

Shameful shopping on the Swedish border

Nearly 45 percent of Norway's population lives within a two-hour drive of the Swedish border, and due to significant price differences, many Norwegians opt to travel across the border to purchase groceries instead of shopping at their local convenience stores. This has resulted in a negative impact on the Norwegian food and beverage industry and has been labeled as Norway's "trade leak" to Sweden by economists. The temporary closure of the borders during the COVID-19 pandemic led to an increase in employment throughout Norway's food and beverage industry. This employment boost served as evidence for politicians and stakeholders within the food industry that cross-border shopping has a detrimental impact on the country's employment situation.

Over the years, Norwegian Ministers of Agriculture, tasked with safeguarding Norwegian food production, have been consistently vocal about their position regarding cross-border shopping and various regulations have been implemented to make cross-border shopping less beneficial. In his attempt to stop the "trade leak" and prevent Norwegians from driving to Sweden to purchase groceries, chocolate, tobacco, and alcohol at lower prices, the 2002 Agricultural Minister Lars Sponheim described this type of shopping as "harry."

The term "Harry" is a derogatory Norwegian slang word that originated from the English name Harry. It can be translated to "cheesy" or "tacky," with the Norwegian Dictionary defining it as "tasteless."¹

This term was initially used by upper-class youth in Oslo at the beginning of the 20th century to describe working-class people who often gave their children English first names. In contrast, the middle and upper classes preferred Scandinavian or German names. English names were considered bad taste and were a phenomenon

¹ Bokmålsordboka. Språkrådet og Universitetet i Bergen. Retrieved from: <https://ordbokene.no/bm/70451> (26.04.2023).

of the working class, as there were no strong traditions of English names in Scandinavia at the time.

As the definition of good and bad taste is subject to fashion trends, there is no precise definition of what is considered "Harry." For instance, in the 1970s, the use of 1960s hair wax was considered Harry. In the 1980s, it was the 1970s flared pants that were deemed tasteless, and in the 1990s, anything associated with the 1980s fell under this category.

"Is it ok to put on your barbeque outfit and go to Sweden only to save a few cents on the sausages? I would never do it myself; it is hARRY." (Minister Sponheim, 2002)

In other words, the Minister tried to shame Norwegians who purchased their milk in Sweden instead of supporting local trade. A new Norwegian term was established, and a Google search for "harryhandel Sverige" (harry-shopping Sweden)" will give you more results than if you search for the general term "grensehandel Sweden" (cross-border shopping/trade Sweden).

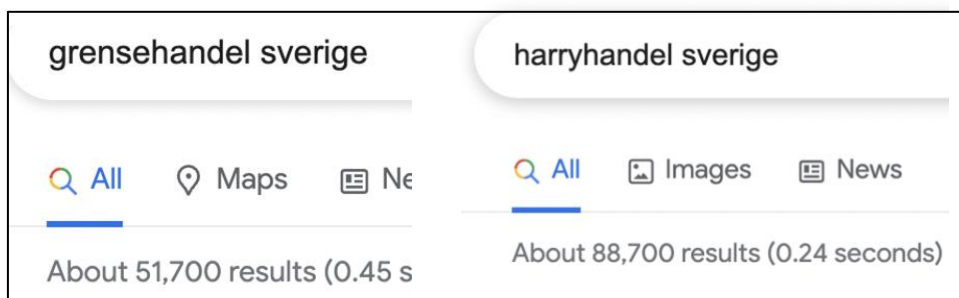


Figure 1, source: Google search

Norway's EEA agreement with the EU means that most foods, drinks, tobacco products, alcohol and other agricultural products are more expensive than they are within the EU, as customs duties are required to import them into Norwegian supermarkets. Not just that, but there is also a wider selection of products than in Norway due to laws that protect Norwegian products.

Norwegians spent 10,4 billion NOK (approximately 1 billion EUR) in 2022, which is still lower than it used to be before covid-19 broke out in 2019.

Figur 1. Grensehandel i millioner kroner. 2013-2022



Figure 2: Border trade rate in millions (2013-2022), source: SSB

Norwegian producers and supermarkets fear the impact of cross-border shopping being up and running again because their sales increased greatly during the pandemic. According to The Confederation of Norwegian Enterprise (NHO), Cross-border trade has developed from being a supplement to Norwegian consumers in the early 2000s to becoming a main competitor for the Norwegian food and drink industry. Furthermore, NHO points to obligations in the current political platform when criticizing the government for not doing enough to reduce cross-border trade.²

After Minister Sponheim introduced the term "Harry" in this specific context, a Swedish grocery shop promptly seized the opportunity and began offering gift cards worth NOK 1000 to every customer named Harry. Over the years, Swedish shopping centers located near the border have expanded in size and are specialized in meeting the needs of Norwegian customers. Swedish Chief Economist Robert Bergqvist has stated that although Norwegian cross-border trade is not a decisive factor, it is still significant for the Swedish economy, particularly in terms of retail trade and private consumption. He emphasized the critical impact of the temporary halt in Norwegian border shopping during the pandemic on Swedish border cities, where they experienced a loss in terms of income and employment rates within the food industry.³

² NHO (2023): "Grensehandel". Retrieved from <https://www.nhond.no/politikk/skatt--og-avgiftspolitik/saravgifter/grensehandel/> (26.04.23).

³ <https://e24.no/internasjonalt-oekonomi/i/GGojxq/svensk-sjefoekonom-haaper-regjeringen-aapner-grensen>

To put it simply, the positive and negative effects of cross-border shopping cancel each other out for both Norway and Sweden.

In response to the recent increase in food prices, the sitting Agricultural Minister Sandra Borch advised concerned Norwegian consumers to prioritize buying Norwegian products and avoid what she also referred to as "harry-shopping." However, despite the longstanding efforts of Norwegian politicians to discourage cross-border shopping, Norwegians continue to seek out cheaper goods in Sweden. Politicians attempting to shame shoppers by labeling them as "harry" has so far not been successful in curbing the practice. It seems that the allure of lower prices and a wider selection of products is simply too strong for many Norwegian consumers to resist.

As border shopping is a well-known phenomenon worldwide, the Norwegian government do consider learning from other countries and states in the current political platform that *"We will examine the cross-border trade issue in light of the lessons learned from the coronavirus pandemic and the successful approaches taken in other countries, such as Denmark. Based on this examination, we will propose specific measures that aim to reduce cross-border trade while bolstering the competitiveness of Norwegian businesses."*⁴ In the meantime, Norwegians dressed in harry barbecue attire continue to make trips to Sweden to purchase beer and sausages. Meanwhile, the NHO and other stakeholders within the Norwegian food and beverage industry are eagerly awaiting the implementation of government measures to address the issue.



The Svinesund bridge separates the Swedish municipality of Strömstad from the Norwegian municipality of Halden, and thus it is the border between Norway and Sweden in this region. Strömstad is one of the most popular shopping destinations for Norwegian border shoppers (Photo Håkon Aurlien).

⁴ <https://kommunikasjon.ntb.no/pressemelding/--ny-grensehandelsstatistikk-gir-grunnlag-for-a-folge-opp-hurdalsplattformen?publisherId=1769176&releasId=17936820>