

Costs for establishing a business in Sweden

The figures presented below are estimated average costs when setting up a business in Sweden. Costs are in SEK exclusive VAT and are merely a guideline. (USD 1=SEK 8.10, August 2003)

Company registration

The minimum capital stock for a private Swedish stock corporation is SEK 100,000. No capital stock is required to establish a branch office. The registration fee at the Swedish Patent and Registration Office, PRV, for both a stock corporation and branch office is SEK 1,700. The cost, excluding capital stock, of acquiring an existing stock corporation – so-called off-the-shelf - is about SEK 5,000-10,000.

Personnel costs

The table below states average salaries (2001) for various job categories in Sweden. They vary depending on location.

Position/title	Total cost	Gross salary
	incl. social contributions	deducted social contributions
Managing Director	1,500,000	1,130,000
Director of Sales/ Marketing	1,036,000	779,000
Director of Finance	944,000	710,000
Sales Manager	603,000	454,000
Finance Manager	545,000	414,000
Systems Analyst	470,000	353,000
Specialist user support	460,000	346,000
Executive Secretary	446,000	335,000
Technical Engineer	446,000	336,000
Network Engineer	424,000	319,000
Production supervisor	387,000	291,000
Senior Programmer	387,000	290,000
Accountant	365,000	274,000
Customer Service Officer	358,000	269,000
Secretary	344,000	258,000
Customer Service Assistant	252,000	190,000

Source: Mercer Sweden AB, 2002

Recruitment

Personnel can be recruited from the international employment office free of charge or via recruitment agencies. Recruitment agencies' fees vary, depending on the company's structure, qualifications of personnel, time span, etc. The fee ranges between SEK 15,000 and SEK 500,000. Generally speak-

ing, advertising job vacancies in newspapers is a cheaper alternative to using recruitment agencies. The rate for three successive insertions of a job advertisement in a Swedish national newspaper is about SEK 20,000-30,000. Local newspapers charge about one-fifth this rate.

Accountant

The figures below are average annual costs for the services of a certified public accountant for a company. The figures are for companies located in major Swedish cities. The cost in smaller towns is about 20 percent lower.

Annual turnover	Annual fee
SEK 3,000,000	SEK 10,000-15,000
SEK 5,000,000	SEK 15,000-20,000
SEK 10,000,000	SEK 20,000-30,000
SEK 50,000,000	SEK 40,000-70,000

Office equipment

	Start up cost	Operating cost
Telecommunications		
Switchboard & phones	50,000	10,000
Internet ISDN router	5,000	1,000
Fax machine	14,500	2,800
Subscription Internet		5,000
Subscription telephone		4,500
Computers and office equipment		
Stationary computer	14,000	2,800
Laptop computer	24,500	4,900
Laser printer, b/w	10,500	2,100
Copying machine	30,000	6,000
Furniture		
Working station	20,000	4,000
Conference table / chairs	19,000	3,800
Dinner table and chairs	11,000	2,200

The costs given above are average costs. In the case of the switchboard, it includes six external lines, eight speed-dialing numbers, six phones, and installation fees. The switchboard can easily be expanded. An Internet subscription and ISDN router provide all

employees with Internet access. Operating costs for investments include 20 percent depreciation.

For many companies, an alternative to renting an office is an office hotel. At office hotels, most of the above-mentioned equipment is already in place.

Utilities

In Sweden, heating and water are normally included in the rent, whereas electricity is an additional cost. The price for electricity is approximately SEK 0.7775/kwh plus SEK 240/year in fixed costs. This figure applies to companies using 75,000 kWh or less annually. (Source: Vattenfall, August 2003) Office cleaning for 150-sqm premises costs approximately SEK 27,000 annually.

Insurance

Standard company insurance includes protection against fire, burglary and water damage and compensation for interruption of

activities and legal aid. To set the insurance premium, insurers make an individual company estimate. Costs vary according to the company's revenues, number of employees, property, business sector and, to some extent, location. The example below indicates insurance costs for a company with five employees, located in a medium-large city, active in a traditional office sector and using office equipment normal for its size.

Annual cost in SEK		
Annual turnover	Low	High
SEK 3,000,000	3,000	7,000
SEK 5,000,000	7,000	11,000
SEK 10,000,000	10,000	10,000-

Source: If Skadeförsäkring

Other costs

Bank services,	basic	SEK 2,000
Car leasing	Volvo V70 2.4 -03	
	incl. insurance, tax, service, fuel, other charges (estimated 20,000 km/year)	SEK 80,000-110,000

For information on recruitment agencies, please consult the fact sheet "Recruitment companies in Sweden."

To review office hotels in Sweden, please consult the fact sheet "Office hotels in Sweden."

Office rent

Office location/ Region	A-site	B-site	C-site	Other location,
Gävle	City: 800-1,000	Outer city: 600-800	500-650	B-site, Campus: 800-1,200
Göteborg	City/ Exhibit. hall: 1,200-1,900	700-1,600	600-1000	AA-site, Lilla Bommen: 1,500-2,200
Helsingborg	City: 900-1,500	City/ Berga: 600-1,000	500-900	
Jönköping	900-1,300	750-1,100	500-950	
Kalmar	Kvarnholmen: 800-1,100	Airport/ Malmen: 600-850	500-700	
Karlstad	Kanikenäset: 850-1,200	City: 850-1,100	500-900	
Linköping	City: 925-1,400	City: 800-1,050	500-900	A-site, Mjärdevi Science Park: 875-1,300
Luleå	City: 800-1,300	City/ Aurorum: 700-1,300	600-900	
Malmö	City, Harbor: 1,000-1,700	800-1,300	500-1,00	AA-site: 1,100-1,800
Stockholm	3,500-4,300	2,700-3,500	2,200-2,800	D-site: 500-1,600
Sundsvall	Stenstaden: 950-1,300	City: 800-950	600-900	B-site, Åkroken: 900-1,200
Umeå	City: 800-1,400	City: 750-1,000	600 - 1,200	B-site, Regiment: 1,050-1,200
Uppsala	City: 1,400-1,700	City: 1,100-1,500	700 - 1,400	A-site, Campus: 1,300-1,700
Västerås	City: 900 - 1,100	City: 700 - 900	500 - 850	
Östersund	City: 800 -1,200	675 - 800	600 - 750	A-site, Campus: 700-1,800

Source: Forum Fastighetsekonomi AB (SEK/sqm/year)