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# **Join Sweden Summit: Opening**

**Remarks by Mathias Cormann  
Secretary-General, OECD  
Stockholm, Sweden  
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Your Royal Highness,

Prime Minister, Ministers, Distinguished guests,

Ladies and gentlemen,

Thank you for inviting me to be a part of the opening of the  
Join Sweden Summit.

Sweden is a highly valued founding member of the OECD.

You are a hugely successful, globally focussed, open trading economy.

You are strongly committed to our OECD mission, to advance the sustainable expansion of global trade on the basis of appropriately high standards and as a driver of increased economic and social wellbeing for people across the OECD and beyond.

And you provide genuine global leadership in key policy areas.

The increasingly urgent and necessary green transition.

The accelerating and deepening digital transformation.

Gender equality.

And the importance of social dialogue as a way to optimise international competitiveness in an inclusive way.

Your leadership on all these issues and your unequivocal commitment to democracy, human rights, the rule of law, market based economic principles, global cooperation, effective multilateralism and a rules based international order makes Sweden such a great place to invest.

**Today's Summit takes place at a challenging moment in our shared history.**

After two difficult years marked by the COVID-19 pandemic, we entered this year with great optimism.

The global economy, and the Swedish economy, recovered more quickly and more strongly than had been anticipated.

Yes, the pace of the recovery was uneven across sectors and countries, but things were very much headed in the right direction.

While inflation was rising, mostly because of the strength and the speed of the global recovery in demand in the wake of the pandemic, it was seen as temporary.

Then, a new shock.

Over four months have passed since Russia began its unprovoked, unjustifiable and illegal war of aggression against Ukraine.

A war which has caused and continues to cause great pain and suffering in Ukraine and is imposing a heavy price on the world on the back of lower growth and higher inflation.

The war has further exacerbated the supply chain disruptions already brought on by the pandemic.

This is pushing up energy and food prices in particular.

These short term challenges require short-term, targeted and temporary policy responses.

**At the same time, we must also remain focused on our longer-term structural reform missions.**

Securing the green transition to global net zero.

Optimising the digital transformation.

Securing open, well-functioning global markets.

Central themes of the Join Sweden Summit.

**Overall, the investment outlook for Sweden remains strong.**

Sweden has a vibrant and stable economy, one of the key elements to attracting foreign investment, and one that will serve it well during these current, turbulent times.

Sweden ranks very highly internationally for the ease of doing business here.

You have efficient processes for initiating and operating businesses.

You have an open economy which fosters innovation and competition.

Your governments consistently and proactively promote investments to promote growth in new sectors.

Sweden's success in attracting investment and promoting innovation is also helped by your large and deep capital markets.

While in most OECD countries, stock markets are shrinking in terms of the number of listed companies, Sweden stands out as an exception.

Your bond market has grown quickly over the past decade, with the total outstanding amount of non-financial corporate bonds more than doubling in real terms.

**And Sweden is providing leadership when it comes to the global green energy transition.**

As one of the first countries to set a net-zero emission target.

Having largely decarbonised electricity generation and heat production.

And in keeping a strong policy focus on decarbonising transport and industry.

Sweden has the highest rate of electric vehicle sales in the EU.

A key requirement for a successful green energy transition is better storage capacities at scale.

Here Sweden is also helping, now holding the world's fourth largest battery manufacturing capacity and with the potential to go further.

In the industrial sector, we are seeing great results in hydrogen-based steel production.

These are all excellent examples of Sweden drawing on the energy transition as a driver for re-industrialisation and job creation.

**Advances that are not only important for Sweden's transition to net zero emissions but also for the world.**

In the wake of the war, our energy supply and security challenges have collided with our energy transition and climate change mitigation objectives.

We need all countries around the world committed to ambitious and effective action on climate change to stay the course.

Let me make a few observations about areas for action and how they may also apply here in Sweden.

**First, policy has an important role to play in mobilising the necessary investment toward the green transition, even in front-runner countries like yours.**

Getting the world on track for net zero will require nearly USD 4 trillion of annual investment in clean energy by 2030.

This is a four-fold increase on current levels of investment.

To get there, we need to transform financial markets to better incorporate longer-term climate risks and opportunities.

Investors need to have confidence that investments labelled as “green” are genuinely contributing to environmental sustainability.

This can include de-risking investment in potentially transformative, yet unproven technologies, and incentivizing industrial transformation where existing technologies are available, but expensive to implement.

Sweden is leading by example, with strong support for technological development and innovation. Remarkably, over 5% of your Gross Domestic Product is spent on research and development, and Sweden is known for facilitating collaboration across borders.

Sweden is also a hot spot for startups, with both Stockholm and Gothenburg now home to major technology companies.

These efforts should be continued.

**Second, private investment, in particular international investment, will play a critical role.**

Foreign Direct Investment contributes to economic growth through capital formation and technology transfer, as well as through facilitating skills development and improving access to global markets.

Foreign investment has allowed the Gothenburg region to transition from shipbuilding to becoming a centre for research and innovation, including for global players like AstraZeneca.

To optimise its catalytic role, we need to pay much greater attention to the qualities of Foreign Direct Investment.

The OECD's work in this area aims to help governments identify priorities for reforms to attract and retain quality private investment in four key areas: productivity and innovation; job quality and skills; gender equality; and decarbonisation.

Sweden has been a strong supporter of this initiative since the outset, given the alignment with Sweden's view on the role that open markets can play in supporting skills, sustainability and the development of Small and Medium Enterprises.

We look forward to working with Sweden to see that recommendation fully implemented here.

We will also work with Sweden to ensure that its new Foreign Direct Investment screening mechanism, introduced just last year, strikes the right balance between national security and openness.

**Third, responsible business conduct can help manage supply chain risks, build resilience, and promote sustainable transitions.**

The OECD Guidelines for Multinational Investment and related due diligence instruments are a valuable tool for businesses and policymakers in this regard.

By strengthening their responsible business conduct and due diligence, firms can find innovative ways to map, mitigate and address risks throughout their supply chains.

In the process, firms can also identify opportunities to improve the sustainability of their supply chains, and harness digital tools for doing so.

Swedish firms and investors are at the forefront of upholding responsible business conduct in their global value chains and portfolios.

As OECD standards for responsible business conduct become the global norm for sustainable trade, Sweden stands to benefit from its leadership position.

**Fourth, we need to ensure that the green transformation goes hand in hand with the digital transformation in a mutually beneficial and reinforcing way.**

Evidently, digital technologies have a key role to play in support of the green transformation.

But there are trade-offs that need to be managed.

The rapid growth in digital technologies has a large and growing carbon footprint, generates electronic waste and poses additional sustainability challenges in the supply of critical minerals.

Concerted policy action is needed to maximise the benefits and address the trade-offs of these twin transitions.

**In closing, we need policies and private sector action that will help to better align and leverage capital flows with sustainable and climate-resilient growth.**

After years of steady decline accelerated by the COVID-19 crisis in 2020, global foreign direct investment flows surged by 88% in 2021, surpassing pre-pandemic levels by 37%.

Sweden stands out as a top investment destination, with foreign direct investment flows increasing by 43% in 2021—reaching a 13-year record high.

Business Sweden is an active partner of the OECD's Investment Promotion Agencies Network and it is one of the top in providing an interactive online site selection map, which shows available sites best suited for potential businesses to invest.

We warmly encourage Sweden's continued leadership to advance the European Union efforts towards net zero during its EU Council Presidency in 2023.

And I am really pleased to see so many of you here and connected today.

I am confident that together we can build a more sustainable, resilient and inclusive future.

Thank you.