

STATE AID - SWEDEN

Market size and current trends in the Life Science business in Sweden

In a historic perspective Sweden has provided, via a close cooperation between universities and industry, a great environment for life science companies to develop new products and grow on the market. For example this has led to innovations like medicine for ulcers, diagnostic allergy tests and the pacemaker. Many companies within the life science industry originating from Sweden are still in a world leading position, for example AstraZeneca.

Within the life science industry Swedish companies employ approximately 42 000 people at about 820 companies (2006). AstraZeneca employs a great part of them; app 10 000. These companies spent 16 percent of its total yearly expenditures during 2005 on R&D. The stated numbers indicate that the life science business has a great importance for Sweden but it is important to stress that a lot of the investments in R&D are spent and decided from head offices outside of Sweden.

The life science industry in Sweden has been developing in a positive manner during the last few years and the industry's total turnover has increased as well as the average refinement value per employee.

What kind of state aids exists in Sweden for R&D within the life science industry?

During 2006 the Swedish government supported R&D with 26.4 GSEK (2.8 GEUR) which is 0.94 of the Swedish GDP. Of this amount about 6.49 GSEK were appointed to the biotech industry in a broad spectrum. During 2009-2012 the government aims to increase the support for R&D with another 5 GSEK. It is not exactly specified how much of this that will go to the life science industry.

R&D within life science also gets aid from private companies. In 2006 the total aid from private companies amounted to about 2.5 GSEK.

Swedish and international companies paid for about 7.3 percent of the costs for R&D at the Swedish universities in the branches medicine, odontology and pharmacy during 2007.

In Sweden there are more than 100 active initiatives for funding of R&D from public research financiers and funds. Many of these have been established during the last few years. To

mention one of the hosts of funds and funding I would like to point out VINNOVA. VINNOVA for example hosts

- **Berzelii Centra** – Basic research with the ambition to develop the cooperation between private companies and public operations. Each centre will have about 170 MSEK per year in available funding.
- **Vinn Excellence Center** – Shall create new internationally competitive research leading to new technology, processes, services etc. Total funding of 210 MSEK. 4 of total 19 centres shall be focused on bio technology.
- **Vinnväxt** – A competition for regions in Sweden with the aim to develop internationally competitive R&D environments. The winning regions will get up to 10 MSEK per year for a period of ten years.
- **SSF** – Two rounds of CoE programs with a budget of 50 MSEK per year.

The future for Sweden within life science

Sweden has a great potential to be a good player within the life science industry. Though, most of the relevant life science production as per today have their origin from R&D made many years ago and will not last forever. During the last ten years very few new innovations has reached the market. Thereto the competition has increased giving the Swedish players an even harder time to compete.

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