

The Current State of the Swedish Submarine Industry

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With a rapidly changing industrial environment Europe, driven by macro-economics, economic reforms and the natural ebb-and-flow of business, some of the continent's industries are currently on the losing side of history. Among them, Sweden's submarine industry, which was promising 40 years ago, and is facing oblivion in the next few years.

If only for the quality of their cars, nobody in the world would ever mock Swedish engineers for their worth. As a historic industrial country, Sweden has a long tradition of brilliant minds and clever engineering ideas. Among the industries which were generated by this culture of creative and thorough minds, was the submarine industry. The earliest and most audacious Swedish pioneer was, of course, John Ericsson, one of the fathers of the modern submarine (and of many other inventions). In 1862, Ericsson designed the first ironclad battleship for the Union, pushing naval combat into a new era. He quickly turned to the submarine world, which was barely nascent, with his life-long friend and partner, Cornelius de Lamater, and adapted several inventions (such as shaft propellers) to submarines. Decades later, Sweden had continued on its tracks and in 1914, the national shipyards, Kockums, issued its first submarine, placing itself at the tip of military innovation. But despite a promising head start, the industry started declining in the 1970s and never managed to make its submarine industry self-standing.

In fact, Sweden's submarine shipyards never produced many submarines, and thrived post-war with the building of surface ships, not subs. Over the century of its existence, Sweden has only issued three types of subs – remarkably little compared to other sub-producing countries – and only partially in some cases, such as the Japanese Soryu-class and the Singapore Archer-class. In the 1950s and 1960s, business is booming for large-scale cargo ships, increasingly needed to support the development of global trade. The surface ship profits are a lifeline for the submarine division and provide the funds necessary for development. But the oil crisis in the 1970s hits the shipyards particularly hard. The abrupt slowdown and its strategic consequences is [described](#) by defense site Global Security:

“Sweden, which by 1980 had only two destroyers in commission, had gone farther than the other Nordic countries in renouncing large ships in favor of fast attack craft and submarines. The number of these latter two types had not increased since 1960, however, and, in fact, the submarine force had declined since 1974 from its previous average of 22 units to 14, despite the introduction of three Nacken-class submarines in 1979-80.”

Barely after having invested in the world's largest crane, business grinds to a halt and destroys even the cargo ship division's profitability – which the slow-growing submarine division needed desperately to survive.

Swedish submarines can be divided into two categories: national subs, and export subs. The national subs are the Gotland class, sailed at present by the Swedish navy. Though they belong to the older, diesel electric era, they are considered to be modern, and high-quality warships. In fact, Sweden was the only country which was able to virtually sink a US carrier, during 2005 war games. So, the Swedes were indeed capable of making good use of their subs – but that doesn't mean the Swedish submarine industry is healthy. Indeed, the export division shows the cancer within the industry. The only successful export submarine program was the Australian Collins class, which is deemed one of the worst in the world. In effect, the Swedish shipyards are able to produce good subs if they are placed on unlimited life-support by Stockholm. As a self-standing industry on the global market, it simply lacks the industrial capacity for quality outputs.

As an answer to this lack of industrial power, and in order to break the deadly spin of years with no contracts, Kockums partnered with German competitor ThyssenKrupp at the beginning of the century. Unfortunately, the partnership was peppered with political tension, [business trickery](#) and quickly escalated into an [international drama show](#). After its re-acquisition by Saab in 2013, Kockums was back under Swedish control, but the damage was done, and decades have now gone by without a Swedish sub being sold. Guardian reporter Leonore Taylor covered the Australian sub-replacement debate, and [reports](#):

“PM Tony Abbott has ridiculed Sweden's submarine-building capacity and Labor's suggestion that the country should have been included on Australia's submarine-purchasing shortlist, saying Sweden had only refurbished ageing submarines for the past 20 years and had not designed and built new ones.”

In such a sensitive industry, years of inactivity will severely damage the quality of the workforce and compromise the outcome of future programs. Despite desperate tries to acquire new contracts, Sweden may already have entered the vicious cycle of failure begetting failure, and no one can say if the Swedish sub industry will still be around in 10 years.

In other words, the Swedes are missing the show. The global market for non-nukes is booming, as [described](#) by SWJ defense reporter Daniel Michaels:

“For the first time since the cold war, the world sub fleet is growing. Driven by changing threats, surging global trade, and new technologies, countries are buying or upgrading subs, even as some scale back on land and air equipment”.

No matter how high the global demand, the Swedish shipyards will have a hard time picking up contracts with a production tool in its current state, as potential customers will fear facing the same quality problems as with the Australian Collins-class.

It is possible that, without knowing it, Sweden's submarine activity already be doomed. Much like a chess player who has run out of options but doesn't know it yet, the skeleton industry in Sweden may forbid any chance of recovery. Submarine programs have lifespans that spread throughout decades. Any potential clients, which would be much needed to revive and restore naval shipyards in Sweden, may fear that the industry may simply have disappeared in 20 years' time, which would cause the entire programs to collapse.

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