

The pervasive image of Sweden as a high-tax country is incorrect, says the man who helped Ikea and Tetra Pak leave in the 1980's.

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One day in 1976, world famous author Astrid Lindgren, the creator of Pippi Longstocking, published the story "Pomperipossa in Monismania" in the Swedish newspaper Expressen. The story was a satire over the fact that she had to pay 102 percent of her income in taxes, and it is speculated that the debate that followed resulted in the first defeat in an election for the Social Democrats in 40 years.

The image of Sweden as a country with brutally high taxes has stuck with people around the world. But things have changed, at least if you ask Göran Grosskopf, the man who helped IKEA and Tetra Pak move their headquarters and ownership structures from Sweden due to tax reasons in the 1980's.

"Ownership of the companies would have remained in Sweden if the conditions then were comparable to what they are today", Grosskopf told the newsletter for the conference Transfer of Ownership in Private Business, which will take place in Stockholm on March 25-26.

Sweden's tax structure has changed significantly during recent years. The corporate tax at 26.3 percent is not high compared to other countries, and the taxes on personal wealth, gifts and inheritance have all been abolished.

"When I started working with this, inheritance tax within the immediate family was 50 percent. It drained companies. Even when the tax was lowered to 30 percent, the nominal amounts were still very high. Many business owners found it difficult to accumulate personal savings outside of the company, and it was difficult to create resources to finance the tax."

Today, Göran Grosskopf is the chairman of IKEA parent company Ingka Holding BV and construction corporation PEAB. According to him, Sweden today is a tax haven, except for

'Sweden is a tax haven'

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when it comes to income taxation. Grosskopf's advice to the Swedish government is clear: In order to attract international companies to the country, it must build confidence for a long-term tax policy.

"These are long-term decisions for companies, but for politicians it's only about their term in office."