI, telecoms and cybersecurity to boost productivity and to create solutions for the green transition.

To promote a growth-enhancing EU digital agenda, this Swedish-Finnish collaboration will continue to focus on strengthening the EU's digital innovation capacity and competitiveness. This includes an open and fair data economy, cybersecurity, a well-functioning Single Market, technologies (including AI, 5G and 6G), skills and digital infrastructure. The ongoing transition provides new business opportunities, but it will require a more differentiated approach; one with a greater emphasis on better regulation and less protec-

tionism. To maintain our competitive edge, it is also vital to boost R&D and innovation in data economy while safeguarding a competitive European standardisation ecosystem, with 'international first' as a guiding principle.

We share a common understanding of our national digital strategy priorities and our priorities for creating situational awareness in Sweden and Finland, and with other partners such as the Nordic Countries, the B9+ coalition and BusinessEurope. In order to support digitalisation at national level, we are committed to creating better conditions for digital growth through the exchange of information, experiences and best practices.

Growth from fossil free and affordable energy

The Nordic countries deregulated their power markets in the early 1990s and brought their markets together into a common Nordic market. Sweden and Finland have been global leaders in sustainable energy and climate transition, relying heavily on similar mixes of fossil-free energy sources such as nuclear, biofuels, hydropower and wind power. Both Sweden and Finland have strong industrial bases with many energy-intensive industries. The two countries' power systems are highly integrated, increasing their resilience and flexibility and serving to offset increasing price volatility on the national power markets.

Swedish and Finnish companies are at the forefront of providing new clean technologies to phase-out emissions. The Confederation of Swedish Enterprise and the Confederation of Finnish Industries are both steadfast supporters of the EU's net zero target and ambitious climate policy towards this goal. This transition will require additional fossil free electricity production at competitive costs. Technology-neutral policies for e.g. nuclear technologies and renewable power generation must be a guiding principle for the EU in facilitating this transition, along with strengthened competitiveness and resilience.

The EU and its Member States need to further streamline policies for permitting and to ensure policy coherence between energy consumption targets and the need to scale up fossil-free energy production. The Nordic energy market will also need to continue to evolve and integrate further, not least in the light of the changing energy security landscape.

Resilience from sustainably used natural resources

Both Sweden and Finland have significant natural resources and highly advanced industries, notably within the forestry, mining and other biobased sectors. By enhancing our bilateral cooperation and our joint advocacy efforts within the EU, we will be well-positioned to further strengthen our competitiveness while demonstrating leadership in how to preserve and strengthen biodiversity and use resources sustainably. Climate change – together with the loss of biodiversity and scarcity of natural resources – can exacerbate geopolitical tensions, undermine economic security and disrupt value chains. To build resilience, Sweden and Finland should increase their collaboration, with the aim of developing new incentives and market-based solutions that support innovation and the sustainable use of natural resources. They should also partner and share best practises with other countries that are important providers of such assets.

Security, defence and preparedness

With the ongoing Russian war of aggression against Ukraine, increasing geopolitical and economic tensions and the threats posed by climate change, the reality of our security needs has fundamentally changed. Given these multidimensional and coinciding threats, there is a growing need for efforts to strengthen security through increased military spending, a greater focus on preparedness and improved capabilities for tackling cyber threats.

Only a strong, stable and resilient economy can sustain its security. This means that improving the European business climate at large is absolutely vital. Measures should include safeguarding open trade, ensuring a strict competition policy and advancing measures to improve cybersecurity. Support for Ukraine for as long as is needed is crucial, and maintaining a united front on sanctions is of fundamental importance. We will also work together in support of a stronger European defence industry and a Single Market for Defence, with an emphasis on tackling the root causes of lagging production capacity and on creating the appropriate incentives.

We are addressing these challenges on a national level, jointly on a Nordic level but there is also a clear merit for the Confederation of Swedish Enterprise and the Confederation of Finnish Industries to work together on these issues bilaterally, tapping into and complementing already established and well-functioning cooperation between Sweden and Finland's defence industry organizations and their Nordic counterparts.

A push for open markets for trade

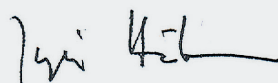
Trade is the cornerstone of both the Swedish and Finnish economies. We depend on open markets for trade in both goods and services, for exports and for imports and investments. As a result, we also share the ambitions of an EU trade policy aimed at continued economic openness, support for the WTO and greater market access through free trade agreements with countries and regions such as Mercosur, Australia and India, as well as through 'mini deals' and strategic partnerships.

Legitimate concerns over security, sustainability and unfair trade practices need to be taken seriously, but we believe that policy efforts in these areas should not undermine our open trade regime. Here, Sweden and Finland must take the lead. From a business side, we will continue to further strengthen and enhance our Nordic-Baltic trade dialogue. We also commit to further increasing our advocacy efforts in the U.S. to build stronger trade relations between the EU and the U.S. We will work together to ensure sufficient EU support and funding for the reconstruction of Ukraine and to attract businesses to contribute to this process. We also intend to engage with our partner organisations to encourage them to do the same.

To support these goals and best practises for green and digital growth and competitiveness, the Confederation of Swedish Enterprise and the Confederation of Finnish Industries will cooperate closely on all levels. We will contribute to national and European policy processes with fact-based information and insights from the business sector, including from SMEs. We will develop shared policy proposals and organise relevant high-level meetings and workshops with EU policymakers and interested audiences.



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