



Dear All,

**The times are tough and have been so for a few years now. But there are also many good things that you tend to forget or do not see. We are working on and have also increased our activities in areas like MedTech and Health Care operations. Companies interest to expand into new geographical areas are growing again and the search for global talents is going up. Finland is a member of NATO, and we are pretty sure that we are on our way in. Or as one NATO General said – “You are already there, whatever Turkey or Hungary say.”**

Our most important observations and conclusions from this year are the following:

- Sweden is still well off. Our government debt is 33% of our GDP that is almost half of the EU rule/limit that is 60%. More than fifteen countries in the EU are above that. Our large, traditional companies like the forest industries, steel, mines, cars and trucks, industrial equipment and so on have been successful or extremely successful. Energy equipment like heat pumps is doing very well and here we are in the forefront with companies like NIBE. Many companies have recovered like H&M and other consumer goods. Retail is picking up, both food and non-food, with many new entrepreneurs.
- Problems we have but you must put them into perspective. The last 20 years we have had 80 to 120 killings per year. The difference is that murders in close relationships has gone down. Fatal violence between criminal gangs has gone up and become more public with street fighting between gangs normally consisting of young people from immigrant families. The reason for this is that our assimilation or integration efforts has been poor. For the first time we have a government that has started to address these problems, but it will, of course, take some time to correct. But this government has still three more years to go.
- Another problem we have, that is also the case in many other European countries and elsewhere, is the radical Muslims that will not integrate in our society and are often supporting radical and militant terrorism. Sweden has a long tradition to be nice to everybody, to welcome all and try to help people. This is a very important and good part of our culture! But it has also made us naïve. We think also that all people coming to our country have the same attitude, that all doesn't have. Our political system and we as individuals are now waking up and the political support to handle this is growing every day. And our present government is implementing good measures and is very dedicated to try to sort this out.
- The largest problem from our perspective is that we have a too large public sector, and some taxes are too high like income taxes although better than before. And we have almost no real estate tax, no inheritance tax and no tax on gifts. But we have a too large state, regional and local public bureaucracies. We have 340 government agencies that interfere with our lives too much. However, tax authorities, the land surveyor and many others are professional and function well. So, all in all Sweden is still a good

land to live in. Most of the bad reputation that has been spread through international news media is not relevant.

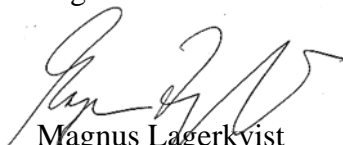
- As far as we can see business is not affected so much by the bad press we have got in some countries. The boycott of Russia and their war with Ukraine has of course had effects but Sweden's business with Ukraine is still astonishingly vibrant. The truck maker SCANIA has its best year ever this year in Ukraine. In the end the big loser is Russia that will not recover for many, many years. The problem is the increasing military treat from Russia. However, Sweden and the other Nordic countries have today a very strong support from the population to defend ourselves and to build a strong defence.
- Industrial companies as well as financial investors like the Private Equity industry is (sometimes with our help) very active going into new markets, expand in their existing markets and acquire companies. It is interesting how much you can do also in so called mature markets like the Benelux, Germany, Austria etcetera. The interest is growing again for other markets like Latin America. We have been there since 1990 when we started in Chile, now we are present in nine countries and covering the whole of Central America from Panama.
- I am working also with THE SWEDISH ART & BUSINESS ASSOCIATION. Our yearly price THE SWEDISH ART & BUSINESS AWARD for the best cooperation project between art intuitions and/or art projects last year or years has been a growing success with big Price Galas that gets good publicities. Among the resent winners are The Gothenburg Opera and Swedbank with the project "Bullied". El Sistema Hammarkullen that was a project to organize El Sistema choruses with mostly immigrant children to integrate them better in the society was a project that got nominated. The choirs did also perform at the Opera. Another winner was Borås Sculpture Park that consists of 25 large sculptures that are place outdoors in central Borås, a town 50 km east of Gothenburg, financed by a couple of Borås companies. In the association we are also helping culture actors and institutions to find companies to work with and sometime reverse i.e., helping companies to find interesting culture actors to work with/sponsor.

As one of our best clients and friends said the other day when we were talking about the future: "You have to be positive and optimistic! Otherwise, you cannot live a good life and have a drive. This goes both for your private life and for your business life." We cannot agree more!

***WE WISH YOU A MERRY CHRISTMAS  
AND  
A HAPPY AND PROSEPROUS NEW YEAR!***

Best Regards

Lagerkvist & Partners AB

  
Magnus Lagerkvist  
CEO & Founder