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## **Global manufacturing in the Swedish GDP 1995-2008(a proposed paper for the IARIW conference in 2010, Plenary session 3 the Impact of Globalisation).**

Swedish GDP-growth is dependant on a number of multinational enterprises and their subcontractors. This has been very evident during the present recession.

Sweden entered the European union in 1995, but before that some Swedish multinational Enterprises had established production in a country within the union. This led to a changed behavior. Some enterprises chose to take home profits through dividends as they had done before, while others started invoicing the final customers directly from Sweden. The latter method of course transfers the profit quicker and in that way helps financing R&D in Sweden in a more efficient way. This lead to problems for Statistics Sweden in identifying the Swedish production and export. Another problem concerns the measuring of volume changes when an enterprise changes its method of invoicing daughter companies.

This paper will describe how the structure of Swedish export has changed between 1995 and 2008. The share of production outside Sweden which has been invoiced from Sweden( merchanting or goods for processing ) will also be shown.

Since large amounts of income come from one or two enterprises we have not so far published detailed figures on the effect on Swedish GDP and GNI of these transactions. This paper is an attempt to analyse these effects as detailed as possible without revealing secret information.

Some examples of the structure of Swedish multinationals will be shown in the paper. These cases will include :

- a case of goods for processing where the processed goods are sold to third countries
- an example of triangular trade where a daughter company manufactures the product which is sold to a third country
- a case of manufacturing abroad where the Swedish company makes R&D and sells the product which is manufactured by subcontractors abroad
- a retail trade enterprise with shops all over the world which manufactures its product through subcontractors in China and elsewhere.

**STATISTICS SWEDEN**

National Accounts

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**Abstract**

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