The support system in Värmland

Björn Eiderbrant
Change in population during 25 years, 1991-2016
County of Värmland

Source: Statistiska centralbyrån

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Population by age and gender in 2016

Women

Men

Source: Statistiska Centralbyrån

© Pantzare Information AB
County of Värmland
Inhabitants in urban areas and sparsely populated areas, year 1950-2014

Urban built-up areas
Sparsely populated areas
Employees in Värmland and Sweden

Index: 1985 = 100 %

Year

Värmland

Sweden
Unemployment, in 1992-2016
Share of population (16-64 year) %

Source: The swedish agency for labourmarket politics

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Diagram showing the number of employees and the share of the business sector for companies owned by foreign investors in Värmland from 1985 to 2005. The number of employees and the share of the business sector increase over time, with a significant rise in the late 1990s and early 2000s.
# Biggest companies in Värmland

<table>
<thead>
<tr>
<th></th>
<th>Company</th>
<th>Industry</th>
<th>Employees</th>
<th>Share of employees in Värmland</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Coop Värmland</td>
<td>Retail, food</td>
<td>1425</td>
<td>1,3</td>
</tr>
<tr>
<td>2</td>
<td>SAMHALL AB</td>
<td>Handicapped workers</td>
<td>875</td>
<td>0,8</td>
</tr>
<tr>
<td>3</td>
<td>VOLVO CONSTRUCTION EQUIPMENT AB</td>
<td>Production of heavy vehicles</td>
<td>875</td>
<td>0,8</td>
</tr>
<tr>
<td>4</td>
<td>FRÖSUNDA OMSORG AB</td>
<td>Social services</td>
<td>875</td>
<td>0,8</td>
</tr>
<tr>
<td>5</td>
<td>BILLERUDKORSNÄS SWEDEN AB</td>
<td>pulp and paper</td>
<td>825</td>
<td>0,8</td>
</tr>
<tr>
<td>6</td>
<td>UDDEHOLMS AB</td>
<td>Steel</td>
<td>825</td>
<td>0,8</td>
</tr>
<tr>
<td>7</td>
<td>STORA ENSO SKOGHALL AB</td>
<td>Pulp and paper</td>
<td>775</td>
<td>0,7</td>
</tr>
<tr>
<td>8</td>
<td>VALMET AB</td>
<td>Machine producer</td>
<td>725</td>
<td>0,7</td>
</tr>
</tbody>
</table>

AB = Limited company
per 1000 inhabitants, age 16-64

Newly started companies

Year

1995 1997 1999 2001 2003 2005 2007 2009 2011 2013 2015

Sweden

Värmland

Source: Tillväxtanalys

Värmland County Administrative Board
- SMART growth
- Sustainable growth
- Including growth

- Innovation and entrepreneurship
- Attractiveness
- Competence
- International and cross-border cooperation

- Life of quality for everyone
- More and stronger companies
- Competence
- Better communications
Cohesion policy and funds

the Swedish agency for economic and regional growth

The cohesion policy is the EU's main instrument for achieving the Europe 2020 objectives.
Funds for the cohesion policy are distributed from three structural funds: the European Regional Development Fund, the European Social Fund and the Cohesion Fund.

These funds support:

• cutting-edge research
• high-speed internet access
• smart transport and energy infrastructure
• energy efficiency and renewable energies
• business development
• skills and training.
State aid rules

*All forms of state aid are prohibited (EU-treaty)*

**Exception**

• Group of exception (EU) 651/2014
• De minimis aid (EU) 1407/2013
Support for companies

- Investment aid
- Aid for business promotion
- Aid for innovation (new starters)
- Aid for internationalisation
- Aid for digitizing

- (The program for rural development)
Aid for investments in companies

Support areas:
- National support area A
- National support area B
- Complementary support area (only de minimis aid)
- Not eligible area
- Vänern
Aid for investment in companies

Not eligible for companies undertaking in

• Coal, steel, yard, synthetic fiber industry.
• Transport sector, energy production, energy distribution or energy infrastructure.
• Primary production of agricultural products
• Fishery and aquaculture sector
• Financial and insurance business
• Intra-group activities
• Consultancy on organization
And ...
• Aid contingent upon the use of domestic over imported goods
Investment aid for companies

Regional exceptions

• Trade if not trade important for services in rural areas
• Local services
• Transportations
• Mobile services
But what do we support?

• Manufacturing
• Tourism
• Private services
• Innovative ideas
Investment aid for companies – two systems

Regional aid of investment – share of eligible costs

<table>
<thead>
<tr>
<th>Size of the company</th>
<th>Supportarea A</th>
<th>Supportarea B</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-49 employees</td>
<td>35 %</td>
<td>30 %</td>
</tr>
<tr>
<td>50-249 employees</td>
<td>25 %</td>
<td>20 %</td>
</tr>
<tr>
<td>250- employees</td>
<td>15 %</td>
<td>10 %</td>
</tr>
</tbody>
</table>

De minimis aid
Maximum 200 000 € (about 1 900 000 SEK)

<table>
<thead>
<tr>
<th>Geographic area of support</th>
<th>Maximum grant</th>
<th>Normal grant</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>50 %</td>
<td>25-30 %</td>
</tr>
<tr>
<td>B</td>
<td>40 %</td>
<td>25 %</td>
</tr>
<tr>
<td>Utanför</td>
<td>25 %</td>
<td>25 %</td>
</tr>
</tbody>
</table>
## Support for business improvement

<table>
<thead>
<tr>
<th>Category of aid</th>
<th>Maximum grant</th>
<th>Share of eligible costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aid for consultancy support</td>
<td>150 000 SEK</td>
<td>50 %</td>
</tr>
<tr>
<td>Cooperation project (at least three companies)</td>
<td>150 000 SEK / company</td>
<td>50 %</td>
</tr>
<tr>
<td>Aid for micro-enterprise</td>
<td>30 000 SEK</td>
<td>50 %</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Stödform</th>
<th>Maximum grant</th>
<th>Share of eligible costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aid for internationalisation</td>
<td>250 000 SEK</td>
<td>50 %</td>
</tr>
<tr>
<td>Aid for digitizing</td>
<td>250 000 SEK</td>
<td>50 %</td>
</tr>
<tr>
<td>Aid for innovation</td>
<td>100 000 SEK</td>
<td>50 %</td>
</tr>
</tbody>
</table>
Financing

State
- Värmland County Administrative Board
- Swedish agency for economic and regional growth
- Swedish agency for innovation
- ALMI business partner
- State venture capital
- The Swedish support credit agency

Private
- Banks
- Toborrow
- Company-owner
- Crowdfunding
- Local investment group
Risk and interest rate and rate of return are financing investment.

- Owner: Lack of capital
- Banks: Risk

Värmland County Administrative Board
Risk and rate of return

Financing investment

Interest rate and rate of return

Banks

ALMI

Owner

Risk

Värmland County Administrative Board
Risk

Interest rate and rate of return

Financing investment

Banks

Investment aid

Owner

Risk

Värmland County Administrative Board