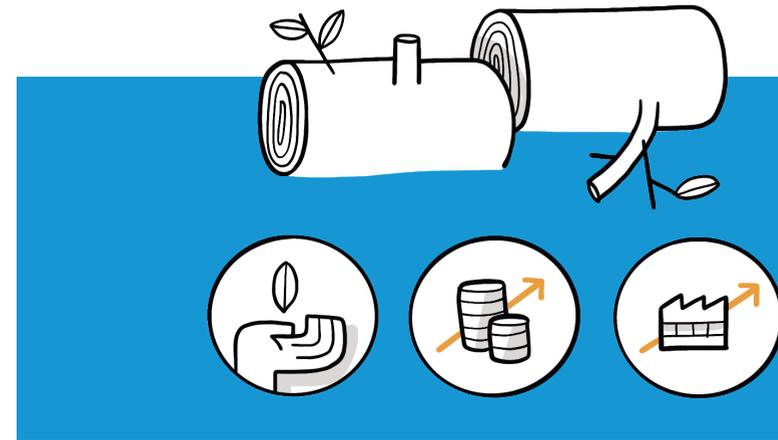
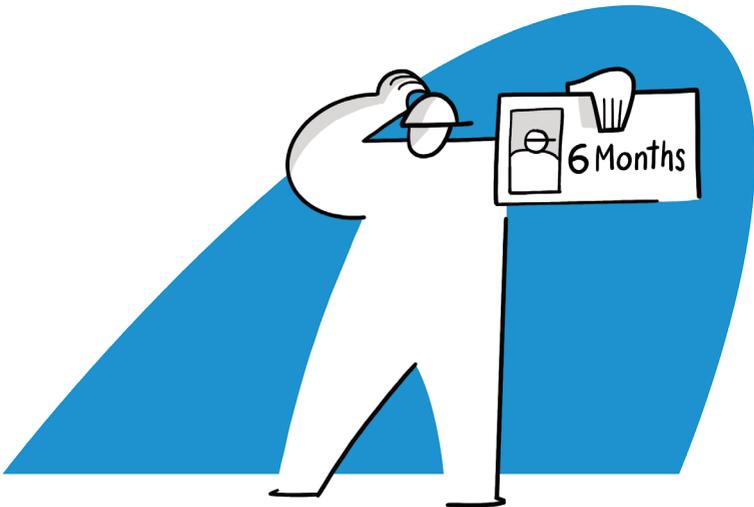


Norwegian wood, or how to boost business across borders in Scandinavia

'I once had a girl, or should I say she once had me. She showed me her room, isn't it good, Norwegian wood?...' We all may know the lines of the famous Beatles' song and indeed, wood construction has a long-standing tradition and is an essential part of life in both Norway and Sweden. Using wood in construction is beneficial, not only because it is a sustainable building material, but there is also a market potential and the opportunity to drive green growth in the Nordic region. Yet there are a number of barriers that both companies and workers in the construction field are facing today. Sweden and Norway have different building regulations and requirements for wood construction, which is at the heart of the issue, along with a lack of access to information on these regulations.



Jonas Hell, CEO and Co-Owner of Fridh & Hells Construction Company in Sweden, has staff who live in Sweden and perform work in Norway. However, the 6-month employment rule applies, which means that for longer projects, he must either replace the staff after six months or hire workers who live in Norway. Once the worker reaches the 6-month employment time limit, even if the project is not finished, the labour laws dictate that they must return to their country of residence; a practice that is making Jonas' projects on the other side of the border a difficult endeavour.

The different administrative procedures are also confusing for those trying to do business across the border, since finding out which rules apply in the other country is by no means an easy process. According to Jonas

“ **not knowing exactly what applies in a Norwegian tender is an inhibiting factor. Uncertainty arises if we “step outside the checklist” and do not know what the costs will be.** ”

For example, when a Norwegian company wants to do business in Sweden or vice-versa, some of the barriers they face include everything from financing, different bank rules, contracts, tender processes, permits, and more. Norway is part of the European Economic Area, which means the country is part of the internal market. The collaboration between Swedish and Norwegian customs at the EU border is excellent, setting the standard worldwide. However, companies doing cross-border business require even more practical information on how they can navigate the trade process.

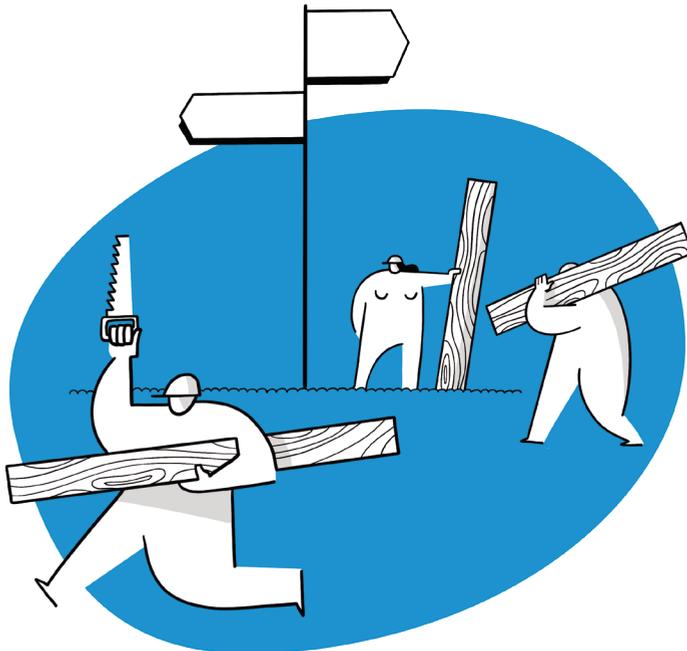
What are some of the potential solutions?

It is essential to harmonise the rules at the national level in each Nordic country, as the first step to eliminating some of the administrative and procedural barriers that companies face when doing business in this sector across the border. The main goal of harmonising the rules is to make it easier for companies to undertake construction projects on the other side of the border, hopefully overcoming the current barriers, and in this regard, further strengthening the sector and the small businesses that rely on it.

Work is also under way to implement a common platform for Nordic companies in the wood construction sector to provide information and help them navigate the cross-border process for doing business in the neighbouring countries.

How might the local or state authorities play a part in the solution?

The Svinesund Committee, as the cross-border cooperation entity representing local governments in the border region, aims to continue raising awareness of this issue at the local and national levels. In general, cross-border entities can play a role in implementing projects and pilot actions, as well as facilitating a common Nordic information portal. Local authorities can also help businesses by acting as facilitators and providing guidance on practical issues, such as obtaining permits, etc.



At the regional level, this is a priority topic for the Nordic Council of Ministers, but stronger political commitment is needed, along with agreements and concrete actions.

For those in the wood construction industry, like Jonas Hell, harmonising the rules will make doing business across borders easier, therefore boosting competition, jobs and eventually driving green growth.