

BUSINESS SWEDEN



Exporting Digital Storage, a link to Sweden anywhere

We have all heard the phrase ‘Volvo, Made by Sweden’, which is the clever tagline created by the Forsman & Bodenfors agency in Sweden, when Volvo Cars was purchased by Geely. What you may not have heard yet is the term, ‘Data Centers by Sweden’. Data Centers by Sweden is the brain-child of Business Sweden and ten other regions and companies that comprise the Data Center cluster in Sweden.

A nation-wide investment promotion project managed by Business Sweden, ‘Data Centers by Sweden’ is on a mission to convince the world that Sweden is the perfect place to build your next \$500 million data center. It so happens that Sweden has the perfect mix of space, geo-stability, coldness, connectivity, affordable power and brainy people required to locate a data center.

While many may have recently heard that Peter Carlsson, previously with Tesla, is looking at building a Gigafactory in Sweden for somewhat similar reasons, the Data Center effort has been ongoing for a number of years. Facebook opened their center in 2014 in Luleå and Digiflex followed a year later outside Stockholm. Our neighbours are also interested in this business: Denmark is in the process of developing an Apple center, Finland already has a Google Center.

But not to worry, “this is a business just getting started” says Christoffer Svanberg, Chief Marketing Officer for Node Pole, a joint company between Skellefteå Kraft and Vattenfall. Tomas Sokolnicki, responsible for ICT & Swedish Data Center Initiative agrees, “we are expecting another 700 mega Data Centers in the next 10 years”, he says. “We would like Sweden to host a good share of those”.

The team was recently in the USA meeting with Data Center operators and selling Sweden as a suitable hosting provider with almost fossil-free energy.

The benefits for Sweden would be significant if the initiative succeeds. The total value of the economic impact until 2025 has been estimated by the group to be about \$5 billion. Given these big gains it is no wonder that a

number of regions and numerous utilities are joining the race.

This race just got a little more exciting on January 1st, 2017, when the Energy Tax rates for Data Centers were lowered from some \$32/MWh to just \$0.55/MWh. This means the Data Centers are now treated as other energy-intensive industries and, in combination with the low energy costs in Sweden, it makes them very cost effective to operate.

What about the downside of all these centers? Could the locals be apprehensive about the development? With only a few centers built so far, there have not been any negative implications to date. Instead builders, electricians, and programmers are all very busy and there is life coming back to the ‘glesbygd’. If the growth really takes off then there may come

a time when there will be a shortage of space, power or people... but this is still many years out.

For all Swedes in North America, this is a way of feeling a little closer to home. Chances are pretty good that your digital memories will be stored in a Data Center somewhere in Norrland, taking its strength and stability from Sweden, just like you.



Marina Thiry, member of The Green Grid and Tomas Sokolnicki Data Centers by Sweden



Tour of the brand new Ericsson Experience Center in Santa Clara. Photos © Annika Lehes

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