

Sweden plans to cut corporate tax

Written by Johan Nylander

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- [Sweden's GDP swells quicker than expected](#)

Sweden's finance minister Anders Borg has again flagged that he's looking at lowering corporate tax in Sweden in a move to persuade companies to keep operations in the Nordic country.

Anders Borg said at a meeting of the International Monetary Conference that the country needs to strengthen the competitiveness of its tax system, Dow Jones reports.

"Particularly lowering corporate taxation," he said.

At present Sweden's corporate tax rate is 26.3 percent. Anders Borg has highlighted that the U.K. has announced plans to cut its corporate tax rate to 23 percent by 2014.

Lower taxes is crucial to match cuts made elsewhere in Europe and persuade companies to keep operations in the Nordic country and pay taxes there.

In April Anders Borg said that he expects his country to have a much lower corporate tax rate in five to seven years.

Dow Jones said the government will address the issue in the 2013 budget plan it will present to parliament in September.

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Sweden escaped a recession last quarter after consumers and businesses drove growth in the largest Nordic economy. GDP expanded 0.8 percent in the three months through March after contracting a revised 1.0 percent the previous quarter. Annual growth accelerated to 1.5 percent from a revised 1.0 percent at the end of 2011.

“This shows that Sweden, after all, is incredibly resistant and that we’re not just an export-country but that we also have a strong domestic economy,” Knut Hallberg, an analyst at Swedbank, told Bloomberg.

“It looks as if the worst is behind us. The only thing that could pull the economy back into negative territory is if the euro crisis escalates in a significant way.”